# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. ITINERARY</td>
<td>A</td>
</tr>
<tr>
<td>B. AIRPORT STATEMENT</td>
<td>B</td>
</tr>
<tr>
<td>C. MAP AND STATE DEPARTMENT NOTES</td>
<td>C</td>
</tr>
<tr>
<td>D. LIST OF CABINET MEMBERS AND BIOGRAPHICAL DATA</td>
<td>D</td>
</tr>
<tr>
<td>E. TOPICS FOR DISCUSSION</td>
<td></td>
</tr>
<tr>
<td>F. REFERENCE MATERIAL</td>
<td>F</td>
</tr>
<tr>
<td>1. Country Program Memorandum</td>
<td>1</td>
</tr>
<tr>
<td>2. Political Situation</td>
<td>2</td>
</tr>
<tr>
<td>3. Economic Brief</td>
<td>3</td>
</tr>
<tr>
<td>4. Foreign Assistance and Debt</td>
<td>4</td>
</tr>
<tr>
<td>5. Subject Briefs on Special Issues</td>
<td>5</td>
</tr>
<tr>
<td>G. BANK GROUP OPERATION</td>
<td>G</td>
</tr>
<tr>
<td>1. Statement of Loans, Credits and IFC Operations</td>
<td>6</td>
</tr>
<tr>
<td>2. Existing Projects</td>
<td>7-21</td>
</tr>
<tr>
<td>3. Prospective Operations</td>
<td></td>
</tr>
<tr>
<td>4. Memoranda of Conversations</td>
<td></td>
</tr>
<tr>
<td>H. UNDP ACTIVITIES</td>
<td>H</td>
</tr>
<tr>
<td>I. INFORMATION MEDIA</td>
<td>I</td>
</tr>
<tr>
<td>1. The News Media in Nigeria</td>
<td>16</td>
</tr>
<tr>
<td>2. Press Clippings</td>
<td>17</td>
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CKW
October 20, 1977
GUEST LIST FOR THE DINNER HOSTED BY
THE FEDERAL COMMISSIONER FOR FINANCE
MAJOR-GENERAL J.J. OLULEYE ON NOVEMBER 3RD, 1977

1. Dr. and Mrs. R.A. Adeleye – Federal Commissioner for Industries
2. Dr. and Mrs. Omoniyi Adewoye – Federal Commissioner for Economic Development
3. Lt.Col. and Mrs. Muktar Mohammed – Federal Commissioner for Housing, Urban Development and Environment
4. Mr. and Mrs. B.O.W. Mafeni – Federal Commissioner for Agriculture and Rural Development
5. Mr. and Mrs. O. Vincent – Governor, Central Bank of Nigeria
6. Mr. and Mrs. Musa Bello – Permanent Secretary, Federal Ministry of Finance
7. Mr. and Mrs. A. Joda – Permanent Secretary, Federal Ministry of Industries
8. Mr. and Mrs. G. Chikelu – Permanent Secretary, Federal Ministry of Economic Development
9. Mr. and Mrs. J.E.K. Oyegun – Permanent Secretary, Federal Ministry of Housing, Urban Development and Environment
10. Mr. and Mrs. U.K. Bello – Secretary for Finance, Federal Ministry of Finance
11. Mr. and Mrs. S.N. Mbamarah – Principal Secretary, External Finance, Federal Ministry of Finance
12. Mr. and Mrs. C.E. Okobi – Managing Director, NBCI
13. Mr. and Mrs. H.M. Osha – Managing Director, NIDB
14. Mr. and Mrs. G. Okurume – Managing Director, NAB
15. Mr. and Mrs. S.O. Ordia – Director, Center for Management
16. Mr. and Mrs. F. Ebie – General Manager, Federal Housing Authority
17. Mr. and Mrs. E.O. Obayan – Secretary for Administration, Federal Ministry of Agriculture and Rural Development
18. Mr. and Mrs. Akintola-Williams 1/
19. Mr. and Mrs. A.O. Williams 2/

1/ Mrs. Akintola-Williams is President of the Soroptimist Society, Lagos
2/ Mrs. A.O. Williams is Under Secretary, State Finances, Federal Ministry of Finance and will be in charge of Mrs. McNamara's program
### PROGRAM FOR VISIT TO GUSAU AGRICULTURAL DEVELOPMENT PROJECT

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>1230</td>
<td>Arrive Gusau airstrip in twin engine plane from Sokoto 1/</td>
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<tr>
<td>1245 - 1315</td>
<td>Briefing at Project Headquarters (Conference Room)</td>
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<td>Present: Project Manager: Mr. Gordijn,</td>
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<td>Land Planning Officer: Mr. Habbard,</td>
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<td>Senior Extension Officer: Mallam Isa</td>
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<td>Chairman and Secretary of Local Government Area</td>
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<td>1330 - 1410</td>
<td>Light lunch and refreshments</td>
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<td>1410</td>
<td>Departure by car to Nahuche (40 minutes drive)</td>
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<td>Mr. McNamara will be accompanied by the State Commissioner for Agriculture and Project Manager. Mrs. McNamara will be joined by the State Commissioner for Finance and Mallam Isa</td>
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<td>1450 - 1515</td>
<td>Visit to Nahuche project site</td>
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<td>Present: Chief Administrative Officer, Alhaji Nahuche; Chief Marketing Officer, Mr. Palmer; Chairman and Secretary of Local Government Area; some project farmers</td>
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<tr>
<td>1515</td>
<td>Depart Nahuche for Gusau</td>
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<tr>
<td>1555</td>
<td>Arrive Gusau airstrip</td>
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<td>1600</td>
<td>Depart for Sokoto</td>
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1/ Assuming limited seating capacity of aircraft, party would consist of Mr. and Mrs. McNamara, Mr. Chaufournier and Mr. Koch-Weser
<table>
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<tr>
<th>No.</th>
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<tr>
<td>1.</td>
<td>Dr. &amp; Mrs. G.E. Okurume - General Manager, Nigerian Agricultural Bank, Kaduna.</td>
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<td>2.</td>
<td>Mr. &amp; Mrs. J.K. Dina - Area Manager (North), Nigerian Industrial Development Bank.</td>
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<td>3.</td>
<td>Mallam Ahmed Talib - Chairman, N.N.D.C.</td>
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<td>4.</td>
<td>Miss D.M. Miller - Chief Education Officer (UPE), Representing Jam'iiyyar Matan Arewa.</td>
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<td>5.</td>
<td>Mrs. C.G. Dikko - Representing Jam'iiyyar Matan Arewa.</td>
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<td>6.</td>
<td>Mr. &amp; Mrs. Thomas Burke - Principal Officer, American Consulate.</td>
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<td>7.</td>
<td>Mr. &amp; Mrs. J.R. Leeland - Acting Deputy High Commissioner, British High Commission, Kaduna</td>
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<td>9.</td>
<td>Mr. &amp; Mrs. J.B. Ritson - Project Officer, Federal Livestock Department.</td>
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<td>10.</td>
<td>Alhaji Abu Gidado - Commissioner for Finance.</td>
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<td>11.</td>
<td>Alhaji A.B. Kuki - Commissioner for Works and Housing.</td>
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<td>Alhaji Ja'afaru Makarfi - Commissioner for Education.</td>
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<td>13.</td>
<td>Mr. Z.B. Gaiya - Commissioner for Agriculture.</td>
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<td>17.</td>
<td>Mr. Dan'azumi Kudaru - Commissioner for Internal Affairs and Information.</td>
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</table>
19. Alhaji Balarabe Mahmud - Commissioner for Animal and Forest Resources.
21. Mr. V.D. Pam - Commissioner of Police.
25. Alhaji Haruna Soba - Permanent Secretary, Military Governor's Office.
26. Alhaji A.D. Sambo - Permanent Secretary, Ministry of Agriculture.
27. Alhaji S. Suleiman - Permanent Secretary, Ministry of Economic Development.
28. Alhaji A.N. Rafindadi - Permanent Secretary, Ministry of Education.
29. Alhaji Abbas Rafindadi - Permanent Secretary, Ministry of Finance.
30. Alhaji B.N.A. Adamu - Permanent Secretary, Ministry of Works and Housing.
31. Alhaji Yusufu Mohammed - General Manager, Kaduna State Housing Authority.
33. Mr. L.R. Robertson - Head of I.B.R.D. Agricultural Projects Monitoring and Evaluation Unit, Kaduna.
34. Mr. K.A. Achuthan - Acting Project Manager, Funtua Agricultural Development Project.
35. Mallam Aliyu Magaji - Chief Engineer, Water Board.
36. Dr. Mustapha - Representative of Federal Housing Authority.
Annex IV

PROGRAM FOR VISIT TO HOUSING PROJECTS, WATER WORKS
AND INDUSTRIAL ESTATES IN KADUNA

0800 - 0930  Visit of Federal and State housing projects. Depart State House for Malali Housing Estate along Rabah and Attahiru Roads (accompanied by the Commissioner for Finance and Commissioner for Works and Housing). Received on arrival at Malali by the General Manager, Kaduna State Housing Authority and the Resident Engineer, Federal Housing Authority. Brief details of the State and Federal Estates to be given by the General Manager.

0945  Depart Kaduna for Calabar
**PROGRAM OF VISIT FOR MRS. MARGARET MCNAMARA**

**LAGOS**

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<td>0800</td>
<td>Leave Government Guesthouse</td>
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<td>0900</td>
<td>Visit to the Handicapped Children's Home, Surulere</td>
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<td>1100 - 1200</td>
<td>Visit to the Island Maternity Hospital</td>
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<td>1300 - 1430</td>
<td>Private lunch</td>
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<td>1430 - 1515</td>
<td>Visit to the Nigerian Museum</td>
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<td>1600 - 1700</td>
<td>Meeting &amp; Tea Party with the Soroptimist Society (Lagos Branch) at the residence of the President, Mrs. Akintola-Williams</td>
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</table>

1/ Mrs. McNamara will be accompanied to all functions in Lagos by Mrs. Williams of the Federal Ministry of Finance and Mrs. P. Reitter. Mrs. Williams will also accompany Mrs. McNamara throughout her visits to the various States.
PROGRAM FOR VISIT TO RICE AND OTHER AGRICULTURAL PROJECTS IN CROSS RIVER STATE

1400  Depart Calabar by helicopter, overflying: 1/

Akim Akim Rice Project
Pamol Rubber Plantation
Awi Pulpwood Plantation
Kalaro Oil Palm Estate
Rubber Plantations Ltd
Ibiae Oil Palm Estate
Adim World Bank Rice Project

1430  Touch down at Adim project site. Party met by Project Manager, Mr. Uttah, project staff and project farmers. 20 minute tour of project area

1500  Depart Adim, overflying: 2/

Ajiabo and Asiga World Bank Rice Projects
Nko Rubber Estate
Rice fields in Agbo Clan
Itu bridge
Pulp and paper industrial site
Mbiabet Farm
Nsit Ibom Returnee Farm
(Upland Rice Project)
Ubium World Bank Rice Project
Oron Citrus Project

1600  Return Calabar

1615  Depart Calabar for Lagos

1/ Assuming limited seating capacity of helicopter, party will include Mr. and Mrs. McNamara, Mr. Chaufournier and Mr. Koch-Weser

2/ Second half of trip may have to be shortened to assure return to Calabar at 1600 hours
VISIT TO INTERNATIONAL INSTITUTE FOR TROPICAL AGRICULTURE (IITA) 
IBADAN

0900 - 0930
Briefing on IITA program giving emphasis to those areas of activity where the research product is being rapidly transmitted to the small farmers. The four main programs comprise:

Cereal Improvement Program (C.I.P.)
*Farming Systems Program (F.S.P.)
*Tuber and Roots Improvement Program (T.R.I.P.)
Grain and Legume Improvement Program (G.L.I.P.)

*These two programs will be described in some detail

0930 - 1100
Field Trip

The field trip will comprise a tour of the research station concentrating in the main on the Farming Systems Program and the Tuber and Root Program

Farming Systems Program

(1) Emphasis will be given to the minimum tillage techniques being developed to establish continuous cultivation in place of the traditional shifting cultivation combined with a period under bush fallow

(2) Tour of the model being developed for smallholdings aimed at maximizing land use and computing inputs/returns at different levels of technology

Tuber and Root Improvement Program

Will be given an overview of the program where benefits are rapidly being transferred to small farmers in Zaire, Nigeria and other West African countries
SOKOTO STATE OF NIGERIA
PRINCIPAL OFFICIALS

Members of the Executive Council

H.E. Col. Umaru Alhaji Mohammed
Col. H.O.D. Eghagha
Mr. T.T. Oketunji
Alhaji Aliyu Jibrin Yelwa
Alhaji Muhammad Bello Maiwurno
Alhaji Muhammad Kangiwa
Alhaji A. Garba Gummi
Alhaji Usman D. Bungudu
Alhaji Umaru Imam
Alhaji Hamidu Bage
Alhaji Lawal M. Bungudu
Dr. Bello H. Mohammed

Military Governor
7 Bde Commander
Commissioner of Police
Commissioner for Finance
Commissioner for Information
Commissioner for Works
Commissioner for Local Government
Commissioner for Justice
Commissioner for Health
Commissioner for Trade
Commissioner for Education
Commissioner for Agriculture

Permanent Secretaries

Alhaji Muhammed A. Carpenter
Alhaji N.Z. Anka
Alhaji Bala Sokoto
Alhaji Yahaya Bawa
Alhaji Isa Abubakar
Alhaji Abubakar Koko
Alhaji Idirisu Koko
Alhaji Muhammad Jega
Alhaji Attahiru Kamba
Alhaji M.S. Kangiwa
Alhaji S.M. Kangiwa
Alhaji M.A. Sani
Mr. G.V. Summerhayes
Mr. L.A. Awoniyi

Secretary to the Military Government
Permanent Secretary, Cabinet Office (Adm)
Permanent Secretary, Information
Permanent Secretary, Cabinet Office (S/D)
Permanent Secretary, Agriculture and Natural Resources
Permanent Secretary, Education
Permanent Secretary, Finance, Economic Developments and Service Matters
Permanent Secretary, Health
Permanent Secretary, Housing and Environment
Permanent Secretary, Trade, Industry and Cooperatives
Permanent Secretary, Works, Transport and Water Resources
Permanent Secretary, Local Government (S/D)
Permanent Secretary, Local Government
Permanent Secretary, Justice
## TENTATIVE ITINERARY

### VISIT TO NIGERIA - NOVEMBER 2-6, 1977

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<th>Date</th>
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<td>November 1</td>
<td>P.M.</td>
<td>Depart Washington (National)</td>
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<td>1830</td>
<td>Depart New York PA 190</td>
</tr>
<tr>
<td>November 2</td>
<td>1355</td>
<td>Arrive Lagos (fly by helicopter to Victoria Island, location of Federal Palace Suites in order to avoid Lagos rush-hour traffic and have overview of City)1/</td>
</tr>
<tr>
<td></td>
<td>1600</td>
<td>Briefing with staff (optional)</td>
</tr>
<tr>
<td></td>
<td>1930</td>
<td>Private dinner</td>
</tr>
<tr>
<td>November 3</td>
<td>0830 - 1000</td>
<td>Meeting with Commissioner for Finance and Governor, Central Bank</td>
</tr>
<tr>
<td>2/ (Thursday)</td>
<td></td>
<td>1000 - 1040</td>
</tr>
<tr>
<td></td>
<td>1040 - 1120</td>
<td>Meeting with Commissioner for Economic Development</td>
</tr>
<tr>
<td></td>
<td>1120 - 1200</td>
<td>Meeting with Commissioner for Housing, Urban Development and Environment</td>
</tr>
<tr>
<td></td>
<td>1200 - 1300</td>
<td>Meeting with Commissioner for Agriculture</td>
</tr>
<tr>
<td></td>
<td>1300 - 1400</td>
<td>Private lunch</td>
</tr>
<tr>
<td></td>
<td>1430 - 1530</td>
<td>Meeting with Head of State 3/</td>
</tr>
<tr>
<td></td>
<td>1530 - 1730</td>
<td>Visit by helicopter to Federal Housing Estate Development (if interested)</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>Reception to be followed by dinner given by Federal Commissioner for Finance</td>
</tr>
</tbody>
</table>

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1/ Mr. Reitter, Chief of Mission, Lagos states that accommodation has been reserved at the Federal Palace Suites Hotel for Mr. McNamara and party. The Executive Suite has been reserved for Mr. & Mrs. McNamara. Messrs. Chaufournier, Clarke and Thahane have been reserved a senior suite each. Double rooms have been reserved for Messrs. Kock-Weser, Abdulai and Taylor-Lewis.

2/ A separate program has been arranged for Mrs. McNamara while Mr. McNamara is engaged in official discussions with Government officials.

3/ The Head of State will be accompanied by the Commissioner for Finance and also for a brief while by Brigadier S. Musa Yar' Adua, Chief of Staff, Supreme H.Q.
<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 4</td>
<td>0700</td>
<td>Depart residence for Lagos airport by car</td>
</tr>
<tr>
<td></td>
<td>0830</td>
<td>Depart Lagos airport for Sokoto by Government Gulf Stream jet (10 or 14 seater plane)</td>
</tr>
<tr>
<td></td>
<td>1000</td>
<td>Arrive Sokoto</td>
</tr>
<tr>
<td></td>
<td>1030</td>
<td>Meeting with Military Governor of Sokoto State and State Commissioners for Finance, Agriculture, Economic Development, and Housing and Urban Development.</td>
</tr>
<tr>
<td></td>
<td>1115</td>
<td>Call on Sultan of Sokoto</td>
</tr>
<tr>
<td></td>
<td>1145</td>
<td>Depart for Gusau by small Government plane and if not possible, by car</td>
</tr>
<tr>
<td></td>
<td>1200 - 1620</td>
<td>Visit to Gusau Agricultural Development Project (detailed program to be worked out by Chief of Mission and notified later)</td>
</tr>
<tr>
<td></td>
<td>1620</td>
<td>Depart Gusau for Sokoto</td>
</tr>
<tr>
<td></td>
<td>1630</td>
<td>Arrive Sokoto</td>
</tr>
<tr>
<td></td>
<td>1635</td>
<td>Depart Sokoto (Brief remarks for the Press)</td>
</tr>
<tr>
<td></td>
<td>1730</td>
<td>Arrive Kaduna (stay at Government Guest House)</td>
</tr>
<tr>
<td></td>
<td>1915</td>
<td>Call on Military Governor of Kaduna State</td>
</tr>
<tr>
<td></td>
<td>1945 - 2030</td>
<td>Reception given by Military Governor (approximately 40-50 guests)</td>
</tr>
<tr>
<td></td>
<td>2040</td>
<td>Private dinner</td>
</tr>
<tr>
<td>November 5</td>
<td>0800 - 0930</td>
<td>Visit Government's Industrial Estates and Housing and Urban Development Sites in South Kaduna en route to airport</td>
</tr>
<tr>
<td></td>
<td>0945</td>
<td>Depart for Calabar by Government plane (Brief remarks for the Press)</td>
</tr>
<tr>
<td></td>
<td>1115</td>
<td>Arrive Calabar</td>
</tr>
</tbody>
</table>

1/ We now understand the Gulf Stream jet could land in Sokoto.

