



SECTOR SPECIFIC INVESTMENT INCENTIVES POLICY



NIGER STATE INVESTMENT PROMOTION AGENCY

NIGER STATE GOVERNMENT OF NIGERIA



NIGER STATE SECTOR-
SPECIFIC INVESTMENT
INCENTIVES POLICY

2021

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FOREWORD

The Niger State Sector-Specific Investment Incentives Policy is for us, a strong commitment to economic development. This policy is, therefore, a firm statement of the commitment of the Niger State Government to ensuring that investors and economic agents find Niger state as the first-choice destination for opportunity exploration.

Broadly, Nigeria is faced with the challenge of diversifying its economy and making the country more business-friendly across all sectors for it to become more attractive for foreign direct investment (FDI). Improving the business environment is key for private sector-led growth, and has, therefore, become a top priority for the federal government. Hence, the need for states to look in-ward to improve their business environment with relevant policies and regulations that would make them competitive and attractive for foreign and domestic direct investment.

Niger State's commitment to create a sustainable investment environment that will attract and retain investment, both foreign and indigenous, has been unwavering. My administration has steadily been addressing challenges identified as hindrances to the flow of investment into the state, which is why we directed the exercise of developing the Niger State Sector-Specific Investment Incentives Policy (NSSIIP).

The decision to develop the State's Incentive Policy is in line with the commitment of the government to attract and support investors with local tax incentives (tax holidays) to make informed investment decision in favor of Niger State amidst the competing states for inflow of foreign direct investment (FDI) in Nigeria. The incentives are sector-based specific tax-holidays for investors/industries that are at early stage of operation. The policy is designed to bring about improvement of the state's capacity to attract beneficial private capital into the state and also revamp the industrial development and consequently, enhance capacity to create wealth and jobs and ultimately improve the quality of the life of the population in the state.

We are indeed living witnesses to the increasing efforts of the economies to attract and stimulate investment in Niger State, which have led, over the years, to the establishment of the Niger State Investment Promotion Agency (NSIPA) with the prime objective of stimulating domestic investment and attracting complementary foreign investment through promotion and facilitation of private investments in the economy of the state. Furthermore, the NSIPA also has the responsibility of coordinating and ensuring a business environment that is supportive and very friendly for attracting and retaining private investment. The operation of a One-Stop-Shop in IPA is to fast-track processes and procedures, reduce time and cost of doing business through acceleration of issuance of business permits, licenses, authorizations and approvals to investors.

To this end, I wish to assure prospective and existing investors that in Niger State, the government remains committed to preserving a favorable business environment that will continue to allow private sector-players drive the economy under a transparent process, procedure and service delivery system.

I am pleased to say that Niger State remains one of the most profitable destinations for investment in Nigeria and I would be obliged to warmly welcome prospective investors to come do business with us, with fervent assurances of mutual partnership and beneficial arrangements. It is my hope that investors would take advantage of the existing investment incentives to invest in our comparative and competitive sectors of Agriculture/aquaculture; Mineral Resources; Tourism, Health, Education and Infrastructure.

It is therefore my pleasure to present this policy document as one of our legacies for the benefits of investors, Nigerlites and Nigerians in general.

While looking forward to receiving your investment, you are assured of the Government's warmest welcome at all times.

**His Excellency
Alh. (Dr.) Abubakar Sani Bello
Executive Governor, Niger State**

PREFACE

This policy addresses the primary needs of the ever-expanding investors who are keen to partner with Niger State government to bring about economic development, create jobs, and open wealth creation opportunities for all stakeholders.

I need not belabour the fact that Niger State has the largest landmass in Nigeria, with about 70% arable and cultivatable. It has unlimited array of investment opportunities and large concentration of water bodies. Despite the state's huge investment potentials, most of them remained locked and untapped.

The main objective of this policy document is to provide investor-friendly incentives that will attract, retain, promote responsible and beneficial investments to the priority sectors that will further create jobs, reduce poverty and propel sustainable economy.

It is on this premise, that the state government solicited the support of USAID's Feed the Future Nigeria Agribusiness Investment Activity to develop the Sector-Specific Investment Incentives Policy. Until this effort to provide the state with this incentives policy document, the state has not had a single and clearly-defined multi-dimensional sectorial policy focusing on investment incentives, promotion, facilitation, retention and aftercare.

We hope that this investment incentives policy will make the business environment more attractive and favourable for investors to do business, especially in our priority sectors, which has very strong competitive and comparative advantages with great natural endowment and potentials that require harnessing and translation into diverse opportunities for achieving high level growth, development and industrialization in the state.

Therefore, it is with a deep sense of responsibility that the Ministry of Investment, Commerce and Industry and the Niger State Investment Promotion Agency assures the investing companies /industries; SMEs and other private sector players of the government's commitment to ensure the effective implementation of this policy.

Dr. Mustapha Jibril
Honourable Commissioner
Ministry of Investment, Commerce and Industry

ACKNOWLEDGEMENT

This book is a policy document of Niger State called “The Sector-Specific Investment Incentives’ Policy” developed by the Government of Niger State under the administration of Alhaji Abubakar Sani Bello, the Executive Governor of Niger State. The policy document is developed in collaboration with the Feed the Future Nigeria Agribusiness Investment Activity, a five-year USAID-funded program which aims to strengthen the enabling environment for agribusiness finance and investment. The policy is therefore, a tool for attracting foreign and domestic Investment into Niger State.

On behalf of the Government and the good people of Niger State, we gratefully acknowledge the partnership and financial support received from the USAID Feed the Future Nigeria Agribusiness Investment Activity towards the development of this policy document.

My particular acknowledgment is due to the Ministries, Departments and Agencies (MDAs) of Agriculture and Rural Development; Tourism and Culture; Mining & Solid Mineral Resources; Works and Infrastructure; Finance; Small and Medium Enterprise / Microfinance; Commodity and Export Promotion; Development Company; Industrial Parks; Zuma Development Company; private sector players under the umbrella of Niger Chamber of Commerce, Industry, Mines & Agriculture and others too numerous to mention. These MDAs provided us with valuable inputs at various stages during the process of conducting, compiling and harmonizing the findings with the consultant. Of course, the development of this policy document would not have been possible without the cooperation of many government officials and private sector players.

Finally, this acknowledgement will be incomplete without specially appreciating the immeasurable support of Mr. Governor, a leader with vision and impeccable character, His Excellency, Alh. (Dr.) Abubakar Sani Bello, the Executive Governor of Niger State, for not only believing in us when the Ministry of Investment, Commerce and Industry and the Niger State Investment Promotion Agency conceived this noble idea of developing the state Investment Incentive Policy document, but also provided useful inputs and all necessary support. We thank him and are most grateful for his consent.

Hamza Sarki Bello
Executive Secretary /CEO
Niger State Investment Promotion Agency

NIGER STATE SECTOR-SPECIFIC INVESTMENT INCENTIVES' POLICY

I.0 BACKGROUND

- I.1 Niger State was part of the defunct North Western Nigeria and now located in the North Central geo-political zone. The State shares borders with the Republic of Benin (West), Zamfara State (North), Kebbi (North-West), Kogi (South), Kwara (South-West), Kaduna (North-East) and the FCT (South-East). The State is home to two of Nigeria's largest hydropower plants: Kainji and Shiroro Dams.
- I.2 The State has the largest landmass in Nigeria, with about 70% arable and cultivable land. It also has huge potentials in aquaculture due to the large concentration of water bodies. It is among the first five highest producers of maize in Nigeria due to its large land mass with high fertility status which favors the cultivation of maize on an annual basis. The natural endowment of the State gives it comparative advantage in the production of numerous agricultural commodities, namely: crops, livestock and fisheries. The State is also a major producer of rice, sorghum, yam, shea nuts, locust bean seeds and soybean (NSIPA 2018); several feed-mills are available within and outside the state to off-take the produce.
- I.3 In addition to agriculture, the State is endowed with some strategic solid mineral deposits such as gold, aluminum, coal, iron, tin, phosphates, petroleum, gypsum, limestone, wolframite. These minerals are however yet to be exploited as the sector is dominated by the activities of artisanal miners. Though mining is on the Exclusive List and under the purview of the Federal Government, the State can actively participate in the sector by acquiring the requisite licenses/leases in her capacity as an investor and or in partnership with the private sector.
- I.4 Tourism Sector is another priority sector of the State and holds tremendous opportunities, with natural tourism endowments which require to be harnessed and explored. The State is blessed with abundant tourist sites. In an effort to harness and boost the Tourism and Culture sector of the State, about 65 tourist sites have been identified all over the State yearning for development. Five of these sites have been prioritized and considered commercially viable and capable of attracting domestic and foreign investors, if professionally packaged and basic enhancements are provided.
- I.5 Similarly, the Infrastructure Sector of the State presents great opportunities for private sector participation. The Sector has opportunities for investment in both hard and soft infrastructure. Under hard infrastructure are: transportation, roads, housing, power, water resources etc., while soft infrastructure include but not limited to health, education, services including ICT and security.
- I.6 Despite the State's huge investment potentials, most of them remained locked and untapped with the resultant low rate of agricultural productivity and economic growth. Some of the challenges that the agricultural sector contends with are: inadequate rural infrastructure, traditional land tenure system, inadequate technology dissemination and adoption, agriculture largely manual and subsistence, low rate of irrigation in spite of the mass water bodies, low productivity as a result of traditional method of farming, limited

women and youth engagement in agriculture, poor natural resource conservation, poor funding, weak institutions to support the implementation of agricultural policies and plans.

- I.7 Until this effort to provide the State with Sector-Specific Investment Incentives Policy, the State has not had a single and clearly defined multi/cross-sectorial policy focusing on investment incentives, promotion, facilitation, retention and aftercare.
- I.8 Successive administrations in the State have formulated strategies and policies that support various aspects of investment growth. These initiatives have had limited impact. They also led to the adoption of various fiscal and non-fiscal incentives, discretionary changes in investment related regulations and the creation of several government agencies with components of investment promotion and facilitation, some of these agencies have overlapping mandates leading to duplication of efforts and unnecessary strain on limited government resources.
- I.9 Lately, the growing incidence of insecurity in the State has raised concerns about its impacts on agriculture, tourism and mining activities. However, it is noteworthy that the State and Federal Government are taking measures and initiatives designed to contain and put an end to the menace. One of which was the partnership between the state Government and security agencies which has led to the setting up and equipping of the Niger State vigilante groups across all the local government areas (LGAs) as a first level effort to ensure the physical safety of lives and properties in the state.
- I.10 The response of the Government to these challenges, as encapsulated in the Niger State Agricultural Investment Plan (NSAIP: 2020-2024) include: support for irrigation practices, deployment of improved technologies for use of value chain sectors, revitalization of tractor hire services, introduction of techniques and animal hybrid, establishment of grazing reserves, purchase of drugs and vaccines and upgrading of abattoirs, setting up of Investment Promotion and Facilitation Agency as part of investment climate reforms, among others.
- I.11 With the support of Development Partners, the State has developed the Niger State Agricultural Investment Plan (NSAIP) 2020-2024; as a bold attempt to operationalize State's agricultural policy and a strategic framework for investments in agriculture.
- I.12 In line with the development strategies of the State, Government has recognized the leading role of the private sector in driving the growth of agribusiness value chain and other key priority sectors through private capital. As part of Government's commitment to achieve the ambitious targets set by the sectorial policies, new initiatives to attract private sector investments were introduced, namely: the Kiara Rice Mill, the Fish and Rabbit Feed mill and Hatchery and the Niger State Dairy Project. Yet, the need to mobilize and attract local and foreign investment into the State agricultural value chain remains urgent, critical and unassailable.
- I.13 Under tourism, Government has constructed access road and connected Gurara Falls site with electricity. Under infrastructure the PPP Agency was established to advise on PPP projects while Solid Minerals Sector has commenced registrations of artisanal miners and organizing them into mining cooperatives

