FEDERAL REPUBLIC OF NIGERIA

ECONOMIC RECOVERY & GROWTH PLAN 2017-2020

Ministry of Budget
& National Planning

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CONTENTS

GLOSSARY

BoA	Bank of Agriculture
BPO	Business Process Outsourcing
BRICS	Brazil, Russia, India, China, South Africa
CACS	Commercial Agriculture Credit Scheme
CAPEX	Capital expenditure
CBN	Central Bank of Nigeria
CNG	Compressed Natural Gas
DBN	Development Bank of Nigeria
Disco	Electricity Distribution Company
EEG	Export Expansion Grant
EFCC	Economic and Financial Crimes Commission
ELPS	Escravos Lagos Pipeline System
EMT	Economic Management Team
ERGP	Economic Recovery and Growth Plan
FCT	Federal Capital Territory
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEEP	Government Enterprise and Empowerment Programme
GES	Growth Enhancement Support
GNI	Gross National Income
GW	Gigawatt
ICT	Information and Communication Technology
IPP	Independent Power Project
IPPIS	Integrated Payroll and Personnel Information System
JV	Joint Venture
LPG	Liquefied Petroleum Gas

Mbpd	Million barrels per day
MBNP	Ministry of Budget and National Planning
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MSMEs	Micro, Small and Medium Enterprises
MST	Ministry of Science and Technology
MTSS	Medium-Term Sector Strategy
N	Naira
NAIC	Nigerian Agricultural Insurance Corporation
NBS	National Bureau of Statistics
ERGP	Economic Recovery and Growth Plan
NHIS	National Health Insurance Scheme
NIIMP	National Integrated Infrastructure Master Plan
NIPC	Nigerian Investment Promotion Commission
NIRP	Nigeria Industrial Revolution Plan
NIRSAL	Nigeria Incentive-Based Risk Sharing System for Agricultural Lending
NNPC	Nigerian National Petroleum Company
NYSC	National Youth Service Corp
OB3	Obiafu-Obrikom-Oben pipeline
p.a.	Per annum
PEBEC	Presidential Enabling Business Environment Council
PMS	Premium Motor Spirit
PPP	Public-Private Partnership
R&D	Research and Development
RLTF	Recovered Loot Trust Fund
SDGs	Sustainable Development Goals
SIP	Strategic Implementation Plan

SMEs	Small and Medium Enterprises
STEM	Science, technology, engineering, and mathematics
TETFUND	Tertiary Education Trust Fund
TSA	Treasury Single Account
TVET	Technical and Vocational Education and Training
UN	United Nations
USD	United States Dollar
VAT	Value Added Tax

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EXECUTIVE SUMMARY

INTRODUCTION

Nigeria has the potential to become a major player in the global economy by virtue of its human and natural resource endowments. However, this potential has remained relatively untapped over the years. After a shift from agriculture to crude oil and gas in the late 1960s, Nigeria's growth has continued to be driven by consumption and high oil prices. Previous economic policies left the country ill-prepared for the recent collapse of crude oil prices and production. The structure of the economy remains highly import dependent, consumption driven and undiversified. Oil accounts for more than 95 per cent of exports and foreign exchange earnings while the manufacturing sector accounts for less than one percent of total exports. The high growth recorded during 2011-2015, which averaged 4.8 per cent per annum mainly driven by higher oil prices, was largely non-inclusive. Majority of Nigerians remain under the burden of poverty, inequality and unemployment. General economic performance was also seriously undermined by deplorable infrastructure, corruption and mismanagement of public finances. Decades of consumption and high oil price-driven growth led to an economy with a positive but jobless growth trajectory.

After more than a decade of economic growth, the sharp and continuous decline in crude oil prices since mid-2014, along with a failure to diversify the sources of revenue and foreign exchange in the economy, led to a recession in the second quarter of 2016. The challenges in the oil sector, including sabotage of oil export terminals in the Niger Delta, negatively impacted government revenue and export earnings, as well as the fiscal capacity to prevent the economy from contracting. The capacity of government spending was equally constrained by lack of fiscal buffers to absorb the shock, as well as leakages of public resources due to corruption and inefficient spending in the recent past.

The current administration recognizes that the economy is likely to remain on a path of steady and steep decline if nothing is done to change the trajectory. It is in this context that since inception in May 2015, Government has made several efforts aimed at tackling these challenges and changing the national economic trajectory in a fundamental way. The earliest action was the prioritization of three policy goals: tackling corruption, improving security and re-building the economy. Consequently, the Strategic Implementation Plan (SIP) for the 2016 Budget of Change was developed as a short-term intervention for this purpose. Visible successes and achievements have been recorded. However, it is recognized that more needs to be done to propel the country towards sustainable accelerated development.

The Economic Recovery and Growth Plan (ERGP), a Medium Term Plan for 2017 – 2020, builds on the SIP and has been developed for the purpose of restoring economic growth while leveraging the ingenuity and resilience of the Nigerian people – the nation's most priceless assets. It is also articulated with the understanding that the role of government in the 21st century must evolve from that of being an omnibus provider of citizens' needs into a force for eliminating the bottlenecks that impede innovation and market-based solutions. The Plan also recognises the need to leverage Science, Technology and Innovation (STI) and build a knowledge-based economy. The ERGP is also consistent with the aspirations of the Sustainable Development Goals (SDGs) given that the initiatives address its three dimensions of economic, social and environmental sustainability issues.

ERGP'S New Approach

The ERGP differs from previous plans in several ways. First, focused implementation is at the core of the delivery strategy of the Plan over the next four years. More than ever before, there is a strong political determination, commitment and will at the highest level. Whilst all the MDAs will have their different roles in implementing the Plan, a Delivery Unit is being established in the Presidency to drive the implementation of key ERGP priorities. The Ministry of Budget and National Planning will coordinate plan-implementation and for this purpose will, amongst other things, build up its capability for robust monitoring and evaluation.

Second, the Plan outlines bold new initiatives such as ramping up oil production to 2.5mbpd by 2020, privatizing selected public enterprises/assets, and revamping local refineries to reduce petroleum product imports by 60 percent by 2018. Other initiatives include environmental restoration projects in the Niger

Delta, which demonstrate the Federal Government's determination to bring environment sustainability to the forefront of its policies. As part of this Plan, oil revenues will be used to develop and diversify the economy, not just sustain consumption as was done in the past. The economy will run on multiple engines of growth, not just the single engine of oil. The Plan focuses on growth, not just for its own sake, but for the benefits it will bring to the Nigerian people. This Plan also places importance on emerging sectors such as the entertainment and creative industries.

Third, the ERGP builds on existing sectoral strategies and plans such as the National Industrial Revolution Plan, and the Nigeria Integrated Infrastructure Master Plan. Rather than re-inventing the wheel, the ERGP will strengthen the successful components of these previous strategies and plans while addressing challenges observed in their implementation.

Fourth, the ERGP is innovative in that it signals a changing relationship between the public and private sectors based on close partnership. In implementing the Plan, the Government will collaborate closely with businesses to deepen their investments in the agriculture, power, manufacturing, solid minerals and services sectors, and support the private sector to become the engine of national growth and development. In addition, science and technology will be effectively harnessed to drive national competitiveness, productivity and economic activities in all sectors.

Fifth, the current Administration has merged the Budget and Planning functions into one Ministry to create a better and stronger link between annual budgets and the ERGP. This has facilitated the ERGP's preparation process and will also expedite its implementation. It also strengthens the macro framework which underpins the ERGP, ensuring that budgets are properly aligned with planning, thus promoting effective implementation.

Finally, the ERGP provides for effective collaboration and coordination with the States to ensure that the Federal and State Governments work towards the same goals. The States have a significant role to play in the success of the ERGP and some have already adopted a number of the initiatives being promoted in this Plan.

The Vision of the ERGP

The vision of the ERGP is one of sustained inclusive growth. There is an urgent need as a nation to drive a structural economic transformation with an emphasis on improving both public and private sector efficiency. This is aimed at increasing national productivity and achieving sustainable diversification of production, to significantly grow the economy and achieve maximum welfare for the citizens, beginning with food and energy security. This Plan is a pointer to the type of Nigeria that the people desire in the short to medium-term, and encourages the use of science, technology and innovation to drive growth. It also provides a blueprint for the type of foundation that needs to be laid for future generations, and focuses on building the capabilities of the youth of Nigeria to be able to take the country into the future.

Principles of the ERGP

Several principles have driven the thinking and the development of this Plan:

- **Focus on tackling constraints to growth.** Economic growth in Nigeria faces various supply constraints including fuel, power, foreign exchange, and business unfriendly regulations. In addition, there is a shortage of requisite skills and appropriate technology necessary to drive growth. This Plan focuses on overcoming and resolving these challenges.

- **Leverage the power of the private sector.** Economic recovery and transformative growth cannot be achieved by the government alone. It is essential to harness the dynamism of business and the entrepreneurial nature of Nigerians, from the MSMEs to the large domestic and multinational corporations to achieve the objectives of this Plan. The Plan prioritizes the provision of a more business friendly economic environment.

- **Promote national cohesion and social inclusion.** Nigerians are the ultimate beneficiaries of more inclusive growth and therefore, the initiatives set out in this Plan are aimed at ensuring social inclusion and the strengthening of national cohesion.
- **Allow markets to function.** The ERGP recognizes the power of markets to drive optimal behaviour among market participants The Plan prioritises the use of the market as a means of resource allocation, where appropriate. However, the Plan also recognises the need to strengthen regulatory oversight to minimise market abuse.
- **Uphold core values.** The ERGP is rooted in the core values that define the Nigerian society as enshrined in the 1999 Constitution, notably discipline, integrity, dignity of labour, social justice, religious tolerance, self-reliance and patriotism. It requires all citizens and stakeholders to adhere to these principles.

BROAD OBJECTIVES OF THE PLAN

The ERGP has three broad strategic objectives that will help achieve the vision of inclusive growth outlined above: (1) restoring growth, (2) investing in our people, and (3) building a globally competitive economy.

Restoring Growth: To restore growth, the Plan focuses on achieving macroeconomic stability and economic diversification. Macroeconomic stability will be achieved by undertaking fiscal stimulus, ensuring monetary stability and improving the external balance of trade. Similarly, to achieve economic diversification, policy focus will be on the key sectors driving and enabling economic growth, with particular focus on agriculture, energy and MSME led growth in industry, manufacturing and key services by leveraging science and technology. The revival of these sectors, increased investment in other sectors, less reliance on foreign exchange for intermediate goods and raw materials and greater export orientation will improve macroeconomic conditions, restore growth in the short term and help to create jobs and bring about structural change.

Investing in our People: Economic growth is beneficial for society when it creates opportunities and provides support to the vulnerable. The ERGP will invest in the Nigerian people by increasing social inclusion, creating jobs and improving the human capital base of the economy.

- ***Social inclusion***. The Federal Government will continue to provide support for the poorest and most vulnerable members of society by investing in social programmes and providing social amenities. Targeted programmes will reduce regional inequalities, especially in the North East and Niger Delta.
- ***Job creation and youth empowerment***. Interventions to create jobs are a core part of the ERGP, which aims to reduce unemployment and under-employment, especially among youth. The ERGP accordingly prioritizes job creation through the adoption of a jobs and skills programme for Nigeria including deepening existing N-Power programmes, and launching other public works programmes. The partnership for job creation will also focus on the policies required to support growth and diversification of the economy by placing emphasis on Made-in-Nigeria, public procurement which takes account of local content and labour intensive production processes. All initiatives under job creation would prioritize youth as beneficiaries. Accordingly, all capacity building and skills acquisition interventions will be targeted at youth-dominated sectors such as ICT, creative industries, and services. Furthermore, concerted efforts would be made to encourage youth to venture into other labour intensive sectors such as agriculture and construction.
- ***Improved human capital***. The Federal Government will invest in health and education to fill the skills gap in the economy, and meet the international targets set under the UN's Sustainable Development Goals (SDGs). The ERGP will improve the accessibility, affordability and quality of healthcare and will roll out the National Health Insurance Scheme across the entire country. It will also guarantee access to basic education for all, improve the quality of secondary and tertiary education, and encourage students to enrol in science and technology courses.

Building a Globally Competitive Economy: Restoring Nigeria's economic growth and laying the foundations for long-term development requires a dynamic, agile private sector that can innovate and respond to global opportunities. The ERGP aims to tackle the obstacles hindering the competitiveness of Nigerian businesses, notably poor or non-existent infrastructural facilities and the difficult business environment. It will increase competitiveness by investing in infrastructure and improving the business environment.

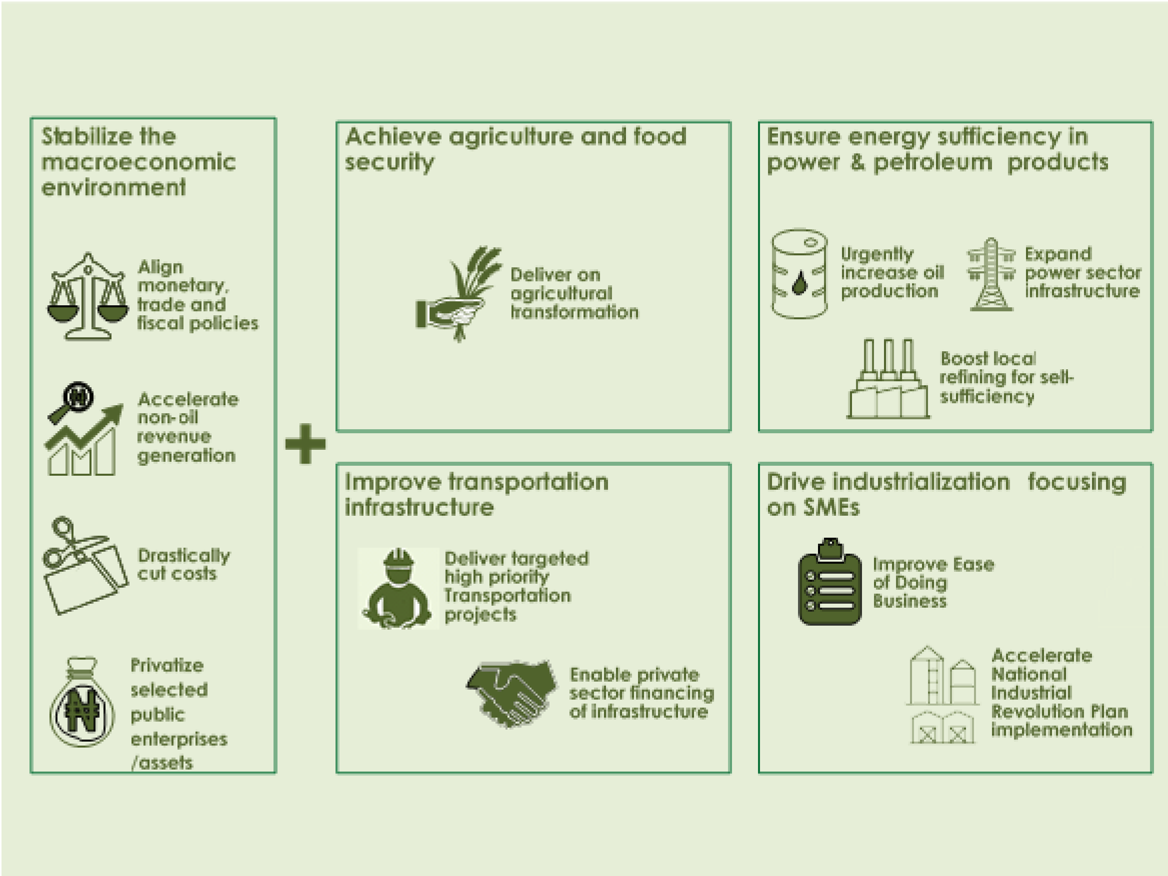
- ***Investing in infrastructure**:* The ERGP emphasizes investment in infrastructure, especially in power, roads, rail, ports and broadband networks. It builds on ongoing projects and identifies new ones to be implemented by 2020 to improve the national infrastructure backbone. Given the huge capital layout required to address the massive infrastructure deficit in the country, the private sector is expected to play a key role in providing critical infrastructure, either directly or in collaboration with the Government under public private partnership (PPP) arrangements.
- ***Improving the business environment**:* Nigeria's difficult and often opaque business environment adds to the cost of doing business, and is a disincentive to domestic and foreign investors alike. Regulatory requirements must be more transparent, processing times must be faster, the overall economy must be more business-friendly. The ERGP will build on the efforts of the Presidential Enabling Business Environment Council (PEBEC) and track progress using the metrics of the World Bank's Doing Business Report. The target is to achieve a top 100 ranking in the World Bank's Doing Business index by 2020 (up from the current ranking of 169).
- ***Promoting Digital-led growth***: To make the Nigerian economy more competitive in the 21st century global economy, its industrial policy must be linked to a digital-led strategy for growth. The ERGP will build on The Smart Nigeria Digital Economy Project to increase the contribution from ICT and ICT-enabled activity to GDP. The overall goals of a digital-led strategy for growth centre on the establishment of an ICT ecosystem in Nigeria. This is enabled through significantly expanding broadband coverage, increasing e-government, and establishing ICT clusters, starting in the SEZs. Government will also drive a programme to build the skills in this sector, focusing on training IT Engineers in software development, programming, network development and cyber security.

Key Execution Priorities

To achieve the objectives of the ERGP, the key execution priorities, as illustrated in Figure A, are:

- Stabilizing the macroeconomic environment
- Achieving agriculture and food security
- Ensuring energy sufficiency (power and petroleum products)
- Improving transportation infrastructure
- Driving industrialization focusing on Small and Medium Scale Enterprises

FIGURE A: ERGP'S TOP EXECUTION PRIORITIES



Macroeconomic Stability: To achieve the growth aspirations, the first requirement is a stable macroeconomic environment with low inflation, stable (market reflective) exchange rates and sustainable fiscal and external balances. This requires that monetary, trade and fiscal policies are well aligned to ensure coherence and effective coordination. The CBN will continue to work towards improving the operations of the foreign exchange market to enhance its liquidity. Non-oil revenue will be accelerated through improved tax and Customs administration, including introduction of tax on luxury items. This would ensure a more diversified fiscal revenue base away from the current dependence on crude oil and gas. Fiscal consolidation will also be pursued through cost cutting measures that include rationalization of overheads and recurrent expenditures and sub-national fiscal coordination. Selected public enterprises/ assets will be privatized to optimize their operational efficiency and reduce the fiscal burden on the government.

Agriculture and food security: Agriculture has contributed to GDP growth in Nigeria in a consistent manner. The sector grew by 4.88 percent in Q3 2016 and by as much as 13 per cent in previous years, suggesting immense unrealized potential. Investments in Agriculture can guarantee food security, have the potential to be a major contributor to job creation, and will save on the foreign exchange required for food imports. Successful harvests will also help to reduce inflation and promote economic diversification. ERGP focuses on the needs of the people by prioritizing food security as a critical national objective, and plans are already in place for national self-sufficiency in rice by 2018 and wheat by 2019/2020.

Energy (power and petroleum product sufficiency): The Energy sector is fundamental to development across all other sectors of the economy. The ERGP will address issues of energy from the perspective of electric power and the petroleum sector. With regard to the power value chain, efforts will be concentrated on overcoming the current challenges which relate to governance, funding, legal, regulatory, and pricing issues across the three main power segments of generation, transmission and distribution, and ensuring stricter contract and regulatory compliance. The ERGP aims to optimize the delivery of at least 10 GW of operational capacity by 2020 and to improve the energy mix including through greater use of renewable energy. The Plan also aims to increase power generation by optimizing operational capacity, encouraging small-scale projects, and building more capacity over the long term. Government will also invest in transmission infrastructure. With regard to the oil and gas sector, the intention is to increase the production of crude oil and gas while adding value in the downstream petroleum sector. The objectives are as follows:

- ***Urgently increase oil production****:* Restore production to 2.2 mbpd in the short term and 2.5 mbpd by 2020 to increase export earnings and government revenues by an additional N800 billion annually.
- ***Expand power sector infrastructure****:* Optimize the delivery of at least 10 GW of operational power capacity by 2020 to boost economic activity across all sectors and improve the quality of life of the citizenry.
- ***Boost local refining for self-sufficiency***. Reduce petroleum product *imports by 60 per cent by 2018, bec*ome a net exporter by 2020, save foreign exchange and prevent reversion to the fuel subsidy regime.

Transportation Infrastructure: Nigeria's transport infrastructure stock is inadequate for the size of the economy and constitutes a major cost and constraint for both large and small businesses. Investments in strengthening Nigeria's infrastructure will make a significant contribution towards building a competitive economy. Given the scale of the investment required, partnering with the private sector will be critical, and significant effort will go towards attracting private sector investment, and ensuring agreed execution priorities and timelines are effectively delivered.

Industrialization focusing on Small and Medium Scale Enterprises: The strengthening of small-scale businesses & the promotion of industrialization are priorities for economic recovery. Nigeria's manufacturing sector has been particularly vulnerable to the stagnant economic conditions. It contracted by 4.38 per cent in Q3 2016 largely due to the difficulty of accessing foreign exchange to import intermediate goods and raw materials, and falling consumer demand. This contraction is as a result of infrastructural bottlenecks and an uncompetitive business environment. The sector is expected to contribute to growth in the short term through policies to improve the usage of existing capacity, through increased availability of foreign exchange and greater domestic value addition. One major strategy is to accelerate implementation of the National Industrial Revolution Plan (NIRP) through Special Economic Zones (SEZs). The focus will be on priority sectors to generate jobs, promote exports, boost growth and upgrade skills to create 1.5 million jobs by 2020.

A revitalized manufacturing sector will create jobs, stimulate foreign exchange earnings and grow micro, small and medium enterprises (MSMEs). The involvement of small businesses in the service sector is a major lever for economic recovery. The service industry accounts for 53 per cent of GDP and contains key sectors that can contribute to short-term economic growth and longer-term structural change. While the telecommunications and information and communications technology services (ICT) sector grew in absolute terms by 9.26 per cent in Q3 of 2016, it offers huge scope for further growth, especially from opportunities in the digital economy. Creative industries, especially music and film, also have great growth potential, as do both financial services and tourism.

These five priorities are to be underpinned by a focus on governance and delivery, which have been identified as crucial to the successful implementation of the Plan. Transparent, effective and fair governance is being deepened through the continued fight against corruption, strengthening the security system, public service reform, and reinforcing sub-national coordination.

Across all of these areas, the ERGP lays out a total of 60 strategies that will collectively bring about the overall objective of inclusive growth through structural economic transformation. Each strategy has a clear set of activities associated with it and a budget allocation for which the responsibility lies with a Ministry, Department or Agency of the Federal Government.

The delivery mechanism will be a major determining factor in the successful implementation of the Plan. To this end, the implementation strategy focuses on prioritising the identified strategies, establishing a clear system of accountability for well-defined assignment of responsibilities, setting targets and developing detailed action plans, allocating resources to prioritised interventions, creating an enabling policy and regulatory environment, developing an effective monitoring and evaluation system to track progress, and using effective communication strategy.

MACROECONOMIC FRAMEWORK

The objectives outlined in the ERGP are underpinned by a robust Macroeconomic Framework that shows internal consistency between the real, fiscal, monetary and external sectors. A summary of projected selected macroeconomic indicators for 2016-2020 is provided in Table A.

Real GDP is projected to grow by 4.62 per cent on average over the plan period of 2017 – 2020, from an estimated contraction of 1.54 per cent in 2016. Real GDP growth is projected to improve significantly to 2.19 per cent in 2017, reaching 7 per cent at the end of the Plan period. This growth will be driven by a fiscal stimulus helped by an expected increase in oil prices, an increase in non-oil federal receipts, an increase in oil production, and resolution of payment arrears especially joint venture cash calls. In addition, increased growth in the non-oil sector especially agriculture, manufacturing, services and light industries will be central in overall GDP growth. The slight dip in growth in 2019 is projected to result from the general election in that year with a quick recovery the following year. The strong growth during the Plan period will be driven by agriculture and industry, and in the later parts of the Plan period by the services sector as well.

Industry in particular will benefit from the strong recovery and expansion of crude oil and natural gas production, as challenges in the oil-producing areas are overcome and investment in the sector increases. The average price of crude oil is expected to be USD42.50-52.00, while crude oil output is forecast to rise from about 1.8 mbpd in 2016 to 2.2 mbpd in 2017 and 2.5 mbpd by 2020. Electricity, gas and construction are also expected to fuel growth. The Government plans substantial infrastructure investment over the Plan period.

Strong recovery and growth in the manufacturing sector is also anticipated, particularly in agro-processing, and food and beverage manufacturing. Ongoing strategies to improve the ease of doing business will boost other manufacturing sector activities, including light manufacturing. From the estimated negative growth of 7.84 per cent in 2017, its growth is expected to rebound in subsequent years with annual average growth of 8.48 per cent over 2018 to 2020. Lastly, services will continue to grow at the rate of 2.5 per cent on average during the Plan period.

The Government will drive **fiscal stimulus** through a package of spending to stimulate private consumption and investments by businesses. This will also include dedicating at least 30 per cent of federal budget spending to capital expenditure. Implementing this stimulus will require enhancing the revenue base, including restoring oil production and accelerating non-oil revenue generation; consolidating and optimizing expenditure; improving debt management; and improving policy coordination. In addition, there are on-going initiatives to increase revenue via privatization of public enterprises/assets as well as tax review initiatives aimed at expanding the tax to GDP ratio. Both of these initiatives when completed will increase revenue and consequently reduce the financing deficit over the Plan period. **Monetary stability** will be promoted by curbing inflation, reducing domestic interest rates, strengthening the financial system and improved implementation of a flexible foreign exchange rate regime to support growth. Finally, the **external balance** will be tackled through expenditure switching policies to promote exports, support local production and reduce reliance on imported goods.

Table A – Selected Macroeconomic Projections, 2016-2020 (in per cent of GDP, unless otherwise specified)

	2016	2017	2018	2019	2020
REAL					
Real GDP Growth %	-1.54	2.19	4.80	4.50	7.00
of which...Agriculture %	4.69	5.03	7.04	7.23	8.37
of which...Industry %	-10.13	7.74	6.11	6.07	8.02
of which...Services %	-0.51	-1.26	3.16	2.45	5.82
Non Oil GDP %	-0.07	0.20	4.83	4.52	7.28
Oil GDP %	-15.41	24.30	4.55	4.35	4.45
Gross National Disposable Income (GNDI)	101.73	101.86	101.83	101.78	101.70
Gross National Income (GNI)	97.48	97.67	97.77	97.88	97.91
Gross National Savings	11.29	13.71	15.53	18.19	21.31
Total Consumption (C)	90.44	88.14	86.30	83.59	80.39
Private Consumption (Cp)	86.33	83.28	81.08	77.92	73.84
Government Consumption (Cg)	4.11	4.86	5.22	5.67	6.55
Gross Domestic Investment (I)	13.95	13.90	14.34	15.57	17.34
Government Investment (Ig)	3.53	3.71	3.15	2.89	2.76
Private Investment (Ip)	10.42	10.20	11.19	12.68	14.58
Inflation Rate %	18.55	15.74	12.42	13.39	9.90
Oil Price Benchmark US$	38.00	42.50	45.00	50.00	52.00
Oil Production (mbpd)	1.7	2.2	2.3	2.4	2.5
Labor Force growh rate %	3.66	3.92	4.37	3.98	4.09
Unemployment %	14.20	16.32	14.51	12.90	11.23
Unemployment inc underemployment rate%	32.77	33.51	31.88	29.65	26.92
EXTERNAL					
Current Account, n.i.e.	-1.84	0.65	1.96	2.59	2.89
Trade Balance	-0.31	1.80	2.85	3.26	3.42
Capital and Financial Accounts	1.02	1.32	1.35	1.28	1.34
of which: FDI	0.21	0.22	0.33	0.33	0.43
PI	0.85	1.14	1.06	0.98	0.95
Overall Balance	1.38	-2.11	-3.43	-3.99	-4.34
Net Factor Income Payments (Yf)	-2.52	-2.33	-2.23	-2.12	-2.09
Exports of goods and services (X)	9.01	10.82	11.52	11.39	11.66
.....of which exports of goods	*8.38*	*10.23*	*10.95*	*10.85*	*11.13*
Imports of goods and services (M)	-12.58	-12.03	-11.40	-10.58	-10.47
.....of which imports of goods	*-8.69*	*-8.43*	*-8.11*	*-7.59*	*-7.71*

Sources: MBNP, NBS, FMF and CBN

Table A (cont'd) – Selected Macroeconomic Projections, 2016-2020 (in per cent of GDP, unless otherwise specified)

FISCAL					
Revenue	3.95	4.68	4.30	4.61	4.46
.....of which oil	0.74	1.88	1.68	2.11	2.01
...of which non oil (inluding accrued government revenue & other government independent revenue)	3.22	2.80	2.62	2.50	2.45
Non-debt recurrent expenditure	2.40	2.49	2.22	2.02	2.03
Interest payments	1.40	1.58	1.64	1.59	1.54
Expenditure	6.21	6.92	6.27	5.85	5.57
Capital Expenditure	1.63	1.95	1.54	1.42	1.41
Primary Balance	-0.86	-0.66	-0.33	0.35	0.42
Deficit (-) or Surplus (% GDP)	-2.26	-2.23	-1.96	-1.24	-1.12
Financing					
Domestic (% of financing)	53.68	53.21	34.38	20.57	26.06
Foreign (% of financing)	28.80	45.30	65.62	79.43	71.66
Other Financing (% of financing)	17.52	0.00	0.00	0.00	0.00
Use of Cash Balances (% of financing)	0.00	1.49	0.00	0.00	2.28
Primary balance (% of GDP)	-0.84	-2.80	-6.19	-4.33	-6.08
MONETARY (yoy %)					
Net Domestic Credit (NDC) YOY growth rate	33.32	10.26	14.72	18.20	19.88
Government (NDCg) YOY growth rate	12.30	14.23	9.16	8.66	10.71
Private (DCp) YOY growth rate	30.74	10.68	14.12	17.21	19.00
M2 Growth YOY growth rate	22.18	22.89	20.06	21.84	19.52
Income Velocity	4.32	3.80	3.46	3.12	2.83

Sources: MBNP, NBS, FMF and CBN

OUTLOOK FOR THE PLAN

By 2020, Nigeria will have made significant progress towards achieving structural economic change and having a more diversified and inclusive economy. Overall, the Plan is expected to deliver on the following key outcomes:

Stable Macroeconomic Environment: The inflation rate is projected to trend downwards from the current level of almost 19 per cent to single digits by 2020. It is also projected that the exchange rate will stabilize as the monetary, fiscal and trade policies are fully aligned. This outcome will be achieved through policies that seek to remove uncertainty in the exchange rate and restore investors' confidence in the market.

Restoration of Growth: Real GDP is projected to grow by 4.6 percent on average over the Plan period, from an estimated contraction of 1.54 percent recorded in 2016. Real GDP growth is projected to improve significantly to 2.19 per cent in 2017, reaching 7 per cent at the end of the Plan period in 2020. The strong recovery and expansion of crude oil and natural gas production will result as challenges in the oil-producing areas are overcome and investment in the sector increases. Crude oil output is forecast to rise from about 1.8 mbpd in 2016 to 2.2 mbpd in 2017 and 2.5 mbpd by 2020. Relentless focus on electricity and gas will also drive growth and expansion in all other sectors.

Agricultural transformation and food security: Agriculture will continue to be a stable driver of GDP growth, with an average growth rate of 6.9 per cent over the Plan period. The Agricultural sector will boost growth by expanding crop production and the fisheries, livestock and forestry sub-sectors as well as developing the value chain. Investment in agriculture will drive food security by achieving self-sufficiency in tomato paste (in 2017), rice (in 2018) and wheat (in 2020). Thus, by 2020, Nigeria is projected to become a net exporter of key agricultural products, such as rice, cashew nuts, groundnuts, cassava and vegetable oil.

Power and petroleum products sufficiency: The ERGP aims to achieve 10 GW of operational capacity by 2020 and to improve the energy mix, including through greater use of renewable energy. The country is projected to become a net exporter of refined petroleum products by 2020.

Improved Stock of Transportation Infrastructure: By placing transportation infrastructure as one of its key execution priorities, effective implementation of this Plan is projected to significantly improve the transportation network (road, rail and port) in Nigeria by 2020. Given the scale of investment required to deliver this outcome, strong partnership with the private sector is expected to result in completion of strategic rail networks connecting major economic centres across the country, as well as improved federal road networks, inland waterways and airports.

Industrialized Economy: Strong recovery and growth in the manufacturing, SMEs and services sectors are also anticipated, particularly in agro-processing, and food and beverage manufacturing. Ongoing strategies to improve the ease of doing business will boost all manufacturing sector activities. Overall, the ERGP estimates an average annual growth of 8.5 per cent in manufacturing, rising from -5.8 per cent in 2016 to 10.6 per cent by 2020.

Job Creation and youth empowerment: The implementation of the Plan is projected to reduce unemployment from 13.9 per cent as of Q3 2016 to 11.23 per cent by 2020. This translates to the creation of over 15 million jobs during the Plan horizon or an average of 3.7 million jobs per annum. The focus of the job creation efforts will be youth employment, and ensuring that youth are the priority beneficiaries.

Improved Foreign Exchange Inflows: The reduction in the importation of petroleum products resulting from improvement in local refining capacity following the implementation of the ERGP is projected to reduce demand for foreign exchange. The economic diversification focus of the Plan is also projected to translate into enhanced inflows of foreign exchange from the non-oil sector.

On the whole, Nigeria is expected to witness stability in exchange rate and the entire macroeconomic environment. The country should also witness a major improvement in economic performance which should result in the following, amongst others: a) reduction in importation of food items and refined petroleum products, b) improved power supply, c) higher quality transport infrastructure, d) expansion in the level of industrial production, e) improved competitiveness, f) greater availability of foreign exchange, g) job creation, h) reduction in poverty and i) greater inclusiveness in the spread of the benefits of economic growth.

1 INTRODUCTION

Nigeria has the potential to become a major player in the global economy by virtue of its human and natural resource endowments. However, this potential has remained relatively untapped over the years. After a shift from agriculture to crude oil and gas in the late 1960s, Nigeria's growth has continued to be driven by consumption and high oil prices. Previous economic policies left the country ill-prepared for the recent collapse of crude oil prices and production. The structure of the economy remains highly import dependent, consumption driven and undiversified. Oil accounts for more than 95 per cent of exports and foreign exchange earnings while the manufacturing sector accounts for less than one percent of total exports. The high growth recorded during 2011-2015, which averaged 4.8 per cent per annum, mainly driven by higher oil prices, was largely non-inclusive. Majority of Nigerians remain under the burden of poverty, inequality and unemployment. General economic performance was also seriously undermined by deplorable infrastructure, corruption and mismanagement of public finances. Decades of consumption and high oil price-driven growth led to an economy with a positive but jobless growth trajectory.

After more than a decade of economic growth, the sharp and continuous decline in crude oil prices since mid-2014, along with a failure to diversify the sources of revenue and foreign exchange in the economy, led to a recession in the second quarter of 2016. The challenges in the oil sector, including sabotage of oil export terminals in the Niger Delta, negatively impacted government revenue and export earnings, as well as the fiscal capacity to prevent the economy contracting. The capacity of government spending was equally constrained by lack of fiscal buffers to absorb the shock, as well as leakages of public resources due to corruption and inefficient spending in the recent past.

The current administration recognizes that the economy is likely to remain on a path of steady and steep decline if nothing is done to change the trajectory. It is in this context that since inception in May 2015, Government has made several efforts aimed at tackling these challenges and changing the national economic trajectory in a fundamental way. The earliest action was the prioritization of three policy goals: tackling corruption, improving security and re-building the economy. Consequently, the Strategic Implementation Plan (SIP) for the 2016 Budget of Change was developed as a short-term intervention for this purpose. Visible successes and achievements have been recorded. However, it is recognized that more needs to be done to propel the country towards sustainable accelerated development.

The Economic Recovery and Growth Plan (ERGP), a Medium Term Plan for 2017 – 2020, builds on the SIP and has been developed for the purpose of restoring economic growth while leveraging the ingenuity and resilience of the Nigerian people – the nation's most priceless assets. It is also articulated with the understanding that the role of government in the 21st century must evolve from that of being an omnibus provider of citizens' needs into a force for eliminating the bottlenecks that impede innovation and market-based solutions. The Plan also recognises the need to leverage Science, Technology and Innovation (STI) and build a knowledge-based economy. The ERGP is also consistent with the aspirations of the Sustainable Development Goals (SDGs), given that the initiatives address its three dimensions of economic, social and environmental sustainability issues.

Nigeria aspires to have a rapidly growing economy with diversified sources of growth, increased opportunities for its people, and a socially inclusive economy that reduces poverty and creates jobs for the millions of young people entering the labour market annually. To achieve these objectives the Federal Government of Nigeria is determined to provide the leadership required to establish a well-governed society with stable macroeconomic conditions, and a dynamic, competitive environment that enables the private sector to thrive.

The ERGP was developed through a consultative process comprising retreats, seminars and round tables with a cross-section of Nigerians. It involved discussions within the Executive, with the National Assembly, the private sector, civil society groups, academia, and international development partners. These public engagements enabled frank and open discussions about the challenges and opportunities for the Nigerian economy in the immediate and medium term.

The ERGP aims to restore sustained economic growth while promoting social inclusion and laying the foundations for long-term structural change. It will focus on providing macroeconomic stability, stimulating priority sectors and tackling critical constraints to long-term growth.

This Plan provides details of the current economic situation that underscore the scale of the challenge and the urgency of the actions required. It lays out stable and coherent macroeconomic policies to restore Nigeria to growth, and outlines the sectors that the Federal Government will prioritize because of their potential to drive growth and contribute to GDP growth, their ability to respond strongly to stimulus, the flexibility of their production methods and their capacity to innovate and generate large-scale employment.

