



A crossed section of the attendants at the recent NESG MacroEconomic Outlook 2026

Photo credit: NESG

## Nigeria's Real Economy Faces A 2026 Reckoning

● Power, Credit, Industrial Clusters Hold The Key To Turning Stability Into Inclusive Growth

Nigeria enters 2026 with macroeconomic stability restored, yet structural transformation remains incomplete. Services continue to drive growth, while agriculture and manufacturing, the sectors that create jobs and export opportunities, lag behind. Analysts warn that shifting from consumption-led expansion to productivity-driven growth is critical. Success will depend on fixing infrastructure gaps, improving access to affordable credit, and scaling industrial clusters. The choices made this year will determine whether stability becomes a foundation for lasting growth or a fragile equilibrium without jobs. **Enam Obioso** writes...

Despite improved macro indicators in 2025, Nigeria's real economy remains structurally imbalanced. Services dominate growth, while agriculture and manufacturing, the engines of jobs and exports, continue to underperform. NESG identifies 2026 as the year productivity must replace macro-optics.

### MEMO

Nigeria's stabilisation reforms have succeeded in restoring order but not transformation. Real GDP growth improved to about 3.8 percent in 2025, driven largely by services, which contributed over 60 percent of growth. Industry followed distantly, while agriculture lagged due to insecurity, low productivity, and poor infrastructure.

NESG's sectoral analysis reveals a troubling pattern: over 75 percent of GDP comes from low-growth sectors. Manufacturing growth hovered around 1.5 percent, insufficient to drive industrial employment or export diversification. Agriculture's contribution remains constrained despite its labour intensity.

This imbalance matters. An economy driven by services without productive depth risks shallow growth and fragile FX earnings. NESG's

CONT. ON PG 2

## Nigeria's Livestock Reform Shifts From Plans To Practical Delivery

By Kingsley Ani

Nigeria's livestock sector is showing early signs of moving beyond policy statements toward coordinated action. Two recent developments highlight this shift: the Federal Government's inauguration of a National Economic Council (NEC) Technical Sub-Committee on Livestock Development, and the validation of the ABIS Livestock Academy curriculum as a national skills and standards platform.

Together, they point to a reform effort that is beginning to connect policy direction with execution capacity. Government is focusing on coordination and planning, while the private sector is addressing the skills and compliance gaps that have quietly limited productivity, food safety, and investment in the livestock value chain.

Earlier this week in Abuja, the Minister of Budget and Economic Planning, Senator Abubakar Bagudu, inaugurated the NEC Technical Sub-Committee on Livestock Development. The committee is expected to harmonise existing livestock policies and turn past reports into a clear implementation roadmap for adoption by the NEC.

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## Global Recognition For Fela Highlights Nigeria's Growing Creative Economy

By Ovio Peters

Fela Anikulapo Kuti's posthumous Grammy Lifetime Achievement Award arrives at a moment when Nigerian music is no longer just culturally influential but measurably lucrative. The recognition formally anchors Afrobeat's origin story within the global music economy, while contemporary Afrobeats is already generating tens of billions of naira in annual revenue. Together, these signals point to a sector that has broken into global markets, even as structural weaknesses limit how much value ultimately returns home.

### DATA BOX

Spotify Royalties (Nigeria, 2024): N58bn+ (\$37.5m-\$38m)  
 Streaming Revenue Growth YoY: +203%  
 Estimated Global Afrobeats Revenue (2023): ~\$100m  
 Afrobeats Streams (2023): 14bn+ on Spotify  
 Live Performance Share of Income: ~66%  
 Streaming Share of Income: ~30%  
 Revenue Retained Domestically: <50% (est.)

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# Nigeria's Consolidation Bet: Fiscal Discipline Versus Social Tolerance

By Johnson Emmanuel

Nigeria's stabilisation gains have come at high social cost. While inflation is easing, household welfare remains under pressure from food prices, unemployment, and reduced public investment. NESG warns that consolidation will fail without credible social protection and job creation.

**MEMO**

Fiscal consolidation is Nigeria's tightrope. Revenues improved in 2025, particularly from non-oil taxes, yet debt service absorbed an outsized share of spending. Capital expenditure collapsed, crowding out growth-enhancing investments. NESG's analysis shows that public debt rose to N152.4 trillion by mid-2025, with the Debt Burden Index signalling elevated repayment risk. While fiscal restraint restored confidence, it also compressed social and infrastructure spending.

**DECISION HIGHLIGHT**

- Decision Type:** Fiscal consolidation with social buffering
- Trade-Off:** Debt service versus development spending
- Execution Lever:** Targeted safety nets, youth employment
- Political Sensitivity:** Extremely high

This creates a political economy dilemma. Stabilisation without welfare translation risks backlash. NESG explicitly argues that consolidation must include expanded social protection, apprenticeship schemes, and labour-intensive programmes to sustain reform legitimacy. The message is clear: macro stability that excludes households is unstable by design.

**DATA BOX**

- Public debt (H1 2025): N152.4trn
- Debt service (Jan-Jul 2025): N9.8trn
- Capital spending shortfall: ~74%
- Poverty reduction growth threshold: ≥6% GDP growth
- Youth unemployment: structurally elevated

**WHO WINS / WHO LOSES**

- **Winners:** Fiscal hawks, bondholders, policy credibility
- **Losers:** Youth labour market, infrastructure-dependent sectors

**POLICY SIGNALS**

Fiscal discipline must now prove socially intelligent.

**INVESTOR SIGNAL**

Political sustainability is now a core macro risk variable.

**RISK RADAR**

- Social unrest
- Reform reversal pressure
- Youth unemployment spillovers
- Weak delivery capacity



## ... Real Economy Faces A 2026 Reckoning

**CONT. FRM COVER**

consolidation thesis therefore centres on shifting growth drivers, scaling industrial clusters, fixing power bottlenecks, and expanding access to affordable credit for MSMEs.

