



NIGERIA INVESTMENT POLICY

2023 - 2027

FEDERAL MINISTRY OF
INDUSTRY, TRADE &
INVESTMENT



NIGERIA INVESTMENT POLICY





FEDERAL REPUBLIC OF NIGERIA

NIGERIA INVESTMENT POLICY

2023 - 2027

TABLE OF CONTENTS

ABBREVIATIONS.....	01-03
FOREWORD.....	04-05
PREFACE.....	06-07
CHAPTER I. Background.....	08-12
1.1. Vision and Mission.....	09
1.2. Policy Targets.....	09-10
1.3. Policy Objectives.....	10
1.4. Guiding Principles.....	10-11
CHAPTER II. Nigeria as an Investment Destination.....	13-21
2.1. Strengths of the Nigerian Economy.....	13
2.2. Measures undertaken by the Federal Government to Improve the Nigerian Investment Climate.....	19
Chapter III. The Policy Framework.....	22-43
3.1 Investment Promotion.....	22-23
3.2 Investment Facilitation.....	29-30
3.3 Investment for Sustainable Development.....	37
Chapter IV. Institution Arrangement.....	44-50
4.1 Implementation Procedures.....	44
4.2 Roles of Key Institutions.....	44-45
4.3 Roles of other Institutions.....	49
4.3 Coordination.....	49-50
4.4 Funding	50
Chapter V. Monitoring and Evaluation.....	51-55
5.1 Monitoring of Policy	51
5.2 Evaluation and Feedback.....	51
5.3 Monitoring Tools.....	52
References:.....	52-55

ABBREVIATIONS

ADR	Alternative Dispute Resolution
AfCFTA	African Continental Free Trade Area
AU	Africa Union
BIT	Bilateral Investment Treaty
BOI	Bank of Industry
CBN	Central Bank of Nigeria
CSR	Corporate Social Responsibility
DDI	Domestic Direct Investment
ECOWAS	Economic Community of West African States
EFCC	Economic and Financial Crimes Commission
ERGP	Economic Recovery and Growth Plan
FCCPC	Federal Competition & Consumer Protection Commission
FDI	Foreign Direct Investment
FET	Fair and Equitable Treatment
FIRS	Federal Inland Revenue Service
FMITI	Federal Ministry of Industry, Trade and Investment
FOI	Freedom of Information
GVC	Global Value Chain
ICSID	International Centre for Settlement of Investment Disputes
ICPC	Independent Corrupt Practices and Other Related Offences Commission
ICRC	Infrastructure Concession Regulatory Commission
ICT	Information and Communication Technology
IDE	Innovation-Driven Enterprises
IDF	Infrastructure Development Fund
IDO	Infrastructure Delivery Objectives
IIA	International Investment Agreement
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	Investment Promotion Agency
IPF	Investment Policy Framework

IPRs	Intellectual Property Rights
ISAR	International Standards of Accounting and Reporting
ISDS	Investor-State Dispute Settlement
LLC	Large Local Companies
M&A	Mergers and Acquisitions
MC	Ministerial Conference
MDAs	Ministries, Departments and Agencies
MFN	Most-Favoured Nation
M&E	Monitoring and Evaluation
MNE	Multinational Enterprise
MRA	Mutual Recognition Agreement
MSMEs	Micro, Small and Medium Enterprises
MTNDP	Medium-Term National Development Plan
NESP	Nigeria Economic Sustainability Plan
NDP	National Development Plan
NEPC	Nigerian Export Promotion Council
NEPZA	Nigeria Export Processing Zones Authority
NGO	Non-Governmental Organization
NInP	Nigeria Investment Policy
NiDCOM	Nigerians in Diaspora Commission
NIPC	Nigerian Investment Promotion Commission
NIPPS	National Intellectual Property Policy and Strategy
NSE	Nigerian Stock Exchange
NTBs	Non-Tariff Barriers
NMA	Nigeria Missions Abroad
OECD	Organization for Economic Cooperation and Development
OPS	Organized Private Sector
OSIC	One-Stop Investment Centre
PPD	Public-Private Dialogue
PPP	Public-Private Partnership
PRs	Performance Requirements
R&D	Research and Development
REC	Regional Economic Community

RIBS	Responsible, Inclusive, Balanced and Sustainable
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SEC	Securities and Exchange Commission
SEZ	Special Economic Zone
SIPA	State Investment Promotion Agencies
SMC&I	State Ministry of Commerce & Industry
SME	Small and Medium Enterprise
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
TIEA	Tax Information Exchange Agreement
TRIMs	Trade-Related Investment Measures
TRIPS	Trade-Related aspects of Intellectual Property Rights
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
UNIDO-ITPO	UNIDO Investment and Technology Promotion Office, Nigeria
VOA	Visa-On-Arrival

FOREWORD

It is my pleasure to present the first-ever Nigeria Investment Policy (NInP) in our journey of economic growth and development.

Nigeria's economic growth potentials, its abundant resources and strong demographic profile strategically position the country as a key investment destination among its peers. This administration has made significant efforts in implementing various reforms and initiatives to sustain Nigeria's position as a profitable investment destination.

These reforms were specifically targeted at improving the attractiveness of Nigeria's business climate and building a thriving economy, while addressing investors' concerns. One major landmark achievement was the establishment of the Presidential Enabling Business Environment Council (PEBEC), to drive these reforms in order to eliminate critical bottlenecks and bureaucratic constraints in doing business in Nigeria.

Deliberate efforts were made to reform and modernize Nigeria's legal framework. The repeal and the re-enactment of the Companies and Allied Matters Act (CAMA) which now provides a robust framework for the attraction of qualitative investments. As part of the administration's commitment to promote and retain investments in the country, we developed a Bilateral Investment Treaty (BIT) model to promote investment that are **Responsible, Inclusive, Balanced, and Sustainable** (RIBS) in line with the country's economic development objectives, the ECOWAS Investment Code, African Continental Free Trade Area (AfCFTA) Investment Protocol and United Nations Conference on Trade and Development (UNCTAD's) Investment Policy Framework for Sustainable Development.

All these efforts have significantly delivered notable achievements by moving Nigeria 40 places upward in the World Bank doing business index which also ranked Nigeria among the top 10 most improved economies. Further improvements of our generous fiscal incentives regimes and reforms across key sectors of the economy are underway.

The Investment Policy focuses primarily on three pillars namely investment promotion, investment facilitation and sustainable development. These pillars are designed to ensure:

- i. The diversification of the economy through the promotion of investment in critical sectors;
- ii. Facilitation of the investment process to improve the investor's experience;
- iii. Compliance with global standards on labour, human rights, environment, social and corporate social responsibilities;
- iv. Inclusive approach that mobilises investment and creates jobs;
- v. Balance in investors rights with obligations and preservation of Nigeria's policy space and right to regulate in public interest; and
- vi. Achievement of Nigeria's sustainable development objectives that align with agenda 2030 of the United Nations.

I am pleased to inform our investors that Nigeria remains strongly committed to improving its business environment and to emerge as one of the world's most preferred investment destinations.

We Welcome the World with Open Arms!

**President Muhammadu Buhari, GCFR
Federal Republic of Nigeria**

10th May 2023

PREFACE

The long-term goals of the Nigerian Government as shown in various National Developmental Plans over the years, is to diversify the economy, increase the level of foreign and domestic investment, create jobs, position the private sector as the driver of inclusive growth, sustainable development and export expansion.

It is a known fact that policy certainty and stability are key determinants of investment flows. Up until now, Nigeria did not have a comprehensive and harmonized policy to guide investment matters.

This policy seeks to pool all such regulations together into a holistic document that will guide the Nigerian investment environment. It will move Nigeria beyond a collection of investment-related regulations, some of which were embedded in the enabling / establishing laws of several Ministries, Departments and Agencies (MDAs) of government.

The NInP seeks to harmonize all investment-related regulations and operations both at the national and sub-national levels. This will necessitate the review of some legislations pertaining to investment, to create appropriate synergies with other national objectives towards the attraction, retention, expansion and diversification of RIBS investments in Nigeria.

The motivation for the development of this policy is the need to continually improve the country's investment and business climate for the attraction of both domestic and foreign investment and retention of investments attracted, to achieve the urgently required diversification of the Nigerian economy.

The drafting of the policy has involved a wide consultative process with the participation of both public and private sector stakeholders at the national and sub-national levels.

