



# STRATEGIC AGENDA FOR NORTHERN DEVELOPMENT (STAND)



AREWA RESEARCH AND DEVELOPMENT PROJECT (ARDP)

**STRATEGIC AGENDA  
FOR NORTHERN DEVELOPMENT  
(STAND)**

**ARDP, 2017**

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## Preface

In a Foreword by Sir Ahamadu Bello, the Sardauna of Sokoto, Premier of Northern Nigeria to the first comprehensive reports on 'the Industrial Potentials of Northern Nigeria' of 1963, he stated that "*Industrialists can come to northern Nigeria, a country politically stable and economically sound, knowing their participation in our development is welcome and that no effort will be spared to assist them in speeding the development programme to our mutual benefit*". After five decades of experimenting different, but often unplanned, approaches to socio-economic development, the situation of today's North is far from what Sardauna has described and envisaged. Until the mid-1980s, the North flourished and made its mark on the socio-economic development of Nigeria. Today, the agricultural, industrial, and commercial activities, which hitherto were the bedrock of the northern economy are in disarray due to lack of well-thought-out and disciplined policies and programmes.

There is no gain saying that to an ordinary Nigerian, political office holders exist mainly to advance their own interest. In fact, the educated elites have also shared substantial part of the blame, as they hardly make concerted efforts to provide the right framework and platform for advocacy to guide towards people-oriented policy development and implementation. Even though the entire nation suffers from the same confusion and lack of forward thinking, recent experiences have shown that the North is more vulnerable to crisis emanating from poor governance than other regions of the country. Today, without federal allocation, mainly derived from the oil sector, there is hardly any state of the North that could provide even basic services. This is an indictment of the region that hitherto contributed over 50% of the national income.

Re-building of a virile, efficient, functioning, transparent and socially-empowering Northern Nigeria is a dream shared by numerous stakeholders in the region. In particular, the Arewa Research and Development Project (ARDP), an umbrella that assembles concerned intellectuals and experts from different walks of life, conducted a detailed assessment of the region in terms of its historical development, economic performance, state of human capital development, politics and leadership. On the basis of this appraisal, the strategic position of the North nationally and internationally was found to be discouraging and alarming. The region is systematically losing its comparative and competitive advantages, resulting in slow growth, massive unemployment and high prevalence of poverty

and poverty related crises. For the first time in more than four decades, ARDP mobilized an army of experts across the region and beyond to develop a road map for the immediate revival and transformation of the region, with the hope of preventing further deterioration and repositioning the northern states to positively and actively contribute to national and global development. In 2013, the project was started with a conference on 'the North and Sustainable Development' where top-of-the-range Northern scholars at home and abroad covering a wide variety of expertise came together and presented ideas and engaged the cream of Northern audience. These presentations were sifted and developed further by the five syndicate groups on Politics and Power, Peace and Security, Economy, Social Sector and Values and Leadership. Subsequently, additional perspectives and inputs were sought from various stakeholders and experts leading to the development of this document.

Essentially, this strategy document is an attempt to generate conversations and consensus on the ways and means of achieving rapid transformation of the North. It is a Development Strategy in the hands of policy makers that allows for the formulation of clear vision, specifying missions, policies, goals and objectives and then deriving programmes and projects for achieving them within a realistic time frame. It provides a reference point with which progress in any aspect of regional tasks to be performed can be assessed and compared.

The success of the development strategy depends on the preparedness of the political leadership to engage in meaningful dialogue to find areas of cooperation and collaboration along five strands of development, namely: ***Growth Drivers***, to collectively map out plans to develop critical value chain of activities where the North has comparative or competitive advantages; ***Powering and Hastening Growth***, to jointly create strategic industries in power and energy sectors in order to make the North relatively self-sufficient in energy which is essential for the competitiveness of industries; ***Human Capital Development***, to adopt regional approach to holistically transform human capital by increasing access and improving the quality of education; ***Infrastructure***, to close the infrastructure-gap of the region through inter-state partnerships with active private sector participation; and finally ***Leadership*** to stimulate conversations and framework for strengthening governance and providing a platform for stakeholders to

participate in resource allocation, monitoring and evaluation of development activities in the region. In short, this strategy document is a giant stride towards reaching a consensus on northern development. It is a precondition for the realization of our founding father dreams for a prosperous and peaceful North.

**Professor Murtala Sabo Sagagi**

Chief Editor

## Acknowledgment

Writing a development agenda for the North was a project that had to begin from scratch and necessarily required tremendous efforts and involvement of many. In fact, this project is the culmination of the vision, efforts and contribution of a multitude of individuals, groups and institutions; hence this work is a true reflection of a team effort and for which we would remain indebted to all those who helped in numerous and different ways that made it a reality.

The idea for this book emanated from the 7th regular ARDP meeting in June 2012, when it was agreed that the first step in salvaging the North was to create a consensus on development by crafting a development agenda which seeks to address the multiplicity of its problems. This was thought to be best triggered by a conference where top-of-the-range experts from diverse fields will make presentations. The Conference was successfully held between 5th and 6th December 2012 at the Arewa House, Center for Historical Research and Documentation of the Ahmadu Bello University, Kaduna with the theme “*The North and Strategies for Sustainable Development*”. Happily, all the relevant and critical stakeholders within and from across the northern states attended and participated.

We wish to thank the Chief Host and former Governor of Kaduna State, His Excellency, late Sir Patrick Ibrahim Yakowa who gave us an inspiring speech at the conference, only to mourn his death a few days later following a tragic plane crash. Similarly we wish to thank the Northern Governors Forum for its goodwill message read by the then Forum Chairman the Governor of Niger state Dr. Mu'azu Babangida Aliyu. The goodwill message was not only a tonic to the participants, but also a clear proof of moral support to the ARDP. Our thanks also go to the host and the then Vice Chancellor, Ahmadu Bello University, Prof. Abdullahi Mustapha for delivering the welcome address.

The conference was indeed a great day in the annals of contemporary Northern Nigeria having witnessed the attendance and participation of eminent dignitaries and personalities that cut across partisan divides. We are in particular grateful to General Abdussalami Abubakar, GCFR, former Head of State, Atiku Abubakar, GCON, former Vice President, Rt. Hon Aminu Waziri Tambuwal, the Speaker of the House of Representatives and Justice Dahiru Mustafa, former Chief Justice of Nigeria for making out time from their tight schedules to chair the sessions.

Equally, we appreciate the zeal, commitment and interest shown by the

Chairmen of the various Panels and the insightful contributions they made in the discussions to the delight of all participants. In this category were Distinguished Senator George Akume, Senate Minority Leader; Prof. Munzali Jibril, former Academy Provost, also former Executive Secretary, NUC, Nigerian Police Academy, Wudil and Prof. Williams Barnabas Qurix, Vice Chancellor, Kaduna State University.

Special mention must be made of the resourcefulness of the presenters, who devoted time to make and present well-researched and inspiring papers, namely: Dr. Junaidu Mohammed, Prof. Ibrahim Garba, Dr. E. J. Bala and Dr. G.Y Pam, Prof. Gidado Tahir, former Executive Secretary, UBEC, Dr. Abubakar Siddique Mohammed, Prof. J. Yayok, Dr. Hakeem Baba- Ahmed, Prof. Kyari Mohammed; Dr. Nasir Sani-Gwarzo, Dr. Umar Bindir, and Bishop Josiah Idowu Fearon, Bishop of the Anglican Communion, Kaduna. We equally thank the eminent discussants of the various papers presented, namely: Prof Nuhu Yaqub, Prof. Nuhu Obaje, Hajiya Rabi Adamu Eshak, Sen. John Shagaya, Dr. Mairo Mandara, Sen. Umaru Dahiru, (Chairman Northern Senators Forum), Prof. Mike Kwanashie, Hon. Jagaba Adams Jagaba (Chairman, Northern Reprs Forum), Sen. Alex Kadiri and late AVM Mukhtar Mohammed (Rtd.). Many others contributed in the discussion, which shaped the dimension the reports later took.

After the conference, syndicates were formed to synthesize the presentations and submit implementable recommendations, timelines and possible deliverables. We wish to therefore express our appreciation particularly but not exclusively to Prof. Mike Kwanashie (syndicate on the economy) Col. Hameed Ibrahim Ali (Rtd), (Peace and Security syndicate), Sen. John Shagaya (syndicate on political power), Hajia Rabi Eshak (syndicate on the social sector) and Engr. Bello Suleman (values and leadership syndicate). Other members of the syndicates are equally appreciated in this regard.

A two-day retreat was held in Kaduna on 20 and 21 September 2013 to holistically identify the missing gaps and other challenges with a view to streamlining the report and making it in tandem with global best practices that would make implementation simple, faster, simplified, and more efficient. In this vein, we are grateful to Prof. Tyoden and Alexander Lar, both of the University of Jos; Dr. Mohammed Al-amin, Director, Centre for Energy and Environmental studies of the NDA, Prof. Ibrahim Garba, Prof. Garba Mohammed, Bayero University, Kano, Prof. Idris Isa Funtua, Prof. S. Z. Abubakar of the National Agricultural Research Extension and Liaison Services (NAREALS) ABU Zaria, Prof. Nuhu Obaje, Prof. Ahmed Makarfi, Dr. Abubakar Siddique Mohammed and Alh. Yaro Budah of Niyya Farms Ltd, Kaduna. Thereafter, certain gaps on

financial institutions representation were filled by Mal. Bashir Bugaje and Prof. Nasiru Maiturare. Prof. Idris Bugaje also made significant inputs on energy. Other experts who were sought by the Editorial Committee and who contributed quite significantly are hereby appreciated.

The Arewa House, Kaduna, provided the institutional platform on which the ARDP operated. We extend special thanks and appreciation to its Director, Dr Kabiru S. Chafe; he was ably assisted by the indefatigable Prof. Abdullahi Ashafa, who was always and unfailingly on hand every time to take all manner of assignments.

Members of the ARDP Steering Committee worked selflessly and as one single family in the interest of the North and their contributions in making this book a success are immensely appreciated. The Steering Committee was indeed the engine room of the ARDP; its modest successes were certainly because of these people. Their support and co-operation made ARDP's organization easier and fruitful; their continuous support and motivation, while also believing in our ability to deliver has further proven to us that the will, resourcefulness and team work they have shown would be the secret to success for those to implement this Agenda.

We thank most profoundly various groups that make up the ARDP platform: Abuja Discussion Circle, Abuja Unity Forum, Arewa Media Forum, CODE Group, Coalition for Social Justice, Kaduna Unity Forum, Kano Initiative, Nasarawa Discussion Group, Northern Restoration Movement, Northern Union, and numerous other coalition of Women and Youth groups, as well as the various Stakeholders in the ARDP, and all participants at the conference and those who in various ways and capacities made both the conference a success and this book a reality. Our hope is that you find the result in this book worthy of your concern and efforts and would appreciate it more that you will continue to provide ARDP with all the necessary assistance to succeed in making the North that quintessential part the country used to be depended on for leadership and stability.

Special appreciation goes to the ARDP Secretariat, the engine room viz: Dr. Kabiru Chafe, Prof. Abdullahi Ashafa, Barr. Babayola Touno, Malam Isa Modibbo, Dr. Yima Sen, Dr. Abubakar Siddique Mohammed, Mr. James Magit, Barr Gloria Balason and Barr. Shamsuddeen Abdulrahman and Usman Suleiman. These are people called at odd hours to attend to routine assignments and we cannot thank them enough.

**Dr. Usman Bugaje**

Convener, ARDP

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M & E	Monitoring and Evaluation
MCH	Maternal and Child Health
MDGs	Millennium Development Goals
NACCIMA	National Association of Chambers of Commerce, Industries, Mines and Agriculture
NBS	National Bureau of Statistics
NCCE	National Commission for Colleges of Education
NCE	Nigeria Certificate of Education
NCPRD	National Centre for Petroleum Research and Development
NE	North East
NECO	National Examination Council
NEDS	Nigeria Education Data Survey
NEI	Nigeria Northern Education Initiative
NFES	National Frontier Exploration Services
NNDC	Northern Nigerian Development Company
NNPC	Nigeria National Petroleum Corporation
NPHCDA	National Primary Healthcare Development Agency
NRL	Northern Religious Leaders
NSGF	Northern States Governors Forum.
NTL	Northern Traditional Leaders
NTU	National Traders Union
NW	North West
OPS	Organized Private Sector
OVI	Objectively Verifiable Indicators
PHC	Primary Health Care
PNC	Postnatal Care
PPC	Post Partum Care
PPMV	Proprietary Patent Medicine Vendors
PPP	Public-Private Partnership
PTA	Parent's Teacher's Association

SBMC	School Based Management Committees
SHN	School Health and Nutrition
SMoH	State Ministry of Health
SPHCDB	State Primary Healthcare Development Board
SSC	Social Sector Committee
SSS	Senior Secondary School
SUBEB	State Universal Basic Education Board
TDNA	Teacher Development Needs Assessment
TE	Teacher Education
TEs	Teacher Educators
TPD	Teacher Professional Development
TRCN	Teachers Registration Council of Nigeria
TRD	Teacher Recruitment and Deployment
UBE	Universal Basic Education
UBEC	Universal Basic Education Commission
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
VHC	Village Health Committees
VSO	Voluntary Service Overseas
WAEC	West African Examination Council
WASH	Water, Sanitation and Hygiene
MFB	Micro Finance Bank
DFD	Data Flow Diagram
WRAPA	Women's Right Advancement and Protection Alternative
MAPTIP	National Agency for the Prohibition of Trafficking in Persons
UNICEF	United Nations International Children's Emergency Fund (United Nations Children's Fund)

A person is silhouetted against a sunset sky. The sky transitions from dark blue at the top to bright yellow and orange near the horizon. The person is standing on a dark, flat surface, possibly a beach or a field, looking out towards the horizon. The overall mood is contemplative and hopeful.

**Dear Past,  
thanks for all  
the Lessons.  
Dear Future  
I'm ready.**

## AN EXECUTIVE SUMMARY

From the Greek antiquity to our contemporary times, ideas have always ruled the world. This is even more so in the competitive environment of the 21st century, when knowledge has become the greatest capital. Indeed, any human innovation or invention was first an idea in a human mind. People's ideas and talents make societies adapt and prosper. Charles Darwin had established that in the world of nature, it is not the fittest that survives but the most adaptive to change. Today this is a compelling reality of the contemporary world.

Today, the pressure to accelerate economic development, achieve competitive edge, avert social crises and breach of peace has made thinking and planning central to nations that seek to excel. This has made modern governance a corporate scientific business with greater emphasis on formulating disciplined strategic plans that can foster development through policy initiation and action. As the popular line goes, 'failure to plan is actually planning to fail.'

Nigeria in general and the North in particular have in the last three decades or so failed to develop like their peers around the world. This is because while our peers were leveraging on knowledge and formulating policies to help create their desired future, Nigerian policy makers failed to formulate and implement people-oriented plan, resulting in myriad of crisis and tension. Today, in terms of Human Development Index (HDI) we are in the league of war-torn countries like Pakistan, Afghanistan, and Syria etc. Clearly, the North is the worst hit by the years of poor governance and lack of policy direction. The HDI for the North is far below the national average, which, in a way, means we have been dragging the nation behind and pulling it down the drain. This is not because the North is less endowed than other parts of the country. On the contrary, the North is far more endowed, with nearly 80% of the landmass of the country, most of which is arable land, endowed with a wide range of mineral resources, large young population, and assorted sources of renewable energy, just to mention a few.

To reverse this trend, the Arewa Research and Development Project (ARDP) embarked on the onerous and exacting task of crafting a development agenda for the North termed 'Strategic Agenda for Northern Development' (STAND). The agenda envisaged a complete transformation of the region by creating sustainable competitive advantage, which would eventually change the fortunes of the North and the nation as a whole.

This STAND document is made up of 14 chapters with appendices and divided into three sections: Economic Development, Human Capital Development and Leadership and Governance. The Economic Development Section starts with unlocking the opportunities of the North where the enormous potentials of the region were identified and their viability assessed. A number of potentials were identified in agriculture; commerce and services; energy and petroleum resources; mineral resources and manufacturing. The sections wrap-up with an in-depth analysis of the infrastructural needs of the region which will permit the speedy realization of its potential and ways to close the infrastructure-gap.

The second section provides detailed assessment of various facets of Human Capital Development of the region with particular emphasis on education, health, women and youth development. The section seeks to uncover how best to connect the large population of the North with national and global opportunities while at the same time safeguarding their dignity and wellbeing. The last section looked at critical success factors for the realization of the Northern dreams. These factors include peace and security, values and leadership and good governance. It is clear from the recent experiences that no meaningful development can be achieved without dynamic and responsible governance based on solid values that would guarantee peace and protection of lives and property of the citizens. The section also shows how greed and indiscipline continue to cause havoc on the highly cherished values of respect, prudence, productivity, selflessness in the service to humanity and high sense of morality which had provided the foundations on which the North was built.

It is important to point out that this document is action-based. In each of the three sections, various chapters have been developed to focus on particular issues, say agriculture or health, and effort was made to identify the major challenges upon which a strategy was proposed with proper implementation, monitoring and evaluation mechanisms. In order to provide perspective on specific projects to be executed by states governments individually or collaboratively, suggestions were given in the document, particularly on projects that relate to economic development. The core ideas that would require immediate attention would appear to be in Agriculture for its capacity to provide jobs and boost productive capacity of the nation; Education for its capacity to provide the skilled manpower to transform the economy; and energy, without which nothing moves.

Subsequent discussions present a brief overview of the binding constraints and strategy objectives of the various aspects covered by the documents.

## **Agriculture**

Binding Constraints – agricultural development of the North is incapacitated by poor agricultural policy implementation, which engenders continuous subsistence farming. The predominantly poor rural population has limited access to credit, quality agricultural inputs and extension services. The low uptake of improved technical practices among users; dearth of high yield inputs; weak linkage with industries; poor storage and preservation; collapse of basic rural infrastructure; decline of secondary industry (agro-allied); absence of organized institutions and structured markets; etc were some of the key challenges identified. The years of inaction in fixing agriculture has created a hostile condition for the emergence of viable clusters in the North.

Strategy– agricultural transformation of the North should be based on integrated agricultural policy around value chain development and promotion of mechanized farming. This requires institutional changes (producer associations); new and superior technology/practices; restructuring of markets and incentives for producers; significant investments in rural infrastructure; accelerating land titling for easy credit access; establishing links with industries and research institutions; creating attractive environment for large scale entrepreneurs and investors; improved access to markets for rural farmers and the creation of enabling environment in terms of fiscal, finance, insurance, price guarantees, etc. The strategy framework is built around transforming agriculture from a traditional occupation to a highly organized eco-system that would guarantee the value addition and general competitiveness of the sector.

The Implementation and Monitoring Framework- is based on generating consensus on agricultural priorities and establishing a structure to guide the change process. A Northern platform is needed to provide a coordinating role and ensures that various states buy-in to the agricultural revolution of the region. An effective link of agricultural programs with agricultural research institutions; and establishment of policy funds would help reduce knowledge and funding gaps which are essential implementation elements. Successful implementation and monitoring would be enhanced by the involvement of stakeholders and promotion of bilateral, multilateral collaborations with governments and investors through Public Private Partnerships (PPP); bilateral/multilateral investment and monitoring of projects, which should be evidence-based, using Objectively Verifiable Indicators (OVIs) and other specific Key Performance Indicators (KPIs).

## **Commerce and Services**

Binding Constraints – Even though agriculture is the mainstay of the economy, the impact of micro and small-scale businesses around commercial activities is huge. Irrespective of the fact that they do not offer turnover in millions, their flexibility and ease of management provide a good source of employment even amidst difficult economic conditions. In 2017, Nigeria ranks 169 out of 189 countries in the Ease of Doing Business indicating the difficulties in accessing key infrastructure and services such as electricity, business permits, etc (World Bank, 2017). The North is landlocked and deficient in modern transportation which makes doing business even more challenging. Other sub-sectors, such as ICT, entertainment industry and tourism are yet to be recognized as promising avenues for growth and employment generation. Most of the micro enterprises operate informally with insufficient capital and poor access to finance. The North also lacks adequate modern shopping facilities, motor parks and trailer parks; and organized Business Membership Organization (BMOs) to serve as a pressure or dialogue group to advance the business interest of SMEs. Therefore, the lack of enabling environment, weak capacity for modern business management and poor business practices has been major obstacle to the growth of commerce and services in the North.

**Strategy:-** The transformation of Northern traditional commerce to modern commerce can be realized by reducing the binding constraints to business operation; embarking on efforts to formalize business; encourage and strengthen BMOs; inclusive financial service and better access to finance; develop entrepreneurial skill and promote innovation to develop new commercial opportunities in tourism, ICT and transportation and exploit benefits of international trade. The strategy to achieve the transformation of trade and other commercial services in the North will be based on the holistic approach to infrastructure development, services, capacity development and the growth of the formal sectors using a constructive public-private dialogue and a formidable public-private partnership, PPP.

**Implementation and Monitoring Framework-** It is expected that a regional platform to be anchored by ARDP in partnership with NNDC and relevant stakeholders should coordinate the process of policy harmonization among States and ensure that they are encouraged to develop short, medium and long term plans to achieve the goal of total transformation of Northern commerce and service. A Central Working Committee or an agency should be created in each state to guide implementation. Regular meetings, workshops and knowledge sharing among the

agencies, ARDP, NNDC, implementing ministries, top political and private sector leadership should form a critical aspect of the implementation and monitoring mechanisms.

## **Minerals and Mining**

**Binding Constraints:-** This sector is constrained by lack of national capacity and technology to extract and utilize minerals productively; ineffective and inefficient mining sector governance despite adequate provision in the law, leading to corruption and lawlessness; contradictory and poorly implemented mining laws. These challenges coupled with regulatory weakness at the federal level and the diversity of land tenure system continues to impede easy access to land for mining activities. Consequently, the sub-sector is currently grappling with limited private investments, very low mining output, and the spread of dangerous and reckless artisanal mining activities which destroys the environment and creating health hazards and killing innocent citizens.

**Strategy:-** The starting point is updating geological data; improving the regulatory environment; improving capacity on access to global mineral market; improve infrastructure; build institutional capacity measured by stable, efficient, organized and congenial public officers; improve security of tenure and develop export/import policy to guide and promote mineral sector. Also, by re-examining repatriation/remittance and environmental protection laws, foreign investment will be attracted into the sector. More importantly, the reorientation of government from being “owner-operator” to “administrators-regulator” to allow private sector to take the lead in mining development is critical. Also, clear separation of power and responsibilities between Minister/ministry and key agencies and departments (separating 'mining rights' from 'mining activities') should be properly defined.

