

**A COMMUNIQUE ISSUED AT THE END OF THE POLICY DIALOGUE ON SUSTAINABLE
TRANSITION: BALANCING GAS AND RENEWABLES PATHWAYS IN NIGERIA'S
TRANSITION STRATEGY, HELD AT THE BON STRATTON HOTEL, ASOKORO ABUJA, ON
THE 25TH OF NOVEMBER, 2024**

INTRODUCTION

Nigeria committed to achieve net zero emissions by 2060 by leveraging gas as a transition fuel to cleaner energy sources. In May 2024, the government published details of its Decade of Gas (DoG) initiative; four years after the launch of Nigeria's Energy Transition Plan (ETP). Pro-renewable energy policies such as Vision 30:30:30, the Energy Policy among others demonstrate the government's commitment to scaling up renewable energy within Nigeria's energy mix. With the Decade of Gas (DoG) initiative, the government has articulated plans to leverage gas for power and non-power uses; clean cooking and transportation and ending gas flaring by 2030, thereby decarbonizing Nigeria's energy system. Renewables are equally being leveraged for power solutions. However, there is no clarity on how gas and renewable energy will be treated in an integrated way, complementarity or lack thereof or how the risks and trade-offs will be managed to achieve a sustainable energy transition.

Considering the above, Natural Resource Governance Institute (NRGI) and Africa Initiative for Transparency Accountability and Responsible Leadership (AfriTAL) organized this Policy Dialogue, to allow critical policymakers and implementers to reflect on the articulated gas and renewable pathways and how these pathways could be streamlined to achieve Nigeria's ambitions for its energy transition. The dialogue was convened on the 25th of November 2024, at the Bon Stratton Hotel, Asokoro – Abuja.

HIGHLIGHTS OF THE DIALOGUE

The welcome address was delivered by Dr Louis Ogbeifun, Executive Director, AFRITAL who set the context, highlighted expectations, articulated aspirations and exhorted all stakeholders to take critical action. Dr Louis highlighted the ambitious plans of the government in achieving carbon neutrality and energy transition, as driven by initiatives like the Nigeria Gas Commercialization Programme (NGCFP), and the Energy Transition Plan (ETP) respectively. He emphasised however, an equitable transition is more important than simply transitioning, highlighting that Africa has enjoyed only 3% of investments that can drive the energy transition. He added that despite having 40% of global solar energy potential, Africa generates only 1% of global power, signifying a dearth of investments. Nigeria particularly has great renewable energy potentials, but it needs to prioritize and right-size its energy frameworks. He reiterated that there is potential for conflict if the energy transition is not just, and vulnerable communities who may become stranded due to divestments from fossil fuel. He emphasised that Nigeria is at a disadvantage to meet these requirements, due to systemic challenges, and that it is key to focus on local solutions

between now and 2060. He closed by urging that Synergy among all players is key to achieving this, and commended NRGI for driving efforts towards deepening synergies.

Tengi George-Ikoli, Senior Officer NRGI, and the Nigeria Program Lead delivered the opening remarks. She noted that it is key to ensure complementarity in visions, and realities around energy policies in Nigeria, adding that if Nigeria doesn't integrate gas and renewable energy in its overall energy transition pathways, the country's credibility might be questioned, and the energy transition plan might not be successfully implemented. She noted that it is key that policies ensure that all stakeholders know what roles they must play as this will align stakeholders and prevent shifting goal post, and that policies must be scrutinized for clarity, key concerns, capitals and trade-offs. She highlighted the goal for the dialogue was to ensure proper consideration of the energy transition plan and a determination of the changing roles of gas and renewables over time. She closed by urging all parties to come up with realistic solutions as an outcome of the conversation.

Goodwill messages were shared by partners in attendance such as the Nigeria Liquefied Natural Gas company limited (NLNG), Nigeria Infrastructure Advisory Facility (NIAF) and Nigeria Extractive Industries Transparency Initiative (NEITI). Partners emphasised the importance of data in driving net-zero commitments and developing a common understanding of issues across board. There was a consensus that while it is key to design bankable projects, "the help Africa needs will not come from outside".

Presentations were made by Tengii George-Ikoli, Aaron Sayne, highlighting the pitfalls of non-complementarity, and highlighting how government can do this. Ms Doris Agbevivi shared experiences from Ghana, emphasising what can be learned from the Ghanaian e-mobility initiative. During the **panel session**, Akwa Ibom State Government representatives acknowledged the challenges of achieving complementarity, but committed to increasing renewable energy it's energy. The NLNG expressed commitment to improve efficiency and adoption of decarbonisation technologies in their operations, Commitments to support complementarity efforts. The NUPRC also reaffirms its commitment to driving decarbonisation in Nigeria's energy transition.

