INTEGRATED SDG INSIGHTS

NIGERIA

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.

HOW TO READ THIS REPORT

Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).

It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).

Combined, these insights are mapped against SDG interlinkages to define policy choices the accelerate SDG progress, tailored to national context (**SDG Interlinkages**).

These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

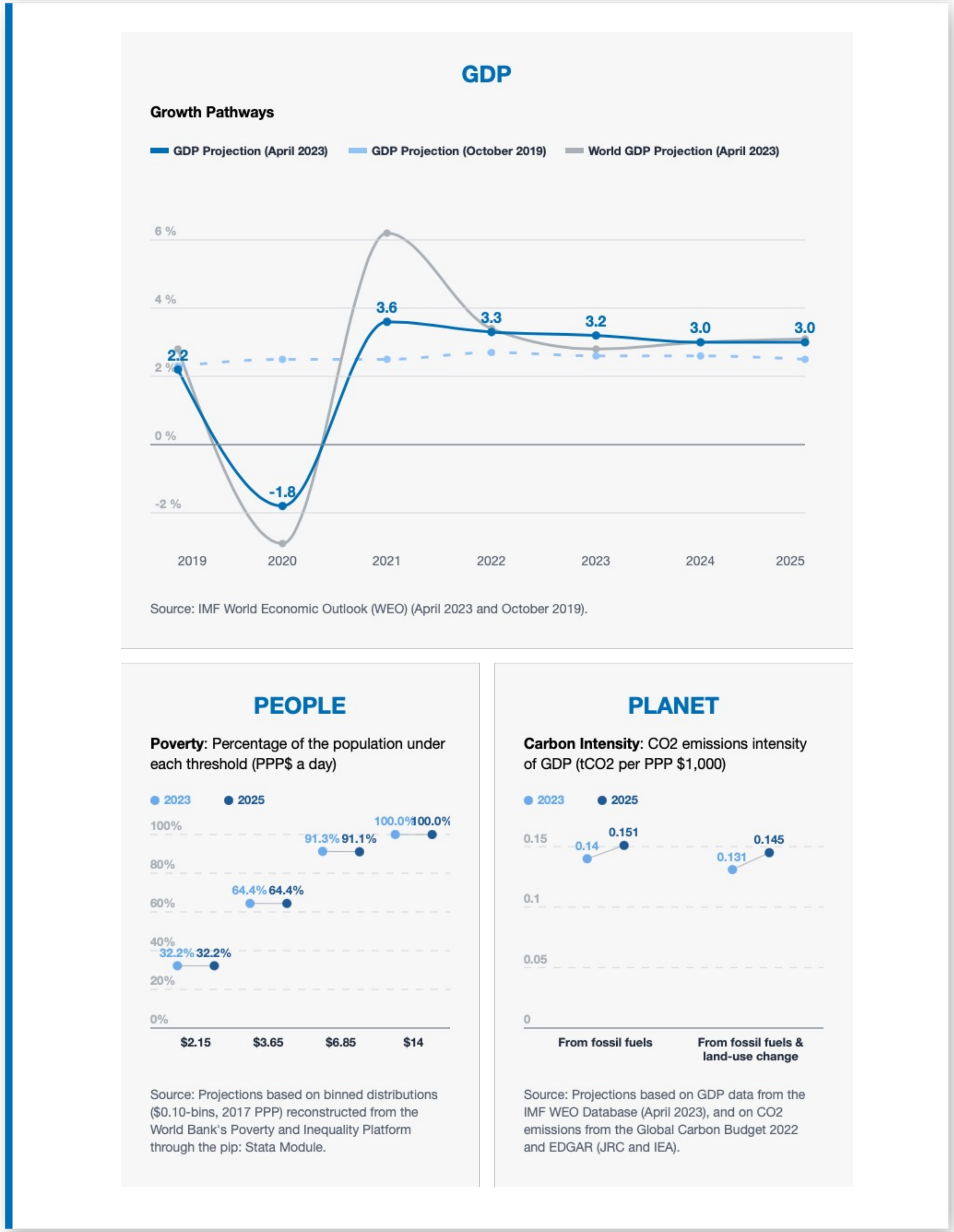
SDG MOMENT: NIGERIA

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Nigeria's economic growth rate in 2023 is in acceleration, but is expected to plateau at 3% by 2024-2025.[1] This pace of growth is characterized by being 4% higher, on average, than that of the world, and above the country's growth trajectory projected before the pandemic. Accordingly, Nigeria's commitments to achieving the SDGs are focused on the promise of getting 100 million people out of poverty and ensuring prosperity for Nigerians.

This pace of growth, however, is not expected to exert a significant effect on lowering the incidence of poverty. This brings to the fore the urgency to address distributional challenges to accelerate poverty reduction from its prevailing levels. Economic expansion, on the other hand, would be increasingly dependent on carbon emissions, as the country's carbon emissions intensity of GDP is expected to increase at an annual rate of 4% due to fossil fuel usage and of 5.4% when considering land-use change.[2]

[1] The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.
[2] CO_2 emissions intensity of GDP is computed as tonnes of CO_2 per $1,000 (2017 PPP).



SDG TRENDS

Understanding how Nigeria performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows UN Stats standards and methodology, and is aligned with country profiles.

Trends in detail:
https://data.undp.org/sdg-push-diagnostic/NGA/sdg-trends

SDG PRIORITIES

Nigeria's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions. SDG Priorities: 8, 16, 9, 1, 11, 3, 4.

Key documents used for analysis:

1. Nigeria Agenda 2050
2. Nigeria National Development Plan 2021 - 2025
3. National Poverty Reduction with Growth Strategy
4. Agenda for Renewed Hope 2023

Priorities in detail:
https://data.undp.org/sdg-push-diagnostic/NGA/current-priorities

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Nigeria to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Nigeria's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Nigeria:

- Target 1.2: Reduce poverty by at least 50%
- Target 8.5: Full employment and decent work with equal pay
- Target 9.2: Promote inclusive and sustainable industrialization
