

Nigeria: Poverty Reduction Strategy Paper—Progress Report

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PROGRESS REPORT ON THE NATIONAL ECONOMIC EMPOWERMENT AND DEVELOPMENT STRATEGY (NEEDS), SEEDS BENCHMARKING EXERCISE (2006) AND MILLENNIUM DEVELOPMENT GOALS (MDGS 2006),

The National Economic Empowerment and Development Strategy (NEEDS) 2004 – 2007 is Nigeria's reform based medium-term plan for economic recovery, growth and development. NEEDS was conceptualized in 2003 and launched in 2004, as a response to the numerous challenges facing the nation. Some of the challenges include the following:-

- Near collapse of social and economic infrastructure;
- Per capita GDP remained stagnant prior 1990; Grew at 2.2% 1999 – 2003
- Total GDP 2001 \$45 billion;
- Per capital income was \$300 a year;
- External and domestic debt – 70% of GDP (difficult to service debt, domestic debt rose by 200% between 1999 and 2002 – about \$9.0billion);
- Real sector dominated by primary production sectors: agriculture 41%, crude oil 13%, manufacturing 5 – 7 % of GDP;
- High macroeconomic volatility (exchange rate, inflation rate, budget deficit, GDP growth rate, GDP per capita - among the worst in the world);
- Finances at all levels of government in poor shape (pension crisis, arrears of salaries, huge debt misallocation and mismanagement);
- Nigerian urbanization rate – 5.3% (one of the fastest in the world);
- High level of poverty (about 70%);
- Dysfunctional education system (low standard, institutions decay, youth militancy etc);
- Unfriendly business environment (public sector dominance, rent seeking, weak institutions, corruption, high cost of doing business);
- High unemployment rate (urban 12.4%, rural 23.2%);
- General insecurity of life and property.

Given the parlous state of the economy, an integrated and coordinated development approach was adopted, with the sub-national governments, developing complimentary medium term plans: State Economic Empowerment and Development Strategy (SEEDS). The conceptual issues on NEEDS/SEEDS are based on four goals:

- Poverty reduction,
- Wealth creation,
- Employment generation,
- Value re-orientation.

The framework for actualizing the goals of NEEDS is anchored on three pillars;

- Empowering people and improving social delivery,
- Fostering private sector led growth through creating the appropriate enabling environment, and
- Enhancing the efficiency and effectiveness of government, by changing the way government does its work.

NEEDS has been implemented in the past three years and is at its terminal year of implementation. Hence the need to undertake a comprehensive progress report that would focus on the performance of the overall strategy so far, identify lingering challenges, if any, and provide a guide for the preparation of a follow-on NEEDS-2. The progress report, would in addition, highlight the result of the 2006 SEEDS Benchmarking exercise at the sub-national level of governance and also Nigeria's achievement in respect of the Millennium Development Goals (MDGs).

The focus of this report would be on policy thrusts and strategies adopted and quantifiable targets set in NEEDS document. While efforts would be made to give an in-depth report, it is important, to take into consideration the time lag in project implementation and expected outcomes, particularly with projects that have long gestation period and indivisibility of some activities e.g. investment in infrastructure. Similarly, the paucity of baseline data for

comparative analysis remains a major constraint. It is within these confines that this report is presented.

Overall Performance of NEEDS 2004-2007

Generally, speaking the performance of NEEDS has been remarkable:

- Implementation remains on course
- Surpassed expectations in many respects, (stable macroeconomic environment, Civil Service reforms, Due process, Banking Consolidation/emergence of mega banks, Privatization and liberalization)
- Weak in a few areas (Monitoring and Evaluation and Effective coordination)
- Not yet where we want to be (Poverty reduction, employment generation, power supply)

Specific Sector Performance:

Macroeconomic Framework (Policy Thrusts and Strategies)

The policy thrusts and strategies as enunciated in the NEEDS document are as follows:-

- The sustenance of a rapid, broad based GDP growth driven by the non-oil sectors;
- Diversification of the production base of the economy from oil and mineral resources;
- Ensuring international competitiveness of made in Nigerian goods;
- Systematic reduction of the role of government in direct production of goods while strengthening its facilitating and regulatory roles.

Strategies:

- Privatization, deregulation, and liberalization of key sectors of the economy;
- Coordination of national sectoral development strategies for agriculture and industry;
- Bridging the infrastructure gap especially electricity, transport, and water;
- Addressing the problems of financing the real sector, and mobilize long-term savings and investment;

- Creating effective regulatory regimes that include environmental standards;

Fiscal operations (policy thrusts and strategies)

Policy thrusts

- Create a predictable macroeconomic environment;
- Adoption of policies consistent with raising domestic savings and increasing private investments;
- Maintenance of sustainable public debt

Strategies

- Strengthening the planning and budgeting process;
- Tax reforms aimed at raising revenues and diversifying revenue base;
- Introduction of medium term expenditure framework (MTEF);
- Establishment of inter-governmental fiscal coordination based on Fiscal Responsibility Act;
- Reforming and strengthening of procurement process;
- Establishment of oil price based fiscal rule;
- Establishment of Stabilization Funds for excess crude oil revenue with specific condition for the funds use;
- Establishment of public expenditure rule that holds deficit to no more than 3.0% of GDP

Targets

- Achieve overall fiscal balance of -1.9% to -3.2% between 2004 and 2007;
- Retained revenue to drop from 9.7% in 2004 to 7.3% in 2007;
- To reduce total expenditure from 23.5% in 2004 to 22.3% in 2007;

External Sector (policy thrusts and strategies)

Policy thrusts

- Promotion of export and diversification from oil;
- Gradual liberalization of import and protection of local industries;
- Establishment of market determined nominal exchange rate regime;
- Seek debt reduction

Targets

- External sector balance of –10.8% in 2004 and –1.3% in 2007;
- Current account balance of between –2.9% in 2004 and 0.3% in 2007;
- External reserve to increase from \$7,687 million in 2004 to \$10,687 million in 2007;

Table 2.1: NEEDS TARGETS AND LEVEL OF ACHIEVEMENT

Variable	2003		2004		2005		2006	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Macroeconomic Variables								
Growth in real GDP(%)	10.20	10.20	5.00	6.10	6.0	6.51	6.00	5.67
Growth in oil sector (%)	23.0	23.9	0.0	3.3	0.0	0.5	0.0	-4.5
Growth in Non-oil sector	3.3	4.5	7.3	7.5	8.5	8.2	8.3	8.9
Reduction in Poverty incidence (%)	5.0	-	5.0	-	-	-	5.0	-
Growth in Real Private Consumption (%)	-	-	4.08	3.08	-	-	-	-
Growth in Real Private Consumption per capita (%)	-	-	2.0	0.69	-	-	-	-
Inflation rate (%)	11.0	14.0	10.0	15.0	9.5	11.6	9.5	8.5
Sectoral Variables								
Growth in Agriculture sector (%)	7.0	6.5	6.0	4.11	6.0	7.0	6.0	7.17
Growth in Manufacturing sector (%)	-	5.7	7.0	6.17	7.0		7.0	9.5

