UTM's FLNG Projects Set to Reduce Cooking Gas Prices, Create 7,000 Jobs

Nigeria's Carbon Neutrality Goal: A Call to Action for Global Cooperation

The Valuechain

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From Darkness to Light

Africa's Journey to Energy Security

■ **'Africa Must Look Inward to Achieve Energy Sufficiency'**
— Dr. Omar Farouk Ibrahim

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SEAL OF THE VALUECHAIN STAR OF THE INDUSTRY

Eyono Fatayi-Williams, President Women in Energy Network

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From the Publisher/Editor-in-Chief

As we approach the end of 2024, it's clear that Africa's energy landscape is at a critical juncture. The continent is facing numerous challenges, from energy poverty to climate change, and it's imperative that we take bold action to address these issues.

Africa stands at the threshold of a transformative era, poised to harness its vast energy resources to fuel economic growth, alleviate energy poverty, and concretise its position as a global energy provider. The recent African Energy Week (AEW): Invest in African Energies 2024 conference in Cape Town, South Africa, provided a pivotal platform for stakeholders to convene, collaborate, and chart a unified course for Africa's energy future. The conference brought together an illustrious gathering of African energy ministers, global industry leaders, investors, and experts, who engaged in intense dialogue, deal-making, and knowledge-sharing over three days. Participants delved into the complexities of Africa's energy sector, exploring innovative solutions, forging strategic partnerships, and reaffirming their commitment to empowering the continent's energy future.

One of the highlights of the conference was the discussion on Africa's mega-scale LNG and FLNG projects. Leading Floating Liquefied Natural Gas (FLNG) operators and project developers converged to share insights on the continent's gas resource. The panel discussion highlighted the critical role of financing, regulatory framework, and technical expertise in driving the growth of Africa's gas sector.

UTM Offshore's $5-billion facility, Nigeria's pioneering FLNG project, took centre stage. Julius Rone, CEO of UTM Offshore, revealed that the project has completed the Front End Engineering Design (FEED) phase and is progressing to the Engineering, Procurement and Construction (EPC) stage, with a Final Investment Decision (FID) expected in 2025.

As we reflect on the key takeaways from the AEW 2024 conference, it's clear that Africa's energy future is inextricably linked to its economic development. The continent must invest in regional cooperation, acquire technology, and promote specialization in the energy sector to unlock its vast potential. As Gabriel Mbaga Obiang

Lima, Equatorial Guinea's former Minister of Finance, Economy, and Planning, so aptly puts it, "We need to work together as a continent to create a unified energy market and achieve energy security and sustainability." This couldn't be more urgent.

With the global energy landscape shifting rapidly, Africa must take control of its own energy destiny. This means addressing the continent's three major crises - the food crisis, energy crisis, and manufacturing crisis - head-on.

In this edition, we'll be exploring the latest developments in Africa's energy sector, from the African Energy Bank to innovative initiatives in renewable energy. We'll also be hearing from experts and thought leaders on the continent, who will share their insights on the challenges and opportunities facing Africa's energy sector.

As we move forward, it's imperative that we work together to create a unified energy market that benefits all Africans. This is a call to action – to governments, businesses, and individuals across the continent. Let's work together to build a brighter energy future for Africa.

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UTM's FLNG Projects Set to Reduce Cooking Gas Prices, Create 7,000 Jobs

By William Emmanuel Ukpoju

aecweek.com

Mr. Julius Rone (2nd right) with other Panel discussants shortly after their session

In a significant boost to Africa's gas industry, leading Floating Liquefied Natural Gas (FLNG) operators and project developers converged at the African Energy Week: Invest in African Energies 2024 conference to share insights on the continent's mega-scale LNG and FLNG projects. The panel discussion highlighted the critical role of financing, regulatory frameworks, and technical expertise in driving the growth of Africa's gas sector.

UTM Offshore's $5-billion UTM FLNG facility, Nigeria's pioneering FLNG project, took centre stage. Julius Rone, CEO of UTM Offshore, revealed that the project has completed the Front End Engineering Design (FEED) phase and is progressing to the Engineering, Procurement and Construction (EPC) stage, with a Final Investment Decision (FID) expected in 2025. "Financing remains a key challenge in developing African projects. We need to focus on aggregating funding to unlock the continent's vast gas resources," Rone emphasized.

In an exclusive interview with ***The Valuechain Energy Magazine*** during the AEW, Rone shared his thoughts on UTM Offshore's participation in the conference. "This is our third edition, where we are participating as a diamond sponsor; for us, the AEW promotes African values and companies' potential in the energy space. As the foremost African floating company developing LNG, it only makes sense for us to be here."

Rone highlighted the significance of the conference, citing the signing of a term sheet with Afreximbank for $350 million and meetings with other financial institutions, including Rand Merchant Bank, Standard Bank of South Africa, and Standard Chartered Bank. "This edition of the AEW is quite robust and interesting; we are participating in the next session on Africa LNG floating LNG technology and concept, and the progress so far in Africa."

Regarding the benefits of the UTM FLNG project for Nigerians, Rone noted, "This will be the first floating LNG in Nigeria, and it's a result of the current administration's support for gas development. President Tinubu has encouraged investors to develop gas in Nigeria, offering incentives for both offshore and onshore projects."

The project is expected to provide over 500,000 tons of LPG for the domestic market, reducing cooking gas prices and saving forex. Additionally, it will create employment opportunities for over 7,000 people, generate taxes and royalties, and promote cleaner energy. "UTM is keying into the government's initiative on gas development; our focus is on gas, and we want to stay focused to achieve not only this first project but also future projects."

Rone emphasized the importance of indigenous companies leading the charge in Africa's energy sector. "We want to show that an indigenous company can do such kinds of projects, opening doors for other Nigerian and African companies to venture into the floating energy space."

Eni's successful Coral Sul FLNG project in Mozambique has positioned the country as a major player in the global gas market. Ivan Codognotto, Technical Director at Eni Rovuma Basin, highlighted the advantages of FLNG technology in monetizing gas resources, particularly in remote offshore locations. "Coral Sul has unlocked Mozambique's offshore gas reserves, estimated at 100 trillion cubic feet. We've achieved remarkable success, exporting over five million tons of LNG in 2024."

Julius Rone

Golar LNG, a pioneer in Africa's FLNG sector, shared its experience with the Hilli Episeyo FLNG vessel offshore Cameroon. Federico Petersen, Chief Commercial Officer of Golar LNG, discussed the company's latest project, the Fuji FLNG unit, which is expected to begin production by 2028.

The panel emphasized the importance of a supportive government framework, technical expertise, and access to financing in advancing Africa's LNG and FLNG projects. "A good asset, a good contract, and a good overall framework are essential for project success," Petersen stressed.

As Africa's energy landscape continues to evolve, UTM Offshore's pioneering FLNG project is poised to leave a lasting impact on Nigeria's economy and environment, paving the way for a brighter energy future. With its commitment to Nigeria's gas development and job creation, UTM Offshore is redefining the country's energy narrative and inspiring a new wave of indigenous companies to follow in its footsteps. As the energy sector looks to the future, UTM's groundbreaking FLNG project serves as a beacon of hope for Africa's energy growth, demonstrating the potential for home-grown innovation and expertise to drive transformative change. The project is a testament to the power of collaboration and visionary leadership, promising a brighter future for Nigeria's energy sector and its people.

As the curtains close on AEW 2024, UTM Offshore's FLNG project stands as a shining example of Africa's potential to shape its own energy destiny, inspiring confidence in the continent's ability to drive growth and prosperity.

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Oil Sector Divestment: Risk, Opportunity and Impact on Economic Diversification

By Gideon Osaka

The recent approval of four oil assets divestment by the Nigerian government has further reinforced the future plans of international oil companies (IOCs) sending mixed signals that could impact the oil sector and economy at large both positively and negatively.

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) in October announced the approval of the assets sale which its Chief Executive Officer, Gbenga Komolafe, disclosed as Mobil Producing Nigeria Unlimited (MPNU) to Seplat Energy Offshore Limited, Equinor Nigeria Energy Company Limited to Project Odinmin Investments Limited, Nigerian Agip Oil Company Limited to Oando Petroleum and Natural Gas Company Limited and TotalEnergies EP Nigeria Limited to Telema Energies Nigeria Limited.

In recent years, IOCs have been divesting significant portions of their onshore and shallow water assets in Nigeria, part of a broader retreat by the oil majors as they focus on newer, more profitable operations and renewable energy projects. The trend is accelerating as the international firms, though not entirely leaving Nigeria, are focused on deep-water projects in Africa's largest oil producer.

Valuechain reports that the current wave of divestments is driven by a combination of global factors. IOCs are under increasing pressure from shareholders and environmental advocates to reduce their carbon footprints and align with global climate goals. Nigeria's onshore operations, plagued by oil theft, pipeline vandalism, and community conflicts, have become less attractive compared to the more stable deep-water operations and investments in renewable energy.

"This is not just a local issue; it's part of a global energy transition," says Dr. Ifeanyi Okeke, an energy economist. "Nigeria, like other oil-dependent nations, must adjust to a world where oil is no longer king," he emphasised.

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According to the NUPRC boss, Gbenga Komolafe, "What the industry has experienced is portfolio rationalisation which is not uncommon in other jurisdictions. Divestments give opportunities for more investments and increased local participation in the upstream. We are therefore confident that new asset holders will conduct operations in a vigorous and business-like manner for optimal value creation for enhanced energy security and sustainability in the near term."

The divestment details

Before the recent approval, Exxon Mobil, Equinor, Italy's Eni and TotalEnergies had all struck deals to offload onshore and shallow water blocks to domestic producers for more than a decade. Last year, ExxonMobil announced its plan to sell four onshore oilfields to Seplat, an indigenous energy company, for about $1.3bn. The acquisition was originally planned to be consummated by mid-2022 but was delayed. Norway's Equinor said last November, it entered into an agreement to sell its local business to Chappal Energies Mauritius Ltd. The deal was completed through Project Odinmim, a special-purpose vehicle owned by the Mauritian company. Eni, announced in September last year that it would sell its onshore subsidiary to Oando, a local company.

The divestments align with Nigeria's broader objectives to boost local participation and enhance operational efficiency in the oil sector. For example, the completion of the ExxonMobil-Seplat acquisition will significantly strengthen Seplat's position, increasing its production capacity by 186% and expanding proven oil reserves by 170%. The deal underscores a shift toward sustainable energy strategies, with opportunities for developing Nigeria's vast gas reserves. Similarly, Oando's acquisition of NAOC would double its stake in key assets, including 40 oil and gas fields, gas processing plants, and pipelines. This will position the company as a dominant player in Nigeria's energy transition efforts. Equinor and TotalEnergies transactions further embed Nigerian companies in controlling strategic assets, ensuring local expertise and revenue circulation within the country.

Although the divestment of Shell Petroleum Development Company Limited's assets to Renaissance Africa Energy Company Limited could not scale regulatory test, as recently announced by the regulator, the interest expressed by Shell in divesting from onshore fields remains strong as the oil giant continues to provide the regulator with all the required information to close out the sale. Shell on January 16 announced its exit from Nigeria's onshore and shallow water operations after agreeing to sell the business to a consortium of five, mostly local, companies, opting to focus future investments in the potentially more lucrative deep offshore fields. NUPRC declined to approve the sale because the Renaissance consortium could not show it could manage the assets.

Overall, the recent divestments have far-reaching positive and negative implications for the economy, local communities, and the future of Nigeria's energy landscape.

Implications

For Nigeria, where oil revenue accounts for about 80% of government earnings and 90% of foreign exchange, the exodus of major oil companies from mostly onshore and shallow water assets, poses significant economic risks. The divestments could lead to a shortfall in government revenue, increased unemployment, and reduced foreign direct investment in the sector. The exit of major IOCs from onshore operations reflects persistent challenges like pipeline sabotage, theft, and environmental degradation in the Niger Delta.

Local companies like Seplat and Oando Plc are expanding their portfolios, hoping to extract value from assets deemed non-strategic by the IOCs. While this may boost local content and indigenous participation in the sector, concerns remain about the technical and financial capacity of these firms to manage the complex operations.

On the other hand, local oil firms, often the buyers of these divested assets, see opportunity where others see risk. With the international majors stepping back from these onshore and shallow water assets, analysts see an opportunity for local Nigerian players to increase their market share in acquiring these assets. The divestitures are providing an opportunity for local firms to develop the onshore market. They are more likely to hire local talent, giving Nigerians the opportunity to advance to high-ranking positions in the oil and gas industry and boosting the domestic corporate sector as they step into the void.

Onshore oil operations in the Niger Delta have long been associated with environmental degradation and social unrest. With local companies taking over, communities are cautiously optimistic about better engagement and more attention to environmental remediation. Yet, the transition has not been seamless.

"Divestment must not mean abandonment," warns Nnimmo Bassey, a prominent environmental activist. "The Nigerian government must ensure that these new operators adhere to strict environmental standards and that IOCs fulfill their obligations before exiting."

Consultancy Westwood Global Energy Group says that the upcoming years will present an exceptional chance for indigenous oil companies to take the lead in onshore and shallow-water exploration, with drilling and production likely to increase at least to the end of this decade.

Still, the departure of IOCs from onshore does not mean they are exiting the country altogether. Offshore sites – which lack the security challenges of onshore – are increasingly attractive to the majors. Industry data shows that about 13bn of Nigeria's over 37bn barrels of proven oil reserves are in the deepwater sector.

TotalEnergies has pledged to invest, with a focus on offshore oil projects and gas production. Shell is looking at a $5bn offshore oil investment opportunity in Nigeria's Bonga North offshore project and has pledged to spend a further $1bn in five to 10 years to boost natural gas output for domestic supplies and exports.

The divestment trend underscores the urgent need for Nigeria to diversify its economy and develop alternative energy sources. The government has recently launched initiatives to promote gas as a transition fuel, positioning Nigeria as a regional hub for Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG) production.

Additionally, renewable energy projects are gaining traction, with investments in solar, wind, and hydroelectric power. While these efforts are commendable, experts caution that the transition will require significant investment, policy consistency, and stakeholder collaboration.

The ongoing divestments in Nigeria's oil and gas sector are both a challenge and an opportunity. They highlight the vulnerabilities of an oil-dependent economy but also present a chance to rethink Nigeria's energy future. With the right policies and investments, Nigeria can turn this period of transition into a catalyst for sustainable growth and development.

As the country navigates this critical phase, the stakes are high, but so too are the possibilities for a more diversified and resilient energy landscape.

"The Nigerian government must ensure that these new operators adhere to strict environmental standards and that IOCs fulfill their obligations before exiting," - Nnimmo Bassey.

The State of African Energy 2025 Outlook Report:

Navigating Challenges and Opportunities

By William Emmanuel Ukpoju

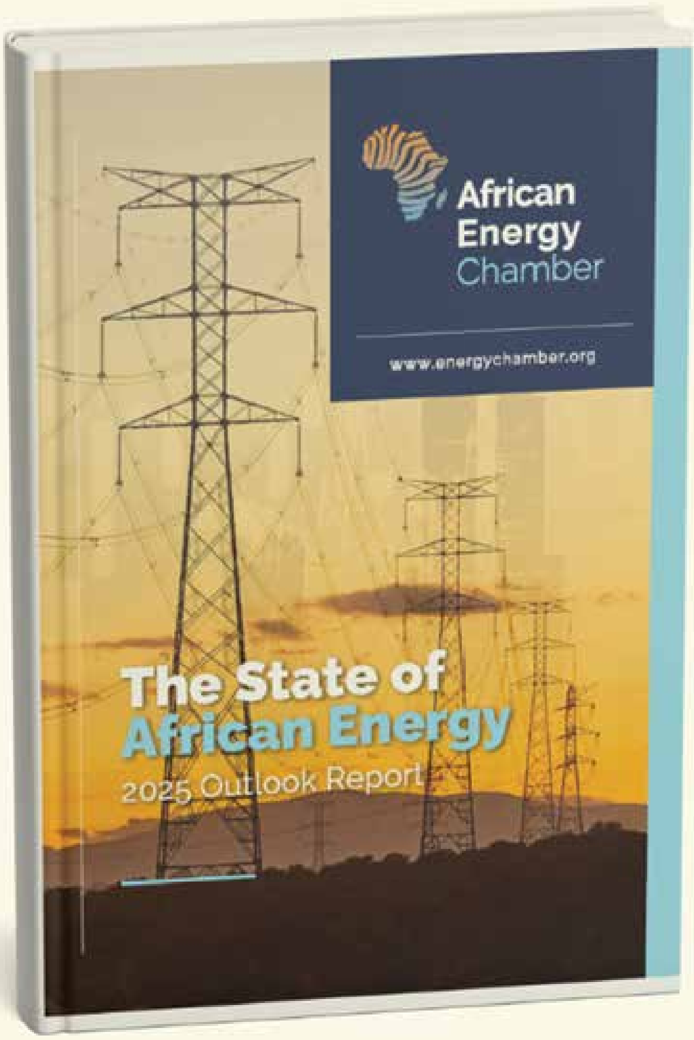
The latest outlook Report from the African Energy Chamber presents a nuanced view of the global oil and gas supply landscape, marked by short-term adjustments, medium-term optimism, and long-term projections. The report highlights regional trends, key drivers, and challenges shaping the energy sector.

The global oil supply projection has been revised downward by 1.3 million barrels per day (bpd) due to voluntary OPEC+ production cuts. Saudi Arabia, Kuwait, and the UAE are leading this effort to stabilize the market and adjust to changing demand. According to NJ Ayuk, Executive Chairman of the African Energy Chamber, "The OPEC+ production cuts aim to balance the market and prevent oversupply. This move will have a significant impact on the global oil supply landscape in the short term."

Despite short-term adjustments, the medium-term outlook appears promising. By 2030, global crude oil and condensates supply is forecasted to approach 91 million bpd, driven by Africa's resurgence and South America's growth. Increased drilling in Angola and stable production in Nigeria signal growth, with Angola's oil production expected to increase by 12% by 2025, while Nigeria's production is projected to rise by 15% by 2025.

"Africa's oil and gas industry is experiencing a resurgence, driven by increased investment and exploration," Ayuk noted. "Angola and Nigeria are leading this growth, with other African countries poised to follow." South America's growth is propelled by shale and offshore developments, such as Argentina's Vaca Muerta and Guyana's burgeoning reserves. Argentina's oil production is expected to increase by 25% by 2025, while Guyana's production is projected to rise by 50% by 2025.

A long-term Brent price projection of $70/bbl increases resource recovery potential, making more projects economically viable. This price point supports investment in exploration and production, particularly in Africa and South America.



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On one hand, the continent's vast renewable energy resources, particularly solar and wind, offer a promising pathway to a low-carbon future. Investments in renewable energy infrastructure, energy efficiency, and grid modernization will be critical to unlocking this potential.

Regional highlights include Angola's increased drilling, Nigeria's stable production, Argentina's Vaca Muerta shale development, and Guyana's offshore discoveries.

The report highlights investment opportunities in Africa and South America, particularly in exploration and production. With a projected $70/bbl Brent price, investors can capitalize on offshore developments in Guyana and Brazil, shale developments in Argentina and South Africa, and exploration and production opportunities in Angola and Nigeria.

Investment and capital expenditure play a vital role in Africa's energy sector. Notably, Africa's capital expenditure is projected to surge in 2024, reaching $47 billion, marking a 23% increase from 2023's $38.5 billion. Despite a slight dip to $43 billion in 2025, CAPEX will soar to $54 billion by 2030. Furthermore, West Africa will drive over half of the continent's CAPEX from 2023 to 2030, propelled by established oil giants like Nigeria and Angola, and emerging players like Mauritania, Senegal, Ghana, and Côte d'Ivoire.

In addition to investment growth, drilling and exploration activities are also on the rise. Africa's drilling activity has rebounded, with 1,034 wells drilled in 2023, predominantly onshore (80%). Similarly, the momentum continues in 2024 with 1,060 wells expected, and onshore operations will remain dominant, consistently contributing 80% of the well count. Moreover, drilling is projected to peak in 2026 before tapering off to around 900 wells by the decade's end.

Meanwhile, offshore rig demand mirrors drilling trends, growing from 29 rig years per year between 2020 and 2021 to about 40 rig years by 2024. In fact, in 2025, rig demand is set to jump by 18% compared to 2024 levels, reaching 46 rig years—a 59% increase from 2020 levels.

Moreover, Africa's power generation mix is shifting, driven by renewable energy growth. Solar PV capacity is expected to cross 20 GW in 2024 and increase to nearly 90 GW by 2030. Likewise, wind capacity will surpass 11 GW in 2024 and reach nearly 50 GW by 2030. Additionally, hydropower will increase from 47.5 GW today to around 60 GW by 2030.

As a result, the share of renewables in Africa's installed capacity mix is estimated to jump from over 28% today to over 45% in 2030. However, gas is expected to surpass 150 GW, maintaining fossil fuels' dominance in Africa's power generation mix. Meanwhile, coal will exhibit a gradual decline due to South African unit shutdowns.

In the same vein, Egypt's 4.8 GW El Dabaa nuclear power plant will add to Africa's nuclear-based power generation by 2031. Consequently, Africa's overall installed capacity will jump 1.5 times from over 300 GW to nearly 460 GW by 2030.

Furthermore, power generation will rise from over 980 TWh today to nearly 1,400 TWh in 2030, with the share of renewables increasing from over 27% today to over 43% in 2030. Similarly, the share of nuclear will increase from 0.95% today to 2.8% by 2030.

Looking ahead, the African energy landscape is at a crossroads. While the continent's energy demands continue to grow, the global shift towards renewable energy and reduced carbon emissions presents both opportunities and challenges. Africa's energy future will depend on its ability to balance economic growth, energy security, and environmental sustainability.

On one hand, the continent's vast renewable energy resources, particularly solar and wind, offer a promising pathway to a low-carbon future. Investments in renewable energy infrastructure, energy efficiency, and grid modernization will be critical to unlocking this potential.

On the other hand, Africa's energy transition must also acknowledge the continent's unique circumstances. Many African countries rely heavily on fossil fuels for economic development, energy access, and industrial growth. An abrupt shift away from fossil fuels could exacerbate energy poverty and hinder economic progress.

Ultimately, Africa's energy future will require a nuanced and context-specific approach. Policymakers, investors, and industry leaders must work together to create an enabling environment that supports a gradual transition to a low-carbon economy, while also addressing the continent's pressing energy needs.

By embracing this dual imperative, Africa can chart a sustainable energy path that promotes economic growth, energy security, and environmental stewardship. The African Energy Chamber's 2025 Outlook Report provides a valuable roadmap for navigating this complex landscape and unlocking the continent's full energy potential.

Persistent Grid Collapse Heightens Calls for Decentralised Solutions

By Gideon Osaka

The recent multiple collapses of the electricity grid have continued to generate tremendous concern in the country, even as the government and relevant stakeholders continue to scramble for solutions.

The collapse of the grid, twice in a single week in early November, which took the number of such incidents in 2024 to 11, sparked wide reactions locally and internationally as millions of homes and businesses suffered blackouts and resultant losses and pains.

Nigeria's power grid, according to the Nigerian Electricity Regulatory Commission (NERC), is a vast network of electrical transmission lines that link power stations to end-use customers across the country and it is designed to function within specific stability boundaries, including voltage (330kV ± 5.0 per cent) and frequency (50Hz ± 0.5 per cent).

"Any deviation from these stability ranges can result in decreased power quality and, in severe cases, cause widespread power outages ranging from a partial collapse of a section of the grid to a full system collapse.

"When the electricity demand is higher than the supply, the grid frequency drops. Conversely, if supply surpasses demand, the frequency increases. In reaction to the grid operating at a frequency outside of the normal operation range (especially when the frequency is too low), safety settings on generation units may cause the units to shut down.

