



Adamawa State Sector Scan

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1 Introduction

The Adamawa State Sector Scan Report presents a comprehensive analysis of various sectors within the state, which were identified and selected through a rigorous scientific and independent process. This report aims to provide a detailed overview of the economic landscape, highlighting the strengths, challenges, and potential opportunities for each sector. The report is the result of a meticulous, scientific, and independent analysis of various sectors within the state. Its purpose was to provide stakeholders with valuable insights and a strategic roadmap to harness the potential of key sectors, leading to inclusive economic growth, investment opportunities, and sustainable development in Adamawa State.

The sector scan exercise involved a meticulous examination of multiple factors, including market demand, resource availability, investment potential, and growth prospects. Through a systematic and data-driven approach, the report identifies key sectors that possess the highest potential for development and investment within Adamawa State.

By conducting an independent analysis, this report ensures objectivity and impartiality in the identification and selection of sectors. The findings are based on reliable data sources, expert insights, and a thorough assessment of the state's economic indicators and trends.

The ultimate goal of this sector scan report is to provide policy makers, investors, and stakeholders with valuable insights that will inform decision-making and facilitate strategic planning. It serves as a vital resource for understanding the current state of sectors in Adamawa State, and it offers a foundation for targeted interventions, policies, and initiatives to drive sustainable economic growth and development. Throughout this report, each identified sector was examined in detail, encompassing its current status, potential growth areas, existing challenges, and recommended strategies for improvement. Additionally, the report highlighted any specific opportunities for investment, job creation, and sector-specific initiatives that can contribute to the overall socio-economic development of Adamawa State.

It is important to note that **this sector scan report is intended to be a dynamic document**, serving as a baseline for future assessments and updates. As the economic landscape evolves, the findings and recommendations outlined herein can be refined and revised to ensure their relevance and applicability over time.

2 Government Structure

Adamawa State operates under Nigeria's federal system and is governed through three main branches: the Executive, Legislative, and Judiciary. These branches function in alignment with the 1999 Constitution of Nigeria, which outlines the structure of governance at the federal, state, and local levels. The **Executive Branch** is headed by the Governor, the chief executive officer of the state, who is elected for a four-year term, renewable once. The Governor is supported by a Deputy Governor, Commissioners, and Special Advisers, all of whom form the State Executive Council (SEC). Commissioners oversee key ministries such as Agriculture, Health, Education, and Infrastructure, among others. Adamawa has 21 Local Government Areas (LGAs), each led

by an elected Chairman, which form the third tier of governance, providing services at the grassroots level.

The **Legislative Branch**, represented by the Adamawa State House of Assembly, is a unicameral body with 25 elected members, each representing a constituency. The House of Assembly is tasked with making laws, approving the state budget, and overseeing the executive branch. It is led by a Speaker and a Deputy Speaker, with its members contributing to the formulation of policies that address the state's developmental needs.

The **Judiciary Branch** interprets the law and ensures justice, with the Adamawa State High Court serving as the apex judicial body at the state level. The judiciary is headed by the Chief Judge, who is appointed by the Governor and confirmed by the House of Assembly. Supporting courts include Magistrate Courts, Customary Courts, and Sharia Courts, which handle minor civil and criminal cases, customary disputes, and personal Islamic law matters, respectively.

Adamawa's local governance structure is anchored by its 21 LGAs, which focus on local administration and development. Each LGA has an elected Chairman and councilors who represent individual wards. At the federal level, Adamawa has three Senators, representing the Northern, Central, and Southern Senatorial Districts, and eight Representatives in Nigeria's House of Representatives. These representatives play a critical role in federal policymaking and resource allocation for the state. Additionally, federal agencies such as the National Inland Waterways Authority (NIWA) and other ministries operate in the state to complement its governance structure.

The presence of River Benue further enhances Adamawa's strategic importance, providing opportunities for inland waterway development and connectivity to other parts of Nigeria. Governance in Adamawa is supported by legal frameworks and policies outlined in the 1999 Constitution, and state operations are regularly aligned with federal laws and programs.

3 Private Sector Activity

The private sector in Adamawa State plays a vital role in driving economic growth, job creation, and development across various industries. While agriculture remains the dominant sector, other industries such as renewable energy, construction, trade, and small-scale manufacturing are gradually gaining prominence. Despite challenges such as infrastructure deficits, security concerns, and limited access to financing, the private sector continues to thrive in key areas, supported by state and federal government initiatives.

1. Agriculture and Agribusiness

Agriculture is the backbone of Adamawa's economy, and private sector activity in this space is robust. Businesses are involved in the cultivation, processing, and distribution of crops such as maize, rice, groundnuts, and sorghum. The state's fertile land and access to River Benue support irrigation-based farming, attracting private investments in mechanized agriculture and agro-processing. Companies such as Olam Nigeria and various smallholder cooperatives have been key players, focusing on rice milling, groundnut oil production, and maize value chains. Private investors are also leveraging the state's rich livestock resources to develop ranching, dairy

production, and meat processing businesses, contributing significantly to food security and job creation.

