

BUHARI ADMINISTRATION MID-TERM FACTSHEET (MAY 2017)

ECONOMY

Growth in Agriculture and Solid Minerals:

The number of sub-sectors of the economy experiencing negative growth has almost halved; falling from 29 sub-sectors for the whole of 2016 to 16 in Q1 2017. Growth in manufacturing has returned to positive territory after five quarters of negative growth. It grew by 1.36% in Q1 2017 after falling to -7.0% in Q1 2016.

Our priority Sectors of Agriculture and Solid Minerals have seen improved performance, in spite of the recession. Agriculture grew by 4.11% in 2016, while Solid Minerals recorded a 7% increase. The contribution of the Ministry of Solid Minerals' to the Federation Account tripled to about N2 billion in 2016, up from N700m in 2015.

Savings:

- Even at a time of low oil prices (and by implication low government revenues):
- Nigeria's External Reserves have grown by US\$7 billion since October 2016
- The Sovereign Wealth Fund has seen inflows of US\$500m in 2016 and 2017 (the first inflows since the original US\$1bn with which the Fund kicked off in 2012), and
- The Excess Crude Account has seen an inflow of US\$87m, in 2017.

Phasing Out of Subsidy Regimes for Petroleum Products and Fertilizers.

The Anchor Borrowers Programme (ABP) of the Central Bank of Nigeria (details below), combined with a newly developed soil map designed to aid fertilizer application, substantially raised local production of grains in 2016 (yields improved from 2 tonnes per hectare to as much as 7 tonnes per hectare, in some States) and produced a model agricultural collaboration between Lagos and Kebbi States.

Nigeria's rice imports fell from 580,000 MT in 2015 to 58,000MT in 2016

The **Presidential Fertilizer Initiative** (which involves a partnership with the Government of Morocco, for the supply of phosphate), has resulted in the revitalization of 11 blending plants across the country. The benefits include annual savings of US\$200 million in foreign exchange, and ~~N~~60 billion annually in budgetary provisions

for Fertilizer subsidies. The Scheme has also made it possible for Farmers to purchase Fertilizer at prices up to 30 percent cheaper than previously available.

Support for Micro, Small and Medium Enterprises: The Administration has launched a series of funding and capacity development initiatives designed to support MSMEs across the country, as follows:

- The new Development Bank of Nigeria (DBN) is finally taking off, with initial funding of US\$1.3bn (provided by the World Bank, German Development Bank, the African Development Bank and Agence Française de Development) to provide medium and long-term loans to MSMEs
- The MSME Clinic, which bring relevant Government Agencies and their managements together with small businesses operating in various cities across the country, to enable the Agencies provide direct support to these businesses. The Interactions allow the Agencies better understand the issues facing small businesses, and provides a platform for speedy resolution.
- The Ease of Doing Business Reform Programme (see below)
- The Government Enterprise and Empowerment component (GEEP) of the Social Intervention Programme (SIP)

Ease of Doing Business Reform Successes: The Presidential Enabling Business Environment Council (inaugurated by President Buhari in August 2016) implemented a 60 National Action Plan between February and April 2017, with 70 percent of the Targets achieved, including the following:

- Intending Business Owners can now search for Company names on the website of the Corporate Affairs Commission (CAC)
- Intending Business Owners can now upload their registration documents directly to the website of the Corporate Affairs Commission (CAC)
- Eliminated the need for SMEs to hire lawyers to prepare registration documents
- Introduced a single form for Company Incorporation to save time and reduce cost
- Federal Inland Revenue Service (FIRS) e-payment solution has been integrated with the CAC portal to facilitate e-stamping.
- Interested parties can conduct online searches of secured interests on movable assets on the National Collateral Registry
- New Arrival and Departure forms for use at our International airports. The new forms are shorter, and have also consolidated a number of previously separate forms into single documents.

