

The Transformation Agenda

2011-2015

Summary of Federal Government's Key
Priority Policies, Programmes and Projects



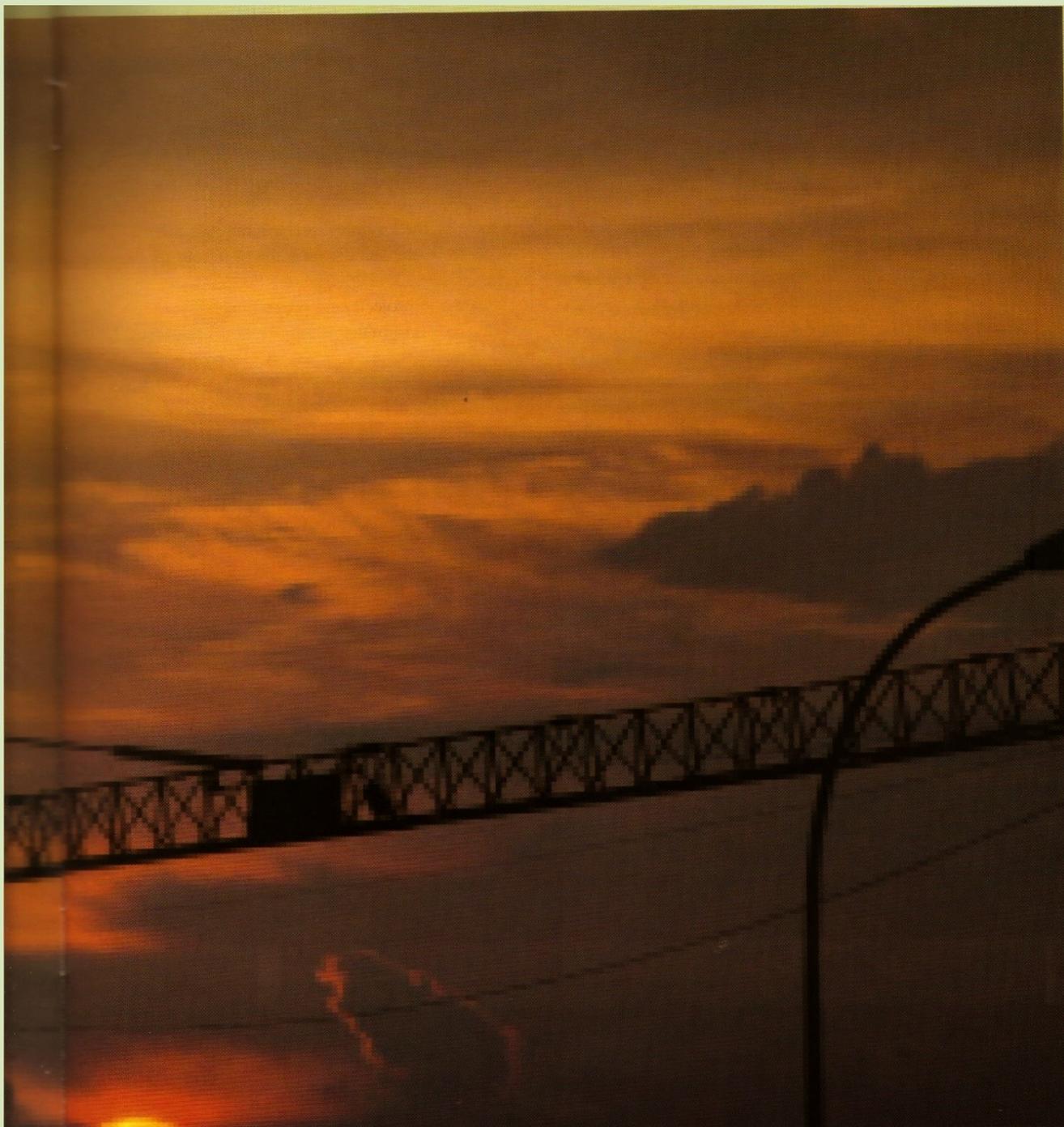
The Transformation Agenda

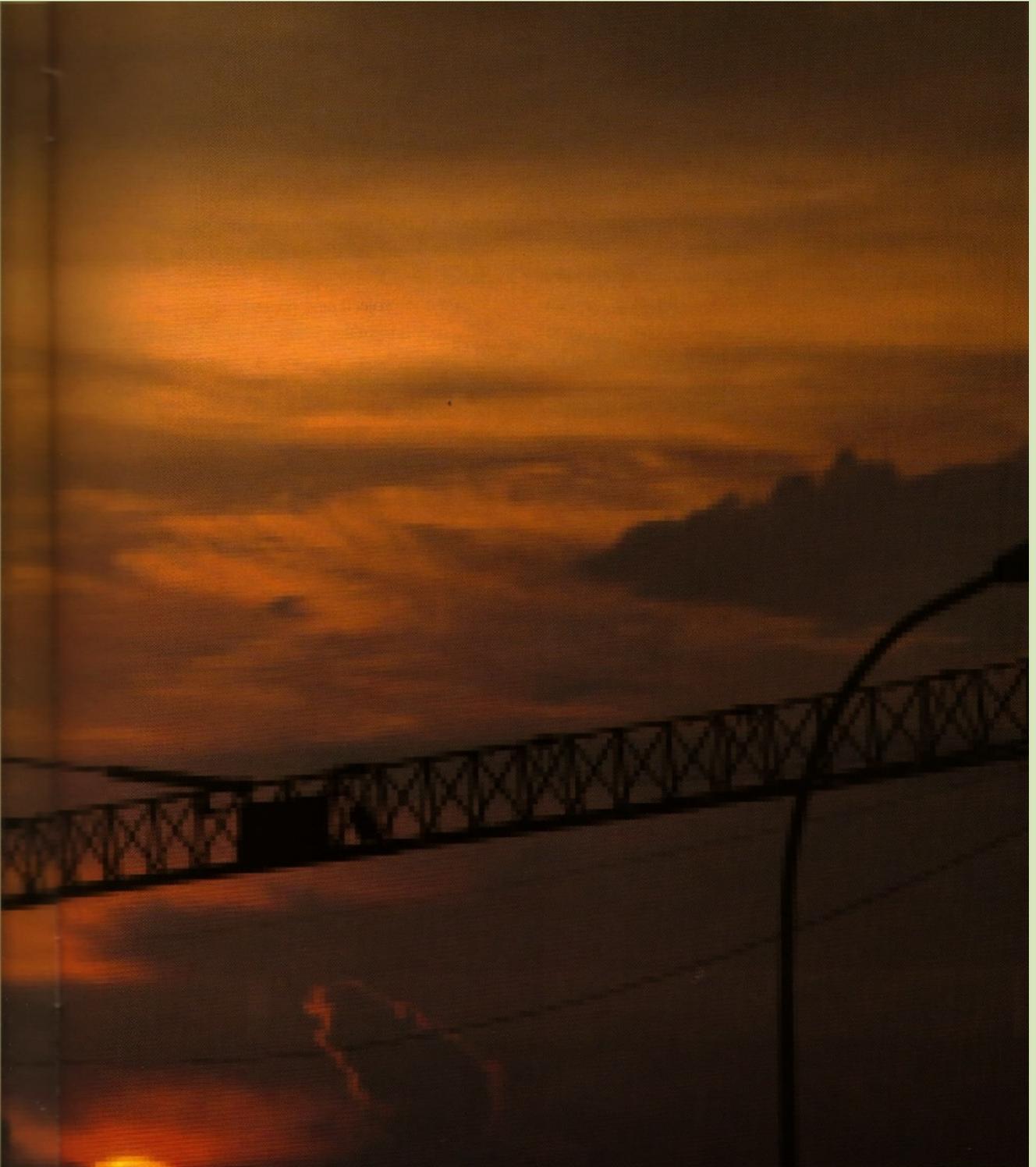
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Priority Policies, Programmes and Projects



