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*Communique*

# Sustainable Energy Summit

## Financing Nigeria's Energy Future - Closing the Gap Between Policy Commitment and Investment




SUSTAINABLE ENERGY SUMMIT 2026
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# Introduction

BudgIT Foundation, the Natural Resource Governance Institute (NRGI) and the Resource Justice Network (RJN), convened the Sustainable Energy Summit in Abuja on 19 August 2026 under the theme “Financing Nigeria’s Energy Future: Closing the Gap Between Policy Commitment and Investment.” The Summit brought together government officials, regulators, development and climate finance institutions, private investors, civil society organisations, researchers, youth innovators and the media to examine why Nigeria’s ambitious energy policies have not yet translated into investment at the scale required, how Nigeria can mitigate the challenges and amplify the opportunities accessible through climate finance, and to chart practical pathways for closing that gap.

The Summit found that Nigeria is not short on energy policy, natural resources, entrepreneurial talent, or investment opportunities. The central and recurring finding across sessions was the absence of a sufficiently reliable bridge between policy commitments and investable,

bankable transactions. Nigeria's Energy Transition Plan (ETP) estimates that approximately $1.9 trillion in total investment is required to reach net-zero emissions by 2060, a scale of financing that current public and private flows fall well short of despite the increasing growth in climate finance available for more developed economies. Nigeria stands at a defining moment in its journey toward a sustainable economic future. Participants recognised that fossil fuel-producing countries often have disproportionate access to energy transition and climate finance despite heightened vulnerability to climate impacts and immense opportunities to mobilise green investments to build resilience given Nigeria's dependency on fossil fuels. Discussions further showed that climate- and energy-related public expenditure remains small relative to the overall capital budget and is fragmented across a wide range of Ministries, Departments and Agencies (MDAs) well beyond those conventionally associated with climate action, necessitating deliberate efforts to track, coordinate and account for Nigeria's energy and climate investment. Participants also examined the place of natural gas in the transition, the specific financing constraints facing renewable-energy entrepreneurs and local manufacturers, and the structural barriers preventing young Nigerians from participating fully in the energy transition despite strong demonstrated interest.

Deliberations converged on the need to unlock alternative and innovative financing opportunities, redirect investment from fossil fuels toward renewables, and credibly establish itself as Africa's leading climate finance destination. Government committed to build transparent pipelines of bankable projects; deploy public and concessional finance strategically to crowd in private capital; deepen domestic, naira-denominated financing; stabilise and coordinate Nigeria's policy and regulatory environment; make the transition genuinely inclusive of communities, women, youth and MSMEs; and place environmental and social safeguards at the centre of gas ambitions rather than treating them as secondary considerations. Ultimately, participants agreed that the success of Nigeria's energy transition should be measured not by megawatts announced or capital pledged, but by what Nigerians actually gain: reliable electricity, affordable energy, jobs, industrial growth, community benefits, a cleaner environment and sustainable transition and climate finance to drive this ambition.

# Key Observations

## A Wide Gap Remains Between Policy Ambition and Investable Transactions

1 Participants observed that Nigeria has policy enablers for climate finance, but remains unable to meet its climate finance and energy transition needs. The transition policies, natural resources, entrepreneurial talent, and investment opportunities exist, but these have not proven to be a sufficiently reliable bridge to translate into investable transactions. Nigeria's Energy Transition Plan estimates that it will require approximately $1.9 trillion in total investment to reach net-zero emissions by 2060. Nigeria attracted an average of just $1.9 billion annually in public and private climate finance in 2019–2020, representing only 11% of the estimated $17.7 billion needed annually to achieve its conditional NDC 2.0 target of reducing greenhouse gas emissions by 47% below business-as-usual levels by 2030. The financing challenge has since grown, with Nigeria's NDC 3.0 estimating a requirement of $337 billion between 2026 and 2035, approximately 90% higher than the $177 billion estimated under NDC 2.0. Of this amount, $270 billion (80%) is expected to come from international support. This widening financing requirement underscores the urgency of mobilising domestic resources, leveraging private investment and strengthening access to international climate finance to translate Nigeria's climate commitments into action.