I wish to thank and express my deepest appreciation to the Bank of Industry for supporting the entire policy development process, as well as the National Sugar Development Council. I also appreciate the technical work of the staff of the Federal Ministry of Industry, Trade and Investment (FMITI), Nigerian Investment Promotion Commission (NIPC), Nigerian Export Promotion Commission (NEPC), Nigeria Export Processing Zones Authority (NEPZA) and

my technical team who worked tirelessly in the Nigeria Investment Policy Development Secretariat to make this a reality.

Finally, I wish to express my profound gratitude to all the public and private organizations who participated in the consultative process, and our partners, the World Bank, United Nations Conference on Trade and Development (UNCTAD), Economic Community for West African States (ECOWAS), Private Investors for Africa and United Nations Industrial Development Organization Information Technology Promotion Office Nigeria (UNIDO-ITPO Nigeria) for their inputs, as well as the technical support offered during the process.

Otunba Niyi Adebayo, CON
Honourable Minister
Federal Ministry of Industry, Trade and Investment

CHAPTER I.

BACKGROUND

The Federal Government of Nigeria is conscious of the fact that the benefits of globalization are simultaneously accompanied by persistent crises and pressing social and environmental challenges; thus, making the pursuit of economic growth for sustainable and inclusive development more important and urgent. Consequently, while investment is a primary driver for economic growth, mobilizing and ensuring that it contributes to sustainable development objectives is a priority for Nigeria, as for all countries of the world.

The NInP prioritizes inclusive growth and sustainable development in attracting and facilitating investment into the economy by:

- i. providing appropriate synergies between investment attraction strategies and other national development objectives;
- ii. promoting the sustainable development of Nigeria; and
- iii. ensuring policy effectiveness in the design of development and investment strategies and of the institutional environment responsible for their implementation.

A thorough analysis of Nigeria's comparative and competitive advantages alongside development challenges are important to address key bottlenecks to attracting and retaining domestic and foreign investment. The NInP focuses on strategic investment priorities as detailed in the Nigeria's Medium-Term National Development Plan (NDP) 2021–2025, and provides clear guidelines to investors and all stakeholders involved in investment policy-making in the country. It also contains policy actions to enhance the role of public, private, domestic, and foreign investment in developing productive capacities and increasing international competitiveness.

The NDP as a medium-term blueprint is designed to unlock the country's potentials in all sectors of the economy for a sustainable, holistic and inclusive national development, developed by the different facets of the Private Sector, Sub-national Government, and the Civil Society Organization (CSO). It is a successor to the Economic Recovery and Growth Plan (ERGP), 2017-2020, which elapsed in December 2020. The vision of the NDP is consistent with the pursuit of socio-economic transformation of the economy as envisioned in the long-term aspiration of Nigeria, encapsulated in the Nigeria Agenda 2050.

To attain the objectives of the NDP, a total of N298.3 trillion (\$718 billion) investment commitment is required from both government and the private sector.

1.1. Vision and Mission

Vision: To be the foremost sustainable investment hub in the emerging markets.

Mission: Strategically position investment environment to support the attraction, retention, expansion of Responsible, Inclusive, Balanced and Sustainable (RIBS) investments to achieve the goal of diversifying Nigerian economy.

1.2. Policy targets

- i. Attract private investment commitment of about N298.3 trillion (\$718 billion) between 2021 to 2025 as projected in the NDP;
- ii. Improve Nigeria's business climate to become one of the most competitive among emerging economies;
- iii. Make Nigeria among the top 5 recipients of FDI in emerging markets;
- iv. Unlock and attract private sector investment into the infrastructure sector to achieve the \$3 trillion target as contained in the National Integrated Infrastructure Master Plan by 2043.

1.3. Policy objectives

- This policy seeks to achieve the following objectives:
- i. Promote domestic and foreign direct investment for sustainable development;
 - ii. Diversify the economy;
 - iii. Promote and facilitate investment into critical infrastructure to create wealth and improve national productivity;
 - iv. Promote export-led growth through participation in regional and global value chains (GVCs);
 - v. Continually improve the investment climate to enable the country to emerge as one of the top investment destinations in the world;
 - vi. Prioritize job creation at national, state and local government levels through the development of micro, small and medium enterprises (MSMEs);
 - vii. Support import substitution through the development of Nigeria's capabilities and production capacity to remain competitive;
 - viii. Ensure that investment climate is conducive for the retention and expansion of the existing investments; and
 - ix. Promote investments that contribute to gender equality, People with special abilities, empowerment of women and youths.

1.4. Guiding principles

- This Policy is guided by the following principles:
- i. Sustainable development and policy coherence
The policy is aligned with Nigeria's development plan, the Sustainable Development Goals and the 2030 Agenda for sustainable development, as well as the African Agenda 2063 to create jobs and stimulate trade and investment activities.
 - ii. Dynamic policy-making and right to regulate
The policy recognizes the need for flexibility to adapt to changing development dynamics that a favourable

investment climate requires for stability and predictability. This also acknowledges the right of the Government to regulate in accordance with its legal and administrative framework, as well as sector/industry-specific rules.

- iii. **Balanced rights and obligations**
The policy recognizes the need to create attractive conditions for investors. It balances these with necessary obligations for the investors to ensure that any negative social or environmental impact arising from their activities and investments are minimized.
- iv. **Transparency**
The policy is predicated on the transparency of all processes relating to investment in Nigeria.
- v. **Investment promotion and facilitation**
The policy recognizes investment promotion and facilitation as critical tools for the attraction of RIBS investments and progressive improvement of Nigeria's investment climate by enhancing the attractiveness of Nigeria as an investment destination.
- vi. **Investment protection**
The policy acknowledges the importance of investment protection for established investments in Nigeria as one among many determinants of foreign investment. It also recognizes the importance of key standards of investment protection for already established investments found in its international investment agreements (IIAs) and other treaties with investment-related provisions.
- vii. **Dispute prevention and settlement**
Nigeria prioritizes dispute prevention, dispute de-escalation and dispute settlement to foster investment retention, expansion and re-investment.

- viii. **Public governance and institutions**
The policy recognizes that investment policies should be developed in conjunction with all stakeholders and be embedded in a legal and institutional framework. It should be based on the rule of law that adheres to high standards of public governance and ensures predictable and efficient procedures for investors.
- ix. **Corporate governance and corporate social responsibility**
The policy recognizes the importance of corporate governance and corporate social responsibility standards in accordance with international best practice.
- x. **International cooperation**
The policy recognizes that the international community should cooperate to address shared investment-for-development challenges. Collective efforts should also be made to avoid investment protectionism.
- xi. **Openness to investment**
This principle recognises that a good investment climate with transparent and predictable entry condition, is a requirement for attracting foreign investment that is suitable for sustainable development.

CHAPTER II.

NIGERIA AS AN INVESTMENT DESTINATION

Global Foreign Direct Investment (FDI) flows in 2021 was \$1.58 trillion representing 58% increase one-year post-COVID-19 (World Investment Report 2021, UNCTAD). FDI flows appeared to have significant momentum mainly because of booming merger and acquisition (M&A) markets and rapid growth in international project finance as a result of loose financing conditions and major infrastructure stimulus packages.

FDI flows to Africa reached \$83 billion – a record level – from \$39 billion in 2020, accounting for 5.2% of global FDI. Most recipients saw a moderate rise in FDI after the fall in 2020 caused by the COVID-19 pandemic.

FDI in West Africa increased by 48% to \$14 billion. Nigeria saw its flows double to \$4.8 billion, mainly because of the resurgence in oil investment and expansion in gas. International project finance deals in the country jumped to \$7 billion, with some large projects in residential and commercial real estate. These included, for example, the \$2.9 billion Escravos Seaport project in Delta State, involving the construction of an industrial complex with a refinery, international airport, industrial estate and free trade zone.

2.1. Strengths of the Nigerian Economy

2.1.1. Democratic political stability

The political system of Nigeria is stable, with peaceful elections and handing over to successive governments since 1999.

2.1.2. Largest market in Africa

Nigeria is the largest market, most populous country in Africa and it is projected to become the third most populous country in the world

after China and India by 2050. Also, in the World Economic Outlook (WEO) released by the International Monetary Fund (IMF) in 2020, Nigeria ranked as the 26th largest economy globally, with an average GDP of \$443 billion.

2.1.3. Gateway to African market

The African Continental Free Trade Area (AfCFTA) Agreement offers an opportunity to boost industrialisation across Africa in general and Nigeria in particular. It is expected to boost several segments of the economy, including intra-regional trade within Africa and the production of Made-in-Africa goods and services, and Nigeria will be one of the major beneficiaries.

