EIRA

ENERGY INVESTMENT RISK ASSESSMENT

2020

NIGERIA

COMMON RULES FOR **GLOBAL ENERGY SECURITY**

Disclaimer

This report is a product of the Energy Charter Secretariat (ECS). The findings, interpretations, and conclusions expressed herein do not necessarily reflect the views of the ECS or its staff. The ECS does not guarantee the accuracy of the data included in this work. The information contained in the report cannot under any circumstance be considered as formal legal advice of the ECS or the contributors of the report nor can it be used as a basis for any investment or otherwise business decisions with respect to any of the jurisdictions herein covered. The mention of specific companies or certain projects or products does not imply that they are endorsed or recommended by the ECS in preference to others of a similar nature that are not mentioned.

NIGERIA EXTENDED ENERGY INVESTMENT RISK ASSESSMENT 2020
ENERGY CHARTER SECRETARIAT PUBLICATION
ISBN: 978-905948-234-0 (paperback)
Depot number: D/2021/7850/3
ISBN: 978-905948-235-7 (pdf)

Layout and design: www.lyon.nu

ABOUT THE INTERNATIONAL ENERGY CHARTER

In the early 1990s, after the end of the Cold War, the Dutch Prime Minister at the time, Ruud Lubbers, took the initiative to establish cooperation in the field of energy between the East and the West. This paved the way for the Energy Charter Treaty (ECT) which was signed in December 1994 at Lisbon and entered into force in April 1998.

The ECT establishes a unique multilateral legal framework for facilitating international energy cooperation. Its key principles, namely, openness of energy markets, investment protection and non-discrimination stimulate foreign direct investment and cross-border trade. As of 1 April 2021, the ECT has 56 Signatories and Contracting Parties (including the European Union and Euratom).

The *International Energy Charter* is the informal working name of the Energy Charter Conference, its subsidiary bodies and the ECS. The name was adopted in 2016 to better reflect the global nature of the Organisation.

The Energy Charter Conference is the governing and decision-making body of the Organisation. Each year its Chairmanship is entrusted to a different Contracting Party of the ECT. In 2021, Armenia holds the Chairmanship. The 99 Members and Observers of the Energy Charter Conference represent governments and regional intergovernmental organisations from six continents, including all significant energy producing, transit and consuming regions.

The Energy Charter Secretariat is based in Brussels, Belgium. It is headed by Secretary-General Urban Rusnák. The main functions of the Secretariat include:

Providing administrative support and facilitating the work of the Energy Charter Conference and its subsidiary bodies;

Monitoring the implementation of the ECT;

Assisting governments in enhancing their investment climate through various instruments;

Offering support for dispute settlement and conflict resolution;

Developing regulation and model agreements for cross-border energy projects;

Organising capacity building and training sessions related to the ECT;

Assisting Observer countries with ECT accession.

FOREWORD

The onset of the COVID-19 pandemic has led to a decline in energy demand and investment across the globe. The fall in oil prices has heavily impacted the national revenue of several oil-producing countries, including Nigeria. In the face of this health and economic crisis, it is, therefore, a remarkable achievement that the Federal Government of Nigeria continues to proactively pursue its national and international energy commitments through pandemic recovery programmes.

At the same time, the reality is that Nigeria will need more than short-term stimulus packages and programmes to deal with the current crisis and retain energy investment effectively. It will need to develop long-term policies that offer investors predictability and transparency, and that are non-discriminatory. Indeed, such principles are embedded in the International Energy Charter, which establishes a multilateral framework for cross-border cooperation for energy development. It is a matter of pride for us that Nigeria has shown its commitment to these principles by becoming an Observer to the Energy Charter Conference.

Nigeria is committed to the Energy Charter Process and has actively participated in the activities of the Energy Charter Conferences. It has cooperated intensively with the Energy Charter Secretariat on the Energy Investment Risk Assessment (EIRA) report since its inception in 2017. EIRA assists policymakers in identifying and mitigating legal and regulatory risks to investment in the energy sector. Its objective is to assist the Members and Observers of the Energy Charter Conference in attracting and retaining investment to the maximum extent possible.

Given the high added value of the technical assistance provided through EIRA, the Federal Government of Nigeria has, since 2018, requested the Energy Charter Secretariat to develop extended EIRA country risk reports. These extended reports provide in-depth recommendations on reducing legal and regulatory risks in its energy sector and identify measures to ensure affordable and reliable access to clean energy.

Over the last years, the Extended EIRA Country Profiles have provided evidence-based analysis of Nigeria's progress in these areas. Notably, power reliability has improved between 2018 and 2020, but there is scope for improvement. To boost its efforts in this respect, the Federal Government of Nigeria has successfully attracted donor funding for critical power transmission infrastructure projects. While Nigeria's on-grid power sector continues to face daunting challenges, its off-grid power sector is going from strength to strength. With a robust regulatory regime and an inflow of capital from investors and donors, it is fast becoming a financially attractive and viable sector.

I hope that the Federal Government of Nigeria will continue to implement the actions recommended in EIRA to increase policy predictability and install a robust legal and regulatory regime in the energy sector.

Finally, I will take this opportunity to congratulate the Energy Commission of Nigeria for its resilient commitment to global energy cooperation and extensive engagement with national and international stakeholders in implementing policy, legal and regulatory reforms within Nigeria.

Urban Rusnák
Secretary-General
Energy Charter Secretariat
Brussels

MESSAGE FROM THE NATIONAL FOCAL POINT

Energy Commission of Nigeria (ECN) is the Federal Government Agency charged with the responsibility for strategic planning and coordination of national policies in the field of energy in all its ramifications. It is the National Focal Point for the International Energy Charter (IEC).

The Energy Investment Risk Assessment (EIRA) programme of the IEC **"evaluates specific risks affecting energy investments to policy, legal and regulatory frameworks. It aims to identify gaps, provide learning opportunities, and simulate reforms which make the investment climate of countries more robust and reduce the possibility of investor-state disputes"**. In the light of this, the Nigeria EIRA 2020 Report has brought out the strength and weaknesses with regards to investments climate in the Nigerian energy industry. The assessment report therefore supported the country to better strategize in improving the investment environment in its energy sector.

The IEC is therefore commended for its EIRA initiative and Nigeria will continue to be part of the programme in order to close the investment gaps in the energy sector for sustainable national development.

Prof. Eli Jidere Bala
Director General ECN and National Focal Point for IEC

ABBREVIATIONS

BIT	Bilateral Investment Treaty
DC	Direct Current
DisCos	Distribution Companies
DPR	Department of Petroleum Resources
ECN	Energy Commission of Nigeria
ECOWAS	Economic Community of West African States
ECS	Energy Charter Secretariat
ECT	Energy Charter Treaty
EIRA	Energy Investment Risk Assessment
EITI	Extractive Industries Transparency Initiative
FDI	Foreign Direct Investment
GenCos	Generation Companies
GHG	Greenhouse Gas
GWh	Gigawatt Hour
IECh	International Energy Charter
kV	Kilovolt
kWp	Kilowatt 'peak'
MDA	Ministries, Departments and Agencies
MW	Megawatt
NDC	Nationally Determined Contributions
NEITI	Nigerian Industries Transparency Initiative
NERC	Nigerian Energy Regulatory Commission
NESI	Nigerian Electricity Supply Industry
NIPC	Nigerian Investment Promotion Commission
NGN	Nigerian Naira
NNPC	Nigerian National Petroleum Corporation
PPA	Power Purchase Agreement
REA	Rural Electrification Agency
TCN	Transmission Company of Nigeria
TPES	Total Primary Energy Supply
SC	Series Compensation
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar

TABLE OF CONTENTS

RISK AREAS AND INDICATORS FOR EIRA

EIRA evaluates risks to energy investment that can be mitigated by adjusting policy, legal and regulatory frameworks. The performance of countries against the EIRA risk areas is evaluated through four indicators. The indicators reward countries for sound regulation and efficient processes, and capture their ability to cope with the risks through predictable policy objectives, transparent decision-making, strong public institutions, competent market oversight mechanisms, and the successful resolution of investor-State disputes.

What are the risks assessed by EIRA?

EIRA analyses the following risk areas:

Unpredictable policy and regulatory change
Governments reserve the right to adopt policy and regulatory measures that are necessary to pursue legitimate public policy objectives. Nevertheless, unsystematic and arbitrary modifications can detrimentally affect the interests of foreign investors. They can lead to increased or stranded costs for operating a business, reduced attractiveness of investment, and an overall distorted competitive landscape. Foreign investors may reconsider investing in the country or relocate the investment. It follows that in exercising their right to regulate, governments must make investors aware of the conditions and nature of policy and regulatory changes.

Discrimination between domestic and foreign investors
Foreign investors need clarity on the extent to which markets are competitive and whether they offer a level playing field. While discrimination can take various forms, e.g. between energy resources, technologies and types of investors, EIRA focuses on discrimination between domestic and foreign investors. This risk area assesses the likelihood of an unfair advantage to local investors, as recipients of rights and privileges, to the exclusion of foreign investors, and "protectionist" practices that give rise to foregone investment gains.

Breach of State obligations
Disputes brought by investors against a State can disrupt the relations between the two parties and even damage the overall investment climate. Investors must have confidence that they will have recourse to mechanisms for dispute resolution and the enforcement of rights if governments default on their obligations. Such obligations include protection against discrimination, expropriation and nationalisation, breach of investment treaties, and limited access to alternative dispute settlement avenues.

How are the EIRA indicators selected?

The indicators are constructed from a wide range of variables. They are premised on the objective of governments to guarantee investors a secure, favourable, and transparent investment environment.

Five criteria are applied to determine the appropriate indicators:

Functionality/actionability – The indicators are "reform-oriented". They reflect best practices through which countries can manage the risks, and capture aspects of policy-making and regulation that are under the control of governments.

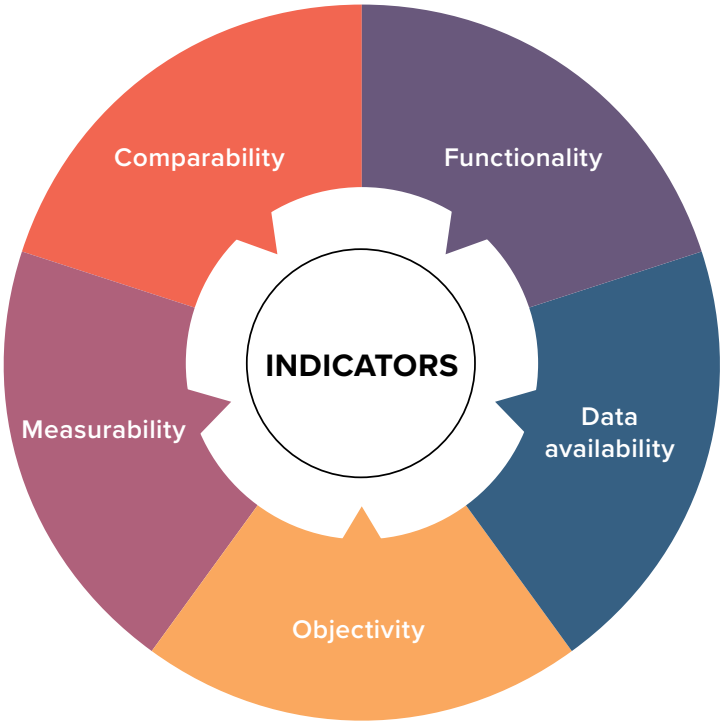
Data availability – Data for the indicators is available from sources that are reputable and reliable. The indicators are based on data that is relevant, readily accessible and easy to collect.

Measurability – The indicators provide a quantifiable assessment, are robust, and unaffected by minor changes to their construction methodology.

Comparability – The indicators remain comparable over time, and across countries, energy sub-sectors, and the energy value chain.

Objectivity – The indicators reflect an accurate overview of the policy, regulatory and legal reality in the countries.

Figure I.1 – Criteria for selection of indicators



What are the EIRA indicators?

Based on the above criteria, the EIRA indicators developed are:

- Foresight of policy and regulatory change
- Management of decision-making processes
- Regulatory environment and investment conditions
- Rule of law (compliance with national and international obligations)

The indicators apply to more than one risk, and consist of two sub-indicators each. They measure the ability of governments to identify whether the assessed risks exist, and the extent to which they can mitigate these risks. The indicators reward countries for taking concrete measures to manage and limit arbitrary or discriminatory policy changes, and for reducing the possibility of breaches of State obligations. Such measures include setting long-term policy objectives and goals, ensuring transparency in decision-making, granting equal treatment to foreign and domestic investors, and effectively managing disputes with foreign investors.

Table I.1 – Correlation between EIRA risk areas and indicators

RISK AREAS	INDICATORS			
	Foresight of policy and regulatory change	Management of decision-making processes	Regulatory environment and investment conditions	Rule of law
Unpredictable policy and regulatory change	✓	✓		✓
Discrimination between domestic and foreign investors		✓	✓	✓
Breach of State obligations				✓

INDICATOR 1
Foresight of policy and regulatory change

National energy priorities and regulatory frameworks evolve in response to changing circumstances. Ensuring stable investment conditions is a significant challenge as the global energy transition is proving to be a highly dynamic process. Policy and investment patterns are likely to evolve as countries seek to decarbonise their energy sectors under the Paris Agreement. Meeting new objectives will result in policy revisions, and governments must be able to anticipate the impact of these revisions on long-term investments. They must, therefore, communicate any adjustments to their energy policy objectives well in advance, and have a realistic plan to implement these adjustments with minimal impact on the country's investment climate. Investors can then better manage risk, modify investment portfolios and cope with the policy changes.

SUB-INDICATOR:
COMMUNICATION OF VISION AND POLICIES

This sub-indicator evaluates whether governments are effectively communicating their short- and long-term energy sector vision to investors. It looks into the immediate and future energy sector targets of countries, and the timely adoption and implementation of policies and action plans.

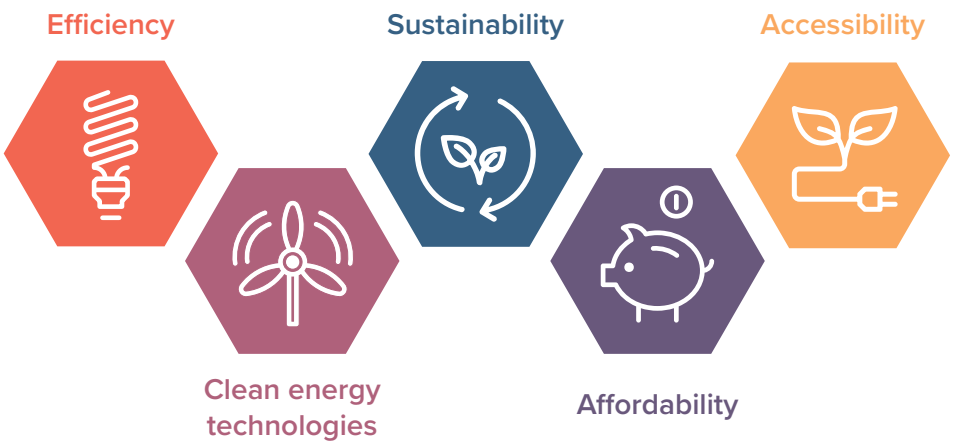
Risk management requires a view of the future. As countries transition to sustainable energy systems, there will be new demands placed upon regulatory frameworks and existing decision-making structures. Understanding the energy landscape, and how it is evolving, is a central element of investment planning. National policies are the most relevant documents for informing investors about the goals governments intend to pursue, and the timeframes they have set for achieving these goals. Accordingly, governments must make investors aware of their current and future national energy priorities, and of any course corrections in these priorities, by adopting clear and timely energy policies. By doing so, they will be able to retain the confidence of investors better, keep them updated on the need, pace and nature of policy changes, and in turn, avert risk.

