



The Nigeria Sovereign Investment Authority (‘NSIA’ or the ‘Authority’) is a globally-focused Nigerian investment institution with investments in the global market and in key sectors of the Nigerian economy.

NSIA was established by an Act of Parliament – the Nigeria Sovereign Investment Authority (Establishment, etc.) Act 2011 – to receive, manage and invest Nigeria’s Sovereign Wealth Fund (SWF) through three ring-fenced funds on behalf of the three tiers of the Federation’s government: the Stabilisation Fund (SF), Future Generations Fund (FGF) and Nigeria Infrastructure Fund (NIF).



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List of Abbreviations

2NB	Second Niger Bridge	LPAC	Limited Partners Advisory Committee
AfDB	African Development Bank	MDAs	Ministries, Departments and Agencies
AFC	Africa Finance Corporation	MSME	Micro, Small, Medium Enterprises
AKR	Abuja Kano Road	MTPA	Million tonnes per annum
AUM	Assets Under Management	NBET	Nigerian Bulk Electricity Trading
bcm	billion cubic meters	NDC	National Determined Contributions
BIC	Board Investments Committee	NEC	National Economic Council
BVGH	BIO Ventures for Global Health	NIDF	Nigerian Infrastructure Debt Fund
DAP	Directorate of Academic Planning	NESI	Nigerian Electricity Supply Industry
DfID	Department of International Development UK	NIF	Nigeria Infrastructure Fund
DD	Due Diligence	NSIA	Nigerian Sovereign Investment Authority
ECA	Excess Crude Account	NDA	Non-Disclosure Agreement
ESG	Environmental, Social and Governance	NMRC	Nigerian Mortgage Refinance Company
EXCO	Executive Committee	NSSF	Nigerian Solidarity Support Fund
FCO	Foreign and Commonwealth Office	OPSWF	One Planet Sovereign Wealth Fund
FAFIN	Fund for Agricultural Finance in Nigeria	PFA	Pension Fund Administrator
FGF	Future Generations Fund	PFI	Presidential Fertiliser Initiative
FGN	Federal Government Nigeria	PIDF	Presidential Infrastructure Development Fund
FHFL	Family Homes Fund	PM	Project Management
GDP	Gross Domestic Product	SDG	Sustainable Development Goal
IsDB	Islamic Development Bank	SWF	Sovereign Wealth Fund
IFSWF	International Forum of Sovereign Wealth Funds	SWFI	Sovereign Wealth Fund Institute
IMF	International Monetary Fund	SF	Stabilisation Fund
IPS	Investment Policy Statement	UCL	University College in London
IT	Information Technology	UFF	United Farmers Fund Agri Fund
KfW	German Development Bank (KfW Bankengruppe)	UN	United Nations
KPI	Key Performance Indicator	US	United States
KYC	Know Your Customer	WB	World Bank
LIE	Lagos Ibadan Expressway		

About this Report



Icons used in this Report:



Agriculture



Health Care



Power



Innovation and Technology



Motorways



Financial Markets Infrastructure



Gas Industrialisation

The findings presented in this report represent outcomes and impacts recorded across the Nigerian Sovereign Investment Authority’s (NSIA) three primary funds. These findings are based on both qualitative and quantitative impact-related information gathered.

Analysis of data provided from investments provide insight into the direct impact created within the Nigerian Economy, with data tracked through debt, equity, fund, and mezzanine investments facilitating the additional impact created on the African continent and globally.

Data reported is for the period between 1 January 2021 and 31 December 2021, as well as a longer time horizon where explicitly stated. This data will be aggregated by targeted sector of investment, and where possible geography of investment.



Message from the Board Chairman

INTRODUCTION

The year 2021 has been another positive year for the Nigeria Sovereign Investment Authority (NSIA) as we once again have achieved our mandate of delivering positive financial returns and impactful projects to our country.

Mr. Farouk Mohammed Gumel
Chairman, Board of Directors

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FUNDS UNDER
MANAGEMENT AS
AT DEC. 2021

03

RINGFENCED
FUNDS

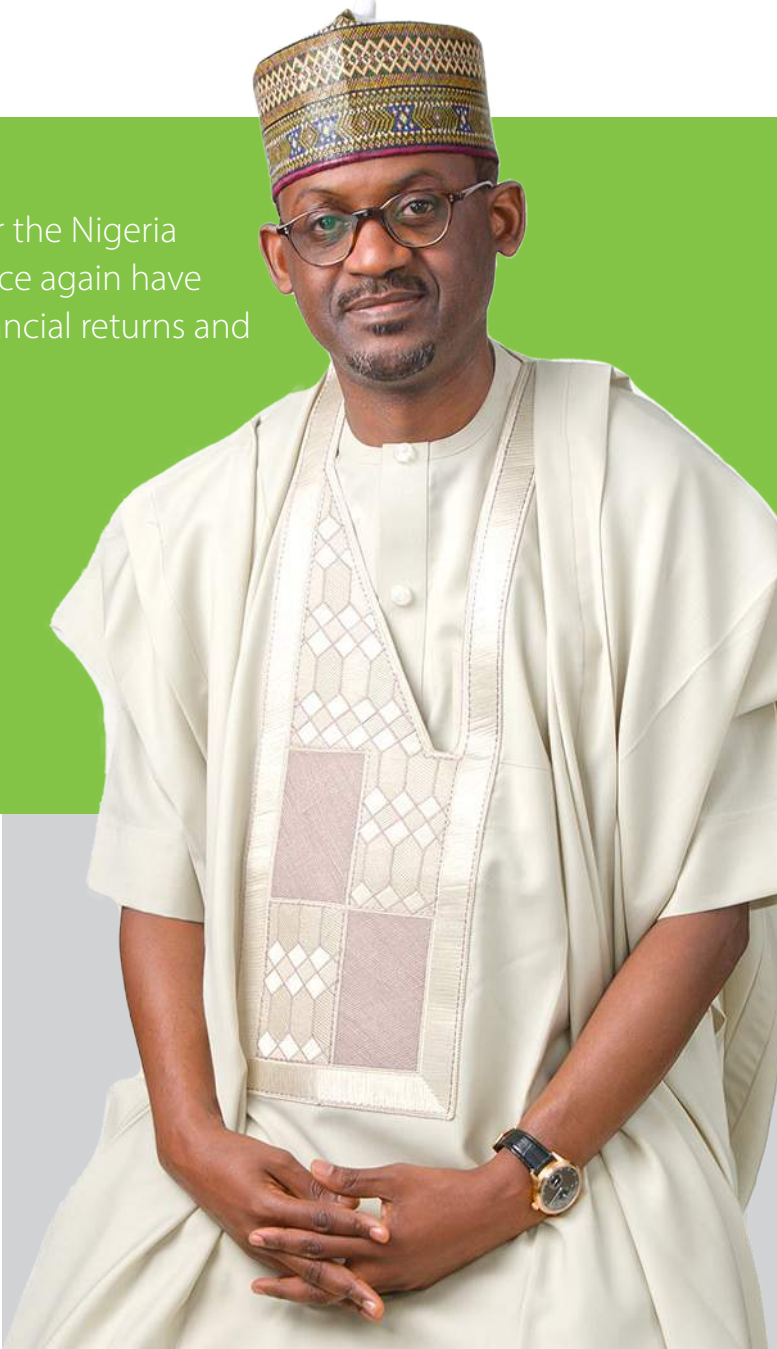
Throughout its existence, the Authority has channelled its operations and projects in a responsible and sustainable manner. This report, the first of its kind by the NSIA, conveys the breadth of the Authority's impact investing activities and thus, highlights the institution's role as a consequential agency of the federation. The NSIA performs its mission by investing in domestic infrastructure projects, building a savings base for future generations and providing stabilization support in times of economic stress.

In the period under review, the Authority deployed capital towards high impact infrastructure projects and worked assiduously to stimulate foreign direct investments to support the country's larger economic growth objectives. Furthermore, we helped to strengthen the country's earning capacity through our diversified portfolio of assets in foreign markets including Asia, North America and Europe.

We are pleased to report that our impact investments have delivered adequate returns from both a financial and socio-economic standpoint.

Investing Sustainably

The NSIA has implemented measures to integrate ESG practices into its investment processes and establish partnerships that help achieve carbon reduction targets. To institutionalise these initiatives, the Board approved the development of a framework that would strengthen the Authority's investment processes to deliver climate-resilient outcomes, manage ESG risks and measure the sustainability impact of projects through active engagement of stakeholders.



Our three core funds at NSIA – Stabilisation Fund (SF), Future Generations Fund (FGF), and Nigeria Infrastructure Fund (NIF) – closed the year in positive territory and outperformed their respective benchmarks. We also continued to see robust performance from our growing number of Private Equity and Venture Capital portfolios.

Message from the Board Chairman

We have invested in numerous training and capacity building processes that will ensure ESG principles are incorporated in all policies, programs, and projects from conceptualization, through the due diligence process to execution and implementation.

Our Focus Sectors of Investment

Since NSIA's inception, successive boards have focused on investing in impactful sectors with high job creation potential and knock-on economic stimulus, such as agriculture. Through building and enhancing value chains, we have been able to maximise crop yields, increase processing capacity to produce food locally, and improve food security, while creating employment. The deployment of regenerative practices in our primary agriculture investments supports the fight against climate change by reducing carbon emissions while boosting productivity.

Furthermore, our expanding portfolio of worldclass specialist hospitals and diagnostic centres underscore the institution's commitment to transforming Nigeria's healthcare sector for the benefit of its over 200 million citizens and residents. NSIA's oncology centre in Lagos State and two diagnostic centres in Kano and Abia States, allow patients to access affordable high-quality diagnostic and oncology services without the inconvenience of travelling long distances. Our plan in 2023 is to roll out more diagnostic and oncology centres across all the six (6) geopolitical zones of Nigeria. Once completed, we will be well on our way to achieving our goal of reversing the physical and financial inconveniences experienced by Nigerians from travelling abroad for medical treatment while preserving our foreign exchange reserves.

I am also pleased to state that our direct investment in a renewable power project (10 MW Haske Solar Power plant in Kano) is the first step towards our plan to diversify Nigeria towards greener energy sources that cater for industrial clusters across the country.

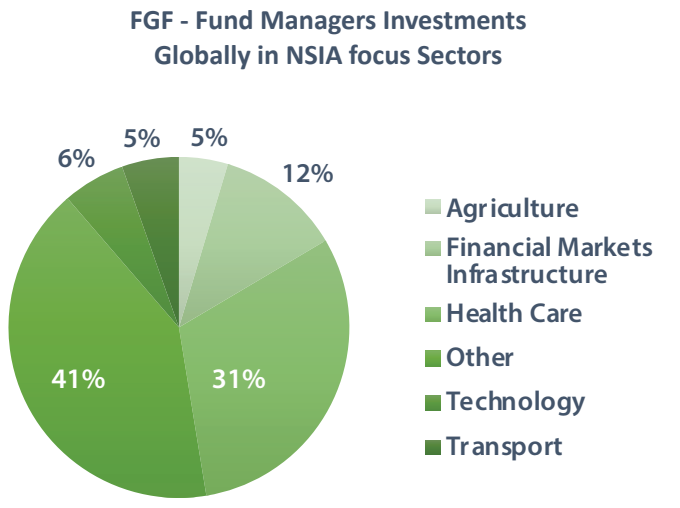
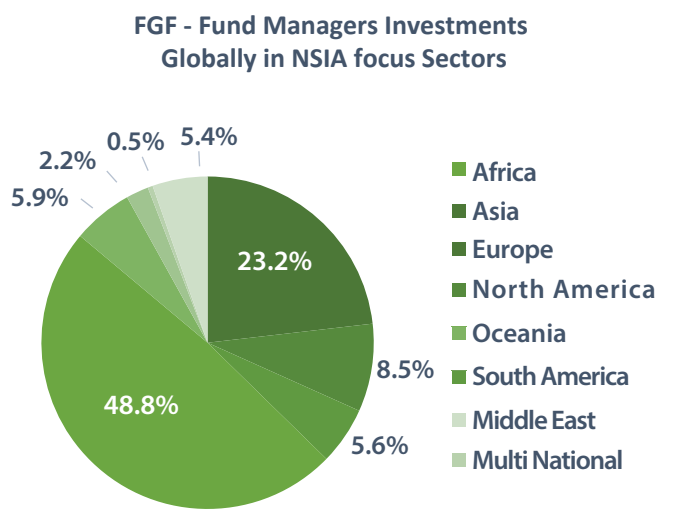
In 2018, the NSIA was appointed by the Federal Government to oversee the management and implementation of the Presidential Infrastructure Development Fund (PIDF) whose focus is to address the deficits in the country's stock of roads and highways. Using this fund, we are constructing over 510km of roads and bridges that, when completed, will facilitate inter-regional trade and thus, create jobs.

Our projects are not just limited to indirect support through power and infrastructure to industries, we also directly invest in large scale manufacturing concerns. Our pioneer project is the ammonia plant we are developing in partnership with OCP, the Kingdom of Morocco's State-Owned fertiliser company. This project will complement the backward integration efforts of the Nigerian government to ensure the country is self-sufficient in the production of affordable high-quality fertilizer.

Through our investments in catalytic financial institutions such as InfraCredit, Family Homes Fund, Development Bank of Nigeria and Nigeria Mortgage Refinance Company, we are indirectly facilitating flows of capital, either to individuals when buying homes or Small and Medium Size Enterprises (SMEs) to support their working capital needs or to large corporates for infrastructure/ capital expenditure investments.

To support Nigeria's vibrant, young and innovative tech sector, we recently invested in developing a state-of-the-art hyperscale data centre in Lagos. We are also evaluating opportunities in human capital development as well as data access and connectivity within Nigeria.

The NSIA executes its impact investing agenda using both the NIF and FGF. While NIF focuses exclusively on local infrastructure investments, FGF operates as a global hedging fund that insulates the NSIA against fluctuations in the value of the domestic currency (Naira). Today, healthcare accounts for over 40% of FGF investments, with nearly a quarter of these investments in Africa, primarily in Nigeria.



Message from the Board Chairman

Looking Forward

As an institution, our impact is measured both in financial and social returns, therefore, it is critical for us to ensure our diversified portfolio delivers the necessary financial targets while meeting our ESG goals. As we look ahead, we shall continue to engage with our stakeholders, which include Federal, State and Local Governments, regulators, investment partners and the general public, to ensure alignment. It is this alignment that will guarantee the success and sustainability of all our projects and programs.

Our ambition is not limited to Nigeria alone, we are also championing ESG efforts across Africa in partnership with sustainability-conscious organisations such as the United Nations, World Bank, AfDB, and IFC. In 2021, the NSIA became a signatory to the One Planet Sovereign Wealth Fund Initiative (OPSWF), a programme launched to combat global warming through advocacy, carbon emission reduction practices, and investments in climate-resilient projects and infrastructure.

Over the last 10 years, I am proud to say the NSIA has made significant strides in delivering on its mandate as prescribed by the NSIA Act. We consistently delivered excellent socio-economic and impactful returns across all our investments. The decision to formalize an ESG framework ensures our impact is deliberate, measured and aligned with the commitment of the Nigerian government and its citizens to meet the global objective of reversing the adverse effects of climate change.

We are very pleased with our contributions thus far as outlined in this first edition of the NSIA's Impact Report. We shall not rest on our oars as we strive to maximise our developmental impact across Nigeria and ensure that sustainability is entrenched in our institutional processes, our investments, and our partnerships. I am confident that the next edition will include more successes for the betterment of our nation and our continent.



Message from the Managing Director

I am pleased to present our inaugural Impact Report, which articulates how the activities of the Nigeria Sovereign Investment Authority have continued to deliver both financial and social returns to all stakeholders, consistent with our overarching mandates.

Mr Aminu Umar-Sadiq
Managing Director & Chief Executive Officer



07

FOCAL AREAS OF
INFRASTRUCTURE
INVESTMENT

04

PORTFOLIO
INVESTMENT
CATEGORIES

The NSIA is a unique sovereign wealth fund given our three-fold mandate. We are an institution founded on clear corporate governance principles and committed to making a difference. From our inception, we placed people, the environment, and the global ecosystem alongside profit and continue to explore ways to improve our environment, social and governance scorecard.

We have created significant impact across various sectors through the financing of critical infrastructure and the management of specialized programs for the Federation, that has ensured our footprints in technology, motorways, healthcare, agriculture, and financial markets infrastructure. Consequently, we have seen improvement in key indicators and have created jobs across all 36 states in Nigeria. Investments through the Future Generations Fund (FGF) and Stabilisation Fund (SF) in the African and international markets, extend our reach into the African continent and beyond.

Our inputs have facilitated the strengthening of institutions and economic sectors, especially through our domestic agricultural, healthcare and sustainability initiatives. We have started to diversify our approach to the market, by further investing directly in power, and technology infrastructure such as data centres.

Fund Report

Future Generations Fund (FGF)

The FGF invested in a diversified portfolio of growth investments across markets utilising 30 percent of the total contribution to the Authority. During the 2021 financial year, the FGF posted a return of 12% (in USD terms), led by the Private Equity, Developed Equity, and Hedge Funds

Stabilisation Fund (SF)

The Stabilisation Fund's conservative investment approach is underpinned by the focus on capital preservation and liquidity through investment in high-grade fixed-income instruments. This allows the SF to provide financial support to the Federation in times of economic stress as was done in 2021. For this purpose, the SF warehouses 20 percent of the contributions to NSIA in line with the Board approved allocation strategy.

At the end of December 2021, 21 percent of the SF was invested in a portfolio of US treasury bonds tracking the Bloomberg Barclays' US Treasury bond 1-3-year index. The SF returned 1.60 percent (in USD terms) for the year, with the subset of the structured product returning 3.69 percent (in USD terms) for the year.

Message from the Managing Director

Nigeria Infrastructure Fund (NIF)

The Nigeria Infrastructure Fund is focused primarily on developing critical national infrastructure in Nigeria. The NIF receives 50 percent of the capital contributions to NSIA. During the period under review, the Authority made significant progress in expanding the pipelines of infrastructure projects and accelerated the process of optimising existing investments.

These investments continue to deliver value and catalyse critical sectors. We achieved results in attracting third-party capital, thereby expanding our capacity to take on large infrastructure projects.

In the last decade NSIA has grown its Total Comprehensive Income 10-fold, from ₦1.46 billion to ₦147 billion.

The Authority’s balance sheet improved significantly in 2021.

Total Assets grew to ₦1.22 trillion in 2021, up by 25% from ₦981 billion in 2020 while Net Assets grew 19.0% to ₦919.73 billion in 2021 from ₦772.75 billion recorded in 2020.

In 2021 the total estimated indirect jobs supported through our activities was 236,883.

In 2021 the total indirect economic stimulus created by our investments into the Nigerian economy was US\$ 10.4 billion.

Investing to make a difference

For the NSIA, ESG is not a label. Sustainability, responsible investing, and transparency are baseline principles which are enshrined in our mandate and serve as drivers for policy formulation and actions. We are committed to extracting value beyond financial returns from our investments. The socio-economic and environmental impact of some of our investments are as follows:

The Presidential Fertiliser Initiative: On this initiative, NSIA demonstrated leadership in project development and execution through the Presidential Fertiliser Initiative (PFI).

Following the objectives outlined by President Muhammadu Buhari, the programme was designed to unclog the bottleneck in the fertiliser value chain in Nigeria and facilitate domestic production of NPK 20:10:10 fertiliser for sale at an affordable price for the benefit of Nigerian farmers and the nation at large. The programme has positively affected hundreds of thousands of Nigerians, creating direct and indirect jobs and enabling operators within the agriculture and agri-input ecosystem to access high-quality and affordable fertilizer.

2021
₦9 Billion Profit

The programme recorded a ₦9 billion profit in 2021, saving the government significant costs and creating ancillary value across the value chain.

Over 70 fully functioning fertiliser blending plants

1650% increase in functional fertiliser plants since the programme started

1.5 M metric tonnes combined average annual output

Production exceeded total local demand for the fiscal year 2021.

It is noteworthy to mention that to increase efficiency in the programme, PFI was restructured into a profit-oriented venture, which started in 2020. The restructuring was successfully concluded in 2021. NSIA has now exited the programme and transferred the PFI business to the Ministry of Finance Incorporated (MOFI) under the Ministry of Finance, Budget, and National Planning. Notwithstanding this transfer, NSIA continues to support the effort in a project management capacity.

Agriculture: The NSIA completed the development of its first, fully integrated agriculture projects in collaboration with Signature Agri Investments – Pandagric Novum – in Nasarawa State. The project includes the cultivation of over 3,500 ha of farmland, achieving an average yield of 6 tons per ha. Grains produced are processed

as feed, maize and oil which are stored in 75,000 tons of storage infrastructure. The integrated nature of the project has optimised grain handling and reduced post-harvest losses. The farm employs workers from within the community and supports over 500 out growers who are connected to the farm.

As part of its commitment to the community, Pandagric Novum has refurbished primary education infrastructure in the area, built healthcare clinics and a day-care centre. It has also sunk several boreholes and provided access to clean water in the community to improve the quality of life of the locals.

Recently, NSIA entered into a long-term partnership agreement with the Federal Ministry of Water Resources for the development of similar projects in Gurara, Kaduna State.

Healthcare: We aim to restore Nigeria’s competitive edge in the healthcare sector by building out the necessary infrastructure to deliver affordable high-quality healthcare services within our country. In 2021, we accelerated the optimisation of the projects in our healthcare portfolio. As at the end of 2021, the NSIA/LUTH Cancer Centre treated 5,000 unique patients and administered 150,000 chemotherapy sessions, thereby supporting the effort of the monetary authority to conserve foreign exchange among other benefits. Our two diagnostics centres in Kano and Umuahia also achieved record patronage.

We have commenced the process of expanding our healthcare projects across the country by rolling out 23 new centres dedicated to serving different spectrums of the healthcare value chain.

Road Infrastructure: Roads make crucial contribution to economic development and bring important social benefits. Nigeria’s road infrastructure is a major backbone our economy as it serves as the primary means of moving goods and services.

NSIA is committed to serving as an enabler for expanding our country’s stock of first grade roadways. In 2021, we intensified efforts to make up for the construction delays occasioned by the global pandemic in 2020 on all three (3) road projects under the Presidential Infrastructure Development Fund (PIDF) namely the Second Niger Bridge (2NB), the Lagos-Ibadan Expressway (LIE) and the Abuja-Kano Road (AKR).

As of the end of 2021:

0-0 DECEMBER 12 End of 2021

2NB PROJECT 82% Completion

LIE PROJECT 79% Completion

AKR PROJECT 30% Completion

AKR was re-scoped and expanded

The projects afforded thousands of direct and indirect jobs to Nigerians and have transformed the local economies of communities within their vicinity.

Financial Markets Infrastructure: NSIA’s investments in financial market infrastructure have been very successful with the impact they continue to make in unlocking value in different sectors of the Nigerian economy. While all our financial markets infrastructure investments continue to outperform on their mandate, I will cite the impact of the Infrastructure Credit Guarantee Company, one of our flagship investee companies.

Message from the Managing Director

The Infrastructure Credit Guarantee Company Limited (InfraCredit), provides naira-denominated credit enhancement instruments to infrastructure projects. The company has continued to deliver on its mandates of attracting capital to industries at attractive rates and delivering excellent returns to its shareholder. During the year, Leadway Assurance Company Limited acquired a minority stake in the company, consistent with the long-term plan of NSIA to gradually reduce its stake in InfraCredit which saw investments by InfraCo Africa in 2020, and Africa Finance Corporation (AFC) in 2019. NSIA currently owns a 31 percent interest in InfraCredit, from a wholly owned subsidiary at commencement. We are in discussions with other potential investors to ensure the business is adequately capitalised and our risks are diversified.

From a portfolio standpoint, our investments in the financial market sector have proven catalytic, offering adequate financial and social returns. Save for NG Clearing Ltd., the nation's first counterparty clearing house which only just began operations, all the other companies we have developed or invested in, including Nigeria Mortgage Refinance Company (NMRC), Family Homes Funds Limited (FHFL), and Development Bank of Nigeria (DBN) – where we represent the shareholding of the Federal Government, are all profitable businesses.

Renewable Energy: In 2021, we commenced the construction of a 10MW solar power plant in the Challawa Industrial Area in Kumbotso Local Government Area of Kano State on behalf of the Federal Government of Nigeria. The power plant, which is projected to cost US\$16 million, on completion in Q4 2022, will provide a template for investments in renewable energy across the country. At completion, the plant will be the largest grid-connected solar PV plant and will serve to demonstrate the potential of a successful mid-sized solar PV deployment in Nigeria.

Gas Industrialisation: NSIA is pleased to report that we reached a major milestone in our industrialisation plan in 2021 with the development of the NSIA-OCP Multipurpose Industrial Platform Project in partnership with OCP Morocco for the production of Ammonia, a basic raw material for fertiliser production. We are at an advanced stage in the development of the project with major developmental studies completed, and requisite agreements reached with counterparties for the supply and transportation of gas to the project located in Akwa Ibom State. The construction is projected to commence in 2022.

Innovation & Technology: Sequel to the launch of our innovation programme, NSIA made its first investment in digital infrastructure in 2021. NSIA invested in a data centre, located in Lagos, as part of our overall strategy of expanding our footprint in innovation and emerging technologies. The Authority has also launched the Innovation Fund during the year, targeted at promoting innovation in diverse areas, principally agri-tech, pharmacology, biotechnology, data networking and storage, and fintech.

