

Four Years On:
Examining Nigeria's Just Transition Plan

Corporate Accountability & Public Participation Africa



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Acronyms

AEMP	Africa Energy Marketplace
AFOLU	Agriculture, Forestry and Other Land Use
AR6	Sixth Assessment Report
CBN	Central Bank of Nigeria
CO2	Carbon dioxide
COP26	26th Conference of the Parties to the United Nations Framework Convention on Climate Change
ETIP	Energy Transition and Investment Plan
ETM	Energy Transition Metals
ETP	Energy Transition Plan
GDP	Gross Domestic Product
GES	Gas Economy Scenario
HCDT	Host Communities Development Trust
IEA	International Energy Agency
ILO	International Labour Organisation
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
JT-GAP	Just Transition Guidelines and Action Plan
kWh	Kilowatt-hour
LT-LEDS	Long-Term Low Emissions Development Strategy
NBS	National Bureau of Statistics
NCCC	National Council on Climate Change
NDC	Nationally Determined Contributions
NEITI	Nigeria Extractive Industries Transparency Initiative
NERC	Nigeria Electricity Regulatory Commission
NLFS	Nigeria Labour Force Survey
PIA	Petroleum Industry Act
RES	Renewable Energy Scenario
SEforAll	Sustainable Energy for All
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

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Executive Summary

Four years after the adoption of Nigeria's Energy Transition Plan (ETP), this study assesses whether the country has progressed beyond policy ambition to meaningful structural change. Using a political economy approach, it argues that the Just Transition Framework is more than a technical climate roadmap; it is a governance framework through which competing priorities economic development, fiscal dependence on hydrocarbons, energy security, and climate commitments are negotiated.

The study finds that while Nigeria has made notable progress in policy development and renewable energy deployment, its transition remains constrained by deep structural dependence on oil and gas. Rather than replacing the fossil fuel regime, renewable energy is being layered onto it, creating a hybrid transition in which hydrocarbons continue to underpin public finance, exports, and economic stability. Institutional fragmentation, weak coordination, and limited implementation capacity further undermine policy effectiveness.

Financing remains another major constraint. Although the ETP identifies substantial investment needs, implementation continues to rely heavily on uncertain climate finance and private capital that have yet to materialise at the required scale. Similarly, the social dimensions of a just transition—including worker protection, skills development, and support for affected communities such as the Niger Delta—remain underdeveloped despite their prominence in policy discourse. And even though Nigeria has since developed the Just Transition Guidelines and Action Plan (JT-GAP), which was validated in October 2025 and similarly signals the direction in which the country is heading, the document is yet to be presented to the Federal Executive Council. This again raises questions about the urgency, coordination, and institutional follow-through required to translate these frameworks into action.

The report argues that although the Just Transition Guidelines and Action Plan (JT-GAP) reflects a strong intention to ensure that Nigeria's shift to a low-carbon, climate-resilient economy is socially fair and inclusive, its potential remains constrained by significant implementation challenges. Validated by the National Council on Climate Change (NCCC), the plan aligns with Nigeria's 2060 net-zero ambition and NDCs, while seeking to protect workers and vulnerable communities through green job creation, social protection, and targeted reskilling. However, these positive intentions raise questions around implementation, financing, institutional coordination, and accountability.

While the JT-GAP strengthens Nigeria's position in global climate governance and may support access to climate finance, its broader value will ultimately depend on whether its commitments translate into funded programmes, institutional reforms, and tangible outcomes for affected workers and communities.

Overall, the study concludes that Nigeria's Just Transition is neither a failed nor a fully transformative project. Instead, it remains a politically negotiated and institutionally constrained process shaped by structural economic dependence. Achieving a genuinely just transition will require stronger domestic institutions, sustained public investment, effective implementation mechanisms, and governance reforms that ensure the costs and benefits of decarbonisation are distributed equitably across society.

Introduction

Nigeria's Just Transition agenda, embedded within the broader Energy Transition Plan (ETP),[1] which was publicly launched in August 2022, is formally constructed as a long-term structural transformation framework targeting net-zero emissions by 2060 while addressing three deeply intertwined developmental priorities: expanding energy access, generating employment, and reducing inequality. In technical policy terms, the framework can be understood as an attempt to solve a multi-objective constrained optimisation problem in which emissions reduction, energy sufficiency, and structural economic transformation are simultaneously pursued under binding fiscal, institutional, infrastructural, and political economy constraints (Government of Nigeria, 2021; SEforALL, 2022–2024). The complexity of the design lies in the fact that these objectives are not naturally co-moving; instead, they exhibit structural tensions that must be actively mediated through policy instruments, yet the mediating institutional capacity remains uneven.

At the level of policy architecture, the framework integrates three analytically distinct but functionally interdependent domains. The first is decarbonisation policy, anchored in Nigeria's Nationally Determined Contribution (NDC) under the Paris Agreement, which introduces an emissions constraint function into national development planning. This requires a progressive reduction in carbon intensity (CO_2/GDP) and a long-term flattening and eventual decline of absolute emissions across power generation, transport systems, oil and gas operations, and land-use change. In integrated assessment modelling terms, this is consistent with IPCC AR6 mitigation pathways, which assume systematic decoupling of economic output from emissions through technological substitution and structural economic change (IPCC, 2022).[2] However, in Nigeria's case, this decoupling is complicated by the persistence of sunk hydrocarbon capital, infrastructure lock-in effects, and fiscal dependence on petroleum rents, which collectively constrain the feasible emissions trajectory relative to modelled optimal pathways (World Bank, 2022–2025).

More critically, the Long-Term Low Emissions Development Strategy (LT-LEDS) provides an economy-wide perspective on Nigeria's deep decarbonisation pathways to 2060, extending the analysis beyond an energy-sector-focused transition. Its inclusion of Agriculture, Forestry and Other Land Use (AFOLU)—which accounts for nearly 30% of the national emissions profile and represents the second-largest source after energy—underscores the complexity of achieving economy-wide decarbonisation.

[1] https://www.energytransition.gov.ng/
[2] https://www.ipcc.ch/report/ar6/wg3/

The LT-LEDS also contrasts the Gas Economy Scenario (GES) with the Renewable Energy Scenario (RES), indicating that the latter provides a pathway towards deep net-zero alignment, while continued reliance on natural gas raises concerns around carbon lock-in and methane emissions.

For this report, the LT-LEDS is particularly useful in examining the political economy underlying Nigeria's transition, including the tensions between fossil-fuel dependence, state revenue needs, energy-access priorities, and longer-term decarbonisation objectives. It also provides a lens through which to consider the institutional dynamics of climate governance. While the Energy Transition Plan (ETP) was driven largely through the Office of the former Vice President, Prof. Yemi Osinbajo, the LT-LEDS and related outputs were led by the NCCC Secretariat. These different institutional pathways point to potential overlaps in mandates and competing centres of authority, which are relevant to understanding coordination, ownership, and accountability in Nigeria's climate policy landscape.[3]

The second domain is energy access expansion policy, which is fundamentally developmental rather than climate oriented. Nigeria's baseline energy system is characterised by chronic electricity deficits, low per capita consumption, and structurally weak transmission and distribution networks with high technical and commercial losses. In response, households and firms have developed extensive off-grid substitution through diesel and petrol generators, effectively creating a parallel informal energy economy. Clean cooking access remains similarly constrained, with biomass still dominating household energy consumption patterns (IEA, 2023). This creates a binding development constraint that requires simultaneous expansion of generation capacity, grid reliability, and distributed energy systems such as mini-grids, embedded generation, and solar home systems. Yet this expansion is not technologically neutral: it must occur under emissions constraints, producing a structural policy tension between absolute energy expansion (kWh sufficiency) and emissions intensity reduction (CO per unit output). In practice, this tension manifests as a dual investment requirement in both fossil-adjacent stabilization (notably gas-to-power systems) and renewable decentralisation pathways (IEA, 2023; SEforALL, 2022–2024).[4]

The third domain is structural economic transformation policy, which is the most complex and least materially advanced component of the framework. It requires a shift from a hydrocarbon-dependent rentier accumulation regime toward a diversified economy characterised by higher productivity manufacturing, expanded services, and domestically embedded renewable energy value chains.

[3] https://unfccc.int/sites/default/files/resource/Nigeria_LTLEDS_01122023_240425_094617.pdf
[4] https://www.seforall.org/our-work/initiatives-projects/energy-transition-plans/nigeria

In formal macro-structural terms, this implies a reconfiguration of sectoral GDP composition, changes in employment elasticity across sectors, and a transformation of capital accumulation pathways away from extractive rents toward productive investment-led growth (World Bank, 2022–2025). Crucially, it also assumes the existence of functional labour reallocation mechanisms, whereby workers displaced from fossil-linked value chains—oil extraction, petroleum logistics, downstream fuel distribution, and diesel-dependent informal services—can transition into emerging green sectors through coordinated reskilling systems, industrial policy alignment, and absorptive employment capacity in new sectors. In integrated assessment modelling logic, this reflects a co-evolutionary transition pathway in which energy systems, fiscal structures, and labour markets adjust endogenously toward a new equilibrium state (IPCC, 2022; UNDP Nigeria, 2023–2024).[5]

Four years into implementation, however, empirical evidence indicates a significant divergence between the modelled transition trajectory and observed system dynamics, suggesting that Nigeria is operating within a hybrid transitional regime characterised primarily by layering rather than structural substitution (IEA, 2023; World Bank, 2022–2025).[6]

At the energy system level, Nigeria exhibits a dual-track configuration in which the incumbent fossil-based regime remains structurally dominant while renewable energy systems expand at the margins. Natural gas continues to anchor grid-connected electricity generation, while oil dominates export earnings and fiscal inflows. Grid performance remains constrained by transmission bottlenecks, inadequate redundancy, and persistent technical losses. Although renewable deployment—particularly solar mini-grids and distributed solar systems supported by SEforALL and development partners—has expanded in visibility and count, it remains incremental in system terms, contributing marginal capacity additions without displacing base-load fossil generation (SEforALL, 2022–2024; IEA, 2023).[7] From a transition systems perspective consistent with multi-level transition theory, renewables are therefore best characterised as niche innovations operating alongside the incumbent regime rather than displacing it, indicating a layering dynamic rather than a regime shift (IPCC, 2022).