- I.14 As one of the seven beneficiary states under the United States and Nigerian Government bilateral technical program of support to the growth of the non-oil based economy, designed to increase the depth, breath, dynamism and competitiveness of Nigeria's agricultural sector, the Policy was supported by USAID under the five-year Feed the Future Nigeria Agribusiness, being implemented by Cultivating New Frontiers in Agriculture (CNFA).
- I.15 To address the State's poor performance in attracting investments and to also address challenges observed on the investment climate, the policy development process took a holistic approach designed to establish a properly coordinated and streamlined investment environment with appropriate incentives that will attract beneficial and responsible investments, targeted approach to offering incentives by aligning them to the development priorities of the State, while up-scaling local MSMEs capacity and focusing on women and youth empowerment.
- I.16 The Policy development process also involved intensive and extensive consultations and engagements with relevant Ministries, Departments and Agencies (MDAs), organized Private Sector and Trade Associations, during which their inputs and concerns were taken into consideration. This is to ensure policy inclusion and ownership. Also, interactive sessions were held with critical stakeholders in the informal sector. This is in addition to the review of existing sectorial policy documents, study reports and research papers by International Development Partners. The draft policy document was subjected to stakeholders' scrutiny and validation which shaped the final outcome of this Policy document.
- I.17 The actions and measures contained in this Policy are designed to support and stimulate private sector development and improve the overall ease of doing business and the competitiveness of the State, with a commitment to launch Niger State into economic viability, financial self-sustainability and ensure inclusive growth and development. This policy is therefore guided by the following core principles: connecting the incentives policy framework to overall development strategies of the State, investment must be beneficial to the people of the State in line with the Sustainable Development Goals (SDGs), openness, predictability and transparency, economic diversification, poverty alleviation, job creation, promotion of innovation and technology, formalization of small businesses and integrating them into the global economy, sensitivity to Climate Change among others.
- I.18 The Policy is also predicated on providing a blue-print for rapid enhancement of the State's competitiveness in attracting, retaining and expanding new and existing investments in the priority sectors of the State namely: agriculture, tourism, solid minerals and infrastructure with resultant job creation, food security and poverty reduction benefits.
- I.19 The Policy is expected to transform the socio-economic life of the people of the State and position it as a key driver of Nigeria's non-oil economic growth and development. The overall objective therefore, is to take the State into economic viability, end the circle of dependence on revenue allocations from the Federal Treasury, and place the State on the path to rapid and sustainable economic diversification, growth and development.

2.0 WHY SUB-NATIONAL INCENTIVES POLICY

- 2.1 Investment incentives policies are designed by the National Governments for the purpose of attracting investment into their countries. However, investments always end up at the sub-national and even host community levels. It is for this reason that despite the Federal Government incentives offering, States have introduced various strategies designed to attract investments into their domain by enhancing their competitiveness through additional incentives.
- 2.2 The Niger State Sector Specific Investment Incentives Policy is therefore predicated on the need to attract and retain beneficial domestic and foreign investments, as well as mobilizing MSMEs to participate and invest in the agribusiness value chain and other priority sectors. The Niger State applicable incentives offering is therefore designed to complement and serve as additional incentives to existing incentives offered by the Federal Government. Accordingly, the need to present State-based and State-applicable incentives are based on the following:
- i. The realization that there may be different development objectives between the Federal Government and the State. Niger State may have different economic development objectives or priorities and also different competitive advantages to leverage on.
 - ii. The growing recognition that States are competing among themselves to attract investments to their locations and benefit from resultant multiplier effects.
 - iii. Niger State has greater knowledge of her location strength and weaknesses, and thus better able to market them with accurate information and attractive incentives, strong enough to lure investors to locate in the State. This is to be achieved by creating and bringing to the market a pipeline of pre-packaged bankable projects and channeling them to sectors identified as economic growth drivers.
 - iv. Investor support is on ground and handy at the State level; decision making readily available, less cumbersome and the State is well positioned to assist, and give hand-holding facilitation to investors that will enable them to navigate through legal, regulatory and administrative frameworks, through-out the investment circle.
 - v. States are best positioned to target domestic investments and grow MSMEs using incentives. States can also easily link their promotional activities to the local economy and relate more closely with investors through a structured aftercare service.

3.0 PURPOSE OF THE INVESTMENT INCENTIVES POLICY

- 3.1 The overall purpose of the Sector-Specific Investment Incentive Policy is to promote the establishment of new businesses or encourage existing businesses to expand or not to relocate elsewhere. Accordingly, the Policy is to serve the following purposes:
- i. To promote investment opportunities in the Agribusiness Value-Chains and other priority sectors of the State by offering competitive incentives.
 - ii. To boost investors' confidence in locating and doing business in the State based on government's commitment to undertake investment climate reforms and other supportive policy measures.

- iii. To present to existing and potential investors with a compelling basis for investment location decision in favor of the State and in the priority sectors.
- iv. To enhance the competitiveness of the State through the instrumentality of transparent, predictable, consistent and implementable incentives.
- v. To complement and align with Federal Government's Incentives Policy with the State-based additional incentives in line with the Niger State economic transformation strategies.
- vi. To offer special incentives that will galvanize MSMEs, including women and youths into formalization of their businesses to enable their full participation and integration in the formal economy and to ensure future revenue earnings for the State.

4.0 PRINCIPLES OF THE POLICY

- 4.1 The underlining basis of the Policy therefore, is the development of Sectors-Specific Incentives offering that focuses on key priority sectors of the State namely: agribusiness value chain, infrastructure, solid minerals, tourism, in which the State has very strong competitive and comparative advantages with great natural endowments and potentials that require to be harnessed and translated as opportunities for achieving high levels of growth and development. Notwithstanding the priority sectors, the State is open to receive and support investments in other sectors that are in line with its development strategies.
- 4.2 The Policy is designed to bring about improvements of the State's capacity to attract beneficial private capital leading to massive job creation, drastically reverse the poverty level of the people of Niger State as well as, address the poor infrastructure situation in the State. These will ultimately transform the economic fortunes of the State.
- 4.3 It is against this background that the Policy is based on the following Critical Success Factors or policy drivers and enablers that will greatly enhance the competitiveness of the State:
 - i. Due recognition of the Federal structure of Nigeria and the constitutional powers assigned to the three tiers of government. The Policy falls under the Concurrent and Residual List to include powers of the Local Government Authorities.
 - ii. The nexus between business climate and the effectiveness of incentives offering remain crucial to the Policy. Incentives work well when the investment environment is friendly, supportive and facilitative. Hence the need for strong legal, institutional and regulatory framework for investments
 - iii. The Incentive Policy is also guided by the need for clarity, consistency, non-discretionary, non-discriminatory, predictable and implementable.
 - iv. Direct domestic and foreign investments must be responsible and beneficial to the local economy; the need for cost-benefit analysis and a careful balance between ensuring that, even when incentives succeed in attracting investors, their costs should not exceed the benefits of the investments, and the revenue concerns of the State. The direct and indirect costs of incentives are therefore a major determinant of the Policy.

- v. Incentive Policy comes along with building State-wide consensus of stakeholders on not only the ownership of the Policy, but also on its benefits to the local economy. Political will and commitment to implement reforms on the part of Government is assured as a necessary condition for the realization of the policy objectives.
- vi. Since very often, incentives tend to favor big businesses at the expense of small businesses that are largely in the informal economy, and dominated by women and youth, hence due recognition of the special needs of these vulnerable groups was addressed in the Policy.

5.0 OBJECTIVES OF THE INCENTIVES POLICY

5.1 The overall objective of the Niger State Sector Specific Investment Incentives Policy (NSSIIP) is to present the State's value proposition to attract investors and encourage expansion, by providing State-based additional incentives leveraging and in alignment with existing Federal Government incentives policy. Also, the policy is articulated to give confidence to investors and assurances of the commitment of Government to continuously reform the investment climate and remove obstacles to business entry and doing business in the State. Accordingly, the key objectives of the Policy are as follows:

- i. To promote the State's competitiveness for attraction of investments in line with the development strategies and Sustainable Development Goals (SDGs); diversification of the economy, poverty alleviation, food security, job creation and economic viability of the State.
- ii. To continuously enhance Niger State Investment Climate, through reforms designed to drastically enhance the State competitiveness for investments.
- iii. To provide investor friendly incentives that will attract and retain investments across the prioritized Agribusiness value-chain, Tourism, Solid Minerals and Infrastructure Sectors.
- iv. To promote and attract responsible and beneficial investments to the priority sectors that will create jobs, reduce poverty and propel sustainable economic growth and development.
- v. To transform the State into self-sustainability, economic viability and financial independence, thereby ending the current spate of reliance on Federal revenue allocations.
- vi. To substantially reduce the impact of poor infrastructure and other administrative bottlenecks faced by investors in the course of business entry and doing business in the State.
- vii. To integrate the MSMEs in the economy of the State as key drivers and also accelerate the formalization of small businesses.
- viii. To target and ensure that women and youths are empowered and integrated into the State, National and Global business value chains.
- ix. To position and align Niger State to effectively optimize and benefit from various opportunities such as: Africa Continental Free Trade Area (AFCFTA), Federal Government Intervention Schemes in Agribusiness as well as, State based initiatives as encapsulated in the Niger State Agricultural Investment Plan 2020-2024 (NASAIP) .
- x. To trigger and provide basis for continuous investment climate reforms in the State.

- xi. To ensure a coordinated and streamlined incentives regime that is rooted in strong governance, strengthened institutions that are backed by monitoring and evaluation mechanisms as well as, periodic Impact Assessment for measuring the effectiveness of the Policy.
- xii. To promote and attract responsible investments that are environmentally sensitive to Climate Change and related concerns.

6.0 ISSUES ADDRESSED

- 6.1 The exercise of developing a State Incentives Policy must be rooted in some Critical Success Factors without which, the incentives offered will be meaningless. Put differently, there are conditions precedent which must be addressed for Incentives Policy to achieve set objectives. Accordingly, the critical issue of investment climate reforms must be given priority as a major determinant of investments location.
- 6.2 Also, the need to integrate MSMEs into the State economy, with special focus on Women and Youths cannot be discounted, giving the peculiarities and priorities of the State economic development strategy which recognizes MSMEs as engine of development. Other issues considered include the challenge of Climate Change and the protection of the environment as well as the role of innovation and technology in attracting beneficial and responsible investments.

7.0 INVESTMENT CLIMATE REFORMS:

- I. The role of investment climate in determining domestic and foreign investments flows is so significant; it is a contributory factor in determining investment location decision. A strong investment climate can help spur investment towards a location, while a weak and hostile climate can do the opposite. By reducing unjustified costs, risks, administrative and regulatory barriers, private capital can be drawn to a particular investment location. On the other hand, a poor or unfriendly investment climate resulting from macro-economic instability, poor infrastructure, excessive regulations and corruption, negatively affects the competitiveness of a location.
- II. An investment friendly climate is reflected in the quality of legal, regulatory and institutional frameworks that support and encourage investment inflows. This is even more compelling, because as important as Investment Incentives Policy is, it can only thrive within the framework of a friendly investment climate, hence Government's decision to embark on far-reaching investment climate reforms as the basis of the Sector Specific Investment Incentives Policy.
- III. Challenges undermining investment climate of the State have been identified and Government is determined to drastically improve on recent achievements in the World Bank, Sub-national Ease of Doing Business Rating which places Niger State as the 5th in the country. Some of the challenges include administrative bottlenecks, regulatory burdens as well as, avoidable and unnecessary delays resulting in service failures by Government agencies. Others are the use of discretion in granting approvals and authorizations, which has led to allegations of sharp practices. More importantly, cases of regulatory excesses and harassments by especially revenue collection agencies, often in the line of multiple taxation shall be addressed.

