

**EXECUTIVE  
BOARD  
MEETING**

SM/18/33  
Supplement 1

February 16, 2018

To: Members of the Executive Board

From: The Secretary

Subject: **Nigeria—Staff Report for the 2018 Article IV Consultation—Informational Annex**

|  |  |
|--|--|
| Board Action:  | Executive Directors' <b>consideration</b> (Formal)   |
| Tentative Board Date:  | <b>Friday, March 2, 2018</b>   |
| Publication:   | Yes*   |
| Questions:   | Mr. Mati, AFR (ext. 37797)<br>Mr. Tsangarides, AFR (ext. 35833)<br>Mr. O'Sullivan, AFR (ext. 37038)<br>Ms. Newiak, AFR (ext. 36110)            |
| Document Transmittal<br>in the Absence of<br>an Objection and in<br>accordance with<br>Board policy: | Tuesday, February 27, 2018—WTO<br>After Board Consideration—African Development Bank, Organisation<br>for Economic Cooperation and Development |

**\*Unless an objection from the authorities is received prior to the conclusion of the Board's consideration, the document will be published.**





# NIGERIA

## STAFF REPORT FOR THE 2018 ARTICLE IV CONSULTATION— INFORMATIONAL ANNEX

February 15, 2018

Prepared By

The African Department

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## FUND RELATIONS

(As of December 31, 2017)

**Membership Status:** Joined: March 30, 1961;

Article XIV

**General Resources Account:**

|  | SDR Million | %Quota |
|--|-------------|--------|
| Quota                                      | 2,454.50    | 100.00 |
| IMF's Holdings of Currency (Holdings Rate) | 2,279.09    | 92.85  |
| Reserve Tranche Position                   | 175.47      | 7.15   |

**SDR Department:**

|                                  | SDR Million | %Allocation |
|----------------------------------|-------------|-------------|
| <u>Net cumulative allocation</u> | 1,675.38    | 100.00      |
| <u>Holdings</u>                  | 1,499.51    | 89.50       |

**Outstanding Purchases and Loans:** None

**Latest Financial Arrangements:**

| Arrangement Type          | Date of Arrangement | Expiration Date | Amount Approved (SDR Million) | Amount Drawn (SDR Million) |
|---------------------------|---------------------|-----------------|-------------------------------|----------------------------|
| Policy Support Instrument | Oct. 17, 2005       | Oct. 16, 2007   | n.a.                          | n.a.                       |
| Stand-By                  | Aug 04, 2000        | Oct 31, 2001    | 788.94                        | 0.00                       |
| Stand-By                  | Jan 09, 1991        | Apr 08, 1992    | 319.00                        | 0.00                       |
| Stand-By                  | Feb 03, 1989        | Apr 30, 1990    | 475.00                        | 0.00                       |

**Overdue Obligations and Projected Payments to Fund <sup>1</sup>**

**(SDR Million; based on existing use of resources and present holdings of SDRs):**

|                  | Forthcoming |             |             |             |             |
|------------------|-------------|-------------|-------------|-------------|-------------|
|                  | 2018        | 2019        | 2020        | 2021        | 2022        |
| Principal        |             |             |             |             |             |
| Charges/Interest | 1.34        | 1.35        | 1.35        | 1.35        | 1.35        |
| <b>Total</b>     | <b>1.34</b> | <b>1.35</b> | <b>1.35</b> | <b>1.35</b> | <b>1.35</b> |

<sup>1</sup>When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

**Implementation of HIPC Initiative:** Not Applicable

**Implementation of Multilateral Debt Relief Initiative (MDRI):** Not Applicable

**Implementation of Post-Catastrophe Debt Relief (PCDR):** Not Applicable

## Exchange Rate Arrangement

The de jure exchange rate arrangement is floating, with the CBN beginning operations on a flexible exchange rate regime on June 20, 2016. The CBN explicitly aims to maintain an exchange rate principally driven by market forces, but intervenes to reduce volatility and to counteract speculative attacks on the national currency. In 2016, the naira was stable against the U.S. dollar until June, when the official rate depreciated by about 55% before stabilizing anew since August. Accordingly, the de facto exchange rate has been reclassified twice: first to other managed from stabilized, effective June 21, 2016, and then to stabilized from other managed, effective August 26, 2016. The CBN publishes information on the amount of foreign exchange it supplies to the Inter-Bank Foreign Exchange Market (IFEM) on its website while the banks are required to publish the utilization in the national newspapers. Nigeria participates in the W-ERM II of the WAMZ, which requires maintaining the spot exchange rate between the naira and the U.S. dollar within  $\pm 15\%$  of the central rate, but the CBN has not implemented this regime.