2. Renewable Energy

The renewable energy sector in Adamawa is emerging as a critical area for private sector investment. With abundant solar energy potential and the River Benue offering opportunities for small and medium-scale hydropower projects, companies are exploring renewable energy solutions. Firms such as Rubitec Solar and other solar providers are actively involved in mini-grid solar projects for rural electrification. International and local investors are also taking advantage of government incentives under Nigeria's Renewable Energy Master Plan, focusing on addressing Adamawa's energy deficit through off-grid solutions.

3. Trade and Commerce

Adamawa serves as a key trade hub due to its proximity to Cameroon and Chad, facilitating cross-border trade. The private sector is active in the import and export of goods, including agricultural produce, textiles, and consumer goods. Local markets such as the Jimeta Main Market and Mubi Market are centers for wholesale and retail trade, involving thousands of small and medium enterprises (SMEs). Cross-border businesses benefit from Adamawa's strategic location, and traders often engage in the export of farm produce while importing essential goods from neighboring countries.

4. Construction and Real Estate

The construction and real estate sectors are growing steadily, driven by urbanization and demand for housing. Private developers are involved in building affordable housing estates, commercial properties, and infrastructure projects such as roads and bridges. However, challenges such as high construction costs and limited access to affordable financing remain barriers to large-scale development. Companies involved in the supply of building materials, including cement and roofing sheets, also contribute to this sector.

5. Agro-Processing

Agro-processing is a thriving area, with private firms focusing on value addition for crops such as rice, maize, and groundnuts. The presence of rice mills, groundnut oil extraction plants, and flour mills has spurred economic activity and provided employment opportunities. Small-scale enterprises dominate this sector, but larger players are entering, supported by government programs like the Anchor Borrowers' Program, which provides credit to farmers and processors.

6. Renewable Natural Resources

Private firms are also active in the exploitation of natural resources such as limestone, gypsum, and clay. These resources are used in cement production, brick-making, and other industrial activities. Companies involved in mining and mineral processing contribute to Adamawa's economic diversification, though the sector is constrained by inadequate infrastructure and regulatory challenges.

7. Technology and Innovation

Technology-driven private enterprises are gradually gaining a foothold in Adamawa State. Companies involved in ICT, cybersecurity, and education technology are emerging, though the

sector remains in its infancy. Entrepreneurs are leveraging mobile technology to improve service delivery in areas like financial services, healthcare, and agricultural extension.

8. Challenges Facing the Private Sector

Despite its growth, private sector activity in Adamawa State faces several challenges:

Infrastructure Deficits: Poor road networks, unreliable electricity, and limited access to water supply hinder operations.

Security Concerns: Insurgency and communal clashes have created instability, affecting investor confidence.

Access to Financing: High interest rates and limited credit availability constrain business expansion.

Regulatory Barriers: Bureaucratic processes and inconsistent policies discourage investment.

9. Government Support for Private Sector Growth

The Adamawa State Government, in collaboration with the federal government, has implemented several programs to support private sector growth:

Anchor Borrowers' Program: Provides credit facilities for smallholder farmers and agro-processors.

Tax Incentives: Includes exemptions and holidays for businesses in priority sectors like agriculture and manufacturing.

Public-Private Partnerships (PPPs): Encourages private investments in infrastructure and renewable energy.

Skill Development Programs: Focuses on training the workforce to meet the demands of industries such as ICT and agro-processing.

4 Market structures

The market structures in Adamawa State are diverse, reflecting the economic activities and industries operating within the state. These structures range from perfect competition in agriculture to monopolistic competition in retail and trade, as well as oligopolistic and monopolistic tendencies in industries like energy and telecommunications. Below is a breakdown of the market structures in Adamawa, categorized by key sectors.

1. Perfect Competition

Definition: Perfect competition exists where there are many buyers and sellers, homogeneous products, and free entry and exit from the market.

Examples in Adamawa State:

Agriculture:

The agricultural sector in Adamawa, particularly in the cultivation of crops like maize, rice, groundnuts, and sorghum, operates under a near-perfect competition structure.

Characteristics:

Thousands of small-scale farmers operate independently.

Homogeneous products, such as maize and rice, are sold with little product differentiation.

Price determination is driven by market forces (supply and demand).

Challenges:

Farmers face challenges such as limited access to capital, post-harvest losses, and low bargaining power.

2. Monopolistic Competition

Definition: Monopolistic competition occurs when many firms sell similar but slightly differentiated products, and each has some control over pricing.

