KEBBI STATE INDUSTRIAL POLICY

2022

UNIDO

ACRONYMS/ABBREVIATIONS

ABP	Anchor Borrowers' Programme
ADP	Agricultural Development Programme
ATASP	Agricultural Transformation Agenda Support Program
BPSR	Bureau of Public Service Reforms
CBARDP	Community-Based Agricultural and Rural Development Programme
CBN	Central Bank of Nigeria
CSO	Civil Society Organisation
EPI	Export Promotion Industrialization
FGN	Federal Government of Nigeria
FIIRO	Federal Institute for Industrial Research Oshodi
FIU	Financial Intelligence Unit
FPI	Foreign Private Investment
FPII	Foreign Private Investment-led industrialization
GDP	Gross Domestic Product
GIS	Geographic Information System
HCCSRP	Host Community Corporate Social Responsibility Plan
IDP	Internally Displaced Persons
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IPPIS	Integrated Payroll and Personnel Information System
IPSAS	International Public Sector Accounting Standards
ISI	Import Substitution Industrialization
KATASHI	Kebbi Agricultural Transformation and Self Help Initiative
KESAMCO	Kebbi State Asset Management Company
KIPA	Kebbi State Investment Promotion Agency
KSHSL	Kebbi State Home Savings and Loans Limited
LGA	Local Government Area
LGEA	Local Government Education Authorities
LGHA	Local Government Health Authorities
MDA	Ministries, Departments and Agencies
MICS	Multiple Indicator Cluster Survey
MSME	Micro, Small and Medium Enterprises
MU	Malaria Unit
NATASHI	New Agricultural Transformation and Self-Help Initiative
NBC	National Broadcasting Commission
NCE	National Certificate of Education
NDHS	Nigeria Demographic and Health Survey
NIDB	Nigerian Industrial Development Bank
NEEDS	National Economic Empowerment and Development Strategy
NEPAD	New Partnership for African Development
NGO	Non-Governmental Organisation

NIPC	Nigerian Investment Promotion Commission
NORM	National Outcome Routine Mapping
OSIC	One-Stop investment Centre
PHC	Primary Health Care
PRODA	Project Development Agency
PLWD	People Living With Disabilities
RIC	Routine Immunization Campaigns
RMRDC	Raw Materials Research and Development Council
SAP	Structural Adjustment Programme
SCFN	State Committee on Food and Nutrition
SDMS	School Data Management System
SFTAS	State Financial Transparency, Accountability and Sustainability
SIDF	State Industrial Development Fund
SSI	Sector Specific Incentive
SIFMIS	State Integrated Financial Management Information System
SME	Small and Medium Enterprises
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SNI	Special Negotiated Incentives
SURP	State Urban Renewal Project
TCPC	Technical Committee on Privatization and Commercialization
TSA	Treasury Single Account
UN	United Nations
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
USADF	United States African Development Foundation
USAID	United States Agency for International Development
VAC	Violence Against Children
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization
WMA	Waste Management Agency

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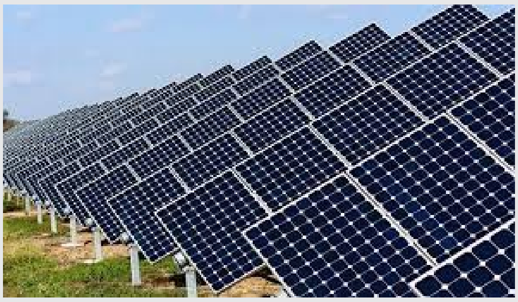
Mission Statement & Rationale

Mission Statement

This Industrial Policy is to support the industrial development of Kebbi State by serving as a guiding framework to retaining and deepening commitments made with industrial investors in the State.

Rationale

Kebbi State is increasingly becoming a 'preferred' choice for industrial development in Nigeria. Therefore, it becomes pertinent that the State re-engineer frameworks, processes and mechanisms to retain and further strengthen its attractiveness to investors. With growing competition among nations, states and regions to shift from agrarian to industrialized societies, the development and implementation of an industrial policy that takes into account trends in industrial and economic development to fulfil the aspirations of rapid industrialization of Kebbi State by enhancing productivity, competitiveness and innovativeness is imperative.



Preface

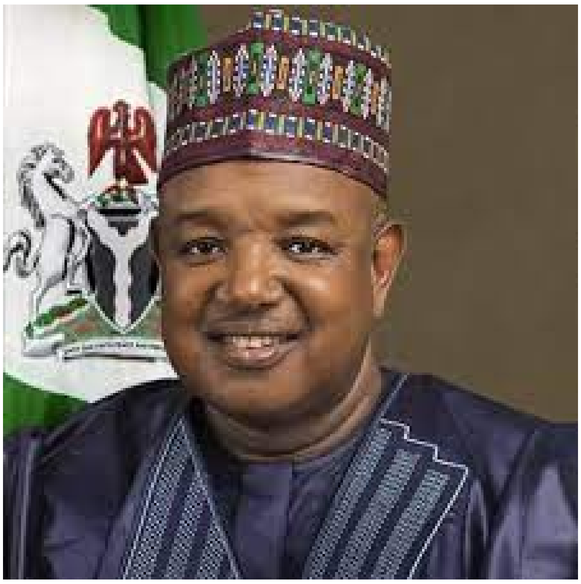
Foreword

The choices made in this policy document are intended to spur industrial and economic development in Kebbi State. The policy choices and recommendations are to progressively enhance the productivity, competitiveness and innovativeness of industrialists in Kebbi State. Therefore, the overriding goal of this policy is to enhance confidence and to articulate the commitment of Government to unceasingly reform the investment climate, remove obstacles to industrial development and facilitate ease of doing business in the State.

It is my conviction that this policy will provide a clear view of the trajectory of our quest for industrial development and present the tools and mechanisms designed to refine and radically enhance the Kebbi State industrial investment climate and transform the State into an industrial giant in Nigeria.

It follows that, developing, integrating and preserving contemporary tools in industrial development will be both rewarding and challenging, particularly due to the plethora of new development in the global business environment. However, the successful reorientation, reorganization and restructuring of the system with appropriately new ideas introduced and favourable practices and policies preserved will offer unsurpassed breadth, depth and relevance to potential and existing industrialists in the State.

Notwithstanding the package of incentives and restructuring of the system designed to induce greater support for the industrial development, additional effort will be exerted to facilitate speedy implementation of the strategy within feasible time. This is in addition to maximising all effort in areas of strength, eliminating constraints and resolving conflicts as quickly as possible which industrialists will no doubt find useful. The strategies and measures, if implemented, are bound to have multiplier effects on the economy.



His Excellency,
Senator Atiku Abubakar Bagudu
Executive Governor, Kebbi State

EXECUTIVE SUMMARY

This Industrial Policy Framework draws inspiration from many shortfalls in policies and strategies implemented to facilitate industrialization in Nigeria including but not limited to; the Import Substitution Industrialization (ISI), Export Promotion Industrialization (EPI), Foreign Private Investment (FPI), etc. Indeed, attaining the required level of industrialization to radically change the economic structure of the nation remains a challenge. The situation is not different in Kebbi State because of the absence of salient ingredients needed for industrial development in Nigeria and particularly Kebbi State.

Generally, the inability to actualize the industrialization aspiration has been blamed on the strategies adopted and constrained by a myriad of other factors including: spontaneous combination of ad-hoc objectives and instruments intended to influence the behaviour of firms and other stakeholders; casual implementation of industrial programmes; weak local technological capability; and inadequate quantity and quality of infrastructure facilities such as transportation, water supply, energy supply and telecommunications. Overcoming these constraints will serve as bedrock for the industrial leap of Kebbi State.

In doing so, this policy is what is required of government to support economic growth and development. It clarifies the purpose of government in terms of its huge aspiration for the industrial development of the State. It also serves as a corrective and stabilization agent in reference to prevailing market and political dynamics and will help correct imperfections of the market and complement its efficiency. Therefore, this industrial policy is to enable Kebbi State achieve its industrial growth aspirations which hitherto have been impossible.

The industrialization vision for the State is to promote a functional and an important industrialized economy in Nigeria. The State seeks to be an economic growth leader and ensure sustainable and shared growth that benefits all. In this sense, this policy is to support industrial development activities and aspirations of the Government and people of Kebbi State. Therefore, this policy, the outcome of an extensive research is a framework guiding the State's ambitious aspirations to positioning itself as a leading industrial State both for domestic and foreign industrial investment as well as to retain and deepen commitments made to existing investors in the State.

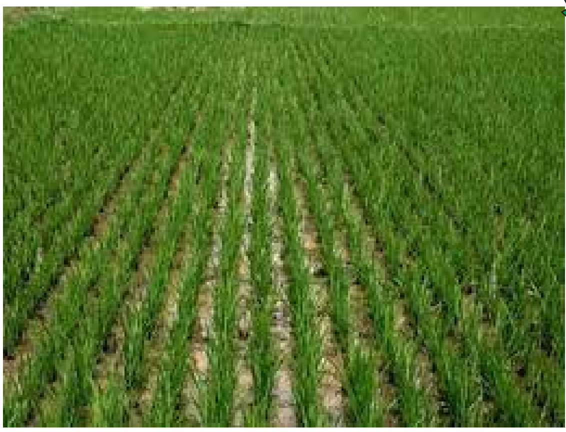
In support of this objective, a set of policy positions, recommendations and the role of stakeholders in the implementation process are presented. The policy positions and recommendations are grounded in the findings of detailed investigation on international and of sub-national governments' experiences on industrial development and investment incentives offerings and of factors influencing investors' choice of locations within countries.

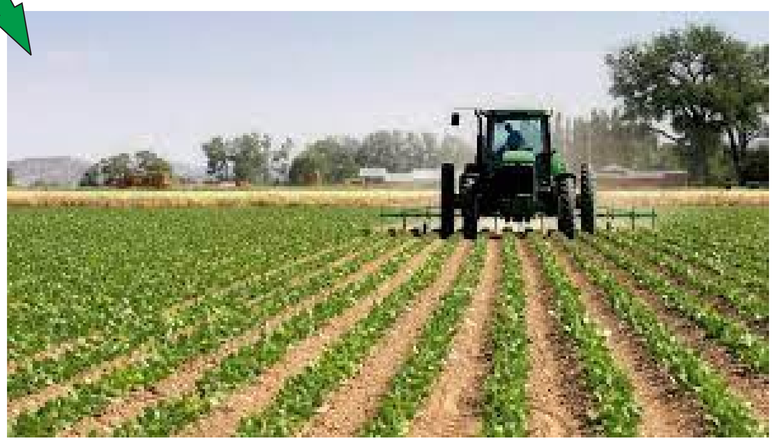
The policy positions and recommendations are divided into those for immediate action and those that are for longer-term consideration and potential action. Among the key priorities for immediate action are the imperative for institutional efforts to enhance the local business environment of the State. Supporting and extending initiatives that address key threats that constrain the industrial development of the State are critical. In recognition of this, an enhanced institutional environment that signal commitment and focus for a purpose is crucial.

On account of this, it is recommended for immediate action the restructuring, renaming and empowering of the Ministry of Commerce, Industry, Culture and Tourism to the Ministry of Industry, Trade and Entrepreneurship. The Ministry and its organs will be empowered to firmly establish the essential foundation to facilitate industrial growth in the State. In doing so, the Ministry will take into account a major policy position of the "cluster" as an industrial development strategy prescription for Kebbi State, being the most appealing both in political and economic terms. This is in addition to mainstreaming Climate-smart interventions across all development programmes and promoting awareness around climate change adaptation and mitigation strategies across the State is recommended as a priority. It follows that, establishing contemporary agencies including the Kebbi State Investment Promotion Agency (KIPA) and the Kebbi State Asset Management Company (KESAMCO) are critical institutional requirements for industrial development.

Recommendations for longer-term actions are grounded in the argument that, introducing packages of financial incentives will be only to supplement rather than substitute for necessary initiatives that enhance the essential foundations of the local business environment. In connection to this, it is recommended that the State shall put in place a 5-year State Industrial Development fund (SIDF) to grant ad hoc financial incentives on an upfront basis to particular investors attracted to the State who provide clear and supporting evidence that their decision to invest in Kebbi State is conditional upon the grant of such incentives.

Finally, this industrial policy comes along with a State-wide consensus of stakeholders on not only its ownership, but also on its benefits to the local and national economy. Most importantly, the political will and commitment to implement reforms on the part of Kebbi State Government is assured as a necessary condition for the realization of the State industrialization agenda. Therefore, this document represents a roadmap for the industrial development and innovative diversification of the structure of Kebbi State economy, making it an attractive industrial hub in Nigeria.





CHAPTER ONE
-INTRODUCTION

Background

In many attempts to facilitate industrialization in Nigeria, governments over the years have designed and implemented different industrial policies and strategies. The Import Substitution Industrialization (ISI), Export Promotion Industrialization (EPI), Foreign Private Investment Industrialization are a few strategies pursued in growing the industrial sector in Nigeria. There have also been attempts at providing basic engineering infrastructure for the production of raw materials, spare parts, equipment components and machineries needed in various industrial establishments. Furthermore, academic institutions such as polytechnics, universities and research institutes like Federal Institute for Industrial Research Oshodi (FIIRO), Project Development Agency (PRODA) and Raw Materials Research and Development Council (RMRDC) have been established to train and produce the needed manpower as well as develop raw materials and products for the industrial sector.

Despite the above, attaining the required level of industrialization to radically change the economic structure of the nation remains a challenge. At the sub-national level including Kebbi State, the situation is not different. There is still absence of salient ingredients needed for industrial development in Kebbi State.

The inability to actualize the industrialization aspiration has been blamed on a number of factors. The industrialization process has been constrained by a myriad of factors which include spontaneous combination of ad-hoc objectives and instruments intended to influence the behaviour of firms and other stakeholders, casual implementation of industrial programmes, and inadequate attention given to development of local technological capability and inadequate quantity and quality of infrastructure facilities such as transportation, water supply, energy supply and telecommunications. Furthermore, core industrial infrastructure such as equipment, machines and tools fabrication companies to provide industrial tools, spare parts, components, etc., are absent. Overcoming these constraints will serve as bedrocks for the industrial leap of Kebbi State. In the same vein, strengthening and tightening security to curb the activities of armed bandits and kidnappers will promote investment for the growth of industrial development in the State.

It is against this background that a “Home Grown Industrial Policy” has been conceived, designed and planned for implementation. The implementation of the policy will be intentional as it plays the role of a corrective agent in reference to prevailing market and political dynamics. The industrial policy will enable Kebbi State to achieve its economic growth aspirations which hitherto have been impossible. The policy will help to correct the imperfections of the market and complement its efficiency.

Therefore, the objective of this policy document is to provide an industrial framework to attract industrial investment into Kebbi State for the purpose of promoting industrial productivity, wealth and income generation, and improved quality of life for citizens of the State. It also aims to ensure that the State’s economy becomes more commercially-oriented, growth-driven and promotes openness. To achieve this, there is need for clarity of purpose in terms of the huge aspirations of the State and what is required of government to support economic growth, clarity on what is intended to be done, how investment will be redirected, what kind of industrial investment incentives and tax reforms to be put in place to guide the industrialization drive, and what kind of environment to be created. Hence, this industrial policy is projected to position Kebbi State as an industrial hub and an investment destination as well as retain and deepen commitments made with existing industrialists in the State.

1.2 The Concept of Industrial Policy and Industrialization

While there is no universal definition of an industrial policy, we have conceived industrial policy as any selective intervention or government policy that attempts to change the structure of production towards sectors that are expected to provide better prospects for economic growth than would have occurred without such interventions. In this sense, industry is no longer restricted to traditional boundaries of production of industrial goods, but extends to all economic spheres, including the tourism industry, information and communications technology industry, professional and the management consulting service industry, among others.

