OVERVIEW OF PRESIDENT YAR'ADUA'S SEVEN POINT AGENDA: ISSUES AND POLICY CHALLENGES .

INTRODUCTION

(01.00) On assumption of office on 29th May, 2007, President Umaru Musa Yar'Adua, GCFR, rolled out his election covenant with the people of Nigeria, the Seven Point Agenda. Since then, the Agenda have been properly conceptualized and comprehensively articulated and the implementation strategies adequately laid out, to ensure the realization of Vision 20:2020. Towards achieving public information and enlightenment, the Nigeria High Commission, London, courtesy of www.nigeriafirst.org, has decided to publish and place on its website, an overview of the Seven Point Agenda, however, with a strong slant on issues and policy challenges. Hereunder, therefore, is an updated summary of the key aspects of the Seven Point Agenda.

TRANPORTATION SECTOR

(01.01) Transportation is one of the four (4) sectors prioritized in the Seven-Point Agenda as a result of its cross-cutting implications for the development of the Nigerian economy. The thrust of the transport policy is the attainment of efficient inter-modal system that would effectively link the different means of transportation. Not only would this bring down the cost of doing business, it will also enhance the growth of Gross Domestic Product (GDP) of the country. Our overview of the transportation sector would cover five areas as follows:

(01.02) Inter – Modal Transportation

Inter-modal systems – Approaching transportation of people and cargoes from an economic perspective means the development of an integrated inter-modal transport system. The transport system with the constituent arteries (road networks, waterways and railways) will link all the sea ports and airports together. The role the railway system is expected to play in the inter-modal system is in haulage of low value, bulk commodities, containers and petroleum products.

(01.03) Rail Transportation

The issues, listed below, form the basis of Government strategy for the sector:

a) Narrow gauge vs. standard gauge – The debate on size of gauge is a major impediment to clear and focused Federal Government interventions in the railway sector. Consequently, the Yar'Adua's Administration is addressing the matter in a holistic manner. Today, no fresh investment in this sector is allowed that detracts from feasibility, viability, Vision20:2020 and national interest.
b) Tracks and rolling stock- The major impediment to effective and efficient rail operations is inadequate tracks and rolling stock. Government intends to close this growing gap through concessioning.
c) Expansion of the railways – Apart from the Itakpe – Ajaokuta - Warri line (329km) and the Eleme-Onne port (19km), which are yet to be completed, previous Governments have not added anything of significance to the railway system since 1964. It was against this background that the present Administration has directed the modification

of the US$8.3 billion modern rail system contract signed between Nigeria and China in 2006, instead of jettisoning it outrightly.

(01.04) The scope of the major expansion projects awarded to the Chinese company, China Civil Engineering Construction Company (CCEC), the main contractor in the omnibus contract comprises:

i) 3 Nos. Longitudinal Lines, Lagos – up North, Warri – up North and Port Harcourt – up North;

ii) 4 Nos. Latitudinal Lines; and

iii) Branch and Extension Lines.

This contract covers all the State Capitals and major commercial centres in the country. Within this framework, it is further agreed that the 1st phase of the Railway Line should entail the Lagos-Kano Standard gauge, double track railway line spanning over 1315 kilometers with a loop from Minna to Abuja and only Abuja to Kaduna being single track, due to inadequate anticipated traffic. It was further agreed that the scope of work, segmentation and construction would follow 5 segments, namely Lagos – Ibadan, Ibadan – Ilorin, Ilorin –Minna, Minna – Kano and Minna – Abuja – Kaduna. The design criteria or technical features are:

i) A speed of 120 to 150 km/hour for passenger service

ii) A speed of 80km/hour for freight service

iii) Rail gauge of 1435 mm Standard Gauge

iv) Maximum gradient of 12%, and in exceptional situations, 15%;

v) Minimum curve radius: ordinary terrain 200m, difficult terrain 1200m;

vi) Traction type: diesel-electric engine (3 phase engine).

vii) Axle weight: 23 tons

viii) Type of rail: 60kg/m

ix) Block type: computer interlocking, inter-station automatic block, subject to being upgradeable.

x) Continuous welded rail shall be applied on all the tracks.