SUB-INDICATOR:
ROBUSTNESS OF POLICY GOALS AND COMMITMENTS

Effective monitoring mechanisms play a significant role in assessing how far governments have progressed on achieving their policy goals. Conversely, a fragmented or weakly implemented monitoring and evaluation framework can greatly reduce the ability of policymakers and investors to track if there has been any real progress made on the goals.

This sub-indicator focuses on proper monitoring and evaluation of the energy goals, policies and targets. Monitoring and evaluation authorities, which are financially and institutionally independent of governments, will be more objective in assessing the implementation of the national energy priorities. The existence of independent monitoring authorities will also give investors confidence that policy revisions will be proportionate to the situation, subject to evidence-based evaluations, and not due to arbitrary and unsupported reasons.

Figure I.2 – Energy priorities under the UN Sustainable Development Goal 7



INDICATOR 2
Management of decision-making processes

The second indicator addresses the importance of coordinated and transparent policies in eliminating perceived or actual opacity of government initiatives, and the inclusion of investors in the planning and decision-making phases. The roles and responsibilities of the national and sub-national government levels must be clear to ensure structured and simplified decision-making processes. It is also essential that investors are well informed and consulted whenever governments intend to revise laws or regulations. Stakeholder engagement will allow foreign investors to participate in decision-making processes actively and take well-informed and timely decisions.

SUB-INDICATOR:
INSTITUTIONAL GOVERNANCE

Formulating investment and energy policies requires the engagement of multiple government levels. Provinces, municipalities as well as regional and local authorities participate in framing and implementing these policies. Multi-level governance can make the decision-making process complex and result in the risk of overlapping or contradictory decisions. Unless managed and coordinated correctly, policy choices of countries with multi-layered governance structures may end up being sub-optimal, and in turn, inadequately implemented.

This sub-indicator measures how well governments coordinate the decision-making process in their respective countries. While the degree of centralisation in each country may differ significantly, one central body should ultimately be responsible for coordinating across different levels of government, and for reconciling the diverging perspectives of public agencies. Effective intra-governmental coordination in policy design and implementation is, therefore, an essential precondition for minimising unpredictability and maintaining an investment-friendly climate.

Figure I.3 – Key aspects of effective decision-making processes

SUB-INDICATOR:
TRANSPARENCY

Policy and regulatory changes that are systematised and transparent give investors time to plan and align their business models, operations, and finances according to the changing circumstances. While transparency is beneficial to all types of investors, it is particularly crucial for foreign investors who have to cope with regulatory systems and administrative frameworks that may be unfamiliar to them. This sub-indicator measures inclusiveness shown by governments in designing and implementing their laws and policies.

EIRA understands transparency as (1) the effective communication of information on national laws, regulations and practices that may materially affect investments, and (2) prior notification of and consultation on regulatory changes that are of interest to investors.

Governments can enhance the quality and predictability of their regulatory framework by reviewing and publishing administrative decisions, codifying legislation, disseminating regulatory materials, and developing registers of the existing and proposed regulation. These measures will help to ensure that investors are aware of policies affecting them. Prior consultation on investment- and energy-related governmental actions can provide investors with more foresight on the conditions in the host countries. For instance, it may reveal indirect discrimination in secondary measures, even though the enabling legislation does not intend for this. Moreover, affording interested parties the right to comment on policy options and regulatory decisions will allow policy-makers, legislators and regulators to take stock of different opinions, parameters and considerations before modifying the existing framework.

INDICATOR 3
Regulatory environment and investment conditions

This indicator evaluates the independence energy regulators exercise in taking decisions, setting tariffs, and in performing their functions. Regulatory independence guarantees neutrality and helps to avoid situations where decisions are continuously revised, to the detriment of some market actors and investors. The indicator further examines the restrictions faced by foreign investors in the energy sector. Despite the increasing realisation that international capital flows are crucial for developing the energy sector, persisting restrictions tend to deter foreign investors. Key FDI restrictions include investment screening, local content and other performance requirements, and limitations on currency and investment-related capital transfers.

SUB-INDICATOR:
REGULATORY EFFECTIVENESS

When an independent and specialised institution monitors the market, there is a lower risk of biased decision-making, discriminatory rules, and anticompetitive behaviour. Political distance gives regulatory authorities credibility because it limits governmental influence, and provides investors assurance that political events will not interfere with regulatory decision-making.

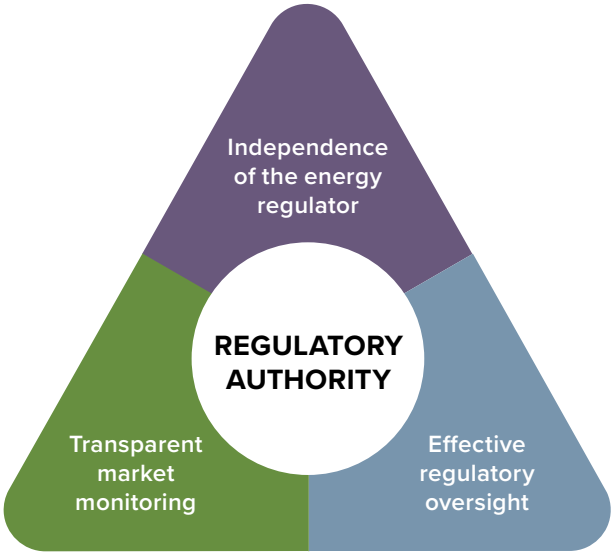
This sub-indicator examines the autonomy of energy regulators through various parameters, such as their legal basis, sources of funding, financial accountability to independent institutions, and their relationship to ministries and other public authorities. It also assesses the level of transparency exercised in the selection of the regulatory staff.

SUB-INDICATOR:
RESTRICTIONS ON FOREIGN DIRECT INVESTMENT

Policy and regulatory measures that discriminate between domestic and foreign firms can restrict inward investment flows. They can obstruct foreign investments or make the cost of operation financially unviable. Some of the typical restrictive measures foreign investors may face are lengthy investment screening and approval procedures, regional investment restrictions, and operational controls.

This sub-indicator assesses the commitment of countries to accord non-discriminatory treatment to foreign investors. It evaluates whether domestic and foreign investors receive equal treatment in the application of domestic laws and regulations, and gives particular attention to sectoral restrictions, limits on the transfer of profit and repatriation of capital abroad, and onerous local content requirements.

Figure I.4 – Regulatory environment and investment conditions



INDICATOR 4
Rule of law (compliance with national and international obligations)

EIRA relies on the "rule of law" definition presented in the UN Report *The rule of law and transitional justice in conflict and post-conflict societies*[1]. It focuses on three aspects of this definition. First, fair and effective implementation of national laws and international commitments arising from treaties and international agreements; second, settlement of investor-State disputes promptly and according to due process; and third, respect for the property rights of foreign investors. Peace, security and human rights are outside the purview of EIRA.

SUB-INDICATOR:
MANAGEMENT AND SETTLEMENT OF INVESTOR-STATE DISPUTES

This sub-indicator examines the efficiency of case-management and dispute settlement procedures. International companies tend to invest in low-risk host countries that provide them with transparent and predictable legislation, avoid retrospective changes to laws, and make efforts to resolve disputes through alternative dispute resolution mechanisms, without unnecessary cost or delay.

Well-organised judicial procedures help to foster trust between investors and the State. Timely and cost-effective enforcement of foreign judgements and awards give investors assurance that the domestic courts of host countries will safeguard and uphold their rights. Similarly, the existence of appeal mechanisms and domestic dispute mitigation instruments, such as an investment ombudsperson and mediation, provide additional avenues for resolving conflicts between investors and States. Beyond the national legal system, governments must provide an extra layer of protection to investors by granting them recourse to dispute settlement mechanisms under international law. They may give foreign investors this benefit either through BITs or on a case-by-case basis.

SUB-INDICATOR:
RESPECT FOR PROPERTY RIGHTS

This sub-indicator assesses the risk of companies losing ownership, or control, over their investment as a result of government action. Arbitrary acquisition of property by the State can also lead to the risk of discrimination when foreign investors, in particular, suffer a loss.

In this sub-indicator, the term "investment" refers to tangible and intangible assets, including IP rights. It does not delve into the forms of expropriation. Instead, it focuses on whether expropriation, nationalisation or confiscation (or any action equivalent to these) was undertaken for a legitimate public purpose, following the due process of law, in a non-discriminatory manner and with adequate compensation.

There are some steps governments may take to reduce the risk of perceived arbitrariness. For instance, they should define in the national laws (1) activities and areas of "public interest" that are grounds for expropriation, (2) the process for determining expropriation compensation, and (3) a timeframe for paying the compensation. These details will give increased security to foreign investors operating under BITs, and also protect investors not covered under these treaties. Investors will also be able to assess better whether the host country's laws, mechanisms and guarantees are in line with international practice and investment agreements.

Figure I.5 – Rule of law elements covered by EIRA

1 EIRA interprets "rule of law" as "a principle of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency". United Nations, Report of the Secretary-General, *The rule of law and transitional justice in conflict and post-conflict societies (2004). UN Member States reaffirmed their commitment to uphold "rule of law" in the United Nations, Declaration of the High-level Meeting of the UN General Assembly on the Rule of Law at the National and International Levels,* A/RES/67/1 (30 November 2012).

EIRA METHODOLOGY

EIRA assesses three types of risk to energy investment. It applies four indicators to (1) identify the actions needed to address these risks, and (2) highlight the corrective measures countries may take to mitigate them.

EIRA evaluates risks by examining whether countries have adopted the necessary laws, policies and implementation actions. However, legislation and policy measures have maximum impact when they are enforced. EIRA 2020 recognises this and tries to give a clearer picture regarding the enforcement of laws and policies. This year, the country profile of Nigeria reflects the implementation of the existing policy framework and highlights the progress made by the country in translating its commitments to actions. The report also contains an annexe summarising the actions taken by the Federal Government of Nigeria (FGN) to implement the improvements suggested in the previous editions of EIRA. Depending on the progress made, the FGN's progress is categorised as fully implemented, partially implemented, ongoing, or pending.

There has been no change to the methodology since last year. The indicator scores are derived from a questionnaire, developed over two years, which allows comparability across energy sub-sectors and captures trends over time. The questions are designed to be user-friendly and ensure that the responses received can be easily verified. While most of them are binary, requiring simple "yes" or "no" answers, some are cascading and multiple-choice. The EIRA website allows respondents to give detailed information, clarifications and additional remarks on each question.

How are the respondents for EIRA selected?

The EIRA questionnaire is provided to the national governments in the participating countries. It is also sent to selected external parties to counter the perception of self-assessment and secure an objective viewpoint.

The unit of analysis for EIRA is a country. The policies taken into consideration are those framed and implemented at national level. In federal arrangements, such as the Federal Republic of Nigeria, the central government is designated as a single point of contact responsible for collecting and processing inputs from relevant ministries/ departments at State and municipal level.

External parties are chosen from a pool of experts comprising local and international law firms, legal practitioners, business councils, accounting and consulting firms, think-tanks, energy associations, chambers of commerce, international institutions and non-governmental organisations operating in the assessed countries. Before inviting external parties to participate in the assessment, the ECS conducted extensive research on various aspects, such as their expertise, renown, and previous participation in other international reports. All the final participants contributed to the report on a pro-bono basis.

The main parameters for selecting the external parties are:

> **Expertise in the energy sector:** Active involvement in different stages of energy projects, and experience of providing consulting services in multiple energy sub-sectors and on regulatory issues.

> **Diversity of clients and neutrality:** Vast experience working with governmental entities as well as private investors. This ensures the external party has a holistic understanding of issues in the energy sector and contributes to a more balanced approach.

> **Reputation:** Parties with extensive global reach or local partner groups. For law firms, international guides identifying leading providers of legal services (local and global) in each country are consulted.

What is the data collection and validation process for EIRA?

Data was collected in a standardised manner through the EIRA questionnaire. The ECS received responses from the ECN and the external parties over five months. The respondents provided copies of the source documentation to support their responses. This year, the questionnaire responses, and the supporting documents, were collected through the EIRA website.

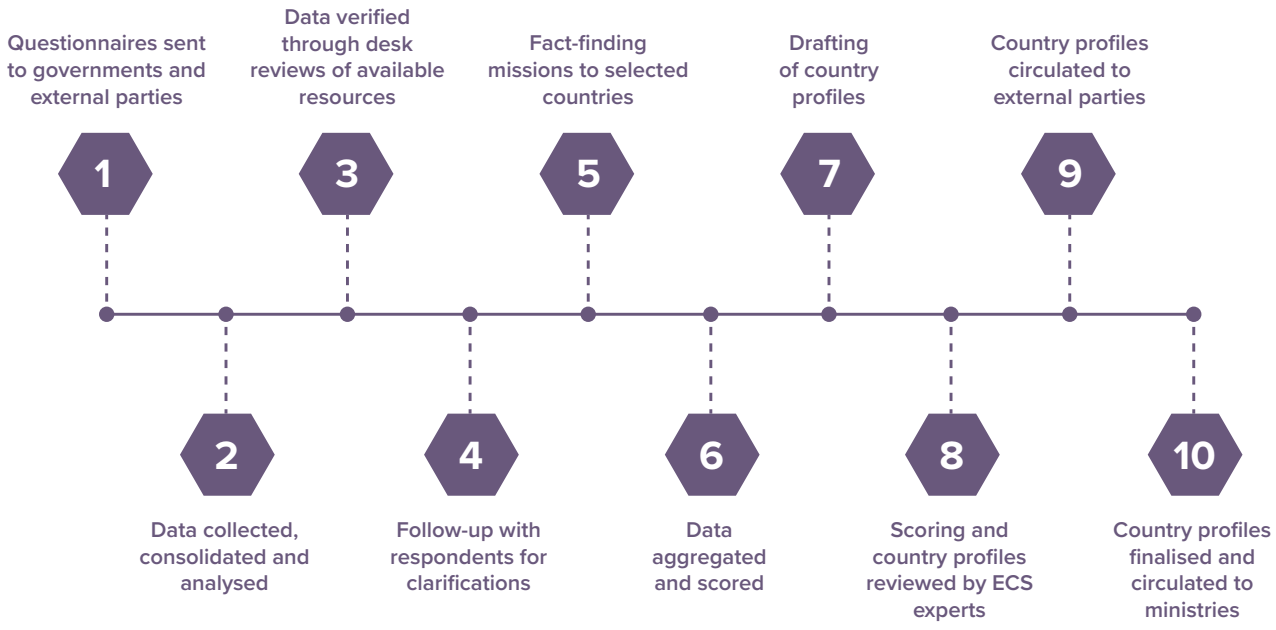
The answers provided by the respondents were accepted only to the extent that they relied on laws, regulations, national plans, and strategies that are currently in force. The cut-off date was 1 April 2020. Accordingly, the scores are based only on legislation, regulation, policies, legislative initiatives and regulatory reforms that came into force before this date.

