



NESG 2017 ACTIVITY SNAPSHOT



Dear Stakeholder,

I am pleased to present the NESG 2017 activity report that highlights critical engagements and initiatives pursued over the course of the year.

Nigeria's government and business community heaved a measured sigh of relief after GDP growth figures turned positive in the second quarter of 2017 and continued to grow in the third quarter. The improvement was largely driven by a rebound in oil production and related foreign exchange revenues. This resulted in an improvement in the supply of foreign exchange, a welcome relief to the government and private sector. However, non-oil GDP growth remained low and actually contracted in the third quarter. This weakness reflects the urgency to sustain and indeed accelerate policy and institutional reforms designed to create a more open and competitive economy.

As you may be aware, Nigeria moved up 24 places in the World Bank's latest ease of doing business ranking to 145th place. This reflects a significant, albeit insufficient improvement in the business environment. However, we are pleased to report some of the NESG initiatives that contributed significantly to this move.

Advocacy and public-private dialogue and engagement to effect reforms remain the focus of the NESG. This report captures several notable events and initiatives initiated/pursued this year. They highlight the growing profile and critical role played by the NESG in the reform of the Nigerian economy. I hope you find it informative and that it helps you better appreciate our role as a think-tank and Nigeria's most robust and credible platform for the interrogation of our national economic policy direction. Furthermore, this report captures our efforts to influence the economic growth strategies designed to address the challenges of our times.

We look forward to your support and partnership as we continue to take steps to improve the business environment.
Best Wishes,

'Laoye Jaiyeola
CEO



NESG Policy Commissions

Through our 10-Policy Commissions we have continued to work with the various ministries, departments and agencies to implement the NESG's policy recommendations.

As a follow up to the "Made-in-Nigeria" advocacy/intervention that the NESG committed to at NES#22, the NESG Real Sector and SME Policy Commission hosted a dialogue session with the Honourable Minister of State for Industry, Trade and Investment, Mrs. Aisha Abubakar on February 13. The aim of the dialogue was to engage the private sector through the process of developing a strategic plan towards the promotion of "Made in Nigeria" products and on a plan towards the development of the Micro, Small and Medium Enterprise (MSME) in Nigeria.

Subsequently, a small team was constituted to provide technical support to the Minister in this regard.

This policy commission also hosted stakeholder dialogues in Lagos and Abuja on the backward linkage project. Furthermore, a research initiative was commissioned with a view to influence policies on backward integration. The Real Sector Policy Commission is conducting a study jointly with the UK based Overseas Development Institute (ODI) to assess the strength of backward linkages (local content) in the Nigerian economy and identify the most effective policies for strengthening such linkages. The research aims to quantify the extent of backward linkages currently in manufacturing supply chains and devise a model for the simulation of the potential gains associated with increasing backwards linkages.

In addition, this Policy Commission has taken up the issue of sports as a business in a bid to highlight the job creation opportunities therein as well as to deep dive into the skills and competencies required in the sector to enhance productivity. This was a key subject in the breakout session of the policy commission at NES#23.

On March 7, the Infrastructure Policy Commission hosted the Managing Director of Nigerian Ports Authority as part of its efforts to ensure that the nation's ports are properly leveraged to revitalize our railway system and by extension, facilitate a better environment for doing business in Nigeria. This engagement is indeed critical given that NESG, through NASSBER is one of the partners of the National Assembly that is working on the Nigerian Ports and Harbour Authority Bill as well as the National Transport Commission Bill. The event is part of preliminary activities ahead of a proposed stakeholder's roundtable to discuss infrastructure issues relating to rail transport.

The Sustainability Policy Commission made significant strides in driving investments into renewable energy. After achieving a review of Nigeria's energy mix in 2016 through its engagement at the 2nd National Council on

Power, the Policy Commission hosted the inaugural renewable energy roundtable to complement the government's efforts to encourage investments in renewable energy technologies. Furthermore, in June, the NESG and the Federal Ministry of Science and Technology with the support of Heinrich Boll Stiftung (HBS) convened the Nigerian Renewable Energy Roundtable (NiRER) to galvanize efforts to achieve the Federal Government's objective of generating 30% of 30GW of electricity from renewable energy by 2030. The NESG and HBS Nigeria also carried out a study on Nigeria's energy choices and a comprehensive cost comparison of generating electricity from available energy sources. Its outcome indicates a business case for investments in renewable energy. NiRER was inaugurated by Acting President Prof. Yemi Osinbajo and the Joint Secretariat of NiRER shall be the NESG and the Energy Commission of Nigeria. We also hosted a CEO's breakfast meeting on investments in renewable energy technologies. It provided a platform to identify and discuss investment options in Nigeria. We intend to sustain the momentum generated by these events by organizing subsequent events and continue our advocacy for policy reforms that will stimulate investments in renewable energy technologies.



