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**FEDERAL REPUBLIC OF NIGERIA**

**Opening Remarks**

**By:**

**SENATOR UDOMA UDO UDOMA**

Honourable Minister of Budget and National Planning

At

**THE 2016 (15TH) JOINT PLANNING BOARD (JPB)/NATIONAL COUNCIL ON DEVELOPMENT PLANNING (NCDP) MEETINGS HELD AT TAHIR GUEST PALACE, KANO, KANO STATE**

AUGUST 25, 2016

**Protocol**

**A. INTRODUCTION**

It is with great delight that I welcome all Honorable Commissioners for Economic Planning and Budget, as well as other participants, to the 15th National Council on Development Planning (NCDP) meeting holding here in the ancient and historic city of Kano. This event, organized by the Ministry of Budget and National Planning, in close collaboration with the Kano State Government, is a follow up to the last meeting of the NCDP held in Awka, Anambra State in October 2015.

2. Let me begin by formally expressing my gratitude to His Excellency the Vice President, Professor Yemi Osinbajo (GCON), for honoring our invitation to attend this event and delivering the keynote address. I also want to appreciate His Excellency, the Executive Governor of Kano State, Dr Abdullahi Umar Ganduje, for accepting to host this important meeting.

3. As you may be aware, the NCDP was established in accordance with the National Planning Commission Act No 71 of 1993. The Council, which meets bi-annually, is one of the key statutory bodies responsible for coordinating the economic development process at the national and sub-national levels. Its meeting is preceded by the Joint Planning Board (JPB) meeting, which is a technical gathering of the Permanent Secretaries and Directors responsible for Economic Planning and Budgeting chaired by the Permanent Secretary, Ministry of Budget and National Planning. I trust that all you Commissioners of Economic Planning present here today will bring to bear your wealth of experience on the work of the Council, as well as work together to move our country forward.

4. The theme of this year’s Conference is **“National Strategic Planning as a Vehicle for the Attainment of Sustainable Development Goals”.** As you are all aware, the U.N. Agenda for Sustainable Development adopted last year at the United Nations Sustainable Development Summit includes 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030. The 169 targets accompanying the 17 SDGs, whilst global in nature and universal in application, also take into account different national realities, capacities, levels of development and respect for national policies and priorities. The SDGs are consistent with our national aspirations of achieving inclusive growth, and our theme for the conference has been chosen to build on the SDG framework for shared action “for people, planet and prosperity”.

Today’s meeting will deliberate on the recommendations of the Joint Planning Board as well as the various suggestions made by our resource persons. I am confident that useful suggestions will emanate from this meeting that will be integrated into the framework for our national strategic plan for achieving the SDGs.

**B. STATE OF THE ECONOMY**

5. Your Excellencies, ladies and gentlemen, our economy is currently undergoing trying times. Any plans we come up with must focus on, and address, these challenges. As is well known, our current economic challenges are rooted in our over reliance on a single commodity – crude oil – whose price has fallen, as has production, leading to a drastic fall in our revenues.

**C. FEDERAL GOVERNMENT’S EFFORTS TO TACKLE THE CHALLENGES**

6. The Federal Government developed our 2016 budget, the first budget of this administration, against this background. The 2016 “Budget of Change” therefore includes macro-economic policies that are designed to reflate the economy by, amongst other things, investing in key infrastructure and social development.

7. We have also launched a Strategic Implementation Plan (SIP) for the effective implementation of the budget. Broadly speaking, the SIP focuses on six key areas: i) governance, transparency and security; ii) economic diversification into agriculture, industrialization, solid minerals, entertainment and tourism; iii) development of critical infrastructure that include power, rail, roads, and housing; iv) promoting ease of doing business; v) deepening oil and gas sector reforms; and vi) social investment.

8. More specifically, we are in the process of restructuring and recapitalizing the Bank of Agriculture so it can lend at single digit interest rates to farmers. We are addressing the infrastructure deficit by working to complete the Abuja-Kaduna and Itakpe-Ajaokuta-Warri rail lines; we are commencing the construction of the Lagos-Kano rail line; we are concluding negotiations on the Lagos–Calabar rail line; and we are also working to complete the rehabilitation of our main international airports at Abuja, Lagos, Kano and Port Harcourt airports. With regard to these airports we are exploring concession options to manage them, once they are completed. We are also looking at PPP’s and concession arrangements for attracting private sector investment for our roads, rail, ports and other major infrastructure projects. In this connection the Federal Executive Council has recently given initial approval for the construction of a greenfield port in Badagry by a consortium of private investors.

All these projects cost a lot of money. To ramp up infrastructure investment, we have increased capital expenditure from less than 15% in 2015 to about 30% of total fiscal spending. We have achieved this by increasing non-oil revenues and supplementing this with increased borrowing. We have set ourselves the target of optimizing the 7,000MW installed electricity capacity by working to complete ongoing power generation and transmission and gas supply projects. Unfortunately, progress in improving power supply has been severely constrained by the disruptions to gas supply in the Niger Delta.

Housing development can be a great boost to economic activity. Whilst we expect most housing development to be by the private sector, Government must take a lead in the area of social housing, as these are not attractive to private sector real estate developers. Accordingly, the Federal Government intends, this year, to construct 3,552 affordable mixed housing units as pilot schemes located in all the 36 States of the Federation, and the FCT.