"This often exacerbates the frequency imbalance on the grid thereby causing more generation units to shut down resulting in a full or partial system collapse," the regulator explained.

Valuechain reports that each time the grid collapses, the majority of electricity consumers are thrown into darkness, affecting businesses and social activities.

premiumtimesng.org

Kashim Shettima

Nigeria's national grid has become synonymous with instability, experiencing 162 cases of grid collapse from 2013 to date, according to the Association of Power Generation Companies (APGC), the umbrella body of all electricity generating firms in Nigeria (GenCos).

The collapse of the grid twice in a single week in November highlighted the system's fragility with such collapses having severe economic setbacks, estimated to reduce Nigeria's GDP by up to $29 billion annually, according to the World Bank.

Commenting on the impact the incessant grid collapse was having on the commercial side of the GenCos operation, the Chief Executive Officer of APGC, Dr. Joy Ogaji, revealed in a statement that the frequent grid collapse leads to a substantial impact on GenCos cash flow and financial stability.

"For instance, GenCos in Nigeria are currently grappling with a debt of approximately N2.5 trillion. This debt burden is exacerbated by the inability to consistently generate and sell power," Ogaji said.

She maintained that the grid collapse also leads to an increase in GenCos operational costs, explaining that the need for frequent repairs and replacements of damaged equipment further strains their finances adding that the issue also poses a technical risk to Gencos.

Quest for solution

Nigeria's grid infrastructure, managed by the Transmission Company of Nigeria (TCN), reportedly struggles with three key issues: One of them is overcapacity, as the grid is said to be designed for a maximum load of about 5,000 MW (megawatts), yet peak demand exceeds 30,000 MW. This overloading leads to frequent technical breakdowns. Secondly, is the challenge of ageing infrastructure. Transmission lines, transformers, and substations are decades old, with little modernisation. Lastly, the weak links between power generation, transmission, and distribution create a fragile system where a fault in one segment often cascades into total failure.

Worried over the escalating cases of grid disturbances, the government and critical stakeholders in the sector have initiated some measures to arrest the situation.

More recently, the National Economic Council (NEC) on Thursday, November 19, 2024, announced the formation of the National Electrification Strategy at the end of its 146th meeting, chaired by Vice President Kashim Shettima. The committee, to be led by Cross River State Governor, Bassey Otu, is tasked with among others, the mandate to address immediate concerns around grid collapse.

Prior to that time, the Minister of Power, Adebayo Adelabu, had constituted a six-member Committee to advise the federal government on necessary solutions to make the national grid robust and reliable. The six-member committee which included executives from the Independent System Operator (ISO), NERC and the National Control Centre (NCC) was given nine days to proffer solutions and present a report by November 1, 2024.

While submitting its report two weeks later to the minister who ordered the immediate implementation of the committee's recommendations, the committee recommended the audit and testing of existing equipment and improvement in the maintenance of the transmission equipment and lines. Among other recommendations, the committee urged a developing framework to attract private investment across the value chain, deployment of IT devices on generating units and transmission lines, and securitisation of gas contracts. It also called for the development and implementation of measures to combat vandalism and energy theft. Also in pursuit of a permanent solution, NERC held an investigative public hearing to identify immediate and remote causes.

The argument for a decentralised energy solution

While the government continues to tinker over long-term solutions to ceaseless grid collapses, grid decentralisation has been identified as the best possible direction for Nigeria to achieve reliable electricity.

While most large countries operate regional and embedded grids, Nigeria is said to be one of the very few countries that operate national grids where all generated power must first be fed into the national grid and transmitted through a single switchboard to the rest of the country. For instance, the USA is said to have 6,900 power plants, all independently owned with four national grids having a total daily generation of 1 million MW. China Mainland has 8 regional grids and generates 1.7millionMW.

The glaring challenges with a centralized national grid have heightened the call for decentralization of the grid as the long-term solution to the current problem. Decentralized energy systems—localized, small-scale energy generation—are emerging as a solution to grid failures. These systems can complement the national grid or function independently, providing tailored power solutions for specific communities or businesses.

According to information sourced by ***Valuechain***, some of the key benefits of decentralised systems are the reduction in outages and guaranteed energy access for all. In terms of cost efficiency, a decentralized grid solution over time will become more affordable with attendant environmental benefits.

Weighing in on the repeated grid collapse, the causes, impact as well as the solution, the Lead Consultant on Power to the Nigerian Governors Forum (NGF) and Chief Executive Officer of New Hampshire Limited Mr. Odion Omonfoman, argued in favour of the adoption of a decentralized grid system which he said allows state governments to also participate in providing distributed generation.

Speaking in a recent media interview, Omonfoman said the whole idea of everybody getting connected to the national grid was ridiculous, considering the country's vast nature, which does not support a grid system that is not reinforced.

Omonfoman explained, "We cannot run a national grid with the level of insecurity we have because we are already seeing that bandits and contractors are targeting the national grid. It's not only bandits.

"Contractors are actually targeting it so that they can get more contracts. That's what's going on with the national grid which is now becoming a cash cow for contractors."

He argued that it was impossible to have energy reliability under a single grid that is more vulnerable to the kind of incessant breakdowns being witnessed in the country.

He stressed the importance of states creating their own electricity market where they could get the supplier side of the national grid and have a number of energy sources to apply.

"This whole essence of generating and putting on a national grid that is at best epileptic is ridiculous.

"So, my solution is that there is no point trying to throw so much money at this national grid. Let's look at other sources. Let's look at distributed generation sources. Let's look at states attracting investment into the electricity market, bringing genera-

According to information sourced by Valuechain, some of the key benefits of decentralised systems are the reduction in outages and guaranteed energy access for all. In terms of cost efficiency, a decentralized grid solution over time will become more affordable with attendant environmental benefits.

tion sources closer to the end users," he pointed out.

Omonfoman's position is similar to that of the Minister of Power, Adebayo Adelabu, whose perspective is that there was a need to have power grids in different regions or states to put an end to the incessant grid collapses. According to the minister, grid collapses were almost inevitable in Nigeria given the deplorable state of the country's power infrastructure.

"We keep talking about grid collapse. Grid collapse, grid collapse, whether it's a total collapse, partial collapse, or slight trip-off. This is almost inevitable as it is today, given the state of our power infrastructure, the infrastructure is in deplorable conditions, so why won't you have trip-offs? Why won't you have collapses, either total or partial? It will continue to remain like this until we can overhaul the entire infrastructure. What we do now is to make sure that we manage it," he said at a recent industry event in Abuja.

Prof. Barth Nnaji, a former Minister of Power, stresses the need to diversify Nigeria's energy mix. "The national grid is too centralised and vulnerable to collapses," he said. "Decentralized energy is the future, especially in a country with abundant solar and biomass resources."

The Executive Director, Research and Advocacy of the Nigerian Association of Energy Distributor Barr. Sunday Oduntan in a WhatsApp post on the subject matter agreed that what the country needs is a radical mixture of modernisation, distributed energy delivery, and not reliance on the obsolete grid design.

"We also need sustained investment in the gas upstream, midstream and downstream to make gas available. This will then be superimposed with sustained investment in power generation transmission and distribution. We need to have a comprehensive energy policy that incorporates all sources available to Nigeria (thermal, hydro, nuclear, renewable of solar, wind etc)."

Success stories of decentralised energy deployment

According to experts, decentralised systems can accommodate diverse energy sources, including

renewables (e.g., solar, wind), allowing for a more flexible and adaptable energy mix. The plethora of existing cases shows the huge decentralised energy potential if replicated widely.

Gbamu-Gbamu Community, located in Ogun State, is a shining example of decentralised energy's potential. In 2018, the Rural Electrification Agency (REA) and private firm Rubitec Solar deployed a solar hybrid mini-grid that generates 85 kW, providing reliable electricity to over 500 residents and businesses. This system has reduced reliance on costly generators, enabled small businesses to thrive, and improved the quality of life in the community.

In Kano, Nigeria's second-largest city, the Sabon Gari Market now benefits from a decentralised energy solution powered by natural gas. Independent Power Producers (IPPs) installed a localised power system to support the market's 20,000 shops. Traders no longer rely on diesel generators, leading to lower costs and a cleaner environment.

In Katsina State, the Rural Electrification Agency (REA) has deployed solar mini-grids in off-grid communities like Rimi. This project provides electricity to over 1,000 households and small businesses, enabling economic activities like welding, tailoring, and cold storage for agricultural produce. Residents now enjoy consistent power, reducing dependence on costly and polluting generators.

In Wuna, a rural community near Abuja, the Nigeria Electrification Project (NEP) launched a 90 kW solar mini-grid, electrifying homes, schools, and a health clinic. The project has not only enhanced healthcare delivery but also allowed small-scale farmers to use electric water pumps for irrigation, boosting agricultural productivity.

In Ekiti State, the Ikun Dairy Farm exemplifies the potential of decentralised energy. The farm uses a solar hybrid system to power its operations, reducing its reliance on the national grid and diesel generators. With consistent energy, the dairy farm has scaled production to supply milk to local communities, creating jobs and boosting local agriculture.

In Lagos, partnerships between the Egbin Power Plant and independent power producers are transforming energy access for industrial zones. By decentralizing supply and focusing on localized distribution, Lagos is addressing power shortages in critical economic areas, attracting more investors to the state.

Despite its promise, decentralized energy faces significant barriers particularly the high initial costs of installing solar panels or microgrid systems which require upfront investment that many communities cannot afford. Again, Nigeria's energy regulations often favour large-scale operators, leaving decentralized providers grappling with unclear or restrictive policies. Another challenge is that many Nigerians are unaware of the benefits of decentralised energy or view it as unaffordable.

However, in the long run, decentralised energy systems offer a transformative solution, enabling reliable, affordable, and sustainable power for millions. By diversifying its energy approach and investing in innovation, Nigeria can break free from the cycle of grid collapses and power a brighter future.

NAPE 2024 Conference Tackles Challenges of Nigeria's Energy Transition

By Ese Ufuoma

nape.org

The Nigerian Association of Petroleum Explorationists (NAPE) 2024 Conference, held from November 10–14 at the Eko Hotel & Suites in Lagos, marked a significant milestone in Nigeria's ongoing energy conversation. With the theme "Resolving the Nigerian Energy Trilemma: Energy Security, Sustainable Growth, and Affordability," the event drew attention to the complex challenges and opportunities that lie ahead for Nigeria as it navigates its energy future.

The conference not only brought together leaders from the oil, gas, and power sectors but also included government representatives, energy experts, and stakeholders committed to reshaping Nigeria's energy landscape. This year's theme focused on finding solutions to three interlinked challenges, ensuring consistent energy security, fostering sustainable growth, and making energy accessible and affordable for the average Nigerian.

The Challenge of the Energy Trilemma

The "energy trilemma" that Nigeria faces, a balance between energy security, sustainability, and affordability, was the focal point of discussions. Nigeria, as the largest oil producer in Africa, is at the crossroads of leveraging its vast natural resources while transitioning to cleaner energy. However, balancing economic growth with environmental protection and providing affordable energy to its citizens remains a delicate challenge.

At the heart of the debate is Nigeria's reliance on fossil fuels, particularly oil and gas, which account for the bulk of government revenue. This dependency has raised concerns about the long-term sustainability of the nation's energy infrastructure, especially in the face of increasing global pressure to reduce carbon emissions. With the Nigerian government setting a net-zero emissions target by 2060, questions about how the country can continue to meet its energy demands while fulfilling climate goals were hot topics during the conference.

Key Takeaways and Discussions

Energy Security and Diversification:

One of the main themes explored was how Nigeria can secure its energy future through diversification. While oil and gas remain vital, renewable energy, particularly solar and wind, is gaining traction. Experts at the conference underscored the importance of transitioning to renewable energy sources and leveraging natural gas as a bridge fuel to reduce the environmental footprint of energy generation in the short term.

Mele Kyari

The Role of Technology and Innovation:

The energy sector's future lies in technological innovation, and NAPE 2024 was a showcase for cutting-edge technologies aimed at addressing both operational and environmental challenges. From advancements in carbon capture and storage (CCS) to the expansion of renewable energy systems, the role of innovation was highlighted as a crucial enabler of sustainable growth. Industry leaders called for greater investment in these technologies to enhance energy efficiency and reduce emissions.

The Path to Sustainability:

While transitioning to renewable energy and reducing carbon footprints were widely discussed, the economic realities of such transitions remain challenging. Nigeria's energy demand is growing rapidly, driven by its population and industrial expansion. At the same time, there is a pressing need for inclusive growth that ensures equitable access to energy across the country. This prompted many panelists to discuss how Nigeria can take a holistic approach to energy planning, ensuring that the transition to greener energy solutions does not leave behind vulnerable communities.

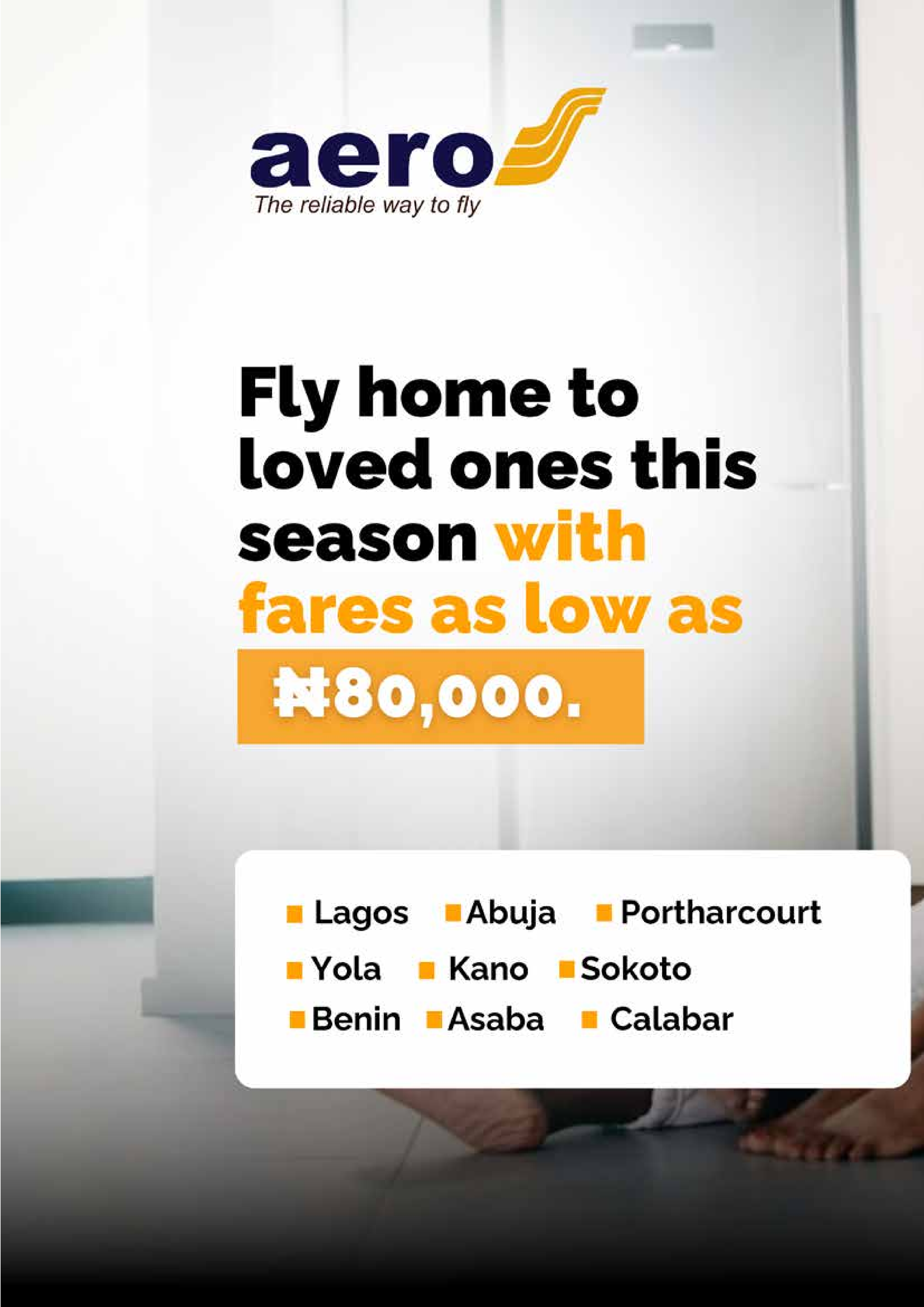
Energy Affordability for All:

A key part of the discussions was ensuring that energy remains affordable for all Nigerians. The rising cost of fuel and electricity, coupled with inconsistent supply, has been a major issue in the country for years. Solutions discussed included improving energy infrastructure, reducing inefficiencies in energy distribution, and increasing investments in decentralized energy systems that can reach rural and underserved populations.

The NAPE 2024 Conference was a powerful reminder of the challenges Nigeria faces as it strives to meet its energy goals. With the energy trilemma continuing to shape policy and decisions, stakeholders at the conference acknowledged that while the road to sustainability is long and filled with obstacles, it is not insurmountable. The conference underscored the importance of bold leadership, innovation, and international support in navigating this path.

The discussions held and the solutions proposed at this year's conference serve as a call to action for both the government and the private sector. As Nigeria charts its course toward achieving carbon neutrality by 2060, the conversations sparked at NAPE 2024 will be critical in shaping the nation's energy future, one that is secure, sustainable, and affordable for all.

At the heart of the debate is Nigeria's reliance on fossil fuels, particularly oil and gas, which account for the bulk of government revenue. This dependency has raised concerns about the long-term sustainability of the nation's energy infrastructure, especially in the face of increasing global pressure to reduce carbon emissions. With the Nigerian government setting a net-zero emissions target by 2060, questions about how the country can continue to meet its energy demands while fulfilling climate goals were hot topics during the conference.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NIGERIA'S CARBON NEUTRALITY GOAL: A Call to Action for Global Cooperation

By Ese Ufuoma

thenationonlineng.net

As the world grapples with the existential threat of climate change, Africa's largest economy and leading oil producer, Nigeria, has taken a bold step towards a sustainable future. With a burgeoning population and vast natural resources, Nigeria's commitment to achieving carbon neutrality by 2060 is a beacon of hope for the continent and a testament to the country's resolve to mitigate the devastating impacts of climate change. Nigeria's journey to carbon neutrality is fraught with challenges, from transitioning its oil-dependent economy to addressing energy poverty and infrastructure deficits. However, the rewards of a low-carbon economy far outweigh the costs, promising a future of green growth, job creation, and improved livelihoods for millions of Nigerians. Against the backdrop of global climate summits and international agreements, Nigeria's pledge to net-zero emissions takes on added significance. As a developing nation, Nigeria's experience will serve as a critical litmus test for the viability of climate action in emerging economies. This article explores Nigeria's path to carbon neutrality, examining the opportunities, challenges, and implications of this ambitious goal for the country, the continent, and the world.

Nigeria, Africa's largest economy and leading oil producer, has embarked on an ambitious journey to achieve carbon neutrality by 2060. This commitment, made by former President Muhammadu Buhari at the COP26 climate summit in Glasgow, aligns with the global target of limiting global warming to 1.5°C above pre-industrial levels. Nigeria's vulnerability to climate change, including desertification, rising sea levels, and extreme weather events, makes this goal essential for safeguarding the environment and ensuring long-term economic stability.

Despite relying heavily on oil and gas revenues, Nigeria has made significant strides in transitioning to cleaner energy and reducing emissions. The government has initiated renewable energy projects, such as the Nigeria Electrification Project (NEP), to increase access to clean and affordable power, particularly in rural areas. The National Gas Expansion Program (NGEP) prioritizes the use of natural gas to replace higher-emission fuels like diesel and coal.

Nigeria has also enacted policies to promote sustainability, including the National Action Plan on Gender and Climate Change and the Renewable Energy Master Plan. These frameworks aim to mainstream climate action across sectors. However, challenges persist, including dependence on fossil fuels, limited financing, energy access gaps, and policy implementation hurdles.

To overcome these obstacles, Nigeria requires international collaboration and support. Developed countries must fulfill their $100 billion annual climate finance pledge to support vulnerable nations like Nigeria. Access to grants, concessional loans, and private investments will enable the country to fund renewable energy projects and climate adaptation measures. Technology transfer is also crucial, with partnerships with advanced economies facilitating knowledge sharing and capacity building.

Achieving carbon neutrality will mitigate climate risks, unlock economic opportunities, create jobs, and improve the quality of life for millions of Nigerians. Nigeria's success can inspire other developing nations to pursue ambitious climate goals, demonstrating that sustainable development is not just a possibility but a necessity. The world can forge a path to a greener, more resilient future through bold action, visionary leadership, and unwavering international solidarity.

Nigeria's Department of Climate Change, under the Federal Ministry of Environment, plays a vital role in coordinating the country's climate actions. The country's long-term low-emission development strategy, submitted to the UNFCCC, outlines its vision for a sustainable future. With continued efforts and global support, Nigeria can overcome the challenges ahead and achieve its carbon neutrality goal, serving as a model for other developing nations.

Nigeria's quest for carbon neutrality by 2060 is a beacon of hope for Africa and the global community. As the country navigates the complex landscape of energy transition, it is crucial to recognize the significance of international cooperation, technological innovation, and policy implementation. The journey ahead will undoubtedly be challenging, but the rewards of a sustainable, low-carbon economy far outweigh the costs.

As Nigeria forges ahead, its success will have far-reaching implications for the African continent and beyond. By demonstrating that sustainable development is achievable, Nigeria can inspire other developing nations to pursue ambitious climate goals, breaking the cycle of environmental degradation and economic vulnerability.

The time for action is now. Nigeria, with its vast natural resources, entrepreneurial spirit, and resilient people, is poised to emerge as a leader in the global effort against climate change. As the world watches, Nigeria's progress will serve as a testament to the power of collective action, innovative thinking, and unwavering commitment to a greener, more resilient future.

Ultimately, Nigeria's carbon neutrality goal is not just a national aspiration but a global imperative. It reminds us that our shared humanity is inextricably linked to the health of our planet. As we stand at the threshold of a new era, Nigeria's story serves as a po werful reminder that, together, we can overcome the most pressing challenges of our time and create a future where prosperity, sustainability, and equity thrive for all.

This vision of a sustainable future is within reach, but it requires bold leadership, unwavering commitment, and collective action. Nigeria's journey to carbon neutrality is a clarion call to action – for governments, corporations, civil society, and individuals to join forces in shaping a world where economic growth, environmental stewardship, and social justice are intertwined. The future of our planet depends on it.

As Nigeria forges ahead, its success will have far-reaching implications for the African continent and beyond. By demonstrating that sustainable development is achievable, Nigeria can inspire other developing nations to pursue ambitious climate goals, breaking the cycle of environmental degradation and economic vulnerability.

"Africa Needs to Create Its Own Market and Independence to Continue Exploiting Its Resources" — Gabriel Mbaga Obiang Lima

By William Emmanuel Ukpoju

Gabriel Lima

As the world grapples with the challenges of energy transition, Africa finds itself at a critical juncture. With a growing population and increasing energy demands, the continent is faced with the daunting task of balancing its economic development with the need to address climate change. However, Africa's energy landscape is also replete with opportunities. The continent is home to an abundance of natural resources, including oil, gas, and renewable energy sources. But despite these resources, Africa remains heavily reliant on external funding and expertise to develop its energy sector. This raises important questions about the continent's energy sovereignty and its ability to drive its own energy agenda. In an exclusive interview with ***Valuechain***, Gabriel Mbaga Obiang Lima, Equatorial Guinea's Minister of Finance, Economy, and Planning, shares his insights on Africa's energy challenges and opportunities, and outlines his vision for a more energy-independent Africa.

