REPORT

Industrial Policy Commission General Assembly (Energy Sector)

Tuesday 29th April 2025

Virtual

2PM

2025 General Assembly Report

Industrial Policy Commission (Energy)

Date: Tuesday, April 29, 2025 Time: 02:00 pm Duration: 2 hours Venue: Virtual	**INDUSTRIAL POLICY COMMISSION GENERAL ASSEMBLY (ENERGY SECTOR)** **Details of Discussants:** • **Ms Lumun Amanda Feese,** Co-Facilitator, Industrial Policy Commission • **Mr Stephen Daniel,** Senior Associate, Think Tank Operations, NESG • **Dr Segun Adaju,** Member, Industrial Policy Commission Steering Committee • **Ms Rahila Thomas,** Co-Facilitator, Energy • **Engr. Belije Madu,** Power Thematic Lead • **Mr Kelvin Emmanuel,** Oil and Gas Thematic Lead • **Mr David Arinze,** Renewable Energy Thematic Group **Moderated by:** • **Jackson Mbotidem,** Anchor, Industrial Policy Commission
Background	The Industrial Policy Commission (IndPC) is one of the public-private dialogue platforms at the Nigerian Economic Summit Group (NESG), dedicated to driving Nigeria's industrialisation through policy advocacy, stakeholder engagement, and strategic implementation. It plays a pivotal role in facilitating the adoption and execution of recommendations from the Nigerian Economic Summit (NES), the NESG's annual flagship event. Bringing together public and private sector stakeholders, civil society, academia, and international organisations, the IndPC recognises industrialisation as a fundamental driver of economic growth, job creation, and national competitiveness. The IndPC seeks to accelerate Nigeria's industrialisation in line with the Africa Agenda 2063. Its aim is to position Nigeria as Africa's leading industrial powerhouse and a model for sustainable economic transformation by applying the African Union's Accelerated Industrial Development for Africa (AIDA) framework. Doing so requires addressing systemic challenges in manufacturing, infrastructure, natural resource development, trade, and innovation. To achieve its mandate, the Industrial Policy Commission operates through the following thematic groups: Oil and Gas, Power, Renewable Energy, Marine and Blue Economy, Mining, Manufacturing, and Agriculture.

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Context	In 2024, the NESG Board initiated an independent review of the structure of the NESG Policy Commissions to reposition them for effectiveness, greater impact, and improved engagement with stakeholders in Nigeria's public policy space in 2025 and beyond. Based on the review, the Board approved the reduction of the Policy Commissions from 12 Policy Commissions and 46 Thematic Working Groups to 6 Policy Commissions and 30 thematic groups to emphasise a narrower focus for more impactful outcomes. The Industrial Policy Commission (IndPC) was established as one of the six (6) Policy Commissions under the new structure, reflecting the importance of industrialisation in Nigeria's economic transformation. The IndPC integrates key thematic areas from the former Manufacturing and Mining Policy Commission and the Energy Policy Commission. This restructuring ensures a more holistic and strategic approach to industrial policy development and implementation. Recognising the critical role industry experts and stakeholders play, the Industrial Policy Commission (IndPC) is looking to host a General Assembly (GA) to engage relevant stakeholders on proposed initiatives for the year. Given the broad scope of the Policy Commission, the 2025 GA will be held across three days for the thematic groups. The GA allows current and potential IndPC members to learn about the Commission's activities and discuss key industrial policy issues and strategic focus areas for 2025.
Opening Remarks **Dr Segun Adaju, Member, industrial Policy Commission Steering Committee**	Dr. Segun Adaju, Member of the Industrial Policy Commission (IndPC) Steering Committee, delivered the opening remarks at the inaugural General Assembly of the Industrial Policy Commission under the restructured NESG Policy Commissions framework. He welcomed all participants, noting that the session marks a significant milestone for the IndPC, with a thematic focus on the energy sector—bringing together stakeholders from the oil and gas, power, and renewable energy thematic groups. He stated that the Industrial Policy Commission, following the recent restructuring of NESG Policy Commissions, is one of the six (6) Policy Commissions newly constituted to support Nigeria's industrialisation agenda. The IndPC's mandate, he emphasised, is to foster a conducive policy environment that promotes innovation, competitiveness, sustainable industrial growth, and inclusive economic development. Dr. Adaju highlighted the role of the IndPC in shaping Nigeria's industrial strategy by facilitating cross-sector dialogue and advocating for the implementation of policy recommendations emerging from the annual Nigerian Economic Summit. He emphasised that the General Assembly is