The 7-Point Agenda further proposes rehabilitation work, some expansions and modernization as priority projects to link the Federal Capital Territory to the railway system and also to the three major ports. The seaports in Lagos and Port Harcourt shall be linked to the railways while feasibility studies shall be commissioned on the possibility of linking major airports with the railway to reduce congestion in intra-city transportation. The major framework for implementing the transformation and modernization of the railway sub-sector has been through concessioning of the Nigerian Railway Corporation (NRC). The Action Plan, with emphasis on changing the legal and the regulatory frameworks, restructuring and concessioning of NRC and rehabilitation and expansion of railways, commenced in 2008; when the Nigerian Senate was requested by President Yar'Adua to confirm the appointment of Chief Ernest Shonekan, to head the proposed 12-man board of governors of the extant statutory Infrastructure Concession Regulatory Commission (ICRC).

(01.05) <u>Road Transportation</u>

The current issues and challenges confronting the sector include:

i) Over-reliance on road networks;

ii) Poor maintenance of roads;

iii) Inadequate investment to meet the sector's requirements;

iv) A multiplicity of agencies with conflicting objectives.

The Concessioning of commercially viable road networks, as a way of attracting private sector investments and participation has been the central plank of the transformation of the railway transportation sub-sector. Issues pertaining to pricing, institutional arrangement and the establishment of a Road Fund are already being considered by the Administration as important elements for the rapid transformation of the Industry. In order to give effect to the proper management of national infrastructure including federal roads in the country, President Yar'Adua therefore inaugurated the 12-man Governing Board of the Infrastructure Concession Regulatory Commission (GBICRC) in Abuja on 27th November, 2008. In accordance with the ICRC Act, the Commission is to, among others:

i) Develop and issue guidelines on PPP policies, processes and procedures;

ii) Work closely with relevant MDAs to identify potential PPP projects and take a lead role in the development and procurement processes that will enable the participation of the private sector in line with international best practices;

iii) Act as the interface with the private sector to promote communication on national PPP policies and programmes;

iv) Collaborate with State Governments to promote an orderly and harmonized framework for development of infrastructure, and accelerate market development for PPP projects.

It should be noted, however, that the Commission's work covers all critical infrastructure matters, not just road transport. Nationwide works lined up in the Federal Government budget 2009 include:

Maintaining 30,000km of roads (for completion in 3 years); Construction and rehabilitation of 3.29km of roads ; Engineering design of 699.05km of roads; Completion of 2.821m length of bridges; Rehabilitation of 262m length of bridges; Zonal intervention in road projects to cover about 2,400km of roads; Access Roads to 6 NNPC refineries and ports; Highways rehabilitation and construction; Construction of 2nd Niger Bridge at Onitsha (on PPP basis); Guto/Bagana Bridge (on PPP basis); Emergency rehabilitation road works in all 6 geopolitical zones.

(01.06) <u>Zonal Intervention Road Projects across All Six Geopolitical Zones as Follows:</u>

<u>North-Central</u>

140km length realignment and Construction of dangerous curves along Akwanga-Lafia Road; 120km Length Otuoacha-Ibaji-Odolu-Ajegwu Road; 68km Length 9th Mile-Otukpo-Makurdi Road Lafia; 100km Length Otukpo-Ayangba-Ajaokuta-Okene Road; 70km Ilorin-Jebba-Mokwa.

<u>North-East</u>

239km Length Maiduguri-Bama-Gwoza-Mubi with spur to Banki; 190km Length Gombe-Numan-Yola Road Section II; 100km Length Nafada-Gombe Abba Road, 100km Length Wukari-Mutum Biu-Jalingo-Numan Road.

<u>North-West</u>

125km Length Kano-Katsina-Jibia Road Gusau; 90km Length Mararaba-Panbeguwa-Saminaka-Jos; 150km Length Kano-Dutse-Kazaure-Daura-Mai-adua-Hui; 120km Length Zaria-Funtua-Gusau-Sokoto-Birmin Kebbi.

South-East

90km Length 9th Mile-Enugu-Port Harcourt with spur to Okpanku and Nkomoro; 140km Length Oba-Nnewi-Okigwe Road with a spur to Inyi; 60km Length Abakaliki-Afikpo Road with spur to Itigidi.

South-South

92km Length Yenegwe-Okaki-Kolo-Nembe-Brass Road; 70km Length Calabar-Ugep-Ogoja-Katsina Ala with spur to Abakaliki Road; 50km Length Calabar-Itu-Ikot-Ekpene-Aba-Owerri Road.