It will also facilitate the development of regional and continental value chains in the identified sectors with Nigeria as a major player providing jobs for millions of young Nigerians and women in trade, services and manufacturing sectors among others.

2.1.4. Abundant natural resources

Nigeria is blessed with natural conditions for robust agricultural development: 84 million hectares of arable land (60% unutilized), humid tropical climate conducive for variety of crops, potential irrigable area of 3.14 million hectares and 279 billion cubic meters of surface water.

It holds 2.2% of world's crude oil reserves (10th largest in the world) and 2.7% of gas (7th largest in the world). The country is also richly endowed with varieties of solid minerals of different categories ranging from precious metals, precious stones and industrial minerals. About 40 different kinds of solid minerals are available for exploitation.

2.1.5. Growing middle class

Nigeria's growing middle class accounts for approximately 23% of the population and is estimated to have a combined buying power in excess of \$28 billion.

2.1.6. Resilient and vibrant youths

Nigerians are by nature hard working, adaptable and aspirational. Information sourced from the World Development Indicator (2021) shows that over 40% of the population is under 20 and many within the age group have a good level of education and are tech-savvy.

2.1.7. Labour cost

Nigeria is blessed with a trainable, resourceful and cost-effective workforce representing 53.4% of the population.

2.1.8. Strategic location

Nigeria is strategically located along the Gulf of Guinea with access to other African countries, North American, European and Asian markets.

2.1.9. Private sector-led economy

The private sector-led growth strategy of government is meant to act as a catalyst for economic growth and development. Nigeria's vibrant private sector is dominated by smaller businesses receiving government attention to support sectors beyond the oil sector.

2.1.10. Growing financial markets

The Nigerian banking industry is among the fastest growing in Africa. The stock exchange in Lagos is the only large-scale financial trading centre in the West African region.

Nigeria has over 200 standalone FinTech companies, plus a number of FinTech solutions offered by banks and mobile network operators as part of their product portfolio. It was reported by McKinsey & Company that, between 2014 and 2019, Nigeria's bustling FinTech scene raised more than \$600 million in funding, attracting 25% (\$122 million) of the \$491.6 million raised by African tech start-ups in 2019.

2.1.11. Official language

English is the official language of the Federal Republic of Nigeria and the most acceptable language for transacting businesses across the globe.

2.1.12. Home to creative industry

In 2016, the IMF reported that the industry accounted for 1.4% of GDP, employed about one million people and generated over \$7 billion for the economy. Similarly, PwC Global Entertainment and Media Outlook for 2020-2024 informed that Nigeria's media and entertainment industry is one of the fastest growing creative industry in the world. It indicated in 2021, that Nigeria's film industry contributed 2.3% and about \$660 million to GDP and projected that the industry will increase its export revenue earnings to over \$1 billion. The motion picture and music recording industry exceeded the 2020 projected \$806 million revenue, contributing about \$1.8 billion to the country's GDP.

The country's television and video market grew by 7.49% to \$806 million in 2020, up from \$732 million in 2018. The industry is projected to earn about \$900 million in 2023.

In addition, Nigeria has a rich reservoir of industrial property asset (Trade Mark, Patent for Inventions and Industrial Design). It is also known to warehouse large reservoir of traditional knowledge, traditional medicine knowledge and fertile geographical indicators.

2.1.13. Diaspora remittances

According to the World Bank and Budget Office of the Federation, the Nigerian population in the Diaspora remitted \$60.22bn in three years to boost economic activities and the nation's external reserves. Diaspora remittances to Nigeria were estimated at \$23.81bn in 2019, making it the 7th world's largest remittance.

In the 2023 – 2025 Medium Term Expenditure Framework and Fiscal Strategy Paper, the Ministry of Finance, Budget and National Planning, disclosed that Diaspora remittances were \$17.21bn in 2020 and \$19.2bn in 2021. It was projected to increase by 7.1% in 2022.

2.1.14. Competitive investment incentives

Nigeria offers arrays of competitive investment incentive which is categorized into six principal sections viz-a-viz investment policies

and protections, general tax-based incentives, sector-specific incentives, tariff-based incentives, export incentives and the incentives for special economic zones. Details can be found in the Compendium of Investment Incentives in Nigeria.

2.1.15. Ownership of investments

The government allows 100% ownership of investments by foreign investors in accordance with the NIPC Act. The only exception is related to a short list of activities (arms and ammunition, drugs and narcotics, military and paramilitary uniforms), all of which are prohibited to both domestic and foreign investors along with other local content restrictions.

2.1.16. Investment protection

The government provides a wide range of globally competitive investment protections, which align with global best practices. Guarantees against expropriation and nationalization are provided for both domestic and foreign investors under the national investment laws. The new generation of Nigeria's IIAs complements the national law and guarantees, the core standards of treatments for foreign investors including national treatment, Most Favoured Nation (MFN) as well as Fair and Equitable Treatment (FET). Nigeria has negotiated and signed Bilateral Investment Treaties (BITs) with a number of countries which provide for protections and guarantees.

2.1.17. Double Taxation Agreement (DTAs)

Nigeria has negotiated and signed avoidances of Double Taxation Agreement (DTAs) with a number of countries which provide for avoidance or minimization of double taxation.

2.1.18. Transfer of funds

The investment-related laws guarantee the unconditional transfer of investment capital, profits through an authorized dealer in freely convertible currency. However, such investment must have been properly brought into the country through an authorized dealer,

converted into Naira and Certificate of Capital Importation ("CCI") issued to the investor evidencing the same.

2.1.19. Access to justice

The government guarantees access of investors to national courts and to alternative dispute resolution (ADR) mechanisms, as allowed by Nigerian laws and other international agreements ratified by the country.

2.1.20. One-stop shop to ease business entry

Nigeria has established a One-Stop Investment Center (OSIC), bringing together 27 government agencies to provide efficient, transparent and fast-tracked business entry services to investors. The center recently introduced the e-OSIC feature through the Single Window Investors Portal to enhance effectiveness of service delivery.

2.1.21. Competition policy

Nigeria has an active competition policy. The Federal Competition and Consumer Protection Commission (FCCPC) regulates, prevents and penalises anti-competitive practices, mergers, takeovers and acquisitions, as well as protects regulated industries in every sector and location in Nigeria.

2.2 Measures Undertaken by the Federal Government to Improve the Nigerian Investment Climate:

The Government has taken several measures to improve the investment climate and they include the following:

2.2.1 Fight against corruption

The Government is making significant efforts to reduce incidences of corruption and economic crimes through the introduction of administrative mechanisms such as the Treasury Single Account (TSA) for payment of government fees and digitization of processes

<https://www.nipc.gov.ng/product/compendium-of-investment-incentives-in-nigeria/>
See details in the annex on the Laws and Regulations governing investment in Nigeria

and procedures, all of which have substantially reduced avenues for corrupt practices. In addition, the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Economic and Financial Crimes Commission (EFCC) and other relevant agencies, were established to combat corruption.

2.2.2 Addressing insecurity

The Government is committed to curtailing the root causes of various crimes and criminal-related activities. Accordingly, the Government among other things, has established the National Centre for the Control of Small Arms and Light Weapons as well as developed the following policies to curb insecurity in Nigeria:

- i. The National Defence Policy;
- ii. The National Counter Terrorism Strategy;
- iii. The National Policy on Public Safety and Security;
- iv. The National Cyber Security Strategy, etc.

2.2.3 Access to land

The State Governments have commenced the digitalization of land registration systems which has streamlined the land access and transfer procedures and the relevant processing time.

The digitalization of land registration system by State Governments is on course and has streamlined the processing time, land access and transfer procedures.

2.2.4 Administrative processes

The establishment of the One Stop Investment Centre (OSIC) is to provide efficient and transparent business entry services to investors. In addition, the introduction of Executive Order 001 of 2017 is part of the reforms to address bureaucratic bottlenecks in doing business in the country.

2.2.5 Infrastructure

The country's Debt Management Office (DMO) and the World Economic Forum's 2019 Global Competitiveness Index ranked Nigeria 116 out of 141 countries, due to its infrastructure deficit. In 2020,

Moody's Investors Service reported that Nigeria required \$3 trillion over a period of 30 years to close its infrastructure deficit. With an infrastructure deficit estimated at \$100 billion annually, and the country's strained public finances, it is, therefore, evident that private participation is indispensable to adequately finance infrastructure projects.

