

**EXECUTIVE
BOARD
MEETING**

SM/21/210
Correction 1

January 14, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **Nigeria—Staff Report for the 2021 Article IV Consultation**

Board Action: The attached correction to SM/21/210 (12/15/21) has been provided by the staff:

Factual Errors Not Affecting the Presentation of Staff's Analysis or Views

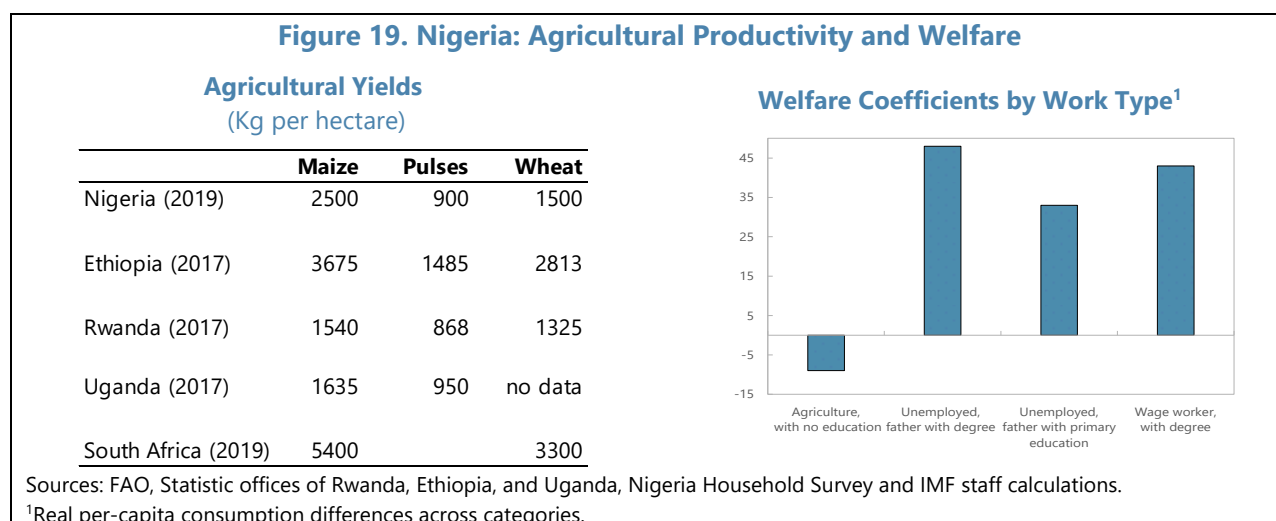
Page 26

Questions: Ms. Rahman, AFR (ext. 36649)
Mr. Thomas, AFR (ext. 30350)

service-oriented (Figure 18). Staff supported the authorities’ planned civil service reform and recommended addressing these shortcomings. Strengthening revenue administration (¶15), reforming SOEs, especially in the oil sector (¶17), and moving to a market-clearing exchange rate (¶21) would also reduce vulnerabilities to corruption.

43. Progress in governance related RFI commitments has been slow with most measures being partially met or delayed. Public access to information on COVID-19 spending and procurement contracts remains uneven, and the spending audits are just beginning (Annex 1). Nigeria’s legal framework does not enable procurement agencies to collect and publish beneficial ownership information for companies participating in the procurement process. A secondary regulation requiring procurement agencies to collect beneficial ownership information from bidding companies participating in the COVID-19 related projects and publish the information for awarded companies would support meeting the commitment under the RFI. Broadening this regulation to a larger periphery of bidding processes, as the COVID-19 dedicated support retrenches, would further help reduce corruption risks in procurement.

44. With agriculture accounting for almost half of current employment and a third of GDP, improving agricultural productivity is critical. Staff analysis, based on the household survey data, shows that, even though a large number of people work in agriculture, the marginal impact on welfare of being in the agricultural sector as measured by consumption per household is lower than that of being unemployed (Figure 19).¹⁰ This is associated with low agricultural yields compared to regional peers, high food loss during delivery, and the subsistence nature of many agricultural activities. Raising agricultural productivity further will require structural policy measures, including increased supply and usage of inputs, adequate storage facilities, and consolidation of farm size to break the negative loop between subsistence farming and low human/physical capital accumulation.



45. Nigeria is severely impacted by climate change through rising temperatures and more volatile precipitation and flooding. ~~A The recently approved climate change act is currently under review that~~ maps out Nigeria’s response to climate change in terms of a lower carbon footprint,

¹⁰ See “Synthesis of the Nigerian Labor Market- Putting the Emphasis on Agriculture”, Selected Issues (Paper 2021), forthcoming.