

Extraordinary



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**PRESIDENTIAL DIRECTIVE ON LOCAL CONTENT COMPLIANCE
REQUIREMENTS, 2024**



ARRANGEMENT OF PARAGRAPHS

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S. I. No. 2 of 2024

PRESIDENTIAL DIRECTIVE ON LOCAL CONTENT COMPLIANCE
REQUIREMENTS, 2024

[28th Day of February, 2024]

Commence-
ment.

WHEREAS, investments in the oil and gas sector in Nigeria have significantly decreased, with the country having only 5% of Africa's total oil and gas investments despite holding 38% of the continent's hydrocarbon reserves ;

WHEREAS, the Nigerian Oil and Gas Industry Content Development Act, 2010 has recorded success in developing local content capacity in Nigeria, leading to substantial benefits to Nigeria and her citizens ;

WHEREAS, engagements with industry regulators and stakeholders have revealed high-cost operating environment and project delivery schedule delays which exceed global standards, occasioned in part by the misapplication of Nigerian content requirements to goods and services in the sector ; and

WHEREAS, it has become imperative to provide policy directives to tackle these challenges, with the primary objective of attracting investments into the sector and restoring economic growth by facilitating conducive operating and investment environment.

NOW THEREFORE, in exercise of the powers conferred on me by section 100 of the Nigerian Oil and Gas Industry Content Development Act, 2010 and all other powers enabling me in that behalf, I, **Bola Ahmed Tinubu**, GCFR, President, Federal Republic of Nigeria and Minister of Petroleum Resources, issue the following Policy Directives —

1.—(1) The Nigerian Content Monitoring and Development Board (“the Board”) in its implementation of the Nigerian Oil and Gas Industry Content Development Act, 2010 (“the Act”) shall —

Compliance
with local
content
requirements

(a) take into account the practical challenges of insufficient in-country capacity for certain services ; and

(b) act in a manner that does not hinder investments or the cost competitiveness of oil and gas projects.

(2) The Board shall not approve a Nigerian Content Plan (NCP) that contains intermediary entities lacking the essential capacity to perform the services.

(3) The Board shall only approve an NCP that consists of contractors that —

(a) meet the legal definition of Nigerian content ; and

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(b) demonstrate genuine, substantial, and tangible capacity to independently execute projects within Nigeria.

(4) The approval of an NCP by the Board that contains entities acting solely as intermediaries, with no demonstrable capacity to execute the project or activity, shall be considered a violation of the local content requirements.

(5) The Board shall develop guidelines for assessing and verifying the capacity of companies seeking contracts for specified activities under the Act, in consultation with industry stakeholders.

Effective date and implementation

2.—(1) This Directive shall take effect immediately.

(2) The NCDMB shall work out the modalities for the implementation of this Directive.

Definition

3. In this Directive —

“*Act*” means Nigerian Oil and Gas Industry Content Development Act, 2010 ;

“*Board*” means the Nigerian Content Development and Monitoring Board established by the Nigerian Oil and Gas Industry Content Development Act ; and

“*Minister*” means Minister responsible for Petroleum Resources.

Citation

4. This Directive may be cited as the Presidential Directive on Local Content Compliance Requirements, 2024.

ISSUED at Abuja this 28th day of February, 2024.

BOLA AHMED TINUBU, GCFR
President, Federal Republic of Nigeria