



COUNTRY REPORT OF THE FEDERAL REPUBLIC OF NIGERIA

PRESENTED DURING THE 2019 2ND ORDINARY SESSION OF ECOWAS PARLIAMENT

Abuja, 20 November – 14 December 2019

BY

THE NIGERIAN DELEGATION OF MEMBERS OF ECOWAS PARLIAMENT



~ The Delegation ~

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1. INTRODUCTION

Honorable Speaker and Distinguished Colleagues, on behalf of the Nigerian Delegation to the ECOWAS Parliament, I convey warm greetings to you all from the Government and the people of the Federal Republic of Nigeria.

It is an honor and privilege to stand before you to present Nigeria's Country Report during this 2019 Second Ordinary Session of the ECOWAS Parliament.

2. POLITICAL SITUATION

Nigeria held Presidential/National Assembly, Gubernatorial/State Assembly elections on 25th February and 9th March, 2019 respectively. As a fall out, several cases were filed in court challenging the outcome of the elections. On the Presidential election, the Supreme Court, as the final adjudicator affirmed the judgement of the Tribunal (Court of Appeal) on Wednesday, 30th October, 2019 and upheld the judgement of the court of appeal that dismissed the petition challenging President Buhari's 2019 election victory.

The 9th National Assembly of the Federal Republic of Nigeria, a bicameral legislature was inaugurated on 11th June, 2019, and the Assembly will run its course to 11th June, 2023.

As a result of Court decisions, seven (7) out of thirty-six (36) governors did not go through elections in March, 2019. These are in Osun, Ondo, Anambra, Ekiti, Edo, Bayelsa and Kogi States. Following expiration of their office tenures, two of these states (Bayelsa and Kogi) went to polls on Saturday 16th November, 2019 to elect their governors. The APC has won in both the states. The five remaining states will face the electorates at the expiration of their various office tenures.

3. SECURITY SITUATION

Security Operatives have further degraded the activities of Boko Haram, even though the terrorist group continues to carry out limited attacks on soft targets in Borno, Yobe and Northern part of Adamawa State. The only major attack by the group since May, 2019 was on July 27, 2019 when they attacked a funeral gathering where 21 people were initially killed during the burial ceremony, and an additional 44 people killed when villagers ran after the assailants.

Kidnapping has again become a virulent form of crime in Nigeria recently after militants of the Niger Delta had stopped hostage taking to protest the inequality in the region following the resolution of the Niger Delta question. The dastardly act has now surfaced in other sections of the country. However, the security agencies have beamed a powerful searchlight on perpetrators of the crime and arrests and prosecutions are being made.

Banditry in the North West states is another form of criminality which became rife from the middle of the year. That is being curbed even in Zamfara state following the election of a new governor in the state in March, 2019.

As we approach the end of the rainy season and the beginning of harvest of farm produce, the annual cycle of violence between herders and farmers may rear its ugly head again. This is an annual event as farmers evacuate farm produce while cattle wander onto farmlands to graze and destroy crops. This has been a source of conflict and a serious cause of insecurity not only in Nigeria but in the whole of the Sahel. The driving cause of these clashes is the competition for available resources, especially grazing land and it is a serious drawback on Agricultural production. Nigeria has realized that there is a need for concerted efforts by the government, the private sector, regional bodies and the international community at large to come together to address these challenges.

4. HUMAN RIGHTS SITUATION

A. National Human Rights Commission (NHRC)

Considerable progress has been achieved within the Human Rights space in the country. As usual, the relevant government agency, civil society groups and individual human rights activists continue to work actively in ensuring the protection of human rights in the country. The National Human Right Commission (NHRC) has continued to make progress in curbing human rights abuses. The Commission has completed a comprehensive investigation of complaints against the Special- Anti Robbery squad of the Nigerian police. It is currently conducting nationwide investigation on sexual and gender-based violence in Nigeria. The Commission is carrying out human right monitoring project in the North East and North Central parts of the country due to insurgency and the herders-farmers clashes. Generally, the Commission is holding law enforcement agent accountable and has redirected the focus of stakeholders to promotion and protection of human rights in Nigeria.