Manufac. Sector Capacity Utilization	53.0	45.6	>53.0	45.0	-	-	-	-
Fiscal Variables								
Maximum Public Deficit (% of GDP)	-	-2.8	-30.0	-1.7	3.0	>3.0	3.0	>3.0
Total Expenditure (% of GDP)	25.1	17.0	23.5	16.7				
Recurrent Expenditure (% of total budget)	70.0	80.3	65.0	77.2	60.0	-	60.0	-
Capital Expenditure(% of total budget)	30.0	19.7	35.0	22.8	40.0	-	40.0	-
External								
Reserves (\$ millions)	7.18	7.46	7.68	17.26	8.69	28.61	9.68	43.0
Imports Growth (%)	-	3.5	15.0	8.68	18.0	-	25.0	-
Exports Growth (%)	-	55.3	10.0	7.51	20.0	-	25.0	-
Earnings from Non-oil exports	<5.0	3.2	>5.0	3.6	>5.0	-	>5.0	-

Sources: *Targets from NEEDS and **Actual from CBN Annual Report and Statement of Accounts, 2006.

As indicated in table 2.1 above, there has been tremendous and consistent improvement in the performance of the economy since the inception of NEEDS in 2004.

- Real GDP annual growth rate averaged 6.6% (2004-2006) as against the annual target of 6.0%;
- Oil sector annual growth rate averaged – 0.23% as against 0.0% targeted (2004 – 2006);
- Non-oil sector average annual growth rate; 8.2% as against the NEEDS target of 8.0%;

- Inflation rate (year on year) on the average is 10.03%, 2004 – 2006;
- Reduction of fiscal deficits to less than 3% of the GDP;
- Stable exchange rate (convergence of parallel and DAS exchange rates);
- External reserves grew by an annual average rate of about 230% from US\$7.68 billion in 2004 to US\$43 billion at the end of 2006, as against 12.2 percent target (2003 and 2007);
- Favourable external balance as reflected in increasing value of non-oil exports;
- Phenomenal growth in the net in-flow of foreign direct investment (FDI) and portfolio investment, particularly in the banking and telecommunications sectors; FDI rose from US\$ 1.866b in 2004 to US\$2.3b and US\$4.8b in 2005 and 2006 respectively.
- Reduction in external debt stock from over US\$30 billion to less than US\$5 billion;
- Favourable rating of Nigeria by International Credit rating agencies as “BB-” (Fitch rating and Standard & Poor);

The general price level as measured by the composite consumer price index (CPI) has trended downwards during the NEEDS implementation period. The inflation rate on year on year basis declined from 15.0% in 2004 to 8.5% in December 2006. It declined further to 8% in January 2007. The moving average inflation rate has also moved in the same direction during the period. The NEEDS single digit inflation target of 9.5% has been met and even surpassed since 2006.

Fiscal & Monetary Developments

Fiscal and monetary policies have been carefully managed in the implementation of NEEDS leading to significant progress in the reduction of fiscal deficits to less than 3 percent of the GDP. This has engendered macroeconomic stability, which has resulted in stable exchange rate with the parallel and DAS rates converging. In the external sector, the country’s external reserves grew from US\$7.68 billion in 2004 to approximately US\$28.3 billion and US\$41.96 billion in 2005 and 2006 respectively. This could conveniently finance up to 20.8 months of import. This implies an average annual growth rate of 157.7 percent as against NEEDS target of an average growth rate of 12.2 percent between 2003 and 2007. The country’s external balance as reflected in the balance of payments statement has remained favourable with the value of non-oil exports on the increase during

the period. In addition, there has been a phenomenal growth in the net inflow of foreign direct investment (FDI) and portfolio investment, particularly in the banking sector during the period as indicated above.

Budget Reform

A major budget reform introduced under NEEDS was the Oil Price based Fiscal rule and Medium Term Expenditure Framework (MFEF). This has enhanced macro-economic stability by de-linking government's expenditure from the price of oil.

The fiscal responsibility bill and public procurement bill have been passed into law.

Capital Market

The capital market also recorded significant growth due to NEEDS reform programmes in the finance sector. Market capitalization as a percentage of the GDP increased from 18.5 percent to 19.8 percent and 28.3 percent in 2005 and 2006 respectively. The value of total new issues (debt and equities) increased from N180.08 billion in 2003 to N552.78 billion in 2005 and N702.156 billion in 2006.

External Debts:

NEEDS performance in the external sector improved during the period under review. The debt stock was reduced from US\$46.26 billion in 2004 to US\$20.48 billion in 2005 and to US\$3.54 billion at the end of 2006. In 2005, Nigeria secured significant debt relief from the Paris Club amounting to US\$18.0 billion debt relief. With the payment of the balance of US\$12.4 billion to the creditors Nigeria exited the Paris Club debt in March 2006. Nigeria has also exited the London Club debt on 4th April, 2007 after paying off outstanding Par Bonds and Promissory Notes. This achievement, coupled with fiscal discipline, led to the establishment of a stable and favourable macroeconomic environment. It also led to the favourable rating of Nigeria by International Credit rating agencies as "BB-". The annual savings of about \$1 billion in 2006 has been channeled into pro-poor social projects to deepen poverty reduction.

The Banks consolidation programme, including the reforms in the insurance sector, which are part of the NEEDS reform agenda has infused best practices and brought about customers' confidence in the banking sector. Banking system credit to the private sector grew by 30.9% as against the NEEDS target of 30% during the period.