	not just an opportunity for updates but a platform for strategic collaboration and policy influence—particularly on the critical issue of energy transition. He underscored the importance of Nigeria's energy future being anchored on a balance between economic growth, universal energy access, affordability, and climate responsibility. He noted that reforms must be targeted at unlocking investment, driving deep sectoral integration, and ensuring that no Nigerian is left behind in the energy transition process. Dr. Adaju also acknowledged the recent reorganisation of the IndPC into seven thematic groups—Oil and Gas, Power, Renewable Energy, Marine and Blue Economy, Mining, Manufacturing, and Agriculture. These groups, he noted, are designed to address systemic constraints that hinder productivity and economic diversification through industrialisation. He concluded by extending sincere appreciation on behalf of the NESG and the IndPC leadership to all attendees for their continued dedication and partnership. He expressed strong optimism that the deliberations would yield actionable strategies to support the transformation of Nigeria's energy sector.
Presentation by Think Tank Operations **Mr. Stephen Daniel, Think Tank Operations, NESG**	Stephen Daniel welcomed participants and shared foundational insights into the NESG's strategic orientation and volunteer engagement framework. He referenced a key quote from Kingdon (1984), emphasising that policy change occurs when three distinct streams — problems, politics, and policies — converge. He noted that this convergence does not happen by chance, but instead results from consistent and deliberate advocacy efforts, such as those being undertaken by the volunteers present. He outlined NESG's vision to become Africa's leading private sector think tank, committed to building a modern, globally competitive, and inclusive Nigerian economy. The mission remains focused on reforming the Nigerian economy into one that is open, inclusive, sustainable, and globally competitive. He highlighted NESG's four strategic roles: • **Dialogue Partner** – Driving Policy Change through Public-Private Dialogue Platforms and Engagements • **Accountability Partner** – Leveraging Research Scorecards and Policy Products to Build National Consensus on Policy Performance and Key Issues • **Connector** – Driving Policy Change through Networks and Influence • **Intervener** – Driving Policy Change through Interventions, Monitoring, Influential Evaluation and Reporting.

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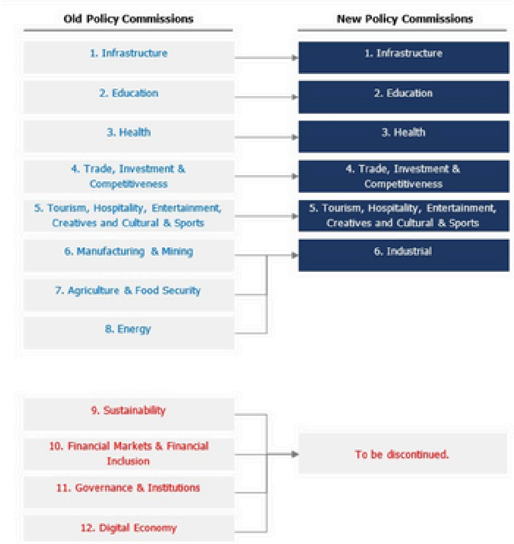

The NESG is guided by Public-Private Dialogue (PPD) principles, which guides the activities of the various PPD platforms at the NESG.

The PPD Platforms review government policies, advocate for necessary changes, and engage in activities across three key phases: pre-summit, summit, and post-summit.

He further introduced the NESG's Public-Private Dialogue (PPD) mechanism, the model that underpins the group's operations. Under this model, work is carried out through structured platforms such as Policy Commissions, Roundtables, Communities of Practice, Expert Forums, and Special Taskforces. Notably, the Power Sector Thematic Group, for instance, operates under the Industrial Policy Commission.

He noted the restructuring of policy commissions in 2024, which streamlined the Policy Commissions from twelve (12) into six (6), alongside other new PPD platforms:

- Education
- Health
- Trade, Investment & Competitiveness
- Infrastructure & Allied Services
- Industrial
- Tourism, Hospitality, Entertainment, Creatives, Cultural & Sports Industries

In addition to the Policy Commissions, the NESG also manages:

- CEO Business Councils (e.g., Food Security, Digital Economy)
- Taskforces (e.g., Special Taskforce on Climate Action and Implementation)
- Expert Forums (e.g., Financial Architecture)
- Roundtables and Communities of Practice (e.g., Youth, MSMEs)