- IV. Government has further observed that investment promotion and facilitation agencies; Niger State Investment Promotion Agency (NSIPA) and the One-Stop-Shop have over the years remained weak, poorly funded, poorly staffed and largely unable to function to standard expectations. Government is committed to reversing these trends.
- V. Government has also recognized the need to restructure, strengthen and empower other critical agencies of government to enable them to perform optimally.
- VI. Until the recent efforts by Federal and Niger State Governments to decisively tackle insecurity in the State begins to bear fruit, the menace will continue to undermine the investment climate of the State and make it less attractive to investors. Hence the renewed efforts to frontally tackle the challenge.

7.1 INVESTMENT CLIMATE CHALLENGES

In spite of efforts by successive Administrations of the State to grow the economy based on its priority Sectors, there is a miss-match between the natural resource endowments of the State and the level of economic development. The role investment climate as a major deterrent of investment location decision must take center stage in any investment related policy making efforts. Low level of investment inflows in the State is attributable to the poor investment climate that is characterized by the following challenges:

- i. The Legal, Policy and institutional frameworks for Investment Promotion and sectorial policies are yet to be finalized to pave way and provide the basis for building investor confidence and attracting domestic and foreign investments in the State.
- ii. The existing investment incentive system is lacking in clarity and characterized by use of discretion, discrimination, weak institutional capacity and resultant none or poor coordination to support implementation.
- iii. The institutions responsible for implementing investment policies are operating on low or no budgetary provision. This has manifested in poor staffing, low training and capacity building, inability to undertake investment promotion and facilitation activities and a non-functional One-Stop Facility among others.
- iv. The existence of multiplicity of institutions dealing with investment promotion and facilitation, continuous to confuse investors. The situation is worsened by weak coordination among these agencies, attributed to even with lack of overarching coordination mechanism of all matters related to investments the despite establishment of NSIPA which, by standard practice is expected to play the coordinating role in the State.
- v. Existing Investors in the State are not provided with proper Aftercare Services they require, primarily due to a severely under-resourced Investment

Promotion Agency and lack of legal and policy clarity about agency(ies) responsible for this role. Yet proper Aftercare is the most cost effective and efficient ways to retain and expand existing investments. It is also an effective source of information to identify areas requiring action to further improve the investment climate.

- vi. The public sector in the State has poor understanding and appreciation of the benefits of investments to the people and economy of the State, hence the lack of professionalism in handling investors. This has resulted in heavy regulatory burden, administrative bottlenecks and delays in securing permits, licenses and authorizations required by investors.
- vii. Another challenge identified in investment climate has to do with the issues of multiple taxation in the State based on multiplicity of regulatory and revenue collection agencies of Federal Government, State revenue collection MDAs and Local Governments Councils. Recent efforts by government to harmonize State taxes/levies will go a long way to reduce its negative impact
- viii. 80% of the MSMEs are in the informal economy, they are therefore not fully under government policy and regulation and invariably unable to benefit from various Federal and the State Government initiatives and interventions.
- ix. There is also the absence of a clearly defined investor grievance mechanism for resolving service failures by MDAs and Local Governments Councils in the State.

7.2 INVESTMENT CLIMATE POLICY OBJECTIVES

To address the challenges highlighted above, the policy objectives of the Investment Climate Reforms are as follows:

- i. To ensure improved and competitive investment climate that supports investments entry, doing business and business expansion in the State.
- ii. To boost investor confidence in the State by providing appropriate legal, regulatory, institutional and policy frameworks related to investments.
- iii. To ensure continuous improvements and effective implementation of investment climate reforms for enhanced investment competitiveness of the State.
- iv. To institutionalize professionalism and resourcefulness in handling investors by government agencies.
- v. To build State-wide consensus on investment promotion and facilitation by ensuring policy inclusion, ownership and the buy-in of critical stakeholders from both public and private sectors in the State. To this end, regular consultations and engagements with private sectors/investors shall be encouraged and facilitated.
- vi. To ensure that the NSIPA is empowered to provide adequate and periodic Aftercare services to support retention and expansion existing Investments in the State.

- vii. To substantially reduce incidence of multiple taxation in the State, through tax/levies harmonization and enforcement of agreed standards.

7.3 POLICY MEASURES:

As part of Government's commitment to continuously enhance the business climate in the State and as a vital prerequisite for effective implementation of the Investment Incentives Policy, Government is determined to reduce the costs and risks of business activity by improving on government policies, laws, regulations and other market failures. To therefore ensure an investment friendly climate in the State, Government shall:

- i. Expeditiously finalize and codify the legal, institutional and policy frameworks for investment promotion and facilitation in the State to further boost the confidence of investors on the State's readiness for business.
- ii. Be committed to the effective implementation of this Policy Document for the purpose of clarity, policy cohesion, monitoring and evaluation, and impact assessment.
- iii. Put in place a framework for continuous investment climate improvements/reforms for the purpose of enhancing the competitiveness of the State for investment flows, by empowering NSIPA to effectively coordinate Policy Advocacy on behalf and for the benefit of investors as part of its Aftercare Service. This will also entail systematic benchmarking of the investment climate with best practices for informed reforms and policy initiatives.
- iv. Empower NSIPA and other investment promotion and facilitation agencies with adequate budgetary provisions to enable them to perform on their mandates. Accordingly, investment promotion and facilitation activities shall be treated as public good to be adequately funded without prejudice to any internally generated revenue and funding support from international donor agencies.
- v. Take and provide political ownership and leadership of the reform agenda at the highest level through direct monitoring and enforcement of reforms in the investment climate and decisively addressed service failures in the State. This will be achieved by making reports of investments climate reforms as a permanent agenda item in the State Executive Council meetings.
- vi. Strengthen and empower investment climate reform agencies for effectiveness. To this end, Government Agencies that have investment promotion, facilitation and regulatory roles shall be equipped to perform on their mandates to the applause of investors.
- vii. Develop bankable Project Profiles for targeted promotion and facilitation of priority sectors of the State.
- viii. Promote and institutionalize constant dialogue, consultations and communication with Private Sector as key stakeholders of the investment climate.
- ix. Promote the growth and sustainability of the business environment through innovative approaches such as the formalization of the micro and small businesses, Climate-Smart Agribusiness investments, inclusive businesses or gender specific reforms among others.

- x. Take measures to expand the investment opportunities of MSMEs and facilitate their linkages with large businesses in the state, national and global value-chains.
- xi. Ensure effective coordination of the investment climate reform efforts by the various line ministries and agencies, based on a broad-based competitiveness agenda. To this end:
 - An Investment Climate Advisory Committee, chaired by the Executive Governor of the State or his nominee, shall be established made up of relevant MDAs and Private Sector to periodically review progress, identify challenges and recommend measures for action.
 - Determine priority areas for reforms in the short, medium and long terms.
 - Ensure that the Impact Assessments of incentives provided are undertaken to determine their efficacy and effectiveness.
 - NSIPA shall serve as the Secretariat of the Committee
- xii. Institutionalize an Investor-Grievance Mechanism at the Niger State Investment Promotion Agency (NSIPA), to professionally handle disputes, disagreements and service failures on the part of Government Agencies, using the instrumentality of representatives of the MDAs in the One-Stop-Shop. Accordingly, the One-Stop-Shop shall be strengthened and empowered with requisite delegated powers and authorizations to take and conclude critical decisions for the benefits of investors.
- xiii. Ultimately establish Office of “Independent Investment Ombudsman” as an alternative Dispute Resolution Mechanism with judicial powers of enforcement, and to handle all disputes that could not be resolved through (viii) above.
- xiv. Ensure coordinated and streamlined investment entry and establishment in the State by making it a statutory requirement for every investor to pass through and register with NSIPA for the purpose of benefiting from incentives and other interventions of government.
- xv. Position Niger State to fully benefit from **National Development Plan (NDP 2021-2025) and** resultant Policy Measures and Incentives. To this end, Government shall develop the State’s version of its Economic Transformation Plan in line the NDP and to create necessary synergy between the Federal Government Plant and that of the State.

8.0 AGRIBUSINESS SECTOR-SPECIFIC POLICY

8.1 SECTOR OVERVIEW

- 8.1.1 The state of agribusiness in Niger State is similar to what obtains in other States of Nigeria. The State parades massive investment opportunities across the value chain for MSMEs, domestic and foreign investments when viewed from the standpoint of its natural resource endowments, and current favorable policies of both the Federal and the State Governments, in placing the sector as the center of their economic development agenda, rooted in economic diversification, attainment of national food security, enhanced productivity and commodity export, creation of massive employment and poverty alleviation.
- 8.1.2 As one of the beneficiaries of the partnership between the International Fund for Agricultural Development (IFAD) and the Federal Government of Nigeria, on Value Chain Development Program (VCDP) in agriculture, Niger State agricultural value chain focuses on the challenges faced by smallholder farmers, such as: low productivity, poor access to market, poor processing technology, lack of adequate infrastructure, high cost of farm inputs, inadequate credit system, the various cycle of poverty and the recent challenges which has been formidable; climate change. Niger State value chain development program is aimed at addressing and proffering solutions to low productivity, paucity of opportunities for value additions, inadequate support service such as extension service and research etc.
- 8.1.3 Agricultural value chain is a value adding activity, from production to consumption, through processing and marketing. Each segment of a chain has one or more backward and forward linkages. A value chain in Agribusiness therefore identifies the set of actors and activities that bring a basic agricultural product from production in the field to final consumption, where at each stage value is added to the product. For Niger State, interventions by International Development Agencies in supporting various agricultural value chain development schemes, centers around prioritized commodities such as rice, cassava, maize, cowpea, soybean etc.
- 8.1.4 Also, the Bank of Industry, CBN and other Federal Government Agricultural interventions schemes are financing projects on specific commodity value chain. The need to therefore promote the vast investment opportunities in the agribusiness value chain is germane to agricultural transformation and economic development of the State.
- 8.1.5 It is against this background that Government is committed and poised to make the State as the preferred investment destination for agribusiness projects, by aligning the State's agricultural policies, investment promotion strategies and agribusiness incentives to Federal Government's robust incentives policy. The State Government is therefore committed to the implementation of the Niger State Agricultural Policy (NSAP), Niger State Agricultural Investment Plan (NSAIP), leverage the APP and the various agribusiness intervention schemes of the Federal Government.
- 8.1.6 On the path of promoting private sector investments in agribusiness, are a number of challenges namely: the recent incidence of insecurity, have become the greatest hindrance to agriculture and is capable of undermining investment location decision in favor of the State. The security situation is however being decisively tackled by the concerted efforts

of the Federal and State governments to end the menace and restore normalcy for agriculture to thrive.