- Target 16.6: Develop effective, accountable and transparent institutions

ACCELERATION PATHWAYS

SYNERGIES

TRADE-OFFS

SDG INTERLINKAGES

1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

Nigeria's development ambition to end poverty by 2030 is navigated in the context of sluggish growth, low human capital, labour market weaknesses. According to the National Bureau of Statistics, 4 in 10 Nigerians live below the poverty line, approximately 80 million people. Many Nigerians – especially in the country's north – lack education and access to basic infrastructure, which further challenges this ambition. Productive work and expanded job opportunities for women and youth is a key element in an integrated strategy for poverty reduction - just 17 percent of Nigerian workers hold the wage jobs best able to lift people out of poverty. Furthermore, climate and conflict shocks – which disproportionately affect Nigeria's poor – are multiplying, and their effects have been compounded by COVID-19.

Nigeria's ambition to end poverty by 2030 builds on integrated policy choices that drive progress across multiple SDGs. The government's strategy to lift 100 million people out of poverty is anchored on eight areas: decent jobs and economic growth (target 8.5), macroeconomic stabilization (target 17.13), quality, reliable, sustainable and resilient infrastructure (target 9.1) industrialization (target 9.2), structural and institutional reforms (target 16.6), as well as redistributive programmes (target 1.3). The latter include programmes aimed at enhancing incomes, job opportunities and wealth creation through vocational skills training (target 4.4), micro-credit and micro-enterprise development (target 8.3) and livelihood diversification in the agricultural sector (target 2.3).

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/NGA/synergies-and-tradeoffs

SDG INTERLINKAGES

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people with disabilities, and equal pay for work of equal value

SDG 8.5 has a positive multiplier effect on several SDGs and is a central pillar to Nigeria's strategy for pulling more than 100 million people out of poverty. It is positively associated with priority investments in youth empowerment (Target 4.4) and skills development/ and upskilling (Target 8.2), and an important investment that helps address SDGs that require acceleration, particularly in the reduction of poverty and vulnerability (Targets 1.2, 1.4) , food security (target 2.1) and across several health targets (Goal 3 reduction of hunger and malnutrition) and SDG 3 (reduce maternal mortality, end the AIDS pandemic, tuberculosis, among other diseases.