THE
TRANSFORMATION
AGENDA
2011-2015





THE TRANSFORMATION AGENDA 2011-2015

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The prioritized policies, programmes and projects contained in this document were properly scrutinized by a Presidential Committee set up for this purpose. It was assisted by technical experts drawn from the public and private sectors.

Introduction:

Nigeria's development efforts have over the years been characterized by lack of continuity, consistency and commitment (3Cs) to agreed policies, programmes and projects as well as an absence of a long-term perspective. The culminating effect has been growth and development of the Nigerian Economy without a concomitant improvement in the overall welfare of Nigerian citizens. Disregard to these 3Cs has resulted in rising unemployment, inequality and poverty. The need for a holistic transformation of the Nigerian State has necessitated a strategy that gives cognizance to these 3Cs. The current administration has responded to this need in its Transformation Agenda, which covers the period 2011 – 2015.

The Transformation Agenda which is based and draws its inspiration from the NV 20:2020 and the 1st National Implementation Plan (NIP), aims to deepen the effects and provide a sense of direction for the current administration over the next four years. The agenda is based on a set of priority policies and programmes which when implemented will transform the Nigerian Economy to meet the future needs of the Nigerian people.

The prioritized policies, programmes and projects contained in this document were properly scrutinized by a Presidential Committee set up for this purpose and endorsed by Mr. President. It was assisted by technical experts drawn from the public and private sectors. While this exercise does not cover all projects in the 1st NIP and the 2011 budget but rationalizes them on the basis of certain criteria to produce a more compact set of programmes on which the government will deliver in the next four years.

1.1 Composition and Role of the Presidential Committee on KPPPS

The mandate of the President Committee (PC) was defined as follows:

- Identify the key policies, programmes and projects to be delivered within the next four to five years.
- Phase the projects and programmes to ensure that they inform the Administration's future budget proposals during 2012 – 2015.
- Propose a suitable monitoring mechanism for the identified projects and programmes including regular presentations by Ministers to the FEC on their relevant areas of activity.

The committee was formally inaugurated on Thursday, February 17, 2011 and is composed as follows;

Hon. Minister/Deputy Chairman, NPC	- Chairman
Hon. Minister of Finance	- Member
Hon. Minister of Transport	- Member
Hon. Minister of Agriculture	- Member
Hon. Minister of Niger Delta Region	- Member
Hon. Minister of Works	- Member
Hon. Minister of Aviation	- Member
Hon. Minister of FCT	- Member
Chief Economic Adviser to the President	- Member
Senior Special Assistant to the President on Infrastructure	- Member
Special Assistant to the President (Economic Matters)	- Secretary

1.2 Methodology

At its inaugural meeting, the Presidential Committee set up a Technical Working Group (TWG) consisting of 5 thematic areas under the chairmanship of the Secretary to the National Planning Commission to assist it in accomplishing the assignment and a Private Sector Working Group (PSWG) to provide private sector/independent perspective on relevant aspects of the PC's TOR. A drafting team was constituted

to synthesize the reports and produce this final document. The TWGs had several meetings, periodically briefing the Chairman and the main committee on the progress of their work.

thematic areas. (i) Real sector, (ii) Infrastructure, (iii) Human Capital, (iv) Enablers (which include private investment, finance mobilization, external economic relations and diplomacy, etc.) and (v) Monitoring and Evaluation.

I.3 Scope

The scope of this report covers issues such as macroeconomic framework and economic direc-

tion, governance, sector priority policies, programmes and projects of the following key



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MACROECONOMIC FRAMEWORK AND ECONOMIC DIRECTION

Overall real GDP growth rate averaged eight percent during 1999-2010. While there was a structural shift in the economy during the period from crude oil to non-oil sector, the oil sector dominance of export earnings and government revenues persisted.

For the period 2011-2015 a baseline GDP growth rate of 11.7 per cent per annum is assumed in this report. This will translate to real and nominal GDP of about N428.6 billion and N73.2 trillion respectively at the end of the programme period. This is also in line with the NV20:2020 target. The projected GDP growth for the period will be driven largely by the oil and gas, solid minerals, agriculture, ICT equipment and softwares, telecommunication, wholesale and retail trade, tourism and entertainment, manufacturing, and building and construction sectors.

A total investment size of N40.75 trillion in nominal terms is projected for the programme period. The public sector will account for N24.45 trillion or 60 per cent, while the remaining N16.30 trillion or 40 per cent is expected to be invested by the private sector. Overall, public sector investment plan is made up of N12.86 trillion for Federal Government and N11.59 trillion for States and Local Governments respectively.

2.1 Key Macroeconomic Policy Choices

The key policies to be pursued by government during the programme period are as follows:

- a. Ensuring greater harmony between fiscal and monetary policy. In this regard, the National Economic Management Team will be strengthened to facilitate effective coordination of fiscal and monetary policies.
- b. Pursuit of sound macroeconomic policies including fiscal prudence supported by appropriate

monetary policy to contain inflation at single digit.

c. The budget process shall be reviewed to provide greater clarity of roles between the executive and the legislature and to ensure that the appropriation bill is enacted into law within the first month of any year. The direction of policy shall draw inspiration from the US System and concentrate on setting allocation priorities rather than micro-budgeting or contesting figures with the Executive.

d. The existing revenue allocation formula shall be reviewed to achieve a more balanced fiscal federalism. This is expected to pave the way for more effective implementation of programmes at the subnational level.

e. Institutionalizing the culture of development planning at all levels of government and ensuring that the annual capital budget allocations take a cue from the medium and long term development plans. Towards this end, the National Assembly should expedite the passage of the Planning and Project Continuity Bill in order to strengthen the Plan-Budget link and reduce the high incidence of abandoned projects.