- 8.1.7 Apart from the challenges of insecurity, the State like most States in Nigeria, is experiencing the following limitations in the agricultural sector: inadequacy of rural infrastructure such as access to good road networks, electricity, poor access to agricultural credit, access to land, low participation of MSMEs on agriculture based on their informal nature, the use of traditional method of agriculture instead of modern technologies and challenges related to investment climate ravaging the Agricultural sector among others.
- 8.1.8 Being a major hub with vast production acreage and among the major producers of high yield crops in the nation, the State's agricultural landscape is still dominated by subsistence farming. The absence of a strong private sector players to harness the immense potentials of the agro-allied industry, coupled with low levels of investments, puts the State among the low performing agricultural and agribusiness States in the country.
- 8.1.9 Government recognizes the need to create an enabling environment for agriculture to thrive and is determined to invest in addressing the key issues that currently hinder the sector's growth. This is to be achieved by reinforcing trade and investment policies, land access and tenure policies; investing in strong agricultural educational and research institutions; government engagement in fertilizer, seed and input supply, distribution, and financing; providing incentives for financial institutions, especially banks and insurance companies to support the private sector; ensuring strong and effective extension support services, and agriculture development programs at the local government level; and providing adequate infrastructures, especially feeder road networks, captive and affordable electricity.

8.2 AGRIBUSINESS VALUE CHAIN IN NIGER STATE:

- I. The Niger State Agricultural Investment Plan (NSAIP) 2020-2024 has provided detailed strategic analysis and addresses every component of the agricultural value chain based on prioritized high value crops, livestock and fisheries. The crop value chain includes staple crops such rice, cassava, sorghum and soybean. Also, high value agribusiness enterprises like cashew, oil palm, shear nut and ginger. Under livestock and fisheries prioritized enterprises are cattle ranching and dairy production, bull fattening, broiler, layer production and aquaculture. These enterprises are appraised to be viable and with High Returns on Investment.
- II. The Plan, when considered together with the Niger State Agricultural Policy, aligned with the Federal Government's Agricultural Promotion Policy 2016-2020 and the Economic Recovery Growth Plan (ERGP) as well as, current initiatives of Niger State Government to grow the agricultural sector, agribusiness value chain development and incentives will engender the realization of the agricultural transformation agenda of the State.
- III. In providing incentives for agribusiness value chain therefore, the role of the various actors from seedling, cultivation, storage, marketing, processing and export are factored. Agribusiness value chain in Niger State is virtually the same for all the crops. It is structured on pre-production, production, post-production and marketing.

- IV. Pre-production Value Chain Stage is semi-structured with largely informal market linkages that has high women and youth participation. It comprises of mainly smallholder farmers. Main features include input supplies, fertilizer, herbicides, improved seedlings (From Research Institutes). Inputs are organized and distributed to farmers through Cooperatives or and directly to farmers under State Government subsidy.
- V. Production Value Chain Stage involves smallholder farmers largely using traditional methods of farming, characterized by lack of capital, poor access to markets and activities are in the informal sector and weak. Cost of agricultural mechanization is very high tractor hire services provided by State Government has limited coverage and unaffordable to smallholder farmers. Livestock and fisheries value chain is based mainly on traditional practices in fishing from the existing rivers and natural water bodies. However, small scale cat-fish farming is becoming popular but hampered by access to capital. Bull fattening and poultry farming is practiced but at the primary level as family business (average of three to five cows and hundred birds per family). Expansion of these businesses is also limited by access to capital. This calls for strategic cattle ranching with emphasis on meat and dairies production.
- VI. Post-production including Marketing Stage has the following features: produce are locally consumed or sold to local traders/wholesalers and in some cases, produce are sold to cooperatives for loan recovery or price stability. Production stage is also grappling with lack of modern storage facilities, limited processing capacity, leading to post-harvest losses. High transport costs and poor road networks coupled with price volatility and dispersed farming zones combine to undermine the growth of the sector.
- VII. Foreign and large domestic investments in agribusiness are mainly engaged in rice farming and processing, raw materials commodity farming under Backward Integration Program mainly in the sugar sub-sector to feed local sugar refineries located in other parts of Nigeria. Contract farming especially in rice production is being promoted by Rice Farmers Association of Nigeria (RIFAN) involving smallholder farmers.
- VIII. There is a strong case for rapidly scaling up of the production of various products for export with the right development of technology, quality assurance and package for exports.

8.2.1 POLICY THRUST

- 8.2.1.1 The strategic role of Agriculture in the economic transformation of nations has long been established. It was the main stay of the pre-colonial, colonial and post-independence economic development strategies of successive governments in Nigeria until the oil came to greatly undermine it.
- 8.2.1.2 The uncertainties of the International oil market and as nations seek alternative sources of energy, coupled with the COVID-19 pandemic and its negative impact on the global economy; Agribusiness is receiving attention based on its potentials to fast-track economic recovery, accelerate rapid and sustainable growth, as well as promote the realization of Sustainable Development Goals (SDGs).
- 8.2.1.3 For Niger State, focusing on Agribusiness value chain is not an option but compelling response to the current challenge of dwindling revenues from the Federation Account and the need to drive private capital into the sector, remains urgent, inevitable and

unassailable. Accordingly, the Policy Thrust of the Agribusiness Sector-Specific Incentive Policy is to create and provide an attractive investment climate aimed at stimulating and driving domestic and foreign investments into the Agribusiness value chain of Niger State. The overall objective is to make the investment climate attractive, competitive and preferred.

8.2.2 AGRIBUSINESS POLICY OBJECTIVES

As the key priority sector in which the State has comparative and competitive advantages, the objectives of agricultural development policies and strategies are:

- i. To ensure Food Security through attainment of sustainable self-sufficiency in basic food commodities in the state.
- ii. To increase productivity of agricultural raw material to meet the demand of the growing industrial sector.
- iii. To engender the use of improved technologies for sustainable production, processing, storage and marketing of agro-products for the local and export market.
- iv. To promote job creation, poverty reduction and sustained contribution of the State to the National GDP.
- v. To promote and encourage Domestic and Foreign Private Capital inflow into the development of Agribusiness infrastructure in the State through Public Private Partnership Strategy.
- vi. To recognize, support and empower youths and women as drivers of the Agribusiness Value-Chain in the State.
- vii. To promote use of modern technology as a necessary condition in the growth of agribusiness value-chain.

8.2.3 POLICY MEASURES

To promote agribusiness as the number one priority sector for attraction of investments to drive the transformation of the State economy. In this wise Government shall:

- i. Review and be committed to updating of agricultural policies for the purpose of pragmatic implementation by promoting agribusiness as the main driver and enabler of economic transformation of the State.
- ii. Fully strengthen and empower agribusiness implementation institutions to perform on their mandates. Accordingly, the Ministries of Agricultural and Rural Development, and that of Livestock and Fisheries together with their Agencies shall receive greater attention and funding. To this end, Government is committed to meeting her counterpart funding obligations to the various agribusiness related initiatives.
- iii. Revisit and renew her commitment to the full implementation of Niger State Agricultural Investment Plan as basis for attracting investments to the prioritized strategic crop value chains.
- iv. Introduce measures that will make agribusiness exciting and attractive to the youths in the State. Agriculture will be implemented and projected as a profitable business.
- v. Put in place initiatives that will engage private sector in the provision of agriculture produce marketing system, agriculture commodity storage, agriculture credit and insurance, supply of farm inputs, irrigation schemes among others.

- vi. Restructure, re-engineer and empower the State Export Promotion Agency to facilitate and support Exporters in the State to access Incentives offered by Federal Government.

8.2.4 MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) IN AGRIBUSINESS

- I. MSMEs cover the entire range of prioritized economic activity sectors of Niger State. The Agribusiness sub-sector in particular provides over 70% employment, largely in the informal sector. Women and Youths constitute the majority in spite of their vulnerability. The role of MSMEs in Agribusiness therefore holds great potentials in terms of employment creation, poverty alleviation and even distribution of development. The potentials of MSMEs in Tourism, Mining and ICT infrastructure sectors, is also significant to the development of the sectors.
- II. As part of general investment climate improvement, Government has recognized the need to strengthen and empower Niger State Small, Medium Enterprises and Micro Finance Agency (MSMEMFA), with very clear policy objectives, principles and directions by which Government's MSMEs programs, interventions and initiatives are designed, implemented, monitored and evaluated.
- III. Based on recent review on the characteristics of MSMEs in the Agribusiness value chain and other priority sectors of the State, Government has recognized several challenges that are however not common to Niger State. These include: low-market access, poor access to credit, poor information flow, discriminatory policies, poor access to land, and weak linkages to the rest of the economy, lack of basic knowledge and business skills, poor infrastructure, heavy regulatory burden, poor service delivery by Government Agencies among others.

8.2.4.1 POLICY OBJECTIVES

The purpose of this Policy is to promote, empower and ensure the growth of the MSMEs sub-sector through investment climate reform measures and incentives offering that integrates the sector into the economy of Niger State, Nigeria and the World. Therefore, the broad objectives of the MSMEs Policy are as follows:

- i. To create, nurture and promote the necessary conditions for the growth and development of small businesses. The strategy shall be implemented in close partnership and cooperation between various levels of government (Federal, State and Local) and community based organizations on one hand, and private sector enterprises and business associations on the other.
- ii. To encourage the transformation of small businesses from the informal sector to the formal economy to enable their full integration in the local and global economy.
- iii. To incentivize and encourage the registration of small businesses for the purpose of building data, determining their needs and for facilitating informed policy making decisions that will eventually expand the revenue base of the State.
- iv. To empower MSMEs to scale up their contributions to job creation and resultant poverty alleviation.

8.2.4.2 POLICY MEASURES:

To ensure the integration of Small and Medium Enterprises into the economy of the State and promote linkages with global businesses, Government shall:

- i. Strengthen the legal, institutional and regulatory frameworks of the MSMEs Sub-sector and empower the Implementing Agencies for effectiveness.
- ii. Sensitize the MSMEs on the benefits and advantages of formal registration, including the use of IT initiatives to register and issue e-Registration Certificates, Permits and Licenses. This is to be achieved through comprehensive program of the formalization of micro and small businesses to be directly implemented by government or outsourced to competent private sector players. To this end, registered informal sector businesses will be supported and incentivized by Government to fully incorporate with the Corporate Affairs Commission (CAC).
- iii. Establish a One-stop mechanism/Single window, for all issues concerning MSMEs, including Business Support and Information System, training and entrepreneurial skills development and other activities. This is to be achieved in collaboration with Local Government Councils and community-based Trade Associations.
- iv. Maintain a minimum or subsidized fee-paying structure for services rendered to MSMEs by State Government agencies as encouragement/incentive.
- v. Design and implement sector specific technical and entrepreneurial training programs based on the prioritized value-chain and the State's competitiveness.
- vi. Promote the utilization of modern and appropriate technology, and innovation by MSMEs and from research and development centers in the State and beyond.
- vii. Facilitate the process of commercialization of innovative products and technologies produced in the State.
- viii. Sensitize and build capacity of business start-ups and for business expansion through business development and entrepreneurship skills development program.
- ix. Strengthen access to Extension and Support Services to MSMEs in agribusiness through provision of relevant, adequate, timely, accessible and affordable services.
- x. Initiate and implement special entrepreneurship training and provision of start-up packages/Seed Capital targeted at unemployed graduates to encourage their participation in the agribusiness value-chain and transform them into employers of labour.
- xi. Strengthen and fund Micro-Finance Banks for enhanced access to subsidized finance to MSMEs on the Private Public Partnership (PPP) basis. This shall take the form of injection of capital as equity and influencing the lending policy in favor of MSMEs.
- xii. Maintain a focused approach for industrially underdeveloped areas, facilitate inclusive and balanced State-wide growth by supporting investments in infrastructure in rural areas with attractive incentives for the benefits of MSMEs.

This is to be achieved by specially negotiated incentives on the merit of the project from the government.