The Implementation and Monitoring Framework is based on creating mineral resources and environment management committee/agencies in the Northern States that will liaise and engage with the federal government on various issues relating to mineral resources development. Special funds should be created with the support of the development partners, to facilitate PPP arrangements with international mining companies in order to conduct proper mapping of the mineral deposits in the region. The information to be generated from the mapping is critical to mining potential evaluations required by the private investors.

## **Industrial Development**

**Binding Constraints:-** Since the mid-1980s the manufacturing sub-sector has been gradually losing its competitiveness in the North. This was mainly due to inconsistent government policies, high cost of doing business, inadequate technology, limited capacity and management related problems. The most noticeable problems, however, are poor infrastructure, especially power; smuggling and dumping of contraband goods; multiplicity of taxation and limited investments. A number of problems limit the flow of domestic and foreign capital into the sector, including but not limited to absence of investment promotion policy, insecurity of lives and property; low level skill base; political risks; regulatory risk; and market risks. Above all, the North and indeed the entire nation lack a well-defined industrial policy that would facilitate the growth of strategic industries in areas where the nation has clear advantage. The nation's over-reliance on oil revenue, high import dependency and its inability to learn from industrial policies of Asia and Latin America were some of the major constraints that are often overlooked.

**Strategy-** A consensus on the Northern sources of comparative and competitive advantages is required to help identify and support the development of strategic industries. The strength of the backward and forward integration is the key to promoting the growth of economic activities in agriculture, mining, commerce and services. By embarking on resourcing, mapping and leveraging on resource advantage; addressing infrastructural deficits; development of agro-allied industries; development of extractive industries; developing and utilizing technology and innovation; strengthening research and development (R&D); creating link to global markets; and attracting Foreign Direct Investment (DFI), the industries that will be created in the process, such as industrial parks and industrial zones, could contribute towards making the North a hub for industrial and mineral resources processing for the West African sub-region.

**Implementation and Monitoring Framework-**The overall industrialization process would be guided by the Northern industrial development policy to be coordinated by a regional platform in collaboration with BMOs, State ministries in charge of industries, and technical/ professional support from academics and experts. The broad platform is expected to provide mechanisms for effective implementation, monitoring and evaluation through dialogue, continuous capacity development and regular reviews.

## **Infrastructure**

**Binding Constraints** – lack of competitiveness of the North is directly related to the absence of coordinated approach to infrastructural development; lack of reliable and sufficient data for planning; lack of funding to support infrastructural development; poor governance and corruption; low capacity in the North to develop and manage critical infrastructure; and low private investment.

**Strategy** – organized planning for public investment in infrastructure; encouraging private participation in infrastructure through PPP; multi-state partnership in infrastructure development, commercialization of infrastructural facilities; attracting development funds from international financial institutions; improve governance and regulatory framework; strengthening regional capacity in ICT; and collaboration with the development partners.

**The Implementation and Monitoring Mechanism-** is embedded in Northern common infrastructural development policy. An autonomous body should be created to coordinate and monitor common and State-level infrastructural development programmes. A participatory approach involving governments, communities, private sector and development partners should form the bedrock of the infrastructural development strategy of the North.

## **Energy**

**Binding Constraints** – Over the last two decades, energy crisis has deepened Northern underdevelopment. More worrisome is that corruption has frustrated every effort to improve energy production and distribution. The North is more negatively affected by the energy poverty considering its huge population and limited access to other sources of energy. Of all the 13 Independent Power Projects started during the Obasanjo Administration, only one was proposed in the North (Taraba State) and based on hydropower, all the others were planned for the Southern states. Even though there were attempts of recent to have more power project in the region, the states have not been able to collaborate towards resolving the energy crisis. At the moment, Niger Republic produces gas, which could easily be harnessed by some of the Northern states. However, beyond private sector activities, there were no observable initiatives by the state governments to take advantage of this new source of energy.

**Strategy** – The North has great potentials to generate its own power, especially hydro, wind energy, photovoltaic, solar-thermal power and clean coal. These are indeed more environmentally friendly and sustainable resources in

region relative to others. Also, available energy in Niger Republic could be integrated into the energy mix of the region. A clear agenda for the development of these energy resources should form the medium and long term priorities of the Northern states.

The implementation of this plan should be coordinated by a regional development organ/platform, while Northern States governments should arrive at a consensus on the energy development priorities and the coordinating structure. This is to guide implementation in conjunction with Northern captains of industry and various stakeholders. The coordinating organ must enable states, private sector and foreign investors to play a significant role in the energy sector. A Bi-Annual Northern Energy Conference (BANEC) will provide a forum where progress will be reported, discussed and reviewed.

## **Education**

**Binding constraints** – The deterioration in the quality of education in the country is more noticeable in the North. This is due mainly to the problems of limited access and equity; inequalities existing on the basis of gender, geography and other circumstances (like learners with special needs); under-qualified or unqualified teachers; politicization of recruitment of teachers, at local government levels, poor and weak educational planning and management (EPM), especially at the State ministries and the Local Government Education Authorities (LGEA). Even though modest achievement has been recorded in the growth of higher institutions, the quality of the graduates has not improved over the years. The low standing of higher education in the North in both national and international rankings calls for a rethink of the education policy and priorities. Poor funding, less than 10%, a far cry from UNESCO's 26%; is seen as the major stumbling block. Similarly, the limited private participation in higher education and lack of active engagement of parents and communities in basic education are also serious limiting factors.

**Strategy** – there is the need for strategic advocacy and implementation of pilot interventions that will improve equity and access to quality education. Also structures should be put in place to ensure policy-driven educational planning, management and funding utilization; strengthening teachers' skills and competences; and broadening social policy support in EPM, especially for vulnerable groups like the girl child and the 'almajiri'. The design and use of global knowledge in science and technology to boost technical, vocational and entrepreneurial education to meet the needs of Northern economy are also critical.

In particular, collective action and policies are needed to modernize traditional schools and make parents to take more responsibility for the education and wellbeing of their children. The North should guarantee basic education for its citizens. Also, the upgrade of tertiary education, increasing private sector participation in higher education and regular curricula reviews to meet the needs of the new world economy are of immediate priority.

Implementation of the Northern educational development should be guided by the design of evaluation plans that are objectively verifiable with four time frames, 1-2 years, 3-5years, 6-10 years and a longer visionary period. Regular reviews should be championed by a regional platform in collaboration with NGOs, private sector and development partners.

## **Health**

**Binding Constraints** – The frighteningly high maternal, neonatal and child mortality; acute human resource shortage; poor community participation and ownership; poor social determinants of health, especially poverty, income inequality and illiteracy; and poor culture of preventive medical practices, especially immunization, are seen as the major challenges to the health of the Northerners.

**Strategy** – A framework should be designed to map out health needs gap, resources, linkages; and improved community participation and ownership. Also, the North seeks to promote preventive health through water and sanitation; improve human resources for health and encouraging females into the health profession (midwives, CHEWS, VHWs); integrate maternal and child health intervention; promote postpartum care (PPC) and healthy household and family practice; improve routine immunization coverage; advocacy for interventions and promoting pilot intervention which can then be scaled up.

**Implementation Framework:** - ARDP in collaboration with stakeholders should organize technical support for Primary Healthcare Board in states to carryout mapping; identify gaps/needs and workout timelines for delivery. Northern States are expected to coordinate the training of health personnel with good quality control. Establishing mechanism for disease reporting through IDSR and HMIS is also critical for monitoring.

## **Women and Youth**

**Binding Constrains:** - Women and youth constitute about 75% of the Northern population. Yet, they are poorest and the most vulnerable group in Nigeria's political economy. Youth unemployment in most Northern State is more than 50%, while the poverty among women nearly doubles that of men. The consequences of their neglect are all too glaring. There are many other challenges confronting women and youth, including low level of education, especially the dearth of functional education among youth, increasing women involvement with hard drugs and addictive substances; lack of entrepreneurial skills; poor access to finance; and various form of abuse and exploitation usually masqueraded in tradition and (misrepresentations) of religious beliefs.

**Strategy:-** A regional action plan is advocated to unlock the economic potential of youths and women and free them from various forms of abuse and disadvantage. The Northern consensus is based on the belief in equal right for all. Therefore, imparting entrepreneurial and vocational skills; improve access to finance; linking women and youth enterprises with markets and technology; promoting and providing motivation for appropriate behavioral changes; providing safety nets; develop a community driven holistic approach to women and youth empowerment are critical priority interventions.

**Monitoring and Implementation Framework:-** The relevant ministries dealing with women and youth development, operating under a Northern platform, should collect baseline data and set up Northern Women/Youths Forum, to set target, sharpen strategies and monitor implementation at regional level. The involvement of civil society organizations, religious bodies and international organizations would help fast track youth and women development initiatives of the region.

## **Peace, Security, Governance and Leadership**

Today, the major sources of insecurity in the North are insurgency, armed banditry and ethno-religious crises. These are fueled by the grinding poverty, unemployment, perceived social injustice and years of neglect in the development of the capacity of the security agencies and regulatory educational institutions. These are further compounded by bad governance and the erosion of values of hard work, honesty and respect for hierarchy and family values. While the federal government has the responsibility to build the capacity of its security agencies, the Northern states must mount a community driven intelligence and surveillance

network that would detect and monitor the presence of threats to security early enough. The North has to mount a massive inter-ethnic dialogue that seeks to educate and leverage the accommodative spirit of the old North to promote tolerance. Peace education and functional education should be included in the educational reforms. More fundamentally, the North must improve on governance and transform the Northern economy to provide jobs for the teeming youths.

The key to success is undoubtedly leadership, particularly the courage to make choices and in good time too. As Stephen Covey argued, we are not the product of our circumstances but product of our decisions. The first step is to be clear about the goal, for “no winds are favorable until we know to which port we are sailing”. To be sure we cannot change the direction of the wind, but as Jimmy Dean would say, “we can always adjust the sail to reach our destination, or as Henry Ford would put it “when everything seems to be going against you, remember that the airplane takes off against the wind, not with it.”

Implementation Framework-Improving social consciousness and implementing the Northern political and leadership revival requires developing a new charter and coordination framework. Very often, Northern leaders or their groups seem to be more preoccupied with their own political agenda or other financial interests than service to the people. Without deliberate effort by the Northern elites to change and lead a change process, any discussion about Northern development agenda will be a significant waste of time. In this regard, the ARDP/ACF and other Northern platforms should harmonize their approaches and mobilize the collective intellectual and professional strengths of the North to drive the transformation process. The buy-in of this agenda by states should be paramount, while sentiments and personal interest should be completely relegated.

## INTRODUCTION

*It's not the strongest of species that survive, nor the most intelligent, but the one most responsive to change – Charles Darwin*

### 1.1 Historical background

Northern Nigeria is a geographical and political term that refers to the Northern section of the Federal Republic of Nigeria. It is located between Longitudes 3 and 15 East and Latitudes 9 and 14 North. The North shares international boundaries with Benin Republic by the North-west and North-Central, Niger Republic by the North-west and North-East, as well as Chad and Cameroon Republics by the North-East. The Nigerian federation is made up of 36 states and the Federal Capital Territory. With a total of 725, 078 sq. km, Northern Nigeria constitutes over three-quarters of Nigeria's total area of 923, 768 sq. km. Geographically, the North consists of nineteen States, including Abuja the Federal Capital Territory, namely: Adamawa, Bauchi, Benue, Borno, Gombe, Jigawa, Kaduna, Kano, Katsina, Kebbi, Kogi, Kwara, Nassarawa, Niger, Plateau, Sokoto, Taraba, Yobe and Zamfara. These states were created as administrative political units from the defunct Northern Region by successive Federal Military Governments between 1967 and 1996.

Historically, Northern Nigeria itself was an amalgamation of different pre-colonial polities, prominent of which were the Sokoto Caliphate and Kanem-Borno Empire at the eve of the British colonial conquest of the areas, as well as the successor polities of the Kwararafa confederation among other autonomous kingdoms of varying sizes and segmented communities that lie in the central Nigerian area.

Apart from the Kanem Borno Empire that had emerged by the 9th Century as a major political power with commercial and diplomatic relations with the Mediterranean and Medieval Europe; between the 13 and 15 centuries AD, Hausa Kingdoms had also emerged as vibrant trading centres in the Central Sudan area. By the 19th Century, the various ancient Hausa States and other principalities in the Central Sudan area were incorporated into the Sokoto Caliphate, whose larger

part was to become Northern Nigeria by the 20th Century. Though the predominant Chadic linguistic family group in the Caliphate was the Hausa and Fulani; the Caliphate was a centralized but confederate state system far from being an ethno-linguistic nationality or state. The Emirates formed the confederate units of the Caliphate and were located variously in famous towns that served as administrative units headed by appointed Emirs that established ruling dynasties superintending over administrative, judicial and military decisions through a hierarchy of official bureaucracies. On the other North-Eastern frontiers of the Central Sudan, the Kanem Bornu Empire predominated most of the political landscape of today's North-Eastern Nigeria up to the Chad and Cameroon areas. The Kanem Borno Empire (under the Saifawa dynasty and later from the 19 century under the El-Kanemi dynasty) had similar administrative structures like the Sokoto Caliphate, and the two major political powers in the Central Sudan region were involved into an uneasy military relationship in the course of the 19th Century.

Along the Niger-Benue confluence lays an east-west belt of politically segmented communities running from the Cameroon Highlands on the east to the Niger River Valley on the west, speaking variety of languages/dialects. In the belt, there were Eastern-Central and Western groups. While the Eastern group along the Adamawa-Borno-Taraba axis belongs to the Chadic group of linguistic family; the Central group around the Jos Plateau High and Lowlands belongs to the Niger-Congo family with clear links with Eastern and Central African languages; the western groups were related to the Mende speaking people. Cultural and historical evidence supports the conclusion that these Western groups were marginal remnants of an earlier substratum of cultures that occupied the entire north before the emergence of the Sokoto Caliphate. These groups had separately developed real and putative concepts of segmentary lineages or patrilineages and had largely remained autonomous during the precolonial times in spite of various attempts by some Emirates, but which colonial rule was to later absorb into a wider administrative unit in the Northern Nigeria system based on the infamous colonial Indirect Rule system.

Between 1900 when the British proclaimed the Protectorate of Northern Nigeria and 1918 when the World War I ended, 13 administrative colonial Provinces that lasted until 1966, namely: Adamawa, Bauchi, Benue, Borno, Ilorin, Kabba, Kano, Katsina, Niger, Plateau, Sardauna, Sokoto and Zaria were created. Rather than being primarily responsible for creating supra-political identity of Northern Nigeria, British colonialism halted the internal dynamics of the nineteenth century political transformation that appeared capable of congealing

new processes of political integration. The decolonization processes in Nigeria after 1945 in the form of constitution-making, which involved Western educated Nigerians was to facilitate the creation of a common 'Northern Identity' in the Region. This was harnessed further by the Premier of the Northern Region, Sir Alhaji Ahmadu Bello, the Sark of Sokoto, through a distinct administrative sagacity that gave the Region a distinctive content of political, economic and cultural integration. For this, and despite retaining some cultural, tribal and religious identities, the 'Northern Identity' often eclipsed any other form of identity among many groups. This exhibits the tremendous potential of the North, its unique diversity and dynamism in and for the Nigerian political configuration. This Agenda is a deliberate attempt to harness and advance Northern Identity capital in order to foster the socio-economic development of the Region.

## **1.2 Overview of the Northern Economy and Society**

It is generally recognised that Nigeria has not managed its oil resources to diversify its economy, hence fostering growth and reducing poverty. Indeed, Nigeria's overwhelming dependence on its oil sector and the absence of strategic leadership capable of pursuing a well-focused, multi-sectoral development strategy conditioned the country into a web of weak economic performance, inequality, poverty, diseases and social distress.

As it currently stands, the structure of Northern economy is forebodingly a suspect; in its lowest point of development since independence. The 19 States of the North are characterised by heavy reliance on the federation account, limited alternative sources of growth, diminishing competitiveness in agriculture and industry; inadequate infrastructure and social services. The gravity of the human and material cost of the years of the neglect of Northern development is overwhelming. The region suffers from the highest level of unemployment and poverty; low private sector activities, low quality education and health delivery and high level of insecurity, leadership and communal crisis. Truly, the region is paying a huge price for ineffective leadership that preconditions the people to economic backwardness.

Unfortunately, there has not been an attempt in the last two decades to chart a development path for the North in order to enable its people to compete nationally and internationally. The failure to find a formidable platform for rejuvenating the region has presented numerous challenges to regional and national stability. This is ironic considering that agriculture, dominated by the North, is a key component of the Nigerian economy, currently contributing more than a quarter of the Gross

Domestic Product (GDP). The North had its first Industrial Plan in 1963 which was designed to create and improve investment and business environment for the development of sustainable industrial activities. The outcome of the policy was the development of agro-allied industries in Kaduna, Kano, Katsina, Zamfara, Borno, Plateau and other related supporting industries spread all over the Northern states. The question is, why did the North abandoned planning and squandered its opportunity to grow and modernise using agriculture and industries as vehicles?

Commerce and services are also critical sources of growth and employment generation in the Region. Unfortunately, they are under significant threat due to low domestic productivity, international competition, smuggling and low investments. While our fellow countrymen are able to utilize formal loan proceeds productively and profitably to stimulate new investments, the loan experience of the generality of Northerners is quite the opposite. In other words, access to finance is limited and the savings culture continues to deteriorate. These have reduced most of the Northern commercial activities to hawking and petty-trading, with very limited opportunity to grow. The few that managed to grow are facing numerous constraints due to challenging business environment, including unreliable power supply and energy. North is, in effect, a region without electricity for most of its citizens and business owners. Other constraints to private sector development border on inadequate transport infrastructure, insecurity, harassments by the law enforcement personnel, smuggling and others. Without prosperous private sector activities, the quest for Northern development will simply be a mirage.

It is equally disheartening to note that the human capital required to create and sustain social and economic values is unimpressive in the North. Northern Nigeria has one of the highest income inequalities in the world. Poverty and its consequences on education, health, youths and women empowerment are worse in the North. The upsurge in communal violence, religious intolerance has largely been attributed to limited economic opportunities arising from low human capacity.

Interestingly, in spite of its huge development challenges, the potential for Northern development and competitiveness is not contestable. The region is endowed with cosmopolitan culture, abundant human and natural resources which can be harnessed to create enormous wealth for its people, thereby positively contributing to the nation.

### 1.3 Strategic Resources and Resources Competitiveness

Endowed with abundant land and water resources, the North has high potential for growth in agriculture, food processing and allied industries; commerce, services and mining sectors. The North has comparative advantage and dominance in landmass most of which is flat and arable, not mention many types of mineral resources. The region was self-sufficient in food production with significant export volume and the source of over 99% of tin and columbite, which Nigeria was among the leading producers before the demise of mining industry. Similarly, the region accounted for over 90% of the past gold production in Nigeria. Northern Nigerian coalfields offer the most prospects for future development when compared with those of the other regions. The location of major cement industries such as the Sokoto, Ashaka and Obajana attests to the availability of commercial deposits of limestone and marble. Also, Northern Nigeria is known to have deposits and potentials columbite-tantalite (coltan), tin, columbite, coal, iron ore, lead-zinc, uranium, industrial minerals and gemstones, among others.

The critical issue is that land and its minerals contents are valueless unless they are developed into resources for economic exploitation and other benefits. It is only when land is productive and mineral deposits are explored, developed and mined that they can constitute national or private assets. Therefore, the North has to radically transform its economic fortune through focused policy direction and collaborative efforts in order to increase productivity, deploy appropriate technology and attract investment, especially in the agricultural sector that provides most of the employment and a large share of its GDP. The envisaged backward and forward linkages would ensure massive enterprise creation and growth with potential to absorb the teeming youth population that is currently unemployed or underemployed.

Manufacturing and services, especially those related to ICT, are potential engines of Northern modernization. The value addition and high income potentials of these important sectors can help create skilled and higher-paying jobs for the region. At present, the manufacturing sector is small and therefore has considerable room to grow including through:

- i. Processing agricultural produce: for example leather production from livestock, and further processing of leather into consumer goods such as footwear, garments, accessories, luggage and furniture;
- ii. Developing oil and gas activity such as refined fuel products, petrochemical, plastics etc; and

- iii. Developing considerable solid minerals base-including several industrial minerals.

It is worth mentioning that even though the North produced the nation's president, the seeming return of power may not necessarily be beneficial to the region without a deliberate strategy that will point at the direction where the democracy can really work for the people. The power-shift can only benefit the fluky few. This necessitates the conscious search for short, medium and long term policies, programmes, strategy and action plan to guide the development path of the North irrespective of where the central power resides.

#### **14. Imperative for Sustainable Development for the North**

Fundamentally, the North lacks consensus on development. There is no evidence of relevant benchmarking, target setting and comparable parameters between financial commitment and physical outcomes. Currently, the North had not developed a private sector development policy, nor does it have any organization or institution set-up to drive the growth of the private sector outside what obtain in various Ministries of Commerce and Industries. The obvious reluctance of Northern leaders and public office holders to champion and drive economic development of the North is regrettable.

The recent renewed agitations from other parts of the country for resource control and restructuring, as well as consistent efforts by the South-west to create a viable economy for its people can be regarded as a wake-up call for the North to regain its credibility, respect, competitiveness and relevance within the national equation. Developing and implementing a development strategy for the region, however, is all-encompassing task involving stakeholders in the public and private sectors; non-governmental organizations (NGOs) and International Development Partners (IDPs). The strategy is to be guided by a clear vision of what the North aspires to become and also provide an answer to a critical question. How does the leadership in the North want the future of its people to be and what does it take to realize it?

Indeed, the North should look forward to a future in which higher income, sufficient employment and global relevance are realities. This, however, needs a serious rethink of the present. To grow, the North must utilize its powerful growth drives and develop strategic industries with the greatest potentials for wealth creation and employment generation. But growth, though important, will not be

the only objective. It will have to be inclusive; driven by comprehensive development with higher welfare (employment, education, health and security) for all. Thus, the North should opt for a private sector-led development pattern with government providing the right policy and support. We envisaged that the renewed strategic shifts will fundamentally change the fortune of the Northern region by repositioning it to engage its economic, political and social development.

### **1.5 Setting an Agenda for Sustainable Development**

After decades of economic decline, the North is presented with a historic opportunity to lay the foundation for a strong take-off into a better future. This road map generated from the consensus of key stake holders will be aimed at overcoming the critical cause of the present instability, low incomes, low productivity and limited opportunities in the whole of the North. Essentially, this Development Strategy is a policy direction that needs to be guided by both technical expertise and political will, so as to allow for formulation of clear vision, specifying missions, policies, goals and objectives and then deriving programmes and projects for achieving them within a realistic time frame.