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	Mr. Stephen concluded by highlighting the value proposition for volunteers, which includes: • Opportunities to influence national policy; • Access to internal research and publications; • Invitations to relevant policy events and advocacy programs. He encouraged all volunteers to register on the Volunteer Management System (VMS) to stay informed and engaged.
Overview and Introduction of the New Structure of the Industrial Policy Commission **Ms Lumun Amanda Fesse Co- Facilitator, Industrial Policy Commission**	Ms. Amanda welcomed all participants to the Industrial Policy Commission (IndPC) General Assembly and provided an insightful overview of the restructured policy commission framework within the Nigerian Economic Summit Group (NESG). She highlighted that following the December restructuring, the number of policy commissions was streamlined from twelve (12) to six (6), with the IndPC emerging as a central mechanism to accelerate Nigeria's industrialisation, in alignment with Nigeria Agenda 2050. The IndPC is a merger of previously independent commissions and now comprises several strategic thematic groups, including, Oil and Gas, Power, Renewable Energy, Marine and Blue Economy, Mining, Manufacturing and Agriculture. Additionally, Steel Development has been introduced as a cross-cutting theme relevant to mining, marine, and oil and gas sectors. The commission's overarching focus is to leverage Nigeria's abundant natural resources to drive industrial development. According to Ms. Amanda, power is a critical enabler of this transformation, alongside reforms in governance, infrastructure, and policy alignment. To achieve its objectives, the IndPC will actively collaborate with other NESG policy commissions—particularly Infrastructure, Trade, Investment and Competitiveness, Education, Health, and Special Taskforce on Climate Action and Implementation—as well as relevant communities of practice. Nigeria's comparative advantage in natural resources (oil, gas, agriculture, minerals, maritime) and the underutilisation of these assets in supporting industrialisation were highlighted. Ms. Amanda pointed out that Nigeria's demographic dividend, including a young population, competitive labour, and strategic access to regional and global markets, should be better harnessed to catalyse growth.

However, she noted a concerning pattern: Nigeria's manufacturing growth since independence has been predominantly in consumer goods, particularly in the food and beverage sector, with the industry still highly dependent on imported raw materials, equipment, and technical expertise. This, she argued, significantly hampers efforts to build a resilient industrial economy.

The IndPC's vision, therefore, is to move beyond fragmented sectoral strategies and foster integrated industrial development—connecting manufacturing with upstream sectors such as energy and Mining.

To this end, the commission will engage with key ministries, including:

- Federal Ministry of Industry, Trade and Investment
- Ministry of Science and Technology
- Ministry of Education
- Resource-based ministries (e.g., Petroleum, Solid Minerals, Agriculture)
- Ministry of Youth Development

Ms. Amanda reiterated that NESG has been advocating for industrialisation for over three decades, leading initiatives such as Made in Nigeria. The current strategic focus includes pushing for the revision and harmonisation of Nigeria's Industrial, Trade, and Investment Policies to reflect a cohesive development agenda.

She laid out the planned general assemblies under the IndPC framework:

1. Energy
2. Manufacturing and Mining (with discussions on Steel)
3. Agriculture and Marine & Blue Economy

Each assembly is designed to identify and address sector-specific reform imperatives, with emphasis on governance and policy innovations necessary to foster industrial growth.

In her concluding remarks, Ms. Amanda urged all attendees to join and contribute actively to the IndPC's work. She emphasised that all members are volunteers—committed individuals dedicating their time and expertise to national development.

In her words of encouragement to the members, she stated that *"If you're like me—someone tired of armchair criticism—this is your opportunity to work with stakeholders from both the public and private sectors to drive real change and get Nigeria industrialised."*

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Key Energy Sector Reform Imperatives

Ms. Rahila Thomas
Co-Facilitator, Energy

Ms. Rahila Thomas delivered an insightful keynote on the strategic importance of Nigeria's energy sector in achieving national economic targets and fostering industrialisation.

She began by affirming that energy is foundational to human development and economic transformation. According to her, the President has set an ambitious goal of making Nigeria a $1 trillion economy by 2030, with a longer-term projection of $3 trillion by the end of the decade. As of now, Nigeria's GDP is estimated at $377.31 billion, based on forecasts from Trading Economics and the National Orientation Agency, which also anticipates the country becoming Africa's largest economy with a GDP of $450 billion.

Ms. Thomas acknowledged divergent opinions about Nigeria's capacity to reach this $1 trillion milestone but emphasised that action must begin regardless of doubts. NESG, she noted, is committed to starting where we are—supporting policy reforms, industry dialogue, and investment attraction to make these projections a reality.

Several drivers to reach the $1 trillion target:

- Increasing oil production to over 2 million barrels per day
- Diversifying the economy beyond oil
- Achieving self-sufficiency in crude oil refining
- Expanding capital markets, particularly by listing NNPCL and other moribund state-owned enterprises in the secondary market.

However, the core focus of the assembly was on energy, especially power and electricity, as enablers of industrialisation. She emphasised:
"You can't industrialise without energy, and you can't extract maximum value from energy without industrialisation—they are two peas in a pod."