- xiii. Establish through PPP, dedicated MSME Parks in the State Capital and one in each Zone. Minimum of 25 acres of land with provision for shared common infrastructure like roads, industrial water supply, dedicated power, machinery and processing equipment and effluent treatment plant. This measure will substantially reduce the cost of doing business and enhance quality assurance of products for competitiveness and export.
- xiv. Strengthen and empower the State Export Promotion Agency to provide support for MSMEs exporting companies to undertake conformity assessment in the areas of Packaging, labeling, Standardization, Accreditation, Testing, Metrology, (traceability and calibration) Quality Certifications. To this end, an Export Promotion Policy anchoring on positioning the State to benefit from the ACFTA and other export opportunities shall be developed and implemented.
- xv. Support and facilitate the participation of Niger State businesses at National and International Trade Fairs for strategic exposure and effective marketing of their exportable products.
- xvi. Institute a mechanism for troubleshooting visits to businesses for the purpose of undertaking diagnostic evaluation with a view to taking measures that will support their rehabilitation, survival and steady growth.

8.2.5 WOMEN AND YOUTH PARTICIPATION IN AGRIBUSINESS

- I. The importance of women and youth's participation in agriculture in Niger State cannot be faulted. Increased productivity in agriculture will contribute substantially to the growth and development of the economy in terms of poverty reduction and job creation.
- II. Women and youths are in the vulnerable categories, they operate from the informal sector, as a result, their businesses are not registered which has denied them access to land, loans and a number of benefits. The reason is not farfetched, on one hand, there are women farmers in the State who naturally assume a larger role in household responsibilities that limit their ability to own farms or hire labor, and on the other hand, there are unemployed youths who have no jobs and cannot participate in business because of the high cost of business start-up such as registration, signage fees, high requirements for accessing credit and land.
- III. Several factors have been identified as militating against the contribution of women and youth to the growth of agricultural in the State. Some of these factors are: poor access to credit, manual labor, inadequate infrastructural provision, poor information flow, policy inconsistency, lack of effective dispute resolution mechanisms, lack of basic knowledge and business skills as well as, heavy regulatory burden.
- IV. Over the years, Niger State Government has recognized the limitation to youth and women's participation in Agricultural Value-Chain, Government is determined to change the trend by taking measures on the general improvement of the investment climate and interventions designed to motivate and mobilize their participation.

8.2.5.1 POLICY MEASURES

To demonstrate Government commitment to uplifting the status of Women and Youth in the agribusiness value chain, in line with Federal Government Policy on MSMEs development, and further to the policy measures articulated under the MSMEs above, Government shall:

- i. Strengthen the institutional, regulatory and legal framework to ensure that the interest of women and youths are taken into consideration in designing and implementing agricultural policies, strategies and incentives.
- ii. Strengthen access to extension and support services specially designed and targeted at women and youths as vulnerable segments of the MSMEs.
- iii. Initiate and implement special entrepreneurship training programs for unemployed youths and women in the Agribusiness value-chain, including quality assurance for national and global competitiveness.
- iv. Strengthen and promote the existing women cooperatives in the State, and support women and youth to set-up viable cooperatives that are democratized and empowered.
- v. Assist women by waiving the cost of business registration and licensing as a strategy for formalizing and integrating them into the economy and the global value chain.
- vi. Support the growth of micro finance banks in the State, to provide access to credit, especially for Women and Youths. To this end, Government shall initiate a Special Fund to be financed through the budget and, or intervention funds from Federal Government and or International Development Agencies. This Fund will be warehoused in Micro-Finance Banks in which the State Government has taken equity shares. Government shall dedicate 60% of loans to be reserved and targeted for women and youths in the State.
- vii. Maintain a minimum or zero fee-paying structure on services rendered by State Government agencies, targeted at businesses owned by women and youths.
- viii. Promote the utilization of modern and gender-sensitive technologies for women and appropriate technology and innovations for youths to enhance productivity.
- ix. Facilitate and support building of prototypes and promote the commercialization of innovative products and technologies produced in the State by women and youths.
- x. Take measures to remove legal and traditional hindrances to women's access to land.

8.3 AGRICULTURAL POLICY AND ENVIRONMENT

- i. Recent studies have shown that Climate Change has become a major threat to agriculture, particularly in developing countries. Farmers in African countries have been identified as most vulnerable to Climate Change due to their low adaptive capacities. In Nigeria, the Climate Change impacts cut across various sectors, but

agriculture is the most vulnerable due to its dependence on rain. Agriculture is the dominant sector in Niger State, as about 85% of the population are in the agricultural sector. The contribution of the sector to the economy of the State is however challenged by its vulnerability to Climate Change (NCRI, Badeggi, 2018).

- ii. Currently, over 70 percent of Niger State rural population depend solely on forest resources for livelihood and economic survival. The indiscriminate conversion of the forest for agricultural use and fuel wood extraction is rampant. Grazing animals convert the forest in an intensive manner and bush burning is persistent. As a result, the fallow periods allowed in shifting cultivation are reduced or completely absent in some cases. The use of marginal land for agricultural purposes is rising. The forest is also being lost to logging.
- iii. Flooding is common in many parts of Niger State. Heavy rainfall and poor watershed management are two major causes. Moreover, human activities such as land clearance for agricultural purposes, poor dam construction, and deforestation has also contributed to the problem.
- iv. Generally, there is the rampant mismanagement of land resources. These have significant negative consequences on crop yield and land productivity, which further impoverish the already poor farmers in the State. With the increasing soil infertility as a result of the destruction of soil micro-organisms and dwindling agricultural productivity, consequence of all these has become a major disincentive to farmers and is capable of forcing them to abandon their land to seek non-existent alternative means of livelihood.
- v. In addition, the farmers have been slow in changing their farming practices such as bush burning, deforestation, rain-fed agriculture and land tenure system, and they lack the requisite education, information and training necessary to adapt to Climate Change. It is for this reason that the agribusiness investment incentive policy pays attention on measures that will mitigate the effect of Climate Change on agriculture.

8.3.1 POLICY MEASURES

To mitigate the effect of climate change on agricultural development in Niger State, Government shall:

- i. Ensure that responsible and environmentally friendly investments are targeted, promoted and encouraged.
- ii. Take measures to ensure compliance with the regulatory requirements that protect the environment and mitigate further climate change challenges. To this end, regulatory agencies to be strengthened and empowered to undertake continuous monitoring and environmental impact assessment on all agribusiness projects.
- iii. Ensures that farmers should also have regular information on current issues related to climate change and agriculture. This is to be achieved through the strengthening of the State's agricultural information system and extension services. Such information dissemination will cover weather and climate forecast,

flood alerts disease outbreaks and the use of modern farming methods to support the environment

8.4 TECHNOLOGY AND INNOVATION IN AGRICULTURE

- I. The full economic potential of the application of technology and innovation across the agribusiness value chain is capable of accelerating agricultural transformation of Niger State and indeed Nigeria. The entire agribusiness value chain, from primary agriculture to processing, marketing, retailing and catering, is estimated to contribute to the GDP growth, and be a major source of employment for the State.
- II. Agricultural technology is a major driver of agricultural productivity, as agriculture becomes increasingly technology-intensive, farmers' ability and willingness to adopt new technologies is key to productivity growth and structural transformation, which in turn determines the poverty reduction rate in settings where most of the poor still live in rural areas.
- III. Technology in Agriculture affects many areas of agriculture, such as fertilizers, pesticides, seed technology, etc. Biotechnology and genetic engineering have resulted in pest resistance and increased crop yields. Mechanization has led to efficient tilling, harvesting, and a reduction in manual labor. Irrigation methods and transportation system have equally improved, processing machinery has reduced wastage etc.
- IV. To attain the goal of increased agricultural productivity in the State, Policy must be directed at attracting investments that will facilitate technological and infrastructural upgrades. This is to be achieved through promoting and supporting the import of capital goods and equipment by the private sector. In this wise and as part of continuous investment climate reforms, provision for Special Negotiated Incentives shall be put in place to encourage a win-win situation for investors and the policy objectives of the Niger State Agricultural Investment Promotion Plan.
- V. In addition to modern technology, harnessing innovations through ICT and Artificial Intelligence is capable of mobilizing especially the youths in expanding access to local and international market value chain for agricultural commodities including the value chain of e-commerce and futures commodity trading.

8.4.1 POLICY MEASURES

To encourage availability and use of modern technology and innovation in the agribusiness value chain, Government shall:

- i. Put in place a special mechanism for targeting and negotiating with potential investors on incentives based on the merit of each project such agricultural equipment manufacturers/importers, ICT service providers and local fabricators of various processing machineries/equipment and modern storage facilities etc. This will be in addition to Federal Government incentives offering.
- ii. Promote effective use of ICT to drive agribusiness through e-commerce among the youth and for the development of Futures Commodity Market to protect local farmers against market uncertainties.
- iii. Enhance capacity of small farmers, fisher folks, poultry and animal husbandry value chain, to adopt better and modern technology. This entails information

dissemination and capacity building on the use of certified, improved and high yielding seed as well as, post-harvest, processing and packaging technology that supports access to local and international markets.

9.0 AGRIBUSINESS INVESTMENT INCENTIVES POLICY: AN OVERVIEW

9.1 REVIEW OF AGRICULTURAL INCENTIVES POLICY IN NIGERIA:

As part of its efforts to provide an enabling business environment to aid the improvement of productivity of the agribusiness sector, the Federal Government has progressively introduced a number of incentives to encourage private sector participation in the industry and the influx of foreign direct investments (FDIs). While some of these incentives are in form of tax holidays, exemptions, and reliefs, others are based on sector-specific government policies, performance of the companies as well as relevant international investment treaties. Some of the key incentives for the agricultural sector investment are:

- i. All agricultural and agro-industrial machines and equipment enjoy zero percent (0%) duty.
- ii. Companies in the agro-allied business do not have their capital allowance restricted. It is granted in full i.e. 100%.
- iii. Agribusiness is tax free. The payments of minimum tax by companies that make small or no profits at all do not apply to agro-allied business.
- iv. Agro-allied plant and equipment enjoy enhanced capital allowances of up to 50%.
- v. Processing of agricultural produce is a pioneer industry; consequently, there is 100% tax-free period of 3 years, renewable for another 2 years.
- vi. Tax relief for Research & Development: Agro-allied industries that attained minimum levels of local materials sourcing & utilization enjoy tax credit.
- vii. Up to 75% guarantee for all loans granted by commercial banks for agricultural production and processing under the Agricultural Credit Guarantee Scheme Fund (ACGSF) administered by the Central Bank of Nigeria.
- viii. Interest Drawback Program Fund: 60% repayment of interest paid by those who borrow from banks under the ACGS, for the purpose of cassava production and processing provided such borrowers repay their loans on schedule.
- ix. Corporate tax incentives rebate of 12% shall be enjoyed by Bakers on attainment of 40% cassava blend within a period of 18 months.
- x. The Nigerian Investment Promotion Commission Act allows 100% ownership of companies by foreigners, while the Foreign Exchange Miscellaneous Act, guarantees 100% Repatriation of Capital, Profit, & Dividends through authorized dealers.
- xi. Agricultural Start-ups and SMEs with less than N25 million are exempted from payment of Company Income Tax. In addition, medium-sized companies (with turnover of N25 million to N100 million are now required to pay 20% of CIT instead of 30% applicable to large companies (CIT) (Finance Act. 2020).

9.2 REVIEW OF NIGER STATE AGRIBUSINESS INCENTIVES

9.2.1 Before this Policy, there were no existing codified incentives policy that is State based and applicable. However, investors were pointed to Federal incentives which are not

within the purview of the State. Instead, investment climate related reforms, which are supposed to be taken for granted, were regarded as incentives. Where tax exemptions and rebates were offered, they were discretionary. Hence the decision for the development of this Policy.