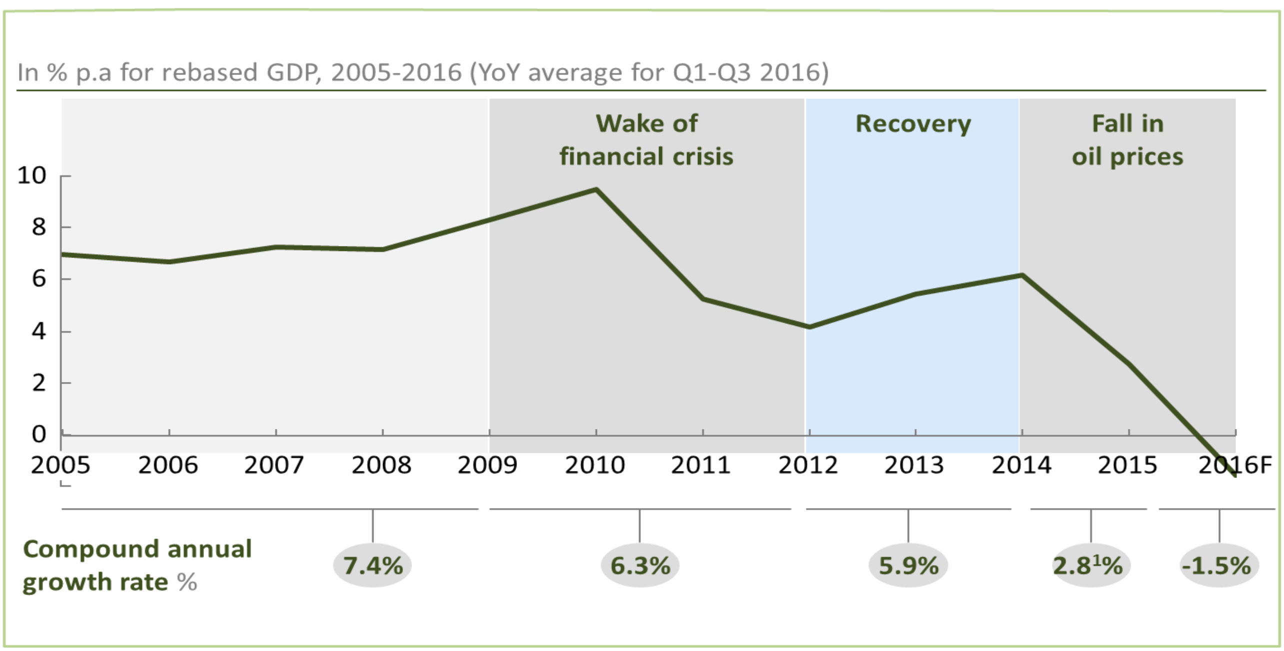
First-class infrastructure and an economic environment that supports the private sector and enables it to expand, take risk and employ people are essential to achieve Nigeria's aspirations for a dynamic, competitive economy. The ERGP's proposed strategies include improving the national infrastructure backbone (power, roads, railways, airports and seaports) and reducing the transaction cost of doing business by streamlining processes and speed of delivery in the regulatory environment. The ERGP lays out programmes and policies to achieve the Federal Government's objective of reducing poverty and enabling all areas of society to benefit from available economic opportunities. This requires a healthy, educated citizenry able to establish businesses that create jobs, a hardworking and productive workforce, and Government policies to tackle poverty, hunger and inequality.

Finally, the Plan articulates how the Federal Government will combat corruption, promote good governance, ensure security and reform the public service, and deliver, monitor, evaluate and communicate the progress against the plan.

1.1 RATIONALE FOR THE ECONOMIC RECOVERY AND GROWTH PLAN

After more than a decade of steady progress, economic growth has slowed because of both external and internal challenges. Externally, the global economy has remained fragile and flat since the onset of the global financial and economic crisis in 2008. With the slowing of growth in China, commodity prices have declined sharply with oil prices plummeting from as high as USD114 per barrel to as low as USD28 per barrel between 2014 and 2016. This has had a severe negative impact on the growth rate of Nigeria's economy, which recovered slightly immediately after the global crisis but fell back sharply again in tandem with crude oil prices (Figure 1.1).

Figure 1.1: Real GDP Growth Rate, 2005-2016



1 Growth for 2015

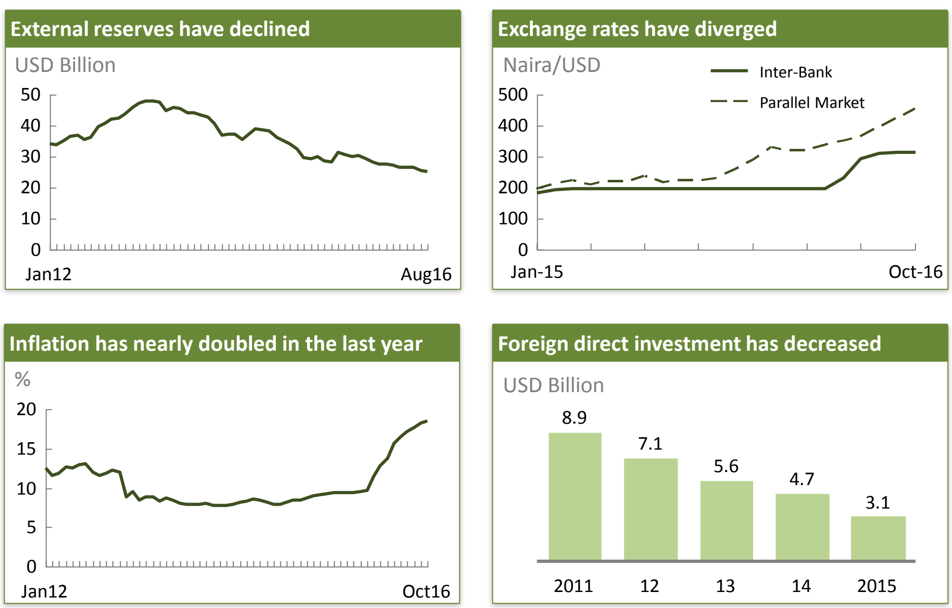
SOURCE: NBS

The Nigerian economy is characterized by structural challenges that limit its ability to sustain growth, create jobs and achieve real poverty reduction. The economy is highly dependent on a single commodity for economic activities, fiscal revenues and foreign exchange – oil – and must import raw materials and intermediate goods to sustain the manufacturing sector. The economy is also skewed towards consumption rather than investment, with gross domestic investment (GDI) to GDP ratio hovering at 13-14 per cent.

In the 10 years between 2005 and 2015, Nigeria's GDP grew at an average 6.3 per cent. In 2016, the economy entered into a recession with GDP contracting by 0.36 per cent in the first quarter, 2.1 per cent in the second quarter and 2.2 per cent in the third quarter. The forecast growth for 2016 overall is -1.54 per cent. Inflation soared from 9.5 per cent (December 2015) to 18.5 per cent (November 2016) as the combined result of currency depreciation, higher energy prices and high cost of inputs (Figure 1.2).

Nigeria's economy is highly dependent on the oil and gas sector. Although the sector accounts for just 10 per cent of GDP, it represented 94 per cent of export earnings and 62 per cent of Government revenues (Federal and State) in 2011-2015. Foreign exchange reserves declined from USD32 billion in January 2015 to USD25 billion in November 2016 (from a high of USD53 billion in 2008). As a result, the naira depreciated sharply, losing almost half of its value against the dollar. Similarly, foreign direct investment (FDI) declined sharply from a peak of USD8.9 billion in 2011 to USD3.1 billion in 2015 and did not recover in 2016(Figure 1.2).

Figure 1.2: Nigeria's challenging macroeconomic environment



Source: CBN; IMF; MBNP; NBS

Falling oil revenues widened the Federal Government deficit from N1.2 trillion in 2013 to N1.4 trillion in 2015, and an estimated N2.2 trillion in 2016. States in particular have been badly hit by the oil price shock; in 2015, 40 per cent of States were running a deficit of more than 30 per cent of their revenues. Fiscal sustainability is therefore a critical challenge for Nigeria.

But Nigeria's challenges are not only economic.

On the social side, poverty and social exclusion rates are high. About 61 per cent of the population lives on USD1 or less a day. Human development indicators paint a bleak picture of Nigeria's health and education systems. The country has the fourth-highest infant mortality rate in the world, and nearly 55 per cent of this is attributable to malnutrition. Nigeria's primary school net enrolment rate is 54 per cent and 10 million children of school age do not attend school.

Unemployment is high, especially among youth. Nigeria has 17.6 million unemployed/underemployed youth who account for about 22 per cent of the labour force (Q2 2016). Unless additional jobs are created as a matter of extreme urgency, these numbers will increase dramatically over the next five years as the 45 per cent of the population under 15 years enters the work force.

The country also faces governance challenges. Nigeria ranked 169 out of 190 countries in the World Bank's 2017 Doing Business index, 44 places lower than in 2010. Paying taxes, enforcing contracts and trading across borders are among the areas where Nigeria performs poorly and this has a negative impact on tax revenue, investor confidence and mobility of goods.

Businesses in Nigeria cite poor infrastructure – the lack of reliable power supply and transportation – as a critical challenge. The total value of Nigeria's infrastructure stock represents only 35 per cent of GDP, compared to 45-90 per cent in BRICS[1] countries. Insufficient investment in maintenance means that only one-third of the country's installed power capacity is operational while the quality and coverage of roads is inadequate.

Governance - policy design, execution and oversight - requires review. Corruption and security issues – terrorism, insurgency, piracy, oil theft – are of serious concern and constitute major barriers to economic growth and social development.

Since its inception in May 2015, the current Administration has made several efforts aimed at tackling these challenges and changing the national economic trajectory in a fundamental way. The earliest action was prioritization of three policy goals. These are tackling corruption, improving security and re-building the economy. The Strategic Implementation Plan (SIP) for the 2016 Budget of Change was developed as a short-term intervention targeted against these goals (Box 1.1), and provides a basis for the development of the ERGP.

Box 1.1: The Strategic Implementation Plan (SIP)

The SIP aims to restore macroeconomic stability, grow and diversify the economy, make the business environment more competitive, and improve the country's governance and security. In this short span of time, the Federal Government has successfully acted in the following areas to:

Macroeconomic stability

- Liberalize the exchange rate regime to ease pressure on external reserves.
- Liberalize the downstream sector by deregulating prices for premium motor spirit (PMS) to save USD4.5 million daily by eliminating subsidy claims.
- Disburse over N1 trillion to State governments to cover salary arrears and stimulate economic activity.
- Ensure full implementation of the Treasury Single Account to provide greater visibility on Government revenue and cash flows.
- Create the Efficiency Unit to optimize public finance management and ensure efficient utilization of Government revenues.
- Strengthen implementation of an integrated payroll system and eliminate over 65,000 unjustified

[1] Brazil, Russia, India, China, and South Africa

entries.

Economic growth and diversification

- Move Nigeria towards becoming self-sufficient in food production, particularly in rice (e.g., rice yield has increased from 3.5 to 7.5 tons per hectare with a plan to increase milled rice capacity from 3 to 10 million tons annually).
- Launch and implement the Anchor Borrowers Programme to lift thousands of small farmers out of poverty and generate millions of jobs for unemployed Nigerians.
- Promote the *Made in Nigeria* campaign to encourage local production and import substitution.

Competitiveness and business environment

- Set up the Presidential Enabling Business Environment Council (PEBEC). The Council is already working with various stakeholders (State Governments, Ministries, Departments and Agencies, Federal Inland Revenue Service, Nigeria Immigration Service, Nigeria Customs Administration, World Bank) to improve company registration systems, tax payment, electricity connections, construction permit systems, customs procedures and people mobility.
- Maintain capital spending at a minimum of 30 per cent in the 2016 budget to fund infrastructure spending (up from 10 per cent in 2015).
- Sign agreements with solar companies so as to add 1.1GW to the national grid.
- Complete the Abuja-Kaduna passenger rail services and sign-off the Lagos-Ibadan leg of the Lagos-Kano and the Calabar-Port Harcourt leg of the Calabar-Lagos railway projects.

Governance and security

- Intensify the fight against corruption and increase the recovery and repatriation of stolen assets.
- Relocate the Nigerian Military Command Centre to Maiduguri (May 2015) a big factor in the success of the fight against Boko Haram and commit USD100 million to the Multinational Joint Task Force for the fight against Boko Haram. This was followed by a coordinated effort by para-military including Nigerian Police and Nigeria Security and Civil Defence Corps to maintain the peace attained, and Nigerian Immigration Service to strengthen border security.
- Win the Peace: After the Military winning the war, by degrading and dismantling the structures of Boko Haram, the strategic plan to "win" the peace has been led by the Ministry of Interior through the deployment of Nigerian Police, Nigeria Security and Civil Defence Corps and other Services to ensure the establishment of civil authority.
- Promote the rule of law by respecting property rights and adhering to legal provisions for transparency and accountability for government procurement and spending.

1.2 GOVERNING PRINCIPLES OF THE ERGP

The ERGP is guided by five overarching principles.

Focus on tackling constraints to growth. Economic growth in Nigeria faces various supply constraints including fuel, power, foreign exchange, and business unfriendly regulations. In addition, there is a shortage of requisite skills and appropriate technology necessary to drive growth. This Plan focuses on overcoming and resolving these challenges.

Leverage the power of the private sector. Economic recovery and transformative growth cannot be achieved by the government alone. It is essential to harness the dynamism of business and the entrepreneurial nature of Nigerians, from the MSMEs to the large domestic and multinational corporations to achieve the objectives of this Plan. The Plan prioritizes the provision of a more business friendly economic environment.

Promote national cohesion and social inclusion. Nigerians are the ultimate beneficiaries of more inclusive growth and therefore, the initiatives set out in this Plan are aimed at ensuring social inclusion and the strengthening of national cohesion.

Allow markets to function. The ERGP recognizes the power of markets to drive optimal behaviour among market participants. The Plan prioritises the use of the market as a means of resource allocation, where appropriate. However, the Plan also recognises the need to strengthen regulatory oversight to minimise market abuse.

Uphold core values. The ERGP is rooted in the core values that define the Nigerian society as enshrined in the 1999 Constitution, notably discipline, integrity, dignity of labour, social justice, religious tolerance, self-reliance and patriotism. It requires all citizens and stakeholders to adhere to these principles.

1.3 ERGP'S New Approach

The ERGP differs from previous plans in several ways. First, focused implementation is at the core of the delivery strategy of the Plan over the next four years. More than ever before, there is a strong political determination, commitment and will at the highest level. Whilst all the MDAs will have their different roles in implementing the Plan, a Delivery Unit is being established in the Presidency to drive the implementation of key ERGP priorities. The Ministry of Budget and National Planning will coordinate plan-implementation and for this purpose will, amongst other things, build up its capability for robust monitoring and evaluation.

Second, the Plan outlines bold new initiatives such as ramping up oil production to 2.5mbpd by 2020, privatizing selected public enterprises/assets, and revamping local refineries to reduce petroleum product imports by 60 percent by 2018. Other initiatives include environmental restoration projects in the Niger Delta, which demonstrate the Federal Government's determination to bring environment sustainability to the forefront of its policies. As part of this Plan, oil revenues will be used to develop and diversify the economy, not just sustain consumption as was done in the past. The economy will run on multiple engines of growth, not just the single engine of oil. The Plan focuses on growth, not just for its own sake, but for the benefits it will bring to the Nigerian people. This Plan also places importance on emerging sectors like the entertainment and creative industries.

Third, the ERGP builds on existing sectoral strategies and plans such as the National Industrial Revolution Plan, and the Nigeria Integrated Infrastructure Master Plan. Rather than re-inventing the wheel, the ERGP will strengthen the successful components of these previous strategies and plans while addressing challenges observed in their implementation.

Fourth, the ERGP is innovative in that it signals a changing relationship between the public and private sectors based on close partnership. In implementing the Plan, the Government will collaborate closely with businesses to deepen their investments in the agriculture, power, manufacturing, solid minerals and services sectors, and support the private sector to become the engine of national growth and development. In addition, science and technology will be effectively harnessed to drive national competitiveness, productivity and economic activities in all sectors.

Fifth, the current Administration has merged the Budget and Planning functions into one Ministry to create a better and stronger link between annual budgets and the ERGP. This has facilitated the ERGP's preparation process and will also expedite its implementation. It also strengthens the macro framework which underpins the ERGP, ensuring that budgets are properly aligned with planning, thus promoting effective implementation.

Finally, the ERGP provides for effective collaboration and coordination with the States to ensure that the Federal and State Governments work towards the same goals. The States have a significant role to play in the success of the ERGP and some have already adopted a number of the initiatives being promoted in this Plan.

1.4 THE VISION AND STRATEGIC OBJECTIVES OF THE ERGP

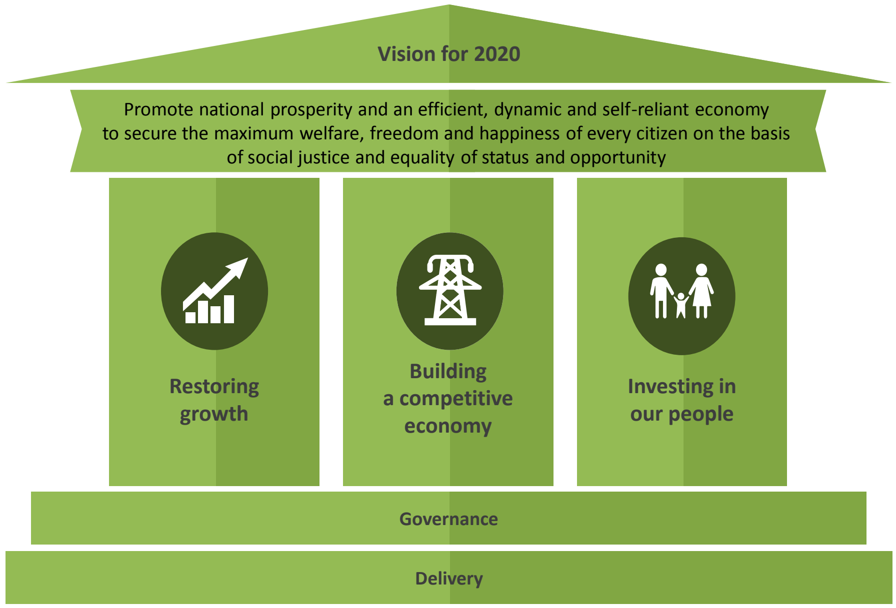
The ERGP is both a recovery and a growth plan. The Government recognizes the economic challenges that Nigeria faces and the need for urgent action. This plan is a blueprint for recovery in the short term and a strategy for sustained growth and development in the long term.

The vision of ERGP is one of sustained inclusive growth. There is an urgent need as a nation to drive a structural economic transformation with an emphasis on improving both public and private sector efficiency. This is aimed at increasing national productivity and achieving sustainable diversification of production, to significantly grow the economy and achieve maximum welfare for the citizens, beginning with food and energy security. This Plan is a pointer to the type of Nigeria that the people desire in the short to medium-term, and extensively leverages science, technology and innovation to drive growth. It also provides a blueprint for the type of foundation that needs to be laid for future generations, and focuses on building the capabilities of the Nigerian youth to be able to take the country into the future.

The ERGP will contribute to achieving the national aspirations and vision set out in the 1999 Constitution by seeking to *promote national prosperity and an efficient, dynamic and self-reliant economy to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity*[2]. To this end, and in conformity with the national aspirations set out in the Constitution and previous vision and plan documents, the ERGP has three broad strategic objectives: (1) restoring growth, (2) investing in our people, and (3) building a globally competitive economy (Figure 1.3).

[2] Constitution of the Federal Republic of Nigeria, 1999, Chapter II, Section 16

Figure 1.3: Vision and objectives of the ERGP



Restoring Growth: To restore growth, the Plan focuses on achieving macroeconomic stability and economic diversification. Macroeconomic stability will be achieved by undertaking fiscal stimulus, ensuring monetary stability and improving the external balance of trade. Similarly, to achieve economic diversification, policy focus will be on the key sectors driving and enabling economic growth, with particular focus on agriculture, energy and MSME-led growth in industry, manufacturing and key services by leveraging science and technology. The revival of these sectors, increased investment in other sectors, reduced need for foreign exchange for intermediate goods and raw materials, and greater export orientation will improve macroeconomic conditions, restore growth in the short term and help to create jobs and bring about structural change.

Investing in our People: Economic growth is beneficial for society when it creates opportunities and provides support to the vulnerable. The ERGP will invest in the Nigerian people by increasing social inclusion, creating jobs and improving the human capital base of the economy.

- *Social inclusion*. The Federal Government will continue to provide support for the poorest and most vulnerable members of society by investing in social programmes and providing social amenities. Targeted programmes will reduce regional inequalities, especially in the North East and Niger Delta.

- *Job creation and youth empowerment*. Interventions to create jobs are a core part of the ERGP, which aims to reduce unemployment and under-employment, especially among the youth. The ERGP accordingly prioritizes job creation through the adoption of a jobs and skills programme for Nigeria including deepening existing N-Power programmes, and launching other public works programmes. The partnership with the private sector and sub-national governments for job creation will also focus on the policies required to support growth and diversification of the economy by placing emphasis on Made-in-Nigeria, public procurement which takes account of local content and labour intensive production processes. All initiatives under job creation would prioritize youth as beneficiaries. Accordingly, all capacity building and skills acquisition interventions will be targeted at youth-dominated sectors such as ICT, creative industries, and services. Furthermore, concerted efforts will be made to encourage youth to venture into other labour intensive sectors such as agriculture and construction.

- *Improved human capital.* The Federal Government will invest in health and education to fill the skills gap in the economy, and meet the international targets set under the UN's Sustainable Development Goals (SDGs). The ERGP will improve the accessibility, affordability and quality of healthcare and expand coverage of the National Health Insurance Scheme across the entire country. It will also guarantee access to basic education for all, improve the quality of secondary and tertiary education, and encourage students to enrol in science and technology courses.

Building a Globally Competitive Economy: Restoring Nigeria's economic growth and laying the foundations for long-term development requires a dynamic, agile private sector that can innovate and respond to global opportunities. The ERGP aims to tackle the obstacles hindering the competitiveness of Nigerian businesses, notably poor or non-existent infrastructural facilities and the difficult business environment. It will increase competitiveness by investing in infrastructure and improving the business environment.

- *Investing in infrastructure:* The ERGP emphasizes investment in infrastructure, especially in power, roads, rail, ports and broadband networks. It builds on ongoing projects and identifies new ones to be implemented by 2020 to improve the national infrastructure backbone. Given the huge capital layout required to address the massive infrastructure deficit in the country, the private sector is expected to play a key role in providing critical infrastructure, either directly or in collaboration with the Government under public private partnership (PPP) arrangements.

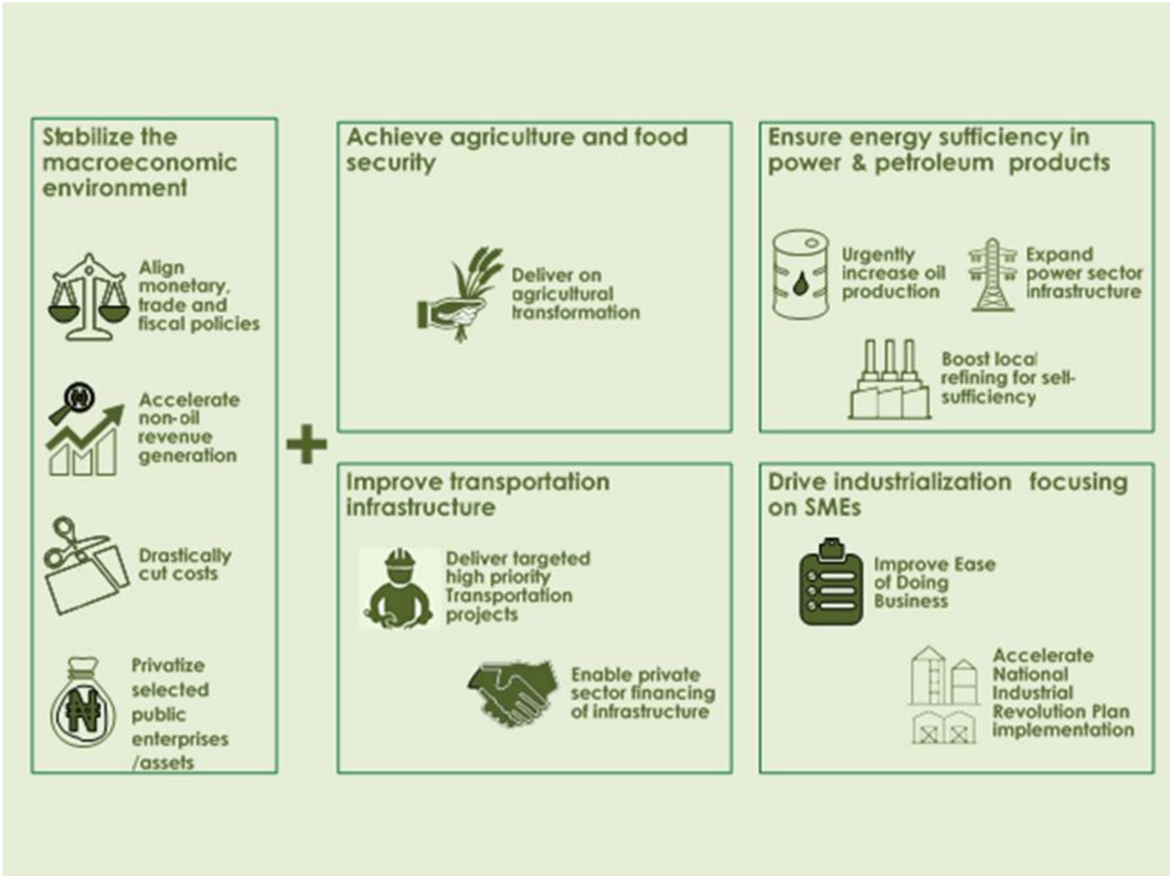
- *Improving the business environment:* Nigeria's difficult and often opaque business environment adds to the cost of doing business, and is a disincentive to domestic and foreign investors alike. Regulatory requirements must be more transparent, processing times must be faster, the overall economy must be more business-friendly. The ERGP will build on the efforts of the Presidential Enabling Business Environment Council (PEBEC) and track progress using the metrics of the World Bank's Doing Business Report. The target is to achieve a top 100 ranking in the World Bank's Doing Business index by 2020 (up from the current ranking of 169).

Key Execution Priorities

To achieve the objectives of the ERGP, the key execution priorities, as illustrated in Figure 1.4, are:

- Stabilizing the macroeconomic environment
- Achieving agriculture and food security
- Ensuring energy sufficiency (power and petroleum products)
- Improving transportation infrastructure
- Driving industrialization focusing on Small and Medium Scale Enterprises

Figure 1.4: ERGP'S Top Execution Priorities



Macroeconomic Stability: To achieve the growth aspirations, the first requirement is a stable macroeconomic environment with low inflation, stable (market reflective) exchange rates and sustainable fiscal and external balances. This requires that monetary, trade and fiscal policies are well aligned to ensure coherence and effective coordination. The Federal Government, through the CBN, will continue to work towards improving the operations of the foreign exchange market to enhance its liquidity. Non-oil revenue will be accelerated through improved tax and Customs administration, including introduction of tax on luxury items. This would ensure a more diversified fiscal revenue base away from the current dependence on crude oil and gas. Fiscal consolidation will also be pursued through cost cutting measures that include rationalization of overheads and recurrent expenditures and sub-national fiscal coordination. Selected public enterprises/assets will be privatized to optimize their efficiency and reduce fiscal burden on the government.

Agriculture and food security: Agriculture has contributed to GDP growth in Nigeria in a consistent manner. The sector grew by 4.88 percent in Q3 2016, suggesting immense unrealized potential. Investments in Agriculture can guarantee food security, have the potential to be a major contributor to job creation, and will save on the foreign exchange required for food imports. Successful harvests will also help to reduce inflation and promote economic diversification. ERGP focuses on the needs of the people by prioritizing food security as a critical national objective, and plans are already in place for national self-sufficiency in rice by 2018 and wheat by 2019/2020.

Energy (power and petroleum product sufficiency): The Energy sector is fundamental to development across all other sectors of the economy. The ERGP will address issues of energy from the perspective of electric power and the petroleum sector. With regard to the power value chain, efforts will be concentrated on overcoming the current challenges which relate to governance, funding, legal, regulatory, and pricing issues across the three main power segments of generation, transmission and distribution, and ensuring stricter contract and regulatory compliance. The ERGP aims to achieve 10 GW of operational capacity by 2020 and to improve the energy mix including through greater use of renewable energy. The Plan also aims to increase power generation by optimizing operational capacity, encouraging small-scale projects, and building more capacity over the long term. Government will also invest in transmission infrastructure. With regard to the oil and gas sector, the intention is to increase the production of crude oil and gas while adding value in the downstream petroleum sector. The objectives are as follows:

- *Urgently increase oil production:* Restore production to 2.2 mbpd in the short term and 2.5 mbpd by 2020 to increase export earnings and government revenues by an additional N800 billion annually.
- *Expand power sector infrastructure:* Optimize the delivery of at least 10 GW of operational power capacity by 2020 to boost economic activity across all sectors and improve the quality of life of the citizenry.
- *Boost local refining for self-sufficiency.* Reduce petroleum product imports by 60 per cent by 2018, become a net exporter by 2020, save foreign exchange and prevent reversion to the fuel subsidy regime.

Transportation Infrastructure: Nigeria's transport infrastructure stock is inadequate for the size of the economy and constitutes a major cost and constraint for both large and small businesses. Investments in strengthening Nigeria's infrastructure will make a significant contribution towards building a competitive economy. Given the scale of the investment required, partnering with the private sector will be critical, and significant effort will go towards attracting private sector investment, and ensuring agreed execution priorities and timelines are effectively delivered.

Industrialization focusing on Small and Medium Scale Enterprises: The strengthening of small-scale businesses & the promotion of industrialization are priorities for economic recovery. Nigeria's manufacturing sector has been particularly vulnerable to the stagnant economic conditions. It contracted by 4.38 per cent in Q3 2016 largely due to the difficulty of accessing foreign exchange to import intermediate goods and raw materials, and falling consumer demand. This contraction is as a result of infrastructural bottlenecks and an uncompetitive business environment. The sector is expected to contribute to growth in the short term through policies to improve the usage of existing capacity, through increased availability of foreign exchange and greater domestic value addition. One major strategy is to accelerate implementation of the National Industrial Revolution Plan (NIRP) through Special Economic Zones (SEZs). The focus will be on priority sectors to generate jobs, promote exports, boost growth and upgrade skills to create 1.5 million jobs by 2020.

A revitalized manufacturing sector will create jobs, stimulate foreign exchange earnings and grow micro, small and medium enterprises (MSMEs). The involvement of small businesses in the service sector is a major lever for economic recovery. The service industry accounts for 53 per cent of GDP and contains key sectors that can contribute to short-term economic growth and longer-term structural change. While the telecommunications and information and communications technology services (ICT) sector grew in absolute terms by 9.26 per cent in Q3 of 2016, it offers huge scope for further growth, especially from opportunities in the digital economy. Creative industries, especially music and film, also have great growth potential, as do both financial services and tourism.

These five priorities are to be underpinned by a focus on governance and delivery, which have been identified as crucial to the successful implementation of the Plan. Transparent, effective and fair governance is being deepened through the continued fight against corruption, strengthening the security system, public service reform, and reinforcing sub-national coordination.

Across all of these areas, the ERGP lays out a total of 60 strategies that will collectively bring about the overall objective of inclusive growth through structural economic transformation. Each strategy has a clear set of activities associated with it and a budget allocation for which the responsibility lies with a Ministry, Department or Agency of the Federal Government.

The delivery mechanism will be a major determining factor in the successful implementation of the Plan. To this end, the implementation strategy focuses on prioritising the identified strategies, establishing a clear system of accountability for well-defined assignment of responsibilities, setting targets and developing detailed action plans, allocating resources to prioritised interventions, creating an enabling policy and regulatory environment, developing an effective monitoring and evaluation system to track progress, and using effective communication strategy.

2 RESTORING GROWTH – MACROECONOMIC STABILITY

2.1 MACROECONOMIC OBJECTIVES

A coherent and stable macroeconomic environment is a pre-requisite for sustained growth. It prevents the negative impact of uncertainty and enables businesses to plan their production, investment and consumption activities.

Following the recent drop in oil prices, Nigeria's macroeconomic environment has become more volatile. Public finances for Federal, State and Local governments are stretched, with revenues decreasing and deficits increasing. Foreign exchange reserves have declined and the gap between the official and parallel market exchange rates has widened. Inflation has soared, albeit at a slower rate in the second half of 2016, and unemployment rates have risen.

The ERGP sets out to restore macroeconomic stability. It aims to pull the economy out of the current recession and re-launch it on a path of sustained economic growth, while stabilizing the monetary, external, and fiscal environments and creating enough jobs to reduce the rate of unemployment.

There are three possible scenarios for the Nigerian economy going forward, each of which has different implications for the goals of early economic recovery, creating jobs and boosting inclusive and sustainable growth (Table 2.1).

1. **Do nothing**. The Federal Government undertakes no macroeconomic or structural reforms and continues to conduct business as usual in the hope that oil prices recover. Given the high direct and indirect effects of oil prices on the current economic structure and the fact that they are likely to remain low, the economy would continue to contract in the short term and growth would be close to zero by 2020. Net job growth would remain weak and unemployment would rise from an estimated 14.2 per cent at the end of 2016 to 31.3 per cent by 2020. Poverty would remain high, increasing from the current rate of 61 per cent to 65-70 per cent in 2020. Income per capita would decline as total GDP stays relatively flat while the population grows.
2. **Introduce basic macroeconomic reforms**. The Federal Government introduces some basic reforms to clarify the monetary policy stance and improve fiscal and external balances. It does not undertake structural reforms. This implies that the structure of the economy would remain largely dependent on the oil sector. The reforms would encourage a modest short-term recovery and real GDP growth of approximately 3.8 per cent by 2020. This scenario would create about 3 million jobs but unemployment/underemployment rates would increase to 25 per cent by 2020 as the pace of job creation would not be high enough to meet the rising number of youth entering the labour force each year. Poverty rates would remain relatively constant but population growth would increase the number of people living below the poverty line.
3. **Implement the ERGP**. The Federal Government implements macroeconomic and structural reforms and the bold initiatives contained in this Plan. This would involve substantially increasing public and private investment, prioritizing support for sectors with comparative and competitive advantages, tackling obstacles to doing business, providing high-quality infrastructure and promoting social inclusion. The economy would recover strongly and GDP growth would reach 7 per cent, driven by strong non-oil sector growth (7.28 per cent in 2020) and steady expansion of the agriculture, manufacturing and services sectors. Approximately 15 million net jobs would be created and poverty would decline from 61 per cent to 50-55 per cent by 2020.

Table 2.1: Three growth scenarios

	2017	2018	2019	2020
Scenario 1: Do nothing				
GDP growth (in per cent)	-0.5	0.1	0.6	-0.5
Per capita GDP (USD)	1315	1935	2,532	2,517
Unemployment per cent	19.2	23.7	26.17	31.3
Net job creation (million)	-	-	-	-
Scenario 2: **Introduce basic macroeconomic reforms**				
GDP growth (in per cent)	0.6	1.6	3.2	3.8
Per capita GDP (USD)	1634	2138	2,673	2,764
Unemployment per cent	18.5	21.3	23.9	25.0
Net job creation (million)	0.5	1.1	1.1	1.3
Scenario 3: **Implement the ERGP**				
GDP growth (in per cent)	2.2	4.8	4.5	7.0
Per capita GDP (USD)	2,542	2640	2,731	2,854
Unemployment per cent	16.32	14.51	12.90	11.23
Net job creation (million)	1.5	3.8	4.3	5.1

Source: MBNP and NBS

Scenario 3 is the only viable option if Nigeria is to restore its economy to a path of sustainable and inclusive growth, create sufficient jobs to reduce unemployment and poverty, improve social inclusion, and remain on course to achieve international development targets, such as the UN SDGs.

2.2 MACROECONOMIC FRAMEWORK

Table 2.2 summarizes the projected macroeconomic indicators for 2016-2020 under Scenario 3. To achieve the growth aspirations, the first requirement is a stable macroeconomic environment with low inflation, stable exchange rates and sustainable fiscal and external balances. This requires that the four main macroeconomic elements– the real sector, fiscal policy, monetary policy, and the external sector (balance of payments)– reflect the Plan and are all aligned and internally consistent.