South-West

140km Length Kabba-Omuo-Ifaki-Ado-Ekiti-Aramoko-Itawure-Erinmo-Oshogbo Road; 60km Length Sagamu-Ajebandele-Ore-Benin Road; 36km Length Ibadan-Oyo-Ogbomosho Road; Dualisation of Abeokuta-Ota-Owode Road (Ota-Owode Section with spur to Igboora Bridge at Lafenwa).

(01.07) Marine Transportation

The needs, objectives and nature of the proposed transformation of the marine industry form the focus of strategy of this sector. The transformation model revolves around the concession of fixed infrastructure and routes. In order to achieve private sector participation, it is considered that the viability of the waterways will be enhanced when the challenges of draught and dredging of the navigable rivers are conclusively tackled. In this regard and in line with the economic reform policy of this Administration, the completion of Ajaokuta-Warri link to Delta Steel Jetty and the dredging of River Niger are being vigorously pursued. According to a recent statement of the Minister of Transport, Alhaji Ibrahim Bio, the dredging of the River Niger, particularly, would improve the quality of Nigeria's Inland Waterways and boost Marine

Transportation generally. The dredging is expected tobe completed before the end of 2009.

(01.08) Telecommunications

Issues and challenges identified as impediments to efficient delivery of high quality service include the inadequacy of infrastructure backbone, dearth of fixed lines, weak or non-existent regulations to deal with anti-competition behaviour, lack of rural telephony coverage and inability to meet universal service obligations, as well as the indecisive resolution of the ownership and control of SAT-3 that links Nigeria to parts of Africa, Europe and Asia. Strategies that are gradually being used to improve telecommunication services in the country include:

i) Enactment of Anti-trust law;

ii) Effective regulation;

iii) Infrastructure upgrade by the national operators;

iv) Incremental expansion into rural areas;

v) Decisive resolution of ownership and use of SAT-3; and

vi) Effective utilization of the Universal Access Fund.

02.00 POWER AND ENERGY

(02.01) Power and energy are two other subsectors prioritized under the Seven-Point-Agenda. Federal Government infrastructure reforms in this sector will lead to the development of sufficient and adequate power supply to ensure Nigeria's ability to develop as a modern economy and an industrial nation by the year 2020. In addition, the section on electricity traces the causes of the poor performance of the industry. Quintessentially, the issues and challenges facing the sector include the following:

a) Technology-related problems – Inadequate electricity production and supply infrastructure, inadequate gas supply, dearth of investment and funding, inappropriate pricing, management and ownership, and conflicting goals and objectives; and

b) Reform – related challenges – Inappropriate implementation and co-ordination of initiatives and Government programme, inappropriate industry structure, ineffective regulation although nascent, and consequences of reform.

c) Failure to provide adequate and reliable electricity justifies the evolution of initiatives to transform the industry. Central to this transformation strategy are:

   - Articulating initiatives to aggressively attract private investors;
   - Clearly defining roles for private and public sector involvement in power generation, transmission and distribution;
   - Improving transmission and distribution networks to support generation capacity; and
   - Increasing power generation capacity through the diversification and installation of gas distribution grids and replacement of the existing plants, amongst others.

Consistent with President Yar'Adua's critical infrastructure policy, a joint venture fund of 628.875 billion Naira for the power sector has been agreed by Federal Government with all States Government. The Federal Government, had earlier set aside 288.223 billion Naira in the 2008 Supplementary Budget to provide its share of power expenditure. Additional intervention, proposed in the 2009 budget toward addressing the challenges of critical power infrastructure include the conclusion of Mambilla hydro-electric power generation project and other generation, transmission and distribution projects. To succeed with plans for addressing problems in the power sector and to, specifically guarantee the achievement of the goal of 6000MW for power generation in 2009, the Government has set aside over 200 billion Naira in the 2009 Budget for implementing gas projects, aimed at acquiring capacity to deliver 1.2bn scf of gas to domestic market. The projects associated with the above allocation include:

National Domestic Gas Projects, Trans-Sahara Gas Pipeline Project, Calabar-Umuahia-Ajaokuta Gas Pipeline; Ajaokuta-Abuja-Kano Gas Pipeline; Gas Supply Pipeline to PHCN Delta IV; Gas pipeline to power plants including: Omotosho, Papalanto and Alaoji.

Again, allocations in the budget to other priority infrastructure areas are clearly indicative of Government resort to the medium term development framework as platform for achieving long term development objectives, which Nigeria's Vision 2020 represents.