2021 World Bank data comparing Nigeria's energy consumption patterns with peer and developed economies revealed that 64% of Nigeria's energy is consumed by the residential sector, with only a small portion used by industry and in contrast, South Africa allocates 62% of energy consumption to sector and just 20% to residential, indicating a stronger industrial base.

Nigeria's current energy consumption profile reflects under-industrialisation and calls for a reversal of this trend by boosting the productive use of energy through industrial and commercial activities.

She invited stakeholders to actively engage with the NESG in shaping reforms and contributing to the commission's objectives.

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Presentation of the Industrial Policy Work Plan: Oil and Gas **Mr Kelvin Emmanuel Oil and Gas Thematic Lead**	Mr. Kelvin Emmanuel delivered a comprehensive presentation on the structural, economic, and governance challenges in Nigeria's oil and gas sector. He began by appreciating the NESG and members of the Industrial Policy Commission for creating a space that transitions from complaints to constructive engagement, commending all participants for their presence and engagement. He contextualised his remarks by noting the recent volatility in the oil sector, particularly around falling global oil prices and Nigeria's high unit production costs, estimated between \$36 and \$48 per barrel. These costs rank among the highest globally and are due to several entrenched inefficiencies. Despite Nigeria's significant reserves of 38 billion barrels in proven reserves, with an estimated lifespan of 60 years, production has steadily declined from 2.4 million barrels per day (mbpd) to approximately 1.4–1.45 mbpd. This decline cannot be solely attributed to the Organisation of the Petroleum Exporting Countries (OPEC) quotas, as Nigeria has consistently underproduced below its allowed quota in recent years. In conclusion, reforms in the oil and gas sector must begin with governance. Without market trust and transparency, Nigeria cannot attract the capital required to expand production. He acknowledged the president's bold decision to restructure NNPC leadership and expressed hope that the new team would focus on governance, commercial reforms, and market-oriented operations.
Presentation of 2025 Work Plan **Mr David Arinze Renewable Energy Thematic Group**	Mr David Arinze delivered a presentation on behalf of the Renewable Energy Thematic Group, expressing appreciation to previous speakers from the oil and gas and power sectors, as well as to the Industrial Policy Commission Co-facilitator, Energy, Ms. Rahila, for setting the tone of the discussion. He emphasised that stakeholder forums such as the General Assembly serve as a reminder of the collective mission to strengthen the energy sector in ways that tangibly improve lives and livelihoods. Energy, he noted, remains a critical enabler of economic and social development. He acknowledged the recent momentum in Nigeria's renewable energy landscape. He framed the presentation around four main pillars: challenges in the sector, proposed solutions and recommendations, planned activities, and an open call for feedback and collaboration from stakeholders. Several persistent and emerging challenges affecting the growth and scalability of Nigeria's renewable energy sector were identified. These include policy fragmentation and institutional inefficiency, socioeconomic resistance and public awareness gaps, financial constraints, and import

	dependence and supply chain gaps, skills shortage and capacity gaps, insecurity and social instability, lack of data, monitoring and transparency. He concluded by emphasising that the renewable energy sector must be treated not just as a policy domain but as a transformational economic pillar. He noted that renewable energy has the potential to serve both as a standalone solution and as a grid-supporting technology. He urged participants to share feedback, insights, and recommendations that can help refine the group's thinking and strengthen its 2025 Action Plan. He reiterated that this session was not intended to deliver fixed conclusions, but rather to foster collaborative problem-solving toward an inclusive, sustainable, and investment-ready renewable energy future for Nigeria.
Presentation of 2025 Work Plan **Engr Belije Madu Power Thematic Lead**	Engr. Belije Madu delivered a detailed presentation on the current state of Nigeria's power sector, focusing on the sector's persistent liquidity crisis and emerging plans to address it through coordinated financial interventions. The Nigerian power sector is facing a profound economic crisis, characterised by severe liquidity constraints that have hindered investment, infrastructure development, and operational efficiency. The liquidity challenge is the root cause of many of the sector's most visible problems. The inability to attract financing both locally and internationally has weakened investor confidence, restricted access to loans from development finance institutions (DFIs), and compounded existing inefficiencies across the value chain. The result is a fragile sector marked by inadequate distribution infrastructure, a struggling transmission network, and an underfunded generation segment. He referenced recent announcements by Generation Companies (GenCos), which claimed that they are owed over ₦4 trillion and have threatened to shut down operations, further evidence of the critical liquidity gap.