In the light of the above, industrialization is conceived as a set of economic and social processes related to the efficient creation of value in both the primary (agriculture, hunting, fishing and resource extraction) and secondary (social and professional services) sectors of the economy. In this context, industrialization as a process, is an emergent asset of the State resulting from a consistent set of proceedings that manifest over a timespan.

In this policy document, industrialization will be seen as the qualitative, social and economic changes that occur whenever an agrarian economy transforms to manufacturing through value chains development.

Therefore, this industrial policy is a roadmap for industrial development and innovative diversification of the structure of Kebbi State's economy, making the State an attractive industrial hub in Nigeria.

1.3 Principles of the Industrial Policy

The underlining principle of the industrial policy is the development of Sector-Specific Incentive (SSI) offerings that focus on key priority sectors of the State namely: agribusiness value chain, infrastructure, solid minerals, and tourism, in which the State has very strong competitive and comparative advantage with great natural resource potentials that are waiting to be harnessed and translated as opportunities to achieve high levels of industrial development. Notwithstanding these priority sectors, the State is open to receive and support investments in other sectors that are in line with its development plan.

The industrial policy is designed to strengthen the State's capacity to attract beneficial private capital leading to massive job creation and drastically reduce poverty as well as address the poor infrastructure situation of the State. This will ultimately transform the economic fortunes of the State.

The industrial policy derives its inspiration from critical success factors or policy drivers and enablers that will greatly enhance the competitiveness of the State. These include:

i. The Federal structure of Nigeria and the constitutional powers assigned to the three tiers of government. Industrial Policy falls under the Concurrent and Residual List to include powers of the Local Government Authorities. Due recognition is given to this;

ii. The nexus between business climate and the effectiveness of incentive offering. Incentives work well when the investment environment is friendly, supportive and facilitative. Hence, the need for a strong legal, institutional and regulatory framework for industrial investments;

iii. The industrial policy is also guided by the need for clarity and consistency. It is non-discretionary, non-discriminatory, predictable and implementable;

iv. Responsible direct domestic and foreign industrial investments. Investments must be responsible and beneficial to the local economy. Furthermore, the cost-benefit analysis of investments will be undertaken to ensure a careful balance in such a way that even when incentives succeed in attracting investors, their costs should not exceed the benefits, and should contribute to the revenue drive of the State. The direct and indirect costs of incentives are therefore a major determinant of the Policy;

v. Industrial policy comes along with building a State-wide consensus of stakeholders on not only its ownership, but also on its benefits to the local economy. Political will and commitment to implement reforms on the part of Government is assured as a necessary condition for the realization of the policy objectives; and

vi. Since very often, incentives tend to favour big businesses at the expense of small businesses that are largely in the informal economy mainly dominated by women and youth, due recognition is given to this group and other vulnerable groups in the development of this policy in line with the principle of 'leave no one behind'.

1.4 Objectives of the Policy

The overall objective of this policy is to provide a guide and value propositions for attracting industrial investment that stimulate and propel the industrialization aspirations of the State. In doing so, the policy considers the availability of industrial infrastructure and their potency and recommended ways and means for improving and ensuring the efficiency and effectiveness of the system.

Additionally, this policy will encourage industrial expansion by providing State-based additional incentives leveraging and in alignment with existing Federal Government industrial incentive policies. Furthermore, the policy is articulated to enhance confidence and an assurance of the commitment of the State Government to unceasingly reform the investment climate and remove obstacles to facilitate ease of doing business in the State. In this sense, the major objectives of the Policy are as follows:

i. To formulate a futuristic and feasible policy of industrialization that is the bedrock of economic prosperity for the State;

ii. To promote the State's competitiveness for attracting industrial investments in line with the State's industrialization agenda of diversification of the economy, poverty alleviation, food security, job creation and economic viability;

iii. To present a conscious pattern of industrial development for the State especially as it pertains to ways industries attain rapid manpower development in various skills;

iv. To ensure that the State industrial strategy is anchored on the availability of suitable raw materials, and capacity to harness the abundant industrial resources the state is endowed with;

v. To continuously refine and enhance the Kebbi State industrial investment climate, through deliberate reforms designed to radically transform the State into an industrial giant in Nigeria;

vi. To provide investor-friendly incentives that will attract and retain investments across the prioritized Agribusiness value-chain, Solid Minerals and Infrastructure Sectors;

vii. To substantially improve on poor infrastructure and remove administrative bottlenecks faced by industrialists;

viii. To integrate the MSMEs in the economy of the State as key drivers of economic growth and also accelerate the formalization of small businesses;

ix. To position and align Kebbi State to effectively optimize and benefit from various opportunities such as: Africa Continental Free Trade Area (AfCFTA), Federal Government Intervention Schemes in Agribusiness as well as, State-based initiatives as encapsulated in the Kebbi State Development Plan, 2022-2027;

x. To trigger and provide basis for continuous industrial development in the State;

xi. To ensure a coordinated and streamlined industrial incentives regime that is rooted in strong governance, strengthened institutions that are backed by monitoring and evaluation mechanisms as well as, periodic Impact Assessment for measuring the effectiveness of the Policy; and

xii. To examine and recommend the roles of the private and public sectors in the industrial development of the State noting that: as a facilitator of industrial development, the role of State government will be limited to providing an enabling environment through the provision of infrastructural facilities and formulation of relevant policies.

1.5 Methodology

The methodology used in developing the industrial policy is grounded in a considerable body of research that involved fieldwork survey, administration of questionnaires, focus group discussion, review of literature, stakeholders' engagements with representatives of Ministries, Departments and Agencies (MDAs), etc. The draft industrial policy was further subjected to peer review and public validation workshops, at various stages of its development.

CHAPTER TWO

GEOGRAPHY, DEMOGRAPHY, ADMINISTRATION & GOVERNANCE IN KEBBI STATE

2.1 Geography

Kebbi State was created out of the old Sokoto State in 1991 and it is located within latitudes 10.12°E and 13.29°N and longitudes 3.56°N and 6.06°E, covering a land area of 36,653km². It is bordered to the west by Benin and Niger Republics, to the east by Sokoto and Zamfara States, to the south by Zamfara and to the north by Sokoto State. The State has two geological formations: Precambrian basement complex in the South and South-East which are volcanic and metamorphic in nature; and young sedimentary rocks in the North. The altitude varies between 148-495m above sea level. The State experiences the Tropical Continental Climate where mean annual temperature is 26°C, with annual temperature range of 21°C to 42°C and annual total rainfall is about 750mm. Rains begins in May/June and lasts till October/November, after which the cold period sets in when the lowest temperature for the year is experienced. The dry season lasts between November and May of the following year, and the peak of temperature is experienced in April/May.

The State is largely drained by the Rivers Niger and Rima together with their tributaries. It is largely spread within the Sudan Savannah vegetation zone where locust bean tree (Parkia biglobosa), Shea Butter tree (Vitellaria paradoxa), bushwillows (combretum) grow. The natural vegetation which is woodland has grossly been altered by myriads of human activities resulting from high population growth. Dominant soils include acrisols, leptosols, arenosols and fluvisois. These are well drained and good for agriculture.

2.2 Demography

Kebbi State is mainly populated by Hausa people, with some members of Fulani, Lelna, Bussawa, Dukawa, Dakarkari, Kambari, Gungawa and Kamuku ethnic communities. Kebbi's population has experienced a three-fold increase since 1991. From about 3,137,989 people in 1991 to about 3,922,250 million in 2012, the population of Kebbi State is estimated to be close to 4,440,050 people in 2016 (Demographic Statistics Bulletin, May 2018). The male population is estimated at 50.3% while the female's is 49.7%. The brackets age population show, 0-14 years are 48.4%, 15-64 years are 48.8% and 65+ years are approximately 3%. The current population growth rate of Kebbi State is about 3.98% per year.

In 2015, the total fertility rate in Nigeria was 5.5 births per woman but increased in 2016 to 5.8 while in Kebbi State, the total fertility rate increased from 7.2 to 7.7 in the same period (NDH 2013). The number of married women aged 15-49 years using any modern contraceptive method stood at 3.2% (NDHS 2018). These figures require huge investments in health, education and mostly in basic social services. In addition, as youth reach working age, the number of available jobs may not match the demand for employment. Life expectancy at birth was 52.46 years in Kebbi State in 2013 and 52 years in 2018 (NHDR 2018).

2.3 Administration and Governance

Kebbi State Executive arm of government is headed by the Executive Governor while the Legislative arm comprising 24 House of Assembly members represent the 21 Local Government Areas (LGAs) is led by the Speaker. The Judicial arm is headed by the Chief Justice of the State Judiciary. All 21 LGAs function in accordance with the provisions of the 1999 Constitution as amended. The governance and administration sector is considered the engine of government and includes Ministries of Justice, Finance, Budget and Economic Planning, Local Government and Chieftaincy Affairs, Office of the Secretary to the State Government, Office of the Head of Service, State Independent Electoral Commission, Fiscal Responsibility Commission, Kebbi State Emergency Management Agency, Bureau of Public Procurements and Kebbi Internal Revenue Service.

Following key principles of accountability, transparency, inclusiveness, responsiveness, effectiveness as well as efficiency, Kebbi State Government has over the years sought to improve its administrative response capacity. However, faced with the realities of dwindling public sector productivity owing to inadequate training and development support, there is an urgent need for civil service revitalization.

Kebbi State currently has 22,176 employees. The State is still largely dependent on Statutory Allocation from the Federation Account which represents 58% of all its revenue. Internally Generated Revenue (IGR) account for 10% and Value Added Tax (VAT) takes 0.8% of total revenue of the State while Miscellaneous and internal loans follow with an average weight of 10% and 9%, respectively. The State has instituted mechanisms for ensuring accountability and transparency in the management of public funds, namely: adoption of the International Public Sector Accounting Standard (IPSAS) for budget and financial reporting; Set up of the State Integrated Financial Management Information System (SIFMIS); adoption of the State Financial Transparency, Accountability and Sustainability (SFTAS) approaches; and the use of Treasury Single Account (TSA) for revenue collection. Governance also benefits from financial and technical partners including the United Nations' agencies, International NGOs, and the Private Sector that contribute to attainment of government development goals.

The State House of Assembly has been dominated 100% by men over the years, which indicates the patriarchal nature of the State and a limitation of the Legislative arm to deliver inclusive social protection laws in favour of the women and youth. Additionally, there are less frequent public or civil society engagements by the hallowed chamber and has been labelled as a no reform laws passed legislature. Additionally, the State consists of 21 LGAs each headed by an elected Chairman who serves for a period of 2 years statutorily in the first instance and a maximum of four years. The LGAs, grassroots government, in principle is much closer to the people in delivering transformative changes. However, delay in progression caused by lack of financial autonomy and technical capacity to deliver administrative roles is recognized.

Local Governments have found it difficult to optimize their internal revenue potential as they struggle to establish a balance between State revenue points and Local Government revenue points. However, the new turn of financial autonomy promoted by the Financial Intelligence Unit (FIU) may improve their financing ability. Similarly, CSOs have not been effective in carrying out monitoring and follow-up of the activities of the three arms of government due to incapacity and lack of patriotism and commitment. The State Judiciary like other States in Nigeria, suffers from managerial and financial constraints. Nevertheless, Kebbi State enjoys the rank of one of the most peaceful States in Nigeria and a proud contributor to Nigeria's non-oil GDP.

Generally, many challenges mitigate public administration performance, some of which include inadequate monitoring and evaluation mechanism for efficient service delivery, absence of accountability mechanisms in MDAs, continuous citizens' apathy owing to mistrust, and low women representation in governance.

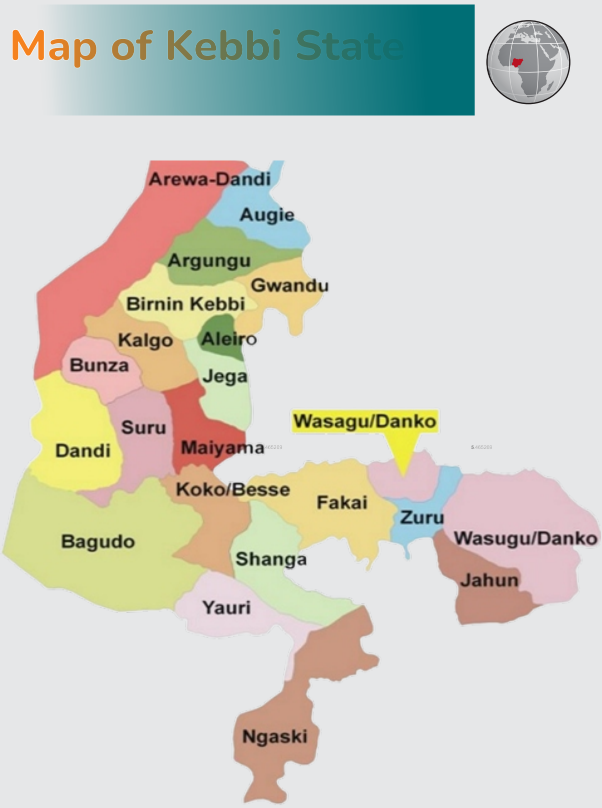
The State suffers other constraints including:

weak internal revenue base; poor budget preparation; poor citizens' participation in budget process especially at local government level; unclear guidelines for public-private partnership agreement; absence of a strategic framework and polices for ease of doing business; compromised relationship between the arms of government; weak coordination and partnership within and among various institutions; and low staff morale linked to lack of training, welfare support and delay in payment of benefits. These largely retard performance and affect the effectiveness of State institutions. These weaknesses are reflected in the performance of the State budget. The gap of the budget implementation is still large and stands approximately at 55%.

2.4 Public Sector Policy Reform Objectives

To improve governance and quality of institutions, results-based management principles and advancement of strategic partnership with civil society organizations will be employed to facilitate efficiency at the highest level in addition to:

1. Engaging the diaspora from Kebbi State for technical and strategic alliances towards the development of the State. In doing so, a deliberate mechanism will be implemented;
2. Strengthening the public service for responsive quality service delivery through training and human capital development;
3. Ensuring effective citizens' participation and engagement across all levels of government through the implementation of a citizens' engagements framework that would equally be adopted by all MDAs;
4. Creating a unified public service database in line with the Integrated Payroll and Personnel Information System (IPPIS) to block all leakages in government payrolls;
5. Re-orientating public service employees through the Bureau of Public Service Reform (BPSR) and frequently conduct staff training assessment audit to ascertain training needs for optimizing staff abilities and potential;
6. Strictly combating all forms of corruption within the public service;
7. Reviewing and amending appropriate laws to strengthen governance and administration in the State especially the Local Government autonomy and tenure in office of political office holders; and
8. Establishing contemporary relevant MDAs in an attempt to enhance responsiveness in governance.



CHAPTER THREE

NATIONAL & SUB-NATIONAL INDUSTRIAL DEVELOPMENT POLICY DIRECTION

3.1 Nigeria's Industrial Policy Direction

Many industrial policies have been designed and implemented since political independence of Nigeria in 1960. A review of the changing nature of Nigeria's industrial policies present that Import Substitution Industrialization strategy (ISI) was adopted in Nigeria as far as back as 1960 and persisted till 1985. This is often described as an inward-looking strategy for industrialisation designed to spur domestic production of manufactured goods for domestic markets. It involves processing of raw materials and setting up of manufacturing factories to produce locally certain manufactured goods which were originally imported to save the country from importation of such commodities. The motives for adopting ISI strategy in Nigeria were to reduce the volume of imports and external dependence, save foreign exchange, create favourable balance of trade and payments, encourage technological development, and create employment. In addition, a wide range of fiscal, monetary and infrastructural incentives were granted to private sector to reduce business cost. These incentives include tax holidays, income tax relief, capital allowance and depreciation allowance for investment in equipment, duty exemption on machinery, spare parts, and raw and intermediate materials for manufacturing. In addition, industrial estates were established and let out to industrialists at subsidized rates, thus relieving them of part of the very heavy capital expenditure on getting their business started.

