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# THE ALP REVIEW

## ENERGY AND NATURAL RESOURCES



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## Nigeria's Strategic Push Towards a US$200 Billion Hydrogen Economy

Nigeria is positioning itself to become a key player in the global hydrogen economy, which is projected to exceed US$200 billion by 2030. With vast natural gas reserves of about 206 trillion cubic feet and a huge potential for solar energy, Nigeria is well-positioned for both blue and green hydrogen production.

At the inaugural hydrogen economy conference in Abuja on 28 November 2024, Ekperikpe Ekpo, Minister of State for Petroleum Resources (Gas), highlighted that hydrogen could significantly reduce emissions, enhance energy efficiency, and create new economic opportunities, particularly in sectors like transportation, power, and heavy industry. Additionally, Nigeria's strategic location offers vital access to European and African markets, further boosting its hydrogen export potential.

The government's push for a hydrogen economy is in line with President Bola Ahmed Tinubu's 'Renewed Hope' Agenda, which focuses on sustainable development. Nicholas Ella, Permanent Secretary of the Ministry of Petroleum Resources, indicated the need for major infrastructure investments for the country to compete in the growing global hydrogen market.

Vice President Kashim Shettima highlighted hydrogen's potential role in meeting Nigeria's energy demands, emphasizing a diversified energy mix that taps into local resources. The government is committed to developing industry standards and ensuring safety as it works to capture a substantial share of the hydrogen market.




*Comment:* Nigeria's push to enter the US$200 billion hydrogen economy presents an opportunity for economic diversification, reducing the country's dependence on oil and gas while creating jobs and attracting investments. By focusing on blue and green hydrogen, Nigeria could contribute to global climate goals, aiding in the reduction of carbon emissions. Additionally, the shift toward hydrogen production could strengthen Nigeria's energy security, meet rising domestic energy demands, and enhance the country's position in global energy markets.

The government has not released any framework or roadmap for the exploitation of hydrogen in the country. This will be necessary to ensure that investors and industry players are guided in their operations.

For more information, please click here.

## Nigeria and France Sign MoU to Strengthen Critical Minerals Value Chain

Nigeria and France have signed a Memorandum of Understanding (MoU) to collaborate on developing critical minerals value chains in the solid minerals sector. The partnership focuses on research, training, and skills transfer between the two countries, particularly in sustainable mining practices that address environmental impacts such as carbon emissions and water consumption.

*Comment:* This partnership between Nigeria and France is expected to diversify Nigeria's critical minerals sector and improve mining practices through sustainable methods, reduce environmental impacts, and enhance the management of mining operations.

The collaboration is expected to attract foreign investment, especially from French entities, into Nigeria's mining industry.

Additionally, the focus on training, research, and knowledge exchange will build local capacity, and support Nigeria's effort to promote global best practices in its solid minerals sector while addressing environmental concerns and creating economic opportunities.

Furthermore, to maximize the benefits of such initiatives, there is need for the establishment of a comprehensive legal framework for the use of emerging technologies like hydrogen for energy.

For more information, please click here.

## InfraCredit Secures US$30M to Boost Renewable Energy in Nigeria

Infrastructure Credit Guarantee Company Limited (InfraCredit) has obtained a US$30 million risk-sharing and local currency co-financing facility from British International Investment (BII), the United Kingdom's development finance institution. This facility, which combines a US$20 million local currency counter-guarantee and US$10 million concessional financing through the Climate Finance Blending Facility (CFBF), is designed to support decentralized renewable energy (DRE) projects in Nigeria. The initiative aims to mobilize funding from development partners and domestic investors to scale up clean energy infrastructure.

The investment is expected to deliver many benefits, including over 57,000 new energy connections, an increase of 20.1 MWp in renewable energy capacity, and access to energy for 564 communities. Additionally, it will create 2,558 jobs and reduce greenhouse gas emissions by 158.3 tonnes. The facility underscores the critical role of sustainable finance in accelerating long-term growth in Nigeria's renewable energy sector.

Leaders from BII and InfraCredit highlighted the transformative impact of decentralized renewable energy in addressing Nigeria's energy needs while reducing reliance on diesel.



*Comment:* This development is likely to accelerate the transition to sustainable energy, improve access to power in underserved areas, create jobs, and reduce greenhouse gas emissions. It also highlights the growing role of blended finance in attracting private capital for
renewable energy infrastructure, potentially reducing the country's reliance on diesel and fostering economic resilience.

For more information, please click here.

## Namibia Approves National Upstream Local Content Policy to Empower Local Industry

Namibia's Cabinet has approved the National Upstream Local Content Policy, which aims to reduce the country's reliance on foreign expertise in its oil and gas sector. This policy seeks to empower local businesses and workers, fostering economic sovereignty and preparing Namibia for its first oil production by 2029.