Examples in Adamawa State:

Retail and Trade:

Retail markets, such as Jimeta Main Market and Mubi Market, exemplify monopolistic competition. Vendors sell differentiated products such as textiles, groceries, and electronics.

Characteristics:

Numerous traders compete in selling similar goods but differentiate through branding, location, or customer service.

Prices vary across vendors depending on quality, origin, and bargaining.

Challenges:

High competition among vendors reduces profit margins.

Market inefficiencies, such as poor infrastructure and security concerns, affect growth.

Small-Scale Agro-Processing:

The processing of agricultural products like groundnut oil, rice, and maize flour also exhibits monopolistic competition.

Differentiation:

Businesses differentiate based on packaging, quality, and processing methods.

Local branding and marketing play a significant role in customer choice.

3. Oligopoly

Definition: An oligopoly is a market structure characterized by a few large firms dominating the industry, often resulting in interdependent pricing and competition.

Examples in Adamawa State:

Telecommunications:

Telecommunication services in Adamawa are dominated by a few major providers, including MTN, Airtel, Glo, and 9mobile.

Characteristics:

Limited number of firms with significant control over pricing and service availability.

High barriers to entry due to the capital-intensive nature of the industry.

Challenges:

Coverage in rural areas remains limited, leading to reduced competition and higher prices in remote regions.

Energy (Renewable and Fossil Fuels):

The renewable energy sector, while emerging, is dominated by a few firms, such as Rubitec Solar, focusing on mini-grid solar installations.

Characteristics:

Limited number of players offering renewable energy solutions.

High dependence on government incentives and international funding.

4. Monopoly

Definition: A monopoly occurs when a single firm dominates the market, often due to government regulation, high barriers to entry, or exclusive access to resources.

Examples in Adamawa State:

Electricity Distribution:

Yola Electricity Distribution Company (YEDC) holds a monopoly over electricity distribution in Adamawa and neighboring states.

Characteristics:

Consumers have no alternative suppliers.

Pricing and service delivery are regulated by the government.

Challenges:

Frequent power outages and inadequate infrastructure reduce service quality.

Water Supply:

The state government controls water distribution through public utilities.

Characteristics:

Lack of competition in urban and rural water supply systems.

Limited private sector involvement due to the high cost of infrastructure development.

5. Informal Market Structures

Definition: Informal markets exist outside of formal regulatory structures and often lack standardization.

Examples in Adamawa State:

Cross-Border Trade:

Informal trade with neighboring Cameroon and Chad is a significant part of Adamawa's economy.

Characteristics:

Trade involves unregistered vendors and transactions often occur outside formal customs controls.

Products include agricultural goods, textiles, and manufactured items.

Challenges:

Lack of regulation leads to revenue loss for the government.

Traders face risks such as insecurity and inconsistent trade policies.

6. Government-Influenced Markets

Definition: These are markets where government intervention significantly impacts pricing and competition.

Examples in Adamawa State:

Subsidized Agricultural Inputs:

The government provides subsidized fertilizers and seeds under programs like the Anchor Borrowers' Program.

Characteristics:

Prices are regulated, creating distortions in market competition.

Small-scale private input suppliers compete with government-subsidized distribution systems.

Public Infrastructure Projects:

Construction firms bidding for public contracts operate under a regulated market where government policies influence competition.

Challenges Across Market Structures

Infrastructure Deficits: Poor road networks, electricity shortages, and inadequate water supply hinder efficient market operations.

Security Concerns: Insurgency and communal conflicts disrupt trade and investment in some areas.

Regulatory Barriers: Bureaucratic delays and inconsistent policies create inefficiencies.

Access to Financing: High interest rates and limited credit availability constrain business expansion across all sectors.

5 The Sector Scan

The Sector Scan was designed to provide fact based information about investment promotion sectors that have a high potential for success. the project was designed to help investors make informed business decisions for investing in Adamawa State.

The study shows a market assessment of the demand and supply dynamics of sectors to support the state in prioritizing its top sectors for driving investments. The outcomes of the study are fact-based information that will facilitate large-scale investments in the identified sectors. The exercise began in October 2024 and was completed in December 2024. This was followed by validation session in December 2024 to get feedback from Stakeholders.

5.1 Research Project Objective

- To identify
 - ✓ Sectors ready for large scale investment in the short term
 - ✓ Sectors that Adamawa can offer attractive and competitive conditions compared to other locations
 - ✓ Sectors with potential to become attractive where existing constraints are removed or addressed
-

5.2 Specific Objectives

The fundamental objective of the assignment was to bring about an assessment of each sector identified with a view to:

- Identifying key sectors where the state has comparative advantage, natural resources endowment and the required manpower skill to attract private sector investment.
- Identifying bottlenecks, gaps and other barriers to promoting investment that need to be removed in order to facilitate positive investment climate.
- Identifying visible [infrastructure] and invisible factors [government incentive policy and the general business environment]
- Identifying what it takes to make an investor more likely to invest in the state.