Conclusion

No doubt, our society has some complex social, economic, and environmental challenges. We are convinced that with a clear strategy and a firm commitment to addressing the issues in a clear and consistent manner, each challenge can be resolved. Our

2021 Impact Report provides insights into our philosophy and underlying approach to tackling some of our domestic challenges using homegrown tools within the framework of our Environment, Social and Governance systems. In the coming year, we look forward to doing more and creating more value and impact for Nigeria and beyond.



Overview of the NSIA

The Nigeria Sovereign Investment Authority (‘NSIA’ or the ‘Authority’) is Nigeria’s Sovereign Wealth Fund, with investments in key sectors of the Nigerian economy and internationally. NSIA was established by an Act of Parliament – the Nigeria Sovereign Investment Authority Act 2011 – to receive, manage and invest Nigeria’s Sovereign Wealth Fund (SWF) through three ring-fenced funds on behalf of the three tiers of the Federation. These funds are the Stabilisation Fund (SF), Future Generations Fund (FGF) and Nigeria Infrastructure Fund (NIF). NSIA invests in a diversified portfolio of short, medium, and long-term assets and aims to catalyse co-investment with strategic investors domestically and internationally.

The SF is intended to support the country’s fiscal stability and serves as a reserve of funds from which the government may make withdrawals to meet budgetary shortfalls. The FGF is a savings fund, which accumulates savings for future generations of Nigerians by investing in long-term assets. The NIF invests in critical infrastructure in Nigeria that will attract foreign investment, support economic diversification, and boost long-term economic growth. NSIA started operations in October 2012, using US\$1 billion seed capital. The positive performance of the funds, and confidence in NSIA’s management, encouraged President Muhammadu Buhari to approve an additional contribution of US\$750 million to the Authority in 2020.

NSIA’s successful investments and various recognitions have helped validate a strong corporate governance culture. The Sovereign Wealth Fund Institute (SWFI) ranked NSIA joint second in its global rating of more than 56 SWFs. NSIA has remained the highest-ranked SWF in Africa since 2015.

NSIA is a member of the International Forum of Sovereign Wealth Funds (IFSWF) and subscribes to the Santiago Principles on best practices for managing SWFs.



Mission:

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.





Vision:

To establish NSIA as a leading sovereign wealth fund globally; playing a role in promoting investments for Nigeria’s economic development.



Values:

In our quest to become the yardstick of national fiscal discipline, our culture is shaped by values that transcend the norm in public service.



Integrity:

In all our undertakings, the NSIA holds itself to the highest ethical principles which reflect the soundness of character and integrity.



Discipline:

We apply ourselves diligently in all we do; observing adherence to the provisions of enabling laws on which our existence is anchored.




Transparency:

Ours is an institution characterized by clear and best-in-class business practices.


Overview of the NSIA

Our Funds




Stabilisation Fund

The SF is intended to support the country’s fiscal stability and serves as a reserve of fund from which the government may make withdrawals to meet budgetary shortfalls.



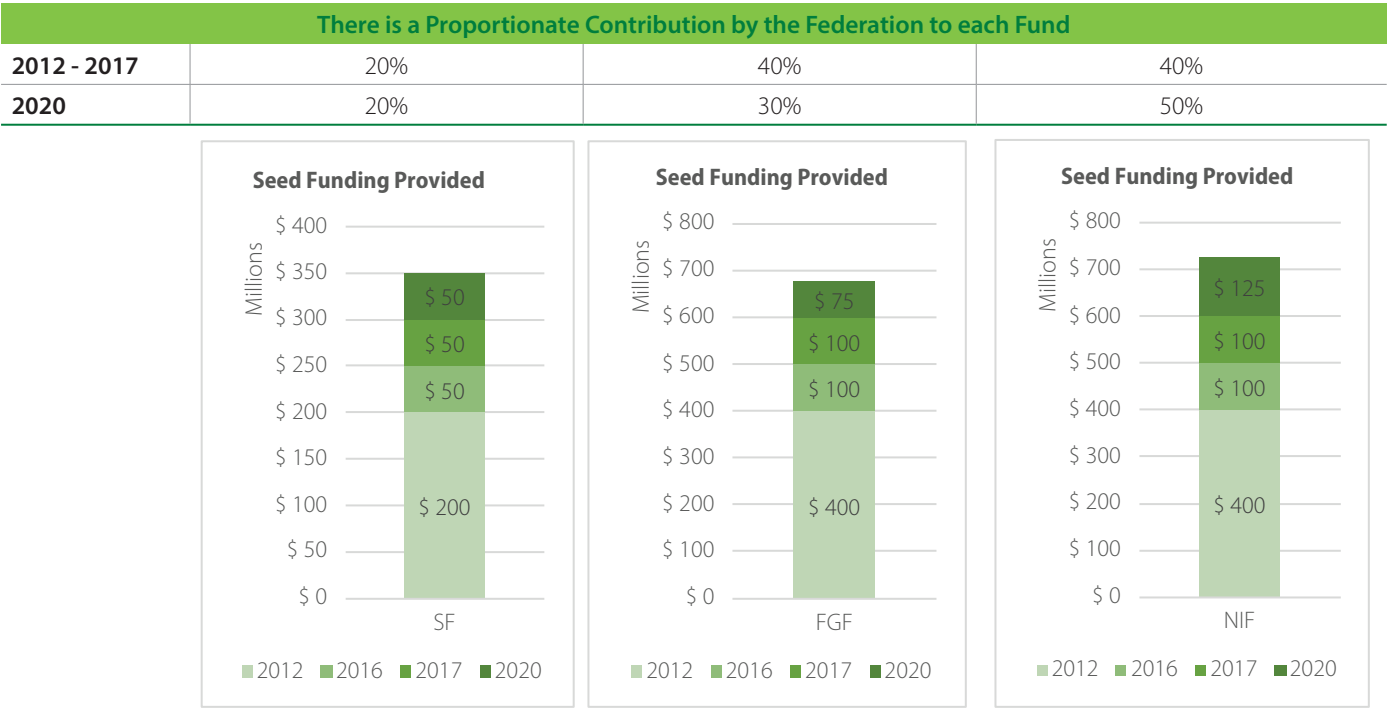
Future Generations Fund

The FGF is a savings fund, which accumulates savings for future generations of Nigerians by investing in long-term assets.



Nigerian Infrastructure Fund

The NIF invests in critical infrastructure in Nigeria that will attract foreign investment, support economic diversification, and boost long-term economic growth



NSIA invests in a diversified portfolio of medium and long-term assets and aims to catalyse co-investment with strategic investors.

Overview of the NSIA

NSIA Acts as Fund Manager on Behalf of the Office of the President, managing:	
Presidential Infrastructure Development Fund (PIDF)	Presidential Fertiliser Initiative (PFI)
Other Third-Party funds on behalf of Government Agencies	

NSIA has remained profitable across its three core funds – the Stabilisation Fund, Future Generations Fund, and Nigeria Infrastructure Fund. However, the growth and successes recorded across the funds are significantly constrained by NSIA’s limited capital. NSIA’s core Assets Under Management (AUM) grew to approximately US\$2.2 billion. When the Federal Government’s indirect contributions through the PIDF, as well as other Third-Party funds are factored in, the Total AuM amounts to \$4.2 billion.

Overview of the NSIA

Comparing this with the SWF industry’s worldwide managed assets of more than US\$10.5 trillion, it is evident that the Authority needs a sustainable growth plan. We remain grateful for the contributions received thus far especially under the prevailing and global economic challenges. However, as a Board, one of our most pressing priorities remains to grow the AUM.

Asset Management will be a key pillar for this growth. A new strategy has been approved, underpinned by this approach. Through engagements with various Government Ministries, Departments and Agencies (MDAs), underutilised strategic and commercially viable assets have been shortlisted for the pilot phase of this project. The terms of these partnerships are being fine-tuned with the overarching objective of ensuring that NSIA secures the assets, injects its proprietary capital, and attracts third-party funding to operationalise and optimise the assets.

Current investments made stem from funding provided across all spheres of government. Based on the three years when funding was provided this investment ownership stake can be summarised as follows:

Investment ownership	2013 ¹	2016 ²	2017 ¹	2020 ^{1 3}
Federal Government	45.83%	51.68%	45.83%	45.83%
State Governments	36.25%	26.72%	36.25%	36.25%
Local Government Areas or Local Council Development Areas	17.76%	20.41%	17.76%	17.76%
Federal Capital Territory	0.16%	1.19%	0.16%	0.16%

¹ Funding source is the excess crude account (ECA)

² Funding source is NLNG Dividends

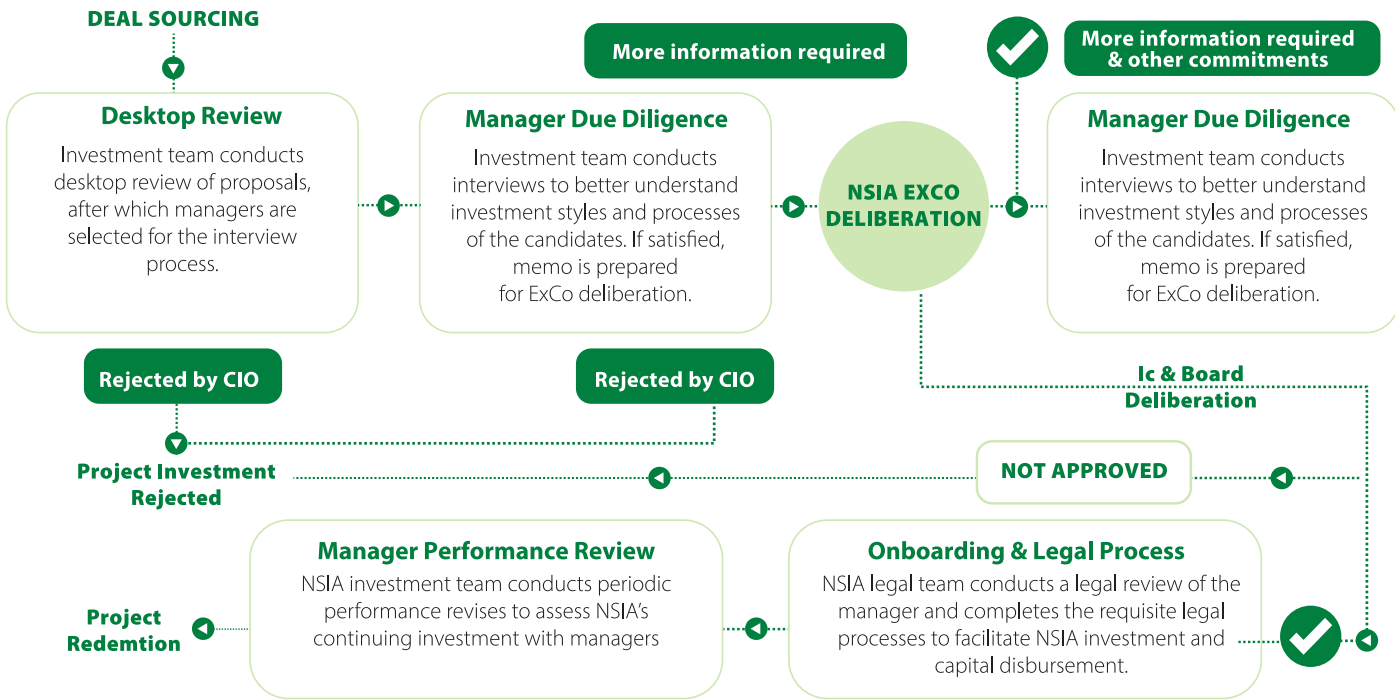
³ May 17 2020 the NSIA returned US\$ 10 million to Government from the Stabilisation Fund



Overview of the NSIA

Our Investment Process

Each of the NSIA Funds investment process is governed by an Investment Policy Statement (IPS) as updated and approved in 2022, by the Board. The investment process establishes a structure of guidelines and policies within which the Fund’s Executive Management can exercise their delegated authority and against which recommendations to the Board Investments Committee (BIC) can be evaluated. The following schematics aim to summarise the intent espoused by this policy.



Since 2012, NSIA has factored social and environmental risks into its investment decisions. The Authority also upholds world-class standards in corporate governance. NSIA’s commitment goes beyond managing ESG risks, as it also entails harnessing investment opportunities that deliver social, environmental, and financial returns.

NSIA’s Stabilisation Fund and Future Generations Fund aim to deliver positive socioeconomic outcomes for present and future generations. A major criterion for investing by our core infrastructure fund – the Nigeria Infrastructure Fund – is achieving large scale, positive economic and social impact, thus the projects we have developed and invested in, are in the healthcare, agriculture, power, technology, financial markets infrastructure, and the transportation sectors, all offering the potential to achieve this objective.

We also target positive environmental outcomes, including reducing emissions. Our projects in gas industrialisation and renewable energy aim to achieve environmental sustainability, as well as generate good financial returns.



As signatory to the One Planet Sovereign Wealth Funds Summit, we acknowledge our commitment to the principles of alignment, ownership, and integration, with the purpose of accelerating the integration of climate change analysis into the management of large, long-term and diversified asset pools.



As a signatory to the International Forum of Sovereign Wealth Funds (IFSWF), a voluntary organisation of global sovereign wealth funds, we are committed to working together and strengthening the community through dialogue, research and self-assessment and promoting a deeper understanding of sovereign wealth fund activity.

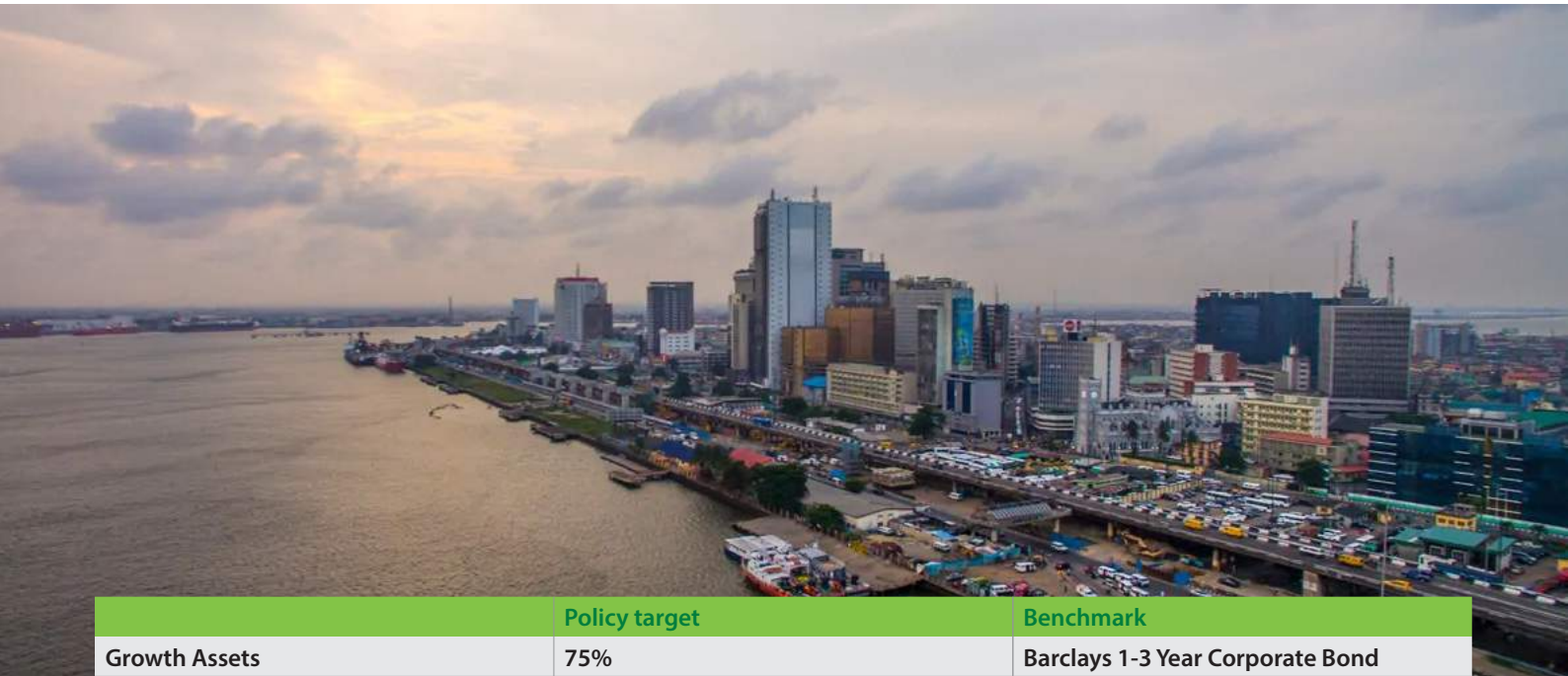


NSIA is also a member of Africa Sovereign Investors Forum (ASIF). ASIF is a multilateral platform of African WSFs dedicated to enhancing cooperation among its members with the objective to unlock investment opportunities and mobilize capital for the benefit of the continent.

Overview of Each Fund’s Performance

Stabilisation Fund (SF)

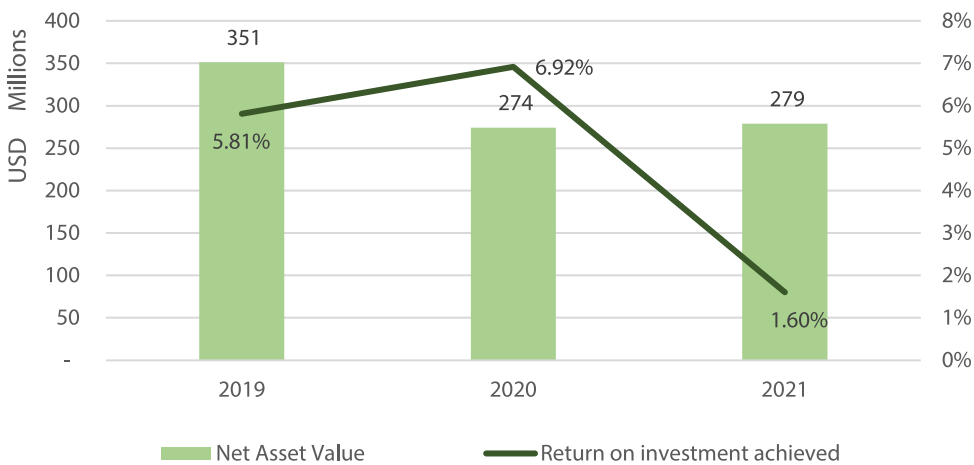
20 percent of the contributions to NSIA are allocated to the Stabilisation Fund. This fund is designed to provide a cushion to the federation in times of economic stress, underscoring the conservative investment approach of the fund. The Stabilisation Fund is invested in high-grade fixed-income instruments to ensure capital preservation and liquidity, deployed at a short investment horizon, maximising the potential for enhanced returns.



	Policy target	Benchmark
Growth Assets	75%	Barclays 1-3 Year Corporate Bond
Investment Grade Corporate Bonds		Barclays 1-3 Year Corporate Bond
Hedge Assets	25%	Barclays 1-3 Year Treasury Bond
US T-Bills		91-Day Treasury Bill Index
US Treasuries 1-3 years		Barclays 1-3 Treasury Bond

At the end of December 2021, 21 percent of the fund was invested in a portfolio of US treasury bonds tracking the Bloomberg Barclays’ US Treasury bond 1-3-year index. The fund returned 1.60 percent (in US\$ terms) for the year, with the subset of the structured product returning 3.69 percent (in US\$ terms) for the year.

Summary of the Stabilsation Funds Investments and Returns



Overview of Each Fund’s Performance

The fund performance was positive but reflected a very volatile economic climate. The major risks were inflation and the general macroeconomic outlook stemming from the ongoing Covid-19 disruption. This resulted in a withdrawal of US\$150 million from the fund to support Covid relief efforts.

The Federal Reserve Board (Fed) believed the risk of inflation was short-term and benign to the growth outlook and therefore maintained its ultra-low interest rate policy during the year. As the risk from inflation grows, NSIA is projecting a challenging investment outlook for 2022. Nevertheless, our investment team will continue to monitor the fund’s performance in line with its mandate and against its strategic asset allocation guidelines. We will continue to seek ways to optimise returns, while respecting the fund’s capital preservation mandate.

Policy target	
Nature of allocation in fund for 2021	Returns
Investment undertaken in four funds providing exposure to: <ul style="list-style-type: none">• Investment grade corporate credit• The other funds are invested by managers in short to medium investment grade US corporate bonds• One of the funds is managed as a short duration investment across very high-quality US corporate and securitised fixed income instruments The fund also has exposure to structured collateralised deposits with credible counterparties. This provided yield enhancement, which also provides a degree of downside protection, thereby fulfilling the funds capital preservation goals.	1.6% for the year
Hedge Assets	% of allocation
Size of allocation in fund for 2021	21.06%
Growth Assets	% of allocation
Size of allocation in fund for 2021	78.94%

Overview of Each Fund’s Performance

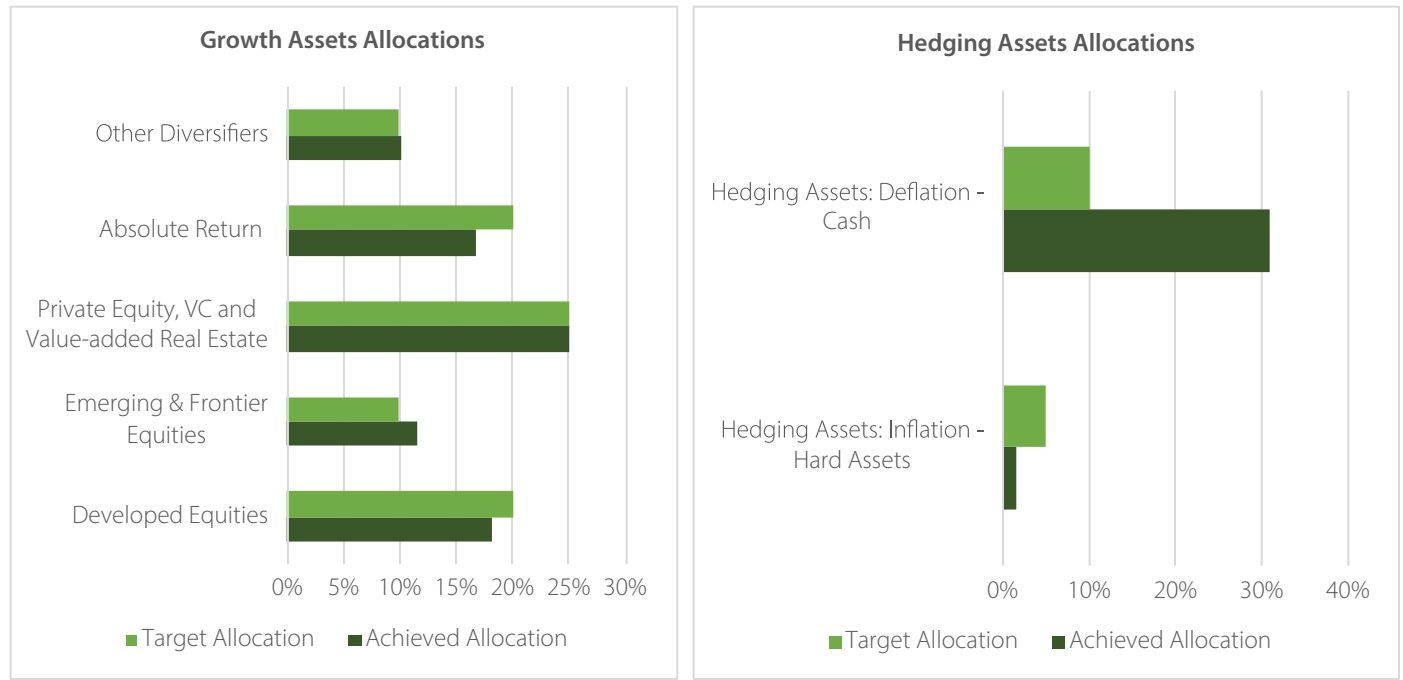
Future Generations Fund (FGF)

Under the current allocation strategy, 30 percent of the Authority’s total contribution is deployed to the FGF. The FGF is a long-term Investment Fund, with an investment horizon of more than 20 years, so it is expected to weather multiple economic and market cycles. Diversification is used as a key risk management tool to achieve the investment objectives, and to mitigate the effects of volatility and uncertainty.