The policy requires oil operators to submit "Local Content Plans" outlining their commitment to hiring local labour, engaging local suppliers, and investing in workforce training. The Ministry of Mines and Energy will oversee compliance to ensure that local participation is maximized.
The policy focuses on long-term economic growth, job creation, and local empowerment while maintaining a welcoming environment for foreign investment.

*Comment:* The implementation of Namibia's National Upstream Local Content Policy is likely to reduce dependence on foreign expertise, thereby fostering local business growth, job creation, and skills development. The policy aims to ensure that the benefits of Namibia's oil discoveries, including Graff and Venus, stay within the country, promoting economic sovereignty and sustainable development.

By requiring oil operators to engage local businesses and labour, Namibia is positioning itself to improve its standing in Africa's energy sector while creating a more inclusive and competitive industry. This move may also attract responsible foreign investment, contributing to long-term economic growth.

For more information, please click here.

## QatarEnergy Expands Offshore Exploration Interests in Namibia

QatarEnergy has expanded its offshore exploration interests in Namibia's Orange Basin by acquiring additional stakes in two blocks from TotalEnergies. Upon regulatory approval, QatarEnergy's interests will rise to 35.25% in block 2913B and 33.025% in block 2912. The remaining stakes are held by TotalEnergies (the operator), Impact Oil & Gas, and Namibia's National Petroleum Corporation (NAMCOR).

This acquisition strengthens QatarEnergy's position in Namibia's upstream sector, particularly in the development of the Venus discovery on block 2913B. The blocks are located about 300 kilometers offshore in deep waters of 2600–3800 meters.

*Comment:* QatarEnergy's increased stakes in Namibia's offshore blocks signal a stronger presence in the country's upstream oil and gas sector, enhancing its role in developing the Venus discovery.



This move could accelerate exploration and production activities in the Orange Basin, fostering economic growth for Namibia while bolstering QatarEnergy's global energy portfolio. It also highlights growing international investment in Namibia's emerging oil and gas industry.

For more information, please click here.

## Uganda to Finance US$4B Oil Refinery with Equity Funding

Uganda intends to fully finance its US$4 billion oil refinery project through equity from the UAE-based Alpha MBM Investments. The funding which is expected over a three-year period takes a slightly unconventional approach for financing such projects.



This move, which was confirmed by Ruth Nankabirwa Ssentamu, the Minister of Energy and Mineral Development, appears to be in response to the reluctance of external financiers to support oil projects. The refinery is expected to enhance Uganda's energy infrastructure, add value to its hydrocarbon resources, and contribute to the country's long-term energy and economic development.

*Comment:* While the specific structure of the project has not been announced, Uganda's decision to finance its US$4 billion oil refinery through equity indicates a shift in how African nations may now approach large-scale energy projects. It appears that in a bid to reduce dependency on international financiers, such projects may now lean more toward direct equity funding.

For more information, please click here.

## Libya Unveils 20 Strategic Projects to Modernize Energy Infrastructure

Libya's Ministry of Electricity has unveiled 20 strategic power projects aimed at bolstering energy infrastructure in the Jabal Al-Akhdar and Al-Batnan regions of the country. This is geared toward addressing issues like low voltage, grid bottlenecks, and power fluctuations through cable replacements, network upgrades, and new power station connections.

Focal projects include gas-fired plants like the South Tripoli plant (1,320 MW) and the Zliten Emergency Power Plant (1,044 MW), alongside investments in solar energy and regional grid interconnections with countries like Egypt, Tunisia, and Italy.

These efforts will be showcased at the Libya Energy & Economic Summit in January 2025, highlighting Libya's commitment to sustainable energy development and attracting international investment.

*Comment:* These power projects will be an advancement in modernizing Libya's energy infrastructure and addressing critical challenges like grid inefficiencies and power shortages. The initiatives are likely to improve energy reliability, support economic development, and reduce blackouts in important regions.

With investments in both gas-fired and renewable energy projects, Libya is positioning itself as a regional energy hub, enhancing its capacity to meet growing domestic demand and strengthening regional and international grid connections. This could attract international investment and partnerships, boosting the country's energy sector and overall economic resilience.

For more information, please click here.

## EIB Invests US$80M in African Infrastructure Fund to Drive Sustainable Development

The European Investment Bank (EIB) located in Luxembourg has committed US$80 million in equity funding to the Pembani Remgro Infrastructure Fund II (PRIF II). This is EIB's largest-ever investment in an African infrastructure fund and PRIF II aims to address the continent's US$100 billion annual infrastructure funding gap.