2/ Mr. Reitter states that the relevant authorities have given approval for Mrs. McNamara to accompany Mr. McNamara during his courtesy call on the Sultan of Sokoto. Mr. Reitter will provide details of Sultan's role and biographical data along with those of other key Nigerian officials on Mr. McNamara's arrival in Lagos.
November 5 (contd.)
(Saturday)

1130 - 1200  Call on Acting Military Governor of Cross Rivers State
1215 - 1300  Visit to Federal and State Government Housing Estate Developments
1300 - 1345  Private lunch at Government Guest House
1400 - 1600  Visit to Rice Project by helicopter (detailed program to be advised later by Chief of Mission)
1615          Depart Calabar for Ibadan by Government plane 1/ (Brief remarks for the Press)
1800          Arrive Ibadan (details of accommodation to be advised later by Chief of Mission)
1945          Call on Military Governor of Oyo State
2000          Dinner to be given by Military Governor of Oyo State

November 6
(Sunday)

0900 - 1100  Visit to International Institute for Tropical Agriculture (IITA) 2/
1130 - 1215  Lunch with IITA
1230          Depart Ibadan for Lagos by Lagos/Ibadan Expressway
1445          Arrive Lagos (Murtala Mohamed Airport)
1530          Depart Lagos for Abidjan by Government plane 3/

1/ We understand the Gulf Stream jet could not land at Ibadan and Mr. McNamara may have to fly via Lagos in order to change planes.
2/ A detailed brief on IITA will be provided by Mr. Reitter on arrival.
3/ Mr. Reitter states a period of 45 minutes has been allowed between Mr. McNamara's arrival at Lagos airport and his departure for Abidjan in the event a press conference or television interview is necessary and also, for wind-up discussions with the Commissioner for Finance.

10/26/77
### TENTATIVE ITINERARY

**VISIT TO NIGERIA – NOVEMBER 2-6, 1977**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 1</td>
<td>P.M.</td>
<td>Depart Washington (National)</td>
</tr>
<tr>
<td>(Tuesday)</td>
<td>1830</td>
<td>Depart New York PA 190</td>
</tr>
<tr>
<td>November 2</td>
<td>1355</td>
<td>Arrive Lagos (fly by helicopter to either Government Guest House or Eko Hotel to avoid Lagos rush-hour traffic and have overview of City)</td>
</tr>
<tr>
<td>(Wednesday)</td>
<td></td>
<td>Briefing with staff (optional)</td>
</tr>
<tr>
<td></td>
<td>1600</td>
<td>Private dinner</td>
</tr>
<tr>
<td></td>
<td>1930</td>
<td></td>
</tr>
<tr>
<td>November 3</td>
<td>0830</td>
<td>Meeting with Commissioner for Finance and Governor, Central Bank</td>
</tr>
<tr>
<td>2/ (Thursday)</td>
<td>1000</td>
<td>Meeting with Commissioner for Industry</td>
</tr>
<tr>
<td></td>
<td>1040</td>
<td>Meeting with Commissioner for Economic Development</td>
</tr>
<tr>
<td></td>
<td>1120</td>
<td>Meeting with Commissioner for Housing, Urban Development and Environment</td>
</tr>
<tr>
<td></td>
<td>1200</td>
<td>Meeting with Commissioner for Agriculture</td>
</tr>
<tr>
<td></td>
<td>1300</td>
<td>Private lunch</td>
</tr>
<tr>
<td></td>
<td>1430</td>
<td>Meeting with Head of State</td>
</tr>
<tr>
<td></td>
<td>1530</td>
<td>Visit by helicopter to Federal Housing Estate Development (if interested)</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>Reception to be followed by dinner given by Federal Commissioner for Finance</td>
</tr>
</tbody>
</table>

1/ Mr. Reitter, Chief of Mission, Lagos states that there is a strong preference on the Nigerian side to accommodate Mr. McNamara and his party at the Government Guest House located at Victoria Island. In the event this does not materialize, Mr. McNamara and party will be accommodated at Eko Hotel, also located on Victoria Island.

2/ Mr. Reitter is liaising with Federal Ministry of Finance in arranging a suitable program for Mrs. McNamara while Mr. McNamara is engaged in official discussions with Government officials.

3/ It is likely the Head of State will be accompanied by a few of his top associates, including the Commissioner for Finance who is also a member of the Supreme Military Council. Mr. Reitter has promised to provide further details.
<table>
<thead>
<tr>
<th>Time</th>
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</tr>
</thead>
<tbody>
<tr>
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<tr>
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</tr>
<tr>
<td>1000</td>
<td>Arrive Sokoto</td>
</tr>
<tr>
<td>1030</td>
<td>Call on Military Governor of Sokoto State</td>
</tr>
<tr>
<td>1115</td>
<td>Call on Sultan of Sokoto 1/</td>
</tr>
<tr>
<td>1145</td>
<td>Depart for Gusau by small Government plane and if not possible, by car</td>
</tr>
<tr>
<td>1200 - 1620</td>
<td>Visit to Gusau Agricultural Development Project (Detailed program to be worked out by Chief of mission and notified later)</td>
</tr>
<tr>
<td>1620</td>
<td>Depart Gusau for Sokoto</td>
</tr>
<tr>
<td>1630</td>
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</tr>
<tr>
<td>1635</td>
<td>Depart Sokoto</td>
</tr>
<tr>
<td>1730</td>
<td>Arrive Kaduna (details of accommodations to be advised later by Chief of mission)</td>
</tr>
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<td>1915</td>
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<tr>
<td>2040</td>
<td>Private Dinner</td>
</tr>
<tr>
<td>0800 - 0930</td>
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</tr>
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</tr>
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<td>Visit to Federal and State Government Housing Estate Developments</td>
</tr>
</tbody>
</table>

1/ Mr. Reitter states Government is insisting on a courtesy call on the Sultan of Sokoto in accordance with local custom. Mr. Reitter has been asked to provide details of Sultan's role and biographical data along with those of other key Nigerian officials.
November 5 (contd.)
(Saturday)

1300 - 1345  Private lunch
1400 - 1645  Visit to Rice Project (Detailed program to be advised later by Chief of mission)
1700         Depart Calabar for IBADAN by Government plane
1830         Arrive IBADAN (Details of accommodation to be advised later by Chief of mission)

1945         Call on Military Governor of Oyo State
2000         Dinner to be given by Military Governor of Oyo State

November 6 0900 - 1030  Visit to University of IBADAN and Nigerian Institute for Social and Economic Research (NISER)
(Sunday)     1045 - 1300  Visit to International Institute for Tropical Agriculture (IITA) 1/
1300 - 1400  Lunch with IITA
1430         Depart IBADAN for Lagos
1500         Arrive Lagos
1530         Depart Lagos for Abidjan by Government plane 2/

1/ Separate briefs on NISER and IITA will be provided by Mr. Reitter on arrival

2/ Mr. Reitter states a period of 10-15 minutes has been allowed between Mr. McNamara's arrival at Lagos airport and his departure for Abidjan in the event a press conference or television interview is necessary and also, for wind-up discussions with Commissioner for Finance.

10-20-77
SUGGESTED PROGRAM FOR MRS. McNAMARA 1/
LAGOS
(Thursday, November 3, 1977)

0800  Depart Hotel
0900 - 1000  Visit to Handicapped Children's Home in Surulere
1100 - 1200  Visit Teaching Hospital for Women, or alternatively, Visit Island Maternity Hospital
1300 - 1400  Private Lunch
1430 - 1515  Visit Nigeria National Museum
1600 - 1700  Meeting with the Soroptimist Society (an international women's organization)

1/ We would appreciate Mrs. McNamara's reaction to the suggestions contained in this program for further discussions with the Nigerian authorities.
I am delighted to be in Nigeria for my second visit since I became President of the World Bank, and am very grateful for the invitation extended by the Federal Military Government. I look forward to seeing more of this dynamic country, as well as to my discussions with your leaders and with others involved in economic development.

Since my last visit in 1970, I have followed closely the significant progress you have made in implementing your development plans. I am delighted that the World Bank has had the opportunity to be associated with your efforts, and am grateful for the strong support which you, in turn, have given the Bank.

The World Bank continues to see its relationship with Nigeria as one of partnership. The Bank and its affiliate, the International Development Association, have so far provided a cumulative total of $856 million for a wide variety of development projects in this country. These projects have been in such sectors as education, transport, power, agriculture and rural development, and industry.

The pattern of assistance that the Bank has extended over the years reflects your country's changing needs, and our desire to respond to those needs. Thus, our deeper involvement in your agricultural plans in recent years reflects your Government's desire to spread the benefits of development more widely. Our assistance for agriculture and rural development in Nigeria, which started with a loan of $7.2 million for a cocoa project in 1971, has risen to an annual average of $63 million in the last four years.
Some of the rural development projects we have supported in Nigeria rank among the most important of those we have supported anywhere in the world.

We in the Bank are well aware of the fact that the assistance we have provided represents only a small fraction of the resources devoted to Nigeria's development, and that the overwhelming proportion of the resources have been mobilized by the Nigerian people themselves. We are encouraged by your interest in regional cooperation with other West African countries.

As far as the World Bank is concerned, we are envisaging a major expansion of our lending in support of your country's development. World Bank lending to Africa has already increased markedly from $800 million in 1964-68 to close to $7,500 million in 1974-78. We plan to continue to increase our lending to Africa, and Nigeria should receive a substantial share of this increase.

I hope during my visit to see, at first hand, some of the impressive progress that has been made under the Third Development Programme. I look forward to learning how the World Bank might be able to contribute more effectively to the development aspirations of all your people. Equally importantly, I will seek your views on ways of making the World Bank a more effective institution in the global task of economic development.
OFFICIAL NAME: Federal Republic of Nigeria

PEOPLE

The most populous country in Africa, Nigeria accounts for almost 25 percent of black Africa’s people. Its population density is about twice as high as for Africa as a whole and is greater than that of the United States. Although less than 20 percent of Nigerians are urban dwellers, at least 24 cities have populations in excess of 100,000.

The variety of customs, languages, and traditions among Nigeria’s 250 ethnic groups gives the country a rich heterogeneity.

The northern two-thirds of Nigeria is regarded as “the North.” Its dominant people, the Hausa, are primarily of the Islamic faith. Smaller ethnic groups of the North include the Fulani, Nupe, Tiv, and Kanuri.

The Yorubas of the southwest are divided into numerous subgroups. Most Yorubas are Christian, but many are Muslim as a result of the historic influence of the emirate established at Ilorin in the 19th century.

The largest ethnic group in the southeast is the Ibo, who have historically exercised great influence in trade, the bureaucracy, and the professions. Efik, Ibibio, and Eastern Ijaw also are sizable groups in this area.

In Bendel (formerly Midwestern) State are found several smaller linguistic groups such as the Benis and Western Ijaw. Ibo and Yoruba groups to either side are in the minority there.

Communications between persons of varying ethnic backgrounds frequently take place in English, although knowledge of two or more Nigerian languages is widespread.

GEOGRAPHY

Nigeria, located on the west coast of the African Continent, is bounded on the south by the Gulf of Guinea and on the landward sides by Cameroon, Chad, Niger, and Benin.

Four main topographical areas may be distinguished in terms of vegetation: the northern savanna, the western rain forest, the eastern rain forest, and the coastal lowland swamps. The most productive region of the country is the Nigeria Delta, the center of its petroleum industry.

CITIES: Lagos (pop. est. 250,000), Kano (300,000), Ibadan (1.3 million), and Ilorin in the 19th century. The largest ethnic group in the southeast is the Ibo, who have historically exercised great influence in trade, the bureaucracy, and the professions. Efik, Ibibio, and Eastern Ijaw also are sizable groups in this area.

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Nigeria has several navigable rivers, notably the Niger, the Benue, and the Cross. In addition, the extensive lagoons of the southern coastal area play an important role in transportation and economic activity.

Two seasons, dry and wet, are well marked throughout most of Nigeria. The north's dry season, from October to April, usually is made dusty by Saharan winds, called harmattan. In the south this season extends from November to April, with considerable desert wind and some dust in December and January. Annual rainfall varies from 150 inches (380 cm.) on the eastern coast to 25 inches (63 cm.) or less in the extreme north.

HISTORY

Before the colonial period, the area now known as Nigeria already had a long, eventful history. Over 2,000 years ago, the Nok culture in the present Plateau State worked iron and produced sophisticated terra cotta sculpture.

In the northern cities of Kano and Katsina, recorded history dates back to 1100 A.D. These Hausa Kingdoms and the Bornu Empire near Lake Chad prospered in the centuries that followed as important terminals of trans-Saharan caravan routes.

The Yoruba Kingdom of Oyo, founded about 1400, and at its height from the 17th to 19th centuries, attained a high level of political organization and encompassed a domain extending as far as modern Togo. When Europeans first arrived in Benin City in the 15th and 16th centuries, they found several highly organized kingdoms with an efficient army, an elaborate ceremonial court, and artisans whose works in ivory, wood, bronze, and brass today are prized throughout the world.

During the 17th and 18th centuries, the impact of the slave trade and other factors produced stagnation and political disintegration. However, in the early 19th century the Fijian leader Usman dan Fodio launched an Islamic religious war in which he defeated the Hausa States. From Sokoto he controlled an empire that included 100,000 square miles (260,000 sq. km.) of northern Nigeria.

The early history of European exploration and trade in Nigeria paralleled that of other colonies on the coast of West Africa. Following the Napoleonic wars the British expanded their trade with the interior of Nigeria. In 1855, British claims to a sphere of influence in that area received international recognition at a conference at Berlin, and in the following year the Royal Niger Company was chartered. In 1900 the company's territory came under British government. It was that government's efforts to suppress the slave trade and to further commercial interests that consolidated the British position in Nigeria.

In 1977, Nigeria was granted independence under the British Governor's Cabinet. Following World War II, successive Constitutions legislated by the British Government moved Nigeria toward self-government on a representative, federal basis. Nigeria was granted full independence on October 1, 1960, as a Federation of three Regions (Northern, Western, and Eastern) under a Constitution that provided for a parliamentary form of government. Sir Abubakar Tafawa Balewa was elected the first Prime Minister.

Under the Constitution, each of the three Regions retained a substantial measure of self-government. The Federal Government was given exclusive powers in the fields of defense and security, foreign relations, and commercial and fiscal policy. On October 1, 1963, Nigeria altered its relationship with the United Kingdom by proclaiming itself a Federal Republic and promulgating a new Constitution. A fourth Region (the Midwest) was established that same year.

From the outset Nigeria was faced with tribal and regional tensions. Misrule existed between the south and north (where modern economic development came later than in the south). The prominence of Ibo throughout the Federation aroused fears of Ibo domination. Political corruption and stagnation generated frustration. On January 15, 1966, a small group of army officers, mostly Ibo, overthrew the government and assassinated the Federal Prime Minister and the Premiers of the Northern and Western Regions. A military government assumed power under the leadership of Lt. Gen. T.R.T. Aguiyi-Ironsi. In May and September 1966 clashes between the south and north resulted in the deaths of thousands more. A second military government as Head of the Federal Military Government (FMG) was created on February 13, 1976, the first elected African legislator and the British Governor's successor. On October 1, 1977, the country emerged as Head of the Federal Military Government (FMG) and Nigeria's third Head of State. The FMG proposed a constitutional revision to settle Ibo aspirations and promised the homeward exodus of hundreds of thousands more. A second military coup occurred on July 29, 1966, and Gen. Yakubu Gowon (then Lt. Col.) emerged as Head of the Federal Military Government (FMG) and Nigeria's Prime Minister. On May 27, 1967, Gen. Gowon reorganized the four Regions into 12 States in order to better balance various areas and ethnic groups. Three States were created from the Eastern Region; six superseded the former Northern Region.

These events led Col. Ojukwu to proclaim on May 30, 1967, the independence of the former Eastern Region as the "Republic of Biafra." Fighting broke out between the FMG and Ojukwu's forces on July 6 and continued until Biafra surrendered on January 15, 1970.

Following the civil war, reconciliation was rapid, and the country turned to the task of economic development. Foreign-exchange earnings and government revenues were spectacularly increased by the oil price rises which took place in late 1973 and early 1974 as a result of decisions by Nigeria and other members of the Organization of Petroleum Exporting Countries.

On July 29, 1975, Gen. Gowon was overthrown in a bloodless coup by a group of military officers who accused him of allowing his government to become corrupt and inefficient. The new Head of State, General Murtala Mohammed, replaced many civil servants and announced many changes, including a timetable for the resumption of civilian rule on October 1, 1979, and the creation of a new capital city. On February 3, 1976, the FMG created seven new States and renamed many of the old ones, for a new total of 19 States.

General Mohammed was assassinated on February 13, 1976, in an abortive coup plot. The government replaced him with Lt. Gen. Olusegun Obasanjo, who was Armed Forces Chief of Staff. Following investigation and trials, the government executed 39 people for conspiracy in the coup attempt. Lt. Gen. Obasanjo has continued the policies and decisions of his predecessor.

GOVERNMENT

The Constitution (Suspension and Modification) Decree of March 1967 established important parts of the previous Constitution and formalized to a large extent the governmental arrangement which came into effect with the first coup in 1966.
A new Federal Capital Territory carved from virgin territory in almost the same region, was also created in February. The new capital is slated to be constructed over the next 10 to 15 years.

In August 1976 a program for the reorganization of local government was announced, which included a draft of a new Nigerian Constitution was published. This draft calls for complete separation of the legislative structure, an Executive Presidency (with a popularly elected President and Vice President), a bicameral legislative, independent judiciary, and safe-guards to insure that political parties are national rather than ethnic or regional in outlook.

In December 1976, the FMG held elections, for the first time in 11 years, in which voters chose representatives to local government councils. The next step in the FMG's program will be a decision of a Constitutional Assembly to consider the draft Constitution and produce a finished, ratified document. The present ban on political activities is scheduled to be lifted in October 1978, and legislative elections at State and Federal levels are to be completed before the 1979 deadline.

ECONOMY

The Nigerian economy exhibited strong growth in 1976 and should continue to expand impressively through 1977. Oil revenues for 1976 reached $3.1 billion. Crude petroleum production (GDP) in 1976 was approximately $27.2 billion and should reach $29 billion (GDP) in 1978, with associated revenues estimated at $7.1 billion and should grow to over $11 billion in 1979-80, according to government planners, despite recent achievements on nonmonetary items. Regaining momentum The February 1976 coup attempt, the Obasanjo government is attempting to accelerate development and Nigerian economy. After bringing the civil war to a conclusion in January 1970, the FMG extended amnesty to former supporters of the attempted secession and embarked upon an ambitious program of internal reconciliation and reconstruction. Eastern Nigerians, including the two people, were successfully reintegrated into national life. They again held responsible positions in the civil service and police and the primary schools, the FMG in significant numbers on the staffs of public corporations, private companies, and institutions. In an address on October 1, 1976, Gen. Gowan reviewed the FMG's postwar achievements and concluded that "total reconciliation" had been achieved.