	Policy target	Benchmark
Growth Assets	85%	MSCI All Country World Index
Developed Equities	20%	MSCI World Index
Emerging & Frontier Equities	10%	MSCI Emerging Markets Index
Private Equity, VC and Value-added Real Estate	25%	Cambridge Associates US Private Equity Index
Absolute Return	20%	HFR Event-Driven (Total) Index
Other Diversifiers	10%	Cambridge Associates US Private Equity Index
Hedging Assets: Inflation	5%	Weighted Composite
Hard Assets	5%	50% FTSE EPRA/NAREIT Developed Real Estate Index/ 50% CA Private Natural Resources Benchmark
Hedging Assets: Deflation	10%	Citigroup World Government (Hedged) – US\$ Bond Index
Cash	10%	US T-Bills

Future Generations Fund (FGF)



This strategy allows FGF to gain exposure to certain illiquid asset classes, thereby reducing the impact of short-term volatility and to achieve stronger, risk-adjusted returns. The fund invests in a select number of asset classes, ranging from traditional assets, such as equities, to alternative assets including hedge funds and private equity. The FGF’s Board Investment Committee has approved a strategy to provide guidelines for the fund’s investments, in line with its risk and return objectives. A summary of the performance under each asset class in 2021 are summarised as follows:

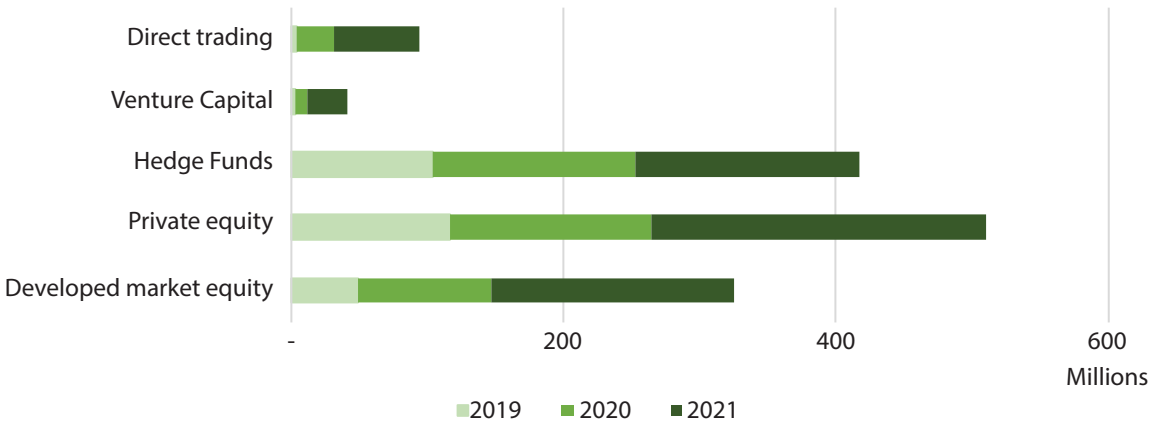
Asset Class		Overview of focus areas and achievements in 2021
Growth Assets	Developed Equities	Investments in this asset class provided regional and style diversification. Focus was on US, European and Japanese Equity markets. New global players onboarded increased exposure to the market’s growth segments.
	Emerging & Frontier Equities	The year ended flat after a turbulent year in which we saw uncertainties in the market reducing share value due to Chinese regulatory clampdowns aimed at curbing uncompetitive behaviour and poor governance practices, escalating prices, and changes to access to financial instruments on key sectors such as private education, technology and the property sectors.
	Private Equity, VC and Value-added Real Estate	Focus on this asset class enabled FGF to achieve a well-diversified portfolio, with a good mix of developed market private equity and venture capital managers from Europe, US, and Emerging Markets.
	Absolute Return	Managers in this asset class deployed strategies that seek to earn a positive return, irrespective of market direction. Each manager had the discretion to invest across different strategies and geographies in so doing were expected to provide growth in times of stress in equity markets.
	Other Diversifiers	New managers onboarded in the year were sought to provide exposure to products such as direct lending, leasing, and royalties, with the aim of generating returns uncorrelated to the rest of the portfolio.
Hedge Assets	Inflation and Deflation	For most of 2021, this allocation was held in cash and very liquid instruments with both local and foreign counterparties. However, a proportion of the deflation hedges are undrawn commitments to private equity, hard assets, and other diversifiers. These undrawn commitments represent more than 10% of the FGF’s AUM.

Overview of Each Fund’s Performance

Future Generations Fund (FGF)

During the 2021 financial year, the Fund posted a return of 12% (in US\$ terms), led by the Private Equity, Developed Equity, and Hedge Funds.

Summary of the Future Generations Fund Investments (US\$) -2019 - 2021



Overview of Each Fund’s Performance

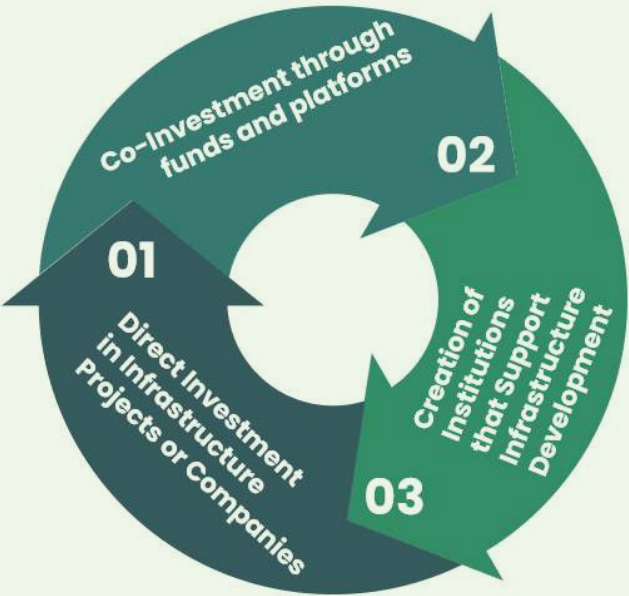
Nigeria Infrastructure Fund (NIF)

The Nigeria Infrastructure Fund (NIF) is focused primarily on developing critical national infrastructure in Nigeria. The Fund is allocated half (50 percent) of the capital contributions to NSIA. During the period under review, the Authority made significant progress in expanding the pipelines of projects in this portfolio, closed several infrastructure projects, and accelerated the process of optimising existing investments of this fund across the various sectors of focus.

NSIA infrastructure investments continue to deliver value and catalyse critical sectors, recording positive impacts from direct investments in these projects. More fundamentally, significant results have been achieved in an effort to attract third-party capital to Nigeria infrastructure development, thereby expanding capacity to take on large ticket projects.

The NIF is managed by an in-house team of investment professionals tasked with identifying infrastructure investment opportunities, facilitating project development for potential investments, and recommending projects for investment to the Board.







The NSIA infrastructure strategy is built on three pillars:



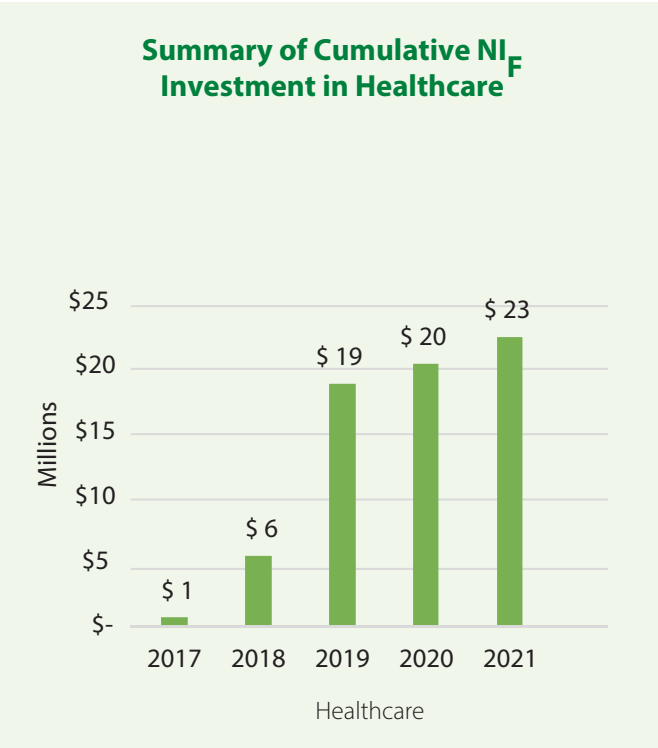
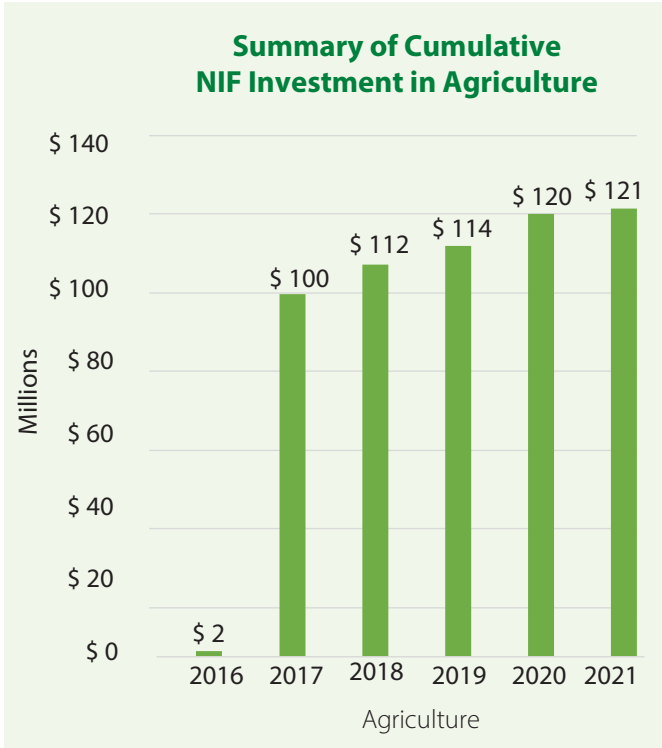
Overview of Each Fund’s Performance

Nigeria Infrastructure Fund (NIF)

Direct investments in the NIF portfolio are located across 23 of Nigeria’s 36 states. Projects which have a national footprint include:

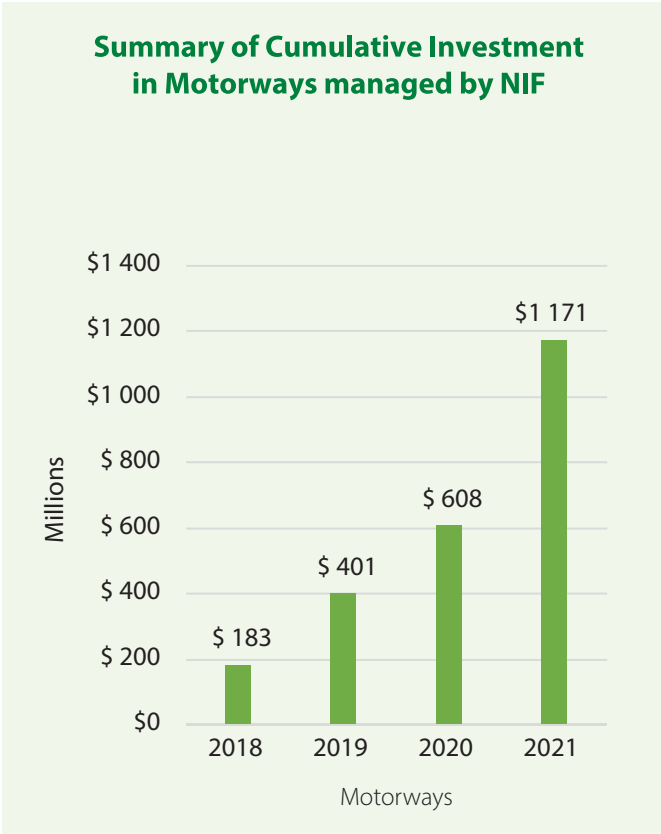
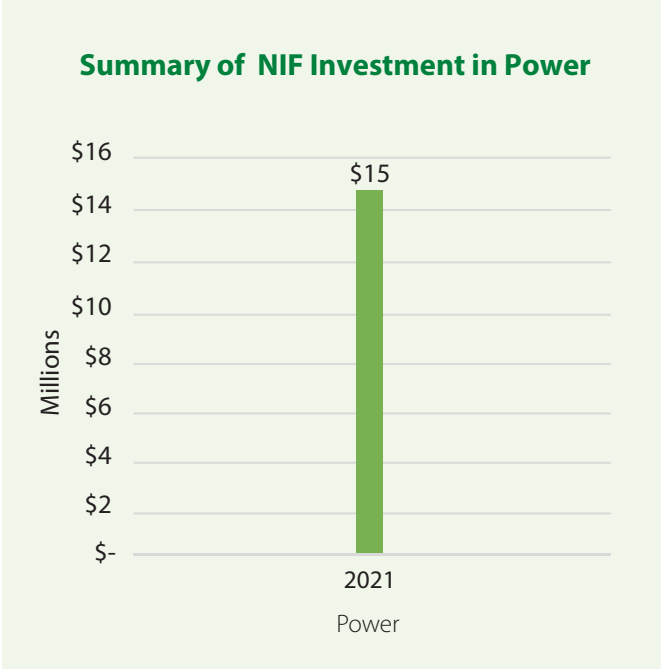
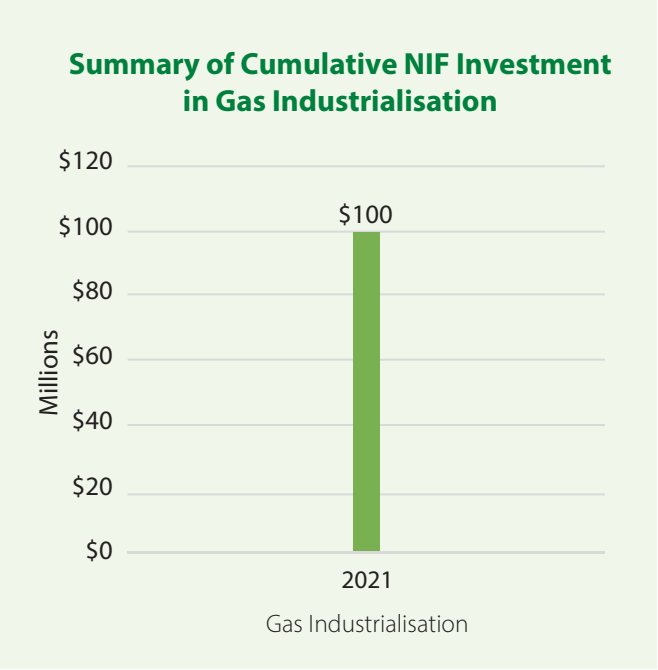
 Health Care	 Financial Markets Infrastructure	 Power	 Motorways	 Agriculture	 Gas industrialisation
NSIA-LUTH Cancer Care NUDC NKDC	Nigerian Mortgage Refinancing Company DBN CHD Nigerian Infrastructure Debt Fund NG Clearing	Kano Solar Project Supported through InfraCredit: <ul style="list-style-type: none">North South Power – Niger StateViathan – Kaduna StateGELUL – River State	Presidential Infrastructure Fund (PIDF) including: <ul style="list-style-type: none">Second Niger bridgeLagos Ibadan ExpresswayAbuja Kano Road	Fund for Agricultural Finance in Nigeria (FAFIN) Presidential Fertiliser Initiative Pandagric Novum Babban Gona	NSIA-OCP Multipurpose industrial platform

Investments made in focus sectors vary, with significant progress made in the agricultural, financial markets infrastructure, healthcare, and motorways. Recent additions to the investment portfolio in 2021 include gas industrialisation and in 2022 include renewable energy and innovation and technology.



Overview of Each Fund’s Performance

Nigeria Infrastructure Fund (NIF)





Our Developmental Impact Framework

Our Developmental Impact Framework

How We Intend to Generate Impact

The NSIA is dedicated to the development and empowerment of Nigeria and its people as demonstrated in our developmental impact framework below. Our investment thesis is underpinned by constantly looking for opportunities that will yield optimal financial returns while driving sustained economic development for the benefit of all Nigerians. We apply responsible investment filters when screening and analysing investment opportunities and are committed to applying Environmental, Social and Governance (ESG) factors when investing. This is demonstrated by NSIA being a signatory to the One Planet Sovereign Wealth Funds, which is an international network of signatories integrating climate change risks into investment practice and investing in the smooth transition to a low emissions economy.



Alignment to the Sustainable Development Goals

NSIA is aligned with the United Nations Sustainable Development Goals (SDGs), which represent the globally agreed 2030 agenda to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. To identify which SDGs NSIA is aligned with, a review of our exposure across the funds and focus sectors was undertaken against the 169 targets associated with the 17 SDGs to enable us to report on our contribution and alignment. Thus far, NSIA is aligned to 15 of the 17 SDGs as demonstrated below in the Funds Theory of change.

Our Developmental Impact Framework

Alignment to the Sustainable Development Goals

Theory of Change - Stabilisation Fund

Inputs	Outputs	Outcomes	Impact
<p>Objective:</p> <ul style="list-style-type: none">Deploy fundingUtilise tools developed inhouse to make sound investment decisionsEnsure well trained staff are utilised to ensure funds deployed meet the returns requiredScreen investments and decision making to maximize the potential to building a savings base for the Nigerian people, which will provide support in times of economic stressEnsure investments are underpinned by NSIAs beliefs in integrity, discipline, and transparencyUndertake activities at NSIA in an environmentally and socially sustainable manner	<p>Performance Indicators:</p> <ul style="list-style-type: none">Achieve short term returns set as US CPIPromote the improvement of ESG credentials and ESG value creation opportunities in investments to entice NSIA to investEnhance levels of transparency and credibility of ESG reporting in investments to facilitate NSIA to invest	<p>Targeted Value Creation Across All Investments:</p> <ul style="list-style-type: none">Demonstrate strong financial performance of the NSIA and investmentsEnhance brand recognition of the NSIAEntice investmentIncrease investments share priceEnhance investments positioning on ESG indices	<p>Benefit to Society:</p> <ul style="list-style-type: none">Measured through deployment of funds to the Nigerian Government at times of economic stress:Contribution made to the following SDGs through contribution to the Nigerian Governments COVID-19 relief efforts in 2020: <div><div>1NO POVERTY</div><div>16PEACE AND JUSTICE: STRONG AND SUSTAINABLE INSTITUTIONS</div><div>17PARTNERSHIPS FOR THE GOALS</div></div>

Theory of Change - Future Generation Fund

Inputs	Outputs	Outcomes	Impact
<p>Objective:</p> <ul style="list-style-type: none">Provide funding for investment across various asset classesManage assets through country, regional and asset class diversificationUtilise board seats to influence behaviour directly for investments in Nigeria, and investments in certain African private equity fundsLeverage the NSIA brand and license to operate to raise and deploy large sources of capital, facilitate sustainable funding, ensure funds associated with NSIA funding are making an impact in the economyArticulate the impact funds invested in should have in the economyEnsure investments are underpinned by NSIAs beliefs in integrity, discipline, and transparency.Leverage knowhow when investing in funds ensuring negotiation of terms are mutually beneficial to both partiesLeverage intellectual property to determine deployment of best practice, positioning partners to leverage synergiesProvide advice to potential investors on how to invest in NigeriaLeverage relationship capital to source pipeline and deploy fundsEncourage cross pollination of ideasBe selective in who NSIA lends money to, protecting our brand and license to operate.As majority shareholder NSIA aims to facilitate financially beneficial partnershipsFacilitate introduction of strategic partnerships to a fund addressing aspects jointly across a portfolioUndertake activities at NSIA in an environmentally and socially sustainable mannerIncorporate ESG in the investment process executed through an institutionalised policy across the value chainActively seek partnerships with ESG conscious organizations such as IFC, AFDB, United Nations, World Bank, and others.Through membership of the “One Planet Sovereign Wealth Fund Initiative” (OPSWF) and “International Forum of Sovereign Wealth Funds” (IFSWF) accelerate the integration of climate change analysis into the management of large, long-term, and diversified asset portfolios	<p>Performance Indicators:</p> <ul style="list-style-type: none">Achieve long term returns set as US CPI+400 BPSSuccessfully diversify asset classEnsure skills transfer takes placeLeverage opportunities to maximise financial and social returns for fundsLeverage knowhow to build brand and credentials to raise additional funding, attract quality pipeline, and leverage value created in the underlying assets to increase exit valuationsSecure access to good quality pipelineEnhance access to additional sources of capitalBuild the NSIA brand and social license to operate through deployment of funds in line with NSIA objectivesSet KPIs and targets to track and articulate ESG value creation to be reported on annually.Identify partnerships which would meaningfully contribute to growing the portfolioLeverage partnerships to facilitate development of competitive advantageImproving of brand awareness of the fund or portfolio companiesInnovate product offering of the fund or portfolio companies to align to sustainable business practices facilitating differentiation and competitive advantage in the marketSet policies to be tracked by funds to address resource use, climate change, modern slavery, human rights and sustainable procurement. Set KPIs to track progress made and report on output regularly.	<p>Targeted Value Creation Across All Investments:</p> <ul style="list-style-type: none">Good quality pipeline is securedIncreased levels of co-investment achievedIncreased enticement of direct investment achievedIncreased foreign direct investment realisedImplementation of good governance maintained across the portfolioSuccessfully leveraged the NSIA network to create valueSuccessfully leveraged NSIA know how to realise enhanced financial and societal returns on investment	<p>Benefit to Society:</p> <ul style="list-style-type: none">Contribution made to the following SDGs <div><div>16PEACE AND JUSTICE: STRONG AND SUSTAINABLE INSTITUTIONS</div><div>17PARTNERSHIPS FOR THE GOALS</div></div> <div><div>ONE PLANET SUMMIT</div><div>SOVEREIGN WEALTH FUNDS</div></div> <div><div>IFSWF</div><div>International Forum of Sovereign Wealth Funds</div></div>

Our Developmental Impact Framework

Alignment to the Sustainable Development Goals

Theory of Change - Nigerian Infrastructure Fund

Inputs	Outputs	Outcomes	Impact
<p>Objective:</p> <ul style="list-style-type: none">• Provide funding either as debt or equity or some instrument such as convertible or mezzanine financing• Set up and maintain private public partnerships• Source alternative and additional (complementary) sources of funding• Establish joint venture partnerships• Manage third-party funds in line with the robust social and governance system of the NSIA• Utilise board seats to influence behaviour directly• Implement strong governance protocols• Deploy skills to guide the company• Deploy skills to monitor impact created• Achieve long-term objectives and required contribution to communities• Develop skills and implement best practice• Leveraging the NSIA brand and license to operate to raise and deploy large sources of capital, facilitate sustainable funding, ensure funds associated with the NSIA as deployed are making an impact in the Nigerian economy• Leveraging good access to government to develop strategic projects• Able to articulate the impact funds invested have had in the Nigerian Economy.• Increase social license to operate through alignment of short-term performance reviews to the delivery of the NSIA objectives (including incentives).• Align business structures to market needs, building companies to be market leaders and to leave a legacy.• Ensure investments are underpinned by NSIAs beliefs in integrity, discipline, and transparency.• Leverage relationship capital• Participate in industry groups locally and internationally to leverage international best practice and share good practice• Encourage cross pollination of ideas• Encourage cross pollination of ideas• Be selective in who NSIA lends money to, protecting our brand and license to operate.• Where a majority shareholder NSIA aim to facilitate financially beneficial partnerships• Facilitate introduction of strategic partnerships to a fund to address aspects jointly across a portfolio• Undertake activities at NSIA in an environmentally and socially sustainable manner• Develop innovative methods to enhance ESG performance through procurement, deployment of ICT etc.	<p>Performance Indicators:</p> <ul style="list-style-type: none">• Achieve long term returns set as US CPI+300 BPS excluding development projects, uncommitted funds, and unfunded commitments and returns made by the investment• Achieved desired ROE, ROI, NAV, exit multiples• Achieve co-investment KPIs set• Successful management of third-party funds• Ensure skills transfer takes place• Improve strategic decision-making capabilities, transformation credentials, staff efficiencies, staff wellbeing and sustainable business practices.• Leverage opportunities to maximise financial and social returns for funds• Ensure scalability of an investment• Rebuild credibility of companies through restructuring and recapitalisation.• Improv a company's level of credibility in the marketplace through strengthening of governance credentials• Strive to meet community objectives as it relates to jo creation (direct and indirect), SMME support and development, the use and development of climate smart products and roll out of community projects, with CSI spend to be linked to core business model• Attract broader participation in Nigerian infrastructure projects• Develop own resources, and improve capacity, and ability to structure projects.• Improve experience among local sponsors and other key participants• Improve technical pre-qualification processing and concessions• Increased FDI into Nigeria• De-risking the business from ESG risk factors• Identify partnerships which would meaningfully contribute to growing the portfolio• Leverage partnerships to facilitate development of competitive advantage	<p>Targeted Value Creation Across All Investments:</p> <ul style="list-style-type: none">• Projects developed aligned to national priorities• Achieved targeted returns• Enticed foreign direct investment• Secured project guarantees enabling financial close and enticement of additional funding• Economic Stimulus achieved• Skills transfer taking place• Jobs creation stimulated• Companies developed show growth in market share, footprint, customer base and turnover• Support and development of the SME sector• Improved resilience of businesses to economic shock• Enhanced license to operate• Enhanced gender equality• Improved levels of employee remuneration• Reduced businesses dependence on external factors in their supply chain, in their operations, in the market• Enhanced levels of accountability at investee company level• Reduced environmental footprint <p>Targeted Value Creation in Agricultural Investments </p> <ul style="list-style-type: none">• Demonstrated increased yields, access to market and tons of beneficiated export product• Improved quality of production• Implementation of climate smart agricultural techniques• Ensure required climate mitigation and adaptation plans are in place to manage the risks of climate change <p>Targeted Value Creation in Health Care Investments </p> <ul style="list-style-type: none">• Increased number of new beds, patient visits, facilities under management, procedures and surgeries performed, results of medical interventions, type of products manufactured/sold• Optimal service mix and occupancy rates• Level of customer satisfaction	<p>Benefit to Society:</p> <p>Contribution to the following SDGs</p> <div></div> <div></div> <div><p>International Forum of Sovereign Wealth Funds</p></div>

