POSITIONS TO GUIDE THE INCOMING CABINET
Introduction

Over the last 5 months of the Buhari administration, the most consistent criticism has been one of a lack of a sense of urgency in tackling the business of governance.

No other measure displays this more that the fact that the cabinet has taken over five months to form. Since we have now crossed the hurdle of ministerial nomination and confirmation, and are finally at the stage where a cabinet will be constituted, no two things will show the direction of this government more than how the ministries are constituted and the 2016 budget.

At SBM Intelligence, we have repeatedly made calls in our daily and weekly briefings for the constitution of an economic team and a clear policy direction to be communicated clearly by government.

At this critical point where the ministers take office and begin to run with the vision of this government, we would like to reiterate that this government has already lost five months and so the new cabinet must commence with a sense of urgency, and to use an oft repeated phrase, hit the ground running.

During the campaign period, the APC, which eventually came into power, made a lot of promises in their manifesto. Nigerians will hold them accountable to every promise. Beyond this however, we will like to highlight areas we believe should be the key focus areas of this government going forward.
During his campaign against the then incumbent in the United States, Bill Clinton, made the economy the thrust of his sloganeering. This phrase rings even truer for Nigeria under Buhari. Whilst the president is rightly facing corruption and other form of graft squarely, it is imperative that he broadens his focus to other essential spheres.

Presently, every economic indicator points to the fact that we are in for turbulent times. Crucially, oil prices are down and will likely stay down for a much longer time than they ever have. To put it mildly, the oil market has changed forever in fundamental ways.
IT’S THE ECONOMY, STUPID!

Whilst GDP growth projections by the IMF were put at between 6 and 7 percent for 2015, we are averaging 2.6%, behind every expectation. In the midst of this, the government is expected to deliver on promises that will require massive funding in the face of dwindling government revenue. The government therefore needs to diversify government revenue, cut waste and make sure that costs match outcomes going forward, as opposed to the past where we spent more to get less as a country. The economy will be the greatest measure of Buhari’s performance and the incoming ministers will do well to begin to drive decisive action as against the drift of the past few months.

![GDP Growth Chart](chart.png)

Following job losses in many startup companies over the last few weeks, and with stronger indications of more of such losses in the next few months, it is vital that the government gets started with huge projects to jump start the economy. In our view, the quickest win here is infrastructure.
INFRASTRUCTURE

- Huge infrastructure needs
- Apapa sea port underutilised due to inefficiencies
- Obasanjo reforms in 2006 failed
- Nigeria IS a shipping minnow
- Energy infrastructure is decrepit
- Too many useless airports only useful for religious airlifts
- Cannot provide gas for our few gas plants
- Lack of basic electricity transformers and metering devices

- This government must prioritize large scale dredging of the Lagos shipping channels as well as building of a deep sea port in Ibaka.

- As a matter of urgency, bridges across the Niger River must be built, not just a second one, from East to West, but another, from North to West. There is also an urgent need for a new bridge across the Benue River.

- Proper, modern rail interconnecting the main industrial hubs of Nigeria to various port cities, and major population centres to the nation’s administrative and economic capitals, must be considered as a signature infrastructure project of this administration.

- Nigeria must diversify its power generation beyond gas and hydro power – it is time to take a look at alternative power sources like, biomass, wind and solar energy.

- The incoming Minister of Power will do well to print and look everyday at the power generation and distribution promises in the APC manifesto. The target is 20,000MW generation and distribution from our all-time high of 4,800MW.

- The incoming Minister of Power also needs to supervise the proper decoupling of the national grid to be replaced by smaller and more efficient grids which are run on a more localised, and possibly private level, with the government’s only role being oversight.
SECURITY

- Security of the lives and properties of Nigerians is the primary purpose of government.

- Gains have been made in the fight against Boko Haram in the last 5 months, but intelligence lapses have allowed bombs to go off in the North East, killing thousands.

- There is violence of almost equal proportions in the North Central, which is cascading into the South East, South South and South West.

- In the Niger Delta, there are rumblings of a return of insurgency and in the South East, there are Biafra agitations.

- The Buhari government needs to urgently take all of these issues seriously and begin to act with a mind to any genuine grievances, but decisively.
SECURITY

- Our intelligence services need to be revamped.

- Our police force will need to not only be improved but state policing will need to be introduced promptly as promised in the APC manifesto.

- Violent conduct by security officials must not go unpunished.

- The security of lives and property of Nigerians must become sacrosanct irrespective of the where they live and perpetrators of violence must be brought to book irrespective of their status or ethnic affiliations.
SECURITY

Closely tied to security is defence, and the lack of a defence industry. In the past Nigeria set up industry to reduce our dependence on foreign arms. The embarrassment of begging for weapons while Boko Haram seized large swathes of Nigerian territory should force the government to look into forcing the management of Union-DICON to do what the company was set up for, produce guns rather than salt. There are a few companies in the country that have the capability of equipping our military, at least with basic weaponry and armoured vehicles. These should be encouraged, and patronised by the government.

Perhaps Nigeria should seek out collaborative partnerships with a more established Nation like South Africa or Brazil just like India has done with Russia for the development of advanced fighter jets.