Table 2.2: Selected Macroeconomic Projections, 2016-2020 (in per cent of GDP, except otherwise specified)

	2016	2017	2018	2019	2020
REAL					
Real GDP Growth %	-1.54	2.19	4.80	4.50	7.00
of which...Agriculture %	4.69	5.03	7.04	7.23	8.37
of which...Industry %	-10.13	7.74	6.11	6.07	8.02
of which...Services %	-0.51	-1.26	3.16	2.45	5.82
Non Oil GDP %	-0.07	0.20	4.83	4.52	7.28
Oil GDP %	-15.41	24.30	4.55	4.35	4.45
Gross National Disposable Income (GNDI)	101.73	101.86	101.83	101.78	101.70
Gross National Income (GNI)	97.48	97.67	97.77	97.88	97.91
Gross National Savings	11.29	13.71	15.53	18.19	21.31
Total Consumption (C)	90.44	88.14	86.30	83.59	80.39
Private Consumption (Cp)	86.33	83.28	81.08	77.92	73.84
Government Consumption (Cg)	4.11	4.86	5.22	5.67	6.55
Gross Domestic Investment (I)	13.95	13.90	14.34	15.57	17.34
Government Investment (Ig)	3.53	3.71	3.15	2.89	2.76
Private Investment (Ip)	10.42	10.20	11.19	12.68	14.58
Inflation Rate %	18.55	15.74	12.42	13.39	9.90
Oil Price Benchmark US$	38.00	42.50	45.00	50.00	52.00
Oil Production (mbpd)	1.7	2.2	2.3	2.4	2.5
Labor Force growh rate %	3.66	3.92	4.37	3.98	4.09
Unemployment %	14.20	16.32	14.51	12.90	11.23
Unemployment inc underemployment rate%	32.77	33.51	31.88	29.65	26.92
EXTERNAL					
Current Account, n.i.e.	-1.84	0.65	1.96	2.59	2.89
Trade Balance	-0.31	1.80	2.85	3.26	3.42
Capital and Financial Accounts	1.02	1.32	1.35	1.28	1.34
of which: FDI	0.21	0.22	0.33	0.33	0.43
PI	0.85	1.14	1.06	0.98	0.95
Overall Balance	1.38	-2.11	-3.43	-3.99	-4.34
Net Factor Income Payments (Yf)	-2.52	-2.33	-2.23	-2.12	-2.09
Exports of goods and services (X)	9.01	10.82	11.52	11.39	11.66
.....of which exports of goods	*8.38*	*10.23*	*10.95*	*10.85*	*11.13*
Imports of goods and services (M)	-12.58	-12.03	-11.40	-10.58	-10.47
.....of which imports of goods	*-8.69*	*-8.43*	*-8.11*	*-7.59*	*-7.71*

Sources: MBNP, NBS, FMF and CBN

Table 2.2 (contd) – Selected Macroeconomic Projections, 2016-2020 (in per cent of GDP, unless otherwise specified)

FISCAL					
Revenue	3.95	4.68	4.30	4.61	4.46
.....of which oil	0.74	1.88	1.68	2.11	2.01
...of which non oil (inluding accrued government revenue & other government independent revenue)	3.22	2.80	2.62	2.50	2.45
Non-debt recurrent expenditure	2.40	2.49	2.22	2.02	2.03
Interest payments	1.40	1.58	1.64	1.59	1.54
Expenditure	6.21	6.92	6.27	5.85	5.57
Capital Expenditure	1.63	1.95	1.54	1.42	1.41
Primary Balance	-0.86	-0.66	-0.33	0.35	0.42
Deficit (-) or Surplus (% GDP)	-2.26	-2.23	-1.96	-1.24	-1.12
Financing					
Domestic (% of financing)	53.68	53.21	34.38	20.57	26.06
Foreign (% of financing)	28.80	45.30	65.62	79.43	71.66
Other Financing (% of financing)	17.52	0.00	0.00	0.00	0.00
Use of Cash Balances (% of financing)	0.00	1.49	0.00	0.00	2.28
Primary balance (% of GDP)	-0.84	-2.80	-6.19	-4.33	-6.08
MONETARY (yoy %)					
Net Domestic Credit (NDC) YOY growth rate	33.32	10.26	14.72	18.20	19.88
Government (NDCg) YOY growth rate	12.30	14.23	9.16	8.66	10.71
Private (DCp) YOY growth rate	30.74	10.68	14.12	17.21	19.00
M2 Growth YOY growth rate	22.18	22.89	20.06	21.84	19.52
Income Velocity	4.32	3.80	3.46	3.12	2.83

Sources: MBNP, NBS, FMF and CBN

2.3 THE REAL SECTOR

Between 2011 and 2015, Nigeria's economy grew steadily, achieving average annual growth of 4.8 per cent. The non-oil sector fuelled economic growth; it accounted for 90.4 per cent of total GDP and grew by an average 5.8 per cent a year. The biggest contributors in the non-oil sector include services (53.2 per cent of GDP, including retail and wholesale trade), agriculture (23.1 per cent of GDP), and manufacturing (9.5 per cent of GDP). In contrast, the oil sector, representing only 9.6% of total GDP, contracted by 4.5 per cent a year on average (Table 2.3)

Table 2.3: Sectoral contribution to GDP and GDP Growth Rates (Real)

Sector	Contribution to GDP (N trillion, 2015)	Contribution to GDP (per cent, 2015)	Average annual growth rate 2011-2015 (per cent)
Services	36.8	53.2	5.8
Agriculture	16.0	23.1	4.1
Manufacturing	6.6	9.5	13.3
Construction& real estate	2.7	3.9	11.4
Utilities	0.4	0.5	11.4
Solid minerals	0.1	0.1	14.7
Non-Oil Sector	**63.0**	**90.4**	**5.8**
Oil and gas	**6.6**	**9.6**	**-4.5**
Total	**69.0**	**100.0**	**4.8**

Source: NBS

Continued dependence on crude oil exports as a primary source of foreign exchange earnings makes the Nigerian economy vulnerable to domestic and external shocks from the oil and gas sector. Indeed, although the oil and gas sector represents about 10 per cent of total GDP, it still accounts for 94 per cent of export earnings and 62 per cent of Government revenues. Diversification of the economy must therefore extend to finding other sources of revenue and foreign exchange earnings.

Table 2.4: Selected macroeconomic (national account) indicators, 2016-2020

Billion Naira	2016	2017	2018	2019	2020
Gross National Disposable Income (GNDI)	99,233.68	107,467.08	117,392.35	129,113.29	139,667.78
Net Current Transfers (TRf)	4,146.14	4,412.54	4,678.93	4,945.33	5,211.73
Gross National Income (GNI)	95,087.54	103,054.55	112,713.41	124,167.96	134,456.06
Net Primary Income from Abroad (Yf)	(2,458.45)	(2,453.95)	(2,571.74)	(2,687.47)	(2,875.59)
Gross Domestic Product (GDP)	97,545.99	105,508.49	115,285.15	126,855.43	137,331.64
Total Consumption (C)	88,224.01	92,997.39	99,487.21	106,032.22	110,399.21
Private Consumption (Cp)	84,210.51	87,870.66	93,474.67	98,843.77	101,404.25
Government Consumption at cpv (Cg)	4,013.50	5,126.73	6,012.54	7,188.45	8,994.96
Gross Domestic Investment (I)	13,603.35	14,670.77	16,533.99	19,748.66	23,811.17
Government Investment(Ig)	3,441.15	3,912.54	3,633.55	3,660.15	3,784.45
FGN	1,587.60	2,058.99	1,780.00	1,806.60	1,930.90
SNG	1,853.55	1,853.55	1,853.55	1,853.55	1,853.55
Private Investment (Ip)	10,162.20	10,758.23	12,900.43	16,088.51	20,026.72
Exports of goods and services (X)	8,788.34	11,420.26	13,285.26	14,451.38	16,013.59
…..of which exports of goods	8,177.00	10,793.64	12,628.56	13,765.13	15,279.29
Imports of goods and services (M)	(12,269.87)	(12,693.65)	(13,138.62)	(13,418.95)	(14,381.42)
…..of which imports of goods	(8,475.59)	(8,899.37)	(9,344.34)	(9,624.67)	(10,587.14)
Real GDP	67,960.96	69,447.74	72,781.23	76,056.38	81,380.33
Real GDP Growth	(1.54)	2.19	4.80	4.50	7.00
of which Agriculture	4.69	5.03	7.04	7.23	8.37
of which Indutry	(10.13)	7.74	6.11	6.07	8.02
of which Services	(0.51)	(1.26)	3.16	2.45	5.82
Non Oil GDP	-0.07	0.20	4.83	4.52	7.28
Oil GDP	-15.41	24.30	4.55	4.35	4.45
Inflation Rate	18.55	15.74	12.42	13.39	9.90
National Savings Growth %	19.67	5.85	4.26	5.30	1.18
Gross National Disposable Income (GNDI) % of GDP	101.73	101.86	101.83	101.78	101.70
Net Current Transfers (TRf) % of GDP	4.25	4.18	4.06	3.90	3.79
Gross National Income (GNI) % of GDP	97.48	97.67	97.77	97.88	97.91
Net Factor Income Payments (Yf) % of GDP	(2.52)	(2.33)	(2.23)	(2.12)	(2.09)
Total Consumption (C) % of GDP	90.44	88.14	86.30	83.59	80.39
Private Consumption (Cp)	86.33	83.28	81.08	77.92	73.84
Government Consumption (Cg) % of GDP	4.11	4.86	5.22	5.67	6.55
Gross Domestic Investment (I) % of GDP	13.95	13.90	14.34	15.57	17.34
Government Investment (Ig) % of GDP	3.53	3.71	3.15	2.89	2.76
Private Investment (Ip) % of GDP	10.42	10.20	11.19	12.68	14.58
Exports of goods and services (X) % of GDP	9.01	10.82	11.52	11.39	11.66
…..of which exports of goods % of GDP	8.38	10.23	10.95	10.85	11.13
Imports of goods and services (M) % of GDP	(12.58)	(12.03)	(11.40)	(10.58)	(10.47)
…..of which imports of goods % of GDP	(8.69)	(8.43)	(8.11)	(7.59)	(7.71)
Gross National Savings % of GDP	11.29	13.71	15.53	18.19	21.31
Total National Balance (BAL=S-I)	(2.66)	(0.19)	1.19	2.63	3.97
Trade Balance (TB=X-M)	(3.57)	(1.21)	0.13	0.81	1.19
Current Account (CAB=X-M+Yf+TRf)	(1.84)	0.65	1.96	2.59	2.89
External Reserves (US $ billion)	23.26	30.56	43.53	60.10	79.63
Consumer price index	213.60	247.22	277.93	315.14	346.34
Employment					
Size of Labor Force (Millions)	79,775,238.74	82,899,571.76	86,518,951.45	89,963,343.80	93,640,890.84
Increase in Labor force	2,817,315.74	3,124,333.02	3,619,379.68	3,444,392.36	3,677,547.04
Labor Force growth rate (Year on Year %)	4	4	4	4	4
Jobs Created (Millions)	(874,951.00)	1,491,523.58	3,817,968.00	4,346,347.49	5,144,755.01
Total Unemployed+Underemployed (Milllions)	26,143,971.20	27,776,780.64	27,578,192.31	26,676,237.18	25,209,029.22
Unemployment Rate %	14.20	16.32	14.51	12.90	11.23
Underemployment Rate%	18.57	17.19	17.37	16.75	15.69
Unemployment & Underemployment Rate (%)	32.77	33.51	31.88	29.65	26.92

Source: NBS, MBNP, CBN

The ERGP has set a GDP growth target of 4.62 per cent average annual growth between now and 2020. From the estimated negative growth of -1.54 per cent recorded in 2016, real GDP is projected to grow to 2.19 per cent in 2017 and 4.8 per cent in 2018 before peaking at 7.0 per cent in 2020.

The sectors each play a different role in driving GDP growth, with Agriculture and Industry having the most important roles, and Services having an increasingly important role in the later stages of the Plan. Given the ERGP's strong focus on agriculture, it has set a GDP growth target for the agriculture sector of 5.0 per cent in 2017 rising to 8.4 per cent by 2020, for an average growth rate of 6.9 per cent across the period.

Industries in particular will benefit from the strong recovery and expansion of crude and natural gas production, as challenges in the oil-producing areas are overcome and investment in the sector increases. The average price of crude oil is expected to be USD42.50-52.00, while output is forecast to rise from about 1.8 mbpd in 2016 to 2.2 mbpd in 2017 and 2.5 mbpd by 2020. Average Industry sector GDP growth over the Plan period will be 7.0 per cent. The oil and gas sector contribution to this will be a GDP growth rate of 24.3 per cent in 2017 and an average growth in oil GDP of 4.45 percent in 2018-2020.Electricity and gas and construction are also expected to fuel growth. The Government plans substantial infrastructure investment in 2017, with levels similar to those of 2016. The ERGP aims to improve electricity and gas output with target annual average growth of 7.2 per cent. Construction is expected to grow by an average of 7.4 per cent annually.

Strong recovery and growth in the manufacturing sector is also anticipated, particularly in agro-processing, and food and beverage manufacturing. Ongoing strategies to improve the ease of doing business will boost other manufacturing sector activities, including light manufacturing. Overall, the ERGP estimates an average annual growth of 8.48percent in manufacturing between 2018 and 2020, rising from -5.8per cent in 2017 to 10.6 per cent by 2020. Lastly, Services, already the largest sector in the GDP, will continue to grow at the rate of 2.5 per cent annual average growth during the Plan period.

An alternative way to breakdown GDP and GDP growth utilizes the breakdown of spend into the categories of consumption, domestic investment, exports and imports. GDP growth will be driven by improvements in all of these dimensions. Consumption, especially private consumption, is the largest portion of total GDP (90.4 per cent of total GDP in 2016) and has an average annual growth rate of 5.8 per cent. Given that this growth rate is slower than the other categories, consumption is declining from 88.1 per cent of total GDP in 2017 to 80.4 per cent in 2020. This downward trend is being offset by the steady rise in domestic investment during the period. In particular, domestic investment as a percentage of GDP is projected to rise from 13.9 per cent in 2017 to 17.3 per cent by 2020. Hence, domestic investment (growing at 15.3 per cent), and particularly private investment (18.5 per cent), are expected to be very significant drivers of growth.

Exports of goods and services are projected to grow by 29.95 per cent in 2017 following an initial recovery in oil exports and growth in non-oil exports (mainly agriculture and agro-processing). The planned expansion in oil output – from an estimated 1.8 mbpd in 2016 to 2.2 mbpd in 2017 to 2.5 mbpd by 2020 – will boost exports. The ERGP targets an average 16.5 per cent growth in total exports from 2017 to 2020 from oil and non-oil exports. Over the same period, imports are rising by 4.0 per cent per annum; the higher growth in exports results in a positive trade balance for Nigeria by 2020.

Within each of the above categories, the private sector will play the dominant role and lead the growth. The private sector represents 95 per cent of consumption in 2016, and will account for 93 per cent of absolute consumption growth in the Plan period; similarly, the private sector represents 75 per cent of domestic investment in 2016, and will account for 79.2 per cent of average investment over the Plan period. Combined growth in all of these sectors is projected to create about 15 million jobs over the Plan horizon.

The Federal Government recognises that the slowdown in economic activity has impacted negatively on the private sector in terms of lower demand for goods and services, decline in capital market activity, and the loss of jobs as businesses adjust their investment plans to the changing economic realities. Accordingly, the ERGP will strengthen the coordination of monetary, fiscal and trade policies; deliver on the Ease of Doing Business Reforms; improve Governance outcomes, such as enshrining the sanctity of contracts and the enforcement of regulatory frameworks – to empower the private sector to effectively partner with Government to drive economic recovery and growth.

2.4 FISCAL POLICY

Fiscal policy is at the heart of the Federal Government's macroeconomic management. The current recession is largely a result of fiscal challenges affecting public finances at the Federal, State and Local Government levels. A coherent, clear approach is required to increase revenues, optimize public expenditure and manage public debt.

Consolidated Federal Government revenues declined from N3,362 billion in 2013 to N3,199 billion in 2015 (Table 2.5). The sharp decline in oil prices and up to 60 per cent fall in crude oil exports due to sabotage and attacks on oil export terminals and pipelines have reduced overall revenues. Non-oil revenues increased from N1, 357 billion in 2013 to N1, 967 billion in 2015, but this remains low as a share of GDP when compared to other emerging economies: Nigeria's peers raise an average 16 per cent of GDP from non-resource taxes; Nigeria raises just 3 per cent (2015).

Historically, Federal Government expenditures have remained relatively high, although they are small as a share of GDP. Expenditures increased slightly from N4, 064 billion in 2012 to N4, 550 billion in 2015. State and Local Governments were seriously affected by these fiscal challenges and most were unable to meet their recurrent expenditure obligations, notably payment of salaries, pensions and overhead costs.

Table 2.5: Federal Government Fiscal Operations (N billion), 2010-2015

	2010	2011	2012	2013	2014	2015
Total revenues	2,670	3,304	3,019	3,362	2,631	3,199
Oil revenues	1,216	2,191	1,637	2,005	1,486	1,232
Non-oil revenues	1,454	1,113	1,382	1,357	1,145	1,967
Total expenditures	4,064	4,299	4,131	4,516	4,123	4,550
Recurrent expenditures – personnel	1,380	1,854	1,811	1,861	1,652	1,869
Recurrent expenditures – other	1,157	673	590	526	561	681
Debt service	416	527	679	828	942	1,060
Other	210	326	307	388	381	556
Capital expenditures	900	919	744	913	588	384
Fiscal deficit	(1,393)	(995)	(1,112)	(1,153)	(1,492)	(1,351)
FGN total debt	5,323	6,494	7,552	8,489	9,536	10,949
Foreign debt (N)	772	871	1,014	1,370	1,632	2,112
Foreign debt (USD billion)	4,534	5,666	6,527	8,821	9,711	10,718
Domestic debt	4,552	5,623	6,538	7,119	7,904	8,837

Source: MBNP, DMO, OAGF

The Federal Government has improved its budgeting process through a series of medium-term sector strategies (MTSS) that link annual budgets for individual MDAs to common objectives. It periodically publishes budget implementation reports to monitor progress on project execution and improve transparency and accountability for the funds allocated to MDAs. Furthermore, there has been substantial improvement in Federal Government capital budget allocation from 16 per cent in 2015 to about 30 per cent in 2016. However, challenges remain in the areas of further reducing the proportion of recurrent expenditure which currently account for nearly 70 per cent in the Federal budget.

Nigeria's public debt has increased in recent years as the Federal Government has increased borrowing to finance the budget deficit. Overall debt stock increased from N5, 323 billion in 2010 to N10, 949 billion at the end of 2015 (Table 2.5), 19 per cent of which was external debt and 81 per cent domestic debt.

The total public debt to GDP ratio of 13.02 per cent is below the 19.39 per cent of the country's specific threshold (up to 2017). It is also below the 56 per cent of GDP debt threshold for countries at Nigeria's level of development. However, there is a growing concern about the rising costs of debt servicing, which in 2015 accounted for 23 per cent of expenditure, compared with only 10 per cent in 2010.

The ERGP introduces measures to improve the management of public expenditures. The Federal Government is also working with the State Governments to improve financial sustainability at the sub-national level. Revenue for the Federal Government is expected to grow significantly as a result of the implementation of the ERGP as shown in the selected fiscal indicators in Table 2.6.

The Federal Government's ongoing dialogue with militants in the Niger Delta will ensure that peace returns to the Niger Delta, and there will be an increase in daily crude oil production. Oil revenues are expected to grow 176 per cent in 2017, and then an average of 13 per cent per year until 2020.

Concerted efforts are also in place to broaden non-oil revenues, leveraging the significant progress already made by the non-oil collecting agencies to strengthen and improve non-oil tax revenues. The combined efforts to grow both oil and non-oil revenues will result in an average annual growth of 12.8 per cent in government revenue until 2020. Efforts will focus on restructuring and rebalancing the revenue structure between oil and non-oil to increase the percentage share of more sustainable non-oil revenues relative to oil revenues.

Total expenditure is projected to grow by around 6 per cent with capital expenditure growing by 6.1 per cent. The fiscal deficit will be maintained within the legally acceptable level stipulated by the Fiscal Responsibility Act at an average of about 1.6 per cent of GDP, but declining to 1.1 per cent by 2020. Fiscal financing will be restructured gradually in favour of foreign financing while domestic financing is de-emphasized. Thus, while the proportionate share of foreign financing will increase from the current level of about 28 per cent to almost 72 per cent in 2020, that of domestic financing will decrease gradually from about 54 per cent in 2016 to about 26 per cent in 2020. The domestic financing sector will then be more available and accessible to the domestic private sector, thus avoiding crowding out and according the private sector a leading role in driving growth, It is important to note that the projects to be financed with external loans will be those that will support non-oil export, and/or reduce import dependence such that there will be no risk of external debt overhang.

The Revenue forecasts in the macroeconomic framework, however, do not take into account ongoing initiatives to increase revenue via privatization of selected public enterprises/assets as well as some tax review initiatives aimed at expanding the tax to GDP ratio. Both of these initiatives when completed will increase revenue and consequently reduce the financing deficit over the Plan period. Consequently, the macroeconomic framework will be updated in due course to reflect changes that will arise from these initiatives.

Table 2.6: Selected fiscal indicators, 2016-2020

Billion of Naira	2016	2017	2018	2019	2020
GDP in current prices (billion n.c.)	97545.99	105508.49	115285.15	126855.43	137331.64
Consumer price index (1990=100)	213.60	247.22	277.93	315.14	346.34
Money market rate (%)					
Primary Balance	-842.06	-692.39	-379.00	445.51	581.90
Deficit (-) or Surplus (billion n.c.)	-2203.94	-2356.28	-2264.10	-1570.59	-1535.00
Revenue (billion n.c.)	3,855.74	4,942.23	4,959.46	5,847.99	6,120.48
Oil Revenue	717.55	1985.51	1933.48	2679.77	2760.16
Non oil	3,138.19	2,956.72	3,025.98	3,168.22	3,360.32
Grants Received (billion n.c.)					
Expenditure (billion n.c.)	6,059.68	7,298.51	7,223.56	7,418.58	7,655.48
Current Expenditure	4,120.71	4,820.50	5,014.11	5,150.44	5,252.44
Non-debt recurrent expenditure	2,345.39	2,629.15	2,559.01	2,564.34	2,785.53
Interest Payments	1361.88	1663.89	1885.10	2016.10	2116.90
Others (sinking fund and special int	413.44	527.46	570.00	570.00	350.00
Capital Expenditure	1587.60	2058.99	1780.00	1806.60	1930.90
Transfers	351.37	419.02	429.44	461.54	472.14
Net Lending (billion n.c.)	0.00	0.00	0.00	0.00	0.00
Financing	2,203.94	2,356.28	2,264.10	1,570.59	1,535.00
Domestic financing	1,182.99	1,253.78	778.29	323.07	400.00
Commercial and Non-bank	1,182.99	1,253.78	778.29	323.07	400.00
Other Financing (FGN recoveries, Sales	386.07				
Foreign financing	635.8766209	1067.5	1485.811709	1247.520431	1100
Divesture/privatisation/others		35	0	0	35
Government debt	12,585.10	19,305.16	20,706.80	20,008.48	21,508.48
Domestic debt (billion n.c.)	10097.47	12,436.40	13,415.77	13,923.31	14,323.31
Foreign debt (billion n.c.)	2487.626621	6,868.75	7,291.03	6,085.17	7185.17
B. in percentage of GDP (% GDP)					
Inflation (%)	18.55	15.74	12.42	13.39	9.90
Primary Balance	-0.86	-0.66	-0.33	0.35	0.42
Deficit (-) or Surplus (% GDP)	-2.26	-2.23	-1.96	-1.24	-1.12
Revenue	3.95	4.68	4.30	4.61	4.46
Non-debt recurrent expenditure	2.40	2.49	2.22	2.02	2.03
Interest payments	1.40	1.58	1.64	1.59	1.54
Grants Received (% of GDP)	0.00	0.00	0.00	0.00	0.00
Expenditure (% of GDP)	6.21	6.92	6.27	5.85	5.57
Capital Expenditure	1.63	1.95	1.54	1.42	1.41
Net Lending (% of GDP)	0	0	0	0	0
Financing					
Domestic financing (% of financing)	53.68	53.21	34.38	20.57	26.06
Foreign financing (% of financing)	28.80	45.30	65.62	79.43	71.66
Other Financing (% of financing)	17.52				
Domestic financing (% of GDP)	1.21	1.19	0.68	0.25	0.29
Use of Cash Balances (% of financing)	0.00	1.49	0.00	0.00	2.28
Nominal interest payments					
Primary balance					
Primary balance (% of GDP)					
Government debt (% of GDP)	12.90	18.30	17.96	15.77	15.66

Source: Source: MBNP and OAGF

Policy objectives

- Improve overall Federal Government revenues by increasing revenues from oil production and targeting non-oil revenue sources.
- Increase the tax base by raising the VAT rate for luxury items from 5 to 15 per cent from 2018, while improving CIT and VAT compliance to raise 350 billion annually.
- Increase tax to GDP ratio from the current 6 per cent to 15 per cent during the period.
- Improve the budget preparation and execution process, focusing on increasing allocation to capital projects and improving the quality of capital spending, with a view to attaining a ratio of CAPEX to total budget of 30-35 per cent.
- Re-balance the portfolio of domestic to foreign debt from 84:16 to 60:40 and make arrangements to pay off hidden Federal Government debt.
- Keep the fiscal deficit within the boundary established by the Fiscal Responsibility Act.

Strategies

Programme		Fiscal stability	
No.	Strategy	Key activities	Lead
1	Urgently increase oil production	▪ Restore production to 2.2mbpd and reach 2.5 mbpd by 2020 to increase export earnings and Government revenues by an additional N800 billion annually, and reduce the fiscal deficit and debt service ratios ▪ Continue to engage with stakeholders in the Niger Delta to achieve enduring peace and end attacks on oil facilities ▪ Boost pipeline security ▪ Clean up oil-polluted areas ▪ Boost production to 2.5 mbpd by 2020 by attracting new investments ▪ Pass the Petroleum Industry Reform Bill and draft new regulations consistent with the Bill ▪ Conclude joint venture (JV) cash call arrangements and implement a new cost recovery funding mechanism for JVs	Ministry of Petroleum Resources Ministry of Justice Ministry of Niger Delta Affairs Ministry of Environment Ministry of Interior Ministry of Defence
2	Accelerate non-oil revenue generation	▪ Increase non-oil tax revenues by improving tax compliance, broadening the tax net, by employing appropriate technology, and tightening the tax code; as well as introduction of tax on luxury items and other indirect taxes to capture a greater share of the non-formal economy	Federal Inland Revenue Service Nigeria Customs Service Ministry of Finance

Programme		Fiscal stability	
No.	Strategy	Key activities	Lead
		▪ Undertake major reforms in the budgeting for State Owned Enterprises, which will include legislative amendments of the laws establishing many of the SOEs. Specifically, Government will aim to operate a consolidated budget that will incorporate all agencies that are fully funded by the Federal Government by 2018. ▪ Increase the VAT rate for luxury items from 5 to 15 per cent from 2018, while improving CIT and VAT compliance to raise 350 billion annually ▪ Conduct a broad audit campaign to identify under-filing tax payers ▪ Improve tax compliance by engaging non-compliant taxpayers and making them comply ▪ Formalize businesses in the informal sector ▪ Encourage whistle-blowing ▪ Improve customs revenues by reducing leaks ▪ Accelerate the transformation and modernization of the Nigerian Custom Service through a 2-3 year strategic plan ▪ Deploy technological tools to enhance collections ▪ Develop and implement an anti-smuggling strategy ▪ Rationalize tariffs and waivers in line with priority sectors ▪ Retain sector-based concessions and waivers and zero per cent duty on the imports of equipment and machinery required for strategic sectors ▪ Review automobile, EEG, mining and hotel incentives ▪ Introduce a single window to drive customs efficiencies ▪ Implement efficiency programmes for terminals and cargo clearance (e.g., use lean techniques to speed up vessel and cargo handling) ▪ Increase port efficiency by issuing more licences to build up terminals in existing ports,	Ministry of Budget and National Planning Ministry of Justice Ministry of Industry, Trade and Investment Ministry of Transport

Programme		Fiscal stability	
No.	Strategy	Key activities	Lead
		especially outside Lagos ▪ Increase tax payment verification prior to licensing a vehicle ▪ Improve the generation and collection of independent revenues ▪ Amend the law to provide a variable approach to determine the amount to be remitted by MDAs ▪ Issue new guidelines and templates to calculate MDA operating surpluses ▪ Ensure proper monitoring of MDA revenues and expenditures by the Federal Government	
3	Drastically cut costs through operating and capital expenditure optimization initiatives	▪ Optimize operating and capital expenditures to reduce expenditures, get value for money to keep the fiscal deficit low to save an estimated N300 billion annually ▪ Reduce personnel costs by eliminating unjustified payroll entries ▪ Intensify the Presidential Initiative on Continuous Audit activities ▪ Continue to clean up the civil service payroll by linking the Integrated Payroll and Personnel Information System(IPPIS) to HR management systems and bank verification numbers (BVNs) ▪ Optimize overheads by "doing more with less" ▪ Standardize competitive bidding in public procurement ▪ Limit travel frequency, sitting allowances, printing and publication expenditures, etc. ▪ Introduce new allowable expenses guidelines and templates to control Government-owned and State-owned enterprise expenses ▪ Optimize overheads by pooling MDA demand and negotiating discounts for bulk purchasing ▪ Strengthen public tendering for contracts and central procurement of goods and services in line with the Public Procurement Act of 2007 as amended to support domestic patronage ▪ Develop and implement a collective demand process for MDAs to take advantage of the	Ministry of Finance Office of the Secretary to the Government of the Federation Office of the Head of the Civil Service of the Federation Ministry of Budget and National Planning Bureau for Public Procurement

Programme		Fiscal stability	
No.	**Strategy**	**Key activities**	**Lead**
		benefits of group purchasing, e.g., discounts ▪ Optimize overheads by sharing services across MDAs and maximizing the use of Federal Government buildings ▪ Design MDA clusters that can share information and communication technology(ICT) infrastructure and support services ▪ Create a repair and refurbishing hub for ICT infrastructure, including computers, printers, copiers, scanners, to reduce waste and frequent purchase of hardware, and create jobs for youth skilled in ICT hardware ▪ Rent out empty spaces in official MDA buildings to other MDAs or private sector companies, and relocate other MDA offices outside high-priced neighbourhoods ▪ Restructure fiscal expenditure through CAPEX optimization programmes and by leveraging private capital to attain a target ratio of CAPEX to total budget of 30-35 per cent ▪ Launch CAPEX optimization programmes for the Federal Government's biggest design, contracting strategy, execution and ramp-up projects ▪ Optimize the CAPEX project portfolio by selecting the most relevant projects to invest in ▪ Balance risk/return of capital portfolio ▪ Extend infrastructure tax relief to collectives to attract clusters of corporate entities ▪ Mobilize private capital through Government seed-funding in roads, housing, and agriculture, e.g., the Road Trust Fund, Family Home Fund	
4	Optimize the debt strategy	▪ Issue bonds and debt certificates to address outstanding Federal Government liabilities, e.g., to contractors, MDAs and State governments ▪ Rebalance the public debt portfolio with increased external borrowing (from 84:16 to 60:40, domestic-external borrowing mix), focusing on concessionary sources	Ministry of Finance Debt Management Office

Programme		Fiscal stability	
No.	Strategy	Key activities	Lead
		▪ Extend the maturity profile of the public debt portfolio and deploy long-term debt instruments, including infrastructure and retail bonds	
5	Privatise selected public enterprises/assets	▪ Reduce the Federal Government's stake in JV oil assets ▪ Significantly reduce Federal Government stakes in other oil and non-oil assets	Bureau of Public Enterprises Ministry of Petroleum Resources Ministry of Justice Ministry of Finance

2.5 MONETARY POLICY

The primary objective of the ERGP's monetary policy is to encourage growth without increasing price volatility. Price stability reduces uncertainty for households and businesses and enables them to plan. However, given the slow growth in 2016, the current challenge is how to balance price stability with growth objectives. In addition, in order to further reduce price volatility, the Government needs to act in order to strengthen the resilience of the banking sector.

Since the second half of 2014, the decline in crude oil price and the resulting low growth in external reserves, rising inflation, excessive demand in the foreign exchange market, and declining GDP growth have stretched Nigeria's monetary policy to the limit.

Inflation doubled from 9.5 per cent in December 2015 to 18.5 per cent in December 2016, driven by higher energy and food prices and the depreciation of the naira, itself the result of external shocks. Foreign exchange reserves fell from USD28.3 billion at the end of 2015 to USD25.8 billion at the end of December 2016.

The Central Bank of Nigeria's (CBN) monetary policy decisions and actions have prioritized price stability. In 2015, it introduced a ban on forty-one (41) goods and services from accessing foreign exchange in the inter-bank foreign exchange rate market. It is instructive to point out that this is a temporary policy measure that would be reviewed with a view to removing the market restrictions over time. In 2016, it moved to curb inflation by raising the MPR by two percentage points to 14 per cent in the middle of the year. The CBN is currently supporting growth in the rest of the economy through its dedicated support to MSMEs and the agricultural sector, through initiatives such as the Anchor Borrowers Programme which allowed participants in the agricultural value chain to access credit at single digit rates of interest. Furthermore, the CBN is in the process of improving the implementation of its current policies, aimed at achieving a market-determined exchange rate regime to build confidence and encourage foreign exchange inflows. As earlier indicated, the macroeconomic framework will be updated in due course to reflect changes that will arise from these initiatives.

Net domestic credit is projected to expand significantly over the Plan period, at an average annual growth rate of 15.8 per cent, with the projected annual growth rate rising from 10.3 per cent in 2017 to 19.9 per cent in 2020. While Government domestic credit is projected to fall from 14.2 per cent in 2017 to 10.7 per cent in 2020, that of the private sector will increase from 10.7 per cent in 2017 to 19.0 per cent by 2020.

This is in line with the ERGP's strategy of mainstreaming the private sector as an engine of inclusive growth by increasing access to domestic credit. Money supply growth is expected to average 16.2 per cent.

Nigeria's banking sector has become more vulnerable because of banks' higher exposure to high-risk loans (including to the oil and gas and power sectors), lower liquidity buffers, and the difficulty of paying back loans denominated in foreign currencies. The CBN will strengthen the banking sector and increase its resilience through the activities outlined below.

Table 2.7: Selected monetary indicators, 2016-2020

	2016	2017	2018	2019	2020
CONSOLIDATED BANKING SYSTEM					
Narrow Money M1	9,097.30	10,389.11	11,807.23	13,697.56	16,001.49
Narrow Money as % GDP	9.33	9.85	10.24	10.80	11.65
Broad Money M2	22,603.01	27,777.07	33,349.43	40,634.50	48,568.09
Broad Money M2 %GDP	23.17	26.33	28.93	32.03	35.37
Net Foreign Assets	9,030.37	11,053.18	14,216.59	18,083.51	23,257.20
NFA % GDP	9.26	10.48	12.33	14.26	16.94
Net Domestic Credit (NDC)	21,926.33	24,176.48	27,736.36	32,784.97	39,304.03
NDC %GDP	22.48	22.91	24.06	25.84	28.62
Private Sector (DCp)	24,505.99	27,123.23	30,953.03	36,280.05	43,173.26
DCp %NDC	111.77	112.19	111.60	110.66	109.84
NDC to Government (NDCg)	(2,579.67)	(2,946.75)	(3,216.68)	(3,495.08)	(3,869.23)
(NDCg) %NDC	(11.77)	(12.19)	(11.60)	(10.66)	(9.84)
Other Assets Net	(8,353.68)	(7,452.59)	(8,603.52)	(10,233.98)	(13,993.15)
(NDCofi) %NDC	(38.10)	(30.83)	(31.02)	(31.22)	(35.60)
MONEY MARKET	22.18	22.89	20.06	21.84	19.52
Income Velocity of Money (M2)	4.32	3.80	3.46	3.12	2.83
Money multiplier (M2)	3.31	4.12	4.34	4.69	5.50
Income Velocity of Money (M1)	10.72	10.16	9.76	9.26	8.58
Money multiplier (M1)	1.33	1.54	1.54	1.58	1.81
Reserve money	6,836.58	6,749.43	7,689.25	8,664.03	8,826.35
Quasi money	13,505.72	17,387.95	21,542.21	26,936.94	32,566.59
Reserve money as % GDP	7.01	6.40	6.67	6.83	6.43

Source: CBN

Policy objectives

- Reduce inflation to single digit by 2020.
- Maintain a competitive exchange rate.
- Boost foreign exchange reserves.
- Ensure a supply of adequate credit to the private sector at reasonable lending rates and minimum other charges.
- Encourage banks to improve capital adequacy.
- Help banks to embark on aggressive debt recovery efforts.
- Mitigate credit risks by limiting the concentration of credit of a certain risk category and enforcing limits on foreign exchange net open positions.
- Reinforce supervision of banks and reporting transparency, including on non-performing loans.

Strategies

Programme		Monetary stability	
No.	Strategy	Key activities	Lead
6	Align monetary, trade and fiscal policies	▪ Ensure monetary policy is aligned with the other aspects of the Federal Government's macroeconomic programme ▪ Deploy liquidity management tools to reduce inflationary pressure and stimulate all-inclusive economic growth ▪ Strengthen intervention in critical sectors that can promote economic growth and reduce unemployment ▪ Sustain a market-determined exchange rate	Central Bank of Nigeria Ministry of Finance Ministry of Industry Trade and Investment
7	Stabilize the financial system	▪ Strengthen reviews of regular returns, carry out spot checks, monitor on-site and off-site of financial institutions and conduct special investigations to ensure a safe, sound and stable financial system ▪ Deepen financial intermediation to provide credit to the private sector ▪ Improve asset quality and reduce non-performing loans through proper asset screening to lower NPL as a ratio of total banking system loans from the current level of 12 per cent to the prudential threshold of 5 per cent by 2020 ▪ Continue regular stress tests to detect early bank warning signs on systemic risks, and offer ways to deal with such risks	Central Bank of Nigeria Ministry of Finance Ministry of Industry Trade and Investment

2.6 EXTERNAL SECTOR

Oil dominates Nigeria's export of goods and services, with crude oil exports accounting for 94 per cent of our export earnings (2011-2015). Imports are more diversified. Given the reliance of exports on oil, any external price shock or internal production disruption affects the trade balance. In 2015, the trade balance worsened and went into deficit as oil prices plummeted. As foreign reserves are used to meet import needs, the relative demand for naira weakens and the currency depreciates. This situation is not sustainable. To increase the resilience of the trade balance and guarantee the continued availability of foreign reserves, Nigeria must diversify its export base.