At the fiscal level, Nigeria continues to exhibit the structural properties of a hydrocarbon rentier state, in which oil and gas revenues remain central to export earnings and a significant share of government fiscal resources (World Bank, 2022–2025).

[5] https://www.undp.org/nigeria/press-releases/undp-nigeria-launches-2023/24-human-development-report-hdr-titled-breaking-gridlock-reimagining-cooperation-polarized-world
[6] https://www.seforall.org/our-work/initiatives-projects/energy-transition-plans/nigeria
[7] https://thedocs.worldbank.org/en/doc/6cdd609ccd14ef89ecf764be228c9ec4-0360012025/original/ndu-october-2025-presentation.pdf

This generates a persistent fiscal-energy lock-in, whereby macroeconomic stability, foreign exchange liquidity, and public expenditure capacity remain partially contingent on continued hydrocarbon extraction. As a result, decarbonisation policy is not simply a technical emissions constraint but a macro-fiscal trade-off problem, in which aggressive displacement of fossil production risks destabilising fiscal balance and external accounts. This structural condition significantly narrows the feasible policy space for rapid transition implementation and introduces endogenous limits on decarbonisation speed (Government of Nigeria, 2021; World Bank, 2022–2025).

At the labour market level, the anticipated large-scale reallocation of labour into emerging green sectors has not materialised at system scale. Nigeria's labour structure remains overwhelmingly informal, with limited institutional coverage for workforce retraining, certification, or structured mobility pathways. The emerging renewable energy sector, while growing, remains quantitatively insufficient to absorb labour displacement from fossil-linked value chains or to transform aggregate employment structures. This reflects a persistent labour transition gap, where the assumptions embedded in transition modelling frameworks—particularly regarding frictionless labour mobility and rapid skill substitution—are not supported by actual labour market architecture, institutional capacity, or demand-side industrial absorption constraints (ILO, 2023–2025; UNDP Nigeria, 2023–2024).[8]

Institutionally, implementation is characterised by a soft coordination governance regime rather than a hard enforcement structure. Multiple ministries, agencies, and development partners participate in planning and technical design, but no single institution possesses binding authority over cross-sectoral implementation. This results in a coordination-intensive but enforcement-light system, where policy coherence is relatively strong at the design level but significantly weaker at the execution level. A further structural feature is the reliance on externally supported technical modelling and advisory systems, which produces a degree of epistemic dependence on multilateral transition frameworks and global climate governance architectures (UNDP Nigeria, 2023–2024; SEforALL, 2022–2024).

Financing dynamics further reinforce these implementation constraints. The transition pathway is highly capital-intensive, with SEforALL-based modelling estimating multi-trillion-dollar investment requirements across generation expansion, transmission modernization, clean cooking transitions, and industrial electrification. However, actual financing flows remain fragmented across concessional development finance, project-tied climate funding, and constrained domestic public investment capacity.

[8] https://www.ilo.org/publications/renewable-energy-and-jobs-annual-review-2025

This produces a persistent capital–policy mismatch, in which modelled investment requirements significantly exceed secured financing envelopes, thereby shifting the transition pathway from a fully financed strategy to a partially speculative investment horizon dependent on future climate finance mobilisation (World Bank, 2022–2025;[9] SEforALL, 2022–2024). When these system-level dynamics are integrated, Nigeria's Just Transition framework ceases to resemble a linear transformation pathway and instead emerges as a multi-layered governance regime embedded within a structurally constrained political economy. Empirically, three stable system observations can be identified. First, there is no evidence of full regime displacement in the energy system, as fossil fuels remain structurally dominant in both electricity generation and export revenues (IEA, 2023). Second, there is no significant fiscal restructuring away from hydrocarbon dependence, indicating persistence of rentier-state macroeconomic structure (World Bank, 2022–2025).[10] Third, there is no large-scale labour reallocation into emerging green sectors, reflecting persistent institutional and absorptive capacity constraints in labour market transformation (ILO, 2023–2025). Taken together, these observations indicate that Nigeria's transition is characterised not by substitution dynamics but by regime layering, where new renewable and institutional elements are added onto an existing fossil-based system without fundamentally displacing it.[11]

This produces what can be analytically described as a bounded transition corridor, in which policy ambition is continuously mediated by structural constraints embedded in fiscal dependency, institutional fragmentation, infrastructural bottlenecks, and labour market informality. Technically, Nigeria's Just Transition Plan therefore operates as a hybrid governance architecture combining three simultaneous but partially conflicting logics: a formal transformation model grounded in decarbonisation pathways and integrated assessment frameworks; a partial implementation system reflected in incremental renewable deployment and evolving institutional arrangements; and a continuity-preserving political economy structure in which hydrocarbon dependency, fiscal rent dependence, and weak industrial transformation capacity remain structurally dominant (IPCC, 2022; Government of Nigeria,[12] 2021; World Bank, 2022–2025; IEA, 2023).

The central analytical conclusion is that Nigeria's Just Transition agenda is not yet a completed transformation regime but rather a pre-transformational system operating under structural constraints. The observed outcome is a hybrid equilibrium state in which transition processes exist and are observable yet remain systematically subordinated to continuity imperatives embedded in Nigeria's extractive growth model.

[9] https://thedocs.worldbank.org/en/doc/6cdd609ccd14ef89ecf764be228c9ec4-0360012025/original/ndu-october-2025-presentation.pdf
[10] https://www.social-protection.org/gimi/ShowRessource.action?id=59103&lang=RU
[11] https://www.ilo.org/resource/news/expanding-avenues-promote-decent-work-new-ilo-report-shows-growing
[12] https://www.energytransition.gov.ng/

Chapter 1

Nigeria's Just Transition Agenda: Political and External Drivers

Nigeria's Just Transition agenda, as embedded within the broader Energy Transition Plan (ETP), is best understood not as a purely endogenous response to domestic energy system constraints, but as the product of a dual-pressure configuration in which external climate governance dynamics intersect with domestic fiscal and political economy imperatives. While formally presented as a long-horizon structural transformation framework targeting net-zero emissions by 2060 alongside expanded energy access, employment creation, and inequality reduction (Government of Nigeria, 2021; SEforALL, 2022–2024), its deeper origin lies in the convergence of global legitimacy requirements and internal stabilization strategies under hydrocarbon dependence.Nigeria's Just Transition agenda, as embedded within the broader Energy Transition Plan (ETP), is best understood not as a purely endogenous response to domestic energy system constraints, but as the product of a dual-pressure configuration in which external climate governance dynamics intersect with domestic fiscal and political economy imperatives.

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At the external level, the agenda is shaped by what can be described as a post-COP26 climate governance tightening cycle, in which sovereign credibility is increasingly defined through the articulation of coherent, model-consistent net-zero pathways (IPCC, 2022). COP26 functioned as a critical signalling node within this regime, intensifying expectations that hydrocarbon-dependent economies produce detailed transition roadmaps compatible with global decarbonisation trajectories. In this context, Nigeria's Just Transition framing is not simply a domestic policy choice but a form of strategic compliance signalling within an evolving global climate regime, where access to concessional finance, investment flows, and multilateral legitimacy is increasingly contingent on demonstrable alignment with transition norms (World Bank,[13] 2022–2025; UNDP Nigeria,[14] 2023–2024).[15]

This external pressure is operationalised through a network of multilateral epistemic institutions—notably the World Bank, UNDP, SEforALL, and the International Labour Organization (ILO)—which shape not only financing conditions but also the underlying cognitive architecture of transition planning (ILO, 2023–2025; SEforALL, 2022–2024). These institutions provide integrated assessment modelling frameworks, sectoral decarbonisation templates, and labour transition typologies that effectively define the boundaries of what constitutes a "credible" transition plan. The result is a form of epistemic convergence, where national policy design increasingly mirrors global modelling conventions such as sector-by-sector mitigation pathways and net-zero scenario construction (IPCC, 2022). In parallel, the ILO's just transition framework embeds normative expectations around labour protection and social inclusion but also standardises these concerns into globally legible policy categories that often exceed domestic implementation capacity (ILO, 2023–2025).

In contrast, the domestic political economy reveals a set of structural incentives that make the adoption of such a framework strategically rational even in the absence of deep transformation intent. The most fundamental constraint is Nigeria's hydrocarbon rent dependence, which anchors fiscal stability, foreign exchange liquidity, and public expenditure capacity in oil and gas revenues (World Bank, 2022–2025). This creates a structural contradiction: while long-term policy discourse must accommodate decarbonisation trajectories, short- to medium-term macroeconomic stability remains dependent on maintaining fossil fuel extraction. The Just Transition framework therefore functions as a mechanism for temporal risk management, allowing the state to project alignment with global transition pathways while preserving the fiscal centrality of hydrocarbons (Government of Nigeria, 2021).