Thus, the Strategy provides a reference point with which progress in any aspect of regional tasks to be performed can be assessed and compared. The success of the development strategy depends on the preparedness of the political leadership to trade-off and their ability to take tough decisions and following them through. Prioritizing and sequencing of actions is important to ensure that the reform effort is focused and uses limited government capacity and political capital judiciously to achieve the biggest impact on inclusive growth. Thus, the proposed Northern Development Strategy consists of 5 strands:

**Strand 1: Growth Drivers** - The strategy seeks to critically examine the drivers of future growth for the states. By mapping out key value chains, the comparative or competitive advantages of the states will be more glaring. Within this framework, the North shall aim for creating high value added products based on factors, such as endowments, specialization, technologies, and innovation. By so doing, in the medium term, the Northern region will resuscitate and sustain its competitive advantage in the Agro-Allied industry, commerce and services.

**Strand 2: Powering Growth:** The strategy will generate momentum for the creation of strategic industries in power and energy sector. The North seeks to intensify the exploration of oil, natural gas and shale gas with a view to increasing

the national reserve base and to establish regional reserve assets. The new energy source from Niger Republic will form part of the Northern energy mix. The more the gas is available for the region, the better our chances for resolving the current problem of desert encroachment that is being escalated by the use of firewood. New sources of oil and gas will help create industry clusters and support other industries with critical inputs. The strategy also prioritizes increased power supply, expansion of power supply infrastructure and security in order to provide a foundation for industrial development and attracting private investments.

***Strand 3: Human Capital Development:*** It will be difficult to implement the strategy without building stock of human capital. The large population of the region can be a huge liability unless it has been educated and empowered. The strategic plan addresses the decay of infrastructure particularly in primary schools, inadequate funding of education and shortage of qualified teachers and a lack of transparency in the management of educational institutions. The major challenges around access and equity; quality of education, dearth of vocational training and educational planning management will be of immediate priority. This will provide a strong foundation for qualitative and competitive higher education which will place the North on the knowledge landscape locally and internationally.

***Strand 4: Infrastructure:*** There is strong empirical evidence on the positive links between good infrastructure and economic growth and development. High transport costs due to poor roads; port and rail conditions significantly increase the cost of doing business in Nigeria and it also increases time to market. Access and quality across all key infrastructure sectors in Nigeria is significantly below the levels of most growing economies in Africa and Asia. For example, the electricity generation in Nigeria is below 4,000MW compared to about 39,000 MW in South Africa, with a population less than one-third of Nigeria's. The railway sector is not playing its natural role in the Nigerian economy since the infrastructure as well as rolling stock is in dilapidated condition. The current federal government's effort to rehabilitate and expand the nation's rail infrastructure shall be complimented by the regional effort to stimulate local and international investments in the sector.

***Strand 5: Leadership:*** The realities of the emerging world order, which has more faith in market driven policies, render increased government involvement in economic activities old-fashioned. However, the role of government in charting appropriate policy direction to guide the emergence of an inclusive growth and social transformation remains critical in developing countries. Indeed, good governance is a key component of the implementation of the renewed Northern Development Strategy. It is, therefore, anticipated that a framework for

strengthening governance and providing a platform for stakeholders to participate in resource allocation, monitoring and evaluation would be incorporated in the process. Thus, the Organized Private Sector (OPS) and Non-Governmental Organizations (NGOs), media, and academia would play a significant role in the formulation and execution of plans through Public Private Partnership (PPP) and Public Private Dialogue (PPD).

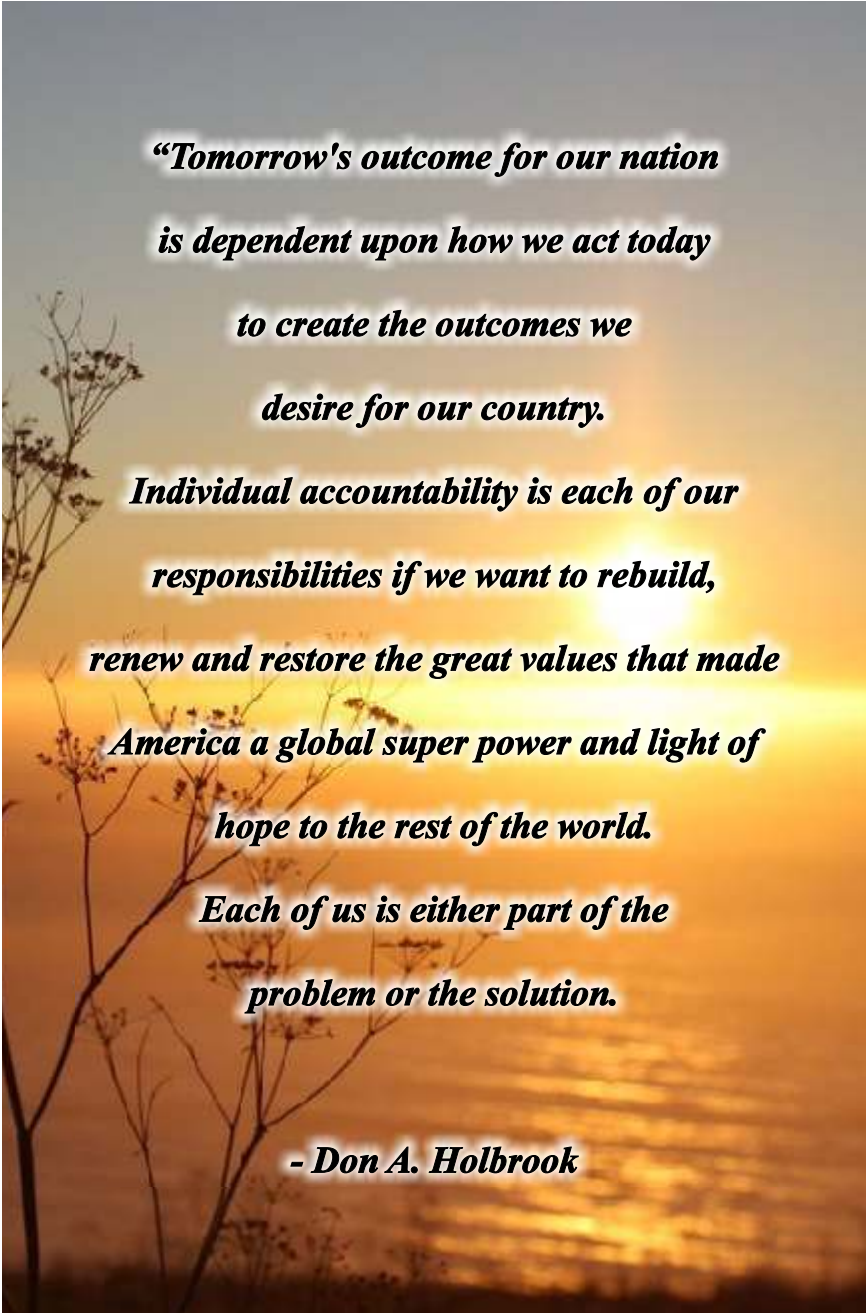
In short, the strategy is to be translated into projects encapsulated in medium term objective based plans with build-in mechanisms for reviews, results assessments and control. This entails setting a clear direction, setting priorities, policies and strategy, as well as providing comprehensive and integrated implementation and monitoring framework. Also, as emphasized earlier, stakeholder participation and state governments buy-in should be definite if this strategy must see the light of the day.

## **1.6 Vision of the Strategy Document**

The strategic vision of the Northern Development Strategy is building of a virile, efficient, functioning and socially-empowering society united for peace and advancement. The vision targets economic growth, poverty reduction, creating investor-friendly environment and reducing excessive reliance on the federation account as the preponderant source of revenues.

## **1.7 Content and Structure of the Strategy**

This development strategy document consists of three parts made of fourteen chapters. The general introduction delineated the content of the document and set clearly the structure of the strategy document. Part One contains seven chapters dealing with Economic Development; Part Two is made of four chapters that cover Human Resource Development; and Part Three deals with the aspects of Governance and Leadership in three chapters. In each of the chapters, the challenges, opportunities, policy objectives, strategies, action plan as well as implementation and monitoring framework were clearly spelt out.



***“Tomorrow's outcome for our nation  
is dependent upon how we act today  
to create the outcomes we  
desire for our country.***

***Individual accountability is each of our  
responsibilities if we want to rebuild,  
renew and restore the great values that made  
America a global super power and light of  
hope to the rest of the world.***

***Each of us is either part of the  
problem or the solution.***

***- Don A. Holbrook***

**PART ONE:**

**ECONOMIC DEVELOPMENT**

## CHAPTER ONE

### UNLOCKING OPPORTUNITIES FOR NORTHERN DEVELOPMENT

#### 1.1 Overview of Northern Economic Opportunities

Northern Nigeria consists of 19 states and the FCT out of the present-day 36 states of Nigeria. The region covers 725,078 sq km or 78.5% of the country's landmass. Most of the land consists of plain undulating topography with rich fertile soil. About 60% of the nation's 168 million population (estimated in 2012), with nearly 70% aged 35 and below, inhabit the region.

The North is heavily endowed with natural resources; rich, diversified ecologies and climates ranging from guinea savannah in the south to the Sahel in the North with diversified fauna and flora that provide for any type of tropical agricultural activity. The region's geological endowments include all the geological components that exist in Nigeria. Thus, the North is endowed with human and natural resources required for the development of agriculture, solid minerals and industries in a sustainable manner. So, the reason for the slow growth and low level of development in the North is largely due to lack of entrepreneurial efforts and disciplined policies to unlock the enormous opportunities across the region (Sagagi, 2015).

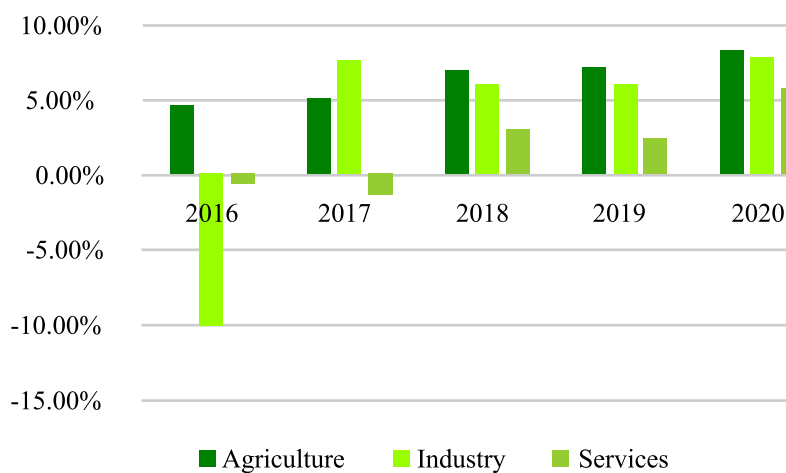
It is critical to consider the structural changes at the national level with a view to unlock enormous opportunities in the North. Prior to the rebasing of the Nigerian economy, agriculture contributed more than a quarter of the country's GDP. Thus, agriculture was the dominant sector in the Nigerian economy. However, after the rebasing of the economy in 2014, the contribution of agriculture reduced to only 22% of the GDP (See Table 1.1.1). This indicated that there are emerging and other traditional sub-sectors, such as services (financial, telecom, IT, and others), and manufacturing (light manufacturing, agro-processing) that are increasingly contributing more to the growth of the economy.

Table 1.1.1 REBASING OF THE ECONOMY		
Sector	Prior to rebasing	After rebasing
Agriculture	35%	22%
Services	29%	52%
Telecoms	0.9%	8.7%
Manufacturing	1.9%	6.8%
Oil	32.2%	14.4%

Source: NBS, (2014)

This shift presents a unique opportunity for the North to revive agricultural and manufacturing activities and also key-in to the new emerging sub-sectors. This is more so because the projected real sector growth of the economy has shown greater prospect for increased agricultural activities as shown in figure 1.1.1

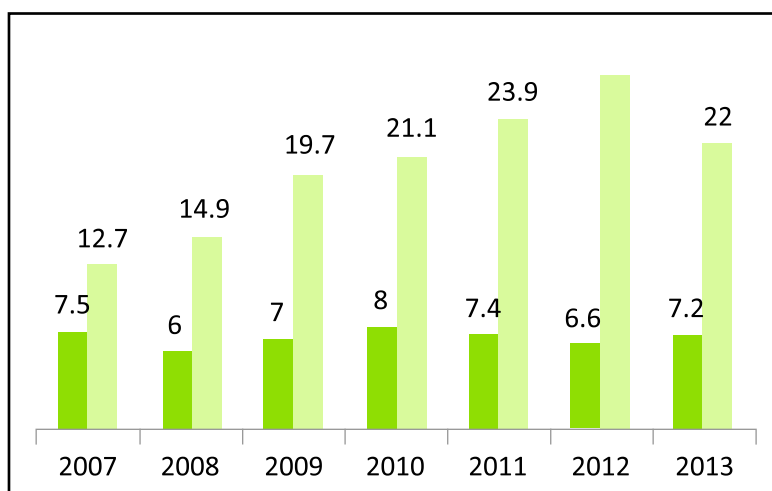
**Figure 1.1.1:** Projected Real Sector GDP Growth



Source: Ministry of Budget & Planning, March 2017

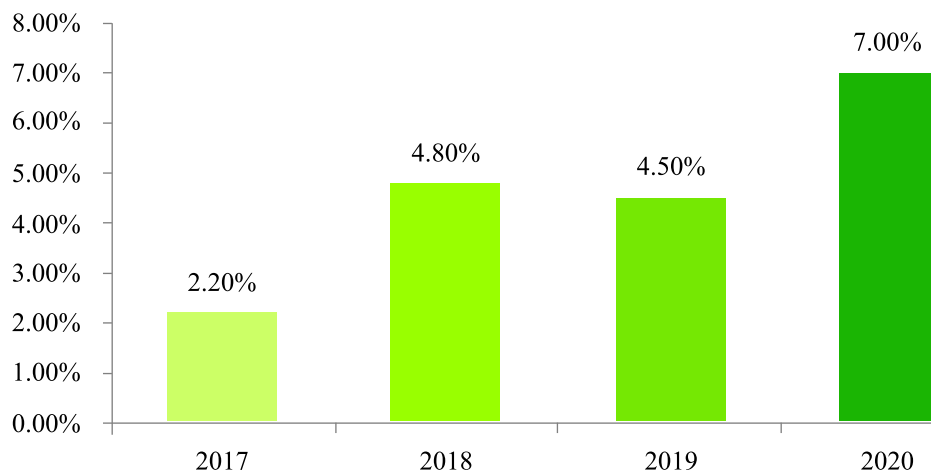
It is also important to note that achieving economic growth measured by GDP growth does not necessarily translate into job creation and improved welfare for the citizens. From the figure 1.1.2, it could be seen that Nigeria's economic growth from 2007-2013 was not inclusive; unemployment remained high even with the modest economic growth. Therefore, the agenda of the North must include capacity building, social development and better governance in order to ensure that the dividend of the envisaged growth trickle down to the majority of the population by focusing more on mass employment generation economic activities.

**Figure 1.1.2:** GDP Growth vs. Unemployment Rate, 2007 - 2013



*Sources:* FGN, Mid-Term Report of the Transformation Agenda, 2014

Today, there are indications that the economic crisis witnessed by the country from the third quarter of 2016 to the second quarter of 2017 has been overcome. Equally, the economic recovery and growth plan (see figure 1.1.3) of the federal government, when properly implemented, would return the country back to its growth path. This is another unique opportunity for the North to key into the national development policy and priorities to develop its key sectors.

**Figure 1.1.3:** Economic Recovery & Growth Plan GDP Growth 2017 - 2020

*Source:* Ministry of Budget & Planning, March 2017

In order to fully understand the sector opportunities that are yet to be fully exploited, it is imperative to look closely at the key sectors. The sectors discussed in the subsequent discussions include: Agriculture, Mining and Solid Minerals, Industry, Trade and Commerce

## 1.2 An Analysis of Key Endowments of the North

### a. Agriculture

Agriculture is the mainstay of the people of Northern Nigeria. Over 75% of the region's populations are farmers. The region covers over three quarters of the nation's landmass of which over 92% is arable. Since the advent of oil boom in Nigeria, however, agriculture has been on the decline and poverty and hunger remain critical development challenges. Farming in the region is still characterized by subsistence small-holdings of 1 to 1.5 ha with low input, low technology level and adoption. These mostly subsistence small holdings may produce yearly only enough food to last for 6-7 months. Farm yields and productivity have been on the decline. Post-harvest losses are high, appropriate processing and value adding technologies are not readily available, a commercial orientation is lacking and market information and linkages are weak.

**Table 1.2.1:** Planted Area of Major Crops – North vs. National ('000 Ha)

<b>PLANTED AREA OF MAJOR CROPS('000 HA)</b>		
	<b>North (Total)</b>	<b>National</b>
<b>Beans</b>	<b>2,819</b>	<b>2,860</b>
<b>Cassava</b>	<b>1,396</b>	<b>3,482</b>
<b>Cocoyam</b>	<b>30</b>	<b>520</b>
<b>Cotton</b>	<b>398</b>	<b>399</b>
<b>Maize</b>	<b>3,034</b>	<b>4,149</b>
<b>Melon</b>	<b>219</b>	<b>470</b>
<b>Millet</b>	<b>4,364</b>	<b>4,364</b>
<b>Rice</b>	<b>2,204</b>	<b>2,433</b>
<b>Groundnut</b>	<b>2,777</b>	<b>2,789</b>
<b>Guineacorn</b>	<b>4,936</b>	<b>4,960</b>
<b>Soyabean</b>	<b>219</b>	<b>291</b>
<b>Yam</b>	<b>1,221</b>	<b>3,236</b>
	<b>23,617</b>	<b>29,953</b>

*Source:* NBS / Federal Ministry of Agriculture and Rural Development Collaborative Survey on National Agricultural Sample Survey 2010/2011

Presently, farming is considered unprofitable, except in some major crops such as rice, soya, wheat, sugar cane and few others. As a result, the agricultural commodity value chains remain undeveloped and uncompetitive. For instance, cereals like millet, maize, sorghum and also vegetables like tomato, onions, pepper, ginger are not linked locally to processing plants for value addition. Rather, the few processors are clustered outside the region despite their remoteness to the production sources.

**Table 1.2.2: Crop Production Distribution – North vs. National ('000 Metric Tonnes)**

<b>CROPS PRODUCTION('000 METRIC TONNES)</b>		
	<b>North (Total)</b>	<b>National</b>
Beans	<b>3,342</b>	<b>3,368</b>
Cassava	<b>15,044</b>	<b>42,533</b>
Cocoyam	<b>139</b>	<b>2,957</b>
Cotton	<b>602</b>	<b>602</b>
Maize	<b>5,507</b>	<b>7,677</b>
Melon	<b>251</b>	<b>507</b>
Millet	<b>5,170</b>	<b>5,170</b>
Rice	<b>3,975</b>	<b>4,473</b>
Groundnut	<b>3,787</b>	<b>3,799</b>
Guineacorn	<b>7,107</b>	<b>7,141</b>
Soyabean	<b>285</b>	<b>365</b>
Yam	<b>13,871</b>	<b>37,328</b>

*Source:* NBS / Federal Ministry of Agriculture and Rural Development Collaborative Survey on National Agricultural Sample Survey 2010/2011

Therefore, the dominance of the North in major crops can be better harnessed with sustained efforts to increase productivity and value addition as well as increase access to market.

b. Mining and Solid Minerals From the early 1900s up to the 1970s, the North supplied 95% of the Colombite traded all over the world. The region was the sole producer in Nigeria and thus the 6th supplier of Tin to the world. The region accounted for 90% of national exports of gold, 50% of lead-zinc, and 30% of coal and 100% of wolfram exports. The production of tin collapsed from an average of 10,000 tonnes per year in the 1970s to 300 tonnes by 1995 and even went further lower.

Deposits of uranium, lead, zinc, tungsten and gold have not been adequately mapped and exploited. Solid minerals, including gems and precious stones were reported to be abundant but equally unexploited. At least 50 sites in the North have been reported to contain gold. By mid-1999, field appraisals had recommended nine as being ready for exploitation. Whereas the status of many of these minerals has been upgraded from mere prospects to resources, they need further work to attain the status of deposits based on detailed exploration and economic viability. The Nigerian mining sector has not been properly developed, so far, due to many factors, chief among which include; indigenization of the industry, inefficient SOEs, poor investment climate, corruption and rent seeking around mining land titles, illegal mining and reserve depletion, lack of technical data, and low metal prices, especially, in the face of 'Dutch Disease Syndrome'.

### **c. Industry**

Small and medium sized enterprise sector is expected to act as the link-pin between primary production and large scale industrial processing and manufacture. Even though the region's SME is growing, its linkage to primary sectors is still weak. The competitiveness of the industrial SME is continuously undermined by the structural distortion induced by the 'Dutch Disease' (natural resource curse) owing to oil.