- Identifying the synergy and possible collaborations with the state government and the private sector investor.

Resulting from aforementioned set objectives the team mapped out identifiable sectors that were expected to contribute positively to the growth and development of the state, thereby enhancing its revenue base and providing ample job opportunities to the teeming young, vibrant and talented unemployed youths using the process below:



5.3 Sector Selection

The sectors populated in this study were an outcome of both qualitative research and desk review.

5.3.1 Step 1

Sectors we found with short to medium term potential with Limited or easy to fix constraints - Tier 3 sectors are:

- 1) Renewable Energy Projects
 - a) Solar and Hydro energy generation to provide sustainable power solutions.
- 2) Mining and Mineral Resources Development
 - a) Exploration and extraction of limestone, granite, uranium, lead, zinc, lithium, and copper.
- 3) Agricultural Value Chain Enhancement
 - a) Livestock Production (Cattle, Dairy), Rice Production and Processing,
- 4) Education Sector Investments
 - a) Establishment of Higher Education Institutions and vocational training centers, including Almajiri Education programs.
- 5) Healthcare Infrastructure Development
 - a) Investment in health facilities focusing on maternal health and general healthcare services.
- 6) Industrialization Initiatives

- a) Establishing manufacturing units for pharmaceuticals, clay products, and other industrial goods.
- 7) Information Technology (IT) and Cybersecurity Solutions
 - a) Development of IT services and cybersecurity measures to protect businesses and data.
- 8) Technological Innovations
 - a) Investment in technology development including Artificial Intelligence applications.
- 9) Tourism and Hospitality Development
 - a) Establishing tourism facilities and eco-tourism projects to attract visitors.
- 10) Housing Development Projects
 - a) Real estate investments focusing on affordable housing solutions.
- 11) Waste Management and Recycling Solutions
 - a) Establishing systems for waste collection, recycling, and sustainable waste management practices.
- 12) Human Resource Development
 - a) Programs aimed at enhancing skills in various sectors including agriculture, technology, and healthcare.
- 13) Water Resources Management
 - a) Investment in infrastructure for water supply and irrigation systems to support agriculture.
- 14) Sea Port Development
 - a) Enhancing port facilities to improve trade and commerce efficiency.
- 15) Commerce Expansion Initiatives
 - a) Investments in retail, e-commerce platforms, and local market development.
- 16) Afforestation Projects
 - a) Initiatives aimed at reforestation and sustainable forestry practices.
- 17) Ranching Enterprises
 - a) Investments in ranching operations to support livestock production.
- 18) Fish Production and Aquaculture Development
 - a) Establishing fish farming operations to enhance local food supply.
- 19) Clay Products Manufacturing
 - a) Investment in the production of clay-based goods for construction and pottery.
- 20) Agricultural Processing Facilities
 - a) Establishing processing units for agricultural products to add value before reaching consumers.

Sectors and subsectors with some medium-term potential with constraints in the security or business environment that may hinder early investments - Tier 2 Sectors are:

- Light Industry
- Clay Products
- Livestock Production
- Sea Port
- Afforestation
- Grocery Processing
- Waste Recycling
- Housing
- Palm Oil Production
- Dairy Production
- Industrialization
- Groundnut oil Production
- Pharma Industrialisation
- Ranching
- Rice Processing
- Maize Value Chain
- Healthcare
- Infrastructure
- Mining & Solid Minerals
- Education & Nomadic Education
- Artificial Intelligence
- Cyber Security
- Renewable Energy
- Aquaculture

