

# Policy Advisory Note

Briefing Note | 1 June, 2020

The Federal Government of Nigeria, like many African countries, are simultaneously battling a public health crisis as well as an economic crisis. Coupled with limited real-time data at the sub-national levels, tough choices would have to be made based on trade-offs and then effectively communicated to a diverse audience, mainly living below the poverty line. This first note reviews the **Governance and Co-ordination** of Nigeria's COVID response and attempts to provide some forward-looking insights.

## Nigeria: Implementation Response to COVID-19 Commendable but Improved Execution in a Fiscal Federalist State Could Provide Added Boost

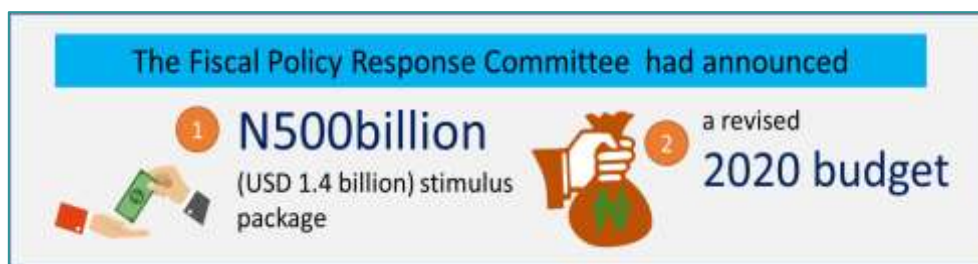
### 1.0 Evolution of Current Governance and Structure:

Similar to other large African economies with large populations, Nigeria had deployed a clear governance arrangement for the control of the novel Coronavirus Disease (COVID-19), by the end of March 2020. As at end of April 2020, stakeholders are now increasingly looking forward to the communication of its economic continuity plan.

The Presidential Task Force (PTF) for the Control of the Coronavirus Disease (COVID-19) was established by Mr. President on March 9, 2020, almost two weeks after the index case in Nigeria was discovered. The PTF was to oversee a multi-sectoral inter-governmental effort to dealing with and controlling the epidemic, in alignment with general WHO recommendations. Three weeks later, the Economic Sustainability Committee (ESC) was set up on March 31, 2020. The ESC also oversees the output of work done by the Fiscal Policy Response Committee (March 9- April 6) earlier set up on March 9, and the ESC primarily was to:

- *Address economic challenges and fallout of the pandemic and the attendant hardship caused by movement restrictions;*
- *Develop further palliatives, and a sustainability reposition plan to the economy and grow the non-oil sector.*

Earlier on, the Fiscal Policy Response Committee had announced a revised budget for 2020 and a N500billion (USD 1.4 billion) stimulus package.



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In March 2020, the Nigerian Private Sector Coalition Against COVID-19 was also set up in conjunction with the Central Bank of Nigeria, on behalf of the Bankers' Committee, and in partnership with the private sector led by the Aliko Dangote Foundation and Access Bank, with an initial target of raising N50billion from the private sector. In addition to other high-profile support teams from the private sector including that led by a leading banker and businessman, Mr. Atedo Peterside of ANAP Foundation, the organised private sector support response has been generally considered as encouraging.

On the surface, the two key organs of the PTF and the ESC reporting directly to His Excellency the President - one for epidemic control/ health management and the other for socio-economic policy management, appear to be adequate co-ordinating mechanisms for Nigeria's COVID response. This approach is also similar, albeit with local country variations and leadership personalities, in many of the large African countries we monitor.

However, two additional challenges appear to complicate the Nigeria scenario. First, the fiscal federalism of a republic such as the Federal Republic of Nigeria presents an additional layer of complexity with implementing central decisions, given wide variations in state government resources and the enormous diversity of Africa's largest country by population and GDP. Second, the diversity in terms of geographic expanse with implications for enforcement and internal border control, income diversity making it difficult to apply broad responses, and also data and information diversity making it difficult to make informed trade-offs, as the quality of data beyond periodic macro-level official data is often treated with circumspection. These two challenges would need to be tactically managed to continue to maintain public trust in the weeks and months ahead.