PRIF II's first project focuses on expanding a pan-African data centre platform to bridge the digital divide, with 900 million Africans still lacking internet access. The fund is also expected to create 1,400 full-time jobs, promote gender equality through the 2X Challenge, and adhere to global environmental and social standards. With US$355 million in total commitments, PRIF II exemplifies the growing collaboration between public and private sectors to drive sustainable development in Africa.

*Comment:* The EIB's US$80 million investment in PRIF II is a strong commitment to addressing Africa's infrastructure financing gap. This initiative is likely to accelerate renewable energy adoption, improve digital connectivity, and enhance transportation networks across sub-Saharan Africa, fostering sustainable development.

By creating jobs, reducing the digital divide, and aligning with global climate and social standards, the investment positions Africa for long-term economic growth while promoting inclusive and equitable development.

For more information, please click here.

## Africa50 to Manage International Solar Alliance's US$200M Africa Solar Facility

Africa50, a leading Pan-African infrastructure investor and asset manager, has entered into an agreement with the International Solar Alliance (ISA) to manage the US$200-million Africa Solar Facility (ASF). This initiative, launched by ISA, is aimed at overcoming financing challenges in Africa's distributed renewable energy (DRE) sector and accelerating solar energy deployment across the continent.

The ASF represents the first regional program under ISA's Global Solar Facility, focusing on mobilizing investments for historically underserved solar projects. It aims to provide innovative financing solutions, including payment guarantees, to boost investor confidence in Africa's DRE applications.

Dr Ajay Mathur, Director General of ISA, highlighted the disparity in global solar investment, noting that only 3% of such investments reach Africa, with an even smaller percentage allocated to DRE.

The ASF is expected to help bridge this gap, providing much-needed support to solar energy initiatives and fostering sustainable development across the region.

Comment

The partnership between Africa50 and the International Solar Alliance (ISA) to manage the US$200 million Africa Solar Facility (ASF) is poised to enhance the deployment of distributed solar energy solutions across Africa. By targeting financing barriers and mobilizing investments for underserved projects, this initiative is expected to accelerate the continent's energy transition, improve energy access for millions, and stimulate sustainable economic development. Furthermore, the ASF aims to boost investor confidence in decentralized renewable energy applications, thereby attracting more private capital into Africa's solar energy sector.

For more information, please click here.

## Botswana and G7 Partner to Enhance Diamond Trade Transparency with Certification Node

Botswana has partnered with the G7 countries toward establishing a diamond export certification node by 2025, aimed at improving traceability and transparency in diamond trade with G7 markets. This initiative, rooted in a framework co-developed with Belgium, builds on the launch of Europe's first certification platform in early 2024. It is expected to boost investor confidence and attract more investment into Botswana's diamond value chain.

The G7 team also plans to expand the initiative to other African diamond markets, such as Angola and Namibia, to strengthen trade integrity and align with the Kimberley Process Certification Scheme.

This collaboration is tied to Botswana's broader commitment to ethical mining practices and global trade standards.

*Comment:* The partnership between Botswana and the G7 to establish a diamond export certification node is likely to enhance the transparency and traceability of the diamond trade. This development will likely boost investor confidence in Botswana's diamond industry, attract more investments, and promote ethical and responsible mining practices. It could also set a precedent for other African diamond markets, improving the integrity of the entire diamond trade and strengthening Botswana's position as a leading player in the global market.

For more information, please click here.

## Ghana's Gold Trade Desk Generates US$1.02 Billion

Ghana's Minerals Income Investment Fund (MIIF) has generated US$1.02 billion in revenue over the past year through its gold trade desk, a platform designed to formalize the small-scale mining sector, enhance gold traceability, and ensure a stable market for locally mined gold.

The initiative has supported Ghana's economy by supplying US$600 million to Bulk Distribution Companies for petroleum imports, stabilizing the cedi, and reducing foreign exchange volatility. Despite forex-related losses in September, the desk maintains robust returns of 8% on the dollar and 24% on the cedi, as noted by MIIF CEO Edward Nana Yaw Koranteng.

Through partnerships with LBMA-certified refineries, the desk guarantees global recognition of Ghana's gold as traceable, boosting its value and addressing exploitation in the sector. Additionally, MIIF's Small-Scale Mining Incubation Program provides licensed miners with training, equipment, and sustainable practices to overcome challenges like illegal mining and poor governance.

Looking ahead, MIIF plans to launch a gold-backed Exchange Traded Fund, enabling Ghanaians to directly invest in the nation's gold resources.

*Comment:* The establishment of Ghana's gold trade desk strengthens the formalization of the small-scale mining sector, enhances gold traceability, and boosts the economy by stabilizing the cedi and reducing forex volatility. It positions Ghana as a global player in traceable gold while addressing exploitation and governance challenges in mining. The proposed gold-backed ETF could further democratize access to gold investments, fostering local and international confidence in Ghana's gold industry.

For more information, please click here.



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