- Simplified our Visa on Arrival (VoA) Process. Submission of VoA applications and receipt of approval letter can now be done electronically via a dedicated NIS email address: oa@nigeriaimmigration.gov.ng
- Nigeria Customs Service (NCS) has now been mandated to schedule and coordinate joint physical examination of cargo to ensure there's only one point of contact between importers and official
- Imports into Nigeria now required to be placed in pallets to facilitate quicker physical examination.
- Central Bank, Customs and banks now required to process Net Export Proceeds forms within 72 hours; and Pre-Shipment Inspection Agencies (PIAs) now required to issue Certificate of Clean Inspection (CCI) within 3 days
- Approval obtained to reduce number of documents required for imports from 14 to 8, and number of documents needed for exports from 10 to 7
- Minimum container placement notice time needed by Terminal Operators for examination reduced from 24 hours to 12 hours.
- Minister of Interior has approved and launched a new Immigration Policy for Nigeria

Acting President Yemi Osinbajo has since followed up on the National Action Plan by signing, in May 2017, Executive Orders on Improving Efficiency in the Business Environment, and on Promoting Local Procurement by Government Agencies.

Infrastructure:

- The Buhari Administration has demonstrated a single-minded commitment to upgrading and developing Nigeria's Transport Infrastructure.
- Road Projects are ongoing across every State of the country; many of these projects had been abandoned in recent years because of mounting debts owed by the Federal Government to contractors.
- The Administration is also pushing ahead with the revitalization of Nigeria's 3,500km network narrow-gauge railway. In March 2017 a consortium led by General Electric, and comprising Transnet of South Africa, APM Terminals of the Netherlands and Sinohydro Consortium of China submitted the sole bid for the concession of the Lagos-Kano Railway narrow-gauge Line. (Transaction Advisers were approved for the project in 2016). In May 2017 the Federal Executive Council (FEC) approved the commencement of negotiations with GE to conclude the concessioning.
- In addition, Abuja's Light Rail system will also go into operation (test-run) in 2017. The first line to be launched will connect the city center with the Airport,

with a link to the Abuja-Kaduna Railway Line. The test-run will start in November 2017, ahead of full commencement of operations in Q1 2018.

- The Buhari Administration successfully completed the reconstruction of the Abuja Airport runway within the scheduled six-week period (March – April 2017).

Progress with the Alignment of Monetary, Fiscal and Trade Policies: Landmark initiatives here include:

- Ongoing FX regime reforms by the Central Bank, which have seen increased stability in the FX market, and increasing appetite for Nigerian stocks by foreign portfolio investors. Reforms include the creation in April 2017 of a New FX Window for Investors and Exporters. The new Window has attracted \$1.4bn in its first four weeks of operation, according to data from the Central Bank of Nigeria.
- Revision of the List of 41 Items excluded from the Central Bank FX Window, in line with a request from the Manufacturers Association of Nigeria (MAN)
- The establishment of the Nigerian Office for Trade Negotiations by the Economic Management Team (EMT), and
- The Introduction of a new, Tariff-driven Tomato Policy to support domestic producers and production.

A **new Social Housing Programme** is kicking off in 2017. The ‘Family Homes Fund’ will take off with a 100 billion Naira provision in the 2017 Budget. The rest of the funding will come from the private sector. A pilot component has already kicked, to construct the first set of homes for the Programme)

1.2 Trillion naira has been released for capital expenditure in the 2016 budget, since implementation started in June 2016. This is the largest ever capital spend within a single budget year in the history of Nigeria. This investment has enabled the resumption of work on several stalled projects—road, rail and power projects—across the country.

All 4 components of the Social Investment Programme (SIP) have now taken off.

- The SIP is the largest and most ambitious social safety net programme in the history of Nigeria, with more than 1 million beneficiaries so far—200,000 N-Power beneficiaries (160,000 of them have had their details validated and are now receiving the monthly N30,000 stipend, while the rest are undergoing verification.
- 3,162,451 people belonging to 26, 924 registered cooperatives have been registered for the Government Enterprise and Empowerment (GEEP) Scheme.

57,234 interest-free (except a one-time low administrative fee) loans have been issued, across 28 States and the FCT. 56% of loans so far disbursed has gone to female beneficiaries.

- 1,051,000 Primary School Pupils are currently benefiting from the Homegrown School Feeding Programme (HGSFP), in 8,587 schools across seven States. More than 11,000 cooks have been employed for the HGSFP.
- Under the Conditional Cash Transfer (CCT) Programme, 26,942 beneficiaries are now receiving the monthly N5,000 stipend in 9 States and 84 Local Government Areas. The States are Borno, Cross River, Niger, Kwara, Ekiti, Kogi, Oyo, Osun and Bauchi.

