



National Dialogue on Energy Transition

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Executive Summary

Climate change is one of the most discussed topics in the 21st century. Countries worldwide are actively taking steps to prevent its escalation. By burning fossil fuels, humans have contributed to the environment in a major way. This has made it difficult for the world to reach sustainable energy goals. It is no news today that countries must transition to renewable energy sources like solar and wind if they want to live sustainably.

In Nigeria, it is evident that the nation is rich in fossil fuel resources and renewable energy; however, the biggest challenge is Nigeria's dependency on fossil fuels and the country's inefficient use of energy. Fossil fuel-dependent economies, many of which are in Africa, stand to be significantly impacted by the global energy transition. For Nigeria, transitioning from its current fossil-intensive energy system

requires an approach that speaks to its specific context and local priorities.

As a country dependent on fossil fuel for 90% of its foreign exchange earnings and around 50% of government revenues, a global decline in fossil fuel consumption will be detrimental to the economy. This has negative livelihood implications, with women and other vulnerable groups bearing the brunt. Thus, now that the government has published Nigeria's Energy Transition Plan, the plan must be responsive to the Nigerian context and the realities the Nigerian people face.

As a means of raising awareness, promoting skill development in energy transition, and analyzing Nigeria's Energy Transition Plan, which the federal government unveiled on August 24th, 2022, NRGI, in collaboration with BudgIT

and NEITI, held a national dialogue on energy transition in Abuja on the 6th of October, 2022. The dialogue was intended to examine the government's energy transition process to determine its feasibility and responsiveness to Nigeria. Also, to galvanize needed national consensus on Nigeria's pathways to the transition and raise public awareness of the challenges, risks, and opportunities associated with the energy transition, including its implications for the economy and livelihoods.

This was also a means of creating a platform for Nigerians to become acquainted with Nigeria's plans for the energy transition process and to engage with that plan in order to ensure that Nigerian citizens' perspectives are incorporated in a way that is inclusive, equitable, ambitious, and responsive to the reality and context of the Nigerian



people. Furthermore, this dialogue allowed stakeholders from the government sector, civil society organizations, the private sector, host communities, citizens, and the media to engage in public discourse in various settings.

Some of the recommendations made from the dialogue include that the federal government should be explicit on the delivery mechanism of the energy transition and how the green economy will translate to job creation for Nigerians. The Petroleum Industry Act (PIA) needs to be operationalized as it includes provisions that facilitate the use of gas as a transition fuel and decarbonization; public education strategy should be in place to enable citizens to make informed decisions as regards energy transition, transparency, accountability, and stakeholder engagement should be

mainstreamed into the Nigeria energy transition plan/agenda with a strong monitoring and evaluation framework, among other things.

Dialogue Objectives



Stimulate sustainable national discourse on Energy Transition and set the stage for this to be one of the key agendas for election 2023.



Feed into the government's energy transition process to ensure that it is inclusive, equitable, ambitious, and responsive to the reality and context of the Nigerian people.

Dialogue Report

Welcome Remarks

Arrivals started at 9 am prompt. The workshop began at 10 am with the moderator, Kingsley Osadolor giving an opening address, introduction of dignitaries, and a brief overview of the national dialogue. In his speech, he emphasized the need for broader consultation and inputs because of the implication of energy transition, hence the event's reason.

He invited the representative from the conveners of the dialogue to make an opening remark - Dr. Orji Ogonnaya Orji, the Executive Secretary of Nigeria Extractive Industries Transparency Initiative (NEITI); Nafi Chinery, the Interim Africa Director & West Africa Regional Manager of the Natural Resource Governance Institute (NRGI) and Mr. Gabriel Okeowo, the Country Director for BudgIT Foundation.

Remark by Dr. Orji Ogonnaya Orji, Executive Secretary, NEITI

The Executive Secretary of NEITI, Dr. Orji, in his opening remarks, said, "the program is designed to provide a multi-stakeholders platform for state and non-state actors to discuss debates and make meaningful contributions to an ongoing discussion on the transition from the dirty energy sources such as oil, gas, and coal to cleaner energy renewable and sustainable energy sources." He added that the dialogue is expected to galvanize the needed national consensus on Nigeria's pathway to energy transition and increase public awareness of the risk, opportunities, challenges, and the unthinkable associated with the energy transition, including the implications to jobs, livelihoods, and wellbeing of Nigerians within and around the world". He ended his speech by saying that Nigeria must be hasty or rushed into the energy transition decisions without a thorough analysis of its comparative advantage and implications on our gas and oil reserves, economy, livelihoods, and jobs for citizens. He urged all present to engage in the dialogue constructively.