Agriculture

- Average annual growth rate of 7.0% from 2004 – 2006 as against the target of 6.0% (propelled by activities in crops production, influenced by the Presidential initiatives on rice, cassava, vegetable oil, tree crop, livestock, fisheries, aquaculture development, and rubber).
- Cassava production increased from 36metric tones in 2005 to 49metric tones in 2006 representing about 36% jump
- A programme for raising maize production from 7m metric tones to 14m metric tones, by the end of 2007, and tropical fruit production were put in place between 2004 and 2005. This is yielding desired result. Total maize output 2005 was about 10.3 metric tones as against 9.5m (mt) and 8.6m (mt) recorded in 2004 and 2003 respectively
- Implementation of the National Special Programme for Food Security covering 109 community
- Other Donor assisted projects (Roots and Tubers expansion Project (RTP), the Community-based Agriculture Development Project, and National Fadama 11 project
- Easier access to Agricultural Credit Programme (Trust Fund Model TFM)
- Promotion of Export Support initiatives (tariff measures and export support schemes for farmers and agric-businesses)
- Value Added Tax exemption for locally produced agricultural input

Manufacturing:

In the manufacturing sector, NEEDS target of 6-7 percent, has also been surpassed. During the period under review, the annual average growth rate for manufacturing was 8-9 per cent. The growth driver is the plastic industries with increasing exports to ECOWAS and other international markets. The increased productivity in Eleme Petrochemical industry, which is estimated to yield about US\$80m in both exports and domestic

consumption by the end of 2007, would continue to sustain growth in the sector. This notwithstanding, contribution of manufacturing sector to GDP remains very low averaging about 4 per cent during the period under review. Infrastructure deficiency, particularly energy, water and roads remain major challenges.

SOCIAL CHARTER

The social charter under NEEDS covers the following key areas

- Economic empowerment and poverty Reduction;
- Education;
- Health;
- Employment generation;
- Gender equity;
- Water and sanitation;

Poverty Reduction and Employment Generation:

Broad targets

- Increase average per capita consumption by at least 2.0% a year;
- Creation of about 7 million jobs by 2007;
- Increase immunization coverage to 60 percent by 2007;
- Increasing the percentage of the population with access to safe drinking water to at least 70 percent by 2007;
- Significantly increasing school enrolment rates particularly girls;
- Increasing the adult literacy rate to at least 65 percent by 2007.

NEEDS performance

- Employment growing, averaging about 3.4% (2005-2006), as against 3.2 per cent in 2003; (drivers include telecommunications, whole and retail trade)
- Unemployment rate declined from 17% in 2004 to 10% in 2006. (Unemployment level still unacceptably high) particularly among youths (15- 30)
- 7m jobs target not likely to be met

Education Sector:

Education is under the concurrent list in the Nigerian constitution (shared responsibility among tiers of government)

Education Policy thrusts under NEEDS

- Empowering Nigerians to acquire right attitudes, skills and knowledge (for the labour market);
- Provision of unhindered access to basic education;
- Improvement in the quality and delivery of education;
- Improvement in literacy rate

Targets

- Increase adult literacy rate from 57% to 65%;
- Expand total school enrolment (raise primary school enrollment to 100%);
- Expand institutional capacity to produce quality manpower;
- Increase the transition rate from junior to senior secondary education;
- Ensure that 60% of secondary school have conducive teaching and learning environment;
- Ensure that 80% of all teachers are professionals;
- Review school curricular to incorporate technical, vocational and entrepreneurial skills;

NEEDS Performance

Education Sector;

- Education sector reform is making slow but steady progress. Reversal in decline in the education sector; but situation still bad, remains a major challenge to be addressed in NEEDS2
- Growing awareness on the crises in the education sector; Massive consultations mounted in 2006
- Structural and institutional reforms in Federal Ministry of Education; reduction of existing departments from 8 to 5 and harmonization of parastatals
- Steady but slow growth rate in number of schools at all levels
- Expansion of facilities for universal basic education but not yet enough

- Increasing school enrolment at all levels of education (net enrolment ratio in primary education increased from 81.1% to 84.26% between 2004 and 2005); (NBS)
- Commencement of the enforcement of free and compulsory basic education for the first 9 years; enrolment drive-mounted nation wide
- Approval and take off of 24 private universities;

Health Sector Policy thrust

- Strengthening of the National Health System;
- Improving the availability and management of health resources
- Reducing the disease burden and improving physical facilities (HIV/AIDS, Malaria, Tuberculosis and STD)
- Improving financial access to good quality health services.

Health sector performance

- NEEDS implementation process remains on course;
- The National Health Insurance Scheme was launched in June 2005 and is operational; Public Service officers were now fully covered
- Rehabilitation of four Teaching Hospitals as centres of excellence;
- Routine immunization coverage increased from 38% in 2005 to 77% in 2006 exceeding the 70 % target set.
- Significant improvement in the reduction of disease burden; declining HIV/AIDS prevalence rate from 5.2% in 2004 to 4.4% in 2006;
- Significant improvement in control of malaria, tuberculosis and guinea worm; challenges still enormous
- The success rate of tuberculosis treatment has increased from 78% to in 2001 to 80% 2006;
- Promotion of Public-Private Partnership in health sector is progressing satisfactorily (the PPP initiative in production of vaccine and NHIS model).
- Improvement in Immunization coverage but without a corresponding improvement in infant mortality rate
- Significant reduction in fake food and drug importation and domestic manufacturing

Growing the Private Sector

The NEEDS aims at addressing the country's underlying lack of competitiveness, which has prevented economic growth and development from keeping pace with other economies. The policy thrust is to build a private sector that can take advantage of domestic, regional and global markets. The major strategies include re-defining the role of government as a facilitator and promoter in the economy; Strengthening enabling environment through improvement in security, policy related costs and investment in infrastructure, especially electricity, transport and water; privatisation and liberalization and improvement in accessibility to cheap finance.

Re-defining the Role of Government

In line with NEEDS policy thrust, government divestment from direct production of goods was intensified in 2005 and 2006, a total of 111 public enterprises have so far been reformed and privatised, covering major industrial sectors – banking, finance and insurances; oil and gas; telecommunications; transport and infrastructure; power and steel; manufacturing and hospitality. A total of US\$3.66 billion has been realized and about US\$10 billion annual transfers to public enterprises saved. In 2006, 38 privatisation transactions were concluded. In additions, giant strides in policy, regulatory and institutional reforms have been made, thereby improving Nigeria's investment climate. **The Customs reform, the tax reform and establishment of One-stop-shop in NIPC have been completed.** The one-stop shop has reduced drastically the time in business registration.

PHYSICAL INFRASTRUCTURE

Power Sector

NEEDS focus is on the provision of adequate electricity supply to the country. The performance of NEEDS, in this respect, has been poor, in terms of meeting targets set in the generation and transmission of electricity, as evident in the decline in generating capability, from 4,200MW in 2004 to 3,500MW in 2006. The NEEDS target of raising transmission capacity from 5,838 MVA to 9340MVA was also not achieved. The Distribution capacity however increased from 8,425MVA to 11,500MVA. It is envisaged that the

15,165MVA target would be achieved before the end of 2007. However, a major achievement in the sector is the enactment of a law in 2005 that removed monopoly power from National Electric Power Authority (NEPA) and subsequently to the unbundling of NEPA into 18 successor companies and the formation of Nigerian Electricity Regulatory Commission (NERC). There was also, improvement in both transmission and distribution losses from 15% to 10% and 35% to 26% in 2005 and 2006 respectively.