To provide the much-needed capital to industrialists, the Nigerian Industrial Development Bank (NIDB) was set up in 1963 by the Federal Government of Nigeria in partnership with the International Finance Corporation (IFC) to provide loan to Nigerian incorporated companies in the industrial sector (FGN, 1970). In addition, the Federal Loans Board was also established to provide modest financial aid to industrialists. In pursuit of the ISI objectives, government took steps to pressurize local and foreign investors, especially importers of manufactured goods to set up local plants. With the dramatic increase in the inflow of "oil funds" in the 1970s, government became a major player in the ISI process by setting up public enterprises. Heavy industries such as Nitrogenous Fertilizers Projects, Calabar Cement Company, Nkalagu Cement Company, Ikot Ekpene Sunshine Batteries, Nigeria Newsprint Manufacturing Company, Petrochemical Complex, the Kaduna and Warri Refineries, Calabar and Iwopin Pulp and Paper Mills, etc. were established. Government also embarked on large-scale capital-intensive projects such as Ajaokuta Steel Company Limited, Steel Rolling Company at Aladja, Jos, Kaduna and Oshogbo, and Auto-assembly Plants at Kaduna, among others.

Contrary to the success story of ISI strategy in other countries and the high expectations of its performance in Nigeria, its performance in Nigeria was unsatisfactory. There are arguments that ISI in Nigeria failed to lead to desirable level of industrial growth and technological development. With escalating import bills, mounting external debt obligations and less foreign exchange to settle them following 'oil glut' in the international market, it became obvious that ISI strategy had failed in Nigeria and needed to be discontinued. Eventually, there was a shift in Nigeria's industrial policy thrust from ISI approach to Export Promotion Industrialization (EPI). It was government's deliberate effort to expand the volume of

Nigeria's exports through export incentives and other mechanisms in order to generate more foreign exchange and improve the balance of payment.

The export-oriented industrial policy was meant to achieve a broad objective of accelerating the pace of industrial development in Nigeria. Embedded in this industrial policy package were SAP-induced industrial policies like new export promotion decree of 1986, interest rate deregulation policy, the privatization and commercialization policy of 1988, the new export promotion policy/incentives, the new industrial policy of Nigeria of 1989 and debt conversion (equity swap) policy. With the new export promotion law, export license requirements for exportation of manufactured goods were abolished, export credit guarantee and insurance schemes were introduced, commodity boards were scrapped to allow the market forces to be more active and export free zones were established at several locations in the country.

The hitherto regulated interest rate in the country was deregulated to stimulate foreign capital inflow, encourage Nigerians to repatriate capital, induce saving and restrain credit expansion. Discount rate was raised from 11% to 14% in 1987 with minimum lending rate fixed at 14%. New export policy/incentives permitted Nigerian exporters of non-oil (industrial) products to retain for use 100% of their export proceeds in foreign currency instead of 25% permitted before the introduction of new export policy. Privatization and commercialization policy, aimed at reducing the dominance of unproductive investment in the public sector was implemented, public sector down-sizing and increased private sector participation in the economy, led to the setting up of the Technical Committee on Privatization and Commercialization (TCPC). Many public enterprises like Flour Mills of Nigeria Limited, African Petroleum Limited, National Oil and Chemical Company, Aba Textile Mills, United Nigerian Insurance Company, Northern Breweries among others were privatized. However, one of the observable facts about the privatized public enterprises is that because of the impropriety associated with it, some of them are yet to resume full production after many years of privatization.

By all indications export promotion has not made much impact in Nigeria's industrial sector and seems not to yield the expected benefits. While it reduced the size of public sector investment in the economy, increased private sector participation in the industrial sector and provided more access to foreign market, the adverse effects of devaluation, high interest rate and tight monetary policy which prevailed during the period increased the cost of production and reduced the profit margin of the firms, especially the Small and Medium Enterprises (SME). Moreover, like the ISI strategy, the EPI approach also depended largely on foreign technologies and inputs. Its failure provided an inroad for Foreign Private Investment-led industrialization (FPI) in Nigeria's industrial policy discourse as another industrialization strategy.

The Foreign Private Investment (FPI) is a direct investment into production or business in a country by an individual or company in another country, either by buying a company in the target country or by expanding operations of an existing business in that country. In a narrow sense it involves building new facilities. Broadly speaking, it includes building new facilities, mergers and acquisitions, reinvesting profits earned from overseas operations and intra company loan (Wikipedia, 2013). In pursuing FPI objectives, Nigeria exerted effort to guard against the twin monsters of decaying infrastructures and corruption, which scared away many potential foreign investors from Nigeria. Attempts were made to break the bureaucratic bottlenecks which inhibited registration and establishment of foreign businesses in Nigeria through the abolition of Land Use Act and the Nigerian Enterprise Promotion Decree. The One-Stop investment Centre (OSIC) was established by the Nigerian Investment Promotion Commission (NIPC) to hasten the processing of application for entry into Nigeria by prospective foreign investors, and registration and establishment of businesses. To sanitize and stabilize the financial system, banking sector reforms including the universal banking of 2002 and the banking consolidation exercise of 2005 were carried out. Other measures adopted include evolvement and implementation of the strategic management of industrial development through an industrial master plan since 1999.

As provided for in the plan, State Owned Enterprises (SOEs) had been reviewed with the aim of completing or rehabilitating viable ones and eventually privatising them. The master plan provided for strengthening industrial research and commercializing research findings as well as sourcing for technical assistance for industrialists in the area of technology transfer and capacity building. In addition, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), an umbrella agency for small and medium enterprises (SMES) was established to cater for the development of SMEs. Many other policy and strategies introduced by Nigerian government are embedded in the New Partnership for Africa's Development (NEPAD), National Economic Empowerment and Development Strategy (NEEDS), the Seven Point Agenda in 2007, Vision 20: 2020, and the Transformation Agenda of 2012. Other policy initiatives of the Federal Government for growing the Nigerian economy are the Nigerian Industrial Revolution Plan (NIRP) of 2014, National Enterprise Development Programme of 2014, the Economic Recovery and Growth Plan (ERGP) of 2017, and the National Development Plan of 2021. Although the rate of net inflow of foreign private investment into the country has increased, the insecurity threat in the country posed by Boko Haram insurgency, political violence, ethnic militia and wide spread flood have constrained the success of these policies and strategies in Nigeria. The performance of manufacturing sector is weak as indicated by dwindling level of capacity utilization. The profit margin of firms is low due to high cost of production caused by shortage of critical infrastructure like electricity, transportation, etc. and the fact that machinery, spare parts, raw materials and technology are imported.

4.2 Existing Kebbi State Industrial Incentive Regime

There are no existing collated industrial incentives for Kebbi State. Rather, investors are pointed to Federal incentives which are not within the purview of the State. On the other hand, investment climate-related reforms are regarded as incentives. Where tax exemptions and rebates are offered, they are discretionary. Hence, the decision for the development of an industrial policy for Kebbi State.

There are some policies on industrial development in the State which are mere pronouncements, and not backed by any document for reference. They include:

i. Three-year tax holiday for newly established industries in the State;

ii. Free land lease within the State industrial park to investors as an incentive to fast-track industrialization in the State;

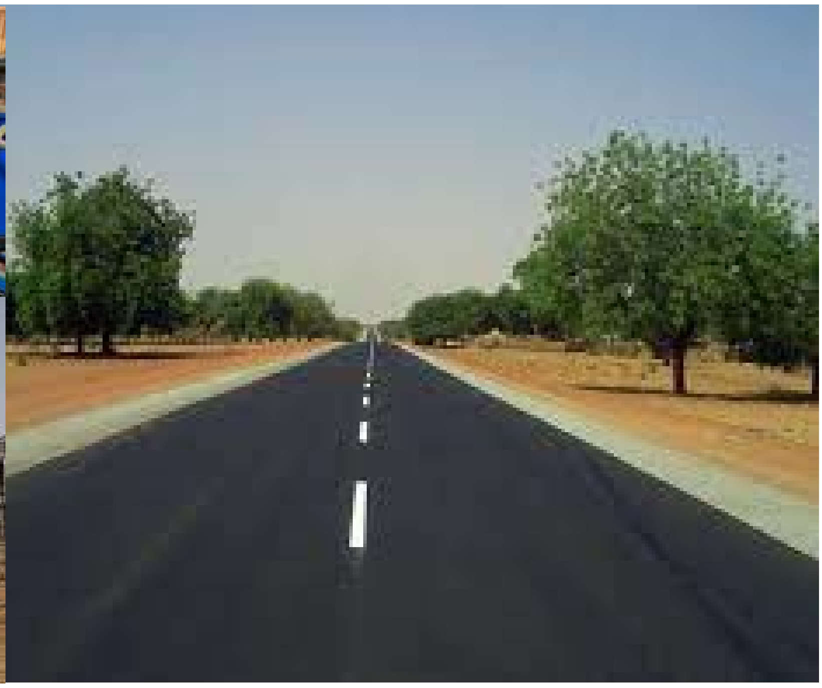
iii. Two-year period within which the leased industrial plot must be developed; and

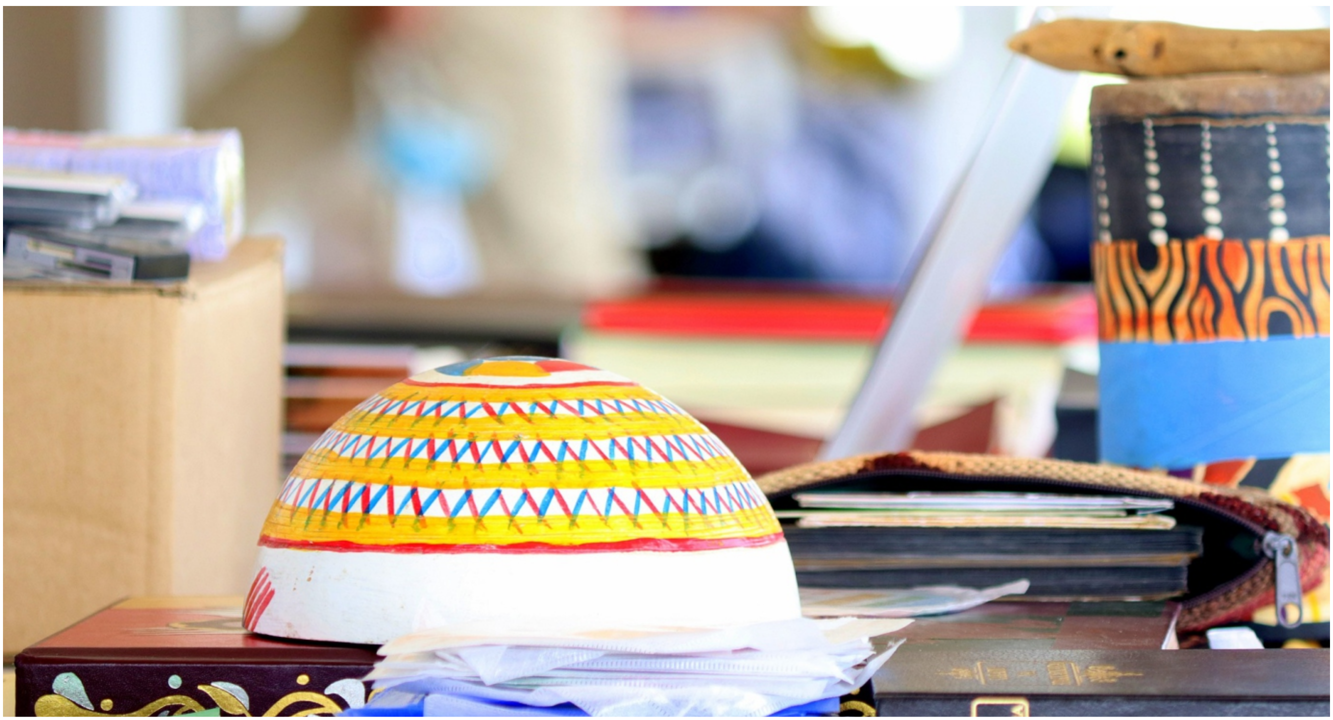
iv. Provision of one of either access road, water, electricity and land lease to industrialists that establish industries outside the industrial layout as an incentive.

Therefore, this industrial policy is part of the on-going economic reforms of system strengthening by the State Government to position the State for economic transformation and the preferred destination for domestic and foreign industrial investment including enhancement of the productive capacities and contribution of MSMEs to the State's economy.

The Policy is also a blue-print for rapid promotion of the State's competitiveness in attracting, retaining and expanding new and existing frontiers. Expectedly, the Policy will bring about improvement in the State's capacity to attract beneficial private capital leading to massive job creation, drastically reducing poverty and addressing the poor infrastructure situation in the State's agribusiness value chains development.

At the heart of this industrial policy is the commitment and determination of the Kebbi State Government to transform Kebbi State into an economically viable and financially self-sustainable and independent State. The overall objective of the policy, therefore, is to enhance Kebbi State's economic viability and end its cycle of dependence on revenue allocations from the Federal Treasury. This will place Kebbi State on the path to rapid and sustainable economic transformation.





CHAPTER FOUR

KEBBI STATE PRIORITY SECTORS & POLICY REFORM OBJECTIVES

4.1 Agriculture and Agri-Business Sector

4.1.1 Overview

Agriculture is the mainstay of the economy of Kebbi State. It is the pivot on which many agribusiness and non-agric-related businesses thrive providing employment to over 80% of its population. Agricultural production takes place throughout the year with the wet season production immensely complemented by intensive and large-scale irrigated farming. This guarantees food availability in all seasons, adequate raw materials supply to industry all-year round and enhances productivity of livestock. With a total arable land area of 1.6 million hectares, marked by wet and dry seasons, diverse soil types and endowed with 420, 000 hectares of Fadama land (out of which 170,000 hectares have shallow extractable aquifers suitable for year-round irrigation), Kebbi State is suitable to support cultivation of a variety of crops. Additionally, irrigated agriculture is robustly favoured and supported by a plethora of natural aqua endowments, consisting of extensive network of rivers, which include two of the major rivers of Nigeria, Rivers Niger and Rima, and two intermediate rivers, Zamfara and Gulbin Ka and a large number of minor rivers, being tributaries of the above. The banks of River Rima hosts 50% of the Fadama land, 34.7% is on River Niger, 4.1% on River Zamfara while the remaining 11.2% is on minor tributaries. A network of these rivers traverses more than half of the State. A number of earth dams also exist in addition to quite a number of burrow pits, ponds, gullies, valley depressions, reservoirs, scattered all over the major and intermediate roads, across farmlands, and grazing and rangelands. On account of these ecological advantages, Kebbi State is a major supplier of rice, groundnut oil, maize, sorghum, groundnut, cotton and vegetables (especially onions and chilies) to the South and Western parts of the country.

The State has developed its human capital through series of agricultural development programmes. Some of the agricultural development programmes implemented by Kebbi State since the 1990s include the ADP, Fadama II, Fadama III, the Additional Financing Project, the IFAD/CBARDP (Community-Based Agricultural and Rural Development Project), IFAD/KBSCBARDP, and IFAD/CASP (Climate Change Adaptation and Agri-business Support) and ATASP Programmes. Development Partners such as CARI, Oxfam, Feed the Future, USAID Market 2 and USADF have provided support in various areas including agriculture development, food security, climate resilience, and adaptation and mitigation strategies. These programmes have helped in providing valuable Fadama assets and infrastructures such as tube-wells and wash-bores, feeder roads, transfer of technologies for extraction of shallow aquifers and best agronomic practices for the production of arable crops, tree crops, vegetables, livestock, poultry and fisheries.