- 9.2.2 It is therefore part of the on-going efforts by Government to give the State a new lease of socio-economic life and position it as a key driver of Nigeria's economic transformation, as well as make the State a preferred destination for domestic and foreign investments including enhancement of the productive capacities and contribution of MSMEs to the economy, that necessitated this Policy.
- 9.2.3 The Policy is also predicated on providing a blueprint for rapid enhancement of the State's competitiveness in attracting, retaining and expanding new and existing investments. The Policy is also to bring about improvement of the State's capacity to attract beneficial private capital leading to massive job creation, drastically reversing the poverty level of the people of the State as well as, addressing the poor infrastructure situation in the State's Agribusiness value chains. This as the final outcome will transform the economic fortunes of the State.
- 9.2.4 At the center of the Sector-Specific Incentives Policy is the commitment and determination of the Niger State government to transform the State into economic viability, financial self-sustainability and independence. The overall objective, therefore, is to take the State into economic viability, end the circle of dependence on revenue allocations from the Federal Treasury. This would place the State on the path to rapid and sustainable economic transformation.

9.3 NIGER STATE APPLICABLE INVESTMENT INCENTIVES FOR AGRIBUSINESS VALUE CHAIN

| S/No | Name/Description | Objectives | Eligibility | Guidelines/ Procedures | Implementing Agencies | Post-Incentive Monitoring | Impact Assessment |
|------|--|---|---|---|--|---|---|
| 1. | <p>STABILIZATION INCENTIVE</p> <p>Exemption from payment of State imposed levies/ charges for the first three (3) years of entry, namely:</p> <ul style="list-style-type: none"> • Signage Levy • Business Premises • Tenement Rates • Ground Rent • Intent/Processing Fee for C of O. | <ul style="list-style-type: none"> • To attract new investments. • To support the investments to stabilize before payment of levies. • To make the investments beneficial to the people of the State and local economy | <ul style="list-style-type: none"> • Evidence of Registration with CAC; • Evidence of Registration with NIPC, for Companies with foreign interest • Registration with NSIPA • Quantum of Investment: <ul style="list-style-type: none"> - Foreign/Large Domestic Investments minimum of N2 billion • Agribusiness Value Chain components: <ul style="list-style-type: none"> - Pre-production, Production and Post-production & marketing qualifying activities: fertilizer blending/ production, seed multiplication/distribution , large-scale production of inputs for livestock, poultry and fishery, - Large-scale farming/ plantations, medium and large-scale processing, development of medium/ large-scale modern storage facilities, dev. of commodity Futures Market and exports • Submission of host community CSR Plan. (Applicable to Foreign/Large Domestic Investments only). • Evidence of compliance with State regulatory requirements | <ul style="list-style-type: none"> • Application to NSIPA; • Submission of business plan/feasibility report • Power Point Presentation to the Approval Committee. (Representatives of MDAs at the OSS) • Letter of Approval to be issued within 24 hours of approval • Time frame from application to approval to be completed within 21, working days, subject to the fulfillment of all the requirements on the part of the investor. • Certificate signed by the Hon. Commissioner responsible for Investment and issued by the NSIPA. Approval to be copied to: Min. of Comm. & Inv., State Internal Revenue Board, Host Local Govts., SSG's office and MDAs relevant to the sector. • NSIPA to provide monthly returns on all incentives granted to the above-mentioned stakeholders for records. | <ul style="list-style-type: none"> • Min. of Commerce and Investment • NSIPA/One Stop Shop | <p>To be undertaken by NSIPA to ensure that the intended benefits of the incentives are realized.</p> | <p>To be undertaken by Independent Consultant after the first three years of implementation to ensure effectiveness of the policy</p> |

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| <p>2.</p> <p>CONSOLIDATION INCENTIVE. For Medium Enterprises. This offers investors full exemption for 2 years from State-based imposed Levies and charges.</p> | <ul style="list-style-type: none"> To encourage investment into the agribusiness value chain. To encourage expansion and reinvestment around the agribusiness value chain To encourage linkages of Micro business and large investments To promote value addition in the value chain | <ul style="list-style-type: none"> Evidence of Registration with CAC; Evidence of Registration with NIPC, for Companies with foreign interest. Registration with NSIPA Quantum of investment of Minimum of N200M but not below N2 billion Minimum employment of 10 semi-skilled/skilled State indigenes. Agribusiness Value Chain components: <ul style="list-style-type: none"> Pre-production, Production and Post-production & marketing Qualifying activities: <ul style="list-style-type: none"> fertilizer blending/production, seed multiplication/ distribution, medium-scale production of inputs for livestock, poultry and fishery, Medium-scale farming/ plantations, medium - scale processing, development of medium scale modern storage facilities, dev. of commodity e-commerce platform and export Submission CSR plan. | <ul style="list-style-type: none"> Application to NSIPA Submission of business plan/feasibility report. Power Point Presentation to the Approval Committee. (Representatives of MDAs at the OSS) Letter of Approval to be issued within 24 hours of approval by NSIPA Time frame from application to approval to be completed within 21 working days, subject to the fulfillment of all the requirements on the part of the investor. Certificate signed by the Hon. Commissioner responsible for Investment and issued by the NSIPA | <ul style="list-style-type: none"> Min. of Commerce and Investment NSIPA/One Stop Shop Copies forwarded to relevant MDAs and host Local Government Council | <p>To be undertaken by NSIPA to ensure that the intended benefits of the incentives are realized.</p> | <p>To be undertaken by Independent Consultant after the first three years of implementation to ensure effectiveness of the policy</p> |
| <p>3.</p> <p>MICRO BUSINESSES CONSOLIDATION INCENTIVE. This offers micro and small business full exemption for one year from</p> | <ul style="list-style-type: none"> To encourage the transformation of small businesses from the Informal Sector to the Formal Sector to enable their full | <ul style="list-style-type: none"> This incentive is available to business that are below 200M. Registration with Niger State Small, Medium | <p>Min. of Comm. and Investment/SMMFA to use LGA MSME Centers as registration points Provision for online registration and issuance of e-certificate.</p> | <p>Min. of Commerce and Investment SMMFA</p> | <p>Min. of Commerce and Investment SMMFA.</p> | <p>To be undertaken by Independent Consultant after the first three years of</p> |

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|----|--|---|---|---|---|--|---|
| | <p>payment of State-based imposed Levies and charges.</p> | <p>integration into the local economy and global value chain.</p> <ul style="list-style-type: none"> To incentivize the registration of small businesses for the purpose of creating database for informed policy intervention and determining their needs. To enable them to stabilize before paying levies. | <p>and Micro- Finance Agency (SMMFA)</p> <ul style="list-style-type: none"> Evidence of Registration with the Commercial Department of Min. of Commerce and Investment. National Identification Number of Promoters Qualifying Activities: all businesses operating in the agribusiness value chain are eligible. Quantum of investment not required. | <p>Issuance of Registration Certificate by the Min. of Commerce and Investment through the SMMFA.</p> | <p>Min. of Commerce and Investment SMMFA Min. of Agric and Rural Dev.</p> | <p>Returns of data of registered business collated by SMMFA to be submitted to Mins. Of Investment, Finance and Internal Revenue Board</p> | <p>implementation to ensure effectiveness of the policy</p> |
| 4, | <ul style="list-style-type: none"> MSMES SERVICE CHARGES SUBSIDY. This offers MSMES 50% discount for business dev. Services through Govt. initiatives, namely: <ul style="list-style-type: none"> Bankable business plan; cost of entrepreneurship training; Training on quality assurance and packaging for export. This offers a single digit interest charge of not more than 5% | <p>To encourage and prepare SMEs for active participation in the agribusiness value chain.</p> | <p>All registered MSMES are eligible. (To includes CAC business registration or Min. of Commerce, Industry and Investment registration)</p> | <p>Evidence of registration to be presented</p> | <p>Min. of Commerce and Investment SMMFA Min. of Agric and Rural Dev.</p> | <p>Min. of Commerce and Investment SMMFA</p> | <p>By Independent Consultant ensuring transparency</p> |

10.0 SECTOR POLICY ON TOURISM

10.1 OVERVIEW

- 10.1.1 Tourism today is a big market and it has contributed greatly to the world economy. It is a big surprise that a country like Nigeria has not ceased the opportunities in tourism development. Nigeria economy is largely dependent on revenues from the crude oil. Economic diversification should be directed at income generating sectors such as tourism which portends great potentials and capable of providing a sustainable revenue stream for the country. Although often underestimated, the Tourism Industry can help promote peace and stability in developing countries by providing jobs, generating income, diversifying the economy, protecting the environment, and promoting cross-cultural awareness. Tourism is the fourth largest industry in the global economy.
- 10.1.2 However key challenges must be addressed if the benefits from this industry are to be fully realized. These include: investments in infrastructure and human capacity, the development of comprehensive national strategies, the adoption of robust regulatory frameworks, mechanisms to maximize in-country foreign currency earnings, and efforts to reduce crime and general insecurity.
- 10.1.3 The Tourism Sector is another priority sector of the State that holds tremendous opportunities, with natural tourism endowments which require to be harnessed and explored. The State is blessed with abundant tourist sites. In an effort to harness and boost the Tourism and Culture sector of the State, about 65 tourist sites have been identified all over the State yearning for development. Five of these sites have been prioritized and considered commercially viable and capable of attracting domestic and international investors, if professional packaged and basic enhancements are provided.
- 10.1.4 Given that Tourism and Culture are inseparable, Niger state is rich in Arts and cultural heritage, having an interesting variety of traditional sculptors, cultural festivals and historical monuments. The luxuriant vegetation is also a rich source of materials for the various carvings in Iron, bronze and brass works abound in the state. Brass and clay outposts are among the best known internationally. National and Internationally acclaimed traditional dance troops also abound in the State. The Palaces of traditional rulers are true relics of the people's culture and tradition. Traditional rulers aid the integration of cultural heritage, which has a major effect on tourism development in the State.
- 10.1.5 Government has realized that development of tourism is critical to economically sustainable development. Consequently, the State has put in place institutional frameworks by creating a Ministry of Culture and Tourism and the resultant Tourism Development Board with the mandate of transforming the potentials to tourist attractions and creating the enabling environment to attract private investors into the sector. The Ministry and the Agency are expected to work with the State investment promotion and facilitation agencies to promote the development of the sector. Yet there is urgent need to put in place a Tourism Master Plan (TMP) as policy guide and direction.
- 10.1.6 Tourism development in Niger State is premised on private sector participation in the value chain while government plays its role as enabler, facilitator and regulator. This is to be achieved through synergy between the State and Federal Government on one hand, local governments and host communities on the other hand. Tourist sites such as the

Gurara Falls and Kainji Lake Reserves in Niger State, among others shall be developed to World standards.

- 10.1.7 Government recognizes her responsibility to build basic tourism infrastructure, strategic investment promotion and attractive fiscal measures and tax incentives that enhances the State competitiveness in attracting both tourists and investors.
- 10.1.8 The multiplier effects of a vibrant tourism industry in the State include an increase in hotel bookings, air and road travels, restaurants, increased gate takings at tourist attraction sites, and retail trade alongside the investments and employment opportunities that will be created. Thus, the value chain which includes the hotels, transportation system, technological support, community participation and tour guide operators create a great synergy to drive the growth of the tourism industry.
- 10.1.9 Undoubtedly, creating an enabling environment for the sector to thrive would ensure steady growth with increased revenue potential to the State. This is apart from the positive and impactful spillover effects for the wider economy. It is for this reason that government has identified tourism as one of its Priority Sectors.