Redressing issues with co-ordination in Nigeria's federal setting is typically addressed through the Nigeria Governors' Forum. The Nigeria Governors' Forum, the anchor committee for the 36 state governments, has adopted a first-level type of general framework the week of April 20-24, and made a set of consolidated recommendations to Mr. President, many of which have been adopted. Fine-tuning this existing positive working relationship between the state governors' forum and the PTF/ESC who represent The Presidency is expected to boost the response efforts.

### **1.1 Mainstreaming the inputs of the Nigeria Governors' Forum (NGF) into the work of the Presidential Task Force on COVID may be an important next step:**

While recognising the 'federal' nature of the Federal Republic of Nigeria, fusing the co-ordination or consultation work of the NGF almost on a real-time basis into the work of the PTF and the ESC may be critical to avoiding policy response lags and execution lags. We note that the NGF has already set up a framework for commissioners of health in each of the regions or geo-political zones to meet. That is an essential and indeed commendable first step on the health and tactical side, but the signalling and real-time messaging and co-ordination with the Federal Government on the policy, especially socio-economic management angle, also needs to be strengthened. Understandably, the State Governors (or NGF members) constitutionally have scheduled access or meetings with The Presidency through the monthly National Economic Council meetings, that is now in abeyance, but in this crisis period a short-circuit arrangement where for instance the NGF could nominate a Deputy Governor to sit permanently with both the PTF and the ESC may be a super-efficient means of improving communication and decision-making.

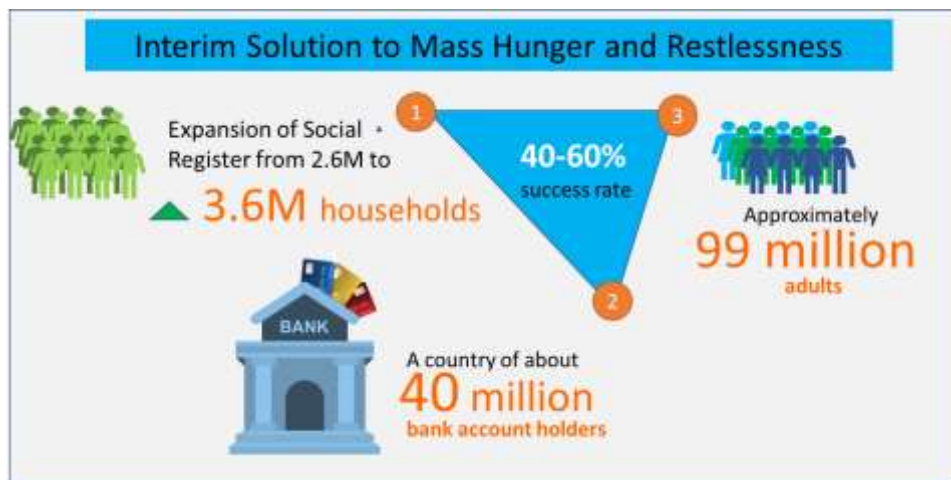
### **1.2 Beyond Implementation to Execution:**

Implementation (tactical definition, authorisation and empowerment) of Nigeria's COVID-19 response has generally been average, according to leading organised private sector players and representatives of large corporations, while Execution (field delivery of agreed tactics, last-mile contact with the citizen/ citizen delivery and enforcement) of agreed initiatives has varied significantly from state to state. Our monitoring of credible commentators across various media platforms for instance suggest wide regional variations in execution of COVID-19 responses even in the few instances where a common national template is agreed. Critics, though sometimes based on qualitative observations and social surveys rather than statistically valid samples, for instance illustrate the wide difference in public perception of health emergency responses in March –April

2020 between Lagos State and Kano State, the two largest states in the country. Other experts suggest some alleged under-reporting or deliberate under-testing of presented patients with clinical symptoms in one or two other states. While the purpose of this policy note is more forward-looking and aimed only to deal with accurate and factual information, and not on media reporting or public perception, most of the monitored experts in our cohort suggest an imperative for better co-ordination of execution. This may be critical especially in a few states, beyond Kano State, where the manpower and infrastructure for tackling infectious diseases, emergency health management or tertiary health may seem to be deficient or below the average for the 36 states (even if those states may be shy or reticent to admit so). This immediate intervention would be important in saving many lives and also reassuring the public that the Government in Nigeria, irrespective of whether Federal or State, is still determined to fulfil their constitutional responsibility of protecting lives (in this case the health) of the citizenry, irrespective of where they live.

