



African Heritage Institution

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Communiqué of the *Big Ideas Podium* on “Electricity: Key Ingredient for Nigeria's Economic Development and Unity” held on 29th June 2017 at African Heritage Institution, 54 Nza Street, Independence Layout, Enugu.

The Big Ideas Podium is a veritable dais or new stage that provides an energetic atmosphere where well-informed and involved citizens with great minds can discuss or debate openly their big ideas on specific topical issues with national or international significance, without fear or favor. The basic idea is to identify, explore, and proffer ideas that can enhance or promote high quality and evidence-based policymaking.

The 29 June edition of the Big Ideas Podium featured Prof. Bart Nnaji whose presentation was on "Electricity: Key Ingredient for Nigeria's Economic Development and Unity". The participants represented a broad section of the society including government, business and industry, academia, civil society groups, communities, and the media. The presentation and much of the discussions focused on: 1) the provision of adequate and affordable energy; and 2) its relevance for economic development, peace, and unity in Nigeria. Those issues were anchored around how best to deal effectively with the challenges of power supplies to industries and households in pursuit of robust economic activities and higher quality life in the country.

Observations

- Electricity is a primary ingredient for economic development and industrialization in Nigeria.
- There is a clear connection between electricity, economic development and national unity.
- The quantum of power generated in Nigeria is abysmally low given that the country produces less than 5,000 megawatts of electricity currently and has never produced more than 5,100 megawatts per day in its history.
- Failure to generate sufficient power has adverse consequences on Nigeria's Gross Domestic Product (GDP) and unity.
- Cost reflective tariff system, gas constraint, lack of credit-worthiness of Discos, over-leveraged power assets, value-chain misalignment, government functionaries' lack of commercial knowledge and lack of will to enforce contracts, laws and policies have the net effect of scaring investors from investing in the power sector in Nigeria.
- Nigeria's big dreams of leading Africa, becoming a member of the UN Security Council and one of the 20 biggest economies in the world in the near future will be elusive without quality, affordable and reliable electricity supply.



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Recommendations

- The Nigerian government should immediately ensure that its installed capacity of more than 12,000 megawatts is effectively serviced to ensure that electricity production is doubled quickly to about 10,000 megawatts. Also, plans should be made to ensure that power generation projects should be developed in line with short and medium term national development goals.
- Private sector-driven pattern of power generation, distribution and transmission should be implemented. Government should own power transmission but the process should be controlled by the private sector.
- Transmission of electric power should be broken into smaller interconnected grids and concessioned on a BT or Build-Operate-transfer basis.
- National grid should be decentralized to regional grids for efficiency and reliability.
- New equity investors should be introduced into the power sector.
- The value-chain should be completely aligned and incentivized.
- Agencies of government should be populated with people who have real verifiable experience.
- Relevant government agencies should develop human capital and attract knowledgeable and well exposed personnel that understand global commercial and legal issues inherent in the power sector.
- There should be stable and transparent policies, and respect of contracts/agreements.
- Government functionaries should stop toll-gating and personal interest management in the power sector.
- Cross subsidy (a tariff system in which the rich subsidize the poor) should be adopted. People's classes and levels of power consumption, not their locations, should be considered in tariff adjustments.
- Energy conservation practices should be encouraged through behavioural change. It is common to find lighting, air conditioners and other domestic and office appliances active over long periods when not in use.
- Vandalization of power installations, power theft/bypass and hostility of communities and individuals to electricity workers and companies should be stopped.

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