2.2 Job Creation

The Nigerian economy is experiencing growth without employment as the rate of growth of the labour force exceeds the employment opportunities that are being created. The unemployed population is at present, dominated by the youth who are mostly school leavers with senior secondary school qualifications and graduates of tertiary institutions. The composite employment data showed that the rate of unemployment surged from 11.9% in 2006 to 14.6% in 2007 and 21.1% by January 2010. Accordingly, the following policy measures will be pursued during the programme period to reinvigorate various

sectors of the economy and enhance their employment generating potentials.

- Implementing a youth employment safety net support program that includes conditional cash transfer and vocational training
- Development of Industrial Clusters
- Reviewing of university curricula to align with industry job requirements and promotion of apprenticeship/work experience programmes and joint ventures.
- Enforcement of mandatory sub-contracting and partnering with locals by foreign construction companies.
- Implementation of mandatory skills transfer to Nigerians by foreign construction companies

2.3 Public Expenditure Management

The sub-optimality of the expenditure profile of the Federal Government of Nigeria (FGN) has been a major area of concern. Since 1999, recurrent spending has consistently crowded out capital expenditure, exacerbating the already abysmal state of infrastructure. Recurrent expenditure has fluctuated between 47.5% in 1999 to 80.29% in 2003, while capital expenditure accounted for only 19.71% of total government expenditure. It has since increased continually to a high of 38.37% of total expenditure in 2009. It has grown much worse in 2011 with government borrowing to finance recurrent expenditures.

To remedy the situation, government will entrench a culture of accountability by beginning to sanction and prosecute officers that breach established financial management rules and regulations. The monetization policy will also be strictly enforced.

Other short-term policy measures include:

- (i) Limiting total recurrent spending as a percentage of GDP to 6 per cent from the current 8.5 per cent in the first instance, while increasing capital expenditure as a percentage of GDP should rise from 4 to 6.5 per cent in 2011 (and rising significantly thereafter.)
- (ii) Aligning recurrent expenditure with non-oil revenue and devoting a substantial proportion of oil revenue to capital expenditure.

In the medium-term, government will

- (i) demonstrate adequate political will to tackle the problem of transparency and accountability in the oil industry, especially the JVCs and production sharing arrangement head-on, by reviewing the policy processes over the past 25 years,
- (ii) adopt a whole-life approach to budgeting for assets that will incorporate the cost of operation and maintenance of the asset during the technical lifetime of the asset and
- (iii) engage stakeholders early in budget preparation processes in order to reduce the current inefficiency in resources utilization arising from the current practice of protracted delays in budgeting and approval processes.

Effort will also be made to fast track the operationalization of the National Sovereign Wealth Fund (NSWF) whose bill was recently passed by the National Assembly.

To remedy the situation, government will entrench a culture of accountability by beginning to sanction and prosecute officers that breach established financial management rules and regulations.

3

GOVERNANCE

Nigeria's inability to decisively tackle most development challenges such as poverty, unemployment, security, and deplorable state of infrastructure has been largely attributed to bad governance in all its ramifications. These include political governance, economic governance, corporate governance and effectiveness of institutions.

During 2011 – 2015, the policies and programmes directed at addressing governance challenges will focus on the public service; security, law and order; the legislature; anti-corruption measures and institutions; the judiciary; economic coordination; and support for private investment. The critical policy thrust of governance will be to maximize the benefits the citizenry derives from governance through more effective and efficient use of public resources, proper financial management and fiscal prudence. This entails adequate emphasis on the attainment of law and order, guarantee of safety of lives and property and the provision of an environment in which people find happiness and fulfillment.

3.1 Justice and Judiciary

The Nigerian judiciary is considered one of the most vibrant, especially in terms of quality of decisions of the higher courts. However Nigeria also ranks among countries with the least efficient systems of enforcing contracts and settlement of commercial disputes. Slow police investigations and weak enforcement of judicial decisions contribute to delays in justice delivery. The enforcement of court decisions deeply affects the quality of the judicial system, and delays in resolving disputes may compel citizens to resort to untoward means of resolving disputes, thereby eroding trust in the judicial system.

Successive governments have made several efforts to overhaul the judicial system and improve service delivery. Though some measure of success has been made, the judiciary is still faced with several challenges including slow reform process which has generally lagged behind current developments in human rights practices, cybercrimes, terrorism, the prosecution of corruption and financial crimes among others.

The policy thrusts of the Justice and Judiciary sector are

- (i) achieving greater independence for the judiciary in terms of funding,
- (ii) improving capacity and efficiency in judicial service delivery,
- (iii) eliminating all forms of corruption in the administration of justice in Nigeria,
- (iv) enhancing the capacity of the justice ministry to superintend prosecution and law enforcement and
- (v) improving professionalism in legal practice for better service delivery.

3.2 Foreign Policy and Economic Diplomacy

In the area of foreign relations, Nigeria has made giant strides. There are however still some contending issues. In today's fast-paced rapidly globalizing environment, the interdependence of the countries of the world, especially in trade and commerce has been strengthened. Trade and commerce are facilitated by various bilateral and multilateral trade agreements and diplomatic ties between countries. Without the necessary trade agreements and diplomatic ties, businesses may not be able to operate beyond their shores and, as such, cannot tap into the opportunities that exist in other countries. The world today has become a "global village" where the actions and reactions in one country can be accessed in another through the World Wide Web, Internet and

other means of communication.

In order for Nigeria's foreign policy goals to be achieved it is imperative that Nigerian missions are properly focused and well-funded. It may also be necessary to rationalize missions and appoint honorary consuls to deal with consular issues in areas where Nigeria's interest does not loom large as practiced by other countries.

3.3 Legislature

The performance of the legislature has been relatively less than optimal as evident from its inability to enact enough high impact legislation, and its preference to concentrate on executive oversight functions. This has left over 500 bills pending in the National Assembly. Also, prolonged delays in passage of bills, have tended

to slow down the pace of economic growth and development, and eroded public confidence in the ability of the legislature to perform its duties. The thrust of policy during the period will be to facilitate the creation of a dynamic, constitutionally effective and public responsive legislature that is proactive in its legislature duties and independent but aware of its constitutional partnership with the executive and judicial arms of government. Other policy measures include regular auditing of the activities and publication of annual reports of the National and State legislature, to promote greater transparency and accountability in the use of public funds; promote greater public interest in the scrutiny of legislative actions; and inform public debate to these ends.



4

HUMAN CAPITAL DEVELOPMENT POLICIES, PROGRAMMES AND PROJECTS

Human Capital Development is strategic to the socio-economic development of a nation and includes education, health, labour and employment and women affairs. Investing in human capital development is therefore critical as it is targeted at ensuring that the nation's human resource endowment is knowledgeable, skilled, productive and healthy to enable the optimal exploitation and utilization of other resources to engender growth and development.

4.1 Priority Policies for the Development of Education

- a. Promote primary enrolment of all children in school going age irrespective of the income profile of the parents.
- b. Provision of infrastructures such as classrooms across all levels, so as to ease overcrowding, increase access and reduce pupil/teacher ratio.
- c. Enhance the efficiency, resourcefulness, and competence of teachers and other educational personnel through training, capacity building, and motivation.