Our Developmental Impact Framework

How We Intend to Generate Impact

Nigerian Infrastructure Fund












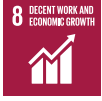










Inputs	Outputs	Outcomes	Impact
<p>Objective:</p> <ul style="list-style-type: none">• Include smart building management system• Incorporate ESG in the investment process executed through an institutionalised policy across the value chain• Actively seek partnerships with ESG conscious organizations such as IFC, AFDB, United Nations, World Bank, and others.• Through membership of the “One Planet Sovereign Wealth Fund Initiative” (OPSWF) accelerate the integration of climate change analysis into the management of large, long-term, and diversified asset portfolios• Contribute to the reduction of GHG emissions Nationally by 20% before 2030	<p>Performance Indicators:</p> <ul style="list-style-type: none">• Improving of brand awareness of the fund or portfolio companies• Innovate product offering of the fund or portfolio companies to align to sustainable business practices facilitating differentiation and competitive advantage in the market• Track impact of process improvement initiatives through improved energy efficiencies, reduced water use, reduced carbon footprint, reduced waste production, improved waste recycling and repurposing• Track impact of ongoing training and development of staff through improved operational efficiencies, reduced waste generation, reduced reject rates, reduced levels of refunds to customers, improved employee satisfaction and engagement levels• Implemented sustainable environmental and social policies and procedures across the portfolio, tracked through demonstrated ongoing legal compliance, ability to flag risk items to the board for assessment, ability to leverage opportunities to maximise financial and social returns• Focus on local content to facilitated import substitution across the portfolio• Influence the portfolios supply chain to implement these sustainable environmental and social policies	<p>Targeted Value Creation in Health Care Investments</p> <ul style="list-style-type: none">• Number of preventive visits/or screenings, and health awareness campaigns and/or education programmes• Number of recalls and produce returns• Improved access to services at affordable prices• Improved skills levels of nurses and doctors• Increased retention rates of nurses and doctors• Ensured responsible resource use, including hazardous waste management, energy, water and use of gas supplies• Ensure required climate mitigation and adaptation plans are in place to manage the risks of climate change <p>Targeted Value Creation in Power Investments</p> <ul style="list-style-type: none">• Increased MWh available to the grid• Increased off grid solutions in operation• Carbon offset realised <p>Targeted Value Creation in Innovation and Technology Investments</p> <ul style="list-style-type: none">• Increase access to data at affordable rates• Extension of data and cellular network coverage• Increase in technology manufacturing in Nigeria• Demonstrated cyber security and data protection protocols• Demonstrated increased uptake of these services• Enhanced resource efficiencies achieved especially for data centres and during manufacturing activities• Realised climate change adaptation initiatives across manufacturing operations <p>Targeted Value Creation in Financial Markets Infrastructure Investments</p> <ul style="list-style-type: none">• Increase in number of clients served enhancing levels of financial inclusion• Increase in fintech solutions deployed extending reach, response rate, customer conversion rate, and number of transactions processed	<p>Benefit to Society:</p> <p>Contribution to the following SDGs</p> <div><div><div>2</div><div>ZERO HUNGER</div></div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div><div><div>4</div><div>QUALITY EDUCATION</div></div><div><div>5</div><div>GENDER EQUALITY</div></div><div><div>6</div><div>CLEAN WATER AND SANITATION</div></div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div><div><div>10</div><div>REDUCED INEQUALITIES</div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div><div><div>13</div><div>CLIMATE ACTION</div></div><div><div>14</div><div>LIFE BELOW WATER</div></div><div><div>15</div><div>LIFE ON LAND</div></div><div><div>16</div><div>PEACE AND JUSTICE, STRONGER INSTITUTIONS</div></div><div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div></div> <div><div>ONE PLANET SUMMIT</div><div>SOVEREIGN WEALTH FUNDS</div></div> <div><div>IFSWF</div><div>International Forum of Sovereign Wealth Funds</div></div>



Our Developmental Impact Framework

How We Intend to Generate Impact







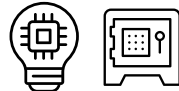


Nigerian Infrastructure Fund

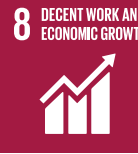





Inputs	Outputs	Outcomes	Impact
		<p>Targeted Value Creation in Gas Industrialisation Investments</p>  <ul style="list-style-type: none">• Increase in production volumes• Enhanced sustainable production and resource efficiency achieved• Realised climate change adaptation initiatives across manufacturing operations	<p>Benefit to Society:</p> <p>Contribution to the following SDGs</p> <div></div>
		<p>Targeted Value Creation in Motorways Investments</p>  <ul style="list-style-type: none">• Increase in tonnage of product transport to market• Upgrade of road networks resulting in reduced levels of congestion, and increase in the ability to import and export goods• Carbon offsets achieved through the transfer of goods from road to rail or port infrastructure	<div></div> <div></div>

Our Developmental Impact Framework

Alignment to the Sustainable Development Goals




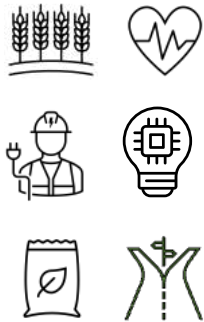

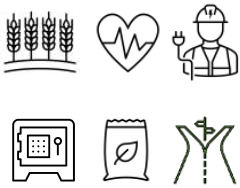




A high-level SDG mapping of NSIA investments to the Sustainable Development Goals targets are summarised as follows:

SDG Supported	Target Aligned to	Sector Alignment
	Target 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	
	Target 2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment Target 2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality Target 2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity	
	Target 3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce Target 3.d Strengthen the capacity for early warning, risk reduction and management of national and global health risks	
	Target 5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws Target 5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women	
	Target 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix Target 7.3 By 2030, double the global rate of improvement in energy efficiency Target 7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services	

SDG Supported	Target Aligned to	Sector Alignment
	Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value Target 8.6 By 2020, substantially reduce the proportion of youth not in employment, education, or training Target 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all Target 8.a Increase Aid for Trade support, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance Target 8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization	
	Target 9.1 Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all Target 9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product Target 9.3 Increase the access of small-scale industrial and other enterprises, to financial services, including affordable credit, and their integration into value chains and markets Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes Target 9.a Facilitate sustainable and resilient infrastructure development through enhanced financial, technological, and technical support	
	Target 10.b Encourage official development assistance and financial flows, including foreign direct investment	

Our Developmental Impact Framework

Alignment to the Sustainable Development Goals

SDG Supported	Target Aligned to	Sector Alignment
	Target 11.2 By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	
	Target 12.2 By 2030, achieve the sustainable management and efficient use of natural resources Target 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	
	Target 13.b Promote mechanisms for raising capacity for effective climate change-related planning and management, including focusing on women, youth and local and marginalized communities	
	Target 14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported, and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics	
	Target 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements Target 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation Target 15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought, and floods, and strive to achieve a land degradation-neutral world	

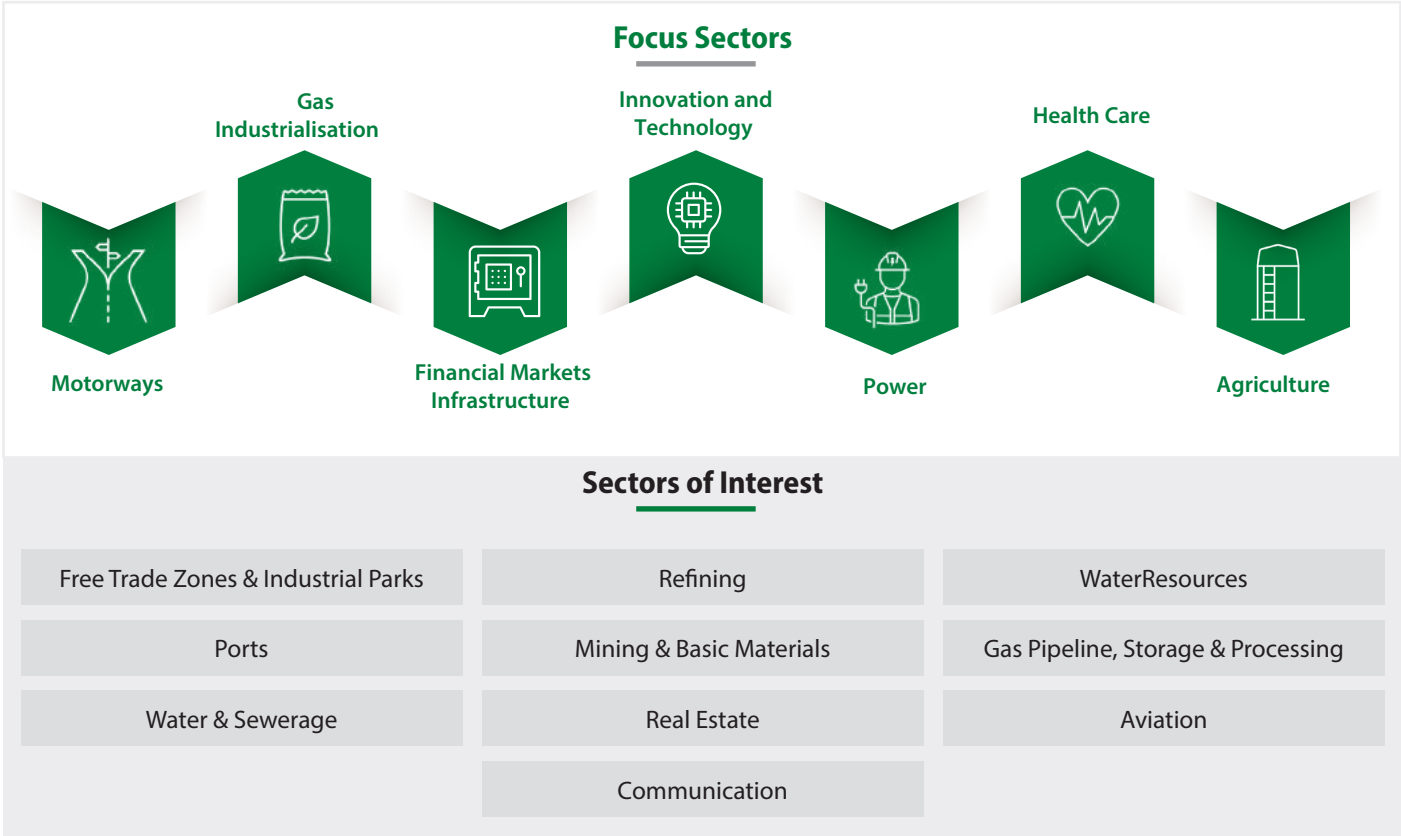
SDG Supported	Target Aligned to	Sector Alignment
	Target 15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species Target 15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to advance such management, including for conservation and reforestation	
	Target 16.5 Substantially reduce corruption and bribery in all their forms Target 16.6 Develop effective, accountable, and transparent institutions at all levels Target 16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels	
	Target 17.3 Mobilize additional financial resources for developing countries from multiple sources Target 17.5 Adopt and implement investment promotion regimes for least developed countries Target 17.11 Significantly increase exports Target 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the Sustainable Development Goals Target 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	

Our Developmental Impact Framework

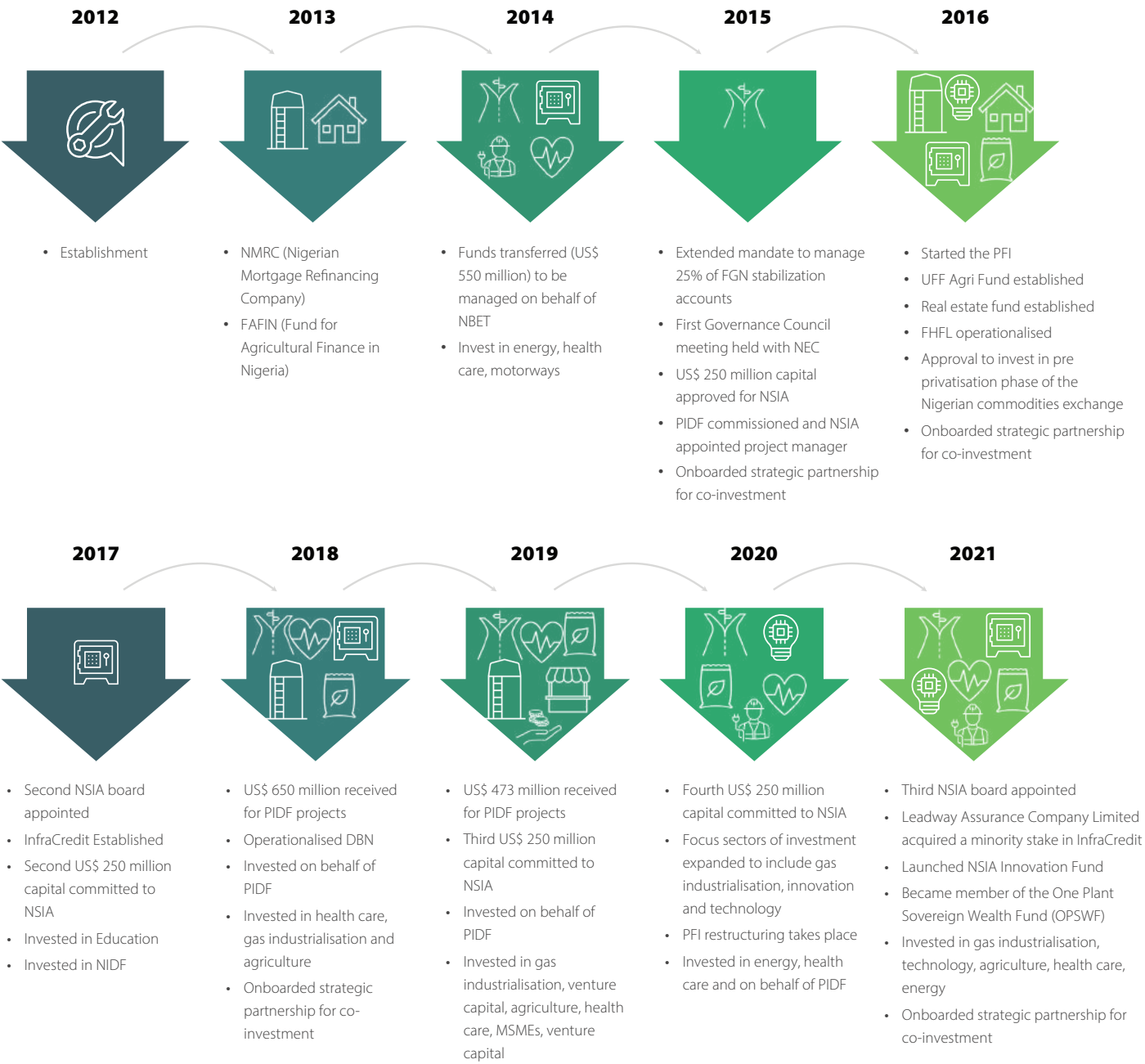
Sector Focus

NIF have identified the need to increasingly align the investments of the Authority with the country's economic priorities. In this regard, the Board recognises the effectiveness of the existing direct investment strategy of NIF in the following sectors: agriculture, healthcare, power, financial markets infrastructure, gas industrialisation, motorways, and social investment in education and real estate.

The Board, towards the end of 2021, expanded the sectors of focus to include technology and innovation given the potential of these sectors to drive significant value, attract investments, and support the country in its quest to transition into a digital economy powerhouse.



NSIA activity summary and direct investment into these sectors are summarised as follows:



Our Developmental Impact Framework

Sector Focus

The Future Generation Funds’ Investments in Funds has resulted in additional investment in the NSIA focus sectors broken down by global reach and Nigerian specific investments as follows:



Accordingly, NSIA, learning from the experiences and expertise of other successful Sovereign Wealth Funds (SWFs) has developed an alternative funding strategy in consultation with government agencies to takeover and rehabilitate Federation assets. This has been released through activities in third party managed funds on behalf of the Federal Government of Nigeria (FGN) namely The Presidential Infrastructure Development Fund (PIDF) and the Presidential Fertiliser Initiative (PFI), the FGN Stabilisation Fund, DMO Gas to Power and the Nigerian Electricity Supply Industry (NESI).

The PIDF was established in 2018 to accelerate the delivery of key federal road infrastructure projects, including the Lagos-Ibadan Expressway, Second Niger Bridge, and Abuja-Kano Road. The East-West Road, which used to be one of the PIDF projects, was re-allocated to the Federal Ministry of Niger Delta Affairs in 2020. Construction work on the Mambilla Hydropower project is yet to start.

On behalf of the DMO, we have continued to manage its investment fund earmarked in 2013 for gas-to-power and other power-related projects. The fund, which was originally US\$200 million, was part of the proceeds of the US\$1 billion Eurobond issued through the DMO by the Government in July 2013. Between 2014 and 2017, the DMO recalled a total of US\$100 million from the fund. The Authority has continued to act as investment manager for the balance, replicating the NIF’s investment strategy.

NSIA completed the restructuring of the Presidential Fertiliser Initiative (PFI). When the Authority took over the management of the initiative in 2017, the existing local fertiliser blending plants were moribund as they were only able to meet a small percentage of domestic demand and the government was spending billions of naira in import subsidies. With NSIA’s management, the total number of blending plants has increased to more than 71, production capacity has now exceeded domestic demand – creating the opportunity for the country to be a net exporter of fertiliser, instead of remaining a net importer – and the subsidy programme has been ended. NSIA’s efforts have contributed significantly to the country’s future food security.

Over and above investments made by FGN, NSIA continues to raise project specific and co-investment funding (particularly from DFIs) for Nigeria-based infrastructure projects and recycle existing invested capital in subsidiaries.

Existing partnerships forged include:

	United Kingdom's Foreign and Commonwealth Office (FCO, formerly DfID);
	International Monetary Fund (IMF);
	World Bank (WB);
	Islamic Development Bank (IDB);

	African Development Bank (AfDB);
	Africa Finance Corporation (AFC)
	German Development Bank (KfW Bankengruppe).



Enablers of Growth and Sustainable Returns

Enablers of Growth and Sustainable Returns

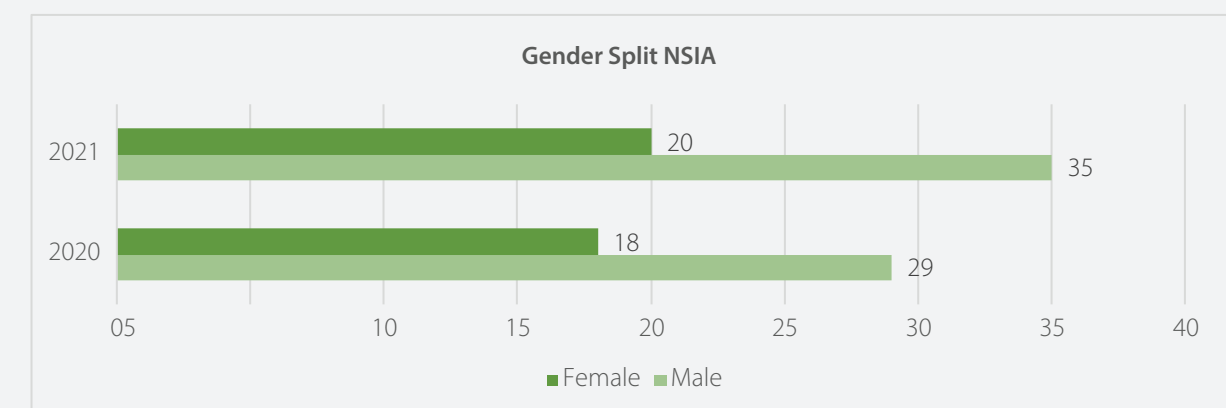
Diversity, Equity and Inclusion

The achievement of the NSIA's objectives to ensure optimal business performance is dependent on, among others the management of its human capital.

To maintain diversity and an equitable workplace NSIA is committed to maintaining a culture that represents who we are, how we do business, how we interact with external parties and with one another. One of the factors contributing to the success of the organization is the commitment to cultivating an inclusive and diverse workplace.

As an equal opportunity employer, NSIA believes that it is critical to have a workforce that represents the general populace that they serve, and therefore ensures that the recruitment process selects the right candidates across the six geopolitical zones in Nigeria. This has created a sense of oneness and an inclusive work environment amongst employees as they feel seen, heard, and accepted irrespective of their ethnicity, gender, or religion.

Employee Development and Wellness: NSIA is committed to a continuous learning and development culture. We recognize that to remain competitive there's a need for growth and development amid constantly changing markets and industry requirements. Employees are encouraged and provided with formal and informal learning and development opportunities for personal growth and development. Investing in our people is critical to our success; the attrition rate in 2021 is less than 10%. As at 2021, NSIA had 55 full-time employees (FTE) of which 20 (36.3%) are female. The percentage of female Board members was 14 %.



Nation Building and Human Capital Development

Nigerian graduates gain first-hand experience and develop multifaceted competencies, in Asset and Portfolio Management, Infrastructure Project Management, Investment Operations, Compliance, Audit and Risk Management.

This is a sponsored 2 Year Programme, consisting of:

- Classroom sessions
- On the Job training

The programme was launched in August 2021 and has had 36 Participants to date.

"The programme aims to build capabilities within the country in areas of Asset Management, Infrastructure Project Management, Portfolio Management & Reporting, Finance, Treasury Management and Risk. It is designed to create an organized pool of highly skilled candidates able to join world class institutions especially within the investment and financial services industry and promote the NSIA brand both locally and internationally."



The top 6 Graduates from the NSIA GAP programme of 2021.

Enablers of Growth and Sustainable Returns

Our Environmental Footprint

SDG Contribution:



As an organization, NSIA recognises that a better and prosperous future is linked to the sustainable management of natural resources and protection of the environment and as such strives to promote the efficient use and management of resources to limit its environmental impact.

As an organization, NSIA recognises that a better and prosperous future is linked to the sustainable management of natural resources and protection of the environment and as such strives to promote the efficient use and management of resources to limit its environmental impact. NSIA actively identifies opportunities in the investment process to minimise adverse environmental impact by the Funds investments.

Some of the actions taken include:

A signatory to One Planet Sovereign Wealth Fund Initiative (OPSWF), a programme launched to fight global warming through advocacy, carbon emission reduction practices, and investments in climate-resilient projects and infrastructure.

Partnership with a global oil trading firm to co-develop and invest in projects that eliminate or avoid carbon emissions, creating carbon credits that will be traded in the growing carbon credit markets.

Collaborate with other environmentally conscious organizations, such as the United Nations, the World Bank, the African Development Bank (AfDB), and the International Finance Corporation (IFC), in order to combat global warming and other aspects of climate change.

Set up an ESG Fund that will invest in green development and support projects that mitigate climate change

The Authority will continue to increase its commitment and support for meeting the Nigerian Nationally Determined Contributions (NDCs) under the Paris Climate Agreement and the achievement of the United Nation's Sustainable Development Goals (SDGs).

Environmental initiatives to minimize NSIA's internal footprint:

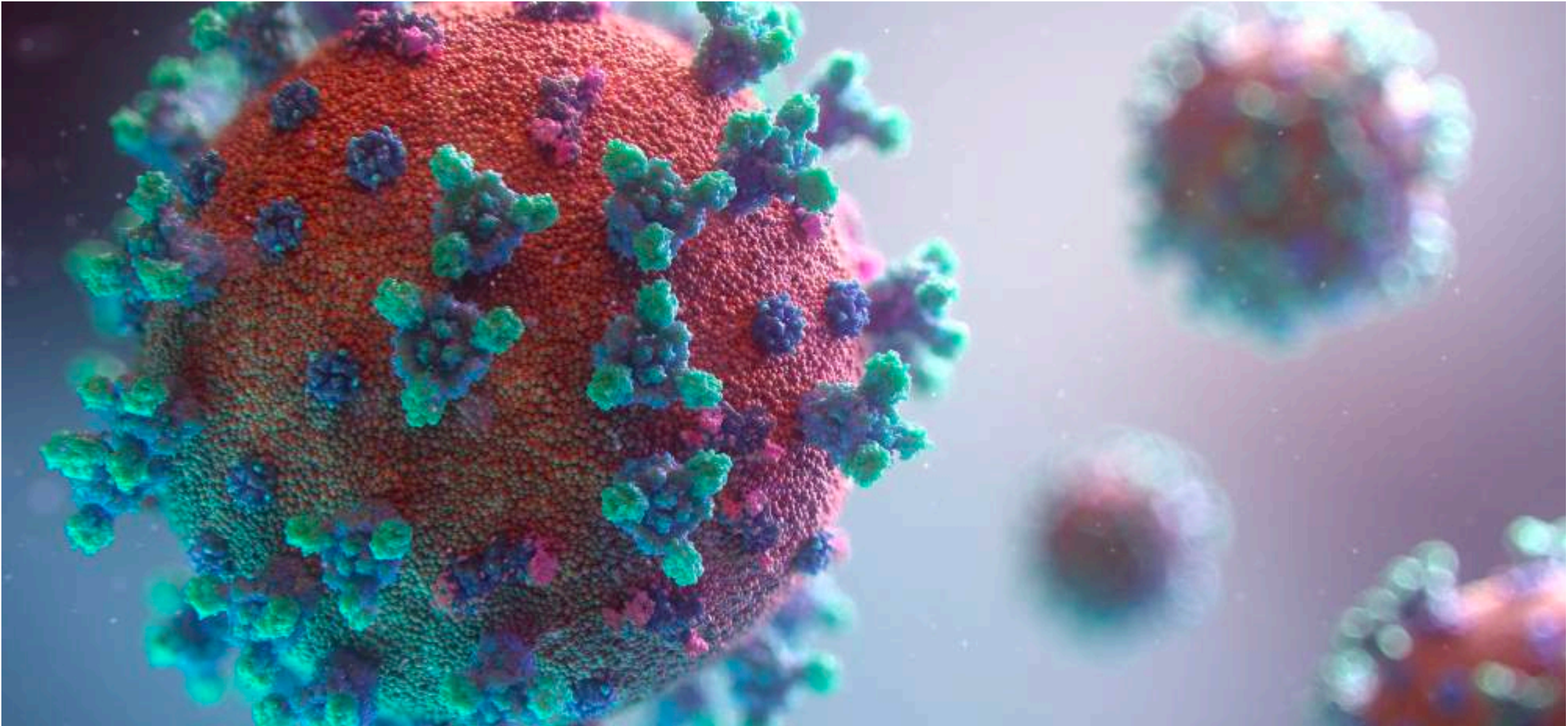
- Using Microsoft dynamics 365 which is an ERP software that allows interdepartmental engagements in an eco-friendly manner.
- The installation of external sensors to shut off power within the office floors after the close of work.
- Routine maintenance of generators,
- Use of sustainable materials during the refitting of the offices, and
- Installation of printing codes in all the printers to minimize unnecessary printing.