B. National Agency for the Prohibition of Trafficking in Persons (NAPTIP)

NAPTIP was created on 14th July, 2003 as Nigeria's response to addressing the scourge of trafficking in persons in fulfillment of the country's international obligation under the trafficking in Persons Protocol to prevent, suppress and punish trafficking in Persons, especially women and children.

In partnership with national and international agencies, the agency has achieved a lot in carrying out its mandate which has yielded the following successes:

- a. effective collaboration that led to Nigeria's existing MOU with the following countries;
 - Netherlands (which led to Operation Cool vis and Counter-Intelligence Exchange Programme)
 - Mali (which led to Operation Timbuktu)
 - Italy, Benin Republic, Finland, Spain, etc.
- b. mainstreaming of human trafficking into the national curricula of schools which is a product of NAPTIP's collaboration with National Educational Research and Development Council (NERDC);

- c. strengthening of technical and operational cooperation with many countries on mutual legal assistance, joint investigations and joint prosecutions, particularly the UK.
- d. collaboration with neighboring countries; Cameroun, Benin Republic, Chad and Niger Republic to strengthen mutual cooperation to stem trans-border trafficking.

C. Situation of Refugees and Stateless Persons

From thirty-two thousand, six hundred and one (32,601) Cameroonian refugees reported to be in Nigeria as at May, 2019, the number of the refugees have increased to forty-six thousand, six hundred and ten (46,610) scattered in five states of Akwa-Ibom, Cross River, Benue and Taraba States in Nigeria. In the month of August alone, 1,464 new refugees were registered in Nigeria. About 51% of these refugees live in their host communities and therefore receive assistance from the government of Nigeria. For the UNHCR office funding of the refugees, the Commission's 2019 budget of USD44.6 million has been funded up to 55% as of August, 2019 on the refugees.

5. STATUS OF IMPLEMENTATION OF THE COMMUNITY TEXTS

As reported during the First Ordinary Session of this Parliament in May 2019, Nigeria had ratified 41 out of 54 ECOWAS Protocols, giving an achievement record of 76 percent. The situation still remains the same. Greater efforts will, however, be made to ensure a 100% record.

6. ECONOMIC AND SOCIAL SITUATION

Nigeria's economic environment remains challenging. This reflects uncertainty arising from security and threats tension with attendant implication. However, Nigerian economy has thus far recorded nine consecutive quarters of GDP growth with 2.02% in the first half of 2019. We have significantly reduced inflation from a peak of 18.72% in January 2017 to 11.02% by August, 2019. This was achieved through effective fiscal and monetary policy coordination, exchange rate stability and sensible management.

There is a sign of increased investor confident in our economy as there were remarkable inflows of foreign capitals imported into Nigeria from USD12billion in the first half year 2018 to USD14billion for the same period in 2019.

Oil being Nigeria's 95% foreign exchange earner remains 80% of the country's budgetary revenues. In the first quarter of 2019, average daily oil production stood at 1.86millions barrels per day (MBPD) which was higher than the first quarter 2018 production volume by 0.05mbpd. The level of oil output during the quarter was the highest recorded over the past one year and the second highest since May, 2017.

The non-oil sector grew by 2.4% in real terms during the reference quarter. This was 1.72% points higher compared to the rate recorded in the same quarter of 2018. The sector was driven mainly by Information and Communication Technology (ICT). Other drivers were

agriculture, transportation and storage, trade and construction. In real terms, the non-oil sector contributed 90% to the nation's GDP, higher than recorded in the first quarter of 2018.

A. Deep Offshore and Inland Basin Production Sharing Contracts Act (Amendment) Bill 2019.

On 4 November, 2019, President Muhammadu Buhari assented to the Deep Offshore and Inland Basin Production Sharing Contracts Amendment Bill 2019. This law provides a legislative framework guiding Nigeria's offshore oil production, covering acreages greater than 200metres in water depth. It embodies a gradation of physical incentives with a zero royalty and 50% flat rate of chargeable profit from oil exploration and production companies (contractors) involved in exploration beyond 1000 metres water depth.