Upon receiving responses to the questionnaire, the ECS in-house experts engaged in an extensive data-validation process. They confirmed that the respondents correctly understood each question, and that the submitted documents supported the responses. In the absence of supporting documents, or if respondents gave conflicting answers, the ECS experts sought clarifications from government officials and external parties through correspondence and phone interviews.

The ECS took steps to address the issue of low data availability in certain countries, but the spread of the COVID-19 pandemic made this challenging. At the same time, the ECN and external parties made substantial efforts to ensure that the ongoing global crisis has minimal impact on the report's quality by providing the ECS with exhaustive information and documents, and continual updates.

Overall, the process of data collection and validation lasted eight months, from December 2019 to July 2020.

Figure I.6 – Data collection and validation process



How are risks assessed in EIRA?

EIRA assesses countries through a quantitative and qualitative analysis. The quantitative assessment is by a scoring system that shows the performance of the countries on the EIRA indicators. The qualitative evaluation is through "country profiles" that describe their strengths and identify areas for improvement.

Scoring system

All indicators carry equal weight. The score of each indicator is the average of its component sub-indicators. The score of each sub-indicator is calculated through a set of questions. The questions are scored between 0 and 100 and are equally weighted. The highest possible score for each question is 100. All the scores are rounded off for the risk areas and the indicators. A country's total indicator score is the average of (1) the score received on the government questionnaire, and (2) the combined average of the external party scores.

Figure I.7 – Scoring an indicator for individual respondents

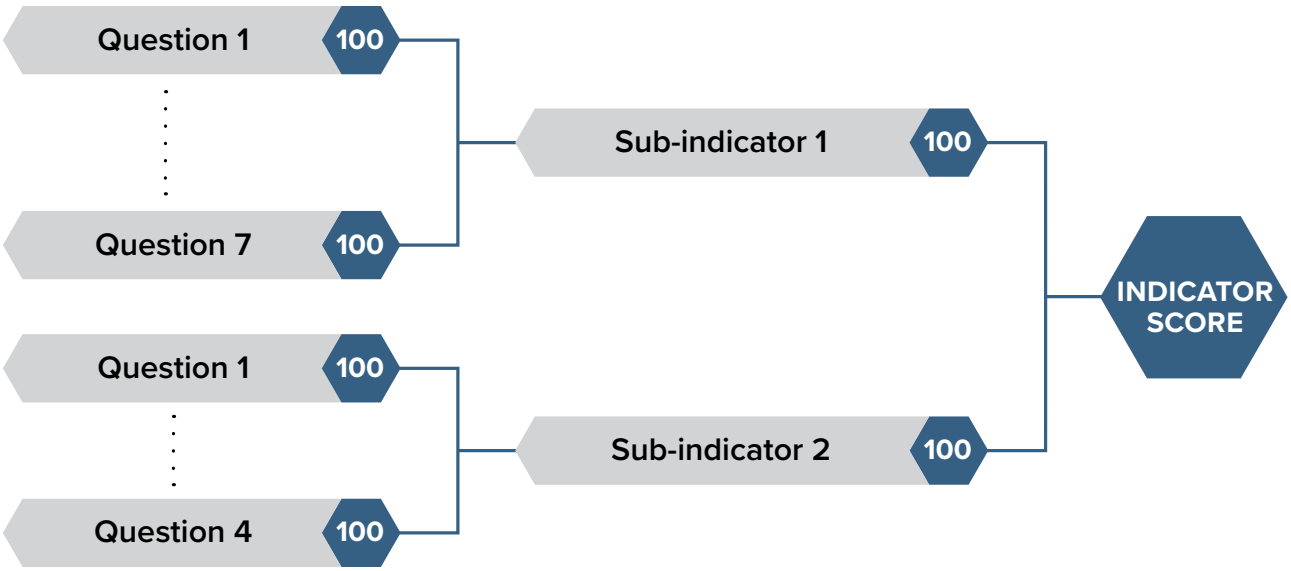
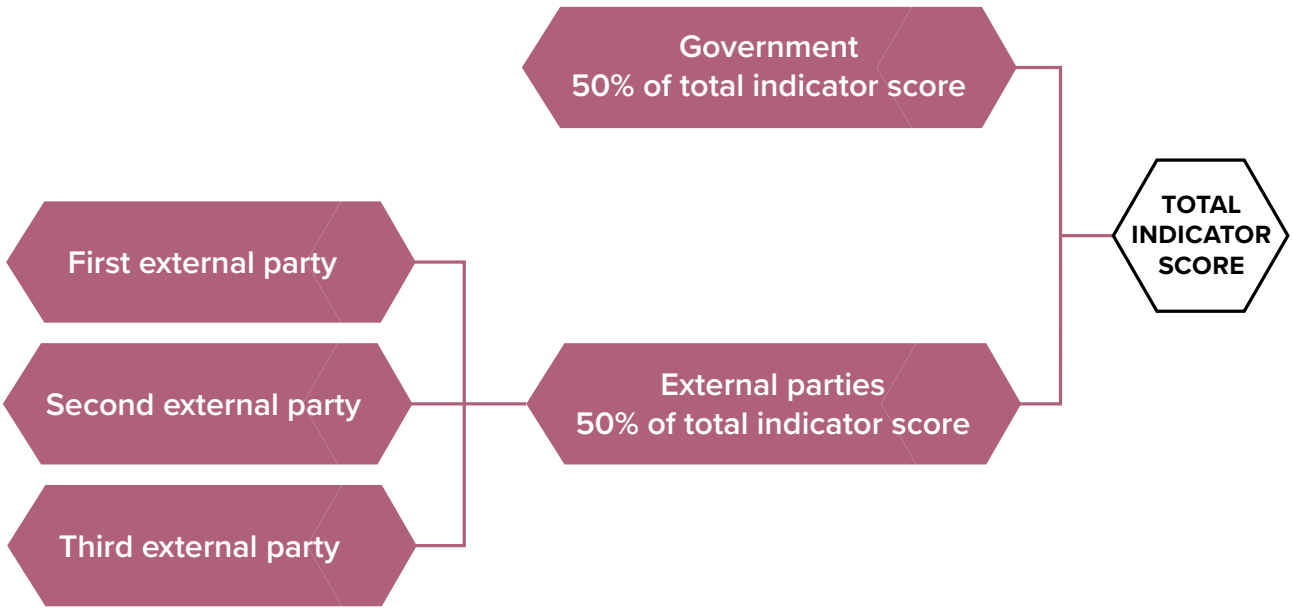
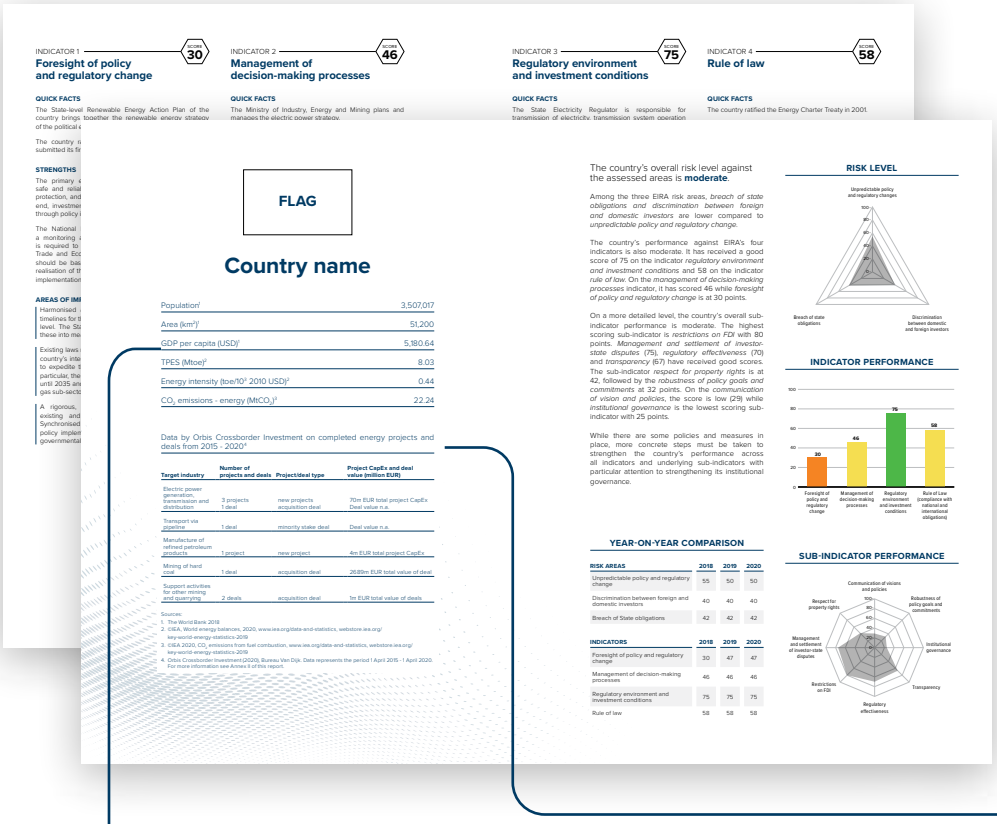


Figure I.8 – Total score of an indicator



Country profile outline

The qualitative assessment for each country is through a four-page profile. The first page gives background information on the assessed country. It features a table of key metrics on area, population, GDP per capita, total primary energy supply, energy intensity and CO_2 emissions. This year, the page also includes new information from Orbis Crossborder Investment on energy projects and deals completed between 2015-2020 in the participating countries. The second page of the profile contains three charts showing the risk level across the assessed areas, the performance of the country on the four indicators, and the score on the sub-indicators. A five-colour-coded bar chart depicts the indicator scores. Dark green represents the highest band of scores, while the colour red represents the lowest. In the radial chart, representing the sub-indicator scores, 0 denotes the weakest performance and 100 the strongest. Profiles of the recurrent countries have a table that reflects changes to their performance, vis-à-vis 2018 and 2019. The final two pages of the profile describe the country's strengths on the EIRA indicators and the main areas for improvement.



KEY METRICS

Population and surface area: Data refers to year 2018. *The World Bank 2018, World Development Indicators, World Bank national accounts data and OECD National Accounts data files, https://data.worldbank.org/ (accessed on 19 June 2020)**

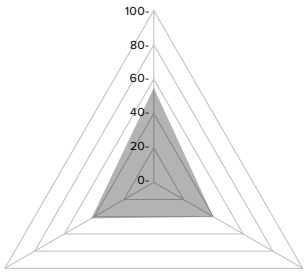
GDP per capita (current USD): Data refers to year 2018. *The World Bank 2018, World Development Indicators, World Bank national accounts data and OECD National Accounts data files, https://data.worldbank.org/ (accessed on 19 June 2020)**

Total primary energy supply (TPES): TPES represents inland demand only and, except for world energy demand, excludes international marine and aviation bunkers. Data refers to year 2017. *World Energy Balances, OECD/IEA 2020, www.iea.org/data-and-statistics, webstore.iea.org/key-world-energy-statistics-2019**

Energy intensity: This is a measure of total primary energy use per unit of gross domestic product. Data refers to year 2017. *World Energy Balances, OECD/IEA 2020, www.iea.org/data-and-statistics, webstore.iea.org/key-world-energy-statistics-2019**

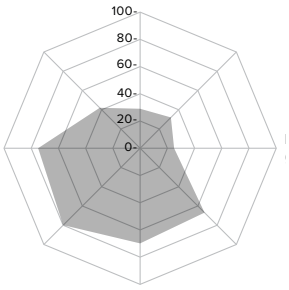
CO_2 emissions from fuel combustion: Data refers to year 2017. *OECD/IEA 2020, www.iea.org/data-and-statistics, webstore.iea.org/key-world-energy-statistics-2019**

*N/A means data is not available for this metric



RISK LEVEL

The risk level is displayed by the grey triangle. Each axis represents a risk area. The smaller the size of the grey triangle, the lower the level of risk.



SUB-INDICATOR PERFORMANCE

Each axis represents a sub-indicator. The larger the size of the grey area, the better the country's performance.

DATA FROM ORBIS CROSSBORDER INVESTMENT

Energy projects and deals completed between 2015-2020.

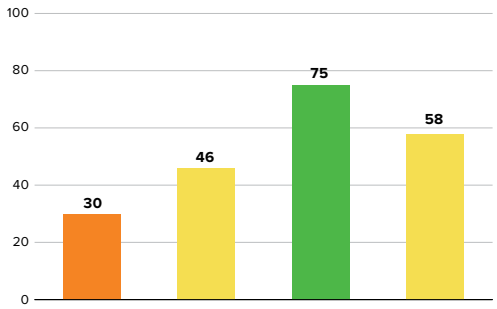
INDICATOR AND SUB-INDICATOR CORRELATION

Indicator 1
1. Communication of vision and policies
2. Robustness of policy goals and commitments

Indicator 2
1. Institutional governance
2. Transparency

Indicator 3
1. Regulatory effectiveness
2. Restrictions on FDI

Indicator 4
1. Management and settlement of investor-State disputes
2. Respect for property rights



INDICATOR PERFORMANCE

The indicators affect the risk areas differently. For example, *rule of law* has the highest impact since it influences all three risk areas. For details on the correlation between the indicators and the risk areas, see Table I.1.

The bars are colour-coded. Each colour corresponds to a performance level.

81-100

VERY GOOD
The performance against the assessed indicators is very good and the risk level is very low. The country provides attractive conditions for investors and is working in the right direction.

61-80

GOOD
The performance against the assessed indicators is good and the risk level is low. While the country has relevant policies and measures in place, there is some potential for improvement.

41-60

MODERATE
The performance against the assessed indicators is moderate and the risk level is moderate. There are some policies and measures in place but more concrete steps must be taken to further strengthen the performance.

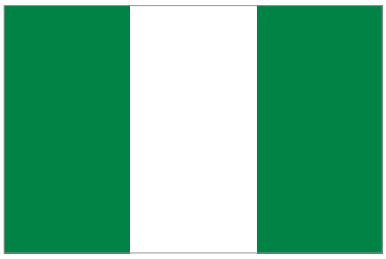
21-40

LOW
The performance against the assessed indicators is low and the risk level is high. Considerable steps need to be taken to improve the performance.

