

PROGRESS REPORT BY THE DIRECTOR GENERAL, NGF 11th January, 2010

Introduction

I wish to welcome Your Excellencies to this 1st meeting in the New Year. We wish to express our profound appreciation to the Forum for the support and cooperation that the Secretariat enjoyed in the course of 2009. It is our hope that this year would see to the consolidation of the gains of 2009 and the opening of new opportunities which would ultimately project and move the NGF to enviable heights.

Please, find below a brief on the activities of the Secretariat since my last report to YEs.

1. Meetings held in 2009

In 2009, the Forum held a total of seven (7) meetings comprising five (5) general meetings and two (2) emergency meetings. Please find below an analysis of the meetings held with dates and attendance profile:

S/N	Date of Meeting	No of States in Attendance	No. of Governors	No. of Deputy Governors
1	26/01/2009	31	23	8
2	09/03/2009	28	23	5
3	06/07/2009	19	10	9
4	05/10/2009	33	25	8
5	08/11/2009	25	19	6
6	03/12/2009	28	22	6
% Ratio of Attendance in 2009 = 76%				

As stated above, there were two (2) emergency meetings held in 2009 on 23 March, 2009 and 3 December, 2009 respectively. Whilst the former was held to deliberate on the Report of the Electoral Reform Committee together with the White Paper released by the Federal Government, the latter was held in the wake of the President's hospitalisation in Saudi Arabia and the attendant calls for his resignation by a section of the political class.

2. Visit of the Secretariat to States/Development of a framework for peer review mechanism

Your Excellencies may recall that last year, we commenced a tour of the States. I have led a team made up of some Secretariat staff, policy analysts and professional journalists to visit States as part of a programme designed at one level to acquaint the Secretariat with the States and at another level to evolve a framework for developing a peer review mechanism.

The Secretariat has so far visited eighteen (18) States: Edo, Delta, Bayelsa, Rivers, Akwa Ibom, Cross River, Anambra, Imo, Enugu, Ebonyi, Abia, Benue, Plateau, Niger, Kwara, Nasarawa, Kogi and Lagos States.

Like I stated in my last brief, our initial finding from the States visited is that a number of States are doing a number of things well and several States do have

excellent unique practices that could be benchmarked across the country. In major areas like education, healthcare, agriculture, water, power, infrastructural development, governance, job creation and the capacity to grow internally generated revenue, the State governments have showed varied and innovative approaches to connecting and satisfying the yearnings of their citizens.

We would catalogue all these findings including noticeable challenges in our final report which we are putting together and which would be ready upon completion of the peer review tour within the first quarter of this year.

Please, find below our next steps in respect of the peer review exercise:

- Conclude visits to States
- Prepare full report
- Develop peer review framework
- Obtain approval for peer review mechanism and implement
- Continuous review and improvement of mechanism

Finally, I want to state that the development partners have shown enthusiasm in the whole exercise and have pledged commitment in seeing to the success of the peer review exercise.

3. Update on the Permanent Secretariat

At the last meeting, the Forum directed that work commence on the permanent Secretariat. The leadership of the Secretariat also met with the Chairman of the sub-committee on the Permanent Secretariat where an attempt was made to develop a Roadmap for actualising the project. Following concerns over the cost and magnitude of the project in the face of lean resources of the States, it was agreed that there was a need to review and scale down the designs as well as the cost of the project. The project was accordingly scaled down from 12 floors to 6 floors and the cost was reduced from N6.9 billion to about N4.2 billion. The Secretariat would however appreciate a further reduction.

4. States' Financial Commitments

Again, we must express our gratitude to the Forum for the support we have been getting from members but wish to state that the financial challenges confronting the Secretariat persist.

The matrix below shows total outstanding obligations by members on annual dues, payments for Secretariat project and welfare contributions to the family of Late Senator Mamman Ali, former Executive Governor of Yobe State:

S/N	Item	Total Expectations	Total Actual Payment	Outstanding Payment
1	Annual Dues (1999-2009)	N288, 000, 000	N239, 000, 000	N49, 000, 000
2	Annual Dues 2010	N72, 000, 000	-	N72, 000, 000
3	Permanent Secretariat	N3,060, 000, 000	N1, 280, 250, 000	N1, 779, 750, 000
4	Mamman Ali Welfare contribution	N70, 000, 000	N48, 000, 000	N22, 000, 000
	Total	N3, 490, 000, 000	N1, 547, 250, 000	N1, 942, 750, 000

Details of the table above are attached.