Nigeria maintains the following exchange restrictions subject to Fund approval under Article VIII, Section 2(a) of the IMF's Articles of Agreement: (i) an exchange restriction arising from the prohibition to access foreign exchange at the Nigerian foreign exchange markets for the payment of imports of 40 categories of items; (ii) an exchange restriction arising from the rationing of foreign exchange in the CBN's IFEM and SMIS windows, and its allocation based on the CBN's determination of priority categories of transactions; and (iii) an exchange restriction arising from existing limits on the amounts of foreign exchange available when traveling abroad (BTA/PTAs), which cannot be exceeded even upon verification of the *bona fide* nature of the transaction. In addition, Nigeria maintains the following MCPs subject to Fund approval under Article VIII, Sections 2(a) and 3 of the IMF's Articles of Agreement: (i) an MCP arising from the intervention practice of the CBN that results in the establishment of an official exchange rate for use in all official transactions, which in practice differs by more than 2 percent from the rate used by commercial banks in the CBN FX windows (SMIS, SME, IEFX and Invisibles), and by money transfer operators; and (ii) an MCP arising from the large spread between the official exchange rate and the rates in the parallel market, caused by the CBN's limitation on the availability of foreign exchange which channels current international transactions to such market; and (iii) an MCP arising from the potential spread of more than 2 percent in the exchange rates at which the CBN sells foreign exchange to successful auction bidders in the SMIS window.

Since the last Article IV consultation the description above has been adjusted to take into account the introduction of the IEFX window in April 2017, and the operation of the other FX windows by the CBN. Likewise, the rationing and prioritization of foreign exchange in the IFEM and SMIS windows by the CBN give rise to an exchange restriction, with the latter (SMIS windows) also giving rise to an MCP.

## Safeguards Assessment

Under the Fund's safeguards assessment policy, the CBN was subject to a full safeguards assessment with respect to the Stand-By Arrangement that expired on October 31, 2001. The assessment, which included an on-site visit, was completed on November 28, 2001. The assessment concluded that vulnerabilities existed in the areas of financial reporting and legal structure of the Central Bank.

## **Article IV Consultation**

Nigeria is on the standard 12-month Article IV consultation cycle. The previous Article IV consultation was concluded on March 29, 2017.

### Technical Assistance (TA) since January 2016:

| Department | Purpose of TA mission  | Duration                            |
|------------|--|-------------------------------------|
| LEG        | AML/CFT reform agenda  | January 11–25, 2016                 |
| MCM        | Banking Supervision (Long-term Expert)   | January 12, 2016 – January 11, 2017 |
| STA        | Monetary and financial statistics  | January 18–29, 2016                 |
| FAD        | Budget preparation, expenditure review, treasury single account, and cash management reforms | January 20–February 9, 2016         |
| FAD        | Fiscal reporting/EBFs  | February 1–14, 2016                 |
| FAD        | Program Budgeting, TSA and Cash Management Performance                                       | February 5–9, 2016                  |
| MCM        | Developing Medium Term Debt Management Strategy  | February 11 – 18, 2016              |
| STA        | Enhanced General Data Dissemination System (e-GDDS)  | February 15–19, 2016                |
| FAD        | Tax Policy and Administration  | March 30 – April 13, 2016           |
| MCM        | Building Early Warning System - Bank Supervision and Regulations                             | July 11 – 21, 2016                  |
| MCM        | Building Early Warning System - Bank Supervision and Regulations                             | July 11 – 21, 2016                  |
| MCM        | Building Early Warning System - Bank Supervision and Regulations                             | August 20 – 22, 2016                |
| MCM        | Building Early Warning System - Bank Supervision and Regulations                             | October 3 – November 11, 2016       |
| STA        | National Accounts – Developing Source data (EDDI2)   | November 27 – December 2, 2016      |
| FAD        | Oversight of SOEs  | December 1–14, 2016                 |
| STA        | Balance of Payments Statistics   | January 23 – February 3, 2017       |
| FAD        | Assessment of proposed petroleum fiscal regime reforms                                       | February 13–24, 2017                |
| FAD        | Tax and Customs Administration   | April 26 – May 8, 2017              |
| FAD        | Tax policy and revenue mobilization  | July 20 – August 3, 2017            |
| FAD        | Fiscal Regime of the Oil Sector Follow-up  | November 2–13, 2017                 |
| STA        | Price Statistics   | May 22–26, 2017                     |
| STA        | Price Statistics   | September 18–22, 2017               |
| STA        | National Accounts  | September 25 – October 6, 2017      |
| STA        | Price Statistics   | November 13–24, 2017                |