Strategic Engagements with OPEC and in the Niger Delta have played an important part in raising our expected oil revenues. Already, Nigeria's External Reserves have grown by around \$7 billion in the last six months. In the same period we have added \$87m to the Excess Crude Account, and \$250m to the Sovereign Wealth Fund.

New Vision for the Niger Delta:

Acting President Osinbajo is leading the engagement, on behalf of President Buhari and the Federal Government. The Vice President has been visiting oil-producing communities across the Niger Delta, listening to them and outlining the Federal Government's commitment to the peace, security and development of the region—encapsulated in the Buhari administration's 'New Vision for the Niger Delta'.

The New Vision brings together a robust set of promises, solutions, targets and initiatives aimed at ensuring that the people of the Niger Delta benefit maximally from the region's oil wealth.

The New Vision offers a detailed response to the 16-point Demand Agenda submitted to President Buhari by the Pan Niger Delta Forum (PANDEF) in November 2016.

Tangible results of the New Vision so far include:

- Approval of a 2017 commencement date for the stalled Nigerian Maritime University in Delta State
- Approval by President Buhari of an additional 35 billion naira for the 2016 budget of the Presidential Amnesty Programme
- Approval for the establishment of Modular Refineries across the nine States of the Niger Delta
- Resumption of construction work on abandoned projects across the Niger Delta, including the all-important East-West Road.

Beneficial Government-to-Government Partnerships with China and Morocco: President Buhari's April 2016 Official Visit to China has unlocked billions of dollars in infrastructure funding. Construction work has commenced on the first major product of that collaboration, a 150km/hour rail line between Lagos and Ibadan.

The **National Economic Recovery and Growth Plan (NERGP)**, the Federal Government's medium-term Economic Plan, launched by President Buhari in April 2017, charts a course for the Nigerian economy over the next four years (2017–2020).

The Vision of the NERGP is to restore economic growth, invest in Nigerians, and to build a globally competitive economy, and the Plan aims to achieve these by focusing on five execution priorities:

- Stabilizing the macroeconomic environment;
- Achieving Agriculture and Food Security;
- Ensuring energy efficiency (especially in power and petroleum products);
- Improving transportation infrastructure; and
- Driving industrialization primarily through SMEs.

The ERGP will return Nigeria's economy to sustainable, inclusive and diversified growth, and to transform Nigeria from an import-dependent to a producing economy; a country that grows what it eats and consumes what it produces.

The almost 8-fold oversubscription of our recent Eurobond (**orders in excess of US\$7.8 billion compared to a pre-issuance target of US\$1bn**) demonstrates strong market appetite for Nigeria, and shows confidence by the international investment community in Nigeria's economic reform agenda.

Power Sector:

- Power Sector Reform is on course with the launch of the 701 billion Naira Payment Assurance Programme designed to resolve the liquidity challenges in the Power Sector by guaranteeing payments to Generating Companies and Gas Suppliers, while the Federal Government undertakes the much-needed reform and strengthening of Distribution Companies.
- In addition to the PAP is a much more comprehensive Power Sector Recovery Programme, launched in March 2017 and which has received the endorsement of the World Bank.

Improved Local Refining Capacity: The total amount of Crude refined by the NNPC's three Refineries (Port Harcourt, Warri and Kaduna) grew from 8m barrels in 2015 to 24m barrels in 2016, and 10m barrels in the first quarter of 2017.

ANTI-CORRUPTION AND TRANSPARENCY

The Presidential Initiative on Continuous Audit (PICA):

- PICA was set up by President Muhammadu Buhari to strengthen controls over Government finances through a continuous internal audit process across all Ministries, Departments and Agencies (MDAs), particularly in respect of payroll. Through the activities of PICA, more than 50,000 erroneous payroll entries have been identified, with payroll savings of N198 billion achieved in 2016.
- Also, the Federal Ministry of Finance has set a target to ensure that the Federal Government's Payroll Platform—the 'Integrated Personnel Payroll Information System' (IPPIS)—covers 100 percent of MDAs by the end of 2017. Currently 60% of MDAs are enrolled on the IPPIS platform.