With the on-going reform, coupled with the vigorous implementation of the seven National Integrated Independent Power Projects and conclusion of the privatisation of the three power plants in 2007, NEEDS target of increasing electricity generation capability from 4200MW in 2004 to 10,000 by end of FY 2007 could be attained. Other reform sector bills – Gas, Petroleum, Transport, Railway, etc are at various stages in the enactment process. Electricity supply remains a major challenge for private sector development and competitiveness. The imbalances in supply and demand in the power generation system, coupled with the inefficiency in transmission and distribution systems, the slow pace of the power sector privatization programme were major limitations to the achievement of set targets. A critical area to be addressed in NEEDS2 would include physical infrastructure as well as revenue collection.

Water

The policy thrust of NEEDS in respect of water is on participatory, integrated and sustainable water resource management, to meet the nation's water needs. The target is to increase water coverage to 70%. The implementation of NEEDS in this respect remains on course. Some of the large-scale water projects have either been completed or at various stages of completion, ranging from 5 – 90 percent. For instance, the Gombe water supply project has been completed, while the Gurara water project for Abuja, Ero water project and Buyuk water project for Ekiti and Adamawa states respectively are under construction. All things being equal, NEEDS target of increasing access of 70% of households to safe water could be met by the end of FY 2007.

Transport

The policy thrust as enunciated in NEEDS is to create a balance in the development and utilization of inter-modal transport system: rail, road, sea

and air transport. The main strategies adopted include; series of transport infrastructure reforms, that seek to achieve as follows:

- Complete on-going construction of a 3,000km network of roads, and embark on new construction, if fund-specific assistance or finance becomes available. Rehabilitate and maintain the 500 roads commissioned by the President under Operation 500 Roads.
- Strengthen the newly created roads maintenance agency (that is Federal Road Maintenance Agency-FERMA) and involve the private sector in road management
- Create a prominent role for Nigerian seaports within economic community of west Africa States (ECOWAS) by encouraging private sector participation in coastal shipping activities
- Develop a seaport with capacity to handle modern shipping activities and establish inland dry ports.
- Make Nigeria's ports more efficient and competitive, with capacity to handle modern shipping activities Implement policies that target local human capital development.
- Rehabilitate and upgrade the railways with a view to restoring their relevance in transporting bulky goods and passengers.
- Ensure the achievement and maintenance of world class standards in all aspects of aviation operations, by developing local manpower and maintenance capacity and adopting other measures and
- Achieve total radar coverage of Nigerian airspace and establish an effective and efficient emergency rescue unit under the Federal Airports Authority of Nigeria.

The following strategies were adopted for actualizing the above-mentioned policy goals and reforms:

- Provide, through the draft public-private partnership in Infrastructure Provision Bill, the enabling legal framework for private sector participation in several infrastructure projects, including roads, railways and port development.
- Privatize or concession Nigerian Railways to the private sector in order to rehabilitate and modernize the sub-sector. Meanwhile, the government intends to continue to restructure and strengthen the Nigerian Railway Corporation (NRC), so as to make it functional until it is privatized or concessioned.

- Mainstream maintenance culture for all infrastructure facilities including transport infrastructure.
- Provide the Road Maintenance Agency with sufficient capacity to undertake rehabilitation and maintenance of federal roads, and
- Ensure that infrastructure development is consistent with environmental regulations.

NEEDS Performance in Infrastructure Sector:

Roads

In order to meet the repairs and maintenance needs of Federal roads, the Federal Government established the Federal Road Maintenance Agency (FERMA) in 2003. The ‘Operation 500 Roads’ project was launched in April 2004 and ‘Operation 1,000 Roads’ project in 2005.

There were 27 major presidential initiatives between 2005 and 2006 in line with NEEDS policy thrust of improving and rehabilitating the roads. Contracts for the construction of some Federal roads were finalized and awarded in 2005-2006 and are currently on going. These include Ibadan-Ilorin, Keffi-Abuja, Lagos-Ibadan and so on. The Public-Private Sector Partnership is being strengthened under the road rehabilitation project e.g the second Onitsha Niger bridge and Oweti - Benue Bridge. However, the unavailability of data on the length of roads completed makes performance assessment difficult.

Maritime Transport:

The policy of encouraging and strengthening public-private partnership in maritime activities has resulted in the development of inland container depots and container freight stations, through the granting of concessions to private operators in 21 port concessions in 2005-2006. Out of these Terminals six were concessioned in 2006. They include the following:-

- Apapa Port - 3rd April, 2006
- Tin-Can Island Port - 10th May, 2006
- Onne Port Complex - 21st June, 2006
- Warri Port - 21st June, 2006
- Calabar Port - 21st June, 2006
- Port-Harcourt Port - 23rd June, 2006

In terms of physical development of the inland container depots very little has been achieved at the time of this report.

Railways

The first phase of the railways' modernization programme covering Lagos-Kano through Minna and Abuja commenced in November 2006, with a groundbreaking ceremony, at a cost of US\$8.3 billion. This is in line with NEEDS target of providing cheap affordable transportation to Nigerians.

Environment

The NEEDS focuses on ensuring a safe and healthy environment that will secure the economic and social well being of Nigerians on a sustainable basis. The policy thrust includes taking full inventory of Nigeria's natural resources, assess level of environmental damage and degradation, as well as design and implement restoration, and rejuvenation measures aimed at halting further degradation of our environment.

In accordance with the NEEDS policy thrust, environmental protection and conservation of natural resources have been scaled-up since 2004. A Presidential Committee on Erosion Control and Desertification was set up in 2005 to oversee government's intervention programmes in the States and communities with ecological problems. Also, a committee to produce a physical development plan for metropolitan Lagos was set up in 2005. In partnership with UNIDO, work has commenced on the Guinea Current Large Marine Ecosystem Project (GCLME): 2006-2009 and Environmental Information System. The GCLM is designed to address trans-boundary environmental problems affecting 16 countries in the guinea current region. Under the national reforestation project, some degraded areas in Abia, Cross River, Ekiti and Enugu States are being reforested with about N62 million. Other achievements in the environment sector include the following institutional and policy reforms.

- National Erosion and Flood Control Policy 2004.
- National Guidelines on Erosion and Flood Control 2004
- National Erosion and Flood Control Action Plan 2005
- National Forestry Programme including a Draft National Policy and National Forestry Act.

- National Environmental Sanitation Policy.
- National Environmental Sanitation Action Plan.
- Policy Guidelines on Solid Waste Management.
- Policy Guidelines on Excreta and Sewage Management.
- Policy Guidelines on pest and Vector Control.