## NIGERIA

|     |   |                               |
|-----|---|-------------------------------|
| STA | Real Sector Statistics  | December 4–8, 2017            |
| MCM | Nigeria Securities Exchange Commission: Risk Based Supervision                        | January 15–26, 2018           |
| MCM | Financial Stability: Early Warning System   | January 29 – February 9, 2018 |
| MCM | BIS/IMF Symposium on Capacity Building in Financial Sector Regulation and Supervision | February 7–9, 2018            |



## West Africa Regional Technical Assistance Center 2 (AFRITAC 2)

| Department | Purpose of TA mission   | Duration                       |
|------------|---|--------------------------------|
| FAD        | Tax Administration  | January 18–29, 2016            |
| FAD        | Public Financial Management   | January 20 – February 9, 2016  |
| MCM        | Monetary and Forex Operations, including Islamic Banking  | February 8–19, 2016            |
| MCM        | Banking Legislation   | February 22–26, 2016           |
| FAD        | Tax Administration  | February 22 – March 4, 2016    |
| FAD        | Tax Administration  | March 7–30, 2016               |
| FAD        | Assist FIRS in Developing Strategic Plan  | March 14–24, 2016              |
| FAD        | Customs Compliance Improvement  | March 30 – April 12, 2016      |
| FAD        | Develop Compliance Risk Management Strategy   | April 4–12, 2016               |
| STA        | Consumer Price Index  | April 4–15, 2016               |
| FAD        | Advancing TSA implementation  | June 6–17, 2016                |
| MCM        | Enhancing Basel II/III  | August 22 – September 9, 2016  |
| FAD        | Support the Federal Inland Revenue Service (FIRS) to finalize Strategic Plan                        | September 9–19, 2016           |
| FAD        | Develop a compliance improvement program  | September 26 – October 7, 2016 |
| STA        | National Accounts   | October 3–7, 2016              |
| STA        | National Accounts   | October 3–7, 2016              |
| FAD        | Cash Flow Forecasting and Cash Management (sub-national)  | October 8–14, 2016             |
| FAD        | Cash Flow Forecasting and Cash Management (sub-national)  | October 10–14, 2016            |
| FAD        | Strengthening SOE Oversight   | December 1–16, 2016            |
| MCM        | Compliance with CPMI-IOSCO Principles for Financial Market Infrastructures: Challenges and Strategy | December 5–8, 2016             |
| STA        | Price Statistics  | January 30 – February 10, 2017 |
| FAD        | Strengthening Cash Flow Forecasting and Cash Management   | February 1–11, 2017            |
| FAD        | Develop Project Governance Framework  | February 20 – March 3, 2017    |
| FAD        | Strengthen Business Analysis Capabilities   | February 20 – March 3, 2017    |
| STA        | National Accounts   | February 27 – March 3, 2017    |
| FAD        | Develop Change Management Program   | April 17, 2017                 |
| FAD        | Develop Project Governance Framework for FIRS   | April 17, –28, 2017            |
| FAD        | Mission on Tax & Customs Policy and Administration  | May 1–10, 2017                 |
| STA        | Consumer Price Index  | May 22–26, 2017                |
| FAD        | Audit Training Exchange Program   | 6/12/2017                      |
| FAD        | Audit Training Exchange Program   | June 12–23, 2017               |
| MCM        | Monetary Policy Operations - A Stock Taking   | June 12–16, 2017               |
| MCM        | Basel II – ICAAP/SREP Review  | July 24 – August 11, 2017      |