**Table 1.2.3:** Number of Small & Medium Enterprises by sector in Northern states as at 2010

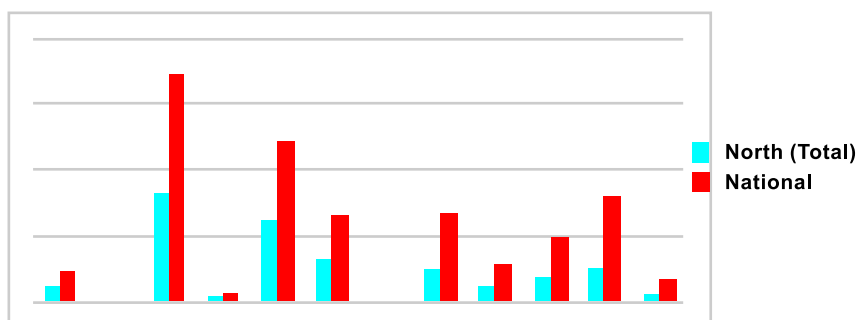
STATE	Agriculture, Hunting, Forestry and Fishing	Mining and quarrying	Manufacturing	Building and Construction	Repair of Motor Vehicles and HH	Hotels Restaurants	Transport, Storage & Communication	Financial Intermediation	Real Estate, Renting and Business Activities	Education	Health and Social Work Other Community, Social and	Personal Services Activities	TOTAL
Adamawa	18	4	41	7	22	37	-	20	21	17	50	10	245
Bauchi	14	4	81	5	103	79	54	59	7	134	50	26	615
Benue	9	-	81	2	74	37	44	39	21	84	-	-	390
Borno	5	-	61	2	29	11	-	-	3	17	25	15	168
Gombe	32	24	54	9	74	16	5	20	17	-	-	5	255
Jigawa	9	-	102	5	15	21	16	-	-	34	25	5	231
Kaduna	45	2	272	29	287	116	33	177	76	34	200	26	1,295
Kano	45	9	978	11	427	121	60	-	45	17	50	66	1,829
Katsina	32	-	143	7	132	47	71	20	17	67	-	10	546
Kebbi	27	-	68	2	81	37	-	-	7	-	25	-	247
Kogi	18	-	88	-	22	53	11	79	17	-	63	-	350
Kwara	5	-	68	5	59	26	33	177	24	50	-	-	446
Nassarawa	23	5	143	2	118	42	-	39	10	-	50	-	432
Niger	5	-	197	-	66	79	27	20	14	67	13	5	492
Plateau	-	16	20	11	155	142	5	39	28	50	175	20	663
Sokoto	18	4	170	11	191	37	11	59	10	34	50	5	600
Taraba	14	-	75	22	16	5	20	-	34	63	63	-	247
Yobe	14	-	34	-	22	26	16	39	3	-	-	5	160
Zamfara	45	-	81	5	169	11	27	20	10	-	-	-	368
FCT	5	-	75	2	81	132	27	39	55	34	38	26	512
North (Total)	383	68	2,832	115	2,149	1,086	445	866	385	673	877	224	10,091
National	768	168	6,009	239	4,210	2,272	838	2,323	987	1,709	2,767	627	22,918

Source: National MSME Collaborative Survey, 2010

As a result, the industrial SME sector is much slower than the rest of the economy as it continues to be weakened by low skilled services sectors and poor policies. Furthermore, the investment climate for the growth of industrial SMEs has been poor and serves as disincentive to formalize. Accordingly, majority of enterprises in the region remain informal.

The North demonstrated significant competitive advantage in manufacturing especially agro-based considering the large presence of medium size industries in Kano, Kaduna, Katsina, Kwara, Borno, Zamfara and few other states from 1970s-1990s. The golden years of manufacturing in the North can be resurrected to provide incentives for large scale agricultural activities, commerce and services.

**Figure 1.2.1:** Number of Small & Medium Enterprises by sector in Northern states as at 2010



*Source:* 2010 National MSME Collaborative Survey

#### **d. Trade and Commerce**

The huge population of the North represents an irresistible market for both domestic and foreign goods and services. Accordingly, all the state capitals in the region also act as commercial centres for their respective states. In this respect, the position of the North, and especially Kano, as a commercial nerve centre for the entire West African sub-region is legendary since the historic era of the Trans-Saharan trade. Kano is the commercial gateway between the Atlantic Coast and the hinterland of not only Nigeria, but also for all of West Africa and some parts of North Africa as well. However, inadequate transport infrastructure like roads, rail and reliable air services have combined to constrain the full modernisation of commerce in the region. In order to realise trading potentials, the Lagos – Kano – Jibia – Maradi (LAKAJIMA) Trade and Transport Corridor in the west and the Port Harcourt – Makurdi – Maiduguri Corridor in the east need to be upgraded in terms of facilities and management to allow efficient and formal commercial activities to thrive both domestically and across the borders.

#### **e. Infrastructure**

Northern Nigeria is bedevilled by insufficient infrastructure. Even though the region occupies three quarters of the total land mass of Nigeria, it has only about half of the total road networks in the country of which many are dilapidated. Of the total number of roads, 51.8% are in the North. The power generation (from 3 hydro-dams; Kainji, Jebba and Shiroro) is about 2,140MW, which represents

roughly 28.5% of the installed national capacity. Out of the 4,500km of railway lines, 2,916km (64.8%) lies in the North. Also, out of the 22 commercial airports in the country, 13 are in the North. However, only Kano and Kaduna airports have international traffic.

**Table 1.2.4:** Roads in Northern Nigeria vs. National (Km)

<b>National</b>	<b>Northern Nigeria</b>
193,000Km	100,000Km
	51.8%

*Source:* ICRC Annual Report, 2011

Considering the huge landmass and large population of the region, a significant improvement in infrastructure is needed. There would be no development without infrastructure even with the best of intentions.

**Table 1.2.5:** Power Generation output in Northern Nigeria vs National (MW)

<b>National</b>	<b>Northern Nigeria</b>
7, 519MW	2,140MW
	28.5%

*Source:* ICRC, 2011

Achieving infrastructural development requires a regional approach. The approach will uniquely address the huge resources needed to upgrade the infrastructural requirement of the region within a broader and sustainable framework.

**Table 1.2.6:** Rail line gauge in Northern Nigeria vs. National (Km)

<b>National</b>	<b>Northern Nigeria</b>
4, 500Km	2,916Km
	64.8%

*Source:* ICRC, 2011

#### **f. Services**

In the services sector (especially banking and insurance), the North has not been fully engaged both in terms of ownership and utilization of the services. Without access to financial services it will be difficult to grow enterprises.

To improve the region's participation in the banking and other service sub-sectors, a concerted effort is needed to re-educate and re-orient the key players on modern business practices and the benefit of business formalization. Similarly, the issue of access to finance and policy support should be addressed.

### **1.3 The North and Competitive Advantage**

Since the end of the Second World War, nations that have achieved success by understanding and using the new rules of 'plug and play' include many in Europe, and South East Asia as well as Japan and Korea and more recently, China, India and Brazil. In Africa, countries like Rwanda, South Africa, Ghana, and Botswana seem prepared to be on track. Recent development have shown that, whereas comparative advantages in terms of natural and/or human resources, were key success factors in the old economy, in the newly globalized world they are insufficient unless they are turned into competitive advantages. This is possible through provision of the right policy and regulatory environment and attitudinal change.



Evidently, the low performance of many sub-sectors in the North is largely attributed to high dependence on the oil sector, weakening of institutions and poor policies. It has been observed that in all conceivable metrics, Nigeria has shown poor performance in economic revival over the last four decades. This explains why the south-west Nigeria is coming up with alternative developments models to chart a new course for their people. The North should learn from this and other development initiatives in order to restore and advance its strategic advantages into competitive power for sustainable development.

Globally, the agricultural sector operates in an environment that is characterized by matured value chains and efficiency in production. Indeed, agriculture which the North should have created its own competitive advantage operates mainly at subsistence level with minimal efficiency and under-utilization of the opportunities offered by the value chain. Since, the late 1990s, the manufacturing sub-sector that is expected to provide incentives for agricultural production also collapsed. This makes the North to be a region without competitiveness.

#### **1.4 Policy Direction**

Unlocking the potentials of the North is envisioned as a holistic means of rapidly integrating the rural economy with the wider urban economy. In this regards, adequate provision of physical infrastructure such as roads, transport and ICT facilities, which currently impede movement of goods and people, should be accorded priority especially in the rural areas. This, coupled with renewed effort to

improve governance, develop value chains, build capacity and promote a sustainable enterprise culture will assist the North to build its own competitiveness.

## 1.5 Action plan

**a. Adequate provision of physical infrastructure:** The loss of cost competitiveness of many industries is mainly due to high cost of doing business as firms grapple with poor infrastructure. New private investments and northern regional cooperation will significantly help in reducing the infrastructural deficiencies.

**b. Develop human capital:** The core resource endowments of the North can be harnessed when capacity is developed. The relationship between human and physical capital must be complimentary and any imbalance in these two stocks, including other human capital externalities, can adversely affect economic growth and development. People, not natural resources, should be seen as the real assets. Strengthening education by improving enrolment and quality, especially in science and technology, should be pursued. Higher education and skills are needed to innovate and create new ideas and products inside enterprises from where future jobs, future output and future prosperity will be delivered. Education is about long term development and competitiveness.

**c. Improve General Macro Economic Management by continuous advocacy and consultation with other regions:** The North should drive the process of reversing the resource curse that crowds out the real economy as well as the exclusionist sources of inequality and inequity due to the pattern of government spendings and poor governance.

**d. Improve investment climate:** The real sector should be supported by continuing with reforms in the areas that constrain business and entrepreneurship activities. Challenges regarding tax, access to land, access to credit and business support; permits and protection of investment and general security should be collectively addressed.

**e. Support the creation of viable value chains:** Apart from complete upgrade of inputs supply system including access to finance, the sectors can be mobilized into viable clusters and groups to be networked and linked to the global value chain. Cluster and value chain development interventions should be utilized in reducing informality among micro enterprises and linking the rural primary economy to the urban and formal sectors.

*f. Promoting the culture of savings and investment:* People should be educated and reoriented to generate savings for the future and also develop a productive enterprise culture.

## **1.6 Implementation and Monitoring**

General consensus on Northern development is critical for implementation. A system whereby public and private sectors constantly dialogue on the current and future challenges should be institutionalized to prevent the Northern economic agenda from derailing. ARDP should strive to generate such consensus and guide toward creating a critical structure made of various stakeholders to ensure constant reviews and guide towards implementation. State government representation and buy-in is central to the success of the renewal agenda. Northern Professionals in the Diaspora and development partners should be actively engaged in review processes in order to serve as a source of guide and pressure towards value added inputs and effective implementation.

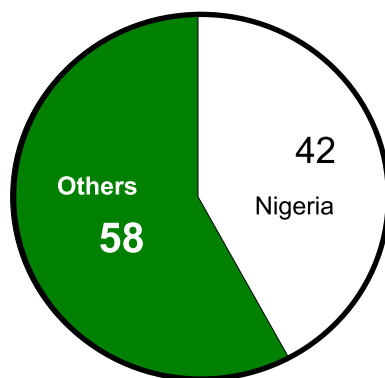
## CHAPTER TWO

### AGRICULTURAL DEVELOPMENT

#### 2.1 Agriculture: An Overview

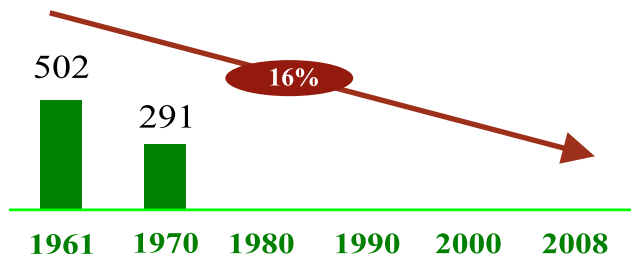
The mainstay of the economy of Northern Nigeria is agriculture. Besides being the largest source of employment and income for the North, it also contributes significantly to the Gross Domestic Product (GDP) of the country. This remains the case even though the sector suffers from major setbacks and neglect, leaving its enormous potentials unutilized. The lost glory in the world trade of agricultural commodities like groundnuts, cotton, hides and skin was unprecedented and non-comparable to any on the African continent. The nation was controlling up to 24% of the supply of shelled groundnut in 1961, which declined to 16% in 1970. By 1980 Nigeria became not only zero exporter but net importer of the erstwhile groundnut. The figures 2.1.1 and 2.2.2 below illustrate the predicament better.

**Figure 2.1.1:** Nigerians' share of world's shelled groundnut exports in 1961



*Source:* FAO, 2010 adapted from Presidential Brief on Agricultural Transformation Agenda, 20117

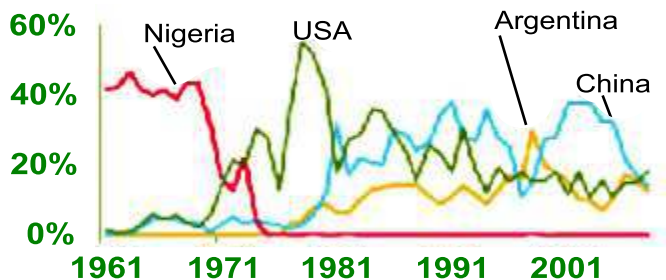
**Figure 2.1.2:** Nigeria's Export of shelled groundnut for 1961 – 2008 ('000 metric tons)



Source: FAO, 2010 Adapted from Presidential Brief on Agricultural Transformation Agenda, 2011

Since the fall in the groundnut prominence in the 1970s largely as a result of priority change from agriculture to petroleum, our competitors in groundnut world trade strategically maintained their dominance. This was due to strong marketing organizations that linked farmers to markets and they were able to meet strict export requirements.

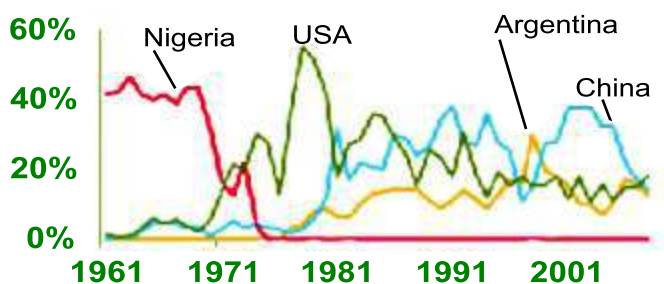
**Figure 2.1.3:** Global market-share trend of Groundnut. (% of global trade).



Source: FAO, 2010, adapted from Presidential Brief on Agricultural transformation Agenda, 2011

Similar tragedy was witnessed across other commodities where the North had significant local production and export volume. For instance, in 1961, Nigeria was the major West African cotton exporter; however, its prominence has been eclipsed by Mali and Burkina Faso.

**Figure 2.1.4:** Global market-share trend of Cotton among Key West African producers. (% of global trade of Cotton)



Source: Doreo Analysis, FAO, 2010, adapted from Presidential Brief on Agricultural transformation agenda, 2011

Livestock has historically constituted one of Nigeria's major economic resources in terms of the livelihoods of its populations, but has remained weak in terms of its contribution to trade and export. This is because livestock farming has largely resisted transfer from the traditional method of management to modern production methods. Indeed, the Fulani, who have largely retained a pastoral system of management up to today, manages the majority of the livestock in the country, especially cattle.

The poor yields and extremely low off take from the traditional production systems have been a source of frustration to development initiatives. Previous attempts to improve the traditional management through ranching and establishment of grazing reserves resulted in failure. The World Bank has concluded that the best approach for Nigeria to achieve meaningful development in the livestock sub-sector was to work with traditional pastoralists. Current challenges facing the pastoralists include increasing pressure limiting the availability of free grazing resources, due to loss of previously demarcated cattle routes due to expansion of activities by crop farmers and by expanding human settlements.

Poultry outnumber all other forms of livestock in Nigeria. Chickens are found throughout the country, wherever there is human settlement. Although pigeons, ducks, guinea fowls, and some turkeys, are also kept, chickens are by far the most common. Typically, they are maintained under traditional, low input, free-range systems of management, but substantial numbers are also reared intensively on a commercial basis, particularly in southern western states. Commercial holdings account for some 10 million, or 11% of the total estimated population of 82.4

million chickens.

The agricultural potential of the North in terms of food and vegetable, livestock, fishery and poultry is uncontested. The main challenge is that for virtually all the agricultural value chains, none has benefitted from significant injection of capital and knowledge required to alter traditional practices that are often inefficient.

## **2.2 Potentials for Agricultural Growth**

Even after rebasing the Nigerian economy, agriculture still contributes one-fifth of the country's GDP. Also, the Agricultural sector employs 68% of the active population in the country. Ironically, the sector is performing below its potential. For instance, out of 79 m ha of arable land, only 32 m ha (40 %) are cultivated and the typical farm size ranges from 0.5 to 4.0 ha. Also, more than 90% of agricultural output is accounted by households cultivating less than 2 ha. Post-harvest losses range between 30 to 50%. In effect, producer's yields for all agricultural commodities are far below established yield potentials.

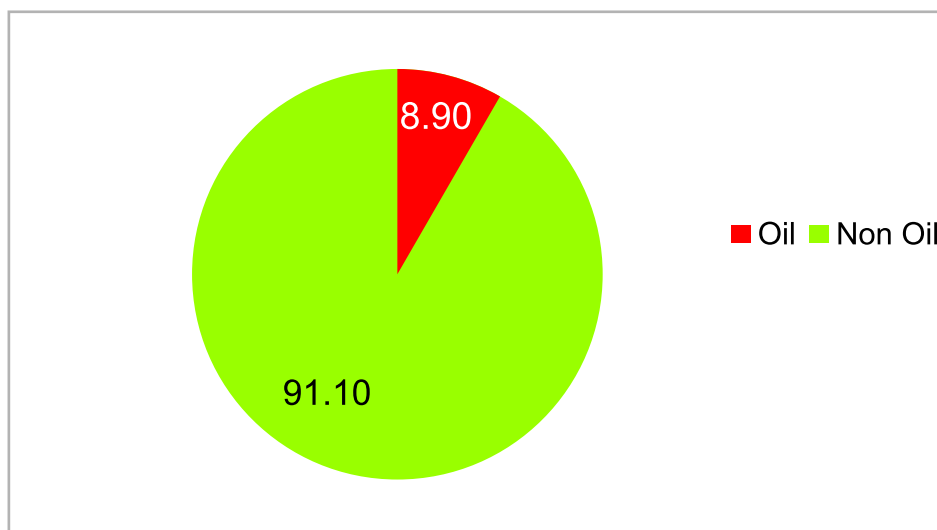
Supportive of the agricultural sector is water resources, with estimated 267.3 billion m<sup>3</sup> of surface water and 52.20 bm<sup>3</sup> of groundwater. Nigeria has an estimated 3.1 million hectares of irrigable land and 200 dams with combined storage capacity of 34 billion m<sup>3</sup>. These dams have the capability to irrigate 1.75 million hectares of land, while 19 dams have small hydro-power facilities with the combined potential to generate about 3,600 MW of electricity.

In terms of market potentials, the Nigerian population is about 160 million as at 2006 and grows at an average rate of 2.5% annually. Current estimates place Nigeria's population around 190 million. This offers a large market for food and fiber for the growing population. Furthermore, it provides opportunity for employment for agribusiness managers, skilled and semi-skilled labour and the large proportion of farming population, currently put at about 70% of the total population. In addition, the country could produce and market commodities to the global community in the sub-sectors where it has comparative advantage.

Hitherto, export of commodities were organized through a network of private and public sector partnerships that worked through marketing/ commodity boards to different parts of the world. While the volume and the number of export commodities have changed, the opportunities for export still remain very high. Among the current crop and livestock products in high demand from the Northern states, include sesame, cotton, gum arabic, hides and skins, fruits and vegetables.

The quantities exported were, however, very low compared to the demand for them overseas. It is evident from Figure: 2.2.1 that the relative contributions of non-oil exports to the country's growth and the proportion of the agricultural sector contributions further reveal the level of dependence of the economy on exports of agricultural products to ignite industrial growth.

**Figure 2.2.1:** Nigeria: % Contribution to GDP, First Quarter, 2017



*Source:* NBS, 2017

Again, consumers across the world have become more sensitive to the source of food items, the method(s) of production, preservation, and distribution system associated with them. Premium price is given for naturally produced products from proven sources of organic origin. Certainly, this is an opportunity for products of Northern Nigeria to enter global market easier when the right policy framework, infrastructure and support are put in place.

### **2.3 Binding Constraints to the Development of Agriculture in Northern Nigeria**

Northern Nigeria faces challenges in both agricultural expansion and environmental changes. First, the agricultural expansion challenges occurred with the continued growth of human population and competition for limited land

resources. Over the years, there has been a progressive expansion of settlements and agriculture with the process taking place throughout the country. Deforestation continues with little concern for the environment, while vegetation and land use patterns are being transformed and hunting has affected and led to elimination of wildlife from many parts, including the North. Second, the natural environment is experiencing a period of unprecedented change leading to serious signs of land degradation, in terms of the extent of bare ground and erosion as noted in the highland areas of Mambila and the Jos Plateau.

Domestically, major challenges exist: at processing and marketing stages, value addition on the products of the farm that will involve transformation of the product and distribution in suitable form.

The following are the main key challenges to agricultural optimization in Northern Nigeria:

- a. Low quality landmass (declining fertility);
- b. Low application of technology to optimize water resources;
- c. Poor rural population with no access to credit;
- d. Weak agricultural extension service delivery system;
- e. Low uptake of improved technology/practices amongst users;
- f. Culture of individualism and personal enterprises;
- g. Weak linkage with Industry;
- h. Continuous decline in the number of secondary industries to absorb the produce of agriculture;
- i. Collapse of basic rural infrastructure;
- j. Unskilled labor force on agricultural enterprises;
- k. Mass drifting of active labor out of agricultural sector;
- l. Aged skilled labor without replacement;
- m. Decline of secondary industry (agro-allied);
- n. Absence of organized institutions & structured market, and
- o. Absence of a coherent land registering system and certification.

## 2.4 Policy Objective and Priorities

The Northern Agricultural Strategy should pursue the utilization of technology and knowledge-based production systems. This is to increase productivity and competitiveness so as to massively, and in a targeted manner, develop the supporting rural infrastructural requirements of Northern Nigeria. It is also intended to develop producer, processor, marketer organizations and other critical rural institutions for sustained support of viable agricultural value chains with ultimate development of family/community-based enterprises (SMEs), cottage industries along Agricultural Value Chains (AVCs), and reduction of importation of agricultural products to raise the internal capacity and competitiveness.

The priorities of the agricultural policy shall be the collation of detailed data for in-depth analysis of specific agricultural commodities with the following logical considerations:

- (a) Potentials for production in terms of yield and output (i.e. African versus Nigerian averages, other comparisons with nations within similar economic brackets, etc.);
- (b) Current national demand;
- (c) Current level of production;
- (d) Potential supply gap (i.e. a-c) and the existing demand gap (i.e. b-c), and
- (e) Target setting for the different strategic interests: that is commodities for national food security, commodities for local industries (SMEs), commodities for industrial raw materials, commodities for export promotion (rolling plan is needed for 5 years, 10 years, 15 years, etc.).

The selection would recognize the broad spectrum of Crops, Livestock, Poultry, Fishery, Horticulture, Fruits, Vegetables, Forestry, Farm tools, Implements, Machinery, Labor saving devices, etc.