Budget Reforms:

- First, a Presidential Order was issued directing that all budgets of all Government Agencies be prepared in line with International Public Sector Accounting Standards (IPSAS), using a budget template developed for that purpose.
- Second, the 2017 Budget was collated using a web-based application developed by the Budget Office of the Federation (BOF), for the first time ever. Instead of the traditional method of hard copy submissions of budget proposals, Ministries, Departments and Agencies were asked to upload their proposals to the new budget preparation portal.
- By replacing paper submissions with an audit-able and trackable online system, the 2017 budget preparation process was strengthened against manipulation and unauthorised alteration. All MDA budget proposals were uploaded to the new system, for review and final collation by the Budget Office.
- More than 4,000 staff of the MDAs were specially trained to use the new application, across multiple locations nationwide. Also to support the deployment of the budget portal, the Budget Office set up a Helpdesk, accessible by telephone and email, for authorised users.

Expansion of TSA Coverage:

- On August 7, 2015, President Buhari issued a directive to all Ministries, Departments and Agencies (MDAs) to close their accounts with Deposit Money Banks (DMBs) and transfer their balances to the Central Bank of Nigeria on or before 15th September 2015.
- This decision to fully operationalise the Treasury Single Account (TSA) system—a public accounting system that enables the Government to manage its finances (revenues and payments) using a single/unified account, or series of linked accounts domiciled at the Central Bank of Nigeria—has resulted in the consolidation of more than 20,000 bank accounts previously spread across DMBs in the country, and in savings of an average of N4.7 billion monthly in banking charges associated with indiscriminate Government borrowing from the DMBs.
- As at February 10, 2017, a total sum of N5.244 Trillion had flowed into the TSA. The TSA allows the managers of the Government's finances, including but not limited to the Ministry of Finance and the Office of the Accountant-General of the Federation, to have, at any point in time, a comprehensive overview of cash flows across the entire Government.
- It also ensures increased transparency in public financial management, as well as prevents a scenario in which some MDAs have idle cash while other MDAs are compelled to borrow exorbitantly from DMBs.
- The TSA system was launched in 2012, but failed to gain traction until President Buhari's executive order in August 2015. As at December 2016, 766 MDAs were TSA-compliant. The Ministry of Finance continues to fine-tune the system to improve its efficiency, and has also commenced an audit to ensure that all funds due to the TSA are remitted into it.

Deployment of BVN for Payroll and Social Investment Programmes:

- Considering that personnel costs are the Federal Government's largest expenditure line, the Federal Government has given priority to the deployment of the BVN for payroll and pension audits. The use of BVN to verify payroll entries on the Integrated Personnel Payroll Information System (IPPIS) platform has so far led to the detection of more than 50,000 erroneous payroll entries.
- The Federal Government has also ensured the deployment of BVN system to serve as the verification basis for payments to beneficiaries and vendors in the N-Power Scheme and the Homegrown School Feeding Programme (HGSFP)

Replacement of old Cash-Based Accounting System with an Accruals-Based System:

- Cash accounting makes no reference to the liabilities that the Federal Government may be required to meet in the future nor does it recognise the benefits that will be obtained from assets purchased over a period of time.
- The cash accounting system fails to capture information on public sector assets and liabilities which may present the illusion of positive financial results in the short term, at the expense of longer-term fiscal stability and sustainability.
- Accruals-based accounting, on the other hand, presents the true financial position of the Federal Governments assets and liabilities, which would help the Government plan future funding requirements for asset maintenance and replacement, and the repayment of existing and contingent liabilities and, thus, better manage their cash position and financing requirements.
- It provides comprehensive information on Government's current and projected cash flows, leading to better cash management. For example, the conversion from cash accounting to accrual accounting led to the discovery of unrecorded debts owed contractors, oil marketers, exporters, electricity distribution companies and others.

Enlistment into Open Government Partnership (OGP):

- In May 2016, President Buhari attended and participated in the International Anti-Corruption Summit organised by the UK Government. At that Summit he pledged that Nigeria would join the OGP, an international transparency, accountability and citizen engagement initiative.
- In July 2016, Nigeria became the 70th country to join the OGP. Following this, Nigeria constituted an OGP National Steering Committee (NSC), which went on to develop a National Action Plan (2017–2019) that aims to deepen and mainstream transparency mechanisms and citizens' engagement in the management of public resources across all sectors.
- The National Action Plan was submitted at the OGP Global Summit in Paris, France, in December 2016.