2026 is positioned as the transition year where Nigeria must decide whether stabilisation feeds productivity or stalls into equilibrium without jobs.

**WHO WINS / WHO LOSES**

**Winners:** Industrial clusters, logistics enablers, power investors

**Losers:** Import-dependent manufacturers, low-productivity farming

**POLICY SIGNALS**

Consolidation without productivity reform will lock Nigeria into low-growth stability.

**INVESTOR SIGNAL**

Opportunities exist only where policy aligns

infrastructure, credit, and execution.

**RISK RADAR**

- Persistent power deficits
- Credit cost inertia
- Security risks in food belts
- Weak subnational coordination

**DECISION HIGHLIGHT**

- Decision Type:** Structural rebalancing through consolidation
- Target Sectors:** Manufacturing, agriculture, power, logistics
- Growth Model Shift:** Consumption-led to productivity-led
- Constraint:** Infrastructure, credit cost, weak value chains

**DATA BOX**

- Services contribution to GDP growth: ~60%
- Manufacturing growth (Q1-Q3 2025): ~1.5%
- Agriculture growth: ~2-3%
- Capital expenditure shortfall (2025): ~74% below prorated target
- Power generation target (policy ambition): >8,500MW

Source: NESG Macroeconomic Report 2026

# NGX Positions Social Outcomes As A Foundation For Capital Market Sustainability

● **Ngx Links Child Nutrition Outcomes To Long-Term Capital Market Resilience, Showing How Measurable Social Investments Can Reinforce Economic And Investor Confidence**

By Olumide Johnson

Nigerian Exchange Group Plc has expanded Project BLOOM, a child nutrition intervention, to Alimosho Local Government Area in Lagos State, deepening a public-private collaboration with the Lagos State Government and the Health Emergency Initiative. The initiative targets child malnutrition in underserved communities, linking social outcomes to long-term market resilience. NGX Group's leadership argues that the recovery outcomes from Project BLOOM demonstrate how social foundations underpin sustainable capital markets.

## DECISION HIGHLIGHT

**Lead Institution:** Nigerian Exchange Group Plc  
**Chief Advocate:** Temi Popoola  
**Program:** Project BLOOM (Bringing Life to Our Overlooked Minors)  
**Public Partners:** Lagos State Government; Lagos State Health District I  
**Delivery Partner:** Health Emergency Initiative  
**Target Outcome:** Reduction in child malnutrition and preventable under-five mortality  
**Strategic Claim:** Social investment strengthens economic resilience and market sustainability.

## MEMO

The NGX Group's framing is explicit. Sustainable capital markets, in this view, are not built solely on liquidity, governance codes, or disclosure standards, but on the health and productivity of the population that underpins economic activity. Group CEO, Temi Popoola, linked Project BLOOM's outcomes to market resilience, arguing that targeted, collaborative action can deliver measurable social returns alongside economic credibility.

The data from Project BLOOM offers partial validation. The Alimosho outreach, the third phase of the programme, reached over 120 malnourished children, providing nutritional support, medical screening, and caregiver education. Earlier interventions in Yaba and Ajegunle supported more than 320 children and 300 caregivers. Monitoring data indicates that over 50 percent of beneficiaries in the first two phases entered

**... Nigeria's malnutrition challenge is systemic, driven by poverty, food inflation, weak primary healthcare financing, and insecurity**

recovery, a material outcome in a context where child malnutrition remains a leading contributor to under-five mortality.

Execution matters. NGX Group staff volunteers worked alongside state health workers and HEI facilitators to conduct screenings and record data, with structured follow-up visits scheduled after four weeks to track recovery and escalate care where required. This design moves beyond one-off philanthropy toward outcome tracking, a

Underserved families receiving early intervention and follow-up care.

Institutions that can credibly integrate social outcomes into ESG and market narratives.

## Losers:

Purely symbolic CSR approaches that lack outcome measurement.

Communities beyond pilot locations if scale-up



Participants at the outreach

key distinction if social initiatives are to be credibly linked to long-term economic value.

Sector voices reinforced the stakes. Achunine Pascal underscored that malnutrition is a major driver of under-five deaths in Nigeria and that Project BLOOM's emphasis on follow-up care is essential to durable impact. At the local level, Akinpelu Johnson positioned the programme as aligned with council strategies on early detection and prevention, while Solomon Adeyanju described the initiative as a practical complement to primary healthcare delivery.

The critique lies in scale and linkage. While Project BLOOM demonstrates credible outcomes at community level, Nigeria's malnutrition challenge is systemic, driven by poverty, food inflation, weak primary healthcare financing, and insecurity. Translating pilot success into market-level resilience requires replication, funding continuity, and policy integration. Without that, the social-capital thesis risks remaining illustrative rather than transformative.

## DATA BOX

**Children Reached (Alimosho):** 120+  
**Total Children Supported (All Phases):** 320+  
**Caregivers Engaged:** 300+  
**Recovery Rate (Phases I-II):** >50%  
**Locations Covered:** Yaba, Ajegunle, Alimosho  
**Follow-Up Cycle:** 4 weeks post-intervention

## WHO WINS / WHO LOSES

**Winners:**

does not follow.

## POLICY SIGNALS

The programme reinforces a policy direction that social investments, when measured and coordinated, can complement public health systems. It also highlights gaps in primary healthcare financing that require state and federal alignment to move beyond pilots.

## INVESTOR SIGNAL

For market participants, the message is that ESG credibility increasingly depends on demonstrable outcomes, not disclosures alone. Exchanges and issuers that can evidence social impact may gain reputational and participation advantages, but only if initiatives scale and persist.