To create jobs and reduce poverty, it is essential that the Nigeria increases its growth potential substantially by diversifying the economy. By focusing on SDG target 8.5, diversifying the economy, deepening trade and value chain integration, Nigeria can expand opportunities for all groups in society, with a focus on populations that are most at risk of exclusion, including women and youth.

Progress on target 8.5 relies on expanding frequency and access to energy in Nigeria. This should be supported with policies that reduce carbon emissions leveraging renewable energy (Target 7.2), coupled with energy efficiency (Target 7.3).

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/NGA/synergies-and-tradeoffs

SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels

The Government of Nigeria recognizes that investments in physical infrastructure and production cannot be sustained without a commensurate reform in governance. In this regard, reforms of public finance management and the budgetary process have been broadly progressive.

Investments and policy choices that strengthen institutions is recognized in Nigeria as a fundamental driver for the eradication of extreme poverty (target 1.1) over the medium term with significantly higher and more inclusive growth (target 8.1) with positive benefits to national efforts to build resilience to shocks and disasters (target 1.5)

By focusing on SDG 16 (Peace, justice and strong institutions), and specifically Target 16.6, Nigeria can increase its ability to achieve sustained, inclusive and high economic growth needed to reduce extreme poverty. Extreme poverty reduction can be enhanced by improving governance, strengthening institutions, the rule of law, public accountability and the fight against corruption.

Explore the interlinkages at:
https://data.undp.org/sdg-push-diagnostic/NGA/synergies-and-tradeoffs