## 2.5 Strategy for Achieving the Objectives

The strategy needed would involve getting agriculture moving (i.e productivity, efficiency and competitiveness), making it an important contribution to economic growth, well integrated into the macro-economy with the aim of shifting agriculture into a position of industrial economy. The Table 2.5.1 summarized the strategies along a time frame



**Table 2.5.1:** Tabular Presentation of Strategies, showing activities, time frame and Remarks for achieving above objectives

Strategy	Activities	Time frame	Remark
<b>Phase One:</b> Getting Agriculture Moving		Short term	Minimum of 2 years from starting date
<ul style="list-style-type: none"> <li>• Institutional Change (producers associations/organizations)</li> <li>• New and superior technology/practices</li> <li>• Restructuring of markets and incentives</li> <li>• Significant investments in rural infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Policy design and direction to achieve the goal</li> <li>• Development of rural institutions promoting institutional change</li> <li>• Bench marking to establish priorities in agriculture</li> <li>• Improved inputs markets</li> <li>• Improved capacity for targeted research &amp; development and promotion</li> <li>• Access to finance and increased investment</li> <li>• Sustainable rural infrastructure development</li> </ul>		

<p><b>Phase Two:</b> Agriculture as a contributor to economic growth</p>		Medium term	Minimum of 5 years from the starting date
<ul style="list-style-type: none"> <li>• Establish market links with industry</li> <li>• Provide technology and incentives to producers and processors, etc.</li> <li>• Create attractive environment for entrepreneurs and investors</li> <li>• Improved market penetration</li> </ul> <p>Mobilize rural resources to support AVCs</p> <p><b>Phase Three:</b> Integrating agriculture into the macro-economy</p>	<ul style="list-style-type: none"> <li>• Policy design and direction to achieve the goal</li> <li>• Improved efficiency in post harvest</li> <li>• Targeted value addition</li> <li>Ware housing and insurance</li> <li>Improved produce markets</li> <li>• Access to finances, increased investment and higher returns</li> <li>• Development and promotion of SMEs</li> <li>Integration of SMEs and Industries</li> </ul>	Long term	Minimum of 10years from the starting date
<ul style="list-style-type: none"> <li>• Reduce share of food in urban budgets</li> <li>• Push to make agriculture more efficient</li> <li>• Swing resource out of agriculture to non-agriculture areas</li> <li>• Improve income distribution</li> <li>Raise rural labor productivity</li> <li>• Take unskilled labor out of agriculture</li> </ul>	<ul style="list-style-type: none"> <li>• Policy design and direction to achieve the goal</li> <li>• Diversify the downstream of ACVCs</li> <li>• Specialization and/or differentiation of ACVCs</li> <li>• Improve the level of mechanization in agricultural sector</li> <li>• Integrating service and tourism industries with agriculture</li> <li>• Creating jobs outside agriculture</li> <li>• Increase employment in the industrial sector and non-agriculture to free labor from the agriculture sector</li> </ul>		
<p><b>Phase Four:</b> Agriculture in Industrial Economics</p>		Long Term	Minimum of 20 years from starting date
<ul style="list-style-type: none"> <li>• Smaller share of food commodities in consumer budgets, environmental concerns and the “way of life” issues</li> </ul>	<ul style="list-style-type: none"> <li>• Policy design and direction to achieve the goal</li> <li>• Promote production and exportation</li> <li>• Discourage absolute consumption and importation</li> <li>• Promote renewable energy in the agriculture sector</li> <li>• Promote green agriculture</li> <li>• Promote resource and environmental conservation in agriculture.</li> </ul>		

Key Area	Objective	Proposed Action	Expected Outcome	Implementation Agency (ies)
<b>Agriculture</b>				
<b>Policy: Consumption, Product-ion and Trade</b>	Consumer price Stabilization; Reduction in producer Taxes; Access to finance for input and production and Reduction of import tariff; Import restrictions or increased tariff on key AVCs; Creation of enabling environment in terms of fiscal, financial, insurance, price guarantee, and export promotion	Safeguarding food consumption food security & vulnerability monitoring systems Identifying & assessing the effectiveness of the measures that enhance the ability of producers to respond to improving market signals Assessing the impact of changing support to, and taxes on, food commodities Analyzing how to use existing food storage and distribution systems effectively and determining the appropriate criteria for food sales to vulnerable groups Determining effective means of enabling the private sector to play critical role in trade. food and supply of agricultural inputs To promote agriculture as a business with competitive opportunities for all in terms of food security, jobs creation, wealth generation, etc.	More funds in the hands of key actors in agribusiness More qualitative and affordable inputs Lower interest rates on lending for agribusiness Increased in production Better pricing for agricultural produce Increased market Penetration Increased net income to key actors in agribusinesses Decreased in import of food items Reduced import bills on agricultural products Increased exports in food items Increased SMEs related to agribusiness Increased jobs related to agribusiness Decreased security in the nation Increased investment in agribusinesses Increase in volumes of trades and businesses	Public agencies in collaboration with Private sector, international trade organizations, and Development partners, etc

Key Area	Objective	Proposed Action	Expected Outcome	Implementation Agency (ies)
<b>Agriculture</b>				
Bench marking	To guide targeted investment for the development of agricultural value chains at different levels	Resource mapping; General surveys; Thematic surveys; Inventory surveys, etc.	Comprehensive inventory of potentials Productivity indices of target commodities	Specialized public agencies, Private organizations, Commissioned consultants
Input Market		Sensitization of communities on new policies, prices, etc., Programme that simulate demand of targeted agricultural products Programs that respond to market demands	Increase demand of targeted commodities; Increased price for target commodities; Price stabilization of target produce. Increased & stabilized quality/standard of produce; Established warehouses for produce; Certification system for all produce.	Public and private agencies companies, Export/import promotion councils, licensed dealers/middlemen organized marketing cooperation & agents.
Finance Invest-ment and Returns	To stimulate investments in high return enterprises targeting viable agricultural commodities; To ensure loan facilities are accessible to genuine farmers at low interest rates.  To ensure repayment & recovery of loans and recycling to others	Wealth creation programmes around targeted agriculture commodities; Facilitate friend-ies agriculture loans to farming communities and cooperatives by financial institutions; Encourage the establish of Ware-houses and storage facilities for rural producers and marketers;. Establish agricu-ltural produce pricing and mar-keting	Increased number and types of micro banks at rural levels; Increased volume of funds injected into agribusinesses; Diversified sources of funding for agricultural programmes; Affordable terms of lending for resource poor producers; Low interest rate and longer duration of repayments for agribusiness firms; Stable produce price guarantees using uptakers and	Public and private agencies Licensed groups and corporate bodies

Key Area	Objective	Proposed Action	Expected Outcome	Implementation Agency (ies)
<b>Agriculture</b>				
		mechanisms and institutions; To provide funds for lending to primary producers, processors, marketers, etc. at low interest rate; To encourage the establishment of micro-finance institutions that would support resource poor producers.	outgrower schemes, etc.; Integration of formal and informal banking systems in rural areas.	
Development of Agricultural Commodity Value Chains	Promote specific agricultural commodities value chains for global competitiveness for wealth creation	Choosing priority commodities; Bench marking and gap assessment of value chains; Upgrading & deepening value chains; Identifying business models for value chains; Forward and backward integration for value chains; Horizontal & vertical collaboration on value chains; Positioning products & CV for competitiveness; Standards and certification to ensure higher quality; Identifying needed supports & services for CV; Clustering and synergies for competitiveness	Prioritized agricultural commodities; Established gaps and benchmarks for value chains; Differentiated value chains; Integrated value chains; Diversified products from value chains; Establish standards and certification for value chains; Increased number and size of clusters for value chains, Competitive indices of a value chains	Licensed individuals, Registered Professional bodies, Incorporated bodies, and Development partners etc.

Key Area	Objective	Proposed Action	Expected Outcome	Implementation Agency (ies)
<b>Agriculture</b>				
Production	Getting agriculture sector moving	Improving productivity; Increasing efficiency; Increasing quality for competitiveness; Increasing profitability & net incomes; and Attracting youths into agricultural sector	Enhanced productivity; Enhanced efficiency; Enhanced profitability; Reduced drudgery; and Modernized agricultural activities.	Public and private agencies, Licensed groups, Incorporated bodies. Companies, National and Multinational, etc.
Rural Institutions	Development of Farmer Organizations (FOS) and other rural institutions	Legal recognition capacity building; Promote democratization in farmer/processor groups; Empowerment; and Establishment of linkages	Increased number of FOs with legal recognition; More democratic FOs; FOs with strong financial base; Enhanced organizational capacity; Enhanced managerial capacity; FOs with strong voice; Effective Representation	Public and private agencies at LGAs, State and Federal levels, Registered consultants, NGOs, and CBOs Donors
Infrastructure	Massive and targeted rural infrastructural development	To provide the base support for a sustainable growth of the agricultural Sector into other key economy driving sectors (power, roads, rail lines, irrigation, markets, transport, ware-housing, storage, social amenities like hospital, schools, water supply,	Increased length and quality rural roads; Increased watts and stable elect-ricity supply; Ruliabile security Increase and functional irrigated land; Larger storage capacity & ware-housing Increased number of modernized markets;	Public and private agencies at LGAs, State and Federal level, Communities Incorporated bodies, Donor organisations: Investment promotions agencies at states.

Key Area	Objective	Proposed Action	Expected Outcome	Implementation Agency (ies)
<b>Agriculture</b>				
		sanitation, security, etc.) and Increase private investments in the provision of key infrastructure	Increased water supply schemes & sanitation; Increased schools & hospitals, especially in rural areas.	
Skills and knowledge development	Promotion of functional knowledge and skills to support the new drive	Develop new training curricula on ACV for schools; Strengthen agricultural courses in primary & secondary schools; Establish farmer academies; Integration of training from formal tertiary institution with SADCs/FAs, etc.	Increased number and types of entrepreneurs; Increased number and types of skills; Increased capacity of persons involved in specific VCs; Enhanced capacity in agribusiness for all target VCs; Increased number of successful enterprises established.	Public and private schools at secondary and tertiary levels; Specialized skills acquisition & development centers; Specialized colleges at LGAs, State and Federal levels.
Development of rural enterprises	Development of family, community-based SMEs, cottage industries along AVCs	Promotion of family business /enterprises on AVCs; Promoting community-based businesses / enterprises on AVCs; Establish SMEs for specific AVCs; To classify the ACs and differentiate the VCs for matching with appropriate SMEs' levels based on capacity and comparative advantage etc.	Increased number and types of individual businesses related to target VCs; Increased number and types of family businesses related to target VCs; Increased number and types of community based businesses related to target VCs; Increase number and types of SMEs related to target Vcs	Public and private agencies, registered individuals / families licensed groups, community-based firms / companies PPP arrangement and Development partners, etc.

In addition, it is ideal to incorporate structured land titling system that is acceptable to financial institutions as a key strategy of enhancing credit access, output expansion, poverty reduction and sustainable development facilitation. Also, a coordinated framework for pest and birds invasion is required by all Northern states to avert farm losses and poverty exacerbation.

## **2.6 Implementation and Monitoring Framework**

The approaches for implementation and monitoring include:

- a. Generate consensus on agricultural priorities and establish a Northern structure to guide the change process.
- b. Link agricultural programmes with agricultural research institutions
- c. Identify high impact agricultural projects in each local Government and generate logistic, training and financial support from local and international development partners.
- d. Establish funding sources (e.g. FATFUND already developed with some senators) similar to the existing TETFUND to act as an intervention mechanism in agricultural development projects on a sustainable manner.
- e. Vigorously pursue commercial agriculture, large family-based agriculture and cooperative farming to gain advantages of scale access to finance and access to market.
- f. Involve stakeholders i.e. individuals, corporate bodies, national and international NGOs etc. at the implementation phase to generate support and pressure for the envisaged change.
- g. Promotion of bilateral and multilateral collaborations with Governments, Investors through public-private partnerships.
- h. Bilateral/Multilateral investment and monitoring of projects which should be evidence-based using Objectively Verifiable Indicators (OVIs) and other specific Key Performance Indicators (KPIs).

## **2.7 Project Proposals**

The action plan above is expected to generate large number of high-impact specific project proposals for implementation by the various states in the North. Notwithstanding the numerous projects that would be developed, the following two projects are proposed in view of their unique contribution and far-reaching

impact on Northern economy:

**a. Integrated Irrigation Project**

Integrated irrigation projects are noticeably absent in the North, while at the same time they have been successfully implemented in other developing countries. The Kadawa area of Kano State, with all its potentials has deteriorated considerably over the years.



It is recommended that each of the 19 Northern states allocate an area of 10,000 to 15000 hectares for the purpose of developing an irrigated farm for the production of a specific crop. Each of these farms would include a food processing facility designed to make consumer products from the crop grown in the farm. This project would automatically put at least 190,000 hectares of land under irrigation while at the same time providing production and processing facilities that would make the products needed in the market. They would also provide employment opportunities for the unemployed.

A good example of this would be the development of a farm that would grow the grains required to make cereal based baby foods, animal feeds and others which are presently being made in the South with grains imported from the North.

## **b. Growing Trees for Firewood Production**

This project is based on growing trees for the purpose of creating firewood. Besides commercial and employment generating benefits it will also check desertification and deforestation. Each state is expected to allocate 100 to 200 hectares of land for the purpose of irrigating a tree farm. It is expected that over 60,000 trees could be grown in each state and over a million trees could be grown in the region. This means within 3 or 4 years' time these trees could be cut down and made into firewood to be sold in the ever growing firewood market.

In addition to the firewood that will be produced, there are other downstream applications that generate small businesses. These are Essential Eucalyptus Oil that can be distilled from the leaves, twigs and chipping; also the biomass left over from the distillation process can be pressed into artificial firewood and could also be sold in the market. In addition, depending on the capacity of the boreholes installed, the farm could also include a fish farm which would be another income generating aspect of the farm.

Similarly, there is the possibility of generating power using biomass, made up primarily of crop residues (i.e. stalks, leaves and stems) which can easily be processed into either briquettes or pellets. This can be used to fire boilers to create steam for turning turbines in small scale electricity generating plants ranging in size from 0.3MW to 3.0MW. Power generating systems on this range are more than adequate to provide power to the majority of smaller, rural LGA's in the North.

All of these elements of developing tree farms would have a positive impact on rural development and youth unemployment.

## CHAPTER THREE

### COMMERCE AND SERVICES SUB-SECTOR

#### 3.1 Overview of Commerce and Services in Northern Nigeria

Before the advent of modern Nigeria, the Trans-Saharan trade was the main international trading for the people in this part of the world. The trade routes created opportunities for the development of local markets, distribution channels and transportation systems across the present region with Kano, Katsina, Bornu and Zaria playing a central role. With the opening of trading routes by sea and new investment in infrastructure such as road networks, airports and telecommunications, the North continued to witness even bigger expansion of commercial activities resulting in the creation of central and specialised markets that shape the trading in textiles, staple foods, and other household products. Colonial and post-colonial urban infrastructure facilitated the industrial development in Kaduna, Kano, Katsina, Zamfara, Plateau and few other Northern States which also led to the creation of new opportunities in trade and services.

Trading and industrial development lead to the creation of support services such as transportation, financial institutions, warehousing, Information and Communication Technology (ICT), tourism and host of other services. Today, the opportunities for employment and wealth creation in commercial and service areas for Northern Nigeria are incontestable. However, certain dramatic changes are required to better organise and refocus the sector in line with international best practices so as to tap its maximum benefits.

Even though agriculture is the mainstay of the economy, the impact of micro and small- scale businesses around commercial activities is huge. Irrespective of the fact that they do not offer huge turnovers, their flexibility and easy management provide a good source of employment even amidst changing economic conditions. With renewed focus to mitigate certain constraints, the North can create a much viable commerce and service sectors, which have formed critical portion of the Nigeria's GDP after rebasing the Nigeian economy. This calls for an integrated and holistic approach to revive commerce and services in the region.

### 3.2 Potentials for Link with Global Supply-Chain Networks

Globally, governments are not the creators of economic prosperity and the North cannot be different. Every society has an in-built capacity and resilience to create enormous wealth through active private sector activities. In order to realise this, government is expected to provide policy guidance, capacity, and infrastructural framework to support business development. Therefore, the North can and should benefit from the global economic integration using available resources and capacity of the private sector. government is expected to provide policy guidance, capacity, and infrastructural framework to support business development. Therefore, the North can and should benefit from the global economic integration using available resources and capacity of the private sector.



The starting point is the effective utilisation of the existing international trading routes which connect the North to Niger Republic, Chad, Burkina Faso and Cameroon. The routes when properly developed will connect the North with Central Africa and other African countries. This will enable Northern Nigeria to take advantage of regional and intra-African trade which presently is very low. African Development Bank (ADB) observed that from 1995 to 2012, intra-Africa trade rose from \$27.9 billion to \$148.9 billion. However, half of the trade took place in the Southern Africa region. Nigeria remains the largest economy in Africa and the North can systematically take advantage of the commercial opportunities of the west and central African sub-regions.

With improved efficiency and facilitation of cross-border trade, new investment in rail transportation, and improved road networks, the North stands to

gain from trading in hides and skin; processed agricultural commodities and manufactured goods locally and internationally. Also, such improvements can enable the North explore the sea ports thereby moving the region closer to a more beneficial exchange of goods and services with the rest of the world.

Specifically, the North can be effectively linked with the local and international supply-chain networks in a manner that would provide massive economic benefits for the region. Among the sub-sectors that could generate wealth and employment for the region are the following:

- a. Wholesale and retail
- b. Entertainment
- c. Tourism
- d. Transportation
- e. ICT Services
- f. Financial services
- g. Education

**a. Wholesale and Retail**

Fuelled by a large population, resilient entrepreneurs and maintaining large boundaries with neighbouring countries, the North has proven itself as a major hub for wholesale and retail trading in the country. In spite of this success, wholesale and retail trade is mostly carried-out in a traditional fashion making it difficult to grow and create new value chains. The regional leaders needs to consciously re-organise and upgrade trading in order to allow free flow of goods and make shopping and service delivery pleasant experiences. Due to lack of modern trailer parks and warehouses, coupled with congested market places, commercial activities remain largely archaic. Today, local marketplaces are poorly developed and maintained. Therefore, investment in integrated market places, as exemplified by the design of the Kanawa Market model in Kano State, is required in all the Northern States. The size of the markets may differ from state to state but the arrangement must provide for convenient shopping, ample parking and free flow of people and goods while ensuring security and health condition of the people. The Kanawa market model is designed to provide the following:

- a. 5,000 lock-up shops of various sizes
- b. Large multi shop super market
- c. Dozens of large capacity warehouses
- d. Multi-storey first class hotel
- e. 2 motels 100 rooms each
- f. 15 story office blocks
- g. Primary health clinic
- h. Police post
- i. Fire service station
- j. Large parking space
- k. Banking services

Today, we are witnessing the emergence of large shopping complexes and malls in city centers which mainly serve high and middle income population. Similar efforts should be made to upgrade and modernize shopping in sub-urban areas. This will create economic opportunities and reduce urban migration.

The North is blessed with successful merchants and various types of traders but their capacity for modern business management is very low. The region should take it upon itself to educate its business communities on the advantages associated with increased productivity, joint ventures and strategic alliance with local and foreign investors. In general, commercial activities can be bolstered through the following:

- i. Modernisation of wholesale and retail markets;
- ii. upgrading infrastructure for the facilitations of wholesale market: this includes provision of modern storage system that can serve both the manufacturers and the retail traders;
- iii. modern transportation system: rail services and good inter-state road are very critical in reducing cost and enhance efficiency of the markets;
- iv. upgrading of Chambers of Commerce;
- v. development of robust market and business associations;
- vi. promotion of super stores businesses;
- vii. expanding access to financial services for SMEs through adequate funding of microfinance plans;

- viii. sustained capacity development on entrepreneurship and modern business management, and
- ix. Reduce harassment of traders and transporters by multiple government agents on inter and intra state roads to ease movements of goods.

## **b. Entertainment**

When the Hausa film industry started in the mid-1990s, opportunities were created in production, publishing, music, photography, creative writing, merchandising and host of other support services along the entertainment value-chain. The Hausa film industry commercially took off after the release of Sangaya in 2000, and overnight, it created not only what later came to be known as “super stars”, but also youth moguls and millionaires. From the time non-commercial video films started in Kano in early 1980s to 2006, there had been more than 1,700 Hausa films produced. By 2005, the industry was taken over by marketers who saw the potentials to make fortunes out of a single hit.

When the Hausa film industry took off, magazines sprung up to provide news, information and gossip about the Hausa video film industry often called Kannywood. Today, the industry suffers from lack of adequate skills and professionalism to drive a world-class industry. The failed attempt by the federal government to set up a Film Village in Kano, due lack of understanding and limited engagements, was regrettable. To date, state governments, especially where the industry is flourishing, have not considered it paramount to key into the new industry by providing policy support and encouragement.

In order to promote entertainment industry, the following are needed:

- i. Better organization of the industry: The biggest problem of the industry is lack of cohesion within each cluster. This creates a situation where key players are contemptuous of each other.
- ii. Professionalization: from 1990 to date, the film industry could only claim the use of better cameras and lights. There are only handful of professional who attended structured courses on film making, music, directing or other related areas. Lack of such professionalism is what is responsible for the marginalization of Hausa films, Hausa music and Hausa literature. Despite the impressive showings in these areas, the rest of Nigeria (e.g. Nollywood) still holds Hausa creative prowess in contempt. Thus, sustained capacity development is required.

- iii. **Networking:** Youth purveyors of entertainment must network with other clusters in other states to learn from each other and also adopt examples of best practices that work. The fear of domination must be removed, and the clusters must reach out to each other to experiment, whether in film, literature or music, to innovate and penetrate markets beyond their immediate environment.
- iv. **Democratization:** Every cluster of the entertainment industry has some form of leadership. This leadership must be run on democratic principles of sharing, transparency, honesty and power rotation. It is normal for leaders in Hausa entertainment industry to sit tight on their positions and refuse to offer opportunities for elections.
- v. **Respect for copyrights.** There must be respect for the creative works of others. More creativity is needed to move away from mainly basing the video film industry on Hindi film industry – often films were taken from Hindi cinema and reproduced as Hausa, including the songs, dances and storylines. For Hausa youth entertainment industry to progress beyond local market, there must be respect for copyrights. Also, the government should ensure that the Nigerian copy right Laws are adequately enforced.
- vi. **Policy support:** A deliberate policy direction and institutional support is needed if the industry is to realize its promise. The agenda should promote professionalism, better organization, and standardization, access to finance and markets as well as international exposure.
- vii. **Promote private investments:** the industry should be supported to attract investments to explore online platforms, improve quality and contents essential for enhancing its competitiveness.

### **c. Tourism**

Because of its forward and backward integration, tourism and hospitality has become an important source of economic growth, diversification, employment and wealth creation in many countries. At present, developed countries have dominated the tourism industry. However those developing countries that provide the enabling environment in form of infrastructure, skills, security and incentives are also taking advantage of the high growing industry, especially the generation of foreign exchange. It is estimated that tourist population will reach 1.6 billion by 2020 indicating a huge market opportunity.