5. Update on the Midwives Service Scheme (MSS)

Your Excellencies would recall that the Honourable Minister of Health briefed members at its meeting held on October 5, 2009 on the Midwives Service Scheme (MSS). This is a programme designed to improve maternal and child health care in Nigeria through the distribution of midwives at Primary Healthcare Centres around the country. To that end, he informed the Forum of the need for an MOU that would detail the responsibilities of the Federal Government (FG), the States and the Local Governments (LGs). The MOUs were circulated to members for execution by States.

We are happy to report that so far **32 States** (including FCT) have signed and returned their MoUs and 2,200 midwives have since resumed duty at designated health facilities in the States.

However, the following **5 States** are yet to return their MOUs namely **Bayelsa, Rivers, Borno, Edo and Delta**.

The Federal Ministry is appealing to YE to facilitate official communication to Local Government Chairmen on their roles in the scheme which include provision of accommodation to midwives, payment of supplementary allowances of N10, 000 monthly by the LGAs to each midwife under the scheme as well as ensuring routine supplies (medical consumables and essential drugs) to designated facilities.

6. Polio Eradication Campaign

YE would recall the Polio eradication efforts of the past year which started with the visit of Bill Gates of the Bill and Melinda Gates Foundation in February 2009 and culminated in the uniform Polio Eradication Campaign across the 36 States of the federation on August 11, 2009.

Recall that the meeting of 2nd February, 2009 between the 36 governors and Mr. Bill Gates resulted in the signing of what came to be known as 'The Abuja Commitments to Polio Eradication in Nigeria'. There has been significant progress in the eradication of Polio in Nigeria but there is still a lot of work to be done given that the situation of Polio virus infection in the country is still fragile.

Following the need to consolidate the gains recorded in 2009, there is a plan to mark the 1st year anniversary of the Governors' Abuja commitments to polio eradication in Nigeria. The purpose of the 1st anniversary of the Abuja Commitments is to recognise the Governors' efforts on polio eradication in 2009 and agree to specific actions required in 2010 to secure a polio-free Nigeria. Part of the activities to mark the event would be the presentation of a report including a scorecard on implementation of the commitments and is expected to take place at an open session of the Governors' Forum which should include stakeholders in the polio eradication efforts and the media. *Find attached a CD containing information on the 1st Anniversary.*

7. Interface with Development Partners

Your Excellencies, at my last briefing, I stated that a number of development partners have expressed the strong desire to work with the States through the NGF Secretariat

especially in areas of capacity building. We are meanwhile developing an engagement framework for this.

The DFID through its State Partnership for Accountability, Responsiveness and Capability (SPARC) programme is assisting the NGF and the Secretariat in developing strategic and operational plans. The team from DFID worked with senior staff of the Secretariat and some consultants attached to the NGF Secretariat in putting the draft Plans together. The draft copies were distributed to members at the emergency meeting of the Forum held on December 3, 2009 for YE's input. We are yet to receive any input from members and we are thus enclosing fresh copies for YE's input and consideration.

Similarly, the Secretariat on October 15, 2009 met with the Country Director, United Nations Development Programme (UNDP) and his senior officials and they expressed a strong commitment to assist the NGF in its developmental efforts. The Country Director recalled on-going efforts to provide assistance to States in building their technical capacities to pass and implement the Fiscal Responsibility (FR) and Public Procurement (PP) laws.

The Secretariat is currently working with Development Partners, the Federal Ministry of Finance (FMF) and the Debt Management Office (DMO) on the provision of coordinated assistance to States for the discussion, passage and implementation of the FR and PP laws in order to achieve development outcomes through more transparent and accountable use of public resources.

A Committee/Technical Group (that includes representation from the NGF Secretariat) was set up to take stock of the status of the FR and PP laws, map development partner support to facilitate coordination of the exercise and work on an MoU that would guide the proposed project and generally progress the relationship. The MoU would be between the NGF, FMOF and the Development Partners. The Committee was mandated to turn in its report to the wider group by 30th November, 2009.

The draft MOU was distributed at the last emergency meeting of the Forum held in December, 2009 and we await further directives from the Forum.

Also, the UNDP has just released a Human Development Report for the country with the theme, *Achieving Growth with Equity*. The Report deals with the complex intertwined relationship between growth, poverty and inequality, a critical part of the agenda of the Nigerian Government's 7-point Agenda. The Report contains a computation of Human Development Indices disaggregated at State level, a novel development which was achieved through the instrumentality and assistance of the National Bureau of Statistics (NBS). [*Copy of the Report as well as an Executive Summary of the Report enclosed in the Meeting Folder*].

8. 1st National Conference on Internally Generated Revenue (IGR)

YE would recall that the NGF held its first National Conference on IGR between 16 and 18 November, 2009.

