



Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**

## Summary of Nigerian Economic Reforms

# The Zainab Ahmed Years PG 2

Why Adoption Of  
Technology Is Key To  
Insurance Sector Growth

**PG 13**

We've Paid Over N50bn  
Pension Liabilities To  
Pensioners – *PTAD Boss*

**PG 8**



## ...it pays to pay your TAX



# Summary of Nigerian Economic Reforms: The Zainab Ahmed Years



Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**

*Considering the performance of the Nigerian economy from the beginning of the **President Muhammadu Buhari**-led administration, apparently, company income tax (CIT) and value added tax (VAT) have continued to unprecedentedly make top performers, recording 131.2% and 99.8% of their respective targets, among other subsectors. Below is the summary of the feat made possible by the well-focused implementable economic policies of the present administration, commendably driven by the Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Shamsuna Ahmed**, and her well constituted team in the ministry and the parastatals under the ministry.*

## Revenue

In view of 2022 fiscal positions, the non-oil revenues continue to rise. As of September 2022, the federal government revenue was N4.19 trillion, 67.8 percent of the target.

The government's share of oil revenues to fund the budget was N535.5 billion, representing 32.6 percent performance, while non-oil tax revenues totalled N1.71 trillion, which was 100.7 percent compared to the budget projection.

Non-oil revenues continue to outperform oil revenues with company income tax (CIT) and value added tax (VAT) as the top performers, recording 131.2 percent and 99.8 percent of their respective targets. Profoundly, the Finance Acts of 2020, 2021 and 2022 have provided a veritable platform for the Federal Inland Revenue Service (FIRS) to improve on its revenue drive. In the last report provided by the FIRS, the agency recorded its highest ever tax collection of N10.1 trillion in a single year.

The first indication that FIRS could cross the N10 trillion mark came in September last year when it collected N7.5 trillion in tax in nine months to surpass its entire 2021 figure of N6.4 trillion.

The automation of tax administration through the TaxPro Max tax administration solution which eases tax

payment and compliance through electronic filing and payment by registered taxpayers from anywhere in the world has helped in raking revenue for the government. The agency has built a taxpayer's database and establishment of the Non-Resident Persons Tax Office (NRPTO) in 2020 to administer non-resident taxable persons earning income in Nigeria.

## Expenditures

Total expenditure to fund the 2022 budget is estimated at N17.32 trillion, however, as of September 2022, spending fell short of the target by 16.4 percent. Of this amount: 39 percent was allocated to debt service; 30 percent was utilised for personnel cost, including Pensions; and 17 percent was released for capital investment.

## Fiscal deficit

The fiscal deficit for 2022 is estimated at N7.35 trillion with 92 percent of debt financing obtained from domestic

sources. To support domestic revenue mobilisation efforts, the Strategic Revenue Growth Initiative (SRGI) was introduced in January 2019. The non-oil revenue share of total federal government revenues to fund the budget increased from 30 percent to 73 percent. In particular, revenues collected by FIRS grew from N6 trillion for the 2021 fiscal year to N10 trillion from January to September 2022.

The annual Finance Act was introduced as a fiscal tradition to support the annual budget in the delivery of the fiscal strategy of the government. As an omnibus bill, it complements the DRM strategies and stimulates investment in the Nigerian economy by allowing the targeting of specific provisions in extant tax laws impacting revenue generation and collection, tax administration and improvements to the business environment. The fourth in the series is under preparation.

The Road Infrastructure Development And Refurbishment Investment Tax Credit Scheme (RITCS) was introduced in 2019 to leverage private sector capital and expertise to construct, repair and maintain critical road infrastructure in key economic corridors and industrial clusters. The President approved 33 Road Projects, covering a total length of 1,564.95 km as of 2021. About N78.7 billion (about US\$190 million) in tax credits were issued.

## Return of the budget cycle to a predictable January to December pattern

The improvement in the quality and transparency of the budget process actually resulted in Nigeria moving up 24 places in the global budget transparency index.

Nigeria is amongst the first countries globally to develop and launch an Integrated

“ The annual Finance Act was introduced as a fiscal tradition to support the annual budget in the delivery of the fiscal strategy of the government

CONT'D ON THE NEXT PAGE





Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed** (l), with UN Resident Coordinator in Nigeria, **Mr. Matthias Schmale**, at the IsDB Group Annual Meetings recently.

**CONT'D FROM THE PREVIOUS PAGE**

National Financing Framework (INFF) to strengthen planning processes and mobilise domestic and international financing for the Sustainable Development Goals (SDGs) and the national development plans.

**Debt and external financing**

There has been better management of Nigeria's external debt profile and all forms of external financing through the operations of the Debt Management Office (DMO), the International Economics Relations (IER) Department and the International Economic Cooperation (IEC) Department.

**Restructured MOFI**

The federal government, through the Ministry, has ensured that the restructuring of the Ministry of Finance Incorporated (MOFI) which manages government owned enterprises (GOEs) and government-linked companies (GLCs) is to drive value creation from different asset classes or investments of the federal government. MOFI's current portfolio consists of 130 corporate entities valued at about N19 trillion. The goal in the next 10 years is to grow MOFI's Assets Under Management (AUM) to about NGN 34 trillion and drive a minimum annualised average return of 15 percent.

**State finances and investment**

In respect of state finances and investment, the ministry also facilitated the implementation of various federal government intervention schemes to sub-nationals facilitated federal government's intervention facilities for sectoral development in the States such as: the Commercial Agricultural Credit Scheme (CACs), health care support facility, differentiated cash reserved requirement (DCRR) facility and several bonds issuance programme.

**Monitoring and evaluation**

There has been monitoring and evaluation of the implementation of all approved Federal Executive Council/Ministerial Tenders Board capital projects of its agencies to improve transparency in federal government spending.

**Internal collaboration**

In collaboration with other regulatory agencies, the Ministry reviewed and issued the current Export/Import Guidelines in 2017 to make trade facilitation seamless and generate more revenue.

The ministry collaborated with relevant stakeholders in getting Mr. President to sign an Executive Order (Eo1) on

the Ease of Doing Business (EoDB), to achieve reduction of the documentation requirements from 10-7 for exports and 14-8 for import activities.

Also, the ministry facilitated the automation of Nigeria Export Proceed Form (NXP) on the TRMS in collaboration with the Central Bank of Nigeria (CBN).

The ministry coordinates and aligns the operations of banking and financial institutions by establishing financial relations between the Federal, States and Local Governments as well as parastatals and government owned companies.

The ministry approved for Nigeria Export – Import (NEXIM) Bank to increase its share capital from N121 billion

**Capital Markets Master Plan**

On the implementation of the plan, Securities and Exchange Commission (SEC) launched a revised version of the 10-year Capital Market Master Plan (CMMP) in 2022, leading to CMMP - 2015 to 2025) to reflect the dynamism of the market and developments in financial technology. The capital market also got a boost in terms of policy drive. SEC's initiatives are guided by the Market Master Plan. These have led to review of the regulatory framework of the Nigerian capital market, National Savings Strategy (NSS), development of a fintech roadmap, Crackdown on Illegal Fund Manager Ponzi Schemes, Development of the SEC Cooperate Governance Guidelines (SCCG), Campaign on e-Dividend Mandate Management System (e-DMMS), and introduction of capital market studies in school curricula, among others.

**GIFMIS, TSA and PFM**

The Office of the Accountant General of the Federation (OAGF) ensured timely conclusion of 2020 Financial Statements of the federal government, improvement in internally generated revenue (IGR) through automatic deduction of operating surplus under the Strategic Revenue Growth Initiative, inclusion of Bottom-Up Cash planning (BUCP) as one of the deliverables of the FGIP, conduct a thorough diagnostic of IPPIS platform,

provided clarity to dismiss the objection of ASUU to IPPIS, make effort to resolve GIFMIS and TSA set back that affected bank reconciliation and preparation of financial statements across all MDAs and improve user experience, improve the operational efficiency of not only GIFMIS and TSA but also on all other aspects of the PFM reforms, ensure IPPIS incorporates peculiarities of university community, ensure smooth implementation of bottom-up cash planning, work on a comprehensive IGR management policy in consultation with key stakeholders, work on restoring internal control mechanisms underpinning Treasury operations, and put together a stakeholder's workshop to develop a roadmap for the Treasury in the 21st century. Full deployment of Government Integrated Financial Management System (GIFMIS) to all MDAs and extension to other arms of government. So far, GIFMIS has been extended to the Armed Forces of Nigeria and other intelligence community. The target was 945 MDAs while the outturn was 823 MDAs. The federal government ensured full implementation of the Integrated Personnel and Payroll Information System (IPPIS) by all MDAs, including Educational and Security

“  
There has been better management of Nigeria's external debt profile and all forms of external financing through the operations of DMO and others

to N500 billion over the next five years.

In collaboration with Asset Management Corporation of Nigeria (AMCON), the ministry was able to resolve a significant part of Eligible Bank Assets (EBA) disposable and recoveries of non-performing loans. The Nigeria Deposit Insurance Corporation (NDIC) provided N113 billion to depositors of failed banks.

There was collaboration with the Ministry of Power in the implementation of the Presidential Power Initiative (PPI) between the Nigerian and German governments to resolve challenges in the power sector and expand capacity for future power needs through a partnership with Siemens AG. The aim is to modernise and increase the Nigerian electricity grid capacity from the existing 5GW to 25GW over three phases. Substation equipment has been arriving in country, contracts for upgrade of existing transmission substation and also for distribution lines (over 5000km) are at a very advanced stage of award while financing negotiations with German Banks and Euler Hermes for the pilot project (62m Euros) are being concluded while those for the main project (2billion Euros) are progressing.