In addition, the lack of confidence in Nigerian markets has reduced total FDI by almost 60 percent since its peak in 2011 to USD3.1 billion in 2015.

The current account balance as a share of GDP is projected to average 2 per cent over the Plan period while trade as a percentage of GDP will average 2.8 per cent. FDI is expected to return to pre-crisis levels by 2020.

Table 2.8: Selected external sector indicators, 2016-2020

In Billion of Naira	2016	2017	2018	2019	2020
Curent Account , n.i.e.	(1,793.84)	685.20	2,253.84	3,290.30	3,968.31
Goods Exports: F.O.B.	8,177.00	10,793.64	12,628.56	13,765.13	15,279.29
Oil exports	6,376.89	8,226.19	8,884.29	9,506.19	10,076.56
.....Share of Oil exports to total exports	77.99	76.21	70.35	69.06	65.95
Non oil exports	1,800.11	2,567.45	3,744.27	4,258.94	5,202.74
.....Share of non oil exports to total exp	22.01	23.79	29.65	30.94	34.05
Goods Imports: F.O.B	(8,475.59)	(8,899.37)	(9,344.34)	(9,624.67)	(10,587.14)
Trade Balance	(298.59)	1,894.27	3,284.22	4,140.46	4,692.16
Service: Credit	611.34	626.62	656.70	686.25	734.29
Service: Debit	(3,794.28)	(3,794.28)	(3,794.28)	(3,794.28)	(3,794.28)
Balance on Goods and Services	(3,481.53)	(1,273.39)	146.64	1,032.43	1,632.17
Income: Credit	180.07	184.57	193.43	202.13	216.28
Income: Debit	(2,638.52)	(2,638.52)	(2,765.17)	(2,889.60)	(3,091.87)
Balance on Goods and Services & Inc.	(5,939.98)	(3,727.34)	(2,425.10)	(1,655.03)	(1,243.42)
Current Transfers, (net)*	4,146.14	4,412.54	4,678.93	4,945.33	5,211.73
Capital Account, n.i.e					
Financial Account n.i.e.	999.59	1,397.86	1,560.04	1,622.50	1,844.08
Direct Investment Abroad, n.i.e.	208.00	236.14	380.29	424.44	584.07
Direct Investment in Representative Country, n.i.e.					
Portfolio Investment Assets (net)	829.39	1,202.61	1,220.65	1,238.96	1,300.91
Porftolio Investment Liabilities					
Other Investment Assets (net)	(37.80)	(40.90)	(40.90)	(40.90)	(40.90)
Other Investment Liabilities					
Net Errors and Omissions	(556.54)	142.46	142.46	142.46	142.46
Overall Balance	(1,350.80)	2,225.51	3,956.34	5,055.25	5,954.84
Financing	1,350.80	(2,225.51)	(3,956.34)	(5,055.25)	(5,954.84)
External Reserves (US$ billion)	23.26	30.56	43.53	60.10	79.63
B. in percentage of GDP (%GDP)					
Current Account, n.i.e.	-1.84	0.65	1.96	2.59	2.89
Goods Exports: F.O.B.	8.38	10.23	10.95	10.85	11.13
Goods Imports: F.O.B	-8.69	-8.43	-8.11	-7.59	-7.71
Trade Balance	-0.31	1.80	2.85	3.26	3.42
Service: Credit	0.63	0.59	0.57	0.54	0.53
Service: Debit	-3.89	-3.60	-3.29	-2.99	-2.76
Balance on Goods and Services	-3.57	-1.21	0.13	0.81	1.19
Income: Credit	0.18	0.17	0.17	0.16	0.16
Income: Debit	-2.70	-2.50	-2.40	-2.28	-2.25
Balance on Goods and Services & Inc.	-6.09	-3.53	-2.10	-1.30	-0.91
Current Transfers, n.i e: Credit	4.25	4.18	4.06	3.90	3.79
Current Transfers: Debit	0.00	0.00	0.00	0.00	0.00
Capital Account, n.i.e					
Financial Account n.i.e.	1.02	1.32	1.35	1.28	1.34
Direct Investment Abroad, n.i.e.	0.21	0.22	0.33	0.33	0.43
Direct Investment in Representative Country, n.i.e.					
Portfolio Investment Assets	0.85	1.14	1.06	0.98	0.95
Porftolio Investment Liabilities					
Other Investment Assets	-0.04	-0.04	-0.04	-0.03	-0.03
Other Investment Liabilities					
Net Errors and Omissions	-0.57	0.14	0.12	0.11	0.10
Overall Balance	-1.38	2.11	3.43	3.99	4.34
Financing	1.38	-2.11	-3.43	-3.99	-4.34
Remittance	4.34	4.01	3.67	3.34	3.08
Portfolio Investment	1.12	1.04	0.95	0.86	0.80
Foreign Direct Investment	0.99	0.92	0.84	0.76	0.71
Effective Central Exchange Rate (N/$)	250	305	305	305	305
Average Exchange Rate (N/$)	250	305	305	305	305
End-Period Exchange Rate (N/$)	305	305	305	305	305

Source: NBS, CBN

Policy objectives

- Target support to non-oil exports through specific incentives.
- Remove barriers to the local production of goods that are currently imported and support economic diversification.
- Improve the capital account balance by attracting foreign capital into the economy, particularly FDI.
- Increase accretion to external reserves.

Strategies

Programme		External balance	
No.	Strategy	Key activities	Lead
8	Reduce the external balance gap	▪ Support intervention in critical sectors that could boost productivity, e.g., agriculture and manufacturing ▪ Promote non-oil exports through the zero-oil plan and use trade policy tools to tackle dumping and balance of payments crisis to raise non-oil exports as a ratio of total exports from 7.5 per cent to 15 per cent by 2020 ▪ Incentivize the inflow of FDI (increase from USD3.1 billion to around USD10 billion by 2020), portfolio investments and remittances	Central Bank of Nigeria Ministry of Finance

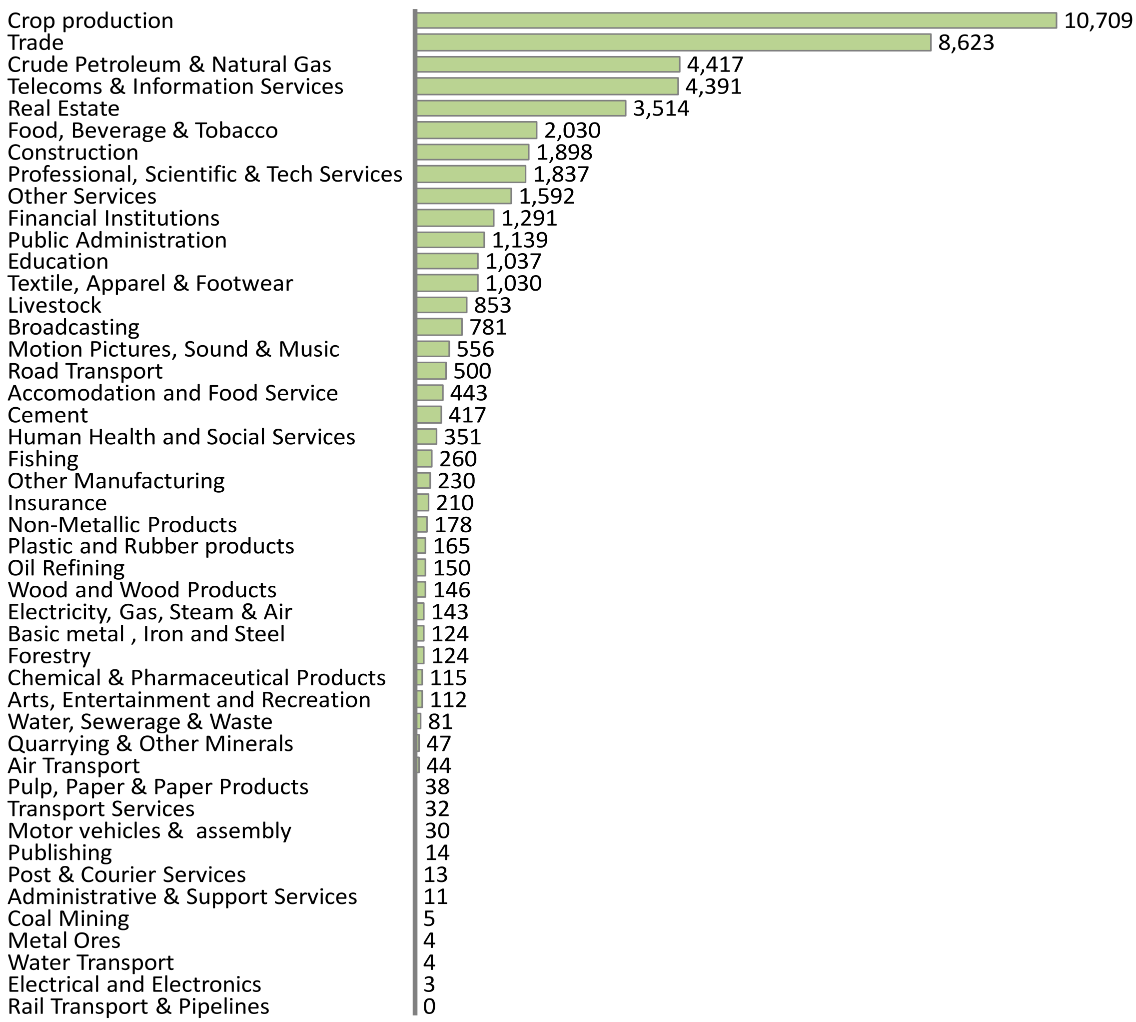
3 RESTORING GROWTH – ECONOMIC DIVERSIFICATION

Between 2010 and 2015, Nigeria's GDP grew at an average rate of 4.8 per cent a year on the back of the non-oil sector, which grew 6.2 per cent a year while the oil and gas sector declined by 4.5 per cent. Growth in most sectors has since slowed considerably, contributing to the onset of the economic recession in mid-2016.

The oil sector accounts for only 10 per cent of Nigeria's GDP although it remains a large contributor to export earnings and government revenues. The largest contributors were services (53.2 per cent of GDP, including retail and wholesale trade), agriculture (23.1 per cent of GDP), manufacturing (13.3 per cent of GDP) and construction and real estate (3.9 per cent of GDP). Given their historical growth rates, these sectors have great potential to restore growth and diversify the economy, while generating foreign exchange and increasing the resilience of the economy to external shocks, especially in the oil and gas sector. Despite its relatively low contribution to GDP, solid minerals also has large potential for growth.

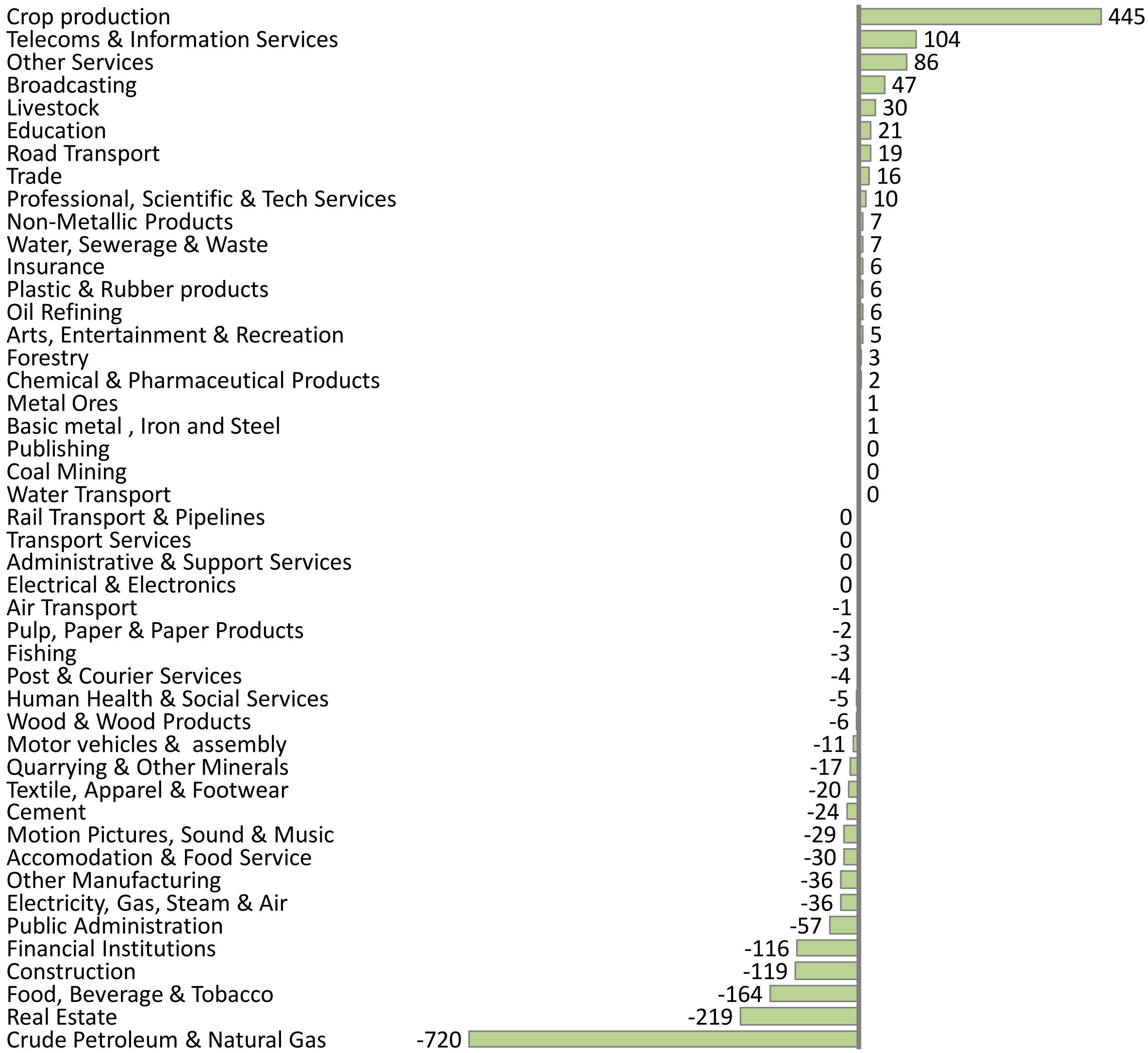
Indeed, given that only seven sub-sectors account for more than 70 per cent of GDP (Figures 3.1, 3.2), it is imperative that Nigeria further diversify its economy.

Figure 3.1: Nigeria's GDP Concentration by Sub-Sector



Source: NBS

Figure 3.2: Absolute Growth of Nigeria's GDP by Sub-Sector



Source: NBS

From a low of -1.54 per cent projected for 2016, the ERGP aims to achieve average real GDP growth of 4.6 per cent per year from 2017 to reach 7.0 per cent in 2020. To achieve this aspiration, it will focus on six priority sectors: agriculture, manufacturing, solid minerals, services, construction and real estate, and oil and gas. Services, agriculture and manufacturing are projected to account for three-quarters of growth over the next four years (Table 3.1).Solid minerals has great potential to grow, albeit off a very low base. Oil and gas will continue to play a crucial role in Nigeria's economy, especially through value chain development and integration with other sectors.

The ERGP will also focus on three policy enablers to support the initiatives in these sectors: industrial and trade policy, digital-led strategy for growth, and cross-sector strategies.

Table 3.1: GDP growth forecast per sector, 2017-2020

Sector	Contribution to GDP	Forecast for 2016	Projected average

	(per cent, 2015)	(per cent)	annual growth rate over plan period (per cent, 2017-2020)
Services	53.2	-0.51	2.54
Agriculture	23.1	4.69	6.92
Manufacturing	9.5	-7.84	4.92
Construction& real estate	3.9	-2.28	5.39
Utilities	0.5	-4.07	5.3
Solid minerals	0.1	2.64	8.54
Non-Oil Sector	**90.4**	**-0.07**	**4.21**
Oil and gas	**9.6**	**-15.41**	**9.41**
Total	**100.0**	**-1.54**	**4.62**

Source: NBS; MBNP

3.1 SIX PRIORITY SECTORS

3.1.1 Agriculture

In 2015, agriculture accounted for 23.1 per cent of GDP and employed 38 per cent of the working population. Agriculture can be divided into four sub-sectors: crop production (89 per cent of agricultural GDP; 4.1 per cent growth in 2010-2015), livestock (8 per cent; 3.3 per cent growth), fishing (2 per cent; 7.5 per cent growth), and forestry (1 per cent; 4.3 per cent growth).

Agriculture faces four big challenges: limited access to financing and inputs for farmers; serious threat of climate change on yield; limited access of agricultural outputs to the national and international markets; and security threats to agricultural investment including cattle rustling, kidnapping, and destruction of farmlands by herdsmen.

Most farmers struggle to obtain financing to modernize or expand their farms, invest in productive assets or buy inputs. To address these issues, the Federal Government launched the Growth Enhancement Support (GES) scheme in 2012 to supply subsidized inputs to smallholder farmers. As of mid-2015, 14 million farmers had registered in the scheme. The Federal Government has also launched a series of programmes to increase access to financing, including the Commercial Agricultural Credit Scheme (CACS), the Anchor Borrowers Programme and the Nigeria Incentive-based Risk-sharing System for Agricultural Lending (NIRSAL). In addition, to increase agricultural productivity, it has mapped soil characteristics across the country and launched irrigation projects.

Poor infrastructure (e.g., roads, irrigation and storage facilities) limit rural farmers' access to national and international markets. If Nigeria can improve its logistic capabilities and promote exports, it could become a net exporter of agricultural products.

The area of arable land being farmed was 6 per cent lower in 2015 (ha 34 million) than in 2007 (ha 37 million), meaning that much of it is standing idle. The Federal Government is working to reverse this trend. In 2016, it opened 5,000 ha of irrigable land for farming to prospective investors and will open more in the coming years.

The ERGP will build on the Government's plans presented in the SIP and the agriculture sector plans, such as the Green Alternative Agriculture Promotion Policy and the Presidential Initiative on Fertilizer (Box 3.1).

Box 3.1: Agriculture Promotion Policy

A. The Green Alternative

The Federal Government's Agriculture Promotion Policy, The Green Alternative, builds on the gains made by the Agricultural Transformation Agenda. It aims to work with key stakeholders to build an agribusiness economy that can deliver sustained prosperity by meeting domestic food security goals, generating exports, and supporting sustainable income and job growth.

It will achieve these objectives by focusing on three areas:

- **Enhancing productivity** by improving access to land, information, knowledge, and inputs, soil fertility, production management, storage, processing, marketing and trade.
- **Crowding in private sector investment** by offering access to finance and developing agribusiness investment.
- **Realigning the Federal Ministry of Agriculture and Rural Development** to include institutional setting and roles, youth and women, infrastructure, climate smart agriculture, research and innovation, and food, consumption and nutrition security.

B. Presidential Initiative on Fertilizer

The Presidential Initiative on Fertilizer is another agricultural promotion policy of the current administration. It is a PPP-type initiative to improve crop production and yields by making fertilizer available to farmers at significantly reduced prices, by leveraging private sector support for the Administration's priorities.

Policy objectives

- Increase agriculture GDP from N16.0 trillion in 2015 to N21.0 trillion in 2020 at an average annual growth rate of 6.92 per cent (2017-2020).
- Significantly reduce food imports and become a net exporter of key agricultural products, e.g., rice, tomatoes, vegetable oil, cashew nuts, groundnuts, cassava, poultry, fish, livestock.
- Become self-sufficient in tomato paste (by 2017), rice (by 2018), and wheat (by 2019/2020).

Strategies

Programme		Agriculture	
No.	Strategy	Key activities	Lead
9	Support the integrated transformation of the agriculture sector by 1) boosting productivity of the crop and other sub sectors (including fisheries, forestry	Boost agriculture productivity by facilitating access to inputs, financing and extension services ▪ Facilitate access to inputs (e.g., fertilizer) ▪ Expand the GES scheme by expanding the eligibility threshold above 5 ha ▪ Build fertilizer supply chain capacity to provide blended fertilizer specific to local soil characteristics instead of using standard mixes ▪ Set up a one-stop shop for small farmers and commercial	Ministry of Agriculture and Rural Development Ministry of Federal Capital Territory Ministry of Water Resources

Programme		Agriculture	
No.	Strategy	Key activities	Lead
	and livestock) and 2) integrating the value chain and improving access to markets	farms(one per Local Government) to encourage the use of high-yield and disease-resistant seedlings ▪ Fast-track the development and execution of irrigation projects (e.g., Hadejia, Adani) ▪ Enhance agricultural extension services, including through N-Power programmes, from the current ratio of 1:3,000 to 1:1,000 by 2020 ▪ Improve access to finance ▪ Extend the Anchor Borrowers Programme to all States and major crops ▪ Recapitalize the Bank of Agriculture (BoA) to provide single-digit interest rate credit to small farmers through the network of micro-credit banks ▪ Strengthen CBN schemes to improve access to finance for all players, including the Agricultural Credit Guarantee Scheme, Commercial Agriculture Credit Scheme (CACS)and the SME Credit Guarantee Scheme, including long term sunset clauses ▪ Continue to de-risk agricultural lending by expanding the scope of the NIRSAL through sufficient and timely funding, and enhancing the regulatory function of the Nigerian Agricultural Insurance Corporation (NAIC) ▪ Encourage the development of investment vehicles by the private sector to boost their investment in agriculture (e.g., agri-bonds) ▪ Encourage research to support agriculture productivity ▪ Strengthen the research capacity of the Research Council of Nigeria ▪ Promote research grants in agricultural universities ▪ Increase crop value ▪ Encourage crop specialization at the State level based on the competitive advantage of each, by providing incentivized, targeted funding through the BoA ▪ Ensure BoA funding provides incentives to move Nigeria's crop mix towards higher value crops (e.g., cocoa, legumes) Integrate the agriculture value chain and improve access to markets ▪ Re-vitalise the Nigerian Commodity Exchange (NCX) to fast-track exports, and improve inventory	Central Bank of Nigeria Ministry of Youth and Sports

Programme		Agriculture	
No.	Strategy	Key activities	Lead
		management/storage capacity at the national level ▪ Establish the Staple Crop Processing Zones Authority, and provide incentives to attract investors to different zones ▪ Encourage cooperative solutions financed by the BoA to develop local rural infrastructure for crop management (e.g., storage) ▪ Implement a national agricultural quality assurance programme to create a set of product quality standards, train major exporters and enforce inspections to ensure the quality of export products	
10	Use irrigable land and river basin infrastructure effectively to enable year-round agricultural production	▪ Open up a minimum of 100,000 hectares of irrigable land through the 12 River Basin Development Authorities by 2020 ▪ Expand the use of dams for commercial farming and aquaculture	Ministry of Water Resources Ministry of Agriculture and Rural Development

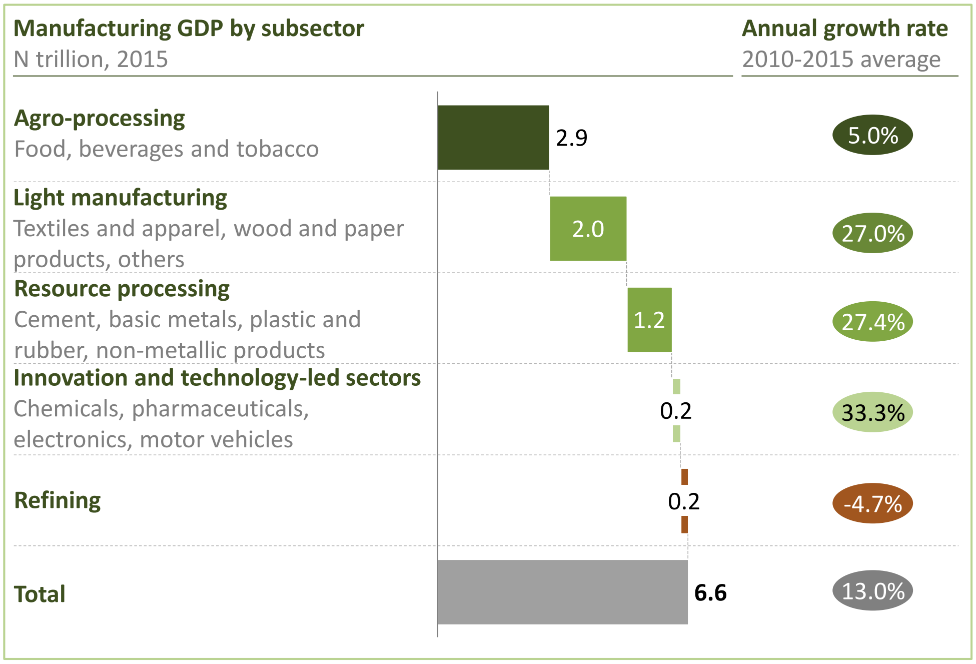
3.1.2 Manufacturing

Manufacturing accounted for 9.5 per cent of Nigeria's GDP in 2015. In2010-2015 period, the sector grew at an average annual growth rate of 13.3 per cent, almost three times the 4.8 per cent growth experienced by GDP. However, the size of the sector remains small compared with countries such as South Africa (13 per cent), Morocco (18 per cent), Mexico (18 per cent) and Indonesia (21 per cent). The ERGP seeks to improve this performance and double manufacturing's share of GDP, largely by developing Special Economic Zones (SEZs) to attract manufacturing away from economies where the labour cost advantage is declining and re-energize local industries that have suffered as a result of, e.g., the influx and dumping of goods in Nigeria.

The largest manufacturing sub-sectors are agro-processing, comprising food, beverages and tobacco (45 per cent of total in 2015), light manufacturing, including textile and wood products (31 per cent), and resource processing, e.g., cement and basic metals (18 per cent). These sectors all enjoyed sustained growth in 2010-2015 (Figure3.3).

Traditionally, manufacturing has been dominated by micro, small and medium enterprises (MSMEs) that create jobs. In 2010, manufacturing employed 5.3 million Nigerians (11 per cent of the total work force) mainly in agro-processing and textiles/apparel.

Figure 3.3: Structure of Nigeria's manufacturing sector in 2015



Source: NBS

In 2016, at the onset of the economic recession, the sector contracted significantly by 7 per cent in the first quarter and 3 per cent in the second. This volatility reflects Nigeria's reliance on access to foreign exchange for import of intermediate goods and raw materials, and highlights the need to diversify and support manufacturing to boost growth and employment, and limit the industry's exposure to external shocks. Achieving these objectives will also help to strengthen MSMEs.

The ERGP will build on the Nigeria Industrial Revolution Plan (NIRP), a key pillar of the country's industrial policy (Box 3.2).The NIRP addresses the key challenges in manufacturing such as limited access to credit and financial services, poor infrastructure and unreliable power supply that forces businesses to rely on generators, thus increasing their input costs and reducing their overall competitiveness and profitability.

Box 3.2: The Nigeria Industrial Revolution Plan (NIRP)

The Nigeria Industrial Revolution Plan (NIRP) was designed to accelerate the build-up of industrial capacity within Nigeria. It aims to achieve this objective by developing four industry groups where Nigeria already possesses a clear comparative advantage:

- **Agri-business and agro-allied:** Maximize the benefits from the country's agricultural resources by building an end-to-end integrated agriculture value chain, boosting local production to meet local demand, and reducing the country's reliance on imports of processed food products.
- **Solid minerals and metals:** Create an enabling environment targeting large-scale investors to institutionalize world-class production standards in the country's solid minerals sector.
- **Oil and gas related industries:** Provide the foundation for Nigeria to build competitive oil- and gas-driven industries, encourage high value-adding downstream investments, and build institutional industrial strength within the country.
- **Construction, light manufacturing and services:** Leverage the significant opportunities in

local markets for construction (i.e., housing), light manufacturing and services offered by Nigeria's large consumer population, business demands, and infrastructure needs.

Policy objectives

- Ensure manufacturing GDP growth moves from a dip of -7.84 per cent in 2016 to 10.6 per cent in 2020, translating to an average of 8.48 per cent from 2018 to 2020.
- Create forward and backward linkages among industrial sub-sectors and other sectors of the economy, e.g., solid minerals, agriculture, oil and gas.
- Increase local content to reduce the amount of foreign exchange required to buy raw materials and machinery, and to create jobs.
- Enhance the foreign exchange earning capacity of manufactured goods to increase foreign exchange earnings.
- Increase R&D, technology and innovation to generate the competitive edge needed to penetrate the global economy.
- Increase the employment share of manufacturing by 8 per cent a year up to 2020.

Strategies

Programme		Manufacturing	
No.	Strategy	Key activities	Lead
11	Accelerate implementation of the NIRP, focusing on agro-processing and industrial hubs	▪ Provide incentives to support industrial hubs ▪ Review local fiscal and regulatory incentives to support the development of industrial cities, parks and clusters, especially around existing ports and transport corridors ▪ Revitalize export processing zones by reviewing local fiscal and regulatory incentives ▪ Rationalize tariffs and waivers on the equipment and machinery imports required for agro-industry ▪ Establish SEZs to provide dedicated infrastructure to support hub productivity ▪ Acquire suitable premises for SEZs ▪ Ensure connection to power and water infrastructure ▪ Facilitate technology acquisition and transfer in the SEZs by making available research output from local research institutes ▪ Ensure connection and access to critical ICT facilities ▪ Build an adequate transportation network (road, rail, ports)	Ministry of Industry, Trade and Investment Ministry of Science and Technology Ministry of Youth and Sports Ministry of Power, Works and Housing Ministry of Finance Ministry of Women Affairs Office of The Vice President Ministry of Federal Capital Territory

Programme		Manufacturing	
No.	Strategy	Key activities	Lead
		▪ Improve access to finance ▪ Expand the capabilities of the Bank of Industry to enable it to support manufacturing firms through low cost lending ▪ Enhance access to the N250 billion CBN MSME fund by reviewing its design and implementing enabling initiatives to encourage on-lending ▪ Provide micro-loans for women through the Government Enterprise and Empowerment Programme (GEEP)and Women Empowerment Fund ▪ Promote local content by sourcing raw materials and spare parts locally, leveraging public procurement of locally manufactured goods (with targets for MSME participation) ▪ Promote the *Made in Nigeria* campaign ▪ Develop and publish national standards for product quality	
12	Promote innovation and technology-led industries	▪ Provide fiscal incentives for private investment in R&D ▪ Improve intellectual property enforcement procedures ▪ Promote science parks and innovation hubs within and outside academia ▪ Encourage the development of private equity and venture capital players through an attractive fiscal and regulatory framework ▪ Launch the YouWin-Connect! Programme to promote entrepreneurship and innovation among youth	Ministry of Industry, Trade and Investment Ministry of Finance Ministry of Science and Technology Ministry of Youth and Sports Ministry of Federal Capital Territory
13	Encourage the development of resource-processing industries (e.g., cement)	▪ Support the connection of resource processing industries to power and transportation infrastructure ▪ Incentivize investment through tax breaks (e.g., accelerated depreciation on equipment)	Ministry of Industry, Trade and Investment Ministry of Science and Technology Ministry of

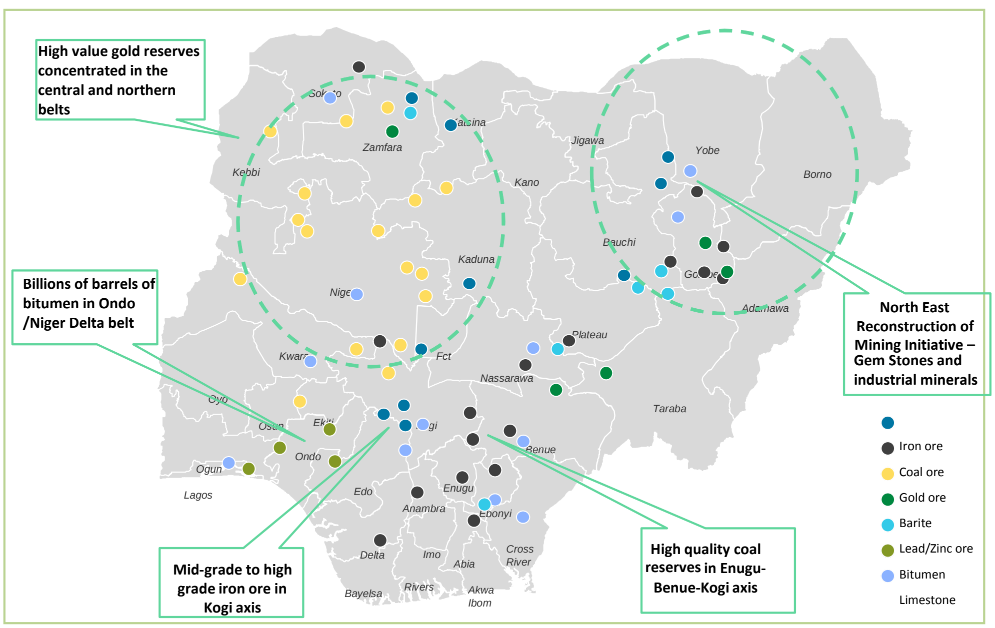
Programme	Manufacturing		
No.	Strategy	Key activities	Lead
			Finance

3.1.3 Solid minerals

Solid minerals is one of Nigeria's most promising growth sectors. Although its overall contribution to GDP growth is small, its contribution to GDP doubled from N52 billion in 2010 to N103 billion in 2015. In 2015, quarrying and other mining accounted for 89 per cent of the sector while coal mining represented 7 per cent and metal ores 4 per cent.

Nigeria has 44 known types of minerals of varying mixes and proven quantities, some of which are concentrated in certain regions (Figure3.4). Every geo-political zone and State has unexplored or under-utilized mineral deposits due to the focus on the oil sector and lack of investment/funding. Mining is rudimentary and predominantly undertaken by small entrepreneurs and unlicensed, unskilled individuals, a situation that aggravates health hazards and environmental degradation.

Figure 3.4: A selection of Nigeria's key mineral types and their locations



Source: Ministry of Mines and Steel Development

The solid minerals industry has enormous potential to help diversify the economy, but it is constrained by several factors. The lack of geosciences information is a barrier to investment. Funding is insufficient to conduct the required level of technical work, enforce regulation or complete planned projects. Mining infrastructure, including electricity supply, access roads, and mineral deposit sites) is poor. Illegal mining, community unrest and low productivity are a drain on Federal Government resources. Finally, the lack of skilled manpower and funding make it difficult to enforce regulations.

Policy objectives

- Grow solid minerals GDP from N103 billion (2015) to N141 billion (2020) at an average annual growth rate of 8.54 per cent (2017-2020).
- Facilitate the production of coal to fire power plants.
- Produce geological maps of the entire country by 2020 (on a scale of 1:100,000).
- Integrate artisanal miners into the formal sector.
- Encourage and promote mineral processing and value addition industries that strengthen backward and forward linkages.

Strategies

Programme		Solid minerals	
No.	Strategy	Key activities	Lead
14	Create an enabling environment to enhance private investment, targeting energy minerals, iron/steel and gold/ gemstones	▪ Expand electro-magnetic and gravity exploration to complete resource mapping ▪ Increase access to information by improving the archiving of geo-data, harmonizing their format, and promoting their dissemination ▪ Strengthen the infrastructure network by updating and integrating mining transportation and power requirements in national implementation plans ▪ Build local technical and managerial skills and capacity to ensure a steady supply of talent ▪ Clarify the tax and regulatory systems to improve the perception of Nigeria's investment climate for mining activities, and work with National and State legislatures to address gaps and conflicts in governing legislation ▪ Improve State engagement, particularly in financial participation, revenue-sharing, recognition of Federal oversight and social responsibilities to communities ▪ Speed up establishment of the Solid Minerals Development Fund with a seed fund of N200 billion ▪ Ensure that industrial and energy minerals strategies prioritize domestic utilization of assets	Ministry of Mines and Steel Development Ministry of Science and Technology Ministry of Finance Ministry of Industry, Trade and Investment Ministry of Labour and Employment Ministry of Justice
15	Decrease value leaks/loss by formalizing informal mine activities	▪ Formalize artisanal and small-scale mining activities by automating mining cadastral office operations ▪ Develop mine file inspection and policing operations to improve reporting of mine quantities, and target tax evaders to curtail smuggling (especially in gold	Ministry of Mines and Steel Development Ministry of

		and precious stones)	Science and Technology

3.1.4 Services

At 53 per cent of GDP (2015), the services sector is the biggest contributor to Nigeria's economy, growing at an average of 5.8 per cent per year in 2010-2015. Nigeria has the potential to attract significant foreign exchange earnings and create jobs by developing the four main services sub-sectors: telecommunications and information and communication technology (ICT), financial services, tourism and creative industries.

The liberalization of communication in telecommunications has already increased services enormously. Yet the relatively low penetration of mobile subscription (compared to Nigeria's African peers) and the potential of data-generated revenue suggests the potential for further medium-term growth. Telecommunications remains critical for restoring growth and diversifying the economy. By Q3 2016, it had contributed 4.4 per cent of total GDP and was the second-fastest growing sector in absolute terms. In financial services, the low penetration of insurance (again, relative to African peer countries) also suggests strong growth potential, while the high growth of creative industries, in particular the movie industry, looks set to continue.

3.1.4.1 Telecommunications and ICT

A vibrant telecommunications and ICT sector is required to drive and expand national production frontiers across all sectors of the economy.

However, it must first overcome several constraints: disjointed and inadequate policies; the absence of legal and regulatory frameworks; weak PPP frameworks that discourage private-sector participation; weak institutional frameworks that prevent synergy among existing ICT-based infrastructures; and poor ICT infrastructure and info-structure.