[13] https://thedocs.worldbank.org/en/doc/bae48ff2fefc5a869546775b3f010735-0500062021/related/mpo-nga.pdf
[14] https://thedocs.worldbank.org/en/doc/bae48ff2fefc5a869546775b3f010735-0500062021/related/mpo-nga.pdf
[15] https://www.undp.org/sites/g/files/zskgke326/files/2025-04/annual-report-2024_1.pdf

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A further domestic dimension lies in elite repositioning within emerging climate governance and finance regimes. This is evident in Cross River State's REDD+ experience, where unanswered questions over **who defines, administers, and ultimately benefits from the carbon value of the state's forests** intersect with longstanding questions over land and forest rights, creating new spaces for contestation over access, control, and the distribution of emerging carbon revenues.[16] As climate finance, carbon markets, and green investment platforms expand, they generate new intermediary spaces for value capture, advisory brokerage, and project allocation.

The articulation of a Just Transition framework enables domestic institutional actors to insert themselves into these emerging circuits of accumulation, effectively reproducing familiar rent-distribution logics in a reconfigured, climate-aligned form (UNDP Nigeria, 2023–2024). This introduces an important continuity dynamic: rather than eliminating rent-seeking structures, the transition may partially recode them into climate-finance-mediated accumulation channels.

When these external and domestic logics are integrated, the origin of Nigeria's Just Transition agenda becomes analytically clearer. It emerges from a structurally coupled system of external legitimacy pressure and internal fiscal-strategic adaptation, rather than from a singular domestic imperative to restructure the energy economy.

[16] https://www.un-redd.org/sites/default/files/2021-10/article_28_02_2011_Guardian.pdf

External actors shape the epistemic and financial architecture of what constitutes a credible transition, while domestic actors adopt and adapt this architecture to manage fiscal vulnerability, maintain macroeconomic stability, and access new financing opportunities.

The result is a policy formation process characterised by strategic alignment without full structural commitment, in which the Just Transition agenda functions simultaneously as a compliance mechanism within global climate governance (IPCC, 2022), a diversification tool within a volatile rentier fiscal system (World Bank, 2022–2025),[17] and a positioning device within emerging climate finance regimes (SEforALL, 2022–2024).[18] In this sense, its emergence reflects less a decisive break from extractive development logics than a reconfiguration of those logics under new global constraints, where legitimacy, finance, and continuity management converge within a single policy architecture.

[17] https://thedocs.worldbank.org/en/doc/6cdd609ccd14ef89ecf764be228c9ec4-0360012025/original/ndu-october-2025-presentation.pdf
[18] https://www.energytransition.gov.ng/

Chapter 2

Intentions vs Embedded Contradictions

The Nigeria Just Transition agenda, as embedded within the Energy Transition Plan (ETP), is formally constructed within a developmental–climate hybrid narrative architecture that seeks to reconcile emissions mitigation with employment generation, social inclusion, green industrialisation, and long-term net-zero alignment by 2060[19] (Government of Nigeria, 2021; SEforALL, 2022–2024).[20] In its official articulation, the framework is presented as a system-level optimisation strategy in which decarbonisation is not treated as a standalone environmental constraint but as a co-equal objective alongside energy access expansion and structural economic diversification. This framing aligns with integrated assessment modelling traditions used in global climate governance, particularly those reflected in IPCC AR6 mitigation pathways, which assume coordinated adjustments across energy, fiscal, and labour systems (IPCC, 2022).

[19] https://www.energytransition.gov.ng/
[20] https://www.seforall.org/system/files/2025-05/Nigeria-ETIP-u.pdf

2.1 Official Narrative: Policy Intent and Functional Claims

Within the formal policy discourse, the concept of "jobs" is operationalised through the expected labour-absorptive capacity of emerging green sectors, including renewable energy deployment (solar mini-grids, utility-scale solar, and distributed systems), energy efficiency retrofits, clean cooking transitions, and climate-resilient infrastructure development. These are treated as compensatory employment vectors designed to offset potential labour displacement from fossil-linked value chains while simultaneously addressing Nigeria's structural unemployment and informality challenges (ILO, 2023–2025; UNDP Nigeria, 2023–2024).

"Inclusion" is defined through a distributive energy access lens, where improvements in electrification rates, clean cooking adoption, and affordability of energy services are expected to produce welfare gains for low-income and rural populations. This reflects a capability-expansion interpretation of energy justice, where access to modern energy services is treated as a proxy for broader socio-economic inclusion. In modelling terms, this assumes positive externalities from energy infrastructure expansion on human development indicators, consistent with World Bank energy-poverty diagnostics (World Bank, 2022–2025).[21]

"Green growth" is framed as a structural diversification pathway in which Nigeria transitions from a hydrocarbon-dependent rentier economy toward a more productive, innovation-driven system with expanded manufacturing, services, and domestic value addition in renewable energy supply chains. This implies a reconfiguration of sectoral value-added composition and productivity differentials across sectors, consistent with structural transformation theory in development economics. SEforALL modelling frameworks underpin this assumption by projecting large-scale investment-induced growth multipliers from clean energy infrastructure expansion (SEforALL, 2022–2024).

Finally, "net zero alignment" functions as the overarching system constraint derived from Nigeria's Nationally Determined Contribution (NDC) under the Paris Agreement, operationalised through sectoral decarbonisation pathways and emissions trajectory modelling consistent with IPCC integrated assessment frameworks (IPCC, 2022).[22] In this configuration, net zero is not merely an environmental target but a boundary condition for macro-structural planning, constraining permissible development pathways in energy, transport, and industrial systems.

[21] https://thedocs.worldbank.org/en/doc/bae48ff2fefc5a869546775b3f010735-0500062021/related/mpo-nga.pdf
[22] https://unfccc.int/documents/497790

2.2 Structural Contradictions: System-Level Tensions and Embedded Constraints

Despite the coherence of the official narrative, a deeper systems-level reading reveals a set of structural contradictions that arise from the interaction between Nigeria's political economy structure, energy system configuration, and institutional capacity constraints. These contradictions are not incidental implementation gaps but are embedded within the architecture of the transition itself.

(a) Fossil Fuel Dependence Contradiction

The most fundamental contradiction lies in the persistence of hydrocarbon dependence within a formally decarbonising policy regime. Nigeria's fiscal structure remains closely tied to oil and gas revenues, while hydrocarbons continue to provide the foreign-exchange earnings and public revenues that underpin macroeconomic management. (World Bank, 2022–2025)[23] Recent IMF data show that oil revenue accounted for about 3.0% of GDP in 2024 and was projected at 3.1% in 2025, compared with total consolidated government revenue of 10.8% and 10.2%, respectively. The significance is therefore not simply the absolute share of revenue, but the continued fiscal and external-sector importance of hydrocarbons, creating incentives to sustain production even as the state commits to long-term decarbonisation.

This tension is visible in current upstream policy. Nigeria has articulated production ambitions of 2 million barrels per day by 2027 and 3 million barrels per day by 2030, while the 2025 Licensing Round offered 50 oil and gas blocks with explicit objectives to increase reserves, attract investment, boost production and expand gas utilisation. The August 2026 deep-offshore investment framework further sought to unlock up to US$50 billion in new investment, beginning with projects such as the approximately US$10 billion Bonga South West development. Taken together, these measures demonstrate that hydrocarbon expansion remains embedded in the state's medium-term economic and investment strategy.

The same dynamic is evident in the treatment of natural gas as a transition fuel. The Decade of Gas initiative, launched in 2021, explicitly seeks to transform Nigeria into a gas-powered economy by 2030 through expanded gas supply, infrastructure, domestic consumption and investment. Its projections envisage substantial growth in gas demand, alongside major projects including NLNG Train 7, the Nigeria–Morocco pipeline and other gas infrastructure.

[23] https://thedocs.worldbank.org/en/doc/6cdd609ccd14ef89ecf764be228c9ec4-0360012025/original/ndu-october-2025-presentation.pdf

While these policies are framed partly around energy security, industrialisation and the provision of a lower-carbon alternative to more carbon-intensive fuels, they also extend investment horizons for gas infrastructure and production.

From a political-economy perspective, this constitutes a form of path dependency: existing fiscal, foreign-exchange and energy-system requirements generate incentives for continued investment in hydrocarbons, even as national climate strategies envisage eventual deep decarbonisation. (World Bank, 2022–2025; IPCC, 2022). The contradiction is therefore not between climate policy and fossil-fuel policy as separate domains, but within the state's development strategy itself. Transition planning coexists with policies designed to expand the production, monetisation and infrastructure of the very fuels that a long-term decarbonisation pathway will eventually need to reduce. The resulting tension helps explain why Nigeria's transition is characterised less by a linear movement away from hydrocarbons than by an attempt to reconcile decarbonisation with continued extractive dependence.

(b) Growth–Decarbonisation Contradiction

A second contradiction emerges from the interaction between Nigeria's energy-access imperative and its emissions-reduction commitments. Expanding electricity supply is essential to addressing persistent energy poverty, industrial productivity constraints, and the widespread reliance on diesel and petrol generators. Nigeria has one of the world's largest electricity-access deficits: the World Bank estimated that about 90 million Nigerians remained without grid access, with access considerably lower in rural areas.

Yet the pathway through which additional electricity is supplied remains heavily dependent on fossil fuels. The International Energy Agency (IEA) notes in its IEA Nigeria Energy Outlook[24] that around 80% of Nigeria's grid electricity generation comes from natural gas, with oil-fired generation and widespread use of backup generators accounting for much of the remainder. This dependence is reinforced by the financial structure of the power sector. Rather than a simple transition from fossil-based generation towards renewables, successive governments have repeatedly used public resources to sustain a financially distressed electricity system. Data monitored by the Nigerian Electricity Regulatory Commission (NERC) reveals that annual electricity subsidies rose from ₦225 billion in 2015 to about ₦645 billion in 2023, while total electricity subsidies over that decade gulped roughly ₦6 trillion.