0-20

VERY LOW
The performance against the assessed indicators is very low and the risk level is very high. Significant and immediate steps need to be taken to improve the performance.

NIGERIA
COUNTRY PROFILE



Nigeria

Population[1]	195,874,740
Area (km^2)[1]	923,770
GDP per capita (USD)[1]	2,028.18
TPES (Mtoe)[2]	157.14
Energy intensity (toe/10^3 2010 USD)[2]	0.34
CO_2 emissions - energy ($MtCO_2$)[3]	85.99

Data from Orbis Crossborder Investment on energy projects and deals completed between 2015-2020[4]

Target industry	Number of projects and deals	Project/deal type	Project CapEx and deal value (million EUR)
Electric power generation, transmission and distribution	1 project 1 deal	new project joint venture deal	91m EUR total project CapEx Deal value n.a.
Extraction of natural gas and crude petroleum	2 projects 1 deal	new projects minority stake deal	1004m EUR total project CapEx 127m EUR total value of deal
Transport by pipeline	2 deals	minority stake deals	176m EUR total value of deals
Support activities for petroleum and natural gas extraction	2 deals	1 minority stake deal 1 joint venture deal	49m EUR total value of deals
Manufacture of refined petroleum products	1 deal	acquisition deal	4m EUR total value of deal

Sources:

1. The World Bank 2018
2. ©IEA, World energy balances, 2020, www.iea.org/data-and-statistics, webstore.iea.org/key-world-energy-statistics-2019
3. ©IEA 2020, CO_2 emissions from fuel combustion, www.iea.org/data-and-statistics, webstore.iea.org/key-world-energy-statistics-2019
4. Orbis Crossborder Investment (2020), Bureau Van Dijk. Nigeria is the destination country of the investment. Data represents the period 1 April 2015 - 1 April 2020. For more information see Annex II of this report.

Nigeria's overall risk level against the assessed areas is **moderate**.

Among the three risks assessed in EIRA, *unpredictable policy and regulatory change* and *breach of State obligations* are lower compared to *discrimination between foreign and domestic investors*.

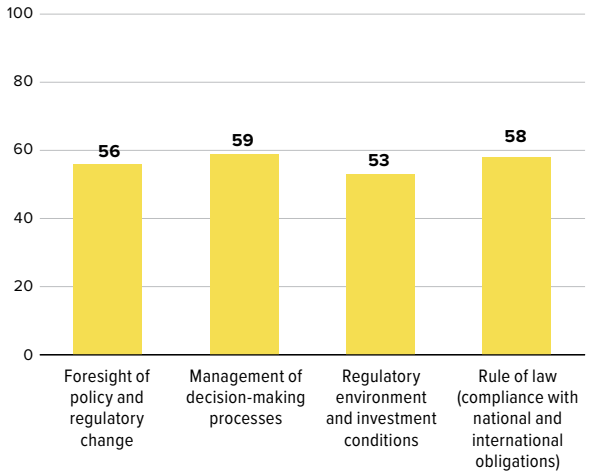
Nigeria's performance against EIRA's four indicators is moderate. It has maintained the scores from last year on the indicators *management of decision-making processes* (59) and *rule of law* (58). On *foresight of policy and regulatory change* its performance has improved by a point and now stands at 56. The score on *regulatory environment and investment conditions* is the same as last year, at 53.

On a more detailed level, Nigeria's overall sub-indicator performance is moderate. The highest-scoring sub-indicator is once again *management and settlement of investor-State disputes* at 75. Its score on *communication of vision and policies* has improved by one point and it now stands at 66. On *transparency* (63), *regulatory effectiveness* (57), *institutional governance* (56), *restrictions on FDI* (50), and *robustness of policy goals and commitments* (46) it has maintained the scores from last year. The lowest performance was again on the sub-indicator *respect for property rights* at 42.

While there are some improvements in Nigeria's performance compared to 2019, further steps must be taken to build on the work done. Particular attention should be given to strengthening the respect for property rights in the country.

RISK LEVEL

INDICATOR PERFORMANCE

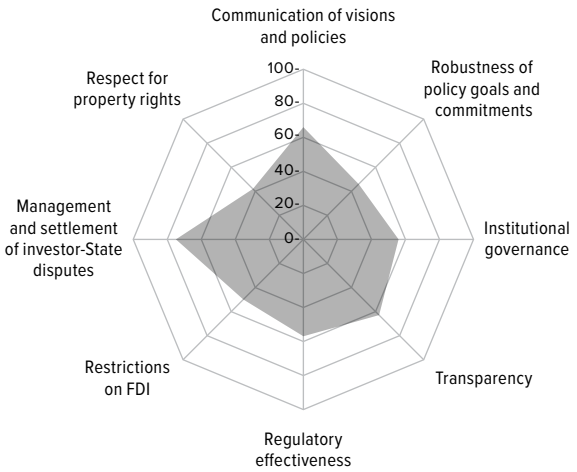


YEAR-ON-YEAR COMPARISON

RISK AREAS	2018	2019	2020
Unpredictable policy and regulatory change	43	43	42
Discrimination between foreign and domestic investors	44	43	43
Breach of State obligations	43	43	42

INDICATORS	2018	2019	2020
Foresight of policy and regulatory change	54	55	56
Management of decision-making processes	59	59	59
Regulatory environment and investment conditions	51	53	53
Rule of law	58	58	58

SUB-INDICATOR PERFORMANCE



INDICATOR 1

SCORE 56

Foresight of policy and regulatory change

Between April 2019 and April 2020, the Federal Government of Nigeria (FGN) implemented the short-term national targets on energy access and utilisation of off-grid renewable electricity. Grid reliability improved compared to previous years, but there is scope for improvement. To boost its efforts in this respect, the FGN successfully attracted donor funding for critical power transmission infrastructure projects.

Policy predictability continues to be precarious, especially with critical national-level strategies expiring in 2020. Some unaddressed challenges are that many policy documents run parallel to each other, the achievement of some policy targets is delayed, and policy impact assessment mechanisms are not sufficiently robust.

QUICK FACTS

The principal strategic documents for Nigeria's energy sector are the National Energy Policy 2003 and the Nigeria Vision 2020. The Economic Recovery and Growth Plan 2017-2020 (ERGP) is the main action plan to implement the energy policies. It is due to expire in December 2020.

In April 2020, the FGN submitted its Third National Communication under the UNFCCC.

The Nigerian Bulk Electricity Trading (NBET) Plc manages and administers the electricity pool in the NESI. It buys electricity from GenCos through PPAs and sells it to DisCos via a Vesting Contract Arrangement.

STRENGTHS

To implement the recommendations of EIRA 2019, MDAs promoted off-grid solutions in areas with low electrification rates. Visible progress was made through the World Bank-supported Nigeria Electrification Project (NEP) to deploy solar hybrid mini-grids in 250 sites and ensure extensive use of energy-efficient appliances. In December 2019, REA facilitated the commissioning of a 64 kWp solar hybrid mini-grid power plant in the Niger State – the first one under the NEP. The mini-grid is expected to benefit 3,000 people and give 350 end-users access to clean, safe, affordable and reliable electricity. In March 2020, REA launched the next phase of the NEP with funding of USD 200 million from the African Development Bank (AfDB). In the same month, REA also signed an agreement for a performance-based grant with Renewvia Solar Nigeria to construct solar hybrid mini-grids that will bring electricity to 2.5 million citizens of Oloibiri and Akipelai communities in Bayelsa State. The FGN has coupled its efforts to address the COVID-19 pandemic with meeting its energy goals. To this end, in April 2020, the Federal Ministry of Power installed 24-hour solar-powered mini-grids and home systems in several primary health centres and COVID-19 isolation centres to ensure that healthcare workers have access to safe, reliable and clean power.

Compared to 2018, the performance of the electricity transmission segment improved in 2019 and 2020. Grid reliability increased, with total system collapses reducing from 10 in 2019 to four in 2020. Although there was one partial system collapse in 2019, none were recorded in 2020. Transmission losses were high but reduced from 7.4% to 7.2% during this period – fewer than the target of 8.02% set in the Multi-Year Tariff Order (MYTO). The TCN anticipates that the Supervisory Control and Data Management (SCADA) project will be completed by December 2023 and will considerably optimise NESI's performance.

The TCN has mobilised funding to expand the power transmission infrastructure, primarily through multilateral development banks and international development agencies. It hopes to receive considerable donor funding for four greenfield projects within the Transmission Rehabilitation and Expansion Program's (TREP) framework. The first is the Abuja Transmission Ring Scheme, which is expected to receive financial support of USD 170 million from the Agence Française de Développement (French Development Agency – AFD) to construct five new substations in Abuja and a new 330 kV supply route through Lafiya in Nasarawa State. The Japanese International Cooperation Agency plans to provide financing of USD 238 million for the Ogun/Lagos Transmission Project to build six substations and the associated 330 kV and 132 kV lines. The AfDB will finance the Nigeria Transmission Expansion Project by granting USD 410 million to build three 330 kV quad lines, two 330kV substations and three 132 kV substations. Finally, the West Africa Power Pool North Core Transmission Project will receive USD 29 million from the World Bank to build a 330 kV DC 62 km line for the Nigerian component of the project, connecting it to Niger, Benin, and Burkina Faso.

Additionally, the brownfield Nigeria Electricity Transmission Access Project will receive USD 486 million from the World Bank to rehabilitate several existing transmission lines and automate substations. Another key donor-funded project is the Northern Corridor Transmission Project, financed jointly by the AFD and the European Union (USD 330 million) to reconstruct a 330 kV SC line from Shiroro to Abuja into a 330 kV quad line. The project will include constructing a 330 kV DC line from Kainji to Birnin Kebbi and a 330 kV DC line from Katsina-Daura-Jogana to Kura. The project also envisages building four 330 kV substations in Sokoto, Bauchi, Jogana and

Daura and 132 kV substations in Lambata, Argungu and Birnin Gwari.

Over the last years, a critical policy target of the FGN has been to eliminate gas flaring by 2020. To this end, it drafted the Gas Flaring (Prohibition and Punishment) Bill 2020 that passed the second reading in the Senate in February 2020. The legislative bill makes it punishable to flare gas after 31 December 2020. It stipulates that any person engaging in the activity must pay a fine commensurate to at least the cost of the gas at the international market. Along with this, in February 2020, the DPR shortlisted 200 bidding companies for the first phase of the Nigerian Gas Flare Commercialisation Programme (NGFCP). It declared that 45 gas flare sites would be put up for auction.

In addition to implementing policy targets in the energy sector, the FGN improved its institutional framework on policy monitoring and evaluation and the processes involved. In 2018, it established an interministerial committee to harmonise nationwide data gathering and policy evaluation methods. In 2019 and 2020, the MDAs made some data available on NESI's operational and financial performance and the various energy sub-sectors. The National Bureau of Statistics of Nigeria published a report on the energy generated, dispatched, and consumed, and load allocations in 2019. The TCN published comprehensive data for 2019 and 2020 on the country's available power generation capacity, average daily energy generated and sent out, total transmission losses and system collapses. It also released the status of payments made by NBET to GenCos, the annual collection of DisCos, the Aggregate Technical, Commercial and Collection (ATC&C) losses, remittance shortfalls of DisCos to NBET, and the status of customer metering by DisCos.

AREAS FOR IMPROVEMENT

The lack of regular policy impact assessment may create a mismatch between the long-term aspirations of the country and the pathway to achieving them.

Over the last years, the FGN has initiated several projects and national-level programmes to implement reforms in the energy sector. However, most of these are yet to commence or are progressing at a pace slower than needed.

RECOMMENDATIONS

Conduct an impact assessment of the existing laws and policies

Nigeria currently has over 20 laws and more than 15 action plans on the energy sector. Although the National Assembly has not formally adopted some draft policies, these are being implemented by the FGN. Moreover, several high-level policy targets for the energy sector will lapse in December 2020. **It is expedient for the FGN to adopt timely and well planned strategies with updated policy objectives, quantifiable targets, and implementation measures**.

Implement the power sector reforms to promote investment in on-grid renewable electricity

Although REA is capably expanding off-grid solutions, efforts to increase on-grid renewable capacity have yielded low results. Nigeria has targeted an on-grid renewable generation capacity of 30% by 2030, but the renewable installed capacity as of April 2019 stood at 16%. At the same time, the TCN figures show the share of thermal plants in power generation has increased from 74.8% in 2019 to 76.75% in 2020. During the same period, the share of hydropower reduced from 25.1% to 23.2%.

Since 2016, 14 solar projects of independent power producers have been in the pipeline but have failed to achieve a financial close. The primary reason for this is the inability of the FGN to provide adequate credit enhancement instruments to investors. Only two IPPs agreed to sign Put and Call Option Agreements (PCOAs) at reduced tariff rates, while 12 PCOAs are still pending. At the core of the issue is the need to improve NESI's financial health through effective power sector reforms. Due to NESI's sub-par performance, the FGN has not been able to commit to the PCOAs, thereby limiting investment in on-grid renewable power generation.

In this light, the FGN is encouraged to increase the pace of reforms in the power sector. Currently, NBET is the only bankable electricity buyer in the wholesale market, but it is not financially sound enough to back PCOAs at competitive tariff rates. **Serious consideration should be given to introducing competition in the wholesale electricity market** that will allow large, financially bankable consumers to directly buy electricity from GenCos and remove the need for government-backed guarantees.

Operationalise programmes and legislative provisions to meet the national targets on phasing out flared gas

The FGN had set a target of eliminating flared gas by 2020. Despite some commendable efforts, the country continues to face considerable revenue losses due to unabated gas flaring and is not likely to reach its target. According to the gas flare tracker of the FGN, between April 2019 to April 2020, 249.8 million mscf gas (valued at USD 874.2 million) was flared across 10 states. This flared gas accounted for 13.3 million tonnes of CO_2 emissions and could have generated 25,000 GWh of power.

The FGN must intensify its endeavours to commercialise flared gas at competitive prices. **It may consider subsidising the infrastructure required to capture, transport and develop the sector**. In addition to encouraging efficient gas utilisation, **higher penalties and fines should be imposed to de-incentivise the practice of gas flaring**.

INDICATOR 2

SCORE 59

Management of decision-making processes

Over the last year, Nigeria's MDAs adopted swift and effective measures to mitigate the impact of the COVID-19 pandemic and build back better. The FGN's performance on strengthening transparency and public accountability was satisfactory within the context of the EITI and the Freedom of Information Act 2011.

Some of the most urgent energy sector reforms remain pending despite the proactive approach of the National Assembly and the FGN. The enactment of legislative bills, particularly in the petroleum sector, will go a long way towards streamlining the regulatory regime, removing barriers to efficiency, promoting competitiveness and creating a transparent governance framework.