CONTINUES ON THE NEXT PAGE





L-R: **Mrs. Zainab Ahmed**, Honourable Minister of Finance, Budget and National Planning, in a handshake with IsDB President, **H.E. Dr. Al Jasser** at the IsDB Group Meetings recently.

CONT'D FROM THE PREVIOUS PAGE

Agencies – A total of 723 MDAs has been enrolled into the IPPIS with an outstanding five MDAs from the targeted 728 yet to be enrolled.

It optimised fiscal incentives to boost productivity in critical sectors, including agriculture, solid minerals and manufacturing – The federal government disbursed N528,384,778,445.70 billion and supported a total of 233,974 MSMEs, even as it has reconciled and monitored monthly revenues performance – A total 1,700 MDAs submit monthly revenue performance report.

### Support to State Governments

With respect to subnational governments, the ministry goes over and above its statutory role to provide financial support to States:

A total of N5.03 trillion plus an additional US\$3.4 billion has been released to States by the federal government over the life of this administration.

Each of these payments has distinct repayment terms with some given as grants and others as loans with favourable repayment terms including a long amortisation period.

The support covers the 13 percent derivation refund to oil producing states, refund for construction of federal roads, ecological support, support from the Development of Natural Resources Fund, Paris Club refunds, support from the Stabilisation Fund, COVID-19 intervention, amongst others.

In its drive for full automation of the Nigerian Customs Service, government introduced e-Custom project, approved by the Federal Executive Council, to automate all custom processes and procedures with the expectant effect of heightened effectiveness and efficiency, reduction of unnecessary steps in the cargo clearance procedure to enhance ease of doing business in Nigeria, increase in revenue collections from customs and excise duties, enforcement of the ban on the importation of rice and vehicles through the land borders leading to growth in the local production of rice, setting up of a Strike Force Team to ensure conformity with trade regulations and block all illegal routes for smuggling, among others.

### Retirees Pension

The welfare of retirees was also an area of interest for government. PTAD updated its verification programme, and 263,819 pensioners were put into the pension bracket with the creation of a reliable database, delisting of 21,227 unverified / unqualified pensioners from payroll, automated regular and timely payment of over N610 billion as monthly pensions

# “ A total of N5.03 trillion plus an additional US\$3.4 billion has been released to States by the federal government over the life of this administration ”

from January 2015 to December, 2021, implementation of consequential Adjustment of Pension for all DBS Pensioners, increase of average minimum pension from about N500.00 to N8,638.74 and payment of N37.5 billion arrears, repatriation of £26.5 million as pensions funds that had hitherto been under investment with Crown Agents Investment Management Limited, (CAIM), and United Kingdom, recovery of N17.85 billion Legacy Pension Assets from Boards of Trustees (BOTs) and Underwriters of Treasury Funded Federal Parastatals, and payment of N8.5 billion as Pension to 26,282 Civil Service Pensioners and Next of Kin of Deceased Pensioners following an expanded Computation and Revalidation Project.

### Insurance industry development

Also, there was development of a strategic plan for 2021-2023. National Insurance Commission (NAICOM) has provided regulatory support to the insurance industry leading to increase in gross premium income from N282 billion in 2014 to N616.1 billion in 2021 with a projection of N737.5 billion for 2022. The agency created an Industry Committee on African Continental Free Trade Area. Apart from inaugurating Index Based Agricultural Insurance in February 2019, it brought about automation of the commission's processes by the 1st of September, 2021, formation of the Insurer's Committee in November, 2015, similar to the Banker's Committee to serve as a platform for the Nigeria's insurance sector, provision of support to the federal government during the COVID-19 Pandemic – a total of N643.9 million was mobilised out of which N500 million was donated to the federal government and N143.9 million given to procure free COVID-19 intervention Term Life Insurance Cover for Frontline Health Personnel attending to COVID-19 victims, and initiation of an Insurance Sector Recapitalisation exercise.

### Money deposits protection

The government has put in place measures leading to provision of deposit insurance coverage to 33 deposit money banks (DMBs), supervision of DMBs - the NDIC in collaboration with CBN jointly conducted 166 routine risk-based supervision of DMBs, 181 Risk Assets assessments and four maiden examinations from 2015 to 2021. The Board approved the framework for pass-through deposit insurance for subscribers of mobile money operators

(MMOs) in 2015. In collaboration with CBN, the corporation has been implementing the 2015 National Financial Literacy Framework (NFLF) in Nigeria.

International collaboration with Nigerian electricity market

The government has made sure that there is full repayment of \$350 million Eurobond Loan, implementation of Payment Guarantee for Generation Companies, finalisation of the sale of 726 MW AFAM IV and V through the execution of power purchase Agreement (PPA). This is in addition to implementation of a N1.3 trillion Payment Assurance Facility to restructure the power sector, international collaboration and signing of MoU with the Turkish Electricity Market (EPIAS), development of a standardised Enterprise system and solution for electricity trading, and facilitation of an additional 1,780.60MW of electricity to the national grid.

### Electronic Data Collection Systems

The federal government has ensured introduction and institutionalisation of enhanced electronic data collection systems, and development of a revamped user-friendly website with various applications and features. It has grown record number of statistical output, completion of the first ever nationwide Drug Use Survey (2018) and Corruption Survey (2017) in Africa, with establishment of new State Bureau of Statistics (SBS). Through National Bureau of Statistics, it conducted the National Business Sample Census (NBSC), National Agricultural Sample Census (NASC), Nigerian Living Standard Survey 2018/2019, and

CONTINUES ON PAGE 6





# PENSION TRANSITIONAL ARRANGEMENT DIRECTORATE

📍 22 Katsina-Ala Crescent, Off Yedseram St. Maitama Abuja

## "I Am Alive Confirmation"

### COMMENCEMENT SCHEDULE FOR PENSIONERS UNDER THE DEFINED BENEFIT SCHEME.

1. Police Pensioners start from 14th April 2023 to 13th October 2023

3. Civil Service Pensioners start from 1<sup>st</sup> July 2023 to 31<sup>st</sup> January 2024

2. Customs, Immigration and Prisons Pensioners start from 1<sup>st</sup> June 2023 to 31<sup>st</sup> December 2023

4. Parastatals Pensioners (Universities, Health, Research Institutes, etc, start from the 1<sup>st</sup> of August 2023 to the 28<sup>th</sup> of February 2024.

Pensioners are required to log on to [www.ptad.gov.ng](http://www.ptad.gov.ng) to complete their I Am Alive Confirmation process as scheduled.

#### FOR MORE INFORMATION:

09-4621708 | 09-4621709 | 09-4621710 | 0800-2255-7823 (Toll free)  
Email: [iamalivesupport@ptad.gov.ng](mailto:iamalivesupport@ptad.gov.ng), [complaints@ptad.gov.ng](mailto:complaints@ptad.gov.ng)  
[www.ptad.gov.ng](http://www.ptad.gov.ng)



# Summary of Nigerian Economic Reforms: The Zainab Ahmed Years

CONT'D FROM PAGE 4

Nigeria Labour Force Survey, and installation of a conflict monitoring system (call centre).

## Contemporary Trends and Global Economic Shocks

The global economy is currently facing multiple shocks which have led to instability in most countries and the impact of the headwinds has resulted in the tightening of monetary policy in advanced economies causing currency depreciation and balance of payment pressures in emerging market and developing economies (EMDEs) to which Nigeria belongs.

However, the country has so far witnessed appreciable economic trajectories through transformative policies of the government.

## Development in Sub-Saharan Africa

The hikes in interest rates and the associated US dollar appreciation in the context of policy normalisation in advanced economies had led to tighter financial conditions, thereby compounding debt vulnerabilities in low-income countries (LICs). In the short-term, high energy, food, and fertilizer prices posed significant risks to living standards and social cohesion in vulnerable countries including in sub-Saharan Africa (SSA).

Therefore, an optimal mix of monetary, financial, fiscal, and structural measures was needed to bring down inflation, while also supporting vulnerable segments of the population, and safeguarding the growth recovery.

Multilateral solutions are important to support the free flow of trade and capital. We, therefore, view multilateral actions as critical to remove export and import restrictions that allow free trade of grains and fertilizer from surplus regions and associated payments and encourage their continuation. This will help to curb extreme welfare impacts and prevent prevailing food shortages from becoming entrenched. Similarly, the removal of trade restrictions on medicines would be important to enable countries in SSA to reach their COVID-19 vaccination targets. In SSA, real GDP growth was projected to slow down in 2022 amidst high food and fuel import prices, capital flow reversals, public debt vulnerabilities, rising inflation, and frequent climate shocks. The broad-based increase in inflation occasioned by higher energy, fertilizer, and food prices had generated dire consequences for the most vulnerable populations, particularly in SSA.

## Inflation And Food Security Risks Amplified By Climate Change

Rising inflation and associated food security risks



At the country level, public finances needed to be consolidated within credible medium-term fiscal frameworks...

amplified by climate change, also raised the risk of social and political tensions that have already crystallised in some countries. At the same time, fiscal policy space diminished amidst high debt service payments and debt sustainability concerns. In this setting, coordinated global policies – especially monetary policies – could help to manage inflation expectations and contain negative spillovers to the region. At the country level, public finances needed to be consolidated within credible medium-term fiscal frameworks and the pace of monetary tightening ought to be carefully calibrated to prevent inflation expectations de-anchoring while also safeguarding growth.