As a seasoned politician with almost 17 years of experience as a minister, Lima emphasized the need for Africa to address its three major crises: the food crisis, energy crisis, and manufacturing crisis.

To tackle these challenges, he proposed the creation of a pipeline system that would facilitate the sharing of commodities among Central African countries. This initiative, known as the Centro African Pipeline System (CAPS), aims to promote regional cooperation, harmonize different sectors, and create a unified market. "We need to work together as a continent to create a unified energy market and achieve energy security and sustainability." He emphasizes that regional cooperation is crucial to overcoming Africa's energy challenges.

The CAPS initiative is a significant step towards achieving this goal. By creating a pipeline system that connects Central African countries, CAPS aims to reduce transportation costs, increase energy access, and promote economic development.

As Mbaga Obiang Lima notes, the CAPS initiative is not just about energy cooperation, but also about promoting regional integration and economic development. "We need to create a unified market, and our independence, so we can continue the exploitation of the resources that we have," he says.

The CAPS initiative has already gained momentum, with seven Central African countries signing a memorandum of understanding to cooperate on the development of the pipeline system. The project is expected to boost energy supply within the region, reduce dependence on imports of refined products, and eradicate energy poverty by 2030.

With regards to funding energy projects in Africa, Lima emphasised that the African Energy Bank is a step in the right direction, but it has its limitations. The bank will mainly focus on upstream activities, providing funding for oil and gas projects. However, Africa also needs energy banks that cater to midstream and downstream activities.

Mbaga Obiang Lima noted that the energy bank will not be able to solve all of Africa's energy challenges. "The energy bank is funding one very important area, which is the upstream," he said. "But clearly, we will need more energy banks. You could have an energy bank for upstream, an energy bank for midstream, and another for the downstream."

Gabriel Lima

The minister also emphasized the need for specialisation in the energy sector. "The bank that is providing funding for upstream should not be the same thing as the bank providing for midstream, because the upstream is thinking about drilling, drilling ships, the pumps, and the rest," he said.

In addition to funding, Mbaga Obiang Lima highlighted the need for Africa to acquire technology to exploit its upstream resources efficiently. "We need to reduce our reliance on international companies and develop our own capabilities," he said.

The minister also emphasized the need for Africa to create its own market and independence to continue exploiting its resources. "By 2030, we need to be able to create our market, and our independence, so we can continue the exploitation of the resources that we have," he said.

In terms of collaboration, Mbaga Obiang Lima cited the example of Equatorial Guinea's methanol plant, which exports methanol to other countries. He emphasized the need for collaboration between countries to share commodities and reduce transportation costs.

Regarding renewable energy, Lima noted that Africa is ready to use renewable energy, but it needs to be used intelligently. "We need to use oil for the big ones, we need to use gas for the power, and we need to use solar panels for heating," he said.

As Africa navigates the complex landscape of energy development, it is clear that the continent's three major crises - the food crisis, energy crisis, and manufacturing crisis - are inextricably linked. The African Energy Bank, while a crucial step towards energy independence, is only one piece of the puzzle. To truly overcome these crises, Africa must adopt a comprehensive approach that addresses the root causes of these challenges. This requires investing in regional cooperation, acquiring technology, and promoting specialisation in the energy sector. By doing so, Africa can create a unified energy market, drive economic growth, and ensure energy security and sustainability for generations to come. As Gabriel Mbaga Obiang Lima aptly puts it, "We need to work together as a continent to create a unified energy market and achieve energy security and sustainability." The time for action is now, and Africa's future depends on it.

As Africa navigates the complex landscape of energy development, it is clear that the continent's three major crises - the food crisis, energy crisis, and manufacturing crisis - are inextricably linked. The African Energy Bank, while a crucial step towards energy independence, is only one piece of the puzzle.

Cheap Imports vs. 'Costlier' Local Refining: Unraveling Nigeria's Latest Downstream Pain

By Gideon Osaka

newscentral.africa

The advent of the Dangote refinery and the recent commencement of oil refining at the revamped Port Harcourt refinery has caught the downstream oil and gas sector in Nigeria in a paradox of some sort. On one hand, is the revelation that imported petroleum products are cheaper than those refined locally. On the other hand, are the oil marketers led by NNPC who are still massively importing petroleum products to the country despite sufficient supplies from local refineries led by Dangote.

The downstream sector is now regularly enmeshed in pricing instability and turbulences. Aliko Dangote, CEO of Dangote Refinery, recently complained that marketers are avoiding purchasing petrol from his facility, despite having over 500 million litres of petrol in storage. In response, marketers represented by the Independent Petroleum Marketers Association of Nigeria (IPMAN) and the Petroleum Products Retail Outlets Owners Association of Nigeria (PETROAN) argued that the refinery's prices are higher than the landing cost of imported fuel. The oil dealers therefore said they can import petrol at lower prices than what is being sold by the Dangote Refinery.

Dangote's woes and more recently the Port Harcourt refinery are further compounded by the passive importation of fuel to the country. A report by a media outlet, *Nairametrics* revealed a rise in petrol importation by marketers despite calls for patronage of local refineries. According to the report which cited sources with knowledge of the matter, between October 1 and November 11, Nigeria imported volumes of petroleum products that translated to over 2 billion litres of petrol, 500 million litres of diesel, and 17 million litres of jet fuel, with a cumulative cost of nearly N3 trillion. This was even as the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) approved licenses for an additional 3.5 billion litres of PMS (petrol) by December, despite reports of excessive supply at Dangote Refinery. NNPC has also clarified it would not cease importing petrol into the country but prioritise the patronage of local refineries, such as the Dangote.

This has led Dangote Refinery

For the average Nigerian, the debate over local refining versus imports is academic. What matters most is the price at the pump. Since the removal of subsidies, the cost of petrol has increased by over 300%, triggering a ripple effect across the economy. Transportation costs have soared, food prices have surged, and small businesses are struggling to stay afloat.

to seek legal action to void import licenses issued to NNPC and other companies which it said is in violation of Sections 317(8) and (9) of the Petroleum Industry Act which prohibits issuing licenses for the importation of petroleum products. According to Dangote, import licenses for petroleum products should only be granted when there's a proven shortage in domestic production.

The marketers in their response cited major oil-producing countries such as the United Arab Emirates, Saudi Arabia, the United States of America, China, Venezuela and a host of others that are still importing petroleum products despite being a net exporter of the same products. They told the court that it takes an average of two months for Dangote Refinery and Petrochemicals FZE to supply products ordered from it, adding that it "hardly ever meets the demand, as trucks wait for months to be loaded at the Dangote refinery, whereas it takes about three weeks to import petroleum products from offshore refiners.

Economic & security implications

Beyond economics, the debate over cheap imports versus local refining is said to have national security implications. Heavy reliance on imports leaves Nigeria vulnerable to global supply disruptions and geopolitical tensions. A sudden shock in the global oil market could lead to fuel shortages and social unrest.

Local refining, proponents argue, offers a buffer against such vulnerabilities. It also has the potential to create jobs, stimulate industrialisation, and retain foreign exchange that would otherwise be spent on imports.

"Energy security is critical for any nation, and Nigeria is no exception," notes retired Colonel Ibrahim Bala, a national security expert. "Investing in local refining is not just about economics; it's about safeguarding the country's strategic interests."

However, local refining is proving to be more expensive than expected. Domestic refineries face high operational costs and limited technical expertise. Moreover, regulatory uncertainty and foreign exchange volatility further complicate operations.

"Refining in Nigeria is not cheap. Unlike in developed economies, where refineries operate with precision and efficiency, our local plants face persistent challenges," says Tony Elumelu, a downstream sector entrepreneur. "If we are serious about local refining, we must be ready to absorb the higher costs or find ways to make it competitive."

Consumers paying the price

For the average Nigerian, the debate over local refining versus imports is academic. What matters most is the price at the pump. Since the removal of subsidies, the cost of petrol has increased by over 300%, triggering a ripple effect across the economy. Transportation costs have soared, food prices have surged, and small businesses are struggling to stay afloat.

"Whether it's imported or locally refined fuel, Nigerians are bearing the brunt of higher costs," says Bisi Afolayan, a trader in Ibadan. "We just want affordable fuel, but it seems like neither option is giving us that."

Balancing Act

The federal government finds itself in a difficult position. While it recognizes the strategic importance of local refining, it cannot ignore the short-term economic relief that imports provide. The deregulation of the downstream sector aims to attract investment and promote competition, but the transition is proving to be painful.

"The government must strike a delicate balance," says energy policy expert Dr. Maryam Sule. "Policies that encourage local refining should be complemented by measures to cushion the impact on consumers. Otherwise, the backlash could undermine the reforms."

As the country grapples with this emerging downstream dilemma, experts argue that a multifaceted approach is needed. This includes: Revamping the country's aging refineries (Warri and Kaduna) to improve efficiency and reduce production costs. Creating a favourable regulatory and financial environment to attract both local and foreign investors into refining and petrochemicals and promoting Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) as alternative fuels to reduce reliance on imported petroleum products.

The debate over cheap imports versus costlier local refining underscores the emerging complexities of Nigeria's downstream oil and gas sector. While imports offer immediate relief, they are a band-aid solution to deeper structural issues. Local refining, though more expensive, holds the promise of long-term economic and energy security.

For Nigeria, the path forward will require careful planning, significant investment, and a commitment to balancing short-term needs with long-term goals. Until then, Nigerians will continue to navigate the painful realities of a downstream sector in transition.

Strengthening Nigeria's Agricultural Value Chain through Finance

By Ese Ufuoma

Agriculture has long been a cornerstone of Nigeria's economy, employing a significant portion of the population and contributing substantially to the nation's GDP. However, despite its importance, the sector faces critical challenges, particularly in financing. Lack of adequate access to finance remains a major constraint for farmers and agribusinesses, hindering the growth and modernization of the industry. As Nigeria strives to diversify its economy and ensure food security, agricultural financing is an essential area that demands urgent attention and innovation.

businessday.ng

To address the financial needs of the agricultural sector, the Nigerian government has introduced several initiatives aimed at improving access to credit for farmers, particularly smallholder farmers who form the backbone of the industry. One notable program is the Anchor Borrowers Program (ABP), introduced by the Central Bank of Nigeria (CBN) in 2015. The ABP provides loans to smallholder farmers for the cultivation of key crops like rice, wheat, and maize, offering affordable interest rates and flexible repayment terms. By linking farmers to off takers and processors, the program also ensures that they have guaranteed markets for their produce, making it a win-win for both farmers and investors.

Another significant initiative is the Agricultural Credit Guarantee Scheme Fund (ACGSF), which was created to provide guarantees for loans extended to farmers by financial institutions. The scheme aims to reduce the risks faced by banks and other lenders in financing agriculture, thus encouraging more lending to the sector.

While these programs have contributed positively to agricultural financing, the need for expansion and improved accessibility remains, particularly for farmers in rural areas.

Beyond government efforts, the private sector also plays a crucial role in agricultural financing in Nigeria. Financial institutions, both domestic and international, are increasingly recognizing the potential of agriculture as a profitable and sustainable investment. However, traditional banks remain hesitant to lend to farmers due to the perceived risks involved, such as fluctuating commodity prices and unpredictable weather patterns.

To bridge this gap, institutions like the Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) have been instrumental in encouraging banks to lend to the agriculture sector. NIRSAL de-risks agricultural loans by providing guarantees and risk mitigation instruments, which help reduce the exposure of financial institutions. This has led to increased credit flow into the sector, especially for agribusinesses involved in food processing and value-added services.

In addition to traditional financing, private equity firms and venture capitalists are also exploring opportunities within Nigeria's growing agricultural value chain. They are particularly interested in agribusinesses that focus on innovative solutions like post-harvest processing, logistics, and storage facilities, which can add significant value to the sector.

Despite the various efforts to improve agricultural financing, significant challenges remain. One of the most prominent barriers is the lack of collateral among smallholder farmers. Traditional lending institutions typically require tangible assets, such as land titles or buildings, as collateral before granting loans. However, many farmers do not own the land they cultivate, making it difficult for them to access credit.

Agricultural financing in Nigeria is at a critical juncture. While government initiatives, private sector investments, and innovative financing models are contributing to the sector's growth, there is still much to be done to ensure that farmers have access to the resources they need. Overcoming the challenges of collateral, high-interest rates, and limited financial literacy will require continued collaboration between the government, private sector, and financial institutions. By creating an enabling environment for agricultural financing, Nigeria can unlock the full potential of its agricultural sector, improve food security, and drive economic growth.

Compressed Natural Gas: **Nigeria's New Energy Frontier**

By Adaobi Rhema Oguejiofor

nuprc.gov.ng

Upon the President's announcement that the petrol subsidy would be removed at the inception of his administration in 2023, many challenges sprang up to counter the otherwise well-meaning policy. Among the major hitches in the system was an escalation in the cost of transportation due to the hike in petrol pump prices, which had a great impact on other sectors of the economy.

To mitigate the negative impacts on ordinary Nigerians' lives and ensure a just transition for all, the presidency unveiled several measures, including the introduction of an alternative fuel, Compressed Natural Gas (CNG). The government launched an initiative to open CNG conversion centres nationwide for motorists to convert their petrol-driven vehicles to gas-powered automobiles.

As part of the implementation of the programme, the government introduced a portal to allow users to convert their petrol-powered vehicles to CNG with an option to pay-later for the conversion costs.

In alignment with this, the Presidential Compressed Natural Gas Initiative (PCNGI) has announced that more than $200 million has been invested in the Compressed Natural Gas (CNG) value chain so far.

The Project Director and Chief Executive Officer (CEO) of PCNGI, Michael Oluwagbemi, noted that the initiative has been able to successfully convert over 100,000 vehicles from petrol to CNG from the inception of the initiative till now.

In a statement, Oluwagbemi highlighted the establishment of about 140 conversion centres across the country, noting that also among the program's achievements, thousands of new jobs and economic opportunities are opening up along the line.

In his own words, "To date, over 100,000 vehicles have been converted from petrol to CNG/bi-fuel-powered, and more conversion centres are being established across the country. In addition, investors are ramping up the development and deployment of CNG infrastructure, with over $200 million already invested across the value chain."

The PCNGI Boss also responded to what he regarded as a "toxic debate" against the initiative in the media, emphasizing the importance of CNG in Nigeria's energy

To mitigate the negative impacts on ordinary Nigerians' lives and ensure a just transition for all, the presidency unveiled several measures, including the introduction of an alternative fuel, Compressed Natural Gas (CNG). The government launched an initiative to open CNG conversion centres nationwide for motorists to convert their petrol-driven vehicles to gas-powered automobiles.

security and the financial savings it could bring. He explained that the shift from petrol to CNG could save the nation approximately $3 billion annually while still contributing an additional $2 billion in revenue over the next three to four years unlike the $10 billion annually spent on petrol subsidy.

According to Oluwagbemi, the initiative has also grown with the number of conversion centres in the country, rising from just seven in 2023 to more than 140 nationwide. He added that over 2,000 Nigerians have already been employed across these centres, and with further expansion, more job opportunities are expected.

Rather than a challenge, the PCNGI Boss said the initiative is an opportunity and the body is deepening the development of CNG infrastructure with its partners.

Speaking on CNG being a much cleaner energy option, Oluwagbemi emphasized that it is also an economically viable and safer alternative. He said that it is lighter and eight times less explosive than diesel and eighteen times less explosive than petrol, adding that it is also more readily available and a more sustainable alternative for Nigeria's energy security.

PCNGI also highlighted that with one million vehicles running on CNG, the overall demand would be just 2.75 per cent of Nigeria's current daily gas production, which is a significant but manageable figure.

Oluwagbemi further provided insights into the investments being made to expand the CNG infrastructure, noting that over $175 million has been spent on mother station investments alone, with 65 new licenses issued. He explained that CNG distribution is also picking up with 75 new daughter stations under construction across the country, and additional containerized and mobile refuelling units are being set up by the private sector working closely with regulators.

Meanwhile, a recent development revealed that the Nigerian National Petroleum Company (NNPC) Limited announced plans to establish about 12 CNG mother stations and mini-Liquefied Natural Gas (LNG) plants across the country.

The announcement was made by Mele Kyari, at the opening of the 42nd Nigeria Association of Petroleum Explorationists (NAPE) Annual International Conference and Exhibition in Lagos.

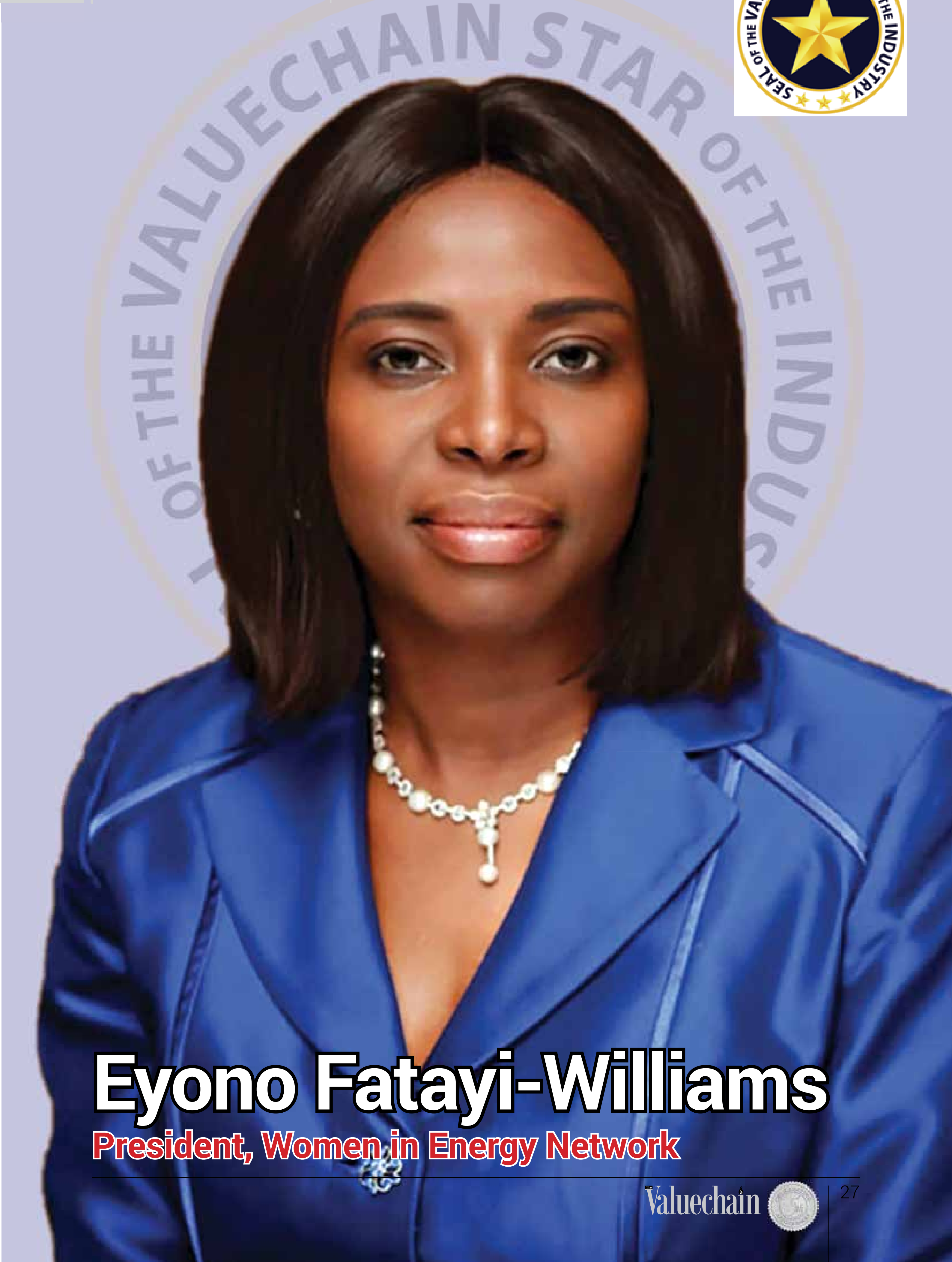
Kyari emphasized that NNPC is committed to tackling the energy trilemma currently facing Nigeria, thereby balancing energy security, sustainable growth, and affordability. He described the projects as a cornerstone of NNPC's vision for Nigeria's energy future, highlighting that the upcoming CNG and LNG initiatives are expected to boost the existing 1.6 billion standard cubic feet (bscf) of gas currently supplied to the domestic market.

While underscoring NNPC's determination to strengthen the country's gas infrastructure and supply chain, Kyari stated that the energy trilemma is a profound responsibility the Company shoulders as stewards of Nigeria's energy future. He further noted that NNPC is working on expanding critical gas infrastructure, including the Ajaokuta-Kaduna-Kano (AKK) Gas Pipeline and the Obiafu-Obrikom-Oben (OB3) Gas Pipeline.

According to him, the Company is also exploring innovative partnerships with private refineries and implementing "Naira-for-crude" transactions. These measures are designed to stabilise the Naira, reduce Nigeria's dependence on foreign exchange, and promote an affordable supply of petroleum products.

The GCEO expressed that CNG and mini-LNG stations will contribute to these goals by providing an alternative energy source, potentially easing the nation's reliance on imported fuels. He added that the upcoming project rollouts, expected within the next three to six months, are part of NNPC's ongoing efforts to expand its energy offerings and make cleaner fuel options available to Nigerians.

Kyari called for collaboration across the industry to achieve these ambitious energy goals, dismissing allegations that the Company is hindering the operations of domestic refineries. He stressed that the NNPC's partial ownership of the Dangote Refinery is, in fact, a strategic move aimed at boosting domestic fuel supplies.



Eyono Fatayi-Williams

President, Women in Energy Network

Eyono Fatayi-Williams

President, Women in Energy Network

By Danlami Nasir Isah

Eyono was Nigeria LNG's first Nigerian IT and Telecoms Manager, instrumental in developing and implementing a solid foundation and unified IT and Telecoms platform for the company with a structure that became a model for the rest of the organisation.

Eyono Fatayi-Williams is a seasoned professional with over 30 years of professional experience, the majority of which has been in leadership roles across diverse industries, including oil and gas, banking, security printing, and manufacturing. Her extensive career showcases her expertise in strategic planning, operational management, and corporate governance.

She is the Director of JDR Energy Resources Limited, and President, Women In Energy Network (WIEN), one of the revered associations for women working in the energy sector. Eyono has

held several management positions in Nigeria Liquefied Natural Gas Limited (NLNG). Prior to her current appointment, she was the General Manager of External Relations; Manager, Human Resources where she was responsible for policy, services, industrial and employee relations; Manager of Commercial Sales Administration and Manager, IT and Telecommunication Services. She worked in Nigeria Security Printing and Minting Company, MBC Intercontinental Bank and HACO, a division of John Holt Limited.

She is an alumnus of the University of Lagos and Leeds Metropolitan University with a Bachelor's Degree in Computer Science and a Master's in Corporate Governance respectively. She is also an alumnus of Cranfield University and INSEAD Business School. She is a John Maxwell Certified Coach, Speaker and Mentor. Eyono is a member of several professional and industry associations including the Nigerian Institute of Public Relations, the Nigerian Gas Association and the Women In Energy Network (WIEN) Nigeria. She's a fellow of the Chartered Institute of Personnel Management (CIPM), Nigerian Gas Association (NGA), and Women in Management and Business (WIMBIZ).

Eyono was Nigeria LNG's first Nigerian IT and Telecoms Manager, instrumental in developing and implementing a solid foundation and unified IT and Telecoms platform for the company with a structure that became a model for the rest of the organisation. Following this, she was also the first Manager for the Commercial Administration of the Sales and Purchase Agreements of the company's products after which she served as HR Manager and was instrumental in implementing lifestyle and family-friendly HR policies on leading-edge work-life alignment and balance practices which provided a good foundation for remote and virtual working.