4.1.2 Analysis of Challenges

Despite its endowments for agricultural production, the agricultural sector has grown at a very slow rate due to obsolete farming techniques and subsistence cultivation. The institutional constraints faced by the sector include the dilapidated condition of most agricultural infrastructure, inadequate skills and human capacity and poor remunerations to agricultural sector workers. The technical limitations pertain to poor access to mechanized equipment, farm inputs, low improved technologies and inadequate processing and packaging facilities. In addition, high post-harvest losses, poor access to markets and credit, and very low extension service delivery are other constraints that significantly affect farming returns and retard motivation to engage in farming.

4.1.3 Policy Reform Objectives

To stimulate economic activity through intensive agricultural production and distribution within the strategic period (2022 – 2025), this policy thrust is to:

1. Increase agricultural investments in the State following the Maputo declaration of over 10% of the annual budget set aside for the sector;
2. Develop irrigation infrastructure to fully harness the irrigation potentials in the State in a way that creates wealth and increase productivity;
3. Establish community seeds production program in the State;
4. Institutionalize tools, machinery and equipment and spare-parts fabrication manufacturing;
5. Strategically facilitate the establishment of food and grain storage structures and agro-processing infrastructure across the State;
6. Establish Kebbi State Farmers database that can be integrated into the Federal Ministry of Agriculture and Rural Development and other support systems towards enhancing decision management;
7. Effective monitoring of food prices across the State through system strengthening of the MDAs M&E departments; and
8. Mainstream Climate-SMART interventions across all agricultural programs and promote awareness around climate change adaptation and mitigation strategies across the State.

4.1.4 Incentive Regimes

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

i. All agricultural and agro-industrial machines and equipment enjoy zero percent (0%) duty;

ii. Companies in the agro-allied business do not have their capital allowance restricted. It is granted in full i.e., 100%;

iii. Agribusiness is tax-free. The payments of minimum tax by companies that make small or no profits at all do not apply to agro-allied businesses;

iv. Agro-allied plants and equipment enjoy enhanced capital allowances of up to 50%;

v. Processing of agricultural produce is a pioneer industry; consequently, there is 100% tax-free period of 3 years, renewable for another 2 years;

vi. Tax relief for Research & Development: Agro-allied industries that attain minimum levels of local materials sourcing & utilization enjoy tax credit;

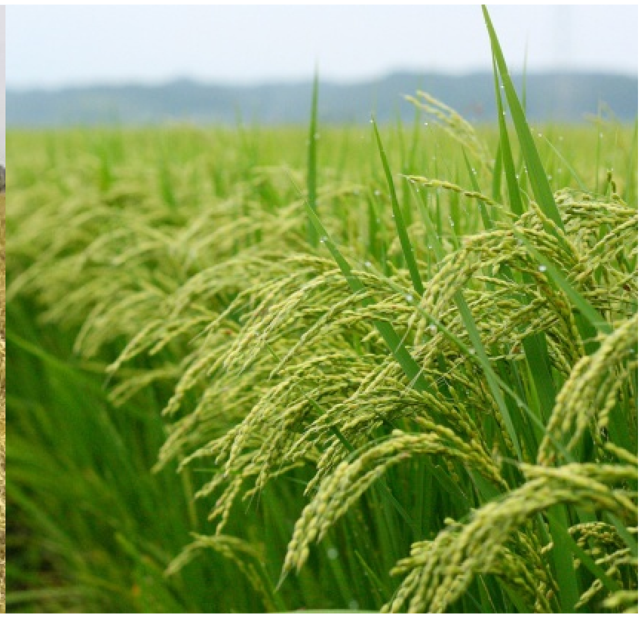
vii. Up to 75% guarantee for all loans granted by commercial banks for agricultural production and processing under the Agricultural Credit Guarantee Scheme Fund (ACGSF) administered by the Central Bank of Nigeria;

viii. Interest Drawback Program Fund: 60% repayment of interest paid by those who borrow from banks under the ACGSF, for the purpose of cassava production and processing provided such borrowers repay their loans on schedule;

ix. Corporate tax incentives rebate of 12% shall be enjoyed by Bakers on attainment of 40% cassava blend within a period of 18 months;

x. The Nigerian Investment Promotion Commission Act allows 100% ownership of companies by foreigners, while the Foreign Exchange Miscellaneous Act, guarantees 100% Repatriation of Capital, Profit, & Dividends through authorized dealers; and

xi. Agricultural Start-ups and SMEs with less than N25 million are exempted from payment of Company Income Tax (CIT). In addition, medium-sized companies (with turnover of N25 million to N100 million are now required to pay 20% of CIT instead of 30% applicable to large companies (CIT) (Finance Act. 2020)



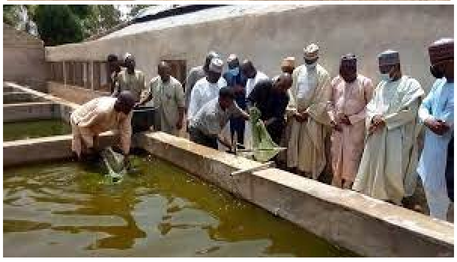


Table 4.1: Inventory of Agri-business & General Investment Incentives in the State

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
1.	**Stabilization Incentive** (for large businesses)offers' • Free land lease *(Terms & Conditions apply)* + exemption from payment of State-imposed levies/ charges, namely: i. Tenement Rates; ii. Ground Rent; and iii. Intent/Processing Fee for C of O.	3 Years	-Evidence of Registration with CAC -Evidence of Registration with NIPC, for Companies with foreign interests -Registration with KIPA -Quantum of Investment: - Foreign/large Domestic Investments of a minimum of ₦2 billion -Agribusiness Value Chain components: - Pre-production, Production and Post- production & marketing qualifying activities-fertilizer blending/production, seeds multiplication/distribution. large-scale production of inputs for livestock, poultry and fishery, - Large-scale farming/ plantations, medium and large-scale processing, development of medium/large-scale modern storage facilities, development of commodity Futures Market and exports -Submission of host community CSR Plan (applicable to Foreign/Large Domestic Investments only). -Evidence of compliance with State regulatory requirements	Agri-business	- Min. of Commerce (MoC) - Kebbi State Investment Promotion Agency (KIPA) - Board of Internal Revenue (BIR) - Ministry of Lands, Housing & Urban Development with copies forwarded to all relevant MDAs and host Local Government Councils	State	Industrial Policy Framework, 2022	-To attract new industrial investments; -To support large business stabilization -To encourage expansion and reinvestment around the agribusiness value chain

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
2.	**Consolidation Incentive** (for Medium Enterprises) • This offers investors full exemption from State-based imposed Levies and charges; • Free land *(Terms & Conditions apply);* • Signage Levy; and • Business Premises.	2 Years	-Evidence of Registration with CAC -Evidence of Registration with NIPC, for Companies with foreign interests -Registration with KIPA. Quantum of investment of Minimum of ₦500M. -Minimum employment of 50 semi-skilled/skilled State indigenes -Agribusiness Value Chain components: -Pre-production, Production and -Post-production & marketing qualifying activities: fertilizer blending/ production, seeds multiplication/distribution, medium-scale production of inputs for livestock, poultry and fishery -Medium-scale farming/plantations, --Medium-scale processing, -Development of medium-scale modern storage facilities, -Development of commodity e-commerce platform export -Submission of HCSR plan	All Sectors	- MoC - KIPA - BIR Copies forwarded to relevant MDAs and host Local Government Councils	State	Industrial Policy Framework, 2022	-To encourage industrial investment in al[l] sectors particularly the Agri-business value chain -To facilitate economic participation in industrial investment -To encourage linkage of micro businesses & large investments -To promote value addition

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
3.	**Businesses Consolidation Incentive (**for Micro & Small Enterprises**)** • This offers micro businesses full exemption from payment of all State-based imposed levies and charges plus, MSE Service Charges subsidy	One Year	-This incentive is available to businesses that are below ₦200M -Registration with Kebbi State chapter of Nigeria Association of Small and Medium Enterprises (NASME) -Evidence of Registration with the Commercial Department of Ministry of Commerce -National Identification Number of Promoters -Qualifying Activities: all businesses operating in the agribusiness value chain are eligible -Quantum of investment not required	All Sectors	- MoC - BIR - NASME	State	Industrial Policy Framework, 2022	-To enable integration of micro and small firms into the formal economy and global value chains -To create a reliable database for informed policy interventions and decisions -To stabilize micro and small business development

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
4,	**Medium and Small Enterprises (MSE) Service Charges Subsidy** This offers micro enterprises 50% discount for business development services through Government initiatives, namely: • Bankable business plan; cost of entrepreneurship training; and training on quality assurance and packaging for export. • This offers a single-digit interest charge of not more than 5% through the State Industrial Development Fund *(Terms & Conditions apply)*	First Year	All registered MSMEs are eligible with CAC registration or Ministry of Commerce/NASME registration	Evidence of registration to be presented	- MoC - BIR - NASME - Ministry of Agriculture and Rural Development	State	Industrial Policy Framework, 2022	- To encourage and prepare MSMEs for active participation in the agribusiness value chain

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
5.	**Pioneer status incentive** Under Industrial Development (Income Tax Relief) Act (IDITRA), companies engaged in industries/products approved as 'pioneer industries/products' shall be (a) granted income tax relief for a period of three years, which can be extended for a period of one year and thereafter another one year, or for one period of two years (Section 10(2)(a)(b) IDITRA); (b) exempted from paying tax on dividends paid by the pioneer company during the pioneer period to the extent that they are paid out of income exempted from tax (Section 17(3) IDITRA); and (c) the loss incurred during the tax relief period is also deemed to be incurred on the first day following the expiration of the tax relief period and can be carried forward to offset profits after the tax-exempt period.	Tax Holiday 3years	i. Applications must be made within the first year of operational activities. ii. Applicant must be engaged in activities listed as pioneer industry or product. Kindly refer to the qualified list of industries and products on NIPC's website. iii. A non-current tangible asset of over one hundred million naira (N100 million) iv. Applicant must demonstrate the tangible impact its activity (project) will have on States' economic diversification and growth in industrial and sectoral development, employment, skills and technology transfer, export development and import substitution. v. Applicant must provide evidence of all required legal and regulatory compliance documentation.	Industrial Development	-Nigerian Investment Promotion Commission (NIPC) -Industrial Inspectorate Department, Federal Ministry of Industry, Trade and Investment - Federal Inland Revenue Service (FIRS)	Federal	Section 10 and 17 of the Supplement to Official Gazette No. 5, Vol. 51, 9th January, 1964— Part B. LN.2 of, 1964" 4 LG IDITRA J (CAP. 87) | | IDITRA (Yeast) Order, 1964	

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
5.			vi. Applicant must make full payment of fees promptly, when due. vii. During the pioneer period, a performance report must be submitted to NIPC annually for monitoring and evaluation purpose s. Application guidelines available on NIPC website					

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
6.	**Rural investment allowance** Where a company incurs capital expenditure on the provision of facilities such as electricity, water or tarred road for the purpose of a trade or business, such company shall enjoy an additional allowance under the Second Schedule of Companies Income Tax Act (CITA) at the appropriate rate as follows: -No facilities at all 100%; -No water 30%; -No electricity 50%; and -No tarred road 15%.	Relief	i. The company must be located at least 20 kilometres away from such facilities provided by the government; ii. Cannot be enjoyed if already enjoyed provision of Section 32: Reconstruction investment allowance; iii. Allowance can only be applied against the profit of the year in which such investment (facility) was completed.	N/A	FIRS	Federal	Section 34 COMPANIES INCOME TAX ACT An Act to consolidate the provisions of the CITA 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	
7.	**Value Added Tax Exempt on Unprocessed Food items** Outright exemption from VAT for any unprocessed staple food item, whether or not it is packaged. This, to FIRS, means that for a food item to be exempted from VAT, it must be a staple food item, and it must be unprocessed. Staple food is food that can be easily stored, and eaten throughout the year by a dominant part of a population. They include carbohydrates, wheat, barley, rice, potatoes, tinned food, milk, and things that do not need to be refrigerated.	Tax Exemption with no time limit	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	Food production	FIRS	Federal	VALUE ADDED TAX ACT an Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
8.	**Value Added Tax Exempt on all medical and pharmaceutical products** Outright exemption from VAT for all medical and pharmaceutical products	Tax Exemption with no time limit	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	Medical and Pharmaceutical	FIRS	Federal	VALUE ADDED TAX ACT an Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	
9.	**Value Added Tax Exempt on all Baby Products** Outright exemption from VAT for all Baby Products	Tax Exemption with no time limit	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	Baby products	FIRS	Federal	VALUE ADDED TAX ACT an Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
10.	**VAT exempted on other goods** VAT Act lists the following goods exempted from VAT: (a) Books and educational materials; (b) Fertilizer, locally produced agricultural and veterinary medicine, farming machinery and farming transportation equipment; (c) All exports; (d) Plants and machinery imported for use in Export Processing Zones; (e) Plants, machinery and equipment purchased for utilization in gas down-stream petroleum operations; and (f) Tractors, ploughs and agricultural equipment and implements purchased for agricultural purposes.	Tax Exemption with no time limit	To be eligible, i. the goods are physically present in Nigeria at the time of supply, imported into Nigeria, assembled in Nigeria or installed in Nigeria, or ii. the beneficial owner of the rights in or over the goods is a taxable person in Nigeria and the goods or right is situated, registered or exercisable in Nigeria	N/A	FIRS	Federal	VALUE ADDED TAX ACT an Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
11.	**VAT exempted on the specific services** VAT Act lists the following services exempted from VAT: 1. Medical services; 2. Services rendered by Microfinance Banks, People's Banks, and Mortgage Institutions; 3. Plays and performances conducted by educational institutions as part of learning; 4. All exported services. 5. Tuition relating to the nursery, primary, secondary and tertiary education. 6. Airline transportation tickets issued and sold by commercial airlines registered in Nigeria; and 7. Hire, rental or lease tractors, ploughs and other agricultural equipment for agricultural purposes.	Tax Exemption with no time limit	To be eligible, i. If the service is rendered in Nigeria by a person physically present in Nigeria at the time of providing the service, ii. Irrespective of the jurisdiction of origin of the service, where the services are rendered to a person physically present in Nigeria at the time the service is rendered, or the service is consumed in Nigeria or whether or not the legal or contractual obligation to render such service rests on a person within or outside Nigeria, or iii. The service is connected with existing immovable property (including the services of agents, experts, engineers, architects, valuers, etc.); where the property is located in Nigeria. iv. it can be inferred from information provided that the consumers usual place of residence is Nigeria;	N/A	FIRS	Federal	VALUE ADDED TAX ACT an Act to impose and charge Value Added Tax on certain goods and services and to provide for the administration of the tax and matters related thereto. [1993 No. 102.] [1st December, 1993] [Commencement.]	