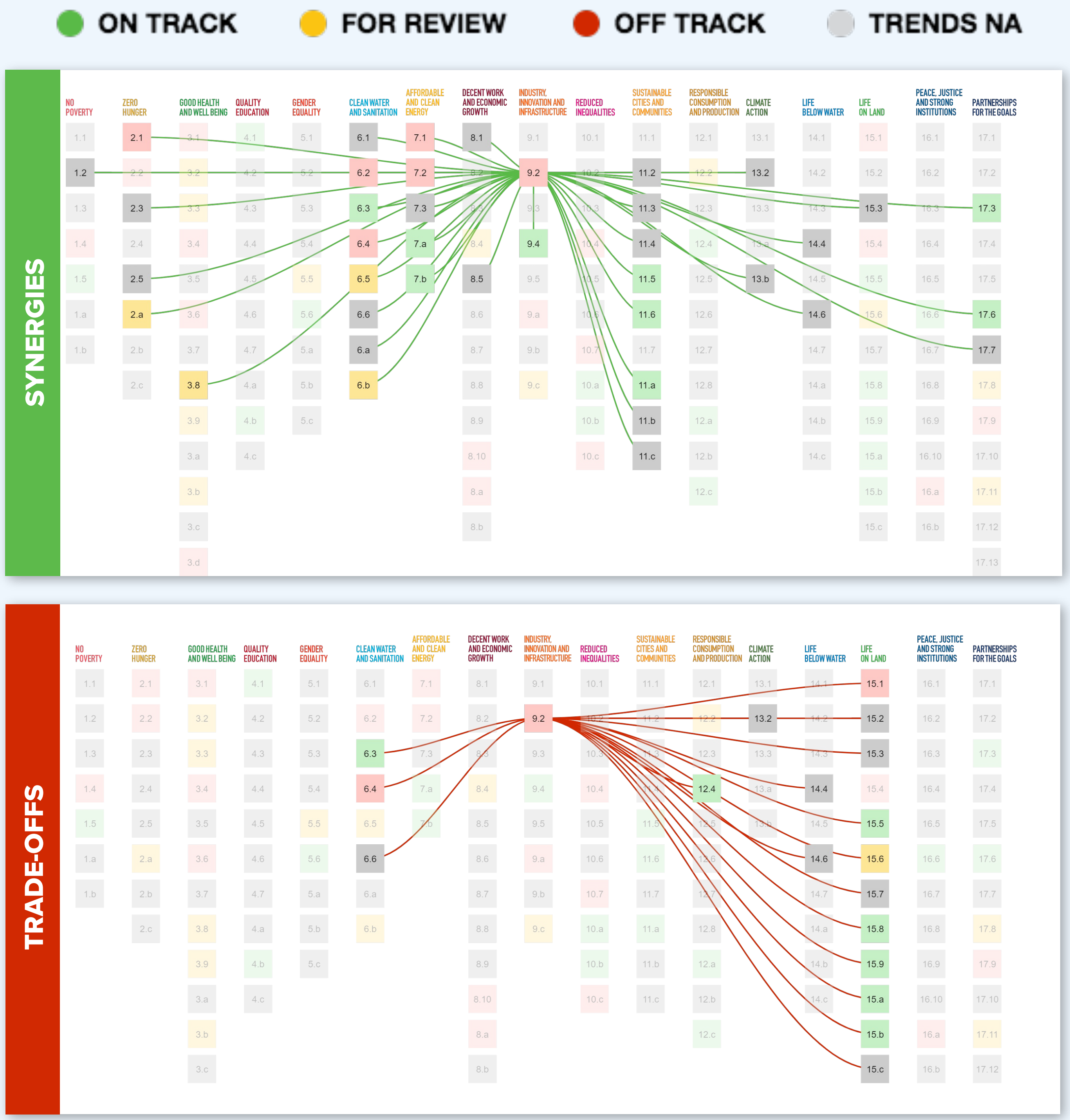
SDG INTERLINKAGES

9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.

Nigeria needs more industries, especially manufacturing to promote economic growth and sustainable development to an optimal level. Pursuing SDG target 9.2 can foster inclusive and sustainable industrialization while simultaneously enhancing its sustainable economic growth and employment prospects. Industrialization can also provide critical injection of capital in the agricultural sector.

To achieve the level of industrialization required, investment in basic amenities will be required including safe and affordable water and electricity. However, the pursuit of industrialization also entails trade-offs. It requires careful consideration of environmental sustainability as industrial activities can have adverse ecological impacts—affecting ecosystems (SDGs 15 and 2), potable water (SDG 6), life below water (SDG 14) and life on land (SDG 15). Rapid industrialization could put pressure on energy access (Target 7.2) at the expense of energy sustainability (Targets 7.2 and 7.3). Ensuring inclusivity in this process is crucial to preventing potential social, gender and territorial inequalities (Target 10. 5)

By investing in SDG 9.2 (inclusive and sustainable industrialization), Nigeria can improve on its current employment challenges and focus on key priorities, namely poverty eradication, reducing inequality and improving the business environment and local entrepreneurship. This, complemented with policy interventions that promote modern agriculture, production value chain, leveraging innovation, science and technology and industrial niches for diversification to generate jobs for women and youth.



Explore the interlinkages at:
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FUTURES SCENARIOS