Political parties, political activity, and strikes are formally proscribed. The Nigerian Communist Party, which was estimated at 7,1 million in the 1976-77 period, had been dissolved. Among the larger business enterprises and government officials have expressed concern over the need to improve agricultural output. In early 1976 the government began a step-by-step program of tight fiscal and monetary policies to correct the 1975-1976 balance of payments deficit.

The manufacturing sector, which contributes only 24 percent of GDP, is growing at an annual rate of 20 percent. Activity centers around primary extraction or processing of export goods, but manufacturing of consumer products for the Nigerian market has greatly increased. Among the larger industrial operations are a petroleum refinery, cement factories, lumber and plywood mills, and textile mills. Peugeot and Volkswagen have established automobile assembly plants in Nigeria.

The Nigerian economy is well advertised with new oil fields, increasing foreign investment, and domestic development. Nigeria is now a member of the Organization of Petroleum-Exporting Countries (OPEC), and its exports of crude oil account for over half of its foreign exchange earnings and provide a substantial portion of its foreign exchange earnings. The Nigerian economy is well prepared for growth and development.

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petroleum, are presently exported, and hard mineral production contributes only a small proportion of the nation's income. Coal, iron ore, and limestone deposits have created interest in establishing mining and steel industries. In early 1969, a $245 million dam and hydroelectric plant at Kainji on the Niger River was opened with a potential of close to 1 million kilowatts. Additional generating facilities are planned.

**Petroleum exports dominate Nigeria's export trade.** Oil has accounted for 93 percent of Nigeria's export earnings in recent years. In 1976 Nigeria maintained a favorable trade balance of about $2 billion, but a deficit in the service account may leave the current account in deficit for the first time since 1973. This trend, the continued drawdown of foreign-reserve holdings (currently at just under $4 billion), and the projected need for greater infrastructure spending may lead to greatly increased government external Borrowing in the near future.

### National Development

The attention of Nigerian policymakers and the general populace is now focused on the third 5-year development plan. Funded by vast oil revenues, the plan originally envisaged the expenditure of $50 billion to improve significantly the standard of living of every Nigerian. The Government of Nigeria is presently undertaking an upward revision of the third plan reportedly calling for investment outlays of up to $70 billion by the end of 1980. Included in the plan's spending targets will be two liquefied natural gas projects, two or more oil refineries, cement plants, transportation systems, and agricultural development.

A major constraint on Nigerian development has been the lack of adequate manpower. Economic and social development requires more doctors, engineers, technicians, and trained Nigerians of other categories than have been available. The Nigerian Government is overcoming this problem by the creation of new educational institutions at all levels, including new universities—for a total of 13—and a vast program to achieve Universal Primary Education (UPE).

Nigeria continues to welcome private foreign investment that promises to make a substantial contribution to national development. The original 1975-80 development plan envisaged private investment of about $8 billion. In 1977 Nigeria signed a new OPEC (Overseas Private Investment Corporation) investment guarantee agreement with the United States in 1974.

### Transport and Communication

Nigeria's two principal ports are located at Lagos (Apapa) and Port Harcourt. Its 5,331 miles (8,577 km.) of navigable inland waterways, utilizing principally the Niger and Benue Rivers and their tributaries, constitute an extensive waterway system and provide a potentially important means of transportation. Of 50,000 miles (80,465 km.) of roads, about 10,000 (16,093 km.) are paved. There are 2,180 miles (3,508 km.) of railroad track. Nigeria has two airports serviced by international airlines including one U.S. airline.

Nigeria Airways operates a fleet of aircraft, including wide-bodied jets, on an extensive domestic system and on international routes within West Africa and to European capitals. Nigeria has trained experienced air crew and ICAO ATC personnel.

### Foreign Relations

Nigeria's foreign relations rapidly returned to normal after the civil war. The Federal Military Government resumed diplomatic relations with African countries that had recognized the secessionist regime (Tanzania, Gabon, Ivory Coast, and Zambibia). General Gowon made a series of state visits to African capitals and to Great Britain, the Soviet Union, and the People's Republic of China.

Nigeria has increased its efforts to promote regional economic cooperation through its strong support of the Economic Community of Western African States (ECOWAS). It has also entered into a number of bilateral cooperative economic projects with other West African countries and has provided economic assistance to some African countries, including the drought-affected states of the Sahel.

### U.S. Relations

U.S.-Nigeria relations are based on a variety of cultural and economic ties. Nigeria has the largest number of persons of African descent among its citizens of any country in the world; the United States ranked second. At least 12,000 Nigerians are stationed in the United States, and increasing numbers of Americans are living and touring in Nigeria. The United States is the major foreign market for Nigeria's crude oil, and Nigeria ranks second to Saudi Arabia as the most important foreign supplier of oil to the United States.

U.S. private investment in Nigeria approximates $1 billion, largely in the joint production of petroleum with the Nigerian Government. U.S. investors are becoming increasingly interested in Nigeria's growing market of nearly 80 million people who had a GDP of $27 billion in 1976 and foreign-exchange earnings of over $10 billion (mostly from oil). Nigeria welcomes private U.S. investment as a means of obtaining managerial and technological talent and training. Trade between the two countries has steadily increased. In 1976, the United States exported about $750 million of goods and services to Nigeria and imported goods worth $4 billion, mostly oil.

The United States took a position of political and military noninvolvement during the Nigerian civil war and continued to recognize the FMG as the Government of Nigeria. It vigorously supported peace efforts by the Organization of African Unity and the British Commonwealth Secretariat. The United States contributed heavily to wartime and postwar relief efforts. Public and private U.S. contributions during that time totaled more than $140 million.

The U.S. economic assistance to Nigeria in 1974 amounted to $5.4 million. In 1976, the United States contributed $4 million in development loans and $4.7 million in technical assistance grants for food production and nutrition, population and health, education, and human resources. There have been no new loans or grants from the U.S. Government since 1974 because of Nigeria's oil wealth. The U.S. Agency for International Development (AID) does, however, continue to sponsor a few projects in Nigeria which are for the benefit of the entire region, and some bilateral projects are carried out on a reimbursable basis.
Foreign Economic Trends and Their Implications for the United States

NIGERIA

June 1977
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U.S. Department of State, and released by the
U.S. Department of Commerce
Domestic and International Business Administration
Bureau of International Commerce
Nigeria Key Economic Indicators

In $ millions unless otherwise indicated

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<td><strong>BALANCE OF PAYMENTS AND TRADE</strong></td>
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<td>760.9</td>
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*1974-75 factor cost

Main imports from U.S. (estimated values) 1976: Wheat ($91.8), Rice ($25.5), Machinery and Transport equipment ($144.4), Parts of telecommunications apparatus ($144.0), Chemical elements and compounds ($16.2).

Sources: Central Bank of Nigeria, Lagos
Federal Office of Statistics, Lagos
All 1977 estimates U.S. Embassy Lagos
**SUMMARY.** Nigeria's expansion continues at full steam fueled by rebounding petroleum revenues. Intent on doing everything at once, the country is beset by congestion, inflation, shortages of trained manpower and the myriad problems that accompany an over-heated economy. Nevertheless, firm political commitment for development and continued high oil export earnings promise to keep the growth surge rumbling forward. Having successfully handled the challenge of the International Black Arts Festival, the FMG should now find time to focus on needed infrastructure projects. The revised five-year plan calls for more attention to the common man's needs, accenting roads, housing, water systems, and agricultural development.

There have been several noteworthy events in the last six months affecting trade and investment. Although the trade account stayed in surplus, swelling purchases and a pronounced deficit in invisibles turned the balance of payments negative, a situation which will soon lead the government into offshore borrowing. Budget constraints have also prompted increased strictures on imports and more exacting scrutiny of contracts by the government. Positive signs include increased public sector outlays generated by the upwardly revised national plan and some encouraging new incentives for oil exploration and production. The latter should improve the foreign investment climate which previously had been cooled by regulations on "indigenization" or increased Nigerian ownership of companies. American firms will have an opportunity to impact on the Nigerian market through participation in the Lagos International Trade Fair scheduled November 27 - December 11, 1977, the first major international exhibition ever hosted by Nigeria. Political conditions appear more settled and progress continues toward promised civilian rule in 1979.

Political outlook steadies. The political scene is becoming more stable as the trauma of the Head of State's assassination in early 1976 recedes into the past. Pace of development, especially in construction; movement on schedule toward civilian rule; successful creation of seven new federal states; reform of local government (elections were held in late 1976); and assertion of Nigerian leadership in Africa all contribute to popular approval of the present government. Inflation remains a potential cause of unrest, but the government recognizes the danger and is making well publicized efforts to combat it. Nigeria is in the process of adopting a new constitution to go into effect with the return of civilian government in 1979. While a minority of students and intellectuals criticize the draft constitution as capitalist and elitist-oriented, the majority of Nigerians appear to favor a mixed economy with ample opportunities for free enterprise and resist the imposed ideology and regimentation attendant in a socialist "people's state."
Equally meaningful has been continuing insistence by top officials of federal and state economic ministries that American investment and management are very needed here. In the sphere of trade as well, top government leaders have stated that more of America's leading companies should be active in Nigeria.

Growth rate spurs, but budget squeeze obliges borrowing. In the April 1, 1976 - March 31, 1977 fiscal year, Nigeria's Gross Domestic Product, measured at 1974/75 factor cost, was $25.5 billion, a real growth gain of 10.3% over the previous year. With petroleum accounting for roughly 40% of GDP, the 16.8% increase in crude oil exports was the prime factor in the economy's expansion. Agriculture, fishing and forestry, which together make up 25% of GDP, grew only 3%. Projections for another 10% GDP gain in fiscal year 1977 rest on an expected increase of 15% in oil revenues. Post-1977 prospects have been muted because of stagnant investment in the petroleum sector, but fresh government incentives furnish new hope.

For the fiscal year ending in March 1978 total gross revenue for the FMG is estimated at $12.09 billion, a 25.3% increase over the previous year. Of this sum, $2.84 billion will be allocated to the state governments as statutory revenue leaving $9.25 billion for federal spending, now projected at $13.6 billion. As $4.9 billion are necessary for recurrent expenditures, only $4.35 billion will be available to fund the $8.7 billion expenditures on capital or development account. According to the FMG, internal and external loans must cover the resultant $4.34 billion gap. It is unlikely that such a large deficit will occur, however, as bottlenecks in plan implementation will probably hold actual disbursements to no more than 60% of estimated expenditures. If this assumption holds for the current fiscal year, less than $800 million will be needed in loans. Additional financing may be done by state and local governments which this year were given the right to float bonds in the capital market.

Five-Year plan expanded. On April 4, 1977 the government unveiled a revised development plan for the period 1975-80. The total nominal public sector spending program rises to $68.4 billion from the previous total of $48 billion. As planners estimate that only 60% of the plan will be implemented, expected disbursements have really risen to $41 billion from $31.2 billion. The increase in spending stems from inflation in project costs, the requirements of seven new states and a new federal capital, and more attention to the practical needs of the population at the expense of prestige projects. While the revision does not list priorities, the largest sectoral gains appear in transportation, communications, defense and urban and regional planning.
Balance of payments goes negative. Export earnings hit $9.321 billion in calendar year 1976, 93% of which derived from petroleum sales. Merchandise imports were valued at $7.312 billion, resulting in a trade surplus of $2.009 billion. Non-merchandise imports, including insurance, transportation, and other services, came to $2.215 billion causing a current account deficit of $206 million. The capital account had a deficit of $176 million for an overall balance of payments deficit and foreign exchange outflow of $382 million, sharply in contrast to the 1975 surplus of $250 million. The FMG has reacted with a series of measures to staunch exchange losses. Insurance must now be written by local companies; only 50% of contract fees on consultancy contract fees can be remitted; limitations on dividends have been extended for a year; import prohibitions and upward tariff adjustments have been widened and "conspicuous consumption" has been officially denounced. Recently barred from entry are such items as champagne, lace, bottled water, madras, carbon paper and cars above 2500 cc engine capacity. Items newly requiring an import license include common salt, carpets, furniture, watches and passenger cars with engine capacity between 2000 and 2500 ccs. Other hardly luxury items like preserved fruits and vegetables have remained on the license list for over a year. Tariffs have been altered to further protect such local industries as tires, clothing, footwear, brewing and textiles.

Inflation eases. Better news comes in the official consumer price index climbing 22% in 1976, compared to a rise of 33% in 1975. However, many analysts dispute these figures (not surprisingly as the index is based on expenditures of urban workers with a maximum income of $1,264 per annum) and see the rate lower than last year but still hovering around 30%. In any case, several measures appear to be working. Money supply, for example, increased 61% in 1976, as against 74% in 1975. Dividends will continue to be restricted to a nominal rate of 40% in the coming fiscal year, but due to the corporate income tax provisions this amounts to an effective rate of 16%. Price and wage controls continue, and credit ceilings and cash reserve requirements have soaked up some liquidity. Rent control edicts, however, for the most part appear to be circumvented. Heavy penalties against smuggling have been announced. But underlying problems remain. There still is relatively little growth in domestic industry or agriculture. Indigenization regulations have discouraged foreign manufacturers from setting up operations, depriving the country of new productive capacity that was definitely in the offing. The awaited breakthrough in distribution channels is still somewhere in the future. Port congestion has eased, worsened, eased and then worsened again, and the needed road network linking urban and rural areas is not yet operative. Losses in trucks from accident and break-down remain excessive. Storage space continues to be seriously deficient. Demand
will outrace supply for long into the future. Yet in all fairness, Nigeria has worked hard and spent lavishly to remedy these ills, and some results should become visible by early 1978. In Lagos alone, the new ring road should loosen the traffic stranglehold on the city, and 10 new maritime berths should soon be inaugurated.

Oil output climbs. In 1976, Nigerian earnings from petroleum exports totaled $8.6 billion, up from $7.1 billion in 1975 with first quarter 1977 exports averaging 2.102 million barrels per day. Nigeria should be able to maintain its current rate of production and exports through the year. In view of price increases in December and April totaling just over 10%, oil revenues could reach $9.5 billion this year. Outlook beyond 1977, however, is less certain. Increasingly restrictive government policies over the past four years have shrunk profits and caused investment in exploration and development of new production facilities to dry up. Consequently, a real possibility exists that net depletion of oil reserves in developed wells could force actual cutbacks in production by 1979. Aware of this, the FMG in April began discussion of proposed new investment incentives with the oil companies. The reaction of the latter has generally been that the proposals, while not sufficient to stimulate new activity in all areas the FMG wishes to see developed, will at least make some projects viable. Given strong demand for light, low-sulphur Nigerian crude, particularly in the U.S. market, these new incentives should stimulate enough new investment to keep production at or near present levels over the next 3-5 years. Maintaining or increasing production in the early and mid-1980's, however, depends on beginning exploration now in deep offshore and far inland areas, and the present investment incentive proposals do not appear sufficient to accomplish this. Although OPEC may increase prices annually, Nigeria cannot look forward to increases in oil revenues of the magnitude required to meet Third Development Plan expenditure forecasts.

Agriculture sector is large buyer. With population and consumption trends clearly outrunning farm yields, the past year has seen a heady spree of purchases from abroad. In 1976, imports of foodstuffs and live animals topped $600 million, of which $150 million came from American suppliers. Purchases from the U.S. in 1976 were 55% ahead of 1975 and are expected to double in 1977. Items to watch in the U.S. share are rice, wheat and frozen poultry. Sluggish domestic agriculture expanded only 3% during the year, and yields of the largest commercial export crops, peanuts and cocoa, are a fraction of what they were several years ago. Inadequate inputs, flow of rural workers to the city, difficulty in getting credit, skimpy storage and transport facilities, and lack of guaranteed prices combine to depress output despite a variety of government improvement schemes. Nevertheless, official emphasis on lifting agricultural productivity appears more intense
than ever. The National Accelerated Food Production Program, placing technical assistance centers in strategic locations, promises to implant new muscle. The FMG has also begun to establish giant 3000 square mile plantations on which small farmers continue to live and work, supported by a modern facility from which a contracted management company supplies farmers with needs ranging from tractors to advice to seeds and fertilizer. Banks have again been ordered to reserve higher shares of lending portfolios to farmers, all farm equipment and fertilizers are now free of import duty, and a streamlined structure of commodity boards has replaced the former state marketing board system. Seven boards, each responsible for one commodity, have been set up around the nation in respective growing areas (e.g., Cocoa Board in Ibadan, Groundnut Board in Kano, etc.). Agricultural sector purchasing is increasingly decentralized in the states and sellers should direct their efforts there.

Indigenization policy formalized. Six months after the first notification of a new Nigerianization ownership policy for business, the Nigerian Enterprises Promotion Decree was published in January 1977. The three-schedule decree supersedes all previous measures and must be implemented by December 31, 1978. Schedule I contains 40 categories of business reserved exclusively for Nigerians, including wholesale distribution of locally produced goods, advertising, garment manufacture, and blending and bottling of alcoholic drinks. Schedule II contains 56 categories of business which must have at least 60% equity participation by Nigerians including commercial, merchant and development banking, beer brewing, construction, distribution and servicing of motor vehicles, manufacture of plastic and rubber products and mining and quarrying. Businesses not covered in Schedule I and II fall into Schedule III which requires at least 40% ownership of equity by Nigerians. These schedules provide only a rough guide and some companies with activities in more than one schedule must seek further clarification of their status. Strict penalties oppose sale of ownership to a Nigerian front man to mask continued alien control, and no individual may be allotted more than 5% of the equity of a company or a portion valued at $79,000, whichever is higher. According to some sources the indigenization decree will result in 200 new issues in the Lagos Stock Exchange with new shares valued well in excess of $316 million. Most companies will probably wait until the end of the 1978 grace period to dispose of equity, but large trading companies have been given incentives to do so by June 1977.

Nigerian officials explain at least 70% of vital economic sectors were in the hands of foreigners, a situation which Nigerians felt called for the "commanding heights" to be passed back into local hands. Moreover, they point out that the most practical way to transfer technology is to have Nigerians involved in the ownership of the organizations receiving
the transfer. No new changes in the rules loom in the foreseeable future. Ministry spokesmen as well as local businessmen state that foreign management and organizational skills, especially American, are crucial for success and these will not come without foreigners having equity. Investment interest from abroad is again picking up, one pragmatic approach being for the foreign firm to make its investment in the form of equipment sold to the joint venture and then enter into a management contract. Anyone considering investment, however, must take ample time to survey the whole Nigerian scene, select suitable partners and carefully scrutinize all the legal requirements, particularly repatriation limitations on dividends and fees.