QUICK FACTS

The ECN is charged with the strategic planning and coordination of national policies in energy. The President of the Federal Republic of Nigeria is the Chairman of the Commission.

The Presidential Enabling Business Environment Council (PEBEC) was established in July 2016 to remove bureaucratic constraints to doing business in Nigeria.

The NIPC is responsible for encouraging, promoting and coordinating investment in the Nigerian economy.

The One Stop Investment Centre of Nigeria, under the NIPC, is an investment facilitation mechanism that brings to one location more than 31 government agencies, including NERC and the DPR.

STRENGTHS

In 2019, PEBEC collaborated with MDAs and private entities to improve Nigeria's business environment. On 4 February 2020, it launched the National Action Plan 5.0 to introduce, among other things, an automated land registration process in the Lagos and Kano States. The Action Plan will reduce the number of construction-sector inspections in Lagos by allowing related agencies to conduct these jointly. Moreover, PEBEC has launched a new reporting web application in Lagos, allowing the public to interact virtually with MDAs on service delivery and conflict resolution.

To address the new challenges emerging in the wake of the COVID-19 pandemic, on 30 March 2020, the FGN created the Economic Sustainability Committee (ESC) which was tasked with drafting the Nigerian Energy Support Programme (NESP). The ESC was created as a cross-sectoral coordination body comprising several Cabinet Ministers, the NNPC Group's Managing Director and the Governor of the Central Bank of Nigeria. The ESC took an inclusive and collaborative approach in developing the NESP. Consultation on the draft NESP was carried out with the Federal Executive Council of Nigeria, CEOs of public agencies, and the Presidential Economic Advisory Council representatives. The ESC subsequently exchanged ideas with these MDAs to define the policy thrust and the implementation-related aspects of the NESP. The President of the Senate and Speaker of the House of Representatives led principal officers of the National Assembly in meeting with members of the ESC. The legislators were also provided with an opportunity to comment and make recommendations on the NESP before its adoption.

The FGN is taking measures to comply with its international commitments under the EITI. As a result, in 2019, it launched the Beneficial Ownership Register for extractive companies. The register demonstrates Nigeria's commitments to more transparent and accountable governance of the extractives sector. On 30 July 2019, the Independent Corrupt Practices and Other Related Offences Commission inaugurated the ECN chapter of the Anti-Corruption and Transparency Unit. In October 2019, NEITI published its report titled the Financial, Physical and Process Audit: An independent report assessing and reconciling physical and financial flows within Nigeria's oil and gas industry – 2018. Through this report, the FGN disseminated information on the exploration, production and export, revenue collection and distribution, and social expenditures in the extractives sector of Nigeria. In the same month, NEITI also released the Oil and Gas Report for 2017 which outlines the results of the reconciliation of financial and physical flows from oil and gas activities in Nigeria.

MDAs conducted stakeholder consultations and public hearings on critical regulatory issues. NERC held public hearings on various topics, including the extraordinary tariff review of the 2015 MYTO, the framework for collecting competition transition charges from eligible consumers, the capping of estimated billing, and the electricity distribution franchising regulations. Moreover, in March 2020, REA conducted coordination meetings with off-grid investors and donors to share its short- and mid-term plans on increasing energy access for underserved communities. In the same month, REA also organised the second Solar Home System quarterly roundtable meeting to coordinate with stakeholders who signed the Output-Based Fund Grant Agreement under the NEP.

AREAS FOR IMPROVEMENT

The FGN must take an evidence-based and inclusive approach in setting its future energy actions. This is particularly relevant for enabling the clean energy transition, which will require coordinated efforts of MDAs, civil society organisations and citizens to be successful.

Currently, multiple ministries lead the implementation of different energy priorities. Due to this, it becomes challenging to identify the reporting lines and to set accountability for the non-fulfilment of activities and strategies. It can also result in duplication of work, contradictory approaches by agencies for the same task, poor policy choices, and in more extreme cases, blame-shifting tactics by the MDAs involved.

Nigeria has made commitments under various international transparency initiatives, but more work is needed to meet its obligations.

RECOMMENDATIONS

Coordination on energy policies and their implementation should be more robust

Since the ECN guides the policy direction for the energy sector, its cooperation with relevant ministries, agencies and regulatory authorities should be intensive. **Meetings between the high-level representatives of the ECN should be organised more regularly, at least twice a year.** Administrative barriers may also be eliminated through coordination mechanisms, such as standing committees, working groups and collaborative programmes. Moreover, the exchange of ideas between the energy-related MDAs and the ECN staff must be encouraged. This will facilitate the implementation of high-level decisions on the ground.

With the global shift away from fossil fuels and the slump in oil prices due to the COVID-19 pandemic, the oil and gas sector is losing appeal for investors in the short and long term. In this changing investment landscape, the Nigerian State-owned agencies will need to explore options to make their business models compatible with the Paris Agreement and the ongoing energy transition. As a starting point, it is recommended that the **FGN set up a multi-stakeholder body comprising MDAs, academia, civil society organisations, and energy companies to prepare a fact-based cross-sectoral energy transition strategy for the country.** Such a national-level strategy is critical for Nigeria, which continues to rely heavily on its oil revenues. The FGN must require **all MDAs to prepare individual energy transition plans with short- and long-term measures to make their operations sustainable. In particular, the NNPC and its subsidiaries must develop concrete steps to reduce the carbon intensity of their products and operations across the value chain.** For this purpose, the NNPC should hire external expertise if needed. All the plans and documents prepared by MDAs should be made publicly available. **MDAs must submit semi-annual follow-up reports to the FGN and the National Assembly and make these available to the public.**

Measures should be taken to increase the accountability of MDAs

While policy coordination and consultation mechanisms can vary from one country to another, **it is recommended that a single point of responsibility be accountable for leading the work in a priority area.** This is particularly relevant for the ERGP, which designates four authorities to improve the commercial viability of GenCos and DisCos, and six authorities to deal with the issue of increasing oil production. Similarly, seven lead bodies are responsible for creating a business-friendly environment.

Develop instruments for stakeholder consultation at different stages of the policy process

Undoubtedly, in 2019 and 2020, MDAs engaged with various stakeholders before taking important regulatory and policy decisions. However, except for NERC, these consultations are primarily conducted ad hoc. **The FGN is advised to decide and make publicly known the methods and timelines of public participation well in advance of public hearings.** This approach will increase investor confidence, promote cooperation and encourage dialogue on policy choices. It will also increase the accountability of the FGN and empower stakeholders to make informed decisions.

The FGN is encouraged to publish all its mining, oil and gas contracts

As of 1 January 2021, the FGN will be required to disclose all contracts entered into by the NNPC, the DPR, the Mining Cadastre Office (MCO) and other relevant public agencies. To meet its international obligations, the FGN should ensure it fulfils this deadline and publishes all its extractive industry contracts.

INDICATOR 3

SCORE 53

Regulatory environment and investment conditions

In 2019 and 2020, NESI's performance was slightly better compared to 2018. NERC took regulatory measures to shield electricity consumers from the effects of the COVID-19 pandemic. The FGN also introduced changes to the legal and fiscal framework for oil and gas exploration. Although some revisions are questionable, undoubtedly, they are meant to increase the oil revenue of the FGN and offset the impact of low oil prices resulting from the pandemic.

Notwithstanding the marginal improvement in NESI's performance, the power sector reforms are progressing slowly. To remedy the situation, NERC must ensure payment discipline by electricity customers, DisCos, and NBET. Compliance with payment terms by different market players is imperative for NESI to become financially viable and for the country to achieve better economic, environmental and social outcomes.

QUICK FACTS

NERC regulates the generation, transmission, distribution and trading of electricity. It monitors and regulates NESI and ensures compliance with market rules and operating guidelines.

Under the Federal Ministry of Petroleum Resources, the DPR is the petroleum regulatory agency of Nigeria. The NNPC is a State-owned enterprise that regulates the Nigerian petroleum industry and participates in it through joint ventures with private companies.

STRENGTHS

Although NESI's performance could have been better in 2019 and 2020, some improvements were visible. For instance, NBET's payment rate vis-à-vis GenCos increased substantially from 25.97% in 2019 to 40.83% in 2020. The remittance rate of DisCos to NBET also increased marginally from 35.87% in 2019 to 39.25% in 2020.

NERC made some progress with the power sector reforms, particularly in alleviating the impact of estimated end-user billing. In February 2020, it issued Order No. NERC/197/2020 to cap the amount paid by certain unmetered end users for their monthly electricity consumption. Through this Order, NERC sought to protect end users from arbitrary estimations and motivate DisCos to meter their customers proactively.

On 30 March 2020, NERC issued Order No. NERC/198/2020, paving the way for cost-reflective tariffs in NESI. In light of the COVID-19 pandemic and its adverse effects, the Order revoked previous plans to implement new tariffs from 1 April 2020. Instead, it required DisCos to shift to a service-based tariff regime. According to the Order, moving forward, DisCos may revise the electricity tariffs only after consulting the affected customers. All discussions and tariff reviews must be based upon firm commitments on rates and quality of service. The service agreements should include mechanisms to compensate customers if DisCos fail to meet their commitments on the quality and quantity of services. The Order also requires DisCos to provide NERC with (1) revenue recovery and financial sustainability plans by 21 April 2020, (2) a comprehensive plan for full cost recovery and allowed return on capital by 30 June 2020, and (3) performance improvement plans to efficiently serve electricity customers and ensure full revenue recovery. Along with this, all DisCos should provide, by 30 June 2020, smart meters to their 11 kV and 33 kV feeders so they can send real-time data to NERC. The FGN has committed to pay each DisCo the difference between cost-reflective tariffs and the NERC-approved tariffs until 30 June 2021.

In addition to the power sector reforms, the FGN prioritised the gas sector's development in 2019 and 2020. To this end, the National Gas Transportation Network Code 2020 was launched at the third Nigerian International Petroleum Summit held in Abuja. The Code paves the way for expanding gas-to-power, gas-to-industry and gas-to-manufacturing. It also lays down the terms and guidelines of gas transportation applicable to operations between gas producers, shippers and agents. Existing agreements have six months to migrate onto the new Code, while new agreements are expected to be already aligned with its provisions. Moreover, the NNPC aims to expand the domestic gas market by doubling the Escravos-Lagos Pipeline System II capacity from 1.1 billion standard cubic feet (bscf) to 2.2 bscf.

In 2019 and 2020, the FGN introduced policy and legislative measures to promote investments in the upstream oil and gas sector. On 4 November 2019, the President of the Federal Republic of Nigeria assented to the Deep Offshore and Inland Basin Production Sharing Contract (Amendment) Act 2019 (DOIBPSC Act). The new DOIBPSC Act replaces the production-based royalty system with a combination of production and price-based royalty systems depending upon the areas of operations. There is now a 10% baseline royalty for crude oil and condensates in deep offshore areas of more than

200 m water depth. The baseline for Frontier and Inland Basin has been lowered from 10% to 7.5%. Additionally, the DOIBPSC Act introduces a royalty based on the price of crude oil, condensates and natural gas. The royalty regime is progressive, allowing the FGN to earn higher revenues in case of an increase in oil and gas prices in addition to other upstream oil and gas sector taxes applicable.

AREAS FOR IMPROVEMENT

The FGN has established multiple regulatory authorities, due to which there is increasing ambiguity regarding the sector's institutional design and its effectiveness.

The FGN needs to undertake urgent measures to improve NESI's financial health. The entire electricity value chain is currently suffering due to the low revenue collection of NBET, DisCos and GenCos and their growing debts.

RECOMMENDATIONS

Define the roles and responsibilities of the different regulatory authorities

Decision-making bodies and MDAs that participate in the electricity market should be granted minimal regulatory powers. Where regulatory entities perform similar functions, the final responsibility for non-performance must lie with one authority. The FGN is also **encouraged to enact the Petroleum Industry Governance Bill which will streamline the sector's regulatory framework.**

Refurbish outdated power transmission and distribution infrastructure to improve NESI's operational and financial performance

Although substantial donor-funding has been directed in greenfield power infrastructure projects, **the FGN should intensify efforts to identify critical brownfield projects and attract investments for them.** Funding is urgently required to fortify feeders, transformers and protection equipment and improve the transmission-distribution interface. This is particularly relevant in light of NESI's high energy losses in 2019. Out of the available power generation capacity of 6,398 MW, about 32,791 GWh was injected into the grid. However, 7.72% of this was not delivered due to transmission losses (2,531 GWh). Discounting exports, DisCos received 27,663 GWh of energy but only billed 22,426 GWh because outdated power infrastructure led to substantially high distribution losses (5,237 GWh). Overall, the ATC&C losses in 2019 were 45% compared to the MYTO's target of 27.97%.

Enforce contractual and fiscal terms to improve the revenue collection of DisCos

NERC should enforce penalties on DisCos that have failed to meet the minimum remittance requirements for a year or more. In 2019, the remittance performance rate of DisCos was low, at 35.87%. Although NBET invoiced NGN 743.50 billion to DisCos, a small portion of this was paid to it (NGN 266.71 billion). The lack of consistent and timely payments by DisCos has a domino effect on NBET's ability to fulfil its financial obligations towards GenCos. It is one of the primary reasons for NBET's mounting debt and the overall underperformance of NESI. Due to the lack of adequate remittance by DisCos, NBET paid only NGN 174.25 billion against the NGN 670.89 billion invoiced, and it had a low payment performance vis-à-vis GenCos in 2019 (25.97%).

Implement cost-reflective tariffs and ensure DisCos comply with regulations on customer payments

In 2019, out of the entire amount billed to consumers (NGN 718.20 billion), DisCos only recovered NGN 487.24 billion. Their collection efficiency was a moderate 67.84% and can be substantially increased to match the high billing efficiency (80.07%). A key factor that will improve the financial situation will be the implementation of fully cost-reflective tariffs. As a first step, **the FGN is encouraged to implement, within 2020, the service-based tariff regime in urban areas while mitigating its impact on vulnerable and low-income households.** At the same time, **DisCos should increase efforts to close the metering gap.** As of December 2019, 6.2 million (60.20%) customers are without meters and receiving estimated bills. **To protect these customers from excessive and unverifiable bills, NERC must ensure that DisCos comply with its Order No. NERC/197/2020 capping the monthly amount payable by unmetered electricity consumers.**

Reconsider the new fiscal measures in the oil and gas sector that are likely to reduce investment

The FGN should revise the fiscal regime for upstream oil and gas contracts only to the extent that planned investments remain financially viable and there is minimal risk of declining production. Introducing royalties through the DOIBPSC Act – on top of the existing taxes, fees, and levies – may not necessarily increase revenues. Additionally, the new Finance Act 2019 revises the Petroleum Profits Tax Act (PPTA) to the detriment of investors. Section 24 of the Finance Act repeals Section 60 of the PPTA that provided a withholding tax exemption on income or dividends paid out of after-tax petroleum profits. This section of the PPTA gave an incentive to investors in the oil and gas industry since oil producers are already heavily taxed at 85% (for joint venture operations) and 50% (for production sharing operations) of their profits.