Policy objectives

- Achieve cutting-edge, global ICT standards.
- Develop sufficient, efficient, affordable and critical ICT infrastructure.
- Encourage rapid ICT penetration among all socio-economic levels and increase the current coverage of the active mobile broadband subscription per 100 from 20.95 to 50 per cent in 2020.
- Promote and encourage local production of ICT hard and software so as to reduce import dependence and generate foreign exchange by exporting to the regional and continental markets.

3.1.4.2 Financial services

In 2010-2015, the financial services sector (including insurance) grew by 11 per cent a year to total N2.1 trillion in 2015. Finance accounted for most of this growth, while insurance grew only marginally. The finance sector was linked primarily with the oil, power and services sectors, and offered limited financing to manufacturing and agriculture. Because the financial services sector (especially the capital markets) is highly vulnerable to external shocks, the ERGP will seek to strengthen relevant institutions and mitigate risks by building a competitive, healthy financial system that is better positioned to support private sector growth over the Plan period.

Policy objectives

- Increase the volume of assets and the diversity of financial instruments.
- Review the capitalization of financial institutions.
- Encourage lending to agriculture and manufacturing sectors through syndication with development banks and at affordable lending rates and minimum other charges.

3.1.4.3 Tourism

Nigeria's tourism industry offers great potential for medium-term growth, building on the country's rich bio-diversity and ecosystem, traditional cultural diversity, historical cities, and arts and crafts. Business tourism, especially in Lagos and Abuja, also presents a big opportunity. Tourism could increase revenues, create jobs and wealth, and boost foreign reserves. At present, however, the sector struggles with the low level of global awareness of the country's tourist attractions, under-developed infrastructure, security challenges, lack of attractive options for vacationing at home, and insufficient investment.

The ERGP aims to make Nigeria a major tourism destination in Africa and develop the sector into an important source of revenue.

Policy objectives

- Enhance the contribution of tourism to GDP.
- Increase the number of visitors to Nigeria by 10 per cent a year (from 2017).
- Increase the volume of domestic tourism.
- Promote and encourage patronage of local agricultural, creative industry and manufactured products by operators in the tourism industry and strengthen backward and forward linkages as well as conserve foreign exchange.

3.1.4.4 Creative industries

Nigeria's creative industries – film, music, broadcasting and publishing – have big potential to create jobs and generate foreign exchange earnings. Nigeria has one of the fastest-growing entertainment industries and 'Nollywood' movies are known around the world.

However, for the sector to reach its full potential some challenges need to be addressed. These include the low level of technology input, the weak intellectual and property rights regime, lack of access to financing, and high rate of informal employment.

The ERGP aims to develop robust creative industries led by the private sector that will create jobs, wealth and enhance foreign exchange earnings.

Policy objectives

- Increase film production by 15 per cent on an annual basis.
- Export videos to generate USD1 billion in foreign exchange by 2020.
- Improve enforcement of intellectual property rights for artistic works produced in Nigeria.

Strategies

Programme		Services	
No.	Strategy	Key activities	Lead

Programme		Services	
No.	Strategy	Key activities	Lead
16	Promote the ICT sector by supporting technology development	▪ Promote ICT literacy ▪ Increase the number of individuals using the Internet from 47.4 to 75 per cent by 2020 ▪ Promote the acquisition of computers by schools and private firms through a subsidy scheme ▪ Establish a functional education curriculum for primary, secondary and tertiary levels with ICT skill content ▪ Encourage the expansion of existing and establishment of new hardware and software development clusters ▪ Provide adequate infrastructure (power, buildings) and fast-track broadband internet implementation ▪ Review the legal framework, including data protection laws ▪ Raise BPO cluster profiles through international marketing and by identifying investors ▪ Channel funding to entrepreneurs through accelerators and incubators ▪ Stimulate technology content development ▪ Promote the use of e-governance and digitize Federal Government data ▪ Engage with the Government Start-up Intervention Forum to understand ICT-related needs ▪ Encourage local content support for MDAs (e.g., call centres, outsourcing)	Ministry of Communications Ministry of Science and Technology Ministry of Education Ministry of Justice
17	Deepen the financial services sector, including banking and insurance	▪ Restructure, strengthen and rationalize the regulatory and supervisory framework ▪ Address the low capitalization and poor governance practices of financial intermediaries that submit inaccurate information to the regulatory authorities and incur costs within the financial system ▪ In collaboration with banks and financial institutions, develop a structured financing plan to offer less expensive and more accessible credit to the real sector ▪ Direct Federal Government policy towards financial deepening (establish links between rural and urban, banking and non-banking, and formal and informal financial systems) and financial product diversification ▪ Stimulate financial inclusion initiatives (e.g., open banks in remote areas)	Ministry of Finance Central Bank of Nigeria

Programme		Services	
No.	Strategy	Key activities	Lead
18	Grow tourism by offering a strong value proposition	▪ Ensure infrastructure connectivity to promote tourism, e.g., airport infrastructure and air travel safety ▪ Promote the national calendar of festivals and events in the short term, and develop a value proposition around major clusters (e.g., sports, conferences, religious, entertainment, relaxation) in the medium term ▪ Launch an awareness campaign within and outside the country to promote tourism, including world-class hotels and tourist facilities ▪ Resuscitate the Presidential Tourism Council to drive tourism and creative industry ▪ Ease tourist visa requirements to increase tourist arrivals ▪ Improve security to encourage domestic and international mobility ▪ Review tourism legislation and eliminate overlapping functions among regulating agencies	Ministry of Information and Culture Ministry of Foreign Affairs Ministry of Interior
19	Support the creative industries, including film production	▪ Encourage the development of a special funding window ▪ Provide incentives for private-sector investment ▪ Strengthen enforcement of intellectual property rights and crackdown on piracy of artistic works	Ministry of Youth and Sports Ministry of Information and Culture Ministry of Industry , Trade and Investment

3.1.5 Construction and real estate

In 2010-2015, the construction sector recorded a strong average annual growth rate of 11.4 per cent. It accounted for 3.9 per cent of GDP in 2015 and employed nearly 1 million formal workers. After disappointing growth in 2016, construction is forecast to grow at an average of 5.39 per cent in 2017-2020 on the back of private and public investment.

However, the sector continues to be constrained by the high cost of building houses, land, preparation of sites and services, and borrowing. Social housing programmes could mitigate these constraints, stimulate general economic conditions and create a large number of jobs.

The proposed Family Homes Fund is designed to stimulate the construction sector while improving access to social housing. It will operate as a PPP with an expected fund target of N1 trillion.

Policy objectives

- Overcome critical constraints in the construction and real estate sectors.

- Increase the availability of financing for the construction industry.
- Invest in technical and vocational training for craftsmen (electricians, masons, carpenters, etc.) needed by the local industry.

Strategies

Programme		Construction	
No.	Strategy	Key activities	Lead
20	Stimulate construction by building affordable housing	▪ Improve access to finance for the construction industry, e.g., by fast-tracking implementation of the proposed Family Homes Fund, to build 2 million housing units by 2020 ▪ Work with State governments to invest in vocational and technical training centres to develop skills for local craftsmen ▪ Construct 2,700 housing units in the short-term to create 105,000 direct jobs a year and gradually increase to 10,000 housing units per annum by 2020; construct 20,000 pilot social housing units ▪ Reposition the Federal Mortgage Bank of Nigeria by recapitalizing it from N2.5 billion to N500 billion to meet the housing needs across Nigeria ▪ Construct 12 new Federal secretariat complexes in the States where none exist and complete rehabilitation of the existing 23 secretariats	Ministry of Power, Works and Housing Federal Mortgage Bank of Nigeria Ministry of Finance Ministry of Labour and Employment Ministry of Federal Capital Territory

3.1.6 Oil and gas

The oil and gas sector can be divided into two sub-sectors: upstream production of crude oil or natural gas (mostly for export) and downstream activities, e.g., refineries and petrochemicals.

The upstream sector has been the main pillar of Nigeria's economy for decades. Although it contributed only 10 per cent to GDP in 2015, it accounted for 94 per cent of export earnings and 62 per cent of Government revenue (Federal and State). Nigeria has proven reserves of 38 billion barrels of oil and 187 trillion cubic feet of gas, making it the tenth-largest oil producer in the world and the seventh-largest owner of proven gas reserves.

In 2012-2015, crude oil production was stable at an average 2.2 mbpd, but in 2016, repeated attacks on oil pipelines and production facilities by militants in the Niger Delta reduced production from 2.1 mbpd in January to 1.1 mbpd in August. However, oil production averaged 1.8 mbpd by end 2016. This was attributed to the repairs of damaged facilities and agreements to cease sabotage and related vandalism.

The downstream sector accounted for just 0.3 per cent of GDP in 2015. Nigeria has four refineries with an installed capacity of 445,000 bpd, which operated far below installed capacity. The nation accordingly had to import USD7.83 billion worth of refined petroleum that year alone.

Strategies to increase upstream oil production and accompanying revenues are detailed in Chapter 2 under fiscal policy. In addition, this Plan lays out strategies to develop gas production and the domestic oil refining industry to meet internal demand, and export refined products instead of crude oil. These strategies build on the Federal Government's policy goals presented in the 7 Big Wins initiative unveiled by the Ministry of Petroleum Resources (Box 3.3).

Box 3.3: 7 Big Wins to grow the oil and gas industry

The 7 Big Wins initiative developed by the Ministry of Petroleum Resources outlines short and medium-term priorities to grow the Nigerian oil and gas industry. The initiative aims to develop a stable and enabling oil and gas landscape with improved transparency and efficiency, a stable investment climate, and a protected environment. At the core of the initiative are seven focus areas:

- **Review policy and regulation** including the National Oil Policy, National Gas Policy, Downstream Policy, Fiscal Reform Policy, and Petroleum Industry Reform Bill.
- **Improve the business environment and drive investment** in accelerated income streams, upstream, midstream, and downstream.
- **Continue the gas revolution** by developing gas infrastructure; conducting gas revolution projects; promoting domestic utilisation of liquefied petroleum gas (LPG) and compressed natural gas (CNG); reducing gas flaring; implementing gas commercial frameworks; and increasing gas to power.
- **Increase refineries' local production capacity** by rehabilitating and revamping existing refineries.
- **Improve Niger Delta security** across environment and security, infrastructure, capacity building and economic empowerment.
- **Increase transparency and efficiency** by building capacity, increasing the use of ICT and automation, and introducing performance management.
- **Improve stakeholder management and international coordination** by implementing a communications strategy, managing stakeholder relationships and international energy relations, and improving bilateral coordination.

Policy objectives

- Restore oil production to 2.2 mbpd in 2017 and increase it to 2.5 mbpd by 2020.
- Increase local refining capacity to meet domestic demand and become a net exporter of petroleum products by 2019.
- Expand domestic gas production to meet power generation and manufacturing demand.
- Promote LPG for domestic use.
- Increase local content in the upstream and downstream oil and gas sectors.
- Ensure industry compliance with global health, safety and environmental standards.
- Reform NNPC to deliver returns to the Government and provide excellent service to customers.

Strategies

Programme		Oil and gas	
No.	Strategy	Key activities	Lead
21	Revamp refineries to increase local production capacity	▪ Strategically reduce government equity in NNPC refineries and other downstream subsidiaries (such as pipelines and depots) ▪ Conclude downstream liberalization ▪ Implement new business models for refineries ▪ Revamp refineries to increase capacity utilization ▪ Encourage private-sector participation through co-location and JV arrangements ▪ Work with the National Assembly to ensure passage of the PIB	Ministry of Petroleum Resources Ministry of Justice
22	Revolutionize gas by launching development projects and increasing production	▪ Accelerate the building of critical pipeline infrastructure (e.g., Obiafu-Obrikom-Oben pipeline (OB3), Trans Nigeria Gas Pipeline, Escravos Lagos pipeline system (ELPS)II) ▪ Finalize gas production sharing contract terms ▪ Implement the seven key gas development projects to ramp up domestic supply ▪ Roll out the LPG Penetration Programme	Ministry of Petroleum Resources Ministry of Niger Delta Affairs
23	Improve governance of the oil sector	▪ Review policy and regulation including: National Oil Policy; National Gas Policy; Downstream Policy; Fiscal Reform Policy; Petroleum Industry Reform Bill ▪ Improve business environment and investment drive in the areas of accelerated income streams, upstream, midstream, and downstream ▪ Continue gas revolution through gas infrastructure development; gas revolution projects; promotion of domestic utilisation of liquefied petroleum gas (LPG) and compressed natural gas (CNG); reduction of gas flaring; implementation of gas commercial framework; and increasing gas to power ▪ Increase refineries local production capacity through: rehabilitation and revamp of existing refineries ▪ Improve Niger Delta security ▪ Expand infrastructure; implement capacity building and economic empowerment initiatives in the Niger Delta ▪ Increase transparency and efficiency through: capacity building; increasing use of ICT and automation; and performance management	Ministry of Petroleum Resources Ministry of Niger Delta Affairs Ministry of Youth and Sports Ministry of Interior Ministry of Justice

Programme		Oil and gas	
No.	Strategy	Key activities	Lead
		▪ Improve stakeholder management and international coordination through implementation of a communication strategy; stakeholder relationship management; international energy relations; and bilateral coordination	

3.2 GROWTH POLICY ENABLERS

3.2.1 Industrial and trade policy

Industrial policy is key to transforming Nigeria's economy. In its application, the role of government is not to micro-manage the economy, run businesses or select winners. Rather, it is to establish an environment in which market-determined public private partnerships are established, with the goal of having the market efficiently allocate finite resources to achieve greater productivity, competitiveness and growth. Best practice industrial policy funds research, fosters innovation, and integrates domestic value chains (backward integration programmes) to benefit regional and global value chains. It encourages the emergence of "industrial commons", aggregating suppliers' networks with a base of industrial knowledge with positive spin-offs and multiplier effects.

The ERGP aims to correct market failures and counter the type of internal and external shocks produced by economic and financial crises and negative business cycles. It will identify and support the sectors critical for growth and employment and consistent with the rules-based global economy. It will coordinate industrial and trade policy according to the Nigerian economy's trade rules and economic priorities, and reflect these priorities in bilateral, regional, continental and global trade negotiations.

In 2016, the National Export Promotion Council and Ministry of Budget and National Planning launched the Zero Oil Initiative to offset the drop in oil-generated foreign revenues by increasing exports from other sectors (Box 3.4). In line with this strategy, several measures have been identified such as launching the Export Development Fund, upgrading critical export infrastructure and reviving the Export Expansion Grant (EEG) scheme in the form of tax credits to companies.

In terms of trade, enforcing the Export Expansion Grant will provide a strong policy impetus to diversify foreign exchange earnings. The ERGP will improve the business environment to promote Nigeria's global competitiveness, and strongly discourage monopoly, duopoly, oligopoly and all forms of collusion that prevent fair business competition.

Export development will also extend to service sub-sectors where Nigeria has a comparative advantage such as ICT, education, finance, entertainment and tourism.

Box 3.4: The Zero Oil Initiative

The Zero Oil Initiative developed by the National Export Promotion Council and Ministry of Budget and National Planning aims to boost the supply of foreign exchange from non-oil sectors by driving growth in five areas:

- **Export sectors:** Roll out export policies for the 11 major products that could generate up to USD30 billion in forex a year: cotton, rice, leather, gold, soya, sugar, cocoa, petrochemicals and fertilizer, palm oil, rubber, and cement.

- **New markets:** Review all trade agreements to prioritize Nigerian exports into target markets and operationalize networks with global regulators and inspectors in target markets.

- **Domestic sourcing:** Launch the first National Export Aggregator, with facilities and traders to provide export off-take. Identify and engage the top 500 leading local and global corporations for exports.

- **Export incentives and funding:** Revive the Export Expansion Grant Scheme as an incentive to boost export design and launch the Export Development Fund (as per the Nigerian Export Promotion Council Act) to provide last-mile financing to transformational export projects.

- **States, zones and competencies:** Commence export projects and investment tracking in each State as part of the One State One Product scheme.

3.2.2 Digital-led strategy for growth

To modernize the Nigerian economy and make it competitive in the 21st century global economy, its industrial policy must be linked to a digital-led strategy for growth. The Smart Nigeria Digital Economy Project led by the Ministry of Industry, Trade and Investment (MITI) in partnership with the Ministry of Communication is designed to do just this. The Project's objective is to increase the contribution from ICT and ICT-enabled activity to GDP by an estimated 10 per cent and create 2.5 million new jobs between 2017 and 2020.

The overall goals of a digital-led strategy for growth centre on the establishment of an ICT ecosystem in Nigeria. This is enabled through significantly expanding broadband coverage, increasing e-government, and establishing ICT clusters, starting in the SEZs. The Government will also drive a programme to build the skills in this sector, focusing on training IT Engineers in software development, programming, network development and cyber security.

3.2.3 Cross-sector strategies

In addition to sector-specific growth strategies, the ERGP will implement cross-sector strategies to support Nigeria's entrepreneurs and businesses. These will include enhancing support for MSMEs, boosting development finance and implementing a clear export development strategy for non-oil sectors.

MSMEs currently account for about 50 per cent of GDP, up to 84 per cent of employment and 7.27 per cent of export earnings. In spite of their important contribution, they face a number of constraints including inadequate access to finance, weak infrastructure, limited access to markets, multiple taxation, limited use of modern technology and a sometimes difficult regulatory environment.

The ERGP will prioritize MSMEs in all key sectors to make them a major source of growth and contribution to long-term national development.

Policy objectives

- Support MSMEs to maximize their contributions to growth, employment creation and export earnings.

- Increase MSMEs' contribution to export earnings from 7.27 per cent to a minimum of 15 per cent by 2020.

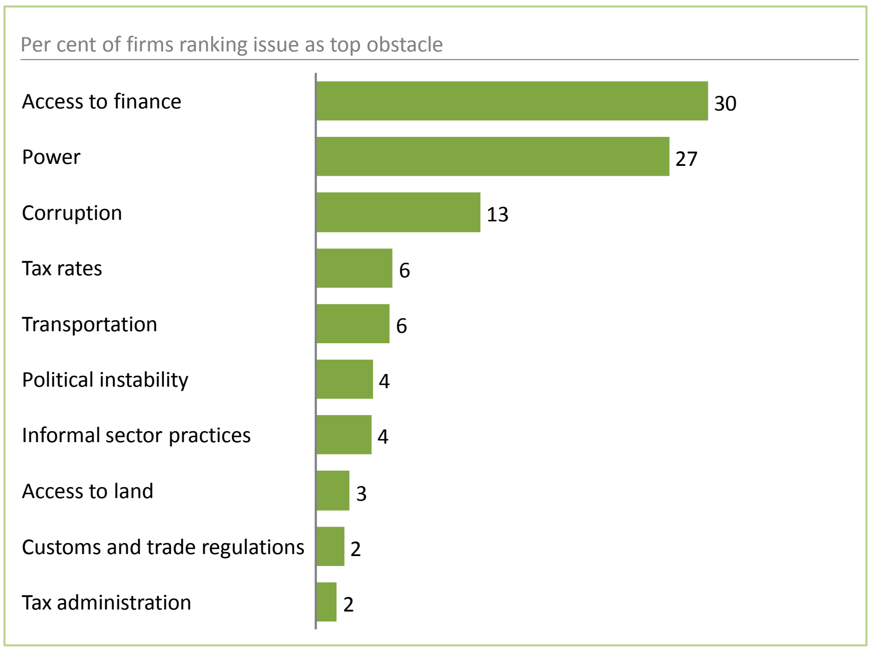
Strategies

Programme		Cross-sector strategies	
No.	Strategy	Key activities	Lead
24	Enhance support to MSMEs	▪ Provide dedicated infrastructure and common facilities to MSME clusters ▪ Reduce regulatory obstacles facing MSMEs, e.g., through more information and structured interface with MDAs ▪ Enable financial service providers (e.g., deposit money banks) to grant loans to MSMEs against their pension assets as collateral ▪ Enhance access to the N250 billion CBN MSME fund by reviewing its design and implementing enabling initiatives to encourage on-lending ▪ Provide micro-loans for women through the GEEP and Women Empowerment Fund ▪ Partner with international development banks and the Global Impact Investing Network to promote and facilitate impact investments for MSMEs in Nigeria ▪ Continue to scale up and roll out credit to critical sectors of the economy, in particular by increasing the funding available to the collateral registry	Ministry of Industry, Trade and Investment Ministry of Finance Small and Medium Enterprises Development Agency of Nigeria Ministry of Youth and Sports Ministry of Women Affairs
25	Boost Development Finance	▪ Strengthen the Bank of Industry ▪ Re-capitalize the Bank of Agriculture ▪ Operationalize the Development Bank of Nigeria and ramp up provision of loans to 20,000 beneficiaries through development finance institutions in 2017	Ministry of Finance Central Bank of Nigeria
26	Implement the export development strategy for non-oil sectors	Implement the key measures of the Zero Oil Initiative: ▪ Roll out policies for 11 major products (cotton, rice, leather, gold, soya, sugar, cocoa, petrochemicals and fertilizer, palm oil, rubber, and cement) to generate USD30 billion in foreign exchange ▪ Revive the EEG in the form of tax credits to companies ▪ Design and launch the Export Development Fund to provide last-mile financing to transformational export projects ▪ Upgrade high-priority export infrastructure projects (e.g., bulk loading terminals at ports, field-to-market road routes)	Ministry of Industry, Trade and Investment Nigerian Export Promotion Council Ministry of Finance Ministry of Foreign Affairs

4 BUILDING A COMPETITIVE ECONOMY

Nigeria's strong fundamentals – natural resources, large market, and young population – make it an attractive destination for private sector investment. However, Nigeria is considered a challenging place to do business because of the difficulties in accessing finance, inefficient bureaucracy, ambiguous and inconsistent regulations, corruption and poor infrastructure. Global indices confirm this. The World Economic Forum's 2016-2017 Global Competitiveness Index ranks Nigeria 127 out of 138 countries, and the World Bank's 2017 Doing Business index ranks the country 169 out of 190 countries. According to the 2014 World Bank's Enterprise survey that surveyed over 2,000 small businesses in Nigeria, the major obstacles faced by businesses are limited access to finance, poor infrastructure (especially power) and corruption (Figure4.1).

Figure 4.1: Obstacles to doing business in Nigeria, 2014



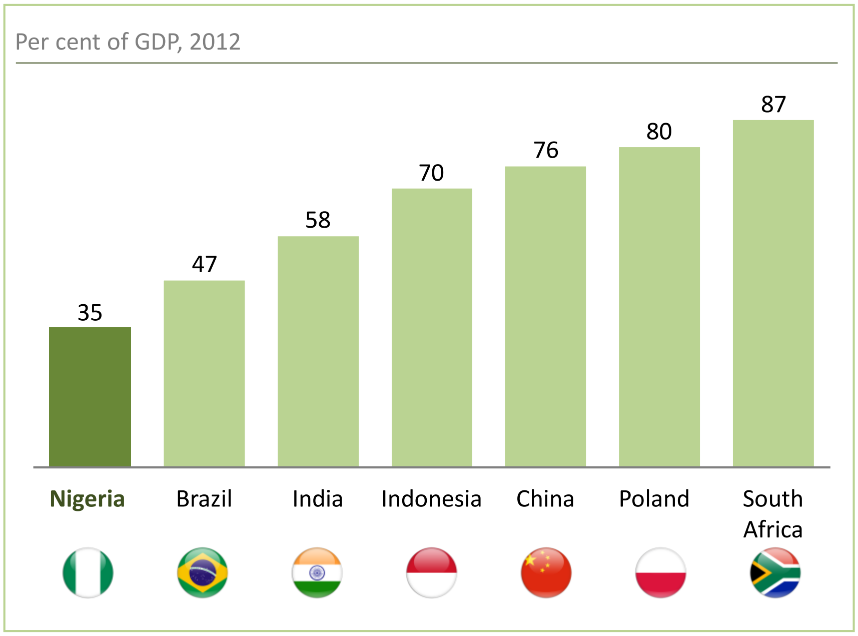
Source: World Bank Enterprise Survey, 2014

The ERGP responds to these issues in two main ways: by accelerating infrastructure development, specifically power, roads, rail, ports and broadband; and making it easier to do business in Nigeria by improving the legal and regulatory environment, and related processes.

4.1 INFRASTRUCTURE

The value of Nigeria's total infrastructure stock (road, rail, power, airports, water, telecoms, and seaports) represents only 35 per cent of GDP. This is far below the level of peer emerging market countries, where the average is 70 per cent (Figure4.2).

Figure 4.2: Infrastructure stock to GDP in selected Countries (Per Cent), 2012



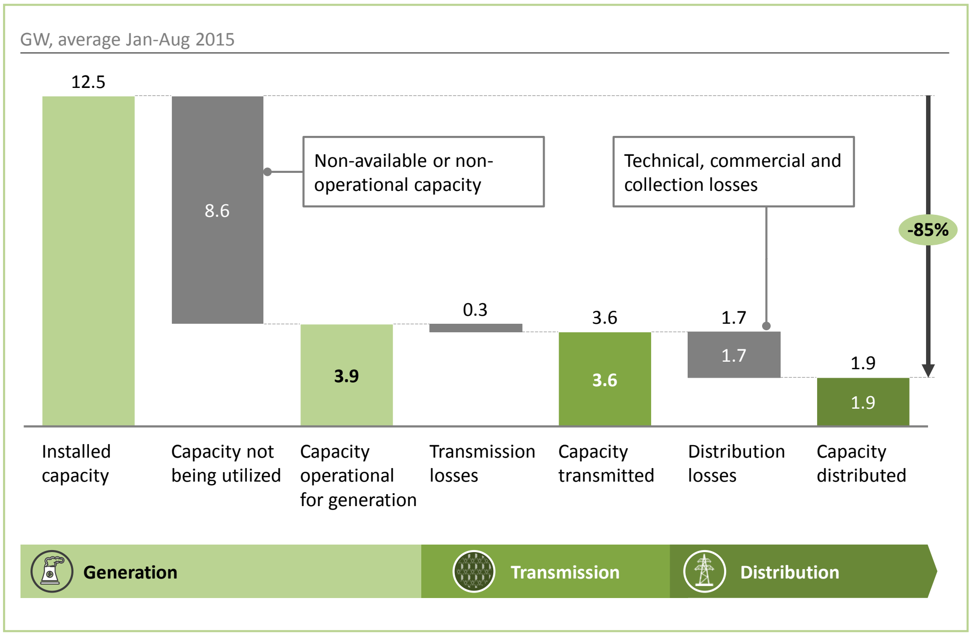
Source: National Integrated Infrastructure Master Plan

To optimize the contribution of all these sectors, Nigeria needs to invest USD3 trillion in infrastructure over the next 30 years. The Federal Government cannot provide these resources all by itself. It will be leveraging private sector capital in a variety of ways such as public-private partnerships, special purpose vehicles, investment funds, and various guaranty arrangements. In these arrangements, government does have a key role to play; accordingly, the Federal Government plans to borrow up to $30bn over the Plan period to meet its share of funds to build the Mambilla hydropower plant, and priority segments of the Coastal Railway, the Lagos-Kano Railway and the Abuja Mass Transit Rail line. In addition, it will also be making strategic use of the Nigerian Sovereign Investment Authority, which is home to the national sovereign wealth fund.

4.1.1 Power

The Electric Power Sector Reform Act was passed in 2005 to reposition the sector by changing its structure, and privatizing generation and distribution while retaining transmission under Government control. Today, Nigeria has 12.5 GW of installed capacity, but less than one-third is operational (average 3.9 GW in 2015; 3.2 GW in November 2016). Overall, only about 15 per cent of installed capacity is eventually distributed to end users, resulting in a huge shortage of electricity supply across the country (Figure4.3).

Figure 4.3: Nigeria's power sector energy flow, Jan-Aug. 2015



Source: Nigeria Power Baseline Report 2015

The ERGP will address problems in the power value chain by overcoming governance, funding, legal, regulatory, and pricing constraints across the four main segments in the power value chain (gas supply, generation, transmission and distribution). The Federal Government will also invest in transmission infrastructure.

Policy objectives

- Improve energy efficiency and diversify the energy mix, including through greater use of renewable energy.
- Facilitate private sector investment in generation, transmission, and distribution
- Improve access to electricity to all Nigerians
- Increase rural electrification through the use of off-grid renewable solutions
- Restore financial viability in the electricity market
- Implement a data-driven approach in power sector development planning
- Eliminate sabotage of gas and power infrastructure

Strategies

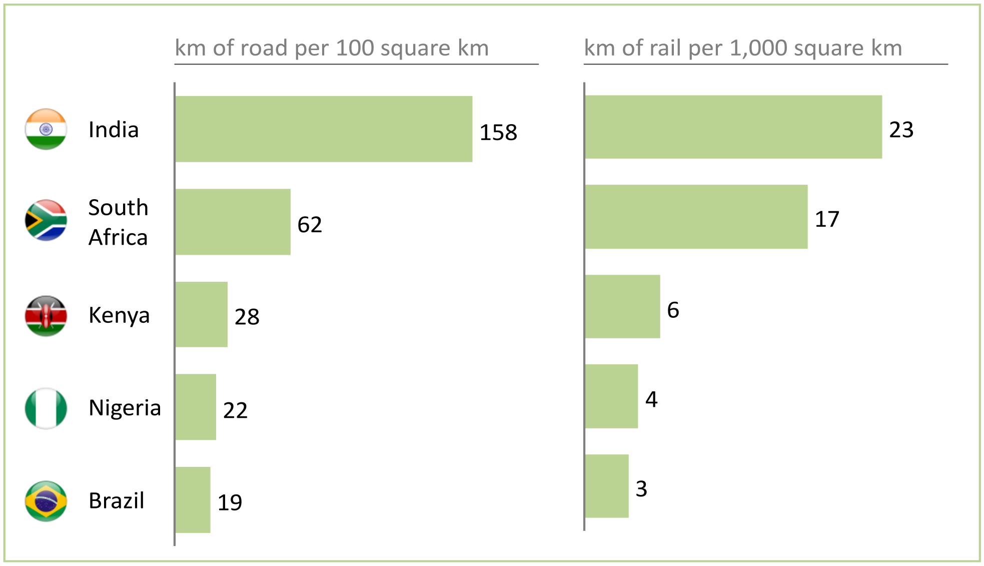
Programme		Power	
No.	Strategy	Key activities	Lead
27	Increase power generation by optimizing operational capacity, encouraging small-scale projects, and pursuing long-term capacity	▪ Optimize the existing installed capacity available for generation ▪ Restore lost gas supply through the Gas Flare Commercialization Programme ▪ Produce strategy towards elimination of gas infrastructure vandalism ▪ Complete major gas infrastructure lines to plants and main trunk lines to facilitate gas supply for power generation ▪ Improve NBET's financial capability to support the electricity market ▪ Strengthen governance and capacity of sector agencies ▪ Introduce strategy for capital market and banking programmes that ensure all upstream industry operators get paid for each contract ▪ Review the gas pricing structure to recover all prudent costs as services improve and give willing developers access to under-developed gas resources ▪ Ensure strict contract compliance both for the public and private sector ▪ Enable and encourage new generation (especially small-scale) projects ▪ Encourage electricity distribution companies (Discos) to procure embedded generation directly ▪ Reach financial close on the 15 solar plants that have recently signed power purchase agreements (PPPs) ▪ Accelerate standardization of the process for executing independent power projects (IPPs), including defining pricing, to encourage private-sector participation ▪ Deploy a clear, legal and commercial framework for investments in power projects ▪ Mobilize investments to execute renewable off-grid power solutions to improve energy mix ▪ Reduce transmission and distribution losses/ energy theft ▪ Restructure the Transmission Company of Nigeria to improve management and operational efficiency ▪ Achieve privatisation of NIPP generation assets	Ministry of Power, Works and Housing Ministry of Petroleum Resources Ministry of Science and Technology Ministry of Federal Capital Territory

Programme		Power	
No.	Strategy	Key activities	Lead
		▪ Implement the Rural Electrification Strategy and Implementation Plan ▪ Implement the National Renewable Energy and Efficiency Policy (NREEP) ▪ Implement Power Sector Recovery Plan	
28	Improve the commercial viability of GenCos and DisCos	▪ Resolve MDAs debts to Discos no later than 2017 ▪ Establish central payment system for MDAs electricity bills and tie payment of bills to Discos to their commitments to install meters in MDAs ▪ Ensure strict contract compliance both for the public and private sector ▪ Introduce cost-reflective electricity tariffs ▪ Undertake nationwide customer enumeration and energy audit exercise ▪ Support the roll-out of a nationwide metering programme ▪ Identify sources of funding to resolve accumulated payment deficits ▪ Develop mitigation mechanisms to address future payment deficits ▪ Design public communication and stakeholder engagement strategy to enlighten public on key policies ▪ Review the disbursement and management of the N213 billion Nigeria Electricity Market Stabilization Facility ▪ Enforce existing laws that criminalize power theft and ensure prompt payment by heavy public defaulters	Ministry of Power, Works and Housing Nigerian Electricity Regulatory Commission Ministry of Finance Ministry of Federal Capital Territory

4.1.2 Transport infrastructure

Nigeria's transport infrastructure stock is inadequate for the size of the economy and constitutes a major cost and constraint for both large and small businesses. It lags behind its peers in terms of scale (i.e., road and rail density) and quality (Figures 4.4, 4.5).

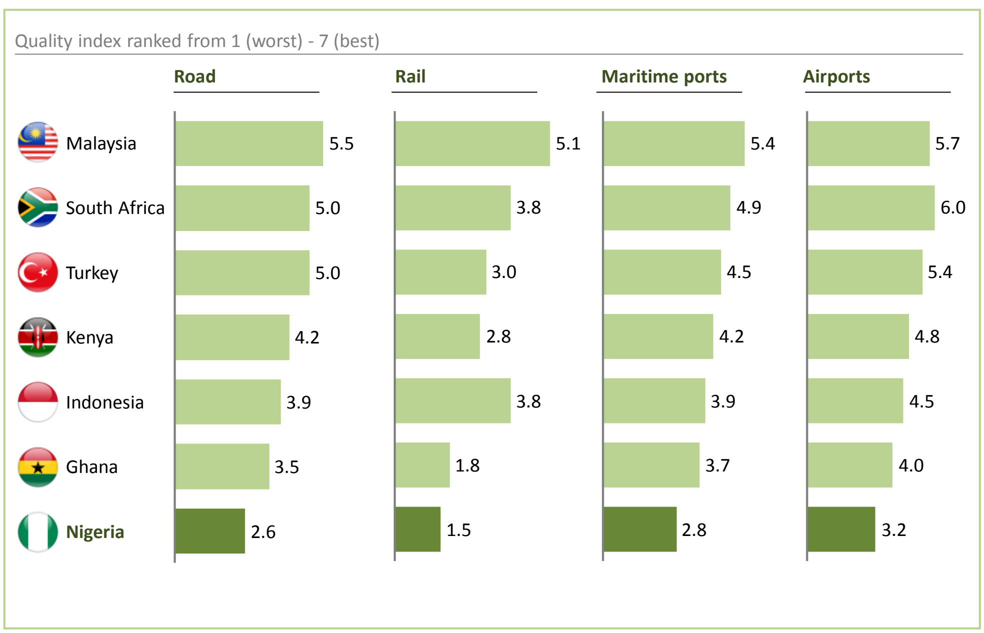
Figure 4.4: Density of transport Infrastructure in selected countries



Rail data is for 2014; Road data is 2010 to 2015

Source: National Integrated Infrastructure Master plan; World Bank; CIA World Fact book

Figure 4.5: Quality of transport infrastructure in selected countries, 2016



Source: World Economic Forum Global Competitiveness Report 2016-2017

Poor sector governance (project selection, funding models and oversight) and weak project execution hamper efforts to expand the stock and improve the quality of infrastructure.

Much has been accomplished in the last 18 months. The Abuja-Kaduna passenger rail services have been completed. The Lagos-Ibadan and Port Harcourt-Calabar railway projects have been signed off. Eighty-five major ongoing road projects have been mobilized and the concession process for the four major airports started. Although these are steps in the right direction, much more is needed to overcome the backlog in transport infrastructure that is hampering economic growth and development aspirations, especially in sectors such as agriculture and manufacturing.

Given the scale of the investment required, partnering with the private sector will be critical. Work is ongoing to remove structural bottlenecks that prevent private companies from investing in and operating backbone infrastructure projects. This was done successfully in the telecommunications sector.

Due to resource and time constraints, the ERGP will prioritize a sub-set of the most critical infrastructure projects. Four principles will guide this approach:

- Leveraging private-sector infrastructure investment.
- De-risking priority projects to increase their bankability and ensure financial closure.
- Ensuring efficient and effective use of capital.
- Holding MDAs, contractors and partners accountable for execution.

Policy objectives

- Restore degraded sections of the Federal highway network to improve connectivity over a distance of 4,000 km.
- Construct strategic rail projects to connect major economic centres across the country. The target is to complete construction of the Lagos- Kano and Lagos- Calabar rail projects.
- Offer concessions on the four major airports to improve infrastructure maintenance and boost operational efficiency.
- Dredge 1,000km of inland waterways and reinforce riverbanks to increase the capacity of inland waterways.