Engagement with MDAs/Government

The NESG also supported the improvement of the National Policy Monitoring and Evaluation (M&E) System and has provided technical assistance in private sector input into the 2016 Government M&E and Performance Report. The report was presented to the council in June 2017.

The NESG is an institutional partner of the Private Sector Advisory Group designed to support the Office of the Senior Special Adviser to the President on Sustainable Development Goals (SDGs). The objective of this effort is to incorporate the SDGs into the framework for national planning in Nigeria. Under this partnership, the NESG will facilitate dialogues across several sectors of the economy and engage other stakeholders to build strong alliances around specific SDG thematic areas.

NESG is currently strengthening the office of the Honourable Minister of State for Budget and National Planning's M&E system through the deployment of an NESG Fellow at the Ministry. While the M&E system is funded directly by the EU fund, the NESG has continued to provide technical assistance to support the process. This led to NESG participating at the first ministerial policy performance review and M&E peer system review in February. It was attended by 17 Federal Ministers and they all signed a communique adopting the policy M&E and government results based management system.

Presidential Enabling Business Environment Secretariat (PEBES)

The NESG in collaboration with the Presidential Enabling Business Environment Secretariat (PEBES) hosted an event April 21. The objective of the engagement was to provide an update on the implementation of the National Action Plan on Ease of Doing Business in Nigeria that was launched on February 21 and to get a feedback from stakeholders with the aim of identifying challenges and agreeing modalities for strengthening its implementation. In addition, the meeting provided the PEBES an opportunity to solicit private sector support for

partnerships towards achieving the overall goals of the National Action Plan. We shall continue to engage PEBES to ensure continued focus on this crucial national imperatives.

Multilateral/International Development Organisations

The year started on January 17 with a closed-door session with the International Monetary Fund as part of its routine Article IV consultation in Nigeria. It is our intention to continue these consultations all through the year. The NESG is also involved with the Open Government Partnership (OGP) at the steering committee level. The OGP is a multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. Our efforts have contributed to the mobilization of the federal and state governments to the economic imperatives of committing to and implementing the institutional reforms that are critical to creating a transparent, accountable and inclusive governance culture in Nigeria. These efforts are designed to culminate in the full implementation of the Open Contracting and the adoption of Open Contracting Data Standards in the public sector. Other objectives of the OGP in Nigeria include the adoption of common reporting standards and the Addis Tax initiative that seeks to improve the fairness, transparency, efficiency and effectiveness of the tax system in participating countries. It also seeks to improve the ease of doing business and Nigeria's ranking on the World Bank Doing Business Index.

In September 2017, the NESG signed two memoranda of understanding (MoUs) with the USAID funded Nigeria Expanded Trade and Transport (NEXTT) project to ensure the sustainability and scaling up of the project's successes in the country. With these MoUs, the NESG will take over NEXTT's role in its strategic support to the Federal Ministry of Industry, Trade and Investment on trade policy and trade facilitation with a key focus on sustaining the technical support for the Trade Facilitation Agreement (TFA) which was led by the project, as well as driving the needed reforms for trade facilitation.

The NESG would also provide technical assistance, training and institutional development support to improve transport infrastructure and services, and strengthen transport corridor governance along the Lagos-Kano-Jibiya (LAKAJI) Corridor with the goal of reducing the time and cost to trade.

Business-to-Business Networking Events

This year, the NESG has facilitated several business-to-business networking event. These include networking between the Singapore Business Delegation and Nigeria's private sector. The NESG also participated in a breakfast meeting organized in collaboration with McKinsey.



NASSBER

In 2017, we deepened the activities of the National Assembly Business Environment Roundtable (NASSBER), which was created in 2016 as a platform for the legislature and the private sector to engage, deliberate and act on a framework that will improve Nigeria's business environment through a review of relevant legislations and provisions of the Constitution. Notable milestones include the establishment of a NASSBER liaison office at the National Assembly in February 2017. A NASSBER Steering Committee was also inaugurated in July 2017. Working groups have also been inaugurated to facilitate the passage of critical legislation that will catalyse investments in infrastructure and other areas. In terms of the legislative outcomes of NASSBER's activities, Acting President Yemi Osinbajo signed two bills into law; the Secured Transactions in Movable Assets Act and the Credit Bureau Reporting Act. These laws will make it easier for micro, small and medium sized enterprises to have access to credit.

Since October last year, we have worked with the National Assembly on the National Transport Commission Bill, Federal Roads Bill, National Roads Fund Bill, Nigerian Ports and Harbour Bill, Nigerian Inland Waterways Bill, Federal Competition and Consumer Protection Bill, National Independent Warehouse Regulatory Agency Bill, National Payment Systems Bill, among many others. We are also working with the National Assembly to review the Companies and Allied Matters Act (CAMA) and the Investment and Securities Act. The Federal Competition Bill was passed by the Senate and House of Representatives in March 2017. The Senate also held a public hearing on the Federal Roads Authority Bill earlier in the year. The NESG has continued to be involved in several Technical Committees set up to review and redraft bills that will affect Nigeria's competitiveness landscape.