4.2 Priority Policies and Projects for the Development of the Health Sector

The underpinning policy for the inputs towards achieving the human capital development goal of the Vision 20:2020 strategy is the National Strategic Health Development Plan (NSHDP). The NSHDP is the vehicle for actions at all levels of the health care service delivery system which seeks to foster the achievement of the MGDs and other local and international targets

and declaration commitments. The Nigerian International Health Partnerships and other related issues (IHP+) compact signed between the Federal Government and all development partners in health is seen to be an important mechanism that will rally all development partners to support the implementation of the NSHDP at all levels.

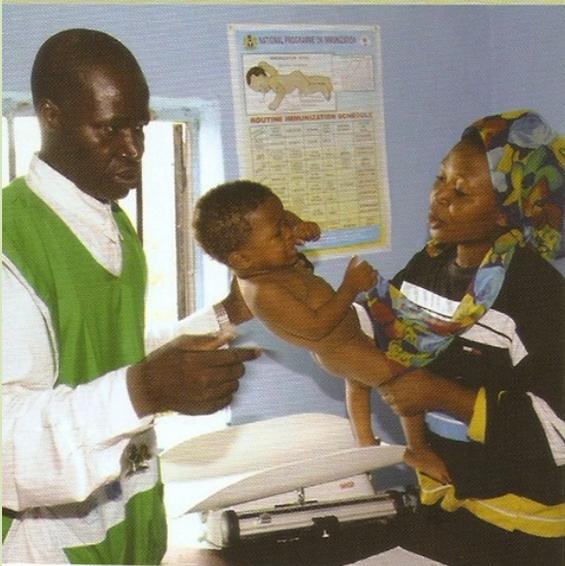
The priority programmes and projects for the health sector are captured in the Federal Component of the NSHDP and are presented in the annex.

4.3 Priority Policies and Projects for Labour and Productivity

During the period 2004 – 2010, the country experienced sustained high growth rates, but without commensurate rises in employment. The structure of employment remained basically the same during the period with agricultural self-employment continued to dominate the country's labour market. The most noteworthy employment development was the expansion of jobs in the communication sector as a direct consequence of the deregulation of the sector.

The key policies to be implemented during the period are as follows:

- Implementation of the National Action Plan on Employment Creation (NAPEC) targeted at creating 5 million new jobs annually within the next 3 years.
- Establishment of more Skills Acquisition Centres;
- Implementation of Local Content Policy in all the Sectors especially in the Oil and Gas Industry in order to boost Job creation in the country;



5

REAL SECTOR POLICIES, PROGRAMMES AND PROJECTS

The following seven sectors have been identified as the main growth drivers during the transformation period, 2011-2015. They are agriculture, water resources, solid minerals, manufacturing, oil and gas, trade and commerce as well as culture and tourism. Performance in these sectors has been constrained by several challenges including low productivity, low level of private sector investment, non-competitiveness, inadequate funding, shortage of skilled manpower, low investment in research and development, poor development of value chain and low value addition, poor regulatory environment, poor quality of goods and services and poor state of physical infrastructure, policy instability and discontinuity, low level of technology, paucity and poor flow of information and high cost of doing business.

5.1 Key Policies for the Real Sector, 2011 – 2015

The policies for developing the seven growth drivers are summarized below.

5.1.1 Agriculture and Food Security

Secure food and feed needs of the nation

- Enhance generation of National and Social wealth through greater export and import substitution
- Enhance capacity for value addition leading to industrialization and employment opportunities
- Efficient exploitation and utilization of available agricultural resources.
- Enhance the development and dissemination of appropriate and efficient technologies for rapid adoption.

5.1.2 Manufacturing

- Promotion of private sector investments through the creation of an enabling environment that allows for substantial improvement in efficiency, productivity and profitability
- Significantly increase manufacturing local content and linkages with other sectors of the economy.
- Ensure global competitiveness for manufactured goods.
- Make Nigerian manufactured goods major foreign exchange earners and achieve rapid and sustained economic growth through broadening of the nation's productive base.

5.1.3 Oil and Gas

- Promotion of private sector investment in both upstream and downstream activities of the oil and gas industry
- Deregulation of the industry and promotion of environmentally friendly oil and gas exploration and exploitation methods
- Strengthening capacity building programmes especially in core technical areas.
- Provision of funding mechanisms for prebidding geosciences and surveys of deepwater offshore
- Gas flare-down to reduce pollution and increase revenue and promotion of adequate gas supply for domestic use and power generation.
- Local content development.

Details of the programmes and projects to be implemented in order to achieve the policy objectives in the various sectors are presented in the annex.



6

INFRASTRUCTURE POLICIES, PROGRAMMES AND PROJECTS

The infrastructure deficit in the country is particularly worrisome in key development areas such as power, transportation, housing, ICT, FCT and Niger Delta. The critical importance of these areas in national development cannot be overemphasized. Accordingly, during the programme period the following key priority policies will be pursued to develop infrastructure and consequently engender sustained growth and development in the country.

6.1 Priority Policies for Infrastructure Development – Power

The total proposed investment envisaged in the power sector during the period 2011-2015 is about N1,896 trillion. This will cover investments in four major areas of power generation, transmission, distribution and alternative energy. This expenditure aims at increasing generation, transmission and distribution capacity, in order to provide adequate and sustainable power; intensifying rural electrification efforts in a more efficient manner; and achieving optimal energy mix using the most appropriate technology.

The strategies to be adopted in achieving these objectives as contained in Mr. President's Power Sector Roadmap include:

- Creating a deregulated and competitive electric power sector to attract foreign and local investments.
- Ensuring a viable commercial framework for the electric power sector, including a tariff regime that promotes transparency, guarantees security of investments and a reasonable rate of return on investments.
- Enhancing the transmission capacity and providing redundancies in the transmission system

so as to ensure a fully integrated network that minimizes transmission losses while strengthening grid security.

6.2 Information and Communication Technology

The proposed investment for the ICT sector during the period 2011-2015 is N22.2 billion. During this plan period, the policy thrusts of the FGN would be

- a. The development of a national knowledge Based Economy (KBE) 10-year Strategic Plan, Sustained human capacity development in ICT,
- b. Creation of a favourable and friendly investment and enterprise environment through transparency in tax systems, anti-trust laws/incentives and trade policies that would stimulate local and foreign investments in ICT, and
- c. Development of infrastructure, particularly global connectivity as a prerequisite to leveraging the benefits of the global economy, improving domestic productivity and attracting foreign investments.

Other Strategies are:

- a. Creation of an enabling environment through appropriate policies, legal, regulatory and institutional frame works, and
- b. enhancing Public Private Partnership (PPP) in project funding, financing and management.