## RISK RADAR

The primary risk is fragmentation. Without sustained funding, policy integration, and replication, impact remains localised. There is also attribution risk, linking social outcomes directly to market resilience requires longitudinal data. Finally, credibility risk emerges if social programmes are positioned as market strategy without proportional commitment.

NGX Group's intervention advances a clear proposition. Markets are social systems before they are financial ones. The unresolved question is whether Nigeria's capital market institutions will institutionalise this logic at scale, or leave it as a well-executed exception.

## Counted By Size, Not By Strength: Nigeria's Global Growth Moment Is A Statistical Warning

Nigeria's appearance among the top contributors to global real GDP growth in 2026 is, at first glance, flattering. The International Monetary Fund (IMF) estimates that the country will account for 1.5 percent of global growth, ranking sixth worldwide, ahead of economies such as Germany, Brazil and Indonesia. On paper, this places Africa's largest economy inside a strategic conversation normally dominated by industrial and export driven systems. Yet an editorial obligation requires us to interrogate what exactly Nigeria is contributing and why.

We must first distinguish between contribution and strength. A country can add materially to global growth simply because it is large and expanding from a low base. Nigeria fits this profile. With over 200 million people and structurally underdeveloped productivity levels, even modest expansion in consumption and services translates into measurable increments in global output. The ranking therefore reflects arithmetic weight more than economic transformation.

The IMF numbers reinforce this interpretation. China will contribute 26.6 percent of global growth and India 17 percent, together driving almost half of worldwide expansion. The United States contributes 9.9 percent. These economies add growth through manufacturing depth, technological scale, financial sophistication and export competitiveness. Nigeria, by contrast, contributes growth primarily through domestic demand expansion, currency adjustments, price effects and population dynamics. These are not equivalent engines.

We should therefore resist

celebratory interpretations that equate ranking with structural advancement. Nigeria's economy still operates with a narrow productive base. Oil remains the dominant external revenue anchor, even as production instability and price volatility persist. Manufacturing contributes marginally to export earnings. Agricultural productivity remains low relative to land endowment. The services sector expands rapidly but often without commensurate capital formation. Growth exists, but it lacks durability.

This distinction matters because global GDP contribution is not a measure of resilience. It measures addition, not quality. An economy driven by consumption inflation or exchange rate realignment can briefly appear influential in global accounting tables while simultaneously experiencing domestic fragility. Nigeria has repeatedly exhibited this paradox. The country can record statistical expansion while unemployment rises, real incomes weaken and investment confidence remains cautious.

We should instead interpret the ranking as a signal of potential scale. The world economy is slowly redistributing marginal growth toward populous emerging markets. Asia Pacific will account for roughly half of global expansion, confirming that demography and urbanisation now shape global output more than mature industrial saturation. Nigeria's inclusion in the top ten reflects its demographic trajectory rather than its policy success.

That observation imposes responsibility rather than celebration. If population and market size alone generate global relevance, then governance deter-

mines whether that relevance converts into prosperity. Nigeria's fiscal structure remains consumption heavy and revenue narrow. Public capital formation struggles to keep pace with infrastructure demand. Monetary stability is periodically sacrificed to balance external pressures. Energy supply constraints continue to suppress productivity across sectors. These structural weaknesses limit the welfare impact of growth.

We should therefore ask a harder question. What would Nigeria's contribution look like if productivity rose meaningfully? A modest improvement in power reliability, logistics efficiency and regulatory predictability would shift growth composition from expansion by necessity to expansion by competitiveness. Instead of being counted because of scale, Nigeria would matter because of capability. The difference is fundamental. One sustains rankings, the other sustains living standards.

The presence of Germany in the ranking at 0.9 percent illustrates this contrast. Germany contributes less to incremental global growth because it is already mature, yet its citizens enjoy far higher income security. Nigeria contributes more but distributes far less welfare. The global table does not measure this disparity. We must.

We therefore interpret the IMF projection as a warning wrapped in recognition. The world is acknowledging Nigeria's economic weight, but it is not yet acknowledging Nigerian productivity. The ranking confirms that Nigeria cannot be ignored. It does not confirm that Nigeria has solved its development problem.

## EDITOR'S NOTES

### Why StakeBridge Exists

Nigeria does not suffer from a lack of information. It suffers from a lack of clarity. Every reform cycle produces volumes of data, statements, and commentary, yet ordinary readers, investors, and decision-makers are often left asking the same questions, what actually changed, who gained, who lost, and what happens next.

StakeBridge Media exists to answer those questions without noise.

We are not economists writing for economists. We are journalists who believe that policy, markets, and corporate decisions should be explained in plain language, anchored in evidence, and framed around consequences. Our reporting begins where traditional coverage often stops, at the decision point.

That is why we practise Decision Memo Journalism.

Each story asks a simple set of questions. What decision was made. Why it mattered. Who benefited. Who bore the cost. What signal readers should watch next. This structure is not a style choice. It is a discipline.

Nigeria's economy is too important for vague optimism or abstract critique. Citizens deserve reporting that respects facts without hiding behind jargon. Investors deserve context without hype. Policymakers deserve scrutiny without hostility.

StakeBridge is a bridge between data and meaning. We did not chase headlines. We traced outcomes. We showed how inflation slowed but food prices stayed high. How FX calmed but confidence remained conditional. How reforms stabilised the system but jobs lagged behind.

This is the work we will continue to do.

Not to predict the future, but to clarify the choices shaping it.

Enam Obiosio

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# Canal+'s Post-Acquisition Streaming Consolidation Reframes Africa's Pay-TV Economics

● After Acquiring Multichoice For \$3 Billion, Canal+ Plans A Single App Rollout To Cut Costs, Simplify User Experience, And Scale Across Southern And Eastern Africa

By Ayo Susan

Following its roughly \$3 billion acquisition of MultiChoice, Canal+ is preparing to roll out a unified streaming service for MultiChoice users, starting in South Africa. The move would fold multiple global and local content libraries into Canal+'s existing app, potentially sidelining or redefining MultiChoice's Showmax platform. Management presents the plan as a cost and growth reset, aimed at reversing subscriber losses, simplifying user experience, and extracting scale efficiencies across Africa.