Remark by Gabriel Okeowo, Country Director, BudgIT Foundation

The Country Director of BudgIT, Gabriel Okeowo, started his remarks by welcoming the guests in attendance, appreciating Dr. Orji for his very robust comments and NRGi for standing solidly behind the growth and the conversation around improving our resource governance and their support towards civil society organizations. He expressed his excitement about Nigeria taking the lead in putting forward the energy transition plan in the continent. “The reason for the dialogue is to have a discourse on how to contribute to making the plan operational for the public sector, the private sector, civil society, and even the media, as there are a lot of potentials in the energy transition plan.” He ended his speech by saying there is a need for unity so the potential in the transition plan can be adequately harnessed so Nigeria can serve as a pacesetter for other countries in the continent in executing their energy transition plan. He recommended uniformity between the government, citizens, the public sector, the private sector, and civil society organizations to achieve a successful energy transition and economic boost.

Remark by Nafi Chinery, Interim Africa Director & West Africa Regional Manager, NRGi

Nafi Chinery started her opening remark by stating that Africa accounts for only 3.1% of over 26,823 terawatts hours of electricity generated and 3.3% of the primary energy consumed globally in 2020. She added that the outlook for 2030 horizon is also green, with nearly 660 million Africans estimated to be without electricity and almost 910 million do not have access to clean cooking systems considering that Africa’s economy significantly depends on access to electricity to drive its agricultural transformation access to water-efficient transports and healthcare system. The current global discussion around energy transition places a responsibility on Africa to develop a robust plan that will aid the growth towards net zero emission to mitigate the future impact of climate change on the continent and reduce the cost of adaptation. According to Nafi, even though Nigeria is a fossil fuel-dependent country, the foresight and commitment to developing a plan to support the transition process is commendable. “Nigeria’s emphasis on gas as a transition fuel aligns with the thinking of most countries in Sub-Saharan Africa and the Africa Union’s commission in the run-up to COP 27. The risk associated with the commissioning of new infrastructure for gas production needs to be sustainably accounted for within the context of funding for infrastructure and the opportunity cost of tax revenue”. She ended her remark by recommending a need to pay attention and form a collaboration to take ownership of the continent’s transition pathways.

Goodwill Messages

Mr. Zira Quaghe, Nigeria Focal Person, African Climate Foundation.

The ACF was founded in 2020 to develop a uniquely African response to the climate crisis. Despite the fact that Africa contributes the least amount of emissions as a region, Africa is the most vulnerable region to the negative impact of climate change. Climate change is one issue that policymakers and CSOs will grapple with for years to come. The Energy Transition is a good example of an opportunity to expand access to energy and provide energy for all while meeting climate goals. "I wish us all a successful deliberation. Thanks for coming."

Alh. Muhammed Bello Shehu, Chairman of the Revenue Mobilization Allocation and Fiscal Commission.

The revenue mobilization allocation and fiscal commission are happy to be represented here by directors. This event is coming very timely, and Nigeria is at least taking the lead in Africa to set a good policy framework so that there is a smooth transition from non-renewable energy to renewable energy because Africa is so vast with opportunities in terms of investment. "If we get this transition right, eventually it will translate into job creation, more revenue, better health for citizens, better climate, better environment, and better access to energy. A dialogue like this is timely so we can put our heads together and develop a workable document and roadmap to build a better Nigeria and West Africa."

Dr. Zainab Gobri, Executive Director of the Midstream and Downstream Petroleum Regulatory Authority.

"My goodwill message is to assure you that the NMDPRA is ready to collaborate with and understand the importance of climate change. We have regulations on our site that are environmentally friendly and compliant to ensure that all our stakeholders are abiding by the law and rules to climate change." It is very encouraging to see leaders paying attention, dialoguing, understanding our challenges, and trying their best to mitigate them. We wish you a great deliberation." Dr. Zainab said in her remarks.

Umar Ojiya, Chief Financial Officer and a Rep of the Group Chief Executive Officer, NNPC Limited

It is a fact that Nigeria has, in abundance, natural resources in Africa and also a fact that we are energy deficient in Africa. Also, climate change is real, but one fact remains Africa has little or low access to capital to develop its natural resources. Inspired by these limitations, Nigeria agreed to commit to targeting a net zero position by 2060, so we commend Neiti and other collaborators for arranging this important dialogue, a very innovative and proactive approach to dialoguing the issue at stake that is being discussed across the globe.