We are also focusing on making the business environment more investor friendly. Our target is to move up 20 places on the ranking ladder of the World Bank’s Ease of Doing Business through simplification of business and regulatory processes. To reduce fiscal waste, the Efficiency Unit we created is promoting fiscal consolidation and plugging fiscal loopholes. To promote food security, we have initiated policies to achieve self-sufficiency in rice by 2018, wheat by 2019 and substantially increase local production of maize, soybeans, poultry and livestock. To stimulate investment in solid minerals, we have adopted and are currently implementing a Solid Minerals Road Map. Success in this area will boost our foreign exchange earnings and will help in economic diversification away from reliance on crude oil exports. We are creating jobs by employing 500,000 youths, most of whom will teach as graduate teachers in the Volunteer Teachers Corps Programme, whilst some will serve as agriculture extension workers.

**D. ROLE OF THE STATES**

9. Your Excellencies, ladies and gentlemen, in addition to these measures we are continuing, and will continue, to introduce additional measures, all aimed at providing sufficient fiscal stimulation to move us out of recession, and back on the path of sustainable growth. We are determined to achieve this, and are confident that we will. However, we will need to work closely with the State Governments, as well as the private sector. In that connection, permit me to share with you some of my thoughts on what you may wish to focus on at the State level to complement the efforts of the Federal Government.

10. **Agriculture.** A majorthrust of our economic diversification policy is the rapid expansion of agricultural production**.** Just last week, the Federal Government launched the Agriculture Road Map that articulates the agriculture sector strategy through identification of some important commodities for value chain development and promotion. Nigeria is blessed with rich arable land and clement weather conditions conducive for growing a wide variety of crops. For example, Nigeria is the number one cassava producer in the world, a commodity that can be grown in virtually all the States. Is it not sad that, notwithstanding the fact that rice can grow well in almost every State in the country, we have, by the neglect of agriculture, become the second largest world importer of rice! We can also grow maize, soya, sorghum, millet, banana, tomatoes almost everywhere in the country. States may wish to target certain crops and become national champions in those, as Kebbi is doing with rice. Access to land for agriculture is critical for rapid expansion for agriculture. State Governments will need to work on quickening the processes for registration of land title to ease the process of land acquisition. Furthermore, States can also boost productivity by organizing farmers into cooperatives to help them access credit and other relevant farm inputs.

11. **Mining.** The Ministry of Solid Minerals Development has established that no less than 44 minerals are available in commercially exploitable quantities in over 450 locations spread across the entire country. For instance, Nasarawa State alone is estimated to have over 20 solid mineral deposits in commercial quantities while at least 11 States reportedly have deposits of limestone. However, exploitation of these minerals remains rudimentary and limited. I urge you to identify the existing opportunities in the solid minerals value chain in your state and develop strategies to exploit them.

12. **Infrastructure Development**. Poor transport infrastructure and logistics such as post-harvest preservation and handling, has increased post-harvest losses to as high as 45% for tomatoes and 60% for fruits and vegetables in some harvesting seasons. I urge you to think of what infrastructure development projects you can undertake to improve the business environment in your State. Also what about power? States can team together to do power projects. Also small improvements in rural roads can go a long away to helping in the evacuation of crops. We know the States have limited financial resources and you may not be able to undertake these infrastructure development projects on your own, so, just as the Federal Government intends to do, you may also explore public-private partnerships to deliver these essential infrastructure projects.

13. **Buy Nigeria to Grow Nigeria.** Every foreign product we consume creates jobs for foreigners and transfers wealth to the countries producing the goods. To encourage an increasingly diversified economy with the associated benefits of job creation, wealth generation, forex inflows and a strong Naira, we must promote Nigerian made goods by patronizing made in Nigeria. From Aba to Kano, from Nnewi to Abeokuta, Nigerians are creative and resourceful. We have products that can be internationally competitive such as tie and dye or Adire fabrics in Abeokuta, leather products in Kano, textiles in Kaduna, automobile assemblage in Nnewi, Nollywood film production in Lagos, etc. However, our manufacturers must pay more attention to the quality of the goods they produce. A way to encourage them is by patronizing them. We must therefore all reform our procurement rules to promote consumption of locally made goods.

14. **Promote Healthy State Competition**. I also support healthy competition amongst States. Competition engenders innovation, identifies strengths and weaknesses, develops creative thinking, assists in overcoming complacency, promotes adaptation, and gives room for learning. In addition, the performance of States can also be enhanced by more regional collaboration.

**E. CONCLUSION**

15. In conclusion, let me thank His Excellency, Prof Yemi Osinbajo, the Vice President of Nigeria, for accepting to come personally, despite his very busy programme, to address us. I am grateful to His Excellency, Dr Abdullahi Ganduje, the Governor of Kano State for accepting to host this event. I commend the excellent arrangements and logistics put in place by the Joint Planning Committee, as well as the Local Organizing Committee led by the Kano State Commissioner for Economic Planning. I thank the staff of the Ministry of Budget and Planning for the hard work they have done in putting this event together. I also acknowledge the contributions of all participating private sector institutions and the UNDP for their contributions to the success of this event.

16. I thank you all for your attention.