Implications for the U.S. Some noteworthy facts cannot be overlooked. American exports to Nigeria have more than doubled in the past two years, rising from $346 million in 1974 to $770 million in 1976. Sectors have been penetrated by U.S. goods and services for the first time. Nigeria is the eighth most populous nation in the world, and the fifth largest trade supplier to the U.S. It enjoyed a $1.1 billion trade surplus with us in 1976, its sales to us being six times greater than our sales to Nigeria. Since 1969 Nigeria's growth rate has been in excess of 8%. But as roughly 11% of Nigeria's imports and 20% of its foreign private investment come from America, there is room to do more. Reinforcing the message of the statistics is a perceptible improvement in political relations in the past year, a development which has seen Nigerian leaders invite more activity on the part of American firms. Another factor to be considered is Nigeria's timetable to return to civilian rule in 1979, a date by which the regime wants to achieve as much as possible. In many cases, Americans offer the best means to get the job done well and on time.

An analysis of development objectives and purchasing trends indicate that certain sectors offer special promise. Transport is needed more than ever to bind the nation together with trucks, buses and rail equipment. Water resources are receiving urgent attention and strong demand exists for related machinery and services, including borehole drilling, submersible pumps, and pipe-making equipment. A survey of timber resources has recently been completed and sawmill and woodworking machinery sales are brisk. Communications equipment is much wanted, as are companies that will produce items here. Medicinal products, which accounted for $210 million in imports in 1976, should swell with upward budget adjustments in health care sector; stocks were very low last year and need replenishment. After painful delays, education programs are expected to get off the ground with requirements extending from visual aids to teachers colleges to laboratories. Agriculture offers strong potential in all its segments. One leading U.S. tractor manufacturer recently held a two-week seminar in the north and sold every piece of equipment it could bring into the country. The
trend is for larger horsepower units to serve larger farms. Food producers and handlers, the latter increasingly busy with growing imports, need more and better storage facilities. Reefer trucks are sought, as are other specialized units such as garbage trucks.

Still lagging is the presence of large U.S. construction firms, competent and tried in international business. Negotiations are now going on with several leading construction firms to form joint ventures with the FMG. Strengthening the U.S. image, the Nigerian capital development authority responsible for the building of the new federal capital city selected the U.S. Geological Survey to perform basic services for the project and has recommended a consortium of U.S. firms to do the master planning. Able companies are wanted to compete for projects ranging from hospitals and roads to factories and power plants.

Responding very favorably to U.S. sources is the long-neglected consumer goods sector. Department store buyers' reaction to calls made by American representatives frequently is "Where have you been?". The populace is increasingly attracted to U.S. styles, materials and appliances. A trend-setting Nigerian company, recently ordering U.S. boots and pants for the first time, predicts a swing to "western cowboy dress" in 1978-79.

The major potential for exports to Nigeria will remain in the field of machinery and transport equipment. Imports of this type were roughly $3.3 billion in 1976. The second largest import category, valued at $2 billion, is manufactured goods. Promising markets in this field are iron and steel sheet, yarn and cement. The U.S. should continue to dominate in food exports to Nigeria, and another sector for expansion is chemicals.

Many of the projects in the 1975-80 Plan have been contracted for. But those still available include a petrochemical complex expected to cost $474 million, two export refineries expected to cost $158 million, two liquefied natural gas plants expected to cost $2 billion, the installation of standard gauge railroad track expected to cost $930 million and several major highway projects.

The FMG is mainly encouraging investment in the fields of medium to high technology manufacturing. Businesses which fall into Schedule III of the indigenization decree requiring only 40% Nigerian ownership are largely made up of such firms. Examples include manufacture of agricultural machinery, of motor vehicles and motorcycles, of radio, television and communications equipment, and of drugs and medicines. The same products loom large in Nigeria's imports. At the beginning of the five-year plan only 15% of the consumption of drugs and
medicines, 14% of basic industrial chemicals, fertilizers and pesticides, and 1% of machinery and equipment excluding electrical equipment were produced locally. Other promising areas for which only 40% Nigerian ownership is required include hotels, oil servicing companies and data processing services.

In their activities, American firms must remember certain basic points. Patience and market research are crucial. Successful ventures do not come from hurried visits. Local partners or agents need very careful study before selection; the prospective Nigerian representative who makes a good impression when calling on the home headquarters of an American firm may turn out to be a very weak reed in his own homeland. In all sales packages, a comprehensive training component is vital; Nigeria does not simply want to buy, it wants to learn. A rightfully proud, increasingly strong developing nation, it expects the same attention and reliable back-up service accorded industrialized western countries. The groundwork and effort needed to complete transactions often exceed that required elsewhere; long delays, problems and frustrations can be expected. But there is a powerful market that continues to expand, and a wealth of investment opportunities which are only lightly tapped. It should also be kept in mind that Nigeria's actions and her preferences exert a significant demonstration effect in much of Africa. An excellent way to make the most of the potential which Nigeria offers is participation in the Lagos International Fair which will run from November 27 to December 11, 1977.
MEMBERS OF THE SUPREME MILITARY COUNCIL

1. Lt. Gen. O. Obasanjo  
   Head of State

2. Brigadier S.M. Yar'Adua  
   Chief of Staff Supreme HQ

3. Lt. Gen. T.Y. Danjuma  
   Chief of Army Staff

4. Rear-Admiral M.A. Adelanwa  
   Chief of Naval Staff

5. Air-Commodore J.N. Yisa-Doko  
   Chief of Air Staff

   General Officer Commanding 1st Infantry Division.

   General Officer Commanding 2nd Infantry Division

   Nigerian Army

9. Mr. A. Suleman  
   Nigerian Police

10. Brig. J. N. Garba  
    Nigerian Army

11. Col. A.O. Aduloju  
    Nigerian Army

12. Col. I. Babangida  
    Nigerian Army

    General Officer Commanding 3rd Infantry Division

    General Officer Commanding 4th Infantry Division

15. Mr. M.D. Yusufu  
    Inspector General of Police

    Nigerian Army

17. Brig. Abdullahi Mohammed  
    Nigerian Army

18. Col. M. Buhari  
    Nigerian Army

19. Commander A.A. Aikhomu  
    Nigerian Navy

20. Lt. Col. O.E. Ukiwe  
    Nigerian Navy

21. Wing-Commander I. Alfa  
    Nigerian Air Force

22. Mr. Buba Fika  
    Deputy Commissioner of Police
MEMBERS OF THE FEDERAL EXECUTIVE COUNCIL

**Head of State:** Lt General Olusegun Obasanjo

**Chief of Staff, Supreme Headquarters:** Brigadier S. Musa Yar' Aduna

**Federal Commissioners:**

**Agriculture:** Mr. B.O.W. Mafeni

**Defence:**

**Establishments:** Dr. G. B. Leton

**Education:** Col (Dr) A. A. Ali

**External Affairs:** Brigadier J.N. Garba

**Finance:** Major-General J.J. Oluleye

**Economic Development:** Dr. Omoniyi Adewoye

**Health:** Dr. Peter Ogbang

**Internal Affairs:** Mr. U.A. Shinkafi

**Justice:** Dr. A. Nnamani

**Mines and Power:** Alhaji Kachalla Barko

**Trade:** Major-General M. Shuwa

**Transport:** Lt-Col M. Magoro

**Works:** Mr. O. Aribiah

**Industries:** Dr. R. A. Adeleye

**Information:** Mr. G. A. Ogunlade

**Labor:** Major-General H.E.O. Adefope

**Communications:** Mr. S. O. Williams

**Petroleum and Energy:** Lt-Col M. Buhari

**Cooperatives and Supply:** Alhaji U.A. Mutallab

**Housing, Urban Development and Environment:** Lt-Col Muktar Mohammed

**Aviation:** Dr. I. U. William-Osisiogu

**Water Resources:** Alhaji Ibrahim El-Yakubu

**Social Development, Youth and Sports:** Mr. D. Isokari

**Chairman, Federal Capital Development Authority:** Mr. Ajose-Adeogun

**Secretary to the Federal Military Government:** Mr. A. L. Ciroma
MILITARY GOVERNORS, FEDERAL REPUBLIC OF NIGERIA

1. Anambra State
Col. Atom Kpera

2. Bauchi State
Lt. Col. Kaliel

3. Bendel State
Commodore Husseini Abdulahi

4. Benue State
Col. Shelleng

5. Borno State
Group Captain Amin

6. Cross River State
Col. Paul Omu

7. Gongola State
Col. Mohammadu Jega

8. Imo State
Commodore Adekunle Lawal

9. Kaduna State
Group Captain Usman Jibrin

10. Kano State
Col. Sani Bello

11. Kwara State
Brig. George Innih

12. Lagos State
Commander Godwin Kanu

13. Niger State
Commander Murtala Nyako

14. Plateau State
Group Captain Dan Suleiman

15. Ogun State
Lt. Col. S.A. Balogun

16. Ondo State
Wing Commander David Ikpeme

17. Oyo State
Brig. Jemibewon

18. Rivers State
Col. Zainab Lekwot

19. Sokoto State
Col. Umaru Alhaji Mohammed
NAME: Major-General James J. Oluleye

POSITION: Federal Commissioner for Finance, and Governor for IBRD and IDA

Born 1937 in Ondo State (part of former Western Region) where he received his early education and was trained as a teacher. Taught for several years and advanced to Headmaster before joining the Nigerian Army as Officer Cadet in 1959. Received his military training in various institutions in Ghana, Britain, Nigeria and India. He was commissioned in 1961 and promoted in rapid succession to Colonel in 1975, Brigadier 1976 and Major-General in early 1977. Appointed member of the Supreme Military Council and Commissioner for Establishments in the Federal Executive Council in August 1975. Appointed Federal Commissioner for Finance in March 1977.

NAME: Mr. Musa Bello

POSITION: Permanent Secretary, Federal Ministry of Finance, Alternate Governor IBRD

Formerly a civil servant of the old Northern Regional Government and later served as Permanent Secretary, Ministry of Finance, of the former North Eastern State. Prior to his present appointment in late 1975 he was General Manager, Northern Nigeria Development Corporation.

NAME: Mr. Ola Vincent

POSITION: Governor, Central Bank of Nigeria, and Alternate Governor, IMF

An economist by training, he made his career through the civil service and the Central Bank and rose to the position of General Manager in the mid-sixties. He subsequently became Vice-President of the African Development Bank and was appointed Deputy Governor of the Central Bank upon his return to Nigeria in 1975. In July 1977 he became Governor when his predecessor, Mr. Adam Ciroma resigned to stand for election for the Constituent Assembly.

NAME: Mr. Gilbert Chikelu

POSITION: Permanent Secretary, Federal Ministry of Economic Development and Planning

Formerly Director, Central Planning Office in which capacity he was largely associated with the preparation of the current National Development Plan (1975-1980). Prior to his present appointment in 1976 he was Permanent Secretary, Federal Ministry of Mines and Power.
FEDERAL MILITARY GOVERNMENT

PRINCIPAL OFFICIALS AND BIOGRAPHICAL DATA
Lt. General Olusegun Obasanjo, Head of the Federal Military Government and Commander-In-Chief of the Armed Forces of the Federal Republic of Nigeria, was born on the 5th of March, 1937 at Abeokuta, then part of Western Nigeria and now capital of Ogun State. After his primary education, he went to the Abeokuta Baptist High School. He joined the Nigerian Army in 1958, and later proceeded to Britain for training at the Mons Officers Cadet School. He was commissioned in April 1959, becoming a full Lieutenant the following year.

Lt. General Obasanjo's subsequent progress in the army was steady. In April 1963, he was promoted Captain and in January 1965, elevated to the rank of a Major. Two years later, he became a Lieutenant-Colonel and in another two years a full Colonel.

Lt. General Obasanjo was promoted Brigadier in October 1972, the rank he held until July 29, 1975 when he was appointed Chief of Staff, Supreme Headquarters, with the rank of Lieutenant-General.

As an engineer, Lt. General Obasanjo attended many professional courses abroad, particularly in the United Kingdom and in India. He was at the British Royal College of Military Engineering where, as a young officer, he won a citation as the best Commonwealth student ever to attend the school. He also attended the School of Survey in Newbury, England. After a course at the Indian Staff College, he was on a short attachment to the Indian Army Engineering School at Poona. Another course he attended was at the Royal College of Defence Studies in London in 1974, during which he produced a dissertation on "British Foreign Aid to Nigeria".
Within the Nigerian Army itself, Lt. General Obasanjo served in different units. He was first with the 5th Battalion in Kaduna and served in the Cameroons before Nigeria attained independence. Still with the 5th Battalion he went to the Congo (now Zaire) in 1960. He later joined the only Engineering Unit of the Nigerian Army, rising to command the Unit in 1963. He was also the first Commander of the 2nd Area Command, then Commander of 2nd Division (Rear), based in Ibadan. He later became Commander of the Garrison, a position he held until May 1969 when he was appointed General Officer Commanding 3 Infantry Division.

His most famous assignment was the command of the Third Marine Commando Division of the Nigerian Army operating in the South Eastern Front during the Nigerian civil war. He led the men of the Division into victory over the rebels and accepted the surrender of the rebel forces.

At the end of the civil war, he returned to the headship of the Engineering Corps of the Nigerian Army. After his course at the Royal College of Defence Studies, he was appointed Federal Commissioner for Works and Housing in January 1975 in the government of General Yakubu Gowon which was deposed in July of the same year. He was subsequently appointed Chief of Staff, Supreme Headquarters.

As Chief of Staff, Supreme Headquarters, Lt. General Obasanjo was the second in command in the government of General Murtala Muhammed. He was 'de facto' Prime Minister, seeing to the day-to-day running of the government in accordance with the policies laid down by the Supreme Military Council under the leadership of General Muhammed.
Following the abortive coup of February 13, 1976, in which General Muhammed was assassinated, Lt. General Obasanjo was unanimously chosen by the Supreme Military Council to become the Head of the Federal Military Government and Commander-In-Chief of the Armed Forces of the Federal Republic of Nigeria.

Lt. General Obasanjo is a Yoruba. But he prefers to be regarded as a Nigerian. In his own words: "it is true that to be a Nigerian one has to be born in one part of the country, but my greatest wish has always been to be seen and regarded as a Nigerian first and foremost".

He is a teetotaler and does not smoke. His recreation is games, like table tennis, billiard, snooker and squash.

Lt. General Obasanjo is married with five children.
Brigadier Shehu Yar'Adua was born in Katsina town in Kaduna State on March 5, 1943. He had both his elementary and secondary education in Katsina, obtaining his West Africa School Certificate in 1961 at the Government Secondary School there.

In April 1962, he was admitted into the Nigerian Military Training College in Zaria. He later proceeded to the Royal Military Academy, Sandhurst, where he was until 1964. He also attended the Command and Staff College, where he obtained his P.S.C. in 1973.

Brigadier Yar'Adua was a Platoon Commander from 1964 to 1965 and became a Battalion Adjutant in 1965. He followed up in 1967 as a Company Commander. Late that same year, he became Assistant Adjutant General (2nd Division).

Between January and December, 1968, he commanded 6 Infantry Brigade in the Second Infantry Division of the Nigerian Army. He played a prominent role as the Commander 6 Brigade in the Onitsha Sector. Between 1969 and 1972 he commanded the 9 Infantry Brigade which was based at Warri during the civil war.

After the change of Government in July 1975, Brigadier Yar'Adua was appointed Commissioner for Transport in General Muhammed's Government. He was a Commissioner until the February 1976 abortive coup. With the appointment of Lt.General Obasanjo as the Head of State, Brigadier Yar'Adua became the Chief of Staff, Supreme Headquarters.

He is married with three children.
Major-General James Johnson Oluleye, Federal Commissioner for Finance, was born on October 14, 1937, at Effon-Alaye, in Ekiti Division of Ondo State.

He had his primary education in Effon-Alaye after which he attended St. Luke's College, Ibadan, from 1950 to 1951 and from 1954 to 1955, from where he obtained the Teacher’s Grades III and II Certificates. In 1959 he gained exemption from London Matriculation through G.C.E. examination.

Major-General Oluleye served in the teaching profession from 1947 to 1959, when he joined the Nigerian Army as an Officer Cadet.

His military training started at the Regular Officers’ Special Training School (an organisation of Royal West African Frontier Force) at Teshie, Ghana, in 1959. In 1960, he attended the Mons Officers’ Cadet Training School at Aldershot and was commissioned into the Nigerian Army as a Second Lieutenant the following year. In March 1961, he did a mortar (a form of ballistics) course at the Nigerian Military Training College, Kaduna, and finally in 1967, attended the Defence Services Staff College, Wellington, Southern India.

Since his commission in 1961, Major-General Oluleye has undertaken various military assignments, the first of which was the command of a mortar platoon with the first Battalion, Enugu, from 1961 to 1963. Later in 1963, he became the Chief Mortar Instructor at the Nigerian Military Training College, Kaduna, and a Rifle Company Commander in the First Battalion from 1964 to 1965. Major-General Oluleye also served as the second-in-command of the Fifth Battalion in Kano in March 1966 and later in the same year, was deployed as Commandant of the Nigerian Military Training College, Kaduna.
During the civil war, Major-General Oluleye served as the operations officer (General Staff Officer Grade I) at the Nigerian Army Headquarters, Lagos and after the war, was made the General Officer Commanding the Second Infantry Division of the Nigerian Army. This post he held until August 1975, when he was appointed Federal Commissioner for Establishments and a member of the Supreme Military Council.

He was also Chairman of the panel set up to apply the Public Service Review Commission's report to the Armed Forces pay scales in January 1975. He was re-appointed Federal Commissioner for Finance on March 15, 1977.

Apart from his various appointments in the Nigerian Army, Major-General Oluleye also served with the First Battalion in the Congo (now Zaire) from 1961 to 1962 and in 1965 with the United Nations Observer Mission to supervise the ceasefire agreement immediately after the Indo-Pakistani war.

Major-General Oluleye is the recipient of two foreign honours, one by the President of the Republic of Senegal, President Leopold Senghor and the other by the President of the Islamic Republic of Mauritania, President Ould Dada.

A Christian by religion, Major-General Oluleye is married with children.
Dr. R.A. Adeleye, Federal Commissioner for Industries, was born at Iyamoye, in Oyi Local Government Council Area of Kwara State, on February 7, 1938.

He attended Government College, Keffi, in the former Benue/Plateau State, and later went to the University of Ibadan between 1959-65, where he did his Bachelor's degree and finally obtained his Ph.D in History.

Dr. Adeleye joined the staff of the University of Ibadan in 1965 as a Lecturer Grade II and rose to the level of a Reader in History in 1972.

He published a book titled POWER AND DIPLOMACY IN NORTHERN NIGERIA - (1804-1806) sub-titled THE SOKOTO CALIPHATE AND ITS ENEMIES. He also published a number of articles in Learned Journals of History. From 1967-73 he was Editor of the Journal of the Historical Society of Nigeria. He contributed a chapter each to the two volumes of the HISTORY OF WEST AFRICA, edited by Professor J.F.A. Ajayi and M. Crowther.