Importantly, the Fund's support through timely policy advice, surveillance, lending, and capacity development (CD), should be important to help countries address these challenges. We welcomed the Managing Director's Global Policy Agenda (GPA) and in particular, the call for the membership to urgently coordinate policies and act cooperatively to resolve shared global challenges. The

GPA's priorities on strengthening multilateral cooperation and avoiding fragmentation were well aligned with the current context outlined in the flagship reports. To this end, we supported the GPA's emphasis on adapting the lending toolkit, tackling rising debt vulnerabilities through improved debt transparency and an effective debt resolution framework, and intensifying the fight against inflation. We also welcomed IMF strategies on gender, digital money, fragile and conflict affected states, and climate change (including resilience and adaptation), given their potential to help overcome structural impediments and support recovery.

We look forward to the timely implementation of these strategies and to deepening the Fund's engagement with the membership on these emerging macro-critical issues. We welcomed continued efforts to adapt the Fund's lending toolkit to the rapidly evolving needs of the diverse membership. The newly approved Food Shock Window in the emergency financing facilities has an important role to play in helping countries tackle the food supply and food and fertilizer price crisis. We encourage the Fund to ensure that all vulnerable countries facing acute food security risks are able to access the window. Beyond the short-term, we look forward to the full operationalisation of the Resilience and Sustainability Trust (RST) then.

We regarded the RST as an essential addition to the Fund's lending toolkit. Going forward we also stressed the need for intensified efforts to replenish the CCRT, PRGT subsidy (and loan) resources, and to meet the RST funding targets through the fulfilment of pledges made to re-channel SDRs. We supported faster and effective debt resolution for all countries in need. We welcomed the progress made on debt restructuring for Zambia and encourage timely delivery of relief, while positively noting work underway to resolve Ethiopia's debt. That said, strengthening the efficiency of the G20 Common Framework remains critical, with clearly laid out timelines for key milestones essential to pave the way for timely Fund engagement.

## Multilateral And Bilateral Engagements

Further, we support the ongoing complementary work on the Multi-Pronged Approach to debt vulnerabilities, and on promoting data and debt transparency, as this underpins smoother debt resolution. In addition, we welcome recent reviews of Fund policies on sovereign arrears that better reflect changes in the creditor landscape and help ensure that the IMF can continue to provide critical financial support to affected member countries making good-faith efforts to resolve their debt burdens. We also urge the Fund to provide technical support in critical areas such as revenue and expenditure policy, governance and financial safeguards, public financial management, and

CONTINUES ON THE NEXT PAGE



Mrs. Zainab Ahmed (l), Honourable Minister of Finance, Budget and National Planning, with Prince Clem Agba, Honourable Minister of State, Budget and National at the inauguration of Nigeria Agenda 2050 recently.



## THE TEAM

**Publisher/Editor-in-Chief**  
Yunusa Tanko Abdullahi

**Editor**  
Enam Obisio

**Associate Editors**  
Tony Tagbo  
Felix Omoh-Asun  
Joseph Uchea  
Emeh Obi  
Kirk Leigh

**Senior Correspondent**  
Musa Ibrahim

**Correspondents**  
Ahmed Ahmed  
Anita Dennis  
Chiamaka G. Okpala  
Edmond Martins  
Kingsley Benson  
Majeed Salaam  
Jennete Ugo Anya

**Reporter**  
Albert Egbede

**Advertising/Photo Director**  
Aisha Augie-Kuta

**Enquiries**  
08023130653  
08058334933

**Marketing**  
Elizabeth Akamai

**Subscriptions**  
Sandra Usman

**Graphics/Production**  
Gabriel Olatunde Emmanuel

D2-32 Atiku  
Abubakar Crescent,  
Cityview Estate,  
Dakwo, Abuja

# EDITORIAL

## While It Pays To Pay Our Taxes, We Call On Gov't To Effectively Utilise Tax Revenues

The issue of revenue is not something that needs to be shied away; in Nigeria, our revenue can no longer take care of our needs as a country. Also, Nigeria is no longer making enough money in oil revenue hence the attention is shifting to non-oil revenue.

Nigeria's low revenue in gross domestic product (GDP) and tax ratio to GDP remains worrisome. There is a need to expand the tax net, as federal and state governments struggle to finance budgetary provisions.

There should be effort to bring more businesses into the tax base as there also should be a need to devise appropriate ways to tax new business models and their profits in a digitised economy.

In the midst of insufficient revenue from crude oil earnings, fluctuating value of the naira, rising debt burden and increasing government expenditure, taxation obviously has become the only hope of the nation.

In the face of dwindling revenue from oil, domestic revenue from other non-oil sources remains critical to the provision of the needed services.

We have to realise that there is need to critically analyse the economy, tax challenges, and global minimum tax. We need to also rethink the incentives we give and approaches, when granting tax incentives, to strike a balance between stimulating economic growth and generating revenue to fund government businesses.

After all, taxation is a mechanism through which the government seeks to realise some of its economic objectives. Taxation can be used to

influence or direct the consumption pattern of citizens, even as it can be used to encourage or discourage investment in certain sectors of the economy.

As such governments will be able to achieve all this when citizens fulfil their obligations. Only then should they have the moral rights to ask government to account for taxes that they pay.

As a people, we are expected to understand that globally the citizens pay for their own civilisation; as most infrastructures and privileges in other climes are made possible by the revenue generated through the taxes the citizens pay to the government.

Therefore, tax is a social contract between the government and its citizens. It is, therefore, expedient for Nigerians not to be evasive in their obligation, so as to be able to hold the government accountable for not meeting up to their needs.

While we call for Nigerians to be responsive in their tax obligations on one hand, we on the other hand call on the governments to ensure transparent and judicious use of taxes, at a time the country is wallowing in huge debt, rising inflation and devaluation of our currency.

The governments must begin to rethink governance and engender public confidence and trust by providing value for taxpayers' money in line with their obligations under the social contract with citizens.

While it is imperative for our tax regulator to continue to effectively mobilise for more revenues in our collective interest, the governments must be very transparent in the use of the revenues accruing therefrom.

We stand on the fact that the fiscal social contract which hinges on the willingness of the citizens to pay tax in return for the provision of public service, is a clarion call on the government at all levels to rethink governance.

In our view, if we must re-tweak the tax system and enhance more revenue collection in the country, there is a need for the governance at all levels to engender public confidence and trust in government by providing value for the taxpayers' money. We also urge the governments to reconsider how projects are reported in the public space, in order to ensure that such reports convey the idea that the taxpayers' money is used to fund infrastructural projects.

Our position is that there is no development without funding. No doubt the present administration has embarked on major transformational infrastructure projects cutting across transport, health, education, agriculture, technology, among others.

The major infrastructural interventions have obviously been designed to improve the quality of life of Nigerians and re-engineer economic growth and development trajectory with improved productivity of the citizenry, which no doubt invariably improves the tax generating abilities.

While we call for more inclusive strategies or frameworks within which to enhance more resource mobilisation in the country, in all, the governments have to adopt the right governance, winning public confidence and trust by providing value for tax revenues in line with the obligations under the social contract.

### CONT'D FROM THE PREVIOUS PAGE

debt management. With respect to revenues, we also underline the need to tackle the longstanding challenge of illicit financial flows and ensuring a fair international corporate tax system that benefits developing countries.

We call for continued improvements, and implementation of the next phase of the framework for international corporate tax reform, focused on developing countries. Reforming international taxation rules and ensuring that multinational enterprises pay a fair share of tax wherever they operate remains a pressing need for developing countries. The Fund's bilateral and multilateral surveillance remains key in helping countries to navigate both fiscal and monetary pressures simultaneously, as they work to overcome overlapping challenges, including the effects of monetary policy normalisation. We note the adverse effects of tightening global financial conditions on portfolio flows, reserve buffers, and currency movements.

We, therefore, call for the Fund support in facilitating the application of the Integrated Policy Framework (IPF) and the updated Institutional View (IV) on the Liberalisation and Management of Capital Flows as needed, to help manage volatile capital flows and moderate financial stability risks. Furthermore, we stress the need for the Fund policy guidance to formulate measures to mitigate the growing risk of sovereign debt defaults in frontier markets. In this connection, as we work to engage proactively with creditors to forestall defaults and sustain market access for EMs and frontier markets, we seek analysis that quantifies and illustrates to private and public creditors, the benefits of pre-emptive debt restructurings and the costs to everyone if delayed restructurings result in default. SSA continues to bear the brunt of climate shocks that threaten to reverse hard-won development gains and undermine food production. We call for global efforts, especially by the largest emitters, to meet carbon emission targets and avert catastrophic climate events in the future. We look forward to concrete proposals and commitments from the forth coming Conference of the Parties (COP28) in Dubai, UAE. Given limited fiscal space, it will be important to strengthen access to concessional-official

and private finance for climate mitigation and adaptation, particularly in the SSA region, while filling the information gap. Innovative financing instruments, including green bonds and debt-for-climate swaps, should be actively explored to help close climate financing gaps. As global emissions are not the same across regions and countries, this necessitates a fair and just climate transition which includes aligning environmental policies with labour market policies to foster reallocation towards green job opportunities in low-emission, high unemployment regions, such as SSA. To this end, technical support will be critical to ensure that transition risks are balanced as LICs and EMDEs seek to comply with international climate standards while supporting growth objectives.