(02.02) The National Gas Infrastructure Project

The gas industry has also been prioritized in the energy sector because of its current relative importance in the projected transformation of the Nigeria economy by 2020. As gas reserves decline and grow in importance in the industrialised nations, the resultant rising gas prices in the international market continues to create a preferential pull for export of Liquified Natural Gas (LNG). Consequently, there is a disproportationate focus by gas producers in the country for LNG projects. This creates a significant shortfall in the availability of gas for rising domestic utilisation, which threatens the economic aspirations of the nation in this sector. Gas demand is forecast to grow from the current level of 5 bcf/d to about 20 bcf / d by 2012. Projected growth in the domestic sector is the most visible, growing from less than 1bcf/d in 2007 to about 8bcf/d by 2012. The energy requirement to sustain an aggressive GDP growth drive is enormous. Currently, demand, (export and domestic), for natural gas far outstrips supply, driven by growth in the power sector and other gas based industries such as fertilizer, cement, methanol, LNG etc. These industries, unable to compete in high gas cost locations, have expressed strong interest in relocating to Nigeria. However, Nigeria needs to demonstrate the availability and affordability of gas supplies to retain its competitive edge in this strategically important sector.

(02.03) Challenges of the Gas Sector

Government diagnosis of the gas sector concludes that the sector could not possibly respond to the scale of emerging opportunities due to the following current challenges:

a) Inflexible industry structure: The industry is dominated by a few key upstream players. The 5 big International Oil Companies (IOCs) operate over 90% of the total gas reserves in the country and have a dominant downstream interest, primarily in LNG exports. The consequence of this structure is a preferential focus on gas supply to LNG export projects. This has complicated access to gas for third party downstream investors who require the gas for domestic downstream uses, but have no access to upstream gas supply. The Federal Government is aware of the necessity of intervention, if the opportunity is to be preserved.

b) Infrastructure optimisation: The existing infrastructure in the country is inadequate in the context of future demand. The issues with infrastructure include:

i) Proliferation of processing plants;
ii) Infrastructure capacity;
iii) Pipeline connectivity and redundancy;
iv) Pipeline optimisation;

(02.04) Proceeding from the foregoing, Nigeria will embark on overcoming the observed lapses, in addition to installing a National Gas Distribution Grid taking off from the Niger Delta Regional Gas Grid. The latter will be a well thought out strategy to make the region the natural location of a buoyant petrochemicals industry linked to the world markets by sea, and to the home market through an effective intermodal system of transport. In this respect, Government has been involved in the NIGAL pipeline project. NIGAL pipeline (also known as Trans-African gas pipeline and Trans-Saharan gas pipeline) linking the region of Warri in Nigeria to the Algerian Mediterranean coast. Approximately 1,300 kilometres (800 mi) of pipeline will be laid down in Nigeria, 750 kilometres (500 mi) in Niger and 2,500 kilometres (1,600 mi) in Algeria. In Algeria, the pipeline will supply the export pipelines to Europe (Medgaz, Galsi). The proposed Trans – Saharan Gas Pipeline is expected to begin deliveries in 2015. Final details of a memorandum of understanding to govern the project were discussed at a meeting in the Nigerian capital, Abuja, 21 February, 2009 between Nigerian and Algerian officials.

(02.05) Russia's Gazprom has also concluded US$2.5 billion oil and gas exploration joint ventures with Nigeria targeting domestic market. The Royal Dutch Shell has equally announced a US$1.6 billion and joint gas ventures project with Nigeria in the Niger Delta. Total, the French oil major as well as the European Union have offered various forms of assistance on the proposed construction of about $21 billion Trans-Saharan pipeline.

03.00 **FOOD SECURITY**

(03.01) Agriculture contributes 42% of Nigeria's GDP and engages over 65% of the country's workforce. The sector is constrained by enormous challenges and is characterised by low output, inefficient and antiquated production tools and infrastructure. Approximately, 66% of the country's total land mass of 92.377 million hectares is suitable for agricultural production but about half of that unfortunately is not cultivated. The technological inadequacies in standardisation and quality control have stunted natural farm produce, rendering it uncompetitive in local and international markets.

(03.02) Non-affordability of modern production inputs and equipment, low access to credit/finance and poor infrastructure all combine to make local production uncompetitive. Poor funding which led to total collapse of research and extension services in the sector is to be overcome through the effective deployment of the Natural Resources Fund. Ineffective regulatory framework for enforcing grades and standards for farm produce which have made farm output growth difficult are also being addressed.