6.3 Niger Delta

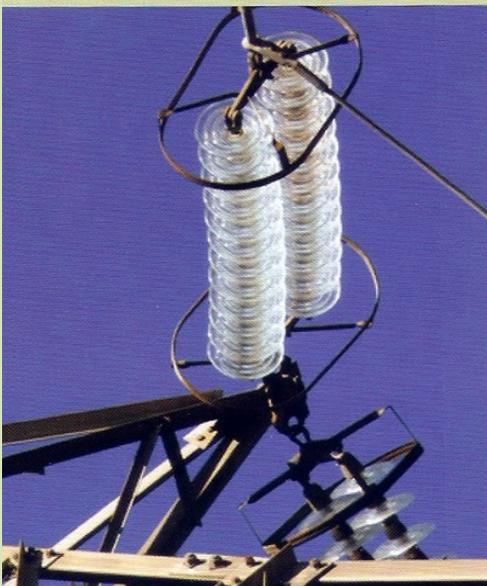
The proposed investment in the region during the Plan period is N335.05 billion.

The main policy thrust during the Plan period will be to entrench peace and stability to drive sustainable socio-economic development in the Niger Delta Region with the aim of reducing the high incidence of poverty, high rate of unemployment and high level of insecurity.

6.4 Transportation

The estimated total investment for the transport sector during the period 2011-2015 is approximately N4,465 billion. This investment would cover roads, railways, inland waterways, ports and airports development. The main policy thrust during the Plan period is to evolve a multimodal,

integrated and sustainable transport system, with greater emphasis on rail and inland waterways transportation. An enabling environment for Public-Private Partnership (PPP) is being created by designing new policies, legislation and institutional framework that would support the envisaged transformation of the sector.



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DISTRIBUTION OF KEY PROGRAMMES AND PROJECTS BY SECTOR

The key priority programmes and projects to drive the Transformation Agenda are selected from 20 MDAs and sectors. A total of 1613 projects have been identified; out of which 385 (about 22 per cent) are new while 1361 (about

78 per cent) are on-going. After thorough scrutiny and on the basis of the selection criteria adopted, 685 projects (about 39 per cent of the total projects considered) are admitted into the programme during the 2012-2015 period. The number and cost of these projects in respect of each MDA/Sector are presented below.



Table: Allocation By Sector & MDAs under KPPP (2012-2015)

	2012 (N'million)	2013 (N'million)	2014 (N'million)	2015 (N'million)	Total 2012 -2015 (N'million)	%age share of Total
Real sector	228,519.80	251,450.73	267,722.37	272,562.77	1,020,255.67	14.17%
- Agriculture & rural Development	112,007.72	120,841.69	136,221.85	131,724.33	500,795.59	6.96%
-Water Resources	70,325.41	77,612.00	75,768.00	76,294.67	300,000.08	4.17%
- Commerce & Industry	14,534.90	16,156.17	16,413.36	16,975.56	64,080.00	0.89%
- Mines & Steel Development	12,901.77	14,340.87	14,569.16	15,068.20	56,880.00	0.79%
Physical Infrastructure	419,550.00	479,680.00	540,310.00	583,980.00	2,023,520.00	28.10%
-Transport	322,800.00	372,180.00	420,560.00	452,980.00	1,568,520.00	21.79%
Roads & Bridges	150,000.00	170,000.00	185,000.00	190,500.00	695,500.00	9.66%
FERMA (for Maintenance of Roads)	45,300.00	55,150.00	74,550.00	75,000.00	250,000.00	3.47%
Ports	2,750.00	2,980.00	3,210.00	2,860.00	11,800.00	0.16%
Aviation (excluding BASA Funds)	35,000.00	45,850.00	17,500.00	14,320.00	112,670.00	1.56%
Railways	89,750.00	98,200.00	140,300.00	170,300.00	498,550.00	6.92%
- Oil & Gas	18,750.00	22,500.00	24,750.00	32,500.00	98,500.00	1.37%
-Power	78,000.00	85,000.00	95,000.00	98,500.00	356,500.00	4.95%
Regional Development	229,113.71	243,315.74	193,186.77	174,922.65	840,538.87	11.67%
- Housing	41,647.71	47,615.74	54,183.24	59,537.65	202,984.34	2.82%
- Federal Capital Territory	142,466.00	105,700.00	35,600.00	4,004.00	287,770.00	4.00%
- Niger Delta	45,000.00	90,000.00	103,403.53	111,381.00	349,784.53	4.86%
Knowledge-Based & ICT	17,155.48	25,314.61	32,485.98	38,500.00	113,456.07	1.58%
Science and Technology	13,060.00	20,555.00	27,505.00	38,500.0	99,620.00	1.38%
Information Communication Technology	4,095.48	4,759.61	4,980.98	0.00	13,836.07	0.19%
Human Capital Development	89,420.75	186,140.51	194,910.58	225,646.98	696,118.82	9.67%
-Education	9,850.00	100,000.00	106,500.00	128,000.00	344,350.00	4.78%
-Health	45,310.00	54,000.00	60,000.00	70,000.00	229,310.00	3.18%
-Women & Social Development	7,103.45	7,519.03	7,129.33	6,619.58	28,371.39	0.39%
- Youth Development	11,833.61	10,270.42	6,285.14	6,812.41	35,201.58	0.49%
- Labour & Productivity	15,323.69	14,351.06	14,996.11	14,214.99	58,885.85	0.82%
General Administration	50,077.42	55,986.32	57,357.45	60,841.92	224,263.11	3.11%
Defence & Security	169,846.06	188,791.21	191,796.57	198,366.15	748,800.00	10.40%
GRAND TOTAL	1,203,683.23	1,430,679.12	1,477,769.72	1,554,820.47	5,666,952.54	78.71%
Government Contribution to Bankable Projects**					911,660.00	12.66%
Funds for Other Priority Projects not Listed***					621,387.46	8.63%
Total Funds available					7,200,000.00	100.00%

Budget Office and disbursed as advised by the National Planning Commission based on approved related activities and M & E Reports.



8

**ENABLERS FOR SUSTAINABLE
GROWTH AND DEVELOPMENT**

Enablers include laws, regulations, policies, public infrastructure, public services and international trade agreements that facilitate the activities of economic agents, making it possible for them to be competitive, function optimally and operate profitably. In particular, the laws ensure that businesses can invest and operate without the fear of losing out on opportunities to grow because of bureaucracy, poor market access or any other impediments. The rule of law also guarantees property rights and contract enforcement which provide great impetus for growth of businesses and the contribution of businesses to economic growth.

The role of government should be limited to creating the enabling environment aimed at facilitating sustainable growth and development in the country. In this regard, government needs to simplify procedures for doing business. The required actions include:

- Reduction in the length of time and cost of registering a business;

- Simplification and harmonization of the tax systems and payment channels;
- Reduction in the turnaround time and cost of obtaining building permits;
- Ensuring easy access to affordable and long-term finance;
- Expansion of IT infrastructure to facilitate easy access to internet and telecommunications services.