Additionally, NSIA is committed to developing novel strategies to improve its environmental, social, and economic performance in the areas of procurement, IT, human resources, etc., to accelerate the adoption of eco-friendly technologies. This will include the use of recycled material, a smart building management system, including eco-friendly heating, ventilation, and air conditioning (HVAC).



Enablers of Growth and Sustainable Returns

COVID-19 Support – we’re in this together



In 2021, the Stabilisation Fund delivered on its mandate of providing the Federation with fiscal support. A request from the Federal Ministry of Finance, Budget and National Planning in October 2020 for the withdrawal of US\$150 million from the Fund was delivered in 2021. This was to provide the necessary financial cushion to governments following the acute fiscal and economic stress caused by the Covid-19 pandemic. NSIA partnered with Global Citizen, an international advocacy organization to create the Nigeria Solidarity Support Fund (NSSF), a fund for Nigerians by Nigerians to combat the devastating effect of COVID-19. The objective of the fund is to support vulnerable groups, strengthen Nigeria’s healthcare system and reskill the Nigerian youth for a post COVID-19 era.

Challenges in the healthcare sector:

The healthcare sector in Nigeria is underdeveloped and lacks critical medical facilities as such the nation losses over US\$1 billion yearly to medical tourism for those that afford it while those within the lower income category (which is the largest percentage of the population) depend on self-medication or traditional medical practices. The main challenge of the healthcare sector is the lack of adequate funding which led to non-functional primary healthcare centres especially in remote areas, inadequate or obsolete equipment in existing tertiary healthcare hospitals and a shortage of professionals trained in critical care, and inadequate tertiary care facilities.

Prior to the global outbreak of COVID-19, the Healthcare sector in Nigeria had battled several in-country outbreaks such as Lassa fever, Ebola and Monkeypox etc, and containing these outbreaks still remains a challenge.

In February 2020, Nigeria recorded its COVID-19 index case and this raised panic amongst the citizens of Nigeria. This was in part because of the existing challenges in the healthcare systems. Although the impact in Nigeria was not as expected (as of September 2022, the total confirmed cases were 264,617 and death of 3155, however, the healthcare system was overwhelmed as critical equipment needed were not available coupled with the lock down that made it challenging for equipment to be shipped.

NSIA’s COVID-19 support:

Extraordinary times require an extraordinary response. To improve access to quality healthcare especially towards COVID-19 patient care, NSIA donated 126 patient monitors and 63 oxygen concentrators worth US\$600,000 to 21 hospitals across the country. Each healthcare facility received 4 Regular Monitors, 2 ICU Monitors and 3 Oxygen Concentrators to supplement the government’s ongoing effort and add to the stock of critical medical equipment needed in these hospitals across the country. Equipment beneficiaries also received training and maintenance services from the Original Equipment Manufacturers (OEMs).

Partnerships during the COVID-19 crisis:

NSIA collaborated with Global Citizens, an international advocacy organization, to create the Nigeria Solidarity Support Fund, which will be used to foster economic recovery and rehabilitate health centres across the country.

NSIA is currently in talks with University College in London (UCL) to develop and create a world-class pharmaceutical drug manufacturing Company in Nigeria.

Employee health and wellness during COVID-19:

As an organisation, the health and safety of the employees is of the utmost importance, so following the outbreak of COVID-19, the work-from-home framework was improved to minimise work disruptions. These included the provision of additional tools and data bundles to enable employees to work from home, the transition to online courses to support continuous learning, digital communication platforms to ensure collaboration between team members and line managers, and virtual meetings, among others. In addition, the following measures were implemented to protect management and staff:

- Provision of transportation for employees who would otherwise commute to work via public transportation.
- Modification of workstations and the provision of face masks and hand sanitizers to enhance safety and compliance with COVID-19 protocol.
- Virtual support and migrated mental health programmes, fitness programmes and work-life balance initiatives online.

As the gradual transition back to office-based work commenced in 2021, adjustments were made to shared facilities while workstations were redesigned to maintain a healthy work environment as employees returned to the office. This was done with the intention of protecting the employees and fostering collegiality. As a precaution against the spread of COVID-19, Management periodically directed that employees could work remotely.

Source: <https://covid19.ncdc.gov.ng/>

The challenges to a successful COVID-19 vaccination programme in Africa - PubMed (nih.gov)





Sector Specific Impacts

Sector Specific Impacts

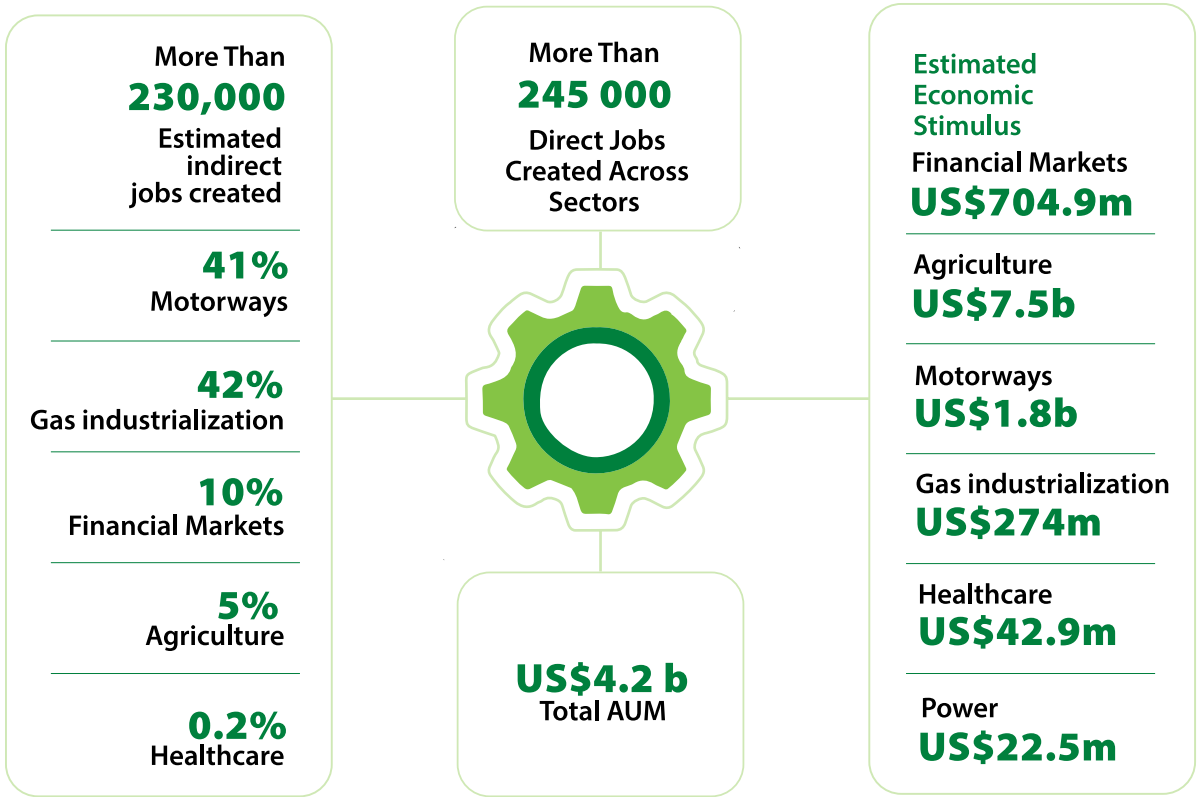
Overview of Direct Investments Made

Sector	Fund	Investment Commitment Made to Date	Estimated Economic Stimulus	Estimated Indirect Jobs Created
 Agriculture	NIF	US\$121 million	US\$7.5 billion	12,528
 Health Care	NIF	US\$22.5 million	US\$12.6 million	468
 Power	FGF	US\$54.2 million	US\$30.3 million	Not determined
 Financial Markets Infrastructure	NIF	US\$15 million	US\$22.5 million	112
 Gas industrialisation ⁴	NIF	US\$44 million	US\$704.9 million	23,420
 Motorways	NIF	US\$100 million	US\$274 million	100,000
	NIF	US\$1.2 billion	US\$1.8 billion	97,200

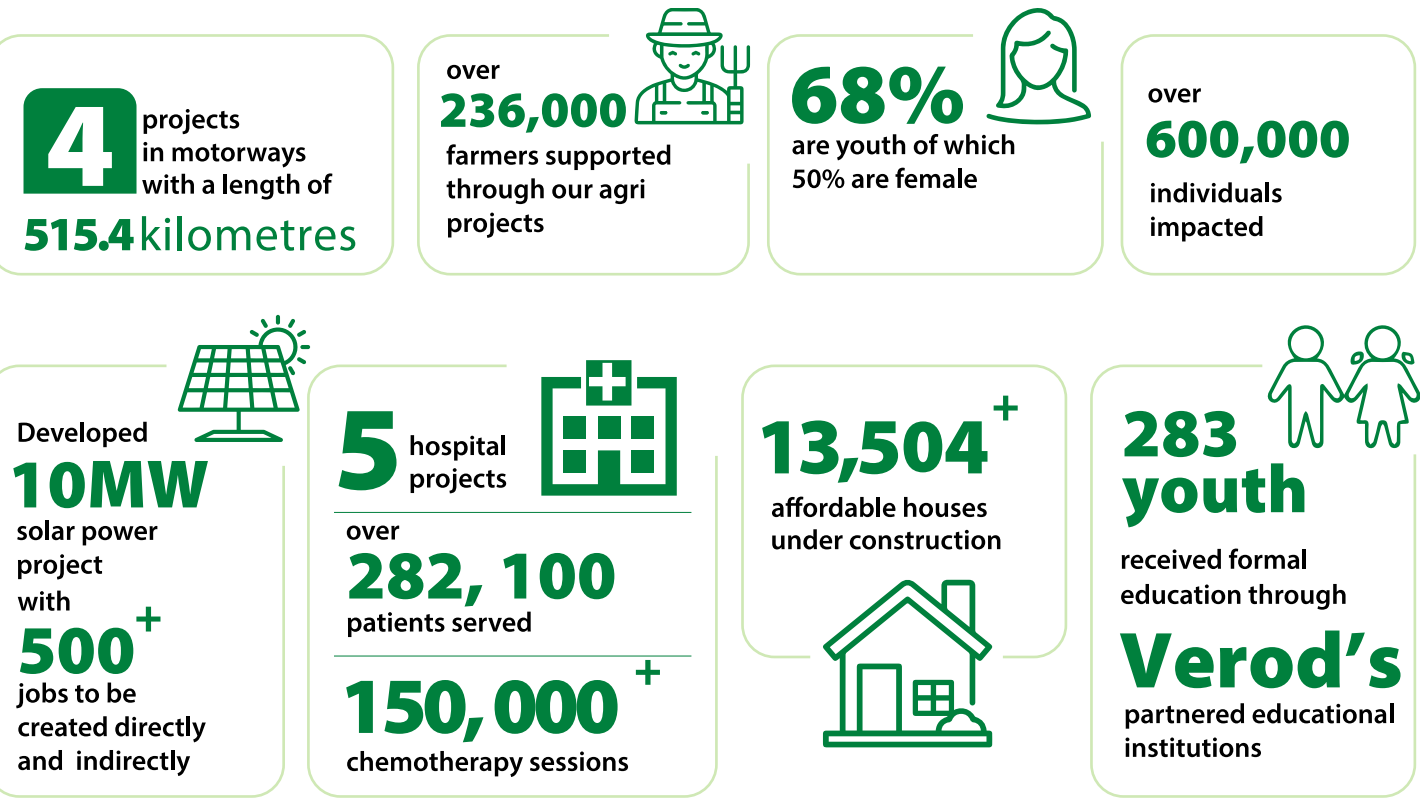
⁴The investment in Gas industry has not yet been deployed.

Sector Specific Impacts

Our Impact: jobs and economic stimulus



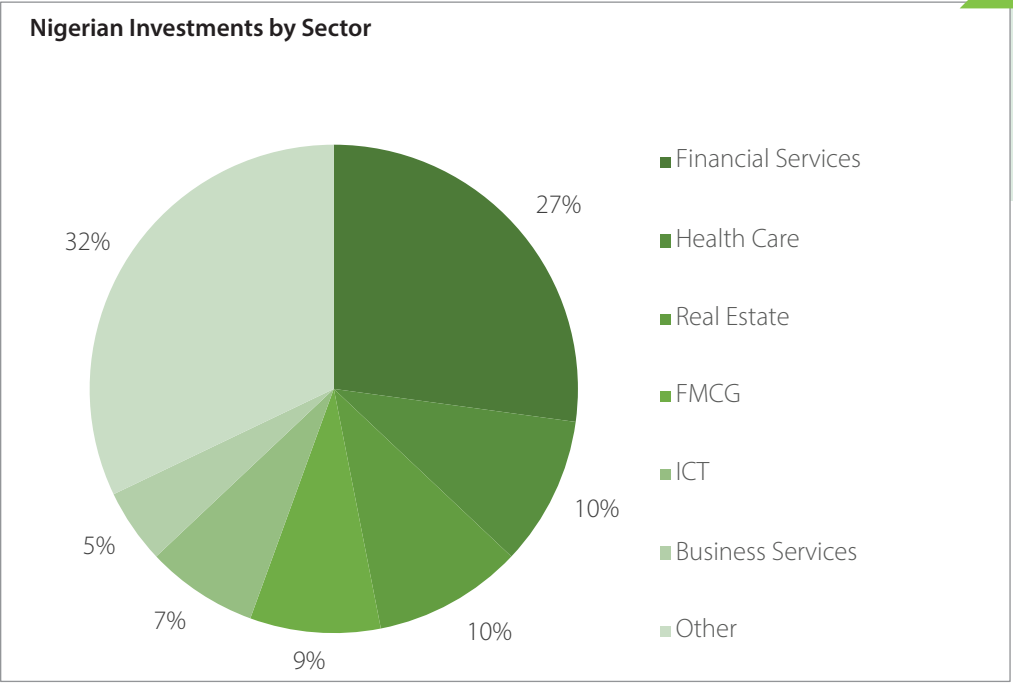
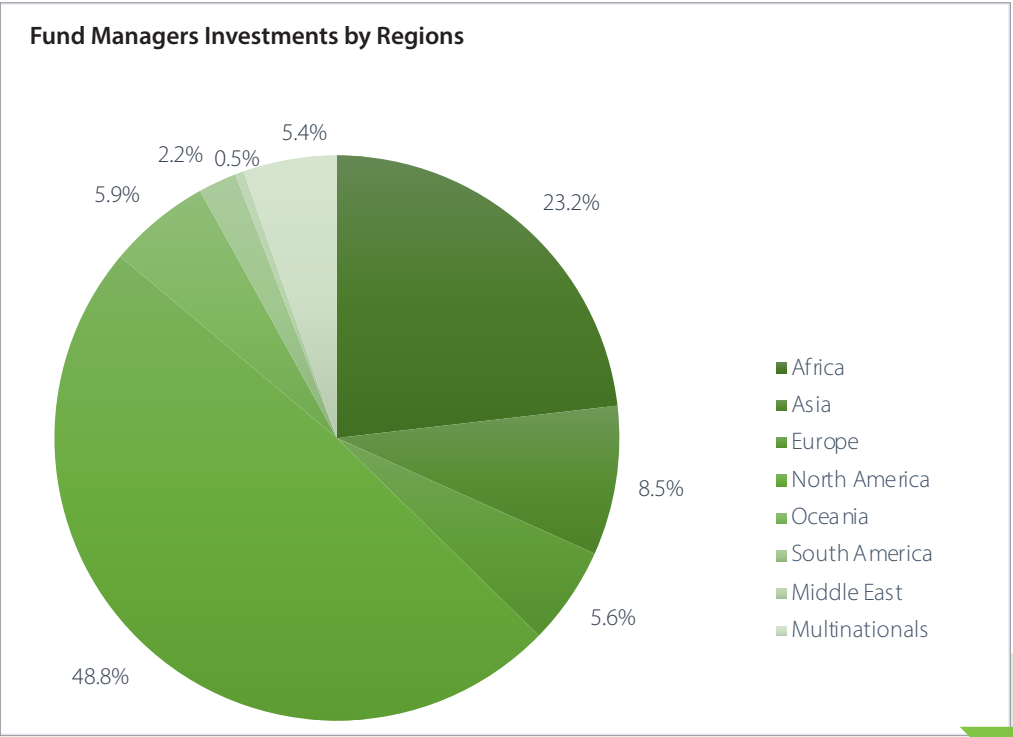
Our Impact: across sectors



Sector Specific Impacts

Overview of Investments by Fund Managers Invested in

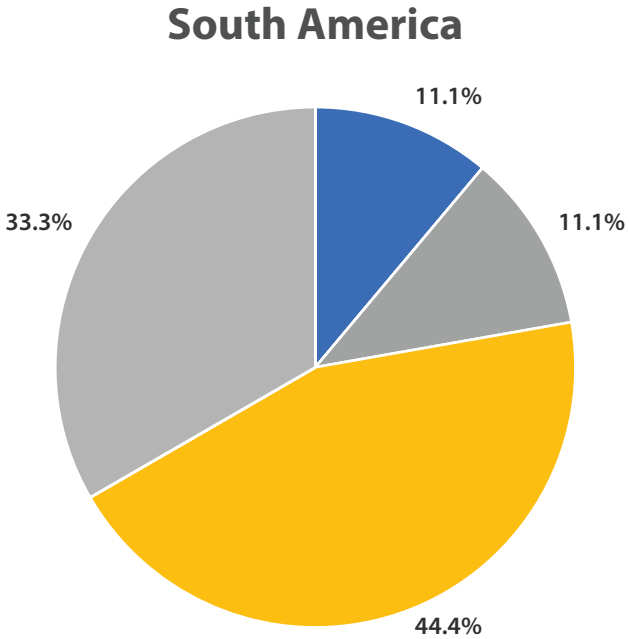
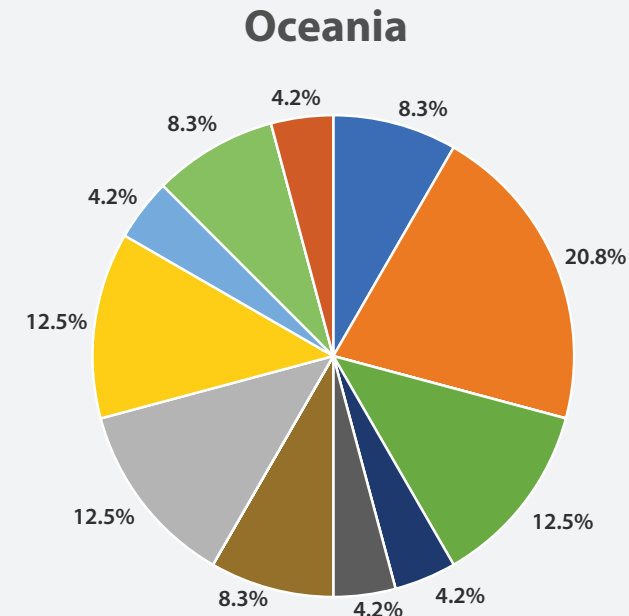
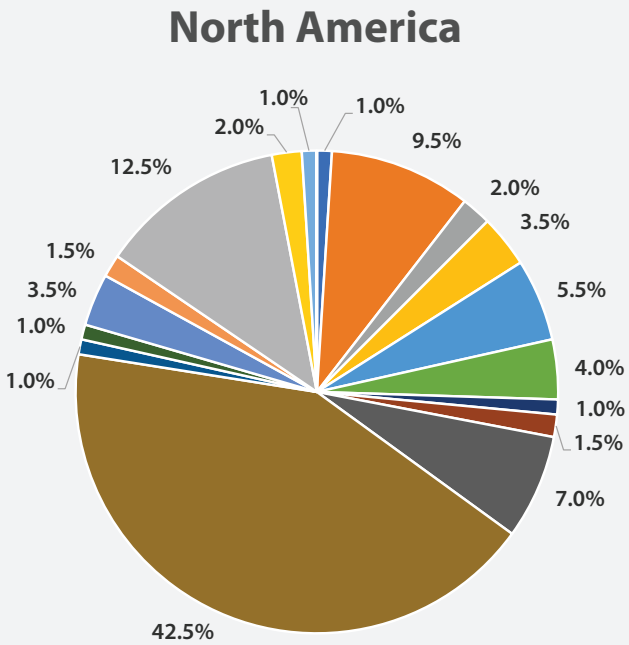
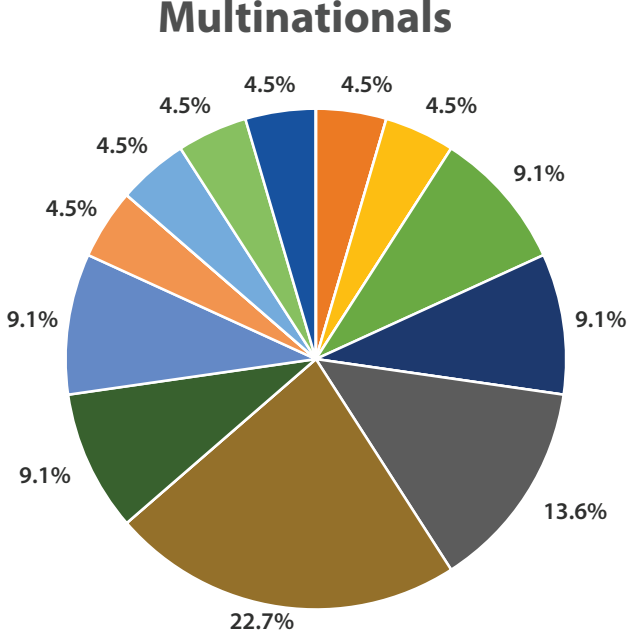
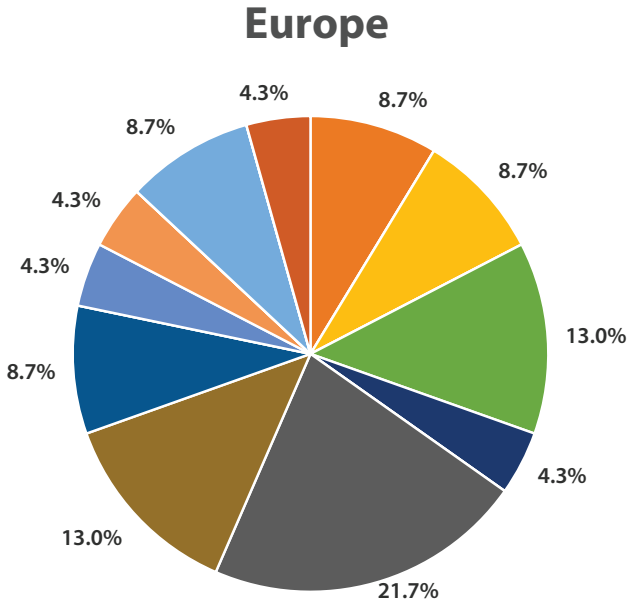
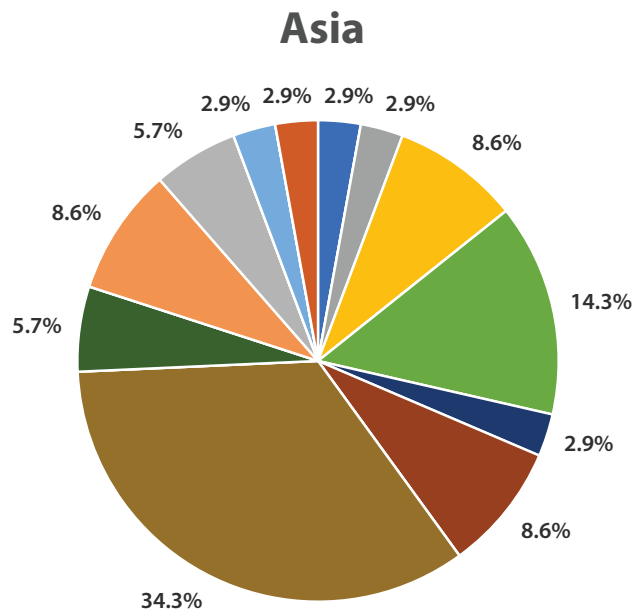
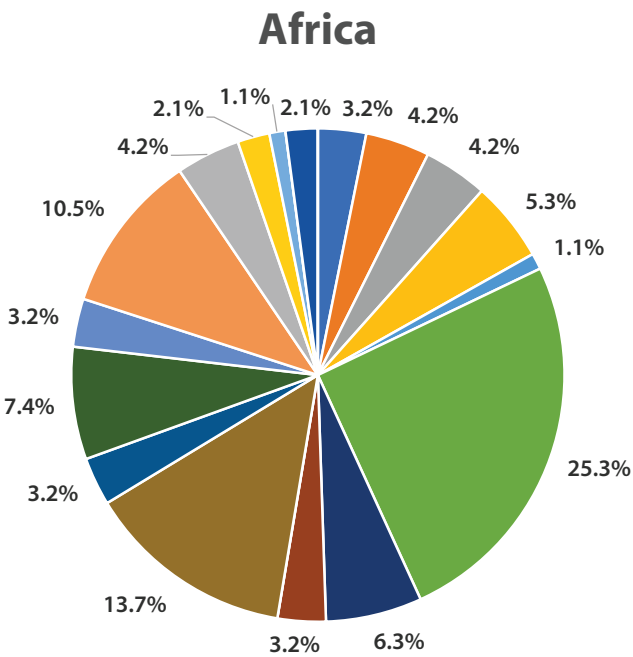
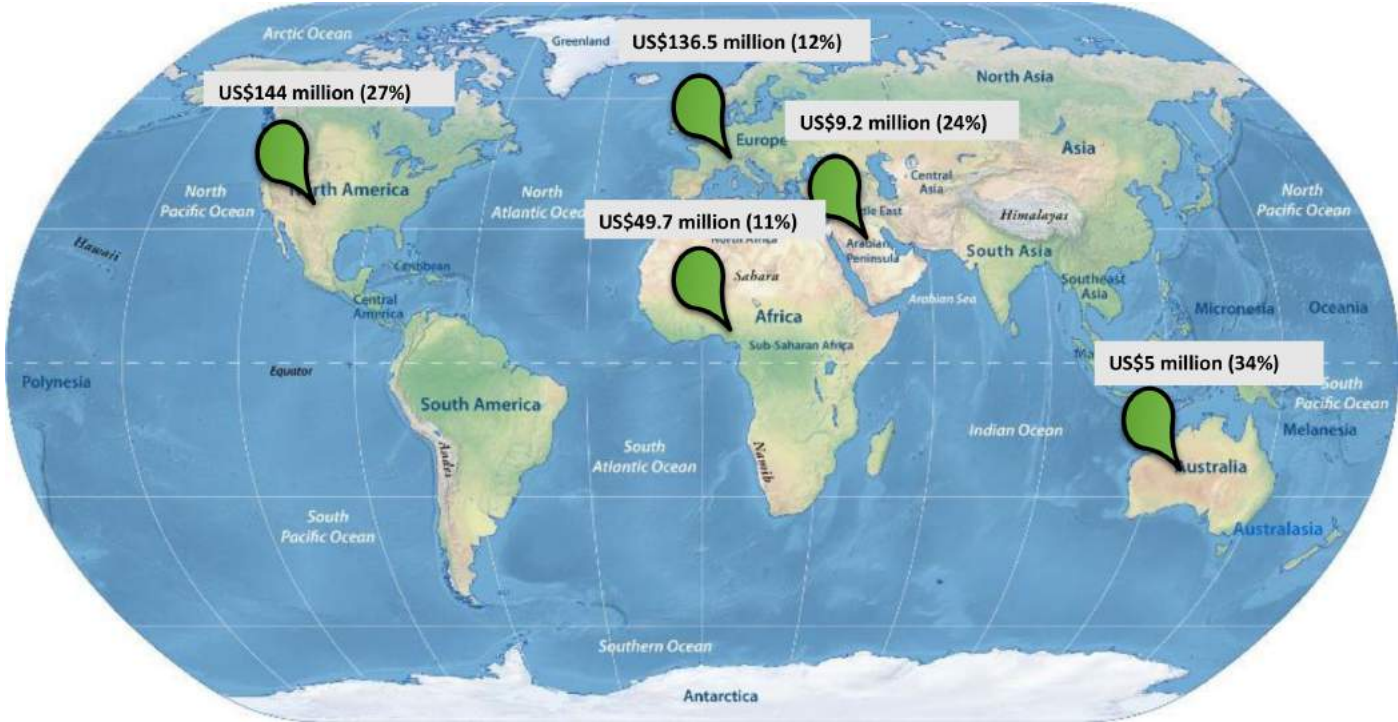
The number of investments by geographic area indicates that after North America which sees a 49% allocation of funds, almost a quarter of funds are being deployed indirectly into Africa, of this African allocation 85% is taking place in Nigeria. Of the funds allocated in Nigeria the largest proportion were deployed in financial services businesses, which includes businesses in fintech, insurance, securities, banking, provision of payment services, cross border payment systems and pension funds.