Furthermore, the following institutions have been established:

- National Council on Shelterbelt, Aforestation, Erosion and Coastal Zone Management.
- National Oil Spillage and Response Agency (NOSDRA) 2004. This Agency is to effectively respond to the regimes of environmental problems in the oil-producing areas.
- Drafted the National Poverty-Environmental Sustainability Indicators.
- Nigerian Solid Minerals Act (2006), which contains specific sections on environmental mainstreaming and sustainability strategies.

Public Sector Reforms

The public sector reform agenda focuses on the following:

- Restoration of professionalism in the Civil Service;
- Rationalization, restructuring, and strengthening of institutions;
- Privatization and liberalization in the sector;
- Tackling corruption and improve transparency in government accounts,
- Reduction in waste and improve efficiency of government expenditures; and
- Enhance economic coordination.

In line with NEEDS, between 2004 and 2006, a number of institutional and structural measures have been put in place to ensure the achievement of desired objectives. These measures include:

- Open and competitive tender arrangements for government contracts;
- Establishment of a due process mechanism to vet and eliminate ‘fat’ from government contracts;
- Massive anti-corruption campaigns involving all public officials, including the President.
- Public sector reforms to reduce, if not completely eliminate opportunities for corruption, especially through the comprehensive monetization of benefits to public officers;

- A committed focus on privatization and auctions of government licenses (leading, for example, to the liberalization of the telecommunications sectors);
- Establishment of an independent Anti-corruption agency and an Economic and Financial Crimes Commission;
- Establishment in the President's office of a policy and programme monitoring unit to build a comprehensive policy database to follow up on all decisions of the President and monitor programmes in ministries and public enterprises; and
- The creation of institutions of a crosscutting and specialized nature designed to drive several components of the reform agenda. These include the Due Process Office, the Independent Corrupt Practices Commission and the Economic and Financial Crimes Commission (EFCC).

Achievements

Modest achievements made in this area include:

- The emergence of task forces such as the National Reform Committee (NRC), headed by the President;
- Forging of better working relationships between the executive and the national assembly;
- Growing trend in policy processes of consulting other stakeholders including the private sector and civil society organizations; and
- Promoting Transparency and Accountability;
- Establishment of the Budget Monitoring and Price Intelligence unit.
- Crimes Commission (ICPC)
- The selling of government licenses at transparent auctions and establishment of the due process;
- The Public Procurement Commission Bill;
- The Establishment of the Economic and Financial Crimes Commission (EFCC);
- The establishment of the Extractive Industries Transparency Initiative aimed at encouraging the Nigerian National Petroleum Corporation and other oil companies to fully disclose revenue and cost of operations;
- Reforming, strengthening and modernizing institutions whose duty it is to foster and enforce compliance such as the Corrupt Practices Commission, Economic and Financial Crimes Commission, the

- National Orientation Agency, the National Agency for Food and Drug Administration and Control, the Police, Customs, the Judiciary, Prisons and Immigration;
- Fast tracking the reform process in governance codes at the corporate level and all tiers of government and subscribe to international standards in civil society;

CHALLENGES AND OUTSTANDING ISSUES

Macro-economy

While acknowledging that significant progress have been made in the context of the NEEDS policy thrust and targets, there remains several challenges and outstanding issues to be addressed over the next few years in order to facilitate the reduction in poverty levels in accordance with the MDGs by FY 2015. The major challenge would be the sustenance of prudent fiscal and monetary policies under NEEDS-2 to ensure macroeconomic stability. Other challenges include employment generation; bridging the existing infrastructure deficiency; reduction in high incidence of poverty, raising the education status, improving business environment and competitiveness; raising the level of aggregate demand; improving human development indicator and resolving the Niger Delta region crisis.

NEEDS-2 Preparation Process

NEEDS-2 (2008-2011), whose preparation process has already commenced, would take care of the gaps in NEEDS 2004 - 2007. The strategic framework for NEEDS-2 has been developed and a drafting team of relevant stakeholders constituted. A zero draft of the NEEDS-2 was completed by the end of February 2007. It is envisaged that an average annual overall GDP growth rate of 10.7% will be attained during 2008-11. The major growth drivers shall remain Agriculture, Solid Minerals and Oil. This is in accordance with the aspiration of making Nigeria one of the 20 largest economies globally by FY 2020. The overall investment is also projected to grow by 9-10% while the oil price is expected to average \$50 per barrel with a single digit inflation rate during the period. The macroeconomic framework showing both optimistic and conservative scenarios, including key assumptions for NEEDS-2 are presented in the tables below:

**Table 3.1 Projection of key Macroeconomic Indicators [Growth in %]
Scenario 1**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	Supply Block of the Nigerian Economy (1990 prices)				
Output of Food and Other Crops	10.79	11.16	11.38	11.50	<i>11.53</i>
Output of Livestock	2.50	2.63	2.80	2.99	<i>3.20</i>
Output of Forestry	7.08	7.93	8.86	9.80	<i>10.58</i>
Output of Fishery	8.81	9.54	10.33	11.07	<i>11.49</i>
Output of Total Agric	10.22	10.63	10.91	11.09	<i>11.18</i>
Output of Mining and Quarrying	6.74	7.89	8.85	9.70	<i>9.99</i>
Output of Manufacturing	12.07	12.66	13.25	13.86	<i>14.31</i>
Output of Building & Construction	9.32	10.20	10.92	11.54	<i>11.63</i>
Output of Transport	5.21	6.11	6.92	7.67	<i>8.03</i>
Output of Communication	10.86	10.97	11.29	11.72	<i>12.09</i>
Output of Government Services	9.42	9.91	10.07	10.11	<i>10.12</i>
Output of Distribution	10.6	12.21	12.88	13.53	<i>14.05</i>
Output of Others	7.80	13.38	17.53	20.46	<i>19.63</i>
Output Total	7.80	9.30	10.50	11.50	<i>11.70</i>
	Aggregate Demand (Current Prices)				
Exports gdp +sevr	11.75	12.50	13.08	13.60	<i>13.69</i>
Imports gdp +sevr	18.04	17.51	17.11	16.80	<i>16.45</i>
Gross Dom. Prod.	19.72	20.04	20.28	20.48	<i>20.58</i>
	Aggregate Demand (1990 Prices)				
Priv. consumption	10.36	10.33	10.30	10.27	<i>10.25</i>
Pub consumption	10.36	10.33	10.30	10.27	<i>10.24</i>
Investment	8.41	8.80	9.20	9.59	<i>9.88</i>
Exports gdp+sevr	6.90	7.92	8.72	9.43	<i>9.69</i>
Imports gdp+sevr	12.83	12.58	12.42	12.33	<i>12.18</i>
Gross Dom Prod	8.84	9.13	9.35	9.53	<i>9.62</i>
	Balance of Payments				
Exports SITC 0-1	2.18	1.32	0.81	0.49	<i>0.30</i>
SITC 2+4	0.00	0.00	0.00	0.00	<i>0.00</i>
SITC 3	7.12	8.13	8.94	9.65	<i>9.89</i>
SITC 5-9	-1.18	-0.20	-0.03	0.00	<i>0.00</i>
All Goods	6.90	7.92	8.72	9.43	<i>9.69</i>
Imports SITC 0-1	2.14	1.66	1.31	1.05	<i>0.86</i>
SITC 2+4	12.60	12.28	12.03	11.81	<i>11.62</i>
SITC 3	19.14	16.65	15.17	14.29	<i>13.68</i>
SITC 5-9	11.99	12.26	12.43	12.53	<i>12.46</i>
All Goods	12.83	12.58	12.42	12.33	<i>12.18</i>
Fob trade balance	-14.40	-14.18	-14.26	-14.15	<i>-16.85</i>
	Current Account Balance				
Int. Payment	10.00	10.00	10.00	10.00	<i>10.00</i>
Crr. a/c balance	-8.58	-7.84	-7.23	-6.50	<i>-6.95</i>
	Price Deflators				
Gdp deflator	10.00	10.00	10.00	10.00	<i>10.00</i>