Dr. Adeleye was a member of the Senate of the University of Ibadan from 1968-72. In 1971, he was appointed Chairman, National Library Board of Nigeria.

In 1973 Dr. Adeleye was appointed Commissioner for Economic Development in Kwara State, from where he was called up in August 1975 to serve at the Federal level as the Federal Commissioner for Housing and Urban Development. He was reassigned Federal Commissioner for Industries in March, 1976.

Dr. Adeleye has travelled widely in Africa and Europe visiting countries like Republic of Benin, Senegal, Liberia, Sierra-Leone, Ivory Coast, Guinea, Cameroun, Ethiopia, Egypt, India, Russia and the U.S.A.

He is a christian and is married with two children. His hobbies include drama, table tennis and reading.
Date of Birth: 4th November, 1932
Place of Birth: Kano
Marital Status: Married
No. of Children: Two
Master of Letters in Linguistics (1965) Edinburgh
Educational Institutions: St. Thomas' Primary School, Kano (1938-1945)
St. Theresa's Teachers' College, Guma (1946-47)
College of Mary Immaculate, Kafanchan (1951-1952)
Nigerian College of Tech. Zaria (1954-57)
University College, Ibadan, (1958-1961)
University of Edinburgh (1963-1966)
Profession/Career: Grade III teacher 1948-1950 - St. Thomas' Primary School, Kano
Grade II teacher 1953-1954 - St. John's College, Kaduna
Grade I teacher 1957-1958 - St. Malachy's College, Minna
Assistant Secretary, Federal Public Service, 1961-1962
Assistant Lecturer, University of Ibadan - 1966-1971
Chairman/Chief Executive Midwest Farms Management Board - 1974-1975
Federal Commissioner for Agriculture and Rural Development - August 1975 -
Religion: Roman Catholic
Extra Curricula Activities: Lawn Tennis, Table Tennis, Swimming, Horse-riding, gardening, travel
THE SULTAN OF SOKOTO

I. Personal History

Alhaji Sir Abubakar III, the present Sultan of Sokoto, was born in the State of Sokoto in 1903. After serving in various capacities in the local administration, he succeeded the late Sultan Hassan in 1938 to become the 17th Sultan of Sokoto. Alhaji Sir Abubakar III is a scholar of Islamic as well as of Western Education. Officially, he is addressed as "your highness". All Sultans of Sokoto are descendants in the male line from Shehu Usman dan Fodio (see II. Background below).

Alhaji Sir Abubakar III holds honorary Doctorate of Law degrees from three Nigerian Universities (Ahmadu Bello, Benin and Nsukka). He was awarded the CMG in 1941; KBE in 1945; and GBE in 1955 by the former British administration and also, the GCON of Nigeria, in the post-independence era. He is a Patron of various organisations including, the Nigerian Society for the Blind, the United Nations Students Association (Ahmadu Bello University branch), and the National Voluntary Service Association. He is joint President of the Jama'atul Nasril Islam and the Supreme Council for Islamic Affairs for Nigeria.

In this latter capacity, he recently wrote to the Head of State asking him to reconsider the reduction of the foreign exchange allocation to pilgrims (as well as to all other travellers) from N1,000 to N500 per traveller. He also maintains a keen interest in the current dispute over the position of the Sharia courts (upholding Islamic law) under the proposed new draft Constitution for Nigeria.
II. Background

In the late eighteenth century, Northern Nigeria was made up of a number of independent Hausa states, internally organised along feudal lines. The bulk of their population consisted of Hausas, who were mostly peasants. Interspersed between them lived the Fulani, mostly migratory herdsmen one of whom, Shehu Usman dan Fodio, a devout Moslem scholar made it his mission to reform all those practices in government and in religion that did not conform to the law of Islam.

In 1804, Shehu Usman dan Fodio and his followers came into armed conflict with various Hausa rulers, which later developed into a jihad (holy war). This war followed closely tribal lines, that is, Fulani against Hausas. The outcome of hostilities between the two tribes was the almost complete displacement of the Hausa ruling class by a new Fulani elite who quickly adopted the existing feudal hierarchical system.

By 1810, the Fulani had already assumed power in most of Hausaland. The village of Sokoto was selected by Shehu as his capital and seat of power. The new Fulani states, unlike their Hausa predecessors, were not independent. Each state was headed by an Emir appointed by Shehu Usman dan Fodio and to whom each paid tribute.

After dan Fodio's death in 1817, his empire was split between his brother Abdullahi and his son Muhammadu Bello, both of whom had
been leaders of his military campaigns. The lion's share of the empire went to Bello, who became the first Sultan of Sokoto. Abdullahi became emir of Gwandu, with only a few Fulani states paying tribute to him. Shehu Usman dan Fodio had died leaving an empire stretching over the whole of northern Nigeria. After Bello's death in 1837, the empire slowly started to crumble. Attacks from outside became quite prevalent and the authority of the Sultan over the emirates was gradually eroded and weakened.

In 1903, Lord Lugard's forces captured both Kano and Sokoto, and with the fall and death of the 11th Sultan after a long battle the old empire finally collapsed. With the collapse of the old empire, the office of the Sultan became largely ceremonial with appointments thereto, being made by the British administration of the territory.
SOKOTO STATE GOVERNMENT

PRINCIPAL OFFICIALS AND BIOGRAPHICAL DATA
Born: 1936 at Sawashi in Yauri Local Government

Primary Education: Yelwa Central Elementary School, 1946-1950
Birnin-Kebbi Middle School, 1951-1952

Secondary Education: Government College (Barewa) Zaria, 1953-1958
(School Certificate Grade I)

Post Secondary: College of Administration, Achimota, Ghana 1960-1961
Intermediate ACCA at Scottish College of Commerce (Strathayede University)
Glasgow - 1962-1965
Final ACCA

Senior Accountant, Ahmadu Bello University, Zaria - 1967-1969
Assistant Chief Accountant, Ahmadu Bello University, Zaria - 1969-1972
Chief Accountant, Ahmadu Bello University, 1973-1975
Deputy Bursar, Ahmadu Bello University, 1974-1975
Acting Bursar, Ahmadu Bello University, 1974-1975
Commissioner for Economic Development, North-Western State - 1975-1976
Commissioner for Finance, Economic Development, Establishments and Service Matters, Sokoto State (April) 1976

Marital Status: Married with four children
Date of Birth: October 9, 1945

Place of Birth: Birnin Kebbi (Birnin Kebbi Local Government Area, Sokoto State)

Schools Attended:
- Nassarawa Primary School, Birnin Kebbi - 1952-1956
- Birnin Kebbi Middle School - 1957-1959
- Provincial Secondary School, Sokoto - 1960-1964
  (now Government College, Sokoto)
- Government College, Zaria - 1965-1966
- Ahmadu Bello University, Zaria - 1967-1973
- University of Minnesota, U.S.A. - 1974-1976

Academic Qualifications:
- Doctor of Veterinary Medicine (D.V.M.) A.B.U. 1973

Work Experience:
  (National Youth Service Corp)
- Lecturer, Faculty of Veterinary Medicine, Ahmadu Bello University, Zaria - 1974 to-date

Publications:

Administrative Experience:
- President Students' Union, Ahmadu Bello University, Zaria - 1970-1971
- Assistant Head of Department (Administration) 1976 to-date

Conferences, Visits and Seminars:
- June 22 - July 12, 1975: Attended the 10th University of Minnesota Graduate Summer Session in Epidemiology at Minneapolis, Minnesota
- July 13 - July 17, 1975: Attended the Annual Convention of the American Veterinary Medical Association at California, U.S.A.
- August 1975: Visited the Centre for Disease Control (CDC) Atlanta, Georgia, U.S.A.
December 1975: Attended the 17th Annual Food Hygiene Symposium at the Academy of Health Sciences, Port Sam, Houston, Texas, U.S.A.
June 20 - July 1976: Attended the Eleventh Graduate Summer Session in Epidemiology at the University of Minneapolis, Minnesota, U.S.A.

Membership of Professional Association:
- Member of Nigerian Veterinary Medical Association
- Member of American Association of Food Hygiene Veterinarians (AAFHV)
- Honorary membership of Veterinary Society of phi zeta in the Kappa Chapter 1976
- Member of American Public Health Association

Other Relevant Information:
- Chairman, Editorial Board of the Minnesota Newsletter, School of Public Health, University of Minnesota
- President of the Veterinary Health Class of 1975-76 School of Public Health, University of Minnesota
- Now Commissioner for Agriculture and Natural Resources from October, 1977 to-date
Year of Birth: 1938

Education:
- Barewa College, Zaria, 1954 - 1959
- Nigerian College of Arts, Science and Technology, Zaria, 1960 - 1962
- University of Dakar (Senegal) 1962-1965
- University of Paris - 1965 - 1967

Employment:
- Teacher (1967 - 1968)
- Education Secretary (1968 - 1969)
- Local Authority Councillor (1969 - 1975)
- State Government Commissioner (1975 to-date)
KADUNA STATE OF NIGERIA

PRINCIPAL OFFICIALS

H.E. Group Captain Usman Jibrin
Military Governor of Kaduna State.

Alhaji Abu Gidado
Commissioner for Finance

Alhaji A.B. Kuki
Commissioner for Works and Housing

Alhaji Ja' Afaru Makarfi
Commissioner for Education

Mr. Z.B. Gaiya
Commissioner for Agriculture

Alhaji M.T. Bature
Commissioner for Economic Development

Alhaji Labaran Mashi
Commissioner for Health

Alhaji Dahiru Musdapher
Attorney General and Commissioner for Justice

Mr. Dan'azumi Kudaru
Commissioner for Internal Affairs and Information

Alhaji A.L. Muhammed
Commissioner for Establishment and Training

Alhaji Balarabe Mahmud
Commissioner for Animal and Forest Reserves

Alhaji Junaidu Yahaya
Commissioner for Local Government

Alhaji Macido Dalhat
Secretary to the Military Government

Alhaji A.D. Sambo
Permanent Secretary, Ministry of Agriculture
Alhaji Abbas Rafindadi
Permanent Secretary, Ministry of Finance

Alhaji S. Suleiman
Permanent Secretary, Ministry of Economic Development

Alhaji A.N. Rafindadi
Permanent Secretary, Ministry of Education

Alhaji B.N.A. Adamu
Permanent Secretary, Ministry of Works and Housing.
Born in June 1942.

Attended Elementary School, Nasarawa in Plateau State 1951-54.


Worked as Engineering Assistant with Television Kaduna, for a few months.


Attended Royal Canadian Flying Instructors School May 1964 - October 1964.

Attended Flying Instructors Refresher Course in West Germany March 1965 - September 1965.


Appointed Senior Officer in charge Administration and Discipline at Nigerian Air Force Headquarters, November 1971 - June 1972.


Attended MIG 21 Flying Instructors Course in USSR, November 1974 - May 1975.

Appointed Base Commander Kano, June 1975 - July 1975.

Appointed Military Governor July 1975.

He is married with children.
Born in 1940 in Katsina town of Kaduna State of Nigeria.

Received primary and secondary education in Katsina town, post secondary qualification in Barewa College and the Ahmadu Bello University, Zaria – with second class honours in Business Administration.

Started work in September 1965 with Shell Nigeria Limited, now National Oil and Chemical Marketing Company, and rose to the position of Retail Manager, North. Left Shell in 1973 and joined Northern States Marketing Board as Area Manager, in charge of the former North Eastern State - now comprising Bornu, Gongola and Bauchi States. In 1974, he left the Board and joined Arewa Textiles Limited as the Sales Manager - the position he held until his appointment as Civil Commissioner in October 1975.

He is married with children.

This was followed by a period of teaching and heading of different primary schools until October 1962 when he went to the Advanced Teachers' College, Zaria. Studied there till 1965 and obtained the Nigeria Certificate of Education.

Taught in Teacher Training Colleges till 1967 when he went to United States of America for further studies. There he studied Education and History at Gordon College, Boston, and later at the University of Rhodes Island for an M.A. degree. This covered a period of four years with a break of six months from 1967 - 1970.


In July 1975, he joined the teaching staff of Ahmadu Bello University, Zaria, and was attached to the Advanced Teachers College there.

Appointed Civil Commissioner for Kaduna State in October 1975.
Date of Birth: December 1938.

Marital Status: Married with one child.

Education:
- Katsina Middle School, 1959-52.
- St. Pauls' College, Zaria, 1953-58.
- Keffi Government College, 1959-60.
- King's College, Lagos, 1960-61.
- Holborn College/University of London (Bachelor of Laws) 1963-66.

Employment:
- Nigeria Airways: Assistant Company Secretary, Executive Assistant to the General Manager, Deputy Corporate Secretary, 1969-1976.
- Kaduna State Commissioner, 1976 to-date.
KADUNA STATE OF NIGERIA

ALHAJI ALIYU BALA KUKI
COMMISSIONER FOR WORKS AND HOUSING

Date of Birth: September 1940.

Place of Birth: Katsina

Post-Primary School attended: Secondary School, Katsina

Qualification: West African School Certificate


Born in 1932 at Makarfi, Zaria Province. Attended primary school at Makarfi; Secondary education at Barewa College, Zaria. Joined the service of the Nigerian Railway Corporation in 1950 as a junior traffic clerk and rose to the position of District Manager in charge of Western District of the Corporation with headquarters at Ibadan.

From 1959 - 1960, he studied Railway Administration under the North Eastern District of British Railways with headquarters at Leeds.

Attended Railway Senior Officers course for four months at the United Nations International Regional Railway Training Centre, Lahore, Pakistan, in 1968.

From 1962 - 1964, he studied Transport at the North Western Polytechnic, London, where he graduated. He is a member, Chartered Institute of Transport.

He was appointed Commissioner for Local Government and Community Development from October 1975 to September 1976, and became Commissioner for Education, Kaduna State, in October 1976.
CROSS RIVER STATE GOVERNMENT

PRINCIPAL OFFICIALS AND BIOGRAPHICAL DATA
CROSS RIVER STATE
PRINCIPAL OFFICIALS

H.E. Col. Paul Ufuoma Omu
Military Governor of Cross River State
(on leave)

H.E. Commodore Patrick Koshoni
Acting Military Governor

Mr. F.I. Nnang
Commissioner for Finance and Economic Development

Mr. U.U. Okorouen
Commissioner for Agriculture and Natural Resources

Dr. E.U. Essien
Commissioner for Works and Transport

Mr. B.E. Bassey
Commissioner for Lands, Surveys and Urban Development

Dr. G.J. Idang
Commissioner for Information

Mr. O. Aribiah
Commissioner for Social Development, Sports and Culture

Mr. E.E. Monjok
Secretary to the Military Government and
Head of Service

Mr. E.W. Etukudo
Private Secretary to Military Governor

Mr. D.E. Nyambi
Permanent Secretary, Ministry of Finance and
Economic Development

Mr. E. Ekpong
Secretary for Finance, Acting Permanent Secretary,
Ministry of Finance and Economic Development
**H.E. CAPTAIN PATRICK SEBO KOSHONI**

**ACTING MILITARY GOVERNOR**

**Date of Birth**
17th April, 1943

**State of Origin**
Lagos

**Schools Attended**
Holy Cross Primary School, Lagos, 1948 - 1955
St. Finbarr's College, Yaba, Lagos, 1956 - 1961

**Naval Training**
National Defence Academy, Poona, India, 1962-1965 - Cadet
Indian Naval Fleet, Bombay, India - 1965-1966 - Midshipman
Indian Naval College, Cochin, India - 1966-1967 - Sub-Lieutenant
Specialisation Course Torpedo Anti-Submarine Warfare School, INS Venduruthy, Cochin, India - 1969-1970 - Lieutenant
Ship's PreCommissioning Training Course, HMS Vernon, HMS Osprey, HMS Fisgard - 1971-1972 - Lieutenant Commander
HMS Phoenix, United Kingdom
Royal Naval Staff College, Greenwich, United Kingdom - 1973 - Commander

**Naval Appointments Held**
First Lieutenant - NNS Sapele - 1967-1968
First Lieutenant - NNS Enugu - 1968
Commanding Officer - NNS Ibadan II - 1969
First Lieutenant - NNS Beecroft - 1971 - Naval Base, Apapa
First Lieutenant - NNS Nigeria Flagship - 1972
Corvette Squadron Commander and Commanding Officer
NNS Otobo - 1973-74
Commanding Officer NNS Beecroft, 1974-1975 - Naval Base Apapa
Chief Staff Officer, Headquarters - 1975-1976 - Western Naval Command
Naval Officer Commanding Eastern Naval Command - 1976 -

**International Seminars Attended**
19th CISM Conference, Amboise, France, 1974 World Military Sports Council
Commonwealth Defence Science Organization (CDSO) Conference, New Delhi, India, 1975

**Extra Naval Appointments Held/Holding**
Vice Chairman, Nigerian Table Tennis Association - Held
Chairman, Nigerian Weight-Lifting Association - Held
President, St. Finbarr's College Old Boys Association - Held
Member, University of Calabar Council - Holding
Member, Cross River State Executive Council - Holding

**Countries Visited**
Ghana, Republic of Benin, Gabon, Guinea, Egypt, Sierra Leone, Ivory Coast, India, Pakistan, United Kingdom, France, Western Germany and Italy.
Mr. Fidelis Ikogo Nnang, a Barrister-At-Law by profession, was formerly Commissioner for Lands, Surveys and Urban Development, now Finance and Economic Development. He was born at Ukpe in Ogoja Local Government Area in 1937.

He attended St. Thomas Teacher Training College, Ogoja and St. Joseph's Teacher Training College, Abakaliki where he qualified as a Grade II Teacher in 1959.

Later in 1968 Mr. Nnang commenced his Legal Studies in the University of Lagos and the Nigerian Law School graduating LL.B (hons) B.L. Until his appointment as Commissioner in the Service of the Cross River State, Mr. Nnang was a successful private Legal Practitioner and an active Community and Church Leader.

Guided in life by the believe in service to humanity, Mr. Nnang has held positions which include:

- Headmaster of St. Columba's School, Idum Mbube, Ogoja;
- Tutor in St. Thomas Teacher Training College, Ogoja;
- NCNC Organising Secretary in the former Eastern Nigeria;
- Member of the Ogoja County Council and Member of the Provincial Assembly, Ogoja.

Mr. Nnang has travelled extensively in Nigeria and some parts of West Africa. His hobbies include reading and gardening. He is married with eight children.
Brigadier David Jemibewon, psc., assumed duty as the Military Governor of the Western State of Nigeria in September 1975, but was re-appointed as the Oyo State Military Governor in February 1976 on the creation of three States out of former Western State by the Federal Military Government of Nigeria.

Born on July 20, 1940, at Iyah-Gbedde, Kabba, Kwara State of Nigeria, Brigadier Jemibewon received his primary education at the Church Missionary Society Primary School, Burutu in the Mid-Western State (1949); Community School, Iyah-Gbedde, Kwara State (1949-52); and the Community School, Aiyetoro-Gbedde, Kwara State (1953-54).