## DECISION HIGHLIGHT

**Acquirer:** Canal+

**Target:** MultiChoice

**Transaction Size:** Approximately \$3 billion

**Strategic Move:** Consideration of a single, aggregated streaming app

**Financial Rationale:** Projected annual cost sav-

the appeal bluntly, noting that "all of the content is embedded on the Canal+ app, and as a user, you do not have to go on another app." The emphasis on simplicity signals a strategic pivot. Canal+ is betting that friction, not content scarcity, is driving churn.

Investor reaction suggests the market accepts this logic. Canal+ shares jumped as much as 15 percent on forecasts that the combined entity could generate more than \$475 million in EBITDA by 2030 and deliver roughly \$357 million in free cash flow savings. These projections rest on aggressive assumptions about cost rationalisation, renegotiated hardware contracts, and the ability to cross-sell content across borders.

Yet this is also a power play over platform control. Showmax's future remains undecided, raising questions about whether MultiChoice's homegrown streaming ambitions will be absorbed, marginalised, or quietly retired. Canal+'s calculus appears clear. Scale and margin take precedence over legacy brand sentiment.

## Losers:

Showmax, which faces strategic uncertainty inside a larger ecosystem.

Local content producers, if aggregation weakens bargaining power.

High-end pay-TV loyalists, if premium differentiation erodes.

## POLICY SIGNALS

The deal underscores a regulatory blind spot. Cross-border media consolidation is reshaping African information markets faster than policy frameworks can adapt. Competition authorities may need to reassess how platform dominance, not just pricing, affects consumer choice and local content viability.

## INVESTOR SIGNAL

Markets are rewarding execution narratives over legacy concerns. The share price surge indicates confidence that operational synergies and bundling economics can offset structural decline in traditional pay-TV. The key variable is speed, delays will erode the valuation premium.

## RISK RADAR

Execution risk remains elevated. Integrating platforms across diverse regulatory and consumer landscapes is non-trivial. Further subscriber erosion could outpace cost savings. There is also reputational risk if local audiences perceive the strategy as content centralisation at the expense of African storytelling.

In sum, Canal+'s unified streaming push is not a cosmetic upgrade. It is an attempt to redraw the economics of African pay-TV after years of slow attrition. Whether simplification translates into sustainable growth will determine if the \$3 billion acquisition proves transformative or merely defensive.



ings near \$479 million and EBITDA exceeding \$475 million by 2030

**Geographic Focus:** Southern, Eastern Africa, with implications for Nigeria and Ghana

**Stated Objective:** Arrest subscriber decline and rebuild growth through pricing and bundling

## MEMO

The proposed unified streaming platform is less about technology novelty than economic necessity. MultiChoice has lost nearly 3 million subscribers over two financial years, exposing the fragility of a premium pay-TV model in price-sensitive African markets. Canal+'s response is to collapse complexity. Instead of pushing users across multiple apps, it wants one interface that aggregates content from partners such as Apple TV and HBO Max, alongside local channels.

Chief Financial Officer Amandine Ferre framed

## DATA BOX

Deal Value: ~\$3 billion

Projected Annual Cost Savings: ~\$479 million

EBITDA Target by 2030: >\$475 million

Estimated Free Cash Flow Savings: ~\$357 million

Subscriber Losses at MultiChoice: ~3 million over two years

Current Premium Subscription Price: ~\$60 per month

## WHO WINS / WHO LOSES

### Winners:

Canal+, which gains leverage over content distribution and cost structure.

Global streaming partners that secure bundled access to African subscribers.

Price-sensitive consumers, if lower-cost packages materialise.

**MultiChoice has lost nearly 3 million subscribers over two financial years, exposing the fragility of a premium pay-TV model in price-sensitive African markets**

# Africa's Startup Capital Is Rebalancing, But New Local Majority Comes With Limits

## • Local Investors Drive Africa's Startup Funding Shift

By Ayo Susan

African investors now account for nearly 40 percent of startup funding on the continent, up from about 25 percent in 2023, according to a January 2026 report by Briter. The shift reflects a sustained pullback by global investors since 2022 and a steadier, more resilient contribution from locally headquartered funds, angels, and high-net-worth individuals. While total capital remains below peak levels, the changing composition marks a structural turn in how African startups are financed.

### DECISION HIGHLIGHT

**Source:** Briter

**Timeframe:** 2023–2025

**Local Capital Share:** ~40% of total funding, up from ~25%

**Global Capital Trend:** Decline from ~\$5bn in 2022 to ~\$2.3bn

**Total Funding 2025:** ~\$3.6bn across 635 disclosed deals

**Geographic Concentration:** 80–85% to Nigeria, Kenya, Egypt, South Africa

**Structural Issue:** Thin growth-stage capital and limited exit pathways

### MEMO

The headline figure suggests resilience, but the underlying mechanics are more complex. In 2022, African startups raised roughly \$1.6 billion from local investors alongside nearly \$5 billion from global capital. When international flows retreated sharply, local investors did not surge to replace them. They stayed relatively constant. The result is a higher share, not a higher absolute volume. This distinction matters.

Local capital's growing prominence has altered deal dynamics. Africa-based fund managers tend to deploy smaller cheques, earlier, and with a sharper focus on commercial viability in local markets. That proximity advantage has tangible outcomes. Moniepoint leveraged funding and strategic support from Nigerian venture firms to push beyond SME banking into consumer markets, scaling nationwide before attracting broader attention.