She is known for her agility, creativity and commitment to capacity building to support people and communities to actualise their aspirations. She is an astute influencer, a dedicated technocrat with a strategic focus on the delivery of business value to stakeholders. Her passion about organisational effectiveness, good governance, and leadership development has led to many game-changing initiatives.

On a volunteer basis, Eyono offers her expertise to support non-profit organisations focused on the rehabilitation of vulnerable girls and less privileged in Africa.

Beyond her professional endeavors, Eyono is passionate about mentoring the next generation of leaders and giving back to the community. She actively participates in initiatives aimed at empowering women and youth, leveraging her experience to inspire and guide others.

From Darkness to Light

Africa's Journey to Energy Security

Africa stands at the threshold of a transformative era, poised to harness its vast energy resources to fuel economic growth, alleviate energy poverty, and cement its position as a global energy provider. As the continent's energy landscape continues to evolve, the ***African Energy Week (AEW): Invest in African Energies 2024*** *conference provided a pivotal platform for stakeholders to convene, collaborate, and chart a unified course for Africa's energy future.*

Against the stunning backdrop of Cape Town, South Africa, the AEW 2024 conference brought together an illustrious gathering of African energy ministers, global industry leaders, investors, and experts. Over three days of intense dialogue, deal-making, and knowledge-sharing, participants delved into the complexities of Africa's energy sector, exploring innovative solutions, forging strategic partnerships, and reaffirming their commitment to empowering the continent's energy future.

This story written by ***William Emmanuel Ukpoju*** *provides an in-depth examination of the AEW 2024 conference, highlighting key takeaways, strategic insights, and expert perspectives on the future of Africa's energy sector. From local content development and energy security to the role of gas in the energy transition and the imperative of regional cooperation, this narrative weaves together the diverse threads of Africa's energy tapestry, offering a comprehensive and compelling portrait of the continent's energy trajectory.*

The African Energy Week (AEW) 2024 conference kicked off in Cape Town, South Africa, with a resounding call to action: "Empowering Africa's Energy Future." As the city's majestic Table Mountain stood sentinel; industry leaders, policymakers, and investors converged to tackle the complex challenges and opportunities facing Africa's energy industry.

The opening ceremony set the pace for a vigorous and action-packed conference, with speakers accentuating the imperative of improving energy access and promoting economic growth across the African continent. Diamantino Pedro Azevedo, Minister of Mineral Resources, Petroleum and Gas, Angola, stressed the need to prioritize energy poverty relief and create an enabling environment for the oil and gas industry to flourish.

"Our priority must continue to be to end energy poverty for all Africans as well as to create an enabling environment where the oil and gas industry can thrive," stated Azevedo. "That is also our priority in Angola. The oil and gas industry will be a fuel for socioeconomic development."

The African Petroleum Producers' Organization (APPO) reinforced this message, stressing the importance of developing domestic energy markets and promoting regional cooperation to drive growth and reduce energy poverty. APPO Secretary General, Dr. Omar Farouk Ibrahim, outlined the organization's vision for creating an integrated, regional, and continental energy market.

"Today, APPO is focused on creating an integrated, regional and continental energy market," stated Dr. Ibrahim. "To create markets, we must create cross-border, regional and inter-regional infrastructure. One of the projects we are working on is the Central African Pipeline System, which aims to link countries through crude oil and gas pipelines."

Mr. Kgosientsho Ramokgopa, Minister in the Presidency, Energy and Electricity, South Africa, added that Africa's pathway lies in seizing control of its energy destiny. "Today, Africa's path forward lies in seizing control of

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Closing Panel Discussants of the 2024 African Energy Week

our energy destiny," stated Minister Ramokgopa. "Our resources make us capable of powering not just our homes and industries but also a new Africa. This will require unity of purpose and a collective resolve."

Financing was reiterated as a critical challenge to building Africa's energy potential. Mary Bruce Warlick, Deputy Executive Director of the International Energy Agency, noted that Africa requires substantial investment to achieve its energy objectives, estimated at $200 billion by 2030.

To address this challenge, the African Export-Import Bank (Afreximbank) and APPO launched the African Energy Bank, a pioneering initiative designed to provide financing for African oil and gas projects. This innovative solution is expected to play a vital role in bridging the funding gap and driving energy growth across the continent.

According to Benedict Oramah, President/Chairman of the Board, Afreximbank, "The African Energy Bank is the first multilateral sector bank in Africa. We expect the bank to significantly contribute towards bridging the funding gap in the African energy sector. It will be open for businesses to have access to funding by February 2025. We invite you to send in your applications to be the first transaction by the Africa Energy Bank, which will be ready in a few months," he said.

As the conference progressed, the excitement was flagrant. Deals were signed, partnerships forged, and new opportunities emerged. The African Energy Week served as a powerful channel for Africa's energy transformation, uniting stakeholders around a shared vision of a brighter, more sustainable energy future for all Africans.

NJ Ayuk, Executive Chairman, of the African Energy Chamber, underscored the need for a unified approach to driving Africa's energy growth. "It is the time for us to tell the African story, written from Cape to Cairo and Kampala to Dakar. We will forge a path that shapes the future. We have work to do in Africa. We sign the baby sign so that we can drill baby drill. Let's not stop getting projects signed," Ayuk stated.

In a significant development, the Nigerian Presidential Advisor for Energy, Olu Verheijen, joined the African Energy Week (AEW) 2024 as a speaker, bringing into line Nigeria's ambitions to drive exploration and production. Nigeria targets a $10 billion investment pipeline in the oil and gas sector. Olu Verheijen highlighted the country's untapped potential in the energy industry and recent reforms aimed at attracting capital. She emphasized Nigeria's historical underperformance in oil and gas production despite its wealth in the industry.

Despite having significant oil reserves, Nigeria has struggled to capitalize on its resources. The country has attracted only 4% of African oil and gas investments since 2016, while other less resource-rich nations have seen significant investment growth. Verheijen noted that Nigeria's oil production is outpaced by countries like Brazil, which has only 30% of Nigeria's oil reserves but produces 131% more.

To address these challenges, President Bola Tinubu's administration has introduced several reforms and initiatives. These include fiscal incentives targeting deep offshore and non-associated gas projects to attract investment. The government has also streamlined approval processes, reducing project timelines from 38 months to 135 days and eliminating the 40% cost premium associated with operating in Nigeria.

Furthermore, the Presidential Gas for Growth Initiative is focusing on midstream and downstream investments in Compressed Natural Gas, Liquefied Petroleum Gas, and Electric Vehicles. This initiative aligns with the broader goal of enabling the displacement of Petrol and Diesel in three key sectors: heavy transport, decentralized power generation, and cooking.

In addition to these initiatives, the government is revamping the power sector to provide more reliable electricity access for underserved consumers. This includes improving revenue assurance and collection, tackling legacy debt, deploying seven million smart meters to reduce losses, and expanding off-grid solutions for remote communities. By 2027, Nigeria aims to ensure 20 hours of electricity daily for consumers in urban areas and industrial hubs.

N.J. Ayuk, Executive Chairman, African Energy Chamber

H.E. Haitham Al Ghais, Secretary General of the Organization of the Petroleum Exporting Countries (OPEC)

Recent macroeconomic reforms, such as petrol subsidy removal and Foreign Exchange liberalization, have also been implemented to unlock Nigeria's vast economic potential and create jobs. Under President Tinubu's leadership, Nigeria is championing reforms to drive growth and development.

Verheijen emphasized that Nigeria is open for business and invited foreign partners to participate in the country's next chapter of growth in the energy sector. With over $1 billion unlocked across the energy value chain and two major investment projects expected by mid-2025, Nigeria is poised for significant growth in the energy sector. The government has also facilitated the transfer of onshore and shallow water assets to local companies with the capacity to grow production while supporting the transition of International Oil Companies (IOCs) into deep offshore and integrated gas.

During a pre-conference workshop, a Local Content Masterclass, sponsored by the Nigerian Content Development and Monitoring Board (NCDMB), highlighted strategies to strengthen indigenous participation in the African oil and gas industry. Led by professionals from NCDMB, the Masterclass emphasised strategies and achievements for building Nigeria's local content capacities. Abayomi Bamidele, Head of Project Certification and Authorization at NCDMB, set the pace for the discussion by underscoring the importance of local content development. He traced the establishment of the NCDMB back to the Nigerian Oil and Gas Industry Content Development (NOGICD) Act of 2010, which provides the framework for guiding and monitoring local content practices. "Our mandate is to implement procedures that ensure indigenous participation in Nigeria's extractive industry," he said.

Dokubo Philip Obongo, Manager of Institutional Strengthening at the Capacity Building Directorate at NCDMB, stretched on the industry's present landscape, giving vital statistics: "Nigeria holds 37 billion barrels of oil reserves, 206.53 trillion cubic feet of gas, a population of 220 million – 60% of which is working-class – and a growing $374 billion GDP."

Obongo highlighted early challenges in focusing primarily on crude oil production without adequate attention to local workforce development and machinery. Addressing these, he detailed six key pillars for promoting local content: regulatory frameworks, gap analysis, capacity building, funding, research and development (R&D) and market access.

Explaining the regulatory framework, Obongo emphasized the need for trust, transparency and clear rules, all grounded in the NOGICD Act. "The law must not only promote investments but also adapt to local realities," he stated, noting NCDMB's role in setting in-country value benchmarks and ensuring oversight.

On gap analysis, he stressed the importance of data. "In 2010, local content levels were below 5%. Today, we have achieved 54%, to reach 70% by 2027," he revealed. This progress comes from monitoring and setting tangible targets.

He also addressed capacity building, which NCDMB approaches through major project implementation and structured training. "Continuous, project-based training helps equip Nigerians to handle increasingly complex industry demands," he explained.

Progressing the discussion, Ifeanyi Ukonu Ukoha, Director of Finance and Personnel Management at NCDMB, elaborated on the outstanding pillars.

"Capital is king in supporting local content," Ukoha said. Pointing out that the NOGICD Act mandates that 1% of upstream oil company budgets go towards local content initiatives, Ukoha explained their strategy to support energy stakeholders at NCDMB by promoting collaboration. "We've partnered with banks, like 50 USD million collaboration with the Nigerian Bank of Industry to support SMEs," he stated.

Speaking on to R&D, Ukoha emphasized stimulating local innovation. "Nigeria spends only 0.6% of GDP on R&D, compared to over 3.6% in the U.S.," he noted. NCDMB has committed 50 million USD to research, aiming to commercialize innovations and foster collaboration between industry and academia. "We need to stay ahead of industry trends through continuous innovation," he added.

The concluding pillar, access to markets, focuses on helping local companies scale commercially. "We hold market education workshops and encourage partnerships to ensure local players can compete effectively," Ukoha clarified. He emphasized the importance of aligning local market capabilities with the African Continental Free Trade Area while protecting investments and supporting regional growth.

At the end of the Masterclass, Ukoha reaffirmed that local content is about domestication, not nationalization. "It's a long-term business strategy, not corporate social responsibility," he clarified.

Meanwhile, companies from Nigeria's indigenous firms; ND Western, Aradel Holdings, the Petrolin Group, First E&P Development Company and Waltersmith Petroman Oil Ltd., discussed their evolving business portfolios during the AEW.

The discussions explored the shifting dynamics in the Nigerian upstream sector, focusing on the trend of IOCs divesting shallow water and onshore operations in favour of deepwater acreage.

"The opportunity to step into IOC shoes in shallow water and onshore is not easy. However, the beauty of divestment is, that because it is onshore, the basic infrastructure is there. As indigenous players, it allows us to demonstrate our local know-how and play to our strengths in terms of terrain," said Olarewaju Daramola Aradel, General Manager – Commercial, Aradel.

The session underscored the current exploration and production capacity of indigenous firms, with Nigerian independents carving out strong competitive advantages in shallow water operations and developing strategic capabilities that can be applied across the value chain. First E&P, for example, represents the first indigenous company to develop a greenfield asset in Nigerian shallow water.

"We are deeply rooted in the science of the business. We look for technologies and development concepts that drive a UDC of $5 per barrel and a UTC of $15 per barrel. We are laser-focused on execution. This has created a competitive advantage in the shallow water offshore space," said George Toriola, Chief Strategy & Operation Officer, First E&P.

Nigerian independents are driving significant increases in gas production and discussed plans to serve local and regional markets, with the potential to expand into midstream and downstream sectors in the future.

"We are the second-largest producer and supplier of gas to the domestic market in Nigeria, as well as regional sales to West Africa. We are currently producing 300 million standard cubic feet of gas per day and have a work program where we intend to double that production," said Lanre Kalejaiye, CEO of ND Western.

As for Oladapo Filani, CEO of Waltersmith Petroman Oil Ltd; "We have grown from a strictly upstream business to an integrated company with viable business lines across the oil and gas value chain.

"We are investing in targeted, viable projects that translate our oil and gas resource base into midstream gas processing and gas exports."

On the other hand, global energy demand is anticipated to increase 27% by 2040, with fossil fuels projected to account for the lion's share of the world's energy mix beyond 2050. Meeting this demand will require alternative energy supplies, and Africa, with over 125 billion barrels of proven oil reserves and 620 trillion cubic feet (tcf) of proven gas, is uniquely positioned to drive global energy security efforts.

Central to this, the opening panel discussion at the African Energy Week, explored how African energy resources drive global energy security. With a large share of Africa's proven oil and gas reserves unexploited and regulatory reforms strengthening the business environment across the continent, Africa has emerged as a highly competitive investment destination.

According to Atul Arya, Senior Vice President and Chief Energy Strategist at S&P Global Commodity Insights, "There is no shortage of potential in Africa. The transition is going to be multidimensional and multi-fuelled. In Africa, we have seen $58 billion invested in upstream activities in 2019 and it went down to $20 billion in 2020. We hope to see it hit $58 billion in the coming years again," he stated.

Africa's biggest producers continue to invest heavily in exploration and production aiming to increase output and exports. In 2024, Nigeria launched its latest licensing round; energy majors have resumed exploration in Libya while Angola is preparing to launch its next offshore bid round. These efforts will drive production growth in Africa, consolidating the continent's position as a global supplier.

"Nigeria has enormous potential. We have about 37 billion barrels of crude and 209 tcf of gas. However, we believe that we have a lot more than that. We believe that we can produce 2.5 million barrels per day (bpd) within the next year. Today, we produce 1.7 million bpd. By addressing our decaying infrastructure, we can boost output," said Sen. Heineken Lokpobiri, Minister of State for Petroleum Resources (Oil).

Additionally, international oil companies like Chevron are driving a multi-energy approach to generate high returns and unlock new sources

R-L: Olu Verheijen, SA to the President on Energy Matters, MB Usman, CEO Valuechain Media Group and Dr. Mustapha Lamorde, the Executive Director (HSEC) NMDPRA

L-R: NJ Ayuk, Sen. Heineken Lokpobiri, Marcel Abeke, Minister of Petroleum for Gabon and Haitham Al Ghais

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of sustainable energy for Africa. Liz Schwarze, Chevron's Vice President of Global Exploration, explained "The future energy mix will have oil and gas in it for much longer. As we grow our business worldwide and reduce the carbon intensity of our operations, one of Chevron's strategic areas is Africa. This is because there is tremendous potential, from rocks and geology to a welcoming environment. Ultimately, this will enable us to deliver energy where it is most needed."

Moving forward, industry stakeholders and regulators discussed strategies for achieving energy security, underscoring enhanced regional collaboration and infrastructure development. To achieve long-term energy security, Africa's upstream and downstream industry stakeholders must collaborate to develop and implement a practical roadmap for transitioning the continent's primary energy mix toward a more sustainable, lower-carbon future.

Speaking on the subject, Mustapha Abdul-Hamid, President of the African Refiners & Distributors Association and Chief Executive of the National Petroleum Authority of Ghana, said "The upstream and downstream must collaborate. Nothing moves without refined petroleum products. This collaboration involves both African governments and regulatory frameworks – the basic structure must be in place before people can collaborate."

According to John Anim, Managing Director of Platform Petroleum, "Energy security is not just an economic imperative, but a foundation for stability. The demand for energy in Africa is surging at an unprecedented pace, with rapid economic growth and urbanization driving our energy needs."

For Christophe Malet, Founder & CEO, of Astrava Ltd., "This requires Africa to address the need for incremental energy. The economy itself is about energy being transformed to create economic and social development at all levels, whether supporting industrialization or developing infrastructure."

Members of the panel emphasized infrastructure as a crucial element in maximizing energy delivery to regional markets. This includes distribution infrastructure such as gas and product pipelines and LPG plants, aimed at promoting intra-regional trade of African crude oil and petroleum products while reducing imports.

"We have a lot of resources on the African continent – partner on those, put the infrastructure in place. This is what Africans should be looking at if they want energy security – building infrastructure within the continent while driving exploration and refining. Not importation," said Dr. Omar Farouk Ibrahim, Secretary General of APPO.

Gas was highlighted as a critical tool for achieving energy security on the continent, able to provide a reliable energy source and bridge the gap between traditional fossil fuels and renewable energy. Its versatility in power generation, industrial applications and domestic use positions it as a key component of Africa's energy transition strategy, enabling a more stable electricity supply and promoting economic growth across the continent.

Building on energy security, global oil demand is another area of focus; global oil demand is projected to reach 120.1 million barrels per day (BPD) by 2050, while energy demand will rise 24% during the same period, says OPEC Secretary General, Haitham Al-Ghais.

Delivering a keynote address at the African Energy Week, Al-Ghais said that African producers will play a central role in meeting rising demand. "Demand will be fuelled by a world economy that is expected to more than double in size to more than $360 trillion by 2050. Driving this economic growth is the rapidly expanding world population, expected to reach 9.7 billion from the current 8 billion. Urbanization globally will continue to intensify. Over 600 million people are expected to move to new cities around the world, including Africa," he said.

Al-Ghais spoke against the backdrop of the 18th edition of OPEC's recently launched World Oil Outlook (WOO) which was launched in September 2024. The edition featured a review and assessment of the medium- and long-term prospects for the global oil and energy sectors. The publication offers a comprehensive analysis of global supply and demand dynamics while taking into account the relationship between energy security, energy affordability and the need to reduce emissions.

For Africa, which faces an energy crisis with over 600 million people lacking access to electricity and over 900 million people lacking access to clean cooking solutions, increasing oil and gas production is a fundamental requirement. As such, Al-Ghais emphasizes the need to increase investment in oil and gas.

"Oil and gas will remain the predominant fuels in the energy mix. To ensure security of supply to fuel this demand, our industries need to invest and boost investment levels significantly in the years to come," he explained.

Nevertheless, Al-Ghais pointed out that "For Africa, the future looks bright. It has an estimated 125 billion barrels of proven reserves of oil. African countries must develop these resources with access to the necessary funding and technology. This is vital for the eco-

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H.E. Gabriel Mbaga Lima, Equitorial Guinea's Minister of Finance, Economy and Planning with other participants during the AEW

Olu Verheijen


R-L: MB Usman, H.E Haitham Al-Ghais, Dr. Omar Farouk Ibrahim, and an Aid to OPEC Secretary General

nomic and social development of the continent and its people."

On the other hand, when it comes to the climate crisis, the global oil and gas industry is part of the solution, not the problem. This was emphasized during OPEC's roundtable discussion at the African Energy Week conference.

With energy demand projected to increase 24% between now and 2050, the roundtable discussion underscored that prioritizing investments in low-carbon technology should be top of the agenda in climate discussions. Effectively, the industry can take a leading role in reducing global greenhouse emissions through investments in carbon capture and storage technology. Collaboration with organizations such as OPEC can accelerate the dual goals of meeting rising demand while lowering global emissions.

"Our position is that climate negotiations have to take into account the principle of common differentiated responsibilities and respective capabilities. The Paris Agreement [on climate change] is about reducing emissions, not about choosing a source of fuel above another. It is not about leaving fossil fuels in the ground. Oil and gas are not the culprits but part of the solution," said Haitham Al-Ghais.

Increasing crude production remains top of the agenda for many African countries. With over 600 million people living without access to electricity and 900 million without access to clean cooking solutions, the development of crude oil reserves stands to meet rising energy demand while driving economic growth.

Sen. Heineken Lokpobiri posits that the development of oil and gas can catalyze the renewable energy industry. "For countries in Africa, we cannot be told that we should remain in energy poverty, with the low industrialization that we have. To develop solar, wind and green hydrogen, you need financing. Those energy sources currently have limited investment. Our ambitions are to see how we can raise the funding required for the energy mix, using fossil fuels," he said.

In light of the above, it's worth exploring Afreximbank's talks about Energy Projects Financing at the AEW.

Helen Brume, Director of Project & Asset-Based Finance at Afreximbank, presented the bank's strategic initiatives for financing energy projects across Africa.

"With a mandate to promote trade and infrastructure on the continent, Afreximbank has grown its asset base to $37.3 billion and maintains investment-grade ratings from major agencies, including S&P and Moody's," explained Brume.

To boost energy investment across Africa, Afreximbank will launch the $5 billion African Energy Bank in January 2025. "Our commitment to Africa's energy future is clear, with over 32% of our balance sheet dedicated to energy projects," she stated. The bank has already played a pivotal role in financing key projects such as Angola's Cabinda refinery, the Dangote Refinery and Petrochemicals complex and an LNG train project in Nigeria.

To facilitate financing, Afreximbank has set up pre-financing support services to help projects meet eligibility requirements. Brume highlighted challenges in the sector, such as capital intensity, regulatory hurdles and infrastructure deficits, noting, "Projects must demonstrate economic viability, access to markets and feedstock, risk management and experienced leadership."

The bank's criterion for support includes cross-border impacts and alignment with thematic focus areas like renewable energy. Brume concluded by emphasizing Afreximbank's unique position, not only as a financier but also as an insurer through its subsidiary, AfrexInsure. "We're here to make projects bankable and ensure their success from inception to completion," she added.

Meanwhile, in recognition of outstanding achievements in the energy sector, the African Energy Week (AEW): Invest in African Energies 2024 Awards Ceremony, was a night to remember, as 12 outstanding individuals and companies were honoured across 10 categories. The prestigious annual awards celebrate those making a lasting impact on Africa's oil, gas, and energy sectors, driving progress toward continent-wide energy security.


Dr. Segun Kuteyi, Director Chevron Nigeria Limited (R) and MB Usman

Notably, the evening's highest honour – the Mohammad S. Barkindo Lifetime Achievement Award – was awarded to three recipients. This prestigious award recognizes a sustained, decades-long career marked by visionary leadership, groundbreaking innovation, and lifelong dedication to Africa's energy future.

Benedict Oramah, President/Chairman of the Board of Directors of the African Export-Import Bank, was one of the recipients. With over 30 years of experience, Oramah has been instrumental in financing African energy projects that drive industrial growth, intra-African trade, and energy access.

Dr. Omar Farouk Ibrahim, Secretary General of the African Petroleum Producers' Organization (APPO), was another recipient. Under his leadership, APPO has significantly advanced the African energy sector, notably through the 2024 launch of the Africa Energy Bank.

Nikki Martin, President and CEO of EnerGeo Alliance was the third recipient. Martin has been instrumental in championing technology and data-driven strategies to boost exploration efficiency while enhancing environmental sustainability across Africa.

Other notable winners included Meg O'Neill, CEO and Managing Director of Woodside Energy, who was recognized as the Energy Person of the Year. bp was awarded the ESG Leader of the Year, while Africa Global Logistics took home the Service Provider of the Year award.

The Deal of the Year award went to Oando-NAOC for their $783 million acquisition of Eni's 100% stake in the Nigerian Agip Oil Company (NAOC). Perenco was recognized as the Local Content Champion, while the Ministry of Mineral Resources, Oil and Gas of Angola was awarded the Reformer and Change Maker of the Year.