We reiterate our longstanding call for the IMF to prioritise staff diversity and achieve set benchmarks in a timely manner. While we continue to seek a review of the low benchmarks set for SSA, every effort must be made to meet current benchmarks for qualified staff from underrepresented regions, such as SSA. Particular attention should also be given to internal progression of SSA staff to senior levels in the Fund. Promotion of gender-diversity should also remain a priority. We urge the IMF to take advantage of the growing work in critical emerging 4 areas to accelerate achievement of diversity and inclusion benchmarks and avoid reversal of progress achieved thus far. Concrete plans are also needed to attract, retain, and develop diverse talent, that reflects the Fund's near-universal membership.

This in turn will help to re-establish the Fund's position as a trusted advisor. Considering projected frequent and large global shocks, the adequacy of Fund resources over the medium term remains crucial to enable the IMF to play its global stability enhancing role. In this context, an adequately resourced and quota-based IMF that effectively plays its crisis management role and preserves its position at the centre of the Global Financial Safety Net is critical. We, therefore, call for the timely conclusion of the 16th General Review of Quotas (GRQ) no later than December 15, 2023. In addition, we call for measures to preserve or enhance both the voice and representation of poor members. Furthermore, we echo our call for a third chair for SSA on the IMF Board, in line with the governance reforms agreed in 2010.



Mrs. Zainab Ahmed (r), Honourable Minister of Finance, Budget and National Planning, Mrs. Aisha Omar, Director, IER, Federal Ministry of Finance, Budget and National Planning during the IMF/World Bank Spring Meetings 2023.



# We've Paid Over N50bn Pension Liabilities To Pensioners – PTAD Boss

**Dr. Chioma Ejikeme**, Executive Secretary of Pension Transitional Arrangement Directorate (PTAD), in an interview with **fmfinsights'** team, discusses how her agency has been able to clear backlog of pension arrears and how its 'I am Alive' technology confirmation platform helps to tackle pension fraud. Excerpts...



**Dr. Chioma Ejikeme**, Executive Secretary of Pension Transitional Arrangement Directorate

**Can you give us a background of your PTAD and its operations under the Defined Benefits Scheme pension administration?**

When PTAD was set up, we inherited nothing in terms of database of pensioners. Pensioners had to even go to banks to get their data. So, at inception, the first thing we did was to know who exactly are PTAD Pensioners, because we all knew that the reason for pension reforms was due to mismanagement of pension funds, and also because of allegations of corruption and lack of data. But the important thing is that the defined benefit scheme (DBS) was not working, which was why the contributory pension scheme (CPS) was introduced. As it were now, DBS is not sustainable.

From 2014 to 2019, it was back-to-back verification. The first thing PTAD did when we came in 2019 was verification. At the time PTAD finished verification, which was the time I came in, because I carried out the last set of verification, the whole exercise was sure to find out who were owed arrears, because it could only be found out through verification and validation.

**How much did you inherit as pension liabilities when you came onboard?**

When we came in, we had a lot of inherited arrears, the latest one being the 33 percent which was the pension increment for 2010. It was not implemented until 2014 when PTAD was established. We started paying, and by the time we came in 2019, we started paying arrears for parastatal pension departments. As at that time, it was over N11 billion.

During the verification, we had many people complain about non-payment of arrears; some said they were not rightfully placed. Then, we started looking into that, and we thought there has to be a way out.

Towards the end of the year, we had balances to pay, but

the speed of our calculation did not match our expectation. So, we had to return the money. So, when I looked at that, I said the government will think we do not need the returned money, whereas we had complaints we needed to address. Then, I declared a state of emergency in the civil service department.

“  
...pensioners have rated President Buhari as the most pensioner-friendly president that Nigeria has ever had, because he gave instructions to onboard them

We started checking for relevant information such as year of entry, retirement and salary of pensioners to address the issue. Then, we computed and from there we found that a lot of people were either earning lower or higher than what they are expected to earn. So, we were able to compile 24,000 files, and we paid arrears of over N8 billion for civil service pensioners, and that is how the complaint letters dropped and the noise lessened.

Although we are still on that project, however, we have done bulk of it already. What we do in-house now is to pay every month pensioners with default arrears, so we brought out 14,000 pensioners who were on overpayment and they had to brought back on their rightful payment.

But for gratuities we have always been paying as well as next of kin payment after careful validation. For next of kin, we have paid over N6 billion in the past years, across operational departments.

**Why did you absorb pensioners even from the private sector?**

We are supposed to be a transitional agency but we now have pensioners which we have absorbed from defunct and privatised agencies such NITEL, MTEL, New Nigeria Newspapers, Aluminium Smelter Company of Nigeria (ALSCON), Nigeria Reinsurance Corporation, and NICON Insurance.

They were handed over to PTAD because of post privatisation which was not done properly, and pensioners were almost left to their fate before President Muhammadu Buhari wade into the matter, which is why pensioners have rated President Buhari as the most pensioner-friendly president that Nigeria has ever had, because he gave instructions to onboard them.



# We've Paid Over N50bn Pension Liabilities To Pensioners – PTAD Boss



“

The consequential adjustment for pensions that was introduced in 2019 was something totally new and novel, and the first of its kind in the history of pension administration in Nigeria

A lot of them came with arrears of 190 months, some 80 months. Shipping line alone came with 92 months, Assurance bank - 69 months, Nigeria Reinsurance - 96 months, New Nigeria newspapers - 219 months, Nikon Insurance - 100 months, Delta Steel - 96 months, NITEL/MTEL - 84 months, and all of them came in 2018. So, we kept on screening and verifying.

When I came in, Savannah Sugar has been paid off, but NITEL/MTEL have not been captured; every other pensioner will get his or her pensions, but NITEL/MTEL pensioners will have to wait for three weeks for their money to be released, because it has to be sourced from service-wide votes. So, because they have a huge bill of almost N1 billion per month, their pension was too much, and as at that time, they will go to press and call us out.

Consequently, when COVID-19 pandemic came in 2020, there was a budget review for every agency, and that was when we created a budget line to accommodate them, and they started enjoying pension same time with everyone.

Also, there was a £25 million which government had invested with the Crown agents of United Kingdom (UK). The funds were made up of civil service pension funds that were managed by the colonial masters who started the pension scheme in Nigeria, together with investments from Cocoa institute.

We have been working on repatriating the funds. In 2021,

we got approval to utilise the funds to offset liabilities. So, that went a long way in bringing down liabilities of privatised agencies. We also requested for funds for liabilities of pension of about N11 billion and the Honourable Minister of Finance graciously approved those funds for us, to offset the liabilities. And we have completely liquidated the liabilities, except the liabilities of NITEL/MTEL. So, the only defunct agency we are owing now is NITEL/MTEL, and we are owing them 36 months.

**How much have you paid so far as pension liabilities?**

So far, we have spent over N50 billion paying off the liabilities of the defunct agencies, and with the 36 months left, we need over N20 billion to sort it out.

**Have you been paying Consequential Adjustment for pensions?**

We have also been paying consequential adjustment due to the increase in minimum wage of civil servants by the federal government, which took effect in April 2019. The constitution says there should be a collateral review for pensioners.

The consequential adjustment for pensions that was introduced in 2019 was something totally new and novel, and the first of its kind in the history of pension administration in

Nigeria. In the past, pension increment was based on a bulk percentage; they had six percent, 52 percent, 15 percent, and 33 percent increment.

When this increase in minimum wage comes up, government looks at people lower down, and not the people high up. Subsequently, the salaries and wages commission got to us and ask us to bring someone to chair the committee for consequential adjustment. So, I nominated and what I told our representative was that 'I am looking for equity and impact.' This is because the labour union had negotiated for a salary increment template, and today, there is nobody on the PTAD payroll that earns less than N8,000, because our model is to ensure equity in distribution across board.

Subsequently, Nigeria should have a template as the next adjustment is expected to be in 2024, and it is a constitutional provision that after five years, you review minimum wage. My expectation is that it will be included in our budget, and we should not wait for the government. So, the consequential adjustment was in 2019, but we got approval for payment in 2021. The funds were mobbed up and warehoused to us, and by the end of six months, we finished paying our arrears in terms of consequential adjustment arrears, amounting to N34million for the 24 months, across all operational departments.

**How has technology played a role in the operations of PTAD?**

When it comes to technology, I give kudos to those that established PTAD. The concept of using technology to manage pension should only come naturally, because that is what is obtainable in other climes of the world. PTAD from inception was set up to be technology-driven, and we have a data centre that was set up in 2014, which can compete with any other 21st century data centre. So, we give kudos to people who set up PTAD.

They started with the verification software; so, all we need is the pensioners' name and bank account number, and we will give you all the necessary details with the click of a button. Today, we have a solid data of everyone PTAD has verified. Even when you do not qualify for pension, we have a place where we put you; so, you cannot come tomorrow and pull tricks on us.