The ecosystem supporting this shift did not emerge organically. Development finance institutions have played a catalytic role. Programs and commitments from International Finance Corporation, British International Investment, Proparco, and AfricaGrow helped capitalise African VC

**Africa-based fund managers tend to deploy smaller cheques, earlier, and with a sharper focus on commercial viability in local markets**



managers as global LPs reduced exposure. This backstopping preserved fund continuity and prevented a sharper contraction.

Practitioners argue that local context is the real differentiator. Kola Aina of Ventures Platform noted that effective capital deployment depends on “a healthy mix of local fund managers who understand the markets and can provide geographically relevant advice,” a capability difficult to replicate from abroad. Similarly, Marge Ntambi of Benue Capital emphasised that local high-net-worth investors bring networks and long-term commitment alongside capital.

Yet the limits are evident. Deal activity rebounded faster than capital volume in 2025, transactions rose 43 percent year on year, but cheque sizes shrank. Early-stage rounds dominate by count, while growth-stage funding remains scarce. Mega-deals accounted for just 1 percent of transactions but captured about a quarter of total value, distorting headline recovery. The consequence is a widening gap between seed success and scale readiness.

Exits offer little relief. Briter tracked just over 60 acquisitions in 2025, mostly corporate-led or intra-African consolidations. Fintech led by count, but climate, energy, and infrastructure-adjacent startups are increasingly acquired due to asset backing and predictable cash flows. Large IPOs or cross-border exits capable of recycling capital at scale remain absent, slowing ecosystem compounding.

### DATA BOX

**Local Investor Share:** ~40% (2025)

**Local Investor Share (2023):** ~25%

**Global Funding (2022):** ~\$5.0bn

**Global Funding (recent):** ~\$2.3bn

**Total Funding (2025):** ~\$3.6bn

**Deals (2025):** 635 disclosed

**Deal Growth YoY:** +43%

**Top 4 Markets' Share:** 80–85%

**Known Acquisitions (2025):** 60+

### WHO WINS / WHO LOSES

#### Winners:

Local fund managers with market proximity and regulatory familiarity.

Early-stage founders able to secure seed and Series A capital despite global pullback.

#### Losers:

Growth-stage startups facing a financing cliff after early traction.

Secondary markets and regions outside the Big Four, where rounds remain sub-\$5m.

### POLICY SIGNALS

The rise of local capital strengthens arguments for domestic institutional participation, including pensions and insurers, under prudent allocation frameworks. Without policy support for exits and secondary markets, however, capital recycling will remain constrained.

### INVESTOR SIGNAL

Local capital is durable but not yet deep. Investors should expect more disciplined early-stage deployment, greater use of debt and hybrid instruments at growth stage, and longer holding periods. Returns will hinge on selective M&A rather than blockbuster exits.

### RISK RADAR

Concentration risk persists, capital and outcomes remain clustered in a few markets. The growth-stage gap threatens to stall promising companies. Exit scarcity limits liquidity and fund replenishment. Absent improvements in cross-border scaling and public markets, the local capital surge may stabilise the ecosystem without accelerating it.

Africa's funding mix has changed decisively. Local investors now anchor the market. The unresolved question is whether anchoring alone can produce scale, liquidity, and compounding returns without a parallel recovery in growth capital and exits.

# Global Commendation Meets Domestic Reality In Nigeria Reform Narrative

By Jeremiah Obeche

The World Bank has described Nigeria as a global reference point for credible economic reforms following a meeting between its Managing Director (MD) of Operations, Anna Bjerde, and President Bola Ahmed Tinubu in Abuja.

The Bank cited policy consistency, exchange rate reforms and subsidy removal as measures strengthening investor confidence, while Nigeria reaffirmed commitment to continuing reforms without reversal.

## DECISION HIGHLIGHT

**Decision:** International endorsement of Nigeria's reform trajectory

**Actors:** World Bank leadership and Nigerian presidency

**Policy Basis:** Subsidy removal, exchange rate unification, macroeconomic stabilisation

**Forward Plan:** Country Partnership Framework aligned with national development goals

**Government Position:** Irreversible reform commitment

## MEMO

International validation often serves two purposes. It reassures investors and legitimises domestic policy choices. The World Bank's praise for Nigeria's reforms accomplishes both, yet its deeper significance lies in what it measures and what it omits.

Anna Bjerde described Nigeria as a reference point for credible reform leadership, pointing to consistency in implementing difficult policies. The emphasis on consistency reveals the true benchmark. In reform economics, credibility is not the adoption of painful measures but the refusal to abandon them prematurely.

President Bola Ahmed Tinubu echoed this logic directly. "There will be no turning back," he said, acknowledging inflationary consequences of subsidy removal and exchange rate unification but arguing stability is emerging through currency stabilisation and easing price pressures.

The exchange between both parties frames reform as a commitment problem rather than a technical problem. Nigeria historically struggled less with policy design and more with policy persistence. Programmes began with conviction and ended with political fatigue. What the World Bank appears to recognise is endurance.

However, endorsement does not equal completion. Macroeconomic stabilisation corrects distortions but does not itself create productivity. The narrative risks confusing restored price signals with expanded economic capacity. Investors respond to predictability, but growth depends on production.

The forthcoming Country Partnership Framework anchored to Nigeria's ambition of a one trillion dollar economy and seven percent growth highlights this transition. Stabilisation is the first phase, structural transformation is the second. The World Bank's support suggests Nigeria has crossed the credibility threshold but not yet the productivity threshold.

Tinubu's emphasis on agriculture mechanisation, fertiliser supply and petrochemical linkages points toward that second phase. The strategy attempts to convert macro stability into sectoral



L-R: Anna Bjerde, World Bank's MD of Operations (6<sup>th</sup> left); President Bola Ahmed Tinubu (m); Vice President Kashim Shettima (8<sup>th</sup> left); Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy (9<sup>th</sup> left), and some other delegations from the W/bank, during a meeting in Abuja.