|     |   |                                |
|-----|---|--------------------------------|
| FAD | Data Matching Project Exchange program for FIRS                 | July 24 – August 11, 2017      |
| FAD | Accounting Data Quality and Financial Reporting                 | August 16 – 28, 2017           |
| FAD | Advancing TSA Implementation and Cash Management (sub-national) | August 29 – September 8, 2017  |
| STA | Consumer Price Index  | September 18–22, 2017          |
| STA | National Accounts   | September 25 – October 6, 2017 |
| FAD | Strengthening Oversight of Federal Government-Owned Enterprises | October 4–17, 2017             |
| MCM | IFRS 9 Implementation   | October 9–20, 2017             |
| FAD | Review of TTF Program   | October 9–18, 2017             |
| FAD | Compliance Improvement Program (FIRS)                           | October 30 – November 8, 2017  |
| FAD | Audit Training Exchange Program                                 | November 6–17, 2017            |
| STA | Prices and Index Numbers  | November 13–24, 2017           |
| MCM | Risk Based Supervision (RBS) Framework                          | December 11–15, 2017           |
| FAD | Develop Project Governance Framework                            | January 8–19, 2018             |
| MCM | Risk Based Supervision (RBS) Framework                          | January 23 – February 3, 2018  |
| FAD | Develop Operational Plans for Support Groups (FIRS)             | February 5–16, 2018            |
| MCM | Implementation of the Pillar II of the Basel framework          | February 12–23, 2018           |
| FAD | Customs Risk Management   | February 19 – March 2, 2018    |

**Senior Resident Representative:**

Mr. Amine Mati is the IMF's Senior Resident Representative (and Mission Chief) in Abuja since February 2017.

**Resident Technical Assistance Advisor:**

Mr. Leonard Chumo is the IMF resident advisor for banking supervision at the Central Bank of Nigeria, since February 2017.

# JOINT WORLD BANK-IMF WORK PROGRAM, 2017–18

(As of January 24, 2018)

The IMF and World Bank staff collaborate closely in their work on Nigeria. Bank staff participates in IMF missions, while the Bank's analysis and advice to the government in key structural reform areas informs Fund surveillance. Bank and IMF staffs collaborated on assistance related to the Power Sector Recovery Plan, petroleum fiscal regime reforms, fiscal policy measures on poverty and income inequality, financial sector, sub-national fiscal data, domestic revenue mobilization, and public financial management reform.

| Title  | Products   | Provisional timing of missions (if relevant) | Expected delivery date |
|--|--|--|------------------------|
| <b>A. Mutual Information on Relevant Work Programs</b> |  |  |                        |
| Bank work program in next 12 months                    | <i>(i) Lending Programs</i>  |  |                        |
|  | Power Sector Recovery Performance Based Operation (PforR)          |  | FY18Q4                 |
|  | State Fiscal Transparency, Accountability and Sustainability PforR |  | FY18Q4                 |
|  | Nigeria Fiscal Governance and Institutions Project                 |  | FY19Q1                 |
|  | Nigeria Electricity Transmission Project                           |  | FY18Q3                 |
|  | Nigeria Electrification Project                                    |  | FY18Q4                 |
|  | Nigeria Power Sector Guarantees Project                            | Continuous                                   | ongoing                |
|  | Nigeria Electricity and Gas Improvement Project                    | Continuous                                   | ongoing                |
|  | Youth Employment & Social Support Operation                        | Continuous                                   | ongoing                |
|  | Community & Social Development Project                             | Continuous                                   | ongoing                |
|  | National Social Safety Nets Project                                | Continuous                                   | ongoing                |
|  | State Employment and Expenditure                                   | Continuous                                   | Ongoing                |
|  | State and Local Governance Reform (TF)                             | Continuous                                   | Ongoing                |
|  | Housing Finance Development  | Continuous                                   | Ongoing                |