5.3.2 Step 2

Alignment with the priority sectors in Adamawa State

5.3.3 Step 3

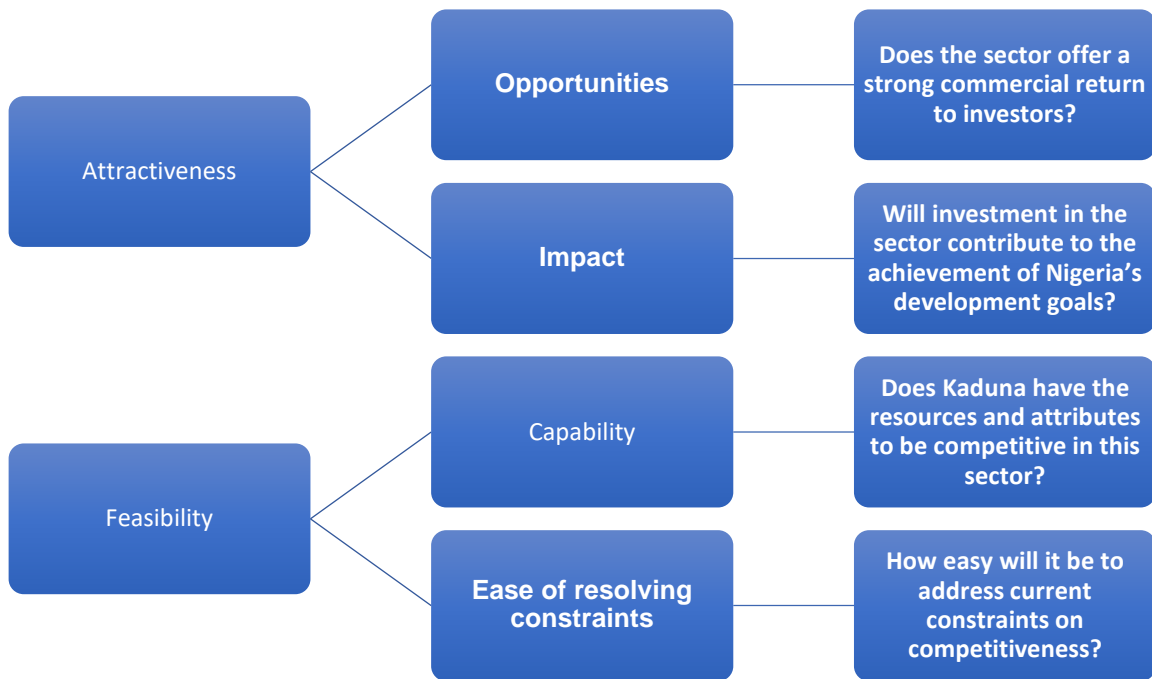
With a filtered list of 25 sectors, about 100 organizations were selected and questionnaires sent for response by each member of the field researchers, comprising of 20 research members (see appendix I). focus group discussions, desk reviewed method and Face to face interviews were conducted for some selected organizations, others through phone interviews at their leisure time in order to get additional information needed ranging from Business Membership Organizations (BMO), M.D.As, Cooperatives Organizations, Academia and MSME etc. The desk research team expanded their research to Research institutions apart from information received from the internet and journals.

Respondent Spread (field)

- Consultants
- Micro Businesses
- Small Businesses
- Medium Businesses
- Multi-Nationals
- Women Owned
- BMOs
- Foreign Investors
- MDAs
- Respondent Spread Online

5.3.4 Short List Methodology

The research teams painstakingly sought for information both qualitative and quantitative by physically interviewing industry sources for information, visits to relevant MDAs and interested parties while at the same time data obtained from various key and relevant Institutional data bank were vigorously sought both within our national borders and beyond.



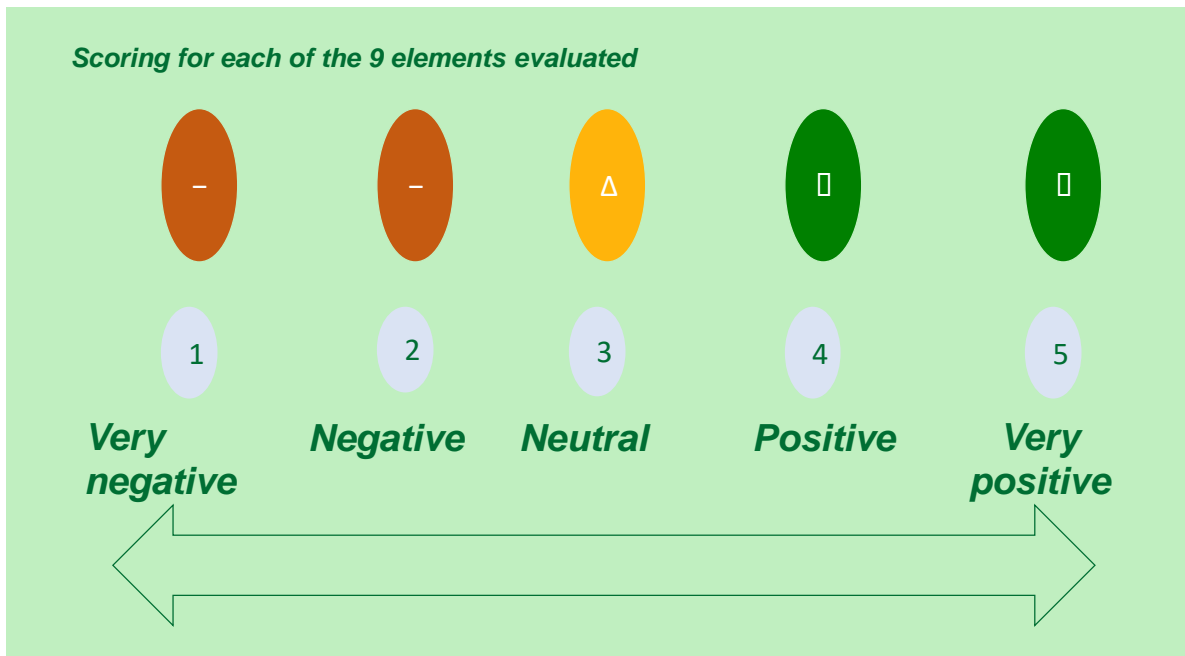
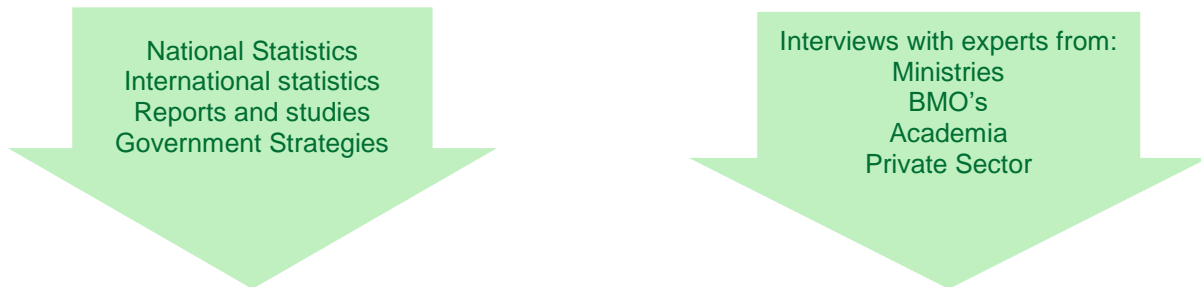
Collection of the data, information from the desktop and field researches were analyzed sector by sector carefully verifying such information, the result is what has now been segmented on the basis of attractiveness and feasibility. This was followed by deeper analysis shown below:

	Dimension	Criteria	Description
Attractiveness	Opportunity	Market Opportunity	<ul style="list-style-type: none"> How strong are the prospects of the sectors in global, regional or local markets? Would there be prospective investors in this sector interested in investing in Adamawa?
		Active Investor Interest	
	Impact	Local Resource Utilization	<ul style="list-style-type: none"> How do typical investments in the sector/sub-sector affect balance of trade? How many direct and indirect jobs are created by typical investments and how are skills and income affected? How do typical investments in the sector/ subsector affect competitiveness of overall economy and other state and national strategic issues such as food and energy securities and SME development?
		Job Creation	
Feasibility	Capability	Natural Endowments	<ul style="list-style-type: none"> Is Adamawa endowed with natural assets in the target sector? Is the required infrastructure available? Are the required skills and services available?
		Skills and Labour	
		Infrastructure	
	Readiness	Ease of Removing Barriers	<ul style="list-style-type: none"> Approximately how long would it take to address critical barriers? Would there be public support for the sub sector?

		Support for sub-sector/ Incentives	<ul style="list-style-type: none">• Would existing industry and supporting industries welcome new investors?
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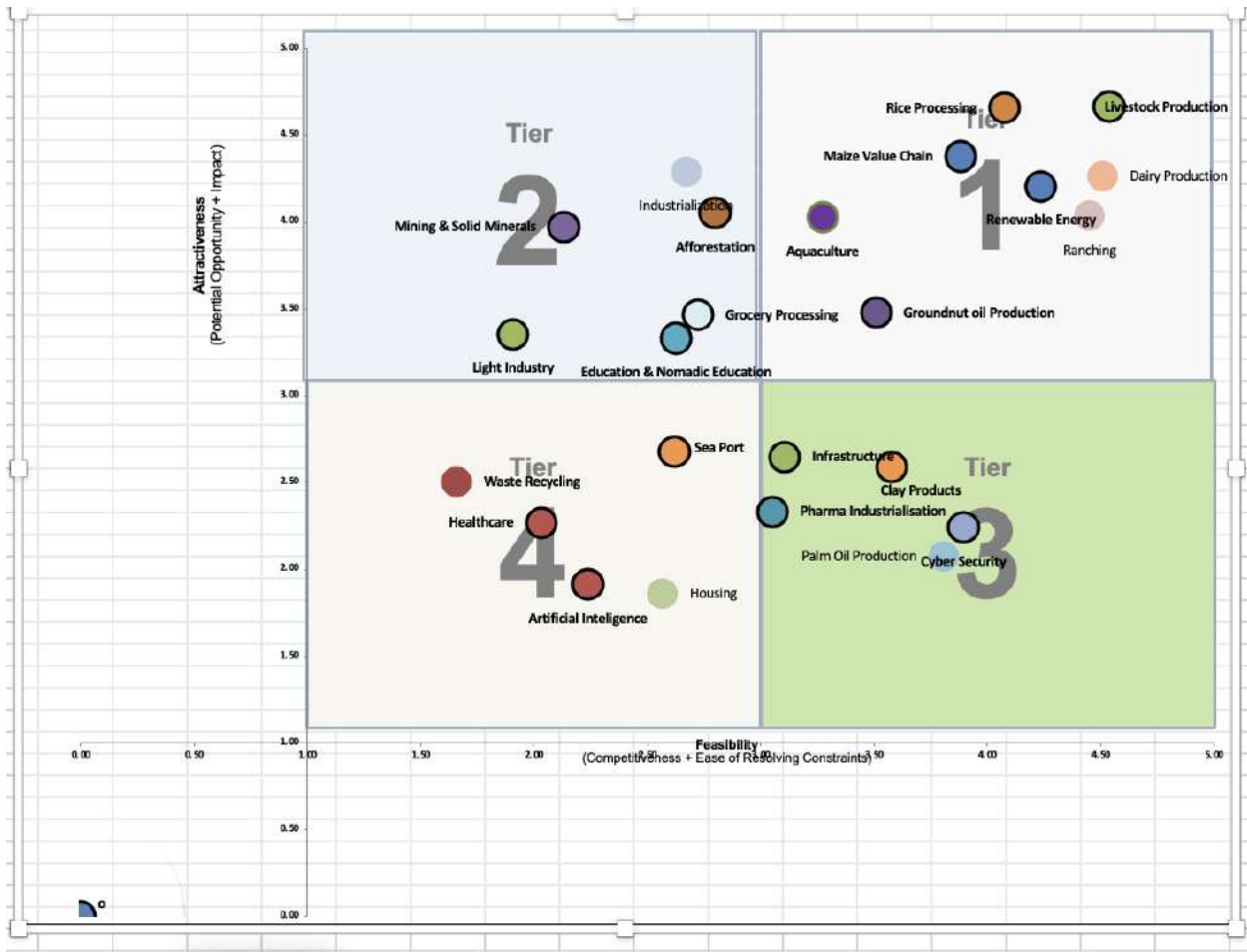
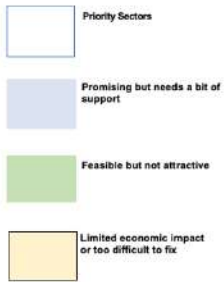
The results were then placed using markers that ranged from the least attractive (very negative) to the most attractive (very positive).

INPUTS



5.4 Outcomes

The information gathered per each sector were analyzed and scored based on attractiveness (sectors with great potential and have great impact on the economy) and feasibility (sectors that are competitive in the market with variable ease of removing constraints). The result of the analysis is presented in the table below