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
12.	**Enhanced capital allowance (tax depreciation) regime** (a) 95% capital allowance is enjoyed in the year a qualifying expenditure is incurred pursuant to Paragraph 24 Table 1 & 2 Second Schedule of CITA (b) Companies engaged in wholly agricultural activities are entitled to unrestricted capital allowances pursuant to Paragraph 24 (7) CITA (c) Companies engaged in wholly agricultural activities are entitled to carry forward unutilized capital allowances indefinitely.	Year of qualifying expenditure	All companies that incur qualifying capital expenditure on Agriculture	Agriculture	FIRS	Federal	COMPANIES INCOME TAX ACT an Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
13.	**Exemption from minimum Corporate Tax** Section 33(3) a CITA, exempts the income of a company carrying on agricultural trade from payment of minimum tax	Tax Exemption with no time limit	Conditions, manner and procedure of exercising the right this exemption are regulated by the CITA Section 33(3) and explained in Section 11(4)[Substituted by Finance Act, 2020 s. 6(b) (ii)] Explaining agricultural products to include (a) primary crop production comprising the production of raw crops of all kinds, but excluding any intermediate or final processing of crops or any other associated manufactured or derivative crop product; (b) primary livestock production comprising the production of live animals and their direct produce such as live or raw meat, live or raw poultry, fresh eggs and milk of all kinds, but excluding any other associated manufactured or derivative livestock product; (c) primary forestry production comprising the production of timbers of various kinds such as firewood, charcoal, uncultivated materials gathered and other forestry products of all kinds, including seeds and saplings, but excluding the intermediate and final processing of timber and any other manufactured or derivative timber product; and (d) primary fishing production comprising the production of fish of all kinds, including ornamental fish, but excluding any intermediate or final processing of any other manufactured or derivative fish product.”	Agriculture	FIRS	Federal	CITA an Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
14.	**Company Income Tax exemption for Solid Mineral mining.** Section 36 Company Income Tax Act provides that a new company going into the mining of solid minerals shall be exempt from tax for the first three years of its operation.	3 Years Tax exemption	The law specifies in which cases investors are exempted	Solid Mineral	FIRS	Federal	CITA an Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	
15.	**95% accelerated capital allowance.** Second Schedule CITA provides accelerated capital allowance at 95% of qualified capital expenditure on Mining in the first year of use of the asset.	First year of use of asset	All companies that incur qualifying capital expenditure on mining	Solid Minerals	FIRS	Federal	CITA an Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	

S/No	Name of Incentive & Description	Duration	Eligibility	Sector	Implementing Agencies	Federal OR State Level Incentive	Legal Reference Instrument/Year Incentive Introduced	Objective of the Incentive
16	**25% of income in convertible currencies exempted from tax**	Tax Exemption with no time limit	Conditions, manner and procedure of exercising the right this exemption are regulated by the CITA states that such income is put in a reserved fund to be utilised within five years for the building expansion of new hotels, conference centres and new facilities for the purpose of tourism development.	Tourism/ Hospitality	FIRS	Federal	CITA an Act to consolidate the provisions of the Companies Income Tax Act 1961 and to make other provisions relating thereto. [No. 28 of 1979, No. 11 of 2007.] [Date of commencement: 1st April, 1977]	To encourage reinvestment of proceeds
17	**Bonus for early filing of self-assessment return**	Bonus, upon filing	All enterprises and individuals that file returns early and correctly	Entrepreneurs and MSME	State Board of Internal Revenue	State	Personal Income Tax Act PERSONAL INCOME TAX ACT An Act to impose income tax on individuals, communities and families and on executors and trustees, and to provide for the assessment and collection and administration of the tax. [No. 104 of 1993.] [Date of commencement: 25th August, 1993] [Amended by Finance Act, 2019 s.31]	To encourage early compliance to regulatory requirements

*** POST INCENTIVE MONITORING & IMPACT ASSESSMENT

After the first (3) three years, a Post Incentive Monitoring (PIM) will be undertaken by KIPA to ensure intended benefits of the incentives are derived. This is in addition to appointed Independent Consultants to conduct an Impact Assessment (IA) after the first three years of implementation.

S/No	Name/Description	Objectives	Eligibility	Guidelines/Procedures	Implementing Agencies	Post-Incentive Monitoring	Impact Assessment
1.	STABILIZATION INCENTIVE For large businesses Exemption from payment of State-imposed levies/charges for the first three (3) years of entry, namely: • Free land lease *(Terms & Conditions apply);* • Signage Levy; • Business Premises; • Tenement Rates; • Ground Rent; and • Intent/Processing Fee for C of O.	• To attract new industrial investments; • To support large business stabilization. • To encourage expansion and reinvestment around the agribusiness value chain	• Evidence of Registration with CAC • Evidence of Registration with NIPC, for Companies with foreign interest • Registration with KIPA • Quantum of Investment: - Foreign/large Domestic Investments of a minimum of ₦2 billion • Agribusiness Value Chain components: - Pre-production, Production and Post- production & marketing qualifying activities-fertilizer blending/production, seed multiplication/distribution. large-scale production of inputs for	• Application to KIPA • Submission of business plan/feasibility report • Power Point Presentation to the Approval Committee (Representatives of MDAs) • Letter of Approval to be issued within 24 hours of approval • Time frame from application to approval to be completed within 21 days, subject to investors' fulfilment of all requirements • Certificate signed by the Hon. Comm. of Commerce and issued by the KIPA. Approval to be copied to: Min. of Commerce, State Internal Revenue Board, Host Local Governments, SSG's	• Min. of Commerce • KIPA/One Stop Shop	To be undertaken by KIPA to ensure intended benefits of the incentives are derived	To be undertaken by Independent Consultant after the first three years of implementation.

S/No	Name/Description	Objectives	Eligibility	Guidelines/Procedures	Implementing Agencies	Post-Incentive Monitoring	Impact Assessment
1.			livestock, poultry and fishery, - Large-scale farming/ plantations, medium and large-scale processing, development of medium/large-scale modern storage facilities, development of commodity Futures Market and exports • Submission of host community CSR Plan (applicable to Foreign/Large Domestic Investments only). • Evidence of compliance with State regulatory requirements	office and all relevant MDAs • KIPA to provide monthly returns on all incentives granted for the records			

S/No	Name/Description	Objectives	Eligibility	Guidelines/Procedures	Implementing Agencies	Post-Incentive Monitoring	Impact Assessment
2.	CONSOLIDATION INCENTIVE For Medium Enterprises. • This offers investors full exemption for 2 years from State-based imposed Levies and charges *plus* • Free land *(Terms & Conditions apply)*	• To encourage industrial investment in the agribusiness value chain • To facilitate economic participation in industrial investments beneficial to the people of the State and local economy • To encourage linkages of Micro business and large investments • To promote value addition along the value chain	• Evidence of Registration with CAC • Evidence of Registration with NIPC, for Companies with foreign interest • Registration with KIPA • Quantum of investment of Minimum of N500M • Minimum employment of 50 semi-skilled/skilled State indigenes • Agribusiness Value Chain components: - Pre-production, Production and Post- production & marketing - Qualifying activities: fertilizer blending/ production, seed multiplication/ distribution, medium-scale production of inputs for livestock, poultry and fishery - Medium-scale farming/plantations, medium -scale processing,	• Application to KIPA • Submission of business plan/feasibility report • Power Point Presentation to the Approval Committee (Representatives of MDAs) • Letter of Approval to be issued within 24 hours of approval by KIPA • Time frame from application to approval to be completed within 21 working days, subject to the fulfilment of all the requirements on the part of the investor • Certificate signed by the Honourable Commissioner for Commerce and issued by the KIPA. Approval to be copied to: Ministry of Commerce, State	Min. of Commerce KIPA/One Stop Shop Copies forwarded to relevant MDAs and host Local Government Council	To be undertaken by KIPA to ensure that the intended benefits of the incentives are realized	To be undertaken by Independent Consultant after the first three years of implementation to ensure effectiveness of the policy

S/No	Name/Description	Objectives	Eligibility	Guidelines/Procedures	Implementing Agencies	Post-Incentive Monitoring	Impact Assessment
2.			development of medium scale modern s torage facilities, development of commodity e -commerce platform export • Submission of CSR plan	Internal Revenue Board, Host Local Governments, SSG's office and all relevant MDAs			

S/No	Name/Description	Objectives	Eligibility	Guidelines/Procedures	Implementing Agencies	Post-Incentive Monitoring	Impact Assessment
3.	MICRO BUSINESSES CONSOLIDATION INCENTIVE • This offers micro businesses full exemption for one year from payment of State-based imposed levies and charges	• To enable the integration of micro and small firms into the formal economy and global value chains • To create a reliable database for informed policy intervention and decisions • To stabilize micro and small businesses development	- This incentive is available to business that are below ₦200M - Registration with Kebbi State chapter of NASME - Evidence of Registration with the Commercial Department of Ministry of Commerce - National Identification Number of Promoters - Qualifying Activities: all businesses operating in the agribusiness value chain are eligible - Quantum of investment not required	Ministry of Commerce/NASME to use LGA MSME Centres as registration points Provision for online registration and issuance of e-certificate Issuance of Registration Certificate by the Ministry of Commerce through NASME	Min. of Commerce NASME	Min. of Commerce NASME Returns data of registered business collated by NASME to be submitted to Ministry of Commerce; and the State Board of Internal Revenue	To be undertaken by Independent Consultant after the first three years of implementation to ensure effectiveness of the policy

S/No	Name/Description	Objectives	Eligibility	Guidelines/Procedures	Implementing Agencies	Post-Incentive Monitoring	Impact Assessment
4,	MSME SERVICE CHARGES SUBSIDY This offers MSMEs 50% discount for business development services through Government initiatives, namely: • Bankable business plan; cost of entrepreneurship training; Training on quality assurance and packaging for export. • This offers a single-digit interest charge of not more than 5% through the State Industrial Development Fund *(Terms & Conditions apply)*	To encourage and prepare MSMEs for active participation in the agribusiness value chain	All registered MSMEs are eligible with CAC registration or Ministry of Commerce/NASME registration	Evidence of registration to be presented	Ministry of Commerce NASME Ministry of Agriculture and Rural Development	Min. of Commerce NASME	By Independent Consultant ensuring transparency

4.2 Commerce and Tourism Sector

4.2.1 Overview

Effective functioning of the commerce, industry, culture and tourism sector can guarantee non-oil sector revenue for the State. It complements the vast potentials in the agribusiness and natural resource sectors. Its target is to create jobs, provide access to finance, create a conducive environment for small and medium-scale enterprises to thrive, maintain a register of corporations and regulate their activities, and improve and expand the State's tax net. This sector is also capable of improving the State's economic indices such as the Gross Domestic Product and human capital index, amongst others.

The Ministry of Commerce, Industry, Culture and Tourism in collaboration with other key MDAs jointly coordinate the activities of all annual festivals and other exhibitions in the State with a view to sustaining the cultural heritage of the people. Tourism is a priority sub-sector that holds tremendous opportunities especially with natural tourism endowments that are yet to be harnessed and explored. To harness and boost tourism and culture in the State, a number of tourist sites will be identified and prioritized as commercially viable assets capable of attracting domestic and international investors through professional packaging and enhancements.

Development of tourism is critical to Kebbi State sustainable economic development. Consequently, the Ministry of Commerce, Industry, Culture and Tourism will work with the KIPA to promote the development of the sector. The multiplier effects of a vibrant tourism industry in the State will manifest in increased hotel bookings, air and road travels, restaurants, increased gate takings at tourist attraction sites, retail trade alongside the investments, and employment opportunities that will be created. Thus, some important segments of the value chain include the hotels, transportation system, technological support, community participation and tour guide operators which create a great synergy to drive the growth of the tourism industry. Undoubtedly, creating an enabling environment for the sector to thrive would ensure steady growth with increased revenue potential to the State. It is for this reason that tourism is one priority sector in the State. Accordingly, some key challenges to be addressed in order for the benefits from the industry to be fully realized include:

- Poor funding. The sub-sector hasn't been prioritized in the State's budget;
- Poor tourism infrastructure and tourist sites;
- Absence of a well designed and developed State tourism master plan;
- Tourism destinations in the State are not adequately promoted to attract patronage; and
- Institutions responsible for tourism development in the State are weak due to poor funding, underdeveloped capacity, and absence of legal and codified policy framework.

4.2.2 Policy Reform Objectives

To achieve an improved and functional economic landscape that drives citizen's participation, increase productivity, income, wealth and wellness, the following policy measures will be the focus of the State to facilitate an optimal trade, tourism and investment climate:

1. Enhance industrialization through an ambitious review of public-private partnership (PPP) bilateral agreements to rebuild investor confidence, revitalize existing industrialization agenda and consolidate on gains made in the State;
2. Put in place a Tourism Master Plan for development, management and attraction of private sector investment into the sector. To this end, Kebbi State Government will maintain effective liaison and coordination

with Federal Government tourism agencies and integrate local government councils in the State Tourism Master plan;

3. Promote adequate investment directly or through PPP mechanism that supports provision of tourism infrastructure directly or by creating enabling environment for private sector investment into such projects as standard hotels, captive electricity, good road networks, and intentional boost of the medical sector to make it more reliable for citizens and tourists. This will include deliberate interventions to take infrastructure investments into rural areas that host tourist sites;

4. In collaboration with Security Agencies, tackle security challenges in the State and bring insecurity to minimum level. In this regard, Kebbi State Government is determined to restore security and make the State a safe haven for citizens and tourists;

5. Embark on strategic and creative marketing of tourism potentials and sites in local and international media, including production of multi-media publicity materials and roadshows. To this end, Kebbi State Government shall identify priority tourist sites and develop project profiles of the sites for targeted marketing to investors;

6. Foster data management and enhance digital economic growth in the State;

7. Reposition the tourism sub-sector by recognizing historical monuments as heritage sites with a view to positioning the State on the global tourism map to attract increasing revenue;

8. Widen the tax net through formalization of informal cross-border trade to be driven by data;

9. Ensure equitable distribution of infrastructural through annual consultation with key stakeholders and consideration of citizens' community development plan;

10. Continuously facilitate a healthy and peaceful business environment that is driven by technology to ensure ease of doing business at the cheapest possible costs;

11. Utilize the State Industrial Development Fund (SIDF) to be financed by budgetary provision and grants from development partners to provide funding options for enterprise development. Capital Market Funding options will be explored also; and

12. Sensitize and mobilize the locals around the tourism sites on how they can benefit and get them gainfully employed in the tourism value chain.

4.3 Industrial Infrastructure Sector

4.3.1 Overview

Infrastructure is regarded as a catalyst in the growth and development of nations, especially as it enhances access to social, human, natural and financial assets. Infrastructure is in hard and soft forms; hard infrastructure includes roads, sewers, storage, highways, bridges, electricity, railroads, etc. while soft infrastructure reflect human capital and services including education, health, banking services, security and ICT. They embody all facilities and services in the structural transformation of the State's economy.

The challenges of poor infrastructure, especially rail infrastructure has continued to undermine the growth and development of Kebbi State. However, the infrastructure deficit presents great investment opportunities for private sector participation. This is even more so due to dwindling revenue available to the State and the competing pressures for government spending in other critical sectors. Infrastructure development entails heavy capital outlay with considerably long gestation period and resultant favourable returns on investment. This economic significance and favourable financial return justify the rationale for increased private sector participation in developing the sector.

Opportunities for investment in

infrastructure for industrial development abound in transport, captive power, housing, roads, light rail, tourism, financial services, education, health and ICT. Infrastructure to support tourism, mining and agribusiness all combine to serve as investment opportunities to which private sector capital is required. Furthermore, opportunities in the development of industrial parks infrastructure are yearning for domestic and foreign direct investments.

The role of Kebbi State Government will be to create the enabling environment, promote and facilitate the involvement of the private sector in the delivery of infrastructure projects required for industrial prosperity in the State. This will involve a PPP mechanism that supports and encourages investors to participate in infrastructure development by creating the enabling environment for Direct Private Sector Investment in infrastructure. Hence, the development of infrastructure sector-specific incentives remains critical and compelling.

4.3.2 Policy Reform Objectives

Given the strategic importance of infrastructure in the transformation of Kebbi State's economy, the following policy objectives will be pursued:

i. Create an enabling environment for the success of the PPP mechanism in the State as a catalyst for attracting and facilitating investment inflows in the infrastructure sector;

ii. Ensure strong and empowered mechanism for a successful PPP institution by clearly defining its regulatory and investment facilitator role;

iii. Attract through targeted promotion beneficial investments into critical and strategic infrastructure projects such as captive power, renewable energy, road and water transport network, digital infrastructure, etc.;

iv. Attract private capital that will close the growing infrastructure gap/deficit in the State by leveraging the Federal Government infrastructure incentives and regulatory framework; and

v. Build a robust multi-sector PPP project profiles targeting sectors of strategic service needs including rural and agriculture-related infrastructure to reduce inequality and rural poverty.

