



## Press Release 16/10/2017

### **NSIA BOARD OF DIRECTORS APPROVES CHANGES TO THE CAPITAL ALLOCATION STRATEGY TO EXPAND INVESTMENTS IN INFRASTRUCTURE**

**Abuja – October 16th, 2017:** The Board of Directors of the NSIA is pleased to announce the approved changes in the Authority's capital allocation strategy which, forthwith, will result in increased capital contributions to the Nigeria Infrastructure Fund (NIF). Going forward, all contributions to the Fund will be allocated in the ratio 50:30:20 with 50% in the NIF, 30% in the FGF and 20% in SF. This decision was arrived at during the recently ended 2017 fourth quarter Board meeting which held at NSIA's Office, Abuja.

The decision to increase the current allocation of the NIF to 50% of total contribution to the Fund is in recognition of the significant financial and project development attention required in the domestic infrastructure space. Implementing this policy shift is intended to reposition the NSIA to better stimulate infrastructure investments across areas of national priority such as to bridge investment deficits in the sector. However, considering the maturation period for infrastructure projects, the overall returns benchmark of the Authority will be re-assessed and duly communicated in light of this development.

The realignment of the allocation ratio is to signpost NSIA's strategic repositioning in favour of immediate interventions in the infrastructure investments in the country. With an estimated infrastructure deficit of over \$3.05 trillion (according to the Nigeria Infrastructure Investment Master Plan), the urgency of the need is made significantly manifest. NSIA seeks to bridge this gap by leveraging its resources to attract further multiple-fold financial commitments to projects in which it participates.

Beyond modifying the erstwhile allocation ratio, the Authority is also exploring a myriad of avenues to deepen project development discipline and enhance project management skills in order to make Nigerian projects attractive and bankable. As part of the process, the Board also approved the adoption of the recently published World Bank Disclosure Framework and Platform which will be implemented shortly.

Agreeing with the Board's decision, Mr. Uche Orji, MD & CEO NSIA said, "Capital Allocation is the most effective means of translating strategy into action. The Board's decision reflects NSIA's commitment to support ongoing efforts to address the infrastructure gaps in the country. This new allocation structure will not only draw attention to the commercial viability of infrastructure project in Nigeria but also help in modernizing and bridging the widening gap between the current infrastructure needs of the country and that which is available"



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### **About the Nigeria Sovereign Investment Authority**

The Nigeria Sovereign Investment Authority is an investment agency of the Federation set up to manage funds in excess of budgeted hydrocarbon revenues. Its mission is to play a leading role in driving sustained economic development for the benefit of all Nigerians through building a savings base for the Nigerian people, enhancing the development of Nigeria's infrastructure, providing stabilisation support in times of economic stress.

NSIA operates three mandate funds: the Stabilisation Fund, the Future Generations Fund and the Nigeria Infrastructure Fund. For more information please visit [www.nsia.com.ng](http://www.nsia.com.ng)

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