Dr. Nuhu Habib, Executive Commissioner, Development and Production at the Nigerian Upstream Petroleum Regulatory Commission

The commission is glad about the framework the NNPC Limited's CFO has put forward. It is a critical reality that many Africans are not pushing the narratives. Against the drawback, Nigeria considered gas as a transition fuel, which is why looking at the decade of gas hinged on providing the enablement required to drive the energy transition plan as related to Nigeria. So the most important drive for Nigeria's attainment of achieving energy transition is a sustainable availability of gas supply to fuel cooking, power sector, industrial, and manufacturing sectors, and aid the easy movement of goods and services. The commission is empowered by law but, from the regulatory standpoint, is committed to ensuring there is a sufficient regulatory framework and physical stability, and predictable transparency that can support continued investment and upstream gas to drive not only Nigeria's energy transition but also sustainable economic development and ensure energy access.



Nathaniel Oyatogun, Gas Customer Relations Manager at Seplat Energy PLC.

We are glad to be invited to be part of the transition journey, our change of name to Seplat energy reflects our belief that the greatest opportunity ahead of us is to supply the right mix of energy for Nigeria's young and rapidly growing population and drive Nigeria's transition to cleaner more affordable energy that is accessible to all. That is our goal and desire as an organization; this is achieved through the partnership we keep to deliver sustainable energy solutions for society. Once again, we are glad to be part of the transition process and are supportive of the good work NEITI and the other partners are doing.

Dr. Mike Uzoigwe, Country Manager, Anglophone, EITI

"I bring greetings from the EITI Secretariat. We are delighted at today's event and to join NEITI and our other partners NRGi, BudgIT, and the Africa Climate Foundation to welcome everyone and to say we are happy with the discussions being kicked off today." Dr. Mike said. At the EITI, there's a belief that as the energy transition gains attraction, it will have a transformative impact on the extractive industry and the global economy. It will expose producers countries such as Nigeria to New risks and opportunities requiring governments of resource-rich countries to make important decisions about the management of the natural resource wealth, so to be sustainable, the shift to renewables needs a transparent and accountable extractive sector. Data on the current and expected production export revenues and employment of the sector can inform investment decisions on future fossil fuel projects. They can also shape new policies on energy and mineral production. The Energy Transition presents a significant opportunity for countries to use EITI data and dialogue to inform public debates and Policy decisions on transition pathways. As one of the EITI strategic priorities, the EITI supports implementing countries and multi-stakeholders groups in building awareness around the transition, using available data, and working with supporting countries and partners to achieve sustainable outcomes.

Engr. Mustapha Armani Yusuf, Director, Monitoring and Coordination, Nigeria mining Cadastral Office

Mining has been neglected over the years, and there are a lot of abandoned mineral resources. There is an apartheid of a particular mineral in Nigeria, lithium. This mineral is associated with petalite and so on. Once the richest man in the world approached Nigerians to invest in the mining industry to produce tesla electric vehicles. This is the moment to leverage mineral resources like lithium and cobalt; this is a good to dust the environmentally friendly laws and policies. There is a need to collaborate and data sharing; there should be synergy between the different sectors.

Afterward, the participants were invited for group photography and led to go on a tea break. At the same time, a documentary video produced on the progress of energy transition was aired to the purview of the participants. The footage shared the objectives of the energy transition plan, the impact of Nigeria's dependency on fossil fuels, and the energy transition plan launched toward reaching Net Zero by 2060. Find the video link below:

https://drive.google.com/file/d/1NsBKO-H_y0KTqsSEwLIQ0cB9m3G88jjY/view

Presentation - Energy Transition: Global Perspectives for National Consideration

By Aaron Sayne, Senior Governance Officer, NRGi.



This session started at 11:20 am. NRGi's senior governance officer, Aaron Sayne, explained that Nigeria is ahead of the game in having an energy transition plan, both on the continent and more broadly. The ETP provides:



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- Chance to show regional and international leadership
 - Basis for political debate, consultation, and consensus building at home
 - Strong signal/calling card for investors
 - Moment to join up different govt plans and initiatives:
 - Decade of Gas
 - Power Sector Recovery Program
 - National Development Plan

He added that though Nigeria is seeking extra \$410 billion for energy transition plan including gas and being a political and economic leader on the continent, seeks to take the lead in the just and equitable action by;

1. Securing a just, inclusive energy transition. Here Aaron highlighted

some International issues, which are;

- Ascertaining the countries that stop producing and exporting first
- Countries that will move first and fastest to decarbonize at home
- Knowing whether there will be international funding for gas projects
- Knowing who finances Nigeria's transition
- Knowing who pays for adaptation and climate-related loss and damage

He also highlighted some national and local issues that may arise;

- Ascertaining areas that will benefit from climate change adaptation, work on energy access and other programs

- How government should consult with industry, communities and other stakeholders on transition plans
- Knowing what is next for oil and gas workers

2. The role of gas; understanding the role of gas in Nigeria's energy transition will help manage futuristic challenges and how to manage expectations.