The need to encourage upstream investment in offshore acreages, which is considered extremely risky and novel at a time, was the reason incentives were given under the old law, which led to massive investments among the International Oil Companies (IOCs) that unlocked an increases in Nigeria's crude oil reserves to about 36billion barrels as at June, 2019. With this amendment, it is now much more economically beneficial to Nigeria whenever the price of crude oil in real terms exceeds \$20 per barrel, thus impacting on the physical terms of the Production Sharing Contracts (PSC) negotiated between the contractors and the federal government.

This amendment has long been due for review, since crude oil prices soared above \$20 for more than fifteen years.

B. Agriculture

Agriculture, as in other countries of the world, is a branch of the economy in Nigeria providing employment for about 70% of the working population. It is also the largest economic activity in the rural areas where almost 50% of Nigeria's population lives. Since the coming of this administration in 2015, Nigeria has put to a halt the exogenous leakages in the agricultural sector by enhancing the locally made farm produce thereby increasing internally generated revenue index and foreign exchange capacity and reserve. This is designed to put an end to importation of farm produce that can be grown here in our country which is a pilot vehicle to sustainable economic and agricultural development and for job creation.

C. ECOWAS Trade Liberalization Scheme (ETLS) for Tripartite Anti-Smuggling Committee.

The primary purpose for establishing ECOWAS is to integrate the fifteen West African markets in order to aid the free movement of persons, goods, capital and labor so that the community can advance harmoniously as one region in its search for sustained economic growth and development. For ECOWAS to achieve its integration agenda, it has developed various Protocols and Laws to eliminate obstacles in the sub-region. The ECOWAS Trade Liberalization Scheme (ETLS) is one such protocol. Created in 1976, the protocol was followed in 1979 with the ECOWAS Protocol relating to free movement of Persons,

Residence and Establishment which was established bearing in mind that free movement is a significant factor for integration, as well as a pillar for a common market.

The ETLS is an initiative of the ECOWAS member states to promote co-operation and integration in commerce, increase and maintain economic stability through the establishment of an economic union within the sub-region for the purpose of raising the living standards of its citizens, fostering close relations among its members and contributing to the progress and development of the African continent.

The objective of the ETLS is to establish a Custom Union among all member states aimed at the total elimination of customs duties and taxes of equivalent effect, removal of non-tariff barriers and the establishment of a Common Customs External Tariff to protect goods produced in Member States (Article 3 of the Revised Treaty).

The Trade Liberalization Scheme is meant to provide impetus to the process of economic integration and development in the West Africa region. It is also to provide easier access to markets in other ECOWAS countries and thereby encourage local manufacturing outfits to compete favorably with imported products that may be dumped in the market. The scheme is to furthermore encourage entrepreneurial and economic development in member states. The ETLS is one of the major achievements of the process of regional integration on the economic front.

The Scheme has undergone a series of transformation in respect of the categories of goods that are covered. The first category was defined when the scheme first came into existence in 1979. At that time, agreement was reached on only agricultural, artisanal handicrafts and unprocessed products to benefit from the scheme. However, in 1990, further agreement was reached to include industrial products “originating” from the ETLS region. The rules of origin which guide this concept are defined in the ECOWAS protocol A/P1/1/03 of 31st January 2003. It defines originating products as follows:

- ⇒ Wholly produced goods; goods whose raw materials completely originate from the region.
- ⇒ Goods which are not wholly produced but their production requires the exclusive use of materials which are to be classified under a different tariff sub-heading from that of the product.
- ⇒ Goods which are not wholly produced but their production requires the use of materials which have received a value added of at least 30% of the ex-factory price of the finished goods.

D. ETLS Task Force

The ETLS Task Force was established on 25th November, 2015, vide enabling regulation PC/REG 01/11/15. The mandate of the Task Force is to monitor the effective implementation of ECOWAS Protocols on the Free Movement of Persons and Goods. Its mandate also includes encouraging ECOWAS Member States to effectively implement the Protocols on Free Movement of Persons and Goods in the Community through arbitration

and amicable settlement of disputes between the Member States. It also undertakes advocacy and mediation missions with the highest political Authorities of Member States.