Insistence on Conditionality of Fiscal Support to States:

- The Fiscal Sustainability Plan (FSP) is a reform programme that specifies conditions under which States can access the Federal Government's N510 billion Budget Support Facility (BSF). The FSP was introduced to enhance fiscal prudence and transparency in public expenditure, across the states. 35 States signed up.
- Independent verification and auditing of participating States is now ongoing—against the FSP conditions & milestones—by eight (8) accounting firms.

- State Governments that fail to implement the FSP action plans, as stated, will be taken off the Budget Support Facility with immediate effect.
- The Fiscal Sustainability Plan is part of our reform of Public Financial Management Systems nationwide.

Creation of Efficiency Unit (EU) to spearhead the efficient use of government resources, and ensure reduction in Recurrent Expenditure:

- The Efficiency Unit reviews all Government overhead expenditure, reduces wastage, provides efficiency and ensures quantifiable savings for the country. Also, the Unit identifies best practices in procurement and financial management for adoption.
- The Efficiency Unit's efforts have resulted in more than N15 billion in savings on travel, sitting allowances and souvenirs.
- There is also potential savings of N7 billion on other expenditure lines where the unit seeks to control spending through Circulars. In addition, there is on-going work on the deployment of a price-checker, as well as the use of debit cards for payments.

Asset Recovery Reforms:

- The Constitution of a **Presidential Committee on Asset Recovery (PCAR)**, headed by Vice President Yemi Osinbajo, to bring together all law enforcement agencies involved in the recovery of assets; as well as designation of a dedicated Central Bank Account to receive all recovered funds, for coordination and transparency of management and oversight.

Oil and Gas

- Since August 2015, NNPC began publishing its performance monthly (NNPC Monthly Oil & Gas Report) in newspapers and various new media platforms and most importantly on the NNPC website to improve transparency and probity.
- The controversial Offshore Processing Arrangement (OPA) has been cancelled and replaced with a 'Direct Sales and Direct Purchase (DSDP)' scheme with reputable offshore refineries.
- Petroleum Industry Governance Bill: Completion of work, by the Federal Ministry of Petroleum Resources, on the draft of the Petroleum Industry Governance Bill. The Bill has now been passed into law by the Senate, after 17 years of failed efforts.

Reform of longstanding Petroleum Sector Cash Call Arrangement:

- In 2016 the Federal Government exited the cash call arrangement by which the Nigerian National Petroleum Corporation (NNPC) traditionally funded its share of the crude oil exploration and production Joint Ventures (JVs) with International Oil Companies (IOCs).
- The Cash Call obligations had consistently put pressure on the Federal Government's finances, and a failure to fully fund them has resulted in the accumulation of debt arrears of more than six billion dollars, as at December 2015.
- Starting 2017, a new funding mechanism is being introduced, which will allow the JVs to transform into independent, self-financing entities. The advantages for the Federal Government finances include: (1) freeing-up the Federal Government from the budgetary obligation of coming up with the cash calls (savings made under the new arrangement can be directed to critical Infrastructure projects), and (2) a potential increase in Nigeria's oil production to about 2.5 million barrels per day, on account of optimal funding.
- Also as part of the reforms, the debt arrears owed the IOCs have been negotiated downwards to approximately US\$5.1 billion—for which a long-term repayment plan has been drawn up.

New Whistleblowing Policy:

- The new Whistleblowing Policy introduced by the Federal Ministry of Finance yielded, within its first two months of operation, yielded \$160m and N8 billion in recoveries of stolen Government funds.

SECURITY

Capture of Boko Haram's operational and spiritual headquarters, "Camp Zero", in Sambisa Forest. Following this the Nigerian Army conducted its Small Arms Championship from 26th to 31st March 2017, a measure aimed at enabling the Armed forces to dominate the area, and avoid regrouping by the terrorists.

Revitalization of Multi-National Joint Task Force operations, aimed at combating trans-border crime and the Boko Haram insurgency.