Aaron pointed out that the International finance for gas is already small and unlikely to grow dramatically and Public funding for lower-income country gas is less than \$4 billion a year on average; most to Mozambique, private investors, wait for public ones to go first (esp. on domestic gas). Aaron added that a country's transmission and distribution infrastructure is hard to get international bodies to fund, and there is heavy competition. He



stated that most African countries are planning 35 gigawatts of gas power, costing roughly \$100 bn, but there is not enough funding for most donor countries (esp. US and EU) still pushing for an end to public funding for gas. He advised that projects must be commercially viable to attract funding and serve an urgent public goal. Some possible goals are;

Goals	Energy Transition Plan
Replace oil as a source of export revenues	Exports won't grow significantly, even after NLNG Train 7
Close the electricity supply gap	Domestic gas use will peak around 2030. Gas-fired power will be near zero by 2050. Not much additional gas generation was added to the grid
Expand energy access	Gas-to-power needs heavy T&D spending. Solar home systems (SHS) and mini-grids will reach most unserved Nigerians?
Backstop renewables on the grid?	How to add gas so that it complements solar instead of competing/crowding out? How to balance domestic goals and decarbonization commitments?

3. Financing to scale up clean, reliable energy

In his presentation, Aaron stated that Nigeria needs the sum of \$1.9 trillion to achieve net zero by 2060, and currently, the country is getting just a tiny fraction of the capital, and the country needs an investment of USD166 billion (avg. USD 6 bn/year) for new renewables generation capacity. Unfortunately, the report dating from 2016 -2020 shows that the investment received so far is USD95 million/year (avg—some years less than USD10mn). So there are a lot of catch-ups to be done. Private sector funding for renewables needs to grow exponentially because globally, the private sector finances the transitions to clean energy over 80%. He stated that;

- Over four-fifths of all clean energy funding comes from private

investors globally; most goes to wealthier nations.

- Public funding is a fraction of the total; it mainly helps “crowd in” private capital/investment
- For the Energy Transition Plan to succeed, there needs to be a collaboration because the funding, if left alone for the Nigerian government to bear, becomes a burden because funds needed for the transition is already high (this is estimated at \$10bn/year).



He went further to say that government, with companies and lenders/donors, needs to find fast, effective ways to change risk perceptions around Nigerian clean energy by;

- Priority domestic reforms—examples: cost-reflective tariffs, lower import duties, improved security and energy theft measures, more data transparency for investors
- New/better funding vehicles: cheaper risk guarantees, credit lines, and insurance; supporting local banks to lend more (and on better terms) to renewables companies/projects; more grants for off-grid companies; attract institutional investors
- A Nigerian Just Energy Transition Partnership (JETP); there is a need to see if there is a multinational deal like that for the country as this will go

a long way to funding the transition

4. Diversifying the economy for development

Aaron stated that the energy transition plan provides an opportunity to link up with other governments' plans, priorities, and targets to help develop a clearer picture of what Nigeria needs for diversification, as well as build a vision of a post-oil Nigerian economy. This will also help ascertain;

- Effects of the global energy transition--this will help stakeholders know, e.g., lost revenues and economic impacts, insecurity/political stability/geopolitical shifts, and subnational and oil-producing state impacts
- Spending priorities for remaining

fossil fuel revenues

- Best roles for gas and renewables in industrialization and non-oil-sector growth
- Model(s) of economic diversification for Nigeria to emulate/adapt. Countries that offer the best lessons and comparisons

He rounded off his presentation by saying that “it is a lot easier to ask the questions than it is to answer them, and being at the dialogue is the first step towards getting answers.” These questions are important. Though they present a lot of challenges, they also present a lot of great opportunities for Nigeria.

Panel Session- Nigeria's Response to the Energy Transition - Specific Details on Nigeria's Energy Transition Plan

Moderated By Tengi George-Ikoli, Senior Governance Officer, NRGI.





This session, which began by 12:15 pm, saw NREGI's Senior Officer, Tengi Okoli, moderating a 5-man panelist with high-level contributions from Dr. Nuhu Habib, Executive Commissioner, Development and Production, Nigerian Upstream Petroleum Regulatory Commission, Mr. Osten Olorunsola, Adviser to the Nigeria Extractives Industries Transparency Initiative on energy transition, Ms. Victoria Ohaeri, Executive Director, Spaces for Change, Mr. Zira Qhaghe, Nigeria Focal Person, African Climate Foundation and Lai Yahaya, Senior Liaison Officer, Nigeria Energy Transition Office.