The North has potential in tourism. However the infrastructure, logistic and skills required in supporting the sector is very weak. In fact, most of the support services are mainly available in major cities (even though most of the tourist sites are located in semi-urban or rural area). The challenge is how to make the immediate community to benefit from tourism in terms of expanded local opportunities in restaurants, shopping, hotels, transportation and other services. Other challenges include:

- i. Lack of data on tourists and the nature of their visit in terms of specific interests and expenditure.
- ii. Inadequate publicity and active promotion by the government and the private sector.
- iii. Tour guides are not readily available and the few available are not sufficiently educated and knowledgeable on the sites or the attractions.
- iv. Insufficient Tourist centres, souvenir/craft shops remain a challenge for a sustainable development of tourism.

In order to support the industry, policy and investment are required to develop Infrastructure and support services to promote physical and cultural tourist attractions such as:

- i. Celebrations, cultural festivals, dance, folklore: Arugungu Fishing festival, Abuja Carnival etc.
- ii. Durbar festivals
- iii. Historical sites and museums: palaces, walls, Kusugu Well, etc.
- iv. Masquerades
- v. Natural environment-hills, waterfalls and valley, etc.

#### **d. Information and Communication Technologies (ICTs)**

The advances in Information and Communication Technologies (ICTs) and the emergence of the internet have revolutionized business activities, enabling new ways of conducting business. In all the Northern State, ICT adoption is on the increase as people conduct commercial activities via the internet; telephone and fax, electronic banking and e-payment system and electronic purchasing. It is notable that business people in the North are increasingly becoming conversant with ICT facilities and their uses.

Therefore, there is the need for micro-and small enterprises in the North to adopt e-Commerce on a large scale in order to enhance their national and global, competitiveness.



Factors that affect the adoption of e-Commerce in Northern Nigeria include:

- i. Data security: the infrastructure to reduce risk associated with online transaction is not very reliable.
- ii. Network reliability: due to limited investment in ICT, the services provided are at best erratic.
- iii. Credit card threat: the structure and mechanism for securing credit card transactions are not fully developed
- iv. Citizen's income: the low capital of many people prevents them from using ICT facilities.
  - i. Education and training: even though there are many ICT training facilities across the North, many of them only run basic computer training. There is still low capacity in data management, internet security, applications, software design/administration and computer hardware production and services.

As ICT continues to gain acceptance in the North, the region would gradually close the digital divide not only nationally but with the rest of the global market.

### **e. Transportation**

Transportation is the key to commerce and efficient service delivery. The North witnesses modest investments in road and air transportation, but with very limited investment in rail transportation. Private sector controls the transportation sector, which is a positive development. But the government has been unable to adequately expand and maintain the transportation infrastructure resulting in high incidences of road and air accidents in addition to additional costs and heightened business risks. The towns and cities are congested with motorcycles, tricycles and mini buses which are in many cases not road worthy. Significant investment is required in modern urban transportation and rail systems in order to create opportunities and facilitate trade/ services. Such investments can be obtained using Public- Private Partnerships and attracting direct private investments. Today, some northern states are tempted to use public funds to set up transportation services and others have negotiated massive debt to execute mass transit undertakings. Such steps are ill-advised considering that government structures were not design to run businesses. It is instructive to use PPP arrangements or facilitate direct private investments to provide viable mass transportations systems in the form of Bus Rapid Transport, mono-rails, etc. States could also collaborate to provide regional mass transit with the support of development partners and private investors.

### **f. Financial Services**

The financial system serves is a catalyst to economic development through various institutional structures. In essence, one of the activities of financial institutions involves intermediating between the surplus and the deficit sector of the economy. The availability of credit function positively allows the fruition of this role and is also important for the growth of the economy. In spite of the critical role financial institutions play in the economy, it is disheartening to note that the Northern entrepreneurs have limited stake in the banking industry and many people do not benefit sufficiently from financial services, such as loans, advances, insurance and other financial products. In addition, Northerners account for a very dismal proportion of membership of the Boards of Deposit Money Banks (DMBs) in Nigeria. This is due mainly to the following challenges:

i. Limited Financial Inclusion:- The Central Bank of Nigeria (CBN) estimates that a total of 39.2 million adult Nigerians (46.3% of the 84.7 million adult populations) were financially excluded in 2010 (CBN, 2012). Further analysis has revealed that 54.4% of the excluded population were women, 73.8% were younger

than 45 years, 34.0% had no formal education, and 80.4% resided in the rural areas. The challenge of financial inclusion being faced in Nigeria is obviously more acute in the North. Financial inclusion is achieved when adult Nigerians have easier access to a broad range of formal financial services that meet their needs at an affordable cost.

ii. Limited participation in banking services: - Following the banking consolidation of 2005, there is probably only one commercial bank that Northerners hold the majority shares. In fact, people of Northern extraction constitute less than 20% of the Board membership of DMBs in Nigeria. The situation is not different with respect to microfinance banks presence and distribution in the country as shown in Table 3.2.2. Even though the number of MFBs has improved in the last few years, there is the need for regional intervention to ensure that the north has at least 50% of the total number of MFBs in the country. This is critical for the financial inclusion strategy for the region.

**Table 3.2.2:** Distribution of MBFs by State As At January 9<sup>th</sup>, 2017

THE NORTH		
Region	Number of MBFs	% Of Total
Adamawa	10	1.0%
Bauchi	16	1.6%
Benue	12	1.2%
Borno	5	0.5%
Gombe	5	0.5%
Jigawa	11	1.1%
Kaduna	31	3.2%
Kano	47	4.8%
Katsina	21	2.1%
Kebbi	12	1.2%
Kogi	22	2.2%
Kwara	28	2.9%
Nassarawa	8	0.8%
Niger	34	3.5%
Plateau	15	1.5%
Sokoto	4	0.4%
Taraba	4	0.4%
Yobe	1	0.1%
Zamfara	5	0.5%
FCT Abuja	60	6.1%

The Rest of the Country		
Abia	19	1.9%
Akwa Ibom	16	1.6%
Anambra	80	8.2%
Bayelsa	4	0.4%
Cross River	14	1.4%
Delta	36	3.7%
Ebonyi	9	0.9%
Enugu	24	2.4%
Edo	19	1.9%
Ekiti	10	1.0%
Imo	42	4.3%
Lagos	185	18.9%
Ogun	50	5.1%
Ondo	15	1.5%
Osun	32	3.3%
Oyo	55	5.6%
Rivers	19	1.9%
TOTAL	980	100.0%
% Located in the North	19	35.8%

Source: CBN, 2017

**iii. Low utilisation of insurance services opportunities:-** Nigeria's recapitalization exercise of 2007 consolidated the insurance industry into 49 companies. Despite this, only a negligible portion of the population is covered. However, just as is the case with banks, there is very limited participation in the ownership of insurance companies by the Northern entrepreneurs. Therefore, a regional effort is required to sensitize, reeducate and engage the northern entrepreneurs so as to take more active part in the financial sector which is increasingly being dominated by the people of the south-west region.

Indeed, the role of insurance is more strategic than that of the banks in financial intermediation especially in developed countries. Within the insurance industry, Takaful Insurance has taken the front burner. The rising attraction for NIFIs mentioned earlier also extends to Takaful Insurance (Insurance framework that ensures joint guarantee). In fact, available reports revealed that in many Eastern States of the country, sale of Takaful insurance had been very high when compared with the Northern states. This trend is, no doubt, a good indication of a promising market and a pointer to the huge potential for Takaful business in Nigeria. Indeed, the tenets of Takaful are appealing to both Christians and Muslims because it guarantees mutuality and gives annual returns to contributors.

Fortunately, the requirements for establishing Takaful insurance companies are also not as stringent as that of establishing conventional insurance firms. With the increasing popularity of Takaful Insurance business, the North should also design a strategy to support the formation of at least three formidable Takaful insurance companies. This can be done by partnering with Jaiz Bank, after all one of the guidelines for establishing Takaful Insurance Company is that the Company must maintain a minimum deposit in a non-interest financial institution at all times.

**iv. Poor Attitude towards credit:** -One of the major challenges facing the North beside the lack of significant stake in the Financial Institutions is the people's attitude towards business credit. While other fellow countrymen are able to utilize loan proceeds productively and profitably, the loan recovery experience in the North by banks and other lending institutions is not impressive. This is the reason why previous government's effort at providing credit to the people had not recorded the desirable impact. Therefore, there should be a wide spread media campaign towards attitudinal change involving religious leaders, community leaders, etc.. The campaign should focus on the virtues of hard work, trustworthiness and general civic responsibility. The religious leaders and the musicians should be enlisted into this campaign as was done successfully in the first republic.

### **3.3 Binding Constraints of Commerce and Services Sub-Sector**

Observing the current trend, it could be said that trading and service in the North are being held back by major deficits in critical areas as follows:

#### **a. Ease of Doing Business**

The 2017 Doing Business Report ranked Nigeria 169 out of 189 countries in the ease of doing business as reported by the World Bank. This is an indication of a harsh business environment. The lack of enabling environment in terms of limited access to infrastructure, finance, efficient and credible legal system coupled with high inflation, volatile exchange rates, high interest rates have devastating effect on the economy of the North and country in general.

#### **b. Insecurity**

Up to the 1980s, the North had flourished due to its serene and welcoming posture. The social tension that started in the last few decades is gradually stripping the North from its peaceful and harmonious culture thereby scares away investors. The incessant violence, curfews, road blocks and harassment of

transporters/trade by security agents are the new realities of the region. The United Nation Conference on Trade and Development (UNCTAD) estimated the economic loss of Northern insecurity to the tune of \$1.3 trillion in 2001.

### **c. Lack of Modern Transportation**

The North is landlocked. The absence of developed infrastructure (good roads and rail networks) to connect it with neighbouring countries placed the North at a strategic disadvantage in relation to the regions that have easy access to functional seaports.



### **d. Large Informal Sector:**

The World Bank estimated that in developing countries, private sector provides 90% of job and about 65% of all economic activities take place in the informal sector. This is due mainly to excessive bureaucracy, regulations as well as limited protection and opportunities provided by the formal sector. In this context, most of the small businesses in the North find it advantageous to remain small, operating away from the government radar.

### **e. Insufficient Capital:**

Due to low capital formation arising from low internal saving and investment capacity, the commercial activities have not witnessed massive injection of private capital. The chunks of the operators are petty traders with meager capital to

support business expansion. More worrisome is that business operators do not have easy access to medium and long term funds for business expansion.

**f. Lack of Adequate Commercial Facilities**

The markets and shopping place have not changed significantly overtime. Most of the market places remain in poor condition making transaction difficult and transaction cost high.

**h. Lack of organized Business Membership Organisation (BMOs)**

There are multiple associations of traders and service providers but most of them are not well-organized and better managed. Even bigger associations, such as the National Association of Chambers of Commerce Industries Mines and Agriculture (NACCIMA) and the National Traders Union (NTU) have not been able to function effectively in order to generate benefits for their members.

### **3.4 Policy Objectives and Priorities**

The agenda for the transformation of the Northern commerce and service from a largely traditional setting to a modern state should be guided by a well-informed framework geared towards improved investment climate, capacity development; formalization and effective management. The overall goal is to increase the competitiveness of the sector to the level that it will become the second largest contributor to the economy capable of generating employment and wealth for the North. The priority areas to be developed or strengthened include:

- a. Establishment of data base on the state of the Northern commerce and services
- b. Attract fresh public and private investments to modernize and develop market places
- c. Develop entrepreneurship skills and promote innovation
- d. Reduce binding constraints to business operations through policy change and support
- e. Embark on efforts to formalise businesses
- f. Encourage and Strengthen Business Membership Organisation
- g. Improve access to financial services
- h. Develop new commercial opportunities in Tourism, ICT and transportation
- i. Exploit international trade routes

### 3.5 Strategy

The strategy to achieve the transformation of trade and other commercial services in the North will be based on the holistic approach for infrastructural development, services, capacity development and the growth of the formal sectors using a constructive public-private dialogue and a strong public-private partnership. The partnership will entail the design of policies and programme along the following:

**Table 3.5.1:** Strategies for achieving the Commerce and Services policy objectives

Priority Areas	Strategy	Expected outcome	Anchored By
Establishment of database	Develop data collection and management infrastructure utilising state Ministries of Commerce, Chambers of Commerce, professional bodies (COREN, Architects, etc..)	Better understanding of the state, prospects and challenges of commerce and services required for policy and investment decisions	ARDP initiate the process while states and organised the private sector collaborate on implementation.
Attract fresh public and private investments to modernise and develop market places	Improved investment climate and enhance security	Create new modern markets and upgrade existing ones. Generate fresh investments for the development of tourism, entertainment transportation and related industries	ARDP collaborate with states to attract local and foreign investment; States Invest massively in security and implement private sector development initiatives
Develop entrepreneurship skills and promote innovation	Massive capacity development programme to develop modern business management, innovation and skills in the private sector. Promote knowledge transfer/sharing between universities and private sector	Create entrepreneurial skills capable of generating and implementing new businesses to exploit local and global opportunities	Ministries of commerce and industries in state collaborate with chambers of commerce and other BMOs to partner with institutions of higher learning in designing and implementing capacity development and knowledge transfer across sub-sectors

Remove binding constraints to business operations	Massive investment infrastructure and lessening undue administrative bottlenecks/harassments in order to ensure ease of doing business and guarantee free flow of good and people across the north	Make the North conducive for starting and growing business	ARDP ignites public private dialogue in states collaborations in developing infrastructure and business promotion
Embark on efforts to formalise business	Embark on a massive campaign to encourage people to register their business and open bank accounts. Also, to create mechanism where registered business have better access to credits/ government guarantees and support services	Achieve 90% business formalisation in the next decade	ARDP collaborate with states to support Corporate Affairs Commission (CAC), ministries of commerce and industries to register businesses
Encourage and Strengthen Business Membership Organisation	Create an incentive for business to belong to BMOs and encourage capacity development in effective management of the BMOs.  Encouragement and support cooperative groups formation across all trade and vocations	Businesses are easily reached in sub-groups to ensure easy access to funding, capacity development and government support	ARDP collaborate with states - chambers of commerce, traders associations, transport unions etc.
Inclusive financial services and better access to finance	Using public private partnerships to establish generic and specialised micro finance banks in rural communities and offer (conditional)		

	<p>government guarantees to ease access to finance. Development and implementation of regional Financial Literacy Framework to increase awareness and understanding of financial products and services, with the ultimate goal of increasing sustainable usage. Introduce insurance literacy programme</p>	<p>Achieve 90% financial inclusion of businesses and ease access to finance in the next decade</p>	<p>Inter-state initiative to create a structure for micro-finance in partnership with CBN and other Banks</p>
<p>Develop new commercial opportunities</p>	<p>Re-organise NNDC along private Sector orientation to serve as the anchor and platform for discovering and harnessing new commercial opportunities. Create Micro, Small and Medium Enterprise Development Ministries in all Northern states</p>	<p>Massive new business creations along Agriculture, Food Processing, Tourism, entertainment, ICT, transportation, logistics, warehousing, new markets, finance etc</p>	<p>ARDP NNDC and States</p>
<p>Exploit International trade routes</p>	<p>Develop/upgrade export processing zones and inland dry port, industrial parks and clusters all over the North and invest in modern transportation</p>	<p>Achieve free flow of good and people within and across borders and attain efficiency and security in transportation</p>	<p>Trade facilitation: Federal and State governments, ECOWAS and NNDC</p>

### **3.6 Action Plan**

Reviving commerce and services in the North requires short, medium and long term action plans. Depending on the unique characteristic of a state, the following should be grouped in order of priority and urgency:

#### **a. Short term**

The following are to be implemented within two years:

- i. Revisit the Investment Climate Programme (ICP) developed by the World Bank/United Kingdom Department for International Development (DFID) which covered four states, Kano, Kaduna, Lagos and Cross River. It should be noted that Cross river and Lagos have since implemented critical aspects of the study.
- ii. Security and Social cohesion: The region as a whole should extol the virtues of peaceful coexistence, trustworthiness, honesty, between and among the people as pre-requisites for economic growth and development in the North.
- iii. Growth of formal sectors: massive businesses registration and re-orientation on the benefit of modern formal businesses.
- iv. Full utilisation of financial services: the owners of micro and small scale enterprises should be re-educated to extensively utilize financial institutions not only to facilitate businesses, but also to take lending and advisory service advantages.
- v. Embed ICT in the curriculum and business development services: mainstream academic programmes and other hands-on training to service private sector.
- vi. Identify, develop and preserve tourist sites.
- vii. Establish ministries of MSMEs in all Northern states.
- viii. Modernise and upgrade markets places; and
- ix. Promote skills acquisition, especially among youth to take advantage of the enlarged market opportunities

#### **b. Medium Term**

The following are to be implemented within five years.

- i. Creating an enabling business environment which supports the growth of commercial activities based on entrepreneurship and innovation.
- ii. Establishment of world class shopping malls in collaboration with the private

sector and foreign investors.

- iii. Reduce Smuggling: the menace of excessive smuggling and its negative effect on local economy should be drastically reduced;
- iv. Develop ICT clusters/Parks in conjunction with the private sector and foreign investors;
- v. Develop and implement tourism development programme: in partnership with the private sector and foreign investors;
- vi. Use PPP to create film institutes, film villages, state of the art studios and provide support services to guide the proper development of the entertainment industry;
- vii. Use PPP to set up inland dry ports in strategic locations across the region;
- viii. Joint investments by states in developing key infrastructure and strategic business support and; and
- ix. Complete the transformation of NNDC into a private sector development organisation for the North.

### **c. Long Term**

The following require sustained investments and review in the next decade:

- i. Modernising of key infrastructure to create vibrant business atmosphere;
- ii. Modern transportation with international network, **which entails making air, land and railway transportation systems functional, safer, cost effective and efficient and inter-linked;**
- iii. Full automation of financial and commercial activities;
- iv. Integration of commercial policies in the North;
- v. Joint investments by private sector across states: in discovering and exploiting business opportunities;
- vi. Transformation of the entrepreneurial capacity of key actors in the sector; and
- vii. Attainment of commercial superiority: the North should attract buyers and sellers across the world.

### **3.7 Implementation and Monitoring Framework**

ARDP to partner with NNDC to coordinate the process of policy harmonization among states and ensure that they are encouraged to develop short, medium and long term plans to achieve the goal of total transformation of Northern commerce and services. A Central Working Committee or agency should be created in each state to guide the implementation. Regular meeting, workshops and knowledge sharing fora among the agencies, ARDP, NNDC, implementing ministries, top political and private sector leaderships should form a critical aspect of the implementation and monitoring mechanism.

## CHAPTER FOUR

### ENERGY, PETROLEUM AND OTHER RESOURCES

#### 4.1 Overview of Energy Sub-sector in Northern Nigeria

Nigeria is endowed with enormous renewable and non-renewable primary energy sources. For example, crude oil and natural gas reserves are estimated at 37 billion barrels and 185 trillion cubic feet, respectively and coal reserves are placed at 2.75 billion metric tons. Hydro sources are estimated to have potential for 15,000MW, solar radiation at 3.5-7.0 KW/hr/m per day, wind energy at 150,000 TJ/year and biomass utilization is estimated at 144 million tons/year.

Despite all these potentials, the Nigerian energy situation is in a dismal state. It is characterized by gross deficit in supply due to inadequate infrastructure, low of level finance for energy supply and infrastructure improvements and expansions as well as outdated institutional framework. Due to energy-gap, wood accounts for over 77% of household energy consumption.

Energy must be accessible and affordable in order to help achieve future sustainable development. There are technological, financial, skills and management challenges associated with energy which each nation must address usually through Energy Policy and Planning. There are three fundamental issues desired in any energy policy: supplying and using plentiful energy at a reasonable cost (affordable); providing security against disruption of the supply system and ensuring environmentally friendly process of the energy production, distribution and utilization.

#### 4.2 Potentials for Energy Sourcing and Usage in Northern Nigeria.

##### a. Petroleum Resources

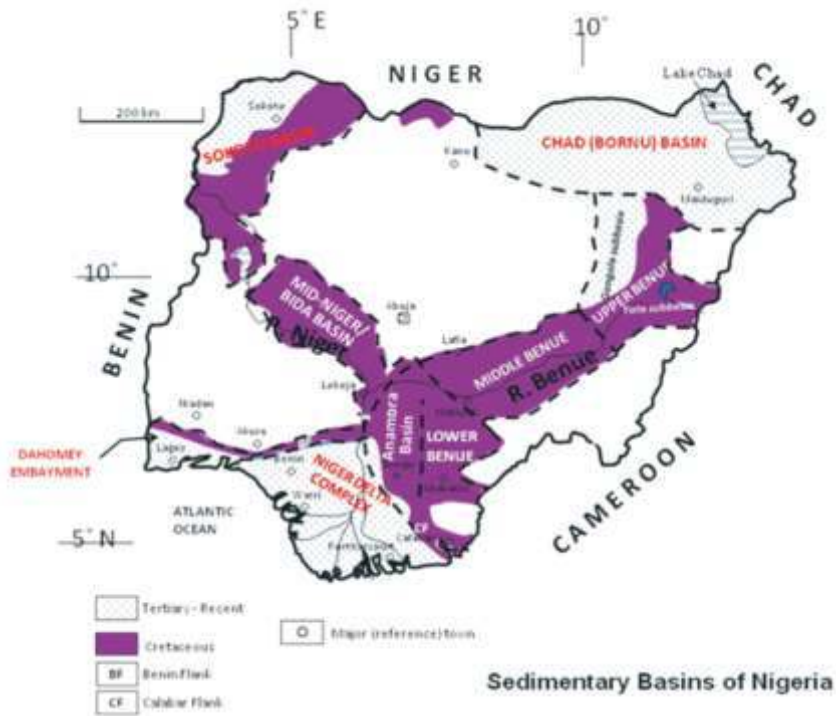
Despite its dwindling fortunes because of several discoveries in neighboring African countries and production of shale oil and gas in the United States, petroleum (oil and gas) still accounts for nearly 90% of Nigeria's foreign exchange earnings and has remained a key supporter of its economy since it was first discovered in commercial volume in 1956. Globally, petroleum as energy source will continue to dominate other primary energy sources and it is expected to account for up to 60% of the world energy demand by the year 2050.