Government also needs to enforce contracts to protect investors. Other actions that government needs to take to empower the private sector are:

- Encourage both local and foreign investors by improving ports and customs management (for instance, 48-hour clearance of goods at our sea ports);
- Eliminating immigration bottlenecks (simplify visa issuance and work permits);
- Improving security of lives and property;
- Complete the modernization of the transportation system and
- Improve basic critical infrastructure.



9

FINANCING AND IMPLEMENTATION STRATEGIES FOR THE KPPS

The funding options that have the potential to provide adequate, reliable and timely financing for the KPPS, fall into three broad categories namely;

- On-budget Public Funding,
- Off-budget Public Funding, and
- Private Sector Resources

For the purpose of assigning funding sources or groups that best meet the objectives of accelerated infrastructure delivery to identified projects, infrastructure projects need to be classified as bankable or not bankable. A project is considered bankable if preliminary financial analysis confirms its ability to establish revenue streams, deliver positive NPV, allocate risks and have sufficient scale for transaction costs. In addition, such a project must demonstrate a high probability of success, and be acceptable to institutional lenders or financiers. Where neither sustainable cash flow stream can be established for a project, and the project is incapable of delivering positive NPV, nor risks are allocable, and does not have sufficient scale for transaction costs, such a project is considered “not bankable”. The probability of commercial success for the project will be low and as such will not attract the interest of institutional lenders or financiers. These criteria are to be taken into consideration in funding the priority projects.

9.1 Implementation Strategy

The annual budget is the key instrument for pursuing the goals/targets of the KPPS. Policies and programmes will be executed by MDAs

using the contract method or through direct labour. Moreover, greater emphasis will be given to labour-intensive approach in construction and maintenance of projects in order to create mass employment. The cluster approach will also be employed to promote regional economics and products where the zone possesses comparative advantage. In this regard, the private sector will be encouraged to go into clusters where common services will be provided. These clusters will mainly be targeted at the SMEs.

In implementing the KPPs scarce resources of the government will be prudently managed by imbibing the discipline of planning, transforming the budgeting process and limiting the growth of recurrent expenditures, ensuring value for money effective project costing and close monitoring and enforcing stiff penalty for misappropriation and implementation failures and rewarding success.

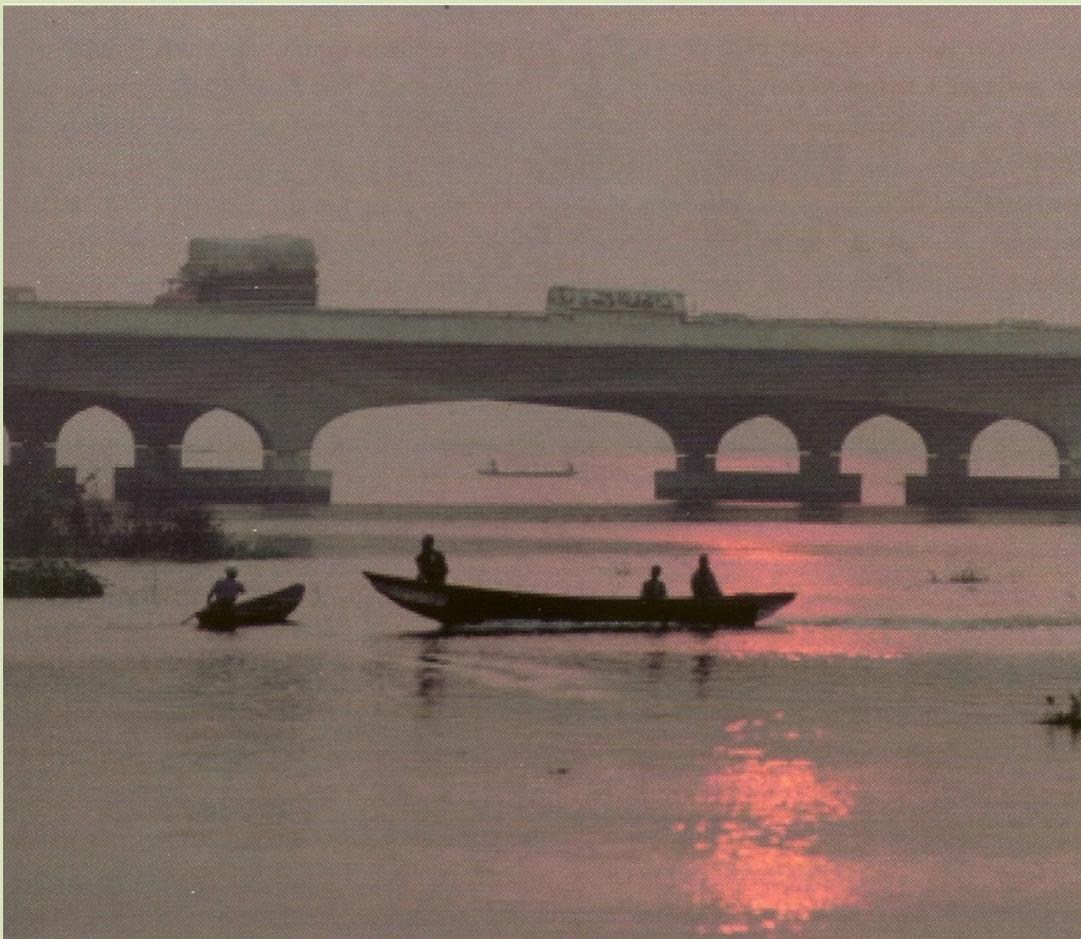
9.3 Project Preparation and Management

Project preparation and management should be the responsibility of the Minister or CEO of the MDA. He/She shall be answerable to the President for the performance of his component of the KPPPs. In order to fast track the implementation of their mandates, Ministers/CEOs may find it useful to constitute project delivery teams made up of officials from the relevant MDAs, with specific sector knowledge and project management skills. Each project team will have a project manager, with the requisite authority, responsibility, accountability and resources to deliver projects.

9.2 Economic Coordination

Economic Coordination will be undertaken at three levels: Planning, Policy and Programmes. At the institutional level, coordination is required at the level of MDAs and the three tiers of government (NPC, NEC, FEC) and at the States and LGs and at the Sector level (SPBs, SECs). All obstacles to effective coordination will be removed. To this end, one of the existing coordi-

nating economic institutions will be designated to handle overall coordination. Moreover, effective coordination of KPPPs is vital in terms of proper collation and analysis to ensure harmonization and the elimination of duplication. The MDAs must work in concert with State Governments to achieve harmony through the sectoral councils.