Woodside Energy was named the E&P Leader, and EG LNG and Perenco were joint winners of the Gas Monetization Award. TGS/PGS took home the Geoscience and Data Management Project of the Year award, and the ExxonMobil Africa STEM Challenge was won by a team of students from Angola.

These awards celebrate the outstanding achievements of individuals and companies in Africa's energy sector and serve as a testament to the continent's growing influence in the global energy landscape.

At the end of African Energy Week, African leaders emphasized the continent's crucial role in addressing the climate crisis during the closing panel of the African Energy Week: Invest in African Energies 2024 conference. Looking ahead to the COP29 conference, panelists stressed the need for Africa to adopt a unique approach to the energy transition, leveraging gas to enhance energy security and fuel a cleaner future.

Ministers from the Republic of Congo and Nigeria reiterated Africa's energy poverty, with over 600 million people lacking access to electricity and 900 million without clean cooking solutions. They argued that Africa's priority must be energy security, with natural gas playing a key role.

Speaking exclusively to ***Valuechain,*** Ayuk pointed out "We're not ready, but we must be ready," referring to Africa's goal of achieving energy security by 2030. "We don't have a choice, you have a continent where the majority of the people are young, under 25, you cannot look at them and say we're going to have a continent that is not ready for them."

Ayuk also emphasized the need to reduce above-ground risk issues, such as bureaucratic delays, to accelerate project approvals and development. "We need to seal this moment with above-ground risk issues," he said. "It shouldn't take so long to approve a project and the time you need to build that project."

Looking ahead to the African Energy Week 2025, Ayuk promised a "blockbuster" event that would stay true to its African roots. "We're going to bring young people right at the heart of it," he said. "We're going to stay with our message: Drill Baby Drill, that's what African Energy Week is going to be about, and we're not changing that."

By prioritizing energy security, reducing above-ground risk issues, and empowering young people, Africa can take charge of its energy future and become a solution to the climate crisis.

As the curtains closed on the African Energy Week 2024, a palpable sense of optimism filled the air. The conference had ignited a renewed passion for harnessing Africa's energy potential, and the collective pledge to drive growth, reduce energy poverty, and promote sustainable development resonated deeply.

NJ Ayuk, Executive Chairman of the African Energy Chamber, stood at the forefront, his voice filled with conviction. "Africa's energy landscape is poised for transformation. We possess the innate potential, the intellectual capital, and the unwavering resolve to succeed. Together, we can forge an energy sector that propels our economies, uplifts our communities, and preserves our environment."

The audience erupted into applause, their faces aglow with a shared sense of purpose. As the lights dimmed, a vibrant visual tapestry unfolded, showcasing Africa's kaleidoscopic cultures, breathtaking landscapes, and pioneering energy initiatives. The display culminated in a powerful affirmation: "Africa's energy future is ours to shape."

At this moment, the African Energy Week 2024 conference transcended mere rhetoric, becoming a testament to the continent's unyielding spirit and its capacity to shape a brighter, more sustainable energy future.

'Africa Must Look Inward to Achieve Energy Sufficiency' — Dr. Omar Farouk Ibrahim

*The African Energy Bank, an initiative of the African Petroleum Producers Organisation (APPO), is poised to revolutionise the continent's energy sector. In this exclusive interview, **Valuechain's William Emmanuel Ukpoju** deliberates with APPO Secretary General, Dr. Omar Farouk Ibrahim, as he shares insights into the bank's objectives and the future of Africa's energy industry.*

According to Dr. Ibrahim, the African Energy Bank aims to provide financing for the development of Africa's oil and gas resources, prioritizing the needs of Africans. The bank has already secured significant funding and is expected to commence operations in the first quarter of 2025.

Dr. Ibrahim emphasized the need for Africa to develop its energy market rather than relying on foreign aid or grants. He cited the example of Nigeria's innovative approach to funding local content development through the Nigerian Content Development and Management Board.

The APPO Secretary-General also highlighted the importance of regional cooperation and knowledge sharing in driving Africa's energy growth. He noted that APPO is working to establish regional centres of excellence in oil and gas, which will facilitate the development of indigenous technologies and expertise.

As Africa strives to achieve energy independence and end energy poverty by 2030, the African Energy Bank is poised to play a pivotal role in driving this transformation. With its focus on empowering African energy producers and promoting regional cooperation, the bank is set to unlock the continent's vast energy potential and propel Africa towards a brighter energy future.

Good day Your Excellency. Let me begin by congratulating you, APPO, on successfully launching the African Energy Bank. Could you give us an overview of your purpose here in South Africa, and what's APPO into lately?

Let me start by saying I am in South Africa to attend this year's African Energy Week along with industry and various government officials across Africa and beyond to discuss Africa's energy poverty and find solutions to our energy problems. Africa cannot afford to lag especially when it comes to solving our energy needs. Today we have modern energy for cooking; we have over 125 billion proven crude oil reserves and over 600 trillion cubic feet of gas.

Are we going to leave these resources in our subsoils because the world has said it's moving on from oil and gas, or because we don't have the finances? We believe that Africa has money, the question is how to prioritise this expenditure, energy is critical to survival, so we came together to establish the energy bank, and in the last 2 years,

Dr. Omar Farouk Ibrahim

since the MoU was signed between APPO and Afreximbank, in 2022, we've made tremendous progress, we have been able to get the establishment agreement and the chatter of the bank, signed by the 2 founding organisations, we've been able to get the treaty already enforced because our establishment agreement said that even though all APPO member countries are going to be members, once you have 2 to sign and rectify, the treaty will come into force and the others would join. Last October 24, President Tinubu of Nigeria signed the rectification of the establishment agreement of the African Energy Bank. Earlier on the President of Ghana, Akufo Addo had done the same thing for Ghana, so that hurdle has been cleared.

The second is the headquarters; on the 4th of July, our member country's ministers met and made a decision on which country was going to host the headquarters of the bank and Abuja Nigeria was chosen. Nigeria has identified the building; they're trying to put the finishing touches to make it available for us; according to the minister, by the end of this month. We are targeting the first quarter of next year for the bank, we have already raised about half of the money we need to be able to start the bank, the equity capital of the bank is about 5 billion dollars but we are not going to raise 5 billion before we start the work, we have agreed that raising 500 million (USD) will get it started and when people see that you're serious, they'll bring in their money.

The bank is going to focus primarily on oil and gas to ensure that we're able to bring out our oil and gas; also primarily for the use of our people. We are not looking at producing oil and gas today to export as we have done in the past

Talking about funding, you did say that you have half on the ground, and you're preparing to get the other half after the take-off. Are there any strategies involved in getting this half?

No, we are not saying that we have half on the ground, we'll get half when we start. No, we'll have 100% of what we need before we start by the end of the first quarter of next year. I want you to understand that the 50% that we got so far, we got it even before we had signed the establishment agreement, but with the signing of the agreement in July, the tempo has risen a lot in our member countries because they see that yes, these guys are serious, and in the last three, four months, the efforts from our member countries to raise these funds have increased tremendously. We are confident that by the end of the first quarter of next year, we should be able to raise the funds we need. As I told you, it is a partnership between APPO and Afreximbank, we are bringing half, and Afreximbank is bringing half. Afreximbank; the money is not a big problem because the bureaucracy is not there, once they get the approval of their board, they can… but with us, even though you can get approval of the necessary levels of approvals, there are always some bureaucracies that delay the release of the funds.

Let's look at the AEW, if you look at its main objective, which is bringing African Energy leaders in the private and public sectors to see how they can promote African Energy. What is your assessment, has it been able to achieve this goal?

Relative to the age of African Energy Week, I believe we've done tremendously well. AEW came post Covid19, and the attraction and support that it has received from our member countries from Africa generally, even outside Africa both at the policy level with ministers and at operations in the NOCs and private sector, has been most encouraging, I think we are on the right path, the themes of the various sessions are very topical, they address the critical challenges that are facing the industry as well as the imminent ones, we hope that in the future, this would go beyond just seminars and sessions but we want to be able to introduce in AEW… I don't know if you were at the opening ceremony, but I spoke on the challenges we had in the last three years, where there is unhealthy competition between event organizers in Cape Town and across the continent, inviting the same type of people, discussing the same issues, most of the time doing this back to back. One of the challenges I was given by Minister Mantashe of South Africa, Minister Itoua of Congo, and Minister Gabriel of Equatorial Guinea was that "Look, SG, you are the leading energy organization in the continent, it doesn't make sense for us to come to Cape Town today, go home, and one or two weeks later, we come back, streamline this."

I had a series of negotiations with African Energy Week; by the way, APPO has been a partner in Africa Energy Week from day one, and also with Africa Oil Week.

Eventually, we've been able to agree that Africa Oil Week is now moving to Accra from next year. Africa Energy Week remains here.

You may be aware that in the past, APPO has also been organizing what we call the CAPE: African Petroleum Congress, and Exhibition. It was stopped some three years ago. Upon assuming office as Secretary General, the first CAPE that was held was in Angola, and honestly, I didn't like what I saw because if this is okay, then what is worth doing is worth doing well, so I didn't continue with it.

But we've now agreed that these ones would remain in the regions and we are going to have a truly continental energy event, and we will be going around, not like we used to do in APPA when it goes around countries in alphabetical order. No, we are going to do rotates by regions, North Africa, Southern Africa, Western Africa, Eastern Africa and Central Africa.

When we are going to Northern Africa, we collect the countries there and ask them to choose which country is prepared to host, we will go and see if they have the right facilities to host that event.

I had a series of negotiations with African Energy Week; by the way, APPO has been a partner in Africa Energy Week from day one, and also with Africa Oil Week.

We are going to focus not so much...; Cape Town, African Energy Week, Africa Oil Week, and MSGBC, let them do the talking, the critical thinking. We are more interested in seeing a display of technology of oil and gas that have been done indigenously in Africa, so we will be focusing on that and we'll go round the continent. So basically, this is what we are looking at, I believe African Energy Week has done very well, and it will continue to do well. I believe also that Africa Oil Week will continue to do very well in the western part of the continent. And we'll have these things as regional events. And then we'll have a truly Pan-African one.

All of them, African Energy Week, Africa Oil Week, and MSGBC will all come together and support APPO. We want them to be co-owners or co-partners in this.

From a professional point of view, I would like to get your perspective; AEW is talking about ending energy poverty by 2030, looking at members of the APPO, and what they've done so far in the energy sector, I'd like you to give us an informed opinion of what you think about this. Is it achievable come 2030?

There is nothing unachievable about it. The first step, as I said, is ensuring that we identify the challenges that will make it impossible for us to reach that goal. The first, as we identified it in a major study conducted by APPO, is the financing of the industry, and as you can see, we have gone beyond just theory into practice, practically established an institution that we believe will make a big difference, will be a game changer in the financing of the oil and gas industry.

As I said, we are going to finance the oil and gas industry for the use of Africans. The second challenge is that of technology and expertise. APPO is leading a big drive towards the creation or establishment or identification of what you call regional centres of excellence in oil and gas, in the upstream, in the midstream, and in the downstream.

It doesn't make sense today for us to continue each country thinking or believing that it can do, it can excel in upstream, in midstream, in

Dr. Omar Farouk Ibrahim

downstream, in gas, no. We don't have the resources, we don't have the money, we don't have the technology.

So why don't we come together and agree that, okay, in the upstream sector, country A has gone the farthest today, why don't we all pool our resources there to make it even excel?

Country B in downstream, it is the best.

Country C is in midstream.

Country D is in the services.

When we have done this and gradually another set, phase two, we'll still have another set of centres of excellence, it's not going to be just one. When we do that, we can now guarantee that we have what it takes to bring our oil and gas from the subsoil out, because those on whom we have depended in the last 70 years or more for oil and gas technology are closing down their faculties of oil and gas now, so before you know it, the technology will not move anymore. There wouldn't be any technology or new sciences; and the day you lose that, then you've lost exploration, because I always say this, that when I was in secondary school, we used to be told that there was soon going to come what we call the peak oil, oil will end. So even if you go to school, you cannot get a car because cars will not be out. Between that time, 1970 something to date we have consumed so much oil, yet the world reserves of today are more than what they were in 1970. It is not that more oil has been created. The technology of finding oil has improved. So the moment that technology stagnates, then there is stagnation in finding, and that will be the end of it. So, we have to do that. The third challenge is; that we export 75% of the crude oil we produce in Africa today. We export 45% of the gas that we produce in Africa today. Those to whom we're exporting these are now telling us they are looking for alternatives and they are determined to get it, and when they do get it, they'll abandon our oil and gas. What happens to those treasures in the ground? The only way is for us to develop our own market. I had earlier said we have 600 million people who don't have electricity, nearly 1 billion who don't have access to modern energy. So it is a big fallacy to say that we don't have the market. No. We've been made to believe that Africans are too poor to buy energy. I want you to show me one society in the world that has been able to lift its people from poverty to prosperity without making available to them ample energy. So the challenge is for us to empower our people to access energy.

And when you do this with nearly a billion people without access to modern energy, 600, there is a huge potential market. Develop that market and you'll find that with the seven million barrels that we produce today, it's not even enough for us. Once you lift people out of poverty, from being underdogs to coming to the middle class, the consumption of energy increases, the demand increases, and the resources with which to buy these things increase. So we are convinced that the way we are going, we are leading the way, and we are convinced that barring any unforeseen circumstances, we should be able to, if not immediately, by 2030, not very long after that.

Talking about developing Africans, is there any form of a deliberate strategy by APPO to promote local content, especially with the exit of the IOCs and divestments, what are the strategies on the ground for APPO to promote local content?

One of the first things we did on assumption of office as Secretary General of APPO is to, before… during APA days, we only had a meeting of experts and a meeting of ministers, and we said, no, you can't make much progress with simply making policies, policies, policies, you need to involve those who are operating the industry, and we now created the forum of CEOs of APPO NOCs.

For the first time in 2022, chief executive officers of 15 out of the 18 APPO member country NOCs, sat together in Luanda, Angola, and got to know each other, many of them didn't know each other, they were seeing each other for the first time.

We've had six meetings since that time and I'm pleased to say that the response has been very, very, positive. There was never a time we got in attendance less than 12 CEOs out of 18 and minimum, if a CEO doesn't come, he will send his deputy. In the six meetings we've had, the CEOs exchanged thoughts, exchanged ideas about the challenges they face in the industry and came up with ideas of how best to handle them. That informed the creation of the forum of directors of research, innovation and development in the oil and gas industry. We created another forum for directors of training institutions of oil and gas in Africa. The objective of these two fora is essentially to work on Africans being able to have full control of the technology of that industry, of enhancing the capacity of our people to work in these fields. So, we look forward to having these original centres of excellence, these training institutions and a lot is being done. Two years ago, NOCs in African countries, each was looking to Europe, today, it has changed. The GCO of NNPC will pick up his phone and call his colleague from Angola or fly to Algiers to exchange thoughts and challenges. In the past, they would wait for Total or Chevron or Mobile, or they fly there. This is changing, Africa is changing for the better, and I assure you that the pace at which these changes are going to take place will surprise many people.

Let's look at technology transfer; Your Excellency, you spoke earlier on, that very soon, as the IOCs are leaving, technologies will become obsolete and there is a need to develop our technology. Is there any form of deliberate attempt by APPO to see that eventually when the IOCs leave, we'll no longer have to run to them like you mentioned? Do we have the right technicality on the ground, if we do, we'll love to hear about it, if we don't, what are the strategies on the ground?

First of all, let me make it very clear, there are some concepts that we use in Africa that we have no business using. "Technology transfer". What is technology transfer? I totally disagree with that concept. Nobody will transfer technologies that they have developed and give to you, the Chinese didn't get developed to beat Europe and America the way they are by simplicity sitting to do, no. Look, in every person that God has created; He has given every society some innate capabilities. You either bring it out of you, or you just keep it there, latent, and you rely on others.

One of the biggest problems we have on the African continent is that we are becoming more and more intellectually lazy. We are not rigorous. We would rather look to studies, and research, done outside. I talked about regional centres of excellence. They address the issues you're talking about, the objective of these regional centres of excellence is not; you talked about local content and so on. Those can be done at the national level because, at that level, you're just empowering a vast majority of lower artisans, etc. But some things are beyond the lower and middle operators in the industry. These are people who just sit and think of imminent challenges and try to be proactive in addressing them even before they have arrived.

I am very confident that we have enough Africans, whether on the continent or in the diaspora, to come and make Africa grow technologically, but to do that, particularly, for the diaspora, you'll need to create the enabling environment. Our societies can be very stifling. Our rules and regulations can be very stifling. I think instead of sitting there, looking forward to bringing technologies developed from outside, let us ask ourselves what can we do to indigenize these technologies. No country, no society can transfer technology to you, and if they do, they are not helping you, because you don't know the very foundation of that technology. That is why today when your refineries are broken, you can't do it. You can't fix them; you still wait for those… and the danger, especially with the energy transition, is that we have all these big, big structures, the moment those who are fabricating the spare parts decide not to continue, then these projects become just white elephants, they are there, you can't use them. See what's happening in Nigeria. How many refineries have been comatose for the last so many years? If we were the ones who manufactured, and fabricated those refineries, well of course I know the corruption factor is there, but it wouldn't have been as bad as it is today.

Talking about funding, especially for research and development; oftentimes you hear especially in Africa, mostly in a country like Nigeria, saying there is not enough funding, or they can't access funding to be able to carry out this research to develop the sector. I don't know if there is anything on the ground from APPO to propagate or help people, especially those seeking to carry out research and development in the oil sector.

I have said it severally; I have never believed that Africa has no money, it is just a matter of prioritising. And I have also never believed that any person or society can develop solidly on the basis of aid or grant. The earlier people began to look within for the solution to their challenges, instead of looking outside for people to help them, the better. When we were going to start the African Energy Bank, many people said, where is the money going to come from? I said we don't want money from outside until after we have started our bank.

Where will you get the bank, I said, from Africa, and I'll give you an example of why I believe Africa is rich. I worked at the OPEC Secretariat between 2003 and 2010. When I went to OPEC in February

One of the biggest problems we have on the African continent is that we are becoming more and more intellectually lazy. We are not rigorous. We would rather look to studies, and research, done outside. I talked about regional centres of excellence.

2003, oil prices were considered low if they went below $22 per barrel. They were considered high if they went beyond $28. So there was an effort, they called it a price ban. Just make sure the oil price is between these two bands. Between 2003 and 2008, in a matter of five years, oil prices jumped from $22 to nearly $150 per barrel. At the same time, global production increased by about 3 million barrels. Every single oil-producing country increased production.

Nigeria produced 2.5 million barrels in 2005, the highest volume it has ever produced. The question is, if we all know that oil and gas are the mainstays of our economy, what did we do to make sure that part of that windfall was devoted to financing that industry so that we don't continue to be dependent on foreign financing? That wasn't done, instead, we used it on so many things, and we've continued to be dependent on foreign financing. I'll give you another example. In 2020, when COVID struck, by the middle of the year, when many countries were preparing their budget for 2021, not a single country in Africa, not even Saudi, budgeted, expecting oil prices to go beyond $40 for 2021. Remember, in April, the oil price was in the negative, they were saying, come and take a barrel, we will give you $37 to go and find a place to dump it. The reason is, that they don't have storage, and if they retained it, they were going to be forced to shut some wells, and it's dangerous to shut a well because you come to bring it back, you may lose it forever. So they'd rather pay to get rid of it than to shut that well.

So many people were afraid. By September 2021, oil prices had reached almost $80 per barrel. What did we do with the extra money that we got that was not budgeted for? So the point is, it's a question of prioritizing, if you prioritize, you'll be able to get the money.

In the case of Nigeria, I think Nigeria has been very innovative, you know, there's a special fund for local content at the Nigerian Content Development and Management Board. They make sure that if you have projects that will help the industry, help Nigeria to be in a better position to control the industry, they fund you, and I think they do this in partnership with the Bank of Industry or something. I wish many other countries would do this.

Before we close, Sir, yesterday I was discussing with one of the participants at the AEW and we were talking about the African Energy Bank, he said eventually, when it takes off, it may become a burden and African Energy Bank may not be able to finance some of the projects, especially as it relates to energy and he was proposing that there should be a bank for the downstream, midstream, upstream and the rest of them. That it shouldn't just be one bank taking care of everything energy in Africa. So I would like to hear your view, is there any plan to put this in place?

I think it would be too ambitious to start dissipating your energy and your little resources. We have started the African Energy Bank; if over time we have enough money, it is possible they can say that, okay, this will focus on midstream, downstream, etc. but for now; I told you we are going for $5 billion. If you are to divide it into three, that's about how much? 1.8 per member or 1.7 for each of the streams, it won't go anywhere.

For now, I think this is good, we have no problem if, in the future, people are going to come up with specialized sector-focused banks, that would be fine, we have no problem with that, but for now, we feel happy that when we came up with this idea two years ago, people thought we were crazy, it has become a reality. So it's very possible some people also come up with this, we will support them.

Do you have any closing remarks, Your Excellency?

What I would like to say is that Africans should learn to have confidence in themselves. The era of dependence on outsiders to address the challenges that face us should be put behind us, and this is particularly to with our leaders and our elites, we have what it takes to change our continent.

But because the consumption pattern and the lifestyle of our people is so much targeted at Western consumption...look, we sell our oil and our gas not because we don't need it, but because people are selling it to get dollars to be able to buy things that are mostly conspicuous consumption. You go to our homes, you go to our offices, you see the cars we ride, there is absolutely no reason to spend the kind of money that our governments are spending on what they call... you know, tell yourselves that in the next 5 to 15 years, we are going to make sure that we've made the necessary sacrifice, we want to look within and see what we can do. That's how the Chinese made it, they literally closed their borders. They sent their children to America and Europe, "Go and learn, come back, bring the technology, open it, and now I want you to do your own". That's exactly what they did, but we bring ready to consume. Thank you.

Ismaila Umaru Lere

Climate Financing Disputes at COP 29: A Crucial Challenge for Global Cooperation

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The just concluded 29th Conference of the Parties (COP 29) to the United Nations Framework Convention on Climate Change (UNFCCC) in Azerbaijan presents a pivotal opportunity for nations to reaffirm their commitment to a sustainable future. This summit serves as a platform for dialogue, negotiation, and the formulation of strategies to address one of the most pressing challenges of our time: climate change.

The COP summits are integral to the global climate governance framework, providing a venue for 197 parties to negotiate and implement measures aimed at mitigating climate change. Each COP has its unique context and significance, and COP 29 is no exception. As the world moves beyond the commitments made under the Paris Agreement, the focus will shift towards enhancing global ambition, fostering resilience, and ensuring equitable support for vulnerable nations.

As delegates convene in Baku, a central theme has emerged: the contentious issue of climate financing. Developing nations are pressing for action, insisting that wealthier countries have fallen short of their commitments to provide the financial support necessary for climate adaptation and mitigation. This impasse highlights the complexities of international climate negotiations and the urgent need for collaborative solutions.

Climate financing is critical for developing countries that face the brunt of climate change impacts despite contributing the least to the problem. These nations, including Nigeria, require financial resources to implement effective climate strategies, transition to sustainable energy systems, and build resilience against climate-related disasters. The commitment made by developed nations to mobilize $100 billion annually by 2030 has become a focal point of frustration and urgency at COP 29.

Under the COP 28 Agreement, developed countries pledged to provide financial assistance to developing nations, recognizing their historical responsibility for greenhouse gas emissions. However, reports indicate that these com-

Climate financing is critical for developing countries that face the brunt of climate change impacts despite contributing the least to the problem. These nations, including Nigeria, require financial resources to implement effective climate strategies, transition to sustainable energy systems, and build resilience against climate-related disasters.

mitments have not been fully met. Many developing countries argue that the lack of adequate funding hampers their ability to implement essential climate initiatives, further exacerbating vulnerabilities.