To achieve industrialisation objectives of Nigeria, Federal Government has put in place National Integrated Infrastructure Master Plan (NIIMP) to boost and modernize the nation's infrastructure stock over the next 30 years. Government has also introduced various reforms, initiatives and interventions in the energy sector, to enhance economic competitiveness and ease of doing business in order to attract quality private investment to complement public finance of infrastructure development.

2.2. 6 COVID-19 pandemic

To overcome the challenges and disruptions of the COVID-19 pandemic on the economy, the Federal Government launched Nigeria Economic Sustainability Plan (NESP) in June 2020 which was a 12-month transit plan between the ERGP of 2017-2020 and the NDP 2021-2025. To achieve the objectives of the NESP, Government approved \$5.9 billion (N2.3 trillion) to undertake the following:

- i. Prevent business collapse and ensuring liquidity;
- ii. Retain and create jobs by labour intensive methods;
- iii. Create job through investment in infrastructure;
- iv. Promote manufacturing and local production as well as advocate for the use of 'Made in Nigeria' goods and services; and
- v. Extend protection to the poor and other vulnerable groups.

The introduction of the NESP has been impactful in saving and creating millions of jobs in Nigeria and its successful implementation with a focus on the growth and development of the non-oil sector, contributed over 90% to the GDP growth in Q1 2021.

CHAPTER III.

THE POLICY FRAMEWORK

This policy recognises the need to encourage, promote and coordinate investments in the Nigerian economy as well as foster policy reforms to improve the investment climate to mobilize quality investment (both local and foreign), especially into non-oil sectors. It also recognizes the need to encourage outward investment of Nigerian companies, particularly in other African countries to maximize the benefits of the AfCFTA.

The policy, therefore, focuses primarily on investment promotion, investment facilitation, advocacy for a better investment environment and sustainable development. It is the pillar upon which Nigeria's quest for quality RIBS investments can be achieved, to meet the profit expectations of investors and the developmental aspirations of the country.

3.1 Investment promotion

The Honourable Minister of Industry, Trade and Investment oversees and coordinates investment activities in Nigeria.

The Ministry is responsible for the formulation of policies and framework to create wealth, employment and reduce poverty. It also ensures enhanced service delivery in a manner that would stimulate the growth of the domestic economy through industrialization, trade and investment.

The Nigerian Investment Promotion Commission (NIPC) is an agency under the Ministry responsible for the encouragement, promotion and coordination of investments in Nigeria. The policy, therefore, recognizes the investment promotion role of NIPC in the Nigerian economy.

NIPC's investment promotion activities include projecting an attractive investment image, promotion of investment opportunities, provision of information and support services to investors to make informed business decisions as well as provide support for the Ministry to make sustainable and inclusive investment policy.

At the sub-national level, 25 States within the Federation have set up investment promotion agencies or units tasked with the attraction of foreign direct investment (FDI) and domestic direct investment. They also provide investment facilitation services to investors and their investments domiciled in such States. Investment promotion is a whole-of-government responsibility by the three tiers of Government i.e. Federal, State and Local Government.

This policy also recognizes the importance of proactive investment promotion through the identification and collation of competitive advantages of each State of the Federation and profiling of specific investment opportunities to investors.

In recognition of the intense competition among countries to attract FDI and the need to channel scarce resources, ensure more effective investment promotion and take cognisance of the opportunities offered by the AfCFTA to boost industrialisation across Africa, a new strategy has been put in place for investment promotion. The strategy focuses on targeting investors on RIBS investments into the priority sectors of the economy.

3.1.1 Targeted sectors

This policy recognizes the need to determine the sectors where Nigeria has both comparative and competitive advantage and in which States of the country. This would be achieved through coordination of government's commitment at Federal and State levels to facilitate and attract quality investment into the identified sectors. To realize the objectives of attracting investment into the priority sectors of the economy, the following policy measures are taken into considerations:

Policy measures

- i. Attract investment into the priority sectors as contained in the National Development Plan;
- ii. Attract investment into the priority sectors as contained in the Sectoral Master plans;
- iii. Sustain ongoing reforms carried out to ease administrative and regulatory bottlenecks in the investment environment;
- iv. Initiate and as well sustain the existing intervention programmes carried out to enhance the production capacity and competitiveness of the products in the priority sectors.

Implementation strategies

The following are the strategies to facilitate and attract quality investment into the targeted sectors:

- i. Conduct in-depth qualitative and quantitative analysis to identify investment opportunities along the value chain in the priority sectors;
- ii. Maintain and update relevant information, which captures the competitive advantages and the key investment opportunities being promoted by each State;
- iii. Mobilize relevant MDAs and other stakeholders to support these sectors and ensure that the administrative and regulatory challenges are removed;
- iv. Develop other innovative ways of creating awareness on the reforms and interventions in the priority sectors.

3.1.2 Targeted investment promotion

This Policy acknowledges the importance of targeted investment promotion as an effective strategy for attracting foreign investments into Nigeria. To increase the inflow of Foreign Direct Investment (FDI) and encourage Domestic Direct Investment (DDI) in Nigeria, the government has put in place the following measures:

Policy measure

The Federal Government shall carry out targeted investment promotion activities on the priority sectors.

Implementation strategies

- i. FMITI and NIPC to generate and maintain a database of investment opportunities across the country to improve visibility of potential projects;
- ii. Strengthen the institutional capacity in terms of funding and training, in NIPC and State IPAs to profile and promote investment projects across the States of the Federation, and to target investors;
- iii. Establish an Investment Promotion Fund to finance research and other investment activities;
- iv. Engage and interact with relevant stakeholders for effective coordination of public-private dialogue in promoting and facilitating investments into Nigeria;
- v. Undertake regular investment roadshows, summits and conferences as well as enter strategic partnership with multilateral institutions to promote investment opportunities in Nigeria; and
- vi. Under the Domestic Direct Investment (DDI) strategy, the Implementation Agencies (IAs) shall target and encourage high net-worth Nigerians (including those in the diaspora) and Large Local Companies to invest in the priority sectors of each State of the Federation.

3.1.3 Collaboration between National and State (IPAs)

This policy recognizes the collaborative relationship between the National and the State IPAs in investment promotion in the country. To ensure effective coordination of investment promotion with the State IPAs, the government shall consider the following policy measures:

Policy measures

The Federal Government shall:

- i. Align subnational development plans with the national development plans;
- ii. Give prominence to subnational investment opportunities in Nigeria;
- iii. Support capacity building at sub-national IPAs.

Implementation strategies

- i. The identification and collation of competitive advantages of each State of the Federation and profiling of specific investment opportunities in the States;
- ii. Formalise the collaborative relationship on investment promotion with the State IPAs;
- iii. Provide technical support to improve the capacity of States for effective investment facilitation and aftercare to investors;
- iv. Monitor, rank, incentivize and publish States' performance with respect to investment promotion and ease of doing business annually.

3.1.4 Special Economic Zones (SEZs)

The Federal Government shall facilitate and promote business linkages between foreign and domestic companies to maximize the advantages of SEZs. To this end, priorities in promoting business linkages between Multinational Enterprises (MNEs) / Large Local Companies (LLCs) and the rest of the economy would be encouraged in line with the Special Economic Zone (SEZ) policy objectives.

Policy measures

The Federal Government shall:

- i. Adopt Free Trade Zone Scheme to promote spatial areas and SEZs with focus on targeted priority sectors;
- ii. Adopt National Policy on Public-Private Partnership to encourage private sector participation in the development, management and operation of SEZs;

- iii. Utilise the updated incentives offered to investors in existing SEZs, to remove impediments and ensure that they truly support investment generation;
- iv. Synergise with relevant MDAs to ensure policy coherence and effective implementation of SEZs.

Implementation strategies

The government and, in particular NEPZA, shall:

- i. Sensitise the various levels of government and the business community on the need for SEZs to maximize economic growth and development;
- ii. Review the current SEZs legal, regulatory, fiscal and institutional frameworks in accordance with international best practice;
- iii. Provide sector-based incentives for investors in the zones on the basis of the priority sectors in line with government development plans;
- iv. Put in place concrete strategies to support PPP arrangements in the development, management and operation of SEZs; and
- v. Encourage the use of green and efficient technology infrastructure including renewable energy, low carbon energy, integrated waste management and water conservation.