For his secondary education, Brigadier Jemibewon attended the Offa Grammar School, Offa, Kwara State (1955-59). From 1971 to 1972, he received his formal military training at the Command and General Staff College in Fort Leavenworth, Kansas, United States of America and obtained the psc (passed staff college).

The Governor began his working career as a junior staff of the Ministry of Health in the old Northern Nigeria from 1960-61 and later in the Ministry of Defence, Lagos.

A man of wide soldiering experience, Brigadier Jemibewon has held important Military appointments and served in various capacities since his commissioning in the Nigerian Army in 1962. Under the United Nations Organisation's Peace-keeping Force in the Congo (now Zaire), he saw service twice, in 1962 and from 1963-64.
On his return from the Congo in 1964, Brigadier Jemibewon was posted to the Depot Nigerian Army, Zaria, as Weapon Training Officer, the post which he held till 1966, when he was re-assigned to First Brigade, Nigerian Army, Kaduna, as Staff Captain Quartermaster. But within a month, he became the Deputy Assistant and Quartermaster-General.

During the last Nigerian civil war, Brigadier Jemibewon fought in the First Division, Nigerian Army, and later with the Second Division. He was the first Assistant Adjutant and Quartermaster-General of the First Division, Nigerian Army, based at Makurdi (Benue-Plateau State) and later commanded 27th Infantry Battalion, Nigerian Army, under the Second Sector which, in March 1968, liberated Abakaliki during the civil war.

In April 1969, Brigadier Jemibewon was appointed the General Staff Officer (Grade I) of the Second Infantry Division based in Benin.

In November 1970, Brigadier Jemibewon was posted to the Army Headquarters Lagos, as Deputy Adjutant-General. He proceeded to the United States of America in June 1971 and completed the Command and General Staff College training course in Fort Leavenworth, Kansas, in July 1972. In August of that year, he became the Commanding Officer, Depot, Nigerian Army, Abeokuta, the post which he held until July 1974, when he was appointed the Director of Military Manual at the Army Headquarters, Lagos.

Brigadier Jemibewon was in June 1975, posted to the Nigerian Defence Academy, Kaduna, as the Chief Instructor, the post which he held until his assignment as the State Military Governor and later as the Oyo State Governor on the creation of the three States out of the old Western State.

The Governor's distinguished military career is reflected not only in the various capacities in which he has served but also in his rapid promotions to higher ranks since his commissioning in 1962. He was promoted a Colonel on October 1, 1974 and a Brigadier on January 1, 1976.

His chief hobbies are music, football and squash.

Brigadier Jemibewon is married with four children.
OYO STATE GOVERNMENT

PRINCIPAL OFFICIALS AND BIOGRAPHICAL DATA
Dr. Joseph Adebowale Atanda was born in Eruwa, Ibarapa Division of Oyo State on January 2, 1932. He had his elementary education at the Baptist School, Eruwa (1942-46) and Idikan Baptist School, Ibadan (1947).

He later went to the Baptist College, Iwo (1959-53).

He studied History as an undergraduate at the University College Ibadan (1959-64) and did his post-graduate studies in the same discipline at the University of Ibadan (1964-67).

Dr. Atanda holds the B.A. (Honours) Degree in History Second Class Upper Division awarded by the London University (1964) and the Ph.D. (History) of the University of Ibadan (1967). He won the Irvin and Bonnar Graduate Prize Medal in History in 1966.

He was a primary school teacher at the Baptist School, Ara via Ede (1954) and a tutor at the Baptist Training College, Ede (1955-58). He has been a lecturer in History at the University of Ibadan since September 1967.

Before his present appointment, Dr. Atanda was Visiting Lecturer, Makerere University, Kampala, Uganda (January to August 1969); a Visiting Assistant Professor of African History, University of Chicago, Illinois, U.S.A. (September 1969 to June 1970). He was substantively a Senior Lecturer in History at the University of Ibadan until his appointment as Commissioner.

Dr. Atanda has held a number of public offices before his new appointment. He was Chairman of the Board of Governors, Obaseku High School, Eruwa (1972-75); Chairman of the Management Committee, Ibarapa Local Government Council (1973-74); Chairman of the Ibadan Zonal Health Board (July to October 1975). He was the Commissioner for Local Government and Chieftaincy Affairs in the old Western State Government.
Dr. Atanda has made useful contributions to the academic world. His publications include 'The New Oyo Empire: Indirect Rule and Change in Western Nigeria, 1894 to 1934' (Longmans 1973); 'Travels and Explorations in Yorubaland, 1854 to 1858' by W.H. Clarbe (Ibadan University Press 1972).

He was widowed in May 1974. He has four children.

His hobbies are Writing and Music.
TOPICS FOR DISCUSSION

1. This note outlines a few topics for Mr. McNamara's discussions with Nigeria authorities on Thursday, November 3, 1977, in Lagos.

Macro Economic Issues

2. Recent economic developments that have led Nigeria to again become a capital absorbing country, and related policy issues, are discussed extensively in the green cover Report No. 1690-UNI entitled "Nigeria - Recent Economic Development and Short-Term Prospects" dated July 27, 1977 (see Section F-3). This report was reviewed with the Nigerian delegation during the last Annual Meetings when the Nigerian authorities stated that the Federal Government is in general agreement with the report's findings and recommendations. This was later confirmed by the Commissioner for Finance in his discussions with Mr. McNamara on September 27, 1977 (see para. 3 of "Memorandum for the Record" dated October 10, 1977 contained in Section G-4).

(a) Fiscal Control

3. Of most immediate concern is the Federal Government's ability to tighten fiscal controls in order to contain overall spending and to allocate expenditure cuts both within and between the recurrent and capital budgets 1/. Since the five-year period under consideration also includes part of what would normally be Nigeria's Fourth Plan period, this concern also extends to the quality of resource allocation in the Fourth Plan. A related fiscal policy issue is the current pervasiveness of Federal Government subsidies. These include: direct consumer and producer subsidies; Government coverage of public corporation deficits; and the cost discrepancy between high commercial interest rates and the lower public sector interest rates.

(b) Borrowing and Public Debt Management 2/

4. In light of Nigeria's new capital requirements, it is important that the Government formulate a rational long-term domestic and external borrowing strategy. Elements of such a policy already exist, of which the recent borrowing of US$1 billion from a group of banks led by Chase Manhattan is an element. Equally important is a policy designed to attract large amounts of private investment. Both foreign and Nigerian lenders and investors are sensitive to Government policies in this area 3/. Thus, the amount of private investment flows which can be stimulated, and the amount of loans which the Government can attract, will depend on the

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1/ A paper summarizing the more salient provisions of Nigeria's current Third Development Plan (1975-1980) is also included in Section F-3.
2/ See Paper on "Foreign Assistance and Debt" contained in Section F-4.
extent to which economic policy recognizes lenders' and investors' legitimate interest. There is, in particular, the need for streamlining administrative procedures, such that the Government will be able to meet its financial obligations promptly. Formulation and implementation of such a program is a significant prerequisite for filling likely resource shortfalls.

(c) Pricing and Incentive Policies

5. Nigeria's economic policy-makers must also concern themselves with providing a better incentive framework for encouraging directly productive activities in the non-petroleum sectors, principally in agriculture and industry. While the Government has several options in this respect, a devaluation of the Naira would be the most effective way of tackling the problem. Gradual depreciations of the Naira would appear to be politically acceptable and, if realistically done to take account of differential price movements in Nigeria and its trading partners, could be effective in restoring non-petroleum exports. In fact, the Naira has been depreciating slowly over the last year. The added benefit of a more realistic exchange rate would be a marked improvement in the Federal Government's Naira revenues from the oil sector. If a devaluation policy is not acceptable, the Government would have to consider indirect measures such as the introduction of import taxes and export subsidies.

6. Another significant and beneficial macro policy change would be to raise interest rates, in particular Government's on-lending rates, to reflect the growing scarcity of financial resources, to encourage savings, and to reduce the danger of resource misallocation. Further, consumer subsidies and most agricultural producer subsidies should be gradually reduced and eventually removed. In addition, Government should raise tariffs in order to make the major Federal Corporations (in particular NEPA, the Ports Authority, the Railway Corporation and the Airways Corporation) largely self-financing, and creditworthy for both internal and external borrowing.

Bank Assistance to Nigeria

(a) Lending Program

7. The Federal Government's request for an expanded program of assistance is expected to dominate Mr. McNamara's discussions with the Nigerian authorities. The tentative 5-year lending program envisages a level of commitments of US$1.2 billion which the Region considers prudent, although the program could be expanded further if suitable projects become available. (See the Region's confidential paper entitled "Nigeria - Issues, Objectives and Strategies for an Expanded Bank Lending Program" attached as Annex II).

1/ See para. 19 on late payments discussed below.
2/ The Nigerian delegation to the Annual Meetings indicated that the Federal Government is agreeable to periodic adjustments of the exchange rate of the Naira (which they claim is already being implemented), but appeared reluctant about the merits of a huge devaluation at this stage.
8. The issue of an expanded lending program was discussed during the last Annual Meetings and it is fairly certain that the Nigerians will pursue the discussions further, in order to ascertain the size and composition of the Bank's lending program for the next five years. In the discussion of this issue during the Annual Meetings, no specific total figure or annual commitments were disclosed. The Nigerians are expecting US$500 million annually in commitments by the Bank. This figure was not discussed and the question of the size of the lending program was therefore left open. We understand that the Nigerian delegation to the Annual Meetings was extremely disappointed about the reluctance of the Bank to give any indicative figures of annual and total commitments over the next five years.

9. We should leave the matter open and not tie ourselves to a specific level, neither for the period as a whole, nor for individual years. US$500 million appears highly unrealistic, at least for the next three years. However, we are simply not in a position at this point in time to determine how fast projects in sectors other than agriculture can be identified and prepared. There is, moreover, the question of both macro and sector policy issues which would need to be resolved, as discussed in para. 2-6 above and para. 21-65 of Annex II. Substantial sector work and studies, as well as intensive policy discussions with Government would be necessary, before we can firm-up a more realistic and meaningful program.

10. In the meantime, and for the purpose of the discussions in Nigeria, we should emphasize that we are prepared to increase our lending very significantly, but that the expansion of the program will depend on the speed with which projects can be prepared (for which the Bank is willing to provide substantial staff input), and the extent to which policy issues are resolved.

(b) Lending Objectives and Strategy

11. The broad lending strategy is to support Government policies at the macro level in order to reverse some of the imbalances in the economy, and to restore appropriate incentives for agricultural and industrial development. The principal issues as we see them are those summarized in para. 2-6 above, and elaborated in Report No. 1690-UNI (see Section F-3) and also, in Annex II.

12. In addition to our overall strategy, we should convey to the Nigerians the importance we attach to the pursuit of sector objectives and the need to agree on minimum sector policy conditions, at the earliest stage of any lending operation, which would be a prerequisite for Bank involvement in any given sector (see para. 21-65 of Annex II).

(c) Streamlining of Administrative Procedures

13. In view of the complexities of the Federal structure of Nigeria, and the relatively high rate of attrition and resulting turnover of public officials both at the Federal and State levels in recent years,
there appears to be an urgent need to streamline administrative procedures at all levels. This issue has direct implications for both our on-going and future operations.

14. Government's final approval of negotiated draft loan documents is invariably tardy. In the case of some countries, the Borrower's negotiating team is often empowered to give Government's final approval of the draft negotiated loan documents at the conclusion of negotiations, thereby permitting Board presentation to proceed shortly after negotiations. While this may not be possible in the Nigerian context, given the necessity to have such documents reviewed and approved by the respective State and Federal Executive Councils, we nevertheless believe that there is ample room for improvement. Recent innovations introduced by the Region such as agreeing in advance the draft legal documents required for effectiveness and also, a time-table of actions to be taken (target dates and by whom) leading up to Board presentation, would seem to confirm this view, and will be repeated in all future cases. We should continue to impress upon the Nigerian authorities at the highest level, however, the importance the Bank attaches to a timely approval of negotiated draft loan documents, given its planning and budgetary implications.

15. Substantial problems are also often experienced in the completion of effectiveness conditions for each loan. Apart from land acquisition which the Region is now treating as a condition of the issuance of Invitation to Negotiate (e.g., the proposed Rivers State oil palm project), inordinate delays are always experienced in the conclusion and submission to the Bank of the Federal and State Legal Opinions and Subsidary Loan Agreements. Under existing Nigerian procedures, it is understood that the Federal Attorney General retains exclusive powers to sign all Federal Legal Opinions relating to Bank loans, and it is here that we invariably run into difficulties. Given the many demands on his office and his frequent absences from Lagos, there have been numerous instances when the completion of the conditions of effectiveness of a loan has been delayed because of the unavailability of the Federal Attorney General to sign the Federal Legal Opinion. We believe that it is possible, as a normal constitutional device, to permit the Solicitor-General (or other designated person) to act on the Attorney General's behalf on those occasions when he is not available to sign a Federal Legal Opinion. We discussed this issue with the Nigerian delegation at the Annual Meetings, who saw no difficulties with this proposal. However, we believe that this issue should be raised at the highest level because of its constitutional implications, the embarrassment it creates for both parties, and the additional cost to Nigeria, through the payment of commitment charges resulting from such delays. 1/

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1/ Nigeria incurred commitment charges totalling US$406,854 in respect of Loan No.1183-UNI, Bendel State Oil Palm project, which became effective on October 14, 1977, some 662 days after loan signing.
16. Substantial delays, attributable to administrative bottlenecks, are also often experienced in the staffing and funding of project entities.

17. The placement of key internationally-recruited staff is often impeded by delays in obtaining the necessary entry visas from Government. Even where such visas are obtained, it had taken several months to obtain Government's signature of the relevant contracts of service. Similar problems have been encountered in the release of local staff for attachment to project entities. While most States find it relatively easy to make available the services of junior staff, they have found it difficult to release the services of more senior staff because of the States' own priority claims on such personnel. This problem is further exacerbated by the recent creation of seven new States and the reluctance of some States to offer key appointments to fellow Nigerians from other States. It would be helpful if this issue could be discussed with the Nigerian authorities because of its implications for the training of Nigerians to assume responsibility for the continued future development of such projects, particularly after their current investment periods.

18. In all but two of the eleven agricultural projects funded by the Bank, local financing, whether Federal or State, has caused the projects major management problems and resulted in the cutting back of important project activities. Local contributions are commonly tardy and insufficient to satisfy budgeted requests. The Funtua Agricultural Development Project, for example, is now $1.6 million in debt, has had to cut back on the important development of new-style cotton markets, and is unsure that it can meet monthly staff commitments. Despite assurances to improve the situation, there has been little or no improvement and the situation will have a detrimental effect on the present low disbursement rates of Bank funds and on future lending activities in the agricultural sector. Furthermore, Federal re-imbursements for the difference between the price paid by the three northern agricultural development projects (Funtua, Gusau, Gombe) for fertilizer on the world market and the subsidized farm-gate price at which the projects are authorized to sell fertilizer to farmers, have not been forthcoming. Consequently, the three projects are owed about $15 million for their first three seasons purchases and the projects' revolving trading accounts to finance future fertilizer purchases, have no funds. This issue has been raised several times with the respective Nigerian authorities and we would suggest that it be raised at the highest level.

Late Payments

19. Late payments of amounts due under various Bank loans have always been an issue with Nigeria, but have become a real problem over the past 12 months. Amounts payable have remained outstanding on average, for 2-3 weeks after the due date, and over the last 6 months, late payment due from Nigeria have been reported on three occasions to the Board.
20. The delay in making such payments does not reflect any lack of liquidity or foreign exchange, but is again mainly attributable to administrative bottlenecks in Nigeria.

21. This issue was extensively discussed with the Nigeria delegation during the last Annual Meetings when the officials present appeared visibly embarrassed. A number of arrangements and options to facilitate timely payments were agreed with the delegation, and we expect some improvement in future. However, late payments in respect of five loans outstanding since July 15 and August 15, 1977, respectively, were reported to the Board on October 17, 1977, which suggests the need for the issue to be raised once more, at the highest level.

Population Issue

22. The Nigerian authorities have expressed interest in possible Bank assistance in the population sector. This has been a sensitive issue with past Governments in Nigeria and is gratifying to note that some interest is now being expressed for possible Bank intervention in the sector. Included in Section C-3 is a brief on recent developments and the assistance which we think the Bank can give to Nigeria, at this stage, in support of the Federal Government's objectives.

23. Mr. McNamara's deep interest as regards the population issue are well known and respected in Nigeria, and we would suggest that this issue be raised at the highest level, as the Nigerian may not be fully aware of the advantages Nigeria could derive from Bank assistance in the Population sector.

Attachments
1. The indigenization policies aim primarily at transferring the ownership, management and staffing of firms operating in Nigeria from foreigners to Nigerians. A subsidiary issue concerns the distribution of newly acquired ownership amongst different income classes, different States, and to the private versus public sectors within Nigeria. Two Decrees (The Nigerian Enterprise Promotion Decrees of 1972 and 1977) deal specifically with ownership transfers. Nigerianization of staff openings is mainly effected by the Ministry of Internal Affairs, which establishes expatriate quotas for firms operating in Nigeria.

2. The 1972 Decree categorized activities into three Schedules with activities listed in Schedule I reserved exclusively for Nigerians, and activities listed in Schedule II requiring at least 40% Nigerian equity participation. All other activities, consisting mainly of those involving large amounts of capital and/or technology, were relegated to Schedule III and exempted from Nigerian ownership requirements. To implement the Decree, the Nigerian Enterprises Promotion Board (NEPB) and the Capital Issues Commission (CIC) were created, the first with overall responsibility for indigenization, and the second with the responsibility of establishing selling prices for the shares of those firms to be sold publicly on the Lagos Stock Exchange. The Decree was implemented, with a few revisions and exemptions, between 1972 and 1974.

3. In November 1975, an Industrial Enterprise Panel, consisting of a diverse group of Nigerians, was established to evaluate the implementation of the First Decree and to suggest the contents of a Second Decree. The Panel’s findings led to the issuance of another Nigerian Enterprise Promotion Decree in January 1977. The major significance of this later Decree is to substantially increase the requirements regarding Nigerian participation. Schedule II activities are to be 60% rather than 40% Nigerian owned and Schedule III enterprises, formerly exempt, must now have 40% indigenous participation. Additionally, many activities formerly listed in Schedules II and III were moved into either Schedules I or II, the Schedules requiring greater amounts of Nigerian participation. The 1977 Decree also contains provisions for forcing greater public sales of shares and for limiting individual share ownership, both aimed at evening out the distribution of newly transferred ownership.