The discussions at COP 29 are marked by stark differences in perspectives. Delegates from developing nations are advocating for enhanced accountability and transparency regarding climate finance flows. They emphasize that without reliable funding, their efforts to combat climate change will be severely hindered. On the other hand, some developed nations cite domestic economic challenges and competing priorities as barriers to fulfilling their financial commitments.

One of the primary sticking points in negotiations is the need for clear mechanisms to track and report climate financing. Developing nations are calling for rigorous accountability measures to ensure that promised funds are delivered and used effectively. They argue that without transparency, it is difficult to build trust and foster cooperation among parties.

Another layer of complexity involves the allocation of funds between adaptation and mitigation efforts. While many developing countries prioritize adaptation strategies to address immediate climate impacts, discussions often pivot towards mitigation funding aimed at reducing emissions. Striking a balance between these two areas is essential but challenging, as the needs and priorities of different nations vary widely.

The issue of loss and damage financing has also gained prominence at COP 29. Developing nations are emphasizing the need for financial mechanisms to address the irreversible impacts of climate change, such as loss of livelihoods and displacement due to extreme weather events. This area remains contentious, with wealthier nations historically hesitant to accept liability for climate damages.

As negotiations continue, the stakes are high. The outcome of these discussions will significantly influence global climate action and the future of international relations regarding climate change.

To break the current impasse, there is an urgent need for dialogue and trust-building measures. Wealthy nations must demonstrate a genuine commitment to fulfilling their financial obligations. This could involve increasing transparency in funding processes, providing clear timelines for disbursement, and engaging in meaningful consultations with developing countries.

Exploring innovative financing mechanisms may also offer pathways to alleviate some of the funding challenges. Collaborative initiatives, such as public-private partnerships and international climate funds, could provide additional resources for vulnerable nations.

Besides the wrangling over climate financing, another critical focus of COP 29 is technology transfer and capacity building. Developing nations often lack access to the latest technologies that can facilitate a transition to sustainable practices. The summit will provide a platform for sharing knowledge and resources, enabling countries to adopt clean energy technologies and sustainable agricultural practices that are essential for reducing emissions and enhancing resilience.

While COP 29 represents a significant opportunity, various challenges loom on the horizon. The success of COP 29 hinges on the political will of nations to commit to ambitious climate action. In recent years, geopolitical tensions and economic uncertainties have made it difficult for some countries to prioritize climate issues. Building consensus among diverse stakeholders, each with their priorities and constraints will be a formidable task.

Public awareness and engagement are also essential. As citizens become more informed about climate issues, they can hold their governments accountable and advocate for stronger climate policies. The role of media in disseminating information and raising awareness will be crucial in mobilizing public support for climate action.

But in a nutshell, the ongoing discussions at COP 29 reflect the critical nature of climate financing in the global response to climate change. As developing nations continue to advocate for their rights to adequate support, the world faces a pivotal moment in climate diplomacy. The resolutions reached at this summit will not only determine the effectiveness of international climate action but will also shape the trust and collaboration needed to tackle one of humanity's greatest challenges. For true progress to be made, all parties must engage constructively, prioritizing the collective goal of a sustainable and resilient future for all.

NJ Ayuk

Any Successful African Energy Policy at COP or Anywhere must have Oil and Gas at its Core

I believe the ultimate responsibility for getting there is ours and no one else's. Yes, we need partners to walk alongside us, but the success of our energy movement rests on African shoulders.

To begin with, I would love to see African energy stakeholders speaking in a unified voice about African energy industry goals.

This will be particularly important in COP29 in Baku. It is imperative that African leaders present a unified voice and strategy for African energy transitions. We must make Africa's unique needs and circumstances clear and explain the critical role that oil and gas will play in helping Africa achieve net-zero emissions in coming decades.

I would encourage African leaders to talk about the need for financing, as well, to make it possible for us to adopt renewable energy sources and set up the necessary infrastructure. Africa will need global financial systems, including multilateral development banks, to play a significant role in financing our energy growth which must include fossil fuels.

Africa's governments have a role to play in a successful African energy movement as well

Because Africa's energy industry still can benefit greatly from the presence of international oil companies, our government leaders need to approve contracts with oil and gas companies promptly instead of allowing red tape to delay projects after discoveries are made.

And, they need to offer the kinds of fiscal policies that allow oil companies to operate profitably in Africa. In turn, that will help those companies generate revenue, create jobs and business opportunities, and foster capacity building.

I also would encourage governments and civil societies to reward companies that exemplify positive behavior. Let's incentivize the kind of activities we want, from creating good jobs and training opportunities to sharing knowledge.

And there's more.

We in Africa must work together to create more opportunities for women to build careers in the oil and gas industry at all levels. Our energy industry can't reach its potential to do good when half of our population is left out. Our progress on behalf of women has not been great—We need to do better, and we need to act quickly.

How the world can support

Now, I mean it when I say Africans are responsible for building the future they want. But, I would love to see Western governments, businesses, financial institutions, and organizations support our efforts.

How? They can avoid demonizing the oil and gas industry. We see it constantly, in the media, in policy and investment decisions, and in calls for Africa to leave our fossil fuels in the ground. Actions like these, even as Western leaders have pushed OPEC to produce oil, are not fair, and they're not helpful.

I also would respectfully ask financial institutions to resume financing for African oil and gas projects and stop attempting to block projects like the East African Crude Oil pipeline or Mozambique's LNG projects.

Please understand that with the war in Ukraine, the energy crisis in Europe, and the energy poverty facing our continent, our countries, like many others, are simply choosing the paths they believe are most likely to help their people.

You know, people for years have accused me of loving oil and gas companies more than Africa. The opposite is true. In my frequent travels around the continent, I've observed far too many young people with little in the way of opportunities.

I know our young people have aspirations for a better future. I know they have big dreams. And, I know that future is nearly within their grasp.

A thriving, strategically managed energy industry can make it possible for many of these young people, whether it leads to good jobs or it fosters the kind of economic growth that creates jobs in other fields. Even if we only get the lights on in their communities, we'll be giving our young people hope and improving their chances of realizing their goals.

This is what drives me, the idea that with our ongoing efforts and determination, our young people can realize meaningful opportunities. I encourage each of you to work with us at the African Energy Chamber, in a spirit of cooperation and mutual respect. Together, we can build the kind of African energy movement that our continent, our communities, and our young people need and deserve.

Open Forum with Decade of Gas Initiative

The "Decade of Gas" was launched with a clear vision of transforming Nigeria into a gas-powered economy by 2030. What are the key milestones or achievements of the Decade of Gas initiative to date?

The past year has been very exciting for the Decade of Gas Initiative marked by President Bola Ahmed Tinubu's commitment to ensure that Nigerians during this decade can enjoy prosperity from its huge Gas resources themed by the "Gas to Prosperity " Message. The appointment of a dedicated Minister of State for Petroleum Resources (Gas) in August 2023 has created a lot of focus on gas sector development.

Under the Leadership of the Hon Minister of State Petroleum Resources (Gas) significant progress has been made by all stakeholders (Presidency, Regulators, Public Private Sector Players) around Gas Supply, Gas Pricing & Economics, Gas Infrastructure Development.

Over 4.5 bcfd of Gas Supply Projects (20) have been identified with 1bcfd of firm Supply unlocked in 2024.

The Presidency has issued fiscal executive orders for onshore, shallow water and deepwater which has made Gas investment more attractive for investors.

Gas to Power arrears (circa $1bln) which have been the thorniest issue in the gas value chain for the past 12 years has been resolved by the President creating more confidence in the Gas to Power market.

The regulators NMDPRA, NUPRC, NCDMB have worked together with industry to support increased Gas production and investment in new Gas projects (3 FIDs already taken this year).

There is now clarity around Gas Pricing across all sectors (Power, GBIs, Commercial / industrial manufacturing) following the announcement of a domestic base Price (DBP) by NMDPRA in line with the PIA

NNPC continues to make progress on the critical AKK project, and we expect the completion of the pivotal OB3 River crossing before the end of 2024.

One of the goals of the initiative is to expand the domestic gas utilisation. What has been done to promote the adoption of gas for power generation, transportation, and industrial use?

The domestic base price (DBP) of natural gas announced by the regulator has made power more attractive for gas supply and in conjunction with the inroads made towards extinguishment of legacy debts will have positive impact on availability of gas to power generation companies, reducing downtime and improving overall availability.

The Midstream and Downstream oil and gas regulator has also taken steps to ensure that the network code, which guides the operation of the gas transportation network is operationalised. This has enhanced the needed transparency on the network towards improving system efficiency and investor confidence.

Regarding end users' adoption of gas, its environmental benefits and cost advantages over petrol and diesel make it a compelling choice for both off-grid power generation (domestic and industrial) and Autogas applications. The focus is primarily on ensuring sufficient safety awareness and enabling ease of transition to gas.

How does the Decade of Gas align with Nigeria's national energy policy and development goals?

The Decade of Gas aims to close the gas supply-demand gap by adding 3-5bcfd by 2030 which could potentially reduce emissions significantly, in alignment with Nigeria's Energy Transition Plan

What role do you see private sector participation playing in the realization of the Decade of Gas vision? How have you engaged with local and international investors to achieve this?

The success of the decade of gas initiative cannot be realised without the support and full participation of the private sector. In fact, the sector has played and continues to play a critical role in the initiative, without which certain milestones would not have been achieved.

The private sector has taken ownership alongside the public counterparts and has continued to leverage on the initiative to collaborate with the regulators and other agencies of government to ensure that the vision of the decade of gas materialises. It is testament to their conviction in the success of the initiative that companies have taken FID for new projects this year, with more expected in the coming year.

The decade of gas is in touch with local and international investors, creating awareness via local and international platforms to speak about the enormous opportunities in the Nigerian gas space. We believe our voices are going far and wide and the required investment in the gas sector will surely follow.

What opportunities will the project create for local businesses and entrepreneurs?

The Decade of Gas seeks to transform Nigeria to a gas-powered economy by 2030. This presents numerous opportunities for local businesses and entrepreneurs at various points along the gas value chain and even in other sectors. These include infrastructure development, manufacturing, Autogas conversion, LPG distribution, agriculture and many others.

The Ajaokuta-Kaduna-Kano (AKK) pipeline is a major project under this initiative. What is the current status of this project, and how will it benefit Nigeria's industrial and economic growth?

The importance of having an efficient gas transportation system cannot be overemphasised and the initiative understands that this is a key deliverable if we are to be seen as successful with our gas utilisation drive. Hence, the AKK pipeline project is a priority project for Nigeria as it will provide access to natural gas to the northern part of the country and even beyond Nigeria as part of the Trans-Niger pipeline project development, which aims to help deliver natural gas to the sub-Saharan African countries. This provides a huge opportunity to jumpstart economic activity across the region.

The AKK pipeline project is currently at 65% completion. The project, like every project of such magnitude has witnessed some setbacks and deviated a couple of times from the original timeline. However, the government is committed to ensuring its prompt completion by allocating necessary resources to the project.

What regulatory framework supports the Decade of Gas project, and how will it ensure investor confidence?

The Decade of Gas is a collaboration between the private and public sector - key government agencies including the regulators across the gas value chain and other government MDAs with critical roles to play in the attainment of the aspirations of the initiative.

This means that proposed solutions and initiatives are tested against regulatory requirements and ultimately jointly owned by relevant regulatory or governmental entities, ensuring that investors can be confident that their investments align with established frameworks and are supported by the necessary regulatory oversight.

How will the project align with Nigeria's Petroleum Industry Act (PIA) and other relevant laws?

The decade of gas project serves as a unifying nexus amongst all major stakeholders responsible for the upholding, implementing and complying with the PIA and all other laws of Nigeria.

NOVEMBER SHORT TAKES

Compiled By Saidu Abubakar

NCDMB to mark Anti-Corruption Day with Workshop, National School Debate

Buoyed by the ranking as Nigeria's top performing organisation in efficiency and transparency from 2022 to date, the Nigerian Content Development and Monitoring Board (NCDMB) has unveiled plans to mark the 2024 World Anti-corruption Day on Thursday, 5th December at the Nigerian Content Tower, Bayelsa State.

POS operators identity: House of Reps to summon CBN Governor, Banks MDs

The House of Representatives on Wednesday directed its committees to summon the Central Bank of Nigeria (CBN) Governor, commercial bank managing directors, and other stakeholders to address the challenges posed by undocumented Point of Sale (POS) transactions in the country.

FAAC slams NNPC over Discrepancies in N1.19 Trillion Subsidy Refund Request

A Federal Account Allocation Committee report has criticised the Nigerian National Petroleum Company (NNPC) for an additional N1.19 trillion subsidy refund for July 2024.

Nigerian Tycoon in Angola to Formalize Investment in the Lobito Refinery

The businessman and his executives aim to formalize the direct acquisition and operation of oil blocks in Angola's onshore and offshore areas, as well as the acquisition or management of cement factories.

Nigerian Naira to end 2024 at 1,621.7/$ as pressure lingers

The Nigerian Naira is predicted to end the year falling to N1,621.7 to a U.S. dollar, continuing its volatility despite interventions by the

punchng.com

Olayemi Cardoso

Central Bank of Nigeria (CBN) to shore up the currency.

Kuwait pumps $33bn oil in one year as Nigeria drags

Kuwait has announced a bold $33 billion investment plan to boost its oil production capacity but Nigeria grapples with a myriad of challenges in its oil sector.

New Interest Rate Will Hurt Savings Account Holders — Analysts

...CBN Raises Interest Rate For Sixth Time In 2024, Now 27.50%

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) has raised the country's interest rate for the sixth time in 2024.

Expedite work on remaining refineries to eliminate monopoly – TUC to FG

The Trade Union Congress of Nigeria (TUC) has called on the Federal Government to go beyond the processing of crude in the old Porth Harcourt refinery and expedite work in all the other refineries in the country including the new Porth Harcourt refinery.

P/Harcourt Refinery: Operation Will Create Jobs, Boost Availability – PANDEF

...Calls For Licensing Of Artisanal Refineries

The Pan Niger Delta Forum (PANDEF) has hailed the commencement of refining of petroleum products by Port Harcourt refineries, saying that its resumption will create jobs for Nigerians and boost availability of products.

NNPC gives updates on $741 Million Kaduna Refinery Project

The Nigerian National Petroleum Company Limited (NNPC) has stated it cannot specify a completion date for the Quick Fix Project at the Kaduna Refining and Petrochemical Company (KRPC), despite previous projections.

Entrepreneurship: Shell LiveWIRE programme trains 9,000 Niger Delta youths

A total of 9,000 youths in the Niger Delta have acquired entrepreneurial skills in the LiveWIRE programme The Shell Petroleum Development Company of Nigeria Limited (SPDC) since it was introduced in 2003 as part of efforts to boost employment opportunities among people aged 18 – 35 years.

NUPRC's Crude Oil Production Drops To 1.538m bpd

...Contradicts NNPC's 1.8m Claim For October

Nigeria's crude oil production comes under scrutiny as figures from the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) contradict the Nigerian National Petroleum Company Limited (NNPC)'s claim.

Complete privatization of Port Harcourt, Warri refineries underway – Presidency

The presidency has signaled that plans for the complete privatization of the state-owned refineries, including the Port Harcourt, Warri, and Kaduna refineries, are underway.

OML25 host communities set conditions for Shell's re-entry

The host communities of Oil

energyfocusreport.com

Entrepreneurship: Shell LiveWIRE programme trains 9,000 Niger Delta youths

Mining Lease, OML25 have insisted that Shell Petroleum Development Company of Nigeria Limited, SPDC, must sign a comprehensive agreement with Belemaoil and the communities before re-entering to commence oil exploration and production activities in the area.

Dangote refinery reduces ex-depot price of petrol

The Dangote Petroleum Refinery has announced a reduction in its ex-depot price of premium motor spirit (PMS), also known as petrol, to N970 per litre for oil marketers.

Ministers, Oil Industry Leaders To Converge at 13th Practical Nigerian Content Conference

A long list of oil industry leaders, ministers of the federal republic, national assembly members, as well as oil and gas stakeholders are confirmed to attend the 2024 edition of the Practical Nigerian Content Conference and Exhibition slated for the first week of December at the magnificent Nigerian Content Tower, Yenagoa, Bayelsa State.

Petrol: Scarcity Threatens as Dangote Criticizes NNPC for Insufficient Supply

The Dangote Petroleum Refinery has raised concerns over insufficient crude oil supplies under Nigeria's naira-for-crude initiative.

Why Nigerians are in pain, difficulties amid Tinubu's reforms – Edun

Minister of Finance, Wale Edun, has said that non-implementation of economic reforms by past administrations is the reason Nigerians are in pain, discomfort, and difficulties under President Bola Ahmed Tinubu's reforms.

National Assembly Faces Backlash as Nigeria's Debt Climbs to N138tn

The National Assembly has come under heavy criticism for the swift approval of President Bola Tinubu's loan requests, raising Nigeria's debt profile to an alarming N138 trillion.

Naira Mixed As Markets Brace For $2.2bn External Borrowing

The naira appreciated on the strength of external borrowing approval, FX intervention, and sustained increase in external reserves.

Frequent Grid collapses threaten Nigeria's Hydropower Sector with N30bn Loss

Nigeria's hydropower infrastructure has faced significant challenges over the last three years, as recurring national grid failures have cost Kanji and Jebba power plants approximately N30.5 billion.

Nigeria's inflation beyond monetary policy, says NES president

Nigeria's inflation has gone beyond raising rates and implementing other monetary instruments in anticipation of a decline, according to Adeola Adenikinju, president of the Nigerian Economic Society (NES).

DisCos kick as Reps demand N500bn Investment or Exit

The House of Representatives on Wednesday called for a minimum of N500 billion recapitalisation threshold for the 11 Electricity Distribution Companies (DisCos) in the country to remain operational.

Nigeria to Enforce PIA's 'Drill or Drop' Clause

...To Boost Oil Production

A report by Arise News reveals that the Nigerian government, through the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), is set to enforce the 'drill or drop' clause enshrined in the Petroleum Industry Act (PIA) 2021.

NNPC's Utapate crude grade hits global market

•Targets 80,000 bpd by end of 2025

In a major boost for Nigeria's crude oil production, revenue generation, and economic growth efforts, NNPC Ltd has officially unveiled its latest crude oil grade, the Utapate crude oil blend, before the international crude oil market.

This is a Deliberate Attempt to Cripple the Economy, Deepen Hardship – CSOs cry out

... As NNPC Moves To Import 1.6 Billion Litres Of Petrol

A Coalition of Civil Society Organisations has vowed to go on protest over the decision by the Nigeria National Petroleum Company Limited (NNPC), to import over 1.6 billion litres of Premium Motor Spirit (PMS).

Resource Control Shake-Up:

National Assembly Proposes Removal of Solid Minerals from Exclusive Legislative List

By Patience Chat Moses

In a bold legislative move, the 10th National Assembly has proposed the removal of solid minerals from the Exclusive Legislative List. This motion appears to be one that could ignite nationwide debate, raising questions about the future of resource control, state development, and the drive for true federalism in Nigeria.

Understanding the Exclusive Legislative List Under Nigeria's 1999 Constitution, the Exclusive Legislative List grants the Federal Government control over specific sectors, including solid minerals. This centralization has led to the Federal Government overseeing the licensing, exploration, and exploitation of mineral resources nationwide. While this arrangement was initially designed to streamline resource management, it has often been criticized for stifling state-level economic initiatives and creating inefficiencies. The proposed amendment by the 10th Assembly, therefore, seeks to transfer solid minerals to the Concurrent Legislative List, which would allow both federal and state governments to have jurisdiction.

The Chairman, House Committee on Solid Minerals, Hon. Jonathan Gaza Gbefwi announced the advocacy of the 10th Assembly to remove the solid minerals from the Exclusive List to the Concurrent List, to allow states to legislate on their resources. This is as he also informed that five per cent of all resources mined in every community belong to the indigenous community as stated by law. The Chairman gave these views in his keynote

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address at a two-day training for indigenous communities on Free, Prior and Informed Consent (FPIC), Environmental Impact Assessment (EIA) and Community Development Agreement (CDA), which took place in Nasarawa State. The training organized by Global Rights in collaboration with the Nigeria Extractive Industries Transparency Initiative (NEITI), and the House of Representatives Committee on Solid Minerals respectively, had traditional leaders and other community members in attendance.

According to Gbefwi who is also an indigene of the Nasarawa State, mining, when conducted, responsibly can be a catalyst for economic growth and development, noting, that such endeavours must be approached with a keen sense of responsibility and a commitment to long-term sustainability. The committee chair noted that while previously, mining companies resorted to ridiculous community development agreements (CDAs) which shortchanged the communities he said "What we have learned in the law is instead that five per cent of whatever is mined extracted from that ground belongs to the host community. "In that five per cent, I would want to propose one per cent can go to traditional new laws, another one per cent can go to the land owners. 0.5 per cent should go to the government because the government is going to have the entire issue and going to monitor the matter. Then, a balance of 2.5 per cent will go to a community development association. In the federal government, we have exclusive rights and by the way, we have already moved an amendment to the constitution that will move mining from the exclusive to the concurrent so that states can legislate over the natural resources in their states", Gbefwi stated.

Meanwhile, presidents of traditional councils in the 13 Local Government Areas of Nasarawa state have warned community members in the state to refrain from selling off their indigenous farmlands to mining companies for temporary gains. Leading the discussions, the Etsy of Karu, Luka Baba Panya, while highlighting the many issues faced by indigenous mining communities, warned the communities against selling off their farmlands to mining companies, warning that it could lead to loss of livelihood, loss of agricultural lands and loss of indigenous lands among others. The traditional leaders highlighted the need for transparent mining licenses, noting that some companies present fraudulent consent letters to the Mining Cadastre Office to acquire licenses without the deliberate involvement of Traditional Rulers.

They stressed the need for setting the right boundaries, definition of roles by government, communities and host communities, legislation of Corporate Social Responsibilities (CSRs), challenges of pollution, loss of livelihoods and loss of access to farmlands as communities sell off ancestral lands to mining companies in the state. The traditional rulers also highlighted the need for the mining Cadastre Office to ensure that consent letters are signed by real traditional/district heads, and traditional leaders are fully captured and involved as they are oftentimes left settling disputes between community members and mining companies who sometimes bring ridiculous and questionable licenses to claim lands not fully substantiated. In her remarks, Executive Director of Global Rights, Abiodun Baiyewu, who was represented by Global Rights Program Manager, Edosa Oviawe, noted that mining activities often have profound impacts on the environment, health, and socio-economic structures of host communities. According to Baiyewu "These communities frequently face challenges such as pollution, land degradation, and threats to their cultural heritage and way of life. Empowering mining host communities with the skills, knowledge, and resources needed to engage in safeguarding efforts not only mitigates these adverse effects but also promotes sustainable development and long-term community resilience. Capacity building for indigenous communities is essential to ensure their active involvement in the management and oversight of these resources". Abiodun noted that mining host communities are often the primary custodians of local ecosystems and cultural landscapes. Their traditional knowledge and practices provide valuable insights into sustainable land management and environmental preservation" she said.

Baiyewu further explained that the purpose of the training was to help build their capacity to help them better protect these ecosystems from harmful mining practices, ensuring that the environmental costs of mining do not compromise their health, heritage, and quality of life. "When empowered, mining host communities can effectively advocate for sustainable practices that align with both environmental preservation and the responsible extraction of resources"

Findings by ***Valuechain*** reveal that this shift will empower states to develop their mineral resources autonomously, fostering economic diversification and reducing overreliance on federal allocations. For decades, resource-rich states such as Zamfara, Kogi, and Plateau have struggled to harness their mineral wealth due to bureaucratic bottlenecks and centralized governance. If the amendment is passed, these states could directly attract investors, create jobs, and develop infrastructure tailored to their needs.