[24] IEA Nigeria Energy Outlook

The state has also repeatedly intervened to settle obligations across the generation and gas-supply chain. For example, the Minister of Power announced a 130 billion cash payment from the Gas Stabilization Fund towards outstanding current gas-supply debts at the 8th Africa Energy Marketplace (AEMP). Furthermore, under the Presidential Power Sector Debt Reduction Programme, the Federal Executive Council authorized a debt-refinancing programme of up to 4 trillion in government-backed bonds to clear verified arrears owed to generating companies (GenCos) and gas suppliers. These interventions reveal an important political-economy dimension to the energy-access challenge. Public resources are being used not only to expand electricity access but also to maintain the financial viability of a predominantly gas-based generation system whose infrastructure remains constrained by gas shortages, transmission bottlenecks, ageing plants, and accumulated sector debt. The result is a form of infrastructural and institutional lock-in: the state must continue supporting the existing gas-to-power system because abandoning it without a viable alternative could deepen electricity insecurity, while continued investment in it risks extending the lifespan of fossil-based infrastructure.

This creates a particularly important tension for Nigeria's just transition. Energy expansion is both a developmental necessity and a potential source of emissions lock-in. The challenge is therefore not simply to increase electricity generation, but to determine who benefits from the public resources committed to sustaining the existing energy system, what technologies those resources reinforce, and whether they accelerate or constrain the transition towards cleaner and more decentralised forms of power generation. This provides an important entry point for examining elite performance and rent distribution in Nigeria's gas-to-power economy, where recurring subsidies, debt settlements, infrastructure contracts, and interventions create opportunities for political and commercial actors to benefit from a system that remains both economically critical and structurally inefficient. (IEA, 2023).[26] This produces a structural sequencing problem: Nigeria must expand electricity supply rapidly to address persistent energy-access and productivity constraints, yet the most immediately available pathway remains heavily dependent on existing gas-based infrastructure. Natural gas currently supplies the majority of grid electricity generation, while transmission constraints, gas-supply limitations and the financial fragility of the power sector constrain the reliability of that supply (IEA, 2023; World Bank, 2023).

[25] FG to pay N130bn as part of gas supply debt Minister National Accord Newspaper %
[26] https://www.seforall.org/system/files/2025-05/Nigeria-ETIP-u.pdf

At the same time, renewable capacity and decentralised energy solutions are expanding but have not yet reached the scale and reliability required to displace the existing fossil-based system. The result is a temporal tension between short-term energy adequacy and long-term decarbonisation: investments that resolve immediate electricity shortages through gas-fired generation can simultaneously extend the operating life of infrastructure that a deeper transition will eventually need to displace. This is particularly significant where public resources are repeatedly directed towards maintaining gas supply, settling sector debts and supporting electricity subsidies. Rather than representing a straightforward transition from fossil fuels to renewables, Nigeria's current trajectory therefore risks producing a carbon-dependent pathway to energy access, in which addressing today's electricity deficit reinforces infrastructures and institutional arrangements that complicate tomorrow's emissions-reduction objectives (SEforALL, 2022–2024; IEA, 2023).

(c) "Just" Framing versus Distributive Reality

A third contradiction lies in the gap between the normative framing of justice and the material architecture required to deliver redistribution and social protection. While Nigeria's Energy Transition Plan (ETP) explicitly recognises the need to manage long-term oil-sector job losses through reskilling and promotes a "fair, inclusive and equitable" transition, its employment framework is principally organised around projected sectoral job creation and displacement. According to data modeling from the Nigeria Energy Transition Plan Official Portal,[27] the plan estimates that up to 110,000 low-qualified direct, indirect, and induced jobs could be lost in the oil and gas sector by 2050, while projecting significant net job creation elsewhere—primarily in the power, clean cooking, and transport sectors.

The difficulty is that these transition interventions operate within a labour market in which informality is the norm rather than the exception. Data published by the National Bureau of Statistics (NBS)[28] in its quarterly Nigeria Labour Force Survey (NLFS) reports reveals the immense scope of this informality. The NBS recorded informal employment at 92.6% of total employment in Q1 2023, 92.7% in Q2 2023 and 92.3% in Q3 2023. Rising to 93.0% in Q2 2024. This creates a significant implementation blind spot: reskilling programmes designed around identifiable sectoral workforces may not readily reach informal workers whose livelihoods are tied indirectly to energy systems, such as small traders, transport workers, artisans, and household enterprises.

[27] Nigeria Energy Transition Plan
[28] Home | National Bureau of Statistics

The scale of this gap is reinforced by Nigeria's limited social-protection coverage. At the National Dialogue on Extending Social Protection Coverage to Informal Economy Workers in Abuja, the International Labour Organization (ILO)[29] reported that more than 60 million Nigerians lacked pensions, health insurance, maternity protection, or employment-injury compensation. Meanwhile, the broader institutional dialogue on extending these nets to informal workers was still fundamentally focused on building the basic institutional and financing mechanisms required for universal coverage.

Thus, the challenge is not simply whether transition policy recognises vulnerable workers, but whether existing labour and social-protection institutions are capable of identifying, compensating, and supporting them. This creates a divergence between discursive justice and substantive justice. The ETP and emerging Just Transition framework articulate commitments to inclusion, job preservation, reskilling, and social protection, but the underlying institutions remain poorly equipped to convert these commitments into enforceable income protection and labour-market security at the scale required. The result is that "just transition" risks remaining stronger as a policy principle than as a redistributive regime—particularly for workers operating outside formal employment relationships. The central issue, therefore, is not only whether workers displaced by decarbonisation receive new skills, but whether the transition architecture can extend meaningful protection to the much larger population whose livelihoods are already precarious and informal.(UNDP Nigeria, 2023–2024; ILO, 2023–2025).

Integrated Analytical Interpretation

When these contradictions are synthesised, the Just Transition framework in Nigeria can be understood as a multi-layered policy assemblage in which formal alignment with global climate governance norms coexists with unresolved structural tensions in fiscal dependence, energy system configuration, and distributive capacity.

The fossil fuel contradiction anchors the system in a rent-dependent macro-structure, the growth–decarbonisation contradiction reflects a sequencing failure in energy system transformation, and the justice contradiction exposes a gap between normative governance frameworks and institutional execution capacity.

[29] Nigeria Moves to Expand Social Protection to Informal Economy Workers | International Labour Organization

Collectively, these dynamics suggest that the "just transition" framing may function less as a fully operational restructuring programme and more as a discursive alignment mechanism within global climate governance, enabling compatibility with external legitimacy requirements while domestic structural transformation remains partial and constrained (IPCC, 2022;[30] World Bank, 2022–2025; SEforALL, 2022–2024). In systems terms, the result is not incoherence but structured contradiction management, where competing imperatives are held in equilibrium through policy layering rather than resolved through regime substitution.

[30] Intergovernmental Panel on Climate Change. (2022). *Climate change 2022: Mitigation of climate change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. IPCC.

Chapter 3

Institutional Reality: Coordination Without Power

Nigeria's Just Transition institutional framework, as operationalised through the Energy Transition Plan (ETP), exhibits a governance structure best characterised as a low-enforcement, high-coordination policy regime, where formal institutional density is not matched by commensurate coercive or allocative state capacity. While the framework is articulated as a system-wide transformation strategy integrating decarbonisation, energy access expansion, and structural economic change (Government of Nigeria, 2021; SEforALL, 2022–2024).[31] Its institutional substrate reveals a persistent gap between planning centrality and execution authority, consistent with patterns identified in weakly coordinated developmental states (World Bank, 2022–2025).

3.1 Fragmented Governance: Distributed Authority Without Hierarchical Control

Institutionally, the transition architecture is embedded in a functionally segmented state apparatus, where authority over energy transition-relevant domains is distributed across multiple ministries and regulatory bodies without a unified command-and-control centre.

[31] Sustainable Energy for All. (2024). *Nigeria energy transition plan*. Nigeria Energy Transition Office.

The Federal Ministry of Environment provides policy leadership on climate strategy, the Ministry of Power governs electricity expansion, while petroleum-sector institutions retain control over hydrocarbon production and revenue streams. These mandates are only partially integrated, producing a sectorally siloed governance equilibrium in which coordination is negotiated rather than enforced. However, this fragmentation is partially addressed by the National Council on Climate Change (NCCC), established under the Climate Change Act 2021 as a cross-sectoral coordinating body with responsibilities for climate policy, carbon budgeting, climate finance, and implementation oversight. The NCCC therefore provides a formal coordination centre that complicates any characterisation of the system as simply fragmented.

Nevertheless, the NCCC does not exercise comprehensive hierarchical control over the sectoral institutions responsible for energy, petroleum, fiscal allocation, and infrastructure. Its role is principally one of coordination, oversight, and policy integration, while significant regulatory and implementation authority remains distributed across existing ministries and agencies. The governance structure is therefore better characterised as coordination with limited enforcement and allocative power: institutional mechanisms for cross-sectoral alignment exist, but formal coordination has not eliminated the underlying fragmentation between policy authority and implementation capacity. This structure approximates a form of weak polycentric governance, but without the institutional complementarities typically required for polycentric systems to generate coherent system-wide outcomes. Instead, coordination occurs through inter-ministerial committees and policy alignment forums that lack binding authority over fiscal allocation, regulatory enforcement, or cross-sectoral compliance. In effect, the governance system exhibits horizontal fragmentation without vertical integration, limiting its capacity to translate cross-sectoral planning into enforceable structural change (World Bank, 2022–2025).

3.2 Donor-Embedded Technical Governance: Externalisation of Epistemic Authority

A defining feature of the institutional configuration is the substantial role of external epistemic and financial actors in shaping the architecture of transition planning. Institutions such as SEforALL, UNDP, the World Bank, and other development finance organisations provide not only financing but also the analytical infrastructure through which transition pathways are defined, modelled, and validated (SEforALL, 2022–2024; UNDP Nigeria, 2023–2024).