2 The international financial architecture is stacked against Africans, specifically the fossil fuel-producing countries like Nigeria. Five recurring reasons were identified for why global capital is not reaching viable Nigerian energy projects at the required scale: poorly prepared and under-documented investment pipelines; regulatory uncertainty and institutional fragmentation; high cost of capital driven by currency risk, inflation and limited long-term naira financing; a shortage of early-stage, investment-ready projects; and financial structures that fail to match the differing risk profiles of mini-grids, utility-scale plants, transmission projects and clean-cooking enterprises.

## Climate and Energy Spending Is Small, Fragmented and Poorly Tracked

**3** Nigeria's limited commitment to climate finance projects within its own institutions reduces incentives for private and international investors to invest in Nigerian projects. BudgIT's analysis of climate-related budget allocations found that climate-related spending is distributed across a much wider range of MDAs than the ministries conventionally associated with climate action, including agriculture, power, humanitarian affairs, health, water resources and education. Participants noted that uncoordinated fragmentation complicates tracking of Nigeria's climate and energy expenditure and undermines an accurate national picture of progress toward energy-transition and climate commitments.

**4** The global financing architecture must be reformed to ensure fossil fuel-producing countries and low to middle-income countries gain access to opportunities accessible to other developing countries. Innovating financing options; such as pension funds and de-risking public investment, may begin to turn the tide in attracting, unlocking and providing sustainable financing options.

## Policy Fragmentation and Unpredictability Undermine Investor Confidence

**5** Participants observed that policy formation and implementation in Nigeria are often fragmented across government institutions operating in silos, such that budgets do not always reflect stated policy intentions. At the core of bankability is predictability: investors need confidence that they can anticipate government policy, institutional behaviour and the broader investment environment.

**6** Discussants cautioned that a budgetary allocation does not, on its own, mean that a financing gap has closed or that meaningful climate action has occurred; resources must be tracked through to real outcomes for citizens. Participants also called attention to "negative climate finance" – policy and financial decisions that continue to support fossil-fuel-dependent systems even as the country pursues a cleaner energy transition.

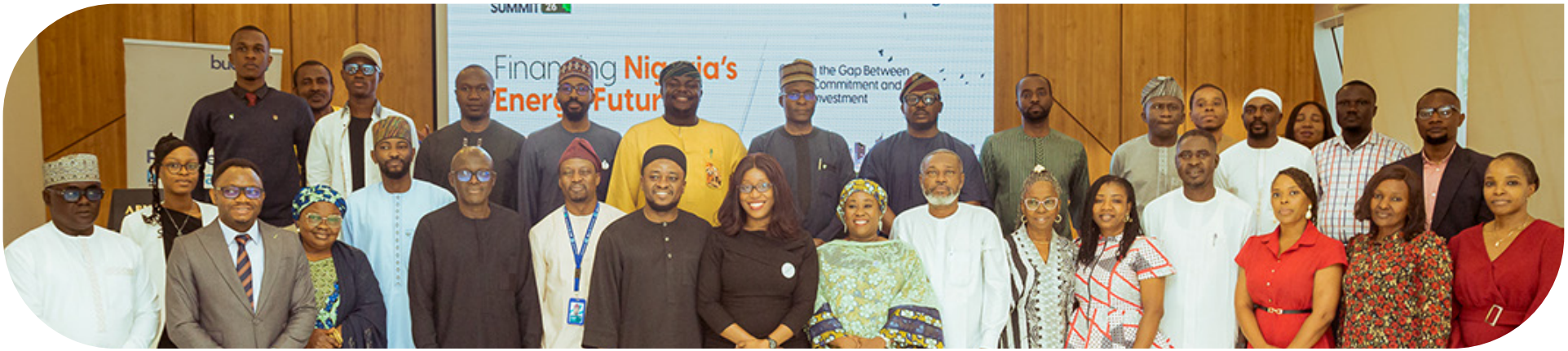
## Financing Constraints Disproportionately Affect Renewable-Energy Entrepreneurs and Local Manufacturing

7 Renewable-energy entrepreneurs, particularly mini-grid developers, face a mismatch between the long maturation period their projects require and the short tenors and high interest rates (reported at around 30% over three to five years) offered by commercial lenders, compounded by foreign-exchange exposure since components are typically imported in US dollars while revenues are collected in naira. Participants noted that local manufacturing of renewable-energy components requires Nigeria to identify areas of genuine competitive advantage, supported by collaboration between universities, government, industry and researchers, rather than attempting to localise every part of the value chain at once.