|                                    |   |                   |                    |
|------------------------------------|---|-------------------|--------------------|
|                                    | Development Finance Project   | continuous        | Ongoing            |
|                                    | Nigeria Bi-Annual Economic Update   | continuous        | Ongoing            |
|                                    | Nigeria Federal Government Public Expenditure Review  | <i>continuous</i> | Ongoing            |
|                                    | Nigeria Subnational Fiscal Management Support   | continuous        | Ongoing            |
|                                    | Nigeria Programmatic Approach to Financial Sector Development   | continuous        | Ongoing            |
|                                    | Nigeria Strengthening Capacity in Banking Supervision   | continuous        | Ongoing            |
|                                    | Nigeria Financial Inclusion   | Continuous        | Ongoing            |
|                                    | Strengthening Nigerian Petroleum Sector Policy and Governance   | Continuous        | Ongoing            |
|                                    | <i>(ii) Analytical and Advisory Activities</i>  |                   |                    |
|                                    | Nigeria Systematic Country Diagnostic   |                   | June 2017          |
|                                    | Nigeria Growth and Trade Study  | -                 | 2017               |
|                                    | Programmatic Poverty Assessment   | -                 | Ongoing            |
|                                    | Nigeria Federal Public Expenditure Review   |                   | June 2018          |
|                                    | Strengthening Sub-National Fiscal Management  |                   | June 2018          |
|                                    | <i>(iii) Trust Funds, other analyses, and on-going dialogue</i>   |                   |                    |
|                                    | Governance Partnership Facility Phase 2: State-Peer Learning and Exchange - Managing Fiscal Crisis; Support to the Federal DPF and economic policy dialogue |                   |                    |
| IMF work program in next 12 months | <i>Article IV Consultation</i>  | December 2017     | Board: March, 2018 |
|                                    | <i>Work on gender and income inequality</i>   | ongoing           |                    |

| Title  | Products  | Provisional timing of missions (if relevant) | Expected delivery date |
|--|---|--|------------------------|
| <b>A. Mutual Information on Relevant Work Programs (continued)</b> |   |  |                        |
|  | Technical Assistance  |  |                        |
|  | (i) <i>Fiscal issues</i>  |  |                        |
|  | Public Investment Management Assessment (PIMA)  |  |                        |
|  | Petroleum fiscal issues   | ongoing                                      |                        |
|  | Tax and Customs Administration  | March 2018                                   |                        |
|  | (ii) <i>Monetary and financial issues</i>   |  |                        |
|  | Bank supervision (MCM)  | Long-term expert                             | Until Jan. 2018        |
|  | (iii) <i>Statistics</i>   |  |                        |
|  | Price Statistics  | March 2018                                   |                        |
|  | National Accounts   | March 2018                                   |                        |
| <b>B. Request for Work Program Inputs</b>                          |   |  |                        |
| Fund request to Bank   | Summary of Bank analysis and support for public financial management at all tiers of governments (including PERs) |  | Ongoing                |
|  | Continuous update on power sector reform operation supported by the World Bank                                    |  | ongoing                |
|  | Poverty and social impact analysis (PSIA) of policy measures on poorest households                                |  | Ongoing                |

## JOINT AFRICAN DEVELOPMENT BANK-IMF WORK PROGRAM, 2017–18

(As of January 31, 2018)

The IMF and AfDB staff collaborate closely in their work on Nigeria. AfDB staff participates in IMF missions, and the IMF provides an assessment letter in support of AfDB budget support operations in Nigeria.

| Title  | Products   | Provisional Timing of Missions (if relevant) | Expected Delivery Date |
|--|--|--|------------------------|
| AfDB work program in next 12 months                                | <b>(i) Lending Programs</b>  |  |                        |
|  | Santa Clara Medical Facility   | February 2018                                | March 2018             |
|  | Jigawa Solar Project PV (IPP)  | February and April 2018                      | June 2018              |
|  | Bauchi Solar Power Project   | February and April 2018                      | June 2018              |
|  | Cassava Industrialization Facility   | March and April 2018                         | July 2018              |
|  | Skypower Solar Project   | April and June 2018                          | September 2018         |
| <b>A. Mutual Information on Relevant Work Programs (continued)</b> |  |  |                        |
|  | <b>(ii) Analytical and Advisory Activities</b>   |  |                        |
|  | Nigeria Country Strategy Paper 2019–23   | September 2018                               | Qtr2 2019              |
|  | <b>(iii) Trust Funds, other analyses, and on-going dialogue</b>  |  |                        |
|  | a. Innovative Approaches to Domestic Resources Mobilization (DRM) In Nigeria                               | January 2018                                 | June 2018              |
|  | b. Sectoral Growth Diagnostics and Implications for Nigeria  | January 2018                                 | June 2018              |
|  | c. Participation & Empowerment In AFDB Projects in Nigeria – a Study in Social Inclusion                   | January 2018                                 | June 2018              |
|  | d. Fiscal policy and debt sustainability analysis  | January 2018                                 | Sept/Oct 2018          |
|  | <b>B. Request for Work Program Inputs</b>  |  |                        |
| AfDB request to Fund   | Regular update of Fund macroeconomic projections and knowledge products (Country briefs, etc.) on Nigeria. |  | Ongoing                |

# STATISTICAL ISSUES

(As of February 13, 2018)