PRESENTATIONS

Tengi George-Ikoli and Aaron Sayne – NRGI

In a presentation titled "*Driving a Sustainable Energy Transition for Nigeria – Balancing Gas and Renewable Pathways*," Tengii George Ikoli, Senior Officer at NRGI, and Aaron Sayne, NRGI's Domestic Energy Transition Lead, addressed critical issues in Nigeria's energy transition strategy. They underscored the need to evaluate whether the current strategy aligns with its ambitions, supported by robust policies, institutional alignment, and coherent collaboration across stakeholders. Challenges in adopting renewable energy technologies were highlighted, including infrastructure deficits, grid management complexities, safety and quality assurance, supply chain readiness, and the intermittency of renewable energy sources.

The presenters noted a decline in fossil fuel investments in Africa, with renewable energy investments showing gradual growth. However, foreign investment is hindered by factors such as divestment by international oil companies (IOCs), lender reluctance, absence of recent IPOs, and an inability to attract new types of investors. Additionally, few local companies meet the due diligence requirements needed for investment.

Doris Agbevivi, Project Coordinator, Ghana E-Mobility

Ms Doris Agbevivi shared lessons on integrating energy mix, using the Ghana e-mobility case study. She shared that Ghana embraced digitalisation, local collaboration and partnerships, stakeholder consultations, private sector participation, baseline reporting, development of EV specific policies with targeted synergies and phased short-term, mid-term and long-term implementation. She noted that renewable energy is being integrated into e-mobility infrastructure on a small scale.

PANEL SESSION

A panel session was held to facilitate brainstorming and consensus building at the dialogue. The session was moderated by Tengi George-Ikoli, focused on *“Balancing Gas and Renewable Pathways in Nigeria’s Energy Transition Strategy”*. In the session were Umar Aboki, from the NLNG, Aniette Emah (Akwa Ibom State Ministry of Environment) representative of the Akwa Ibom State Government, Mr. Rilwan Lanre Babalola, Former Federal Minister of Power, and Dr. Mohammed Malah, representative of the Nigeria Upstream Petroleum Regulatory Commission (NUPRC)

EMERGING ISSUES

- Nigeria's energy policy frameworks lack clear alignment with credible demand signals.
- The implication for labour in the energy transition, with considerations for upskilling and reskilling must be fully integrated into just energy transition strategies.
- Gas infrastructure should be designed with adaptability for future renewable energy acceleration.
- There is a significant gap in bankable renewable energy projects, primarily due to limited in-country technical capacity for project design.
- Policy, regulatory, and operational frameworks require clearer delineation of roles to enhance governance.
- Energy policies lack complementarity, necessitating a comprehensive review to harmonize institutional mandates and establish a unified energy transition pathway.

RECOMMENDATIONS

Key Insights and Recommendations

1. Strategic Complementarity: Policies aimed at market liberalization, energy access, and emissions reduction exhibit strategic alignment
2. Resource Allocation Conflicts: Significant investments in gas infrastructure risk overshadowing renewable energy initiatives especially in resource-constrained scenarios.
3. Policy Integration Opportunities: Renewable and gas policies should be framed under a unified energy strategy that transitions gas as a “bridge fuel” while accelerating renewable energy deployment.
4. Environmental Trade-offs: While gas policies reduce flaring and emissions, their long-term reliance risks conflict with renewable-specific environmental objectives. Integrating life-cycle emissions assessments into planning could resolve such conflicts.

5. **Investment Synergies:** Creating hybrid energy programs that integrate gas and renewables—such as solar-powered gas processing facilities or gas-grid-supported mini-grids—can enhance complementarity
6. **Demand-Driven Policy Frameworks:** Conduct comprehensive energy demand assessments and integrate findings into policy formulation. Strengthen stakeholder engagement, ensuring data-driven policy development reflective of actual needs
7. **Mainstreaming Labor in Just Transition:** Develop workforce transition plans incorporating skills mapping and training programs. Establish partnerships with industries and educational institutions to prepare workers for renewable energy roles.
8. **Gas Infrastructure Adaptability:** Design new gas infrastructure with modularity to accommodate future renewable energy integration. Implement policies incentivizing retrofitting existing facilities for renewable applications.
9. **Bankable Renewable Energy Projects:** Build local technical capacity by establishing renewable energy training hubs. Partner with international agencies for knowledge transfer and promote innovation in project structuring to meet international financing standards.
10. **Clear Institutional Frameworks:** Delineate responsibilities between regulatory and operational bodies. Create a centralized coordinating agency for harmonizing energy transition efforts across sectors
11. **Policy Synergy for Unified Transition Pathway:** Conduct a holistic review of existing energy policies. Establish a policy integration task force to align goals across institutions and promote complementary strategies.