## Young Nigerians Are Willing but Structurally Excluded from Financing and Trust

8 Participants observed that youth interest in the energy transition is not the problem; young people are actively seeking jobs, funding and entrepreneurial opportunities, but existing opportunities are insufficient and awareness of them is limited. Young entrepreneurs who meet formal registration and certification requirements often still lack the networks, connections and institutional trust that qualifications alone do not confer.

9 Discussants cautioned that bankability requirements can place disproportionate pressure on young entrepreneurs to prove commercial viability before they have had the opportunity to grow, and called for the ecosystem to create room for young people to start, experiment and grow. Youth participation was described as a matter of human agency, not merely an inclusion exercise.




# Key Recommendations

## Build Bankable Pipelines and Deploy Capital Strategically

* **Nigeria to serve as a first mover:** Before Nigeria can build out investable projects, it must first develop climate finance at home. Investing within its own institutions builds credibility and could unlock investments by private actors and the international community.
* **Build transparent pipelines of bankable projects:** Major energy commitments should be accompanied by identifiable projects, implementing institutions, financing requirements, timelines and measurable outcomes.
* **Use public and concessional finance strategically:** Government should deploy public resources to absorb specific risks, fund public-good infrastructure, support early-stage investment and underserved markets, and crowd in private capital, rather than financing the transition alone.
* **Climate diplomacy must complement local efforts:** While Nigeria serves as a first mover, designing bankable projects and unlocking innovative climate options, diplomacy at regional and global fora to better position Nigeria to access the funding it needs.

## Stabilise and Coordinate Policy, Institutions and Data

* **Establish a stable, coordinated policy environment:** Government should treat policy consistency as a form of capital, ensuring investors have clarity on who grants approvals, how tariffs are determined, how contracts are enforced and how disputes are resolved, particularly as States assume greater roles under the Electricity Act.

* **Harmonise fragmented climate and energy budget tracking:** Government should coordinate expenditure tracking across all MDAs with climate- and energy-related allocations, not only the Ministries of Environment and Power, and build interoperable, publicly accessible data systems.

## Make the Transition Inclusive

* **Direct investment toward underserved groups:** Investment should reach rural communities, women-led enterprises, young innovators and MSMEs, alongside stronger local capabilities in engineering, manufacturing, installation, maintenance and battery recycling.

* **Ensure host communities share in the benefits of energy infrastructure:** Communities, particularly in the Niger Delta, should be engaged from the design stage of projects and share meaningfully in economic benefits, rather than being treated only as beneficiaries of corporate social responsibility.

* **Invest deliberately in young people:** Government, financiers and the private sector should train, fund, employ and trust young people's qualifications, recognising youth participation as a matter of human agency rather than a box to be ticked.

* **Address the specific financing constraints facing renewable-energy entrepreneurs:** Financiers should offer longer-tenor, lower-cost financing suited to the maturation period of renewable-energy projects, manage foreign-exchange exposure, and prioritise productive-use energy financing that helps customers afford clean energy.

### Right-Size Nigeria's Gas Strategy While Simultaneously Developing Green Energy Solutions

* **Right-size gas ambitions to current realities:** Nigeria should calibrate its gas targets to what current investment conditions, infrastructure and global energy trends can realistically support, rather than repeating previously unmet targets. Explicit attention should be given to reducing methane emissions, ending routine gas flaring, and avoiding a repetition of the environmental and social costs borne by oil-producing communities.

# Closing Statement

The Sustainable Energy Summit affirmed that Nigeria's energy ambitions are credible, but that their realisation depends on a deliberate, coordinated effort to translate policy commitment into bankable, well-governed investment. Closing the gap between policy and public investment will require transparent project pipelines, disciplined and strategic use of public and concessional finance, a stable and predictable policy and regulatory environment, deliberate inclusion of communities, women and youth, and a gas strategy that is right-sized and environmentally and socially accountable. BudgIT Foundation, the Resource Justice Network and the Natural Resource Governance Institute, alongside the stakeholders convened at this Summit, commit to tracking progress on these recommendations and to sustaining the evidence-based, multi-stakeholder dialogue needed to ensure that Nigeria's energy transition delivers reliable, affordable and clean energy for all Nigerians.

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