The FGN is recommended to conduct an evidence-based review to assess the added value of these new measures. A revision of the fiscal conditions offered under the DOIBPSC Act and the Finance Act 2019 may be particularly problematic now when the country's oil production and revenue have received a setback due to the COVID-19 pandemic.

INDICATOR 4

Rule of law

SCORE 58

Few changes were observed in the procedures for settling investor-State disputes. Access to alternative dispute resolution mechanisms received an impetus as reforms to the arbitration law were tabled in the National Assembly. The legal framework protecting the property rights of foreign investors remained stable.

There are a few concerns that still need to be addressed. In particular, it is important to examine how the potential changes to national and international dispute resolution mechanisms will play out in reality, whether these are compatible with the country's existing legal framework and, where needed, how the domestic judicial set-up will cope with these changes.

QUICK FACTS

Nigeria signed the International Energy Charter political declaration in 2017 and became an Observer to the Energy Charter Conference.

Access to arbitration is provided for in the Arbitration and Conciliation Act 2004.

Nigeria ratified the Convention on the Settlement of Investment Disputes between States and Nationals of Other States in 1965.

Nigeria acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1970.

STRENGTHS

The FGN is making efforts to increase the efficiency and independence of Nigeria's judiciary. To this end, in May 2020, the President of the Federal Republic of Nigeria signed into law Executive Order No. 10 of 2020 to safeguard the financial autonomy of the legislature and the judiciary. During the same month, NERC also appointed an independent 12-member Dispute Resolution Panel for NESI. The Panel is responsible for arbitrating and settling disputes between market participants such as the system operator, the market operator, and other licensees engaged in electricity trading.

Efforts are currently underway to reform the policy and legal framework for dispute resolution. In 2020, the Attorney-General of the Federation and Minister of Justice established the National Arbitration Policy Committee that will develop a comprehensive national policy on arbitration. This policy will, among other things, pertain to arbitration agreements concerning government contracts with foreign entities, where the seat of arbitration is in Nigeria.

The Arbitration and Conciliation Act (Repeal and Re-Enactment) Bill passed its First Reading on 11 July 2019. The Bill's Second Reading was on 18 December 2019, after which it was referred to the Committee of the Whole presided by the Speaker of the House of Representatives. The Bill aims to align the arbitration law with recent global developments and make it a more effective and attractive mode of dispute resolution. It addresses local practices, such as interlocutory appeals to courts regarding arbitrator "misconduct" to protract arbitration proceedings and delay awards. The Bill also limits the involvement of courts in arbitration proceedings. For example, if a party is dissatisfied with an arbitral award, it may approach the courts for judicial review or seek relief before an award review tribunal. The latter is a new creation under the Bill. It is empowered to review an award of the first instance arbitral tribunal. An award that this tribunal upholds can be set aside by a court only on two grounds – arbitrability and/or public policy. By reducing the grounds for challenge, the Bill attempts to re-enforce the finality of arbitral awards. Additionally, it allows the appointment of an emergency arbitrator in cases where a party may need relief even before establishing an arbitral tribunal.

The Arbitration and Conciliation Act (Repeal and Re-Enactment) Bill implicitly allows "Third Party Funding" (TPF) in arbitration proceedings. In a TPF arrangement, an independent party with no relation to the case funds the proceedings and eventually receives a share of the damages awarded. TPF is fast becoming a practice in several pro-arbitration jurisdictions. The Bill introduces this concept indirectly by expanding the term "Costs of Arbitration" to include the cost of TPF. It should, however, be noted that since there is no express provision in the Bill legalising TPF, there are no regulations on the topic envisaged at the moment.

The Nigerian Investment Promotion Commission Act (NIPC Act) provides guarantees against the expropriation of foreign investments. Compulsory acquisition of property is only possible on the grounds of national interest or for public purposes. The expropriation decision must be accompanied by fair and adequate compensation, payable in a convertible currency.

Moreover, investors have the right to approach the courts to determine their interest or right and the amount of compensation. BITs signed by Nigeria follow the standard international terminologies on the payment of compensation such as "without unreasonable delay" (BIT with China), "without delay" (BITs with Finland, Germany, Republic of Korea, and Spain) and "without undue delay" (BIT with Singapore).

AREAS OF IMPROVEMENT

There is little clarity on the effectiveness of reforms underway to national and international dispute resolution mechanisms. In particular, the innovations introduced to the arbitration law need further examination to ensure they are consistent with the country's common law system.

Under the NIPC Act, expropriation refers only to physical property. National legislation does not contain provisions for granting protection against the expropriation of intangible property such as equity, shares and intellectual property.

RECOMMENDATIONS

A carefully balanced approach should be taken towards reforming dispute resolution mechanisms under international agreements and national laws

The FGN is currently modernising the international investment agreements it has signed. In this respect, it intends to introduce a provision requiring foreign investors to exhaust local judicial remedies before access to international arbitration. While this approach aims to reduce costly international arbitrations that can drain the country's revenues, it will only be fruitful if the domestic judiciary has the required human resources and technical knowledge to adjudicate international investment arbitrations. In the absence of an effective national judicial system, the measure will be counterproductive as investors may consider it onerous, leading to delays and costs. In the worst case, it may even act as a deterrent to foreign investment. The FGN should promptly upgrade its local judicial processes and case management mechanisms and conduct capacity-building workshops to train the judicial staff on handling large international arbitrations. **Serious consideration should be given to establishing an investment ombudsperson or similar institution to handle the complaints of foreign investors against public authorities at an early stage**. This can help to resolve issues that can potentially become full-blown disputes.

Additionally, the FGN must take a cautious approach while reforming the country's arbitration law. The enforceability of TPF agreements is uncertain, given that Nigeria still applies the common law doctrines of champerty and maintenance. These doctrines prohibit third parties from funding an unrelated party's case. Given that the Bill takes account of TPF tacitly, it may not be robust enough to overcome the rules against champerty and maintenance. It also increases the likelihood that a party may challenge the validity of its opponent's funding or an award obtained through the funding party. TPF agreements must be given explicit legitimacy so that their scope and application is clear. **There should be defined rules regulating the enforcement of such agreements, and finally, a more flexible approach taken in the use of historical common law concepts**. Some common law countries, including England and Wales, Canada and the United States, already allow third-party arbitration funding. The flexibility lies in that TPF is allowable if it is not contrary to public policy and unenforceable.

The expropriation provision in the NIPC Act may be revised to avoid potential interpretational contradictions

Protection against the expropriation of intangible property may be strengthened further under domestic laws. At present, the legal provisions on expropriation are generic and open to interpretation. It is recommended that the NIPC Act may include provisions granting explicit protection to intangible property such as equity, shares, and IP against expropriation. The NIPC Act may also be amended to explain some terminologies clearly, such as "public purpose". While the right of countries to determine what constitutes "public purpose" is paramount, at the same time, a broad formulation should be avoided. A list of core activities that constitute public interest can provide clarity to investors. A detailed mechanism for the determination of public interest will ensure the legitimacy of the decisions to expropriate.

Moreover, it is recommended that the **domestic law include a timeline for paying compensation to the affected investor and explaining the intended use of the acquired property. It should be explicitly mentioned that any act of expropriation will be non-discriminatory**. This will grant more robust protection to investors and give clarity on the legal regime concerning expropriation.

ANNEX I: IMPLEMENTATION STATUS OF THE EIRA AREAS FOR IMPROVEMENT

Nigeria

PROPOSED IN	EIRA AREAS FOR IMPROVEMENT	IMPLEMENTATION STATUS AS OF 1 APRIL 2020
Indicator 1		
2018	Carry out a rigorous impact assessment of the existing laws and policies.	**Pending**
	Key performance indicators should be set for the energy sector.	**Pending**
	Regularly publish the policy monitoring and evaluation reports.	**Work ongoing.** In 2018, the FGN established an inter-ministerial Committee to harmonise data collection and evaluation of the country's objectives.
2020	Revise the policy targets that are expiring in 2020, such as for increasing oil production, expanding the power sector infrastructure, boosting local refining, and becoming a net exporter of petroleum products.	**Improvement suggested in 2020.** Status will be provided in 2021.
	Implement the power sector reforms to promote investment in on-grid renewable electricity.*	**Improvement suggested in 2020.** Status will be provided in 2021.
	Operationalise programmes and legislative provisions to meet the national targets on phasing out flared gas.*	**Improvement suggested in 2020.** Status will be provided in 2021.
	Consider introducing competition in the wholesale electricity market and conduct thorough feasibility studies, cost-benefit analysis and stakeholder consultation before renewing NBET's bulk electricity trading licence.*	**Improvement suggested in 2020.** Status will be provided in 2021.
Indicator 2		
2018	Conduct regular public consultations and introduce legal provisions which require public consultation by MDAs on draft laws and regulations.	**Work ongoing.** NERC conducted public consultation and hearings on various topics such as the extraordinary tariff review of the Multi-Year Tariff Order of 2015, on the framework for the collection of Competition Transition Charge from eligible consumers, on the capping of estimated billing, and on setting the electricity distribution franchising regulations.
	Promote better coordination among MDAs on the implementation of the national energy policies and plans.	**Work ongoing.** The first Energy and Climate Change Summit was held in 2018 as a step towards bringing together the relevant stakeholders and fostering constructive discussions.
	Consider publishing all extractive industry contracts.*	**Pending**
2020	Set up a multi-stakeholder body comprising MDAs, academia, civil society organisations, and energy companies to prepare a fact-based cross-sectoral energy transition strategy for the country.*	**Improvement suggested in 2020.** Status will be provided in 2021.
	MDAs must prepare individual energy transition plans with short- and long-term measures to make their operations sustainable. In particular, the NNPC and its subsidiaries must develop concrete steps to reduce the carbon intensity of their products and operations across the value chain. The MDAs must submit semi-annual follow-up reports to the FGN and the National Assembly and make these available to the public.*	**Improvement suggested in 2020.** Status will be provided in 2021.
Indicator 3		
2018	Define the roles and responsibilities of the different regulatory authorities.	**Pending**
	Create a comprehensive legal framework on local content across sectors. Ensure that content targets are based on a realistic estimation of available domestic human resources and technical expertise.	**Work ongoing.** In 2019, the Nigerian Content Development and Enforcement Bill was introduced in the National Assembly for discussion. The Bill seeks to broaden the existing local content requirements for the oil and gas sector and it implements a similar regime for the ICT, power, solid minerals, and construction sectors.

Nigeria

PROPOSED IN	EIRA AREAS FOR IMPROVEMENT	IMPLEMENTATION STATUS AS OF 1 APRIL 2020
2020	Apply cost-reflective electricity tariffs at the earliest. Take collaborative and proactive measures to ensure metering of all electricity customers.	**Improvement suggested in 2020.** Status will be provided in 2021.
	Reconsider the newly introduced additional price-based royalty and increased water depth-based royalties.	**Improvement suggested in 2020.** Status will be provided in 2021.
	Refurbish outdated power transmission and distribution infrastructure to improve NESI's operational and financial performance.*	**Improvement suggested in 2020.** Status will be provided in 2021.
	Enforce penalties on DisCos that have failed to meet the minimum remittance requirements for a year or more.*	**Improvement suggested in 2020.** Status will be provided in 2021.
Indicator 4		
2018	Establish a foreign investment ombudsperson to settle conflicts arising in the course of energy projects.	**Pending**
	Grant broader protection against expropriation to intangible property such as equity, shares, and IP rights.	**Pending**
2020	Define clear rules to regulate the use and enforcement of Third Party Funding agreements.	**Improvement suggested in 2020.** Status will be provided in 2021.

*Recommendations provided only in the extended EIRA profile.

ANNEX II: ORBIS CROSSBORDER INVESTMENT GLOSSARY AND INDUSTRY CLASSIFICATION

Terms used in EIRA 2020 from Orbis Crossborder Investment*

Acquisition deal	A deal in which the acquiror ends up with a stake of 50% or more in the target's equity. Even deals involving the purchase of a very small stake will be defined as an acquisition if the final stake held by the acquiror is 50% or above.
Co-location project	The same company (investor) investing into the same location (city) in a different business activity (for example, XYZ company could be setting up a regional distribution center as well as a manufacturing plant). Sometimes companies will create a new warehouse to complement an existing manufacturing plant.
Completed project status	If a company has opened a facility or a location that is deemed to be operational, the project will be deemed to have been completed.
Completed deal status	This is the date when the deal has officially completed.
Institutional buyout (IBO) deal	A deal in which a private equity firm has purchased a stake of 50% or more in a company. As with acquisitions, even deals involving the purchase of a very small stake will be defined as an IBO if the final stake held by the acquiror is 50% or above. The only difference between a standard acquisition and an IBO is that the acquiror in an IBO is a private equity firm.
Joint venture deal	A deal in which two or more companies create a new, jointly owned entity. The two or more companies that have established the new entity continue to exist.
Minority stake deal	A deal in which the acquiror has purchased a number of shares in the target and the resulting final stake is less than 50%. A deal involving the purchase of a 2% stake could be defined as an acquisition if the acquiror's overall final stake is 50% or more, such as if a buyer increases its stake from 49% to 51%.
New project	A new operation, whether it is a manufacturing plant, regional headquarters, sales office, and so on.

*For more information on the Orbis Crossborder Investment methodology, data collection and definitions please visit https://www.bvdinfo.com/orbis

Industry Classification used in EIRA 2020 from Orbis Crossborder Investment

The data for EIRA 2020 is compiled using the following NACE Rev. 2 classes.**

Electrical energy		
35.11	**Production of electricity**	This class includes the operation of generation facilities that produce electric energy; including thermal, nuclear, hydroelectric, gas turbine, diesel and renewable.
35.12	**Transmission of electricity**	This class includes operation of transmission systems that convey the electricity from the generation facility to the distribution system.
35.13	**Distribution of electricity**	This class includes operation of distribution systems (i.e. consisting of lines, poles, meters, and wiring) that convey electric power received from the generation facility or the transmission system to the final consumer.
35.14	**Trade of electricity**	This class includes the sale of electricity to the user; activities of electric power brokers or agents that arrange the sale of electricity via power distribution systems operated by others; operation of electricity and transmission capacity exchanges for electric power.
Petroleum and gas		
06.10	**Extraction of crude petroleum**	This class includes extraction of crude petroleum oils; extraction of bituminous or oil shale and tar sand; production of crude petroleum from bituminous shale and sand; processes to obtain crude oils: decantation, desalting, dehydration, stabilisation etc.
06.20	**Extraction of natural gas**	This class includes production of crude gaseous hydrocarbon (natural gas); extraction of condensates; draining and separation of liquid hydrocarbon fractions; gas desulphurisation; mining of hydrocarbon liquids, obtained through liquefaction or pyrolysis.
09.10	**Support activities for petroleum and natural gas extraction**	This class includes oil and gas extraction service activities provided on a fee or contract basis: • In exploration services in connection with petroleum or gas extraction, e.g. traditional prospecting methods, such as making geological observations at prospective sites • In directional drilling and redrilling; “spudding in”; derrick erection in situ, repairing and dismantling; cementing oil and gas well casings; pumping of wells; plugging and abandoning wells etc. • In liquefaction and regasification of natural gas for purpose of transport, done at the mine site • In draining and pumping services, on a fee or contract basis • In test drilling in connection with petroleum or gas extraction
19.20	**Manufacture of refined petroleum products**	This class includes production of motor fuel: gasoline, kerosene etc.; production of fuel: light, medium and heavy fuel oil, refinery gases such as ethane, propane, butane etc.; manufacture of oil-based lubricating oils or greases, including from waste oil; manufacture of petroleum briquettes; blending of biofuels, i.e. blending of alcohols with petroleum (e.g. gasohol); manufacture of peat briquettes; manufacture of hard-coal and lignite fuel briquettes.
49.50	**Transport via pipeline**	This class includes transport of gases via pipelines. It also includes the operation of pump stations.