Tengi started by asking Mr. Lai what investment opportunities have been identified to fund the energy transition plan and the mechanism put in place to incorporate non-state actors in monitoring the implementation of the fund to

finance the transition plan. Mr. Lai stated that it is important to consider the energy transition plan as the beginning of the process. The amount of financing required to implement the plan is considerable because it recognizes that gas will be a transition fuel. However, the problem of developing a plan considered as a plan developed by the government is that it sort of overlooks the fact that the plan involves a pipeline of projects financed by and executed by the private sector. Essentially it is a plan for the private sector and those providing concessional, soft, and blended finance to take projects over the line. "There are many potential investable projects, and the major parts are in Power, e.g., converting some of the existing large-scale thermal plants. We are hoping the Presidential power Initiative will significantly improve grid reliability and bring in more

investment," He added. It is also great to hear that the gas flare commercialization program has kicked off because this will throw up a lot of investable opportunities. There will be a lot of investable opportunities in switching from kerosene to LPG. Nigeria should seriously address energy efficiency, given that there are a lot of opportunities around energy efficiency. There is also an alignment issue between the transition plans and the national development plan, expenditure, and fiscal framework, which is a lot of work yet to be done. However, there are good signals to support implementation; the signing of the climate change bill just after COP 26 and the inauguration of the climate change council give hope for the transition.

Tengi also asked Dr. Nuhu what new approaches have been designed to ensure support for the carbonation



strategy to ensure the new decade of gas plan that Nigeria has from 2021 to 2030 will support all the different ambitions outlined in the engine plan. Dr. Nuhu pointed out that one fundamental thing to recognize is the dawn of a new era in the oil and gas industry through the 'Petroleum industry act.' He added that in every action carried out in the extractive industry, from the physical environment to the regulatory and governance environment, the law has created a new paradigm shift that engineers transparency, accountability, and stakeholders' inclusiveness.

The commission recognizes that for gas to support Nigeria's energy transition plan aspirations and sustainable economic growth, there is a need to prioritize operationalizing the law. It is important to develop enabling regulations that can support investment and create opportunities

for citizens' participation and stakeholders' engagement so that the implementation and monitoring of the law can achieve their results. One action towards this was to look at gas-level commercialization; there was a recognition of a commercial framework design to object flare and monetize them so people can deploy a modular processor system and take it to the market. "We saw the need to enhance commercial liberation on all the issues around energy access today, and by the way, it is not the fact that the financing window is shut for oil and gas industry no. It simply means that the required investing capital is no longer available and accessible. There is a new requirement for countries and foreigners to become ESG compliant. That is why the commission is currently developing priority regulations to align industrial operations with ESG compliance. No lender will give you access to capital

if you do not have top-notch ESG compliance.

We also recognize that the financing quest has been unavailable, but some additional requirements exist around ESG compliance. There is a need to introduce a regulation that can make it much cleaner. In this regard, the commission is coming up with ten emission reduction regulations because this will significantly enhance the quality in terms of the gas supplied to domestic or international markets from the upstream environment. He rounded off by saying there must be transparency, accountability, and stakeholder engagement. This is why section 216 of the law mandates the commission and the authority to be subjected to the regulations of stakeholders' engagement.

Moving further into the session,



Tengi asked Mr. Austin to give insights on the accountability and transparency initiatives that are required to ensure that from the planning stage, financing stage, development stage, and the key mechanisms required to make sure that in the energy transition process, Nigeria is kept fiscally resilient. Austin stated that the Energy transition plan is a high strategy document or policy document that is not yet at the 'implementable plan' level because there is still a lot to be done. "The remarkable thing about the plan is that it puts Nigeria in a leadership position, focusing the country in one direction. One of the big issues around energy transitioning is not having a direction, but the Nigeria ETP has a direction. Also, it tries to articulate at least the finance required. So to move into the implementation stage, there needs to be a sort of collaboration between stakeholders because it cuts across all MDAs,

private and public institutions. An implementable ETP has to be cascaded down to everybody's level. Then, an implementable action plan is built and will be coordinated at some level because this is the only way to monitor milestones and achievement. One of the implementation instruments required is strong governance, which is accountability and transparency coming in and then feeding back to the public. The governance structure of the whole plan and implementation must be pretty tight and made transparent to the public to call it a great plan.