Export deflator	4.99	4.75	4.54	4.34	4.16
Import deflator	4.71	4.50	4.31	4.13	3.97
<i>Money supply</i>	<i>4.71</i>	<i>4.50</i>	<i>4.31</i>	<i>4.13</i>	<i>3.97</i>

Source: NPC-CEAR ECON-MOD MAC-I Simulations

**Table 3.2 Projection of key Macroeconomic Indicators [Growth in %]
Scenario 2**

	CONSERVATIVE									
	NEEDS: 2007 - 2011			FORECASTS						
	2007	%Change	2008	%Change	2009	%Change	2010	%Change	2011	%Change
Supply Block of the Nigerian Economy in Billion Naira(1990 Prices)										
Food and Other Crops	197.18	5.45	208.95	5.97	219.47	5.03	232.66	6.01	246.97	6.15
Livestock	11.24	1.73	11.55	2.76	11.87	2.81	12.22	2.93	12.59	3.05
Forestry	2.20	2.91	2.27	3.28	2.36	3.97	2.46	4.20	2.57	4.40
Fishery	6.03	3.53	6.27	4.03	6.54	4.30	6.84	4.54	7.16	4.74
Total Agriculture	216.65	5.17	229.04	5.72	240.25	4.89	254.18	5.80	269.30	5.95
Mining and Quarrying	94.94	2.68	98.92	4.20	102.48	3.59	107.08	4.49	112.39	4.96
Manufacturing	37.26	7.78	40.42	8.48	43.86	8.53	47.90	9.20	51.82	8.18
Building and Construction	6.04	3.15	6.29	4.20	6.62	5.21	7.07	6.80	7.51	6.22
Transport	18.05	3.00	18.76	3.99	19.45	3.65	20.41	4.94	21.25	4.12
Communication	6.90	30.14	8.90	28.99	11.20	25.91	13.65	21.88	16.35	19.78
Govt Services	6.86	1.74	6.99	1.94	7.12	1.83	7.27	2.11	7.49	3.03
Distribution	54.40	4.97	56.44	3.76	58.30	3.29	61.77	5.95	65.16	5.49
Others	53.69	7.43	57.08	6.32	59.69	4.57	61.98	3.84	64.50	4.07
Total Output	494.76	5.07	522.85	5.68	548.97	5.00	581.31	5.89	615.77	5.93
Demand Block of the Nigerian Economy in Billion Naira (1990 Prices)										
Consumption Block (Billion Naira, 1990 Prices)										
Private Consumption	330.78	3.80	345.74	4.52	363.03	5.00	386.54	6.48	407.95	5.54
Public Consumption	28.55	3.50	29.69	4.00	30.79	3.70	32.65	6.04	34.86	6.77
Investment Block (Billion Naira, 1990 Prices)										
Capital Formation in Transport	9.79	4.35	10.28	5.03	10.88	5.77	11.65	7.09	12.88	10.56
Capital Building & Construction	13.09	1.04	13.74	4.97	15.06	9.64	16.38	8.76	17.84	8.91
Capital Machinery & Equipment	31.10	10.68	34.53	11.02	37.15	7.60	39.93	7.47	43.17	8.11

Capital Agriculture	6.47	7.05	7.11	10.00	7.50	5.38	8.10	8.04	8.82	8.89
Total	60.45	7.56	65.66	8.63	70.59	7.50	76.06	7.75	82.71	8.74
Import Block (Billion Naira, 1990 Prices)										
Food, Beverages & Tobacco	6.99	2.07	7.25	3.72	7.91	9.09	8.50	7.47	9.01	6.00
Crude, Animal & Vegetable	10.46	5.75	11.04	5.54	11.62	5.25	12.19	4.91	12.77	4.76
Oil	37.31	2.71	38.22	2.45	38.63	1.07	40.78	5.57	43.32	6.23
Other Imports	60.26	3.91	63.90	6.04	67.90	6.26	72.00	6.04	73.50	2.08
Total	115.02	3.89	120.41	4.69	126.06	4.69	133.47	5.88	138.60	3.84
Export Block (Billion Naira, 1990 Prices)										
Food, Beverages & Tobacco	0.80	2.26	0.85	6.25	0.93	9.41	0.99	6.45	1.06	7.37
Crude, Animal & Vegetable	0.07	0.00	0.07	0.13	0.08	7.10	0.09	12.50	0.10	15.56
Oil	179.84	4.17	187.55	4.28	194.77	3.85	202.91	4.18	210.61	3.79
Other Exports	3.93	2.80	4.20	6.68	4.65	10.84	5.30	13.98	6.10	15.09
Total Exports	184.65	4.16	192.67	4.34	200.43	4.03	209.29	4.42	217.88	4.10
Exports; gds+serv	184.65	4.16	192.66	4.34	200.43	4.03	208.59	4.07	216.08	3.59
Imports;gds+serv	115.02	3.89	120.01	4.34	124.85	4.03	133.47	6.90	138.60	3.84
Gross Domestic Product	499.61	5.02	523.63	4.81	549.35	4.91	581.87	5.92	615.78	5.83
Current Account Balance (Billion Naira, 1990 Prices)										
Foreign Debts	4.51	0.00	4.58	1.55	4.67	1.97	4.75	1.71	4.81	1.26
Int Payments	5.69	1.88	5.70	0.18	5.91	3.68	6.05	2.37	6.17	1.98

The zero draft NEEDS-2 document is being subjected to consultation with various stakeholders, including representatives of development partners in order to enrich the document. Already, the NPC has placed advertisements on electronic and print media requesting for comments/memoranda on the Strategic Framework on NEEDS-2. The stakeholders' consultation is to be carried out nationwide, while Nigerians in Diaspora would be encouraged to contribute in order to enrich the document.