4. The transfer of ownership from foreigners to Nigerians has been orderly and relatively successful. During implementation of the 1972 Decree, about 60% of Schedule I and 90% of Schedule II enterprises complied with the Decree. It appears that even greater percentages of affected enterprises will comply with the 1977 Decree. If this later Decree can be effectively implemented, it will also succeed, where the earlier Decree failed, in improving the distribution of ownership of newly transferred shares amongst individual Nigerians. The 1977 Decree says little about the regional distribution of shares, nor does it resolve the question of how much of the ownership is to be
placed in Federal or State Government hands. However, its implementation is likely to allow a more equitable regional distribution of new issues. Two other problems raised by the Nigerian Enterprises Panel, the gaps that exist between ownership and control, and between ownership and Nigerian staffing of upper echelon jobs, remain to be settled. However, these are more likely to be influenced by the operation of the expatriate quota system.

5. The aims of indigenization policies are such that some costs in terms of short-term growth and investment levels must be expected. In Nigeria, it appears that even-handed implementation of the policies has contained such costs so far. Foreign investment has undoubtedly been repressed somewhat. The Capital Investment Commission under-priced publicly sold shares, while the 1977 Decree, coming so soon after the first, created expectations that soon everything will have to be 100% Nigerian owned. Foreign investors have tended to seek investment opportunities or modes of business operation which result in very rapid recovery of investment costs. Furthermore, foreigners now appear more interested in signing management contracts and selling machinery and/or processes which will give them an export market for the inputs they produce. The expatriate quota system has hurt efficiency and, along with the insecurity regarding likely increases in Government ownership, has dampened private productive activity, foreign and Nigerian. Whether or not these costs are transitory or not depends on how the Nigerians implement the current indigenization policies. They must also assuage fears regarding further increases in required Nigerian and/or Government ownership.
INTRODUCTION

1. In May 1976, discussions were held with the Nigerian Government on current and future relations with the Bank. They resulted in a redefinition of the Bank's lending and technical assistance programs and established Nigeria's primary interest in continued Bank lending for agricultural and rural development projects combined with technical assistance in these and a few other sectors. The Nigerian Government saw, at the time, the principal role of the Bank as supporting projects where we had a major contribution to make in terms of technological know-how, organization, management and training, as in agriculture. In other areas, such as infrastructure, industry and education, they felt that results could be achieved more quickly without Bank participation, given Nigeria's resource position as then envisaged, which appeared to permit the financing of its development program without recourse to external borrowing. As a result, the Bank lending program for the next few years contemplated on the average a level of about $100 million per annum.

2. However, by the time of the 1976 Annual Meetings in Manila, following a reassessment of the country's prospects, the Government requested the Bank to substantially increase its lending to Nigeria. This request came as a result of a far more rapid and drastic turnaround in Nigeria's resource position than had previously been expected, triggered by significantly higher public sector spending and lower oil revenues than assumed in the 5-year Development Plan. A rapidly widening resource gap is projected in the coming years, which is forcing Nigeria once again to resort to external borrowing on a much larger scale than before the oil boom.

3. In response to the Nigerian request, and in order to examine the "case" for increased Bank lending, an economic mission visited Nigeria in April/May 1977. The draft economic report 1/ which reviews recent economic developments and prospects and focuses on major policy issues was submitted to the Government in August, and its conclusions and recommendations will be discussed with the Nigerian delegation at the forthcoming Annual Meetings. A copy of the report is attached. Because of its sensitive nature, distribution of the report within the Bank has been strictly limited.

4. As part of the economic review, we have assessed the "case" for expanded Bank lending in terms of overall economic and sector objectives, policy criteria and lending strategy. On this basis, we have identified potential sectors or projects, in addition to agriculture and rural development, and have drawn up a tentative lending program.

5. The purpose of this paper is to submit the Region's position and recommendations to Senior Management for consideration and decision, so as to enable us to discuss the Bank's posture with the Nigerians during the Annual Meetings.

I. ECONOMIC OVERVIEW

A. Recent Economic Developments and Prospects

6. The Nigerian economy is currently facing the turnaround situation which was originally projected to occur about 1980. Earlier economic projections had created overly optimistic expectations by overestimating oil revenues and underestimating the growth of public expenditures, as well as internal and international inflation. Currently in Nigeria there is considerable overspending by the public sector, serious domestic price inflation, stagnation in agriculture, cost-price and sectoral distortions, and a rapidly widening resource gap.

7. Nigeria's reaction to the re-emergence of a resource gap has been to opt for a "high growth-large borrowing" strategy intended to keep the economy growing at about 6-8% per year. This strategy can be justified, for the present, given Nigeria's low indebtedness and ability to borrow abroad, and its success is likely to be limited by Nigeria's administrative capabilities rather than by lack of financing.

8. The performance of Nigeria's economy over the next years depends significantly on her choice of incentive policies and the extent to which fiscal control is imposed. The economy's heavy dependence on the oil sector to provide export earnings (92% of which are from sales of oil) and government revenues (82% of which are from the oil sector) will not diminish over the next 5 years. However, since oil output will probably stagnate, around 2.2 m barrels per day, and oil prices rise only slowly, growth will have to come from other sectors and will rely heavily on continued Government spending (recurrent and capital) and continued ability to import intermediate and capital goods. The Government is currently facing a situation where it has exhausted its domestic bank balances accumulated during the first two years of the oil boom. At the same time, international reserves which stood at a peak of US$6.2 billion in mid-1975 have fallen to US$4.7 billion at the end of July 1977 (the equivalent of five months' imports). The Government has decided not to allow a further decline in reserves below current levels but is committed to maintain a rate of growth of about 6-8% p.a. while minimizing inflation. Although Nigeria is aiming at reducing the rate of inflation to 10% n.a., it is unlikely to drop below the current rate of 25-30%. Under these circumstances, it is evident that Nigeria has no other option than to resort to external borrowing to meet its objectives.

B. Major Policy Issues

9. Of most immediate concern is the Federal Government's ability to tighten fiscal controls in order to contain overall spending and to allocate
expenditure cuts both within and between the recurrent and capital budgets. Since the five-year period under consideration also includes part of what would normally be Nigeria's Fourth Plan period, this concern also extends to the quality of resource allocation in the Fourth Plan. A related fiscal policy issue is the current pervasiveness of Federal Government subsidies. These include direct consumer and producer subsidies as well as Government coverage of public corporation deficits and the cost discrepancy between high commercial interest rates and the lower public sector interest rates. The subsidy precedent tends to distort relative prices and exempt increasingly large portions of public revenues from the allocation processes undertaken during the planning and budgeting exercises.

10. Nigeria's economic policy-makers must also concern themselves with providing a better incentive framework for encouraging directly productive activities in the non-petroleum sectors, principally in agriculture and industry. While the Government has several options in this respect, a devaluation of the Naira would be the most effective way of tackling the problem. Gradual depreciations of the Naira would appear to be politically more acceptable than a single massive devaluation. The added benefit of a devaluation would be a marked improvement in the Federal Government's Naira revenue from the oil sector. If a devaluation policy is not acceptable, the Government would have to consider indirect measures such as the introduction of import taxes and export subsidies instead.

11. In light of Nigeria's investment and borrowing requirements, it is important that the Government formulate a rational long-term domestic and external borrowing strategy. Equally important is a policy designed to attract large amounts of private investment. Both foreign and Nigerian lenders and investors are sensitive to Government policies in this area. Thus, the amount of private investment flows which can be stimulated and the amount of loans which the Government can attract will depend on the extent to which economic policy recognizes lenders' and investors' legitimate interests. There is, in particular, the need for streamlining administrative procedures, such that the Government will be able to meet its financial obligations promptly. Formulation and implementation of such a program is a significant prerequisite for filling likely resource shortfalls.

C. Resource Gap

12. Projections for the next five years have been based on the assumption that Nigeria will maintain fairly rapid growth and curtail public expenditures to a prudent level. Should this be accomplished it is likely that the accumulated current account deficits for 1977 through 1981 will total about US$10.5 billion. Direct foreign investment in Nigeria could total about US$3.5 billion during this five-year period if the recently introduced oil exploration incentives are successful and if the investment climate favors joint Nigerian-foreign productive endeavors in other sectors. This implies a need of about US$7 billion of net external borrowing over the five-year period and an even higher level of loan commitments. In making these projections, it has been assumed that Nigeria will obtain sizeable amounts of quick disbursing loans which will be, of necessity, of fairly short maturity and mainly from commercial sources. In fact, Nigeria
has already agreed with an international syndicate of private banks to arrange a US$1 billion general purpose loan, repayable over seven years at one percentage point over the London interbank rate.

D. Creditworthiness

13. Nigeria's creditworthiness is not in question. Nigeria's outstanding external public debt at the end of 1976 stood at a very modest US$953.7 million and the debt service ratio has, in recent years, been below 1%. The World Bank's share in Nigeria's public external debt at the end of 1976 was 41% of the disbursed portion and 48% of the total including undisbursed. These exposure ratios will drop rapidly in the next few years as Nigeria begins to borrow heavily from other external sources.

14. Our projections indicate that net external borrowing to the tune of US$7 billion over the period 1977-81 would raise total annual debt service to about US$2 billion by 1982, equivalent to about 13% of projected export earnings. On the assumption of an increase in Bank lending over the period as proposed in this paper, the Bank's share of public debt outstanding and disbursed would decline to about 8%, or about 14% including undisbursed, by 1982.

II. ISSUES AND OPTIONS FOR INCREASED BANK LENDING TO NIGERIA

15. As the preceding analysis suggests, there can be little doubt that in the absence of major oil price increases, Nigeria will have to borrow abroad on a substantial scale in the years to come in order to maintain recently achieved investment levels, and thus an acceptable pace of economic growth. Net capital inflow requirements over the next five years have been projected at about US$7 billion. The level of Bank lending in the last five years has averaged slightly over US$70 million p.a., with net disbursements amounting to around US$20 million p.a. It is evident, therefore, that even a significantly expanded Bank lending program can fill no more than a relatively small portion of Nigeria's projected resource gap.

16. Nigeria's modest external debt and negligible service burden, moreover, will not only enable it to borrow abroad on a substantial scale, but to exercise various options in respect of the sources of external finance and the terms and conditions on which it is provided. Access to "unconditional" loans, like the US$1 billion financing package presently being arranged through an international syndicate of private banks, in fact raises the question as to what advantages Nigeria sees in borrowing from the Bank with "conditions" attached, and what we can hope to achieve in these circumstances by way of overall economic and sector objectives.

17. It is difficult to give a ready answer at this stage. While we have defined in broad terms our lending objectives and strategies, we will have to await the outcome of our discussions with the Nigerians in order to test their reactions and intentions. However, several factors would support the premise that the Nigerian Government, notwithstanding other options, is looking towards the Bank for an increased role in support of its development program for the following reasons:
(a) Bank loans are the only source of long-term finance to which Nigeria has access at the present time, and even though the Bank's share in total external resource transfer may be relatively minor, it is an important element in the Government's external borrowing policy;

(b) Given the serious constraints in the Nigerian economy in terms of trained manpower and managerial skills, the Bank has a major contribution to make by way of technical assistance, organization, management and training linked to projects in selected sectors;

(c) In a more general way, the Government is relying on the Bank in the design and preparation of projects which can be replicated with their own resources; and

(d) To an increasing extent the Government expects the Bank to play a catalytic role in attracting or mobilizing other sources of capital, particularly for major projects.

18. These considerations are important objectives from the point of view of the Bank as well, particularly since they are designed to improve the country's absorptive capacity. However, there are additional overall economic and sector policy objectives which in the context of Nigeria's current economic situation are of equal significance to us. The country is clearly at a crossroad, and much will depend on the extent to which Government policies will address themselves to the fundamental issues and problems which have emerged. This will be by no means easy in a society which has become adjusted to continuing oil surpluses. The need for far-reaching policy adjustments is not without political risks, particularly now that the country is on the way to returning to civilian rule, but they are imperative to assure sustained economic growth.

19. The Government, in trying to deal with the major problems it is facing, has taken some ad-hoc measures in certain areas, notably in curbing expenditures, but has not formulated or articulated any overall policy proposals. It has, however, expressed its willingness to discuss the major policy issues with us.

20. In these circumstances, we consider that the main objective of increased Bank lending is to induce policy changes both at the macroeconomic and sectoral levels through an intensified economic dialogue with Nigeria, and to assist the Government in policy formulation through an expanded economic work program. In order for the Bank to have any appreciable impact this will require, in the first instance, a substantially larger Bank involvement than in the past. It is of course possible that we may find the Government unresponsive to the need for policy changes, in which case the Bank will have to reconsider its position. Moving to a higher level of Bank lending clearly implies the inclusion of sectors other than agriculture and rural development in the program. The selection of the sectors and projects in the proposed lending program has been closely linked with the overall policy objectives to be achieved.
Bank Lending Strategy

21. A Bank lending strategy has been defined in only very broad terms. It is designed to support Government policies at the macrolevel to reverse some of the imbalances in the economy, and to restore appropriate incentives for agricultural and industrial development. Among the principal objectives are:

(a) To induce Government to adopt policies in respect of public expenditure controls and a review of public sector investment priorities;

(b) To encourage Government to eliminate some of the anomalies in its pricing, tariff and subsidy policies, including in particular, an upward revision in interest rates;

(c) To work with Government towards the introduction of appropriate incentive policies and the formulation of a rational long-term domestic and external borrowing strategy; and

(d) To assist Government in the formulation and implementation of more effective policies and programs directed at reducing the size of Nigeria's urban and rural poverty problem.

22. In addition to this overall strategy, we have broadly defined sectoral objectives which would justify Bank involvement. In examining the objectives and criteria for Bank lending in each sector we have selected those where we expect to make a major contribution, and have dropped others where we feel our involvement can achieve little or nothing at this stage.

23. An important element in our lending strategy is the definition of minimum sectoral policy conditions on which we would agree with Government at the earliest stage of any lending operation. This approach will permit both the Bank and the Government to reach a common understanding in respect of the basic requirements for Bank involvement in any particular sector.

III. SECTOR LENDING OBJECTIVES

A. Agriculture 1/

24. The importance of agriculture and rural development to the future growth prospects of Nigeria is obvious, given Nigeria's resources and excellent market potential for both food and cash crops.

25. The Federal Government has pursued the policy of investing its current oil revenues, a wasting asset, in order to expand and to diversify the economy in which agriculture is the dominant sector.

26. Its commitment to increased food production and in turn a reduction in food imports is reflected in its National Accelerated Food Production Program (NAFPP), which essentially seeks to integrate various components including

1/ See Appendix I
agricultural research, extension services, input delivery systems and markets which are considered essential for the future development of the agriculture sector.

27. The Federal Government's long-term strategy in agriculture aims at efficient and expanded development of the sector, thereby helping to curb the existing population drift to urban centers and also to revive Nigeria's role as an exporter of agricultural products.

28. The main short-term development constraints in the sector are the lack of effective support services, inadequate feeder roads and poor input delivery systems. In addition, there is also a need to adopt and introduce modern farming techniques and sound economic and financial systems appropriate to the socio-ecological conditions of Nigeria. Furthermore, the expansion of employment opportunities elsewhere has indirectly raised the cost of farm labor through the constant migration from rural areas.

29. Institutional deficiencies at both Federal and State levels resulting from technical and managerial shortages are adversely affecting the planning and execution of programs and projects in the sector -- a situation which was recently exacerbated by the creation of seven new additional States.

30. The basic objective of Bank involvement in agriculture has been to assist in increasing agricultural production and rural incomes through improved support service and better farm management techniques and training.

31. Future Bank assistance would continue to pursue these objectives but additionally would focus increasingly on:

(a) Assisting the Federal Government in improving its capability in preparing, appraising and implementing rural development projects including programs for agricultural research and manpower training;

(b) Supporting the Federal Government's effort to decentralize development by strengthening agricultural extension services and institutions at the State and Local Government levels;

(c) Strengthening the ability of the Federal Ministry of Agriculture and Rural Development (FARMD) to plan, program and control the development of the agricultural sector as a whole; and

(d) Encouraging the involvement of Federal agencies such as the Nigerian Agricultural Bank (NAB) and the Marketing Boards at local levels.

32. Clearly, these objectives could only be achieved over the long run and whilst the focus to date has been aimed at meeting the more urgent short-term objectives, it is nevertheless proposed to engage the Federal Government in a comprehensive dialogue on the Bank's long-term objectives within the
context of an agricultural sector mission scheduled for the summer of 1978. Of particular importance in this respect is to reach a concensus with the Government on the need to rationalize policies on pricing, interest rates and subsidy policies.

33. The proposed lending program in agriculture over the next five years (1978-82) will consist of 13 projects amounting to US$335 million.

B. Power

34. The development of a comprehensive electricity supply network is one of the top priorities under the Third Development Plan. To this end, the Nigerian Electric Power Authority (NEPA) has formulated an ambitious ten-year 1976/77-1985/86, power expansion program. This program basically consists of the installation of about 4,000 MW of new generating capacity, an extensive transmission system and a distribution expansion which would extend power supply to the entire Nigerian territory. The total investment requirement for this ten-year program at today's prices is estimated at about US$7 billion.

35. Electrical power consumption, although low by West African standards, has grown at an annual rate of 18% for the past five years and is expected to grow at an even higher rate over the next decade. One of the major reasons for this high expectation is the anticipated consumption of large industrial projects.

36. The execution of this current plan will probably be affected by a number of factors. Three major issues can easily be identified: financial policy and internal resource generation, institutional deficiencies, and planning and management constraints. As is the case in most developing countries, the weakest aspect of the power development plan in Nigeria is distribution planning and operations.

37. Bank participation in the power distribution aspects of the ten-year plan could help achieve a number of objectives:

(a) Improve NEPA's planning methods for distribution development in order to reduce costs and delays in its execution;

(b) Execute a study on Nigerian energy resources which, among other things, would in turn be instrumental in the proper planning of power generation sub-sector in future stages;

(c) Increase electric service coverage to the urban and rural poor;

(d) Execute a study on the medium- and long-term marginal cost of electricity, which should serve as a basis for establishing tariff and pricing policies. This study and the power supply and demand balance forecast will permit the Government to take decisions on exporting power to neighboring countries (Benin, Togo, Niger); and
(e) Promote engineering designs of distribution project components to reduce cost and encourage local manufacture.

38. Both the Government and NEPA are interested in a continued association of the Bank with the power sector. There is also evidence that the Government is changing its position on tariff policies. To tackle the major issues is obviously a longer-term proposition and will require a substantial involvement by the Bank for some years to come involving several successive loans. We envisage a Bank loan of about $100 million in FY 1980, and a second operation, not necessarily confined to distribution, in FY 1982.

C. Industry

39. Industrial development in Nigeria is of significant importance for sustained long-term growth of the economy, both in terms of its contribution to GDP and employment generation. The latter is of particular relevance for absorbing ever-increasing off-farm unemployment. Bank involvement in the industrial sector could play an important role in supporting Government efforts in promoting medium and small indigenous enterprises as well as a few large projects in selected areas. Such assistance would also meet the objective of assuring a more balanced development of the sector.