4.3.3 Policy Reform Measures

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

i. Create the enabling environment and initiate reforms for continuous improvement in the investment climate that support the development of infrastructure in the State;

ii. Strengthen and empower the PPP institution with requisite competence, capability and funding to negotiate and close deals on a win-win basis and to the mutual benefit of both the investors and Kebbi State;

iii. Put in place mechanism for Special Negotiated Incentives (SNI) for mega projects across all the sectors on the merit of each project. This will be implemented through an Inter-Agency Committee, chaired by the nominee of the Executive Governor, with KIPA serving as the Secretariat. The negotiation will be transparent, predictable, credible and on level playing ground based on clearly defined interests of the people of the State. To this end, all infrastructure projects and other projects in sectors not contemplated by the industrial policy, will be subject to SNI, using cost-benefit analysis and on win-win basis;

iv. Government will provide adequate security for the protection and safety of the investments and the investors during construction and life-cycle of the projects;

v. Ensure that all infrastructure projects in the State benefit from Federal Government incentives through constructive facilitation, engagements, and effective liaison with relevant Federal Government Agencies on behalf of the investors by the KIPA;

vi. Ensure unencumbered access to land for infrastructure projects. To achieve this, Kebbi State Government will fast-track allocation of land and issuance of title documents on record time, subject to a minimum of twenty-one working days after the investor has met the prescribed requirements including the right of way;

vii. Ensure accelerated issuance of approvals, permits and authorizations required from the State Government and its agencies. State Government will also facilitate granting of Local Governments applicable permits and licenses on behalf of investors; and

viii. Ensure that all infrastructure projects are sensitive and responsible to the environment, culture and religious sensitivities in compliance with labor laws. To this end, all infrastructure projects will present Host Community Corporate Social Responsibility Plan (HCCSRP) as a requirement for accessing incentives.

Furthermore, the State Government will provide incentives to specifically boost investments into infrastructure development in the State. Hence, new investors in the hard infrastructure sub-sector, whether in partnership with the State Government or directly investing in infrastructure, will qualify for the:

1. Negotiated Special Incentive (NSI) on infrastructure investments of N10 Billion and above. This is in addition to the Consolidation and Stabilization Incentive with resultant exemptions. NSI is designed to attract mega projects across all the sectors. Evaluation and negotiation of the Special Incentives will be based on waited scores based on the following variables:

- Size of employment;
- Local sourcing of raw materials;
- Training and Technology transfer;
- Linkages with MSMEs;
- Export potentials; and
- Import substitution.

4.4 Solid Minerals and Sustainable Development Sector

4.4.1 Overview

In addition to agriculture, the State is endowed with some strategic solid mineral deposits such as gold, aluminium, coal, iron, tin, phosphates, petroleum, gypsum, limestone, wolframite silica and many more. These minerals are however only exploited by artisanal miners making use of hand-held tools such as: hoes, diggers and shovels, leaving the environment devastated by altering the morphological look of the area, release of harmful chemicals, polluting the water bodies and causing erosion among others. The rich commercial deposits of various types of industrial minerals of high quality are also available in the State and can be traded in domestic and export markets. Therefore, developing Kebbi State into a hub for responsible mining activities is long overdue.

The mining sector has potentials to significantly shore-up revenue generation, employment, and infrastructure development. These however should be balanced against specific environmental and social governance risks associated with mining such as water use, waste generation, local air pollution, greenhouse gases emission, biodiversity, human rights abuses (child and forced labour), etc.

The Constitution of the Federal Republic of Nigeria places mining activities under the Exclusive List. As such, it remains within the purview of Federal Government's legal and regulatory framework. (Nigeria Mineral and Mining Act, 2007). Under the Act, mining activities are restricted to Mining

Cooperatives, Body corporates incorporated under Company and Allied Matters Act, operating licenses issued under the law include Reconnaissance Permit, Exploration Licenses, Small Scale Mining Lease and Quarry Lease. In this connection, the Government of Kebbi State is fully involved in the design and actively participating in the various mining frameworks established by the Federal Government to facilitate industrial development of the State.

4.4.2 Policy Reform Objectives

To salvage the situation and to achieve a viable and sustainable environment, improving urban and regional planning using friendly geographic information systems, among other interventions will be timely and beneficial for a sustainable environment. This is in addition to;

i. Creating favourable conditions for mineral resources development and attracting industrial investment into the sector using the Kebbi Investment Promotion Agency (KIPA) in partnership with the private sector;

ii. Enhance human and institutional capacity in the sector to ensure social and community benefits of mining to host communities and people of the State;

iii. Ensure safe and responsible investment that protects the environment and safety of the host communities; and

iv. Formalize artisanal miners and organize them to benefit from opportunities in the sector.

4.4.3 Policy Reform Measures

As part of government's commitment to participate and develop mining activities in the State, Kebbi State government will:

i. Ensure that KIPA is strengthened and empowered to play a leading role in the development of the mineral resource sector in the State;

ii. Establish and strengthen the Public Private Partnership (PPP) mechanism in the KIPA to facilitate and fast-track private sector participation in the mining sector;

iii. Embark on systematic improvement and progressive increase in the State's participation in mining through acquisition of additional strategic Mining licenses by KIPA;

iv. Continue the processes of formalizing and organizing of artisanal miners into mining co-operatives and empower them to invest in small scale mining value chains;

v. Pay adequate attention to environmental protection, promotion and encourage the establishment of small and medium-scale activities by building capacity and enhancing access to finance and mining equipment; and

vi. Embark on streamlining the marketing component of the mining value-chain for domestic and export markets. This is to be achieved through valorisation of mineral products and creation of final products with emphasis on value addition in mineral processing, smelting, refining and marketing.

4.4.4 Incentive Regimes

In addition to the above policy measures, Government will provide incentives to specifically boost industrial investment for solid mineral development in the State. Since Solid Minerals Sector is under the Exclusive List, investment in the sector will be based on partnership between KIPA and investors that have secured exploration and mining licenses from the Federal Government to operate its location within the State. Investors that partner with KIPA will qualify for the following incentives:

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

- Signage Levy;
- Business Premises;
- Tenement Rates;
- Ground Rent;
- Intent/Processing Fee for C of O;
- Where applicable, KIPA shall apply

and secure all relevant Federal Government incentives and waivers on behalf of the partnership;

- To empower MSMEs to participate in solid minerals value chain, the following incentives will apply:

i. Access to single-digit credit from Kebbi State Home Savings and Loans (KHSL) micro-finance bank;

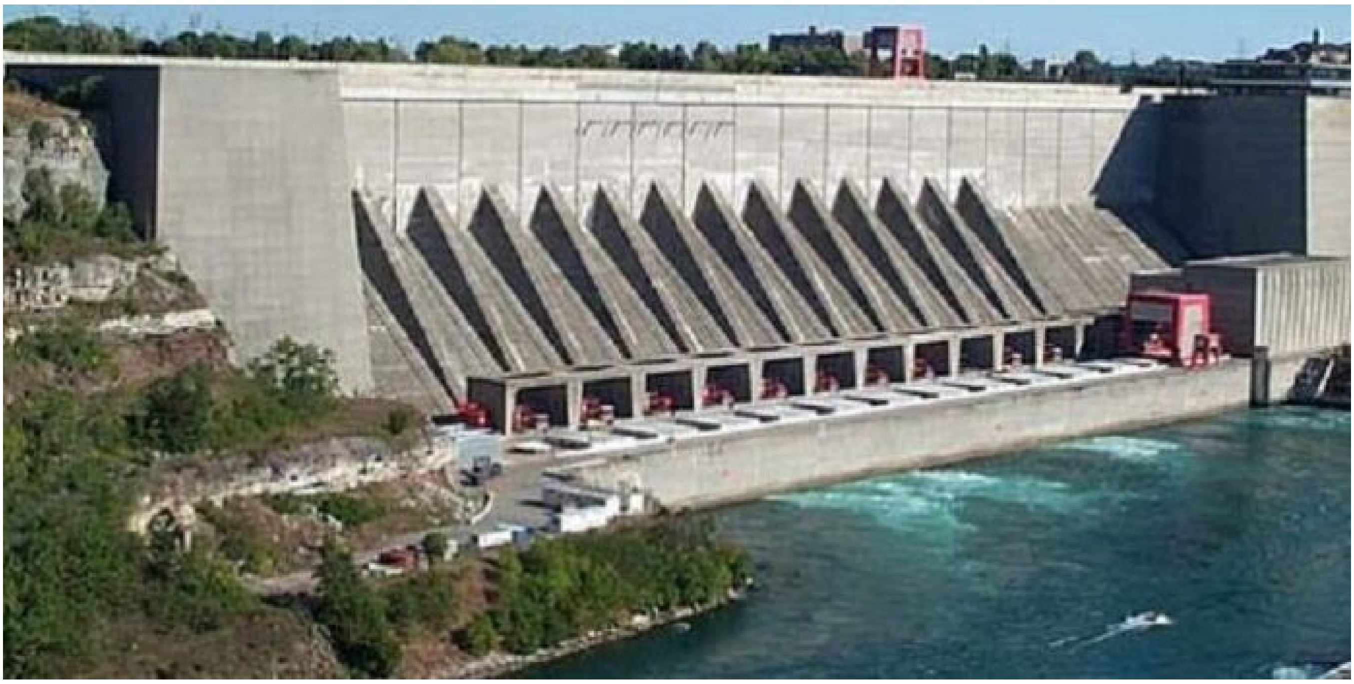
ii. Exemptions from payments of State imposed levies/charges for the first two (2 years); and

iii. To encourage informal sector to register and license as Artisanal Miners, Kebbi State Government will provide free training and certification for registered members of Mining Cooperatives.

- For Investors with Federal Government Mining Licenses operating in Kebbi State, the following incentives will apply:

i. Negotiated Special Incentive for investments of up to N5 Billion, this is in additional to the Consolidation and Stabilization Incentive with resultant exemptions; and

ii. Investments of between N2.5–N5 Billion are qualified for the Consolidation and Stabilization Incentive with resultant exemptions from payments of State-imposed taxes/levies.



4.4.5 Location and Volume of Minerals in the State

Table 4.2: Kebbi State Solid Minerals and their Location

S/No.	Mineral	Type of Mineral	Local Government Area	Status	Generic Use
1.	Iron Stone	Metallic	Suru	Not Active	Steel
2.	Clay	Industrial	Suru	Not Active	Ceramic
3.	Salt	Industrial	Bunza	Not Active	Salt making
4.	Potash	Industrial	Bunza	Not Active	Fertilizer
5.	Iron Stone	Metallic	Kalgo	Not Active	Steel
6.	Limestone	Industrial	Jega	Not Active	Cement
7.	Phosphate	Industrial	Maiyama	Not Active	Fertilizer
8.	Clay	Industrial	Maiyama	Not Active	Ceramics
9.	Iron Stone	Metallic	Aliero	Active	Steel
10.	Limestone	Industrial	Gwandu	Not Active	Cement
11.	Phosphate	Industrial	Gwandu	Not Active	Fertilizer
12.	Iron Stone	Metallic	Gwandu	Not Active	Steel
13.	Bentonite Clay	Industrial	Gwandu	Not Active	Chemicals
14.	Iron Stone	Metallic	Dandi	Not Active	Steel
15.	Potash	Industrial	Dandi	Not Active	Fertilizer
16.	Topaz	Gemstone	Dandi	Not Active	Gemstone
17.	Limestone	Industrial	Dandi	Not Active	Cement
18.	Clay	Industrial	Argungu	Not Active	Ceramics
19.	Iron Stone	Metallic	Argungu	Not Active	Steel
20.	Coal	Industrial	Birnin Kebbi	Not Active	Source of Energy
21.	Talc	Industrial	Fakai	Active	Paint
22.	Tourmaline	Gemstone	Fakai	Not Active	Gemstone
23.	Colum Bite	Industrial	Fakai	Not Active	Steel Industries
24.	Gold	Precious Stone	Fakai	Active	Jewellery and Dentistry
25.	Manganese	Industrial	Fakai	Not Active	Steel, Batteries and Solar Panels
26.	Crystal Quartz	Gemstone	Fakai	Not Active	Gemstone
27.	Gold	Precious Stone	Ngaski	Active	Jewellery and Dentistry
28.	Gold	Precious Stone	Yauri	Active	Jewellery and Dentistry
29.	Kaoline	Industrial	Yauri	Not Active	Paint making
30.	Tourmaline	Gemstone	Shanga	Not Active	Gemstone
31.	Lapi Dolite	Lithium Mineral Radio Active	Shanga	Not Active	Lithium
32.	Marble	Industrial	Shanga	Not Active	Cement, Pharmaceutical & Paint
33.	Colum Bite	Industrial	Shanga	Not Active	Steel
34.	Kaoline	Industrial	Koko Besse	Not Active	Paint making
35.	Kaoline	Industrial	Bagudo	Not Active	Paint making
36.	Manganese	Industrial	Bagudo	Active	Steel
37.	Bauxite Clay	Industrial	Suru	Not Active	Aluminium and Ceramics
38.	Bentonite Clay	Industrial	Suru	Not Active	Chemicals

S/No.	Mineral	Type of Mineral	Local Government Area	Status	Generic Use
39.	Crystal Quartz	Gemstone	Sakaba	Not Active	Gemstone
40.	Iron Stone	Industrial/Metallic	Sakaba	Not Active	Steel
41.	Beryl	Gemstone	Sakaba	Active	Beryllium
42.	Feldspar	Industrial	Sakaba	Active	Fertilizer
43.	Garnet	Gemstone	Sakaba	Not Active	Gemstone
44.	Tantalite	Industrial	Sakaba	Not Active	Steel
45.	Tourmaline	Gemstone	Sakaba	Not Active	Gemstone
46.	Gold	Precious Stone	Sakaba	Active	Jewellery and Dentistry
47.	Manganese	Industrial	Danko Wasagu	Active	Steel
48.	Lead Sulphide	Metallic	Danko Wasagu	Not Active	Lead
49.	Iron Stone	Industrial	Danko Wasagu	Not Active	Steel
50.	Salt/Potash	Industrial	Danko Wasagu	Not Active	Fertilizer
51.	Gold	Precious Stone	Zuru	Active	Jewellery and Dentistry

CHAPTER FIVE

INDUSTRIAL DEVELOPMENT IN KEBBI STATE

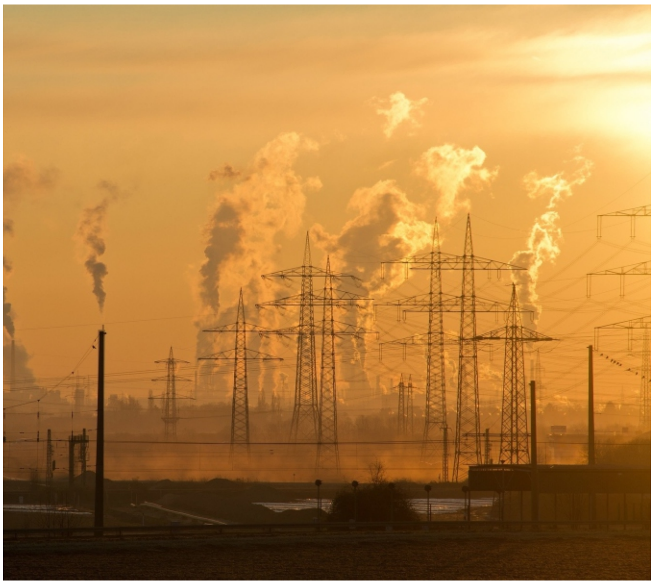
5.1 Challenges of Industrial Development in Kebbi State

A number of factors have threatened the position of Kebbi State as a preferred industrial investment destination in Nigeria. The disadvantages of the State as an investment destination as revealed by nearly half of the respondents pertain to safety and security, the poor condition of infrastructure with particular reference to the degraded condition of road network in some parts of the State and epileptic energy supply, difficulty and rising costs of doing business, skills shortages, multiple taxation, and shortage of warehousing and industrial infrastructure. Other challenges relate to considerations issues around bureaucracy and corruption.