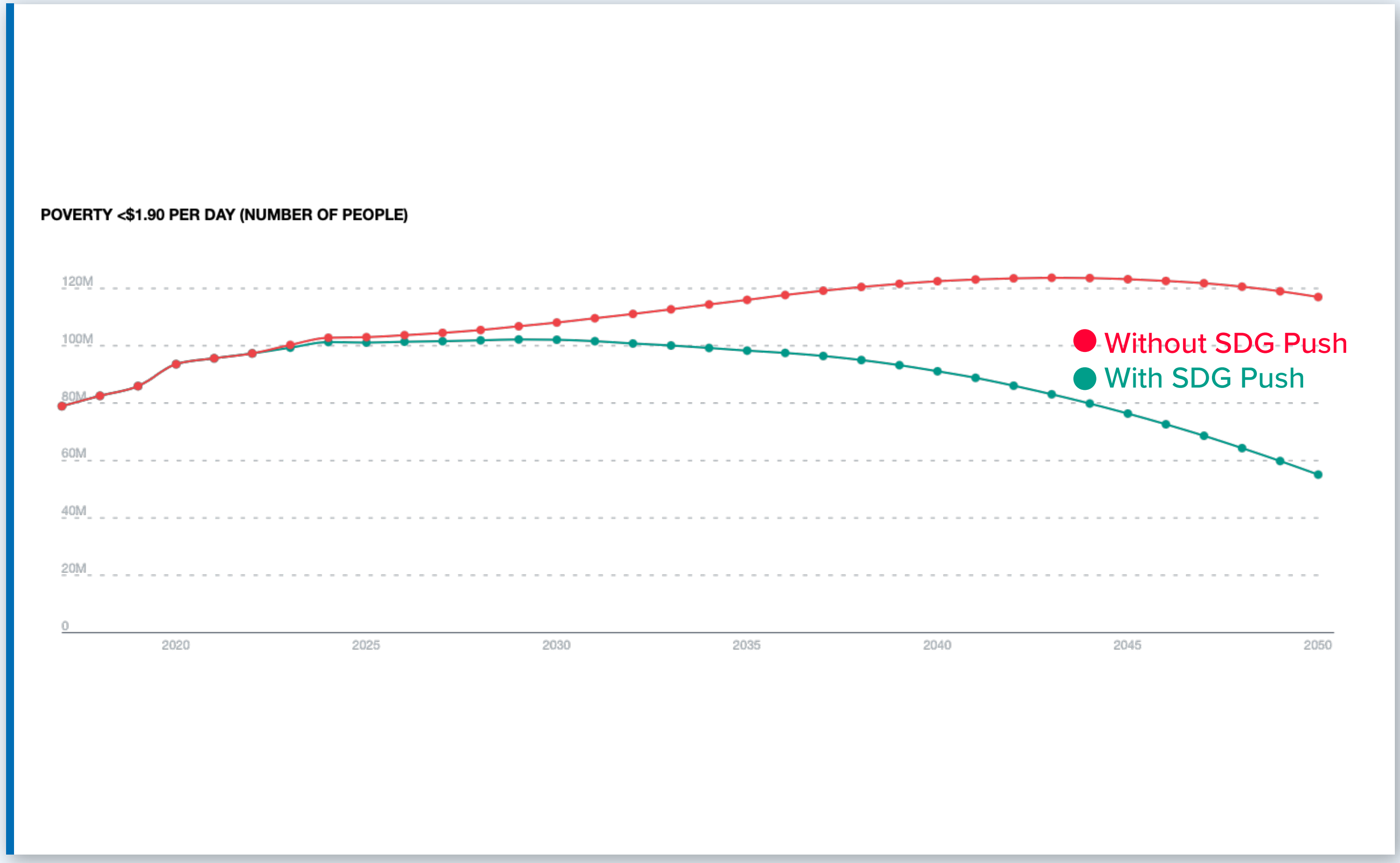
Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Nigeria can reduce the number of people living in poverty over time.

The SDG Push strategies shows what is possible with investments in these four areas but does not include the macroeconomic stabilization policies and change in Industrialization reflected in National Poverty Reduction with Growth Strategy that could pull out 100 million people out of poverty by 2030.

People living in poverty	By 2030	By 2050
Without the SDG Push	110,000 000	120,000 000
With the SDG Push	100,000 000	55, 000 000



Explore SDG Futures Scenarios at:
https://data.undp.org/sdg-push-diagnostic/NGA/future-scenarios

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue and debt as a proportion of GDP and the natural resource share of total revenue. The financial indicator graphs show external debt servicing relative to revenue, the country's sovereign credit rating and the 10-year bond yield.