85% of African investments are in Nigeria

Sector Specific Impacts

Distribution of investments made to funds per region and % allocation per sector, with % indicating value of total committed funds deployed in 2021



- Agriculture
- Business Services
- Education
- Energy
- Entertainment
- Financial Services
- FMCG
- Food and Bev
- Fund manager
- Health Care
- Hospitality
- ICT
- Manufacturing
- Real Estate
- Retail
- Technology
- Transportation
- Media
- Mining or Oil & Gas
- Waste or Water Treatment

Sector Specific Impacts



CASE STUDY

VEROD

Strong Catalytic Support in the Nigerian Market

During fund raising for the Verod Growth Fund II in 2017, Verod Capital Management approached the NSIAs Future Generations Fund for funding. Verod saw a partnership with FGF as an opportunity to leverage the Authorities knowledge base and credibility in the market to position themselves to bring on-board additional international investors.

The Authority invested USD 5 million in the Verod Growth Fund II in 2017, who in turn invested in 11 companies, achieving targeted social and environmental impact. The Authority has subsequently invested in the Verod Growth Fund III, with 8% of the USD 7.5

million commitment disbursed to date. This catalytic investment anchored the Verod Growth fund II & III as intended, with further support provided in the form of strong institutional and governance inputs, leveraging the Authorities knowledge of local market conditions and risk factors to manage and drive growth within their investee companies.

The Authority introduced Verod to various trade associations as well as engaged potential additional funders for specific investments to maximise opportunities for their growth and development. Leveraging the Authorities network further assisted in sourcing additional investors to the fund. The authority is an observer on the Limited Partners Advisory Committee (LPAC), which allows Verod to consult the Authority when required on how to best approach or manage risk issues in investments, the identification of areas of improvement, reviewing existing programmes in place and suggesting alternatives to maximise health and safety outcomes, and the improvement of general living standards within surrounding communities.

Sector Specific Impacts

VEROD commitments



HEALTH AND SAFETY

Verod is committed to safeguarding the health and safety of its employees, employees of underlying investee companies, and other stakeholders (including members of the host communities), by adhering to stringent policies on working conditions and labor rights. Verod insists on proper PPE for construction or manufacturing, adopts high standards in its food processing and handling, and typically implements processes to deal with waste management (including any hazardous waste), and protection of local resources such as groundwater and where appropriate, will also devise robust biodiversity conservation plans to protect local wildlife and ecosystem.



JOB CREATION

Verod typically aims to upgrade working conditions for jobs directly created or saved by Verod's investments by standardizing terms of employment and offering better than minimum wages, including health care, pensions and related benefits. Verod actively supports the creation and expansion of indirect employment opportunities through partnership with local suppliers and service providers.



DEVELOPING LOCAL INDUSTRIES

Verod promotes the use of cutting edge technology in operation of its investees companies. Verod has also developed or supported companies that provide a viable import-substitution which results in technology transfer and development of human capital. This in turn has led to further advancement of local industries through partnership with local providers, knowledge transfer and know-how sharing, which can act as a catalyst for technological advancement within these local industries.



ENERGY EFFICIENCY

Verod consistently promotes the adoption of energy-efficient technologies and processes in all of its investee companies and where possible, adopts eco-friendly energy sources that reduce environmental degradation, produce lower levels of CO₂ emissions and are generally more cost effective.



COMMUNITY DEVELOPMENT

As far as practicable, Verod strives to employ from within the local community in which it operates and is a believer in early engagement with the community by adopting a proactive stakeholder engagement plan. Verod has donated free medical services, participated in youth apprentices, provided support to local schools and built roads that connect rural areas. Verod has found that improving local trading links positively impacts the local economy (and livelihood) of its surrounding communities.



WOMEN EMPOWERMENT

Verod is a major advocate of gender equality and women empowerment and strives to ensure that all of its investee companies operate as equal opportunity employers of labor with well-entrenched rules against discrimination. Verod has invested in partner companies that are run by women, or that have predominant female senior management teams.

Sector Specific Impacts

Sector investment focus: Education

Verod has made significant contribution towards improving and transforming education standards in Nigeria and Ghana through capital investments in the sector followed by active ownership and technical assistance.

Motivation



Focused inputs from Verod to achieve objectives

US\$ 28 million invested	Well-structured strategy for investment in the education sector	Integrate learning outcomes into the investment strategy
Taking active ownership during the life of the investment	Champion support in enhancing effective learning environment	Building capacity of teachers to achieve quality learning outcomes

Targeted outputs linked to input objectives

Investment in Oreon Education Services	A British International School in Lagos	Across 3 campuses
Beneficiary: Greenspring School	Primary and Secondary education provision	
Investments in Oreon Education Services	International School in Lagos and Ogun State	Across 2 campuses
Beneficiary: Rainbow College	Secondary education provision	



Sector Specific Impacts

Challenges to Overcome

Short supply of qualified competent teachers	High mobility of qualified competent teachers	High cost of quality education
Short supply of quality school administrators	Emigration and increased insecurity negatively affecting enrolment	Declining incomes due to social, political, and macro headwinds








220 children enrolled and benefitted from Verod's sponsored guided reading programme	3,597 Students enrolled across all the facilities invested in	700 Students graduated during the year
283 youth received formal education through Verod's partnered educational institutions	1,884 enrolled students were females 220 enrolled students had special needs	Scholarships were issued to underprivileged families
Achieved an increase in minimum proficiency levels in reading	Virtual learning portals were created Effectively utilised during COVID	Overall learning environment for teachers and pupils were improved
5 Verod staff were provided with sponsored educational opportunities	5 Verod staff were provided with sponsored educational opportunities Teachers were supported Enhanced capacity and competency levels of teachers were achieved	Educational institutions and pupils acknowledged for excellence through awards and accolades



Sector Specific Impacts

Overview of the NIF Achievements Against their Three Strategic Pillars

Activities undertaken in 2021 under NIFs three strategic pillars

01		Optimised health care portfolio, with focus on LUTH Cancer Centre, Kano and Umuahia diagnostic centres. Work on 23 other health care facilities commenced across the country.
Direct investments in projects or companies		Commenced construction of a 10 MW solar power plant in the Challawa Industrial Area in Kumbotso Local Government Area of Kano State on behalf of the Federal Government.
		Completed the restructuring of the Presidential Fertiliser Initiative (PFI) into a profit-oriented venture and exited the programme.
02		As project and fund manager, the Second Niger Bridge (2NB) and Lagos-Ibadan Expressway (LIE) project reached thresholds of 79 and 82 percent completion respectively as at end of 2021. The Abuja-Kano Road (AKR) – the third motorway project continued to make progress after it was re-scoped and expanded.
Co-investments through funds and platforms		In collaboration with Signature Agri Investments, developed Pandagric Novum in Nasarawa State. Included the cultivation and processing of grains.
		Reached a major milestone in the development of the NSIA-OCP Multi-purpose Industrial Platform Project, in partnership with OCP Morocco, for the production of ammonia, a basic raw material for fertiliser production
03		Leadway Assurance Company Limited acquired a minority stake in InfraCredit, NSIA reducing their stake.
Creation of institutions that support infrastructure development		

Sector Specific Impacts

Sector Review: Agriculture



Overview of Agricultural Context in Nigeria

The agricultural sector has been a significant component of the Nigerian economy since the country’s independence in 1960, despite the oil boom, providing employment opportunities and a means of subsistence for the growing population, eradicating poverty, and improving the nation’s economic growth ⁴. Agriculture accounts for more than half of the country’s Gross Domestic Production (GDP). However, the role it plays in the country’s regional and economic development has diminished over time due to the dominant role of the oil industry.

The sector remains important to the country’s economy despite the country’s wealth of oil and other mineral resources. With contributions from four segments [Crop production: 90%; Livestock: 5%; Fisheries: 4%; Forestry: 1%], there has been a 7.8% growth in the agriculture sector. In terms of national output and the creation of jobs, agriculture is the bedrock of the Nigerian economy, being a major contributor to GDP; currently contributing 29.9% to the nation’s GDP (average of 38% in the last 8 years) and is responsible for the employment of 35% of the nation’s labour force. It meets the demands of a sizable and expanding population for food and

fibre while also employing about 65% of the adult labour force ⁵. It accounts for 88% of the revenue from non-oil exports and is a source of raw materials for agro-industrial businesses.

Despite the importance of agriculture to Nigeria’s economy, the country’s agricultural sector must contend with several obstacles, all of which influence productivity. These include poor land tenure systems, low levels of irrigation, land degradation, and climate change. Other factors include inadequate funding, significant post-harvest losses, minimal access to markets, inadequate technological interventions, high production costs, and poor input distribution ⁶.

The Importance of Agricultural Sector in the Nigeria economy

Nigeria’s agriculture sector is essential for fostering job creation, economic growth, reducing poverty, and enhancing food security. More than 40 % of the rural population relies on agriculture for their livelihoods, making agriculture a vital sector of the rural economy. As the dependence on oil dwindles, the government have identified agriculture as one of the sectors that will drive economic recovery and job creation.

⁴ Izuchukwu, O.O., 2011. Analysis of the contribution of agricultural sector on the Nigerian economic development. World review of business research, 1(1), pp.191-200.

⁵ What to know about Agricultural Investment in Nigeria - eFarms Blog

⁶ Nigeria at a glance | FAO in Nigeria | Food and Agriculture Organization of the United Nations

Sector Specific Impacts

Sector Review: Agriculture

NSIA focus areas to maximise investment impact in Nigeria	Targeted SDGs
<p>Limited storage capacity of agricultural commodities resulting in post-harvest losses</p> <p>The smallholder farmers have limited access to agricultural inputs, credit, and marketing services</p> <p>Low yield of agricultural products leads to food scarcity</p> <p>Limited availability/investment in agro-processing facilities limiting sector growth</p> <p>Lack of exposure of farmers to sustainable agricultural practices to improve to improve levels of resilience</p>	<div><div>2 ZERO HUNGER</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10 REDUCED INEQUALITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div><div>14 LIFE BELOW WATER</div><div>15 LIFE ON LAND</div><div>16 PEACE AND JUSTICE STRONG INSTITUTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>



Sector Specific Impacts

Sector Review: Agriculture

Investments made in the sector: Agriculture



Project Description:

The Fund for Agricultural Finance in Nigeria (“FAFIN”) is an innovative agriculture-focused private equity fund that provides tailored investment capital and technical assistance to high-growth, commercially attractive agricultural SMEs across all regions in Nigeria using quasi-equity, equity, and structured debt instruments.

Benefits / Impact (Social, Economic & Others):

FAFIN invests in SMEs as part of its mission to positively impact the lives of smallholder farmers, increase the amount of commercial capital available for agribusinesses in the country, and catalyse agriculture-led inclusive economic growth in Nigeria.



Project Description:

The Pandagric project, being developed under the Signature Agri Investments (previously UFF-NAIC Agriculture Investment Fund) (the “Fund”), is the two-phase development of an animal feed processing business, with backward integration through the farming of maize and soybeans on circa 3,300 hectares (“ha”) of land, with plans to expand to 5,000ha (the “Project”).

Benefits / Impact (Social, Economic & Others):

- Projected return of ~12%
- Projected job creation (500 directly and over 2,000 indirectly)
- Infrastructure development
- Supply of high-quality animal feed
- Community development through the project’s out-grower schemes and other ESG efforts.



Presidential Fertilizer Initiative

Project Description:

Following the directive of His Excellency, President Muhammad, the presidential Fertilizer initiative (“PFI”) began in December 2016 intending to deliver quality fertilizer in time to Nigerian farmers ahead of the wet season.

Benefits / Impact (Social, Economic & Others):

The program has:

- Resuscitated and established 52 local blending plants across 19 states,
- Facilitated the local production and supply of quality fertilizer at an affordable price 2,977,193 metric tons (about 59.5 million 50kg Bags) of NPK 20:10:10 fertilizer,
- Created over 100,000 direct and indirect jobs across the fertilizer Value Chain
- And accrued substantial annual subsidy and FX savings through import substitution.



Project Description:

Babban Gona is a high impact, scalable agricultural franchise that seeks to sustainably improve the lives of smallholder farmers through the provision of i) credit, ii) inputs, training in good agricultural practices, iii) harvesting and storage services, and iv) marketing services

Benefits / Impact (Social, Economic & Others):

- Babban Gona has supported over 200,000 farmers across 13 states in northern Nigeria
- Over 600,000 individuals have been impacted in the local communities in which Babban Gona operates
- Babban Gona is one of Nigeria’s single largest maize producers
- Provision of training & education, financial credit, agricultural inputs and harvesting & marketing support

Sector Specific Impacts

Sector Review: Agriculture

Sectoral Profile: Pandagric Novum

In 2021 we substantially completed the development of NSIA's first, fully integrated agriculture projects in collaboration with Signature Afri Investments – in Nasarawa State. The project, which entails the cultivation of grains on over 3,500ha of farmland, feed, maize and oil mills, as well as 75,000 tons of storage infrastructure, is now fully operational.

The development of the Project entails the acquisition and installation of various fixed assets including a poultry feed mill, maize and oil mills, storage infrastructure, as well as water management infrastructure.



The feed mill has an installed capacity of 147 metric tons per annum, while installed silos (two) and bunkers (six) provided 5,000 tons of grain storage capacity each and will optimise grain handling and reduce post-harvest losses.

To date, the project has achieved several critical milestones including the:

- Commissioning of a new 147,000 metric tons capacity feed mill;
- Installation of approximately 89% (670ha) of the targeted 750ha of centre pivot irrigation coverage;
- Commissioning of two silos and six bunkers, with 5,000 tons capacity each, as well as 35,000 tons of raw material and finished goods storage, bringing storage infrastructure capacity to 75,000 tons;
- Leasing and development of circa 3,300ha of land;
- Commissioning of a 1.4mn m³ reservoir;
- Commissioning of other ancillary structures including a mill building, water treatment systems, fire water pipes, fuel depot, and services plant rooms, etc; and
- Successful planting of 856ha of maize during the 2021 wet farming season.



Benefits / Impact (Social, Economic & Others):

- Projected return of **₦**12%
- Creation of jobs (917 directly and over 2,000 indirectly)
- Infrastructure development
- Supply of high-quality animal feed
- Community development through the project's out-grower schemes and other ESG efforts



Project Replicability

NSIA has entered into a long-term partnership agreement with the Federal Ministry of Water Resources for the development of similar projects in Gurara, Kaduna State, and will look to maximise the lessons and successes of the Pandagric project such as an average yield of 6 tons per ha, to support the entire agriculture sector.



Images source: pandagricnovum.com/newsevent/

Sector Specific Impacts

Sector Review: Agriculture

Sectoral Profile: Presidential Fertiliser Initiative

The restructuring of the PFI programme has helped to improve food security in the country by improving agricultural yield and limiting food inflation. Equally important is the fiscal savings the government is now enjoying from ending the fertiliser subsidy regime.

Having developed the value chain of the commodity, the industry is now able to produce more than its combined output in the 10 years before we took over the management of the fertiliser initiative.

Project Objectives Defined:

- Deliver commercially significant quantities of affordable and consistently high-quality fertilizer at the right time to the Nigerian farmer
- Revive the local blending industry
- Adopt an import substitution approach by ensuring over 60% of the raw materials (Urea & Limestone) required for production are sourced locally
- Production is done locally at revived blending plants
- Drive economic diversification of the economy
- Provide a financially sustainable alternative to Growth Enhancement Support (GES) scheme of the government

Implementation Approach:

- A Special Purpose Vehicle (SPV) (NAIC-NPK Limited) was incorporated by NSIA, to implement and manage the process, from procurement of inputs to the sale of blended fertilizer.
- Restructuring of the PFI program starting in 2021
- NAIC-NPK Limited under PFI largely limited to importation and sale of raw materials to blenders.
- The name of the SPV has been changed to PFI-NPK Limited (PFI-NPK).
- The initiative to be funded through the CBN Real Sector Support Facility (RSSF). NSIA to provide stop-gap funding to the Initiative.

Benefits / Impact (Social, Economic & Others) 2017 – 2021:

- Facilitated the local production and supply of 1,499,693 metric tons (about 29.9 million 50kg Bags) of NPK 20:10:10 fertilizer
- Resuscitated and established 52 blending plants across 19 states
- 52 blending plants with combined capacity of over 6.2 million metric tons have been revived, 45 blending plants participating in the 2021 PFI
- Achieved controlled reduction in the price of NPK fertilizer. Prior to PFI, each imported fertilizer bag was subsidised to the tune of up to **₦**6,000 per bag. Annually, PFI saves for the Government substantial amount in would-be subsidies

- Estimated foreign exchange savings of about US\$150 million annually through the substitution of 63% of the imported inputs of NPK with locally sourced inputs
- Created over 100,000 direct and indirect jobs across the fertilizer Value Chain ("VC") Including at the blending and bagging plants, ports, transportation and logistics sectors etc
- Has among others accrued substantial annual subsidy and FX savings
- Widespread availability of NPK at affordable prices has reduced scarcity and hoarding with over 22 million 50kg bags of NPK have been supplied since 2017
- Over 22 million bags of fertilizer have been delivered to farmers at 40% below market prices
- 50kg bags of NPK sold at an average of **₦**9,000 in 2016 now being sold at **₦**5,000 due to PFI
- Resultant increase in food production will continue to enhance national food security and reduce food-induced inflation

Governance Oversight:

- Each blending plant must be a part of FEPSAN to be considered to participate in the PFI
- The Office of the National Security Adviser clears each blending plant to participate in the PFI
- Participating blenders either provide a bank guarantee or cash payment for the offtake of raw materials
- The collateral managers appointed by FEPSAN (AVE logistics and Continental Logistics) oversee blending plant operations

Bottlenecks Still to be Addressed:

- Bottlenecks at ports limiting export capacity
- Standardisation of exportation processes through ports required to create transparency
- Upgrade of port infrastructure required to manage increased product export and raw material import volumes anticipated
- Additional research required to maximize overall efficiencies in the supply chain.



Sector Specific Impacts

Sector Review: Agriculture

Babban Gona Beneficiary Story



I was a farmer in the past, but it was hard work and often difficult to make a living. When working one day a friend told me about Babban Gona. I reached out to them, and they provided me with training on how to be a more effective farmer.

I was then provided with inputs I required to start farming again. I started with planting rice, maize, and soya beans. Babban Gona helped me with this process too.

I am an active farmer now for the last 6 years. Before I entered this programme, I used to produce 20-30 bags of maize per hectare. In the first year of this programme, I produced 86 bags. Babban Gona continues to monitor my progress and provide advice on how to improve me yields.

Because of this support in my second year with the programme I was able to expand my fields to 3 hectares which yielded 150 bags of maize. Since then, I have bought a truck which allows me to transport my product to market and further extended my farm to 4 hectares, allowing me to harvest 202 bags of maize per season.

I also provide jobs for people during the harvest season, as I need support when I slash, stack, and clean the maize, and when I prepare the fields and plant crops. I keep some of my produce aside each year which I then sell when I need money to pay the workers.

Each year I have a project, so I plan ahead, this way of farming is helping me to build a house and send my children to good schools. Life is much easier for me now. I have 11 children, all of whom go to school. I have been able to send them out of the state where the schooling is better. I also sponsor three of my elder sisters’ children to go to school as well as two of my younger brothers’ children.

Babban Gona has not just helped me, but the community as there are many like me in the community who are farming in this way and being helped by the programme. I feel great when I see how by recommending Babban Gona to my neighbours that their lives are getting better. Lives in my community have improved.

Sector Specific Impacts

Sector Review: Healthcare



Overview of Health Care Context in Nigeria

The Nigerian healthcare system is based on a three-tier system; primary, secondary, and tertiary care and these systems are the responsibility of the Local, State and Federal Governments, respectively. Nigeria is one of the developing nations burdened by both the high prevalence of communicable diseases and the growing incidence of non-communicable diseases.

In a country as densely populated as Nigeria, with a poverty rate that is among the highest in the world, there is a pressing need for healthcare that is both accessible and inexpensive. Now, there are a total of 39,467 healthcare institutions that are registered with the Federal Ministry of Health; 85.1% of them are primary care facilities, 14.5% are secondary care facilities and services and 0.40% are tertiary care facilities. In all, 73.5% are managed by the public sector, while the remaining 26.5% are operated by private companies ⁷. This highlights the significance of primary healthcare which is the foundation of every healthcare system.

The average life expectancy in Nigeria (55 years) ⁸ is lower than that of its peer African countries, e.g., Ghana (61 years) and South Africa (57 years). The prevalence of infectious diseases remains high as Nigeria ranks poorly on the incidence of tuberculosis (128 out of 138 countries) and the prevalence of HIV (123 out of 138 countries). In under-five child mortality, there are 89 deaths per 1,000 live births, a level far above the target of 64 deaths per 1,000 live births set in the UN Sustainable Development Goals (SDGs)⁹.

⁷ Nigeria Health Facility Registry
⁸ Life expectancy at birth, total (years) - Nigeria | Data (worldbank.org)
⁹ NECR.pdf (smedan.gov.ng)
¹⁰ Omoleke, J.I. and Taleat, B.A., 2017. Contemporary issues and challenges of the health sector in Nigeria. Research Journal of Health Sciences, 5(4), pp.210-216.
¹¹ Healthcare thought leadership.edited_1.cdr (pwc.com)
¹² https://www.ilo.org/global/industries-and-sectors/health-services/lang--en/index.htm
¹³ HealthcareInsights.pdf (medicwestafrica.com)

Without a doubt, it is obvious that Nigeria’s healthcare system still does not provide the level of service required to meet the needs of its population. The main reason for the poor healthcare service in Nigeria is insufficient funding which has resulted in obsolete infrastructure, inadequate medical equipment and technology, brain drain and an absence of key specialist services ¹⁰. This has led to the increasing number of Nigerians (who can afford it) leaving the country to seek medical treatment abroad, and this is having a significant impact in terms of lost revenue on the Nigerian economy. Nigerians spend over US\$ 1 billion annually on medical tourism with 60% of it on four key specialities, namely: oncology, orthopaedics, nephrology, and cardiology ¹¹.