Nigeria Governors' Forum

A significant development at NES#23 was the signing of a memorandum of understanding (MoU) between the NESG and the Nigerian Governors' Forum (NGF) to facilitate dialogue and develop joint programmes geared towards promoting sub-national competitiveness as a national development strategy. Under the MoU, the NESG and the NGF have agreed to work together to develop strategies for national economic competitiveness. In addition, the NESG and NGF will convene regional/sub-national economic summits that are focused on building competitive advantages within state clusters, geographic corridors, economic belts across different sectors and unique opportunities that characterize different regional blocs.

The NESG will also provide technical assistance to the NGF in several areas including the development and implementation of sub-national economic summits as well as the development of a sub-national government agenda to address the ease of doing business.

Development Partners

The NESG and the Bill and Melinda Gates Foundation (BMGF) collaborating with the Kenya based Busara Center for Behavioural Economics, Accenture and Rockefeller Philanthropy Advisors are establishing the Nigerian Policy Innovation unit to develop a unique capacity to run rigorous behavioral trials on ongoing social programs. The project has led to the creation of an embedded behavioral science unit at the NESG Lagos office.

The PIU will have the capacity to test and identify best practices for program delivery across sectors. Trials could range from optimizing delivery and framing of cash transfers, tweaking consumer engagement with digitized payments, and encouraging faster repayment of government loans. However, the ultimately goal is to institutionalize a culture of testing and refinement in the execution of government programmes through behavioral science. The PIU will operate as a reactive task force: responding to particular needs around behavioral

design and testing. It will also act as an institution building unit working towards fully embedding the necessary culture and capacity for long term integration of behavioral science into the Policy Innovation in Nigeria.

Research

We continue to improve our capacity and output with respect to research to drive our advocacy and other interventions related to economic reforms. Our research team launched the maiden edition of the NESG's Macro-economic report on January 25. The report examined the "State of the Nigerian Economy and The Path to Economic Recovery and Growth". It provided a basis for the NESG's prediction of 0.6% growth this year, stressing the need for Nigeria to look inwards in order to harness the potentials in the economy.

The NESG has also initiated several research studies. The NESG is currently partnering with the Dangote Group on strengthening evidence-based research to influence and shape policy direction on national issues related to trade. Focus areas include policy review and impact assessment related to international trade, the EU's Economic Partnership Agreement (EPA) with ECOWAS, the Continental free Trade agreement (CFTA) and the promotion of non-oil export in Nigeria.

The NESG Humanitarian Private Partnership Group (HPPG)

This platform is driven as part of the NESG's commitment to intervene in the efforts to rebuild northern Nigeria. It is a follow-up action from the resolutions made at NES#21 and NES#22 on sustainable solutions to human security threats through a multi-stakeholder approach to dealing with the crisis. It is designed as a partnership between the NESG, the UN Office for the Coordination of Humanitarian Affairs (UNOCHA) and the Connecting Business Initiative. In addition to this initiative, the NESG attended the World Bank North East Support Program Inception Mission and Workshop in Yola, Adamawa State, where stakeholders agreed to accelerate the

implementation of the North-East support. The NESG would engage with all actors particularly the Presidential Committee on the North-East Initiative (PCNEI) and the World Bank on policy development. The goal is to help establish a private sector constituency for policy reforms in the North East, build local capacity for training, advocacy, and other business development services, as well as offer an effective channel for providing direct assistance to certain enterprises in the region.

NES#23

The annual Nigerian economic summit remains our flagship event. Guided by the theme "Opportunities, Productivity & Employment: Actualizing the Economic Recovery and Growth Plan" NES#23 sought to elicit and adopt a solutions-based approach in addressing the implementation of the government's economic plan. We structured the summit theme on five sub-themes that served as our thematic pillars: "Think Nigeria", Skills, Competencies and Capacity, Access to Capital, Legislation and Economic Inclusion. This year, for the first time in the history of the annual event, we provided briefing materials to summit participants, highlighting the context and our perspectives on these sub-themes. We also hosted our partners at the World Economic Forum at this year's summit for a special session on capturing the opportunities in the circular economy. During that session, leaders from the public and private sector will convened to discuss a range of issues including how some of the largest multinationals in collaboration with government, international organizations and local business leaders have been addressing the challenge and opportunity of e-waste. There were also side event organised by the World Bank and the Nigerian Mortgage Refinance Corporation. A highlight of this years summit was the first edition of a Startups Pitching Event designed to connect Nigerian entrepreneurs with potential investors. We believe that the show of support for small businesses will inspire even greater funding for micro, small and medium sized companies that are in dire need of capital and business advisory services.