(03.03) In the ongoing reforms, Government will ensure optimal performance of agriculture. When left to market forces and pitched against the more efficient, and often highly subsidised external competition, as well as when faced with the vagaries of natural uncertainties, the average, resource-poor, and small-holder Nigerian farmer will find it difficult to compete in local and international markets. Critical areas for intervention will include strengthening agribusiness through institution of profitability and price support mechanism, land tenure changes, aggressive development and supply of new land, strengthening of farmer support groups through commercial farmers, improvement of rural access infrastructure, and resuscitation of the River Basin Development Authorities (RBDAs). Central to these strategies, is the urgent need for the introduction, on the supply side, of the Commercial Farmer to professionalize agribusiness in Nigeria. Additional land for cultivation and idle irrigation facilities around our dammed water bodies provide excellent opportunities to increase farm output and employment prospects in the rural areas.

(03.04) The National Economic Council (NEC) under the chairmanship of the Vice President, His Excellency Goodluck Jonathan has just approved the mobilisation of a 200 billion Naira bond for the development of commercial agriculture in the country. The bond which would be floated by the Federal Government is to provide credit facilities to commercial farmers. It would be managed by the Central Bank of Nigeria (CBN) at no more than 10% interest on the loans to be subsided by the CBN. This is intended to enhance food security in the country while creating three million jobs in the next 3 years.

(03.05) On the demand side, the reintroduction of the Commodity Boards and their licensed Buying Agents is being considered to boost the marketing prospects of our farm produce. Also, the new National Policy on Agriculture launched by the previous Administration shall be made to, among other things, strengthen national food security, increase production and local processing of agricultural raw materials, and increase employment generation opportunities in the food sector.

(03.06) Government has already embarked on the preparation of a comprehensive National Food Sector Plan (NFSP). The plan, when completed will be detailed, implementable and result-oriented and will be the tool for realising the desirable goals of the interventions envisaged above. The NFSP will be the product of collaboration between all significant stakeholders in the Food Sector. The Development Plan for the food sector will have definite implementation timelines classified as; short-term activities (2008-2010); medium-term activities (2010-2015); and long term activities (2015-2020). Food security wise, Federal Government's proposed expenditures in the Agriculture sector as outlined below is aimed at raising the sector's contribution to higher levels in 2009 and beyond. Outgoing projects and targets over the next 3 years include:

i) Counterpart funding for FADAMA III,
ii) IFAD and ADB projects etc;
iii) Rehabilitation and construction of dams;
iv) Rehabilitation and expansion of irrigation infrastructure, Irrigation of 12,000 hectares of arable land and optimisation of 220,000 ha of irrigated land;

v) Increasing land under cultivation by 5% in the next season and 15% over a period of 3 years;

vi) Increase in yields by 50-250% of different crops and 20% increase in production of targeted commodity crops; 35% increase in domestic agribusiness and 15% increase in export of selected commodities;

vii) Increase in fish production by 230% from 650,000 metric tonnes to 1.5m metric tonnes p.a.; 40% increase in availability of rural infrastructure (road, energy, water and housing);

viii) Increase in the agriculture sector's contribution to GDP by at least 8%.

04.0 <u>NATIONAL SECURITY, NIGER DELTA AND ENERGY SECURITY.</u>

(04.01) Security of life and property represents one of the most important constitutional duties of any Government. Security, the maintenance of law and order are the foundation on which the success of all initiatives of Government, in ensuring good governance, is anchored. The primary challenges of national security revolve around the ability of the Government to discharge its responsibilities to the governed; a challenge made more daunting by the current economic down-turn. Under no other form of government have the challenges of national security been more enervating and potently sensitive than in a democracy. Lack of security, particularly, in the Niger Delta is capable of threatening the stability of the polity and the safety of economic and social sectors of society. It can also discourage foreign direct investment while undermining national economic growth and the Vision 20:2020. The collaboration of all security organisations in the country under the Joint Task Force has been a major step in combating militancy and other crimes in the Niger Delta. The ability to communicate effectively within and between the various security services is therefore being enhanced. Government is also reviewing the NYSC Act in order to provide a legal framework for youth corpers in crime prevention and community policing. This will be achieved as Nigerians invest heavily in security, and also, properly reward those who put their lives (in the line of fire) to ensure the safety of lives, investments and other properties.