The potential benefits of this shift are immense. States could see increased revenue generation, which would, in turn, support infrastructure development and reduce poverty. However, critics warn of possible negative outcomes. One major concern is the risk of resource mismanagement and exploitation by state governments. Without strong regulatory frameworks, states may face challenges such as environmental degradation, corruption, and conflicts over resource ownership. Furthermore, the move could amplify regional inequalities. States with significant mineral resources would likely experience rapid economic growth, while resource-poor states may lag, deepening existing socio-economic disparities. At its core, this proposal reignites the debate on Nigeria's federal structure. Advocates for devolution argue that decentralizing resource control aligns with the principles of true federalism, allowing states to thrive independently while reducing the fiscal burden on the Federal Government. On the other hand, opponents caution that weakening central oversight could undermine national unity and create governance challenges. The path to constitutional amendment is neither simple nor swift. The proposal must gain the approval of two-thirds of the National Assembly and be ratified by at least 24 state Houses of Assembly. This rigorous process underscores the gravity of the issue and the diverse perspectives it encompasses. Thus, whether this move becomes a game-changer or a missed opportunity will depend on the effectiveness of its implementation and the willingness of the government to adopt it.

Findings by Valuechain reveal that this shift will empower states to develop their mineral resources autonomously, fostering economic diversification and reducing overreliance on federal allocations.

Power Correspondents Association of Nigeria (PCAN) Urges Collective Action to End Power Crisis

By Patience Chat Moses

The 4th edition of the Power Correspondents Association of Nigeria (PCAN) annual workshop recently convened in Abuja, bringing together key stakeholders to address the nation's perennial power supply crisis. Notably, Minister of Power, Chief Adebayo Adelabu, represented by Sunday Owolabi, reaffirmed the federal government's commitment to resolving this lingering issue.

In his address, Adelabu emphasized the need for tangible actions, stating, "For many years, we have had discussions, deliberations, and strategic dialogues on the challenges facing the power sector... Yet, it is clear that words alone will no longer suffice." He described the workshop's theme, "Nigerian Power Sector: Ending the Talk, Moving to Action," as timely and crucial for Nigeria's energy future.

Meanwhile, Edu Okeke, Managing Director of Azura Independent Power Plant, highlighted the challenges faced by power Distribution Companies (DISCOs). Okeke advocated for increased capitalization, recommending that DISCOs raise at least $500 million to offset debts and enhance operational efficiency. This, he argued, would enable DISCOs to effectively manage their finances and provide reliable power supply.

Furthermore, Okeke stressed the importance of stable power for economic growth, noting that Nigeria's industries and economy cannot thrive without reliable electricity. He commended the government's decision to transfer costs to consumers and emphasized the need for adequate capitalization of DISCOs. "Stable power is not merely a convenience but the engine that drives our economy," Okeke asserted.

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However, concerns about corruption and exploitation in the power sector were raised by Princewill Okorie, National President of the Association for Public Policy Analysis. Okorie questioned the use of funds for metering programs and highlighted the need for transparency. He cited instances of misappropriation, including the 2018 metering policy, where few customers received refunds.

In addition, Okorie emphasized the exploitation of consumers, citing the National Mass Metering Program, which allocated 200 billion naira for implementation in three phases. He noted that only 7 billion naira was paid out of 59 billion naira shared among the 11 DISCOs between 2020 and 2024.

Meanwhile, Tukur Aliyu, Managing Director of the Nigerian Electricity Management Services Agency (NEMSA), acknowledged the sector's challenges and milestones. Aliyu highlighted NEMSA's proactive efforts in addressing electrical safety and quality management.

Similarly, PCAN Chairman Obas Esiedesa expressed concern about the sector's slow progress, noting that despite constant dialogue, each step forward often seems to bring about setbacks. "Persistent issues with grid reliability and the ongoing challenges in the national grid system remind us too much of the pre-privatization era," Esiedesa observed.

Looking ahead, the workshop underscored the urgent need for collective action to transform Nigeria's power sector. As Adelabu emphasized, "Let us move forward with courage, commitment, and a shared vision to power Nigeria into a brighter, more prosperous future."

FG Establishes Industrial Parks for CNG Kits as 1 Million Vehicles Targeted for 2027 Conversion

By Adaobi Rhema Oguejiofor

The Federal Government has set plans in place to establish industrial parks for the production of kits and other components currently being imported for the conversion of vehicles to run on compressed natural gas (CNG). The Chief Executive Officer (CEO) of the Presidential Compressed Natural Gas Initiative (PCNGI), Engr. Michael Oluwagbemi disclosed this at a training workshop organized by the Nigeria Auto Journalists Association (NAJA). Oluwagbemi said that the Federal government would vigorously pursue the project with the firm belief that the CNG revolution is a catalyst for Nigeria's industrialization. He noted that the government had identified some manufacturers of the components needed for CNG vehicle conversion who are interested in establishing their plants in Nigeria.

According to him "We do not want to replace the importation of fuel with the importation of equipment. In the government's ambitious mission to convert a million commercial vehicles in three years there lies an opportunity to establish local production of these conversion kits and their components. As such we are in advanced stages of preparation to set up industrial parks where CNG-related equipment, materials, and components are produced.

"We have identified the central and well-suited Ajaokuta Steel Complex for the first of these parks. We have identified manufacturers of conversion kits, cylinders, and even tricycles who have all indicated interest in establishing facilities to assemble or produce from scratch."

The PCNGI CEO expressed that the initiative will push forward the demand for foreign exchange and boost the economy, adding that it would also create job opportunities for the youth, provide skilled labour, and eventually bring in foreign exchange

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as it begins to generate export capacity. Oluwagbemi emphasized that Nigeria is more of a gas than an oil country, noting that the adoption of CNG as a primary fuel source for vehicles would offer a tangible, immediate gain for all Nigerians.

"CNG allows us to decrease our reliance on imported fuels and build a more resilient energy future. By using CNG, vehicle owners will see a reduction in fuel costs of up to 50 per cent, which is especially critical for drivers who rely on their vehicles for income and transport.

"Additionally, CNG-powered vehicles are known for significantly lower maintenance costs. Unlike petrol and diesel, CNG burns cleaner, resulting in fewer engine deposits and less frequent oil changes, ultimately extending the life of vehicle engines and reducing repair expenses," he explained. Oluwagbemi further disclosed that the Federal Government was determined to drive the CNG vision to achieve maximum success. He said apart from injecting $250 million in the past 12 months, the government was also collaborating with financial institutions for easy access by motorists. He listed InfraCorp, Bank of Industry (BoI) and Development Bank of Nigeria (DBN) as some of the financial institutions that the government was working with to ease the conversion costs for vehicle owners. The PCNGI Boss noted that the government planned to convert about a million petrol and diesel-powered-engine vehicles to CNG-powered vehicles by 2027. He assured Nigerians of the safety of CNG-powered vehicles either obtained from credible auto firms or converted at any government-approved centres. He also assured that the Standard Organization of Nigeria (SON) and the National Automotive Design and Development Council (NADDC) had been part of the safety and standard regulations for the project. He specifically said SON had provided over 80 standards on the CNG, while the NADDC is in charge of the conversion centre accreditation and conversion kit certification. Oluwagbemi commended NAJA for organizing the event and its consistent commitment to informing and educating the public about advances in the nation's auto industry. He particularly noted that the theme, 'CNG/LPG/EV Initiative: Challenges, Sustainability, Opportunities, Alternatives to Fossil Fuels in Nigeria' was timely, speaking not only to the nation's energy and environmental goals but also to a larger economic vision.

Navigating the Ethical Minefield of Synthetic Media

By Adaobi Rhema Oguejiofor

In today's fast-paced digital age, content reigns supreme. The tools used to create this content are evolving at an incredible rate, thanks to Artificial Intelligence (AI). Synthetic media, a technology that generates or manipulates content using AI, has emerged as a powerful and contentious force.

Synthetic media involves using AI algorithms to create or alter content, such as images, videos, text, and audio. This technology has far-reaching applications, from virtual influencers to deep fake videos and synthetic voices. With its potential to transform various industries, synthetic media has captivated both technological enthusiasts and critics.

There are several types of synthetic media, each with its unique capabilities. Deep fakes, for instance, use AI-generated videos to convincingly alter or replace a person's likeness. Synthetic voices, on the other hand, utilize AI-generated voiceovers for audio books, virtual assistants, and language dubbing. AI text generation algorithms create written content, such as articles, stories, and chat responses. Additionally, AI tools generate or modify images and videos, while AI-generated music creates original musical compositions.

The real-world applications of synthetic media are vast and diverse. In the entertainment and gaming industries, deep fakes and virtual influencers create realistic content; marketing and advertising benefit from personalized ads catering to diverse audiences. Education and training are enhanced through AI-powered simulations, while journalism and content creation rely on AI-generated text to assist journalists. Even healthcare has seen improvements through virtual therapy sessions and AI-generated simulations for medical training.

Synthetic media offers numerous advantages. It provides cost efficiency by reducing production costs through automation. AI tools enable previously impossible content creation, expanding creativity. Synthetic media also allows for personalized content tailored to specific audiences, de-

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livering speedy results through AI algorithms.

However, synthetic media raises significant ethical concerns. Deep fake misinformation threatens truth and reputation, potentially scamming unsuspecting individuals or manipulating elections. Job displacement is another concern, as automation may threaten jobs in media, entertainment, and marketing. The issue of plagiarism and originality arises when AI generates content, raising questions about ownership. Furthermore, synthetic media blurs the lines between reality and fiction, sparking privacy concerns.

As synthetic media continues to evolve, it's crucial to acknowledge both its transformative potential and its profound challenges. The intersection of AI, creativity, and ethics demands a nuanced approach, balancing innovation with responsibility. The future of synthetic media hinges on addressing critical concerns.

Establishing clear regulations is paramount. Governments and industries must collaborate to develop guidelines safeguarding against misinformation, protecting intellectual property, and ensuring transparency. This framework will prevent the misuse of synthetic media and foster trust in its applications.

Investing in media literacy is equally vital. Educating consumers to critically evaluate synthetic media will mitigate its potential for harm. By recognizing the distinction between reality and artificially generated content, individuals can navigate the synthetic media landscape effectively.

Fostering human-AI collaboration is also essential. Encouraging symbiotic relationships between creatives and AI systems will unlock new artistic possibilities while preserving human agency. This synergy will yield innovative content that leverages the strengths of both human imagination and AI capabilities.

Prioritizing ethical AI development is the foundation of responsible synthetic media growth. Developers must integrate ethical considerations into AI design, ensuring alignment with human values. This principled approach will guarantee that synthetic media enhances human experience without compromising individual rights or dignity.

By navigating these complexities, we can harness synthetic media's potential to revolutionize storytelling, democratize creativity, and transform industries. Synthetic media will unlock new narrative forms and immersive experiences, empowering diverse voices and perspectives. Its impact will be felt across marketing, education, healthcare, and entertainment, driving innovation and progress.

Ultimately, the synthetic media landscape demands a multifaceted approach, reconciling technological advancements with human values. By embracing this challenge, we can ensure that synthetic media enhances our world without compromising our humanity. As we venture into this uncharted territory, a balanced and informed perspective will be our guiding compass.

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Government Support Crucial for Nigerian Airlines' Success

By Patience Chat Moses

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The Nigerian domestic aviation industry, a critical component of the nation's transportation sector, has long been plagued by challenges ranging from operational inefficiencies to infrastructural deficits. However, as global aviation pivots towards sustainability and resilience, Nigerian airlines are encouraged to explore strategies to adapt and thrive in a competitive environment.

The history of domestic airlines in Nigeria reflects a journey marked by ambition, turbulence, and evolution. In the early days, government-owned carriers like Nigerian Airways, established in 1958, dominated the skies. As the nation's flagship airline, Nigerian Airways enjoyed a monopoly on domestic and international routes, offering Nigerians their first taste of organized air travel. However, the airline's mismanagement, corruption, and inefficiencies led to its eventual collapse in 2003, symbolizing the challenges plaguing the industry.

Following the liberalization of Nigeria's aviation sector in the 1990s, private airlines began emerging to fill the void left by Nigerian Airways. Carriers such as ADC Airlines, Bellview Airlines, and Chanchangi Airlines took centre stage, providing affordable and accessible air travel across the country. Despite their initial success, many of these airlines struggled with financial instability, safety issues, and a lack of proper maintenance, leading to the closure of most by the early 2000s.

Today, the domestic aviation sector is populated by a mix of established players and newer entrants, each striving to overcome historical challenges and carve a niche in a competitive market. Some prominent examples include:

Aero Contractors, also known as Aero Air, is one of Nigeria's oldest and most respected airlines, with a rich history and significant contributions to the aviation sector. Founded in 1959, Aero Contractors has over six decades of experience in the aviation industry, making it one of the most established airlines in Nigeria. Its longevity reflects resilience and an ability to adapt to changing market dynamics.

Air Peace: Founded in 2013, Air Peace is currently Nigeria's largest airline. Known for its extensive domestic and international network, it has invested in modern aircraft and positioned itself as a reliable carrier.

Arik Air: Once a dominant force in Nigeria's aviation sector, Arik Air has faced financial difficulties in recent years but continues to operate, serving key domestic and regional routes.

Dana Air: Known for affordable services, Dana Air operates several routes across Nigeria but has also faced its share of safety and operational challenges.

Ibom Air: Owned by the Akwa Ibom State Government, Ibom Air is a relatively new entrant, earning praise for its efficient service and

The story of domestic airlines in Nigeria is one of resilience, adaptation, and hope. From the days of Nigeria Airways to today's diverse array of private carriers, the industry has evolved significantly, navigating numerous challenges along the way. With strategic investments, technological innovation, and a commitment to sustainability, the future of domestic aviation in Nigeria is bright.

punctuality.

Green Africa Airways: This start-up carrier offers budget-friendly options, aiming to make air travel more accessible for Nigerians.

The list continues with Carly Air, Rano Airlines and many others. Mostly owned by private individuals.

The Road Ahead: Opportunities and Innovations

The future of domestic airlines in Nigeria lies strongly in their ability to address operational challenges and embrace sustainable and innovative practices.

One of such steps is by embracing Technology. Investments in digital transformation will be key to improving efficiency and customer satisfaction. Airlines are beginning to adopt AI for predictive maintenance, digital booking platforms for seamless ticketing and automated check-in systems to reduce delays.

Also, with increasing global pressure to adopt greener practices, Nigerian airlines must explore fuel-efficient aircraft and Sustainable Aviation Fuel (SAF). Though the initial cost may be high, these measures will pay off in the long run by reducing operating expenses and attracting environmentally conscious travellers.

By expanding connectivity, the future holds promise for these domestic airlines within Nigeria. Many cities currently lack sufficient air links, making it difficult for travellers to access certain parts of the country. Developing secondary hubs and smaller regional airports could expand access, fostering economic growth in underserved regions.

Support from the Government can never be undermined. To secure a bright future for domestic aviation, the government must provide robust support through Policy Reforms. Simplifying bureaucratic processes and ensuring consistent regulatory practices to encourage investment will help these airlines grow.

Infrastructure Development. This can take the form of upgrading airport facilities and navigation systems to enhance safety and passenger experience. The Buhari-led administration should be commended on this part for the renovation and upgrade it facilitated at the Nnamdi Azikiwe International Airport (NAIA). Other leaders should key into this act.

Financial Support in terms of tax breakers and subsidies to reduce the financial burden on airlines and incentivize sustainable practices is another practical way the government can come in.

The story of domestic airlines in Nigeria is one of resilience, adaptation, and hope. From the days of Nigeria Airways to today's diverse array of private carriers, the industry has evolved significantly, navigating numerous challenges along the way. With strategic investments, technological innovation, and a commitment to sustainability, the future of domestic aviation in Nigeria is bright.

By focusing on operational efficiency, expanding connectivity, and embracing sustainability, Nigerian airlines can position themselves as leaders in Africa's aviation sector, offering world-class services while contributing to the nation's economic growth.

One of such steps is by embracing Technology. Investments in digital transformation will be key to improving efficiency and customer satisfaction. Airlines are beginning to adopt AI for predictive maintenance, digital booking platforms for seamless ticketing and automated check-in systems to reduce delays.

Nigeria Strengthens Maritime Sector with Six New IMO Conventions

By Patience Chat Moses

President Bola Ahmed Tinubu has signed the instruments of accession for six Conventions of the International Maritime Organization (IMO). This action paves the way for Nigeria to officially deposit these instruments of accession at the IMO headquarters, which serves as the repository for such conventions. This move is expected to enhance Nigeria's maritime governance and align its practices with international standards, promoting maritime safety, security, and environmental protection.

In a statement issued by Head, Public Relations, Osagie Edward, the six instruments signed by President Tinubu are the Instrument of Accession of the Protocol of 2005 to the 1988 Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms on the Continental Shelf, the Instrument of Accession of the International Convention of Standards of Training, Certification, and Watch-keeping for Fishing Vessel Personnel 1995; and the Instrument of Accession of the Protocol Relating to Intervention on the High Seas in cases of Pollution by Substances other than Oil, 1973 as Amended.

Others are the Instrument of Accession to the Protocol of 1996 to Amend the Convention on Limitation of Liability for Maritime Claims (LLMC) 1976; the Instrument of Accession to the Protocol to the 1974 Athens Convention Relating to the Carriage of Passengers and Their Luggage by Sea, 2002; and the Instrument of Accession to the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009.

The six instruments of accession cover various aspects of maritime operations, including safety, pollution prevention, liability, and compensation.

Why this matters for Nigeria?

Enhancing Maritime Safety: With the accession, Nigeria reaffirms its commitment to ensuring safer navigation and effective response to maritime emergencies. These conventions provide a framework for the country to improve its search and rescue infrastructure, enhance crew training, and prevent accidents at sea.

Environmental Protection: Nigeria's coastal environment is vital to its economy and ecological stability. The adoption of the OPRC and the High Seas Protocol highlights the administration's focus on tackling oil spills and pollution. These instruments empower Nigeria to collaborate internationally on oil spill response while protecting its marine biodiversity.

The accession to LLMC ensures that Nigeria has a robust legal framework to address compensation for victims of oil pollution and limit liability for ship-owners. This will encourage foreign and domestic investments in maritime operations by creating a transparent and predictable legal environment.

Promoting Trade and Investment: The alignment with international maritime laws strengthens Nigeria's reputation as a compliant and attractive destination for maritime trade and investment. With its strategic location, Nigeria has the potential to become a major maritime hub in West Africa. These instruments pave the way for safer and more efficient shipping operations, reducing delays and fostering economic growth.

While formally presenting the instruments to the Honourable Minister of Marine and Blue Economy, the Director-General of NIMASA, Dr. Dayo Mobereola expressed his gratitude to the Minister for facilitating the signing of the IMO conventions by the President after several years of being pending in the Ministry.

"These six instruments have been lying within the Ministry for the last 6 to 8 years, and thanks to the efforts of the Honourable Minister, they have now been assented to by the President. This is a landmark achievement for Nigeria, as the IMO will soon update our records to recognize these instruments", he stated.

On his part, the Honourable Minister reassured stakeholders of the President's commitment to developing the Nigerian maritime industry in line with global best practices.

By signing these instruments of accession, the President has reaffirmed this administration's determination to take its rightful position among the comity of maritime nations. This development will undoubtedly further reassure member states and stakeholders of Nigeria's resolve and determination to be a leading member of the decision-making body of the IMO.

The deposit of these six instruments of ratification will be carried out by the supervising Ministry, and NIMASA.

Challenges and Implementation

While the signing of these instruments is a commendable step, implementation remains a challenge. Nigeria must address gaps in its maritime infrastructure, ensure adequate funding for regulatory agencies and train personnel to meet international standards.

Additionally, collaboration among stakeholders, including the Nigerian Maritime Administration and Safety Agency (NIMASA), port authorities, and private operators is critical for the effective enforcement of these conventions.

As a leading economy in Africa, Nigeria's adherence to IMO conventions sets a positive precedent for neighbouring countries. It strengthens the Gulf of Guinea's collective efforts to combat maritime threats such as piracy, illegal fishing, and environmental degradation.

Moreover, Nigeria's leadership could encourage other African nations to align with international maritime standards, fostering regional stability and development. President Tinubu's signing of the six IMO instruments of accession marks a turning point for Nigeria's maritime industry. By embracing global standards, the administration has taken a decisive step toward ensuring safer, greener, and more efficient maritime operations.

The challenge now lies in translating these commitments into tangible results that will benefit the nation's economy, environment, and global standing. As implementation progresses, this move has the potential to transform Nigeria into a maritime powerhouse in Africa and beyond.

The IMO is a specialized agency of the United Nations, saddled with the responsibility to set global standards for the safety, security, and environmental performance of international shipping. For Nigeria, a nation with an extensive coastline and strategic geographical position in the Gulf of Guinea, adherence to these conventions is critical for economic growth, maritime security, and regional influence.

My Encounter with Stress-Related Tragedy

By Anastasia Adaeze

I was walking on the same pedestrian side of the road with him, from behind he looked healthy just a man in his late 40's I guessed, healthy because I was out for that early morning run too, well scheduled so that afterwards, the day's activities would kick off properly, as I bent over to tie my shoelace and half-minded greeting the security estate men, the man, that healthy looking man fell on the ground, dropped like a log of wood. At the end of the day, I made sure to pass through that particular gate, on my way back from work into the estate. At the gate, the security told me, that the man had died, they said the family attested to him having pre-existing medical conditions and the doctors said, that while his body was in the fight or flight response triggered and it tried to respond to the threat, and the lack of oxygen supplied to his brain caused a brain damage.

According to a global report, Nigeria emerged as the seventh Sub-Saharan African country with the most stressed employees; they recorded that in Nigeria, fifty per cent (50%) of workers experience stress in the workplace, a figure that has risen by three per cent (3%) annually. Senegal recorded the same stress rate, fairing a little better than Uganda, Chad, Sierra Leone, Ghana and Tanzania, which recorded higher stress rates of up to fifty-eight per cent (58). While some employees admit that forty-six per cent (46%) of the negative emotions felt during a lot of days are a result of stress, and twenty-six per cent (26%) of those feelings spur from anger and with the implementation of the new minimum wage by the Federal Government of Nigeria for Nigerian workers to fight back against inflationary pressures and current economic challenges faced by workers all across the country. It is paramount globally, that individuals take a personal inventory of self, practice mindfulness, exercise, and relaxation techniques and most of all, visit a doctor more often than not. No wonder that great philosophy phrase says "Know thyself" (Greek: Γνωθι Σαυτόν, "Gnōthi Seautón").

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While we can say, that low salaries, excessive workloads, few opportunities for growth, lack of social support, not having enough control over job-related decisions, conflicting demands or unclear performance expectations are the stressors of Nigerian workers, we can also add, that long working hours and traffic congestion, economic pressures and financial uncertainty, limited job security and high unemployment rates, cultural expectations, family responsibilities and lastly inadequate work-life balance.

Prolonged stress can cause dramatic events such as rapid heartbeat and blood pressure changes, leading to a reduced blood flow to the brain then dehydration and electrolyte imbalances and hyperventilation (rapid breathing) and eventually fainting (Syncope) in your very corporate environment or a place you never expected yourself to be dramatic.