Secondly, PTAD generated a computation software which draws directly from the database. So, all we need to do is to put in date of employment, salary structure, and it brings out how much you are supposed to earn. Everything is computerised, the only manual factor is that humans operate this system. In the past, if you recall, pension funds were in commercial banks, which was easy for pension fraud. But today, the case is different as Treasury Single Account (TSA) has made it



# We've Paid Over N50bn Pension Liabilities To Pensioners – PTAD Boss

difficult, because all funds are domiciled in the Central Bank of Nigeria (CBN).

Every month, I sign off pension payment of about N9.1 billion, which is released to pensioners. But I do not have right over these monies; all my hand 'sees' is the signature without any money, unlike in the past, when it was in the commercial banks. That is one big thing government has done.

Although the TSA has been there before the Buhari administration, however, it is the Buhari government that actively implemented the TSA and made it mandatory that all ministries, departments and agencies (MDAs) funds are domiciled in the CBN. So, every month, after Federation Account Allocation Committee (FAAC) allocation, all PTAD does is to sign off on the payroll. In fact, by 15th of every month, I have signed off on the payroll, and we will be waiting for the funds to be made available, then we upload it on the Government Integrated Financial Management System (GIFMIS) platform, when they get warrant. The GIFMIS transmits to the CBN, then CBN transfers directly to the account of the pensioner, and that is because every pensioner on our payroll has an employee code, which is generated from the office of the Accountant-General of the Federation mainly for our verified pensioners, although we have diaspora pensioners who are not verified but have our employee code. So, whenever they make themselves available for verification, we will pay them.

**You recently launched the 'I Am Alive' confirmation solution. Tell us what brought about the idea and how the technology works?**

We have advanced in technology to the 'I am Alive' confirmation solution. In fact, before then, we had a pensioner support services department that entertained customer complaints. And we also had a call centre, and we had email addresses. We also had dedicated departments that you could write to the Executive Secretary through them, and also, our social media platforms. In addition, we had a complaint tracker that follows up with pensioners' complaints.

You know pension is for life; so, when a pensioner is deceased, he is not supposed to collect pension. But we noticed that there is a gap; when a pensioner is deceased, the family members will keep collecting their pensions. So, we started sensitising the banks to notify us of pensioners' death. So, in a case which we have been paying, we do the formal procedure and ask the banks to refund our money.

However, we decided that we cannot continue relying on the banks to give us information on deceased or their next of



Although the TSA had been there before the Buhari administration, however, it is the Buhari led-government that has actively implemented the TSA and made it mandatory that all ministries, departments and agencies (MDAs) funds are domiciled in the CBN

kins or even pensioners union. We decided that there has to be a way to use technology for this people to confirm their aliveness.

Unlike before, every six months, we go round the country spending money and stressing pensioners for verification. We thought it was stressful and risky for the pensioners to keep travelling always for verification and that is how the 'I am Alive' came to be, to determine if our pensioners are still alive and eligible to receive pensions. So, we got the 'I am Alive' software developed. And during the bidding process, I told the bidders that this is a technology that must stand the test of time.



**How does it work?**

So, how it works is, when your picture is taken, it goes to talk with the database, and once it matches, it pulls out your data and information and let you know you are the one. The next step is for you to follow the movement of a dot to confirm you are alive. We also have the finger print options where your fingerprints can be used. So, that phase was a preliminary test.

Afterwards, we sought to the field for the pilot scheme to see the challenges and what we can do about it. This pilot was with 50,000 pensioners cut across the operational departments, to test the application on the field and know whether there is any problem.

So, during verification, we noticed some hitches like the quality of photograph which we are currently working on, and we have called on pensioners to recapture.

This technology is programmed in a manner that so long as you have a smart phone, and you have internet access, you can verify yourself in the comfort of your home, or in your neighbourhood. So, because of some challenges envisaged, we gave a six-month grace period, and we also staggered the confirmation by department, because we have over 200,000 pensioners on our payroll. And if all of them hit the server at

the same time, it may crash. So, from 14th April to October 13, 2023, we have the police pension who are the first batch; Customs, Immigration and Civil Defense will follow, from 1st June to December 31, 2023; and after that, we have Civil Service Pensioners, from 1st July to January 31, 2024; then that of parastatals pensioners, 1st August to February 28, 2024.

Luckily for us, the Police Service Pensioners have almost finished verifying their aliveness within the short period of time available. But we are looking at sensitisation again to those pensioners in the rural areas, besides using the mainstream media like newspapers, televisions and radio, even if it means using town criers or other traditional means, just to ensure that pensioners to do right thing and not wait till the closing dates. You know we have 774 local government areas, and we are looking at something that will reach them.

**Do you also train pension desk officers at MDAs**

We have also trained pension desk officers, and also brought on pension executives from all the six geo-political zones. We trained them, and we are holding them responsible when time comes. The MDAs where the pensioners retire from, we also

train pension desk officers, and we are thinking of even creating a WhatsApp group for our pensioners, soon.

**So, what happens after the six months grace?**

So, after the six months grace, the software will not say whether you are alive or not, the software will only tell us you are alive. So, we will assume you are not alive when you do not confirm. Therefore, in the six months grace, if you cannot confirm that you are alive, it will knock you out.

**What is your plan for the pensioners this year?**

We are currently working on a health insurance for pensioners. As a matter of fact, we are about to onboard our first 6,000 pensioners on health insurance, with the National Health Insurance Authority. But we have told them that the health insurance identity (ID) card will be tied to 'I am Alive', because we cannot print over 200,000 ID cards for pensioners. We are not sure they are alive or not.

In conclusion, my staff at PTAD have contributed significantly to the success of our agency over the years, and they bring viable ideas, and it makes a whole lot of difference in our operations.



# Ensuring Robust Economy Through Effective Monitoring, Evaluation Process



Honourable Minister of State for Budget and National, **Prince Clem Agba**

By **Ahmed Ahmed**

One of the key pillars of successful governance is the ability to effectively monitor implementation of policies and programmes across board.

The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, has ensured that her ministry conforms to the spirit and letters of this principle by ensuring a formidable monitoring mechanism that would promote growth and development in Nigeria.

One of the turning points in the success of the present administration is the empowerment of the department of national monitoring and evaluation of the Federal Ministry of Budget and National Planning which is saddled with the responsibilities of improving the availability, quality and dissemination of government's performance information for accountability and policy improvement purposes.

#### Milestone Achievements

So far, the department has worked tirelessly to ensure the effective delivery of federal government's plans, projects, and policies, from 2015 -2022. Major activities embarked upon by the monitoring and evaluation department include: Institutionalisation of monitoring and evaluation system; continuous performance monitoring of ministries, departments and agencies' (MDA's) projects and programmes to ensure alignment; and compliance to the National Development Plans.

Others are performance monitoring of special projects such as social protection interventions (SPIs) and the economic sustainability plan (ESP). The ESP was developed in 2020 in response to the challenges posed by the COVID-19 pandemic.

#### The National Monitoring and Evaluation (NM&E)

This department is mandated to monitor the implementation of the projects funded under the ESP across different sectors. To ensure accountability and independence of the performance reporting of these special projects and

programmes, the NM&E conducts monitoring exercise, some that involve independent monitoring consultants working alongside government officials to measure impact of the projects.

#### Capacity-building workshops for Civil Society Organisations (CSOs)

In furtherance of the mandate of the NM&E department which is to institutionalise monitoring and evaluation, the department identified the role of the CSOs in the monitoring of performance of the government's projects, programmes

The Ministry developed a citizens-based monitoring web application known as Eyemark to enhance participation of citizens and CSOs in tracking progress...

and initiatives and in projecting the laudable achievements of the government to the public. In this regard, the department took the giant stride from 2020, to conduct capacity-building workshops for CSOs to improve their capacities to track and report federal government's projects and interventions across MDAs and the country at large.

#### Strengthening Monitoring, Evaluation System

Citizens-based monitoring and evaluation (M&E) webApp (Eyemark): The Ministry developed a citizens-based monitoring web application known as Eyemark to enhance participation of citizens and CSOs in tracking progress and performance of federal government's interventions. Eyemark, which is domiciled in the monitoring and evaluation department, would ensure transparency and integrity in projects execution through citizen participation.

#### Implementation of Grid3 Geo-Spatial technology

GRID3 Nigeria is committed to applying geospatial data for evidence-based decision making and promotion of effective coordination across stakeholders to support national development efforts to optimise delivery of key interventions in various sectors, including health, education, finance or transportation. GRID3 data are being used in Nigeria to improve humanitarian and development efforts.

#### Inauguration of Implementation Monitoring Committee

To complement the efforts of Mrs. Ahmed, Minister for State Budget and National Planning, Prince Clem Ikanade Agba, in April inaugurated the 2023 implementation monitoring committee (IMC) for the national economic council (NEC), on behalf of the federal government, in Abuja.

While delivering his opening remarks, at the committee's maiden inaugural meeting, Prince Agba explained that the meeting was an opportunity to share experiences and harvest input to develop a monitoring framework and operational modalities for the 2023 monitoring exercise, as well as, to reconstitute the IMC and inaugurate the 2023 field visit to ascertain the implementation of the NEC resolutions across the states, Federal Capital Territory (FCT) and relevant MDA's.

Prince Agba said that the IMC was one of the two committees set up to monitor and report the implementation of the resolutions reached at the March 2016 NEC retreat, which was aimed at accelerating socioeconomic and political development through strong intergovernmental relationship.

He noted that "tracking the implementation of the resolutions has been very weak; however, the case of the tracking exercise was taken over by the secretariat in collaboration with the office of the vice president in 2019 and 2020".