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Engr. Madu emphasised that attempts to solve the energy sector's liquidity problem through monetary printing and external borrowing have proven ineffective in previous administrations. He proposed a new solution: a Power Finance Corporation of Nigeria, envisioned as a catalytic, professionally managed institution that would inject "smart capital" into the sector to break the cycle of underinvestment and stimulate renewed local and international investor confidence.

Engr. Madu outlined two major initiatives under the Power Thematic Group's work plan for 2025:

Establishment of a Power Finance Corporation of Nigeria

This initiative, which is already underway, is being championed in partnership with the Office of the Vice President and supported by the World Bank. The proposed institution will serve as a dedicated financial intermediary, deploying blended financing solutions to stabilise the sector and attract further capital inflows. The process involves:

- Development of a Concept Selection Report
- Feasibility Study
- Financial Structuring
- Stakeholder Alignment and
- Institutional Design.

NESG has formally expressed interest in participating in this initiative through a letter sent to the Office of the Vice President. Engr. Madu noted that he contributed to drafting the letter and expects further engagement once feedback is received from the relevant authorities.

Energy Affordability Study and Roadmap

This initiative builds on prior work by the NESG Energy Policy Commission, focusing on evaluating the real cost of energy for Nigerian consumers, the structure of subsidies, and the optimal deployment of energy resources nationwide.

The study will:

- Examine what Nigerians can afford across different income groups and geographies
- Assess the strategic use and placement of energy subsidies
- Evaluate Nigeria's energy export and import patterns to improve domestic utilisation
- Provide policy recommendations on achieving energy affordability and equitable access

The study is currently in the inception phase, with the Terms of Reference (ToR) being developed. It is expected to provide high-level insights and inform future energy policy decisions, with a focus on cost efficiency, usability, and inclusive access.

	He concluded by reinforcing that resolving the liquidity crisis is a prerequisite to unlocking Nigeria's power sector potential. Only by breaking the vicious financial cycle and restoring confidence can Nigeria expect to see improvements in infrastructure investment, service delivery, and sector-wide reform. He noted that the two outlined initiatives —the Power Finance Corporation and the Energy Affordability Study —form the cornerstone of the Power Thematic Group's 2025 agenda and will serve as vehicles for engaging stakeholders, mobilising capital, and catalysing transformational change in the power sector.
Key Questions and Answers	**Questions** • A participant raised concerns about the affordability and accessibility of clean cooking and renewable energy solutions for the general population. She highlighted how high electricity tariffs and grid instability discourage the use of electric cooking appliances, such as hot plates and ovens, even in urban households. In many low-income communities, charcoal, wood, and kerosene remain the more affordable and available options. She emphasised the need for widespread education to build public understanding of the benefits of renewable energy and called for interventions that ensure affordability for the masses. • Another participant highlighted the emerging challenge posed by foreign manufacturers, particularly from China, entering Nigeria's renewable energy space. These players, equipped with economies of scale and existing factories, compete directly with domestic companies. The speaker expressed concern that, without adequate government protections or incentives for Nigerian businesses, the sector risks being dominated by foreign entities, thereby stunting local industry growth. He further asked about the government's plans to manage the proposed solar panel tariffs and support local production capacity, which remains significantly underdeveloped. **Responses** • **On Clean Cooking and Affordability:** ◦ Mr. David Arinze acknowledged the validity of concerns around affordability and the need for consumer education. He reiterated that clean cooking is a spectrum, not a one-size-fits-all approach. Options range from electric cookstoves and gas-based systems to briquette stoves and gel fuel technologies. Each has varying levels of affordability, safety, and accessibility depending on the target demographic. ◦ He emphasised the importance of segmenting the population and deploying context-specific solutions that reflect local realities, infrastructure availability, and cost sensitivity. Drawing a parallel to urban piped water systems, he stressed the need for integrated energy planning that delivers shared solutions in urban and peri-urban zones, while supporting standalone or alternative models in rural areas.

Question and Answer Session

- He added that clean cooking initiatives must be designed with precise carbon segmentation and target-based outcomes, particularly in terms of fuel types, geographic zones, and long-term public health goals. Safety, usability, and cost-efficiency should all factor into national frameworks for clean cooking implementation.

- **On Consumer Education:**
  - He noted that education is central to the success of any energy transition. Public awareness campaigns, consumer dialogues, and community-level engagements must be expanded and institutionalised. He emphasised that access to energy should be equitable and inclusive, ensuring that cost is not a barrier to clean cooking or electricity access for any Nigerian.