In an interview with Cable News Network (CNN) in 2019, Dr. Sanjay Gupta, a prominent neurosurgeon and CNN's Chief Medical Correspondent discussing "Stress", called it a "silent killer." And when asked why? He explained that stress is a significant contributor to many chronic diseases, including hypertension, diabetes, and cardiovascular disease. When we're stressed, our bodies "fight or flight" response is triggered, releasing hormones like cortisol and adrenaline. Prolonged exposure to these hormones can damage blood vessels, increase blood pressure, and disrupt metabolic function.

Dr. Sanjay elaborated, explaining how chronic stress can rewire the brain, altering regions responsible for emotional regulation, memory, and decision-making, leading to anxiety, depression, and impaired cognitive function. Stress also reduces the production of neurotropic factors, essential for neuronal health and plasticity. He highlighted that some signs and early consequences of stress are persistent anxiety or depression, sleep disturbances, difficulty concentrating, burnout, physical symptoms like headaches and fatigue, digestive problems and immune system suppression.

To manage this, one must know how to manage these stress triggers; Emotional distress, Physical exhaustion, Dehydration, Overheating and Hyperventilation and avoid medical conditions that deteriorate one's health and longevity.

Yes, stress can be managed and even chronic stress reduced to a minimal point with the use of prioritizing sleep (7-9 hours/night), time management, prioritization of activities to be done hourly, daily, monthly and annually, communication, teamwork and division of labour, deep breathing exercises, regular exercise, mindfulness meditation, yoga and healthy eating habits.

As we continue to navigate the complexities of modern life, it's essential to prioritize stress management. Using developed innovative stress-reduction technologies. Integrating mindfulness into education and workplaces while promoting community-based mental health support. As the ancient Greek philosopher, Plato, once said, "The greatest wealth is to live content with little." Embrace simplicity, prioritize well-being, and cultivate inner peace. "By embracing self-care, fostering meaningful connections, and cultivating inner peace, we can create a healthier, happier world. Stress is not a friend but is a foe to life, you are not alone.

Deadly Mosquito-Borne Virus Spreads: Chikungunya on the Rise...

... Cases Surge Past 460,000

By Adaobi Rhema Oguejiofor

Characterized by severe, weakening joint pain, fever, and rash, Chikungunya, a mosquito-borne viral illness, has been steadily spreading across the world. As of 30th September 2024, approximately 460,000 cases of the chikungunya virus disease (CHIKVD) and 170 CHIKVD-associated deaths have been reported worldwide. With the disease's expansion, understanding its causes, symptoms, and prevention strategies has become more crucial to ensure protection against the virus. The chikungunya virus belongs to the family of Togaviridae, genus Alphavirus. These alphavirus infections can produce severe destructive central nervous system diseases with serious consequences that can either cause arthralgic or neuroinvasive disease. It is primarily transmitted to people through the bite of an infected mosquito, mainly Aedesaegypti and Aedesalbopictus. These are day-biting mosquitoes, which usually become infected when they feed on a person who already has the virus and humans are the primary hosts of the chikungunya virus during epidemic periods. The disease can significantly impact an individual's quality of life. The word "chikungunya" was derived from the African Swahili or Makonde dialect translated as “To be bent over.” The roots of this viral illness date back to 1953, when it was first described during an outbreak in a Swahili village in the Newala district of southern Tanzania. The term refers to the “stooped-over posture” exhibited

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The most common symptoms of chikungunya are fever and joint pain. Other symptoms can include headache, muscle pain, joint swelling, fatigue, rash, nausea and red eyes. The symptoms of chikungunya often appear within 2 to 7 days after a bite from an infected mosquito. Chikungunya is not spread from person to person.

by individuals with the disease as a result of severe, chronic and incapacitating arthralgias in the joints and muscles. Chikungunya outbreaks have occurred in Africa, the Americas, Asia, Europe, and islands in the Indian and Pacific Oceans and there is a risk that the virus can still spread to unaffected areas by infected travellers. There is no treatment for the infection currently available, however, in the United States, vaccination against the disease exists.

Symptoms

The most common symptoms of chikungunya are fever and joint pain. Other symptoms can include headache, muscle pain, joint swelling, fatigue, rash, nausea and red eyes. The symptoms of chikungunya often appear within 2 to 7 days after a bite from an infected mosquito. Chikungunya is not spread from person to person. But mosquitoes pick up the virus when biting an infected person. The virus does not spread through bodily contact or saliva, although blood transmission may be a possible but rare way of spreading the disease. If a person is infected, it is important to avoid getting new mosquito bites to keep the virus from spreading to others. Many people get better with no other symptoms after 1 to 2 weeks. But others may have joint and muscle pain for months or even years after recovery. This is called chronic chikungunya arthritis. It affects at least 40 per cent of those who become infected with the virus. Although death from chikungunya is rare, the virus can cause severe problems in some people. People at higher risk include older adults, those with long-term conditions, such as high blood pressure or diabetes, young children, and pregnant women who might spread the virus to their babies. Disease complications can include severe problems of the eyes, heart and nerves. People who have been infected once are likely to be protected from future infections. However, the infection can be prevented by vaccination. The vaccination is an injection of a weakened chikungunya virus and the vaccine is given in one dose. The best way to prevent chikungunya is to protect one's self from mosquito bites as well as take the required vaccination. According to the Cleveland Clinic, it is believed that the number of cases of chikungunya is underreported because its symptoms are similar to other diseases. Formerly found only in Africa and Asia, the virus is now global, spreading quickly since 2004 and affecting more than 110 countries worldwide.

Treatment

The goal of treatment for the infection is to relieve symptoms with rest, fluids and drugs, such as acetaminophen like Tylenol and others. Patients should avoid taking aspirin, ibuprofen, Advil, Motrin IB, or naproxen sodium (Aleve) until infections with symptoms similar to those of chikungunya fever have been ruled out. Drinking plenty of fluids also helps. For ongoing joint and muscle pain, drugs that relieve rheumatoid arthritis may help. Patients should also speak to their healthcare professional for advice. While the disease seems to spread speedily, ongoing research and global efforts to control mosquito populations and improve healthcare infrastructure, offer hope for mitigating the impact of the disease. To ensure a hopeful future, there is also significant progress in developing effective Chikungunya vaccines which will help fight the virus.

Patients should avoid taking aspirin, ibuprofen, Advil, Motrin IB, or naproxen sodium (Aleve) until infections with symptoms similar to those of chikungunya fever have been ruled out. Drinking plenty of fluids also helps. For ongoing joint and muscle pain, drugs that relieve rheumatoid arthritis may help.

From Lagos to the World: The Rise of Afrobeat as a Global Cultural Force

By Patience Chat Moses

In the past decade, the world has witnessed the fast rise of Afrobeat, a genre born from the streets of Lagos and Accra, now thriving as a global cultural force. Its infectious rhythms, melodic versatility, and celebration of African identity have made Afrobeat a vehicle for both entertainment and cultural diplomacy, connecting the world to Africa's vibrant heritage.

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Origin and Evolution The musical genre Afrobeat originated in the 1960s and 1970s as a blend of traditional Yoruba music with jazz, West African music; Highlife, Fuji and funk. Afrobeat was created by the Nigerian legend, Fela Anikulapo Kuti, who achieved fame for his musical talent and involvement in post-colonial African politics. Fela's recordings from the 1970s made a significant impact on the Nigerian music scene and rapidly gained popularity around the globe. He is now considered one of the most influential musicians in the world. Afrobeat precursors also began in Ghana in the early 1920s. During that time, Ghanaian musicians incorporated foreign influences like the foxtrot and calypso with Ghanaian rhythms like Highlife. Highlife was associated with African aristocracy and was played by numerous bands including the Jazz Kings, Cape Coast Sugar Babies, and Accra Orchestra. But it was the electrifying music of Fela in the 1970s that catapulted Afrobeat across Africa. Fela was inspired by the Black Power movement and the Black Panther party. His lyrics were infused with social commentary, political critique, and Nigerian proverbs. He criticized the military dictatorship in Nigeria. He supported the newly gained independence from colonial rule across Africa, Fela encouraged self-reliance and self-pride. Today, Afrobeat is a modern fusion of traditional African rhythms with elements of dancehall, reggae, hip-hop, and R&B. Pioneered by Nigerian artists like Wizkid, Davido, and Burna Boy, this genre reflects the urban dynamism of African cities. Themes of love, resilience, and celebration of African pride are woven into the music, making it relatable across cultures while maintaining its African roots.

Globalization of Afrobeat The genre's global expansion can be attributed to the digital revolution, particularly streaming platforms like Spotify, YouTube, and Apple Music. Social media platforms like TikTok have amplified its reach, with viral dance challenges driving massive audience engagement. Collaborations with global stars like Beyoncé featuring Wizkid on Brown Skin Girl or Drake and Wizkid on One Dance, have introduced Afrobeat to new audiences. Festivals like Afro Nation and major streaming playlists dedicated to the genre have further solidified their presence on the global stage. Afrobeat is no longer confined to African communities abroad; it resonates with a universal audience. Cultural Exchange Through Afrobeat At its core, Afrobeat serves as a channel for cultural exchange. It provides a platform for Africa to tell its stories, celebrate its traditions, and showcase its languages. From Pidgin English to Yoruba and Twi, African languages are now sung, streamed, and danced worldwide. This is a powerful counter-narrative to stereotypical depictions of Africa, presenting the continent as creative, innovative, and influential. Moreover, the genre fosters reciprocal exchange. International artists now integrate African sounds into their music, and global fashion and dance have drawn inspiration from Afrobeat culture. The "shaku shaku" and "zanku" dance moves are some that went global when they were in vogue, mirroring the influence of break-dancing or hip-hop in earlier decades.

The rise of Afrobeat has also had economic impacts. Nigeria, in particular, has seen its music industry emerge as a major export, with artists securing international deals and awards. This cultural currency boosts tourism and brings soft power to African nations. Governments and organizations have leveraged Afrobeat as a tool for fostering diplomatic relations and showcasing the continent's positive image. For instance, for some years, the African Energy Chambers, and Organizers of the African Energy Week have used its concerts to bring energy stakeholders together while discussing Africa's energy features. Afrobeat artists like Teni, Ruger, Flavour and others have been featured in many editions of the event.

In essence, Afrobeat has transcended borders to become a global phenomenon, uniting people through the universal language of music. As it continues to gain prominence, it serves as a reminder of Africa's enduring influence on the global cultural landscape. With its beats and messages resonating far and wide, Afrobeat is not just music; it's a movement, a bridge connecting worlds and a celebration of the power of cultural exchange.

Nigeria's Real Estate Boom Attracts Foreign Investment Amid Land Registration Reforms

By Adaobi Rhema Oguejiofor

The Nigerian housing terrain is rapidly growing and evolving, accompanied by new policies and dynamics.

To this end, the Minister of Housing and Urban Development, Ahmed Dangiwa, has expressed the Federal Government's readiness to work with states in addressing the issue of unregistered lands, noting that more than 90 per cent of Nigeria's land remains unregistered to date. This percentage represents an estimated $300bn in untapped capital. Dangiwa disclosed this while speaking during a meeting with state commissioners responsible for lands and housing matters at the 13th National Council on Housing, Lands and Urban Development in Gombe State.

The Minister informed participants at the council meeting of the Federal Government's intentions and readiness to work with state governments to register, document, and title all land parcels, clarifying and securing land ownership to unlock development and investment. He also revealed that the Federal Government of Nigeria is set to partner with the World Bank to modernise land administration within the country by developing a National Land Digital System to optimise land transactions, to enable transparency, efficiency, and accessibility. Dangiwa added that the digital initiative would bring about solutions to the long-standing challenges currently faced in the land registration process. It will also boost economic activity within the sector and enhance property rights protection, increasing formal land transactions from less than 10 per cent to over 50 per cent within the next 10 years.

According to him, this pivotal decision would tackle the challenges obstructing effective and efficient land registration in Nigeria. He said both parties were finalising the operational framework and investment commitment for the initiative. In his words, "The system will serve as a comprehensive, accessible digital registry, enabling Nigerians to verify land ownership securely and efficiently, further affirming that by enhancing transparency and reducing fraud, the NDLS will increase investor confidence and unlock up to $300bn in untapped economic potentials related to land and property.

fmhud.gov.ng

Arc. Ahmed Musa Dangiwa

"By ensuring clarity, security, and accessibility in land ownership and transactions, the country is laying a foundation for increased investment, both domestic and international. Transparent land administration would enhance property rights, reduce conflicts, and encourage sustainable land use practices, which together foster a stable environment for economic activities." On the issue of rapid urbanization in Nigeria, the Minister explained that steps to address the issue have been outlined in the National Urban Development Policy awaiting approval by the Federal Executive Council (FEC), adding that the policy is designed to create resilient, inclusive, and climate-smart cities across Nigeria. He informed participants that Africa now has an Africa Urban Forum, which was recently held in Addis Ababa, noting that all African Member Countries, including Nigeria at the forum, agreed to organize an Annual National Urban Forum in the declaration.

He emphasised the importance of collaboration among federal, state, and local governments, to bring about transformation in urban spaces for the benefit of Nigerians. He directed delegates to begin the process of domesticating the Africa Urban Forum in Nigeria by organizing the Annual National Urban Forum in line with the Addis Ababa declaration, where leaders and professionals in the housing sector will meet to discuss Nigeria's Urban Agenda for Nigeria. He concluded by highlighting that the goal is to provide a framework that guides long-term sustainable growth, addressing not just housing and infrastructural needs but also one that establishes the foundation for economically vibrant, climate-resilient, and inclusive cities. According to Dangiwa, the ministry is advancing the construction of over 10,000 housing units across 14 locations nationwide, highlighting the role of Public-Private Partnerships in accelerating housing delivery, especially for middle- and high-income earners. He revealed that the ministry has also acquired land in Enugu and Borno states to develop about 2,000 units of Renewed Hope Cities under a PPP arrangement, noting that planned locations for additional cities include Nasarawa and Rivers States with 2,000 units each. He explained that the goal is to establish at least one Renewed Hope City in each geo-political zone and the Federal Capital Territory (FCT).

The Housing Minister, while focusing on the government's efforts to provide affordable housing for low-income Nigerians, urged all commissioners to encourage their state and local governments to allocate a substantial portion of their revenues to affordable housing delivery. He pointed out that PPPs alone cannot deliver affordable housing for the majority of Nigerians, given that the high costs of private-sector construction financing drive up prices as developer's payment of the loan is double-digit. Dangiwa also affirmed that the ministry, in collaboration with the World Bank, has introduced a new compensation framework for individuals affected by land acquisition. According to him, this updated system will address the 18-year gap in compensation policy.

Coping with Failure: A Teen's Guide to Bouncing Back

By Abdulhafiz Mohammed

The fear of failure can be overwhelming, especially during the pressure-cooker years of adolescence. The very word can make us cringe. But what if failure was not a reflection of our worth, but an opportunity for growth? Failure is an inevitable part of life, and it's time to change our perspective. Instead of avoiding failure, let's learn to embrace it, learn from it, and use it as a stepping stone to success.

According to the Cambridge Dictionary, failure is: The fact of not succeeding or achieving a goal or the way something does not work as it should. Failure is the lack of success in achieving a goal or an expected result. Layman

Definition of Failure: Failure is when something doesn't go the way you wanted, but it's also a chance to learn and try again. Just reading the word can make your stomach twist, right? For many teens, failing feels like the end of the world—whether it's a bad grade, losing a game, or not getting picked for the team. But here's the truth: failure is a normal and important part of life. It's not about avoiding failure but learning how to cope with it and use it to grow. This article will teach you about failure and how to cope with it.

The teenage years are full of pressure—grades, friendships, sports, and figuring out your future. Social media often add to the stress by showing only everyone's "highlight reel." It's easy to feel like you're falling behind when things don't go as planned. But here's the thing: no one has a perfect life. Everyone, even the most successful people, face failure.

What Failure Really Means: Failure doesn't mean you're not good enough. It simply means something didn't work out this time. Think of it as feedback, not a final result. It's a chance to ask yourself:

- What went wrong?
- What can I do differently next time?

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Here are practical steps to deal with failure healthily:

1. Take a Deep Breath Your first reaction might be to cry, get angry, or give up. That's okay—let yourself feel those emotions. But don't stay stuck in them. Take a deep breath, step back, and remind yourself that this moment doesn't define you.

2. Talk About It Don't keep your feelings bottled up. Talk to a friend, parent, or teacher you trust. Sometimes, just saying how you feel out loud can make a big difference.

3. Be Kind to Yourself Don't beat yourself up over a failure. Would you criticize a friend for making a mistake? Probably not, so give yourself the same kindness. Everyone messes up—it's how we grow.

4. Try Again The most important step after failure is to keep going. Set new goals and take small steps toward them. Each attempt gets you closer to success.

5. Acknowledge Your Feelings Allow yourself to feel sad, disappointed, or frustrated. Suppressing emotions can make things worse.

6. Reframe the Failure Look at failure as a learning experience rather than a final judgment of your abilities.

7. Stay Positive Focus on your strengths and past successes to remind yourself of what you're capable of.

8. Seek Feedback Ask for constructive criticism from someone knowledgeable to improve for the future.

9. Take a Break Step away from the situation to clear your mind and regain perspective.

Believe it or not, failure can actually be a blessing in disguise. Some of the world's most successful people—like Michael Jordan, Oprah Winfrey, and Elon Musk—faced failure before achieving greatness. What sets them apart is their ability to learn from their mistakes and keep going. So, the next time you stumble, remember: you're not alone, and you're stronger than you think. Embrace failure, learn from it, and keep moving forward.

Abdulhafiz Mohammed writes from Kaduna

DEAL OF THE MONTH

Lionel Messi's Contract Extension with Inter Miami

By Ibrahim B. Muhammed

In a groundbreaking sports deal, Lionel Messi has signed a contract extension with Inter Miami CF, solidifying his role as both a player and ambassador for Major League Soccer (MLS). The extension, announced in November 2024, reportedly includes a financial package exceeding $150 million over its duration, including salary, bonuses, and equity stakes in the club.

Since joining Inter Miami in mid-2023, Messi has revolutionized soccer in the United States. His arrival not only transformed Miami's fortunes on the pitch but also led to record-breaking ticket sales, sponsorships, and global viewership for MLS. Messi played a pivotal role in helping Inter Miami secure its first Leagues Cup title and became the face of the league's ambition to grow its international profile.

According to sources, the contract extension reflects Messi's continued commitment to elevating MLS as a competitive league on the global stage. The package includes provisions for post-retirement roles, ensuring Messi remains integral to the club and the sport in the U.S.

The deal cements Messi as one of the highest-earning athletes in Football. It also reinforces Inter Miami's ambitions to compete at the top level, with club executives reportedly preparing further investments in player acquisitions and infrastructure.

Beyond the financials, Messi's extension highlights the league's broader growth strategy. His influence has attracted significant partnerships, including streaming rights deals with Apple TV and collaborations with global sponsors like Adidas, who benefit from the Messi effect.

Lionel Messi

Fans and analysts have lauded the decision, calling it a pivotal moment for MLS's global ambitions. "Messi is more than a player; he's a cultural icon. His continued presence in Miami is a win for soccer in the U.S." said a senior MLS executive.

With Messi at the helm, Inter Miami is expected to aim for more silverware in the upcoming seasons, building on their Leagues Cup success. The club has also hinted at bolstering its roster with other international stars to complement Messi's leadership.

This historic contract marks another milestone in Messi's illustrious career while further cementing his legacy as a transformative figure in soccer. For Inter Miami and MLS, the extension symbolizes a new era of global recognition and ambition.

ATHLETE TURNED INVESTOR

Michael Jordan's Financial Empire: The Legacy Beyond Basketball

By Ibrahim B. Muhammed

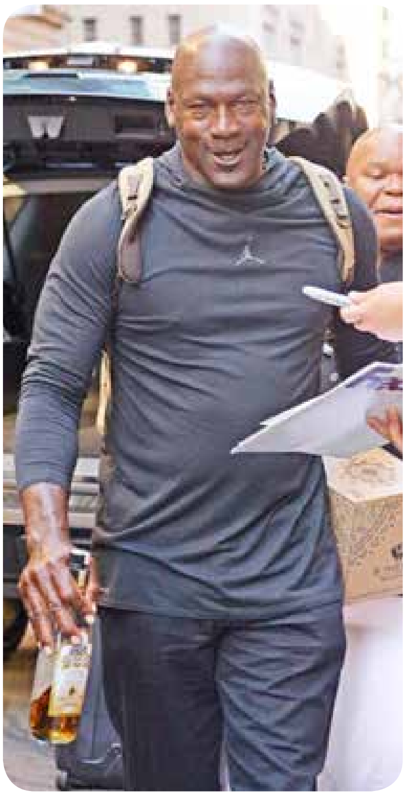
Michael Jordan, widely regarded as the greatest basketball player of all time, has not only made an indelible mark on the court but has also built a formidable financial empire off it. As of 2024, Jordan's net worth is estimated to be around $3 billion, making him one of the wealthiest athletes in the world. His financial success stems from a combination of savvy business deals, iconic endorsements, and smart investments.

The Air Jordan Legacy

A significant portion of Jordan's wealth comes from his legendary partnership with Nike, which began in 1984. The Air Jordan brand revolutionized the sneaker industry, generating billions in revenue. In 2023, Air Jordan sales alone brought in over $5 billion in revenue for Nike, with Jordan himself reportedly earning around $150 million annually from the deal. This partnership has become one of the most lucrative athlete-endorsement deals in history and continues to grow in popularity, attracting new generations of sneaker enthusiasts.

NBA Team Ownership

Jordan's business acumen extended to the NBA, where he became the principal owner of the Charlotte Hornets in 2010. While the Hornets haven't reached the upper echelons of NBA success, the team has significantly appreciated in value. In 2023, Jordan sold a majority stake in the franchise for approximately $3 billion, netting him an estimated $2 billion profit from the original purchase. Despite selling the majority share, Jordan retained a minority stake, allowing him to stay connected to the sport he once dominated.



Michael Jordan

Endorsements and Partnerships

Beyond Nike, Jordan has enjoyed long-standing endorsement deals with major companies like Gatorade, Hanes, Upper Deck, and McDonald's. His association with these global brands has kept his name and image in the spotlight long after his playing career ended. These deals bring in millions annually, contributing to his vast fortune.

In addition to endorsements, Jordan has ventured into other business areas. He holds stakes in various companies, including DraftKings, a sports betting platform, and has invested in the spirits industry with Cincoro Tequila, a luxury tequila brand co-founded by Jordan and a group of fellow NBA owners. Cincoro Tequila has quickly gained traction in the premium spirits market, further bolstering Jordan's financial portfolio.

Real Estate and Other Investments

Jordan's wealth is also tied to his impressive real estate holdings. He owns luxury properties in states such as North Carolina, Florida, and Illinois, including a $12.4 million mansion in Jupiter, Florida. His real estate investments not only serve as personal residences but also as strategic financial assets.

Additionally, Jordan has invested in various start-ups and private equity deals over the years, diversifying his portfolio. His ability to make smart financial decisions has allowed him to grow his fortune exponentially, even in retirement.

A Billionaire's Philanthropy

Despite his vast wealth, Jordan has also made a name for himself as a philanthropist. Over the years, he has donated millions to causes related to racial equality, education, and health care. In 2020, he committed $100 million over 10 years to organizations dedicated to ensuring racial equality and social justice, showing that his impact extends far beyond business and basketball.

Conclusion

From his groundbreaking sneaker deal with Nike to his investments in the NBA and beyond, Michael Jordan has proven himself to be as successful in business as he was on the basketball court. With a net worth of approximately $3 billion, Jordan's financial empire continues to grow, cementing his status as not just a sports icon, but a business mogul as well.

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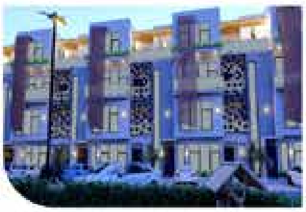




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