More than 12,000 Boko Haram hostages have been freed from Boko Haram captivity, including 106 of the Chibok Girls abducted in April 2014.

Arrest of Usman Mohammed, aka Khalid AlBarnawi, leader of the Ansaru Terrorist group and one of the most wanted Terrorists in the world, with a US\$6m United States bounty on his head. He's currently being prosecuted alongside his accomplices. Also arrested and being prosecuted: Amodu Omale Salifu, leader of an ISIS affiliate group active in North Central Nigeria.

Establishment of civil authority in the areas affected by the Boko Haram insurgency. The Nigeria Police Force and the Nigerian Security and Civil Defence Corps (NSCDC) have deployed officers in liberated areas to take over effective civil responsibility from the military, and secure and maintain law and order in the affected areas. The NSCDC has also deployed 5,000 personnel to the North-East to protect the Internally Displaced Persons' (IDPs) camps and re-occupy the reclaimed towns and villages.

Transfer of 2 Nos. AW 101 Helicopter from the Presidential Air Fleet to the Nigerian Air Force, for deployment in support of Operation LAFIYA DOLE in the North East. Also transferred to the NAF: 3 EC-135 and 3 Dauphin helicopters, from the Nigerian National Petroleum Corporation (NNPC)

Establishment of a Naval Outpost in the Lake Chad Basin.

Establishment of the 8 Task Force Division in Monguno to further strengthen military presence in the North East.

Successful Military Operations across the country:

- Operation Harbin Kunama in Dansadau Forest, Zamfara aimed at flushing out armed bandits and cattle rustlers.
- Operation Safe Haven to curtail the incessant clashes between Fulani herdsmen and farmers in the North Central (Plateau, Nasarawa, and Benue states).
- Exercise Crocodile Smile to curtail the menace of militant activities in the Niger Delta
- Exercise Obangame, a multinational operation aimed at securing and protecting the Gulf of Guinea.
- Operation Awatse, a joint operation between the Military and the Police, in South West Nigeria, to flush out militants and pipeline vandals
- Operation Python Dance in the South East to tackle kidnappers and militant elements.

DIPLOMACY AND INTERNATIONAL RELATIONS

Re-establishment of Nigeria's position and influence in the regional and global arena. Fragile/broken relations with the United States, United Kingdom, South Africa, and with

neighbouring countries (Chad, Niger, Cameroon) have been revived and strengthened since June 2015. The Meeting of the was the first since 2009.

Nigeria's prominent participation in the London Anti-Corruption Summit and the Commonwealth Conference on Tackling Corruption, in May, 2016 in London. Major outcomes of these events include:

- The establishment of a Global Forum for Asset Recovery to be hosted by the governments of the US and UK this year, to focus on assisting Nigeria and three other countries to reclaim their stolen assets.
- The signing, in August 2016, of an MoU with the UK Government on modalities for the return of Nigeria's stolen assets in the UK.

In 2016 Nigeria signed an Agreement on the identification and repatriation of Illicit Funds with the United Arab Emirates during the Visit of Mr. President to that country.

The Federal Government under President Buhari has engaged the governments of Switzerland, Jersey Island, United States, United Arab Emirates, and Liechtenstein among others, in an effort to ensure the repatriation of Nigeria's stolen assets. So far, the Swiss government has agreed to repatriate illicit loot of about USD320 million, while another tranche is being expected from the Jersey Islands.

The Buhari Administration has mobilized International Support for the War against Boko Haram, forging strong partnerships with key countries, including the United States, the United Kingdom, France and Germany, ECOWAS, the AU, the UN, and others.

The Buhari Administration has revamped the Multinational Joint Task Force (MNJTF) comprising troops from Nigeria and Chad, Niger, Cameroon and Benin; this revamp has contributed significantly to the weakening of Boko Haram.

Landmark Government-to-Government engagements with China and Morocco, aimed at developing and upgrading National Infrastructure.

Nigeria's successful rallying of OPEC and Non-OPEC members to discuss stabilisation of the global oil market in Doha and in Algiers, and the successful negotiation of an exemption from the OPEC production freeze agreed at the 171st OPEC Ministerial conference in Vienna in November 2016; leading to a rise in oil prices to US\$55/bbl for the first time in 16 months.