The draft NEEDS-2 document would be ready for Mr. President's consideration in line with his Excellency's directive.

SUMMARY OF MAJOR ACHIEVEMENTS OF STATES IN 2006 BENCHMARKING EXERCISE

The emergence of the SEEDS Benchmarking Exercise in Nigeria has engendered several improvements in the governance systems of States in the Federation. Such improvements noticed in the 2006 benchmarking process after the initial exercise in 2005, are in the areas of production and auditing of state financial statements, development of fiscal policy document and medium term sectoral strategies (MTSS) to guide plan implementation as well as publication of information on funds released to Local Government Areas. Others, include, introduction of mechanisms to measure service user satisfaction and address complaints from citizens and computerizations of payrolls to check frauds in the system. Achievements of various States in these areas are highlighted below:

Summary Of States Performance By Benchmark

The overall average performance of all States that participated in the exercise was fair. However, several levels of performances were recorded in the various benchmarks. In benchmark one, which addressed issues of policy, the overall average performance of all States was fair. Only one State's performance was Excellent, six State's performances were Very Good, four were Good, twenty were Fair and three were Weak.

The States generally did not perform well in benchmark two, which examined budget and fiscal management. The overall average performance was weak. No State attained Excellent and Very Good in this benchmark, while one State recorded Good, eight States recorded Fair and twenty-five States recorded Weak.

The benchmark three examined issue of Service Delivery, and the overall average performance was Fair. No State attained Excellent and Very Good, but two States recorded Good, eighteen States recorded Fair and another eighteen States recorded Weak performance.

Under benchmark four, which examined communication, again no State attained Excellent, while the performances of three States were Very Good, five States recorded Good, Fourteen States recorded Fair and the performances of twelve States were Weak.

KEY STRENGTHS

Specific Achievements By States Since 2005 SEEDS Benchmarking

Abia

- The State has developed a draft Fiscal Strategy document;
- Financial statements of the State have been prepared and audited for 2003 to 2005;
- LEEDS has been developed through collaboration between the State and LGAs;

Adamawa

- Financial statements of the State have been prepared and audited for 2003 and 2004;
- Information on funds released to LGAs through the Joint Allocation Committee as well as the use of LGAs fund deducted through JAC are published in newspapers;

Akwa Ibom

- Financial statements of the State have been prepared and audited for 2003 and 2004 while 2005 accounts have been prepared;

Anambra

- Financial statements of the State have been prepared and audited for 2003 to 2005;
- The State House of Assembly Committees serve as sub-committees of the Appropriation Committee to properly scrutinize the Appropriation Bill before the Appropriation Committee concludes its work and the Appropriation Bill is passed into law;

Bauchi

- Financial statements of the State have been prepared and audited for 2003 to 2005;

Benue

- Financial statements of the State have been prepared and audited for 2003 and 2004 while 2005 accounts have been prepared;

Cross River

- Financial statements of the State for 2003 to 2005 have been prepared, audited and submitted to the State House of Assembly within statutory approved time limits. The financial statements have also been scrutinized by PAC of the State House of Assembly;
- The State has systematic mechanisms to measure service user satisfaction, provide avenues for redress where service delivery is poor and take actions in response to complaints;

Delta

- Financial statements of the State have been prepared and audited for 2003 and 2004 while 2005 accounts have been prepared;

Ebonyi

- The State has developed Medium Term Sectoral Strategies (MTSS) in some priority areas of SEEDS, but these are not yet published;
- The State Government published information on funds released to LGAs through the Joint Allocation Committee as well as the use of LGAs fund deducted through JAC;

Ekiti

- Financial statements of the State have been prepared and audited for 2003 and 2004 while 2005 accounts have been prepared;
- The state website provides opportunity for feedback mechanism for citizens to measure service user satisfaction;

FCT

- FCT has developed Medium Term Sectoral Strategies (MTSS) in most priority areas of its FEEDS, but these are not yet published;

- There is a draft Fiscal Strategy document in FCT;
- FCT has systematic mechanisms to measure service user satisfaction, provide avenues for redress where service delivery is poor and take actions in response to complaints;
- Information on funds released to LGAs is published by FCT;

Gombe

- Financial statements of the State have been prepared and audited for 2003 and 2004;

Imo

- Financial statements of the State have been prepared and audited for 2003 and 2004;
- Information on funds released to LGAs through the Joint Allocation Committee is available at the State website;

Jigawa

- Financial statements of the State for 2003 to 2005 have been prepared, audited and submitted to the State House of Assembly within statutory approved time limits;
- The State House of Assembly Committees serve as sub-committees of the Appropriation Committee to properly scrutinize the Appropriation Bill before the Appropriation Committee concludes its work and the Appropriation Bill is passed into law;

Kaduna

- Financial statements of the State have been prepared and audited for 2003 to 2005;
- Information on funds released to LGAs through the Joint Allocation Committee is published in newspapers;

Kano

- Financial statements of the State have been prepared and audited for 2003 to 2005;

- The State House of Assembly Committees serve as sub-committees of the Appropriation Committee to properly scrutinize the Appropriation Bill before the Appropriation Committee concludes its work and the Bill is passed into law;

Kwara

- The State has developed a draft Fiscal Strategy document;
- Financial statements of the State have been prepared and audited for 2003 to 2005;
- Information on funds released to LGAs through the Joint Allocation Committee is published in newspapers;

Lagos

- Financial statements of the State have been prepared and audited for 2003 to 2005 and the PAC of the State House of Assembly has scrutinized the 2003 and 2004 accounts;
- The State has systematic mechanisms to measure service user satisfaction, provide avenues for redress where service delivery is poor and take actions in response to complaints;

Niger

- Financial statements of the State have been prepared and audited for 2003 and 2004 and the PAC of the State House of Assembly has scrutinized them;
- The State House of Assembly Committees serve as sub-committees of the Appropriation Committee to scrutinize the Appropriation Bill before the Appropriation Committee concludes its work and the Bill is passed into law;

Ondo

- Financial statements of the State have been prepared and audited for 2003 and 2004 while 2005 accounts have been prepared;

Osun

- LEEDS has been developed through collaboration between the State and LGAs;
- The State has systematic mechanisms to measure service user satisfaction, provide avenues for redress where service delivery is poor and take actions in response to complaints;

Oyo

- The State has developed a draft Fiscal Strategy document;
- Financial statements of the State have been prepared and audited for 2003 to 2005 and the PAC of the State House of Assembly has scrutinized the 2003 and 2004 accounts;

Rivers

- The State has a Fiscal Strategy document which has been adopted by Government and made available at the State website;
- Financial statements of the State have been prepared and audited for 2003 to 2005;
- Information on funds released to LGAs through the Joint Allocation Committee as well as the use of LGAs fund deducted through JAC is published in newspapers;

Sokoto

- Financial statements of the State have been prepared and audited for 2003 and 2004;

Yobe

- The State Government published information on funds released to LGAs through the Joint Allocation Committee as well as the use of LGAs fund deducted through JAC;

Almost all States have computerized their payrolls to check payroll fraud. In some cases, the computerised payroll systems are linked to biometric data of staff to capture changes in human resources status.