Strategies

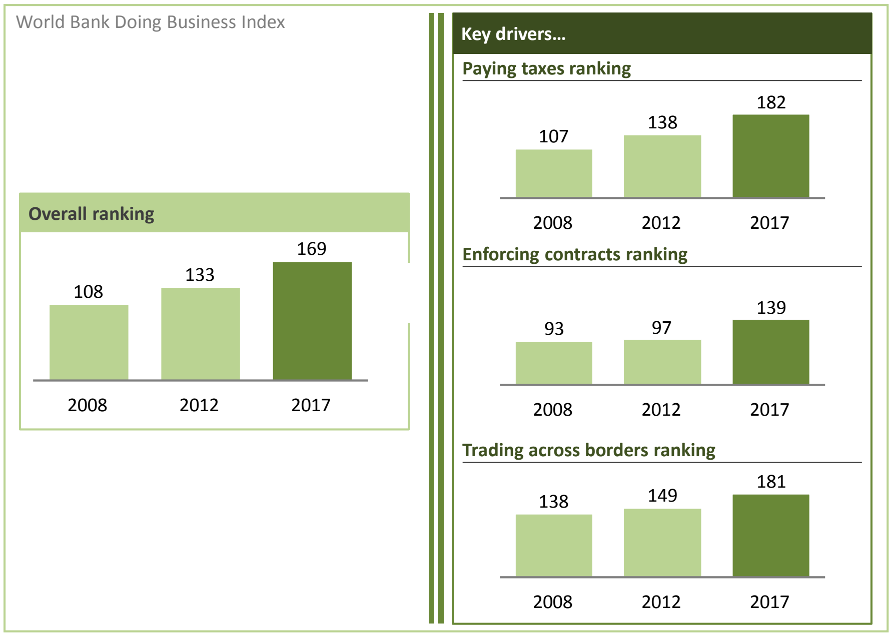
Programme		Transport infrastructure	
No.	Strategy	Key activities	Lead
29	Invest massively in transport infrastructure, leveraging private-sector investments	▪ Establish a robust capital project development framework to encourage and increase PPPs to deliver critical projects, such as roads, rail, seaports and airports ▪ Review the Infrastructure Concession Regulatory Commission Act to resolve conflicting legislation with the Bureau of Public Enterprises and Bureau of Public Procurement Act and strengthen the Commission's regulatory mandate to facilitate private investment ▪ Harness the existing pool of sustainable development funds to assess the viability and bankability of critical infrastructure projects ▪ Leverage a sustainable and alternative mix of funding for critical infrastructure projects,	Ministry of Transport Ministry of Federal Capital Territory Infrastructure Concession Regulatory Commission Bureau of Public Procurement Bureau of Public Enterprises Ministry of Justice

Programme		Transport infrastructure	
No.	Strategy	Key activities	Lead
		including project financing initiatives, infrastructure bonds, diaspora bonds, and value-capture financing ▪ Fast-track the completion of airport cargo and passenger handling terminals to increase capacity from 208,424 to 276,848 tons and 15 million to 45 million passengers, respectively, by 2020 ▪ Complete the road sector reforms to establish a Road Authority and a Road Fund to enhance best world practice in the administration of road network development and management in the country ▪ Ensure the approval of the Tolling Policy so that some of the major dual carriageways can be concessioned for maintenance and tolling while government utilises the saved funds from this maintenance for other critical roads in the federal road network to the nation's refineries, ports, NNPC depots and agricultural hubs, etc.	

4.2 BUSINESS ENVIRONMENT

The Nigerian business environment suffers from a number of challenges that make carrying out business operations costly and inefficient. Not surprisingly, the country performs poorly across two major surveys measuring the ease of doing business. It ranks 127 out of 138 countries in the World Economic Forum's 2016-2017 Global Competitiveness Index and 169 out of 190 countries in the World Bank's 2017 Doing Business Index (Figure 4.6). Indeed, Nigeria's position in the Doing Business rankings has deteriorated since 2008.

Figure 4.6: Nigeria's performance on ease of doing business



Source: World Bank Doing Business Index 2008, 2012, 2017

Previous efforts to reform the policy and regulatory landscape have not delivered significant results. This is partly because of fragmented efforts and inadequate prioritization at the political level. To overcome these challenges, the Presidential Enabling Business Environment Council (PEBEC) chaired by the Vice President has been established. Its membership is drawn from the Central Bank and the nine Ministries most involved in providing services. The Enabling Business Environment Secretariat based at the Nigerian Investment Promotion Commission (NIPC) will support the Council's work.

Over the next 18 months, the PEBEC will oversee reforms to make it easier to start, formalize and operate a business, simplify and clarify regulations, and simplify the processes to put them into practice. Some of the things that the PEBEC aims to achieve in early 2017 include facilitating the entry/exit of people and goods, simplifying Federal Government procurement processes, and improving transparency by articulating clear service level agreements (SLAs) for permits, documents and licences.

Policy objective

- Make the Nigerian business environment more competitive.

Strategies

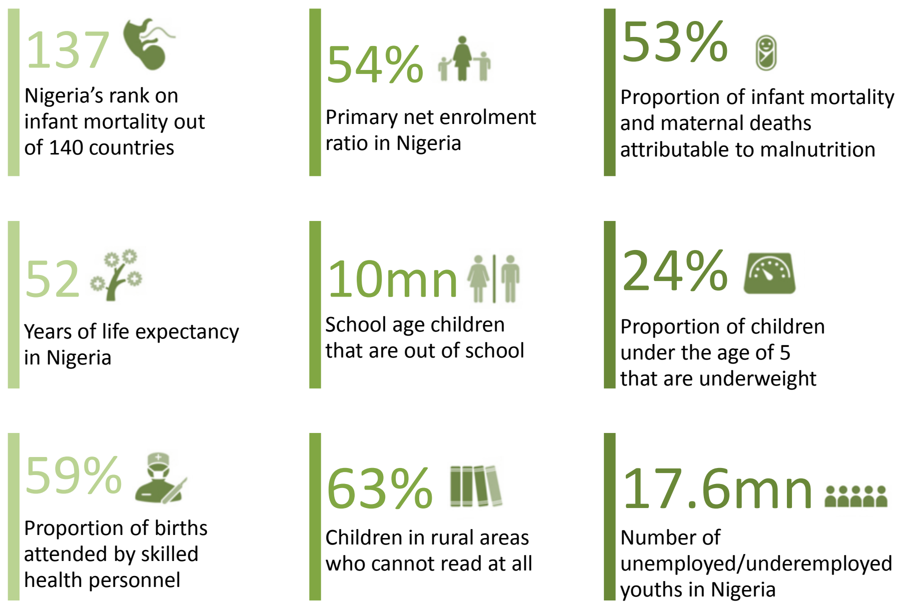
Programme		Ease of doing business	
No.	Strategy	Key activities	Lead
30	Create a more business friendly economy	▪ Facilitate the entry and exit of goods ▪ Define clear timelines for Net Exports Proceeds forms to be processed by all relevant agencies ▪ Enforce the mandatory 3-day timeline for pre-shipment inspection agents to issue clean certificates of inspection ▪ Ensure sanctity of contact and enforcement ▪ Reduce the number of agencies at the ports to six based on previous recommendations ▪ Ensure the collaboration of the relevant MDAs in implementing the single window system ▪ Launch capability-building efforts across the Nigeria Customs Service and Nigeria Ports Authority ▪ Facilitate the entry and exit of people ▪ Operationalize the e-visa application and visa on arrival procedures no later than 2018 ▪ Update the Nigeria Immigration Services and Nigeria Missions Abroad websites to clarify end-to-end visa and permit instructions ▪ Streamline passenger security checks at major international airports, i.e., eliminate unnecessary forms and passenger checkpoints ▪ Repair airport infrastructure, e.g., broken escalators and carousels, air conditioning units, unreliable flight monitors in the lounges ▪ Remove redundant and bureaucratic steps in the visa/permit application processes ▪ Ensure proper resourcing of missions abroad to issue visas ▪ Improve Government website transparency ▪ Ensure websites are updated with clear descriptions of MDA services, fees, and processes and timelines to obtain each MDA services ▪ Put systems in place to monitor and update the MDA websites regularly ▪ Improve the business environment ▪ Improve Nigeria's rank in the World Bank's Doing	Ministry of Industry, Trade and Investment Presidential Enabling Business Environment Council Ministry of Interior Ministry of Transportation Ministry of Foreign Affairs Bureau for Public Procurement Ministry of Information and Culture

Programme		Ease of doing business	
No.	Strategy	Key activities	Lead
		Business index from 169 to 100 by 2020 ▪ Improve the Government procurement process for small businesses ▪ Issue clear sets of guidelines for small businesses offering services to the Government ▪ Set up links between Government data systems to enable the BPP to verify data ▪ Clarify which documentation is required for small businesses by MDAs ▪ Encourage businesses to complain officially about MDA delays and claim penalties and interest on late payments	

5 INVESTING IN OUR PEOPLE

Nigeria lags behind in the major global socio-economic indicators for health, education, nutrition and jobs (Figure5.1).

Figure 5.1: Nigeria's performance on key socio-economic indicators



Data from 2010 to 2016

Source: World Bank; NBS; UNICEF

At the same time, economic growth has not been inclusive; today more Nigerians live in poverty than 10 years ago.

To grow and develop the economy sustainably, it is imperative to invest in the Nigerian people, especially its youth. This means improving access to good and affordable healthcare and education; fostering social inclusion; promoting job creation; and protecting the environment. The aim is to enhance opportunities for all Nigerians irrespective of gender, age, and physical ability. The ERGP outlines measures towards achieving these goals. It is critical to have an effective population management strategy that is aligned with the ERGP, in order to address the issue of high population growth. Without this, even in a situation of positive economic growth, the achieved GDP may be unable to keep pace with the needs of a population that is expanding exponentially.

U.N. projections estimate that at the current rate of population growth, Nigeria will be among the 4 most populous countries in the world with an estimated population of well over 289 million by year 2050.

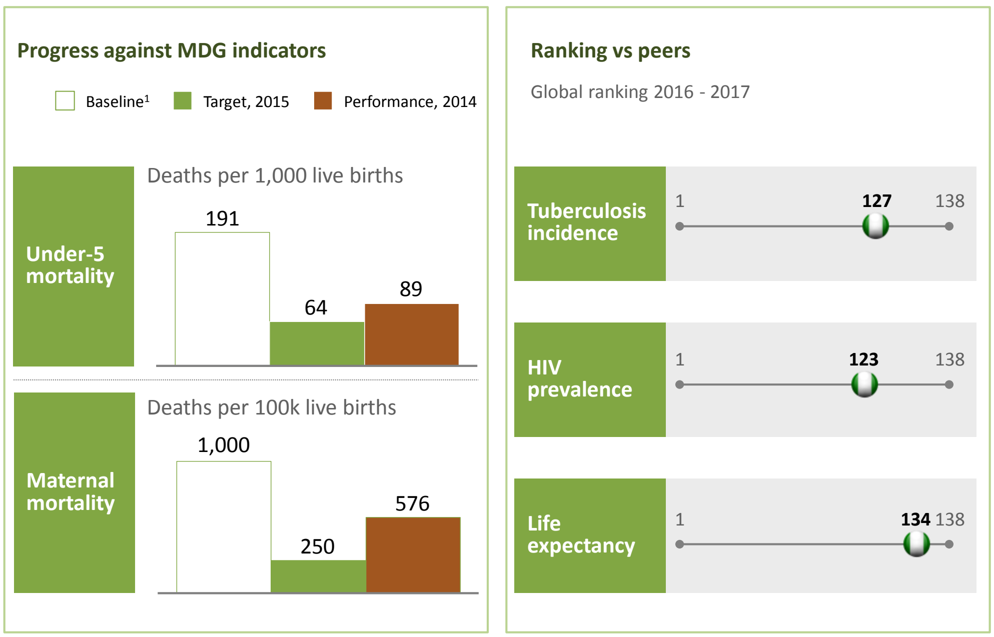
The task of harmonising the rate of population growth with the tempo of economic and social development requires the involvement and collaboration of a number of governmental and non-governmental stakeholders. This makes it imperative to fast track the review of the population policy for the country. The Ministry of Budget and National Planning will work closely with the Federal Ministry of Health and other relevant stakeholders to review Nigeria's population policy.

5.1 HEALTHCARE

Nigeria's health system does not provide the level of service required to meet the needs of its population. At 52 years, the average life expectancy in Nigeria is lower than that of its peer African countries, e.g., Ghana (61 years) and South Africa (57 years). The prevalence of infectious diseases remains high. Nigeria ranks poorly on incidence of tuberculosis (128 out of 138 countries) and prevalence of HIV (123 out of 138 countries). On under-five child mortality, there are 89 deaths per 1,000 live births, a level far above the target of 64 deaths per 1,000 live births set in the UN Sustainable Development Goals (SDGs).

Some progress has been made over the last 20 years. The maternal mortality rate in 2014 was 576 deaths per 100,000 live births compared to 1,000 deaths per 100,000 live births in 1990. However, Nigeria has a long way to go to meet the UN SDG of 70 deaths per 100,000 live births by 2030.

Figure 5.2: Nigeria's performance on key health indicators



1 Baseline for Under-5 mortality is 2000; baseline for maternal mortality is 1990

Source: Nigeria 2015 MDG report; Global Competitiveness Report 2016–2017

There are several reasons for the poor performance of our healthcare services. These include insufficient financing, inadequate and inequitable access, weak supply chain management, limited human resource capacities and insufficient coordination, cohesion and accountability.

The Federal Government's health policy aims to improve the availability, accessibility, affordability and quality of health services by increasing access to primary health care services, expanding health coverage and improving the quality of the services provided.

Policy objectives

- Improve the availability, accessibility, affordability and quality of health services.
- Expand healthcare coverage to all Local Governments.

- Provide sustainable financing for the health care sector.
- Reduce infant and maternal mortality rates.

Strategies

Programme		Health	
No.	Strategy	Key activities	Lead
31	Revitalize the primary healthcare system	▪ Revitalize 10,000 primary health care centres and establish at least one functional primary health centre (PHC) in each ward to improve access to health care ▪ Fully implement the primary health care refinancing programme to mobilize domestic resources ▪ Drive progress to meet UN SDG health targets ▪ Reduce infant and maternal mortality rates	Ministry of Health Sustainable Development Goals' Office
32	Roll out universal health coverage (NHIS)	▪ Expand the NHIS towards universal health care coverage ▪ Enforce the Tertiary Institutions Social Health Insurance Programme for students in tertiary institutions ▪ Pilot the Public Primary Pupils Social Health Insurance Programme to provide quality health services to pupils in middle- and lower-income socio-economic levels who are less likely to have insurance ▪ Scale up the Mobile Health Insurance Programme to provide coverage for the poor	Ministry of Health Ministry of Education
33	Strengthen delivery beyond the primary health care system	▪ Provide anti-retroviral medication to people living with HIV/AIDS ▪ Ramp up projects to eradicate polio, measles and yellow fever ▪ Make strategic investment in tertiary health care institutions in collaboration with the National Sovereign Investment Authority and other relevant stakeholders, e.g., establish diagnostic centres in all States ▪ Develop and adopt an e-health scheme to connect specialized hospitals to rural communities via mobile tele-medicine	Ministry of Health Ministry of Science and Technology
34	Partner with the private sector to construct model mega-health	▪ Partner with the private sector to develop at least one mega-health centre in each State to provide high-quality preventive and curative healthcare	Ministry of Health

Programme		Health	
No.	Strategy	Key activities	Lead
	centres		
35	Build the capacity of health care personnel to improve service delivery	▪ Provide a rural service allowance and basic amenities to health workers in rural areas to retain qualified personnel ▪ Identify and fill gaps to optimize the health worker-to-population ratio by recruiting and training more health workers and attracting talent from abroad ▪ Develop the Diaspora Medical Assistance Programme to attract and encourage Nigerian medical professionals abroad to provide volunteer health services in Nigeria	Ministry of Health

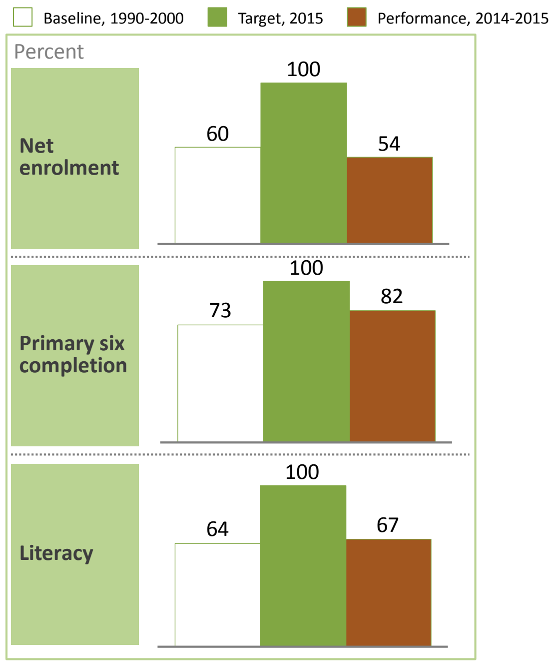
5.2 EDUCATION

The shifts in the global economy, the emergence of new sectors and the digital revolution have changed the skills required of the work force. Nigeria has to reposition its education sector to prepare its young people to cope with the changing technological and economic environment.

As things stand, limited access to basic education and science and technology courses coupled with insufficient capacity and sub-standard infrastructure at the tertiary level mean that the work force lacks the critical skills needed to develop the economy. Indeed, a large number of employers cite lack of skills as a major obstacle to hiring personnel.

Some of the most pressing challenges include limited access to and quality of basic education, limited provision of science, technology, engineering and mathematics (STEM) education; inadequate facilities at all levels of education especially at tertiary level; and lack of structured and quality programmes for technical and vocational education and training. Other constraints are inadequate financing, insufficient number of skilled teachers and lecturers, and outdated and obsolete educational policies and practices.

Figure 5.3: Nigeria's performance on key education indicators



Source: Nigeria 2015 MDG report

Policy objectives

- Ensure quality universal education for Nigeria's children and youth.
- Increase the number of youth and adults with the skills required to secure employment and/or become entrepreneurs.
- Prioritize education for girls.

Strategies

Programme		Education	
No.	Strategy	Key activities	Lead
36	Partner with State governments and the private sector to establish best-in-class vocational and technical institutes	▪ Develop incentive programmes to encourage private sector and State investment in model technical and vocational education institutes, e.g., facilitate access to funding and land with a view to enrolling approximately 500,000 students at the end of the Plan period in technical schools ▪ Revive and support new post-secondary school trade centres and technical schools ▪ Introduce post-university skills development institutions (PUSDIs)	Ministry of Education Ministry of Youth and Sports

Programme		Education	
No.	Strategy	Key activities	Lead
37	Improve teacher quality by incentivizing performance and building capabilities	▪ Review the recruitment prerequisites (e.g., certifications, experience) for the teaching profession to be consistent with National Teachers Institute (NTI) certification ▪ Conduct annual state, regional and national workshops on teacher training innovations ▪ Encourage schools to design and implement standard teacher coaching programmes comprising peer review through classroom visits, collaborative lesson planning and weekly sessions jointly to define objectives, track progress and impact, and share improvement ideas ▪ Enable best practices and professional training for over 295,000 education personnel under the Continuing Professional Development for Teachers Programme, and 850 English Language, Science and Mathematics teachers across the country	Ministry of Education
38	Improve the quality of education by strengthening quality assurance	▪ Review and restructure the education curriculum in line with international best practices ▪ Improve the capacity of Federal, State and Local quality assurance inspectorates ▪ Fully implement the Secondary School Quality Assurance Programme ▪ Ensure regular statutory visits and monitoring of Federal tertiary institutions ▪ Help schools develop strategies to eradicate examination malpractices ▪ Review and restructure the management and funding arrangements for Federal Government colleges/unity schools	Ministry of Education
39	Increase investment in STEM education	▪ Develop and launch an ICT curriculum comprising computer science, information technology and digital literacy for primary and secondary school students ▪ Partner with private organizations to organize innovative ICT competitions and subsidize professional qualifications for ICT graduates ▪ Encourage enrolment in STEM courses by offering annual bursaries to 100,000 eligible STEM undergraduates	Ministry of Education Ministry of Communication Technology Office of the Vice President

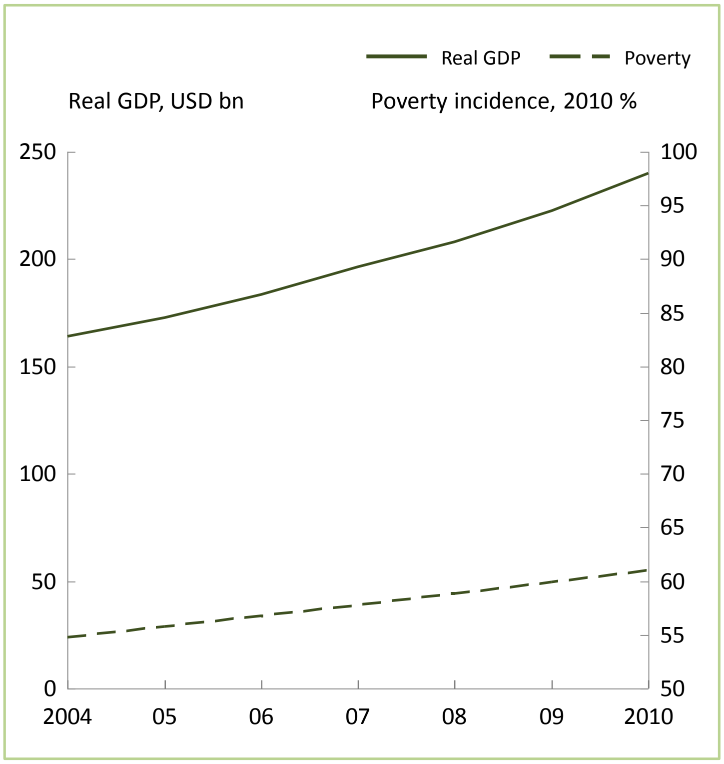
Programme		Education	
No.	Strategy	Key activities	Lead
40	Improve funding mechanisms to incentivize education performance and increase access	▪ Use the Tertiary Education Trust Fund (TETFUND) to incentivize high-performing tertiary institutions ▪ Service ongoing scholarship schemes and establish new schemes in critical areas ▪ Encourage State and Local Governments and private sector organizations to provide scholarships and create endowment funds in trade centres, technical schools, universities and post-university skills development institutions	Ministry of Education Ministry of Communication Technology Office of the Vice President
41	Prioritize education for girls and infrastructure development	▪ Construct special schools for girls in 13 pilot States ▪ Construct 501 classroom blocks across the States ▪ Construct 125 day and boarding Almajiri and nomadic education-based schools	Ministry of Education Ministry of Women Affairs

5.3 SOCIAL INCLUSION

Social inclusion – ensuring that every citizen has the opportunity to work and take part in society – is fundamental to creating a harmonious, progressive and stable country.

Although Nigeria's economy has grown over the past decade, the growth has excluded many of our citizens and the incidence of poverty has increased despite the growth of GDP (Figure 5.4). High poverty rates, increasing inequality, low development indicators and rising unemployment undermine welfare and living conditions – in turn aggravating economic and social exclusion. The incidence of poverty in Nigeria is 61 per cent, which means that approximately 100 million people live below the poverty line.

Figure 5.4: Nigeria's poverty incidence versus GDP



1 Poverty incidence defined as the absolute poverty rate and measures the percentage of the population that live below a specified threshold per day

Source: National Bureau of Statistics; World Bank

Levels of social exclusion vary by State and are higher in the regions that face critical security challenges. In the North East, the Boko Haram insurgency has resulted in loss of life and property and much of the population now lives in camps for internally displaced persons. In the Niger Delta, alienation, environmental degradation and disaffection have led to a resurgence of militancy and vandalism. The destruction of oil and gas infrastructure has reduced crude oil exports dramatically and had a negative impact on Federal Government revenues.

Policy objectives

- Increase social inclusion by enhancing the social safety net for the poor and vulnerable.
- Address region-specific exclusion challenges, particularly in the North East and the Niger Delta.

Strategies

Programme		Social inclusion	
No.	Strategy	Key activities	Lead
42	Implement and increase social safety net programmes targeted at the vulnerable	▪ Sustain the Conditional Cash Transfer programme to reach 1 million of the poorest and most vulnerable households, especially through mothers as captured in the Social Register ▪ Upscale the Home Grown School Feeding Programme to provide a meal a day to at least 6 million primary school children (and support the agriculture sector)	Office of the Vice President Ministry of Youth and Sports Ministry of Women Affairs
43	Introduce social programmes for the aged and physically challenged	▪ Introduce a national relief programme for the aged ▪ Launch a national programme for the physically challenged and other vulnerable groups ▪ Design infrastructure to enable access for the physically challenged	Ministry of Women Affairs

5.4 JOB CREATION AND YOUTH EMPOWERMENT

Unemployment has risen from 6.4 per cent in 2014, to 10.4 per cent in 2015, to reach 13.9 per cent in 2016(Q3). The youth (45 per cent of the population is aged below 15) account for the majority of the unemployed and underemployed in Nigeria (an estimated 17.6 million; 49.7 per cent in Q32016), and this problem will only get bigger as the population continues to grow. All initiatives under job creation will prioritize youth as beneficiaries. The implementing agencies will collaborate closely with the Ministry of Sports and Youth Development to ensure that the capacity building and skills acquisition interventions are targeted at youth-dominated sectors such as ICT, creative industries, and services. Furthermore, concerted efforts will be made to encourage youth to venture into other labour intensive sectors such as agriculture and construction.

The slowdown of the economy has reduced the number of existing jobs and slowed the rate of job creation, which has failed to keep pace with the phenomenal growth of new entrants into the labour force. The Administration views this trend with great concern and job creation is therefore one of the ERGP's major objectives.

The ERGP aims to create jobs by developing labour-intensive sectors (such as agriculture, manufacturing, housing and construction), continuing and extending existing public works programmes, and encouraging private-sector participation in the economy. It will also develop infrastructure in sectors with the capacity to create demand for labour, particularly local labour. It will sustain the recently launched N-Power programmes and support MSMEs to maximize their potential for employment creation. In addition, the Government will also implement a social housing programme to increase home ownership and create direct jobs for artisans and craftsmen. This programme will be delivered in partnership with the States and the private sector.

Three elements will provide the foundation for these initiatives: direct job creation by the Federal Government, jobs created in the informal and formal sectors by the private sector, and skill-building programmes.

The Federal Government will create direct jobs by filling vacancies in MDAs whose activities are crucial to the success of the ERGP, such as the Federal Inland Revenue Service, the Nigerian Police Force and the Economic and Financial Crimes Commission, on a priority basis. Through the N-Power programme, over two years, it will employ up to 500,000 young graduates as teaching assistants, agricultural extension workers and public health workers. States and Local Governments will complement these efforts.

In close partnership with the public sector, the private sector will boost job creation in those priority sectors that are major contributors to GDP and have high potential for job creation[3]:agribusiness and agro-allied industries; construction; ICT and digital technology; and wholesale and retail trade.

- **Agribusiness and agro-allied industries** will enable mass employment in the formal and informal sectors because of large domestic demand, the potential for import substitution, and opportunities arising from increased yields and raw material processing.
- **Construction** is a priority sector because of the major public works programmes scheduled to respond to infrastructure and housing deficits.
- **ICT and digital technology** have the potential to ramp up employment, transform labour productivity and create new economic sectors.
- **Wholesale and retail trade** have low entry barriers that favour the employment of a large number of people.

The private/public partnership will focus on the policies required to support growth and diversify the economy by placing emphasis on *Made in Nigeria* and public procurement, focusing on local content and labour-intensive production processes. A crucial component of the policy regime is to make information on job opportunities and openings available to interested citizens.

Policies to increase the pace of job creation also extend to providing urban and rural infrastructure to support productive activities and deepen national value chains amongst farmers, MSMEs and large companies. The Federal Government is also establishing Special Economic Zones (SEZs) to boost manufacturing (including agro-processing), and clusters and hubs (e.g., for agro-processing and ICT) in collaboration with State Governments.

The national skills policy is driven by demand and led by relevant industry groups, which will be responsible for skills delivery and certification, especially of artisans. The policy seeks to introduce 21st century skills in the education curriculum. The Federal Government is working with leading ICT firms to provide training to up to 65,000 young people in computer hardware and software.

Policy objectives

- Reduce unemployment from 13.9 per cent (Q3 2016) to 11.23 per cent by 2020 by creating over 15 million direct jobs between 2017 and 2020 or an average of 3.75 million jobs per annum.
- Support the private sector to maximize its job creation potential and complement Government direct job creation.
- Improve workforce employability through targeted skill-building programmes.

3 Strategic Framework and Implementation Plan for Job Creation and Youth Employment in Nigeria – JCU, NESG and Dalberg, Lagos 2016

Strategies

Programme		Job creation	
No.	Strategy	Key activities	Lead
44	Boost job creation and public works programmes	▪ Scale-up the N-Power volunteer corps to provide temporary employment for 500,000 graduates annually in education, agriculture and health ▪ Establish a job matching programme for new graduates by incentivizing employers to retain National Youth Service Corp members at the end of their service ▪ Sustain and scale up the GEEP to deliver credit to 1.6 million farmers, youth, women market traders and MSMEs ▪ Construct 2,700 housing units in the short term to create 105,000 direct jobs, and increase to 10,000 housing units by 2020 ▪ Accelerate implementation of the NIRP using SEZs to generate 1.5 million jobs by 2020 ▪ Enforce the local content policy to promote job creation through procurement processes ▪ Expand workfare programme in collaboration with the States	Office of the Vice President Ministry of Women Affairs Ministry of Labour and Employment Ministry of Youth and Sports
45	Improve employability to close the skills gap	▪ Execute the N-Power Knowledge Programme to train participants in animation, software engineering, graphic arts, and device repair and assembly ▪ Roll out the targeted skills-to-job N-Power Build Programme to build a competent workforce of technicians and artisans ▪ Develop a national manpower policy to match job skill requirements and education programmes ▪ Develop local empowerment centres to disseminate and provide business support to entrepreneurs through apprenticeship and mentorship. To guarantee sustainability, provide incentives to participating employers, recognize participants and offer tax rebates ▪ Establish skills acquisition centres in all 36 States and the FCT ▪ Provide incentives to corporate bodies and parastatals to expand opportunities for internships, traineeships for young new entrants into the labour market	Office of the Vice President Ministry of Labour and Employment Ministry of Youth and Sports

5.5 Population Growth Management

The management of population growth is vital to the development of any nation. The UN projections estimate that at the current rate of population growth, Nigeria will be among the 4 most populous countries in the world with an estimated population of well over 289 million by year 2050.

It is critical to have an effective population management strategy that is aligned with the ERGP, in order to address the issue of high population growth. Without this, even in a situation of positive economic growth, the achieved GDP may be unable to keep pace with the needs of a population that is expanding exponentially.

This makes it imperative to fast track the review of the population policy for the country. The Ministry of Budget and National Planning will work closely with the Federal Ministry of Health and other relevant stakeholders to review Nigeria's population policy.

Policy objectives

- Manage Nigeria's population growth for sustainable development.

Strategies

Programme		Population Growth	
No.	Strategy	Key activities	Lead
46	Review Population Policy	▪ Review current status of Population Policy ▪ Benchmark initiatives undertaken by other countries with high levels of population growth ▪ Develop and implement the revised Population Policy	Ministry of Health Ministry of Budget and National Planning National Population Commission

5.6 ENVIRONMENTAL SUSTAINABILITY

Investing in our people includes protecting the environment in which they live and work. Nigeria faces the environmental challenges of large-scale deforestation, poor waste management, pollution, urban decay, inadequate environmental education and awareness, poor coastal management and weak environmental governance. The ERGP will address some of the most pressing issues, e.g., through afforestation, tackling climate change and better environmental management to support sustainable development.

Policy objectives

- Promote sustainable management of natural resources.
- Address severe land degradation and desertification.
- Attract financing for sustainable development projects.
- Reduce gas flaring by 2 percentage points a year so that it is eliminated by 2020.
- Install 3,000 MW of solar systems over the next 4 years.

- Increase the number of households transiting from kerosene to cooking gas (LPG) to 20 per cent by 2020.
- Increase the number of households replacing kerosene lanterns with solar lamps by 20 per cent by 2020.

Strategies

Programme		Environmental protection	
No.	Strategy	Key activities	Lead
47	Take targeted action to address environmental priorities	▪ Implement projects under the Great Green Wall initiative to address land degradation and desertification, and support communities adapting to climate change (e.g., plant trees) ▪ Implement environmental initiatives in the Niger Delta region (e.g., continue the Ogoni Land clean-up and reduce gas flaring) ▪ Raise a Green Bond to finance environmental projects ▪ Establish one forest plantation in each state ▪ Rehabilitate all forest reserves and national parks to enhance eco-tourism ▪ Establish a functional database on drought and desertification ▪ Encourage and promote the development of green growth initiatives	Ministry of Environment Ministry of Niger Delta Affairs Ministry of Water Resources

6 GOVERNANCE

Good governance at all levels is crucial for the success of the ERGP. With effective governance, the public has the information and means to hold the Government to account for delivering the plans in the national interest and can trust that public funds are used for their intended purpose. The ERGP will improve governance by entrenching transparency and fighting corruption; reinforcing security; reforming the public service; and strengthening coordination with sub-national governments. Four key priority areas emerge with improving the effectiveness of governance:

- Fight corruption and unethical behaviour in the public and private sectors and enhance transparency in the use of public resources. This will focus on evolving and adopting more preventive measures to curtail corruption, especially through the use of technology and advocacy. The ERGP will do this by institutionalising reforms that focus on good governance, intensifying efforts to detect diversion of public resources to private wealth, and punishing the culpable institutions and individuals. In addition, there will be a focus on strengthening all relevant law enforcement agencies to detect, prosecute and punish corrupt, criminal and illegal acts within the limits of the law.

- Reinforce Public Safety and Security by combating terrorism and insurgency in the North East and militancy in the Niger Delta, and fighting all other forms of criminal activities especially kidnapping and armed robbery. The ERGP will focus on strengthening border security to track migration, curb trans-border crimes and enhance the National Identity Card Management System. It will reinforce the Criminal Justice System to apply swift justice for domestic crime such as kidnapping, vandalism of national assets, oil theft and piracy. It will also amplify the coordination and effort of all security agencies to guarantee security across the country. In addition, there will be a focus on prison decongestion and rehabilitation of convicts with a view to ensuring a seamless reintegration into the society after completion of their sentences. There will also be a focus on the promotion of public safety with emphasis on fire prevention/safety, and environmental protection from harmful/hazardous wastes, road safety, pipeline vandalism leading to environmental pollution and indiscriminate dumping of industrial and other wastes in an environmentally unfriendly manner, as well as protection of critical infrastructure and strategic assets.

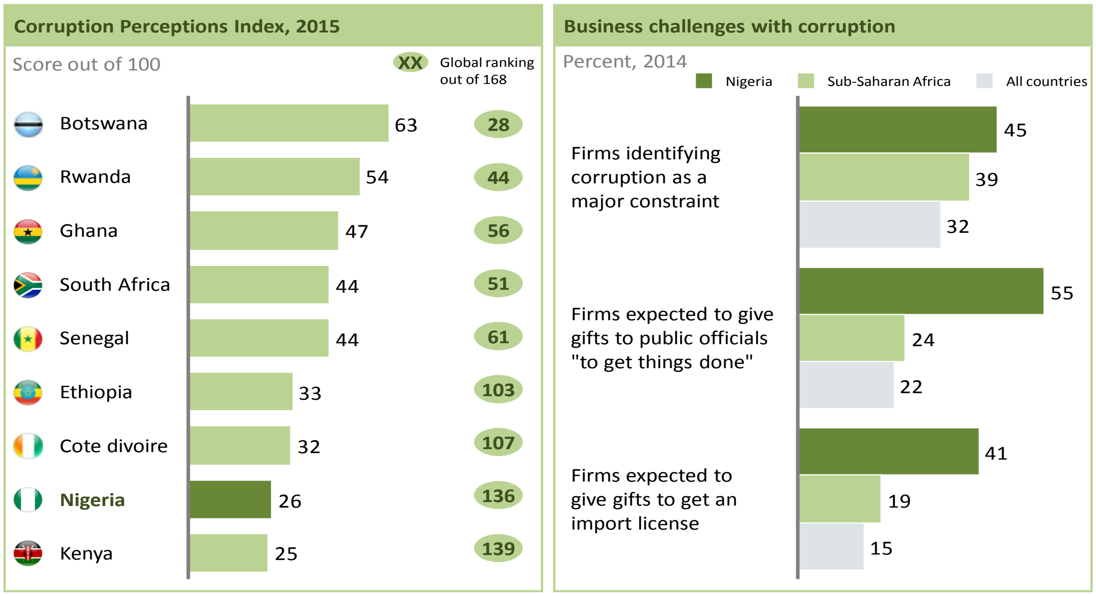
- Reform the public service by reducing the cost of governance and raising productivity across all Federal Government agencies, notably the Public Procurement System. Reforms will be intensified to ensure value for money in the procurement process.

- Strengthen sub-national coordination. The ERGP is a national plan, and the Federal Government encourages the sub-national governments at the State and Local Government levels to develop their own corresponding plans that address their own challenges, visions, needs and aspirations. The Federal Government stands ready to provide technical support to the States and Local Governments when required.

6.1 TRANSPARENCY AND ANTI-CORRUPTION

Corruption is an enormous challenge for Nigeria and perceptions of corruption in the country persist. For example, in the 2015 Corruption Perceptions Index, Nigeria ranked 136 out of 168 countries (Figure 6.1), much lower than many of its sub-Saharan African peers.

Figure 6.1: Corruption Perception Index in Nigeria and other selected countries



Source: Transparency International Corruption Perceptions Index 2015; World Bank Enterprise Survey 2014

The Federal Government is committed to improving transparency in the management of public resources and fighting corruption in all forms. It has already made progress by:

- Creating a public register of owners to provide transparency on the complicated web of company ownership that is often used to conceal the real owners, e.g., of oil and gas resources, and deny the public their due benefits from these assets;
- Strengthening the capacity of and coordination between anti-corruption agencies including the Economic and Financial Crimes Commission, the Independent Corrupt Practices and Other Related Offences Commission, and the Nigeria Police Force;
- Joining the international Open Government Partnership in July 2016 that aims to improve transparency and accountability by increasing the use of technology and open data and promoting civic participation;
- Fully implementing the Treasury Single Account (TSA) to provide increased transparency on Federal Government revenues and cash flows (over N3 trillion has been brought into the TSA since June 2015);
- Increasing transparency of the NNPC by publishing a monthly financial and operational report and closing more than 40 accounts to simplify its opaque accounting structure.