(04.02) The community must be directly involved in designing and claiming ownership of programs aimed at reducing crimes. To complement this, Government is actively exploring avenues of cooperation with the International Community and law enforcement agencies across the world to provide assistance to the country's law enforcement agencies.

(04.03) Dependence on the oil and gas industry weakens the other sectors the economy and narrows the country's economic base because the sector is both extraverted as well as being capital intensive. The Federal Government encourages dialogue with stakeholders and has increased derivation on oil and gas revenue due to the region from 3 per cent to 13 per cent. Government also established the Niger Delta Development Commission (NDDC) by an Act of the National Assembly in the 2000. The NDDC is currently funded by the Federal Government and the oil companies. The NDDC has received an aggregate of N241.584 billion from 2001-2006. Without doubt, the involvement of the NDDC in community development projects, including the construction of basic infrastructure would produce some salutary effects on the security situation and the political climate in the Niger Delta.

(04.04) Under the proposed big-push approach to develop the region, the following would surely provide the needed ‘quick-wins’ :

i) Faithful implementation of the Niger Delta Master Plan through periodic national budgeting process;
ii) Mainstreaming small business development initiatives;
iii) Enforcement of the local content policy in the oil and gas sectors;
iv) A regional gas grid alongside an effective intermodal transport system to enable industrialisation and development of the Niger Delta on Public Private Partnership (PPP) basis;
v) Establishment of the Federal Ministry of the Niger Delta, with an indigene as the pioneer Minister;
vi) Better accountable and coordinated deployment of the Derivation Funds, NDDC and other long term funds into the right capital projects is an opportunity to be exploited.
vii) Establishment of the Technical Committee on the Niger Delta to recommend the way forward.
viii) Continued dialogue with all stakeholders (Local & International) and deployment of wide ranging measures.

Toward implementation of the Administration’s Niger Delta Agendum, provisions have also been made in the 2009 Budget for new road projects such as the Warri-Kaima Road; East-West Road (Section I) Warri-Kaima; East-West Road (Section II) Warri-Port Harcourt, East-West (Section III) Port Harcourt –Eket, East-West Road (Section IV) Eket-Oron; Erosion Control Projects; Idumuje Unor Erosion Control Project, Delta State; Foresty Projects;

Conservation and Development of Coastal Ecosystem (Guinea Current Large Marine Ecosystem) Gclime (Rivers & Bayelsa State); Youth Training Development Centre in the Niger Delta.

05.00 **EDUCATION AND HUMAN CAPITAL DEVELOPMENT**

(05.01) The provision of health, education and functional social safety nets are absolutely essential to achieving desirable human capital outcomes and addressing some negative trends in this sector. One of the options would be to domesticate the sectoral transformation in order to model globally acceptable health transformation around the country's unique national culture and institutions. Structural transformation will emphasise the strengthening of the management capacity of the National Primary Health Care Development Agency (NPHDA), to co-ordinate Primary Health Care (PHC) policy and the re-establishment or enthronement of the health referral system in every state. It also requires improving human resources for tackling maternal and child mortality, and mobilizing additional resources to address funding gaps for health sector programmes. In addition, all public funded health agencies would align their expenditure with key priorities that address basic health services, with effective pro-poor services at secondary and tertiary levels. The introduction of the National Health Insurance Scheme is a welcome policy initiative in this regard in terms of increased access to health facilities. The challenges of HIV/AIDS and other communicable childhood diseases such as polio are also being addressed through the adoption of multi-layered programmes and activities across the country. It is noteworthy that HIV/AIDS prevalence rate in the country has fallen from 5.8% in 2001 to 3.6% in 2008 as a result of various government interventions to control the spread of this pandemic.

(05.02) In the education sector, literacy level in the country is inherently unsteady. Less than 60% of primary-aged children attend school; estimated 40% or 7 million primary school aged children are also not in school. Considering the strategic importance of education in human development, a three-pronged coordinated approach is needed, namely:, making Universal Basic Education (UBE) Programme more truly universal and result oriented, with intense monitoring; strengthening of secondary education by focusing on sciences and technology; and raising the standards of tertiary education. Government intervention measures are addressing the pivotal role of the public service and the newly established Public Service Institute, Abuja, in the implementation of the Seven Point Agenda. The issues of vocational education, women's empowerment, teacher - student, classroom - student, science teacher-student and other critical problems are also being squarely addressed at the three levels of governance.