Coal		
05.10	**Mining of hard coal**	This class includes the mining of hard coal: underground or surface mining, including mining through liquefaction methods; cleaning, sizing, grading, pulverising, compressing etc. of coal to classify, improve quality or facilitate transport or storage; recovery of hard coal from culm banks.
05.20	**Mining of lignite**	This class includes mining of lignite (brown coal): underground or surface mining, including mining through liquefaction methods; washing, dehydrating, pulverising, compressing of lignite to improve quality or facilitate transport or storage.
08.92	**Extraction of peat**	This class includes peat digging; preparation of peat to improve quality or facilitate transport or storage.
09.90	**Support activities for other mining and quarrying**	This class includes support services on a fee or contract basis, required for mining of coal and lignite, among other: • In exploration services, e.g. traditional prospecting methods, such as taking core samples and making geological observations at prospective sites • In draining and pumping services, on a fee or contract basis • In test drilling and test hole boring

Nuclear energy		
24.46	**Processing of nuclear fuel**	This class includes the production of uranium metal from pitchblende or other ores; smelting and refining of uranium.
07.21	**Mining of uranium and thorium ores**	This class includes mining of ores chiefly valued for uranium and thorium content: pitchblende etc.; concentration of such ores; manufacture of yellowcake.

** For more information on the NACE Rev. 2 statistical classification of economic activities please visit https://ec.europa.eu/eurostat/web/nace-rev2.

Electrical energy, petroleum, gas, coal and nuclear energy are covered by Annex EM I “Energy Materials and Products” of the ECT (as amended).

ANNEX III: EIRA SCORING GUIDE

The score for each indicator is the average of its component sub-indicators. The score of each sub-indicator is the average of its underlying questions. The scoring rules for different types of questions are as follows:

1. Questions with proportionate scores

This category is scored based on the number of energy policy goals set by the country. In the example given below, the first sub-indicator of Indicator 1 allows the respondents to list the energy priorities of the country. Under the first question, there are nine identified options for respondents to select. Additionally, they are given the opportunity to specify other priorities considered relevant to their respective energy sectors. The response to the first question sets the premise on which the following questions will be answered and scored. For example, a country has set 5 goals. As a result, 20 points are attributed to each of the selected goals for the scoring of the next questions. Subsequently, the respondent identifies an energy strategy document for three out of the five selected goals, and the country receives 60 points on that question. The scores for the third and the fourth questions are calculated likewise. The final score of this sub-indicator is the average scores of its component questions, which in this case is 66.7.

Sample Question Type 1

INDICATOR 1: FORESIGHT OF POLICY AND REGULATORY CHANGE	SCORING	RESPONSE	SCORE
Sub-indicator 1: Communication of vision and policies			**66.7**
1. What are the key priorities or goals of the energy sector policy? **a. Energy security [Y/N]** **b. Power reliability [Y/N]** **c. Affordability – energy poverty [Y/N]** **d. Access to energy [Y/N]** **e. Investment in the energy sector [Y/N]** **f. CO_2 reduction [Y/N]** **g. Renewable energy [Y/N]** **h. Energy efficiency [Y/N]** **i. Innovation [Y/N]** **j. Others issues related to the energy sector (like air quality, water quality job creation etc.). Please specify.**	Not scored	5 goals selected: energy security; power reliability; access to energy; CO_2 reduction; and innovation (100/5=20 for each goal in the related questions)	–
2. Does the country have an energy strategy document for the key priority areas selected above (e.g. a vision document/roadmap etc.)? [Y/N]	Based on the number of goals selected in the previous question, proportionate scores are allocated	Energy strategy document for 3 goals: energy security; CO_2 reduction; and innovation	3x20=60

2. Binary questions

These questions can be answered with a simple “yes” or “no”. In the example below, the respondent must answer “yes” to all three questions to obtain the highest score. However, the respondent gives two positive answers and a negative one. As a result, the score for the sub-indicator is 66.7.

Sample Question Type 2a

INDICATOR 3: REGULATORY ENVIRONMENT AND INVESTMENT CONDITIONS	SCORING	RESPONSE	SCORE
Sub-indicator 1: Regulatory effectiveness			**66.7**
1. Does the energy regulator derive its authority from a law? [Y/N]	Yes-100 No-0	Yes	100
2. Are the functions and obligations of the energy regulator stated in a law? [Y/N]	Yes-100 No-0	No	0
3. Does the energy regulator have a budget that is separate from the government’s budget? [Y/N]	Yes-100 No-0	Yes	100

In some cases, a negative response may yield a high score while a positive answer may be scored 0. In the following example, the respondent must answer “no” to all the questions to obtain the highest score. However, the respondent gives one negative and one positive answer. As a result, the score for the sub-indicator is 50.

Sample Question Type 2b

INDICATOR 3: REGULATORY ENVIRONMENT AND INVESTMENT CONDITIONS	SCORING	RESPONSE	SCORE
Sub-indicator 2: Restrictions on FDI			**50**
1. Are foreign investors required by law to partner with State/ State-owned enterprises or local enterprises before undertaking projects in the energy sector? [Y/N]	Yes-0 No-100	No	100
2. Are foreign investors required to purchase a certain percentage/ value/quantity of products or services from local suppliers? [Y/N]	Yes-0 No-100	Yes	0

3. Questions with alternative responses and granulated scores

In some cases, the respondent is asked to select an answer from a group of alternatives. The answer reflecting best practice is scored 100, whereas the score for the rest of the options is granulated. In the table below, the respondent states that only some legal and regulatory information is made available. This alternative is not considered optimal and, thus, yields only 50 points. In the following question, the respondent states that laws and regulations are accessible both electronically and in print. This is considered best practice and gets a score of 100. Similarly, the respondent answers that the energy regulator makes available all its decision to the public, which again is considered best practice and gets 100. The overall score for this sub-indicator is 83.3.

Sample Question Type 3

INDICATOR 2: MANAGEMENT OF DECISION-MAKING PROCESSES	SCORING	RESPONSE	SCORE
Sub-indicator 1: Transparency			**83.3**
1. Does the country make available legal and regulatory information to the public?		1-b	50
a. Yes, all information is made available	100		
b. Only some information is available	50		
c. No information is available	0		
2. How are laws and regulations made accessible to public?		2-a	100
a. Both electronically and in print	100		
b. Only electronically	66.7		
c. Only in print	33.3		
d. Available only upon request/or payment of fee	0		
3. Does the energy regulator make available its decisions (on tariffs, tariff methodology, market access etc.) to the public?		3-a	100
a. Yes, all decisions are made available	100		
b. Only some decisions are made available	50		
c. No decisions are made available	0		

4. Questions with alternative sub-questions

This type of question provides alternatives to the respondents, in case a negative answer to the main question is compensated by other measures. In the example provided below, the respondent claims that investors need authorisation before investing in the energy sector. Since this imposes a restriction on investors, the answer to the main question gets a 0. Where the prior authorisation requirement results in restrictiveness but is not discriminatory in nature, 50 points are "recovered" by answering "yes" to question 1a.

Sample Question Type 4

INDICATOR 3: REGULATORY ENVIRONMENT AND INVESTMENT CONDITIONS	SCORING	RESPONSE	SCORE
Sub-indicator 2: Restrictions on FDI			**50**
1. Is there a pre-screening or prior-authorisation requirement for investing in the energy sector? [Y/N]	Yes-0 No-100	Yes	0
If yes: **1a. Is pre-screening applicable to both domestic and foreign investors? [Y/N]**	Yes-50 No-0	Yes	50

5. Divided questions

For some sub-indicators the main question is bifurcated into sub-questions, which are awarded identical scores since they are equally important. The sub-questions develop a joint perfect score of 100, when answered positively. In the example below, the country scores 50 because it is a Contracting Party only to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

Sample Question Type 5

INDICATOR 4: RULE OF LAW (COMPLIANCE WITH NATIONAL AND INTERNATIONAL OBLIGATIONS)	SCORING	RESPONSE	SCORE
Sub-indicator 1: Management and settlement of investor-State disputes			**50**
1. Is the country a Contracting Party to:			
1a. The Convention on the Settlement of Investment Disputes Between States and Nationals of Other States? [Y/N]	Yes-50 No-0	Yes	50
1b. The Convention on the Recognition and Enforcement of Foreign Arbitral Awards? [Y/N]	Yes-50 No-0	No	0

ANNEX IV: EIRA QUESTIONNAIRE 2020

Indicator 1: Foresight of policy and regulatory change

QUESTIONS	CLARIFICATIONS TO QUESTIONS	SCORING
Sub-indicator 1.1: Communication of vision and policies		
1.1.1 What are the key priorities or goals of the energy sector policy? a. Energy security [Y/N] b. Power reliability [Y/N] c. Affordability – energy poverty [Y/N] d. Access to energy [Y/N] e. Investment in the energy sector [Y/N] f. CO_2 reduction [Y/N] g. Renewable energy [Y/N] h. Energy efficiency [Y/N] i. Innovation [Y/N] j. Others issues related to the energy sector (like air quality, water quality job creation etc). Please specify.	This is not an exhaustive list and countries are only expected to tick the boxes relevant to them. Countries may add priorities or goals not listed.	Not scored
1.1.2 Does the country have an energy strategy document for the key priority areas selected above (e.g. a Vision document/ Roadmap)? [Y/N]	Kindly provide details of the energy strategy (such as date when the document was endorsed). Please also provide a link to the document or send the pdf version.	Based on the number of goals selected
1.1.3 Has the country set any short-, medium- term targets for the priority areas selected above? [Y/N]	This may include any specific short-, medium-term outcomes/targets for the energy sub-sectors.	Based on the number of goals selected
1.1.4 Has the country set any ultimate/final outcomes for the priority areas selected above? [Y/N]	This may include any specific final outcomes or end game for the energy sub-sectors.	Based on the number of goals selected
1.1.5 Is there a timeframe for achieving the ultimate/final outcomes for the priority areas selected above? [Y/N]		Based on the number of goals selected
1.1.6 Is there a binding national action plan in place for implementing the priorities selected above? [Y/N]		Based on the number of goals selected
1.1.7a Is the country a party to the United Nations Paris Climate Agreement? [Y/N]		Yes-50 No-0
1.1.7b If yes, does the country's NDC contain details on energy sector CO_2 contribution? [Y/N]		Yes-50 No-0
Sub-indicator 1.2: Robustness of policy goals and commitments		
1.2.1 Is there a body responsible for monitoring the implementation of each energy priority? [Y/N]		Based on the number of goals selected
1.2.2 Is the monitoring body independent of the authority/ministry responsible for implementing the energy priorities selected above? [Y/N]	For instance a technical/statistics body.	Based on the number of monitoring bodies
1.2.3 Is the monitoring body required to provide feedback to the authority/ministry responsible for implementing the energy priorities selected above? [Y/N]		Based on the number of monitoring bodies
1.2.4 Is there a legal provision that allows the government to review the energy priorities selected above, and sets out the process in which the review should be performed? [Y/N]	Please provide relevant legal acts/provisions.	Yes-100 No-0

Additional remarks:
Are there any regulatory measures/legal changes that you anticipate in the coming year? *Please describe.*

Indicator 2: Management of decision-making processes

QUESTIONS	CLARIFICATIONS TO QUESTIONS	SCORING
Sub-indicator 2.1: Institutional governance		
2.1.1 Indicate the levels of government involved in framing energy legislation: a. Central government [Y/N] b. Provincial [Y/N] c. Municipal [Y/N] d. More than 3 [Y/N] e. How many levels are involved in total?		For one level 100 For two levels 50 For three levels 25 For more than three levels 0
2.1.2 Is there a central authority responsible for the overall energy policy formulation process? [Y/N]	Please provide the name of the institution and its website.	Yes-100 No-0
2.1.3 Is there a central authority responsible for the overall investment policy formulation process? [Y/N]	Please provide the name of the institution and its website.	Yes 100 No-0
2.1.4 Do the energy and investment authorities consult each other while formulating polices related to their respective sectors? [Y/N]	This includes consultation within working groups, etc.	Yes-100 No-0
2.1.5 Is there an authority responsible for the overall implementation and monitoring of the country's NDC? [Y/N]	Please provide the name of the institution and its website.	Yes-100 No-0
2.1.6 Is there a process that requires the government to periodically review the implementation of its NDC? [Y/N]		Yes-100 No-0
2.1.7a Has the country established a one-stop shop investment approval authority? [Y/N]	Please provide the name of the institution and its website.	Yes-50 No-0
2.1.7b If yes, does it also give approval for the energy sector? [Y/N]		Yes-50 No-0
2.1.8a Is there a single window for all enquiries concerning investment policies and applications? [Y/N]	Please provide the name of the institution and its website.	Yes-50 No-0
2.1.8b If yes, does it also give information for the energy sector? [Y/N]		Yes-50 No-0
Sub-indicator 2.2: Transparency		
2.2.1 Does the country have a law on transparency? [Y/N]		Yes-100 No-0
2.2.2a Do exceptions to transparency rules exist? [Y/N]	Such exceptions can include national security, public interest, law and order etc.	Yes-0 No-100
2.2.2b If yes, are these exceptions clearly defined in law or regulation? [Y/N]		Yes-100 No-0
2.2.3 Does the country make available legal and regulatory information to the public? a. Yes, all the information is made available b. Only some of information is made available c. No information is made available	Legal and regulatory information includes enacted laws, draft laws, regulations, draft regulations. If the information is limited, please state reasons for this answer.	100 50 0
2.2.4 How is law and regulation made accessible to the public? [Y/N] a. Both electronically and in print b. Only Electronically c. Only in print d. Available only upon request or payment of fee	On request means investors can approach public authorities for hard copies.	100 66.7 33.3 0
2.2.5 Does the energy regulator make available its decisions (on tariffs, tariff methodology, market access etc.) to the public? a. Yes, all the decisions are made available b. Only some decisions are made available c. No decisions are made available		100 50 0

