



SUSTAINABLE PATH TO ECONOMIC GROWTH & DEVELOPMENT: IMPERATIVES OF DEVELOPMENT PLANNING

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1.0 Introduction

- Development planning practice in Nigeria dates back to colonial period and has evolved over the years
- Planning is the deliberate effort of government to coordinate economic decisions, influence and direct the level & growth of a nation, and its principal economic variables to achieve a pre-determined set of objectives
- It is the desired state towards which a society wants to move:
 - Deals with looking ahead, projecting the future and making choices from available alternative means:
 - Developing programme of action
 - Matching ends and means
 - Identifying benchmarks to manage development programmes



2.0 Overview of Development Planning

- There are three dimensions to Planning
- ✓ **Short Term Plan:** A plan that sets smaller, intermediate milestones to achieve within closer timeframes when moving toward an important overall goal. e.g. annual budgets.
- ✓ **Medium Term Plan:** Plans which set goals that span two to eight years into the future. Medium Term Plans with shorter timeframes are better, i.e 4-5 years
- ✓ **Long Term Plan:** Long-range plans usually pertaining to goals that are expected to be met five or more years in the future. It begins with a vision, established goals and specific objectives and analyzes strategic options based on assessed strengths, weaknesses, opportunities and threats.

2.0

Overview of Development Planning in Nigeria - Chronology of Development Plans in Nigeria .../2



Nigeria has since independence embarked on a number of development plans to accelerate the rate of economic growth and improve the standard of living of the people.

Development	Period
First National Development Plan	1962 – 1968 (Truncated by Military Coup)
Second National Development Plan	1970 – 1974
Third National Development Plan	1975 - 1980
Fourth National Development Plan	1981 – 1985
Fifth National Development Plan/Structural Adjustment Programme (SAP)	1986 – 1989 (Truncated in favour of SAP)
Rolling Plans (1990 – 1998)	1990 – 1998
National Economic Empowerment and Development Strategy (NEEDS)	2003 - 2007
NEEDS 2 & Seven Point Agenda	2007 - 2008
Nigeria Vision 20:2020 (NV:20:2020)	2009 – 2020
1 st National Implementation Plan	2011 – 2015
Transformation Agenda	2011 – 2015
Economic Recovery & Growth Plan	2017 - 2020
Medium Term National Development Plan	2021 - 2025 (being midwived)

2.0 Overview of Development Planning in Nigeria – Nigeria's Experience.../3



□ The Nigerian economy witnessed improvements in periods when plans were implemented

Period	Av. GDP Growth Rate (%)	Population Growth Rate (%)	Poverty Rate (%)
1962-1975	9.4	0.5	47.9
1975-1990	-0.7	1.8	58
1990-1999	2.8	2.8	70
1999- 2007	6.5	3	50
2007-2012	6.98	3.2	60.24
2013 – 2015	4.83	3.2	23
2017 - 2020	1.26	2.6	39.6(2018&2020)

Source: NBS, MBNP

3.0 The Planning Process in Nigeria



Planning Process

- Planning process is coordinated by the Ministry of Finance, Budget and National Planning (Budget and National Planning Arm) in close collaboration with the PRS Departments of Federal MDAs and State Planning Agencies (Ministries/Commissions).
- Process is usually consultative, participatory and largely inclusive, with key stakeholders actively involved
- Today, we are in the process of developing successor Plans to the ERGP 2017-2020 and NV20:2020
- The Plan preparation process often commences with the review of the implementation of previous Plans.
 - Followed by the development of Policy Thrusts and Macroeconomic Framework for the new Plan

3.0 The Planning Process in Nigeria .../2



- Convene meetings of the National Economic Advisory Council and other representatives from relevant groups such as the private sector and academia
 - To consider draft Policy Thrusts for the Plan.
 - Outcome of the Forum is translated into the draft guidelines on policy thrust for the plan
- Statutory Planning Bodies to consider draft guidelines on Policy Thrusts for the plan
 - Joint Planning Board (JPB)
 - National Council on Development Planning (NCDP)
 - National Economic Council (NEC)
 - Federal Executive Council (FEC)
- Issuance of Call Circular and guidelines on policy thrust for the preparation of the Plan to Federal MDAs & State Governments

3.0 The Planning Process in Nigeria .../3



- Hosting of technical bilateral sessions to discuss the inputs & submissions of Federal MDAs & State Governments
 - Constitution of and inauguration of the Institutional/governance structure for the Plan
 - National Steering Committee
 - Central Working Group
 - Technical Working Groups (26 TWGs in the present process)
 - The Governance structure is made up of Public & Private Sector officials to work closely with officials of Ministry of Budget and National Planning to produce a draft plan
 - Views of the NASS are considered and reflected as appropriate.
 - Approach is being adopted for both NA 2050 & MTNDP, 2021-2025
 - Draft Plan is often subjected to evaluation by the various statutory bodies (As will be done in the course of this meetings):
 - JPB;
 - NCDP;
 - NEC;
 - FEC; and
 - National Council of State
- The approved plan document is disseminated and circulated to the public
- Implementation: - M&E of the plan by all stakeholders
 - Through the National M&E framework / Eye Mark
 - New ideas from the lessons learnt – Financing, Communication, Legal Framework/Continuity of the Plan implementation

4.0 Nigeria's Current Planning Framework



❑ The Current Framework for Nigeria's National Development Planning includes:

Long-Term: The Nigeria Agenda 2050

- with continental AU 2063 and Global Agenda SDGs 2030 adequately aligned and mapped