10

MONITORING AND EVALUATION

Monitoring and Evaluation (M&E) is an essential component of programme implementation. It is a veritable tool for tracking developments in policy and programme performance. It attempts to measure inputs, outputs, outcomes, and the impact of policies, programmes and projects on the economy and the welfare of the citizenry. In order to perform its role effectively, there should be preset goals and targets along with key indicators against which performance is measured or assessed. The Nigerian Vision 20:2020 and the 1st National Implementation Plan 2011 – 2013 have provided a comprehensive framework for M & E. The next challenge is capacity to implement the design. The overall goal for the programme period is to have a harmonized M&E mechanism for all the priority policies, programmes and projects for the generation of an annual country report under the co-ordination of the National Planning Commission (NPC).

The major agencies and bodies that will undertake programme monitoring in the public sector are the MDAS, the Ministry of Finance, the M & E office in the Presidency (Economic Intelligence Office) and the National Assembly. All these efforts are coordinated by the National Planning Commission except that of the NASS under its oversight Committee to go and monitor projects. In the monitoring framework, the Vice President who is the Chairman of the National Planning Commission and the National Economic Council is at the apex of the hierarchy although in terms of operations, the Minister of Planning and Deputy Chairman of the National Planning Commission is in charge. The President of the Federal Republic of Nigeria and the Governors of the States have overall responsibility for monitoring outcomes for the entire

economy.

10.1 Institutional Framework for M & E

The framework for monitoring will involve institutions at the Federal, State and Local Government levels. The following institutions will be fully involved in tracking the Programmes: The Presidency, The National Assembly, Civil Society Organizations, the NPC as the secretariat of the M & E structure, National Space Research and Development Agency (NASRDA), MDAs, Development Partners and PPP partners. An important element in the new M&E framework is the requirement that Federal MDAs must submit M & E Reports directly to the President and the National Planning Commission that would collate and present holistic Reports to the National Economic Council (NEC). The driver of the M& E Framework in the system is the Minister of National Planning supported by the Secretariat located as a Department in the NPC.

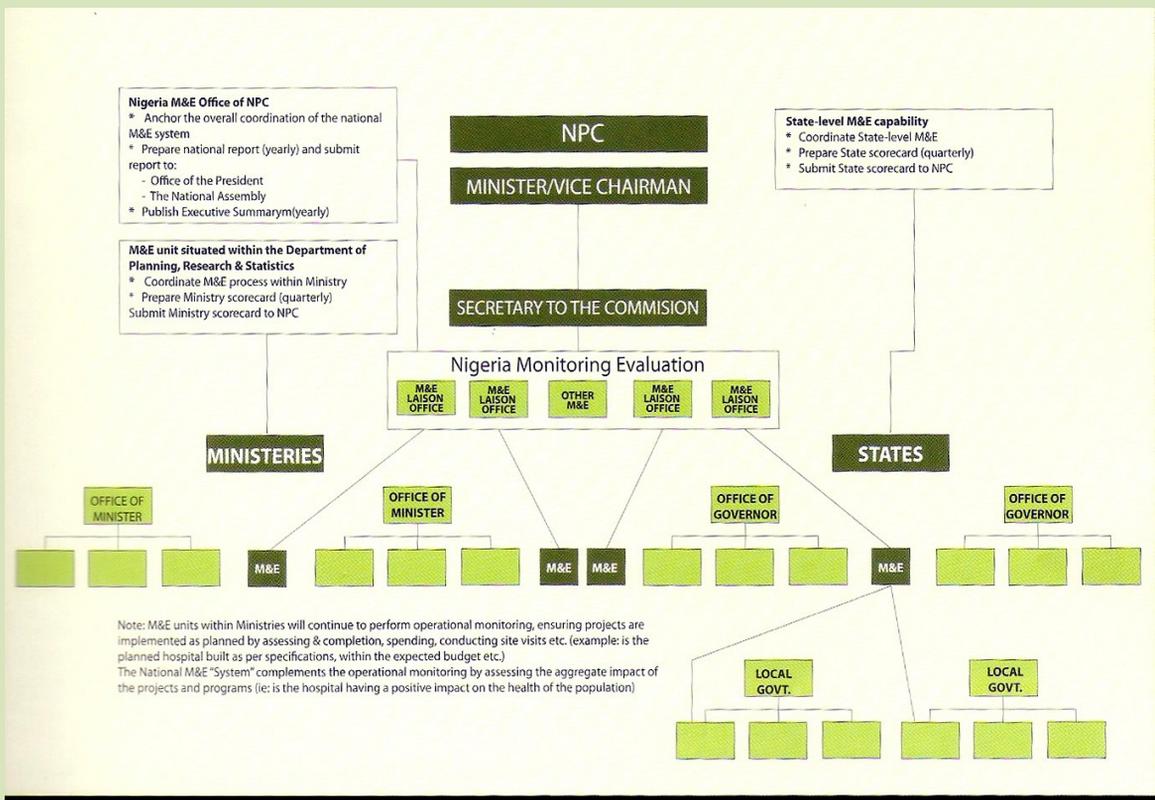
Policy Initiatives/Action Plan

During 2011 and 2012 every effort will be made to place M & E on a sound footing. Emphasis will be on training, capacity building, strengthening inter-ministerial and intergovernmental relations and properly defining roles and responsibilities of stakeholders. Funding of M&E activities will be enhanced based on a convincing work plan agreed with the NPC. Under the auspices of the Commission two reviews of the KPIs underpinning projects, programmes and policies will be carried out in 2013 and 2015. The use of KPIs to track priority policies, projects and programme implementation across priority sectors will be enforced. Phasing of M & E activities will be as follows.