This produces a condition of epistemic externalisation, where core elements of planning emissions modelling, sectoral decarbonisation pathways, investment gap analysis, and labour transition projections are derived from globally standardised integrated assessment frameworks consistent with IPCC methodologies (IPCC, 2022).[32] It also demonstrates significant domestic policy agency. Nigeria's transition is not constituted solely through externally generated expertise but is increasingly embedded in its own legal and policy architecture. The Climate Change Act 2021 establishes the National Council on Climate Change (NCCC) and gives it statutory responsibility for climate-policy coordination, the National Climate Change Action Plan, the Climate Change Fund, and the carbon-budget framework. The LT-LEDS 2060, prepared under the NCCC, similarly frames decarbonisation within Nigeria's long-term development objectives and identifies sector-specific pathways across power, buildings, oil and gas, industry, agriculture, transport, and waste.

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This domestic framing is also evident in NDC 3.0, submitted by Nigeria in September 2025, which constitutes Nigeria's own articulation of its climate commitments and implementation priorities rather than merely an external assessment of them. The Petroleum Industry Act 2021 further demonstrates the continuing importance of domestic institutional and legal authority: it establishes the governance, regulatory, and fiscal framework for the petroleum sector and retains substantial state authority over petroleum policy and administration, but while all these enhance technical rigor and international comparability, Nigeria's transition planning still depends on foreign approval that forces conformity to external modelling architectures. The institutional consequence is a partial displacement of domestic planning autonomy by transnational technical governance networks, in which legitimacy is co-produced by domestic agencies and external development actors.

[32] Intergovernmental Panel on Climate Change. (2022). *Climate change 2022: Mitigation of climate change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. IPCC

This weakens the differentiation between sovereign planning capacity and donor-driven scenario construction, embedding the transition framework within a hybrid governance ecology rather than a purely state-led institutional system (World Bank, 2022–2025).

3.3 Implementation Deficit: Decoupling of Planning Systems from Enforcement Mechanisms

Despite high levels of strategic articulation, the Nigerian transition system is characterised by a persistent implementation deficit syndrome, in which the production of policy documents, roadmaps, and sectoral strategies is not matched by the establishment of binding enforcement mechanisms or robust compliance infrastructures. At the core of this deficit is the absence of a centralised enforcement architecture capable of translating transition targets into enforceable obligations across ministries, regulators, and subnational actors. Budgetary processes remain weakly linked to transition outcomes, and sectoral agencies retain significant autonomy over implementation priorities, leading to a decoupling between planning instruments and fiscal execution systems.

In institutional terms, this reflects a soft state enforcement configuration, where policy compliance relies primarily on coordination incentives, donor-funded project execution, and voluntary alignment rather than statutory compulsion or performance-based enforcement regimes. As a result, implementation is fragmented into discrete projects rather than integrated into a system-wide transformation process, reinforcing dependence on externally financed pilot interventions rather than endogenous structural change (World Bank, 2022–2025; SEforALL, 2022–2024).

Integrated Interpretation: Coordination-Dominant Transition Regime

When these institutional dynamics are analytically integrated, Nigeria's Just Transition framework can be characterised as a coordination-dominant but enforcement-deficient governance system, where institutional complexity substitutes for institutional power.

The combination of fragmented ministerial authority, donor-embedded epistemic frameworks, and weak enforcement capacity produces a regime in which transition governance is primarily expressed through planning rationalities rather than coercive state capability. This results in a system that is highly legible within global climate governance architectures—particularly through alignment with IPCC-consistent modelling standards and multilateral financing frameworks—but only partially effective in generating system-wide structural transformation.

In this sense, the institutional configuration reflects not simply weak implementation, but a more specific structural condition: a decoupling of technocratic transition planning from state enforcement capacity, producing a governance form in which the transition is operationalised as a coordinated policy narrative rather than a fully binding transformation regime (IPCC, 2022; World Bank, 2022–2025[33] UNDP Nigeria, 2023–2024).[34]

[33] World Bank. (2025). *Nigeria development update: Restoring macroeconomic stability* (October 2025 Edition). World Bank Documents.
[34] United Nations Development Programme Nigeria. (2025). *Nigeria validates Just Transition guidelines, paving the way for an inclusive climate future*. ILO Joint Press Release.

Chapter 4

Financing Logic: Promise of Capital, Absence of Scale

Nigeria's Just Transition financing architecture is best understood as a capital-anticipatory planning regime, in which implementation feasibility is structurally conditioned on the future mobilisation of external and private capital rather than on secured fiscal commitments at the point of policy formulation.

Within the Energy Transition Plan (ETP), this takes the form of an investment-led paradigm in which transition feasibility is framed largely in terms of mobilising the capital required to finance the transformation. The ETP estimates a cumulative investment requirement of approximately $1.9 trillion between 2021 and 2060, covering power generation and transmission, clean cooking, transport, and industrial decarbonisation (SEforALL, 2022–2024).[35]

[35] Sustainable Energy for All. (2024). *Nigeria energy transition plan*. Nigeria Energy Transition Office.

Of this, approximately $410 billion represents additional investment above the business-as-usual trajectory, implying an average incremental requirement of roughly $10 billion per year over the period. The emphasis on closing this financing gap places investment mobilisation at the centre of the ETP's implementation logic, making access to capital a key determinant of the perceived feasibility and pace of Nigeria's transition. In this configuration, transition governance is effectively re-specified from a resource-constrained developmental planning problem to a bankability and pipeline optimisation regime, in which institutional performance is increasingly evaluated in terms of project preparation, investable asset creation, and alignment with global climate finance eligibility criteria rather than realised capital deployment.

From a technical finance perspective, this architecture implicitly relies on a risk-transformation hypothesis, in which credible policy signalling, institutional reform narratives, and transition roadmaps are expected to compress perceived sovereign and project-level risk premia. This is consistent with mainstream climate finance theory, where policy credibility operates as a de-risking instrument that enables concessional public finance to catalyse private capital mobilisation through blended finance structures, guarantees, and transition-linked instruments such as sustainability bonds and risk-sharing facilities (World Bank, 2022–2025; UNDP Nigeria, 2023–2024). However, this mechanism assumes relatively efficient transmission between policy credibility and capital allocation decisions, an assumption that weakly holds in frontier markets where macroeconomic instability, currency volatility, and shallow capital markets introduce persistent frictions in long-horizon infrastructure financing. Empirically, however, the financing structure reveals a persistent structural divergence between modeled capital requirements and realised financial closure. Domestic fiscal space remains constrained by competing expenditure priorities, elevated debt servicing obligations, and revenue volatility linked to hydrocarbon dependence, which collectively limit the state's capacity for sustained co-financing of transition infrastructure (World Bank, 2022–2025). [36]

This produces a structural dependence on external capital inflows that are not only uncertain in volume but also highly cyclical and sensitive to global liquidity conditions and risk sentiment shifts. On the private capital side, mobilisation constraints are shaped by risk-adjusted return asymmetries, which systematically disadvantage capital-intensive, long-gestation transition infrastructure relative to shorter-duration, lower-risk opportunities.

[36] World Bank. (2025). *Nigeria development update, October 2025: From policy to people - Bringing the reform gains home*. Open Knowledge Repository.

As a result, observable investment flows tend to concentrate in de-risked segments—such as distributed solar deployment, off-grid electrification systems, and advisory-linked climate finance instruments—while under-allocating to systemic assets such as transmission expansion, industrial decarbonisation infrastructure, and grid-scale generation investments. This generates a portfolio skew effect, where capital deepens in peripheral transition niches rather than flowing into core structural transformation domains (SEforALL, 2022–2024). Compounding this constraint is the predominance of non-firm capital commitments within the transition financing architecture. A significant share of projected climate finance is embedded in forward-looking pledges, pipeline projections, and blended finance assumptions that are contingent on future de-risking interventions rather than present balance-sheet-secured allocations. In this sense, climate finance operates partly as a form of expectational capital, where anticipated future flows shape present planning rationalities even in the absence of fully contracted financial commitments at required scale (UNDP Nigeria, 2023–2024; World Bank, 2022–2025).

From a political economy perspective, this produces a financing regime in which climate capital functions less as a realised transfer mechanism and more as a credibility-mediated expectation structure, in which transition legitimacy is sustained through the anticipation of future financial inflows. This introduces a temporal inconsistency between policy ambition and financial materialisation: transition pathways are forward-loaded, capital-intensive, and structurally irreversible in design assumptions, while actual financing remains incremental, fragmented, and externally contingent. The resulting constraint is therefore not merely a financing shortfall but a condition of incomplete financial closure, where system-level transition pathways are constructed on assumptions of capital availability that are neither domestically guaranteed nor externally contractually secured at required scale. This reinforces a broader structural dynamic in which the Just Transition agenda is embedded within a partially speculative financial architecture, characterised by dependence on external risk perceptions, global liquidity cycles, and evolving climate finance prioritisation regimes (World Bank, 2022–2025; SEforALL, 2022–2024).

In analytical terms, Nigeria's transition finance model thus operates as a capital-dependent transformation framework under conditions of persistent financing incompleteness, where the distance between investment rhetoric and realised capital flows is not an execution delay but a structural feature of the transition architecture itself.