Findings from the business and trade chambers show that Kebbi State is considered as 'difficult' to deal with in terms of industrial development as compared to States like Kano and Kaduna. Of critical importance is the lack of regular and meaningful interaction and communication between business chambers and State officials. The importance of information as an incentive and opportunity for developing a synergistic partnership between the State and the investment community is the most compelling finding of the Chamber's interviews. As a consequence of this, potential investors and trade chamber are uncertain of which department or individual in the State to contact in order to address particular investment-related issues.

Industrialists have emphasized the critical absence of any forum for regular interaction and for dissemination of information on what is being done by the State to address key shortcomings in the local business environment. The feedback from the business and trade chambers further reveals the need to improve government's 'management' of information regarding the business environment. For example, it was pointed out that whilst the image of the State as a peaceful and safe State is always supported by crime data arguably, the State needs to do better in terms of image management in addition to its role of improving the local business environment by leveraging on State land assets and utility cost cuts.

Thus, Government will leverage its resources to attract industrial investment by supporting rather than substituting with a suite of essential interventions that are engineered to address negative factors in the local business environment.



CHAPTER SIX

KEBBI STATE INDUSTRIAL DEVELOPMENT STRATEGY

6.1 Strategic Policy Choices

The choice of this industrial strategy for Kebbi State is anchored on the clarity of its objectives and priorities and considers the constraints and failures that may be preventing the rapid industrialization of the State. Against this backdrop therefore, an industrial development strategy built around clustering and close interactions among firms within the same region is proven to be the most appealing as a potent vehicle towards rapid industrialization. Clusters attract related and interdependent firms to geographically concentrate, work within a region in a particular field to produce by the millions. Clustering allows for dividing an integrated production process into many incremental steps. It also allows more inter-firm trade credit, lower cost of investment in production technologies and entry barriers, thereby enabling more entrepreneurs to participate in nonfarm production. Therefore, the "cluster" based industrial development strategy is prescribed for Kebbi State as the most appealing both in political and economic terms.

However, the Government will avoid the temptation to create entirely new clusters but upgrade existing ones because there should be some seeds of a cluster that have passed a market test before cluster development efforts are justified. In this case, the Government will;

i. Reinforce and upgrade only established emerging "specialty parks" or industrial parks of particular kinds, where thousands of firms of varying sizes, each specializing in a finely defined production step, lump together around resources and commodities to produce particular manufactured goods in large quantities annually as a priority;

ii. In the process of cluster upgrading, the Government will recognize the existence of a cluster and then remove obstacles, relax constraints, and eliminate inefficiencies that impede productivity and innovation in the cluster. Constraints include human resources, infrastructure, and regulatory constraints; and

iii. While facilitating the geographical concentration of related and mutually supportive firms, the Government will avoid distorting the market through the support of individual firms, industries and sectors but, will build and encourage the building of public or quasi-public goods that significantly affect many linked businesses. Government investments will be focused on improving the general business environment, other things being equal.

Another major instrument for achieving the objectives of this policy is the package of incentives designed to induce greater support for the industrial development objectives of the State. These incentives, in addition to fiscal measures on taxation and interest rates at the national level (including but not limited to Pioneer Status incentives or Income, Tax relief for Research and Development, Companies' income tax relief, Capital allowance to aid capital formation, Tax free dividends, Tax relief for investments in economically disadvantaged local government areas) are grouped into three;

i. Stabilization Incentive {for large businesses}:

- Exemption from payment of State-imposed levies/charges for the first three (3) years of entry, namely:
- Free land lease (Terms & Conditions apply);
- Signage Levy;
- Business Premises;
- Tenement Rates;
- Ground Rent; and
- Intent/Processing Fee for C of O.

- A mechanism for Special Negotiated Incentives (SNI) for mega projects above N20bn across all the sectors on the merit of each project will be implemented through an Inter-Agency Committee, chaired by the Commissioner for Budget and Economic Planning. The negotiation will be transparent, predictable, and credible and on a level playing ground based on clearly defined interests of the State; and
- To this end, all infrastructure projects above N20bn and other projects in sectors not contemplated by this industrial policy, will be subject to SNI, using cost-benefit analysis and on a win-win basis.

ii. Consolidation Incentive {for Medium Enterprises}

- Offers investors full exemption for (2) years from State-based imposed levies and charges plus
- Free land (Terms & Conditions apply)

iii. MSME Incentive

- This offers micro businesses full exemption for (3) three years from payment of State-based imposed levies and charges and; MSME Service Charges Subsidy of;
- 50% discount for business development services through Government initiatives, including:
- Bankable business plan; cost of entrepreneurship training; Training on quality assurance and packaging for export.

As a high priority, other measures indicative of government's determination to industrialize will include institutional efforts to enhance the local business environment and in this schema:

i. The Ministry of Commerce, Industry, Culture and Tourism will be restructured, redefined and particularly fit for purpose through streamlining its operations and empowering its organs with requisite competence and capability to facilitate industrial transformation and economic prosperity. To this end, the Ministry will be renamed, the Ministry of Industry, Trade and Entrepreneurship;

ii. In empowering the organs of the Ministry for industry, Trade and Entrepreneurship, the State will subject to legislative process the framework for establishing the Kebbi State Investment Promotion Agency (KIPA) and the Kebbi State Asset Management Company (KESAMCO);

iii. The KIPA will lead and forge a mutually profitable partnership with the investor community and shall take on the long-term responsibility for liaison and regular point of interaction and communication of information with business chambers including, potential and existing investors;

iv. KESAMCO will champion the management of all government assets for a profit designed to be a long-term credit financing company for industrial development;

v. In improving the local business environment, the Ministry of Budget and Economic Planning shall take all steps to monitor and seek continuous improvements on issues identified by investors and business chambers, namely access to markets; safety and security; skills shortages; poor public goods infrastructure; and the rising costs of doing business in the State; and

vi. All institutional effort to improve the local business environment by the State will, through KIPA, be communicated to all internal and external stakeholders.

As a matter of priority, Public-Private Partnerships (PPP) to rebuild and expand public goods infrastructure, revamp investor confidence, revitalize moribund industries and further enable industrialization will be developed. In connection to this, Kebbi State Government will dedicate a Unit in the KIPA to support the:

i. Development of a Public Private Partnership (PPP) policy framework with the institutional and legal framework that sets out the institutions, processes and methodologies for assessment, measurement, monitoring and management of commitments and liabilities arising from PPP projects;

ii. Initiation in accordance with the industrial aspirations of the state pipeline projects that have been screened for suitability for PPP;

iii. Ensuring that the budgetary system support preparation, procurement and implementation of identified and screened first-mover projects; and

iv. Establishment of the State Industrial Development Fund (SIDF) as a broad-based mechanism for long-term financing involving a mix of financial institutions and instruments.

To rebuild and expand public goods infrastructure as an enabler of industrialization, the Government will take advantage of the slack of restrictions on participation in PPP and Joint Venture (JV) projects in critical and potentially viable industrial sectors and will develop policy measures:

i. to match off-grid demand clusters for power with off-grid suppliers of <1MW across the State; and

ii. to follow-up on customer complaints submitted to regulatory and distribution authorities to ensure complaints are addressed timely.

The direction of this industrial policy is predicated on substantially increasing productivity, innovativeness, competitiveness, job creation and wealth generation from manufacture of products, especially for export. Additionally, effort will be intensified to increase Kebbi State's resources to facilitate speedy implementation of the strategy within feasible time. The strategies and measures, if implemented, are bound to have multiplier effects on the economy. It follows that government will seek to maximise all effort in areas of strength in revenue generation, eliminate the weak points and resolve the likely areas of conflict and contradiction in its quest for rapid industrialization.

6.2 Human Capacity Development Considerations for Industrial Development

With the consensus both among policy makers and practitioners that human capital is critical in the quest for industrial development, generating a mass of skilled manpower to achieve industrial development and maximize its benefits is essential. In this schema, there is also a consensus that addressing the skill challenge requires a mutual relationship between the government and the private sector to ensure that policies and instruments adopted for skills development work and to avoid skills mismatches. Such collaborative and participative approaches to skills development ensure that the Government designs and implements the 'right' policies because the private sector will communicate the skills that industry demands and, most importantly, directly participate in the skills development process. The design of the State skills development policies and instruments follows recommended guiding principles and best practices in the selection of appropriate skills policy instruments.

It follows that, without literacy, numeracy and behavioural skills (soft skills) and exposure to problem solving situations, it is difficult to achieve an efficient industrial system that will drive economic growth. It is against this background that basic education will remain a matter of priority especially because technical skills need to be built upon strong foundations in the education system, particularly at the basic education level. In connection to this, Kebbi State will strive to incrementally remodel and revamp the education system as well as correct market failures by implementing policy measures in addition to utilizing financial instruments that are crucial for skills development in manufacturing including, but not limited to:

i. Incorporating Technical and Vocational Education and Training (TVET) in the learning process and on-the-job training mechanism as critical paths to aligning training schemes to the needs of industry and to consolidate valuable skills. The TVET will seek to offer a good learning mix to gain the necessary professional experience and improve employability in the formal and informal sector by formalizing the acquired skills;

ii. Introducing a state certification program will be a crucial policy instrument. The Industrial Training Fund (ITF) will play a significant role in financing TVET and other skills programmes;

iii. Establishing a sector-specific Human Resources Development Fund (HRDF) and adopt a 1% compulsory payroll training levy for all enterprises with over 5 employees;

iv. Establishment of training institutes for industry-specific skills in for example, Ceramic and Glass technology skills training institute;

v. Focusing on specialized practical technical skills training and adoption of a culture of innovation and learning in higher education and apprenticeships. This will be a dual education system combining apprenticeship with classroom vocational training;

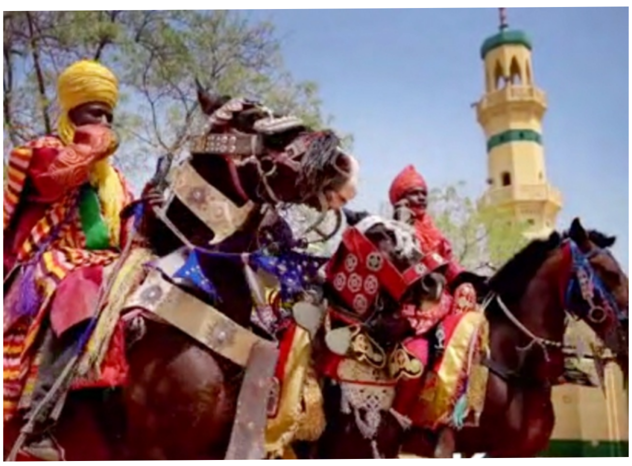
vi. Focusing on IT skills at the early stage of learning with the education system remodelled over time to meet industry demands;

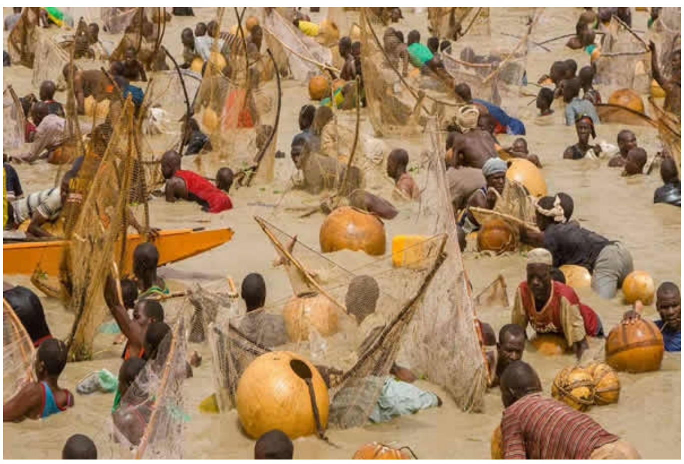
vii. Financial instruments (e.g., tax credits for training costs, training grants) will be linked with a training commitment by employers;

viii. Wage subsidies, offsetting a proportion of the payroll costs against tax, could be introduced; and

ix. Strengthen partnerships with universities, industry associations, training centres and R&D institutes.

To be successful, the private sector must collaborate and participate closely especially, as an efficient way of linking skills development to the requirements of the industry. The aim will be to provide one hundred thousand skilled workers with employable skills over a period of five years.





CHAPTER SEVEN
-RECOMMENDATIONS

7.1 Recommendations for Immediate Consideration

To achieve the State's industrialization agenda, two sets of complementary policy positions are presented. The first set of fourteen (14) policy recommendations are those for immediate or short-term action and the second set of Thirteen (13) are for the medium to long-term consideration. The policy recommendations are grounded in the understanding that:

1. Industrial incentives are only "signalling mechanisms" to existing and potential investors that Kebbi State is changing its image from an unattractive to an attractive industrial investment destination;
2. The impact of industrial incentives on location decisions is modest. Yet, a location that offers some incentives will attract more investment than a location that does not, other things being equal;
3. Modifying existing incentive offers and introducing contemporary industrial investment frameworks are justified, useful and not too costly relative to the potential benefits it will generate; and
4. Application of industrial incentives will not be considered in isolation, rather as the 'cherry on the top' or final tick in an investors checklist when making a comparison between Kebbi State and other competing locations for industrial development.

Noting Kebbi State's existing competitive advantages, it is therefore recommended:

i. As an immediate priority, that the Ministry of Industry, Trade and Entrepreneurship should initiate activities pertaining to identifying and categorizing emerging clusters qualified for upgrade and development;

ii. That for each cluster, its constraints and obstacles to industrial growth should be established with a view to addressing them;

iii. To finalize, codify, gazette and establish the Kebbi State Investment Promotion Agency and the Kebbi State Asset Management Company (KESAMCO);

iv. That legislation and regulation that support the implementation of PPPs, setting out the roles and responsibilities of various entities in its management and the responsibility for final sign-off and project approval be developed;

v. That enhancing the business environment as well as retaining and deepening commitments made with existing investors in the State via a range of 'non-financial incentives' should be initiated as critical;

vi. Taking due cognisance of the communication and information gap between the State and the investor community, the KIPA shall address immediately the difficulties expressed by business chambers in terms of communicating or dealing with the State and assure that the KIPA is the recognisable focal point for interactions between Kebbi State Government and the investor community;

vii. Therefore, an immediate activity will be to initiate a quarterly forum to allow business chambers and trade representatives interact with State Government officials to improve and manage the flow of information between government and investors. The quarterly forum shall communicate up-to-date and accurate information on pipeline projects, available vacant industrial property, warehousing and commercial opportunities within the State;

viii. To further support development of healthy partnerships via an Annual Business Retention Survey designed to monitor investor sentiment instituted as an appropriate response mechanism in order to deal with issues raised by domestic and foreign industrial developers;

ix. That a compendium of existing incentive offerings by both the State and Federal Government authorities is packaged immediately to increase awareness of these incentives as an instrument for ease of doing business in Kebbi State;

x. That the KIPA shall take responsibility for developing and presenting a clear after-investment assistance and management policy to ensure investors know who and where to contact for help if and when required. In this sense, KIPA reserves full responsibility for an institutional initiative designed to ensure an efficient and effective process for receiving investors and of fast-tracking all their needs regarding leasing of land, town planning matters, building plans and other related issues;

xi. That the KIPA shall establish an accurate data base of investors in the State and seek to facilitate the availability of suitable industrial property and warehousing space to accommodate potential new investors and the expansion plans of existing investors;

xii. The Ministry for Budget and Economic Planning must ensure investor access to the most recent, reliable economic information that help project the competitive advantages of Kebbi State as a potential industrial investment destination;

xiii. Kebbi State Government should facilitate the development of a Tourism Master Plan; and

xiv. Ensure increase in the tax net through formalization of informal businesses.