Therefore, timely interventions must be made to improve the well-being of citizens to ensure they live longer and healthier lives. Such interventions include additional investments in the sector to ensure that healthcare facilities in the country become affordable and continue to provide a high standard of care.

The importance of Health Care Sector in the Nigeria economy

Health is the most important ingredient of life, as it is aptly said, “health is wealth”. Life is the greatest gift to humanity, and as such, the provision of adequate healthcare facilities is fundamental to ensuring the sustenance of life. Healthcare is a key aspect of both society and the economy. Providing social health protection and equal access to high-quality healthcare has significant positive benefits on individual and public health, as well as economic growth and development. ¹²

Sector Specific Impacts

Sector Review: Healthcare

For the sake of sustaining a healthy population, good public health must be prioritized. This can be achieved by identifying and addressing the major causes of deterioration in the healthcare system. Inadequacies in the system, stemming from a lack of adequate resources such as infrastructure, equipment, and pharmaceuticals, as well as the exodus of experienced workforce to more developed countries will be addressed through investment in this sector. Primary healthcare needs to be a focus at all levels, including less urbanized areas, and the existing facilities should be upgraded and equipped with state-of-the-art medical equipment. The provision of the right resources will also ensure that skilled healthcare workers are motivated while also putting their remuneration/welfare into consideration, consequently reducing the tendency to move to other countries where they consider their welfare prioritized. This will ensure that the mortality rate, especially from preventable causes is reduced as primary healthcare is accessible to all.

NSIA focus areas to maximise investment impact in Nigeria	Targeted SDGs
Addressing dilapidated healthcare facilities	<div><div>3GOOD HEALTH AND WELL-BEING</div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10REDUCED INEQUALITIES</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div><div>16PEACE AND JUSTICE STRONG INSTITUTION</div><div>17PARTNERSHIPS FOR THE GOALS</div></div>
Improving staffing at hospitals and health centres	
Addressing poor remuneration resulting in loss of experienced labour	
Inadequately equipped healthcare facilities to be capacitated	
Inadequate exposure to modern healthcare practices to be addressed	



Sector Specific Impacts

Sector Review: Healthcare

Investments made in the sector: Health



Project Description:

NLCC is an outpatient cancer centre, established as a joint venture between NHDIC and LUTH. Services offered by NLCC include consultation, radiotherapy, chemotherapy and pharmacy.

Benefits / Impact (Social, Economic & Others):

- Contribution to the reduction in mortality rates and improvement of outcomes for cancer patients.
- Provision of cancer treatment services to 4,390 new patients as of Q4 2021.
- Contribution to employment through the direct employment of 80 persons
- Establishment of a training centre to build capacity in radiation treatment delivery for current and future clinical professionals in Nigeria.
- Reduction in foreign exchange leakage because of outbound medical tourism.
- Provision of an additional source of income to LUTH to enable the institution to allocate much-needed funds to other services and improve the quality of healthcare delivery.



Project Description:

NUDC is a modern medical diagnostic centre, established through a joint venture between NHDIC and FMCU, that provides both basic and advanced radiology and laboratory tests.

The equipment mix at NUDC includes:

- 1 128-slice Computerized Tomography Scan machine;
- 2 Digital X-ray machines;
- 2 3D/4D Ultrasound scan machine;
- 1 Mammography machine; and
- Basic pathology equipment.

Benefits / Impact (Social, Economic & Others):

- Contribution to the improved screening and diagnostic services in Southern Nigeria.
- Provision of diagnostic services to 14,230 patients as of Q4 2021.
- Contribution to employment through the direct employment of 51 persons
- Reduction in foreign exchange leakage because of outbound medical tourism.



Project Description:

Project Description: NKDC is a modern medical diagnostic centre, established through a joint venture between NHDIC and AKTH that provides both basic and advanced radiology and laboratory tests.

The equipment mix at NKDC includes:

- 1 1.5T Magnetic Resonance Imaging machine;
- 1 Digital ceiling mounted X-ray;
- 2 3D/4D Ultrasound scan machine;
- Basic pathology equipment; and
- 1 mobile X-ray.x`

Benefits / Impact (Social, Economic & Others):

- Contribution to the improved screening and diagnostic services in Northern Nigeria.
- Provision of diagnostic services to 17,870 patients as of Q4 2021.
- Contribution to employment through the direct employment of 64 persons
- Reduction in foreign exchange leakage because of outbound medical tourism.

Sector Specific Impacts

Sector Review: Healthcare

Sectoral Investment Profile: Healthcare

The healthcare portfolio of NSIA remains one of the investments with significant economic and social impacts. The healthcare businesses are offering easier access to world-class facilities to Nigerians at less cost and helping to increase the wellness of the people.

In 2021, we took steps to accelerate the optimisation of the projects in our healthcare portfolio. NLCC is an outpatient cancer centre, established as a joint venture between NHDIC and LUTH. Services offered by NLCC include consultation, radiotherapy, chemotherapy and pharmacy.



As at the end of 2021, the NSIA/LUTH Cancer Centre treated 5,000 unique patients and administered 150,000 chemotherapy sessions, thereby supporting the effort of the monetary authority to conserve FX among other benefits. Our two diagnostics centres in Kano and Umuahia also achieved record patronage during the year under review and have together served over 250,000 patients.

The equipment mix at NLCC includes:

- 2 Vital Beam Linear Accelerators;
- 1 Halcyon machine;
- 1 GammaMed Brachytherapy machine;
- 1 CT Simulator;
- 1 C-arm Machine; and
- 1 Ultrasound machine

These facilities came on stream during the Covid-19 travel restrictions when access to healthcare abroad was severely constrained. They are also helping the country conserve foreign exchange from medical tourism. Our estimate is that the treatment and diagnostic facilities are already saving Nigerians about US\$100 million in both medical care and international travel tickets annually

Benefits / Impact (Social, Economic & Others):

- Contribution to the reduction in mortality rates and improvement of outcomes for cancer patients.
- Provision of cancer treatment services to 4,390 new patients as of Q4 2021.
- Contribution to employment through the direct employment of 80 persons
- Establishment of a training centre to build capacity in radiation treatment delivery for current and future clinical professionals in Nigeria.
- Reduction in foreign exchange leakage because of outbound medical tourism.
- Provision of an additional source of income to LUTH to enable the institution to allocate much-needed funds to other services and improve the quality of healthcare delivery.



Project Replicability

With the successful roll-out of these pilot projects, we have left remarkable footprints in the healthcare sector. We have commenced the process of expanding our healthcare projects across the country by rolling out 23 new centres dedicated to serving different spectrums of the healthcare value chain.



Images source: <https://www.healthshare.co.za/about/our-client-success-stories/the-nsia-luth-cancer-treatment-centre>

Sector Specific Impacts

Sector Review: Healthcare



At the NSIA-Luth cancer care centre, we aim to alleviate the cancer burden in the country. In Nigeria the non-communicable burden is on the rise amongst the middle-income countries, we are thus expecting an explosion in cases in the near future.

Prior to the roll out of oncology centres like this one, there was very low government investment in the sector. This impacted on equipment available to treat patients, the number of skilled doctors and nurses, as well as general support to the broader value chain.

Targeted investment by the NSIA in NLCC has seen the rollout of key equipment to treat oncology patients effectively. The equipment provided allows us to provide almost the full spectrum of treatment (excluding diathetic and nutritional care) so we can successfully treat different types of cancer.

40% of the case load currently at the centre is breast cancer. Studies have shown that Africans are predisposed to a more aggressive form of breast cancer and at a younger age. This is why these centres are required, elevating awareness of the signs and symptoms, allowing us to screen patients earlier or create much needed awareness of their risk of presenting with the disease. Due to the aggressive nature of this type of cancer we are required to facilitate the removal of tumours and provide radiotherapy for patients.

We also see a number of patients with cervical, prostate and head and neck cancers. Cervical cancer is on the rise. The vaccine has not been introduced yet in country as a preventative measure, we thus use 2D Brachytherapy to treat patients. We are proud that we are able to provide complete treatment options for our patients now.

We are looking to the future; this will require us to increase our capacity to treat paediatric cancers. NSIA has partnered with BIO Ventures for Global Health (BVGH) a non-profit organization dedicated to solving global health issues by forming connections between people, resources, and ideas. This partnership has aided in improving health outcomes at our facility.

NSIA is investing in training of nursing staff, in oncology and pain management, and is developing mechanisms to support research in the field of oncology. NSIA-Luth Cancer care centre was chosen to participate in the hypofractionation trial, this first-time proof of concept is being tested in Africa. Hypofractionation allows us to provide higher doses of therapy to the tumour directly, this will allow us to reduce the number of treatments we have to give a patient, which is less disruptive to patients and will improve quality of life.

Regular patient satisfaction surveys undertaken shows that 80% of our patients are satisfied with the care we are providing them. This high level of care is facilitated in part based on our location, in Lagos, opposite the Lagos University Teaching Hospital in Luth. We partner with the hospital, and see a lot of referral cases, which facilitates ease of access to services by patients due to our proximity to the university.

We are strengthening our resources to facilitate cancer research, soon we will be able to publish data which we hope will assist other similar facilities to improve their quality of care. We see a high number of patients at NLCC, including several referrals from Nigerians living abroad. We are looking for strong partnerships in this area to allow us to publish our data, this is specifically important as there is currently very limited data being published out of Africa.



Sector Specific Impacts



Overview of Transportation Context in Nigeria

The predominant mode of transportation in Nigeria is by road and a significant percentage of these roads are either untarred or poorly maintained. In Nigeria, the road system is classified into three broad categories. These are trunks “A” “B” and “C” roads. The trunk “A” roads are under the ownership/management of the Federal Government which develops and maintain them. The trunk “B” roads are owned and managed by the State Government, while the trunk “C” roads are under the local government ownership and management. The road network in Nigeria is currently estimated to be 197,000 km, of which about 18% of it is paved. This network carries 90% or more of the internal and cross-border freight of the country and about 30 km of the total network is in the urban areas of the country.

Roads make a crucial contribution to economic development, and growth as well as bringing important social benefits such as education, healthcare, transport corridors, and access to employment which are crucial in fighting against poverty. In Nigeria, access to the road network is uneven, with rural areas

underserved. This unequal access makes the flow of goods and services to and from rural areas difficult and expensive. The underdevelopment of the road network has resulted in severe traffic congestion. As the size of the middle-class population increases, more automobiles will be purchased and improvements in road safety need to be stepped up.

The Importance of Motorways in the Nigeria economy

Transportation is one of the important keys to the economic development and growth of any country. This is because transportation connects people and places as well as enhances cultural, economic, and social interactions . This shows that road transport is more than about vehicles on the road, rather it lays the foundation of human settlements and links different markets globally.

A well-developed transportation infrastructure provides adequate access to local communities, which in turn is a necessary condition for the efficient operation of manufacturing, retail, labour, and housing markets. Transportation is a wealth-creating industry on its own as well as a key driver of an economy.

²² An Infrastructure Action Plan for Nigeria - Closing the Infrastructure Gap and Accelerating Economic Transformation (afdb.org)

²³ Tracking Africa's Progress in Figures (afdb.org)

Sector Specific Impacts

Sector Review: Motorways



NSIA focus areas to maximise investment impact in Nigeria	Targeted SDGs
Reduce road fatalities	<div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10REDUCED INEQUALITIES</div><div>11SUSTAINABLE CITIES AND COMMUNITIES</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13CLIMATE ACTION</div><div>16PEACE AND JUSTICE STRONG INSTITUTION</div><div>17PARTNERSHIPS FOR THE GOALS</div></div>
Improve poor road network	
Manage heightened security issues such as robbery, and kidnapping because of deteriorated road networks	
Address negative impact on trade and investment due to poor linkages between production facilities and market	
Address increasing cost of production and distribution of goods	

Sector Specific Impacts

Sector Review: Motorways

Investments made in the sector: Motorways

In Nigeria, access to the road network is uneven, with rural areas underserved. This unequal access makes the flow of goods and services to and from rural areas difficult and expensive. The underdevelopment of the road network has resulted in severe traffic congestion.

Investments made in the Sector: Project Description

In 2021, we recorded significant progress in the projects under the Presidential Infrastructure Development Fund (PIDF). As of the end of the year, the Second Niger Bridge (2NB), one of the major projects under our PIDF achieved 82 percent completion level. Similarly, the Lagos Ibadan Expressway (LIE) project, was at 79 percent completion.

Challenges

- The Abuja-Kano Road (AKR) which was re-scoped and expanded, achieved lower level of completion than anticipated.
- We anticipate some delay in the completion of two of the three projects because of the expansion to AKR and security challenges, however the PIDF project has delivered exceptional results for the benefit of Nigerians.

Overall, the projects are on course for completion as planned with both LIE and 2NB scheduled for Q4 2022 while AKR is tentatively scheduled for 2024.

Benefits / Impact (Social, Economic & Others):

- **Job creation:** Over 8,000 indirect jobs have been created by the 2NB project. Beyond employment creation, the bridge, which connects Anambra and Delta States, will cut travel time for millions of Nigerians and create a corridor for the movement of goods and services thereby contributing to the growth of the economy.
- **Economic Development:** Similarly, the LIE, one of the oldest and busiest routes in Africa will unlock significant economic activities and support the seamless movement of people in and out of Africa's largest city by population.
- **Improved Livelihoods:** When completed, the LIE which currently creates over 6,000 direct and indirect jobs will cut travel time significantly and reduce the enormous hardship faced by travellers and businesses given that the LIE is the major connecting node to the major seaports in Nigeria.



Sector Specific Impacts

Sector Review: Motorways



Sectoral Profile: Motorways (The LIE)

Project Description

The LIE is a 127.6 km-long expressway cutting through Lagos, Ogun, and Oyo States. It is widely regarded as the busiest interstate road in the country and the major connection route between the northern, southern, and eastern parts of Nigeria. The LIE is divided into 2 sections.

Section I

- This section is 43.6km long and cuts across Lagos to Shagamu. It involves the rehabilitation, reconstruction, and extension of 43.6km dual carriageway including existing bridges and concrete deck on the pile, construction of a new drainage system, the upgrade of 3 existing underpasses, construction of 3 new flyovers, construction of 2 toll plazas and construction of 5 pedestrian bridges. All being developed by Julius Berger Nigeria Plc ("JBN")
- Ongoing works include milling of existing asphalt, earthworks, laying and compaction of asphalt sasobit on binder and wearing course materials on road materials etc.
- The project has attained 86% completion on this section as of 2021.

Section II

- This section is 84km long and cuts across Shagamu to Ibadan. It involves the rehabilitation, reconstruction, and extension of 84km dual carriageway including bridges, pedestrian bridges and a drainage system. It is being developed by Reynolds Construction Company Nigeria Ltd ("RCC").
- Ongoing works include earthworks, compaction and laying of asphalt.
- The project has attained 71% completion on this section as of 2021.

Benefits / Impact (Social, Economic & Others):

- The project will offer significant socio-economic benefits and improve livelihoods of the contiguous states and the entire country
- The project has created over 6000 direct and indirect jobs

Sector Specific Impacts

Sector Review: Motorways



Investments made in the sector: Motorways (The 2NB)

Project Description

The 2NB project is a very significant project that will decongest the existing Niger Bridge, boost economic activities, and connect the South-East with the rest of the country. The project and its link roads are expected to be 46.9km long, connecting Asaba (Delta State) and Onitsha (Anambra State). The project is split into 3 phases:

Phase 1 of the project involves the following:

- Construction of 1.6km bridge over the River Niger
- Construction of 10.3km approach roads from Asaba and Onitsha;
- Construction of two (2) secondary bridges at Amakon Village Road and Atani Road of 21.7m each (completed); and
- Construction of a new cloverleaf interchange at Onitsha - Owerri Road (ongoing).
- This phase has attained 82% completion as of 2021.

Phase 2A

- Phase 2A of the project involves the construction of a 17.5km Asaba link road (Benin to Asaba expressway) and its associated infrastructure.

Phase 2B

- Phase 2B of the project involves the construction of a 17.5km Onitsha link road (Onitsha to Enugu expressway) and its associated infrastructure.

Commencement Date / Closure Date / Completion Date

- Phase 1 was awarded to Julius Berger Nigeria Plc (“JBN”) on 14th August 2018 and the estimated completion date is October 2022.
- Phase 2A was awarded to JBN on 8th October 2019 and the contract was signed on 8th March 2022 with a completion period of 37 months.
- Phase 2B was awarded to Reynolds Construction Company on 8th October 2019 and the contract was signed on 25th June 2020 with a completion period of 48 months.

Benefits / Impact (Social, Economic & Others):

- The project will offer significant socio-economic benefits for the contiguous states and indeed the entire nation by easing traffic flow, improving road safety, and creating greater opportunities for residents and neighbouring states, thereby regenerating economic life. The project has the potential to yield between 47,000 to 100,000 direct and indirect jobs.

Sector Specific Impacts

Sector Review: Motorways

Investments made in the sector: Motorways (The AKR)

Project Description

The AKR is a very important carriageway that connects other parts of Nigeria to the North, it cuts through FCT, Niger, Kaduna, and Kano States. The carriageway is 375.9km long with 3 sections.

- **Section I** is 165.5km long and cuts across Abuja to Kaduna.
- **Section II** is 73.4km long and cuts across Kaduna to Zaria.
- **Section III** is 137km long and cuts across Zaria to Kano.

Project Status:

- The AKR project initially involved the rehabilitation of 92.5km (25%) across the three sections of the 375.9km dual carriageway which has been completed.
- On June 18, 2020, Mr. President directed that the scope of the AKR project be changed to the full reconstruction of the entire stretch of 375.9km.
- The project has attained an overall completion of 30% across the 3 sections as of 2021.

- Works currently ongoing across the 3 sections include earthworks, milling/ripping of existing pavement, soil stabilization, installation of culverts, laying of asphalt etc.
- The initial contract for the rehabilitation of 92.5km along the AKR was awarded on 25th April 2018 and was completed in the fourth quarter (Q4) of 2021.
- The revised contract for full reconstruction of the AKR was awarded to Julius Berger Nigeria Plc on 20th October 2021. The estimated completion date is 2024

Benefits / Impact (Social, Economic & Others):

- The project is expected to boost economic activity and spur an increase in investments, agriculture, and trade due to the improved and quicker access to markets, as well as improve health and safety along the route. The project has the potential to yield between 93,000 to 210,000 direct and indirect jobs



Sector Specific Impacts

Sector Review: Power



Overview of Power Sector Context in Nigeria

The power sector in Nigeria has been dynamic over its 120-year-old history; it has evolved from producing 60 kW of electricity, through several stages of government ownership to its privatisation in 2013. Privatisation was introduced to enable the private sector to provide efficient services to meet the needs of electricity consumers. Presently, the power sector is working through the challenges of creating a competitive electricity market.

The first restructure occurred in 1972 in a bid to improve the effectiveness of the sector, share financial obligations and minimise operational risks. The era of the National Electric Power Authority (NEPA) saw more darkness, then in 2005 the sector was deregulated and restructured into the Power Holding Company of Nigeria (PHCN) and unbundled into the Transmission Company of Nigeria (TCN), six Power Generation companies (GenCos), eleven Power Distribution Companies (DisCos) resulting in a more segregated approach in the production, distribution, and sale of power to final consumers ¹³.

Despite all these efforts, the power sector continues to face challenges around insufficient gas supply, lack of technical and financial capabilities, high levels of unpaid electricity bills, obsolete infrastructure, and outdated and poorly maintained transmission networks leading to grid collapse and unstable power supply ¹⁴. This current situation of the country's electricity supply remains a high-risk factor in the nation's economic instability since no commercial venture or international business could thrive without stable power. According to the world bank, the economic cost of power shortage in Nigeria is estimated at around US\$29 billion ¹⁵.

In the quest to meet the urgent demand for electricity in the country, most people depend on generators for households and organizations. The combustion of fossil fuels generates air emissions including greenhouse gases which are the major causes of climate change. Consequently, there is a need for a reliable, cleaner, and cost-effective power supply for a profitable and sustainable business. Achieving this will require additional investments to upgrade and expand the existing electricity infrastructure in addition to adding renewable energy to the energy mix.

The Importance of the Power Sector in the Nigeria economy

A sufficient and constant supply of electricity is indispensable for the economic development of industrialised countries. This applies to all areas of a modern economy, beginning with the production sector, transportation and the service sector all the way down to private households.

Today, life without electricity is almost impossible as modern life solely depends on power from daily activities such as watching tv, charging our phones, and other electrical household appliances, to a more sophisticated need for electricity in areas such as healthcare, financial services and manufacturing. Research has shown that for every 1% increment in power supply the economy is expected to grow by 3.94% showing that electricity consumption is positively related to economic growth ¹⁶.

¹³ https://www.researchgate.net/publication/328764424_An_Overview_of_the_Nigerian_Power_Sector_the_Challenges_of_its_National_Grid_and_Off-Grid_Development_as_a_Proposed_Solution
¹⁴ http://country.eiu.com/article.aspx?articleid=1003980684&Country=Nigeria&topic=Economy_1#:~:text=These%20include%20shortage%20of%20gas,under%20private%20management%20in%202012
¹⁵ <https://www.premiumtimesng.com/news/headlines/405288-power-outage-how-nigerias-electricity-problem-cripples-small-businesses.html>
¹⁶ https://www.researchgate.net/publication/326812316_Impact_of_Electricity_Supply_on_Economic_Growth_A_Nigerian_Case_Study

Sector Specific Impacts

Sector Review: Power

In summary, an improved electricity supply and consumption will have a positive impact on a range of socio-economic and industrial activities and also on the living standards of Nigerians.

NSIA focus areas to maximise investment impact in Nigeria	Targeted SDGs
Increase access as 47% of Nigerians do not have access to grid electricity and those who have access experience regular power cuts.	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10 REDUCED INEQUALITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div><div>16 PEACE AND JUSTICE STRONG INSTITUTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
Increase capacity as Nigeria's generation capacity for the year 2021 was around 8,000 MW of electricity but only distributed 4,094.09 MW according to the Nigeria Electricity Regulatory Commission (NERC), which is not enough for a population of 195 million people . ¹⁷	
Address aged equipment, poor maintenance culture and metering issues which are affecting power supply in Nigeria.	
Address the need for additional investment in cleaner and greener energy solutions.	



Sector Specific Impacts

Sector Review: Power

Sectoral Investment Profile: Power

NSIA was appointed by the President of the Federal Republic of Nigeria, to assume the role of Funds and Project Manager for the development and construction of a 10MW FGN/Kano Solar Project.

Investments made in the Sector: Project Description

In 2021, we commenced the construction of a 10MW solar power plant in the Challawa Industrial Area in Kumbotso Local Government Area of Kano State on behalf of the Federal Government of Nigeria. The power plant which is projected to cost US\$15 million on completion in Q4 2022, will provide a template for investments in renewable energy across the country. An agreement was also signed with IFC to develop a renewable energy platform.

NSIA was tasked with the responsibility of:

- Creating a special purpose vehicle (“SPV”) - Haske Solar Company Ltd - with the following ownership structure: Federal Government of Nigeria with 80%, Kano State Government with 15% and Kumbotso Local Government with 5%.
- Undertake project development activities (including environmental impact assessment, basic engineer and designs of the plant, load flow studies, energy yield studies, geo-technical & physical studies, legal contracting). Procurement of a construction and operations contractor, construction of the plant and operationalization of the Project.

Benefits / Impact (Social, Economic & Others):

Job creation: The project is expected to create at least 500 direct and indirect jobs across the construction and operational phases of the project.

Access to clean energy: Solar power is one of the cleanest, most sustainable and environmentally friendly sources of energy. The 10MW plant will augment the existing supply from the grid.

Spur growth: The availability of steady power can spur socio-economic growth in the immediate area, as well as the state as a whole.

Increase the revenue base of the state: An increase in economic activity, driven by sufficient power, will provide the state with added internally generated revenues in the form of taxes and other levies.

Model for replication: The successful implementation and operation of this solar plant will form a template for other similar projects across the country.



Sector Specific Impacts



Overview of Financial Markets Infrastructure Context in Nigeria

Financial Market Infrastructures (FMIs) are key components of the financial system, as they play a vital role in facilitating the clearance and settlement of financial transactions such as payments, securities, and derivatives contracts. They also establish secure arrangements for the timely clearing and settlement of obligations between counterparties; assist institutions in the management of counterparty credit risks; and help to coordinate actions in the event of a market participant’s default.

Nigeria as an emerging economy needs a sound and effective capital market that is properly regulated to bridge the huge infrastructure financing gap that exists. This is because the country will not be able to sustain its current levels of population and economic growth without enhancing its infrastructure. PwC’s 2014 report titled “Trends, Challenges and Future Outlook: Capital Projects & Infrastructure in East, South & West Africa” indicated an opportunity-filled future for infrastructure development in Nigeria with infrastructure spending estimated to grow from \$23 billion in 2013 to \$77 billion in 2025. Investing in infrastructure will drive economic growth, provide jobs, and deliver vital services.