The Task Force operates under the supervision of the President of Burkina Faso appointed by his colleagues with mandate to monitor free movement within the ECOWAS, and under the coordination of the President of the Commission. The Task Force came to Nigeria on 28th October, 2019 and was led by its Head, His Excellency, Salou Djibo, former President of the Republic of Niger. Other members of the delegation include Mr. Kenneth Ukaoha, President of National Association of Nigerian Traders (NANTS), and Mr. Moustapha Gnankambary, Permanent Secretary of the Task Force.

E. Reasons for Nigeria's land borders security drills

Prior to the eventual Nigeria's land border security drills, the Nigerian Government had in 2016 banned importation of rice through the land borders. Despite this measure, imported rice continued to flood the Nigerian market at rock bottom prices, thereby rendering locally produced rice very unattractive to buyers.

To safeguard the recent Nigeria's land borders security drills, Nigeria had signed three Memorandums of Understanding (MoUs) at different times with Benin Republic. The first MoU was signed on 11th April 2005; the second MoU was signed on 2nd May, 2015, while the third MoU was signed between 22nd - 24th July, 2018. Nigeria also assisted Benin Republic with donation of ten (10) Hilux vehicles to deal with smuggling activities on 2nd May, 2017. Recently, Nigeria further donated five (5) Hilux vehicles to Benin Republic to combat smuggling activities. Unfortunately, all the MoU signed were not implemented by Benin Republic and the donations did not yield positive result.

Nigeria's land borders security drills with the Republics of Benin and Niger commenced on 20th August, 2019. The borders security drills were due to the prevailing massive smuggling activities taking place in that corridor, especially the smuggling of rice into Nigeria. Bilaterally, Nigeria has engaged with the Republic of Benin and Niger many times on this matter without positive result. The dumping of imported rice into Nigeria has adversely affected the local production of rice vis-à-vis Nigerian economy.

Most of the smuggled goods are not part of the legal items captured under the ETLS, but rather, imported from third countries such as rice produced in Thailand and Vietnam, imported to Benin and finds its way to Nigeria through smuggling. Such goods were accompanied by other illicit items such as hard drugs, which are causing so many challenges to Nigeria.

F. Effects of border security drill to Nigeria

As a result of the border drills, Nigeria has suffered some loss of its export to the sub-region. For instance, in the first quarter of 2019, Nigeria's export reached \$17,047,978.85 while in the second quarter of 2019, it was \$12,868,042.21. However, as a result of the land border closure in the third quarter, it dropped to \$2,429,886,741.55.

G. Objectives of the mission of Task Force in Nigeria

On 28th October, 2019, the ETLS Task Force was on a fact-finding mission to the Federal Republic of Nigeria to get firsthand information on the Nigeria's land borders security drills with the neighboring countries. The mission provided an avenue for jointly addressing the concerns in the framework of ETLS Protocols and the Free Movement of Persons in the region. The Task Force also visited the Republics of Benin and Niger on their fact-finding mission and would submit recommendations to the Commission at the completion of their findings.

H. Schedule of a Tripartite meeting between Nigeria, Benin and Niger

The aftermath of the security drills has to provide an avenue for jointly addressing the concerns raised by Nigeria in the framework of ETLS Protocols and the Free Movement of Persons in the region. A Tripartite meeting between Nigeria, Benin and Niger has been held on Thursday 14th November, 2019 in Abuja, where all the irritants has been deliberated and resolved.

Nigeria would continue to work with the ECOWAS Community on achieving greater economic integration in line with the vision of our founding fathers.

I. Eradication of Poverty

Nigeria remains committed to ensuring the equitable sharing of economic prosperity, promoting social investment and assisting victims of natural disasters. Accordingly, the government is improving on the implementation of the National Social Investment Programme (NSIP) through the newly created Ministry of Humanitarian Affairs, Disaster Management and Social Development created on the 21st August, 2019. The creation of this ministry is aimed, among others, at the rebuilding the North Eastern Nigeria that has been grossly affected by insurgency and other humanitarian crisis situation over the past ten years. The ministry is also charged with the responsibility of returning displaced persons back to their natural settlements and manage natural disasters and victims of such disasters.

The NSIP is already creating jobs and economic opportunities for local farmers and cooks, providing funding to artisans, traders, youths and supporting small businesses with business education and mentoring.