This “distance” is evident in documented climate finance flows: Nigeria received approximately $2.5 billion in climate finance in 2021/22, against estimated annual climate-finance needs of $29.7 billion, leaving a financing gap of roughly $27.2 billion. This suggests that the gap between transition investment ambitions and realised capital flows is not merely an implementation delay, but a structural feature of Nigeria's transition finance architecture.[37]

[37] https://reglobal.org/climate-finance-landscape-in-nigeria/

Chapter 5

Labour and Justness: The Missing Core

Nigeria's Just Transition framework, when examined through a labour systems lens, reveals a structural imbalance between normative labour inclusion discourse and the absence of enforceable labour market transformation instruments. While the Energy Transition Plan (ETP) incorporates labour transition language consistent with International Labour Organization (ILO) just transition principles, the actual institutional embedding of labour within transition design remains weak, fragmented, and non-binding (ILO, 2023–2025;[38] UNDP Nigeria, 2023–2024). This produces a configuration in which labour is treated primarily as an adjustment variable within broader energy and investment models rather than as a central structuring force of the transition architecture.

5.1 Weak Labour Centrality: Absence of Institutionalised Worker Agency

At the level of institutional design, labour participation in Nigeria's transition governance has expanded since 2022 but remains limited in terms of formal decision-making power. The Just Transition Green Action Plan (JT-GAP) process explicitly included representatives of organised labour in its stakeholder engagement, indicating a degree of institutional recognition of labour interests within the evolving transition architecture.

[38] International Labour Organization. (2025). *Nigeria: Leveraging social protection for inclusive climate action and a Just Transition*. Social Protection Platform.

This represents progress from a model in which labour is treated primarily as an external stakeholder. However, participation in consultation and planning does not amount to co-determination, co-ownership, or a binding social partnership arrangement.

The key issue, therefore, is not the absence of labour participation, but the extent to which that participation translates into institutional influence over transition priorities and implementation. Organised labour does not appear to have formal, enforceable authority over matters such as transition sequencing, compensation frameworks, employment guarantees, or sectoral restructuring. From a political economy perspective, this suggests that labour's participation has expanded at the consultative level without a commensurate strengthening of its bargaining position within transition governance. This distinction is particularly important for workers in carbon-intensive activities, including oil and gas logistics, refining, and diesel-dependent distribution, where restructuring or decarbonisation could generate significant employment and livelihood effects. (ILO, 2023–2025). Accordingly, Nigeria's evolving Just Transition architecture can be characterised as demonstrating greater labour inclusion than was evident in earlier transition planning, particularly through processes such as JT-GAP, while still falling short of institutionalised labour co-governance and comprehensive, enforceable employment protections. The principal gap is therefore not consultation, but the translation of consultation into durable decision-making rights, negotiated transition safeguards, and mechanisms capable of securing employment continuity and worker protection during sectoral restructuring.

5.2 Skills Rhetoric versus Skills System Reality: Decoupled Human Capital Formation

A second structural tension arises from the gap between skills transition rhetoric and the actual configuration of Nigeria's vocational and industrial training systems. The ETP assumes that labour displacement from fossil-linked sectors will be offset by retraining and upskilling into emerging green economy segments, including renewable energy installation, energy efficiency services, and climate-resilient infrastructure development (SEforALL, 2022–2024). However, empirical labour market structure indicates a weak alignment between training supply systems and industrial demand signals.

Technical and vocational education and training (TVET) institutions remain insufficiently integrated with evolving sectoral labour demand in renewable energy and advanced manufacturing systems. This produces a skills mismatch equilibrium, where training outputs are not systematically calibrated to the absorptive capacity of emerging green sectors. In structural terms, this reflects the absence of a coordinated labour transition pipeline, where education systems, industrial policy, and labour market institutions operate in synchronised fashion. Instead, skills programmes function as projectised interventions, often donor-supported and episodic, rather than as embedded components of a national reindustrialisation strategy. The consequence is a decoupling between human capital formation and actual employment absorption capacity in the transition economy (UNDP Nigeria, 2023–2024; World Bank, 2022–2025).

5.3 Informal Economy Invisibility: Structural Exclusion from Transition Design

The most significant labour-related limitation is the structural invisibility of the informal economy within transition planning frameworks. Nigeria's labour market is overwhelmingly informal, with a large proportion of employment located outside formal wage labour systems, including in small-scale trading, informal energy markets (diesel distribution, generator repair ecosystems), agriculture, and artisanal services.

Despite this, transition models embedded in the ETP largely rely on formal-sector labour assumptions, particularly in relation to job creation in renewable energy, infrastructure development, and industrial diversification pathways. This produces a systematic measurement and policy exclusion of informal labour systems, which are not adequately captured in transition impact modelling or redistribution design. From a systems perspective, this creates a critical blind spot: informal workers are neither fully integrated into retraining pipelines nor explicitly covered by transition compensation mechanisms, despite being indirectly affected by structural shifts in energy pricing, fuel subsidy reforms, and changes in distributed energy markets. This reflects a broader formalisation bias in transition governance, where policy instruments are calibrated toward formal labour market actors while large segments of the workforce remain institutionally unaccounted for (World Bank,[39] 2022–2025; ILO, 2023–2025).

[39] World Bank. (2025). *Nigeria development update, October 2025: From policy to people - Bringing the reform gains home*. Open Knowledge Repository.

5.4 Integrated Analytical Interpretation: Procedural Rather Than Redistributive Justice

When these dimensions are synthesised, the labour architecture of Nigeria's Just Transition reveals a consistent pattern: labour inclusion is primarily procedural rather than redistributive in nature. Labour is formally acknowledged within policy discourse, but its institutional role is limited to consultation, training rhetoric, and projected job creation assumptions, rather than embedded in enforceable mechanisms for income protection, employment guarantees, or structural redistribution.

This results in a transition framework in which "justness" is operationalised through discursive inclusion and planning visibility, rather than through material redistribution of risk, income security, or institutional power within the transition process. In technical terms, labour is integrated into the transition as a modelled outcome variable rather than an institutionalised governance actor, reinforcing a broader pattern in which Nigeria's Just Transition operates as a coordination and investment framework with limited redistributive depth (ILO, 2023–2025; UNDP Nigeria, 2023–2024; World Bank, 2022–2025).[40]

[40] World Bank. (2026). *Nigeria macro poverty outlook*. World Bank Group.

Chapter 6

Territorial Inequality Across Nigeria's Extractive Frontiers

Territorial inequality in Nigeria's Just Transition architecture becomes most visible when examined across the country's multiple extractive frontiers, where both historical hydrocarbon production and emerging energy transition mineral (ETM) extraction generate geographically concentrated environmental, social, and economic burdens that remain only weakly integrated into national transition governance. Rather than representing a clean break from Nigeria's extractive past, the energy transition is reshaping the geography of extraction, expanding it from long-established oil-producing regions such as the Niger Delta to new mineral-producing regions increasingly incorporated into global clean energy supply chains. Across these diverse extraction landscapes, environmental costs continue to be disproportionately borne by local communities, while economic benefits remain concentrated at national and international scales, revealing persistent territorial asymmetries within Nigeria's evolving transition architecture. The Niger Delta remains the most historically significant illustration of this pattern. Decades of petroleum extraction have produced a spatially concentrated burden of environmental degradation that is only weakly addressed—rather than structurally transformed—by contemporary transition discourse.

The region functions not simply as an energy-producing zone but as a long-standing environmental sacrifice space, in which cumulative ecological costs have been externalised to local populations while national revenue extraction from hydrocarbons has remained central to macro-fiscal stability (World Bank, 2022–2025; IPCC, 2022). From a political economy perspective, the Niger Delta is best conceptualised as a locked-in extraction corridor, where oil and gas infrastructure has generated persistent ecological exposure through gas flaring, oil spills, land contamination, and mangrove ecosystem degradation. These impacts are not episodic but structurally cumulative, producing long-duration environmental externalities that are spatially fixed even as production regimes evolve. Despite repeated remediation commitments and institutional interventions, the underlying extractive logic remains largely intact, with continued upstream activity reinforcing historical exposure patterns rather than reversing them (World Bank, 2022–2025).

Yet the emergence of Nigeria's energy transition does not signify the disappearance of extractive geographies. Rather, it introduces new extraction frontiers centred on critical minerals such as lithium, tin, columbite, and other inputs required for batteries, renewable energy technologies, and electric mobility. States including Nasarawa, Plateau, Kogi, Kaduna, Niger, Kwara, Kebbi, and Ekiti are increasingly positioned within global energy transition mineral supply chains, attracting both domestic and foreign investment in mineral exploration and production. While these regions differ from the Niger Delta in their resource endowments and institutional histories, they exhibit many of the same structural governance characteristics: limited community participation in decision-making, weak environmental oversight, land-use conflicts, artisanal and informal mining, constrained local value capture, and uneven distribution of economic benefits. Consequently, the transition risks reproducing new environmental sacrifice spaces under the banner of decarbonisation rather than fundamentally transforming the territorial politics of extraction.

Viewed together, these historical and emerging extraction zones demonstrate that Nigeria's energy transition is characterised less by a transition away from extractivism than by a reconfiguration of extractive frontiers. The commodities being extracted are changing—from hydrocarbons to critical minerals—but the institutional distribution of environmental risks, economic rewards, and political decision-making remains remarkably consistent. This continuity suggests that transition governance has thus far prioritised technological substitution over structural transformation of the political economy underpinning resource extraction.

Within the Just Transition framework, however, these geographies of extraction are largely reinterpreted through a forward-looking decarbonisation narrative rather than a backward-looking restitutional or reparative logic. Transition planning emphasises future-oriented investments in cleaner energy systems and national-level emissions reduction trajectories, but it does not materially restructure the historical distribution of environmental harm already accumulated in extraction zones, nor does it establish sufficiently robust safeguards to prevent similar inequalities from emerging in new mining frontiers. This creates a form of temporal displacement, where structural injustice is shifted from a reparative policy domain into a future-oriented mitigation discourse (SEforALL, 2022–2024).

