



ERGP Focus Labs Monthly Newsletter

MINISTRY OF BUDGET AND NATIONAL PLANNING

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Welcome to the 3rd Edition of the ERGP Focus Labs Newsletter, a publication that features progress on investments unlocked and projects facilitated at the Focus Labs.

Agriculture and Transportation



Focus Lab facilitates full implementation of Tomato policy

The full implementation of the tomato policy designed to boost domestic tomato production is one of the major successes of the Economic Recovery and Growth Plan (ERGP) Focus Lab. Nigeria prioritized tomato production and processing of paste through its tomato policy passed since February 2017 by Federal Executive Council (FEC), where it banned tomato paste for retail purposes as well as increased tariff on those not for retail.

The Focus Lab which also targeted enhancing tomato production and processing capacity in Nigeria, saw the need to leverage the approval of this policy through full implementation. In order to achieve this, the Focus Lab brought together different relevant agencies of government to set in motion activities leading to full enforcement. Those actions included the opening of the Enforcement Levy Account in addition to the entry of all the HS codes and the levy of \$1,500/ton onto the Customs platform. Test of full enforcement report was also received from private companies impacted by this policy. The success in enforcing tomato policy implies savings for the country of huge FOREX from tomato paste imports and is capable of generating over \$500m revenue per annum from the levy of \$1,500/ton on tomato paste.

Manufacturing and Processing



CBN ready to buy standard Gold from Mines and Steel Ministry

The Central Bank of Nigeria (CBN) has conveyed to the Federal Ministry of Mines and Steel Development (FMMSD) its willingness to purchase Gold produced under the Federal Gold Reserve Treasury Scheme, provided it meets the London Bullion Market Association (LBMA) standard. The establishment of Federal Gold Reserve Scheme is a landmark development and show of inter-agency collaboration that would contribute towards the diversification of the Nigerian economy away from oil.

Further to the issuance of the first gold refinery licence in Nigeria, the Gold Reserve Scheme amongst other similar initiatives are direct solutions to issues presented by investors in solid minerals at the ERGP Focus Lab.

The approval for the Gold Reserve Scheme which is the first in the history of the Ministry is very significant as it will enable price and supply stability in Nigeria's Gold value chain. It will enable flagship projects such as Kian Smith Limited, the lead company in the Focus Labs for gold development to conveniently aggregate artisanal miners for mining and sale of gold in the country.



Nigerian Solid Minerals Development Fund (SMDF) restructuring underway

As a part of the deliberations and decisions reached at the Focus Labs under the Manufacturing and Processing Work Stream the Solid Minerals Development Fund (SMDF) is presently being restructured, strengthened and funded to aid its ability to deliver on its principal mandate. The Solid Minerals Development Fund (SMDF), an agency under the Federal Ministry of Mines and Steel Development, was set up to develop and deepen value chains in the mineral sector of Nigeria.

Over the years however the Fund which is expected to also play a major role in de-risking the value chains and enabling the private sector access funding and assets for operations in mining has lacked the financial and technical capacity to play this role.

So far, the Fund is close to completing the procurement process to identify and engage a competent consultant to conduct the restructuring process. Already, 14 international and local consultants have expressed interest and hopefully before the end of 2018, the process will be concluded. A Technical Working Group (TWG) consisting of technical experts from Agencies in the Ministry and the private sector has been set up and is currently working to achieve the restructuring process.

As additional support, new and larger accommodation has been provided for the Agency and the Minister of State (FMMSD) has approved collaboration between the SMDF and the University of Columbia-USA. The law setting up the Agency targets N200bn seed funding.

Power and Gas



Nigerian Gas Transportation Network Code to be completed and Implemented by January 2019

In preparation for the deployment of the Nigerian Gas Transportation Network Code (Network Code), a joint Network Code Implementation Committee of the Department of Petroleum Resources/ Nigeria National Petroleum Corporation has prepared a Network Code alongside other ancillary agreements and licenses to be issued to the end-users of the Code.

These include amongst others, Supplier, Operator (or Transporter), Shipper and Agents Licenses Framework/Accession Agreement, Network Entry/Exit (Interconnection) Agreements and Operational Balancing Agreement (OBA).

The plan is to start the deployment of the Code utilizing the Escravos - Lagos Pipeline System with the expectation that the code will be extended to apply to other major pipeline systems in the country. The development of the Tariffing and Pricing methodology in line with the Code is currently in process.

The Nigerian Gas Transportation Network Code(NGTNC) which is a gas market liberalization enabler is a set of rules and protocols designed to govern the operations of gas network players in a way that impacts the gas market in a meaningfully way. The code will ensure transparency in the industry, guarantee fair and non-discriminatory access to gas transportation network, attract foreign investors and ensure growth and development in the Nigerian Gas Industry.

During the ERGP Focus Labs, there were facilitated sessions with stakeholders to accelerate the deployment of the Network Code which was identified as a major enabler to enhance gas processing and transportation. DPR has confirmed that over 80% of work has been carried out. The current drive is to work towards completion and full implementation of the network code by the 31st of January, 2019.

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