Policy objectives

- Ensure compliance with due process.
- Sustain the fight against corruption.
- Ensure the transparent management of returned assets.
- Ensure that the Nigerian public has the information required to hold the Federal Government to account for the management of public resources.

Strategies

Programme		Anti-corruption and transparency	
No.	Strategy	Key activities	Lead
48	Enhance anti-corruption efforts	▪ Continue the anti-corruption campaign incorporating structured programmes to encourage the use of hotlines, report incentives and offer whistle-blower protection ▪ Prosecute corruption and other crimes more effectively ▪ Strengthen the capacity of anti-corruption agencies ▪ Enact the Special Crimes Act, as envisioned by the Presidential Advisory Committee Against Corruption, to deal with, e.g., financial crimes, kidnapping, cyber-crimes and drugs	Ministry of Justice Economic and Financial Crimes Commission Independent Corrupt Practices Commission Ministry of Interior
49	Improve transparency in the management of public resources	▪ Fulfil commitments to improve transparency under the Open Government Initiative ▪ Continue to publish allocations to Federal, State and Local Governments after each FAAC meeting on websites and encourage all States to publish monthly state and local government receipts on State websites ▪ Encourage CBN to verify accuracy and authenticity of forex sales to end-users by all DMBs and make these available to Customs and FIRS for use in tracking imports, import duty payments as well as CIT and VAT payments at requisite intervals	Ministry of Justice Ministry of Finance Central Bank of Nigeria Ministry of Budget and National Planning Ministry of Information and Culture

6.2 PUBLIC SAFETY AND SECURITY

Security concerns are more focused on violent crimes and trans-border criminal activities in Nigeria which include terrorism and insurgency in the North East, militancy in the Niger Delta and other forms of criminal activity including piracy in the Gulf of Guinea, communal violence, kidnapping and armed robbery.

The Federal Government has taken bold measures to address these security challenges, including:

- Embarking on comprehensive security sector reforms, and improving public safety and security. Improving the performance of the Nigeria Police Force, Nigeria Prisons Service, Federal Fire Service, Nigeria Security and Civil Defence Corps, and Nigeria Immigration Service, etc.
- Evolving new security strategies to address opportunistic crimes.
- Development and implementation of a comprehensive civilian protection plan in the North East.

Policy objectives

- Ensure the safety and security of all Nigerians and their environment.
- Safeguard critical infrastructure.
- Secure, stabilize and develop the North East and the Niger Delta.
- Equip and strengthen military and paramilitary services.
- Reinforce the integrity of Nigeria's international borders against any form of violation.
- Improve social engagement of youth in sports and civic activities to reduce juvenile delinquencies and opportunistic crimes

Strategies

Programme		Security	
No.	Strategy	Key activities	Lead
50	Fulfil the mandate of the Presidential Committee on the North East Initiative	▪ Develop and implement a comprehensive action plan for the North East, including emergency humanitarian assistance, relocation, rehabilitation, and resettlement, and building peace, security, infrastructure, agriculture, health, education, and governance ▪ Introduce sporting activities to engage youth in restive areas and channel their energies into productive endeavours	Presidential Committee on the North East Initiative Ministry of Defence Ministry of Foreign Affairs Ministry of Youth and Sports Ministry of Women Affairs
51	Implement targeted initiatives to stabilize and sustainably develop the Niger Delta	▪ Develop and implement a sustainable action plan to stabilize and develop the Niger Delta ▪ Sustain and re-invigorate the Amnesty Plan ▪ Ensure environmental sustainability within the Niger Delta Region ▪ Introduce sporting activities to engage youth in restive areas and channel their energies into productive endeavours	Ministry of Niger Delta Affairs Office of the Special Adviser, Niger Delta Ministry of Environment Ministry of Youth and Sports
52	Enhance centralized identity management (e.g., for people, cars,	▪ Strengthen agency capacity for data-sharing and management, registration, and card issuance to enhance national security and cohesion	Office of the Secretary to the Government of the

Programme		Security	
No.	Strategy	Key activities	Lead
	houses)		Federation Ministry of Budget and National Planning Ministry of Interior
53	Strengthen security at national and sub-national levels	▪ Strengthen the capacity of the Nigeria Police Force, the Nigeria Security and Civil Defence Corps, Nigeria Prisons Service, Federal Fire Service and the Nigeria Immigration Service e.g., by establishing a national criminal records registry ▪ Develop and strengthen the capacity of the Armed Forces of Nigeria and the Military Industrial Complex to ensure strategic deterrence and defence, exercise forward presence in vital areas, responding effectively to crisis and retaining the national capacity to reconstitute forces ▪ Establish at least one Brigade in every State capital in Nigeria to fulfil the fundamental demands of the National Security Strategy. ▪ Promote the adoption of community policing strategies ▪ Equip and provide the manpower required for military and paramilitary services ▪ Establish enduring partnerships with security agencies in allied countries to build local capacity and curb cross border crimes such as terrorism, cyber-crimes, etc.	Ministry of Interior Ministry of Defence

6.3 PUBLIC SERVICE REFORM

Public service institutions play a critical role in the delivery of Federal Government programming, from setting policies and procedures, to allocating resources to address priorities, to managing delivery of these priorities. The extent to which the Federal Government is able to deliver on its commitments in the ERGP will depend on the effectiveness of the public service.

Over the years, the public service delivery has been relatively weak, with poor coordination and overlapping responsibilities; other challenges include limited capacity, weak performance management systems and inadequate incentives.

The Federal Government has already taken a number of steps towards addressing these issues. These the reduction in the number of ministries from 31 to 24, and undertaking a functional review of ministries to ensure that their mandates and employee job descriptions are linked to Federal Government priorities.

The Integrated Payroll and Personnel Information System (IPPIS) has eradicated more than 65,000 unjustified entries. The target of the ERGP is to ensure that the public service is effectively repositioned to provide high-quality services to Nigerians.

Policy objectives

- Reduce the cost of governance.
- Raise public service productivity by leveraging technology.

Strategies

Programme		Public service reform	
No.	Name	Key activities	Lead
54	Reduce the cost of governance	▪ Continue to streamline the number of MDAs to eliminate overlapping mandates and reduce public expenditures ▪ Complete a functional review of all MDAs to link Government priorities, Ministerial mandates, and individual job descriptions and performance targets ▪ Reduce personnel costs and optimize overheads as outlined under initiatives to improve fiscal stability	Office of the Head of the Civil Service of the Federation Ministry of Finance Ministry of Budget and National Planning
55	Leverage technology to improve public service productivity	▪ Implement e-government across all Government bodies, starting with a pilot scheme in selected MDAs	Office of the Head of the Civil Service of the Federation Ministry of Communication Technology Ministry of Science and Technology
56	Develop the skills of public servants	▪ Develop institutional capacity in budgeting, planning, policy analysis , financial management, procurement, human resources management and leadership	Office of the Head of the Civil Service of the Federation Ministry of Budget and National Planning
57	Institutionalize performance management	▪ Establish clear processes and procedures for performance management at individual and MDA	Office of the Head of the Civil Service of

Programme		Public service reform	
No.	Name	Key activities	Lead
	practices	levels ▪ Provide incentives to promote results-based management in public service	the Federation Ministry of Budget and National Planning

6.4 SUB-NATIONAL COORDINATION

State and Local governments have a critical – and often leading – role to play in many of the strategies outlined in the ERGP. Sub-national coordination is therefore essential to the success of the Plan. The Federal Government will work with all 36 States and 774 Local Government Areas to implement the ERGP in line with State and local priorities.

At present, however, the ability of the States to provide essential services to their citizenry is at risk and several are in a challenging financial position. Since 2011, total State government revenues have declined by 8 per cent a year, while expenditures have increased by 4 per cent a year. At the end of 2015, State expenditures exceeded revenues by approximately N1 trillion.

The inability of some States to meet their recurrent expenditure obligations, including salaries for civil servants, health workers, and teachers, has had a direct negative impact on individual well-being and general economic activity.

The Federal Government is working closely with the States through the National Economic Council to address these challenges. In June 2016, the States and the Federal Government agreed to a 22-point Fiscal Sustainability Plan to improve financial responsibility at the State level (Box 6.1).

Box 6.1: Fiscal Sustainability Plan

The 22-point Fiscal Sustainability Plan has five strategic objectives and outlines critical measures to be adopted by the States that mirror public financial management reforms being undertaken at the Federal level:

Improve accountability and transparency

1) Publish audited annual financial statements within six months of financial year-end.

2) Introduce and ensure compliance with the International Public Sector Accounting Standards.

3) Publish State budgets online annually.

4) Publish budget implementation performance reports online quarterly.

5) Develop standard International Public Sector Accounting Standards-compliant software for use by State and Local Governments.

Increase public revenue

6) Set realistic and achievable targets to improve independently generated revenue (from all State revenue-generating activities in addition to tax collections) and the ratio of capital to recurrent expenditure.

7) Implement a centralized Treasury Single Account (TSA) in each State.

8a) Hold quarterly financial reconciliation meetings between Federal and State Governments to cover VAT payable as part of year-end remittances, and refunds on Government projects, Paris Club and other accounts.

8b) Share the database of companies within each State with the Federal Inland Revenue Service.

9) Introduce a system to allow for the immediate issue of VAT/withholding tax certificates on payment of invoices.

10) Review all revenue-related laws and update obsolete rates/tariffs.

Rationalize public expenditure

11a) Set limits on personnel expenditure as a share of total budgeted expenditure.

11b) Capture all States' civil servants' biometric details to eliminate payroll fraud.

12a) Establish the Efficiency Unit.

12b) Make the Federal Government online price guide available for use by the States.

13) Introduce a continuous audit system (internal audit).

Improve public financial management

14) Create a fixed asset and liability register.

15) Consider the privatization or concession of suitable State-owned enterprises to improve their efficiency and management.

16) Establish a Capital Development Fund to ring-fence capital receipts and adopt accounting policies.

17) Domesticate the Fiscal Responsibility Act.

Manage debt sustainably

18) Make each State attain and maintain a credit rating.

19a) Encourage States to access funds from the capital markets for bankable projects.

19b) Fully comply with the Fiscal Responsibility Act and reporting obligations.

20) Publish a benchmark rate for municipal loans to achieve greater transparency.

21) Ensure total liabilities do not exceed 250 per cent of total revenue for the preceding year, and monthly debt service deductions do not exceed 40 per cent of the average Federation Accounts Allocation Committee allocation for the preceding 12 months.

22) In addition to the sinking fund, encourage States to establish a Consolidated Debt Service Account to be funded from the State's Consolidated Reserve Fund Account to a minimum of 5 per cent of internally generated revenue.

The ERGP aims to align Federal, State and Local governments with its vision, objectives, and strategies. The Federal Government urges States and Local governments to prioritize the planning, fiscal sustainability and delivery required to execute the Plan. To this end, the Federal Government is encouraging States to develop economic recovery and growth plans to complement the ERGP or update existing plans.

The Federal Government will encourage States to adopt critical measures to ensure the success of the ERGP, e.g., by ensuring the availability of land required to transform the agriculture sector. The Federal Government will also encourage States to adopt measures to improve the ease of doing business and work with them to reduce the multiplicity of taxes that can deter critical business activity.

Policy objectives

- Encourage Federal, State, and Local governments to prioritize the strategies required to drive Nigeria's economic recovery and growth.
- Ensure States take measures to improve their financial stability.

Strategies

Programme		Sub-national coordination	
No.	Strategy	Key activities	Lead
58	Encourage States to produce recovery and growth plans aligned with the ERGP	▪ Encourage States to develop economic recovery and growth plans that outline the costed initiatives they intend to undertake in line with the thematic areas' policy objectives laid out in the ERGP	Ministry of Budget and National Planning State Governments
59	Monitor delivery of the Fiscal Sustainability Plan	▪ Closely monitor progress of States' implementation of the 22-point Fiscal Sustainability Plan ▪ Use progress against the Fiscal Sustainability Plan as a condition for future financial relief ▪ Improve the system of counterpart funding	State Governments Ministry of Finance

7 DELIVERY

The success or failure of the ERGP will rest on how well it is delivered. Poor implementation will put at risk the full potential this Plan seeks to deliver.

Some of the strategies presented in the ERGP have featured in previous plans and visions. Over the years, however, Nigeria has faced challenges to delivering Federal Government plans successfully: poor prioritization and commitment; inconsistent follow-up; insufficient data; absence of accountability and consequence management; and insufficient mobilization of financial resources.

The Federal Government is committed to implementing the ERGP in full, and has developed a delivery approach based on lessons learned from past delivery challenges. The approach is based on seven principles:

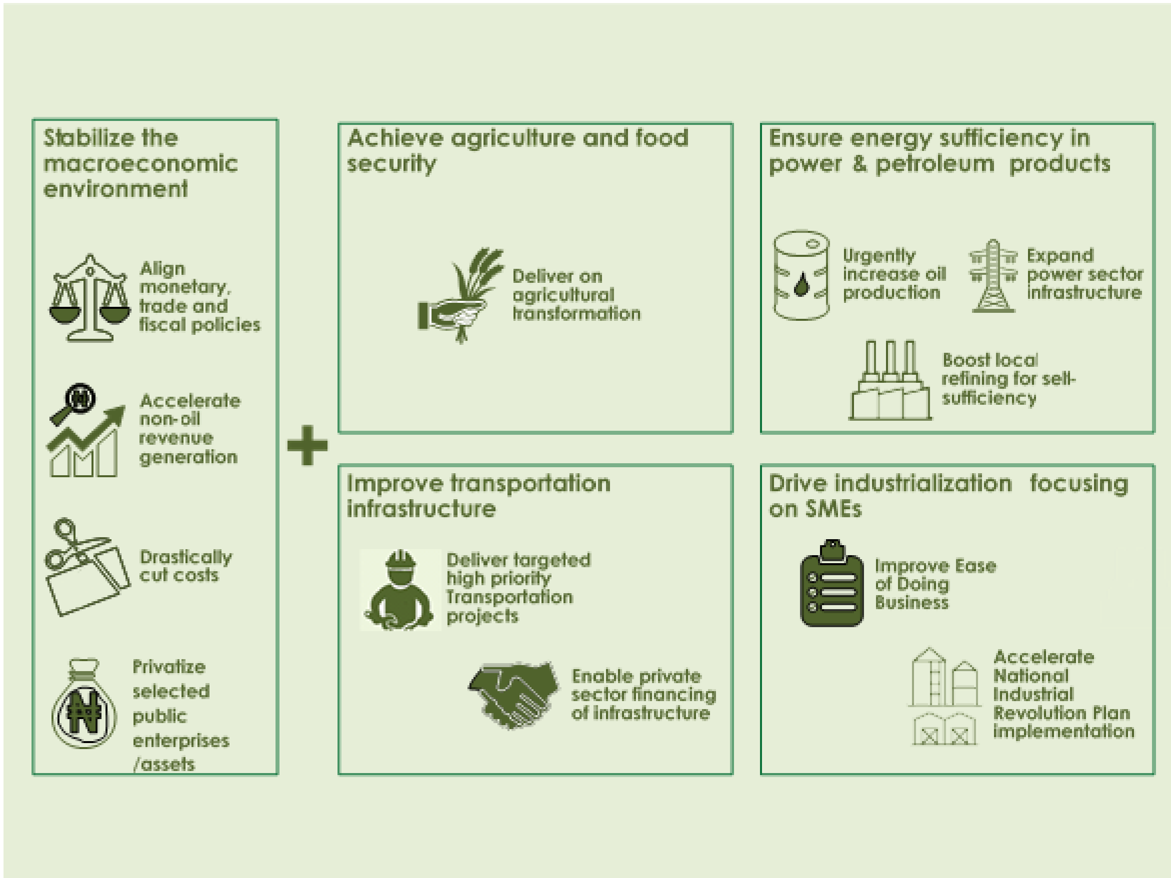
- Focus on priorities
- Establish clear accountability
- Set targets and develop detailed action plans
- Allocate resources to priorities
- Create an enabling policy and regulatory environment
- Monitor and drive progress
- Communicate

7.1 FOCUS ON PRIORITIES

The ERGP lays out the 60 strategies (as summarized in the appendix) that the Federal Government deems necessary for implementation. The purpose of this Plan is to rally Federal, State and Local governments, the private sector, donors and civil society to ensure these strategies are implemented.

To achieve the objectives of the ERGP, the emphasis will be laid on implementing critical activities that will enable the attainment of the key priority areas of stabilization of the macroeconomic environment, agriculture and food security, sufficiency in energy (power and petroleum products), transportation infrastructure and industrialization focusing on Small and Medium Scale Enterprises, as illustrated in Figure 7.1.

Figure 7.1: ERGP'S Top Execution Priorities



7.2 ESTABLISH CLEAR ACCOUNTABILITY

The MDAs, State and Local governments and other agencies will deliver the strategies and will be held accountable if implementation falls behind schedule. Accountability for delivery lies with the lead Ministries/Agencies for each strategy.

To ensure the success of the ERGP in boosting Nigeria's recovery and growth, the implementation of the priority strategies will be overseen by the Delivery Unit in the Presidency. This Unit will work closely with the Ministry of Budget and National Planning to drive implementation and ensure accountability.

7.3 SET TARGETS AND DEVELOP DETAILED ACTION PLANS

The aspirations for Nigeria's economic recovery and growth are ambitious. To measure the success of the ERGP and monitor and evaluate its strategies, progress will be tracked against clear metrics. In collaboration with the MBNP, MDAs will develop key performance indicators for each strategy along with time-bound targets, including targets to meet the United Nations Sustainable Development Goals (SDGs).

Each ERGP strategy will have a detailed action plan that lays out the road map for delivery step by step, i.e., *who* needs to do *what* and by *when*. These action plans will break down strategies into component activities, sub-activities, and actions. Actions will be sequenced against clear milestones and timelines for ease of monitoring. Each action will have an owner responsible for delivery. Many strategies are linked to ongoing Federal Government programmes, including MDA MTSS, which have detailed project plans. The MBNP is leading work to draw up detailed action plans for new strategies.

7.4 MOBILISE AND ALLOCATE RESOURCES TO PRIORITIES

To succeed, all ERGP strategies must have adequate funding. The ERGP will be funded primarily through the budget. However, Federal Government resources are limited and additional resources will be needed. At present, the Federal Government's medium-term fiscal framework forecasts deficits totalling N7.6 trillion from 2017 to 2019. In response, the ERGP sets out steps to increase revenues and rationalize expenditures.

Despite these actions, a funding gap will remain. To close this gap, external sources of funding, including concessional development finance and private sector financing options will be explored. These include bilateral and multilateral grants and concessional loans. The Federal Government will work with Nigeria's development partners to ensure that the assistance they provide responds to national priorities and is deployed efficiently and effectively with clear accountability for results.

The Federal Government will promote private-sector investment to finance ERGP priorities. In particular, this will include investments in infrastructural development such as priority power, road, port and rail projects. It will also encourage the private sector to lead investment in the six sectors expected to drive growth: services, agriculture, manufacturing, solid minerals, construction and real estate, and oil and gas.

PPPs and privatization will encourage private participation in infrastructure, and the Nigerian diaspora will be urged to contribute to the country's development, e.g., through participating in instruments like multi-year foreign currency government bonds and the social housing programme.

7.5 CREATE AN ENABLING POLICY AND REGULATORY ENVIRONMENT

The right policy, legal, and regulatory environment is required to accelerate implementation of existing and new priority strategies. The Federal Government will work with the National Assembly to ensure the passage of legislation to support the ERGP. For example, unifying legislation may be required to resolve overlapping and conflicting legislation, e.g., between the Bureau for Public Enterprise Act, the Bureau for Public Procurement Act and the Infrastructure Concession and Regulatory Act, that may inhibit private sector participation in strategic sectors. The introduction of one unifying legislation that encompasses all others would streamline requirements and make it easier for potential investors to participate.

The EMT will monitor policy, regulatory and legislative initiatives critical to the full implementation of the ERGP and review them periodically.

7.6 MONITOR AND DRIVE PROGRESS

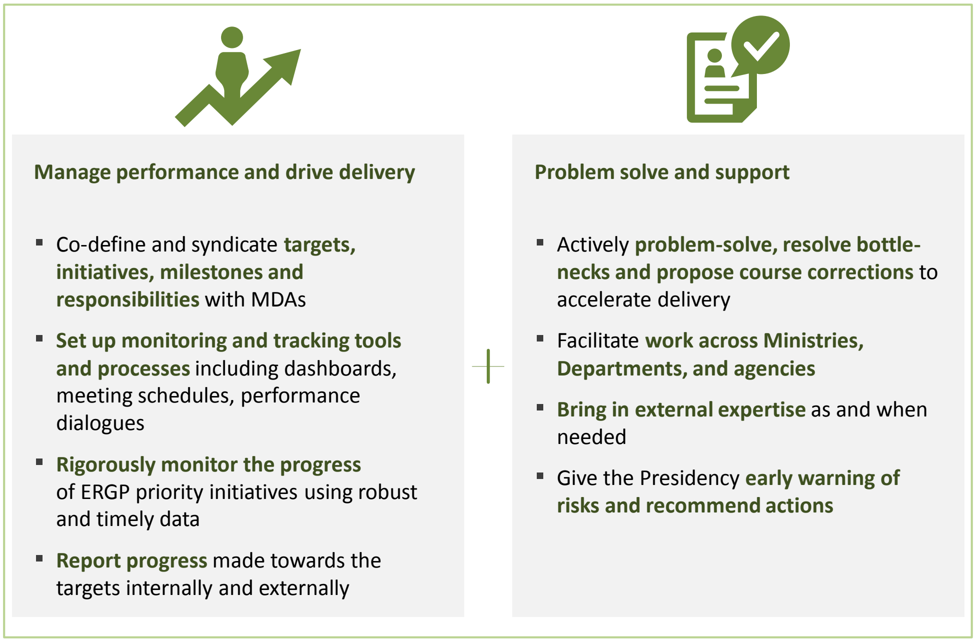
The Federal Government will establish robust delivery and monitoring mechanisms to ensure implementation of the strategies outlined in the ERGP.

7.6.1 ERGP Delivery Unit

The ERGP is not just another Plan. The Ministry of Budget and National Planning will be responsible for the coordination and monitoring of the Plan. In addition, the Federal Government is establishing a special Delivery Unit (Figure 7.2) in the Presidency. This Unit will focus on the top execution priorities, and will monitor the implementation of the critical initiatives closely, evaluate their progress against targets and milestones, provide early warning signals of potential risks, work closely with MDAs to articulate actionable measures to be taken against any identified constraints. This Unit will be staffed by highly skilled and respected individuals mandated to drive implementation. The Ministry of Budget and National

Planning will however remain responsible for the overall coordination of all activities within the Plan and will build up a robust monitoring and evaluation capacity in order to successfully carry out this activity. Quarterly Progress reports will be presented to the President and the Federal Executive Council.

Figure 7.2: Core Mandate of the Delivery Unit



7.6.2 Monitoring strategies

Ministers and Agency Heads will drive delivery of the ERGP strategies under their purview in collaboration with other agencies at the national and sub-national levels. They will be encouraged to establish dedicated delivery mechanisms, e.g., project management offices, to monitor and track progress effectively and transparently. In line with the National Monitoring and Evaluation Policy Framework, they will also be responsible for monitoring and evaluating all ERGP strategies under their purview in conjunction with the MBNP.

State and Local governments will play a critical role in delivering many of the strategies. The States are encouraged to develop their own economic recovery and growth plans in line with the ERGP. The National Economic Council will review the progress of State activities quarterly.

7.7 COMMUNICATION

The ERGP is a national plan developed for the Nigerian people. As such, the Federal Government will communicate regularly with the public and other key stakeholders to provide timely reports on implementation progress against targets and to collect feedback.

The detailed ERGP communication plan will use multiple channels to reach stakeholder groups, including members of the public, civil society, private sector organizations, development partners, the legislature, and academia. The main activities will be as follows:

- Quarterly performance reports by the Minister of Budget and National Planning on the progress of the ERGP implementation.

- Social media engagement to ensure that all Nigerians, particularly youth, have the opportunity to give feed-back to the Federal Government on ERGP progress.

Strategies

Programme		Reform public service	
No.	Strategy	Key activities	Lead
60	Strengthen the Delivery Unit to drive priority ERGP strategies	▪ Develop detailed implementation plans and dashboards to track impact ▪ Rigorously track and monitor strategy progress and report to the President ▪ Problem-solve obstacles with MDAs and develop solutions to overcome them ▪ Creation of conducive working environment and incentives for results based output in the public service	Presidency Ministry of Budget and National Planning Office of the Head of the Civil Service of the Federation

8 OUTLOOK FOR THE PLAN

By 2020, Nigeria will have made significant progress towards achieving structural economic change and having a more diversified and inclusive economy. Overall, the Plan is expected to deliver on the following key outcomes:

Stable Macroeconomic Environment: The inflation rate is projected to trend downwards from the current level of almost 19 per cent to single digits by 2020. It is also projected that the exchange rate will stabilize as the monetary, fiscal and trade policies are fully aligned. This outcome will be achieved through policies that seek to remove uncertainty in the exchange rate and restore investors' confidence in the market.

Restoration of Growth: Real GDP is projected to grow by 4.6 percent on average over the Plan period, from an estimated contraction of 1.54 percent recorded in 2016. Real GDP growth is projected to improve significantly to 2.19 per cent in 2017, reaching 7 per cent at the end of the Plan period in 2020. The strong recovery and expansion of crude oil and natural gas production will result as challenges in the oil-producing areas are overcome and investment in the sector increases. Crude oil output is forecast to rise from about 1.8 mbpd in 2016 to 2.2 mbpd in 2017 and 2.5 mbpd by 2020. Relentless focus on electricity and gas will also drive growth and expansion of all sectors.

Agricultural transformation and food security: Agriculture will continue to be a stable driver of GDP growth, with an average growth rate of 6.9 per cent over the Plan period. The Agricultural sector will boost growth by expanding crop production and the fisheries, livestock and forestry sub-sectors as well as developing the value chain. Investment in agriculture will drive food security by achieving self-sufficiency in tomato paste (in 2017), rice (in 2018) and wheat (in 2020). Thus, by 2020, Nigeria is projected to become a net exporter of key agricultural products, such as rice, cashew nuts, groundnuts, cassava and vegetable oil.

Power and petroleum products sufficiency: The ERGP aims to achieve 10 GW of operational capacity by 2020 and to improve the energy mix through greater use of renewable energy. The country is projected to become a net exporter of refined petroleum products by 2020.

Improved Stock of Transportation Infrastructure: By placing transportation infrastructure as one of its key execution priorities, effective implementation of this Plan is projected to significantly improve the transportation network (road, rail and port) in Nigeria by 2020. Given the scale of investment required to deliver this outcome, strong partnership with the private sector is expected to result in completion of strategic rail networks connecting major economic centres across the country, as well as improved federal road networks, inland waterways and airports.

Industrialized Economy: Strong recovery and growth in the manufacturing, SMEs and services sectors are also anticipated, particularly in agro-processing, and food and beverage manufacturing. Ongoing strategies to improve the ease of doing business will boost all manufacturing sector activities. Overall, the ERGP estimates an average annual growth of 8.5 per cent in manufacturing, rising from -5.8 per cent in 2016 to 10.6 per cent by 2020.

Job Creation and youth empowerment: The implementation of the Plan is projected to reduce unemployment from 13.9 per cent as of Q3 2016 to 11.23 per cent by 2020. This translates to the creation of over 15 million jobs during the Plan horizon or an average of 3.7 million jobs per annum. The focus of the job creation efforts will be youth employment, and ensuring that youth are the priority beneficiaries.

Improved Foreign Exchange Inflows: The reduction in the importation of petroleum products resulting from improvement in local refining capacity following the implementation of the ERGP is projected to reduce demand for foreign exchange. The economic diversification focus of the Plan is also projected to translate into enhanced inflows of foreign exchange from the non-oil sector.

On the whole, Nigeria is expected to witness stability in exchange rate and the entire macroeconomic environment. The country should also witness a major improvement in economic performance which should result in the following, amongst others: a) reduction in importation of food items and refined petroleum products, b) improved power supply, c) higher quality transport infrastructure, d) expansion in the level of industrial production, e) improved competitiveness, f) greater availability of foreign exchange,

g) job creation, h) reduction in poverty and i) greater inclusiveness in the spread of the benefits of economic growth.

8.1 DOWNSIDE RISKS

The ERGP's macroeconomic projections are based on the information available as at third quarter of 2016. External and internal factors could change these projections. Given the uncertainty in the current global economic environment, external factors could jeopardize Nigeria's ability to achieve its high growth projections. Challenging global economic conditions associated with rising interest rates and protectionism in developed country markets or a continued slowdown in emerging markets such as China, could reduce the attractiveness of Nigeria as an investment destination. Further declines in world oil prices could reduce projected oil revenues. In addition, if the measures being put in place by Government to address disruptions to oil production resulting from crude oil theft, pipeline vandalism and Niger Delta militancy are ineffective, then the nation may face the challenge of not achieving the crude oil production forecast in the Plan and this would create additional implementation risks for the ERGP.

Continued structural challenges could also pose a risk to achieving the growth target envisaged in the ERGP. Infrastructural deficiencies including inability to achieve planned power, road and rail projects as well as exogenous occurrences such as drought, inadequate rainfall, flooding, could also affect Plan execution.

Nigeria's private sector is considered weak, especially in light of the current economic challenges. This weakness may moderate the extent to which the sector is able to drive the actualization of the ERGP's objectives. However, with the number of incentives created in the ERGP, it is expected that the sector will be significantly incentivized as the constraints are addressed.

However, the Ministry of Budget and National Planning, supported by the Delivery Unit in the Presidency, who has the responsibility for overseeing the ERGP implementation, will be expected not only to monitor and evaluate progress against set targets and milestones, but also to provide early warning signals of potential risks and articulate actionable measures to be taken against any identified constraints. It is pertinent to emphasize that this Plan is dynamic and subject to revision in the event of significant changes in the parameters underlying it.

APPENDIX

PROGRAMME – FISCAL STABILITY

Programme		**Fiscal stability**	
No.	Strategy	Key activities	Lead
1	Urgently increase oil production	▪ Restore production to 2.2mbpd and reach 2.5 mbpd by 2020 to increase export earnings and Government revenues by an additional N800 billion annually, and reduce the fiscal deficit and debt service ratios ▪ Continue to engage with stakeholders in the Niger Delta to achieve enduring peace and end attacks on oil facilities ▪ Boost pipeline security ▪ Clean up oil-polluted areas ▪ Boost production to 2.5 mbpd by 2020 by attracting new investments ▪ Pass the Petroleum Industry Reform Bill and draft new regulations consistent with the Bill ▪ Conclude joint venture (JV) cash call arrangements and implement a new cost recovery funding mechanism for JVs	Ministry of Petroleum Resources Ministry of Justice Ministry of Niger Delta Ministry of Environment Ministry of Interior Ministry of Defence
2	Accelerate non-oil revenue generation	▪ Increase non-oil tax revenues by improving tax compliance, broadening the tax net, by employing appropriate technology, and tightening the tax code; as well as introduction of tax on luxury items and other indirect taxes to capture a greater share of the non-formal economy ▪ Undertake major reforms in the budgeting for State Owned Enterprises, which will include legislative amendments of the laws establishing many of the SOEs. Specifically, Government will aim to operate a consolidated budget that will incorporate all agencies that are fully funded by the Federal Government by 2018. ▪ Increase the VAT rate for luxury items from 5 to 15 per cent from 2018, while improving CIT and VAT compliance to raise 350 billion annually ▪ Conduct a broad audit campaign to identify under-filing taxpayers ▪ Improve tax compliance by engaging non-compliant taxpayers and making them comply ▪ Formalize businesses in the informal sector ▪ Encourage whistle-blowing ▪ Improve customs revenues by reducing leaks	Federal Inland Revenue Service Nigeria Customs Service Ministry of Finance Ministry of Budget and National Planning Ministry of Justice Ministry of Industry, Trade and Investment

Programme		Fiscal stability	
No.	Strategy	Key activities	Lead
		▪ Accelerate the transformation and modernization of the Nigerian Custom Service through a 2-3 year strategic plan ▪ Deploy technological tools to enhance collections ▪ Develop and implement an anti-smuggling strategy ▪ Rationalize tariffs and waivers in line with priority sectors ▪ Retain sector-based concessions and waivers and zero per cent duty on the imports of equipment and machinery required for strategic sectors ▪ Review automobile, EEG, mining and hotel incentives ▪ Introduce a single window to drive customs efficiencies ▪ Implement efficiency programmes for terminals and cargo clearance (e.g., use lean techniques to speed up vessel and cargo handling) ▪ Increase port efficiency by issuing more licences to build up terminals in existing ports, especially outside Lagos ▪ Increase tax payment verification prior to licensing a vehicle ▪ Improve the generation and collection of independent revenues ▪ Amend the law to provide a variable approach to determine the amount to be remitted by MDAs ▪ Issue new guidelines and templates to calculate MDA operating surpluses ▪ Ensure proper monitoring of MDA revenues and expenditures by the Federal Government	Ministry of Transport
3	Drastically cut costs through operating and capital expenditure optimization initiatives	▪ Optimize operating and capital expenditures to reduce expenditures, get value for money to keep the fiscal deficit low to save an estimated N300 billion annually ▪ Reduce personnel costs by eliminating unjustified payroll entries ▪ Intensify the Presidential Initiative on Continuous Audit activities ▪ Continue to clean up the civil service payroll by linking the Integrated Payroll and Personnel Information System(IPPIS) to HR management systems and bank verification numbers (BVNs) ▪ Optimize overheads by "doing more with less" ▪ Standardize competitive bidding in public procurement	Ministry of Finance Office of the Secretary to the Government of the Federation Office of the Head of the Civil Service of the Federation

Programme		Fiscal stability	
No.	Strategy	Key activities	Lead
		▪ Limit travel frequency, sitting allowances, printing and publication expenditures, etc. ▪ Introduce new allowable expenses guidelines and templates to control Government-owned and State-owned enterprise expenses ▪ Optimize overheads by pooling MDA demand and negotiating discounts for bulk purchasing ▪ Strengthen public tendering for contracts and central procurement of goods and services in line with the Public Procurement Act of 2007 as amended to support domestic patronage ▪ Develop and implement a collective demand process for MDAs to take advantage of the benefits of group purchasing, e.g., discounts ▪ Optimize overheads by sharing services across MDAs and maximizing the use of Federal Government buildings ▪ Design MDA clusters that can share information and communication technology(ICT) infrastructure and support services ▪ Create a repair and refurbishing hub for ICT infrastructure, including computers, printers, copiers, scanners, to reduce waste and frequent purchase of hardware, and create jobs for youth skilled in ICT hardware ▪ Rent out empty spaces in official MDA buildings to other MDAs or private sector companies, and relocate other MDA offices outside high-priced neighbourhoods ▪ Restructure fiscal expenditure through CAPEX optimization programmes and by leveraging private capital to attain a target ratio of CAPEX to total budget of 30-35 per cent ▪ Launch CAPEX optimization programmes for the Federal Government's biggest design, contracting strategy, execution and ramp-up projects ▪ Optimize the CAPEX project portfolio by selecting the most relevant projects to invest in ▪ Balance risk/return of capital portfolio ▪ Extend infrastructure tax relief to collectives to attract clusters of corporate entities ▪ Mobilize private capital through Government seed-funding in roads, housing, and agriculture, e.g., the Road Trust Fund, Family Home Fund	Ministry of Budget and National Planning Bureau for Public Procurement

Programme		**Fiscal stability**	
No.	Strategy	Key activities	Lead
4	Optimize the debt strategy	▪ Issue bonds and debt certificates to address outstanding Federal Government liabilities, e.g., to contractors, MDAs and State governments ▪ Rebalance the public debt portfolio with increased external borrowing (from 84:16 to 60:40, domestic-external borrowing mix), focusing on concessionary sources ▪ Extend the maturity profile of the public debt portfolio and deploy long-term debt instruments, including infrastructure and retail bonds	Ministry of Finance Debt Management Office
5	Privatise Selected Public Enterprises/ Assets	▪ Reduce the Federal Government's stake in JV oil assets ▪ Significantly reduce Federal Government stakes in other oil and non-oil assets	Bureau of Public Enterprises Ministry of Petroleum Resources Ministry of Justice Ministry of Finance

PROGRAMME – MONETARY STABILITY

Programme		**Monetary stability**	
No.	Strategy	Key activities	Lead
6	Align monetary, trade and fiscal policies	▪ Ensure monetary policy is aligned with the other aspects of the Federal Government's macroeconomic programme ▪ Deploy liquidity management tools to reduce inflationary pressure and stimulate all-inclusive economic growth ▪ Strengthen intervention in critical sectors that can promote economic growth and reduce unemployment ▪ Sustain a market-determined exchange rate	Central Bank of Nigeria Ministry of Finance Ministry of Industry Trade and Investment
7	Stabilize the	▪ Strengthen reviews of regular returns, carry out spot checks, monitor on-site and off-site of financial institutions and	Central Bank

Programme		**Monetary stability**	
No.	Strategy	Key activities	Lead
	financial system	conduct special investigations to ensure a safe, sound and stable financial system ▪ Deepen financial intermediation to provide credit to the private sector ▪ Improve asset quality and reduce non-performing loans through proper asset screening to lower NPL as a ratio of total banking system loans from the current level of 12 per cent to the prudential threshold of 5 per cent by 2020 ▪ Continue regular stress tests to detect early bank warning signs on systemic risks, and offer ways to deal with such risks	of Nigeria Ministry of Finance Ministry of Industry Trade and Investment