Tied to this is the resuscitation of the steel mills at Ajaokuta and Aladja. If Nigeria must sell them off so they can actually work then so be it. Nigeria cannot hope to industrialise without being, on some form, self-sufficient in steel production, and if this does not happen, our defence industry will remain in a coma, which will eventually lead to more embarrassing situations such as Nigerian soldiers running from the battlefield in the face of superior firepower from the enemy.

There has to be some cooperation between the new Minister of Defence, and the economic team to make sure that the steel industries, and the defence industries are revamped.
CONSTITUTIONAL REFORM

• Perhaps the most important structural reform this government will make is to drive an amendment of our Constitution. The Constitution as it currently is, limits the possibility of Nigeria achieving its potential. It was constructed with an oil revenue sharing mindset, a reality which is untenable given the changes in the oil industry, and even more importantly, given the sheer size of Nigeria.

• As a result, reviewing the Constitution to allow states the liberty to develop at their pace and unburden the Federal Government from responsibilities it cannot carry out is absolutely crucial. The Exclusive Legislative List must be pruned. Actual devolution of powers must be enshrined in the Constitution, and in practice. Laws like the Land Use Act, the Electoral Act, the EFCC Act and our Criminal Code must be reviewed.

JUDICIAL REFORM

• Closely linked to Constitutional reform is judicial reform. The reason why impunity reigns in Nigeria today is that consequences do not follow actions. The only way a culture of consequences can be engendered is with judicial reform, with consequences beginning from the practitioners themselves – the lawyers, judges and judicial workers.

• The incoming Attorney General will have to make it a duty to immediately commence with extensive and expansive judicial reforms in this regards if the culture of impunity that pervades the country must the stymied. We recommend, as a strong signal, the disbarment of the lawyers representing the Senate President at his ongoing case with the Code of Conduct Tribunal, given that only a week ago, they walked out on a sitting Judge.
ENVIRONMENTAL ISSUES

In the South East today, erosion is eating up the land. More and more of Northern Nigeria is succumbing to encroaching desert. The Niger Delta is still as polluted as it has been for decades. In Lagos and other parts of the country, periodic flooding still claims several lives.

When this is taken collectively, we have an environmental crisis in Nigeria and it behoves of the government to deal with it as such. Simply dashing out funds to governors in the name of various interventions such as the ecological fund has proven to be ineffective. A different approach must be taken and this government needs to figure this out and fast.

OIL AND GAS

While the thrust of this piece is to point the government in the direction that will lead to less reliance on oil, it would be foolish to discard an obvious advantage that providence has bestowed on us.

The first major oil and gas decision this government must make is to discontinue the subsidy regime. There is never going to be a better time than now to do this as the impact on Nigerians will be largely dampened by low oil prices. The next will be to put policies in place to liberalise refining in order to leverage the private sector to not only get us to the point of self-sufficiency in refined products, but to begin to export to our neighbours.

We do not think it is a wise course of action to pour another $500 Million in the moribund refineries. Rather, we should construct economically sensible and viable refineries as against the politically driven ones we currently have and combine this with private sector efforts which will become more viable once subsidy is removed.
Trade must receive serious focus in this government.

First, Nigeria must harness and develop our own internal market. A market of at least 150 million people cannot be ignored, and should not be ignored.

The benefit of developing our internal trade is huge, and if done, will go a long way to sorting out a lot of Nigeria's security issues as it will create a huge number of jobs.

Secondly, Nigeria should, given our geographical location, and the volume of trade across our eastern borders, consider applying for membership of the Economic Community of Central African States, ECCAS.

Membership of ECCAS will in no way work against our membership of ECOWAS, but the benefits of such membership for Adamawa, Akwa Ibom, Benue, Borno, Cross River and Taraba, states which share a border with Cameroon, are immense.

The knock on effects for states which border these other states are even more beneficial to Nigeria.
A state of emergency needs to be declared in our education. The most important thing that needs to be done in that sector is not build new schools or recruit more teachers, or anything of the sorts or changing from 9-3-4 to some other system or even making basic education universal. Those are important, but something else trumps them.

What the incoming education minister needs to first devote energies to is to a review and revamping of our curriculum, the content that is drummed into our children when they go to school. Because getting children to go to school is not enough. Ensuring they get an education that is relevant in the present world is even more important.

It is possible to go through the Nigerian education system today up to University level and learn little or nothing about Nigerian history or picking up skills that are relevant to the 21st Century. This is an anomaly and it must be corrected.

Concurrently, the quality of the teachers and technology available to teach must be brought up to date. We cannot have computer scientists who graduate after only writing code on the pages of the notebooks and never on a computer. The world is getting more and more competitive and we need to prepare our next generation.
FINALLY
It is pertinent for this government to realize that the expectation of Nigerians are extremely high, fuelled by the promises that the APC campaigned with to get elected into office.

Over the past five months, some disillusionment has set in based on the pace of work, the unending politicking surrounding the National Assembly and the feedback system of the government.

However, Nigerians are still optimistic that this government can indeed deliver in spite of this inertia.

This is a critical juncture in the evolution of the Nigerian state and this government must ensure that it delivers as promised.