Victoria Ohaeri, when asked how to ensure the ETP provides opportunities for all-inclusive participation of multi-stakeholders to ensure a successful implementation and beneficiation, agreed with Dr. Olorunsola's point on the plan still at an implementable plan and commended the progress made in

terms of policy responses needed to actualize Nigeria's climate commitments. She stated that a lot of work had been done in terms of infrastructure, but we need to move forward in a way that suggests that we have learned from the mistakes made in the era of fossil fuel extraction. She added that there's a lot of focus on job creation, energy security, and poverty alleviation, but the action toward achieving the listed benefit of a green economy is still missing in the document. "It is also important to note and establish how many old jobs are being displaced to birth the new jobs because this will go a long way towards noting economic improvement," Victoria expressed.

"At Spaces for Change, we did a scanning of a lot of Initiatives, policies, and programmatic initiatives by the private and public sectors, including cooperation to the carbonized economy, and there are



consistent trend is that nobody is talking about the communities most of their concern are centered around how to run a profitable gas business and a net zero energy emission business, even chevron is talking about reducing gas flaring but not concerned about the damage to the environment, human health, and communities that have happened over the years or coming up with a remedy.” she rounded off.

Tengi proceeded into the session by asking Mr. Zira Qhaghe, Nigeria's Focal Person, African Climate Foundation, what he sees as the risks for Nigeria just dependent on gas as a transition fuel and its ability to raise finance and implement projects and also ensure it takes cognizance of those underserved, marginalized groups and the lessons learned across the continent. Mr. Zira stated that the discussions on gas are important for us to be more nuanced

about gas development. The risks in Nigeria are more about envisioning how fast the transition will go and last. There is a need to invest in the gas sector to meet the demand for gas, also if we can reduce our reliance on gas with the hope that the transition will go faster. Zira further reiterated that there is a need to be more nuanced if the gas will be used for export and know the geopolitics, or if Nigeria will use it for domestic purposes, then there is a need to know the economics and the high potential. It is important to separate these in discussions.

Tengi asked the last panelist to contribute, Engr. Mustapha Yusuf, the director of management and Coordination for Nigeria, contributed to Mr. Zira's points. He said that the conversation of gas being made available to meet the domestic demand is important. Nigeria has one of the best coal in the world; it has no

sulfur and low ash, making it environmentally friendly. Also, other minerals like lithium can be used to power electric car batteries, televisions, phones, and computers, a surplus in the country. There is a need to diversify some funds and invest in the solid mineral sector to develop the sector and reduce poverty in the country.

Other participants contributed to these interesting discussions about the energy transition. Some participants asked the panellists insightful questions.

Breakout Session

In this session, there were four breakout sessions, and all participants present were required to pick from the sessions to discuss. The sessions listed below are;

Session 1: Securing a just, inclusive energy transition

Session 2: The Role of Gas in Nigeria's Energy Transition

Session 3: Financing to scale up clean, reliable energy

Session 4: Diversification of Nigeria's Economy for Sustainable Development

Session 1: Securing a just, Inclusive Energy Transition

Moderated by Mr. Zira Qhaghe, Nigeria's Focal Person, African Climate Foundation.

In this breakout session, a participant talked about inclusiveness in the transition process. In his words, everyone should and must be carried along. How do we minimize the number of users talking about oil and gas workers, stakeholders, and women groups during the transition? A participant recommended that workers acquire new skills to work in the new phase as we transition, or they lose their jobs. Looking through the downstream cycle, it is clear that oil workers and other workforces in the consumption cycle will lose their job; Tanker drivers, pump operators too, and even all assets regarding this process will be useless as there will be no need for them anymore. When it comes to household items like Generators, cooking stoves, etc., all of these things are associated with the old form of energy that will no longer be used. The people need to be carried along so they can benefit from any compensation that might come as a result of this transition. As we discuss the energy transition, it is important that we consider the next generation.

Session 2: Roles of gas in Nigeria's Energy Transition: Unpacking Risks, Opportunities and the Path forward

Moderated by Mr. Brown Ogbeifun.

In this session, participants listed the roles of gas, the challenges, the risks and opportunities and even gave recommendations that could be of importance during the transition phase;

Roles Of Gas in Energy Transition

- Serves as an energy source for all sectors - Heating, Cooking & other industrial applications
- More resilient and durable than coal
- Reduce CO2 emissions
- Addresses energy crises/ poverty such as gas to power, gas to LNG, gas to feedstock
- Can become a zero emitter combined carbon capture and storage

Challenges

- Absence of critical and matured midstream infrastructure to support
- Policy somersault, poor incentives, high cost of funds, skill gap in the gas sector

- Vandilization of distribution & transmission lines
- Vandilization of related oil facilities also impacting on gas production and utilization
- Poor incentives
- Poor implementation
- There is a transmission challenges