He said that in line with the current administration's drive for continuous evaluation and feedback, it was important to continue the monitoring and evaluation of the implementation status of the NEC resolution in a cost effective and citizen centered manner, and to gain insight into implementation and service delivery at the community level.

Members of the IMC include the Honourable Minister of State, Budget and National Planning as chairman, Permanent Secretary Budget and National Planning as a member, six commissioners representing the six geo political zones of the country, which are Delta, Benue, Lagos, Taraba, Sokoto, and Enugu States, along with the director, special duties department, Budget and National Planning (BNP), who is a member that also doubles as the secretary of the committee.

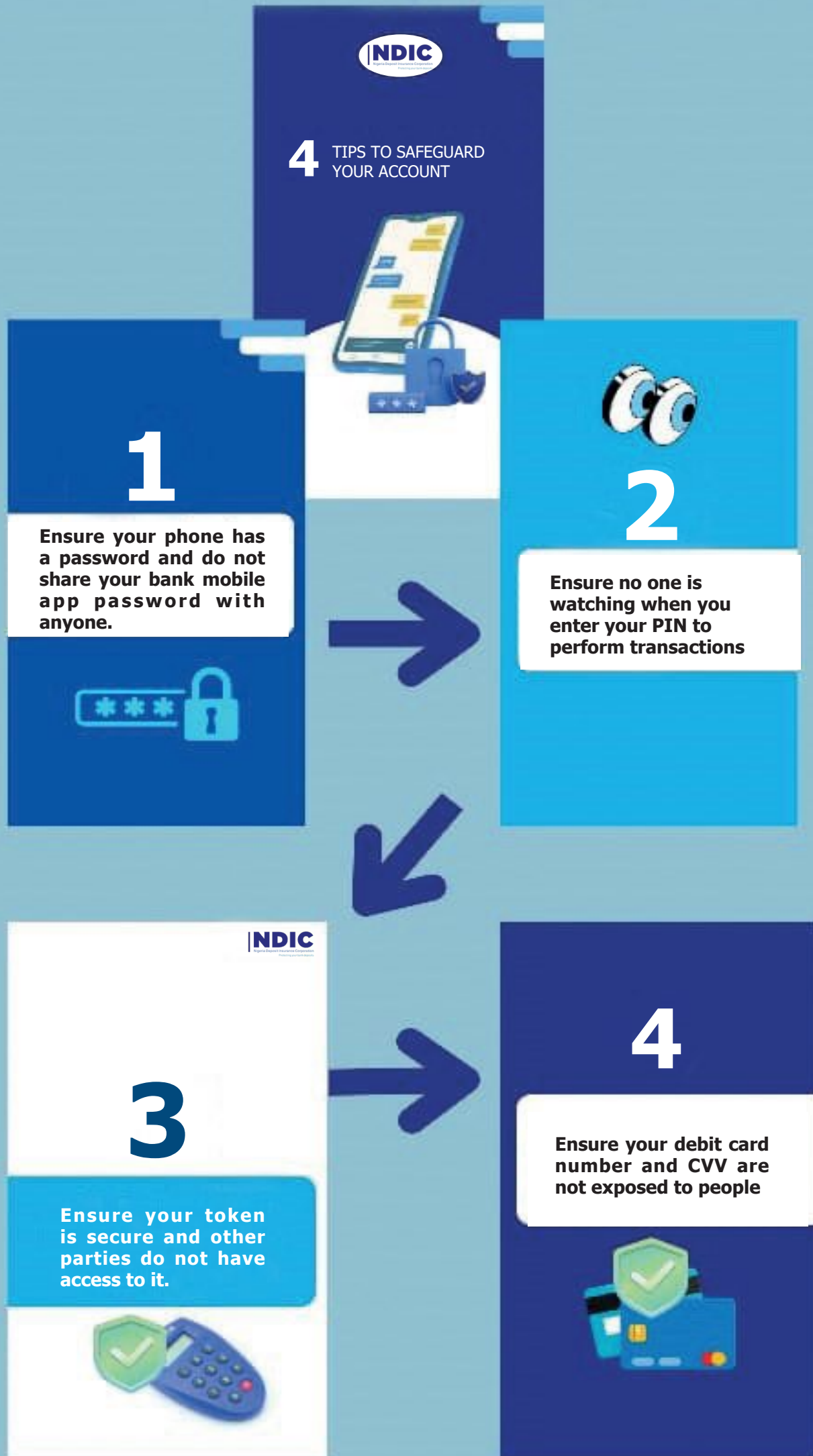
#### Terms of Reference

According to Prince Agba, the committee was expected to determine the level of implementation of the agreed 71 NEC retreat resolutions and the yearly monitoring of NEC resolutions; determine the extent to which federal and state governments have invested towards achieving the objectives of the resolutions of the council to determine progress made at guest planned activities, assess what was planned and what was achieved during project implementation to identify lessons learned and provide an opportunity for peer review as well as acknowledge sharing of good practices that have worked; provide interventions by the national and sub national actors and promote a shared understanding of the policies driving implementation.

So far, the consistent monitoring and evaluation of different government policies and projects has been adjudged to be effective as it has yielded positive results.



# Fraudsters are becoming more creative - Here are tips to safeguarding your bank details.





# Why Adoption Of Technology Is Key To Insurance Sector Growth

## ● Ahmed Makes Case For Global Competitiveness

*The Nigerian insurance industry has been identified as an economic subsector in which operational success depends on an adoption of broad-based technology. Musa Ibrahim writes.*

**F**or the Nigerian insurance industry to be relevant to the economy this year and beyond, there is a need for insurance companies to adopt digital tools in marketing, claim processing and other critical operations.

This has become necessary given changing consumer needs, as technology is now critical for either the success or failure of the industry, both at local and international levels.

With over 160 million mobile phone users in the country, insurance business communication requires change to achieve phenomenal growth.

For instance, an economic expert, Mr. Olufemi Awoyemi, would note that the current economic realities has presented a good opportunity for the insurance sector to thrive. According to him, the industry could leverage economic downturns to increase insurance coverage by prioritising certain types of insurance and infrastructure to reach new markets.

In Nigeria today, poverty and public distrust on one hand remained major obstacles to insurance penetration. This is evident as life and health insurance tends to be more attractive to individuals who feel overwhelmed by stress; life and property, and casualty insurance may become more important for businesses facing increased risk of uncertain times.

On the other hand, the widespread poverty is expected to nudge insurers to offer products and services that are affordable, accessible, and to meet the needs of consumers, a situation which Nigeria is yet to attain.

As such, Mr. Awoyemi believes that industry operators need to be forward-looking in market trends and policy expectations, stressing that the Chartered Insurance Institute of Nigeria (CIIN) should drive policy advocacy in that direction.

Among other things, he said that the growth and intense competition from insurance technology companies (insurtechs) would continue to test the resilience of conventional insurance firms.

He says: "Insurtech will remain a force in the industry because it can conveniently bridge the two issues that weaken insurance penetration in the country," he added.

### Adoption of Digital Technology In Insurance Sector

Recent study shows that the time is ripe for insurance companies to fully realise the values and benefits of digital infrastructure and technological innovation which mostly set the phase of changing consumers' needs.

There was a slowdown in insurtech investments in early 2022. However, they are now projected to remain sought after investment vehicles, partners, acquisitions and insurers.

A report on insurance in Nigeria shows that between 2021 and 2022, five insurtech startups raised nothing less than \$6.7 million in pre-seed funding.

Consequently, a 2022 report shows that the Nigerian insurance industry witnessed increased growth in terms of gross premium income and penetration, on the back of technology adoption and increased consumer confidence.

The operators and the regulator attributed the growth to the adoption of technology and insurtech partnerships, which did not only enhance product distribution but also increased customer experience and data generation.

The National Insurance Commission (NAICOM) this year instituted a 'NAICOM Portal' that enhanced policy upload by operators and data generation for critical analysis and policy decisions.

The commission described the portal as one of the initiatives being pursued to deepen the insurance market and increase penetration to the level that is consistent with the nation's economy.

"The commission in July 2009 embarked on a comprehensive computerisation effort tagged project e-regulation that was meant to transform its operational procedures and the conduct of its regulatory responsibilities by providing a robust, world-class ICT infrastructure to help implement an automated business process internally and for industry wide supervision via an integrated platform," Mr. Sunday Thomas, Commissioner for Insurance, says.

He notes on one hand that prior to the development of the portal, the processing of applications required that applicants physically drop their applications at the commission with their attendant challenges of delays in processing times, wasted manpower hours due to back-and-forth in application processing as well as ineffective application tracking system.

A number of Insurers, on the other hand, acknowledges improved partnership that enables them sell insurance via the unstructured supplementary service data (USSD) platforms and as well as other virtual assistant mechanisms that are also boosting customer experience.

Consumer confidence also saw a leap when NAICOM's regulatory hammer fell on two insurance companies, Niger Insurance and Standard Alliance Insurance, for their inability



Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**

to meet claims obligation and solvency concerns.

fm insights observes that the statistics of the insurance market performance for the year reveals some quality improvements in the market indicators, including growth, claims settlement and profitability.

Subsequently, the commission would state: "The market statistics of the third quarter 2022 has revealed some quality developments in the industry performance indicators in terms of growth, retention, claims management experience and profitability, at levels of which the industry can be ruled as profitable, sound and stable."