Infrastructure projects require long-term capital to deliver and sourcing such directly from Nigerian capital markets is challenging due to price fluctuations, regulatory problems, as well as market size problems and over-concentration and influence of certain

sectors in the economy. To bridge this gap, the FMIs facilitate alternative investment options for local and foreign investors seeking a diversified portfolio within the Nigerian capital market. The operability of FMIs will position the Nigerian capital market as a leader amongst its peers in the emerging markets by facilitating greater market transparency, increasing trading volumes and overall improvement of the efficiency and competitiveness of the Nigerian capital market. It is hoped that the model will unlock significant funds, transforming the landscape of infrastructure finance in Nigeria and will be replicable across the continent.

The Importance of Financial Services Infrastructure in the Nigeria economy

FMIs play a critical role in the financial system and the broader economy by maintaining financial stability and economic growth. They ensure the protection of investors, maintain a fair and efficient market, enhance the efficient deployment of capital and cost-effectiveness in the market, as well as reduce potential systemic risks in depository, trading, clearing and settlement activities.

The ability of FMIs to assist with the management of counterparty credit risks provides an opportunity for long-term financing which is greatly needed for funding infrastructural development. Consequently, FMIs are an integral part of infrastructural development activities and serve as a catalyst for economic growth.

Sector Specific Impacts

Sector Review: Financial Markets Infrastructure

NSIA focus areas to maximise investment impact in Nigeria	Targeted SDGs
Address the high level of Infrastructure deficit in Nigeria	<div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10 REDUCED INEQUALITIES</div><div>13 CLIMATE ACTION</div><div>16 PEACE AND JUSTICE STRONG INSTITUTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
Provide economic stability	
Provide alternative investment options for foreign and local investors	
Address the lack of capital deployed to infrastructure projects	



Sector Review: Financial Markets Infrastructure

Investments made in the sector: Financial Markets Infrastructure

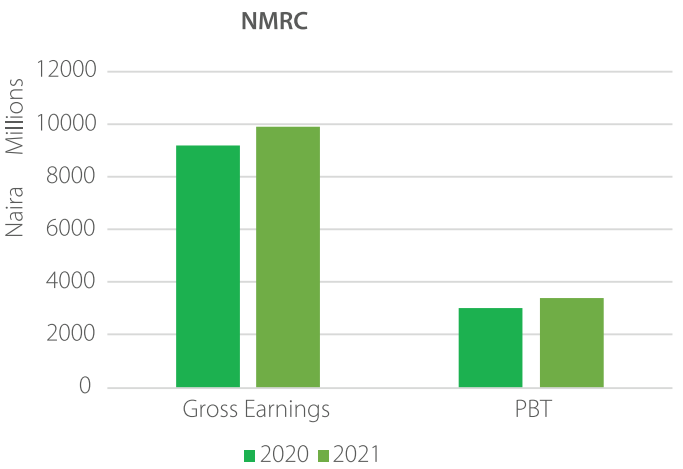


Project Description:

The Nigeria Mortgage Refinance Company (NMRC) is a private sector-driven mortgage refinancing company with the public purpose, of developing the primary and secondary mortgage markets, to provide accessible and affordable housing in Nigeria.

Benefits / Impact (Social, Economic & Others):

- Promote affordable house ownership in Nigeria and unlock its multiplier effects on the Nigerian economy
- NMRC contributes to a better alignment of the Housing Finance Programme.
- 1,684 mortgages issued to date to the value of N30,33billion.
- Issued series 1, 2 & 3 bonds worth N29billion.

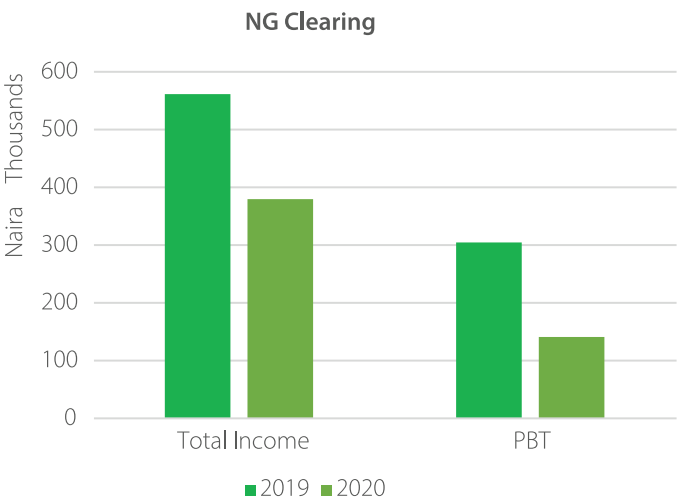


Project Description:

NG Clearing is positioned to serve as a market-wide clearing infrastructure positioned to clear derivatives and commodities securities executed on all trade venues in the Nigerian capital market. The Company will facilitate the availability of alternative investment options for knowledgeable local and foreign investors seeking a diversified portfolio within our market while positioning as a key clearing infrastructure in Africa.

Benefits / Impact (Social, Economic & Others):

- NG Clearing will strengthen the country's investment environment through solutions that systematically reduce risks, enhance operating efficiency, and minimize costs for all market participants, thereby, serving as a catalyst to national development.



Sector Specific Impacts

Sector Review: Financial Markets Infrastructure

Investments made in the sector: Financial Markets Infrastructure

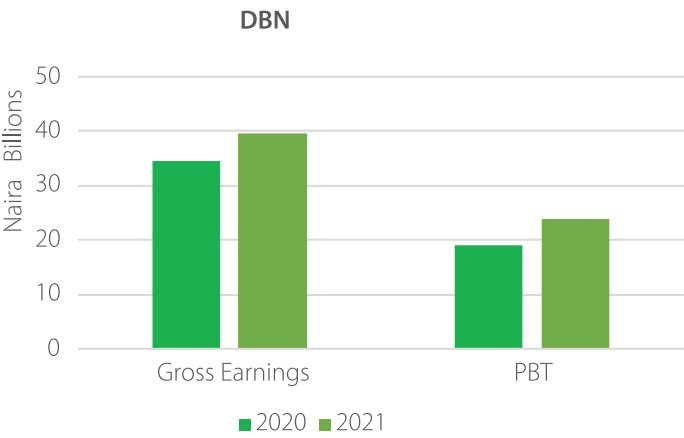


Project Description:

The Development Bank of Nigeria (DBN) is a wholesale finance institution that obtains funding from local and international capital markets and on-lends through commercial banks and restructured development banks to Micro, Small and Medium Scale Enterprises (MSMEs).

Benefits / Impact (Social, Economic & Others):

- DBN has helped alleviate financing constraints faced by MSMEs and small corporates in Nigeria through the provision of financing and partial credit guarantees to eligible financial intermediaries on a market-confirming and fully financially sustainable basis.
- A total of N324billion has been disbursed to MSMEs with a total of 134,855 MSMEs reached
- Women empowerment initiative with N34billion disbursed to 77,800 women-led MSMEs

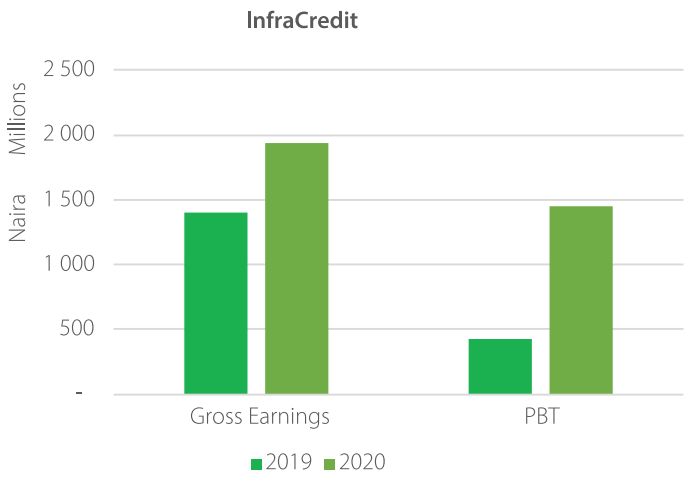


Project Description:

InfraCredit provides guarantees to enhance the credit quality of local currency debt instruments issued to finance eligible infrastructure related assets in Nigeria, thereby acting as a catalyst to attract the investment interest from pension funds, insurance firms and other long-term investors.

Benefits / Impact (Social, Economic & Others):

- InfraCredit's establishment has helped to channel long-term capital funding, not available from the domestic banking market – such as pension funds, insurance funds etc. towards infrastructure entities/projects.
- Total of N114,1billion issued in guarantees from inception.



Sector Specific Impacts

Sector Review: Financial Markets Infrastructure

Investments made in the sector: Financial Markets Infrastructure



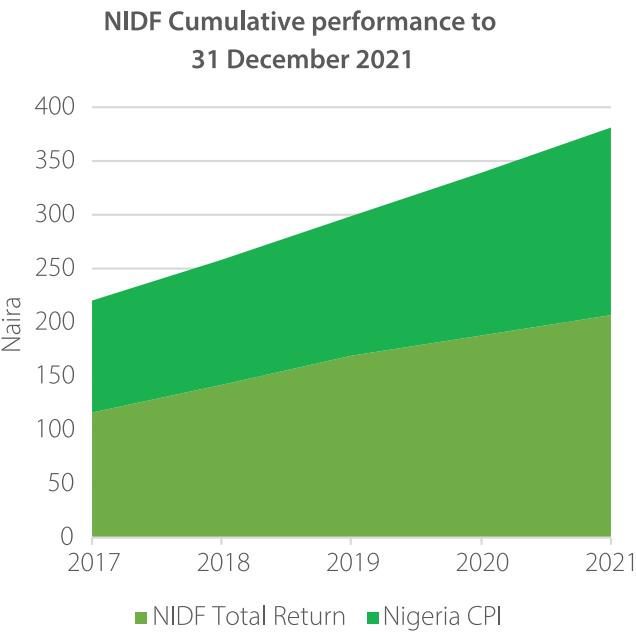
NIGERIA INFRASTRUCTURE DEBT FUND
A Chapel Hill Denham Fund

Project Description:

The Chapel Hill Denham Nigeria Infrastructure Debt Fund ("NIDF") seeks to support infrastructure development across Nigeria by providing long-term senior and subordinated debt financing in local currency to commercially viable projects, sponsored by private and public-sector proponents, including pension funds.

Benefits / Impact (Social, Economic & Others):

- Supports Nigeria's infrastructure sector by providing long-term, naira-denominated debt funding to infrastructure projects. Investments have been made in over 20 infrastructure projects across 10 sub-sectors
- Catalyst for institutional investment by providing pension funds and other long-term investors with a well-structured investment framework with support of 22 pension funds (PFAs) out of the 26 eligible PFAs in Nigeria
- NIDF is Nigeria's, and Africa's, first and only listed infrastructure debt fund, which provides long-term local currency financing to commercially viable infrastructure projects and businesses located in Nigeria.



Economic Activities Supported:

Generation of electricity, including from renewable sources, and its transmission and distribution



Transportation & logistics, including ports, airports, highways, railway transportation, mass transit



Systems, industrial zones, and warehouses



Infrastructure for provision of telecommunication services including mobile telecom towers, fibre optic networks and data centres



Storage and transportation facilities for hydrocarbons, including natural gas



Water treatment, transmission, and distribution for domestic, commercial, or industrial use, wastewater treatment and water recycling



Provision of utilities as well as municipal and industrial waste management



Social infrastructure such as hospitals, schools, training facilities, accommodation, and similar facilities, developed primarily on PPP basis



The Fund may also invest, directly or indirectly, in the working capital loans, subordinated debt, preferred shares or warrants of such borrowers and related assets

Sector Specific Impacts

Sector Review: Financial Markets Infrastructure

Investments made in the sector: Financial Markets Infrastructure



Project Description:

Invest in structures to create the conditions for Nigerian families to secure their own homes. Registered in 2017 and commencing operations in 2018, the Family Homes Funds is Sub-Sahara Africa's largest housing fund focused on affordable homes for Nigerians on low income. principally situated at the

The homes provided include 1, 2 and 3 bedrooms and range from N1.8million to a maximum of N16.5million.

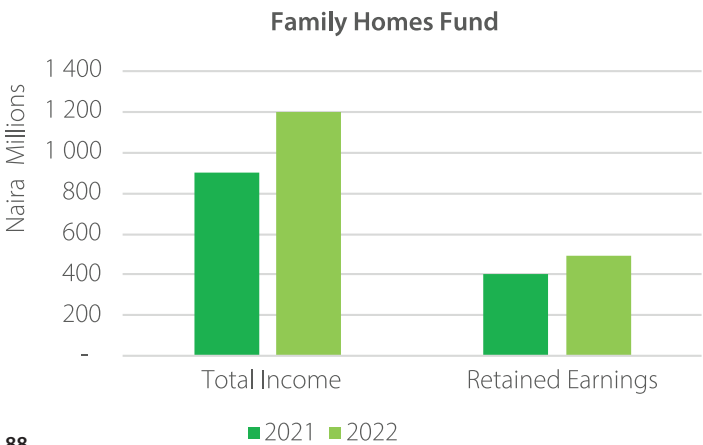
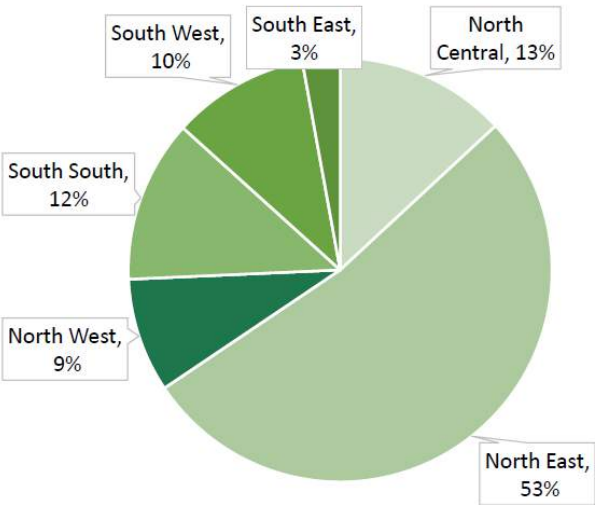
Benefits / Impact (Social, Economic & Others):

- Affordable homes provide a fundamental human right, provide families with the right environment to thrive.
- Proving affordable homes is a driver of national growth.
- As of 31st March 2022 12 174 homes are completed or under construction across 8 states.
- A further pipeline of 13,178 units are under construction for financing under the affordable housing fund.
- 82,026 direct and indirect jobs have been created across 10 states.

Table 1: Geo-political distribution of FHFL Completed + Ongoing Projects by project value

Geo-Political Zone	Value (N'bn)
North Central	9.61
North East	38.46
North West	6.3
South South	9.08
South West	7.66
South East	2.10

Graph 1: Geo-political distribution of FHFL Completed + Ongoing Projects by project value



Sector Specific Impacts

Sector Review: Financial Markets Infrastructure

Sectoral Profile: Financial Markets Infrastructure



We act as a catalyst that attracts the investment interest from pension funds, insurance firms and other long term investors



NIGER STATE



KADUNA STATE

Project Description:

North South Power was established in 2012 to own and operate a diverse and growing portfolio of electricity. With InfraCredit's guarantee, NSP was able to access the domestic debt capital markets for the first time and raise 15 year financing in local currency using a green bond by issuing a NGN8.5billion 15-Year 15.60% Series 1 Guaranteed Fixed Rate Senior Green Infrastructure Bonds

Benefits / Impact (Social, Economic & Others):

- NSP has a working staff of about 330 employees principally situated at the plant.
- The company generates on average 8% of Nigeria's grid power which provides electricity up to 10 Million Nigerians, with an ambition to improve its generating capacity to over 1500MW in the next five years.



RIVER STATE

Project Description:

GELUL currently owns, operates, and maintains an 84MW power plant that provides uninterrupted power supply to the Port Harcourt Refining Company. With InfraCredit's guarantee, GEL was able to access the domestic debt capital markets for the first time and raise 15-year financing in local currency using a corporate bond by issuing a NGN13 billion 15-Year 15.15% Series 1 Senior Guaranteed Fixed Rate Infrastructure Bonds Due 2034 ("the "GEL Bonds") under a NGN50 billion Debt Issuance Programme. The Guaranteed Bonds was accorded a 'AAA' credit rating and issued as the first certified corporate green bond and the longest tenored (15-year) corporate bond issued in the Nigerian debt capital markets. The GEL Bonds will be the first corporate infrastructure bonds issued in the Nigerian debt capital markets guaranteed by InfraCredit and co-guaranteed by the U.S. Agency for International Development ("USAID").



Sector Specific Impacts

Sector Review: Gas Industrialisation



Overview of Gas Industrialisation Context in Nigeria

Nigeria is one of Africa’s major oil and gas producers, however, in 2020 the oil sector had an underwhelming year as the twin shocks of the oil price crash and the COVID-19 pandemic adversely influenced the demand and supply of crude oil in an unprecedented manner leading to Nigeria into its second recession in six (6) years. With the rise and fall in the prices of crude oil, the country also has significant domestic demand for gas in the power, commercial, residential, and industrial sectors.

Natural gas has been projected to be the fastest growing fossil fuel over the next two decades because of the growing environmental awareness and regulations which have compelled many oil-producing companies to cut down their emissions levels by the commercialization of flared gas leading to the rise in the petrochemical industries that use gas as feedstock. The main driver of gas utilization projects in Nigeria had been the government’s desire to create more wealth and diversify the economy of the country.

Nigeria has the largest gas reserves in Africa and the ninth largest in the world with approximately 210.8 trillion cubic feet of natural gas. Notwithstanding the significant gas reserves that Nigeria holds, only a small portion is extracted annually. The challenges facing the gas industry in Nigeria include the dearth of investment required to pursue the exploration of non-associated gas sites, security challenges, inadequate gas infrastructure, increasing pipeline vandalism, government regulation of the price of natural gas, structural and institutional constraints etc.

The country plans to become an export hub in Africa by exporting to regional countries and other Asian countries, such as India and China. Nigeria’s net exports of natural gas are 33 billion cubic meters (bcm). They are expected to increase to 44 bcm by 2030, which calls for investments toward developing gas infrastructure in Nigeria. To support this move, the government has instigated reforms in the sector, including new laws expected to provide opportunities for the market players.

The Importance of Gas Industrialisation in the Nigeria economy

The development of gas infrastructure in Nigeria will drive the commercialization of the gas already being flared in addition to the new gas discovery announced in 2021 by the Minister of State for Petroleum. It is also expected to attract investments in gas reserves that are currently underdeveloped. With adequate investment in gas exploration, Nigeria could become the gas powerhouse of Africa.

¹⁸ <https://home.kpmg/ng/en/home/insights/2021/03/nigerian-oil-and-gas-industry-update.html>
¹⁹ <https://www.dpr.gov.ng/nigerias-gas-reserves-rise-to-200-79-trillion-cubic-feet-dpr/>
²⁰ <https://www.pwc.com/ng/en/assets/pdf/evaluating-nigeria-gas-value-chain.pdf>
²¹ <https://www.mordorintelligence.com/industry-reports/nigeria-oil-and-gas-upstream-market>

Sector Specific Impacts

Sector Review: Gas Industrialisation

NSIA focus areas to maximise investment impact in Nigeria	Targeted SDGs
Reduce Environmental degradation caused by gas flaring	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>10 REDUCED INEQUALITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div><div>16 PEACE AND JUSTICE STRONG INSTITUTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
Move from high carbon emissions to cleaner and cheaper sources of energy	
Combat the importation of feedstock for chemical and petrochemical industries	



Sector Specific Impacts

Sector Review: Gas Industrialisation

Sectoral Profile: Gas Industrialisation

NSIA is pleased to report that we reached a major milestone in our industrialisation plan in 2021 with the development of the NSIA-OCP Multipurpose Industrial Platform Project in partnership with OCP Morocco for the production of Ammonia, a basic raw material for fertiliser production

Investments made in the Sector: Project Description

The Sponsors seek to develop an integrated Ammonia and fertilizer production plant that will benefit both Nigeria and the Kingdom of Morocco by commercializing Nigeria's vast natural gas resources and satisfying Morocco's demand for cost-competitive Ammonia. The construction is projected to commence in 2022. Once completed, this project will support the industrialisation plan of the country and address some of the challenges to industrialisation in Nigeria

- The Project will be developed to produce 1.5MTPA of Ammonia in two phases. The Ammonia will be routed to the production of Di-Ammonium Phosphate and NPK fertilizers to feed domestic demand, and the excess Ammonia produced will be allocated for export to Morocco. The Project will require about 150 million standard cubic feet ("MMscf") of gas for both phases.
- The Project will be sited in Ikot Abasi, in Akwa Ibom State (AIS) on a 250 Hectare ("Ha") parcel of land, with a projected operations commencement date of Q2 2025.



Benefits / Impact (Social, Economic & Others):

- **Import Substitution:** Nigeria currently imports two (Potash & DAP) of four main ingredients for Fertilizer production, with DAP imported mostly from Morocco.
- Producing Ammonia and DAP locally will save scarce foreign exchange resources and build local chemicals production capacity.
- **Fertilizer Sufficiency:** Nigeria's per capita consumption of fertilizer is one of the lowest in the world.
- Fertilizer inadequacy, high costs and lack of access inhibit the use of fertilizer, which leads to low yield and low export potential of the produce
- **Job creation:** The plant would create about 500 direct jobs and 20,000 indirect jobs.
- **Trade Realignment and Economic Diversification:** Nigeria currently imports a significant proportion of its Fertilizer inputs from Morocco.
- Exporting ammonia to Morocco will assist Nigeria in adjusting its balance of trade.
- **Gas Sector Development:** A project-financed, greenfield, gas-based industrial project of this size, being led by OCP, will be a major milestone for Nigeria. Project has strong government support.



Looking Ahead

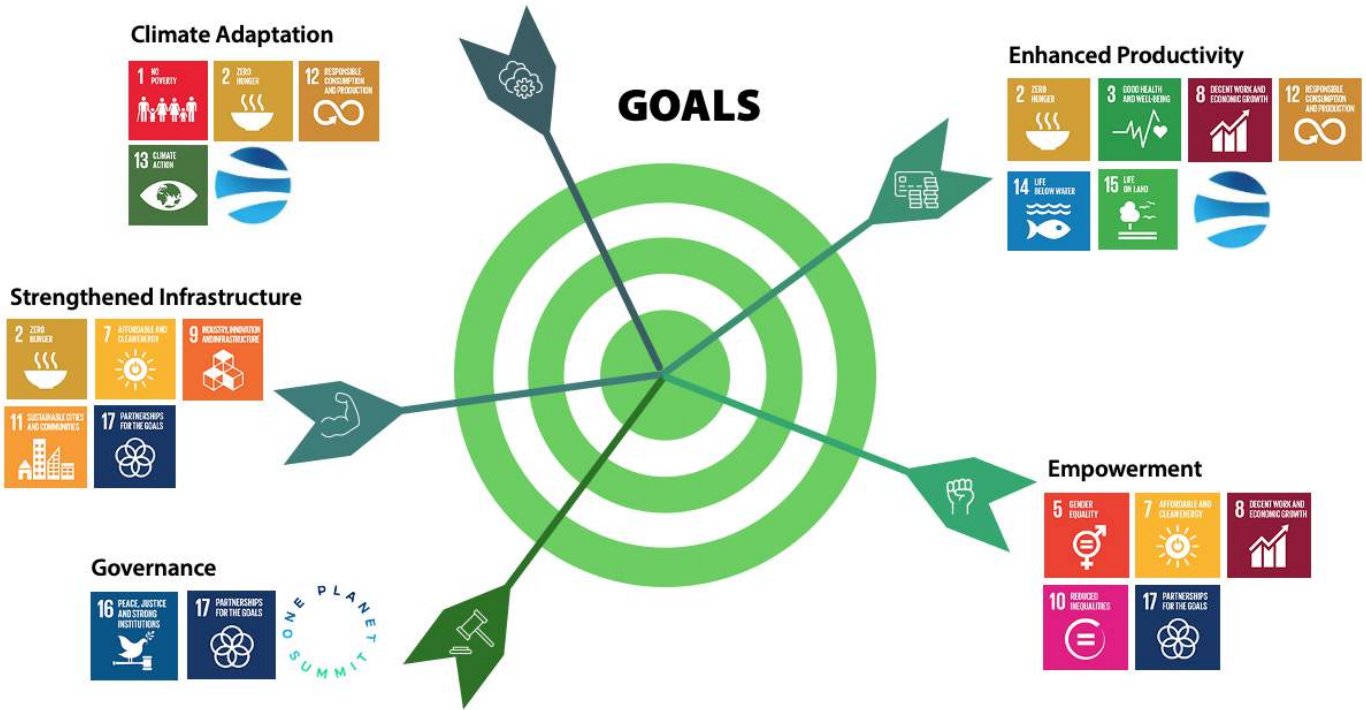
Looking Ahead

This being our inaugural developmental impact report, we realise there is still much that can be done to unpack the benefits associated with managing our projects and investments from an ESG and impact perspective. We have started a journey to formalise our approach to ESG implementation. The following steps outline are immediate focus areas for the coming year, which once implemented will allow NSIA to position themselves to direct their decision making to maximise both future financial and non-financial outcomes.



Looking Ahead

Through our Theory of Change we have determined the key linkages our activities have to the sustainable development goals; This focuses our attention on our own goals with respect to achieving desired outcomes within our investments as well as the nature of the impacts we could realise in society. These linkages and impact goals can be summarised according to the following five core themes:



Future reports will aim to articulate the impact created across our portfolio against these themes, as well as the key sectors of investment we have reported on in this report. The launch of our new ESG focused fund will allow us to create a tailored approach to the market aimed at further maximising these outcomes.