QUESTIONS	CLARIFICATIONS TO QUESTIONS	SCORING
2.2.6 Are energy strategy documents and national plans available in any of the UN languages? [Y/N]	The UN languages are Arabic, Chinese, English, French, Russian and Spanish. For the purpose of this question, unofficial translations are not relevant.	Yes-100 No-0
2.2.7 Are enacted laws available in any of the UN languages? [Y/N]	The UN languages are Arabic, Chinese, English, French, Russian and Spanish. For the purpose of this question, unofficial translations are not relevant.	Yes-100 No-0
2.2.8 Do the bodies responsible for monitoring and implementing energy priorities/objectives publish their data? [Y/N]	This question refers to monitoring bodies mentioned in question 1.2.1.	Yes-100 No-0
2.2.9 Is legal information centralised? a. In an electronic centralised registry of laws and regulations b. Centralised registry/official gazette in print c. No centralisation of laws and regulations		 100 50 0
2.2.10 Is consultation between the government and the stakeholders required under any law/regulation/rule? [Y/N]	Stakeholders may include affected public and private investors, energy agencies, local government administration, non-governmental organisations, and wider community.	Yes-100 No-0
2.2.11 Is consultation between the energy regulator and the stakeholders required under any law/regulation/rule? [Y/N]		Yes-100 No-0
2.2.12 Are stakeholders notified and consulted in advance when new laws and regulations are enacted? [Y/N] a. Notified and consulted in advance b. Notified but not consulted c. Not notified or consulted		 100 0 0

Additional remarks:
Are there any concerns regarding the transparency in the country or its decision making that you wish to highlight? *Please describe.*

Indicator 3: Regulatory environment and investment conditions

QUESTIONS	CLARIFICATIONS TO QUESTIONS	SCORING
Sub-indicator 3.1: Regulatory effectiveness		
3.1.1 Which institution is responsible for regulating the energy sector? a. A separate energy regulatory body b. An agency under the control of the Ministry c. A Ministry d. Multiple ministries/agencies regulating sub-sectors separately	Hereafter referred to as 'the energy regulator'.	Not scored
3.1.2* Does the energy regulator derive its authority from a law? [Y/N]	Please provide the name of the legal act which establishes the energy regulator.	Yes-100 No-0
3.1.3* Are the functions and obligations of the energy regulator stated in a law? [Y/N]	Please provide the name of the legal act which specifies the obligations of the energy regulator.	Yes 100 No-0
3.1.4* Is the energy regulator subject to the public control conducted by other institutions? a. Supreme Audit Office which is independent from the central government and/or Parliament b. Governmental institution c. None of the above		100 0 0
3.1.5* Does the energy regulator have a budget that is separate from the government's budget? [Y/N]	This means the budget is not determined by the government.	Yes-100 No-0
3.1.6* Does the energy regulator have a dedicated budget for itself? [Y/N]	Dedicated budget means that the energy regulator is not required to transfer or share its funds with any other governmental entities.	Yes-100 No-0
3.1.7* Does the energy regulator have the right to allocate its budget? a. Yes, it has full right to do so b. Yes, but it needs approval from the governmental/ministry c. No, it cannot allocate the budget on its own		100 50 0
3.1.8a* Is there a fixed term appointment for the board of the energy regulator? [Y/N]		Yes-50 No-0
3.1.8b* If so, is the term renewable more than once? [Y/N]		Yes-0 No-50
3.1.9* Is the selection procedure of the board and its finalisation publically announced? [Y/N]		Yes-100 No-0
3.1.10a Does the energy regulator deal with competition issues? [Y/N]		Yes-100 No-0
3.1.10b If no, is there a separate governmental body dealing with competition issues, including the energy sector? [Y/N]		Yes-100 No-0
Sub-indicator 3.2: Restrictions on FDI		
3.2.1a Does the country give equal treatment to domestic and foreign investors? [Y/N]	Please provide legal acts which grant equal treatment to domestic and foreign investors.	Yes-50 No-0
3.2.1b If yes, is this equal treatment established in law? [Y/N]		Yes-50 No-0
3.2.2a Are investors in the energy sector allowed to invest in all zones or regions within the country? [Y/N]	This can include restrictions on undertaking activities in the Exclusive Economic Zones, special economic zones, free trade zones.	Yes-100 No-0
3.2.2b If no, is this applicable to domestic and foreign investors alike? [Y/N]		Yes-50 No-0

* For electricity and hydrocarbon regulators

QUESTIONS	CLARIFICATIONS TO QUESTIONS	SCORING
3.2.3a Is there a pre-screening or prior-authorization requirement for foreign investors in the energy sector? [Y/N] **3.2.3b If yes, is it only a notification requirement? [Y/N]**	Screening mechanisms include requiring the foreign investors to show that the project is in the national interest of the Host State. However, in some cases, they are automatic and amount to a simple pre-notification requirement for investors.	Yes-0 No-100 Yes-50 No-0
3.2.4 Are foreign companies legally allowed to hold a majority stake in energy projects? [Y/N]		Yes-100 No-0
3.2.5 Are foreign investors required by law to partner with the State/State-owned enterprises or local enterprises before undertaking projects in the energy sector? [Y/N]		Yes-0 No-100
3.2.6 Are there limitations on the employment of foreign personnel? a. There are no limitations [Y/N] b. Limitation by percentage [Y/N] c. Limitation on the number of times work permit/visa can be renewed [Y/N]		 100 0 0
3.2.7 Are foreign investors required to employ specific percentages of local work force? a. There are no such requirements [Y/N] b. Yes, for the managerial level (board of directors etc.) [Y/N] c. Yes, for the unskilled labour and non-technical/administrative staff [Y/N]		 100 0 0
3.2.8 Are foreign investors required to purchase a certain percentage/value/quantity of products or services from local suppliers? [Y/N]	Local content provisions require foreign investors to purchase a minimum threshold of goods (e.g. raw materials) and services (e.g. human resources) locally.	Yes-0 No-100
3.2.9a Are there any currency restrictions and/or foreign exchange controls applied to foreign investors under a law or regulation? [Y/N] **3.2.9b If yes, do these exchange controls include:** a. Banning use of foreign currency? [Y/N] b. Limiting currency exchange to government approved exchangers? [Y/N] c. Fixed exchange rates? [Y/N]		Yes-0 No-100
3.2.10a Do restrictions on the transfer of investment related capital, payments and profits exist? **3.2.10b If yes, do they apply equally on foreign and domestic investor?**	e.g. profits, dividends, interest and royalty receipts, original capital, capital appreciation, proceeds from liquidation, payments received as compensation for property expropriation, settlement of disputes etc., and earnings of personnel engaged from abroad in connection with an investment.	Yes-0 No-100 Yes-50 No-0

Additional remarks:
Are there any measures by the regulator or restrictions on investment you wish to highlight? *Please describe.*

Indicator 4: Rule of Law (compliance with national and international obligations)

QUESTIONS	CLARIFICATIONS TO QUESTIONS	SCORING
Sub-indicator 4.1: Management and settlement of investor-State disputes		
4.1.1 Is the jurisdiction for hearing contractual disputes with foreign investors defined in the domestic law? [Y/N]		Yes-100 No-0
4.1.2 Is there a separate mechanism for appealing against regulatory decisions? a. Yes, appeals can be heard by the regulator in the first instance b. Appeals can only be heard by general courts c. There is no appeal process		 100 50 0
4.1.3 Are national courts and administrative tribunals required by law to deliver decisions within a defined time limit? [Y/N]		Yes 100 No-0
4.1.4 Is arbitration included in: a. An investment law b. A separate arbitration law c. As a chapter/section in the code of civil procedure d. There is no law that refers to arbitration		 100 100 100 0
4.1.5 Is voluntary mediation, conciliation or both included in: a. An investment law b. Arbitration and mediation law c. As a chapter/section in the code of civil procedure d. There is no law that refers to mediation and/or conciliation		 100 100 100 0
4.1.6 Is there an investment ombudsman to whom foreign investors can refer disputes with the government? [Y/N]	Please provide the name of the institution and its website.	Yes-100 No-0
4.1.7a Do national laws allow the recognition and enforcement of foreign judgments? [Y/N]		Yes-50 No-0
4.1.7b If yes, then are these laws equally applicable to different jurisdictions? [Y/N]		Yes-50 No-0
4.1.8 Do national laws and/or International Investment Agreements require exhaustion of local remedies (e.g. domestic courts) before recourse to international arbitration? [Y/N]	Foreign investors are required to go through the administrative and judicial system of the State before initiating international proceedings directly against the State.	Yes-0 No-100
4.1.9 Has the country made retroactive changes to its laws in the past 5 years? [Y/N]		Yes-0 No-100
4.1.10 Is the country a Contracting Party to: a. The Convention on the Settlement of Investment Disputes Between States and Nationals of Other States? [Y/N] b. The Convention on the Recognition and Enforcement of Foreign Arbitral Awards? [Y/N]		 Yes-50 No-0 Yes-50 No-0
Sub-indicator 4.2: Respect for property rights		
4.2.1 Are the criteria for 'public interest' as grounds for expropriation clearly stated? [Y/N]	Please provide the legal act that specifies these criteria.	Yes-100 No-0
4.2.2 Does the State provide in its laws and/or its International Investment Agreements a process for determining compensation in the event of expropriation in the energy sector? [Y/N]	e.g., determination of compensation by independent auditors.	Yes-100 No-0
4.2.3 Does the State provide in its laws and/or its International Investment Agreements a time frame within which compensation needs to be paid? [Y/N]	Please provide the law which states this time frame.	Yes-100 No-0

QUESTIONS	CLARIFICATIONS TO QUESTIONS	SCORING
4.2.4a Does the State include in its laws and/or International Investment Agreements protection against the expropriation of intellectual property rights? [Y/N]		Yes-50 No-0
4.2.4b Is the country a Member State of the World Intellectual Property Organization? [Y/N]		Yes-50 No-0
4.2.5 Does the State have in its laws and/or International Investment Agreements any provisions restricting the transfer of technology in the energy sector? [Y/N]	Please provide the law which states this restriction.	Yes-0 No-100
4.2.6 Is the country a Member State/Contracting Party to: a. The World Trade Organization? [Y/N] b. The Energy Charter Treaty? [Y/N]		 Yes-50 No-0 Yes-50 No-0

Additional remarks:
Are there any risks related to investor state disputes in the energy sector which you anticipate? *Please describe.*

CONTRIBUTORS & ECS TEAM

GOVERNMENT CONTRIBUTORS

ENERGY COMMISSION OF NIGERIA

FEDERAL MINISTRY OF SCIENCE AND TECHNOLOGY

FEDERAL MINISTRY OF ENVIRONMENT

FEDERAL MINISTRY OF INDUSTRY, TRADE AND INVESTMENT

FEDERAL MINISTRY OF JUSTICE

FEDERAL MINISTRY OF FINANCE, BUDGET AND NATIONAL PLANNING

FEDERAL MINISTRY OF MINES AND STEEL DEVELOPMENT

MINISTRY OF FOREIGN AFFAIRS

MINISTRY OF PETROLEUM RESOURCES

MINISTRY OF POWER

TRANSMISSION COMPANY OF NIGERIA (TCN)

NIGERIAN BULK ELECTRICITY TRADING (NBET)

NIGERIA INVESTMENT PROMOTION COMMISSION (NIPC)

NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (NOTAP)

DEPARTMENT OF PETROLEUM RESOURCES (DPR)

DEPARTMENT OF CLIMATE CHANGE

EXTERNAL CONTRIBUTORS

Oghogho Makinde - ALUKO & OYEBODE

Olagoke Kuye - ALUKO & OYEBODE

Afam Ikeakanam - ALUKO & OYEBODE

Ayodele Oni - BLOOMFIELD LAW PRACTICE

Joseph Onele - BLOOMFIELD LAW PRACTICE

Ugochukwu Obi - PERCHSTONE AND GREYS

Chisom Obiokoye - PERCHSTONE AND GREYS

Idoreyin Umoh - PERCHSTONE AND GREYS

Tare Olorogun - PERCHSTONE AND GREYS

Temidayo Adewoye - PERCHSTONE AND GREYS

Damilola Alada - PERCHSTONE AND GREYS

Waniss A. Otman - PETROLEUM ECONOMIST

Peter Olaoye OLALERE - SPA AJIBADE & CO

Andrea Antoinette AJIBADE - SPA AJIBADE & CO

Babatunde Ajibade - SPA AJIBADE & CO

ECS TEAM

ISHITA PANT

Ishita joined the EIRA team in 2017. As the project manager of EIRA, she oversees its schedule and guides the data collection process, research and analysis, policy recommendations, and the editorial and layout aspects. In 2019, she supervised the development of the EIRA website and now manages its content upload.

In addition to the annual EIRA reports, Ishita has authored the EIRA extended risk profiles of Nigeria (2018 and 2019) launched by the ECN at Nigeria's first and second National Energy Summits. Currently, she is developing the 2021 EIRA extended risk profiles for Nigeria and The Gambia in collaboration with the ECOWAS Commission.

Ishita is an Investment Coordinator at the International Energy Charter. She is a common law qualified lawyer and holds an LL.M. degree in Energy and Natural Resources Law from the Queen Mary University of London. Prior to joining the International Energy Charter, she worked as in-house counsel for French-based Air Liquide. Her areas of specialisation are energy, projects and infrastructure, and regulated industries.

MONICA EMMANUEL

Monica joined the Energy Charter Secretariat as the Expansion Coordinator for Africa. She coordinates communication with the ECOWAS Commission and countries under the East African Community and ECOWAS on activities and technical assistance projects, including EIRA. She has facilitated the signature of the ECOWAS Commission, Nigeria, and The Gambia to the International Energy Charter political declaration. In 2019 and 2020, she secured a voluntary contribution from the Federal Government of Nigeria to develop the EIRA Extended Profiles of Nigeria.

Monica holds a Doctorate Degree in International Relations from the Geneva School of Diplomacy and International Relations in Switzerland. Before joining the Secretariat, she worked with various national and international organisations across Africa and Europe for several years, including as a Research Fellow with the African Centre for Strategic Research and Studies, National Defence College Abuja, Nigeria. She has authored the book Federalism in Nigeria: Between Divisions in Conflict and Stability in Diversity. Her areas of expertise are international relations and diplomacy, programme management, capacity building, research and training, peace and conflict studies, focusing on Africa.

NIGERIA EXTENDED ENERGY INVESTMENT RISK ASSESSMENT 2020
ENERGY CHARTER SECRETARIAT PUBLICATION
ISBN: 978-905948-234-0 (paperback)
Depot number: D/2021/7850/3
ISBN: 978-905948-235-7 (pdf)

eira.energycharter.org

INTERNATIONAL ENERGY CHARTER

Boulevard de la Woluwe 46
B-1200 Brussels, Belgium
info@encharter.org
energycharter.org

T: +32 2 775 98 00
F: +32 2 775 98 01
@Energy_Charter
@SecGenEnCharter