The result is a persistent gap between territorial exposure and territorial compensation. While the Niger Delta continues to underpin Nigeria's hydrocarbon economy and emerging mineral-producing regions increasingly support the country's strategic positioning within global clean-energy markets, the institutional arrangements for distributing the benefits and costs of extraction remain uneven and contested. In the Niger Delta, the Petroleum Industry Act (PIA) 2021 represents an important statutory development in this regard. Through the establishment of Host Communities Development Trusts (HCDTs), the PIA provides a formal mechanism for channeling a defined share of petroleum-sector resources towards the development of communities affected by upstream petroleum operations. The HCDT framework therefore constitutes an important form of statutory benefit-sharing and should be recognised as part of Nigeria's evolving territorial governance architecture rather than as evidence of an absence of institutional mechanisms.

The more important question from a just-transition perspective is whether the design and implementation of the HCDT framework are sufficient to address the broader distributional, environmental and socio-economic consequences of extraction. This remains contested. Concerns have been raised regarding the adequacy of the statutory contribution, the influence of petroleum operators (or settlers) within Trust structures, the representation of affected communities, transparency and accountability, and the potential for elite capture.[41]. The framework also raises questions about which communities are recognised as beneficiaries and how effectively those communities can exercise agency over the development priorities and resources intended for their benefit. These governance issues matter because a benefit-sharing mechanism can redistribute a portion of extraction revenues without necessarily redistributing decision-making power or addressing the underlying environmental and livelihood costs of extraction.

[41] https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5578330

This distinction is particularly important when the PIA is examined through the lens of territorial justice and just transition. The HCDT model is principally embedded within the governance of continuing petroleum production and community development. It does not, by itself, establish a comprehensive framework for ecological restoration, livelihood transition, employment protection, or long-term economic diversification in territories that may face declining hydrocarbon activity. Consequently, the PIA can be understood simultaneously as an institutional advance in community benefit-sharing and as a missed opportunity to embed longer-term transition imperatives within fossil-fuel governance. Its architecture provides a basis for territorial redistribution but does not necessarily ensure that such redistribution is connected to the structural transformation required as Nigeria's energy system changes. This is significant for the Niger Delta, where questions of environmental remediation, livelihood security and economic diversification extend beyond the distribution of current petroleum revenues. A just-transition approach would require consideration not only of how communities benefit from ongoing extraction, but also of how they are protected and supported as the economic significance of fossil fuels changes. The HCDT therefore illustrates a broader institutional challenge: mechanisms designed to distribute benefits from extraction may not automatically provide the governance capacity, community ownership or long-term financing required for post-extractive resilience.

For emerging mineral-producing regions, these lessons are particularly relevant. As Nigeria seeks to expand critical-mineral production in support of clean-energy supply chains, there is an opportunity to establish community benefit-sharing, environmental safeguards, participatory governance and economic-diversification mechanisms before new extractive frontiers become deeply entrenched. The experience of the Niger Delta and the HCDT framework suggest that the central issue is not simply whether benefit-sharing institutions exist, but whether they provide meaningful community participation, equitable distribution, environmental accountability and credible pathways for long-term territorial development. In this sense, territorial justice in Nigeria's energy transition requires moving beyond compensation for extraction towards institutional arrangements capable of redistributing both the benefits and the longer-term risks of structural economic change. This produces a critical structural contradiction as historical extraction zones will continue to generate national fiscal resources through ongoing petroleum production, while emerging mineral frontiers increasingly contribute to the global energy transition through the supply of critical raw materials. Yet both remain weakly embedded within territorial justice mechanisms designed to redistribute the environmental and socio-economic costs associated with extraction.

In effect, Nigeria's transition financing continues to depend upon geographically concentrated extraction while failing to institutionalise geographically proportionate compensation. Solid minerals exports stood at about ₦354bn in 2025, approximately 0.4% of total exports and around 3% of non-oil exports. The sector contributed under 1% of GDP, generating just over ₦70 billion in federation revenue that year. Lithium output, for example, was roughly 1,000 tonnes in 2025, about 3% of African production. The foregoing demonstrates that Nigeria's mining output, while fast growing, is not yet a material share of global supply. Nigeria's extractive economy reveals a territorial asymmetry between geographically concentrated extraction, national fiscal mobilisation, and the capacity to address locally concentrated environmental and socio-economic costs.

In 2022, the CBN recorded approximately ₦4.71 trillion in gross oil revenue, compared with ₦542.83 billion distributed to oil-producing states through the 13% derivation mechanism. NEITI's 2021 audit similarly recorded US$23.05 billion in oil and gas revenue, of which US$13.20 billion (57.27%) was transferred to the Federation, while sub-national payments accounted for US$963.63 million (4.18%). These figures demonstrate substantial national fiscal mobilisation while also showing that territorial redistribution is an established feature of petroleum governance. The issue is therefore not the absence of benefit-sharing mechanisms, but their scale, governance and capacity to address the full range of extraction-related costs. Alongside derivation, the Niger Delta Development Commission and the Host Communities Development Trusts (HCDTs) established under the PIA provide mechanisms for territorial redistribution and community development.

However, these do not necessarily provide equivalent capacity for ecological restoration, livelihood protection or long-term economic diversification. The HCDT framework is an important institutional advance, but questions remain around settlor influence, community representation, accountability and its limited connection to longer-term transition planning. From a systems perspective, Nigeria's extractive frontiers illustrate how Just Transition governance does not fundamentally resolve historical patterns of territorial inequality but instead extends them into new resource landscapes. The emphasis shifts from reparative redistribution of accumulated environmental harm to prospective alignment with global decarbonisation pathways, preserving the underlying spatial asymmetry between extraction centres and the distribution of national transition benefits.

Consequently, the energy transition should not be understood as replacing one extractive regime with another, but as producing overlapping extractive frontiers in which historical fossil fuel regions and emerging critical mineral provinces become simultaneously embedded within evolving low-carbon political economies.

Territorial justice therefore remains insufficiently operationalised within transition design, functioning more as a normative aspiration than as an institutional principle guiding the redistribution of environmental burdens and economic opportunities. The persistence of these governance dynamics reinforces the broader pattern of structured continuity that characterises Nigeria's contemporary Just Transition architecture (IPCC, 2022; World Bank, 2022–2025).

Chapter 7

Discursive Function of the Plan

The discursive function of Nigeria's Just Transition framework is best analysed not as a secondary communicative layer of policy, but as a primary governance technology that structures how transition is rendered intelligible, financeable, and administratively actionable across domestic and international systems. Within this framing, the Energy Transition Plan (ETP) operates less as a strictly implementation-binding roadmap and more as a multi-audience signalling instrument embedded in global climate–finance epistemics, where its analytical and narrative architecture performs distinct functions for state legitimacy, capital mobilisation, and policy coordination (SEforALL, 2022–2024; World Bank, 2022–2025).

At the level of global climate governance, the plan functions as a mechanism of translation between heterogeneous systems of valuation: domestic development imperatives, emissions accounting frameworks, and international capital allocation logics. By converting Nigeria's energy transition into quantified pathways—emissions trajectories, sectoral investment gaps, and decarbonisation scenarios aligned with IPCC-consistent modelling conventions (IPCC, 2022)—the framework renders a complex political economy legible to external actors operating within standardised risk, return, and climate alignment metrics. In this sense, the plan is not merely descriptive but epistemically performative, producing the categories through which the transition is subsequently evaluated and financed.

This produces a specific institutional effect: the construction of "transition readability" as a governance output. Readability here refers to the degree to which a state's transition pathway can be interpreted within global climate finance infrastructures as coherent, investable, and temporally structured. The emphasis on net-zero pathways, investment requirements, and sectoral transformation trajectories functions less as an internal coordination mechanism and more as a credibility architecture for external validation systems, particularly multilateral development banks, climate funds, and institutional investors (World Bank, 2022–2025; UNDP Nigeria, 2023–2024).[42]

From a political economy standpoint, this generates a dual-layer governance structure. The first layer is instrumental and technical, involving energy system modelling, emissions accounting, and sectoral planning intended to guide domestic policy coordination. The second layer is discursive and strategic, oriented toward shaping perceptions of reform commitment, investment risk, and institutional readiness. While these layers are formally integrated, they operate with different logics: the technical layer is constrained by fiscal capacity and institutional fragmentation, whereas the discursive layer is optimised for external legibility and capital signalling. A key implication of this configuration is that the ETP functions as a credibility-mediating device within a global risk intermediation system. In frontier and emerging markets, climate transition plans increasingly serve as inputs into risk pricing models, blended finance structuring, and concessional capital allocation decisions. The articulation of "transition readiness" thus operates as a proxy indicator for expected future policy stability and project pipeline viability, rather than as evidence of realised structural transformation. This shifts the epistemic centre of gravity from implementation outcomes to forward-looking commitment architectures, where projected pathways carry as much governance weight as realised policy change (SEforALL, 2022–2024).[43]

However, this discursive centrality also generates a structural asymmetry between representation and execution. Because the plan's primary effectiveness is measured through its ability to align with global climate finance expectations, there is a systematic incentive to optimise narrative coherence, modelling sophistication, and investment framing even in the absence of commensurate enforcement capacity or fiscal closure mechanisms.

[42] United Nations Development Programme Nigeria. (2025). *Nigeria validates Just Transition guidelines, paving the way for an inclusive climate future*.
[43] Sustainable Energy for All. (2025). *Nigeria energy transition & investment plan (ETIP)*. SEforALL Energy Transition Plans.