3.1.5 Micro, Small and Medium Enterprises (MSMEs)

Government acknowledges that, the MSMEs sector is the backbone of major developments in all nations, in view of its contribution to export, job and wealth creation amongst others. Studies have shown that MSMEs sector contributes about 49% to the national GDP, constitutes about 99.8% of registered businesses and employs about 84% of the labour force.

This policy recognises the importance of MSMEs to economic development as stated in the National Policy on MSME.

Policy measures

- i. Encourage and promote producers of local industrial input that can be used as industrial raw materials for large companies;
- ii. Forge linkages that emphasize technology partnerships and to support the upgrading of local SME capacity to international standard;
- iii. Encourage new backward integration with local suppliers, as well as expand and upgrade existing backward linkages with those suppliers;
- iv. Foster the emergence of new MSMEs in Nigeria, especially among women and youths and empower them to compete favourably and integrate into Global Value Chains (GVCs);
- v. Encourage MSME's to improve quality of their products and services through standardization and quality assurance.

Implementation strategies

- i. Organise public-private dialogue discussions to encourage stronger and deeper commitments at the State and local levels where the MSMEs are domiciled;
- ii. Harmonize all MSME related activities on a single online platform to link them with interested Multinational Enterprises (MNEs);
- iii. Strengthen the capacity of relevant MDAs to carry out their statutory responsibilities;
- iv. Organise Focus Group meetings to promote and encourage business linkages between SMEs and MNEs;
- v. Improve MSMEs access to finance and support domestic companies for technology upgrading to improve competitiveness;
- vi. Streamline and automate loan administration processes such that it guarantees a maximum turnaround time of 30-working days.

3.1.6 Intellectual Property Rights (IPRs)

These are the legal rights from intellectual activities in the industrial, scientific, literary and artistic fields. IPRs in Nigeria are governed by three main Acts which are Copyrights Act, Patents and Designs Act and Trademarks Act.

Policy measures

- i. Review the Industrial Property Laws (Trademarks Act and Patents and Designs Act)
- ii. Strengthen the institutions in charge of Trademarks, Patents and Designs;
- iii. Create linkages and synergies among institutions that provide these protections.

Implementation strategies

- i. Expedite action on the approval and implementation of the National Intellectual Property Policy and Strategy (NIPPS)
- ii. Create more public awareness on IPR activities.

3.2 Investment facilitation

This policy recognizes the importance of investment facilitation to ease the establishment of new businesses and support existing ones to thrive, expand and diversify. As part of the investment facilitation measures, Nigeria currently has the One-Stop Investment Centre (OSIC) at the NIPC that houses over 27 ministries and agencies of government to facilitate business entry and establishment, including the issuance of relevant registrations, permits and licenses. For resolving the investors' complaints regarding the implementation of government policies, a coordinated platform called OSIC Lab is in place at the NIPC. Furthermore, the Executive Order 001 of 2017 was also established to promote transparency and efficiency in the delivery of government services.

3.2.1 Investment entry

This policy recognizes the need to ease entry requirements for investors.

Policy measures

- i. Strengthen the OSIC as the primary investment facilitation mechanism for ease of business entry and establishment in the country and provide fast-track grant of investment approvals (especially, permits and licenses);
- ii. Improve on the current Visa-On-Arrival (VOA) procedure for investors;
- iii. Ensure compliance with the provisions of Executive Order 001;
- iv. Ease and streamline the process for the issuance of business and work (Expatriate Quotas) permits for investors;
- v. Ease and streamline the processing of land titling, timelines for registering properties and transfer of ownership etc;
- vi. Strengthen the Federal Competition and Consumer Protection Commission (FCCPC) to balance the interest of service providers and that of consumers.

Implementation strategies

- i. Undertake a periodic review of the investment facilitation mechanisms to ensure that the policy objective is achieved;
- ii. Review regularly the procedures for investment entry and establishment, where applicable, and carry out appropriate reform(s)
- iii. Work with State Governments to strengthen the digitalization of land registration systems to streamline the land access and transfer procedures and the relevant processing time.

3.2.2 Aftercare

This policy recognizes the need for effective and quality aftercare through the provision of a wide range of post establishment

facilitation services to improve the competitiveness of Nigeria's Investment climate for retention and expansion of existing investments.

Policy measures

- i. Utilize relevant mechanisms to provide support to investors;
- ii. Leverage on the relationship between NIPC and the State Investment Promotion Agencies to provide competitive administrative, operational and strategic aftercare services to investors;
- iii. Encourage the allocation of adequate resources to build capacity for investment facilitation.
- iv. Encourage relevant MDAs at Federal and State levels to improve their service delivery to the private sector;
- v. Ensure compliance with applicable laws and regulations that govern sharp practices; and,
- vi. Prioritize policy advocacy activities.

Implementation strategies

- i. Hold regular public-private dialogues with investors in the country;
- ii. Strengthen OSIC Lab to address the challenges of investors;
- iii. Advance the deployment of ICT in investment facilitation.

3.2.3 Transparency and access to information

This Policy recognizes that transparency and access to information are critical to building investors' confidence, reducing their risk perceptions and increasing their interest to invest in the economy

Policy measures

- i. Strengthen FMITI, NIPC and other relevant agencies of government to provide necessary information to investors, to make informed business decisions;
- ii. Ensure compliance with the Executive Order 001 of 2017.

Implementation strategies

- i. All MDAs should ensure proactive disclosure of relevant information in line with the Freedom of Information (FOI) Act;
- ii. Relevant MDAs with investment-related laws and regulations are published without undue delay and, when possible, in electronic format; and
- iii. All MDAs to develop digital platform to facilitate and enhance investment information sharing.

3.2.4 Investor-state dispute prevention and settlement

This policy recognizes that dispute prevention, dispute de-escalation and dispute settlement are essential components to enhance the investment experience and retain investments.

Policy measures

- i. Recognize the need for the establishment of institutional dispute prevention and de-escalation through a National Investment Ombudsman;
- ii. Promote amicable settlement of disputes through effective and internationally accepted channels, including the Joint Implementation Committees set up under Nigeria's BITs;
- iii. Recognize mediation and the need for investors to explore and, possibly exhaust local remedies in the settlement of investment disputes before recourse to the International Centre for Settlement of Investment Dispute (ICSID).

Implementation strategies

- i. Statutorily designate an Ombudsman at the Nigerian Investment Promotion Commission for the prevention and de-escalation of disputes;
- ii. Establish a Joint Implementation Committee in Nigeria's BIT to mediate in investment disputes between an investor from a Treaty Partner and the government of Nigeria;

- iii. Dialogue with investors to explore and possibly exhaust local remedies prior to the adoption of any other dispute settlement avenues;
- iv. Uphold the right of investors to resolve any investment disputes through existing or new dispute resolution mechanisms, including private-party negotiations such as consultation, mediation, and conciliation, as well as investor-grievance mechanisms;
- v. Enforce international conventions on dispute resolution to which Nigeria is a party including the ICSID Convention, and the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules; and
- vi. Create awareness at both Federal and State levels and facilitate the recognition by local courts of arbitral awards.

3.2.5 Physical infrastructure-sector development policy

Government places a high value on the need for collaboration with the domestic and foreign private investors in the provision of critical infrastructure, to support the attraction and retention of investment.

Policy measures

- i. Effective implementation of the Infrastructure Master Plan, which is crucial to the building of productive capacities, including facilities such as rail, roads, sea, air, industrial parks and other sustainable development sectors in consonant with the investment priorities;
- ii. Encourage the utilisation of the Presidential Infrastructure Development Fund (PIDF) to achieve the objectives of the Infrastructure Development Plan
- iii. Strengthen the Infrastructure Concession Regulatory Commission for the regulation of PPP projects;
- iv. Support the development of green infrastructure systems, such as sustainable transport infrastructure, renewable and climate-resilient energy; and
- v. Continue to improve on the effective framework for concession, contracts and the PPP.

Implementation strategies

- I. Strengthen relevant regulatory authorities on infrastructure development to enhance their performance;
- ii. Encourage the various levels of government to cooperate in the development and implementation of physical infrastructural projects;
- iii. Encourage and incentivize private sector investors to participate in infrastructure development and maintenance through flexible PPP arrangements;
- iv. Provide best practice regulatory framework that will drive and accomplish Nigeria's major infrastructure delivery objectives.