10.2 SECTOR CHALLENGES

- 10.2.1 Challenges undermining the development of Tourism in Niger State are not different from what obtains in other States. Poor funding is a major problem. Tourism is being accorded low priority in the State's budgetary allocation by successive government in the State.
- 10.2.2 Lack of Tourism infrastructure and poor development of tourist sites remains a major challenge to the sector's growth. This is evident at Gurara Falls, located in the State; despite being one of the highest waterfalls in Nigeria and its proximity to the Federal Capital Territory, the resort is severely underdeveloped as it lacks requisite infrastructure as a tourist destination. Consequently, it fails to attract high traffic of tourists resulting in poor revenue generation. Similarly, Zuma Rock also located in the Niger State and bordering the Federal Capital Territory is a major landmark tourist site which has been undeveloped; the on-site hotel project remains abandoned for decades.
- 10.2.3 There are however efforts to improve on the access road to Gurara Falls and a provision of electricity connectivity to the site was recently undertaken in readiness to receive investors. Government has also recently engaged Consultants to design and develop the Gurara Waterfalls Master Plan for the purpose of attracting investors.
- 10.2.4 The challenge of poor infrastructure has manifested in the poor state and sub-standard hotels and worsened by poor road network and low-quality transport system. Also, lack of interest in tourism on the part of the people of the State and Nigerians in general. The attitude of most Nigerians towards tourism and recreation has been very poor and characterized by indifference.
- 10.2.5 Tourism destinations in the State are not adequately promoted to attract patronage probably due to the challenges highlighted above. Institutions responsible for tourism development in the State remained weak and un-empowered, characterized by poor funding, lack of capacity and absence of legal and codified policy framework.
- 10.2.6 Recent increase in insurgency has further undermined the promotion of tourism in the State by especially domestic and international tourists as it has led to several travel advisories/warnings to citizens of Europe and America by their Governments. The

insurgency issues may however be a short-term challenge giving the recent efforts by the Federal and State Governments to tackle the menace.

10.3 POLICY OBJECTIVES

In the light of the above challenges and the commitment of government to diversify its revenue source, create employment and sustainable economic growth, Government shall pursue the following Policy Objectives:

- i. To promote the comparative advantage of the State Tourism Sector to attract quality and sustainable domestic and foreign investments.
- ii. To diversify and expand revenue base of the State as part of strategy to transform into economic viability and financial independence.
- iii. To create enabling environment for private sector participation in tourism development of the State.
- iv. To create opportunities for the employment of Niger State indigenes in the highly labor intensive tourism sector value chain thereby reducing the poverty level of the State.
- v. To promote the traditions and cultures of the people of Niger State, thereby encouraging national peace and unity.
- vi. To achieve a distinct regional and national identity on culture and tourism for enhancement of favorable and positive image of the State.
- vii. To develop and promote Tourism value chain as a business and to encourage the participation of MSMEs.

10.4 POLICY MEASURES

As much as adventure lies at the heart of tourists, safety will always be top priority hence solutions that ensure safety and serenity will be steps in the right direction. Therefore, if the tourism sector in the State is properly planned and managed, it can serve as catalyst for poverty reduction and stabilization of communities. For that to happen, positive action must be taken by the State as host governments. Therefore, the Niger State Government shall:

- i. Put in place a Tourism Master Plan for development, management and attraction of private sector investment into the sector. To this end, Government shall maintain effective liaison and coordination with Federal Government tourism agencies as well as integrate local government councils in the State Tourism Master plan.
- ii. Promote adequate investment directly or through PPP mechanism that supports provision of tourism infrastructure directly or by creating enabling environment for private sector investment into such projects as standard hotels, captive electricity, good road networks, and intentional boost of the medical sector to make it more reliable for citizens and tourists. Deliberate interventions to take infrastructure investments into rural areas that host tourist sites.
- iii. In collaboration with Security Agencies, tackle security challenges in the State and bring insecurity to minimal level. Government is determined to restore security and make the State a safe haven for citizens and tourists.
- iv. Embark on strategic and creative marketing of tourism potentials and sites in both the local and international media, including production of multi-media

publicity materials and roadshows. To this end, Government shall identify priority tourist sites and develop project profiles of the sites for targeted marketing to investors.

- v. Strengthen and empower tourism institutions to enable them perform professionally. Tourists centers shall also be made attractive by putting in place effective personnel with good track record to deliver excellent services
- vi. Establish Tourism Development Fund to be financed by budgetary provision, grants from development partners. Capital Market Funding options shall also be explored.
- vii. Sensitize and mobilize the locals around the tourist attractions on how they can benefit and get them gainfully employed in the tourism value chain.
- viii. Provide attractive fiscal Frameworks by developing incentives for attracting domestic and foreign investment of new businesses in the Tourism Sector value chain.
- ix. Focus on keeping tourism at the center of development strategy. This will ensure local ownership of projects and help to keep benefits within the economy of the State. Government believes that Community-based tourism is more sustainable and helps to provide the type of authentic experience that most tourists are looking for.
- x. Ensure that attraction of tourists will not compromise the environment and culture of the host communities. Government is aware that at all times, it is the beauty of the surroundings in which communities live, the richness of their culture, and the diversity of their wildlife that attracts visitors in the first place. A percentage of the revenues that tourism generates would be earmarked to preserve these qualities under the instrumentality of the Tourism Development Fund.

10.5 INCENTIVES OFFERING

In addition to the above policy measures, Government shall provide the following incentives in addition to Federal available incentives to specifically boost investment into the sector:

- i. **Tourism Infrastructure Projects** - Major projects involving the development and enhancement of tourist sites such as: hotel Accommodation, landscaping, entertainment centers, eateries as a package, provided the Quantum of investment is not below N500 Million and up to N1 Billion, shall enjoy the **Consolidation and Stabilization Incentives** i.e. Exemption from payment of State imposed levies/charges for the first Five (5) years of entry, namely:
 - **Signage Levy**
 - **Business Premises**
 - **Tenement Rates**
 - **Ground Rent**
 - **Intent/Processing Fee for C of O.**
- ii. For investment above N1 Billion, in addition to the Consolidation and Stabilization Incentives, the investment shall qualify for 10 years free land lease.

- iii. Where the Investment is a Mega Project, or engage in activity not contemplated by this Policy, with investment outlay of up to N5 Billion, **Special Negotiated Incentives** shall apply base on the merit of the project.
- iv. To empower MSMEs to participate in Tourism Value Chain the following incentives shall apply:
 - Access to single-digit credit from the Tourism Development Fund/Micro Finance Banks in which State Government have equity stakes.
 - Exemption from payments of State imposed levies/charges for the first Two (2 years). To encourage informal sector operators to register and be licensed as Tour Guards, Government shall provide free training and certification.

11.0 SECTOR POLICY ON SOLID MINERALS

11.1 OVERVIEW

- 11.1.1 In addition to agriculture, the state is endowed with some strategic solid mineral deposits such as gold, aluminum, coal, iron, Tin, Phosphates, petroleum, gypsum, Limestone, Wolframite. These minerals are however yet to be exploited as the sector is dominated by the activities of artisanal miners making use of hand-held tools such as: Hoes, diggers and shovels, leaving the environment devastated by hazards including altering the morphological look of the area, release of harmful chemicals to the ozone layer, polluting the water body and causing erosion among others.
- 11.1.2 Mining sector has potentials to significantly shore-up revenue generation, employment, infrastructure development and support to production. These should be balanced against considerations of the specific environmental, social governance risk associated with mining such as; water use, waste generation, local air pollution greenhouse gases emission, biodiversity, human right abuses (child and forced labor.) etc.
- 11.1.3 Niger state is one of the states in the north-central region of the country, endowed with strategic solid mineral resources that have great potentials to turn around the economy of the State and enable the State to favorably compete with oil producing states in the south-south region. The rich commercial deposits of various types of industrial mineral of high quality are also available in the state and can be used both for domestic and export markets. Therefore, making the state a potential hub for responsible mining activities is long overdue.
- 11.1.4 The State is blessed with gold, talc kyanite, kaolin, all clays, graphite, feldspar, marble & dolomite, manganese: Mica, Lead & Copper, Quartzite, Asbestos, iron, Silica sand Granite, Gemstones (Varieties).
- 11.1.5 Mining is an activity that is complex and requires significant capacity for its proper management. The opportunities mining provides to generate benefits must be used effectively to advance sustainable economic development and reduce poverty.
- 11.1.6 The Constitution of the Federal Republic of Nigeria has placed mining activities under Exclusive List, it remains within the purview of Federal Government's legal and regulatory framework: **Nigeria Mineral and Mining Act, 2007**. Under the Act, Mining activities are restricted to Mining Cooperatives, Body corporates incorporated under Company and Allied Matters Act, operating licenses issued under the law include Reconnaissance Permit, Exploration Licenses, Small Scale Mining Lease and Quarry Lease.
- 11.1.7 Considering that mineral deposits are in communities within the States, and in view of impact of mining on the local economy and on the environment, it is very strategic for Niger State to participate in mining. This is even more compelling for Niger State, given its minerals deposit endowments. Accordingly, Government has taking major steps to ensure effective strategy of not only benefiting from the potential of responsible mining, but also putting in place regulatory framework for the protection of environment. Hence, the decision to incorporate a limited liability company: **Zuma Development Company Limited (ZDCL)**. The ZDCL is the vehicle through which Niger State will participate in mining development and harness the mineral deposits in the State. Meanwhile, the Company has acquired Nine (9) Exploration/ Mining leases from the Federal Government:

Six (6) Exploration Licenses and Three (3) Small Scale Mining Leases with Plans to acquire more Exploration Licenses for some strategic industrial Minerals. Out of the nine (9) Exploration licenses acquired, one is for Exploration of wolframite and the remaining 8 are for gold Exploration.

11.1.8 As part of efforts to formalize activities of the artisanal miners, Government has commenced the organization and registration of mining co-operatives for the purpose of integrating them in the local economy and for their empowerment. Also, the mineral dealers and marketing component of the value-chain is being streamlined for effectiveness. Government is also fully involved and actively participating in the various mining framework established by the Federal Government in the State. These covers the State Committees such as: Community Development Agreements, Environment Protection and Rehabilitation Programs, and various compensation schemes.

11.2 POLICY OBJECTIVES

To create favorable condition for mineral resources development and attracting investment into the sector using the Zuma Development Company Limited (ZDCL) in Partnership with private Sector investors. Accordingly, the objectives are as follows:

- i. To diversify the economy of the State into mining and reap the futures revenues.
- ii. To create opportunities for sustainable employment and poverty reduction in the state
- iii. To enhanced human as institutional capacity in the sector to ensure social and community benefits of mining to host communities and people of Niger State
- iv. To ensure safe and responsible investment that protects the environment and safety of the host communities.
- v. To formalize artisanal mines, organize them to benefit from the sector's opportunities.

11.3 POLICY MEASURES

As part of Government's Commitment to participate and benefit from mining activities in the State, Government shall:

- i. Ensure that **ZDCL** is strengthened and empowered to play leading role in the development of Mineral resources in the State. This is to be achieved through improved funding/recapitalization of **ZDCL** with a strong Board, assurances of accountability, transparency, and sound corporate governance.
- ii. Strengthen the Public Private Partnership (PPP) mechanism in the State to facilitate and fast-track private sector participation in the mining sector.
- iii. Embark on systematic improvement and progressive increase in the State's participation in mining through acquisition of additional strategic Mining licenses by **ZDCL**.
- iv. Continue the processes of formalization and organization of artisanal miners into mining co-operatives and empower them to invest in small scale mining value chains
- v. Pay adequate attention to environmental protection, promotion and encourage the establishment of small and medium activities by building capacity, access to finance and mining equipment availability.

