



COMMUNIQUE ISSUED AT THE END OF THE NATIONAL DIALOGUE ON ENERGY TRANSITION HELD AT LADIKWALI HALL, SHERATON HOTEL, ABUJA ON THURSDAY, OCTOBER 6, 2022.

Background

Fossil fuel-dependent economies, many of which are in Africa, stand to be significantly impacted by the global energy transition. For Nigeria, transitioning away from its current fossil-intensive energy system is necessary but 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 per cent of government revenues, a decline in fossil fuel consumption globally will be detrimental to the economy. This has negative implications for livelihoods, with women and other vulnerable groups bearing the brunt. Thus, now that the government has published Nigeria's Energy Transition Plan, it is critical that the plan is responsive to the Nigerian context and the realities the Nigerian people face.

To this end, the Nigerian Extractives Industry Transparency Initiative (NEITI), in partnership with the Natural Resource Governance Institute (NRGI) and BudgIT Foundation, co-hosted a one-day hybrid event tagged '**National Dialogue on Energy Transition in Nigeria**' at the Sheraton Hotel, Abuja, on Thursday, October 6, 2022.

Objective

The dialogue was designed to provide a multi-stakeholders platform for state and non-state actors to discuss, debate, engage, and make meaningful contributions to the ongoing discourse on energy transition in Nigeria. It is expected to galvanise needed national consensus on Nigeria's pathways to the transition and increase public awareness of the challenges, risks, and opportunities that are associated with the energy transition, including its implications on the economy and livelihoods.

Opening Session

The opening session, which featured remarks from the Executive Secretary of NEITI, Dr Orji Ogbonnaya Orji; Country Director, BudgIT Foundation, Mr Gabriel Okeowo, and the West African Regional Manager, NRGI, Ms Nafi Chinery - emphasised the need for Nigeria to mainstream transparency, accountability and equity into her energy transition agenda and process.

Presentation/Panel discussion

The dialogue featured a presentation and panel discussion on 'Energy Transition: Global Perspectives for National Consideration' led by Ms. Tengi George-Ikoli, Senior Officer, Natural Resource Governance

Institute with high-level contributions from Mr. Lai Yahaya, Senior Liaison Officer, Nigeria Energy Transition Office, Dr. Nuhu Habib, Executive Commissioner, Development and Production, Nigerian Upstream Petroleum Regulatory Commission, Mr. Osten Olorunsola, Adviser to the Nigeria Extractives Industries Transparency Initiative, Ms. Victoria Ohaeri, Executive Director, Spaces for Change and Mr. Zira Qhaghe, Nigeria Focal Person, African Climate Foundation. It also featured a breakout session on - Securing a just and inclusive energy transition for Nigeria, The role of gas in Nigeria's energy transition, Funding and financing the transition to scale up clean and reliable energy, and Diversifying Nigeria's economy for sustainable development.

Key Challenges from the discussions

Following deliberations and frank discussions among participants during the dialogue, the following challenges were identified:

1. The energy transition plan lacks the input of stakeholders and citizens. The development process of the Nigerian energy transition was not consultative. There is an absence of stakeholders' and citizens' input.
2. Given the fierce global competition for energy transition finance, the USD 1.9 trillion identified by Nigeria's Energy Transition Plan to fund Nigeria's transition process may be over-ambitious and could constitute an obstacle to its implementation
3. The Nigerian Energy Transition Plan has not been aligned with the National development plan, and Medium Term Expenditure Framework, MTEF, and as such might impede its implementation.
4. The lack of adequate infrastructure, connectivity and cost-reflective frameworks pose a great threat/barrier to the successful implementation of the natural gas ambitions as stated in the energy transition plan.
5. Major oil companies are divesting; leaving environmental degradation in their wake and potential losses of revenues if assets are not divested to capable investors.
6. Due to the introduction of policy reforms by every new administration, successful implementation of the Energy Transition Plan beyond the current administration might be threatened
7. Insecurity, such as the sabotage and vandalisation of transmission lines, results in affecting business enablers and revenue shortfalls needed to fund the development and possible deployment of the energy transition plan.

Resolutions

At the end of the National Dialogue, the participants, which is made up of state and non-state actors, rose with the following resolutions for the Executive, Parliament, National Council on Climate Change, Nigerian Energy Transition Office, Federal Ministry of Environment, Federal Ministry of Budget and National Planning, Federal Ministry of Petroleum Resources, Federal Ministry of Mines and Steel Development:

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 operationalise the Petroleum Industry Act (PIA) as it includes provisions that facilitate the use of gas as a transition fuel and decarbonisation.
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.
9. The energy transition should avoid replicating the errors from the fossil fuel industry. Host communities and environmental concerns must be taken seriously and incorporated into the energy transition plan and implementation.
10. A Just transition should ensure the remediation of the degraded environment by divesting companies such as oil spillage.
11. There is a need for policy consistency to attract investment from key actors in the energy sector.

12. An overhaul of Nigeria's security architecture is necessary to create an enabling business environment and secure robust investment in the gas and other critical sectors in Nigeria.
13. The government should provide an extensive plan/strategy on how the nation's economy will be managed during the transition process in light of the projected diminished fossil fuel revenues as trade partners transition and companies divest.
14. Financial instruments negotiated and accepted to fund the transition plan should align with Nigeria's development goals and benefit future generations.

Signed by

Nigeria Extractive Industries Transparency Initiative, Natural Resource Governance Institute, Budget Foundation, African Climate Foundation, Revenue Mobilization Allocation and Fiscal Commission, Nigeria Mining Cadastral Office, Energy Commission of Nigeria, Rural Electrification Agency, National Environmental Standards and Regulations Enforcement Agency, Central Bank of Nigeria, Nigerian Midstream and Downstream Petroleum Regulatory Authority, Nigerian Upstream Petroleum Regulatory Commission, Civil Society Legislative Advocacy Centre, Women in Extractives, Yar'adua Foundation, CLICE Foundation, Clean Technology Hub, Centre for Transparency Advocacy, Seplat, AITEO, NAO, Centre for Journalism Innovation Development, Energy for All Project, Extractive360, Open Government Partnership, Media Initiative for Transparency in Extractives Industries, AfriTAL, Spaces for Change, Seplat Energy, We The People, Policy Alert, Paradigm Leadership Support Initiative, Environmental Rights Action, Kabetchache Women Centre, Agudama Ekpetiama Community of Bayelsa State, Creek Town Council of Chiefs of Cross River State, Erema Community Association of Rivers State, Dataphyte, Social Action, Nigeria Union of Petroleum and Natural Gas Workers