3.2.6 Information, communication, technology (ICT) and innovation-driven entrepreneurship

This policy recognises the need to develop a vibrant digital ecosystem that supports Innovation Driven Enterprises (IDE) and MSMEs in a way that engenders innovation and entrepreneurial development. Government has introduced the National Digital Economy and Policy Strategy, and Nigeria ICT Innovation and Entrepreneurship Vision, to significantly increase access to ICT and affordable internet connectivity by adopting the under-listed policy measures:

Policy measures

- i. Adopt National Broadband Plan 2020 - 2025;
- ii. Accelerate the implementation of the National Digital Economy Policy and Strategy to facilitate the digitalization of government processes and improve service delivery, transparency and accountability;
- iii. Attract and grow digital jobs across all sectors of the economy;
- iv. Encourage the development of the technology start-up ecosystem by actively promoting innovation and entrepreneurship.

Implementation strategies

- i. Effectively promote the ICT and digital sector in a way that enables entrepreneurship development;
- ii. Provide policy backing for massive training of Nigerians from all walks of life in order to enable them obtain digital literacy and other digital skills;
- iii. Deploy fixed and mobile infrastructure to deepen the broadband penetration in the country;
- iv. Regularly provide input for review of start-up and other digital economy-related policies and laws.

3.2.7 Public governance

Public governance encourages investment and reduces the cost of doing business through efficient regulation, administrative transparency, and public integrity. This policy sets out principles that will provide strong guidance and benchmarks for action by officials and define clearly what investors can expect from the government regarding relevant regulations affecting investment decisions.

Policy measures

- i. Ensure "Zero-tolerance" to corruption in the public workplace across the MDAs;
- ii. Reform and modernise the public sector to improve public service delivery and eliminate inefficient regulatory systems;
- iii. Strengthen e-government and ICT tools to enhance the performance of the public sectors across all levels of government and simplify administrative processes;
- iv. Commit the tiers of government to improve overall responsiveness to the private sector by adopting a consultative and participatory approach to policy formulation and modifications;
- v. Ensure policy stability, consistency and continuity; and
- vi. Allow private citizens to have access to information and participate in the national legislative process to facilitate private participation, government transparency and public accountability.

Implementation strategies

The government shall:

- i. Promote continuous review of the institutional and legal systems, to ensure that they adequately address modern business practices;
- ii. Encourage frequent capacity development and cultural reorientation of public officials and political office holders, with respect to creating an investment-friendly environment;
- iii. Improve the remuneration of public officials to reflect the economic reality and ensure incentive alignment with investment objectives;
- iv. Sensitize the stakeholders on government policies, decisions, and actions; and
- v. Sustain the reform and modernization of public service delivery system across the country to reduce the cost of governance and bureaucracy.

3.3 Investment for sustainable development

This Policy focuses on the attraction of sustainable investments of the quality required to meet the profitability expectations of both domestic and foreign investors, and advance the fulfilment of Nigeria's development aspirations. In order to realize the objective of responsible investments, sustainable, inclusive growth and general economic development, the government of Nigeria recognizes the importance of a balance between the rights and obligations of both investors and the government.

To meet the objectives of this policy, it is important to promote responsible investor conduct for sustainable development by influencing investor behaviour in compliance with globally acceptable standards relating to the environment, human rights, health, labour, safety, corporate social responsibility (CSR) and anti-corruption. It is also important to create awareness of sustainable development within the Nigerian Governors Forum and the Association of Local Governments of Nigeria (ALGON).

3.3.1 Investor obligations and responsible investments

The government of Nigeria expects all businesses and investors to maintain appropriate minimum standards of corporate behaviour and to comply with all local and international laws, regulations, policies and guidelines in relation to the environment, human rights, health, labour, safety, CSR and anti-corruption.

Policy measures

- i. Conclude bilateral investment treaties (BITs) and IIAs that balance the rights and obligations of investors as well as preserve Nigeria's policy space and right to regulate in public interest;
- ii. Ensure implementation of all applicable laws and regulations, including environment, labour and corruption;
- iii. Require that Investors and their investments are to make the maximum feasible contributions to the sustainable development of the host state and local community through high levels of socially responsible practices;
- iv. Adopt international principles of corporate governance for large formal businesses under its company law or commercial code in the country to ensure compliance with best international practices and good corporate governance for sustainable development.

Implementation strategies

The government shall:

- i. Strengthen the capacity of Nigeria's IIA negotiation team to conclude reform-oriented treaties that advance Nigeria's sustainable development objectives;
- ii. Negotiate, conclude and ratify reform-oriented BITs and IIAs that balance the rights and obligations of investors;
- iii. Modernize the old-generation BITs and IIAs that do not provide for a balance of investors' rights and obligations;

- iv. Apply the ILO Tripartite Declaration on Multinational Investments and Social Policy as well as specific or sectoral standards of responsible practice where these exist to investments in Nigeria;
- v. Enhance coordination between national and sub-national levels to ensure that workers' rights are being Protected;
- vi. Introduce incentives for responsible investments that meet Nigeria's development aspirations;
- vii. Ensure that Nigeria's BITs and IIAs cover all businesses and investors that fail to maintain minimum standards of corporate behaviour and to comply with all local and international laws, regulations, policies and guidelines in relation to human rights, health, labour, safety and Corporate Social Responsibility.

3.3.2 Responsible Business Conduct and Protection of the Environment

Responsible business conduct (RBC) takes into consideration the role of businesses to act responsibly, while government provides an enabling environment for businesses to thrive. Investors are Required to:

- i. Comply with specific standards and guidelines;
- ii. Work with stakeholders in the business community, civil society, non-government organisations (NGOs), and MDAs to create synergies and coherence in respect of RBC policy.

Policy measures

- i. Promote the establishment of an enabling regulatory framework that will encourage the application of the RBC principles;
- ii. Strengthen the existing legal, regulatory and administrative frameworks to promote transparency in both public and business governance to effectively reduce corruption;
- iii. Support regulatory Agencies in the enforcement of RBC principles and obligations;

- iv. Encourage business enterprises to adopt voluntary codes of conduct and internal RBC policies;
- v. Ensure that companies adhere to the policy precepts in critical areas such as natural environmental protection.

Implementation strategies

The government shall:

- i. Conduct investor-sensitisation programmes to encourage private-business entities to internally develop, disseminate and implement RBC policies;
- ii. Establish management systems that will enable the regulatory agencies to monitor private-business RBC compliance;
- iii. Put together deliberate mechanisms to support regulatory Agencies in enforcement of RBC principles and obligations; and
- iv. Review national environmental laws and regulations to require investors to respect RBC principles and obligations.

3.3.3 Human Capital and skills

The government recognizes that it is imperative that skills and technology transfer are important to build the capacity of the domestic workforce.

Policy measures

- i. Give priority to the use of local skilled labor in investment projects, particularly in cases in which market considerations warrant such as well as promote the use of skilled labour from the Nigerian Diaspora;
- ii. Ensure implementation of all applicable laws and regulations to prioritize skills transfer to the domestic workforce where expatriate skills are initially deployed;
- iii. Encourage companies to uphold the maximum internationally acceptable standards of Health, Safety and Environment;
- iv. Improve the health sector to ensure the health and safety of labor at all levels;

- v. Encourage a system of technical and vocational training in languages including French and Chinese in the educational curriculum at all levels; and
- vi. Encourage corporate enterprises to conduct “in-house” training, by use of performance-based financial and non-financial incentives.

Implementation strategies

- i. The policy shall align with the national employment policy to promote decent jobs, in which international labour standards, social protection and workers' fundamental rights go hand in hand with job creation;
- ii. Encourage relevant Agencies to ensure qualitative skill transfer standard for investments in Nigeria;
- iii. Develop a strategy to encourage the transfer of know-how to the domestic workforce;
- iv. Assess the availability of skills in the local market.

3.3.4 Empowerment of women, youth and persons with special abilities

The Federal Government recognizes the need for inclusion for the economic empowerment of women and youth as well as persons with special abilities for development as key components of inclusive growth by supporting active participation and representation of women, youth and persons with special abilities in public and private sectors.

Policy measures:

The government shall:

- i. Strengthen relevant MDAs to build managerial capacities of women, youths and persons with special abilities as well as develop their potential;
- ii. Develop specific schemes to increase access to funds to empower and stimulate women to achieve food security and foster national development;

- iii. Develop specific programmes for the empowerment of persons with special abilities;
- iv. Harmonise governments' initiatives at all levels for the empowerment of women and youth for growth and development;
- v. Advance women's economic empowerment, and promote their access to ownership and management of assets and resources including land; and
- vi. Protect women, children and persons with special abilities from all forms of exploitation.