- **On Tariffs and Local Industry Protection**
  - Responding to concerns around tariffs and foreign competition, He emphasised the importance of balancing open markets with industrial protection for local manufacturers. He highlighted the example of Rwanda, which successfully attracted a foreign clean cooking enterprise by offering a tax holiday and land in an industrial zone, while requiring the company to commit to local hiring, domestic investment of $25–30 million, and the creation of over 5,000 direct and indirect jobs.
  - He stressed that Nigeria must adopt a similar “win-win” investment strategy—welcoming foreign capital and technology but within a framework that protects and empowers Nigerian businesses. This includes imposing minimum local employment thresholds, promoting joint ventures, and requiring local content participation at both operational and management levels.

- **On Financing and Market Activity:**
  - While acknowledging that some investors and development programs are exiting the sector, he reassured participants that others are entering the industry. The energy sector is fundamentally a business space, and Nigeria must position itself as a viable and attractive investment destination. Local entrepreneurs and businesses must be empowered with information, capacity, and policy support to seize these emerging opportunities.
  - He concluded by emphasising that financing, local capacity development, and stakeholder alignment are essential to scale renewable energy solutions sustainably. The Renewable Energy Thematic Group remains committed to working collaboratively with all stakeholders to ensure the sector delivers economic opportunity, energy security, and environmental sustainability.

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Issue Identified	During the General Assembly, several issues related to the energy sector were identified. These Include:. • **Poor Energy Affordability and Subsidy Framework:** Although petroleum subsidies have been removed, electricity subsidies persist, with over ₦1.8 trillion unpaid in 2024 and a projected ₦2.3 trillion shortfall for 2025. Questions remain about whether current subsidies are well-targeted or sustainable. • **Clean Cooking Transition:** Over 30 million households still rely on firewood, charcoal, and kerosene, while less than 10% use LPG. There is a need for fiscal incentives and policy reforms to promote the adoption of clean cooking technologies. • **Low Refining Capacity:** Despite the progress made with the Dangote Refinery, Nigeria must scale up its refining capacity to achieve self-sufficiency and reduce its reliance on imports. • **Limited Private Sector Investment:** Investors remain cautious due to regulatory uncertainty, poor returns, and sector inefficiencies • **Fragmented Renewable Energy Policies:** Multiple overlapping policies from 2005 to date have created inconsistencies; there is a need for harmonised, coherent policy frameworks to attract investment and drive a green transition. **On Oil and Gas** • **Structural Inefficiencies:** Nigeria's upstream sector remains inefficient due to outdated operational models, underperforming refineries, and inconsistent output. The Nigerian National Petroleum Company Limited (NNPC Ltd) controls between 51.3% and 57% of the government's upstream assets. Still, discrepancies exist between what is due to the government and what is remitted. • **Asset Divestments and Communal Conflicts:** International Oil Companies (IOCs) are exiting onshore assets due to communal conflicts and environmental liabilities. Recent sales include Total to Chappal, Eni to Oando, and Shell to Renaissance. • **Policy and Regulatory Gaps:** Key provisions of the Petroleum Industry Act (PIA), such as the Host Communities Development Trust and proper fiscalisation (section 69), have not been enforced robustly. The absence of hydrocarbon accounting systems and metering at wellheads and flow stations renders production figures unreliable and unverifiable by the Ministry of Finance. • **Inefficient NNPC Governance and Operational Model:** Despite having over 5,000 staff, NNPC Ltd. cannot independently drill and produce oil, relying heavily on third-party service contracts. The company's reporting line is directly to the presidency, rather than its legal shareholders (Ministry of Finance Incorporated and Ministry of Petroleum Incorporated)—this undermines corporate governance. • **Unrealised LNG Potential:** Nigeria has failed to capitalise on global LNG demand spikes following the Ukraine war due to inadequate feedstock supply. Although Nigeria is the 6th or 7th largest LNG producer globally, Nigeria LNG (NLNG) operates at around 55–59% of its 22 million metric tons per annum capacity.

- **Joint Venture Financing Constraints:** The current unincorporated joint venture model limits Nigeria’s upstream growth. Operators often carry NNPC's financial burden, resulting in delayed cost recovery and investor scepticism.

