



# 1. Nigeria

## HIGHLIGHTS



### Index Performance

Total Score



Size	Domestic Mandate	Source of Funding	Governance & Disclosure
Below Potential	Existent	Oil Dependent	Impressive

The NSIA ranks first (1st) on the index. However, Nigeria must improve on its fund size if it aspires to become a sovereign wealth powerhouse on the continent. Nigeria has Africa's largest GDP, yet its SWF to GDP ratio is the lowest on the continent. The NSIA allocates 40% of its Assets Under Management to domestic infrastructure financing. Nigeria's annual infrastructure financing deficit currently stands at \$14 billion, placing the fund's infrastructure financing capacity at less than 7% of annual infrastructure financing gap.

Notably, Nigeria's fund is also one of the most transparent funds on the continent. This in itself is a great soft asset for NSIA as it continues to seek out high-profile external project partners.

Ultimately the big question is when Nigeria would address the fact that the size of its SWF is far too small. In many ways, it made sense to set up a much smaller fund in 2011 from a risk management perspective – especially given past history of mismanaging similar petroleum reserve funds. However, the NSIA has demonstrated credibility and capacity to manage national assets. Time may be ripe for the federal government to consider tripling the fund size. That would still be too small for Nigeria's economy. But such incremental approach would also allow the federal government to align with prevailing fiscal constraints, until the next oil price windfall.

### PUNCHING BELOW ITS WEIGHT

Nigeria has the capacity to grow a much bigger fund than it currently has. But there is no evidence of a plan to do that. Nigeria needs to set a clear target for a mega fund that befits its status as Africa's largest economy, and then back up the plan with an annual funding target, and stay committed to meeting the targets.