The Conference became necessary in the light of the global economic meltdown. The theme was **'Surviving the Downturn: Refocusing on Internally Generated Revenue'**.

The event recorded immense success and was attended by many professionals from the various States and the private sector. **The Report of the conference is ready and has been enclosed in the meeting folder.**

We thank YE for the support we received that went a long way in ensuring the success the conference.

9. **N200 billion federal government commercial agricultural credit scheme (CACS)**

Please recall the N200 billion Agricultural grant set aside by the Federal Government to aid commercial agriculture in the country part of which was deposited in two commercial banks, UBA and First Bank. Following delays in disbursing this grant and intervention by the Forum, the Central bank of Nigeria (CBN) called back the grants deposited in these banks.

Recall the Chairman's update at the last meeting on his meeting with the Governors of Adamawa and Kaduna States, the Minister of Agriculture and the Central Bank Governor where it was agreed among others to implement the second tranche of the CACS in two phases namely:

- a) Disbursement of N40 billion to State Governments for on-lending to small scale farmers for fertilisers and other agric input.
- b) Disbursement of N60 billion to new five banks to be appointed by the CBN for on-lending under the existing CACS. **[Please, find attached the Minutes of the meeting held on November 3, 2009].**

However, we recently discovered that advertisements had been placed in the dailies, specifically the **Daily Trust of Thursday, December 24, 2009 [Herein attached]** seeking applications not only for agricultural loans for State Governments but also calling on input suppliers for fertiliser procurement, agricultural mechanisation and seed procurement.

The latter was clearly inconsistent with the agreement reached at the meeting and we wrote in protest to the Governor of Central Bank urging him to revert to the decisions reached at the meeting with representatives of the Forum and at the meeting of the National Economic Council (NEC) on November 10, 2009.

10. **Listing by the US Transparent Security Administration (TSA)**

Following the December 25, 2009 incident involving a Nigerian national accused of attempting to bomb a US bound flight to Michigan, the US Transport Security Administration, an Agency (TSA) under the Department of Homeland Security, had on January 4, 2010 heightened securities by releasing travel guidance for international travellers, particularly those going to the US. Prior to this, Nigeria had been included on the list of countries of interest alongside countries such as Afghanistan, Algeria, Lebanon, Libya, Pakistan, Saudi Arabia, Somalia and Yemen.

The Secretariat has obtained a copy of the six-charge indictment against Farouk Umar Abdul Mutallab. *[Please, find enclosed a copy of the indictment as well as a TSA Release on the listing].*

11. NGF Secretariat Budget 2010

YE would recall that the Secretariat was directed at the last meeting of the Forum to present its budget for 2010.

The Secretariat has formulated a new budget of **N529, 115, 000. 00** for 2010 and this would necessitate further annual subscription from members.

Before the inception of the new management, the last audited account of the Forum was in 2006. We commissioned a firm of Chartered Accountants, Abdulkadeer & Co. Chartered Accountants, to audit the Forum's accounts from **2007-2009**.

12. States Budget 2010

We have successfully gathered data of all the budgets of the 36 States and are at present reviewing them.

13. Delegation to India by the Implementation Committee of Unique Tax Implementation Number (UTIN)

Following the efforts of the Joint Tax Board (JTB) at fine-tuning the tax system to meet global best practices, it embarked on the UTIN Project aimed at the harmonisation, identification and registration of all taxpayers in the country. To ensure the success of the project, I led a delegation of the Implementation Committee on the Unique Taxpayer Identification Number (UTIN) to India between the 16th and 23rd December, 2009 to undertake a study of the Indian Tax System to have a first hand experience of the operations of the Indian Permanent Account Number (PAN) which shares some peculiarities with Nigeria.

The objective was to understudy the infrastructure and systems, standards, processes and the operational dynamics of the Indian Tax System – PAN.

The expectations from States are as follows:

- i) Buy-in from States required;
- ii) States are also required to pay up subscriptions as earlier agreed and approved by the National Economic Council (NEC).

Please, find enclosed in the Meeting Folder a Report of the Study Tour.

14. Secretariat Office Complex

YE would recall that the Secretariat re-located its Secretariat to Asokoro in August 2009 pursuant to a two-year tenancy agreement expected to lapse in August this year.

However, the landlord communicated to the Secretariat his desire to increase his rent from N24m for two years (as earlier agreed) to N50m for two years, an increase of over 100%.

We are not unmindful of the lean resources of the Forum and thus have no intention of remaining on the property at such arbitrarily exorbitant cost. We are therefore looking for new premises, of reasonable and affordable cost, for the operations of the Secretariat pending the completion of the permanent Secretariat.

The above for YE's consideration and, where appropriate, approval, please.