WEAKNESSES

32. Areas of weaknesses were States need to make improvements in their governance systems include the following:

Policy

- Most States have not developed medium term sectoral strategies (MTSS) to assist in the implementation of priorities in their SEEDS.
- There is limited distribution of the SEEDS document in some State, including translation of the document into local languages.

Budget and Fiscal Management

- Most States are yet to develop Fiscal Strategy documents.
- All States have not developed the Medium Term Expenditure Framework with three years aggregate fiscal forecasts and costing of capital and recurrent implications of SEEDS strategies on a rolling annual basis.
- All States are not separately identifying and tracking poverty reducing expenditures in their budgets either through a special virtual fund code or existing budgetary classification system or prior identification of poverty reducing expenditure items.
- Based on budget performance, most States do not prepare realistic budget, including setting realistic estimates of internally generated revenue (IGR).
- Budgets, in-year budget reports and financial statements in several States are not prepared and submitted to the relevant authorities on a timely basis.

Service Delivery

- Several States do not maintain an effective system of data collection, processing and dissemination for use to inform policy and decision-making.
- Most States embark on project monitoring but do not monitor service provision against policy targets of SEEDS.

Communication and Transparency

- Few States publish contracts awards or undertake public signing of contracts or publish works contracts undertaken to make communities who benefit from contracts aware of them.
- Most States need to take more actions to prevent, detect and punish corrupt practices.
- Few States make accounts and other public finance information accessible to the public, including information on the use of LGA funds managed through JAC.

Strategy for Improving Weaknesses

The main strategy proposed to improve the observed weaknesses in the governance system of State is collaboration between the National planning Commission and State Planning authorities to enhance and sharpen technical capacity in the States in the above areas. This could be done in an intensive technical training of the State SEEDS operators. Each State's report could be used for practical discussion on the States performance on the SEEDS Benchmarking report compared to the expected. This would then be followed up with a technical support to improve upon on those areas before another round of benchmarking exercise. All these will contribute to the revision of SEEDS to get SEEDS2.

PROGRESS REPORT ON THE MILLENNIUM DEVELOPMENT GOALS (MDG's)

The 2006 report on the MDG's indicates increasing prospects for Nigeria's achievement of some of the stipulated Goals even before the 2015 deadline. The promising areas include; eradication of extreme poverty and hunger; universal primary education; ensuring environmental sustainability; combating HIV/AIDS; Women empowerment and developing of global partnership for development. However, progress on the other goals, particularly on reduction in both infant and maternal mortality rates remain slow, posing serious challenge to the nation. The details of the report are as follows:

Goal 1: Eradicate Extreme Poverty and Hunger

Poverty trend has continued to decline progressively from 70 per cent in 1999 to 54 percent in 2005. The outcome of the 2004 Core Welfare Indicators Survey (NBS) shows that the proportion of population living in relative poverty reduced to 54 per cent, while 35 percent out of the 54 per cent of poor people are considered extremely poor.

Goal 2: Achieve Universal Education

The net enrolment ratio in primary education was 84.26 per cent in 2005 as against 81.1 per cent in 2004. The proportion of pupils starting Primary One who reach Primary Five was 74 per cent in 2005, while the literacy rate of 15–24 years old improved from 76.2% in 2004 to 80.20 per cent in 2005.

Goal 3: Promote Gender Equality and Empower Women

The ratio of girls to boys in primary education (i.e. girls per 100 boys) as well as in secondary education has improved from 79 per cent in 2004 81.0 per cent in 2005. If this trend were maintained, it would be possible to attain the 100 percent level expected by 2015. The proportion of women in non-agricultural wage employment did not show any remarkable improvement in 2006, while the number of seats held by women in national parliament remained 5.76 per cent. This is a far cry from the 30 per cent affirmative action as enunciated in the NEEDS document.

Goal 4: Reduce Child Mortality

The results under this goal fall far short of expectations. Infant mortality rate (per 1000 live births) deteriorated from 100 per 1000 births in 2003 to 110 per 1000 births in 2005 despite several measures put in place. This

might be attributable to mother–child transmission of diseases such as HIV/AIDS. The under-5 mortality rate improved marginally from 201 per 1000 births in 2003 to 197 per 1000 live births in 2005 while the percentage of one-year-olds fully immunized against measles also improved from 31.4 percent in 2003 to 50 percent in 2005.

Goal 5: Improve Maternal Health

There was not much significant progress made in respect to this goal. An increasing maternal mortality rate of 800 per 100,000 live births was reported in 2004 as against 704 in 1999. The data for the 2005-2006 is not yet available to ascertain the actual direction at the moment. However, the proportion of births attended to by skilled health personnel increased albeit, marginally from 36.3 percent in 2003 to 44 per cent in 2005.

Goals 6: Combat HIV/AIDS, Malaria and other Diseases

The prevalence of HIV/AIDS fell from 5.8% in 2001 to 4.4% in 2005. The HIV prevalence among pregnant women aged 15–24 also improved marginally from 5.2 percent in 2004 to 4.4 percent in 2005. Similarly, the percentage of people aged 15–24 reporting the use of condom during sexual intercourse with a non-regular sexual partner increased from 46.3 percent in 2003 to 49.7 in 2005. This is a success story for the nation.

Goal 7: Ensure Environmental Sustainability

The achievements under this goal have been adversely affected by unavailability of data. Available data show that the proportion of total land area covered by forest declined marginally from 13.0 percent in 2004 to 12.6 percent in 2005 while the proportion of total population with access to drinking water was 65 per cent in 2005.

Goal 8: Develop a Global Partnership for Development

Tremendous progress has been recorded in the attainment of this goal. The per capita official development assistance to Nigeria has increased from 2.3 in 2004 to 4.0 in 2005. The NEPAD initiative is engendering consensus building at the global level, while regional integration is deepening particularly in the West African Sub-region under ECOWAS.