On Renewable Energy

- **Policy Fragmentation and Institutional Inefficiency:** Overlapping mandates and a lack of alignment across national energy policies (e.g., Energy Transition Plan, Integrated Resource Plan, National Energy Policy) have created ambiguity in direction and hindered implementation.
- **Socioeconomic Resistance and Public Awareness Gaps:** Resistance to the energy transition persists due to limited awareness and the high initial cost of adoption for end-users.
- **Financial Constraints:** Limited domestic financing and low levels of global renewable energy investment in Sub-Saharan Africa (under 4%) constrain growth. While capital exists globally, Nigeria has struggled to create an enabling investment environment that effectively attracts and deploys this capital.
- **Import Dependence and Supply Chain Gaps:** Nigeria remains heavily dependent on imported renewable energy technologies and components, making systems more expensive and subject to exchange rate volatility.
- **Skills Shortage and Capacity Gaps:** Few Nigerian universities and technical institutions offer comprehensive education in renewable energy, particularly at the undergraduate level, resulting in a shortage of local expertise.
- **Insecurity and Social Instability:** Safety concerns in various regions continue to hinder the deployment of energy infrastructure.
- **Lack of Data, Monitoring, and Transparency:** The sector suffers from inconsistent and fragmented data, which limits the ability to track electrification progress, clean cooking adoption, and other energy transition goals.

On Power

- **Liquidity Crisis:** The sector is severely underfunded, with over ₦4 trillion reportedly owed to generation companies. Inability to access loans from development finance institutions (DFIs) has stalled new investments and infrastructure upgrades.
- **Investor Apathy:** Local and international investors are reluctant to commit capital due to high sectoral risk and the absence of financial stability.
- **Failed Financial Strategies:** Past efforts to solve the crisis through monetary printing and government borrowing have proven ineffective.
- **Weak Infrastructure:** Persistent underfunding has led to inadequate distribution and transmission networks.

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	• **Inadequate Access to Smart Financing:** The absence of a dedicated financial vehicle to inject catalytic capital has prevented systemic recovery. • **Lack of Affordability Clarity:** No comprehensive study exists to evaluate what Nigerians can actually afford to pay for electricity across socio-economic groups.
Recommendations	The following recommendations were provided to address the identified challenges within the Nigerian energy sector: • **Decentralisation of Electricity Regulation:** Under the 2023 Electricity Act, states are now empowered to develop and regulate their electricity markets, a significant step toward grassroots-level energy solutions. • **Promotion of Renewable Energy:** NESG is actively exploring strategies to diversify Nigeria's energy mix, improve access, and ensure sustainability • **Fiscal and Policy Incentives:** Targeted incentives are needed to encourage clean energy adoption, boost investment, and promote energy efficiency **On Oil and Gas** • **Unbundle and Restructure NNPC:** Initiate a forensic audit and valuation of NNPC's assets and liabilities, followed by market listing through proper asset pricing models. Only this level of transparency can restore market confidence and attract both equity and debt financing. • **Improve Corporate Governance:** Empower the NNPC board to operate independently, free from undue political interference. Implement full fiscalisation in line with the Petroleum Industry Act (PIA) to ensure production integrity. • **Focus on Gas as a Transitional Fuel:** With 53% of Nigeria's 210 trillion SCF of gas as non-associated, the speaker emphasised the need to explore standalone gas fields and provide fiscal incentives to attract investors to non-associated gas projects. • **Divest from Non-performing Refineries:** Given their poor yield (e.g., 18% at Port Harcourt compared to 57% at Dangote Refinery), government-owned refineries should be decommissioned. Resources should be reallocated to productive sectors or private partnerships. \ • **Reform Midstream Subsidies:** The ongoing use of upstream earnings to subsidise midstream losses is unsustainable and detrimental to sector performance. • **Promote Private Sector Investment:** The federal government should focus on creating enabling regulatory frameworks rather than operating as a business. This includes supporting investments in pipeline infrastructure and LNG export capabilities.

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On Renewable Energy

- **Policy Coordination:** Establish a central coordinating body to harmonise renewable energy initiatives across agencies such as the Rural Electrification Agency (REA), Energy Commission of Nigeria (ECN), and the Ministry of Science and Technology. This would reduce duplication, increase efficiency, and improve investor confidence.
- **Institutional Capacity Building:** Launch a national program to enhance the technical and operational capacity of regulatory agencies and relevant government institutions. Engage bodies such as the Nigerian Electricity Management Services Agency (NEMSA), the National Power Training Institute of Nigeria (NAPTIN), and the Council for the Regulation of Engineering in Nigeria (COREN) in a coordinated upskilling drive.
- **Public Engagement and Education:** Expand citizen engagement and awareness campaigns to encourage adoption of renewable energy solutions. Strengthen energy literacy through dialogues and consumer awareness forums at both national and sub-national levels.
- **Financial Incentives and Investment Mobilisation:** Introduce tax holidays and incentives for clean energy investors, especially in the clean cooking and local manufacturing space. Showcase successful African models where strategic policy enabled mass adoption and affordability (e.g., stoves reduced to $18 in one country due to tax relief, versus $80 elsewhere without incentives).
- **Localisation and Industrialisation:** Strengthen linkages with the mining sector to promote local processing of critical energy minerals—Incentivise domestic manufacturing of renewable energy components to reduce import dependence and build an export-ready green economy.
- **International Partnerships:** Deepen global partnerships beyond aid and grants, focusing on long-term infrastructure and technology transfer, especially in grid integration, clean cooking, and storage technologies.
- **Data, Research, and Monitoring & Evaluation:** Standardise and institutionalise data collection through partnerships with agencies like the Nigerian Alliance on Clean Cooking and renewable energy-focused think tanks. Support existing renewable energy research institutes in Sokoto, Enugu, and the FCT, ensuring they are well-funded, technically equipped, and fit-for-purpose.