"In cognisance also to the on-going digitisation and market deepening measures of the commission, the outlook remains strongly positive."

### Ahmed Makes Case for Global Competitiveness

Meanwhile, the Honourable Minister of Finance, Budget, and National Planning, Mrs Zainab Ahmed, has charged

In Nigeria today,  
poverty and public  
distrust on one  
hand remained  
major obstacles  
to insurance  
penetration

insurers across West Africa to strategise on repositioning the insurance industry on the continent for global competitiveness amid continued disruption.

The Honourable Minister gave this charge at the 50th anniversary of the West African Insurance Companies Association (WAICA) 2023 Educational Conference hosted by Nigeria recently in Lagos.

At the event themed: 'Repositioning Insurance Industry in West Africa for Global Competitiveness', she noted that insurance has been characterised by low penetration and poor contribution to most African countries' financial growth.

Mrs. Ahmed, who was represented by the Commissioner for Insurance/Chief Executive Officer of the National Insurance Commission (NAICOM), Mr. Sunday Thomas, said that in order to maintain an efficient, fair, safe, and stable insurance market in the West African sub-region, there must be promoted benefit for the policyholders and other stakeholders.

"As an optimist, we are encouraged to believe in a new dawn, leveraging technological innovations and a positive paradigm shift, focused and poised to meet the anticipated surge in the demand and untapped side.

"In the modern business environment, disruption plays an integral part of any business. The insurance industry, like other components of the financial system, is changing in response to a wide range of global social and economic forces.

"In particular, insurance and insurance-linked financial activities are increasingly crossing national and sectorial boundaries," she said.

According to her, the 2023 WAICA educational conference could not have been more aptitude in view of the overarching objective behind the African Continental Free Trade Area (AfCFTA) to accelerate intra-African trade.

Mrs. Ahmed emphasised the need to establish a high-quality insurance database to provide a holistic view of the industry's operations in the sub-region.

The finance minister encouraged WAICA members to leverage technology and other alternative distribution channels to increase market penetration.

She said that multilateral cooperation must be enhanced with the objective of promoting international standards and fostering favourable investment environments and orderly markets in the West African sub-region and beyond.

"Consequently, it has become imperative for the insurance supervisory systems and practices to upgrade in order to cope with these developments continually. This is to mitigate possible financial and systemic stability concerns arising from the insurance sector as they emerge," the finance minister further stated.





## FACILITATING EXPORT DIVERSIFICATION PROMOTING TRADE CONNECTIVITY

NEXIM’s mandate is to provide credit and risk-bearing facilities to support the export of Nigerian products and services. Also, the Bank, as part of its developmental roles is involved in trade-related infrastructure facilities with its regional Sealink project promotion to enhance Nigeria’s trade connectivity. Our intervention covers manufacturing, agro processing, solid minerals, and services sectors.

### CORPORATE HEAD OFFICE

#### NEXIM House

Plot 975 Cadastral Zone AO,  
Central Business District, Abuja

**Phone** +234 9 4603 630- 9

**Fax** +234 9 4603 638

**Email** neximabj@neximbank.com.ng

### ONLINE

facebook.com/neximbank  
twitter.com/neximbank  
youtube.com/nexim bank

**neximbank.com.ng**

### REGIONAL OFFICES

#### Lagos Regional Office

189, Gerrard Street, Ikoyi,  
Lagos State, Nigeria.

**Phone** +234 1 7615891

**Email** lagosregionaloffice@neximbank.com.ng

#### Yola Regional Office

10 Obasanjo Way, Old NEPA Road,  
Jimeta, Adamawa State, Nigeria.

**Phone** +234 706 9790 897

**Email** yolaregionaloffice@neximbank.com.ng

#### Enugu Regional Office

House 11, Coal City Garden,  
GRA, Behind CBN, Enugu, Nigeria

**Phone** +234 806 0741 178

**Email** enuguregionaloffice@neximbank.com.ng

#### Kano Regional Office

Fatima House, (Opposite Daula Hotel) Murtala  
Mohammed Way, Kano State, Nigeria.

**Phone** +234 6 4638306

**Email** kanoregionaloffice@neximbank.com.ng

#### Calabar Regional Office

Calabar Export Processing Zone,  
P.M.B. 1127, (Free Trade Zone) Calabar,  
Cross River State, Nigeria.

**Phone** +234 806 2988 225

**Email** calabarregionaloffice@neximbank.com.ng

#### Akure Regional Office

10, Ado-Owo Road Alagbaka,  
Akure, Ondo State

**Phone** +234 802 7451 554

+234 803 6998 465

**Email** neximabj@neximbank.com.ng

#### Benue Regional Office

10 Ogiri Oko Road, Opposite Mobile  
Police Head Quarter, Adjacent Central  
Bank of Nigeria, Old GRA, Makurdi, Benue State, Nigeria.

**Phone** +234 803 4776 379

+234 818 6607 759

**Email** neximabj@neximbank.com.ng



# Nigeria's 12-month Budget Cycle Attests To Finance Ministry's Economic Development Focus

By Edmond Martins

For the first time in many years, the country's National Assembly passed the federal government budget before the New Year, thus focusing on the January to December national budget cycle.

This has been identified as a big boost to effective budget implementation spearheaded by the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed.

Since her coming onboard as Finance Minister, Mrs. Ahmed has ever been ready to comply with the provisions of the Fiscal Responsibility Act 2007 by submitting the Medium-Term Expenditure Framework and Fiscal Strategy Paper (MTEF/FSP) to the assembly on time.

She noted that the government had returned to a 12-month budget cycle since 2020, after the budget proposal was sent to the assembly in September.

The Senate President, Mr. Ahmad Lawan, said that the timely submission has ensured the budget is passed before the end of December. "The process has returned Nigeria to the annual budget of between January and December and has guaranteed fiscal discipline," he said.

Since the emergence of the 9th Assembly, the ministry has worked tirelessly to ensure that Nigeria maintains the January to December cycle.

Section 89 of the 1999 Constitution made reference to financial year. Clause two of the proposed bill defines financial cycle as 12 months, from January to December.

#### Improved Budgetary Processes

As a result of improved budgetary processes, Nigeria's budgets in the period under review have become a lot more transparent and participatory; all stakeholders, especially the citizens, are carried along and enabled to make input into the process.

Consequently, Nigeria recorded its best performance in the open budget survey (OBS), scoring 45 percent in the 2021 survey for transparency, indicating an improvement by 24 points, a significant leap from the 21percent achieved in the 2019 exercise.



Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed

In the procurement thematic area, Mrs. Ahmed ensured that Nigeria has established the Nigeria open contracting portal (NOCOPO), where citizens could monitor all government procurement processes in a transparent manner, thereby making the procurement processes a lot more open, participatory, and transparent.

#### What You Should Know About Nigeria NOCOPO

The NOCOPO publishes procurement records and information on all stages of the procurement process, from planning through advertisement, tendering and award. Through the portal, ministries, departments and agencies (MDAs) submit their procurement plans and records to include information such as project title; cost; name

of vendor; procurement method; project location; and implementation status.

The two crucial features on the portal are the contract administration and citizen feedback.

With the NOCOPO, we aim at reducing significantly the cases of abandoned projects through proper record management and project monitoring. The other aspect is citizen engagement which is also very important.

Through the NOCOPO, citizens could be able to track projects in their localities and monitor implementation.

They could access the portal and view details about contracts and projects including the cost; name of vendor and status. They could also report and give feedback directly on the quality of delivery and whether the project was not even delivered as claimed by the vendor.

The portal aims at making procurement data and records open and accessible to all citizens. Procurement information from over 700 ministries, departments and agencies (MDAs) would be made available in the portal. The information includes name of the contractor, contract amount, scope of work, duration and location of the project.