Risks

- Management of change
- Inadequate skilled manpower
- Dumping of CNG vehicles & other equipment due to the absence of codes and standards

Opportunities

- Highest natural gas reserve in Africa Circa 209 Tcf
- Acceptability of nuclear facilities creates opportunities for gas
- The production of hydrogen creates

- opportunities for gas production & utilization
- Global activities (e.g, Russia/ Ukraine crises) are opening up opportunities for gas

Recommendations

- Focused implementation of ESG to attract funding
- Strategic & holistic stakeholders engagement
- Massive investment in Infrastructure
- Institutionalize policy consistency to attract investment
- Management of security issues holistically to guarantee investment in the gas & other critical sectors
- Management of leadership optics when pursuing loans/Investment

Session 3: Financing to scale up clean, reliable energy

Moderated by Mr. Austin Olorunshola.

In this session led by Mr. Austin Olorunshola, the participants spoke on the importance of focusing on all investors and sources of funding, not just on the big and international investors who are there to make more money from their investments. Some means of funding were highlighted;

- Remittances from Oil and gas
- Gas as transitioning fuel
- Solid mineral sector

Session 4: Diversification of Nigeria's Economy for Sustainable Development

Moderated by Enebi Opaluwa, Senior Research, and Policy Analyst, BudgIT Foundation

Participants in this breakout room listed the different areas and focused that Nigeria's economy can diversify into sustainable development;

- Agriculture entrepreneurship involves investing in storage technology to correct post-harvest produce and improve the initial processing to increase the shelf life of the agric produce. Also, making Agric equipment and machinery Available for youths, not just giving loans
 - Harness mineral resources; solid mineral resources can provide enough funds for transitioning
 - Sub-national independency should be considered; if states are Independent, it will give room for development
 - Food crops like cassava can serve the Country; cassava brings about Ethanol production, which is a good resource
 - Nigeria needs a better policy and restructuring (economic and fiscal)
- Incidence of climate change
- Tourism potentials should be highly harnessed
 - Wind energy
 - Vehicles that use fuel can be recycled when the transition takes place
 - Proper attention should be given to research work, and funding
 - Indigenous industries and technologies should be developed (blacksmith, tye and dye, cloth weaving.....)

Conclusions and Recommendations

At the end of the breakout sessions, the leaders of the different breakout rooms, made the following summarizations.

Session 1: Securing a just, inclusive energy transition

Common understanding of transition has to do with Equity and inclusion, also the importance of job security and its impact on livelihood as we transit. There should also be proper research and documentation of this process. Funding for this transition to happen is carried along.

Session 2: Roles of gas in Nigeria's Energy Transition: Unpacking Risks, Opportunities, and the Path Forward

We all know about the importance of gas in this process; looking at local gas, its demand, and its consumption rate, we will know its

importance. We should make it accessible for everyone so it can be affordable, as it has been known to be the way forward for environmental balance. We need to discuss the importance of securing the gas line so as to curb the issues of vandalism as it was with petrol and diesel. As much as these are things people are interested in, people are yet to fund this integration. We need to take these things seriously.

Session 3: Financing to scale up clean, reliable energy

We can leverage what we have right now, which is oil and gas, to get what we want. Oil and gas should be a major source of funds for the transition plan. We need to get more oil to get to where we want. Another source of funding is loans. We need to block leakages so we can manage the little resources that are being

generated within the country. We can have a swap/Batter arrangement. We need funding to build all of these new gas lines. No one will invest in your business if your country is unsafe (security). You have to be sure where you are taking this money is secured. We need to work on the renewable energy part and lithium development for battery production in the country.

Session 4: Diversification of Nigeria's Economy for Sustainable Development

As a Nigerian, the term "Diversification is not new to anyone as, over the years, it has been a constant topic of discussion. Nigeria's major revenue angle is crude oil which carries at least 80% of its revenue; if you are to leave this source of revenue, where will you look? Diversification should also be domesticated to enable states to

generate more power to help push this idea at top speed. The country and state should look into agriculture as this sector employs a lot of Nigerians. Mineral resources- Nigeria is known to have lithium, which is used in making batteries for renewable energy. Other metals are also available as they are in high demand till 2040. We need to start talking about it. Lookingdizing our product, cases of people buying batteries, and within a year, they will have to be changed, or panels need replacement. Policy direction to ensure a good private sector investment. Economic restructuring or fiscal restructuring has to take place because when we transition, some states will be left we no13% derivation or FAAC because there is no more oil to get the desired funds from; we need to ensure that state governments needs are able to pay their bills without the FAAC allocation. Other recommendations made include the following;

