



CASE STUDY

INVESTING IN NIGERIA'S ENERGY TRANSITION

📅 2022 – ONGOING

OUR PARTNERS



Global Energy Alliance
for People and Planet

APRIL 2023





There is a clear need for African nations to engage more critically and vocally in conversations on our global climate future. More importantly, we need to take ownership of our transition pathways and design climate-sensitive strategies that address our growth objectives. This is what Nigeria has done with our Energy Transition Plan.



**H.E. PROF. YEMI
OSINBAJO SAN**

Vice-President, Federal
Republic of Nigeria

OBJECTIVE

Beginning in 2020, Sustainable Energy for All (SEforALL) developed a partnership with the Federal Government of Nigeria, Africa's largest and most populous economy and home to the world's largest energy access gap by population unserved. The objective was to help Nigeria identify a credible energy transition pathway to bring the country's greenhouse gas emissions to 'Net Zero' by 2060, and maximize opportunities for economic growth, job creation and ending energy poverty in the near term.

The partnership sought to assess the incremental investment required for the economy to reach 'Net Zero', and to mobilize investment for near-term energy infrastructure projects to begin the transition. By working with a major African economy with a current high reliance on the oil and gas sector, we hoped to pave the way for other countries to follow and develop their own energy transition investment plans grounded in credible climate and development targets.

PARTNERS

SEforALL worked closely with the Office of Nigeria's Vice-President throughout the partnership. The work was initiated as part of our role in the United Kingdom Government's

multi-stakeholder Energy Transition Council established in the run-up to the delayed COP26 Climate Summit in Glasgow in 2021. Our CEO co-chaired the Council alongside UK Minister and COP President Alok Sharma. The work was supported initially by the UK Department for Business, Energy & Industrial Strategy, and subsequently by The Rockefeller Foundation and the Global Energy Alliance for People and Planet.

TECHNOLOGIES SUPPORTED

Our work was conducted in service of Nigeria's economy-wide energy transition, including centralized and decentralized solar solutions, clean cooking technologies, e-mobility, grid development, and the commercialization of gas flaring.



The development of this very ambitious Energy Transition Plan provides the perfect opportunity for the World Bank to ramp up our support for this critical agenda.



SHUBHAM CHAUDHURI

Nigeria Country Director, World Bank

OUR ROLE

Beginning in 2020, we worked with partners to commission a detailed Energy Transition Plan for Nigeria's economy, tracking from the country's present day energy mix to a target of 'Net Zero' greenhouse gas emissions by 2060. The plan was developed in consultation with key ministries and other stakeholders and identified an investment need of USD 1.9 trillion through to 2060 (including USD 410 billion above a 'business-as-usual' development scenario), as well as an initial pipeline of energy infrastructure projects requiring investment of USD 23 billion. The plan set out a timeline and framework for action across five energy-related sectors: power, cooking, oil and gas, transport, and industry, together comprising 65% of Nigeria's total greenhouse gas emissions (the remainder coming from non-energy sources).

Near-term investment opportunities identified by the project included the rapid displacement of diesel generators with solar-battery systems, the rollout of five million decentralized solar systems in rural areas, efforts to eliminate gas flaring, an expanded national clean cooking programme targeting a range of solutions, and a push towards e-mobility through vehicle electrification.

ENERGY TRANSITION OFFICE

As part of the partnership, SEforALL seconded a team of Nigerian energy experts to the Vice President's office to drive the plan's activation. The resulting 'Energy Transition Office,' jointly overseen by the Vice President and SEforALL, is responsible for supporting the plan's integration into the national policy and regulatory framework, promoting the ETP broadly, establishing a pipeline of investable projects, and attracting domestic and international investors to these projects. At the time of writing, the office has facilitated five high-level meetings with Nigeria's inter-ministerial Energy Transition Implementation Working Group, engaged with over 200 local and international private sector stakeholders, convened two roundtables with the investment community and supported a mission by the Vice-President to the United States to help mobilize investment.





RESULTS

As a result of the initial plan, President Muhammadu Buhari of Nigeria announced a new national Net Zero climate target at the COP26 Summit in Glasgow. Following the announcement, the Federal government passed the Climate Change Act 2021, and the Energy Transition Plan received Federal approval. An Energy Transition Implementation Working Group was established, chaired by the Vice-President, comprising key Ministers, and supported by the Energy Transition Office team. In 2022, the Energy Transition Office supported new commitments of finance totaling over USD 3.6 billion towards the plan's implementation.

NEXT STEPS

Our work supporting Nigeria's energy transition continues, working with Nigeria's new government administration following the country's elections in early 2023. As a result of the impact of this partnership, SEforALL is now working with the next cohort of countries on Energy Transition Planning, with support from Bloomberg Philanthropies. At the time of writing, the countries that have agreed to collaborate on Energy Transition and Investment Plans include Ghana, Kenya and Barbados.



As an institution, we are committed to Nigeria's Energy Transition Plan. We are committed to the crafting of a framework on the private sector side. There are a number of domestic resources that can be mobilized and we are committed to bridging the gap between perception of risk and what is real.