The provision of N65billion for the Presidential Amnesty Programme (PAP) has been retained in the 2020 budget. Furthermore, to fast track the rebuilding effort in the North East region devastated by Boko Haram insurgency, a provision of N37.3billion has been made for the North East Developing Commission (NEDC).

J. Specific Anti-Corruption Measures

We have reported to you in the first ordinary session in May, 2019, the efforts of Nigeria in curbing corruption and corrupt practices in government where we informed of the government's introduction of whistle blower policy introduced in December, 2016 as well as implementation of Single Treasury Single Account (TSA) and the creation of Nigerian Financial Intelligence Units (NFIU) which is the Nigerian arm of the Global Financial

Intelligence Units (FIUs) domicile with the EFCC. We are happy to now report that the government has forwarded an Executive Bill to the National Assembly that will create a special court for anti-corruption cases. Also, the President has issued a new directive on Integrated Payroll and Personnel Information System (IPPIS) which is a computerized human resource management information system that put all government employees in a centralized payroll system that helps the government to plan and manage payroll budgets by ensuring proper control of personnel cost and to halt the padding of personnel budget and the diversion or misappropriation of capital budget.

7. STATUS OF IMPLEMENTATION OF THE MACROECONOMIC CONVERGENCE CRITERIA

Nigeria has fulfilled the primary and secondary criteria thus far (see table below). It also assesses progress made on the macroeconomic convergence programme as well as policy harmonization activities.

Nigeria

CRITERIA	TARGET	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary Criteria											
Budget deficit (commitment basis, including grants)	≤3%	-3.1%	9.8%	-1.4%	-1.4%	-0.9%	-1.6%	-2.1%	-1.0%	0.1%	0.2%
Average annual inflation rate	≤10%	12.4%	10.8%	12.2%	8.5%	8.0%	9.0%	11.4%	16.4%	12.5%	11.3%
Central Bank financing of Budget Deficit	≥10%	0.0%	0.0%	0.0%	0.0%	0.0%	13.1%	0.0%	0.0%	38.0%	0.0%
Gross external reserves	≥3	7.9	6.3	8.5	8.9	6.0	5.8	8.2	12.9	11.2	18.6
No. of Primary Criteria met		2	3	3	4	4	3	3	3	3	3
Secondary Criteria											
Nominal exchange rate variation	±10%	0.8%	-6.0%	0.7%	2.1%	-1.9%	11.9%	31.0%	-3.6%	-2.0%	1.3%
Public debt to GDP ratio	≤70%	7.6%	8.9%	9.1%	8.9%	10.7%	11.5%	14.1%	14.6%	14.7%	17.6%
No. of Secondary Criteria met		2	2	2	2	2	1	1	2	2	2
Total Convergence Criteria Met		4	5	5	6	6	4	4	5	5	5

8. ENVIRONMENT AND CLIMATE CHANGE

Nigeria is a party to the UN framework on climate change aimed at reduction of greenhouse gases. We are happy to report that we are unconditionally committed to reducing the

emissions by 20% by the year 2030. We shall scale it up to 45% with international support and partnership. In this regard, government has developed sectorial action plan to guide the mitigation.

On the treatment of polluted soil resulting from gas flaring and crude oil spills in the Ogoni land in the Niger Delta, government has engaged contractors that have since commenced the first phase of the exercise. Bids from contractors for the second phase are being received for award of contracts for the clean-up.

9. PAYMENT OF ECOWAS COMMUNITY LEVY

As reported in May, 2019, Nigeria's 2017 levy was deposited in December, 2018. It was a total amount of US\$ 59, 898, 606.19. As the Council of Minister's meeting comes up on 17th December, 2019, we are hopeful payment for 2018 would be done before 17th December, 2019.

10. CONCLUSION

The Government of the Federal Republic of Nigeria is determined to integrate and develop the West African sub-region. Nigeria will continue to build upon its actions in implementing regionally-agreed commitments with a view to improving the standard of living of its citizens and will continue to work towards the fulfilment of community development initiatives.

On behalf of the entire Nigerian delegation of Parliamentarians to the ECOWAS Parliament, I thank you most sincerely for listening.

Long Live the ECOWAS Parliament and Long Live ECOWAS!

Thank you,

Merci,

Obrigado