Based on data available at the International Energy Agency, it is estimated that without additional discoveries, petroleum reserves around the world will be exhausted, thus: USA in 20 years; Nigeria in 40 years; Saudi Arabia in 80 years; and Iraq in 160 years. Therefore it is imperative to continue to search for more oil and gas to add to our reserves, while making effort locally to add value to our crude oil. The prospect of oil and gas in Nigeria is not the monopoly of the Niger-Delta. Nigeria is blessed with numerous other sedimentary basins comprising the Anambra, Bida, Sokoto, Bornu (Chad), and Dahomey basins, as well as, the Benue trough made up of the Lower, Middle and Upper Benue Troughs. These basins have structural and stratigraphical similarities with contiguous intracratonic rifted basins of Niger Republic, Chad Republic and Sudan, where commercial oil accumulations have been discovered. These other basins outside the Niger Delta, where exploration is classified to be high-risk with scanty data and generally under-explored but with opportunities, are referred to as frontier basins; of which outside the deep and ultra-deep Niger Delta offshore, the rest are onshore hinterland basins. Outside the Dahomey basin and the southern portion of the Anambra basin, the rest of the hinterland basins, comprising about 80%, lie in Northern Nigeria, namely Northern Anambra basin, Benue trough (Middle and Upper), Bida basin, Southern Chad basin, and Sokoto basin. Thus, exploration and eventual discovery of oil and gas in the North, coupled with good management, will help create industrial clusters, generate employment, reduce poverty and enable positive social transformation.

At the moment, Nigeria has four government controlled oil refineries, with a total installed capacity of 445,000 barrels per day which is grossly inadequate to cater for the increasing national demand. With the establishment of 650,000 barrels per day Dangote Refinery, in Lagos, the current supply is projected to more than double by the year 2020. With additional private investments, Nigeria's refined oil importation will diminish over time.

Therefore, there is a need to promote the expansion of the processing sub-sector to allow for the export of value-added petroleum products. Furthermore, it is desirable to diversify the domestic energy mix away from ever-increasing consumption of petroleum products in order to avert any possible conflict between domestic and export requirements.

**Figure 4.2.1: Sedimentary Basins of Nigeria**



Sources: Nwajide (2013).

### **b. Gas Resources**

Apart from the quest for the petroleum resources in the Northern States of Nigeria, there are other compelling measures that are imperative if the North is to escape from the prevalent energy poverty. Among these are the developments of gas infrastructure that can be useful for transmission of gas from areas of abundance to areas of need within Nigeria. There are also the emerging oil and gas jurisdictions on the Northern borders of Nigeria and possibly gas discovery within the Northern sedimentary basins.

Looking at the map of gas production and transmission infrastructure in Nigeria clearly reveals the precarious position of the Northern States in the country's energy equation. The Oben\Ajaokuta line remains the solitary intrusion of gas infrastructure into the Northern territory. Gas has become the energy of

choice across the world in power generation and fuelling industries, and the potentials for gas development in the region are enormous. Virtually all the early data and information on the prospective areas indicate more gas than oil deposits. Availability of Gas translates into power generation, fertilizer, petrochemicals, fuel for industries, and all these combined point to economic growth. However, none of this is possible without the required infrastructure in place. There had been two major attempts to provide the much needed pipelines in the Northern part of the country. The first is the age-old quest for the trans-Saharan pipeline that is supposedly meant to convey Nigerian gas to the European market through the North, to Niger Republic and link up with Algerian facilities and cross the Mediterranean Sea to Europe. This pipeline has for all practical purposes remained a pipe dream. In the first instance, most of the gas produced in Nigeria is prioritized for projects such as NLNG Bonny, ELPs in Lagos, WAGP across the West African coast, Brass LNG in Bayelsa, the NIPPs projects, the Olokola LNG and so on. Also, there is the investment risks attendant in putting resources on nearly four thousand kilometers long pipeline traversing an unstable territory.

The second and more practical attempt is the Korean downstream commitment for two deep offshore acreages to build the Ajaokuta\Kano pipeline and the associated over 2000MW power plants in Abuja and Kaduna. The project was, however, terminated and the acreages became a matter of litigation between the Koreans, Indians and the Nigerian Government. This needs to be revisited as soon as practicable.

Interestingly, the recent discovery of gas from Niger Republic is seen as a positive step towards meeting the energy demand of the North. There are on-going initiatives to transport the gas through pipelines to Kaduna and possibly to other destinations in the Region. The Northern states should consider gas and oil availability from Niger as an opportunity to generate power and establish petrochemical industries using the PPP or direct private sector investments.

Currently, there is no framework in place to incentivize the development of gas infrastructure in the North. It is important to mention here that neither the Special Provisions Applicable to Gas in clauses 230 – 268 (nor the provisions on Domestic Gas Supply Obligation in clauses 269 – 274 or even the provisions on Gas Flaring (Prohibition and Punishment) in clauses 275 – 283 of the Petroleum Industry Bill (PIB) currently being processed by the National Assembly has created any incentive structure to attract investors to what is evidently a virgin and difficult territory for gas development. Indeed, even the much touted NATIONAL GAS MASTER PLAN does not really address this problem. Clearly, new

provisions are needed to be included into the PIB to incentivize gas provision infrastructure, especially in the Northern States of the country that are located in areas that currently do not possess substantial gas deposits.

### **c. Focusing on Renewable Energy**

Today, countries resort to the usage of multiple and mixed sources in harnessing the developmental potential of energy resources. Most societies, however, focus their energy usage portfolios towards those areas where they have relative comparative advantage. In this regard, the Northern States of Nigeria do have clear comparative advantage in three main sources of renewable energy: water, sunlight and wind.

First, historically, hydro-electricity generation has been a key factor in the contribution of the Northern States to the country's energy pool. Kainji, Jebba and Shiroro are still contributing a significant portion of the power being consumed in the country. This can, however, be scaled-up by bringing in hydro-power projects with high capacities such as Mambilla and Zungeru and smaller dams like Gurara, Dadin-Kowa, Challawa and others to be completed or equipped to contribute to the larger national energy needs.

Second, solar energy is another source of comparative advantage of the Northern states. The sunlight exposure is relatively more intense and longer in the region compared to other sections of the country. On each day, about 170,000 terawatts of raw energy from the sun are impacting on the earth surface; about two thirds of these are reflected back into space, while another large chunk is used for other usages including heating the atmospheres and the ocean and also for photosynthesis for plants. The remaining is waiting to be harnessed by people through thermal engines and photovoltaic panels. Though this technology is still evolving, the opportunities for both on-grid and off-grid applications remain enormous for the Northern States of the country.

Third, wind power industries are springing up all over the world, especially in the United States, China and Europe. In California, there are about 15, 000 wind turbines with a generating capacity of about 16,000MW. In the Northern States of Nigeria, the Northern Easterly wind can be harnessed across the vast territories of Borno, Yobe, Jigawa, Kano, Katsina, Zamfara, Sokoto and Kebbi States, for energy instead of harvesting dust and harmattan fog. Already, a pilot programme in Katsina State on wind power generation is showing promising prospects. What is clearly desirable to actualize the Northern dream for energy sufficiency is the

creation of the enabling environment to attract the necessary financing, technology and expertise.

#### **d. A Framework for Inter-regional Energy Trade**

Nigeria is surrounded by countries that are emerging as important sources of energy. For the Northern States of Nigeria, the energy in two countries is particularly important, Niger and Chad republics. To use Niger Republic as an example, the country was able to attract the Chinese to invest heavily, explore vigorously and eventually found oil in its Agadem, Termit and Djado regions, with proven crude oil reserves of about 2-3 billion barrels, and through a 426 km pipeline set a 20,000 bpd refinery in Ganaram near Zinder. Significantly, Zinder is barely, 200 km away from Kano. Niger's total need from this refinery is barely the equivalent of 7,000 bpd, with the bulk of output seeking outlets in the Nigerian market. Due to certain policy challenges, mainly from the Nigerian side, these products remain stranded or become subject of massive smuggling runs across the border.

Equally important, are the massive opportunities to source gas from the Niger republic. Currently, through their 20, 000 bpd production, Niger Republic is flaring 20 to 30 million SCF of gas, translating to about 100MW of electricity. Indeed, when the Chinese complete the ongoing 2000km pipeline from Agadem to Doba in the Chad republic capable of transporting 80,000 – 100,000 bpd, to link up to the Chad-Cameroon pipeline to the coast, the flared gas can be up 100,00 SCF. This quantity of energy should not be allowed to be wasted on the doorsteps of energy-hungry neighboring states of Nigeria.

Another important option is to explore the setting up of small refineries at suitable locations near the Nigeria-Niger and Nigeria-Chad borders that would transport purchased excess crude oil from the two countries for the large Northern Nigeria market. Therefore, a framework for harnessing this abundant energy around Nigeria has become truly imperative.

The potential discussed above can be divided into two: the known and the unknown. The benefit derives from the known will automatically drive the search for the unknowns. This will include Petroleum Study/Exploration group to include any mineral resource on the ground.

The under listed are the known potential energy sources explorable in the short term in Northern Nigeria:

- a. Gas of Significant quantity enough to generate over 100MW electricity in Bauchi/Gombe states (Kalmano River).
- b. Solar radiation and available land to support the construction of multiples of 100MW Power Plant in Kano, Katsina, Sokoto, Bauchi, Borno, etc.
- c. A 200km pipeline can bring in natural gas /LPG/crude oil to the North from Niger Republic.
- d. Refineries of 50,000 – 100,000 bpd capacity at Daura-Kano axis and Maiduguri axis to utilize crude oil from Niger and Chad.
- e. Maigatari Nigeria/ Niger Border free Trade zone in Jigawa state can be use the to kick start an industrial cluster/hub.
- f. Mambilla hydroelectric project in Taraba State when completed would generate 3050MW
- g. Zungeru Hydroelectric Project will generate 700MW in Niger stat.
- h. Gurara Hydroelectric Project will generate 350MW.
- i. Farin Ruwa Hydroelectric project in Nasarawa State could generate up to 20MW.
- j. Tiga and Challawa Gorge Dam in Kano can generate between 30-40MW (in progress).
- k. Wind Turbines in Katsina can generate 10MW (waiting for commissioning).
- i. Waste to power in Kaduna and Kano can better waste while producing energy.

Today, there are many local and foreign investors willing to invest in renewable energy in the North. These investors have already signed Memorandum of Understandings (MOUS) in some states, the most notable are, Kano and Jigawa states. A Northern platform is needed to share experiences and have a common approach towards utilizing solar, wind and hydro sources of energy. This will also pave the way for state-to-state joint projects in the power sector.

### **4.3 Binding Constraints of Energy Development in the North**

There are three major forms of energy usages in the northern part of Nigeria. These are biomass, electric power and derivatives of fossil fuels. And each of these, when examined closely, seems to be in dire crisis or rapidly assuming that dimension. Below is brief analysis of each of these forms of energy usage in the region:

#### **a. BIOMASS**

Biomass describes living matter from which various forms of energy can be extracted. This includes plants (wood and assorted stalks and shrubs), animals (dung) and increasing organic municipal waste. This source of energy, especially wood, has provided the main source of energy for households and small scale enterprises for centuries. Today, firewood, in particular, has become scarce both in term of availability and cost. This is largely because most of the hitherto abundant forest land in the upper fringes of the North (Kebbi, Sokoto, Zamfara, Katsina, Kano, Jigawa, Yobe, Borno) from where wood resources were procured have been virtually exhausted. The result is simply encroaching desertification and increasingly arid environment. The search for this important energy resource has now shifted to lower section of the region (Niger, Kaduna, Plateau, Nassarawa, Banue, Kogi, Bauchi, Gombe, Adamawa), and the level of deforestation in these areas is also assuming alarming proportions.

Unlike during the colonial and immediate post-independence periods when there was a systematic programme of conservation and reforestation, the subsequent periods of Nigeria's history leave the provisioning of this important energy resource to chance and the vagaries of the ecology. In fact, even the protected forest reserves in most of these areas are now under the constant assault of wood-hungry communities all over the region. To further compound the situation, the supply of alternative household energy (kerosene and LPG) remains erratic and costly.

#### **b. Electric Power Supply**

Electricity, through a secondary energy source generated from other primary source (gas, coal, oil, nuclear, wind and solar), has become the energy source of choice in most communities across the world. Its special appeal lies in the fact that its nature and physical properties allow it to be generated and transported over

long distance and be applied in a multiplicity of ways. It is a known fact that the supply of electric power to the Nigeria nation as a whole, at best, is dismal. A country with a population of over 165 million people generates and consumes only 4000MW of electricity is incontrovertibly afflicted by energy poverty.

Within this context, the Northern States of Nigeria are negatively affected the most. Less than a decade and a half ago, the North provide Nigeria with more than 65% of its generateable power (mostly hydro), but with the expansion of generation towards gas-driven turbines, the scale has tilted with the North now contributing less than 35% of the country's generating capacity, and the prospects that these figures will increase is getting worse.

Presently, it may not matter where generating plants are located due to the presence of a national grid that transmits power to every nook and cranny of the country. One wonders, however, what would happen as the power reform programme deepens, and generating power increasingly shift to private investors? How many Generating Companies (GENCOs) would be ready to load power to an inefficient State controlled Power Transmission Company, especially given the level of transmission loss (reportedly about 35% of total generation) being experienced in this country? It is in this sense that the current meager power generation capacity in the region would potentially aggravate the energy challenge in the Northern state of the country.



**Table 4.3.1:** Electricity Generating Power Plants in Nigeria

<i>Electricity Generating Plants in Nigeria</i>					
	<b>Power Plant</b>	<b>Installed Capacity (in MW)</b>	<b>Year of Commissioning</b>	<b>Ownership</b>	<b>Location</b>
1.	Kainji Hydro	760	1968 - 1978	PHCN	Niger
2.	Jebba Hydro	540	1985	„	Kwara
3.	Shiroro Hydro	600	1990	„	Niger
4.	Egbin Thermal	1,320	1984 - 1987	„	Lagos
5.	Afam IV & V	726	1982 - 2000	„	Rivers
6.	Sapele	720	1978 - 1981	„	Delta
7.	Ughelli	900	1998 - 2005	„	Delta
8.	Geregu	414	2007 - 2011	„	Kogi
9.	Omotosho	304	2007	„	Ogun

**NIPP Plants**

1.	Olorunsogo	675	2011	NPP	Ogun
2.	Calabar	563	2011	„	Cross River
3.	Gbaran	225	2011	„	Bayelsa
4.	Alaoji	961	2012	„	Abia
5.	Sapele	451	2011 - 2012	„	Delta
6.	Omotosho	451	2012	„	Ondo
7.	Eregeru	434	2012	„	Kogi
8.	Omoku	225	2012	„	Rivers
9.	Egbema	338	2012	„	Imo
10.	Ihavbor	451	2012	„	Edo

<b>IPP Plants</b>					
1.	Shell Afam VI	650	2009 - 2010	”	Rivers
2.	Agip	480	2005	”	Delta
3.	RVSG Afam I & II	360	2005	”	Rivers
4.	RVSG T- Amadi	100	2002	”	”
5.	RVSG Omoku	150	2005	”	”
6.	Ibom Power Station	190	2007	”	Akwa Ibom
7.	AES Power Station	270	2000	”	Lagos

*Source: Federal Ministry of Power, 2012 and 2011 Annual Reports and Federal Ministry of Power 2012 Year Book*

### **c. Fossil Fuels**

Fossil fuels are extracted from dead organic matter that has accumulated and become compressed under layers of sediments under the crust of the earth. These organic substances could be acted upon by intense temperatures and pressures over millions of years before they were extracted to serve as energy sources. Fossil fuels are primarily composed of carbon, hydrogen, and to a lesser extent other elements. Thus, the collective name given to them is hydrocarbons. They occur in solid forms as coal and bitumen, liquid forms as oil and condensates and gaseous forms as natural gas.

Even more than electric power, the production and processing of fossil fuel energy, petroleum in particular, has remained particularly negligible in the Northern part of Nigeria. The only significant fossil energy facility in the region is the Kaduna Refining and Petrochemical Company (KRPC), which is perpetually ham-strung not only by the general disrepair of all Nigerian refineries, but also by an unreliable 700km crude supply pipeline. The other important energy facility in the area is the Oben-Ajaokuta gas pipeline that delivers natural gas to the Geregu power station in Kogi State.

Perhaps even more challenging is the age old quest for fossil energy resources from within the region. The four sedimentary basins – Chad, Benue trough, Bida and Sokoto-Rima basins in the North remain the least explored of all the prospective hydrocarbon areas in the country. As is well known, the Niger-Delta

basin has been actively producing hydrocarbons in the last fifty years, while among the inland basins the vigorous exploration efforts on Anambra basin of the last few years has started yielding positive results. Similarly, serious efforts are going on to produce bitumen from Benin/Dahomey basin in the South West.

Among the sedimentary basins of the Northern part of the country, the only efforts so far registered are those by the Frontier Exploration services of NNPC on the Chad basin (OPLs 702, 703, 705 and 707) which so far had not yielded any significant result. The other effort in this direction is the acreage acquisition by Northern Nigerian Development Company (NNDC) on the Chad basin (OPLs 722 and 733), and on the Benue trough (OPLs 809 and 810). These projects have virtually stagnated immediately after the acquisition of acreages. Meanwhile, not a single acreage has really been offered for acquisition on Bida and the Sokoto-Rima basins.

The combined consequence of the energy poverty as discussed above is rendering productive activities in the region to virtual comatose. All the once thriving industrial estates across the region have been deteriorating. Even more tragic is the fact that all the associated upstream activities (cotton farming, etc.) and downstream activities (commercialization and trading of the manufactured items, etc.) are gradually being eroded. The combine effect of these was the loss of jobs and limited opportunity for economic growth.

#### **4.4 Policy Objectives/Priorities Area**

The Northern quest for energy should be a well-coordinated and all-encompassing endeavour requiring all states to sign-up to the 'Common Energy-Solution Approach'; while encouraging States, local private sector and foreign investors individually or in partnerships to drive and fast track the change process. The specific policy objectives to be vigorously pursued by the North to ensure energy adequacy include:

- a. National:** Engaging the federal government to extensively explore oil, natural gas and shale gas with a view to increasing the national reserve base and to establish regional reserve asset.
- b. Regional:** Pulling resources together from the States in the region, corporate bodies and high net-worth individuals for the purposes of exploration and production as well as in downstream investments on the basis of equity and profit sharing.

**c. Investment Promotion:** Encourage participation of indigenous and foreign investors in both the upstream and downstream sectors of the petroleum value chain. This will also entail putting in place necessary infrastructure and incentives to encourage private investments.

**d. Environment:** Encourage the adoption of environmentally friendly oil exploration and exploitation methods at all times. This will also require putting in place necessary infrastructure and incentives to ensure adequate geographical coverage of envisaged gas transmission and distribution networks, premising on the gas-prone nature of sedimentary basins in Northern Nigeria.

**e. Building stock of knowledge:** Aggressively pursuing R&D and basinal studies to derive maximum economic benefit on acreages, minimize financial losses, and ensure effective data retrieval processes.

**f. Coal mining:** Engaging in intensive and extensive exploration and exploitation of coal resources in the region (Gombe, Nassarawa, Kogi States) for power generation and industrial development while adhering to the highest environmental protection standards.

**The priority areas are:**

- a. Constitution of a Petroleum Study Group under the ARDP/NNDC to engage in basinal studies of sedimentary basins in Northern Nigeria to prioritize areas of immediate attention (most prospective acreages and drillable locations).
- b. Constitution of a political pressure Group (of Northern elders, technocrats, professionals in diaspora, academics, representatives of media and civil societies, as well as State Governors) under the ARDP platform in order to engage in dialogue with the Federal Government to intensify exploration efforts in sedimentary basins of Northern Nigeria, particularly on highly de-risked areas recommended by the Petroleum Study Group.
- c. The Pressure group is to also initiate dialogue with the Federal Government, Minister of Petroleum Resources and leadership of the National Assembly to ensure that the National Frontier Exploration Service (NFES) is enacted as an autonomous agency, removed from the Petroleum Technical Bureau in the Minister's Office as presently proposed in the Petroleum Industry Bill (PIB).
- d. Constitution of a Petroleum Funding Mobilization Group for the North to engage in fund-raising and mobilization of funds for the funding of petroleum activities for Northern Nigeria as enunciated in this Priorities section. This Group shall also be mandated to ensure harmonization of derivation due to Kogi State

from current production of oil in wells drilled in the Anambra Basin portion of the State.

e. Set up a regional investment promotion body to lease with investment promotion agencies or relevant MDAs in states in order to attract massive private investments into the energy sector.

#### **4.5 Strategies**

An energy road-map to be developed by the regional arrangement with support of the ARDP should ensure the attainment of the policy objectives rests on the conscious efforts by the North to review existing laws and regulations in order to set the right legal framework and provide incentives for increased private sector participation in the oil industry and all other sources of energy. Expanding and keying into R and D activities of universities/other research institutions as well as exerting significant pressure for change through dialogue and active engagement with the Federal Government will permit the realization of a well-informed and rapid energy development process. Implementation and monitoring of the outlined action plan for the energy sector is also critical.

## 4.6 Action Plan

**Table 4.6.1:** Action Plan for Energy Sector

Key Area	Objective	Proposed Action (s)	Expected Outcome (s)	Implementation Agency (ies)	Time Frame
Policy (ies) implementation	Decentralization	Involvement of state and local governments in energy policies and master plans	Participation of state agencies and local governments in implementation of energy policies Define roles in implementation	Federal, State and Local governments, UN Agencies and NGOs as facilitators and advocates	Short term
	Diversification of energy mix	Review of the energy master plan, roadmaps etc.	A good mix in the energy sources of the country	Federal Government	Short term
Renewable Energy	Hydro development	Construction of hydro plants in identified sites	Power Generation from hydro plants for grid and off grid supply	State Governments, agencies, and private companies	Medium term
	Solar power plants development	Providing of incentives for solar power technology development	Solar power fabrication and domestication of the technology	State Government and private companies	Medium and Long term
	Biogas development in rural areas	Construction of prototypes and promotions	Utilization of biogas by rural communities	State and Local Governments, NGOs and donor organizations	Short and Medium terms
	Small scale wind mills development and promotions	Construction of prototypes and promotions in rural areas and farm centers	Utilization of wind energy by rural communities and farms	States, NGOs and private companies	Short term and medium term
Non-renewable energy	Coal power plants development	Establishment of coal power plants near coal deposits	Generation of electricity from coal power plants	Federal, States and private sector	Medium and long term
	Coal briquettes utilization	Establishment of coal power plants near coal deposits enterprises	Widespread use of coal briquettes and large reduction of use of firewood for domestic and small business	States, multinational agencies, NGOs	Short and Medium terms
	Oil exploration programme in frontier basins	Leasing out of prospective blocks for exploration with incentives	Discovery of oil and gas fields	Federal and private sector	Medium and Long terms
	Oil exploration programme	Providing appropriate fiscal incentives to attract investments in the exploration for oil and gas in Northern Nigeria	Discovery of oil and gas fields	Federal and State Governments	Short and Medium terms
	Gas utilization of discovered deposits	Northern States, particularly Bauchi and Gombe to dialogue with the FGN/DPR/Shell the modalities for harnessing moderate gas discovery (33 billion standard cubic feet in	Gas utilization and exploration for more reserves	State Governments	Short and Medium terms

#### **4.7 Implementation and Monitoring Framework**

A regional energy development agency or organ and the Northern state governments should arrive at a consensus on the energy development plan and the coordinating structure to guide implementation in conjunction with northern respectable leaders, captain of industry and various stakeholders. The coordinating organ must assign responsibilities and monitor progress based on established and agreed frameworks and processes. States, private sector and foreign investors are to play significant role in the energy sector. An Annual Northern Energy Conference (ANEC), to be organized by a regional platform, will provide a forum where progress is reported, discussed and reviewed.