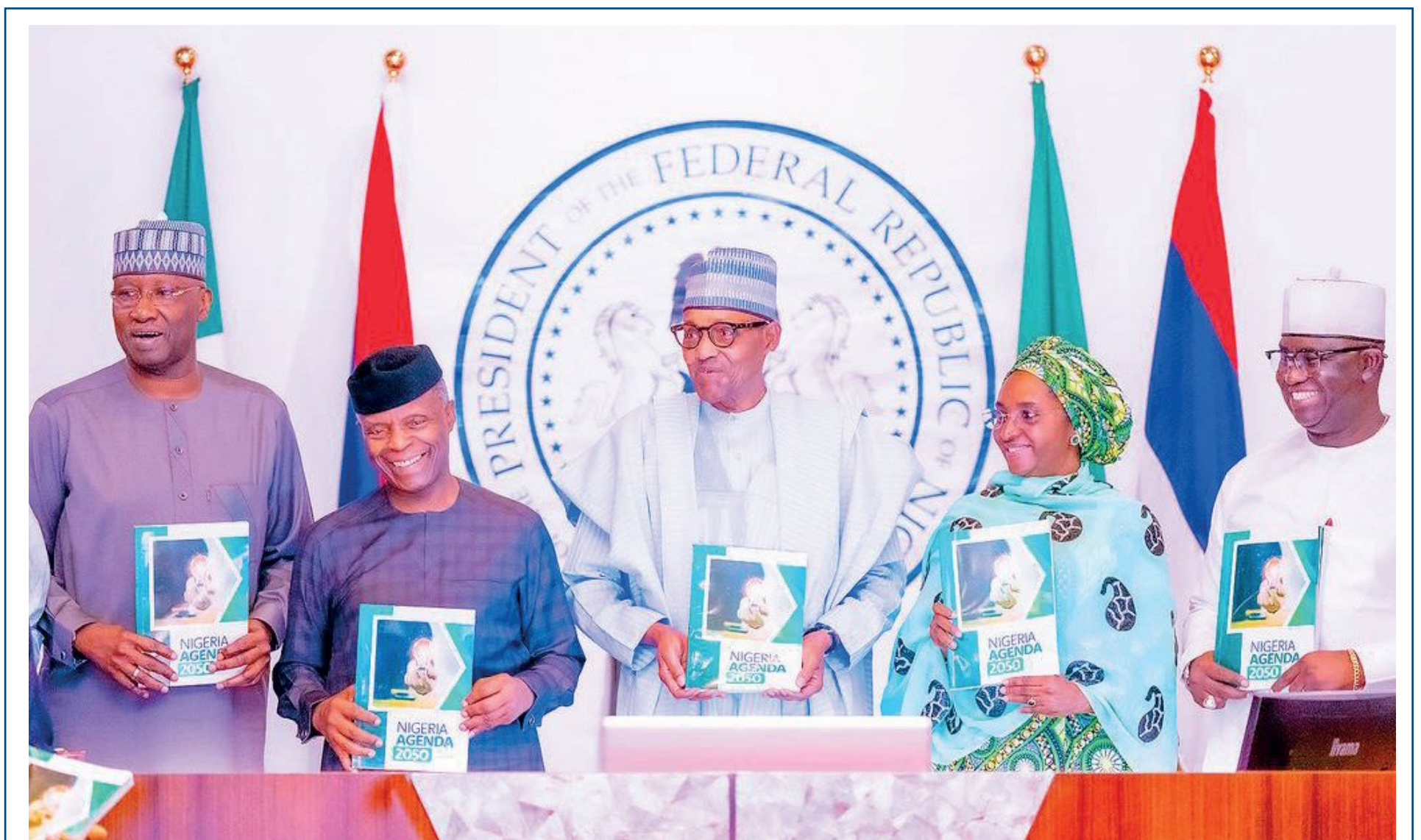
It also conforms to the global open contracting data standards (OCDS) and has a feature for citizen engagement and feedback mechanism whereby citizens could report project performance. The OCDS mandates, for example, that all contracts have unique identity by which they could be identified and tracked.

The portal was developed in a co-creation process together with civil society organisations.

Their input was critical as they have closer tie with the citizens. The portal is also part of Nigeria's commitment in the National Action Plan for the open government partnership (OGP) of which Nigeria is a member.

So far, a federal government's circular has been issued mandating all government MDAs to use the portal, and the portal is already being populated with data.

The benefits of the portal are numerous to all stakeholders ranging from government, civil society organisations, and the private sector.



R-L: Honourable Minister of State, Budget and National Planning, **Prince Clem Agba**, Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, **President Muhammadu Buhari** (m), **Vice President Prof. Yemi Osinbajo**, and Secretary to the Government of the Federation, **Mr. Boss Mustapha**, during the launch of the Nigeria Agenda 2050 (NA 2050)



# Why Private Sector Should Consider Collaboration With Federal Govt. Seriously

It is advisable we note that Nigeria Agenda 2050 seeks to increase the country's per capita gross domestic product (GDP) to \$33,000, even as the federal government has been finalising the Nigeria Agenda 2050, to succeed Vision 2020, after the National Development Plan (NDP).

Understandably, the country is currently in the second year of its NDP 2021- 2025, which replaced the Economic Recovery and Growth Plan (ERGP) 2017-2020.

Just as the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed said a few months ago, we are in the second year of the NDP 2021-2025, therefore the private sector should take the lead.

A few days ago, President Muhammadu Buhari in Abuja launched a new long-term national development plan, the Nigeria Agenda 2050 (NA 2050), which aims to ensure that the country attains a per capita GDP of \$33,328 per annum, placing her among the top middle-income economies in the world by 2050. The president who inaugurated NA 2050 before the commencement of the meeting of the Federal Executive Council (FEC) at the Council Chamber, said that the plan has the vision of a dynamic, industrialised and knowledge-based economy that generates inclusive and sustainable development for the country.

Given the measures already in place for continuous plan implementation, he stated that successive administrations would find the document useful in the delivery of electoral promises.

Commending the National Steering Committee, led by Mrs. Ahmed and Prince Agba, for delivering yet again, on the important national assignment, the president described the unveiling and public presentation of NA 2050 as another milestone in the "annals of history of our planning experience, post-independence."

He stated that this feat has also shown the administration's commitment to planning and plan implementation since the assumption of office on 29 May 2015.

On the process of the preparation of the plan, the Honourable Minister of Finance stated that it was not only participatory and consultative but inclusive; involving all critical stakeholders, she listing other stakeholders as the organised private sector (OPS), youth organisations, labour unions, traditional and religious institutions, major political parties, women's organisations, and people with special needs, among others.

Mrs. Ahmed said: "The Nigeria Agenda 2050 is formulated against the backdrop of subsisting economic and social challenges facing the country, including low, fragile and non-inclusive growth, insecurity, high population growth rate, limited concentric economic diversification and low productivity.

"The Plan is a long-term economic

## POLICY BRIEF

with

**ENAM OBIOSIO**



transformation blueprint designed to address these challenges."

She told the President and other FEC members present at the inauguration that with the expected improved capital accumulation, investment as a ratio of GDP is expected to increase from the current 29.40 percent to 40.11 percent by 2050.

She explained that under the plan, the bulk of the investment is expected to be financed by the private sector while total employment is expected to rise to 203.41

Recall she had noted that financing of the NDP 2021-2025 would rely heavily on domestic resource mobilisation from non-oil revenue sources through the results of the Strategic Revenue Growth Initiative (SRGI) and Finance Acts.

The premise here is that this will improve and further diversify government revenues and entrench fiscal prudence and value for money.

In fact, there is need for serious collaboration between the finance ministry

It calls for understanding that petrol subsidy is a fiscal drain affecting the country significantly, especially as the government struggles with revenue problems and a high debt profile

million in 2050 from 46.49 million in 2020.

"This implies that unemployment will drop significantly to 6.3 percent in 2050 from 33.3 percent in 2020. The corollary is that the number of people in poverty will drop to 2.1 percent by 2050 from 83 million in 2020," the finance minister said.

Although challenged by a shortfall in revenues, this administration has kept its pact by prioritising capital releases in favour of ongoing critical infrastructural projects in power, roads, rail, agriculture, health and education sectors.

Apparently, the federal government has chosen to prioritise the roads, rail, agriculture, health and education to strengthen the Nigerian economy post-COVID-19 pandemic. Resources have been mobilised, mostly with less emphasis on oil revenues.

and the Nigerian Economic Summit Group (NESG) to enable regular dialogue and engagement between the federal government and the private sector.

Also recall that Nigeria's Vision 2020, conceived in the 90s, planned to make Nigeria one of the 20 largest economies in the world, able to consolidate its leadership role in Africa and establish itself as a significant player in the global economic and political arena, by achieving a GDP per capita of \$10,000.

It calls for understanding that petrol subsidy is a fiscal drain affecting the country significantly, especially as the government struggles with revenue problems and a high debt profile. Honestly, the funds channelled to the subsidy could be used for other things aimed at economic improvement, instead of increasing the country's debt profile. The

country needs a lot more revenues.

Remember, Mrs. Ahmed had said: "Personally, I wish we can introduce the federal personal income tax which will be a topper on the existing income tax collected by the state; I also wish our value added tax (VAT) was at 10 percent and not 7.5 percent."

She said this because Nigeria's citizens have low tax morale because there is not enough returns on it to the citizens which has discouraged further remittance.

Knowing full well that the citizens are not paying taxes, "we have to communicate to them more and show taxpayers what their money is being used for; also, we have to make tax compliance easy for easy remittance.

Let us note that although challenged by a shortfall in revenues, the government has remained committed to driving growth and prioritising infrastructural development.

On the implementation of the NDP 2021-2025, it is not mere saying that the government has made transformational investments in infrastructure to restore the national railways and road network.

For the plan, financing from the government is to rely heavily on domestic resource mobilisation from non-oil revenue sources through the results of the implementation of the SRGI and the Annual Finance Acts, in that the government remains focused on unlocking the economic potential of the non-oil and high employment-generating sectors to achieve sustainable and inclusive growth and development.

There is a moral imperative to lower the poverty and unemployment rate significantly to ensure sustainable broad-based growth, because the NDP 2021-2025 has a unique objective of establishing a strong foundation for a concentric economic diversification.

Do not forget: "The plan is designed to lift 35 million people out of poverty and generate 21 million full time jobs by 2025, thus setting the stage for achieving the government's target of lifting 100 million Nigerians out of poverty in 10 years." The plan is underpinned by a very strong macroeconomic framework projecting an annual average real GDP growth, even as improvement in revenue is expected to result in total national revenue projection.

Accordingly, the growth is envisaged to come from agriculture, trade, services, construction and manufacturing, communication sectors.

It was the Honourable Minister of State, Budget and National Planning, Prince Clem Agba, who said that the plan has an investment size of N348.1 trillion, 86 percent of which is expected to come from the private sector while the other 14 percent will be from the public sector, all of which would be allocated to sectors, programmes and projects. That is why the private sector has to consider its collaboration with the federal government very seriously.