CHINUA AZUBIKE

Managing Director, InfraCredit



There is a USD 170 billion gap for infrastructure in Africa and it is plans such as Nigeria's ETP that are strategically trying to deploy infrastructure and finance solutions to solve for that. We are committed to resolving the bottlenecks and tie into the overarching plans of Nigeria's Energy Transition Plan.



TARIYE GBADEGESIN

CEO, ARM-Harith Infrastructure Investment Limited

[LEARN MORE ABOUT NIGERIA'S ENERGY TRANSITION PLAN →](#)

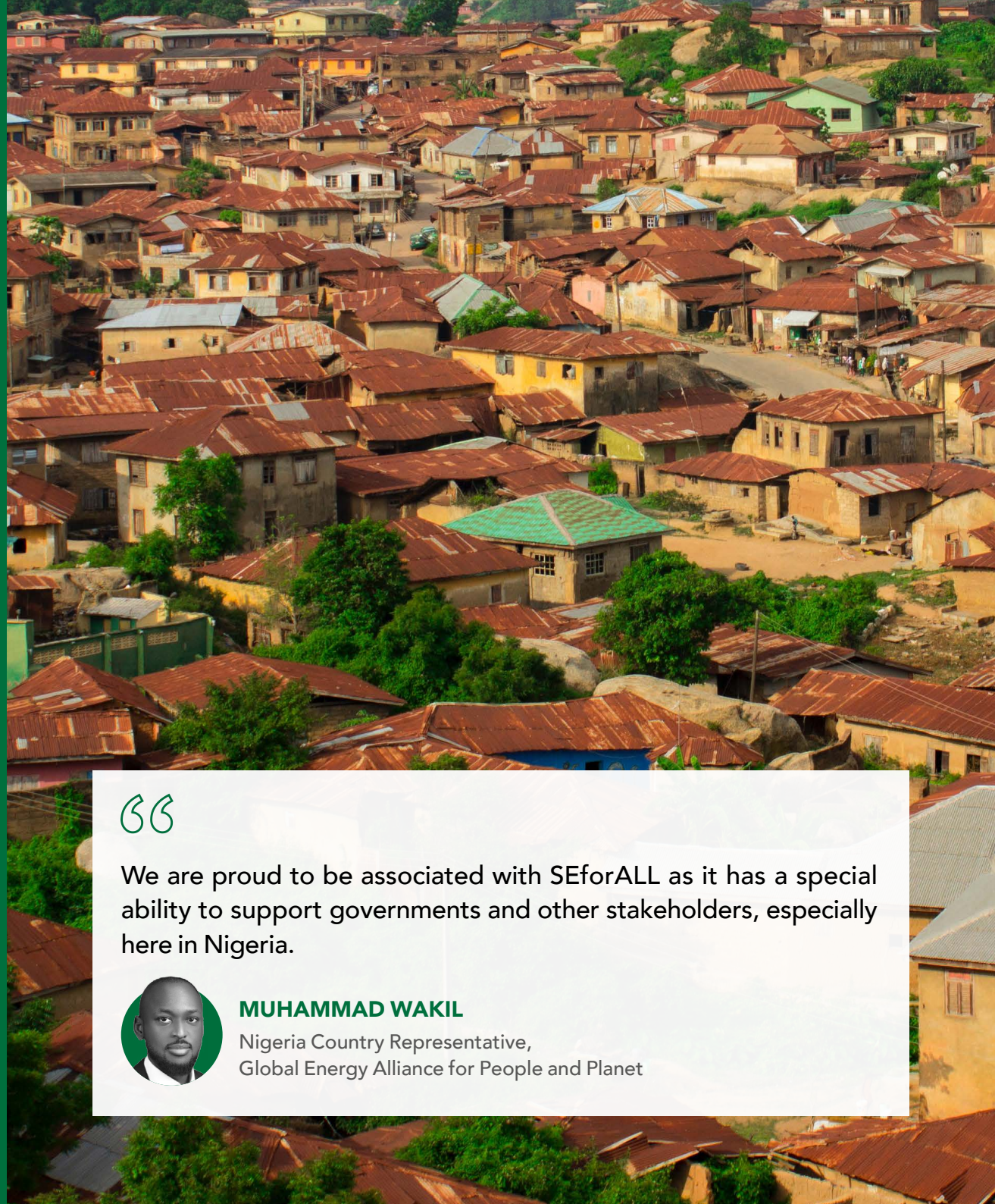




ABOUT SEFORALL

Sustainable Energy for All (SEforALL) is an independent international organization that works in partnership with the United Nations and leaders in government, the private sector, financial institutions, civil society and philanthropies to drive faster action on Sustainable Development Goal 7 (SDG7) – access to affordable, reliable, sustainable and modern energy for all by 2030 – in line with the Paris Agreement on climate change.

SEforALL works to ensure a clean energy transition that leaves no one behind and brings new opportunities for everyone to fulfil their potential. Learn more about our work at www.SEforALL.org.



We are proud to be associated with SEforALL as it has a special ability to support governments and other stakeholders, especially here in Nigeria.



MUHAMMAD WAKIL

Nigeria Country Representative,
Global Energy Alliance for People and Planet