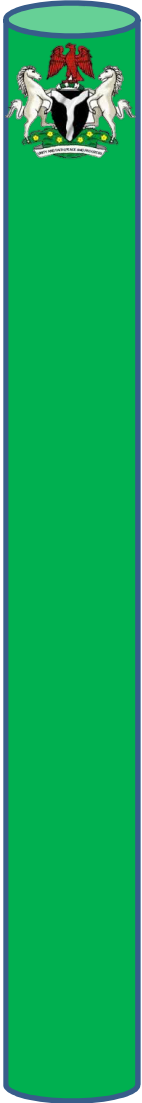


Medium-Term: The Medium Term National Development Plan (2021 – 2025)
- This is currently being developed



Short-Term: The 2021 Budget & Economic Sustainability Plan (ESP)

4.0 Nigeria's Current Planning Framework ../2



- Government is currently developing a Medium Term National Development Plan (MTNDP), 2021-2025 and Nigeria Agenda 2050
- These are successor Plans to the ERGP, 2017-2020 and NV20:2020
- Approach adopted for the preparation of the plans is highly participatory, consultative and inclusive with the private sector and sub-nationals being actively involved in the process
- The MTNDP, 2021-2025
 - will serve as guide for the preparation of annual budgets
 - The Plan is expected to build on the policies, initiatives, programmes and projects of government
 - The Plan is to guide the Economic Management and budgeting process over the short to medium term
 - The Plan will also set out clearly the country's policies and plans to guide potential domestic and foreign investors
 - The Plan is expected to be finalized end March/April, 2021.

5.0

Relevance of Planning to National Devt



- | | |
|---|---|
| <ul style="list-style-type: none"> • Promotes efficient use of resources | <ul style="list-style-type: none"> - Provides rational basis for resources allocation ➤ Among competing needs |
| <ul style="list-style-type: none"> • Facilitates enhanced coordination of policies, programmes and projects | <ul style="list-style-type: none"> - To avoid conflict in policies, programmes and projects and manage the trade offs. ➤ And activities of groups involved in the development effort |
| <ul style="list-style-type: none"> • Allows for consensus building among stakeholders | <ul style="list-style-type: none"> - Public & the private sectors must agree on the major issues involved ➤ Lead to enhanced implementation of plans |
| <ul style="list-style-type: none"> • Facilitates increased public awareness on developmental policies, programmes and projects | <ul style="list-style-type: none"> - Without public support, economic development cannot happen |
| <ul style="list-style-type: none"> • Strengthens the nation's competitive position | <ul style="list-style-type: none"> - A nation with a functional strategic blue print will appear more attractive to potential business or investors |
| <ul style="list-style-type: none"> • Encourages forward thinking | <ul style="list-style-type: none"> - Strategic blue print will encourage leaders and other stakeholders to think about the future ➤ And not overlook opportunities for devt as they arise |

5.0

Relevance of Planning to National Devt (Dubai in 1990)



5.0

Relevance of Planning to National Devt (Dubai in 2005)



5.0

Relevance of Planning to National Devt (Dubai in 2020)



6.0

Key Issues & Challenges in Planning in Nigeria



- Effective planning in Nigeria have been constrained by a number of factors in the past, notable among are:
 - Plan indiscipline
 - Lack of continuity of plans, projects and policies
 - Inadequate synergy between plans and budgets
 - Inability to meet revenue targets due to dependence on crude oil
 - Corruption
 - Inadequate up-to-date baseline data for planning and tracking sectors performance
 - Ineffective framework for tracking and monitoring sectors programmes & projects in a coordinated manner
 - Absence of sector strategic plans in some Federal MDAs and States
 - Capacity gaps for Federal MDAs and States in Planning and M&E, due to high staff turnover,
 - Non-pooling and professionalization of the Planning Officers Cadre
- **The good news is that government is committed to addressing most of these challenges**



7.0 Addressing the Issues and Challenges



- Merging Finance, Planning and Budget functions
 - To Strengthen Fiscal-plan-budget link for rapid growth and development
- Focusing on concentric diversification of the Nigerian economy to reduce over-reliance on crude oil which has been the major source of revenue and FOREX for the country
- The Policy Thrust/Pillars of the Medium Term Devt Plan (2021 – 2025) to address the critical challenges of economic development in a coordinated manner
- Improve Budgeting process to ensure value for money
- Maintenance of flexible foreign exchange management regime to discourage rent seeking and dysfunctionalities in the FOREX market
- Institutionalization of M&E system in the federal MDAs and States.
- Effective collaboration between the Federal and sub-national governments as well as the Private sector operators

7.0 Addressing the Issues and Challenges .../2



- Social intervention programs in place to support the poor and vulnerable as well as cushion the effect of the COVID-19 Pandemic.
 - 774,000 Job Created (1,000 per LGA)
 - School Feeding programme
 - Conditional Cash Transfer (N5,000/month
 - Enterprise Programme (Support for market women, artisans and agric workers)
 - (in all of these, baseline data remained a serious challenge – population characteristics/ demographic dividends)
 - We need to move towards outcome monitoring/impact assessment

8.0 What Role for the States?



- ❖ States are to work closely with the Federal Government in the development of the Plan – the Plan is a national Plan involving all the 36 States and FCT as well as the Private Sector
- ❖ Capacity of States have to be developed in the area of Policy formulation, Plan preparation, Implementation and M&E
- ❖ States must leverage technology to ensure that State Plans are well articulated and in line with the national aspiration as outlined in the MTNDP 2021 - 2025
- ❖ States are expected to provide input to make the Plan comprehensive
- ❖ Institutionalize Planning at the Sub-national level
- ❖ The Ministry of Finance, Budget and National Planning stands ready to provide technical support in this regard (exchange programme, donor supports etc).