1. The Energy Transition Plan should be translated into an implementable action plan that is aligned with the National Development Plan and Medium-Term Expenditure Framework MTEF and is consultative and inclusive.
2. There is a need to operationalize the Petroleum Industry Act (PIA) as it includes provisions that facilitate the use of gas as a transition fuel and decarbonization.
3. The federal government should be explicit on the delivery mechanism of the energy transition and how the green economy will translate to job creation for Nigerians.
4. Transparency, accountability, and stakeholder engagement should be mainstreamed into the Nigeria energy transition plan/agenda with a strong monitoring and evaluation framework.
5. The Energy Transition plan must be driven by a roadmap to define the modalities for funding and identify the risks and opportunities of the transition process.
6. Citizens' ownership and awareness of the energy transition process are key. Public education strategy should be in place to enable citizens to make informed decisions.
7. Greater attention should be paid to the solid mineral sector as it holds potential for the Nigeria Energy Transition plan because of the availability of strategic energy minerals, such as lithium, cobalt, etc., in Nigeria.
8. A framework to resolve the legacy conflict issues around solid minerals, particularly in the North East, should be adopted to ensure that the ramp-up of the energy transition does not create further social upheaval.

Annex A Meeting Reference

A.1 Social Media Advocacy Report

These figures are from the Social Media engagement on the BudgIT Foundation platform between September 30, 2022, and November 30, 2022.

Twitter

Total Impressions

An average of
51,000

Total Engagements

Over
2,500
engagements

Total Video Views

604
views

Twitter Spaces

About
750
people tuned in with over
1,600
engagements

Facebook

An average of
1,600
people reached

Instagram

About
590
accounts reached

Total Engagements

An average of
30
engagements

Annex A Meeting Reference

Blogpost

<https://yourbudgit.com/national-dialogue-for-energy-transition/>

Podcast

<http://shorturl.at/brM49>

Media Links

<https://www.newtelegraphng.com/osinbajo-to-attend-neitis-national-dialogue-on-energy-transition/>

<https://www.thisdaylive.com/index.php/2022/10/04/osinbajo-to-headline-neitis-energy-transition-dialogue/>

<https://www.sunnewsonline.com/neiti-nnpc-others-insist-on-gas-as-nigerias-energy-transition-fuel/>

<https://businessday.ng/energy/oilandgas/article/nigerias-oil-reserves-can-last-for-60yrs-if-well-managed-neiti/>

<https://leadership.ng/neiti-stresses-transparency-accountability-in-energy-transition-process/>

<https://dailytrust.com/as-countries-end-oil-funding-nigeria-deepens-energy-transition>

<https://dailypost.ng/2022/10/07/prioritise-national-interest-in-your-energy-transition-plans-neiti-to-fg/>

<https://www.thisdaylive.com/index.php/2022/10/10/neiti-why-nigerias-energy-transition-programme-must-be-driven-by-national-interest/>

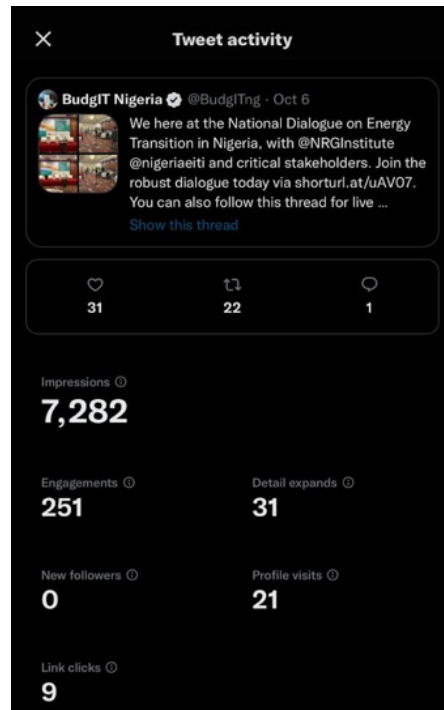
<https://www.thisdaylive.com/index.php/2022/10/10/neiti-why-nigerias-energy-transition-programme-must-be-driven-by-national-interest/>

<https://www.thisdaylive.com/index.php/2022/11/01/stakeholders-insist-nigeria-must-consider-local-priorities-in-executing-energy-transition-plan/>

<https://www.blueprint.ng/operationalising-pi-all-fast-track-use-of-gas-as-transition-fuel-energy-stakeholders/>

<https://extractive360.com/2022/11/02/nigeria-tasked-to-align-energy-transition-plans-with-national-development-frameworks/>

Annex A Meeting Reference



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