## 2.0 Averting Mass Hunger and Restlessness: An interim solution

Parallel to dealing with the health emergency, the implementation of economic relief efforts and the disbursement of palliatives, as announced by Mr. President on March 29, April 13 and April 27, provide some pointers to Nigeria’s economic continuity plan. Expanding the social register to 3.6 million households, tapping on goodwill or large corporations, and collaborating with not-for-profits are essential first-steps in buying time while government adequately dimensions the scale and magnitude of the COVID penetration and trends in a geographically diverse country. However, the data limitations in a country of say 40 million bank account holders out of approximately 99 million adults already suggests at best a 40-60% success rate even if adjusting for the social register and school-feeding programs, of any prior attempts to inject palliatives to the vulnerable.



Leading commentators, economists and social scientists backed up with credible media reports have acknowledged the conceptual and enforcement deficiencies of a blanket lockdown in major states or major cities in Nigeria. While Nigeria has displayed utmost sensitivity on this and is on the path to a gradual easing or managed de-scaling of the “blanket restriction in movement” that was effective in the commercial and administrative capitals (Lagos and FCT) for 4 weeks from March 31 to April 27, widespread evidence suggests the limited efficacy of partial restrictions due to the limited capability of enforcement of such directives by enforcement agencies on their own superiors/ superiors’ families in a prebendal society. The preponderance of daily-paid workers who are hungry and restless and earn the sympathy of the stretched capacity of law enforcement is also a twin challenge. A former CBN Governor’s thesis is that lockdowns in countries like Nigeria would suffer a “... time-inconsistency problem without a credible exit strategy; is unaffordable and could potentially worsen the twin pandemic—health and economic”. Even with the partial restrictions to be effective nationwide from May 4, enforcement may still be a challenge without strengthening co-ordination mechanisms between the Federal and State governments. The recommendation for “smart learning-

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by-doing solutions” would require some innovation or new thinking on the part of the PTF and the ESC who are in the front of providing policy and tactical / frontline responses, and may be too stretched to combine both strategic and tactical thinking in one breadth.

Any interim solution must therefore be seen as an integral part of a sustainable solution, while noting that no policy maker was prepared for this major disruption in 2020.

## Summary

In our view, preliminary surveys suggest that while the middle and upper class approve of, or at least understand, Government’s overall approach, initiatives, and response, the lower-class who constitute most of the population are getting weary if not jaded. The social interventions in the month of March and April appear to have allegedly reached a fair proportion of a segment of the underprivileged, but another stratum remains unconvinced and in the absence of an exit strategy from the social control mode may continue to need assurance, or otherwise question the legitimacy of some of government’s actions.

### Our immediate recommendations are that:

- **The Federal Government immediately work with the NGF** to have a representative of the NGF (preferably an elected person such as a deputy governor) to join, even if only as an observer in-attendance only, both the PTF and the ESC. The suggestion of deputy governor is because all governors are focused on running their state health emergency co-ordination efforts.
- **An exit strategy, even if sketchy, needs to be outlined.** We recognise that very few countries globally can define an exit plan as yet. Nonetheless, by working with the NGF and a handful of leading private-sector operators, a first attempt at a credible exit strategy that is scenario-tested, would build a lot of confidence in the public.
- **Clear announcements on the tactical options that government would be considering handling the looming unemployment crisis is required at this time.** It is clear and admittedly so, by the Honourable Minister of Finance, that the FGN has much lower fiscal buffers in 2020 than the country did during the last two global economic crises. That is understood. However, the public is eager for some idea of possible buffers and mitigants that the Federal Government is considering. Our reading is that any further announcements about the relaxation or lifting of the movement restrictions, in a staggered manner, without a frontal mapping of how the Government intends to deal with the looming unemployment crisis, would only create another shock, that may jeopardise the efforts of the past few weeks on both the social and the health sides.