



POLICY BRIEF

March, 2026

Data Sovereignty and the NDPA 2023: Strategies for Localizing AI Data Storage.

Authors:

Dr. Ganiyu Ejalonibu Oche Okoh Samson Udofa Samuel

Department of Democracy and Governance

(NILDS)

Executive Summary

Data sovereignty is a fundamental principle that ensures a state maintains authority over data generated, collected, or processed within its territory, subjecting it to domestic law and regulatory oversight. In Nigeria, this principle is enshrined in the Nigeria Data Protection Act 2023 (NDPA 2023), which governs personal data and regulates cross-border transfers. In the context of artificial intelligence (AI), data sovereignty is strategically critical, as AI systems rely on large datasets for model training and deployment. Currently, much of Nigeria's AI-relevant data is stored or processed on foreign infrastructure, creating risks of regulatory loss, exposure to foreign legal regimes, and economic and technological exploitation by foreign entities—an emerging form of digital neocolonialism. The NDPA 2023 does not explicitly mandate localisation of AI training data, leaving a regulatory gap that may weaken Nigeria's jurisdictional control and limit domestic technological growth. To address this, the National Assembly is urged to intervene by:

1. The National Assembly may wish to enact a law requiring that all data sets used to train AI systems about Nigerian citizens, institutions, or economic activity be stored and processed within national borders, unless adequate safeguards for cross-border transfers are approved.
2. The National Assembly, through its Senate and House committees on Communication, Science, and Technology, may wish to direct ministering of Communication, Science, and Technology to create a sovereign cloud and AI data infrastructure in Nigeria, accompanied by standards for secure storage, processing, and auditing of AI datasets.
3. The National Assembly to the Senate and House Committee Communication, Science and technology may wish to introduce fiscal, technical, and policy incentives for Nigerian companies and research institutions to adopt localised data storage and AI development practices.
4. The Senate, House Committee, and the Committee on Justice and Human Rights) may consider reviewing and recommending legislative amendments to the NDPA 2023 to explicitly include AI data localisation requirements, establish penalties for non-compliance, and ensure that Nigerian courts and regulatory bodies have jurisdiction to enforce these provisions.



Background:

Data sovereignty refers to a state's authority over data generated, collected, or processed within its territory, ensuring that such data remains subject to domestic law and regulatory oversight. In Nigeria, this principle is grounded in the Nigeria Data Protection Act 2023 (NDPA 2023), which applies to personal data of individuals in Nigeria and regulates cross-border transfers through adequacy requirements and safeguards.¹

In the context of artificial intelligence (AI), data sovereignty has strategic importance.² AI systems rely on large datasets for training and deployment, and when Nigerian data is routinely exported for offshore storage or model development, its economic and strategic value may primarily benefit foreign entities. These dynamic risks foster digital neocolonialism, where local data resources fuel external technological dominance. Ensuring that data used to train Nigerian AI remains within national borders strengthens regulatory control, protects sensitive information, and promotes domestic innovation³. Localising AI data storage, therefore, supports both compliance with the NDPA 2023 and Nigeria's broader goal of digital and technological sovereignty.

Issue:

As noted by UNCTAD (2021) and the World Bank (2021), AI systems rely fundamentally

on large-scale data drawn from national digital ecosystems.⁴ However, much of this data is stored or used for AI model training on foreign-owned infrastructure outside the country. While the Nigeria Data Protection Act 2023 (NDPA 2023) regulates personal data processing and cross-border transfers, it does not expressly require that datasets used to train Nigerian AI systems be localized within national borders.⁵

This gap poses strategic and regulatory concerns. Offshore storage and AI training may weaken Nigeria's jurisdictional control, expose sensitive data to foreign legal regimes, and enable foreign firms to capture the economic and technological value derived from Nigerian data. Over time, these dynamic risks deepen digital dependency and foster digital neocolonialism. There is therefore a clear need for legislative intervention to strengthen localisation requirements for AI training data, ensuring that Nigeria retains both regulatory authority and economic value over its data resources.

Rationale for National Assembly Action:

The rapid advancement of artificial intelligence (AI) presents both unprecedented opportunities and significant strategic risks for Nigeria. AI systems rely on large-scale datasets that capture the country's demographic, economic, social, and institutional information. If these datasets are stored or processed primarily on foreign

¹ Federal Republic of Nigeria. (2023). *Nigeria Data Protection Act, 2023*. Federal Government Printer. <https://ndpc.gov.ng/NDPA.pdf>

² United Nations Conference on Trade and Development. (2021). *Digital economy report 2021: Cross-border data flows and development—For whom the data flow*. United Nations. https://unctad.org/system/files/official-document/der2021_en.pdf

³ Kwet, M. (2019). Digital colonialism: US empire and the new imperialism in the Global South. *Race & Class*,

60(4), 3–26. <https://doi.org/10.1177/0306396818823172>

⁴ Ibid
World Bank. (2021). *World development report 2021: Data for better lives*. World Bank. <https://www.worldbank.org/en/publication/wdr2021>

⁵ Ibid.



infrastructure, Nigeria risks losing regulatory oversight, economic value, and technological leverage embedded in its own data. This situation not only undermines national data sovereignty but also exposes sensitive information to foreign jurisdictions and legal regimes, increasing vulnerability to data misuse or exploitation.