5.5 Go Sectors

Sector	Attractiveness	Feasibility	Marker
Bubble Sizer (Don't amend)	-	-	45.00
Light Industry	3.36	1.91	1.00
Clay Products	2.59	3.58	1.00
o	-	-	1.00
Livestock Production	4.67	4.54	1.00
Sea Port	2.68	2.62	1.00
Afforestation	4.05	2.80	1.00
Grocery Processing	3.47	2.72	1.00
Waste Recycling	2.50	1.66	1.00
Housing	2.57	1.86	1.00
Palm Oil Production	3.81	2.08	1.00
Dairy Production	4.51	4.27	1.00
Industrialization	2.67	4.29	1.00
Groundnut oil Production	3.48	3.51	1.00
Pharma Industrialisation	2.33	3.05	1.00
Ranching	4.45	4.04	2.00
Rice Processing	4.66	4.08	1.00
Maize Value Chain	4.38	3.88	1.00
Healthcare	2.27	2.03	1.00
Infrastructure	2.65	3.11	1.00
Mining & Solid Minerals	3.97	2.13	1.00
Education & Nomadic Education	3.33	2.63	1.00
Artificial Intelligence	1.91	2.24	1.00
Cyber Security	2.24	3.90	1.00
Renewable Energy	4.21	4.24	1.00
Aquaculture	4.03	3.27	1.00

	Priority Sectors & Subsectors
	Promising Sectors & Subsectors
	Low Feasibility but low attractiveness
	Limited economic impact

6 Top investment opportunities

Investment Opportunities exists in the complete value chains listed in the key sectors above. Specifically:

Investment Recommendations for Top 6 Sectors

1. Livestock Production

- Attractiveness: 4.67
- Feasibility: 4.54
- Why Invest:
 - Strong demand for meat and dairy products, both locally and regionally.
 - Abundant grazing land and access to water resources.
 - Significant job creation potential.
- Recommendations:
 - Develop Modern Ranches: Integrate modern livestock management practices, veterinary services, and breeding programs.
 - Feed Production Facilities: Establish local feed mills to reduce feed costs and improve livestock health.

- Value-Added Processing: Invest in meat and dairy processing plants to boost market value and reduce post-harvest losses.