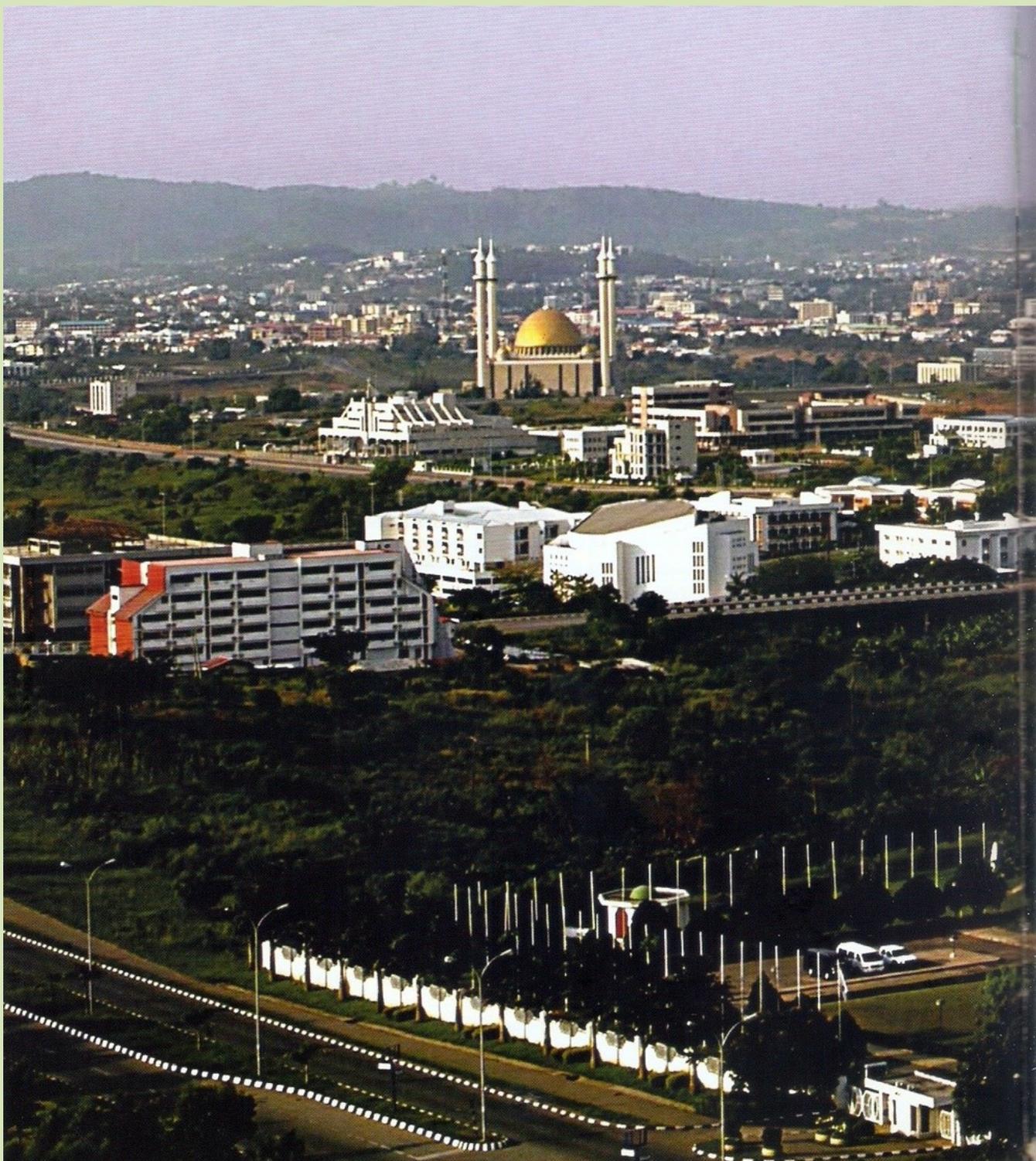
- Annual Report for each year from 2011 – 2015

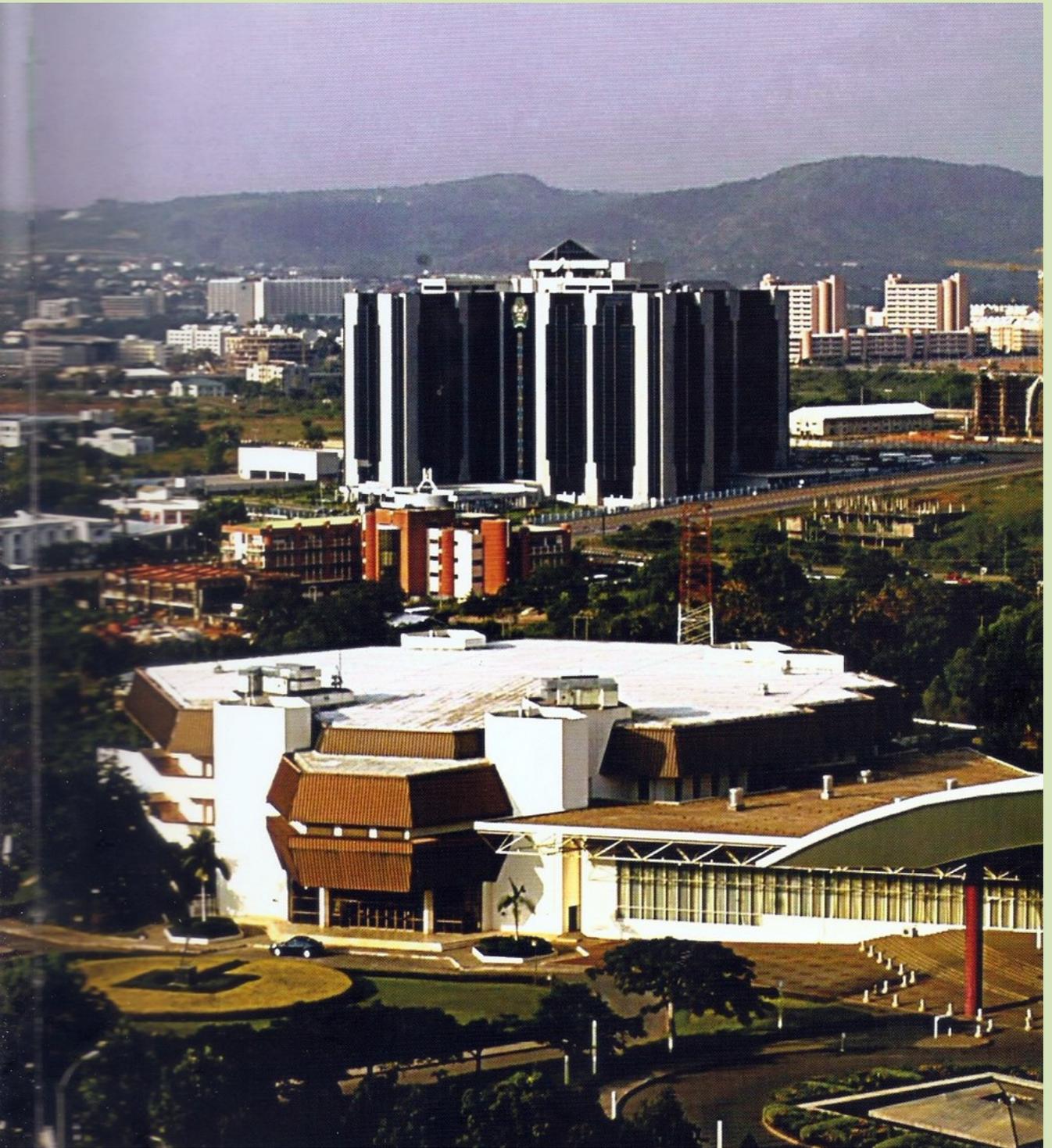
- Bi-annual report with effect from 2012 – 2015
 - Quarterly reports with effect from 2012 – 2015
- Implementation of the M & E Action Plan will be in line with NV20:2020. In order to enable the President keep track of performance of key Priority Policies, Programmes and Projects during 2011-2015, the President or the National Planning Commission shall constitute Presiden-

tial Monitoring Teams as may be necessary to verify/validate on sample basis the progress Reports from the MDAs. Officials of the NPC may also carry out similar exercises to learn on the field and confirm the monitoring and evaluation outcomes. The ad hoc monitoring teams shall draw their membership from a broad spectrum of stakeholders.



THE
TRANSFORMATION
AGENDA
2011-2015







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