Moreover, the externalisation of Nigerian AI datasets fosters a form of digital neocolonialism, where foreign firms derive the economic and technological benefits of local data while domestic AI capabilities remain underdeveloped (Couldry & Mejias, 2019; Kwet, 2019).⁶ Without clear legislative direction, existing provisions under the Nigeria Data Protection Act 2023 (NDPA 2023) are insufficient to guarantee that AI training data remains within national borders. By enacting clear statutory requirements for AI data localisation, the National Assembly can safeguard Nigeria's digital autonomy, reinforce regulatory oversight under the NDPA 2023, and prevent the emergence of digital dependency or neocolonial exploitation of local data resources.

Areas for Legislative Intervention:

To safeguard Nigeria's data sovereignty, prevent digital neocolonialism, and promote domestic AI development, the National Assembly, through its relevant committees (such as the Committee on Communications, Science and Technology, and the Committee on Justice and Human Rights), should consider the following recommendations:

- The National Assembly may wish to enact a law requiring that all data sets used to train AI systems about

Nigerian citizens, institutions, or economic activity be stored and processed within national borders, unless adequate safeguards for cross-border transfers are approved. This measure will ensure regulatory oversight, protect sensitive data, and preserve the economic and strategic value of local datasets.

- The National Assembly, through its Senate and House committees on Communication, Science, and Technology, may wish to direct ministering of Communication, Science, and Technology to create a sovereign cloud and AI data infrastructure in Nigeria, accompanied by standards for secure storage, processing, and auditing of AI datasets. Through its oversight, the National Assembly may wish to oversee the development of certification schemes for private sector data handlers to ensure compliance with localisation requirements and NDPA 2023 principles.
- The National Assembly to the Senate and House Committee Communication, Science and technology may wish to introduce fiscal, technical, and policy incentives for Nigerian companies and research institutions to adopt localised data storage and AI development practices. This may include tax breaks, grants for AI research, and support for capacity-building programs aimed at developing skilled AI professionals, cybersecurity experts, and local data engineers.

⁶ Couldry, N., & Mejias, U. A. (2019). *The costs of connection: How data is colonizing human life and appropriating it for capitalism*. Stanford University Press. <https://www.sup.org/books/title/?id=29645>

Kwet, M. (2019). Digital colonialism: US empire and the new imperialism in the Global South. *Race & Class*, 60(4), 3–26. <https://doi.org/10.1177/0306396818823172>



- The Senate, House Committee, and the Committee on Justice and Human Rights) may consider reviewing and recommending legislative amendments to the NDPA 2023 to explicitly include AI data localisation requirements, establish penalties for non-compliance, and ensure that Nigerian courts and regulatory bodies have jurisdiction to enforce these provisions. This measure safeguards data rights, reinforces national sovereignty, and provides a legal mechanism to prevent digital exploitation by foreign entities.

Conclusion:

The rapid evolution of artificial intelligence presents Nigeria with both transformative opportunities and strategic risks. Ensuring that data used to train AI systems remains

within national borders is critical to safeguarding regulatory authority, protecting sensitive information, and preserving the economic and technological value inherent in Nigerian datasets. While the Nigeria Data Protection Act 2023 (NDPA 2023) provides a framework for data protection and cross-border transfers, it does not currently mandate localisation of AI training data, leaving a gap that may expose the country to digital dependency and neocolonial exploitation. Legislative intervention by the National Assembly, through clear statutory requirements, development of sovereign AI infrastructure, incentivisation of local compliance, and enforcement mechanisms under NDPA 2023, will strengthen Nigeria's data sovereignty, foster domestic innovation, and ensure that the benefits of AI development accrue to the nation and its citizens. Proactive action now is essential to secure Nigeria's digital autonomy and strategic position in the global AI landscape.

Contact

National Institute for Legislative and Democratic Studies
National Assembly
Plot 307 Cadastral Zone
Umaru Musa Yar'adua Expressway, Airport Road
Abuja Nigeria
E-mail: info@nils.gov.ng
Website: <http://nils.gov.ng>

NILDS Liaison Office

Suite 214 Senate Wing
National Assembly Complex
Mobile: +234 806 694 5075