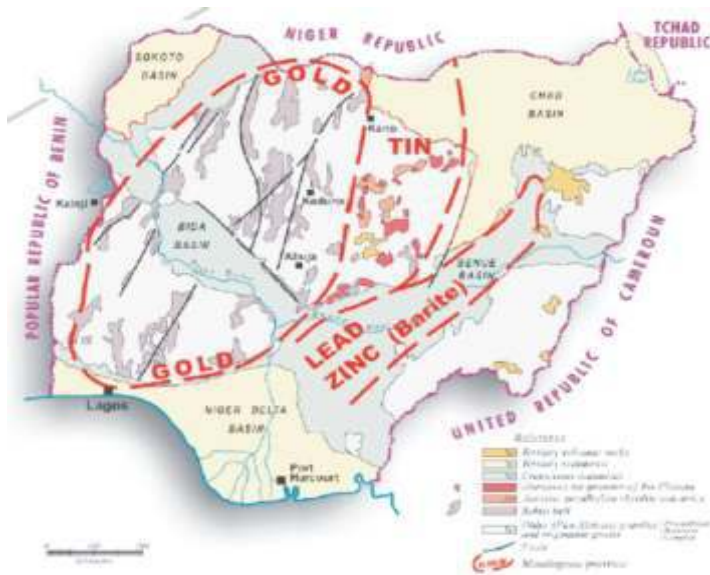
## CHAPTER FIVE

### MINERAL RESOURCES AND THE MINING SUB-SECTOR

#### 5.1 Overview of the Mining Sub-Sector

Northern Nigeria had a glorious mining industry in the early 1900s which started to decline from the 1970s due to a combination of factors, including especially depressed mineral commodity prices, indigenization of foreign mining companies and the emergence and dominance of petroleum in the Nigerian economy. Nevertheless, the region still has abundant deposits of and reserves of variety of minerals. The occurrence of minerals is geology dependent. The more diverse the geology, in age and setting, the more possibilities for deposits. Since all the components of Nigeria's geology are represented in Northern Nigeria, it makes the region more endowed, than other regions of the country.

**Figure 5.1.1:** Geological map of Nigeria showing locations of mineral deposits



Source: Garba (2013)

In this regard, mineral resources development in Nigeria, from historical perspective to future imperatives, is essentially a “Northern” issue.

**Figure 5.1.2:** Coal Resources Deposits across Nigeria



*Source:* ibid

## 5.2 Potentials for Mining in Northern Nigeria

Northern Nigeria is known to have deposits of gold, columbite-tantalite (coltan), tin, columbite, coal, iron ore, lead-zinc, uranium, industrial minerals (e.g., limestone, gypsum, marble, granite, kaolin, baryte, silica sand, feldspar, trona etc) and gemstones. The North has comparative advantage and dominance in many of the types of mineral resources. The region was the major source of tin and columbite, which accounted for Nigeria as a major producer before the demise of mining industry. Similarly, the region accounted for the bulk of the past gold production in the country. The Northern Nigeria coalfields offer the most prospects for future development when compared with those of the other regions.

The location of major cement industries (Sokoto, Ashaka and Obajana) attests to the deposits in commercial quantities of limestone (and marble). Minerals deposits and reserves are, however, valueless unless they can be developed into resources for economic exploitation and other benefits. It is only when mineral deposits are explored and mined that they can constitute national, regional or private assets.

### **5.3 Binding Constraints of Mining Sub-Sector**

Despite these massive endowments and the recent legal, policy and regulatory reforms, the solid minerals sector in Nigeria remain comatose, providing relatively negligible number of jobs, contributing very little to the country's economic growth. The reasons for this state of affairs are many and varied. The following are, however, particularly important;

- a. Lack of national capacity and technology to extract and utilize minerals productively;
- b. Ineffective and inefficient mining sector governance despite adequate provisions in the Mining Law and Regulations leading to widespread corruption and lawlessness;
- c. Weak federal structure and diversity of land tenure systems impeding easy access to land for mining, and
- d. The negative impact of petroleum revenues and lack of comprehensive approach to economic diversification

The above mentioned challenges have resulted in the following:

- i. No significant mineral production and contribution to nation's GDP (below 0.5%).
- ii. No appreciable investment in the sector (both local and foreign);
- iii. Widespread, dangerous and irresponsible artisanal mining affecting lives, health and the environment;
- iv. Limited contribution to sources of revenues and employment which mining should have provided;
- v. Missed opportunities from global mineral price boom cycles, and
- vi. Total reliance on imported industrial mineral raw materials and finished goods.

In addition, lack of credible information and data, insecurity, underdeveloped infrastructure and massive corruption have discouraged prospectors and developers from coming into the Nigerian mining industry despite evidences of untapped mineral resources in the country.

Despite the aforementioned factors, however, the absence of new major discoveries and investment space in western economies has put Africa's untapped resources in the global search-light with Nigerian solid minerals industry being at the centre.

#### **5.4 Policy Objectives and Priorities**

The mining policy objective for the region should revolve around attracting private investment in mining development, and competing with other countries for the scarce private investment capital. With substantial inflow of funding directed to exploration and the envisaged forward and backward integration of the solid minerals value chain, it is expected that local productivity and living standards of local communities can be greatly enhanced. In order to achieve the above policy objectives, the following priority areas, usually considered by investors, should be pursued:

- a. Updating Geological Data: States should commit resources to generate and disseminate data about the deposit and possibly the reserves. Development partners can easily be approach to funds baseline studies, mapping, etc;
- b. Enabling environment – security tenure, good fiscal regime and good governance;
- c. Improved capacity to better understand mineral (or metal) prices – the drivers of global exploration investments tend to rise and fall together;
- d. Improving capacity for geological survey in order to reduce cost and risk of exploration;
- e. Lessening political and economic risks associated with mining sector;
- f. Better institutional capacity measured by stable, efficient, well-organized, good attitude of public officers;
- g. Improving infrastructure – energy, water, telecommunications, health and educational systems, services;
- h. Security of tenure – clear rules for obtaining, renewal, exclusivity and transferability of rights;

- I. Developing export/import policy to guide and promote mineral sector;
- j. Establish dispute resolution mechanism;
- k. Aggressive investment promotion in order to attracting foreign investment by reexamining repatriation/remittance laws, and
- l. Protection of environment – the mining policy should embed longer term environmental effect of the mining activities (abandonment and remediation policies)

**5.5 Strategies**

The development of the Northern mining sector will revolve around three major strategies:

- a. Geosciences information/data generation to expose and promote the geological endowments of the region's as a viable comparative advantage;
- b. Improving mining sector governance to eliminate or minimize corruption improving efficiency and effectiveness in the following areas:
  - i. Geosciences information/data generation, quality, storage and dissemination;
  - ii. Mineral title grant and administration;
  - iii Access to land for mining; and
  - iv. Minefield inspection and control, and
- c. Aggressive investment promotion: A regional approach is needed to guide, harmonize and market the North as viable for investments in mining activities.

**5.6 ACTION PLAN**

**Table 5.6.1:** Action Plan

Key Area	Activity	Action by	Time frame
Generation of geological data			
	Ground follow-up geophysical survey	Nigerian Geological survey Agency (NGSA)	
	Regional Geological Mapping (1:100,00 and 1:50,00 scales)		

Key Area	Activity	Action by	Time frame
	Regional geochemical survey		
	Review of existing geological maps and reports		
	Geological modeling of key mineralization styles		
	Target testing by drilling	NGSA in conjunction with sundry investors	
Mining Sector Governance	Digitization of maps Amend Mining law and Regulations	Ministry of solid Minerals	Medium term/ Long term
	Improving transparency	Mining cadastre office	
	Regular site field visitation	Mines Inspectorate	
	Strengthen reporting mechanism	Mining cadastre Office	
	Health, Safety and Environmental Regulation	Mines inspectorate, Federal and states Environmental Protection Agencies	
Mining investment promotion	Acquisition of Canadian Report	License holders and prospective investors	Medium term
	Advocacy and other investment promotion activities	Nigerian investment Promotion Council, Host State Governments and individual license holders	
	Establishment of Mineral Resources and Environmental Management Committee (MIREMCOS)	All Northern State with Substantial mineral deposits	Medium term/long term

## **5.7 Implementation and Monitoring Framework**

In view of the fact that exclusive control of mineral issues resides with the federal government, efforts of the region have to be through indirect means in reforming the mining policy, legal and institutional frameworks of the country to be competitive in attracting the much needed investment in the sector. The implementation strategy shall focus on advocacy and other influences using an integrated regional coordinating platform such as NDDC, ARDP or others to achieve the above recommendations and the following:

- a. Enhanced transparency for access to mining rights through the mining cadastre;
- b. Removal of discretionary powers of government officials in mining title grant;
- c. The application of “use it or lose it” principle in the retention of mineral titles/rights;
- d. Use of time limits for processing and granting of mining titles and permits;
- e. Allowing transferability of mining rights;
- f. Introduction of Mandatory Community Development Agreements between mineral host communities where mining is taking place;
- g. Timely and adequate compensation for lands acquired for mining purposes, and
- h. Creation or reactivation of Mineral Resource and Environmental Management Committees in States to facilitate access to land, healthy and sustainable mining development and to allow affected Northern states to better control and oversee the conduct of mining activities.

## CHAPTER SIX

### INDUSTRIAL DEVELOPMENT



#### **6.1. Overview of Industrial Development in Northern Nigeria**

It is believed that industrialization contributes to increased productivity, improved standards of living and the development of other productive sectors in many countries of the world. For developing countries, Micro Small and Medium (MSMEs) firms play important role in the process of industrialization and economic growth. Apart from increasing per capital income and output, they create employment opportunities, enhance regional economic balance, through industrial dispersal and promote effective resource utilization. The abundant raw materials available in the North require a strong and viable manufacturing sector both for value addition and massive job creation. Manufacturing sub-sector was the most vibrant economic activity in the North until the mid-1990s. During this period, the region was known for production of textiles, leather, edible oil, confectioneries, soft drinks, and variety of other products that served domestic markets and international markets, especially the West African sub-region.

The adoption of the 1963 Industrial Plan for Northern Nigeria paved the way for making Kano state to become the largest commercial centre in Northern Nigeria and the second industrialized in Nigeria. The 1970s to the 1980s saw the establishment of more industrial outlets in the North with industrial clusters in Sharada, Challawa industrial areas in Kano State and similar manufacturing

clusters in Kakuri, Kaduna; Jos, Plateau; Zaria, Kaduna; Funtua, Katsina; Gusau, Zamfara; and Gombe. The sector provides a vital link between the agricultural and the commercial sectors. The multiplier effect of this linkage generated massive growth, wealth and employment across the region.

The introduction of Structural Adjustment Programme (SAP) in the mid-1980s and poor macroeconomic managements slowed down and continues to weaken the industrial development of the North. The nation's over reliance on the petroleum sector, poor industrial planning ability, lack of technology upgrading, limited investments and weak capacity of the key actors in the industry remain the binding constraints of the industrial development of the North. As indicated earlier, over the years, Nigeria ranked very low in the World Bank's Doing Business. This suggests a hostile business environment for the private sector activities to flourish.

## **6.2 Challenges of Industrial Development in the North**

Despite its enormous potentials in terms of raw material resource base and huge manpower, the North saw its manufacturing strength fall drastically since the 1980s. For instance, a survey carried out by the Manufacturer Association of Nigeria, MAN (2013) showed that out of the 450 large, medium and small industries that existed from the early 1990's in Kano State, only about 120 are still surviving. The capacity utilization of these surviving industries is only about 45-50%. In the Kaduna sector of MAN which includes Katsina, Abuja and Niger, out of 105 industries, 72 are operational while 33 have closed down. In the Jos sector of MAN, which includes Bauchi and Benue, out of 54 industries, 38 are operational (see appendix six). Some of the reasons for the poor performance of the industries revolve around high cost of production that renders manufacturing investments simply unviable. The cost of importing vital raw materials and capital goods as well as lack of favourable foreign exchange regime also put undue pressure on manufacturers. Similarly, accessing funds for industrial production from the financial sector and the scarcity and high cost of energy makes cost of production prohibitive.

**Other factors that negatively affect manufacturing industries in the North include:**

- a. Mismanagement of resources leading to the dilapidation of infrastructural facilities;
- b. Mismanagement or non-development of potential thermal, hydropower and other sources of Power supply/energy leading to high cost of power generation, with companies forced to purchase diesel generation plants and maintain same at high cost;
- c. Poor access roads and a moribund railway network and train stock.
- d. liberalization of government policies on import in line with World Trade Organization (WTO) regulations on free trade and bi-lateral treaties with countries without provision of safety net for local industries;
- e. Poor management of Ports administration leading to widespread flouting of importation bans;
- f. Smuggling and dumping of contraband , usually from China, which could have been made in Nigeria, especially textiles and apparel; edible oil, etc;
- g. Multiplicity of taxes: Seventeen different types of taxes are currently being paid by industries in the North. This is in addition to corrupt practices by revenue collectors;
- h. Insecurity of lives and property caused by insurgency, ethno communal and political crisis.
- i. Regulatory Risk: While there exist legislation to protect investors, in practice there is the absence of an effective regulatory framework for the prompt regulation of investments and easy processing of potential permit applications and quick resolution of disputes with state or local officials.
- j. Limited research and development due to weak linkages between the manufacturing industries and universities.

### **6.3 Opportunities for Industrial Development in North**

Historical accounts point to the presence of industrial activity in Northern Nigeria, particularly the famous cloth dyeing and leather industries in Kano, which started many centuries, before colonial occupation of this country. These industries made tremendous impact during the epoch of the trans-Sahara trade. The tanning and leather works activities also attained fame and glory long before the arrival of colonial masters in Nigeria and even long afterwards. With the

colonial era came the development of electricity and water facilities and the rise of modern industry starting with the first indigenous textile factory known as Kano Citizens Textile Company Limited. Industrial activities further grew immediately before independence with the rise of the textile industry in Kaduna and Kano, among other towns.

Even with the huge challenges confronting the manufacturing sub-sector, the opportunities for growth are enormous. This is because of the following reasons which include:

- a. Abundant Resources:* The North has enormous resources, most of which are yet to be fully exploited. They include minerals, agricultural and human resources.
- b. Large Market:* Northern Nigeria offers a large market as well as access to landlocked markets in sub-Saharan Africa; with a population of about 90 million people, and access to millions more in Chad, Niger, Cameroon, and Benin. The Northern Nigerian market potential also stretches further into the growing West African sub-region.
- c. Free Market Economy:* The Government is now paying attention to creating a favourable climate for business and investments.
- d. Robust Private Sector:* The region has a dynamic private sector. The avenues for partnerships with foreign investors are also apparent.
- e. Free Flow on Investment:* Exchange control regulations have been liberalized to ensure free flow of international finance. There is now relatively unrestricted movement of investment capital.
- f. Investment promotion:* incentives are being put in place to attract investment. Jigawa, Kano and Kaduna States have already established investment promotion agencies to attract fresh private capital.
- g. Fast Growing Financial Sector:* There is well-developed banking and financial sector in the region
- h. Skilled and Low Cost Labour:* There is an abundance of skilled and semi skilled labour at an economic cost, suggesting lower production costs.
- i. Infrastructure:* modest development of physical and industrial infrastructure, in terms of transportation and communications are noticeable. With effort to improve electricity and water supply, the region's competitive advantages will be more glaring.

## 6.4 Policy Objectives and Priorities

The Northern states jointly require a well-formulated and coordinated strategy to upgrade the technological base of the manufacturing sub-sector along key products where the North has competitive advantage. The broad objectives of the Northern Industrial Policy are to achieve the following:

- a. Diversifying its manufacturing base and progressively increase regionally produced products;
- b. Strengthening the regional framework and capability for industrialization and delivery of support service to ensure sustainable industrialization in the region;
- c. Strengthening Research and Development (R&D), technology and innovation capabilities with active participation of universities/research institutions, in order to facilitate structural transformation of the manufacturing sector.
- d. Increasing export items through value-chain development across sectors where the North possesses comparative or competitive advantages.
- e. Transforming Micro, Small and Medium Enterprises (MSMEs) into viable and sustainable business entities capable of contributing up to 25% of manufacturing GDP in the country.
- f. Transforming traditional occupations such as dying, native medicine, arts and crafts, etc into viable ventures through capacity development, using appropriate technology, improved access to finance and markets.



## **6.5 Strategy**

The North needs an Industrial Policy that would help to drive the evolution of the entire regional industrial structure from resource-based and low-tech activities to medium and high-tech industries. The strategy is expected to prioritize the following:

- a. Identifying and promoting the development of strategic industries; particularly agro-allied, solid minerals and intermediate products;
- b. Creating a link to national and global markets;
- c. Fostering R&D, capacity development and effective utilizing technology and innovation;
- d. Leveraging on resource advantage;
- e. Development of the extractive industry;
- f. Creation of strategic link between industries and universities to foster innovation;
- g. Supporting the transition and upscale of Micro and Small Enterprises, and creating
- h. Policy funds to support industrialization

## 6.6 Strategies for achieving the Objectives

**Table 6.6.1:** Strategies Needed to Achieve Sustained Industrial Growth and Development.

Strategy	Activities	Timeframe	Remarks
Creating a link to global market	Sensitization and capacity building on new opportunities and challenges presented by the changing global market and devise projects/programmes for Northern industrial development.	Short term	Learning from the burgeoning economies of some rapidly developing countries, notably China, India and Brazil
Technology upgrading and fostering innovation	Develop a workable template for industrial growth and development involving public and private sector, and practical and constructive programs to finance technology upgrading and generating new knowledge	Short medium terms	Industry University Government partnership is essential improved investment climate fro foreign investments
Leveraging on resource advantage	<p>identifying specific programmes/projects to harness resource advantage fro small scale producers in the North</p> <p>Creating a framework for private sector development along states specific source of advantages</p>	Short Medium terms	

Strategy	Activities	Timeframe	Remarks
Developing a viable commercial agriculture	Pilot projects for a viable intergrated agricultural production to provide sufficient input for manufacturers		
Creating guiding principles to underpin Northern Industrial Policy	Cerat a regional plan for industrial development	Short medium terms	The changing role of the private sector in national development should be the guiding framework
Development of the Agro-Allied industry	A PPP arrangement in viable intergrated projects/sector to be developed in States	Medium and long terms	Financing, governance and capacity challenges should be addressed
Development of the Extractive industry	Intergrated framework for mining and solid minerals to be developed and streamlined	Medium and long terms	Foreign investors could help with technology and good practices

**Table 6.6.2:** Action Plan for Attaining Industrial Growth and Development

Key Area	Objective	Proposed Action	Expected Outcome	Implementation Agency (ies)
Sensitization towards changing investment attitudes	To persuade Northerners to have a different Investment mind in tune with global trend and modernity	Organize sensitization projects to change attitudes to investment in the form of Regular Round Table discussions and policy interventions	Achieve a paradigm shift of reorientation in investment attitudes	Northern Media Forum, States Chambers of Commerce and Northern-based MAN

<b>Key Area</b>	<b>Objective</b>	<b>Proposed Action</b>	<b>Expected Outcome</b>	<b>Implementation Agency(ies)</b>
Resource Mapping	To identify all resources in which the North has comparative advantage	A Committee of experts with membership from across the Northern States from the industry and academia be established to conduct resource mapping	To achieve economic independence from oil through industrial revolution using the abundant mapped resources	Northern Chambers of Commerce and Northern-based MAN
Sets of region-wide, state-based, coherent and consistent short-medium-long term plans for boosting agricultural production of crops with comparative advantages	To ensure that manufacturing activities are not constrained by seasonal dependence on raw material supply	Commercial agriculture and value chain development projects be intensified	Achieve substantial increase in agricultural inputs for industries	State governments and development partners
Sourcing FDI & related international collaborations	To strengthen domestic capital financing to develop indigenous large-scale firms that are better placed to provide sustained growth & impact	FDI be shopped to as well as donor agencies such as the World Bank etc	Investment funds acquired to develop indigenous large-scale firms to produce high quality raw materials and processed products	CBN, State governments, Northern Chambers of Commerce and Northern-based MAN

<b>Key Area</b>	<b>Objective</b>	<b>Proposed Action</b>	<b>Expected Outcome</b>	<b>Implementation Agency (ies)</b>
Access to Cheaper long term funds	To avail investors with domestic source of long term investment capital	Re-introduce dual interest rate regime in favor of manufacturing industries, mobilize idle liquid money in private homes for investment, mobilize Northern businessmen and women to the capital market and create special policy funds	Availability of investable funds to finance industrial growth	Federal Government/ CBN, states, Northern-based groups
Improve and maintain high standards through better regulations on quality and disposal	To guarantee international quality, use and disposal which is cost-effective and where profit is leveraged	Sensitization and capacity building on quality, safety and standards policy formulation on quality and safety of products	The North produce high quality products capable of internationally	Northern States standard Organization of Nigeria (SON) and Business Membership Organization (BMOS)
Develop local capacity to respond to market demands	The capacity of key players in the industry to be developed in line with new market realities as government protection becomes out-of-fashion	Training and retraining, regular workshop and round tables	Developed capacity of Northern captains of industry	Northern-based MAN and States chamber of commerce
Lowering the cost of production to make industries more competitive	To change to business strategies that favour cost saving and adopting new technologies,  Reducing cost of doing business for manufacturers	Reduce utility tariffs for manufacturing industries, tax reduction through deduction for investment alternative energy/water supply, Remove import duties on non-substitable raw materials and make export incentives operatable and accessible to exporters	Industries attain cost-competitvness	CBN and relevant Federal Government Agencies
Revival and closed down industries	To identify closed industries with potentials	Resource capitalization	Bring back inactive industries to life for Northern industrial growth	Northern state Government and industrialist and foreign investors