This produces what can be analytically described as a decoupled governance regime, where policy articulation becomes partially autonomous from implementation throughput. From a distributional perspective, this discursive structure reallocates benefits across actors. Domestic state institutions gain enhanced access to concessional finance and international policy legitimacy; multilateral and development finance actors obtain structured pipelines of investable projects consistent with climate mandates; and private capital intermediaries acquire standardised risk narratives that facilitate asset structuring in otherwise uncertain environments (World Bank, 2022–2025; UNDP Nigeria, 2023–2024). In this configuration, the plan functions as a coordination interface between capital, state legitimacy, and climate governance regimes, rather than solely as a domestic development instrument.

Crucially, the category of "transition readiness" operates as the central discursive pivot of this system. It does not simply denote preparedness in a material sense but functions as a composite signal of institutional alignment, policy intent, and projected investability. Its analytical power lies in its ability to compress heterogeneous realities—fiscal constraint, infrastructural deficit, and labour informality—into a singular metric of perceived viability within global climate governance systems. In synthesis, the discursive function of Nigeria's Just Transition framework is not ancillary to its material ambitions but constitutive of its operational logic. It produces the epistemic conditions under which transition becomes financeable, governable, and internationally recognisable, even as implementation remains constrained by structural fiscal and institutional limitations. The result is a governance formation in which the production of coherent transition narratives becomes itself a primary mode of policy action, effectively stabilising expectations of transformation in the absence of fully consolidated material restructuring (IPCC, 2022; World Bank, 2022–2025; SEforALL, 2022–2024).

Chapter 8

Key Structural Flaws

A synthesis of Nigeria's Just Transition framework reveals not a collection of implementation delays, but a set of structural design limitations embedded in the architecture of the transition itself, where key constraints are reproduced through institutional, financial, and epistemic configurations rather than resolved through iterative policy adjustment (World Bank, 2022–2025; SEforALL, 2022–2024).[44] At the core, the implementation gap is systemic rather than temporal, reflecting a persistent decoupling between high-density planning outputs and low-density enforcement capacity.

- **The transition architecture generates extensive modelling, sectoral roadmaps, and investment pathways, yet lacks corresponding binding mechanisms that translate these plans into enforceable fiscal allocations, regulatory mandates, or cross-sector compliance regimes.** This produces a structural condition of policy–execution asymmetry, where governance effectiveness is constrained by weak vertical enforcement integration across institutions.

[44] Sustainable Energy for All. (2025). *Nigeria energy transition & investment plan (ETIP)*. SEforALL Energy Transition Plans.

- **The financing architecture is structurally speculative,** anchored in projected rather than contractually secured capital flows. Large-scale investment requirements are modelled on blended finance assumptions, de-risking narratives, and future capital mobilisation scenarios that remain sensitive to global liquidity conditions and sovereign risk perceptions. This generates a condition of incomplete financial closure, where transition feasibility is contingent on capital that is partially anticipated rather than firmly allocated.

- **Labour transition remains under-institutionalised:** reflecting weak integration between skills systems, industrial policy, and labour market governance. Training interventions are largely project-based and externally supported, without a consolidated national mechanism for labour reallocation, income protection, or sectoral absorption of displaced workers. This produces a fragmented human capital transition system, where labour is modelled as an outcome variable rather than governed as a structural transformation axis.

- **Governance itself is fragmented and externally shaped:** with transition coordination dispersed across multiple ministries and agencies lacking unified enforcement authority. In parallel, significant portions of planning architecture are co-produced with multilateral institutions, embedding Nigeria's transition within external epistemic and funding logics. This creates a hybrid sovereignty configuration, where domestic policy autonomy is partially mediated through donor-driven modelling frameworks and global climate finance standards.

- **"Justness" is rhetorically central but operationally under-institutionalised**, with inclusion and equity principles articulated in policy language but weakly translated into enforceable redistribution mechanisms, social protection systems, or legally binding safeguards for affected populations. This results in a normative–instrumental gap, where justice functions more as a framing device for transition legitimacy than as a fully operational redistributive architecture.

Beyond these core findings, three additional structural flaws emerge:

- First, there is a temporal mismatch between policy sequencing and system transformation requirements, where near-term energy access and fiscal stabilisation need rely on carbon-intensive infrastructures while long-term decarbonisation pathways assume rapid displacement of these same systems. This produces a structurally unresolved pathway incoherence between development urgency and mitigation timelines.

- Second, the framework exhibits a metrics–reality divergence, where success indicators are heavily anchored in modeled emissions pathways, investment targets, and installed capacity projections, while real economy constraints such as grid reliability, informal energy markets, and household energy substitution patterns remain weakly integrated into evaluative frameworks. This produces a measurement bias toward aspirational system states rather than observed system behaviour.

- Third, the transition architecture demonstrates a spatial equity blind spot, where national-level decarbonisation and investment narratives insufficiently disaggregate territorial disparities in environmental burden, particularly in hydrocarbon-producing regions. This creates a structural gap between aggregate transition planning and subnational environmental justice remediation, reinforcing uneven spatial distribution of both costs and benefits.

Collectively, these dynamics indicate that Nigeria's Just Transition is not primarily constrained by policy absence but by systemic design tensions between modelling coherence, fiscal reality, institutional capacity, and distributive enforcement, producing a transition regime that is structurally coherent in narrative form but only partially operational in material execution.

Conclusion

Nigeria's Energy Transition Plan (ETP) represents an important attempt to establish a national framework for decarbonising the energy system while addressing energy access, economic development and the social implications of transition. As this report has demonstrated, however, the significance and feasibility of the ETP cannot be assessed solely in terms of its technical pathways or investment requirements. Its implementation is shaped by Nigeria's wider political economy, including continued fiscal dependence on hydrocarbons, constrained domestic fiscal space, institutional fragmentation, uneven territorial development and reliance on international finance and investment.

The analysis also highlights a central tension within Nigeria's transition architecture. The ETP seeks to mobilise substantial investment for decarbonisation and development while operating within an economic system that remains materially dependent on petroleum revenues. This creates challenges for the financing, sequencing and distribution of transition investments. At the same time, mechanisms for labour participation, community benefit-sharing and territorial redistribution have developed to varying degrees, but do not yet consistently provide the level of institutionalised participation, accountability and long-term protection required to ensure that the costs and benefits of transition are equitably distributed. These findings should, however, be understood primarily as an assessment of the ETP and its associated financing and institutional architecture, rather than as a comprehensive assessment of Nigeria's entire and evolving just transition framework. Since the ETP was introduced, the policy landscape has expanded through the Climate Change Act, NDC 3.0, the Long-Term Low Emission Development Strategy (LT-LEDS), and the Just Transition Guidelines and Action Plan (JT-GAP). Together, these instruments broaden the institutional basis for addressing the social, labour, territorial and developmental dimensions of transition. In particular, the JT-GAP represents an important evolution in the architecture by giving more explicit attention to the social and distributional dimensions of transition and to stakeholder participation, including organised labour.

The emergence of these instruments does not negate the challenges identified in this report. Rather, it indicates that Nigeria's transition architecture remains under development. The key question is increasingly whether the commitments established across these instruments can be translated into coherent implementation arrangements, predictable financing, meaningful participation and stronger mechanisms for distributing transition benefits and managing transition costs.

This includes ensuring that communities and workers affected by structural changes are not only consulted but have meaningful institutional channels through which their interests can influence implementation. Ultimately, the effectiveness of Nigeria's transition will depend not only on the scale of finance mobilised or the ambition of its decarbonisation targets, but on the institutional arrangements through which those resources and commitments are converted into tangible social, economic and environmental outcomes. The ETP provides an important foundation for this process, but its longer-term significance will depend on how it interacts with the broader and evolving just transition architecture. Future assessment should therefore examine whether the Climate Change Act, NDC 3.0, LT-LEDS and JT-GAP collectively strengthen domestic ownership, social inclusion, territorial equity and accountability in the implementation of Nigeria's transition.

Recommendations: Towards a Democratic and Inclusive Just Transition

A just transition in Nigeria would require a shift in both who governs the transition and how decisions are made, not only what policies are designed.

1. First, there is a need to strengthen public sovereignty over transition planning and financing priorities. This implies reducing over-reliance on externally defined investment models and ensuring that national institutions, elected bodies, and subnational governments have stronger authority in determining transition pathways. Technical assistance and international cooperation should remain supportive, but not determinative, of core policy direction.

2. Second, transition governance must be re-anchored in democratic accountability mechanisms. This includes transparent public budgeting for transition-related spending, parliamentary oversight of major energy transition commitments, and institutionalized spaces for civil society, labour organizations, and affected communities to shape priorities in a binding—not symbolic—way. Participation must move beyond consultation toward decision-shaping power.

3. Third, there is a need to establish stronger public investment and public goods–led transition mechanisms, particularly in energy access, grid infrastructure, and clean cooking systems. Over-dependence on private capital introduces structural bias toward bankable projects and away from socially necessary but lower-return investments. A just transition requires that public finance play a stronger coordinating and equalising role, especially in underserved and structurally marginalised regions.

4. Fourth, labour and livelihoods must be treated as a core structural pillar rather than a secondary co-benefit. This requires building enforceable systems for skills transition, income protection, and employment guarantees linked to real industrial strategy—not fragmented training programmes disconnected from labour market absorption. Workers and communities most affected by energy transition must have predictable pathways into new forms of secure livelihoods.

5. Fifth, territorial justice—especially in historically affected extraction zones—must be addressed through binding remediation and redistribution frameworks, not only project-based interventions. Environmental repair, livelihood restoration, and local economic diversification should be embedded in enforceable national frameworks with clear accountability structures.

6. Finally, climate finance must be restructured toward greater transparency and reduced asymmetry of influence. Financial participation should not translate into policy dominance. The goal should be a financing system that supports national priorities defined through democratic processes, rather than one that indirectly determines them through risk modelling and investment gatekeeping.

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