Finance Companies

40. Among the potential lending possibilities for the Bank, the NIDB 1/ perhaps later the NBCI, 2/ rank fairly high. Both institutions will most likely have substantial borrowing requirements over the next five years, and in their case the Government is likely to encourage borrowing abroad. As far as the NIDB is concerned, there is the advantage of a previous association with the Bank and familiarity with Bank procedures and conditions. This would allow the Bank to increase lending outside agriculture fairly rapidly.

41. Even though the Bank was instrumental in setting up NIDB and has made two loans (apart from equity participation by IFC), there is room for further institution-building, particularly in the areas of financial control, programming and loan recovery. In addition, NIDB is in the process of widening its scope of operations, including setting up branches in some State capitals. While the major objectives of the Bank in respect of NIDB and NBCI would be to bring about improvements in these and possibly other areas, it would also afford the Bank a balanced approach in support of industrial development in Nigeria. Following a recent Government reorganization of Nigeria's financial system, NIDB is now lending exclusively for public sector industrial investment, while NBCI is primarily engaged in financing investment in medium and small enterprises in industry and commerce.

42. While we have not yet identified any specific sectoral issues, we expect some to emerge from studies already underway and from additional sector and sub-sector reviews which we intend to undertake. A broader issue is the interest rate structure over which NIDB and NBCI have no direct control. However, progress in this area as borrowing requirements increase and surplus liquidity diminishes, is part of the Bank's overall objectives and as such must be linked to Bank lending in general. Involvement with NIDB and NBCI may provide us with more leverage.

1/ NIDB - Nigerian Industrial Development Bank
2/ NBCI - Nigerian Bank for Commerce and Industry
43. The lending program envisages three loans in the DFC sector; two to NIDB and one for NBCI totalling US$150 million over the five-year period.

Major Industrial Projects

44. The Government Development Program places heavy emphasis on the need to create an industrial base that can contribute to self-sustaining growth with less reliance on oil. The large-scale industrial projects in the program include an iron and steel complex, downstream diversification of the petroleum industry, additional cement plants, agro-industries, expanded fertilizer production and LNG projects.

45. The Government has expressed interest in Bank participation in the iron and steel plant, LNG project and a fertilizer plant. In the case of the iron and steel plant, major contracts have already been awarded to suppliers in conditions which most likely preclude Bank participation. The LNG project is sponsored by several major oil companies which should be able to secure private sources of finance.

46. The fertilizer project, on the other hand, might constitute a case for Bank lending because of its direct linkage with agriculture. Fertilizer is a major input in the agricultural sector as a whole, and particularly in the projects which the Bank has been and will be supporting in the future. Pricing (including subsidies) as well as distribution and marketing have been identified as major issues. Involvement in the financing of a fertilizer project would thus provide the Bank with the additional opportunity of assisting in policy improvement, in addition to our major involvement in agriculture to resolve the pricing and distribution problems. A firm Government commitment to that effect, however, would be an essential prerequisite for Bank participation.

47. Discussions with the Government to be initiated shortly should determine whether there is common ground for a firm Bank involvement. If this is indeed the case, we propose that the Bank finance a major part of the project costs which are currently estimated at around US$500 million. We have earmarked a US$100 million loan for FY 1980 for this purpose.

D. Transport Sector

48. Past involvement of the Bank in the transport sector was significant and covered highways, railway rehabilitation and port development. The extent of future Bank assistance to the sector is at present uncertain. From a general point of view there is little doubt that there is a prima facie case for Bank support for Nigeria's transport infrastructure because of its importance for Nigeria's economic development, its relationship with other sectors in which the Bank is interested and the role we could play in bringing about needed institutional and financial improvements as well as more rational investment decisions.

49. The Government has so far not expressed any specific interest for Bank assistance in the transportation sector. Regarding development and improvement of highways there have been disagreements between the Bank and the
Nigerian authorities in the past over economic criteria and highway design standards. As a result, and because of its high liquidity, the Government had placed a premium on speed and even over-designing and opted for direct contracting, and has financed its massive investment program in this area with its own resources. Any Bank involvement would clearly require a change in Government attitude and acceptance of Bank criteria, policies and procedures for highway projects. While there may be some indication that the Government will change its approach, we are not sufficiently sanguine at this time to provide for any lending for major highway construction in the program.

50. However, there are two areas which we propose to pursue with the Nigerians. The first is directly linked with Bank-supported agricultural development in the North. The expansion of these projects contemplated for their second stage will require new roads varying in standard from simple feeder roads to fully constructed paved roads which will form part of the secondary road network. These development roads are obviously of high priority and, on the assumption that Government endorses our proposals, we have made provision for a first US$30 million Bank loan in FY 1980.

51. The second area concerns road maintenance. The objective would be to provide capital and technical assistance in a limited number of selected States to build up effective road maintenance organizations at State and local levels. We expect the Nigerians to be responsive to the need for support in this field and envisage a first project in FY 1980.

52. The Nigerian railways pose a special problem. In spite of its declining role in past years in relation to road transport, the railways could have a viable future and successfully compete with road transport given Nigeria's growth potential, but this would require a fundamental financial, operational and technical rehabilitation of the entity. The railways are virtually financially bankrupt and depend on huge Government subsidies to cover operating losses. The weaknesses in organization, management and operations are such that it would require disproportionate staff and financial inputs by the Bank which in relation to the risks involved in achieving even modest progress do not, in our view, warrant Bank involvement for the time being. The railways have received substantial technical assistance from other sources and the obstacles (largely political) which have prevented its effective utilization are not readily amenable to Bank action.

53. Ports are of strategic importance for Nigeria's development to combat serious congestions at all major ports since the oil boom. The Government has embarked on extensive port expansion schemes, many of which are nearing completion, while more are at the planning stage. Our past involvement in port development has not been overly successful in terms of the principal financial and institutional objectives we had hoped to achieve, in part because of the civil war and the subsequent change in traffic conditions which followed the oil boom. The question therefore is whether through future assistance we can expect to achieve more satisfactory results. The major issues to be resolved are clear: improvement of the serious financial situation of the ports through realistic and cost related tariffs and charges, and in financial control; strengthening of management, administration and operations; establishment of a proper planning capacity in respect of future development; and training at all levels. Since these objectives can only gradually be achieved, the Bank would have to aim at a longer-term association with the ports. Two future
expansion schemes in Laos and Port Harcourt might be potentially suitable projects for Bank assistance provided we can reach firm agreements with Government on key lending criteria. On this assumption, we have tentatively included a loan of US$80 million for port development in FY 1980.

E. Water Supply

54. The Government places highest priority on water supply expansion as reflected in the development program which provides for substantial investments in new and expansion of existing schemes in both urban and rural areas.

55. Water supply development in Nigeria is a State Government responsibility but the Federal Government is meeting 50% of the total costs of projects.

56. Most State institutions have serious deficiencies in management, organization, technical expertise, staffing and finances. One of the reasons for the latter is that water charges are extremely low reflecting that, in Nigeria as in many countries, water supply is regarded as a social service.

57. The Bank has so far not lent for water supply in Nigeria, although involvement in the sector has been envisaged for some time. Substantial preparatory work was undertaken and two urban water supply projects were in fact appraised in 1974 and 1975 (Western State and Kaduna). Neither project materialized for Bank lending. In the first case the Government is financing the project with its own resources, and the implementation of the second project has been delayed due to revised project scope and concept. Institution-building, training and improved financial management remain the major objectives for Bank assistance, but no overall sector strategy has so far been developed. Assistance for rural water supply to which the Government attaches high priority would be subject to a reconciliation of Government policies with current Bank policy, notably in the area of cost recovery. While there may be a case for subsidization of water supply in the rural areas in the Nigerian context of redistributing oil resources, cost recovery is a major issue which would need to be resolved. We will pursue this and other related issues with Government in an effort to reach an early understanding.

58. In terms of lending options, we have therefore assigned initial priority to urban projects in a few selected States which have expressed interest in Bank assistance and where we can expect responsive attitudes towards needed institutional and financial improvements. In each case we can expect only gradual progress toward these objectives, and we would therefore have to aim at a longer-term involvement.

59. Accordingly, we have made provisions for three urban projects in FY 1979 and FY 1982, and for a possible project in support of rural water supply in FY 1981.

F. Housing and Urban Development

60. Although Nigeria's housing and urban problems have not been comprehensively reviewed by the Bank, there is enough information to conclude that serious problems exist. Rapid urban growth has resulted in overcrowding,
congestion, lack of essential services and high rents, resulting in slum and squatter settlements in practically all of the major urban centers in Nigeria.

61. Recognizing the increasing seriousness of the situation, the Government has formulated an ambitious program aimed at sharply increasing housing construction especially for low-income groups. The program entails direct construction by both Federal and State governments as well as expansion of credit facilities to enhance private housing construction.

62. Among the major issues concerning urban development are:

(a) The lack of qualified personnel at both the Federal and State levels;

(b) The excessive reliance on high-cost imported building materials and the corresponding need to develop appropriate technology;

(c) The need to address employment generation schemes in upgraded areas; and

(d) The lack of attention to infrastructure facilities and community services.

63. The main Bank objective in the sector would be to follow an approach which has been successful in rural development in assisting the Government's program by developing demonstration (or seed) projects for sites and services, slum upgrading and related improvements in selected urban centers or State capitals which would then be replicated in other cities.

64. The Government has expressed interest in Bank assistance and we envisage a substantial Bank involvement in this sector over the next years, embracing a series of operations. An identification-cum-preparation mission is scheduled to visit Nigeria in the near future and a first lending operation is envisaged to materialize in FY 1980.

G. Education

65. The Bank's strategy in the education sector has been to assist, through three projects, in the diversification of the secondary school curriculum, in the training of teachers, in the expansion of technical and vocational training and in redressing imbalances in the regional access to education. This strategy remains basically valid but would need to be modified to place greater emphasis on professional and vocational training including public administration. This might include establishing basic institutions for the administration, management and planning of education. Some State governments have expressed a strong interest in Bank assistance for new projects and we propose to initiate a dialogue with the Government with a view to identifying suitable projects in the area of professional and vocational training. It is possible, therefore, that an education or training project could be included in the lending program in later years. However, given past experience, any such project would be limited in scope and confined to selected States.
IV. PROPOSED LENDING PROGRAM

66. The lending program we are proposing for the next five years would amount to US$1.2 billion as detailed in the attached table. Gross disbursements would increase from a current level of about US$50 million to around US$125 million by 1981.

67. There is a fairly strong case, we believe, for a further substantial increase in Bank lending to Nigeria, say to US$1.5 billion over the period. However, because of the lead time necessary to prepare projects and the notoriously slow pace of the Nigerian administration, we have kept our expected level of commitments to US$1.2 billion, which we think is feasible. However, to achieve this commitment level we will have to work on a substantially higher operations program because of the exceedingly high slippage factor in Nigeria, which will undoubtedly be exacerbated by the country’s return to civilian rule.

68. The lending program as presented in this paper is necessarily tentative, and the individual amounts of the various loans merely indicative at this stage, for obvious reasons. In the first instance, our present knowledge of sectors other than agriculture and power and to a somewhat lesser extent NIDB, is not such as would permit us to establish clear-cut lending possibilities. These can be firmed up only after extensive work in practically all major sectors. The omission of certain sectors from the program, such as education, moreover, does not imply that we do not see a role for the Bank, albeit at some later stage.

69. Secondly, we do not know what reactions we can expect from the Nigerian Government in response to the proposed program, and more importantly, to the overall economic and sector policy issues on which we want the Government to take action as part of our lending strategy. This will have to be established in the forthcoming discussions with the Nigerians.

70. For the time being we have assumed that Bank financing should be confined to covering the foreign exchange cost of projects. However, we may have to review this position should it become clear that a higher Bank contribution is warranted.

V. STAFFING

71. Obviously to more than double our current level of commitments to US$1.2 billion for the five-year period FY1978-82 will require a very high staff input on our part. In presenting our FY78 budget request we had warned that it was based on our present low level of involvement, exclusively in the agriculture sector. If Senior Management agrees to our approach as presented above, and if we can reach a preliminary understanding with the Nigerians during the Annual Meetings on the proposed lending program, we would have to develop at once detailed work papers and related staffing needs. We would also review our present operational set up, i.e., field versus Headquarters staff.

1/ See Appendix II
72. At present the Lagos Resident Mission consists of the Chief of Mission, one economist and two agricultural experts (one agronomist and one financial analyst). The loan officer position in the field has been vacant since June 1976. At Headquarters we have one country economist, one liaison officer and one operations assistant. This is clearly inadequate to handle the envisaged expanded program. However, we shall not be in a position to outline detailed staffing requirements until we have a clear agreement on the scope and direction of our future activities. In the meantime we would propose to re-arrange our own forces at Headquarters on the Programs side on an interim basis to lay the ground for a future expansion. In that respect we would designate a team leader at Headquarters and transfer back to Headquarters the field loan officer position and redefine the responsibility of one field staff to give badly needed support to the Chief of Mission. There would be no immediate budget implications to these moves.

73. Given lead times for hiring competent staff, we envisage that we would, however, need advance authority for recruiting during FY78; we have in mind one additional loan officer, one additional sector-oriented economist on the Programs side and two experts on the Projects side. These additional positions would be defined as soon as we have firmed up our program with the Nigerians and would be integrated into our FY79 budget submission.
NIGERIA

AGRICULTURAL PROJECT LENDING STRATEGY

1. We are lending in two main areas:

   (a) Crop/animal commodity specific projects, such as oil palm, cocoa, livestock and rice. These projects include commercial estates/ranches and outgrower components.

   (b) Integrated agricultural/rural development projects that provide a range of services for development of a mix of annual crops.

Results to date

2. (a) Commodity Specific Projects. Where reasonable management is available the crop specific projects are working well, but others where management has been inadequate, e.g. Cross River Rice, Bendel Oil Palm, and Livestock, the results have been extremely disappointing. Since the initiation of these commodity specific projects there has been a radical change in importance of the associated subsistence food crops normally grown under the same farming system. These food crops are now significant income generators (cash crops) and compete, often to the detriment of tree crops, for farm labor and other resources. Thus in future serious consideration will need to be given to the farming system as a whole, which under Nigerian agronomic conditions is extremely complicated.

3. (b) Integrated Projects. These are being developed in selected areas of northern Nigeria. In order to impact quickly on the local population, and to circumvent unduly inefficient Government bureaucracies, the projects were given considerable managerial and financial autonomy, and are paving the way for major reform on a statewide basis, of the agricultural service industry. They are designed to provide the minimum needs (basic service packages) to allow farmers to increase production, i.e., improved extension roads, farm inputs, water supplies and training. In some instances, advanced development packages (detailed farm planning, etc.) are also provided. So far, nearly 1/4 million farmers have been affected by ongoing integrated projects, and a similar number will be involved in new projects to be implemented or appraised. These are: Funtua, Gusau, Combe; Lafia, Ayanba; Bida and Ilorin. To date the first three projects have been successful and have full farmer and Government support. The success reflects good management and the ability to overcome the numerous logistical problems that occur in Nigeria. Development has been rapid and new problems have emerged as the projects outpace services provided by other agencies, for example, research and new technologies.

4. For the first time, large programs have been planned and implemented on target (without excessive cost-overruns), incomes have been improved and people feel part of the new development. Under the well-managed northern integrated projects, as at August 31, 1977, 92% of estimated target appraisal
Appendix I
Page 2 of 3

Disbursements had been achieved. Our remaining projects have only disbursed 13%. The low disbursement rate of the latter reflects primarily the standard of management and financial control of the projects, and substantial delays in completing conditions for loan effectiveness.

5. In the future, we must take account of past achievement and expand these projects to cover greater areas and other agencies. To do so with a reasonable chance of success means firm Government commitment and greater dependency on a number of associated agencies that are not always particularly well managed. It also means Government and the Bank agreeing on some major sectoral issues, such as subsidies for farm inputs, and interest rates. However, it is also a reflection of constraints outside the control of the project management units including the inability of State and Federal Governments to process Loan, Project and Subsidiary Agreements, legal opinions, etc., in a timely fashion; the creation of new States which has had a devastating effect on manpower availability; and the reduction of State and Federal budgetary funding to the projects, which in turn reduces the Bank's inflow of compatible funds. This latter problem could seriously affect the continued rate of development at Funtua, Gombe and Gusau, unless Government can make the necessary financial commitment to the projects.

6. (c) Project Management. An analysis of agricultural projects indicates that there is a direct correlation between project success and the quality of senior project management. Generally, the projects are conceptually simple, using unsophisticated tested technology. Where management is good and fully supported by a committed State Government, success is generally assured. Nigerian management has proven adequate on the Cocoa Project and the Imo and Ondo Oil Palm Projects, but has been less successful on the more complex projects. In the North, the Bank has assisted greatly, through the West Africa Region Agricultural Project Management Unit (APMU) in providing expatriate technical assistance to supplement inadequate local staff. Expatriate management, where utilized, has had the added advantage of providing a degree of protection to Nigerian staff, thus enabling the latter to develop their skills within a reasonable management and operational environment.

7. (d) Training Programs for Nigerian project staff are included in all our projects and in the last year or so we have intensified training particularly in the North by recruiting experienced trainers. Furthermore, we have under active appraisal a project to establish an Agricultural Management Training Institute that would be available to all sectors of the agricultural industry for training staff in management skills. Even so, no short term solutions can be found to the management problem apart from employment of expatriates.

Future Bank Operations

8. Because of special technical requirements we are likely to have to continue with tree crop specific projects, such as cocoa and oil palm in the tree crop sector but in closer association with with farming system as a whole. It is doubtful whether specific second phase livestock and rice projects will
be considered, but Bank livestock investment may be possible through a line of credit to the Nigerian Agricultural Bank, and rice development as a component of Regional agricultural projects such as proposed for the Bida Agricultural Development Project.

9. The ongoing integrated agricultural development projects will be expanded statewide, starting with Kaduna State. Project staff in Funtua, Gusau and Gombe along with State officials are now preparing initial plans for statewide projects for Kaduna, Sokoto and Bauchi States. The provision of Basic Service Packages on a statewide basis is considered essential prior to more capital intensive investments. For example, large scale irrigation projects in northern Nigeria are economically viable, particularly in the drier areas, but are only likely to be successful where other development needs exist. Similarly, successful implementation of a nationwide agricultural credit project through the Nigerian Agricultural Bank would depend on the availability of the Basic Service Packages. To support our ongoing projects and to improve management of associated agencies, the Bank will also assist in establishing a special Agricultural Management Training Institute and will continue to provide the services of high quality expatriate management and technical staff.

10. A more complete review of the agricultural sector will be undertaken in mid-1978 to identify projects at State and national levels, suitable for Bank lending during the next decade.
### NIGERIA - PROPOSED LENDING PROGRAM FY1978-82

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<th>Project Description</th>
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**Total FY 1978-82: $1.2 billion**

9/19/77