7.2 Recommendations for Longer-Term Consideration

Noting that although the: (a) KIPA shall address identified shortcomings in the local business environment; But that (b) unless the essential foundations for investment in Kebbi State are established, consideration cannot be given to introducing ad hoc financial incentives. Therefore, it is recommended that, the Ministry of, Industry, trade and Entrepreneurship shall test and confirm the readiness of the State to introduce any such incentives. In doing so, the:

1. The Ministry of Industry, Trade and Entrepreneurship shall test and confirm the 'readiness' of the State to introduce a programme of financial incentives in terms of several essential criteria namely: (a) The enactment of active policies to improve identified shortcomings in the local business environment; (b) The existence of a streamlined process for receiving investors and dealing with their requirements; (c) The availability of adequate and accurate information on the local investment environment such that investors can identify Kebbi State's competitive advantages even without the existence of financial incentives; (d) The availability of accurate and up-to-date information on available commercial, industrial and warehousing space in Kebbi State; € The establishment of an investor friendly, with deal making capacity institution to communicate with investors; and (f) The development and implementation of a clear after-assistance process designed to address investor issues;

2. Unless these fundamental pillars for introducing financial incentives are confirmed, it is recommended that the KIPA and the Ministry of Industry, Trade and Entrepreneurship shall not offer any additional financial incentives other than packaging those on offer by the Federal Government of Nigeria;

3. It is suggested that alongside the conduct of an internal audit to confirm that these pillars are in place, the Ministry of Industry, Trade and Entrepreneurship shall solicit external views from local business and trade chambers to re-confirm Kebbi State's readiness to move towards the introduction of a set of ad hoc financial incentives in addition to the packaged rules-based incentives

offered through the channels of Federal Government;

4. Should the readiness of the State to introduce additional financial incentives be confirmed, it is recommended that Kebbi State shall put in place a 5-year State Industrial Development fund (SIDF) to grant ad hoc financial incentives on an upfront basis to particular investors attracted to the State who provide clear and supporting evidence that their decision to invest in Kebbi State is conditional upon the grant of such incentives;

5. Should the readiness of the State to introduce additional financial incentives be confirmed, the Ministry of Industry, Trade and Entrepreneurship shall ensure budgetary provision to the State Industrial Development Fund as a statutory funding option for industrial development. This is in addition to grants from development partners and funding opportunities in the capital market;

6. Noting that in addition to grants and budgetary provision, the SIDF shall receive 30% of annual net profit from the Kebbi State Asset Management Company (KESAMCO);

7. The Ministry of Industry, Trade and Entrepreneurship shall assume responsibility for all decisions regarding the award or decision not to grant incentives to potential or existing investors;

8. It is recommended that the award of ad hoc incentives to particular investors shall be linked to a performance agreement such that the grant of financial assistance is made conditional upon the investor fulfilling certain positive requirements in terms of: (a) skills transfer; (b) environmental improvement; and (c) local MSME development thus, ensuring the benefits of investment are felt even in the event of firms subsequently choosing to relocate or close down operations in the State;

9. Prior to the establishment and finalisation of the grant fund it is recommended that the KIPA officials involved with the implementation of this fund undertake a study tour in order to draw from experience of offering ad-hoc grants to understand 'best practice' in crafting and applying investment incentives and the problems associated with administering selective regime of ad-hoc grants;

10. The Ministry of Industry, Trade and Entrepreneurship shall ensure that every package of incentives awarded by the KIPA to any enterprise is carefully fashioned to the conditions of the specific investor taking into consideration various factors such as the specific sector of the investor and whether it is a greenfield investment or an expansion of an existing investment in the State;

11. Noting that the Ministry of Industry, Trade and Entrepreneurship will continue to consider the provision of incentives that involve infrastructure provision, such as water, electricity and land, through an ad-hoc institutional arrangement that comprises the KIPA and all State MDAs to facilitate and coordinate every arrangement required for such infrastructure provision;

12. The State shall enact appropriate procedures and legislation in order to ensure that any future program for the granting of ad-hoc incentives be tightly monitored by independent outside audit in order to ensure efficiency, avoid potential corruption and that the introduction of such incentives do not have a severe effect on the revenue stream of the State; and

13. Finally, this policy is not cast in stone, therefore, it is recommended that it is subjected to review on an ongoing basis to reflect changes in circumstance and take into account changes in Kebbi State, national and global economic environment.

CHAPTER EIGHT

MONITORING & EVALUATION FRAMEWORK

Table 8.1:Agriculture & Agribusiness Sector

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame					Implementing Unit
					2023	**2024**	**2025**	**2026**	**2027**	
1.	Increase agricultural productivity and value addition	Expand and increase budgetary allocation	Percentage increase in resource mobilization & utilization capability	10 %	12 %	15 %	16 %	18 %	20 %	State Ministries of Agriculture, B&EP, MOF, CBN, and Private & Development Partners, etc.
		Expand & reshape irrigation infrastructure	Proportional increase in the length of irrigation canals reshaped and constructed	200km	400km	600km	800	1000km	1200km	State Ministries of Agriculture, B&EP, MOF, MOE & NR CBN, Private & Development Partners, etc.
.	.	Establish community seed production programmes/centres	Increase in the number of communities with seed production centres	10	16	21	31	42	84	State Ministries of Agriculture, Environment & Natural Resources, Local Govt. & CA, Private & Development Partners
		Institutionalize tools, machinery, and equipment manufacturing	Number of tools and equipment manufacturing firms established	1	2	3	5	10	15	MOW, MBEP, MOLHUD
		Enhance food security through increased productivity & storage capacity	Proportional increase in agricultural mechanization and in food storage facilities	TBD 3	6%	9%	15%	17%	18%	MOA
				200						Ministry of Budget and

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame					Implementing Unit
					2023	**2024**	**2025**	**2026**	**2027**	
1.										Economic Planning, MOA
		Established State Farmers data base	Integration of farmers' data management systems and platform in the State Bureau of Statistics		1	N/A	N/A	N/A	N/A	
				10	40000 hectares	80000 hectares	100000 hectares	120000 hectares	140000 hectares	MOW, MOA
		Mainstream Climate-smart interventions across all agricultural programmes	Adoption & utilization of climate-resilient and high yield seeds							MOA. MOA, MIT&E, MICT
.	.		Increase in climate-resilient & high yield seeds utilization by hectare							
			Proportional increase in the utilization of energy efficient agricultural equipment.	5%						MIT&E, NEPC, MOA
				67	100	130	150	160	200	
						TBD	TBD	TBD	TBD	
		Facilitate the Establishment of crops production, processing, packaging and marketing value-chain services	Number of agricultural processing, packaging and marketing firms established	TBD	TBD	TBD	TBD	TBD	TBD	MIT&E, NEPC, MOA

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame					Implementing Unit
					2023	2024	2025	2026	2027	
		Facilitate access to the export market	Proportion of commodities processed for export	TBD	TBD	TBD	TBD	TBD	TBD	MIT&E, NEPC, MOA
			Increase in number of officially registered exporters	46	150	200	400	600	700	
			Proportional increase in farmers' income	N/A	TBD	TBD	TBD	TBD	TBD	MOA, MOF, MB&EP
2	Mainstream Climate SMART interventions across all agricultural programs	Legislation to ensure Socially Responsible Investment	Increase in number of investors reporting the social & ethical considerations in their investment decisions	N/A	5	10	20	40	60	KBHA, MB&EP, KIPA, KUDA, KESEPA
			Number of active religious organizations playing roles in advancing social & ethical industrial investment	N/A	10	20	30	40	50	MLGCA, MB&EP, Council of Traditional Rulers
		Promote awareness around climate change adaptation and mitigation strategies	Number of Non-Government actors advocating for socially & ethically responsible investment	N/A	10	25	35	45	50	MB&EP, MIT&EP,

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame					Implementing Unit
					2023	2024	2025	2026	2027	
Industry, Trade and Entrepreneurship Sector										
1.	Rebuild investor confidence	Review of all bilateral agreements	Proportion of industrial investors retained	70%	100%	100%	100%	100%	100%	MIT&E, MOF MICT
			Proportion of industrial investors attracted	7	50	60	70	80	100	MCT&E. MOF,MB&EP, MOA
			Percentage increase in industrial production volume	N/A	2	4	10	15	20	MCT&E, MOF,MB&EP, MOA KIPA
2.	Enhance the Industrial and Business Environment	Implement Ease of Doing Business Mechanisms Publish on State official website procedures, fees & charges and delivery timelines for all regulatory requirements	Number of industrial parks upgraded Number of industrial parks created	On State Official Website	MDAs	MDAs	MDAs	MDAs	MDAs	MIT&E, MICT, MB&EP
		Allow for online application for all business and development permits & all regulatory requirements	Increase in local population participation in industrial development	On State Official Website	MDAs	MDAs	MDAs	MDAs	MDAs	ALL MDAs
			Increase in the number of industrial investment A Tourism master plan	2	4	6	8	10	12	MLH&UD, MIT&E, KIPA, KUDA

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame 2023	2024	2025	2026	2027	Implementing Unit
Industry, Trade and Entrepreneurship Sector										
			created with strategic action plan and timelines for results	0	2	3	4	4	5	MLH&UD, MIT&E, KIPA, KUDA
			Number of heritage sites internationally recognized	TBD	TBD	TBD	TBD	TBD	TBD	MIT&E, MB&EP KIPA, Chamber of Commerce
			Increase in local populace participation in tourism development as reflected in number of jobs created	74	130	140	145	160	170	MIT&E, MB&EP, MB&EP, MLHUD
		Identify and categorize emerging clusters qualified for upgrade and development		1	--	--	--	--	--	MIT&E, KIPA
			Strategic and creative increase in exposure of tourism potential	0	1	2	3	4	5	MICT, Tourism Board, MIT&E
3.	Facilitate MSMEs industrial growth	Establish Kebbi State Investment Promotion Agency (KIPA)	Increase in number of standard hotels & recreational services	TBD	TBD	TBD	TBD	TBD	TBD	MLG&CA, MB&EP, MICT
		Develop a Tourism Master Plan	Increase in number of captive	TBD	N/A	N/A	N/A	N/A	N/A	MOICT, MICT

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame 2023	2024	2025	2026	2027	Implementing Unit
Industry, Trade and Entrepreneurship Sector										
			electricity sources	5	10	15	N/A	25	35	
			Increase in the number of MSME accessing manufacturing financing .	09	21	25	20	35	40	KESAMCO, MIT&E
		Mobilize and sensitize locals to take advantage of the developments in the sector	Proportion of industrial investors incorporating social and environmental concerns in investment decisions and practices	14	30	50	30	70	100	MOW, MOE&NR, MB&EP, MOF
							60			MB&EP, MIT&E
			Number of firms disclosing their social and environmental practices	1%	5%	10%	20%	25%	30%	MOE&NR, MB&EP, KIPA, MIT&E
4.	Mainstream Climate-Smart interventions across all investments	Proportion of scaled-up MSME through access to manufacturing financing								
		Aligning investors with broader objectives of society								

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame 2023	2024	2025	2026	2027	Implementing Unit
INDUSTRIAL INFRASTRUCTURE SECTOR										
1.	Attract private capital to close growing infrastructure deficit.	Enable a favourable environment for PPP mechanism to enhance infrastructure development.	A draft PPP Policy Framework	1	N/A	N/A	N/A	N/A	N/A	MIT&E, MB&EP, MOF, MLHUD, MOE
			Pipeline of projects suitable for PPP	1	N/A	N/A	N/A	N/A	N/A	MIT&E, MB&EP, KIPA
			Number of suitable, transparent and viable negotiations closed	1	15	20	25	30	35	KIPA, MIT&E,MB&EP, MLHUD, MOF
			Strengthened technical and intervention capacities of security forces	N/A	N/A	N/A	N/A	N/A	N/A	Governor's Office,
				TBD	TBD	TBD	TBD	TBD	TBD	All MDAs
			Legislation and creation of a State Industrial Development Fund							
			Legislation and creation of KESAMCO							
		Establish State Industrial	Legislation and adoption of 1	0	1	N/A	N/A	N/A	N/A	MB&EP, MOF

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame					Implementing Unit
					2023	**2024**	**2025**	**2026**	**2027**	
INDUSTRIAL INFRASTRUCTURE SECTOR										
		Development Fund (SIDF)	per cent compulsory payroll training levy for all enterprises with over 5 employees	0	1	N/A	N/A	N/A	N/A	MB&EP, MOF
		Establish Kebbi State Asset Management Company (KESAMCO)Strengthen partnerships with universities, industry associations, training centres and R&D institutes	Mainstream Technical and Vocational Education and Training (TVET) and on-the-job training in the skills development portfolio	0	1	N/A	N/A	N/A	N/A	MB&EP, MOF
		Establish the Human Capital Development Fund	Degree of adoption of a culture of innovation and learning in higher education and apprenticeships	TBD	TBD	TBD	TBD	TBD	TBD	MB&EP, MOE, MIT&E
			Established Ceramic & Glass Technology Training Institute							

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame 2023	2024	2025	2026	2027	Implementing Unit
INDUSTRIAL INFRASTRUCTURE SECTOR										
		Facilitate to establish industry-specific training institutes		0	1	N/A	N/A	N/A	N/A	MB&EP, MOF
				0	1	N/A	N/A	N/A	N/A	MB&EP, MOF
				TBD	TBD	TBD	TBD	TBD	TBD	MB&EP, MOE, MIT&E
2.	Human Capital Development			0	1	N/A	N/A	N/A	N/A	GOVERNORS OFFICE, MOE&NR, B&EP
3.		Target beneficial infrastructure investments	Increase in number of captive power of <1MW across the State	1	3	6	8	10	12	MOW, MOWR&RD MLH, MOE&NR. MOJ
			Proportional increase in	TBD	TBD	TBD	TBD	TBD	TBD	MOW

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame 2023	2024	2025	2026	2027	Implementing Unit
INDUSTRIAL INFRASTRUCTURE SECTOR										
			kilometres of newly constructed roads							
			Increased utilization of renewable energy sources	TBD	TBD	TBD	TBD	TBD	TBD	MOWR&RD, MB&EP, REA
			Increased coverage of digital infrastructure projects	TBD	TBD	TBD	TBD	TBD	TBD	MOICT, MB&EP, MOW, KUDA

S/No.	Objectives	Strategic Interventions	Target Outcome Indicator	Base line 2022	Time Frame					Implementing Unit
					2023	**2024**	**2025**	**2026**	**2027**	
SOLID MINERAL SECTOR										
1.	Systematically improve and progressively increase participation in mining activities	Identify, categorize and organize mineral resources by type, usage, content in the State	Increase in the number of commercially viable formal entities and mining cooperatives	140	500	1000	2000	4000	10000	MOE&NR
			Progressive increase in formalization of miners	22	100	500	1000	2000	5000	MOE&NR; MITE
			Increase in number of mineral resources processing firms established	NA	TBD	TBD	TBD	TBD	TBD	MOE&NR, MITE, CBN, Development Partners
		.	Increased proportion of miners with modern safety mining equipment and technical capacity	00	50	250	500	1000	2500	MOE&NR, CBN, Development Partners
			Proportion of firms accessing equipment financing	00	20%	50%	60%	70%	80%	MOE&NR

KEBBI STATE INDUSTRIAL POLICY

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Technically supported by
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