PROGRAMME – EXTERNAL BALANCE

Programme		**External balance**	
No.	Strategy	Key activities	Lead
8	Reduce the external balance gap	▪ Support intervention in critical sectors that could boost productivity, e.g., agriculture and manufacturing ▪ Promote non-oil exports through the zero-oil plan and use trade policy tools to tackle dumping and balance of payments crisis to raise non-oil exports as a ratio of total exports from 7.5 per cent to 15 per cent by 2020 ▪ Incentivize the inflow of FDI (increase from USD3.1 billion to around USD10 billion by 2020), portfolio investments and remittances	Central Bank of Nigeria Ministry of Finance

PROGRAMME – AGRICULTURE

Programme		**Agriculture**	
No.	Strategy	Key activities	Lead
9	Support the integrated transformation of the agriculture sector by 1) boosting productivity of the crop and other sub	Boost agriculture productivity by facilitating access to inputs, financing and extension services ▪ Facilitate access to inputs (e.g., fertilizer) ▪ Expand the GES scheme by expanding the eligibility threshold above 5ha ▪ Build fertilizer supply chain capacity to provide blended	Ministry of Agriculture and Rural Development Ministry of Federal Capital

	sectors (including fisheries, forestry and livestock) and 2) integrating the value chain and improving access to markets	fertilizer specific to local soil characteristics instead of using standard mixes ▪ Set up a one-stop shop for small farmers and commercial farms(one per Local Government) to encourage the use of high-yield and disease-resistant seedlings ▪ Fast-track the development and execution of irrigation projects (e.g., Hadejia, Adani) ▪ Enhance agricultural extension services including through N-Power programmes from the current ratio of 1:3,000 to 1:1,000 by 2020 ▪ Improve access to finance ▪ Extend the Anchor Borrowers Programme to all States and major crops ▪ Recapitalize the Bank of Agriculture (BoA) to provide single-digit interest rate credit to small farmers through the network of micro-credit banks ▪ Strengthen CBN schemes to improve access to finance for all players, including the Agricultural Credit Guarantee Scheme, Commercial Agriculture Credit Scheme (CACS)and the SME Credit Guarantee Scheme, including long term sunset clauses ▪ Continue to de-risk agricultural lending by expanding the scope of the NIRSAL through sufficient and timely funding, and enhancing the regulatory function of the Nigerian Agricultural Insurance Corporation (NAIC) ▪ Encourage the development of investment vehicles by the private sector to boost their investment in agriculture (e.g., agri-bonds) ▪ Encourage research to support agriculture productivity ▪ Strengthen the research capacity of the Research Council of Nigeria ▪ Promote research grants in agricultural universities ▪ Increase crop value ▪ Encourage crop specialization at the State level based on the competitive advantage of each, by providing incentivized, targeted funding through the BoA ▪ Ensure BoA funding provides incentives to move Nigeria's crop mix towards higher value crops (e.g., cocoa, legumes) Integrate the agriculture value chain and improve access to markets ▪ Re-vitalise the Nigerian Commodity Exchange (NCX) to fast-track exports, and improve inventory management/storage capacity at the national level ▪ Establish the Staple Crop Processing Zones Authority, and	Territory Ministry of Water Resources Central Bank of Nigeria Ministry of Youth and Sports

		provide incentives to attract investors to different zones ▪ Encourage cooperative solutions financed by the BoA to develop local rural infrastructure for crop management (e.g., storage) ▪ Implement a national agricultural quality assurance programme to create a set of product quality standards, train major exporters and enforce inspections to ensure the quality of export products	
10	Use irrigable land and river basin infrastructure effectively to enable year-round agricultural production	▪ Open up a minimum of 100,000 hectares of irrigable land through the 12 River Basin Development Authorities by 2020 ▪ Expand the use of dams for commercial farming and aquaculture	Ministry of Water Resources Ministry of Agriculture and Rural Development

PROGRAMME – MANUFACTURING

Programme		**Manufacturing**	
No.	Strategy	Key activities	Lead
11	Accelerate implementation of the NIRP, focusing on agro-processing and industrial hubs	▪ Provide incentives to support industrial hubs ▪ Review local fiscal and regulatory incentives to support the development of industrial cities, parks and clusters, especially around existing ports and transport corridors ▪ Revitalize export processing zones by reviewing local fiscal and regulatory incentives ▪ Rationalize tariffs and waivers on the equipment and machinery imports required for agro-industry ▪ Establish SEZs to provide dedicated infrastructure to support hub productivity ▪ Acquire suitable premises for SEZs ▪ Ensure connection to power and water infrastructure ▪ Facilitate technology acquisition and transfer in the SEZs by making available research output from local research institutes ▪ Ensure connection and access to critical ICT facilities ▪ Build an adequate transportation network (road, rail, ports)	Ministry of Industry, Trade and Investment Ministry of Science and Technology Ministry of Youth and Sports Ministry of Power, Works and Housing Ministry of Finance Ministry of Women

Programme		Manufacturing	
No.	Strategy	Key activities	Lead
		▪ Improve access to finance ▪ Expand the capabilities of the Bank of Industry to enable it to support manufacturing firms through low cost lending ▪ Enhance access to the N250 billion CBN MSME fund by reviewing its design and implementing enabling initiatives to encourage on-lending ▪ Provide micro-loans for women through the Government Enterprise and Empowerment Programme (GEEP)and Women Empowerment Fund ▪ Promote local content by sourcing raw materials and spare parts locally, leveraging public procurement of locally manufactured goods (with targets for MSME participation) ▪ Promote the *Made in Nigeria* campaign ▪ Develop and publish national standards for product quality	Affairs and Development Office of The Vice President Ministry of Federal Capital Territory
12	Promote innovation and technology-led industries	▪ Provide fiscal incentives for private investment in R&D ▪ Improve intellectual property enforcement procedures ▪ Promote science parks and innovation hubs within and outside academia ▪ Encourage the development of private equity and venture capital players through an attractive fiscal and regulatory framework ▪ Launch the YouWin-Connect! Programme to promote entrepreneurship and innovation among youth	Ministry of Industry, Trade and Investment Ministry of Finance Ministry of Science and Technology Ministry of Youth and Sports Ministry of Federal Capital Territory
13	Encourage the development of resource-processing industries (e.g., cement)	▪ Support the connection of resource processing industries to power and transportation infrastructure ▪ Incentivize investment through tax breaks (e.g., accelerated depreciation on equipment)	Ministry of Industry, Trade and Investment Ministry of Science and Technology

Programme		Manufacturing	
No.	Strategy	Key activities	Lead
			Ministry of Finance

PROGRAMME – SOLID MINERALS

Programme		Solid minerals	
No.	Strategy	Key activities	Lead
14	Create an enabling environment to enhance private investment, targeting energy minerals, iron/steel and gold/ gemstones	▪ Expand electro-magnetic and gravity exploration to complete resource mapping ▪ Increase access to information by improving the archiving of geo-data, harmonizing their format, and promoting their dissemination ▪ Strengthen the infrastructure network by updating and integrating mining transportation and power requirements in national implementation plans ▪ Build local technical and managerial skills and capacity to ensure a steady supply of talent ▪ Clarify the tax and regulatory systems to improve the perception of Nigeria's investment climate for mining activities, and work with National and State legislatures to address gaps and conflicts in governing legislation ▪ Improve State engagement, particularly in financial participation, revenue-sharing, recognition of Federal oversight and social responsibilities to communities ▪ Speed up establishment of the Solid Minerals Development Fund with a seed fund of N200 billion ▪ Ensure that industrial and energy minerals strategies prioritize domestic utilization of assets	Ministry of Mines and Steel Development Ministry of Science and Technology Ministry of Finance Ministry of Industry, Trade and Investment Ministry of Labour and Employment
15	Decrease value leaks/loss by formalizing informal mine activities	▪ Formalize artisanal and small-scale mining activities by automating mining cadastral office operations ▪ Develop mine file inspection and policing operations to improve reporting of mine quantities, and target tax evaders to curtail smuggling (especially in gold and precious stones)	Ministry of Mines and Steel Development Ministry of Science and Technology

PROGRAMME – SERVICES

Programme		Services	
No.	Strategy	Key activities	Lead
16	Promote the ICT sector by supporting technology development	▪ Promote ICT literacy ▪ Increase the number of individuals using the Internet from 47.4 to 75 per cent by 2020 ▪ Promote the acquisition of computers by schools and private firms through a subsidy scheme ▪ Establish a functional education curriculum for primary, secondary and tertiary levels with ICT skill content ▪ Encourage the expansion of existing and establishment of new hardware and software development clusters ▪ Provide adequate infrastructure (power, buildings) and fast-track broadband internet implementation ▪ Review the legal framework, including data protection laws ▪ Raise BPO cluster profiles through international marketing and by identifying investors ▪ Channel funding to entrepreneurs through accelerators and incubators ▪ Stimulate technology content development ▪ Promote the use of e-governance and digitize Federal Government data ▪ Engage with the Government Start-up Intervention Forum to understand ICT-related needs ▪ Encourage local content support for MDAs (e.g., call centres, outsourcing)	Ministry of Communications Ministry of Science and Technology Ministry of Education Ministry of Justice
17	Deepen the financial services sector, including banking and insurance	▪ Restructure, strengthen and rationalize the regulatory and supervisory framework ▪ Address the low capitalization and poor governance practices of financial intermediaries that submit inaccurate information to the regulatory authorities and incur costs within the financial system ▪ In collaboration with banks and financial institutions, develop a structured financing plan to offer less expensive and more accessible credit to the real sector ▪ Direct Federal Government policy towards financial deepening (establish links between rural and urban, banking and non-banking, and formal and informal financial systems) and financial product diversification ▪ Stimulate financial inclusion initiatives (e.g., open banks in	Ministry of Finance Central Bank of Nigeria

Programme		Services	
No.	Strategy	Key activities	Lead
		remote areas)	
18	Grow tourism by offering a strong value proposition	▪ Ensure infrastructure connectivity to promote tourism, e.g., airport infrastructure and air travel safety ▪ Promote the national calendar of festivals and events in the short term, and develop a value proposition around major clusters (e.g., sports, conferences, religious, entertainment, relaxation) in the medium term ▪ Launch an awareness campaign within and outside the country to promote tourism, including world-class hotels and tourist facilities ▪ Resuscitate the Presidential Tourism Council to drive tourism and creative industry ▪ Ease tourist visa requirements to increase tourist arrivals ▪ Improve security to encourage domestic and international mobility ▪ Review tourism legislation and eliminate overlapping functions among regulating agencies	Ministry of Information and Culture Ministry of Foreign Affairs Ministry of Interior
19	Support the creative industries, including film production	▪ Encourage the development of a special funding window ▪ Provide incentives for private-sector investment ▪ Strengthen enforcement of intellectual property rights and crackdown on piracy of artistic works	Ministry of Youth and Sports Ministry of Information and Culture Ministry of Industry , Trade and Investment

PROGRAMME – CONSTRUCTION

Programme		Construction	
No.	Strategy	Key activities	Lead
20	Stimulate construction by building	▪ Improve access to finance for the construction industry, e.g., by fast-tracking implementation of the proposed Family Homes Fund, to build 2 million housing units by 2020	Ministry of Power, Works and

Programme		Construction	
No.	Strategy	Key activities	Lead
	affordable housing	▪ Work with State governments to invest in vocational and technical training centres to develop skills for local craftsmen ▪ Construct 2,700 housing units in the short-term to create 105,000 direct jobs a year and gradually increase to 10,000 housing units per annum by 2020; construct 20,000 pilot social housing units ▪ Reposition the Federal Mortgage Bank of Nigeria by recapitalizing it from N2.5 billion to N500 billion to meet the housing needs across Nigeria ▪ Construct 12 new Federal secretariat complexes in the States where none exist and complete rehabilitation of the existing 23 secretariats	Housing Federal Mortgage Bank of Nigeria Ministry of Finance Ministry of Labour and Employment Ministry of Federal Capital Territory

PROGRAMME – OIL AND GAS

Programme		Oil and gas	
No.	Strategy	Key activities	Lead
21	Revamp refineries to increase local production capacity	▪ Strategically reduce government equity in NNPC refineries and other downstream subsidiaries (such as pipelines and depots) ▪ Conclude downstream liberalization ▪ Implement new business models for refineries ▪ Revamp refineries to increase capacity utilization ▪ Encourage private-sector participation through co-location and JV arrangements ▪ Work with the National Assembly to ensure passage of the PIB	Ministry of Petroleum Resources Ministry of Justice
22	Revolutionize gas by launching development projects and increasing production	▪ Accelerate the building of critical pipeline infrastructure (e.g., Obiafu-Obrikom-Oben pipeline (OB3), Trans Nigeria Gas Pipeline, Escravos Lagos pipeline system (ELPS)II) ▪ Finalize gas production sharing contract terms ▪ Implement the seven key gas development projects to ramp up domestic supply	Ministry of Petroleum Resources Ministry of Niger Delta

Programme		**Oil and gas**	
No.	Strategy	Key activities	Lead
		▪ Roll out the LPG Penetration Programme	Affairs
23	Improve governance of the oil sector	▪ Review policy and regulation including: National Oil Policy; National Gas Policy; Downstream Policy; Fiscal Reform Policy; Petroleum Industry Reform Bill ▪ Improve business environment and investment drive in the areas of accelerated income streams, upstream, midstream, and downstream ▪ Continue gas revolution through gas infrastructure development; gas revolution projects; promotion of domestic utilisation of liquefied petroleum gas (LPG) and compressed natural gas (CNG); reduction of gas flaring; implementation of gas commercial framework; and increasing gas to power ▪ Increase refineries local production capacity through: rehabilitation and revamp of existing refineries ▪ Improve Niger Delta security. Expand infrastructure; and implement capacity building and economic empowerment initiatives in the Niger Delta. Increase transparency and efficiency through: capacity building; increasing use of ICT and automation; and performance management ▪ Improve stakeholder management and international coordination through implementation of a communication strategy; stakeholder relationship management; international energy relations; and bilateral coordination	Ministry of Petroleum Resources Ministry of Niger Delta Affairs Ministry of Youth and Sports Ministry of Interior Ministry of Justice

PROGRAMME – CROSS-SECTOR STRATEGIES

Programme		**Cross-sector strategies**	
No.	Strategy	Key activities	Lead
24	Enhance support to MSMEs	▪ Provide dedicated infrastructure and common facilities to MSME clusters ▪ Reduce regulatory obstacles facing MSMEs, e.g., through more information and structured interface with MDAs ▪ Enable financial service providers (e.g., deposit money banks) to grant loans to MSMEs against their pension assets as collateral ▪ Enhance access to the N250 billion CBN MSME fund by reviewing its design and implementing enabling initiatives to	Ministry of Industry, Trade and Investment Ministry of Finance Small and Medium Enterprises

Programme		Cross-sector strategies	
No.	Strategy	Key activities	Lead
		encourage on-lending ▪ Provide micro-loans for women through the GEEP and Women Empowerment Fund ▪ Partner with international development banks and the Global Impact Investing Network to promote and facilitate impact investments for MSMEs in Nigeria ▪ Continue to scale up and roll out credit to critical sectors of the economy, in particular by increasing the funding available to the collateral registry	Development Agency of Nigeria Ministry of Youth and Sports Ministry of Women Affairs Central Bank of Nigeria
25	Boost Development Finance	▪ Strengthen the Bank of Industry ▪ Re-capitalize the Bank of Agriculture ▪ Operationalize the Development Bank of Nigeria and ramp up provision of loans to 20,000 beneficiaries through development finance institutions in 2017	Ministry of Finance Central Bank of Nigeria
26	Implement the export development strategy for non-oil sectors	Implement the key measures of the Zero Oil Initiative: ▪ Roll out policies for 11 major products (cotton, rice, leather, gold, soya, sugar, cocoa, petrochemicals and fertilizer, palm oil, rubber, and cement)to generate USD30 billion in foreign exchange ▪ Revive the EEG in the form of tax credits to companies ▪ Design and launch the Export Development Fund to provide last-mile financing to transformational export projects ▪ Upgrade high-priority export infrastructure projects (e.g., bulk loading terminals at ports, field-to-market road routes)	Ministry of Industry, Trade and Investment Nigerian Export Promotion Council Ministry of Finance Ministry of Foreign Affairs

PROGRAMME – POWER

Programme		**Power**	
No.	Strategy	Key activities	Lead
27	Increase power generation by optimizing non-operational capacity, encouraging small-scale projects, and pursuing long-term capacity	▪ Optimize the existing installed capacity available for generation ▪ Restore lost gas supply through the Gas Flare Commercialization Programme ▪ Produce strategy towards elimination of gas infrastructure vandalism ▪ Complete major gas infrastructure lines to plants and main trunk lines to facilitate gas supply for power generation ▪ Improve NBET's financial capability to support the electricity market ▪ Strengthen governance and capacity of sector agencies ▪ Introduce strategy for capital market and banking programmes that ensure all upstream industry operators get paid for each contract ▪ Review the gas pricing structure to recover all prudent costs as services improve and give willing developers access to under-developed gas resources ▪ Ensure strict contract compliance both for the public and private sector ▪ Enable and encourage new generation (especially small-scale) projects ▪ Encourage electricity distribution companies (Discos) to procure embedded generation directly ▪ Reach financial close on the 15 solar plants that have recently signed power purchase agreements (PPPs) ▪ Accelerate standardization of the process for executing independent power projects (IPPs), including defining pricing, to encourage private-sector participation ▪ Deploy a clear, legal and commercial framework for investments in power projects ▪ Mobilize investments to execute renewable off-grid power solutions to improve energy mix ▪ Reduce transmission and distribution losses / energy theft ▪ Restructure the Transmission Company of Nigeria to improve management and operational efficiency ▪ Achieve privatisation of NIPP generation assets ▪ Implement the Rural Electrification Strategy and	Ministry of Power, Works and Housing Ministry of Petroleum Resources Ministry of Science and Technology Ministry of Federal Capital Territory

Programme		**Power**	
No.	Strategy	Key activities	Lead
		Implementation Plan ▪ Implement the National Renewable Energy and Efficiency Policy (NREEP) ▪ Implement Power Sector Recovery Plan	
28	Improve the commercial viability of GenCos and DisCos	▪ Resolve MDAs debts to Discos no later than 2017 ▪ Establish central payment system for MDAs electricity bills and tie payment of bills to Discos to their commitments to install meters in MDAs ▪ Ensure strict contract compliance both for the public and private sector ▪ Introduce cost-reflective electricity tariffs ▪ Undertake nationwide customer enumeration and energy audit exercise ▪ Support the roll-out of a nationwide metering programme ▪ Identify sources of funding to resolve accumulated payment deficits ▪ Develop mitigation mechanisms to address future payment deficits ▪ Design public communication and stakeholder engagement strategy to enlighten public on key policies ▪ Review the disbursement and management of the N213 billion Nigeria Electricity Market Stabilization Facility ▪ Enforce existing laws that criminalize power theft and ensure prompt payment by heavy public defaulters	Ministry of Power, Works and Housing Nigerian Electricity Regulatory Commission Ministry of Finance Ministry of Federal Capital Territory

PROGRAMME – TRANSPORT INFRASTRUCTURE

Programme		**Transport infrastructure**	
No.	Strategy	Key activities	Lead
29	Invest massively in transport infrastructure, leveraging private-sector investments	▪ Establish a robust capital project development framework to encourage and increase PPPs to deliver critical projects, such as roads, rail, seaports and airports ▪ Review the Infrastructure Concession Regulatory Commission Act to resolve conflicting legislation with the Bureau of Public Enterprises and Bureau of Public Procurement Act and strengthen the Commission's regulatory	Ministry of Transport Infrastructure Concession Regulatory Commission

Programme		Transport infrastructure	
No.	Strategy	Key activities	Lead
		mandate to facilitate private investment ▪ Harness the existing pool of sustainable development funds to assess the viability and bankability of critical infrastructure projects ▪ Leverage a sustainable and alternative mix of funding for critical infrastructure projects, including project financing initiatives, infrastructure bonds, diaspora bonds, and value-capture financing ▪ Fast-track the completion of airport cargo and passenger handling terminals to increase capacity from 208,424 to 276,848 tons and 15 million to 45 million passengers, respectively, by 2020 ▪ Complete the road sector reforms to establish a Road Authority and a Road Fund to enhance best world practice in the administration of road network development and management in the country ▪ Ensure the approval of the Tolling Policy so that some of the major dual carriageways can be concessioned for maintenance and tolling while government utilises the saved funds from this maintenance for other critical roads in the federal road network to the nation's refineries, ports, NNPC depots and agricultural hubs, etc.	Bureau of Public Procurement Bureau of Public Enterprises Ministry of Federal Capital Territory Ministry of Justice

PROGRAMME – EASE OF DOING BUSINESS

Programme		Ease of doing business	
No.	Strategy	Key activities	Lead
30	Create a more business friendly economy	▪ Facilitate the entry and exit of goods ▪ Define clear timelines for Net Exports Proceeds forms to be processed by all relevant agencies ▪ Enforce the mandatory 3-day timeline for pre-shipment inspection agents to issue clean certificates of inspection ▪ Ensure sanctity of contact and enforcement ▪ Reduce the number of agencies at the ports to six based on previous recommendations ▪ Ensure the collaboration of the relevant MDAs in implementing the single window system ▪ Launch capability-building efforts across the Nigeria	Ministry of Industry, Trade and Investment Presidential Enabling Business Environment Council Ministry of Interior Ministry of

Programme		Ease of doing business	
No.	Strategy	Key activities	Lead
		Customs Service and Nigeria Ports Authority ▪ Facilitate the entry and exit of people ▪ Operationalize the e-visa application and visa on arrival procedures no later than 2018 ▪ Update the Nigeria Immigration Services and Nigeria Missions Abroad websites to clarify end-to-end visa and permit instructions ▪ Streamline passenger security checks at major international airports, i.e., eliminate unnecessary forms and passenger checkpoints ▪ Repair airport infrastructure, e.g., broken escalators and carousels, air conditioning units, unreliable flight monitors in the lounges ▪ Remove redundant and bureaucratic steps in the visa/permit application processes ▪ Ensure proper resourcing of missions abroad to issue visas ▪ Improve Government website transparency ▪ Ensure websites are updated with clear descriptions of MDA services, fees, and processes and timelines to obtain each MDA services ▪ Put systems in place to monitor and update the MDA websites regularly ▪ Improve the business environment ▪ Improve Nigeria's rank in the World Bank's Doing Business index from 169 to 100 by 2020 ▪ Improve the Government procurement process for small businesses ▪ Issue clear sets of guidelines for small businesses offering services to the Government ▪ Set up links between Government data systems to enable the BPP to verify data ▪ Clarify which documentation is required for small businesses by MDAs ▪ Encourage businesses to complain officially about MDA delays and claim penalties and interest on late payments	Transportation Ministry of Foreign Affairs Bureau for Public Procurement Ministry of Information and Culture

PROGRAMME – HEALTH

Programme		**Health**	
No.	Strategy	Key activities	Lead
31	Revitalize the primary healthcare system	▪ Revitalize 10,000 primary health care centres and establish at least one functional primary health centre (PHC) in each ward to improve access to health care ▪ Fully implement the primary health care refinancing programme to mobilize domestic resources ▪ Drive progress to meet UN SDG health targets ▪ Reduce infant and maternal mortality rates	Ministry of Health Sustainable Development Goals' Office
32	Roll out universal health coverage (NHIS)	▪ Expand the NHIS towards universal health care coverage ▪ Enforce the Tertiary Institutions Social Health Insurance Programme for students in tertiary institutions ▪ Pilot the Public Primary Pupils Social Health Insurance Programme to provide quality health services to pupils in middle- and lower-income socio-economic levels who are less likely to have insurance ▪ Scale up the Mobile Health Insurance Programme to provide coverage for the poor	Ministry of Health Ministry of Education
33	Strengthen delivery beyond the primary health care system	▪ Provide anti-retroviral medication to people living with HIV/AIDS ▪ Ramp up projects to eradicate polio, measles and yellow fever ▪ Make strategic investment in tertiary health care institutions in collaboration with the National Sovereign Investment Authority and other relevant stakeholders, e.g., establish diagnostic centres in all States ▪ Develop and adopt an e-health scheme to connect specialized hospitals to rural communities via mobile tele-medicine	Ministry of Health Ministry of Science and Technology
34	Partner with the private sector to construct model mega-health centres	▪ Partner with the private sector to develop at least one mega-health centre in each State to provide high-quality preventive and curative healthcare	Ministry of Health
35	Build the capacity of health care personnel to improve service delivery	▪ Provide a rural service allowance and basic amenities to health workers in rural areas to retain qualified personnel ▪ Identify and fill gaps to optimize the health worker-to-population ratio by recruiting and training more health workers and attracting talent from abroad	Ministry of Health

Programme		Health	
No.	Strategy	Key activities	Lead
		▪ Develop the Diaspora Medical Assistance Programme to attract and encourage Nigerian medical professionals abroad to provide volunteer health services in Nigeria	

PROGRAMME – EDUCATION

Programme		Education	
No.	Strategy	Key activities	Lead
36	Partner with State governments and the private sector to establish best-in-class vocational and technical institutes	▪ Develop incentive programmes to encourage private sector and State investment in model technical and vocational education institutes, e.g., facilitate access to funding and land with a view to enrolling approximately 500,000 students at the end of the Plan period in technical schools ▪ Revive and support new post-secondary school trade centres and technical schools ▪ Introduce post-university skills development institutions (PUSDIs)	Ministry of Education Ministry of Youth and Sports Ministry of Labour and Employment
37	Improve teacher quality by incentivizing performance and building capabilities	▪ Review the recruitment prerequisites (e.g., certifications, experience) for the teaching professionto be consistent with National Teachers Institute (NTI) certification ▪ Conduct annual state, regional and national workshops on teacher training innovations ▪ Encourage schools to design and implement standard teacher coaching programmes comprising peer review through classroom visits, collaborative lesson planning and weekly sessions jointly to define objectives, track progress and impact, and share improvement ideas ▪ Enable best practices and professional training for over 295,000 education personnel under the Continuing Professional Development for Teachers Programme, and 850 English Language, Science and Mathematics teachers across the country	Ministry of Education
38	Improve the quality of education by strengthening quality assurance	▪ Review and restructure the education curriculum in line with international best practices ▪ Improve the capacity of Federal, State and Local quality assurance inspectorates ▪ Fully implement the Secondary School Quality Assurance	Ministry of Education

Programme		Education	
No.	Strategy	Key activities	Lead
		Programme ▪ Ensure regular statutory visits and monitoring of Federal tertiary institutions ▪ Help schools develop strategies to eradicate examination malpractices ▪ Review and restructure the management and funding arrangements for Federal Government colleges/unity schools	
39	Increase investment in STEM education	▪ Develop and launch an ICT curriculum comprising computer science, information technology and digital literacy for primary and secondary school students ▪ Partner with private organizations to organize innovative ICT competitions and subsidize professional qualifications for ICT graduates ▪ Encourage enrolment in STEM courses by offering annual bursaries to 100,000 eligible STEM undergraduates	Ministry of Education Ministry of Communication Technology Office of the Vice President
40	Improve funding mechanisms to incentivize education performance and increase access	▪ Use the Tertiary Education Trust Fund (TETFUND) to incentivize high-performing tertiary institutions ▪ Service ongoing scholarship schemes and establish new schemes in critical areas ▪ Encourage State and Local Governments and private sector organizations to provide scholarships and create endowment funds in trade centres, technical schools, universities and post-university skills development institutions	Ministry of Education
41	Prioritize education for girls and infrastructure development	▪ Construct special schools for girls in 13 pilot States ▪ Construct 501 classroom blocks across the States ▪ Construct125 day and boarding Almajiri and nomadic education-based schools	Ministry of Education Ministry of Women Affairs

PROGRAMME – SOCIAL INCLUSION

Programme		Social inclusion	
No.	Strategy	Key activities	Lead
42	Implement and increase social	▪ Sustain the Conditional Cash Transfer programme to reach 1 million of the poorest and most vulnerable households,	Office of the Vice

Programme		Social inclusion	
No.	Strategy	Key activities	Lead
	safety net programmes targeted at the vulnerable	especially through mothers as captured in the Social Register ▪ Upscale the Home Grown School Feeding Programme to provide a meal a day to at least 6 million primary school children (and support the agriculture sector)	President Ministry of Youth and Sports Ministry of Women Affairs
43	Introduce social programmes for the aged and physically challenged	▪ Introduce a national relief programme for the aged ▪ Launch a national programme for the physically challenged and other vulnerable groups ▪ Design infrastructure to enable access for the physically challenged	Ministry of Women Affairs

PROGRAMME – JOB CREATION AND YOUTH EMPOWERMENT

Programme		Job creation and Youth Empowerment	
No.	Strategy	Key activities	Lead
44	Boost job creation and public works programmes	▪ Scale-up the N-Power volunteer corps to provide temporary employment for 500,000 graduates annually in education, agriculture and health ▪ Establish a job matching programme for new graduates by incentivizing employers to retain National Youth Service Corp members at the end of their service ▪ Sustain and scale up the GEEP to deliver credit to 1.6 million farmers, youth, women market traders and MSMEs ▪ Construct 2,700 housing units in the short term to create 105,000 direct jobs, and increase to 10,000 housing units by 2020 ▪ Accelerate implementation of the NIRP using SEZs to generate 1.5 million jobs by 2020 ▪ Enforce the local content policy to promote job creation through procurement processes ▪ Expand workfare programme in collaboration with the States	Office of the Vice President Ministry of Women Affairs Ministry of Labour and Employment Ministry of Youth and Sports
45	Improve employability to	▪ Execute the N-Power Knowledge Programme to train participants in animation, software engineering, graphic arts,	Office of the Vice

Programme		Job creation and Youth Empowerment	
No.	Strategy	Key activities	Lead
	close the skills gap	and device repair and assembly ▪ Roll out the targeted skills-to-job N-Power Build Programme to build a competent workforce of technicians and artisans ▪ Develop a national manpower policy to match job skill requirements and education programmes ▪ Develop local empowerment centres to disseminate and provide business support to entrepreneurs through apprenticeship and mentorship. To guarantee sustainability, provide incentives to participating employers, recognize participants and offer tax rebates ▪ Establish skills acquisition centres in all 36 States and the FCT ▪ Provide incentives to corporate bodies and parastatals to expand opportunities for internships, traineeships for young new entrants into the labour market	President Ministry of Labour and Employment Ministry of Youth and Sports

PROGRAMME – POPULATION GROWTH MANAGEMENT

No.	Strategy	Key activities	Lead
46	Review Population Policy	▪ Review current status of Population Policy ▪ Benchmark initiatives undertaken by other countries with high levels of population growth ▪ Develop and implement the revised Population Policy	Ministry of Health Ministry of Budget and National Planning National Population Commission

PROGRAMME – ENVIRONMENTAL PROTECTION

Programme		**Environmental protection**	
No.	Strategy	Key activities	Lead
47	Take targeted action to address environmental priorities	▪ Implement projects under the Great Green Wall initiative to address land degradation and desertification, and support communities adapting to climate change (e.g., plant trees) ▪ Implement environmental initiatives in the Niger Delta region (e.g., continue the Ogoni Land clean-up and reduce gas flaring) ▪ Raise a Green Bond to finance environmental projects ▪ Establish one forest plantation in each state ▪ Rehabilitate all forest reserves and national parks to enhance eco-tourism ▪ Establish a functional database on drought and desertification ▪ Encourage and promote the development of green growth initiatives	Ministry of Environment Ministry of Niger Delta Ministry of Water Resources

PROGRAMME – ANTI-CORRUPTION AND TRANSPARENCY

Programme		**Anti-corruption and transparency**	
No.	Strategy	Key activities	Lead
48	Enhance anti-corruption efforts	▪ Continue the anti-corruption campaign incorporating structured programmes to encourage the use of hotlines, report incentives and offer whistle-blower protection ▪ Prosecute corruption and other crimes more effectively ▪ Strengthen the capacity of anti-corruption agencies ▪ Enact the Special Crimes Act, as envisioned by the Presidential Advisory Committee Against Corruption, to deal with, e.g., financial crimes, kidnapping, cyber-crimes and drugs	Ministry of Justice Economic and Financial Crimes Commission Independent Corrupt Practices Commission Ministry of Interior
49	Improve transparency in the management	▪ Fulfil commitments to improve transparency under the Open Government Initiative ▪ Continue to publish allocations to Federal, State and Local Governments after each FAAC meeting on websites and	Ministry of Justice Ministry of

Programme		Anti-corruption and transparency	
No.	Strategy	Key activities	Lead
	of public resources	encourage all States to publish monthly state and local government receipts on State websites ▪ Encourage CBN to verify accuracy and authenticity of forex sales to end-users by all DMBs and make these available to Customs and FIRS for use in tracking imports, import duty payments as well as CIT and VAT payments at requisite intervals	Finance Central Bank of Nigeria Ministry of Budget and National Planning Ministry of Information and Culture

PROGRAMME – PUBLIC SAFETY AND SECURITY

Programme		Public Safety and Security	
No.	Strategy	Key activities	Lead
50	Fulfil the mandate of the Presidential Committee on the North East Initiative	▪ Develop and implement a comprehensive action plan for the North East, including emergency humanitarian assistance, relocation, rehabilitation, and resettlement, and building peace, security, infrastructure, agriculture, health, education, and governance ▪ Introduce sporting activities to engage youth in restive areas and channel their energies into productive endeavours	Presidential Committee on the North East Initiative Ministry of Defence Ministry of Foreign Affairs Ministry of Youth and Sports Ministry of Women Affairs
51	Implement targeted initiatives to stabilize and sustainably develop the Niger Delta	▪ Develop and implement a sustainable action plan to stabilize and develop the Niger Delta ▪ Sustain and re-invigorate the Amnesty Plan ▪ Ensure environmental sustainability within the Niger Delta Region ▪ Introduce sporting activities to engage youth in restive areas	Ministry of Niger Delta Affairs Office of the Special Adviser, Niger

Programme		Public Safety and Security	
No.	Strategy	Key activities	Lead
		and channel their energies into productive endeavours	Delta Ministry of Environment Ministry of Youth and Sports
52	Enhance centralized identity management (e.g., for people, cars, houses)	▪ Strengthen agency capacity for data-sharing and management, registration, and card issuance to enhance national security and cohesion	Office of the Secretary to the Government of the Federation Ministry of Budget and National Planning Ministry of Interior
53	Strengthen security at national and sub-national levels	▪ Strengthen the capacity of the Nigeria Police Force, the Nigeria Security and Civil Defence Corps, Nigeria Prisons Service, Federal Fire Service and the Nigeria Immigration Service e.g., by establishing a national criminal records registry ▪ Develop and strengthen the capacity of the Armed Forces of Nigeria and the Military Industrial Complex to ensure strategic deterrence and defence, exercise forward presence in vital areas, responding effectively to crisis and retaining the national capacity to reconstitute forces ▪ Establish at least one Brigade in every State capital in Nigeria to fulfil the fundamental demands of the National Security Strategy. ▪ Promote the adoption of community policing strategies ▪ Equip and provide the manpower required for military and paramilitary services ▪ Establish enduring partnerships with security agencies in allied countries to build local capacity and curb cross border crimes such as terrorism, cyber-crimes, etc.	Ministry of Interior Ministry of Defence

PROGRAMME – PUBLIC SERVICE REFORM

Programme		**Public service reform**	
No.	Name	Key activities	Lead
54	Reduce the cost of governance	▪ Continue to streamline the number of MDAs to eliminate overlapping mandates and reduce public expenditures ▪ Complete a functional review of all MDAs to link Government priorities, Ministerial mandates, and individual job descriptions and performance targets ▪ Reduce personnel costs and optimize overheads as outlined under initiatives to improve fiscal stability	Office of the Head of the Civil Service of the Federation Ministry of Finance Ministry of Budget and National Planning
55	Leverage technology to improve public service productivity	▪ Implement e-government across all Government bodies, starting with a pilot scheme in selected MDAs	Office of the Head of the Civil Service of the Federation Ministry of Communication Technology Ministry of Science and Technology
56	Develop the skills of public servants	▪ Develop institutional capacity in budgeting, planning, policy analysis , financial management, procurement, human resources management and leadership	Office of the Head of the Civil Service of the Federation Ministry of Budget and National Planning
57	Institutionalize performance management practices	▪ Establish clear processes and procedures for performance management at individual and MDA levels ▪ Provide incentives to promote results-based management in public service	Office of the Head of the Civil Service of the Federation Ministry of Budget and National Planning

PROGRAMME – SUB-NATIONAL COORDINATION

Programme		**Sub-national coordination**	
No.	Strategy	Key activities	Lead
58	Encourage States to produce recovery and growth plans aligned with the ERGP	▪ Encourage States to develop economic recovery and growth plans that outline the costed initiatives they intend to undertake in line with the thematic areas policy objectives laid out in the ERGP	Ministry of Budget and National Planning State Governments
59	Monitor delivery of the Fiscal Sustainability Plan	▪ Closely monitor progress of States' implementation of the 22-point Fiscal Sustainability Plan ▪ Use progress against the Fiscal Sustainability Plan as a condition for future financial relief ▪ Improve the system of counterpart funding	State Governments Ministry of Finance

PROGRAMME – DELIVERY

Programme		**Delivery**	
No.	Strategy	Key activities	Lead
60	Strengthen the Delivery Unit to drive priority ERGP strategies	▪ Develop detailed implementation plans and dashboards to track impact ▪ Rigorously track and monitor strategy progress and report to the President ▪ Problem-solve obstacles with MDAs and develop solutions to overcome them ▪ Creation of conducive working environment and incentives for results based output in the public service	Presidency Ministry of Budget and National Planning Office of the Head of the Civil Service of the Federation