## I. Assessment of Data Adequacy for Surveillance

**General:** Data are broadly adequate for surveillance. However, some data shortcomings remain. In particular, information on subnational public finances and large errors and omissions in the balance of payments. Efforts to improve data in those areas are ongoing, including Technical Assistance (TA) support on State and Local Governments (SLGs) fiscal data and external sector statistics. The Statistics Act of 2007, which established the National Bureau of Statistics (NBS) as the main coordinating agency for data management, has led to a number of improvements, including better information sharing between data producing and collecting agencies. There has been an improvement in the compilation of timely and internally consistent data, for example, the implementation of e-GDDS, the use of Government Integrated Financial Management Information System (GIFMIS) for budget preparations, a fully operational Treasury Single Account (TSA), and a reduction in the balance of payments errors and omissions. These efforts however need to be extended to the subnational levels.

**National accounts:** The NBS implemented the new base year 2010, the International Standard Industrial Classification (ISIC revision 4), and the Supply and Use Table (SUT) framework. The authorities continue to receive TA from the Fund, World Bank, and African Development Bank in completing a GDP rebasing exercise, including producing a GDP back-casted series

**Prices statistics:** The official monthly consumer price index (CPI), a composite of urban and rural price data, is available on a timely basis. However, the index weights and basket are based on expenditures derived from the 2003/04 National Consumer Expenditure Survey and are therefore unlikely to be representative of current expenditure patterns. The update of the CPI should be finalized as a matter of urgency. Compilation of an updated producer price index (PPI) is ongoing but funding for the survey is uncertain. The NBS continues to receive TA from the Fund on price statistics but high turnover of staff presents ongoing challenges.

**Government finance statistics:** The most pressing shortcoming is related to inadequate data coverage, particularly at the subnational governments level, which accounts for almost one half of total government expenditure. The federal government is working with SLGs to improving the quality, coverage, and timeliness of fiscal reports to facilitate the preparation of a consolidated set of fiscal accounts. This requires the governments at all levels to follow a standardized budget classification, chart of accounts, and accounting systems that will allow consistent classifications of the data, including use of International Public Sector Accounting Standards (IPSAS)—cash basis—at the Federal and State levels. There is also a need to formalize the publication of government accounts on a monthly or quarterly basis and to increase coverage to report on the operations of state-owned enterprises as well as improve the delineation of the public sector between general government units and public nonfinancial and financial corporations

IMF TA missions conducted by FAD have supported the Federal Government of Nigeria (FGN) in the design and implementation of public financial management reforms, in particular related to the treasury single account (TSA), cash management, and budgeting--most recently in January/February 2017. In addition, the IMF's regional technical assistance center (AFW2) continues to support the authorities' efforts to extend these reforms to interested States, particularly Kaduna State. Additional TA support by FAD involved a review of the institutional structures of Federal Government Owned Enterprises (FGOE) and providing a roadmap to strengthen fiscal oversight. There has not been a GFS TA mission in Nigeria since 2002, though a regional training course on GFS did take place in Lagos in June 2017.

Nigeria does not report any GFS data to STA, though quarterly debt data is reported to the IMF / World Bank Quarterly Public Sector Debt Database.

**Monetary and financial statistics:** There have been significant improvements in the compilation of monetary statistics. Further work would be needed including to extend the other depository corporations (ODCs) sector beyond commercial banks and to improve reporting of monetary aggregates. In addition, Nigeria is expected to report data for other financial corporations sector (OFCs) through the IMF standardized Report Forms (SRFs).

**Financial soundness indicators (FSIs):** A broad range of information on the financial sector, including both core and a number of non-core FSIs, is compiled by the CBN (though publishing FSIs on a timely basis would be needed). The CBN is currently working with support from STA to improve the methodology used to compile FSIs and enhance the consolidation basis to capture cross-border activities of Nigerian bank subsidiaries and branches.

**Balance of payments:** There have been significant efforts to improve the compilation of Nigeria's balance of payments data in recent years. Supported by IMF TA, the authorities have expanded the range and improved the quality of data sources, aimed at strengthening the balance of payments, in particular progress in reducing the large errors and omissions, and producing an international investment position.