Photo Credit: StateHouse

expansion, especially in labour absorbing activities. The focus on cooperatives also signals a shift from subsistence production to scale aggregation.

Yet the credibility challenge persists in another form. Reform success depends not only on persistence but distribution. Inflation adjustment and subsidy removal impose immediate welfare costs while productivity gains materialise slowly. The political durability of reforms therefore depends on visible income improvements.

Bjerde's call for expanded access to finance, particularly for mid sized firms, addresses this gap. Job creation becomes the bridge between macroeconomic correction and social acceptance. Without employment growth, credibility remains technocratic rather than societal.

The World Bank's praise should therefore be interpreted as conditional confidence. Nigeria has convinced observers it will maintain policy direction. It has not yet proven the direction will produce broad prosperity.

International institutions reward commitment because predictability reduces risk. Citizens evaluate reforms differently, through living standards rather than macro indicators. The distance between these evaluations determines whether reforms endure beyond endorsement cycles.

Nigeria now enters the more difficult stage of reform. Stabilisation demanded political courage. Transformation demands administrative competence. The first earns recognition, the second earns legitimacy.

## DATA BOX

**Reform Period Referenced:** Approximately two years

**Key Policies:** Fuel subsidy removal, exchange rate unification

**Target Growth:** About 7 percent annually

**Long Term Goal:** \$1 trillion GDP

**World Bank Instruments:** IDA, IBRD, IFC support  
**WHO WINS / WHO LOSES**

### Wins

- Policy credibility in international capital markets
- Government access to development financing frameworks
- Formal sector investors seeking stability

### Losses

- Households facing adjustment costs before income gains
- Informal pricing structures disrupted by market alignment
- Short term consumption dependent economic activity

## POLICY SIGNALS

- Reforms framed as irreversible state position
- Shift from stabilisation narrative toward productivity narrative
- Increased integration of international development financing with domestic planning
- Focus on employment generating sectors to sustain political acceptance

## INVESTOR SIGNAL

Nigeria is transitioning from high policy uncertainty to managed reform continuity. Investors may interpret endorsement as reduced reversal risk but should differentiate stability from growth acceleration. Opportunities depend on sector execution rather than macro direction alone.

## RISK RADAR

- Public tolerance weakening before growth effects materialise
- Implementation gaps between policy design and sector outcomes
- Overreliance on external validation as proxy for domestic performance
- Credibility erosion if welfare improvements lag behind expectations



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 0209 460 2700



# Fiscal Authority Restored As Nigeria Ends Corporate Road Tax Credits

By Kingsley Ani

The Federal Government has discontinued the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme, previously established under Executive Order 007, which allowed companies to finance federal road construction in exchange for tax credits.

The Executive Chairman of the Nigeria Revenue Service (NRS), Zacch Adedeji, stated the programme conflicted with constitutional tax administration because tax authorities are mandated to assess, collect and remit revenue, not appropriate expenditure.

According to him, granting tax credits for infrastructure effectively turned tax administration into public spending authority, a function reserved for statutory fiscal institutions.

**DECISION HIGHLIGHT**

**Decision:** Termination of corporate tax credit utilisation for federal road construction

**Authority:** Federal Government through Nigeria Revenue Service (NRS)

**Legal Rationale:** Violation of constitutional separation between revenue collection and appropriation

**Fiscal Implication:** Infrastructure spending returns fully to budgetary allocation process

**Institutional Impact:** Federation Account Allocation Committee (FAAC) re-established as sole custodian of distributable tax revenue

**Operational Effect:** Companies must now pay taxes in full, government decides infrastructure spending

**MEMO**

For nearly half a decade, Nigeria operated an unusual fiscal arrangement. Companies built federal roads and deducted the cost from future tax obligations. The policy appeared pragmatic, infrastructure improved without immediate public borrowing, and corporate Nigeria gained predictable logistics assets around production corridors.

Yet the state quietly surrendered something more fundamental than revenue timing, it surrendered fiscal hierarchy.

The tax credit scheme blurred a boundary central to public finance, the separation between collecting money and deciding how it is spent. By allowing companies to offset taxes against infrastructure they selected, government ceded appropriation discretion to private balance sheets. In effect, firms were choosing which public goods deserved funding.

Zacch Adedeji's explanation was less about engineering roads and more about restoring fiscal sovereignty. "Appropriation is not part of the remits of the Nigeria Revenue Service," he argued, noting that tax receipts belong to the federation pool before any spending decision. His question, "who says that money is yours," reframes taxation as collective entitlement rather than negotiable liability.

The deeper issue was not legality alone but economic signalling. When firms substitute taxes with projects, infrastructure allocation follows industrial geography rather than national planning. Roads gravitate toward factories, ports and extraction zones, not necessarily toward social connectivity or regional balance. Efficiency im-



Dr. Zacch Adedeji, Executive Chairman of NRS

proves for producers but planning coherence weakens for the state.

The scheme's defenders emphasised delivery speed. Bureaucracy slows procurement, private firms build faster. That argument is operationally correct but fiscally incomplete. Speed achieved by decentralising appropriation fragments public investment strategy. Government ceases to coordinate infrastructure as a network and instead supervises it as a collection of negotiated offsets.

Ending the scheme therefore signals a re-centralisation of fiscal authority. Taxes become taxes again, not negotiable instruments convertible into corporate infrastructure portfolios. The state regains control over sequencing, geographic equity and sectoral priorities.

However, the decision also removes a mechanism that temporarily compensated for weak capital budgets. Nigeria's infrastructure deficit did not shrink because planning improved, it shrank because firms funded assets they depended on. Removing the scheme without strengthening public capital execution risks returning to slower project delivery.