Implementation strategies

- i. Facilitate and encourage investment in innovative ideas, skills and talents of women, youths and persons with special abilities through engagements with NGF and ALGON;
- ii. Improve access to finance for women and youth-owned enterprises for their economic growth and development;
- iii. Provide adequate infrastructural facilities such as ramps in organizations to aid the mobility of persons with special abilities; and
- iv. Support women and youth to build successful businesses to create wealth and generate employment opportunities.

3.3.5 Green investment

The Federal Government has developed the National Policy on Climate Change as a response strategy as well as instituted measures for the adoption of climate-smart practices to foster sustainable development. The country is a signatory to the UN Sustainable Development Goals (SDGs). Under the Paris Agreement, Nigeria has committed to reduce its greenhouse gas (GHG) emissions by 20% unconditionally, and 45% with international support, by 2030.

Nigeria has also established a National Youth Climate Innovation in accordance with the Climate Change Act 2020, which provides a framework for achieving low greenhouse gas emissions, inclusive

green growth, promotion of green technologies, incentivizing circular economy and recycling for sustainable economic development. Nigeria pledged to cut its carbon emission to net zero by 2060 at the UN climate summit (COP26) in Glasgow.

Policy measures

To increase green investment, the government shall:

- i. Harmonise other policies of government that support and promote green investment generation and finance;
- ii. Encourage the participation of enterprises and communities in mitigation and adaptation of climate change;
- iii. Provide market incentives for low-carbon investments;
- iv. Improve climate change-related science, technology and R&D to a new level that will enhance the country's performance on climate change;
- v. Strengthen national institutions and mechanisms to establish a suitable framework for climate change governance.

Implementation strategies

- i. Prioritise the attraction of low-carbon investments that will deliver a sustainable green future;
- ii. Introduce appropriate policies and encourage investment to improve energy efficiency in agricultural and industrial processes, residential commercial service and transport sectors etc.
- iii. Prioritise elimination of gas flaring and ensure sustainable availability of gas for industrial and household use;
- iv. Promote an enabling environment for renewable energy investments and invest to up-scale the implementation of existing renewable energy programmes;
- v. Provide micro-credit for wide adoption of proven improved biomass stoves to reduce deforestation.

CHAPTER IV.

INSTITUTIONAL ARRANGEMENT

4.1. Implementation procedures

This chapter translates the guiding principles and the framework into concrete implementation procedures of the policy towards:

- i. enhancing the sustainable development impact of investment;
- ii. promoting RIBS investment;
- iii. improving policy effectiveness;
- iv. maintaining an attractive investment climate for Nigeria's economy; and
- v. addressing complaints, dispute prevention and de-escalation. In doing these, the Federal Government shall strive to achieve:
 - i. Coordination across all key MDAs at National and Sub-national levels to ensure the achievement of the objectives of the NInP;
 - ii. Transparency and predictability for investors on policies;
 - iii. Effective dissemination of information to investors;
 - iv. Implementation of the Federal and State strategies and replication of OSIC Nationwide;
 - v. Regular review of the NInP in line with the prevailing economic situation of the country;
 - vi. Sensitization of relevant stakeholders on investor complaints, dispute prevention and resolution procedures.

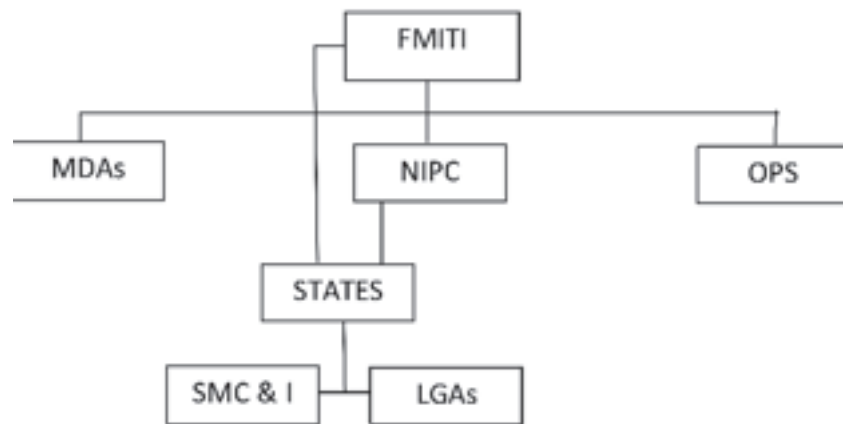
4.2. Roles of key institutions

Effective institutional arrangements contribute to national development. The successful implementation of this policy will be

dependent upon the collaborative efforts and synergies of all stakeholders.

The policy recognizes the functional assignments among the stakeholders and shall, therefore, adopt a multi-sectoral approach involving state actors (government ministries and agencies) at the national and state levels; investors (individuals, corporations, domestic and foreign); regulatory bodies; professional associations; private sector representatives; non-state actors (chambers of commerce); and development partners.

Figure 4.1. Implementation structure



4.2.1 FMITI

- i. The Ministry has the overall coordination responsibility to ensure that the relevant MDAs (including the State Ministries of Commerce and Industry (SMC&I)) carry out their investment-related mandates in line with the provisions of the NInP towards the realisation of the overall objectives.
- ii. FMITI in collaboration with the Federal Inland Revenue Service, the National Bureau of Statistics and other implementing MDAs shall produce information on corporate re-invested profits to complement the capital importation

data by the CBN in the competition of investment flows in the country.

- iii. FMITI is expected to carry out investment related activities through its implementing agencies as follow:
 - i. Review of the existing activities to ensure compliance with the provisions of the policy;
 - ii. Align the main stakeholders through engagement to carry them along with the emerging developments from the policy that may affect their activities;
 - iii. Review relevant legislations to guarantee coherence of the policy with their activities.

4.2.2 NIPC

NIPC, which is one of the agencies of the Federal Ministry of Industry, Trade and Investment established to encourage, promote and facilitate investments in Nigeria, shall collaborate with the State IPAs and other Ministries Department and Agencies of Government to Introduce strategies that will enhance Nigeria's investment environment to support the attraction, retention, expansion and diversification of responsible, inclusive and balanced (RIBS) investments.

4.2.3 State Investment Promotion Agencies (IPAs)

State IPAs that oversee investment promotion in their respective States, shall promote investment, facilitate and advocate as well as negotiate with investors on behalf of their States. States IPAs are to exchange information on their investment potentials with NIPC for the purpose of investment promotion and facilitation.

4.2.4 State Ministries of Commerce and Industries (SMC&I)

The SMC&I has the responsibility of creating an enabling environment in the State as well as stimulating the promotion and facilitation of investments at the local government level.

4.2.5 Organised Private Sector (OPS)

OPS interfaces with Government on behalf of its members to address issues raised in relation to investment promotion, facilitation and protection.

4.2.6 Local Government Areas (LGAs)

As the third tier of government, LGA shall coordinate Investment activities within their purview.

The key actors in implementing this policy are:

- i. Federal Ministry of Industry, Trade and Investment
- ii. Federal Ministry of Finance, Budget and National Planning
- iii. Federal Ministry of Power
- iv. Federal Ministry of Works and Housing
- v. Federal Ministry of Water Resources
- vi. Federal Ministry of Science and Technology
- vii. Federal Ministry of Environment
- viii. Federal Ministry of Transportation
- ix. Federal Ministry of Aviation
- x. Federal Ministry of Communication and Digital Economy
- xi. Federal Ministry of Solid Minerals Development
- xii. Federal Ministry of Agriculture and Rural Development
- xiii. Federal Ministry of Justice
- xiv. Federal Ministry of Interior
- xv. Federal Ministry of Women Affairs
- xvi. Ministry of Foreign Affairs
- xvii. Federal Ministry of Youth and Sport Development
- xviii. Federal Ministry of Mines and Steel Development
- xix. Federal Ministry of Petroleum Resources
- xx. Nigerian Investment Promotion Commission
- xxi. Corporate Affairs Commission
- xxii. Central Bank of Nigeria;

- xxiii. National Bureau of Statistics
- xxiv. Nigeria Immigration Service
- xxv. Nigeria Customs Service
- xxvi. Federal Inland Revenue Service
- xxvii. National Office for Technology Acquisition and Promotion
- xxviii. Standards Organization of Nigeria
- xxix. National Agency for Food and Drug Administration and Control
- xxx. Nigerian Maritime Administration and Safety Agency
- xxxi. Bureau of Public Enterprises
- xxxii. Infrastructure Concession Regulatory Commission
- xxxiii. Securities and Exchange Commission
- xxxiv. Nigeria Export Processing Zones Authority
- xxxv. Nigeria Export Promotion Council
- xxxvi. Nigerian Office for Trade Negotiations
- xxxvii. Nigerians in Diaspora Commission
- xxxviii. Nigeria Ports Authority
- xxxix. Federal Airports Authority of Nigeria
- xl. Oil and Gas Free Zones Authority

4.3 Roles of other institutions

Nigerians in the diaspora and development partners have made substantial contributions towards attracting investment into Nigeria in the areas of funding, capacity building, effective monitoring and evaluation etc.