Nevertheless, more needs to be done to further reduce the errors and omissions in the balance of payments, which complicate the assessment of external sustainability. There is a need for improved validation of transactions reported by banks, measurement of transactions outside the banking system, appropriate treatment of transactions of enterprises in free trade zones (using a residency criterion) and improved coverage of estimates of the external assets and liabilities of the banking sector. The DFID project (2010-14) helped CBN diversify the data collection for the improvement of the ESS. Recent TA (2017) helped with the validation and grossing-up of the results of 2013 and 2014 private financial flows and stocks surveys. It noted good progress by CBN in developing a database for stock and subsequent transactions and advised on further enhancements. A survey of private transfers, whose results were expected by end-2017, should foster improvements in the estimates of private transfers, especially those received through informal channels and for the in-kind values, which are currently not estimated.



The authorities have not yet initiated the compilation of international reserves data in line with the Data Template on International Reserves and Foreign Currency Liquidity.

**External debt:** Public external debt data are of good quality and available on a timely basis.

The Debt Management Office (DMO) is collaborating closely with the CBN to extend the coverage of their database to include private sector liabilities and foreign investment in domestically-issued debt securities. In addition, IMF and World Bank staff worked with the DMO to develop analytical capacity to formulate a debt management strategy based on detailed cost-risk analysis.

## II. Data Standards and Quality

Participant in the enhanced General Data Dissemination System (e-GDDS) since April 2017. As of February 13, 2018, Nigeria was meeting 33 percent of the timeliness set for 14 data categories disseminated through the National Summary Data Page.

No Data ROSC.

### Nigeria: Table of Common Indicators Required for Surveillance

(As of February 13, 2018)

|   | Date of latest observation | Date received | Frequency of Data <sup>1</sup> | Frequency of Reporting <sup>1</sup> | Frequency of Publication <sup>1</sup> |
|---|----------------------------|---------------|--------------------------------|-------------------------------------|---------------------------------------|
| Exchange Rates  | Oct. 2017                  | Nov. 2017     | D                              | D                                   | D                                     |
| International Reserve Assets and Reserve Liabilities of the Monetary Authorities <sup>2</sup>             | Sep. 2017                  | Nov. 2017     | M                              | M                                   | M                                     |
| Reserve/Base Money  | Dec. 2017                  | Feb. 2018     | M                              | M                                   | M                                     |
| Broad Money   | Dec. 2017                  | Feb. 2018     | M                              | M                                   | M                                     |
| Central Bank Balance Sheet  | Dec 2017                   | Feb.2018      | M                              | M                                   | M                                     |
| Consolidated Balance Sheet of the Banking System  | Dec. 2017                  | Feb. 2018     | M                              | M                                   | M                                     |
| Interest Rates <sup>3</sup>   | Dec. 2017                  | Feb. 2018     | D                              | D                                   | D                                     |
| Consumer Price Index  | Dec. 2017                  | Jan. 2018     | M                              | M                                   | M                                     |
| Revenue, Expenditure, Balance and Composition of Financing <sup>4</sup> – Central Government              | Dec. 2017                  | Jan. 2018     | M                              | M                                   | M                                     |
| Revenue, Expenditure, Balance and Composition of Financing <sup>4</sup> – General Government <sup>5</sup> | Dec. 2017                  | Jan.2018      | M                              | M                                   | M                                     |
| Stocks of Central Government and Central Government-Guaranteed Debt <sup>6</sup>                          | Dec. 2016                  | Feb. 2017     | Q                              | Q                                   | Q                                     |
| External Current Account Balance  | 2016                       | Oct. 2017     | Q                              | Q                                   | A                                     |
| Exports and Imports of Goods and Services   | Sept. 2017                 | Jan. 2018     | Q                              | Q                                   | A                                     |
| GDP/GNP   | 2016                       | Dec. 2017     | Q                              | Q                                   | Q                                     |
| Gross External Debt   | 2015                       | Dec. 2016     | A                              | A                                   | A                                     |
| International Investment Position <sup>7</sup>  | 2016                       | Oct. 2017     | A                              | A                                   | A                                     |

<sup>1</sup>Daily (D); weekly (W); monthly (M); quarterly (Q); annually (A); irregular (I); and not available (NA).

<sup>2</sup>Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

<sup>3</sup>Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

<sup>4</sup>Foreign, domestic bank, and domestic nonbank financing.

<sup>5</sup>The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments. However, the expenditure data for state and local governments are not available.

<sup>6</sup>Including currency and maturity composition.

<sup>7</sup>Includes external gross financial asset and liability positions vis-à-vis nonresidents.