On Power

- **Establish a Power Finance Corporation of Nigeria:** A new, private-sector-led financing institution to inject "smart money" into the sector. To serve as a catalyst for restoring confidence and mobilising both local and international investments, supported by the Office of the Vice President and the World Bank. NESG will contribute to feasibility studies and concept development.

	• **Conduct an Energy Affordability Study and Roadmap:** A high-level national study to assess: What Nigerians can afford to pay for energy, the effectiveness and placement of subsidies, and how to allocate and optimise energy resources for maximum domestic impact. • **Develop Terms of Reference and Implementation Plan:** Define scope, roles, and deliverables for the Energy Affordability Study. Design an institutional framework for the proposed Power Finance Corporation. • **Restore Investor Confidence:** By resolving liquidity bottlenecks and introducing structured, blended finance mechanisms to de-risk the sector. • **Reform Infrastructure Financing Models:** Move from ad hoc public funding to structured, independent financing via the Power Finance Corporation.
Next Steps	Key next steps for the Industrial Policy Commission following the General Assembly include: • **Policy Reform and Alignment:** Conduct a policy audit and facilitate alignment between the Energy Transition Plan, the Electricity Act (2023), and the Integrated Energy Plan. • **Clean Cooking Leadership Framework:** Identify a lead agency to coordinate clean cooking initiatives and define clear Key Performance Indicators (KPIs) for national adoption, taking into account regional demographics and socio-economic contexts. • **Investment Facilitation and Market Reporting:** Develop tools and platforms to enable tracking of renewable energy investments and performance metrics. • **Grid Modernisation and Integration:** Promote renewable energy solutions for grid reinforcement and last-mile connectivity, including grid-tied hybrid systems for remote and economically underserved areas. • **Stakeholder Consultations:** Continue open dialogue with stakeholders across ministries, academia, the private sector, and civil society to co-develop implementation frameworks and identify opportunities for maximum impact.
Closing Remarks **Ms Rahila Thomas Co-Facilitator, Energy, Industrial Policy Commission**	Ms Rahila Thomas, the Co-facilitator, energy of the Policy Commission, delivered the closing remarks, appreciating all participants for their time and valuable contributions to the General Assembly. She expressed gratitude for the rich insights shared during the presentations, acknowledging that the session provided an in-depth examination of the pressing challenges and emerging opportunities across the oil and gas, power, and renewable energy sectors.

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In reflecting on the session, she noted that if industrialisation is the cart that drives economic growth, then the energy sector represents the wheel on which the cart rests. Unfortunately, this "wheel" is currently compromised by deep-seated issues, including governance lapses, high production costs in the oil and gas sector, inadequate crude supply for domestic refining, and systemic weaknesses across the electricity and renewable energy value chains.

The electricity sector continues to grapple with a liquidity crisis, which limits investments needed to enhance generation, reduce losses, and modernise transmission infrastructure. Similarly, the renewable energy sector faces its own set of complex challenges, including policy fragmentation, limited financing, a lack of transparent data for informed decision-making, and a critical shortage of skilled professionals. She emphasised that the recommendations gathered from the session spanned several key reform areas, including financial and commercial mechanisms, Governance and institutional strengthening, Data collection and transparency, Capacity building, and Collaborative partnerships.

These contributions will inform the NESG's development of a clear, action-oriented roadmap for driving reforms in the energy sector. This roadmap will include concrete steps, defined stakeholder roles, and a monitoring framework to ensure sustained progress toward industrialisation and economic transformation. She also extended an invitation to participants to volunteer with the NESG, encouraging them to contribute directly to the Commission's work in shaping policy and catalysing reform. Interested individuals were asked to express their interest and connect with the team for onboarding purposes.

ABOUT THE NESG

The NESG is an independent, non-partisan, non-sectarian organisation, committed to fostering open and continuous dialogue on Nigeria's economic development. The NESG strives to forge a mutual understanding between leaders of thought so as to explore, discover and support initiatives directed at improving Nigeria's economic policies, institutions, and management.

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