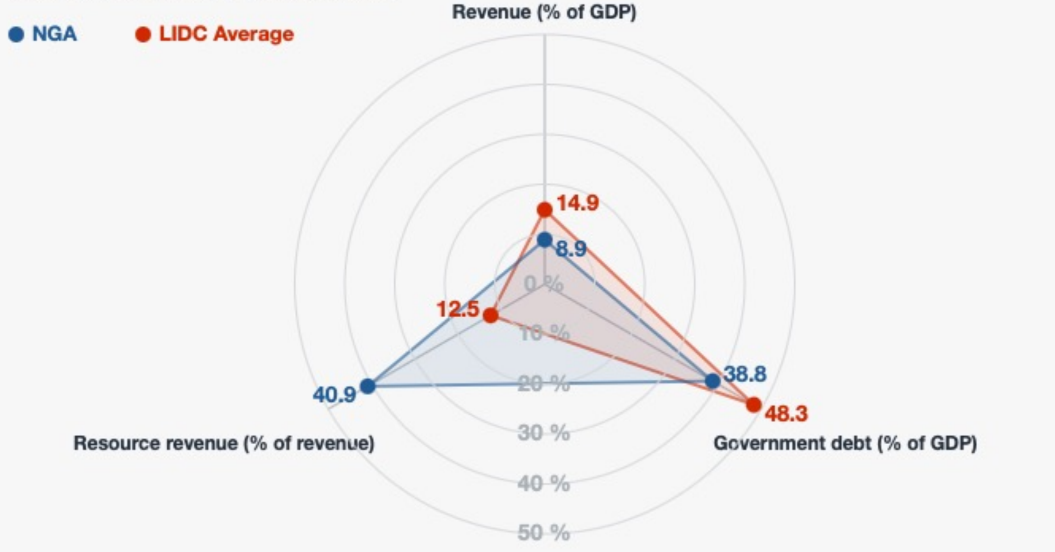
Nigeria's gross government debt, projected at 38.8% of GDP in 2023, is nearly 10 percentage points (pp) below the low-income developing countries (LIDC) group of 48.3%. The country is expected to collect 8.9% of GDP in revenue this year – 6 pp below the LIDC group's figure of 14.9% – with natural resources accounting for more than two fifths of said revenue.

Nigeria's external debt servicing relative to revenue is expected to reach 6.4% this year, which is less than half the average LIDC with 14.1%. The country's credit rating is in the 'non-investment grade highly speculative' category. The rating is also reflected in the country's 10-year bond yield, which is trading at 14.2% – close to the LIDC average of 15.7% – and more than 10 pp above a US 10-Year Treasury bond.

With the exchange rate reform and the end of the petrol subsidy, Nigeria's new government administration implemented two important reforms in June 2023 that could positively affect foreign direct investment, as well as its budget. Yet, targeted measures to temporarily mitigate the rising living costs for low-income households may be crucial to ensure sustainable development. Additionally, reducing inflation and increasing non-oil revenue are critical to further address long-standing macroeconomic imbalances.

Nigeria is using an Integrated National Financing Framework (INFF) to address key fiscal and financial constraints and build a more sustainable financial architecture at the national level.

LOW-FREQUENCY INDICATORS



FINANCIAL INDICATORS

Notes: External debt covers public and publicly guaranteed debt. The LIDC average of resource revenue (% of revenue) only includes the 38 countries that reported data for that indicator, that for 10-year bond yield (%) includes five LIDC enonomies. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: UNU-WIDER GRD (resource revenue, data from 2021), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), worldgovernmentbonds.com and Haver Analytics (yields as of 8 June 2023), S&P, Moodys and FITCH (credit ratings, data from 2023).