The policy envisages harmonized support from the diaspora and development Partners in the following areas:

- i. Technology transfer
- ii. Access to finance
- iii. Networking and development of investment related institutions
- iv. Capacity building for business competitiveness etc.

4.4 Coordination across MDAs and tiers of Government

Sub-national Inter-ministerial and Inter-Agency coordination is essential to the improvement of the investment environment as well as successful implementation of this policy. In order to respond to the need for coordination, the FMITI and NIPC in conjunction with subnational IPAs, have developed mechanisms and activities that will enable effective collaboration among the three tiers of Government.

Accordingly, State governments are encouraged to design and implement business environment improvement reforms in areas under their authority and adopt proactive approach to actualise federal reform initiatives in centrally regulated areas, which are key to improving Nigeria's business environment.

To this end, the Federal Government shall:

- i. leverage Nigerian Missions abroad to disseminate investment and trade related information;
- ii. encourage institutional collaboration and participation to organise business and investment fora;
- iii. facilitate collaboration with the diplomatic community, development partners and the OPS.
- iv. establish Investment Promotion and Facilitation Council with FMITI and Secretariat.

4.5 Funding

The policy implementation shall be funded through Annual Budgetary allocation, financial support from development partners, the organized private sector and Public private partnership

CHAPTER V. MONITORING AND EVALUATION

5.1 Monitoring of policy

FMITI shall conduct a formal monitoring of the implementation of this policy on an annual basis, evaluation of performance every two (2) years, while the review will be conducted every five (5) years. The review shall be driven by changes in strategy or by external factors at national, regional, continental or multilateral levels. Where measures and strategies put in place in this policy are deemed not to have achieved the intended objectives, the need for adjustment becomes inevitable.

5.2. Evaluation and feedback

The evaluation of the effectiveness of this policy shall be implemented by FMITI by adopting a set of formulated objectives/targets, time frame for achieving them and the principal measures intended to support the objectives which will be guided by the following:

- i. To undertake the documentation of baseline data to define the benchmarks and context to evaluate the progress and impact of the policy
- ii. Periodic assessment of progress in policy implementation and verification of the application of rules and regulations at all administrative levels;
- iii. Supervision of investment climate review and provision of appropriate recommendations to achieve required reforms
- iv. Conducting impact assessment of the investment incentives and making recommendations on how to modify them to achieve the set goals and objectives
- v. Publication of statistics to support the assessment of FDI flow challenges

5.3 Monitoring tools

FMITI shall adopt various tools in the effective review of the Policy through feedback mechanism such as; Surveys, Questionnaires, Public Private Dialogue (PPD) from relevant MDAs and Stakeholders.

REFERENCES:

LAWS AND REGULATIONS GOVERNING INVESTMENT IN NIGERIA

1. **Constitution of the federal republic of Nigeria 1999:** The Constitution promotes and protects private investments and also provides protection of business interest of persons in Nigeria with the exception of ownership of land by foreigners.
2. **Companies and Allied Matters Act (CAMA) 2020:** The Act governs the incorporation, registration, operation and management of all companies as legal entities with the Corporate Affairs Commission (CAC) before the commencement of any business in Nigeria. For more details, please visit
3. **Customs and Excise Management Act 1979:** The Act regulates the collection and management of duties of customs and excise, facilitation of both national and international trade and anti-smuggling activities. For more details, please visit
4. **Economic and Financial Crimes Commission (EFCC) Act 2004:** The Act governs the enforcement of all economic and financial crimes, among other things. For more details, please visit
4. **Federal Competition and Consumer Protection Act 2019:** The Act promotes a competitive market and protects consumer rights in Nigeria. For more details, please visit
5. **Federal Inland Revenue Service Establishment Act 2007:** The Act regulates the assessment, collection, accounting and enforcement of payment of taxes as may be due to the Government. For more details, please visit

6. **Fiscal Responsibility Act 2007:** The Act provides for prudent management of the nation's resources, ensures long-term macro-economic stability; and secures greater accountability and transparency in fiscal operations.
7. **Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 1999:** The Act eases restrictions on foreign exchange dealings and ensures that investors are able to repatriate their profits and dividends net of taxes through any authorized dealer in freely convertible currency. For more details, please visit
8. **Infrastructure Concession Regulation Commission Act 2005 (ICRC):** The Act enables the participation of private sector in financing the construction, development, operation, or maintenance of infrastructure development projects of the Federal Government through concession or contractual arrangements to address Nigeria's physical infrastructure deficit. For more details, please visit
9. **Investment and Securities Act 2007:** The Act regulates and ensures protection of investors in the capital market. For more details, please visit
10. **Labour Act 1971:** The Act provides for the relationship between employers and their employees under a contract for manual labour or clerical work in both private and public sectors. For more details, please visit
11. **Land Use Act 1978:** The Act that vests all land comprised in the territory of each State solely in the Governor of the State, who holds them in trust for the people and he is responsible for the allocation of land in all urban areas to individuals residing in the State for residential, agriculture and commercial purposes. Land tenure system is 99 years. For more details, please visit

12. **National Office for Technology Acquisition and Promotion (NOTAP) Act 2004:** The Act regulates the inflow of foreign technology into the Nigerian economy and the development of appropriate means of adapting the acquired technology. For more details, please visit
13. **National Environmental Standards and Regulatory Enforcement Agency Act (NESREA) 2007 (as amended in November 2018):** The Act is responsible for the enforcement of all environmental laws, guidelines, policies, standards and regulations, as well as compliance with provisions of international agreements, protocols, conventions and treaties on the environment to which Nigeria is a signatory. For more details, please visit
14. **National Agency for Food and Drug Administration and Control (NAFDAC) Act Cap. N.1 LFN 2004:** The Act provides for regulation and control the importation, exportation, manufacturing, advertisement, distribution, sales and use of food, drugs, cosmetics, medical devices, bottled water and chemicals. For more details, please visit
15. **Nigeria Investment Promotion Commission (NIPC) Act No. 16 of 1995:** The Act's main objective is to encourage, promote and coordinate investments and provide guarantees against expropriation of investment, transfer of funds in a freely convertible currency, 100% ownership of investment in sectors other than those listed in the 'negative list' and investor-state dispute settlement among others. For more details, please visit
16. **Nigeria Export Processing Zones Authority (NEPZA) Act No.63 of 1992:** The Act provides for the management of all the Export Processing Zones in Nigeria. For more details, please visit

- 17. Nigerian Communications Act 2003 (NCC):** The Act regulates the telecommunications sector in Nigeria. For more details, please visit
- 18. Oil and Gas Export Free Zones Act 1996:** The Act regulates also establishes the Oil and Gas Export Free Zone Authority to manage, control and co-ordinate all activities within the Zone. For more details, please visit
- 19. Public Procurement Act 2007:** The Act regulates the formulation of the general policies and guidelines relating to public sector procurement. For more details, please visit
- 20. Petroleum Industry Act 2021:** The Act seeks to provide legal, governance, regulatory and fiscal framework for the Nigerian Petroleum Industry. For more details, please visit www.petroleumresources.gov.ng
- 21. Standards Organisation of Nigeria Act:** The Act makes provisions for the prescription, designation, establishment, approval and enforcement of standards in respect to metrology, materials, commodities, structures, processes and product certification in Nigeria. For more details, please visit
- 22. The Electric Power Sector Reform Act No. 06 of 2005:** **The Act provides** technical and economic regulations of the Nigerian Electricity Supply Industry and determines operating codes and standards, establishes customer rights and obligations and sets cost reflective industry tariffs. For more details, please visit
- 23. The Immigration Act 2015:** The Act provides the legal and regulatory framework for the entry and exit of persons into or out of Nigeria and seeks to ensure that the entry of non-nationals into the country is monitored and controlled. For more details, please visit