2. Rice Processing

- Attractiveness: 4.66
- Feasibility: 4.08
- Why Invest:
 - High demand for processed rice, driven by Nigeria's import substitution agenda.
 - Presence of irrigation systems and fertile land for rice farming.
- Recommendations:
 - Expand Processing Capacity: Invest in modern rice mills with parboiling and polishing capabilities.
 - Improve Logistics: Develop storage and transport systems to reduce post-harvest losses.
 - Contract Farming Models: Collaborate with smallholder farmers to ensure a steady supply of quality paddy.

3. Dairy Production

- Attractiveness: 4.51
- Feasibility: 4.27
- Why Invest:
 - Growing domestic demand for fresh milk, cheese, and other dairy products.
 - Favorable conditions for dairy farming, including pasture availability.
- Recommendations:
 - Milk Collection Centers: Establish collection hubs equipped with cooling facilities to preserve milk quality.
 - Dairy Processing Plants: Invest in yogurt, cheese, and powdered milk production facilities.
 - Training Programs: Train farmers in modern dairy techniques and establish veterinary support services.

4. Ranching

- Attractiveness: 4.45
- Feasibility: 4.04
- Why Invest:
 - Opportunities for value addition in meat production and export.
 - Strong support from the National Livestock Transformation Plan.
- Recommendations:
 - Integrated Ranch Development: Combine grazing, feedlots, and meat processing facilities for efficiency.
 - Cross-Border Trade: Leverage Adamawa's proximity to Cameroon and Chad for livestock exports.
 - Cooperative Development: Encourage herders to form cooperatives for collective marketing and resource pooling.

5. Renewable Energy

- Attractiveness: 4.21
- Feasibility: 4.24
- Why Invest:
 - Abundant solar and hydro resources with growing demand for off-grid electrification.
 - Strong government incentives for renewable energy projects.
- Recommendations:
 - Mini-Grid Solar Farms: Develop off-grid solar systems for rural electrification.
 - Hydropower Development: Leverage River Benue for small and medium-scale hydropower projects.
 - Incentive Utilization: Tap into international climate finance and tax incentives for renewable energy investments.

6. Aquaculture

- Attractiveness: 4.03
- Feasibility: 3.27
- Why Invest:
 - Growing domestic demand for fish products and proximity to export markets.
 - Natural water resources support year-round fish farming.
- Recommendations:
 - Fish Hatcheries: Develop hatcheries to supply fingerlings to small-scale farmers.
 - Feed Mills: Invest in local feed production to reduce input costs.
 - Processing Facilities: Establish fish smoking and freezing facilities to add value and extend shelf life.

7 Opportunities and challenges

The image of the North east gives prospective investors the perception that investing in Adamawa would be dangerous. While some constraints certainly exist, businesses can thrive if they change the context in which they intend to operate and adapt to the realities of the state. Specifically, the challenges in Power and ICT are higher than water and transportation. Financing is very expensive and skilled labour is also difficult to get.

8 Recommendations & Next steps

There is a need for a 1-2 year programme or intervention to prepare companies for IFC entry as well as perfecting documentation to aid proper due diligence. This could be done independently or in partnership with PCNI. An aggressive image building project also needs to be instituted to ensure that all stakeholders are aware of the opportunities that exist in Adamawa.

1. **Other projects.** During the meetings and site visits, a series of further potential were identified, which should be added to the watch list.
 - a. Industrial Parks with several product processing clusters with sufficient space for storage/warehousing, electricity generation and shared infrastructure
 - b. Rice Mill cluster in Adamawa State (the IFC team is yet to visit)

c. Technical assistance to the CCIMAs and State Governments on Coop formation, industry clustering and MFB lending frameworks

9 Proposed Next Steps

- Send IFC's "How we work with sponsors" to all 3 CCIMAs in KD, GO & BA (requested)
- Clusters Financing:
 - FIG team to arrange meeting with FCMB to get sense of appetite given presence in Bauchi and decent experience in agri value chain financing
 - Engage IFC Agribiz and FIG teams on identified projects to design possible structures and risk sharing facilities for financing:
 - Industrial cluster (oilseed & rice)
 - Microfinance institutions
- Clusters Advisory:
 - Engage WB and IFC Advisory team to understand solutions for organizing clusters into cooperatives
 - Engage WB country leads and touchpoints on value chain for projects identified
- PPP Advisory:
 - Identify West or Pan African operators of hotel chains that could possibly participate in a tender for hotels
 - Engage IFC Africa PPP team to gauge appetite for NNDC's Lake Chad Hotel proposal
- Revisit Adamawa/Bauchi in January with Agribiz specialist to inspect Rice & Oil Processing Clusters
- Convene NE Workshop in Abuja with FGN, SGs, CCIMA's, Bankers & Industrialists in attendance

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