- vi. Embark on streamlining the marketing component of the mining value-chain for local and exports market. These is to be achieved through valorization of mineral products and creation of the finalization of products with emphases on value addition in mineral Processing, Smelting, refining and marketing.
- vii. Provide attractive fiscal Frameworks by developing incentives for attraction of investment partners and or establishment of new businesses in the Solid Minerals/mining value chain.

11.4 INCENTIVES OFFERING

11.4.1 In addition to the above policy measures, Government shall provide the following incentives to specifically boost investment into the Solid Mineral Development in the State. Since Solid Minerals Sector is under the Exclusive List, investment in the sector shall be based on partnership between Investors and Zuma Development Company Limited (ZDCL) on one hand, and Investors that have secured exploration and mining licenses directly from the Federal Government to operate its location within the State.

11.4.2 Investor that will partner with ZDCL shall qualify for the following incentives:

Consolidation and Stabilization Incentives i.e. Exemption from payment of State imposed levies/charges during the first Five (5) years of entry, namely:

- **Signage Levy**
- **Business Premises**
- **Tenement Rates**
- **Ground Rent**
- **Intent/Processing Fee for C of O.**
- Where applicable, ZDCL shall apply and secure all relevant Federal Government Incentives and waivers on behalf of the Partnership.
- To empower MSMEs to participate in Solid Minerals Value Chain, the following incentives shall apply:
 - i. Access to single-digit credit from Micro Finance Banks in which State Government have equity stakes.
 - ii. Exemptions from payments of State imposed levies/charges for the first Two (2) years).
 - iii. To encourage informal sector to register and licensed as Artisanal Miners, Government shall provide free training and certification for registered members of Mining Cooperatives.
- For Investors with Federal Government Mining Licenses operating in Niger State, the following incentives shall apply:
 - i. Negotiated Special Incentive for investments of up to N5 billion, this is in additional to the Consolidation and Stabilization Incentive with resultant exemptions.
 - ii. Investments of between N2.5 – N5 billion are qualified for the Consolidation and Stabilization Incentive with resultant exemptions from payments of State imposed taxes/levies.

12.0 SECTOR POLICY ON INFRASTRUCTURE

12.1 OVERVIEW

- 12.1.1 Infrastructure is a key element in driving development in any nation. It has been strongly endorsed as a catalyst in the development and improvement of nations, especially in improving access of social, human, natural and financial assets.
- 12.1.2 It can be grouped into two namely, hard and soft infrastructure; hard infrastructure is the physical infrastructure of roads, sewers, highways, bridges, electricity, railroads, etc. while soft infrastructure deals with human capital and services namely: education, health, banking services, security and ICT.
- 12.1.3 Infrastructure embodies all facilities and services provided to support structural development in urban and rural areas which enhances human settlement and activities. The challenges of poor infrastructure have continued to undermine the growth and economic development of Niger State. Yet, infrastructure deficit presents great investment opportunities for private sector participation. This is even more so as infrastructure requires heavy capital outlay with considerably long period of gestation and resultant low Returns on Investment. Infrastructure projects are public good and should be ordinarily financed by Government. However, due to dwindling revenue available to the State and the competing pressures for Governments spending in other critical sectors, it is private sector to the rescue.
- 12.1.4 The state of infrastructure in Niger State is characterized by poor road network, lack of adequate power, in spite of hosting three major hydro-power plants in the State, poor and inadequate housing, lack of portable water supply, poor and inadequate health facilities and services, absence of infrastructure to support tourism, mining and agribusiness have all combined to serve as investment opportunities to which private sector capital is required. Furthermore, opportunities in the provision of education and health facilities are yearning for domestic and foreign direct investments. Another opportunity is investment in infrastructure in the Industrial Parks Infrastructure.
- 12.1.5 The role of Government under the circumstance is to create the enabling environment, promote and facilitate the involvement of the private sector in delivery of the infrastructure projects in the State. This requires putting in place a PPP mechanism that supports and encourages investors to invest in infrastructure as well as, creating the enabling environment for Direct Private Sector Investment in infrastructure.
- 12.1.6 While there is scope for private sector involvement in infrastructure, the public sector plays a leading role in developing and maintain resilient and sustainable infrastructure. A government's ability to support resilient infrastructure systems however depends on whether it has effective systems in place to implement, finance, manage, and maintain that infrastructure.
- 12.1.7 Key investment opportunities in infrastructure sector are transport, captive power, housing, roads, light rail, tourism infrastructure, financial services, education, health and ICT. Hard infrastructure investments are best undertaken under PPP arrangement, while soft infrastructure can be wholly private sector driven.

12.1.8 It is against this background, that the development of infrastructure sector specific incentives policy remains critical and compelling.

12.2 POLICY OBJECTIVES

Given the strategic importance of infrastructure in the transformation of the economy, the following policy Objectives shall define and determine the direction of Government:

- i. To create enabling environment for the success of the PPP Mechanism in the State as catalyst for attracting and facilitating investment inflows in the infrastructure sector.
- ii. To ensure strong and empowered mechanism for successful PPP institution clearly defining its regulatory and investment facilitator role.
- iii. To attract through targeted promotion beneficial investments into critical and strategic infrastructure projects such as captive power, renewable energy, road and water transport network, digital infrastructure etc.
- iv. To attract private capital that will close the growing infrastructure gap/deficit in the State by leveraging the Federal Government infrastructure incentives policy and regulatory framework.
- v. To build a robust multi-sector PPP project pipeline targeting sectors of strategic service needs such as, investment on rural and agriculture related infrastructure to accelerate reduction in inequality and rural poverty.

12.3 POLICY MEASURES

To encourage and attract private sector investment in the development of infrastructure as a catalyst for economic transformation of the State, Government shall:

- i. Create the enabling environment and initiate reforms for the continuous improvement in the investment climate that supports the development of infrastructure in the State.
- ii. Strengthen and empower the PPP mechanism with requisite competence, capability and funding to negotiate and close deals on win-win basis and to the mutual benefits of investors and the State.
- iii. Put in place mechanism for Special Negotiated Incentives (SNI) for mega projects across all the sectors on the merit of each project. This shall be implemented through an Inter-Agency Committee, chaired by the nominee of the Executive Governor, with NSIPA serving as the Secretariat. The negotiation shall be transparent, predictable, and credible, and on level playing ground based on clearly defined interests of the people of the State. To this end, all infrastructure projects and other projects in sectors not contemplated by this Policy, shall be subject to **Special Negotiated Incentives**, using cost-benefit analysis and on win-win basis.
- iv. Government shall provide adequate security for the protection and safety of the investments during construction and the life cycle of the projects.
- v. Ensure that all infrastructure projects in the State benefit from Federal Government incentives through constructive facilitation, engagements, and effective liaison with relevant Federal Government Agencies on behalf of the investors by the NSIPA.

- vi. Ensure unencumbered access to land for infrastructure projects. To achieve this, Government shall fast-track allocation of land and issuance of title documents on record time, subject to a minimum of twenty-one working days after the investor has met the prescribed requirements. This include the right of way.
- vii. Ensure accelerated issuance of approvals, permits, and authorizations required from the State Government and its agencies. Government shall also facilitate grant of Local Governments applicable permits and licenses on behalf of investors.
- viii. Ensure that all infrastructure projects are sensitive and responsible to the environment, culture and religious sensitivities as well as, in compliance with labour laws. To this end, all infrastructure projects must present Host Community Corporate Social Responsibility Plan as requirement for accessing incentives.

12.4 INCENTIVES OFFERING

12.4.1 In addition to the above Policy Measures, Government shall provide the following incentives to specifically boost investments into the Infrastructure Sector of the State.

12.4.2 New Investors in the hard infrastructure sub-sector, whether in partnership with the State Government or directly investing in infrastructure, shall qualify for the following incentives:

- i. **Consolidation and Stabilization Incentives shall be granted to all new infrastructure investment between N5-10 billion, i.e.** Exemption from payment of State imposed levies/charges during the first Five (5) years of entry, namely:
 - **Signage Levy**
 - **Business Premises**
 - **Tenement Rates**
 - **Ground Rent**
 - **Intent/Processing Fee for C of O.**
- ii. **Negotiated Special Incentive (NSI)**, shall apply to infrastructure investments of N10 Billion and above, this is additional to the Consolidation and Stabilization Incentive with resultant exemptions. NSI is designed to attract mega projects across all the sectors. Evaluation and negotiation of the Special Incentives shall be based on waited scores based on the following variables:
 - Size of employment.
 - Local sourcing of raw materials.
 - Training and Technology transfer.
 - Linkages with MSMEs.
 - Export potentials.
 - Import substitution.

13.0 GENERAL IMPLEMENTATION STRATEGIES

To ensure Policy sustainability and ease of implementation, the following Implementation Strategies shall be put in place. Accordingly, Government shall:

- i. Finalize the legal framework for investment promotion and facilitation. Also, this Policy shall be codified, gazetted and ultimately subjected to legislative process for full legal backing.
- ii. Strengthen and empower investment promotion agency and related institutions to perform optimally. To this end, funding is to be sourced from the State budget, Special Investment Fund and International Development Partners interventions.
- iii. As part of strengthening the investment promotion and facilitation capability of the State, NSIPA and the One-Stop-Shop facility shall be empowered with adequate staffing, training and capacity building, with the requisite authorizations to enable the agency to play coordinating investment promotion and facilitation role and be better placed to ensure sound and transparent administration of incentives.
- iv. Harmonize and mainstream incentives offering to investors in a single compendium with very clear eligibility criteria, procedures and provision for independent Impact Assessment mechanisms.
- v. Ensure that NSIPA effectively monitors and evaluates the compliance levels of the beneficiaries of the State Investment Incentives offerings. This is to ensure that the investments benefit the economy of the State
- vi. Set up an Investment Climate Advisory Council (ICAC), made up of critical stakeholders drawn from the public and private sectors to advice on investment climate reforms. NSIPA shall serve as the Secretariat and shall be required to submit periodic Status Report on investment climate to the State Executive Council through the Hon. Commissioner responsible for Investments.
- vii. Ensure that investment climate reforms are prioritized and pushed through for continuous improvements and making it a permanent agenda item at State Executive Council Meetings.
- viii. Sensitize and build State-wide consensus on Investment Promotion and Facilitation that will engender ownership by stakeholders on the benefits and necessity of attracting inflows of domestic and foreign investments into the economy of the State.
- ix. Focus on organizing and mobilizing Women and Youth to participate and invest in the priority sectors value chain by introducing measures that will encourage massive formalization of the informal sector and transforming them into agribusiness entrepreneurs.
- x. Put in place mechanisms that will align the State Investment Policy with Federal Government Policies, incentives and interventions in Agriculture, MSMEs initiatives for the benefit of the people of Niger State. To this end, measures to ensure that MSMEs in the State, fully benefit from opportunities and interventions offered by Federal Government and International Development Agencies.
- xi. Ensure that local governments in Niger State are fully carried along in the course of implementing the Incentive Policy as critical stakeholders and ultimate beneficiaries/hosts of domestic and foreign capital inflows to their locations.
- xii. Encourage the local governments in the State to buy-into the Incentive Policy and support measures that will generally enhance the business climate of the State all the way to local governments and host communities.

- xiii. Invest in building the capacity of local governments on investment promotion facilitation as well as investor relationship management.
- xiv. Promote and encourage environmentally acceptable Agribusiness practices and mining, to mitigate effect of Climate Change.
- xv. Encourage and support the use of modern technology for enhanced productivity, quality standardization and sensitivity to safe environmental practices.