The policy is thus less a rejection of private participation and more a rejection of private appropriation power. Public-private partnerships remain possible, but they must operate through contracts, concessions and budget transparency rather than tax substitution.

Nigeria has effectively chosen fiscal clarity over delivery convenience. The question now becomes whether institutional capacity will replace corporate urgency.

**DATA BOX**

**Scheme Start:** 2019

**Structure:** Companies build roads, offset costs against Company Income Tax

**Major Participant:** NNPCCL financed over 21 projects covering more than 1,800 km

**Other Participants:** Dangote Group, BUA Group, MTN Nigeria, NLNG, Access Bank, Transcorp, Mainstream Energy, GZI Industries, Lafarge, Unilever, Flour Mills

**Planned Duration:** 10 years

**Policy Status:** Discontinued before completion

**WHO WINS / WHO LOSES**

**Wins**

Federal fiscal authority and budget integrity  
Subnational equity in infrastructure allocation  
Treasury revenue predictability

**Loses**

Corporates relying on logistics-linked infrastructure control  
Fast-tracked road delivery around industrial corridors  
Hybrid public-private spending flexibility

**POLICY SIGNALS**

Return to orthodox public finance structure  
Reassertion of FAAC primacy over distributable revenues

Preference for PPP concessions over tax substitution

Shift from opportunistic infrastructure to planned infrastructure

**INVESTOR SIGNAL**

Investors should interpret the decision as institutional consolidation rather than hostility to private capital. Nigeria is narrowing participation channels to formal concession frameworks. Infrastructure investment will likely migrate toward structured PPPs, infrastructure funds and availability-payment models instead of tax offsets.

Predictability improves in fiscal accounting, but execution risk rises until procurement capacity strengthens.

**RISK RADAR**

Short-term infrastructure slowdown as projects transition

Budget pressure from full cash funding obligations

Potential disputes over ongoing projects financed under the old scheme

Private sector reluctance if alternative PPP frameworks remain slow

Public expectation gap if road delivery declines after policy change.

# Nigeria Caps Fibre Ownership At 49% As Execution Becomes The Real Deal

● The Government Takes A Minority 49 Percent Stake In The \$2bn Bridge Fibre Project, Leaving Execution To Private Investors To Expand Broadband To 33 Million Nigerians

By Johnson Emmanuel

Nigeria has initiated the financial advisory process for the \$2 billion Building Resilient Digital Infrastructure for Growth (BRIDGE) Project, a nationwide plan to deploy 90,000 kilometres of fibre-optic cable backed by the World Bank. Under the financing agreement approved by the Bank, the federal government will retain a minority 49 percent equity stake in a privately managed project company, while operational control rests with private investors. The project targets broadband expansion to 33 million Nigerians currently offline across all 774 local government areas.

## DECISION HIGHLIGHT

**Project:** BRIDGE – Building Resilient Digital Infrastructure for Growth

**Financier:** World Bank via International Development Association

**Total Project Size:** ~\$2bn

**Approved IDA Credit:** \$500m (concessional)

**Government Equity:** 49% (minority)

**Private Control:** 51% with operational authority

**Implementing Vehicle:** Special Purpose Vehicle (SPV), pending formation

**Equity Holder:** Ministry of Finance Incorporated

**Board Approval Date:** October 8, 2025

**Agreement Signed:** December 30, 2025

## MEMO

The BRIDGE Project represents a deliberate recalibration of how Nigeria approaches national infrastructure ownership. Rather than full state control or outright privatisation, the government has chosen a capped minority position, embedding itself as a shareholder without operational dominance. This structure reflects lessons from past public infrastructure failures, where execution risk, not policy intent, undermined outcomes.

The financing agreement dated January 20, 2026 confirms that the Federal Government's participation will be channelled through MOFI, which will exercise shareholder rights and safeguard alignment with national objectives, while private investors manage deployment. A spokesperson for the Ministry of Communications, Innovation, and Digital Economy confirmed that the transaction advisory process is near completion, after which the SPV will be formed and deployment will commence. "The government's role is as a minority shareholder," the spokesperson said, signalling a clear separation between ownership and execution.

The mechanics are tightly sequenced. The \$500 million IDA credit is disbursed in five tranches, beginning with \$150 million for initial equity capitalisation. Subsequent releases are tied to measurable deployment milestones, 5,000 km, 20,000 km, and 40,000 km of fibre, culminating in the launch of wholesale open-access services. This milestone-linked design is intended to discipline execution and prevent front-loaded funding without delivery.

Yet the scale exposes the fault lines. Rolling out 90,000 km of fibre across 774 LGAs is as much a governance challenge as an engineering one. Nigeria's telecom history is littered with underutilised assets, right-of-way disputes, vandal-

ism, and coordination failures between federal, state, and local authorities. The BRIDGE Project's open-access model, offering wholesale capacity to licensed operators, addresses duplication risk, but does not eliminate political and operational friction on the ground.

Environmental and social safeguards add another layer of complexity. The agreement mandates strict compliance with an Environmental and Social Commitment Plan, covering community engagement, grievance redress, and gender-based violence prevention. While these safeguards strengthen legitimacy, they also lengthen timelines and raise compliance costs, testing the private operators' appetite for patient capital.

Financially, the concessional terms are favourable. The IDA credit carries a maximum commitment charge of 0.5 percent on undisbursed funds, with repayment starting in October 2030 over a 20-year period. However, concessional finance does not neutralise demand risk. Wholesale fibre economics depend on uptake by operators and affordability for end users in regions where purchasing power is weak and power supply unreliable.

## DATA BOX

**Total Fibre Length:** 90,000 km

**Offline Population Targeted:** ~33 million people

**LGAs Covered:** 774

**IDA Credit:** \$500m

**Initial Tranche:** \$150m

**Equity Split:** Government 49%, Private 51%

**Repayment Start:** October 2030

**Tenor:** 20 years

**Commitment Charge:** ≤0.5% per annum

## WHO WINS / WHO LOSES

### Winners:

Private infrastructure operators with opera-

tional control and concessional backing.