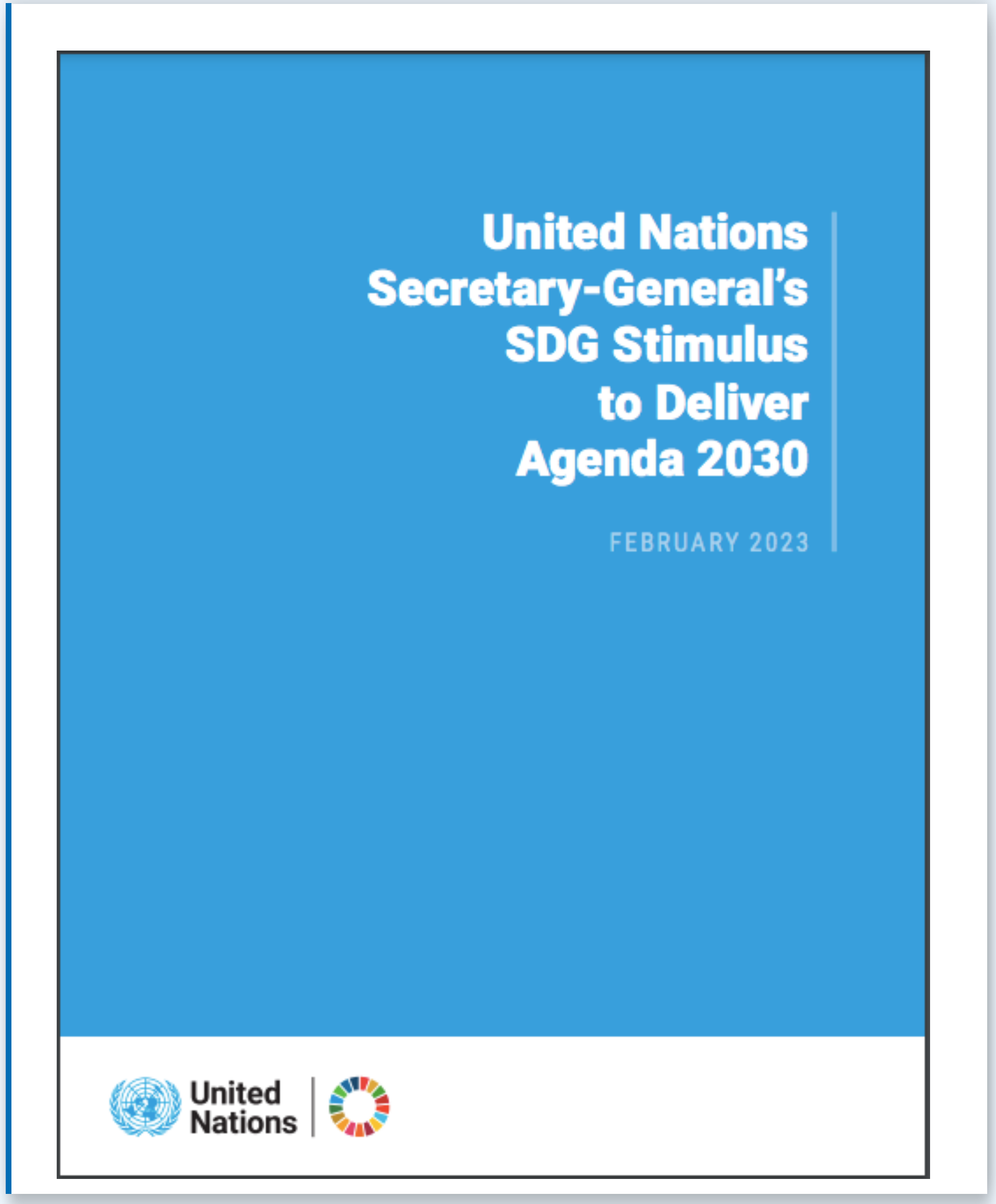
SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Nigeria has already undertaken the roll-out of the INFF, which is taking a wholesome approach to financing. Nigeria has also initiated several tax and revenue reforms, including the exchange rate and ending of the fuel subsidy. It is within this framework that Nigeria will further explore additional efforts such as the following ones:

- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing



METHODOLOGY

Click here to view the Methodological Note for the Integrated SDG Insights

SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO_2 emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).

TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official UN statistics to assess SDG progress, supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.

INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the KnowSDGs Platform by European Commission. SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. (Miola et al., 2019 updated in 2021-2022)

FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).