06.00 LAND TENURE REFORMS AND HOME OWNERSHIP

(06.01) Nigeria has a huge housing deficit, evidenced by low levels of the real estate sector and mortgage credits to the sector, accounting for less than 1% and 0.5% of GDP respectively. This is what led to the evolution of the current National Policy on Urban Development and Housing that provides for a private sector-led housing policy with the government providing the enabling operating environment. The paucity of long term funds has been the bane of housing finance in Nigeria and the banking sector has consistently demonstrated its aversion to financing home ownership. Our legal and regulatory environment including laws inhibiting efficient land transaction, are being reformed, including the adoption of monetary and fiscal measures more conducive to sustainable housing finance. Furthermore, the existence of weak primary mortgage structures with attended weak capitalisation, poor corporate governance and technical skill deficiencies have worsened the situation.

(06.02) The Federal Government's immediate solution to land administration problems, therefore centre on amending the Land Use Act. The main thrust of the recent Executive Bill in this regard is to restrict the requirement for Governor's consent in land transactions to assignments only. The amendments will render such consent unnecessary for mortgages, subleases and other land transfers in order to make transactions in land less cumbersome, thereby facilitating higher economic growth. The presentation of the bill to the National Assembly marks the commencement of the implementation of the Yar'Adua Administration's strategic agenda to overcome some of the major legal and logistical constraints to capital accumulation in Nigeria. The bill once adopted will facilitate increased investment in agriculture and strengthen the mortgage industry. The second plan, though not in that Executive Bill, is the establishment of specialised courts to determine the terms and timing of challenge/contestation of foreclosures. Thirdly, the computerisation of all land related records at all levels. Fourthly, the need to persuade State Governments to convert their Housing Corporations into land companies with mandate to develop new towns in the states. Fifthly, reorganising the Federal Housing Authority (FHA) to provide mortgage insurance for affordable housing. Sixthly, passage of foreclosure and securitisation laws. Finally, sustaining the Federal Mortgage Bank of Nigeria as a secondary mortgage institution refinancing mortgage loan originators through the capital market and the provision for legal protection of lenders against bankruptcy to attract investors in housing financing.

07.00 **WEALTH CREATION**

(07.01) More than two thirds of Nigerians are poor. The incidence of poverty has been increasing at a significant rate since independence. By virtue of African's undue reliance on revenue from non renewable sources such as oil, Nigeria has yet to develop industrially. On-going reform is focused on wealth creation through diversified production, especially in the agricultural and solid mineral sectors.

(07.02) The specific areas of Government intervention to create enabling environment for wealth creation is as follows:

a) Leadership and Governance: Government will continue with greater vigour, to provide the enabling the environment for private sector led wealth creation drive. The institutionalisation of sound leadership and good governance is a prerequisite for an environment that allows wealth creation;

b) Skills development for productivity: Federal Government is already concentrating on providing functional vocational training to job seekers and also encouraging the training of the existing labour force to meet the demands of industry. The curricula and course content in our universities, polytechnics and technical colleges are being re-orientated to the current needs of industries and to meet the challenges of a modern economy;

c) Promoting a ‘Formalised Self Employment’ Sector: Artisans, farmers, market women, traders and proprietors of small and medium-scale enterprises (SMEs) are being assisted to formalise their businesses and to acquire entrepreneurial skills;

d) Facilitating access to credit: The entrepreneurial spirit of the poor are being significantly enhanced through the provision of financing in the form of micro credit. Government agrees that the formalisation of informal business and land reform system are key to access to credit by the poor;

e) Non-Governmental Organisations (NGOs): NGOs are facilitating wealth creation through their various nation-wide capacity-building programmes. Government is already partnering with NGOs and religious groups to execute wealth creation strategies that focus on the empowerment of the poor through various capacity-building initiatives;

f) Nigerians in Diaspora: The Federal Government is already involving Nigerians in Diaspora through the Nigerians In Diaspora Organization (NIDO), in promoting wealth creation, by their funding of specific projects of preference, (directly or through the capital market) or the provision of technical and managerial skills which they possess in abundance. To this effect, recently the Global Database of Nigerians in Diaspora was launched in London by the Foreign Minister, His Excellency, Ojo Maduekwe, CFR;

g) Massive retraining of graduates to accelerate the production health workers, teachers and ICT specialists.

INFORMATION SECTION,
NIGERIA HIGH COMMISSION,
9 NORTHUMBERLAND AVENUE,
LONDON WC2N 5BX.

24 FEBRUARY, 2009.