Underserved regions, if open-access fibre lowers broadband costs and expands coverage.

### Losers:

State-owned telecom models, sidelined in favour of private execution.

Public credibility, if milestones slip and deployment lags despite funding.

## POLICY SIGNALS

The structure signals a policy shift away from state-led buildouts toward risk-sharing with private capital. It also indicates World Bank influence in enforcing governance discipline through milestone-based disbursements and minority government ownership.

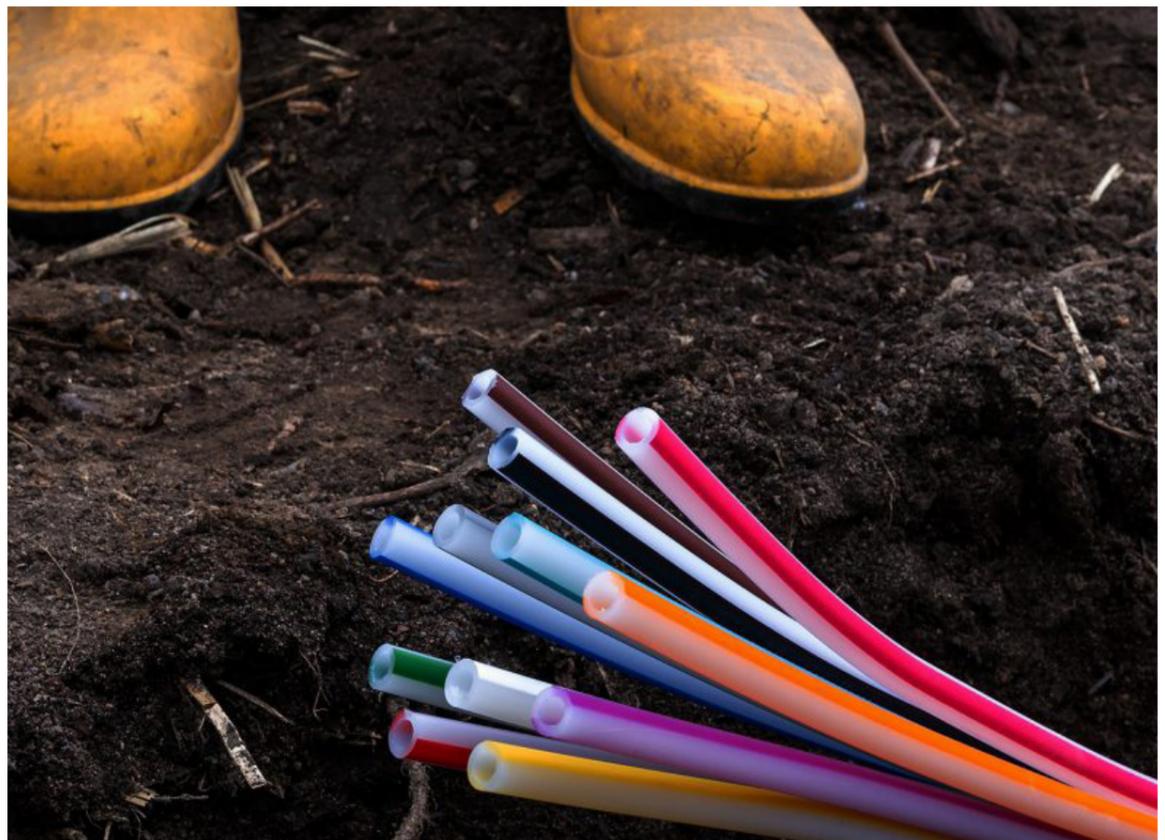
## INVESTOR SIGNAL

For infrastructure investors, BRIDGE is a rare large-scale digital asset with concessional downside protection. However, returns hinge on execution speed, regulatory coordination, and wholesale demand. The 49 percent government stake reduces expropriation risk but does not remove political friction.

## RISK RADAR

Key risks include right-of-way bottlenecks, security and vandalism, intergovernmental coordination failures, and slower-than-expected operator uptake. There is also sequencing risk, capital may be available before local conditions are ready to absorb the infrastructure.

Nigeria's decision to cap its ownership at 49 percent is a structural acknowledgment of past failures. Whether BRIDGE becomes a national digital backbone or another partially delivered ambition will depend less on financing sophistication and more on the discipline to execute across terrain, politics, and time.



# Nigeria–Benin Talks Seek Cooperation Without Opening Markets

By Kingsly Ani

Nigeria and the Republic of Benin have begun formal negotiations toward an enhanced economic cooperation Memorandum of Understanding (MoU) through a joint inter-ministerial committee and technical working group in Abuja.

The Ministry of Industry, Trade and Investment says the framework will address trade facilitation, investment promotion, customs management and value chain development, while deliberately excluding tariff liberalisation and market access concessions.

## DECISION HIGHLIGHT

**Decision:** Launch of structured bilateral economic cooperation negotiations

**Actors:** Governments of Nigeria and Benin Republic

**Instrument:** Non-binding Memorandum of Understanding

**Scope:** Trade processes, border management, industrial collaboration, standards alignment

**Restriction:** No tariff reduction or market access commitments

**Policy Objective:** Expand commerce while protecting domestic strategic industries

## MEMO

Nigeria is attempting a familiar but historically difficult balancing act, integration without exposure.

Cross border trade with Benin has long functioned as both opportunity and vulnerability. The corridor supports legitimate regional commerce yet simultaneously channels re exports and informal imports into Nigeria’s consumer market. Past policy cycles oscillated between openness and border closure because economic cooperation repeatedly collided with domestic industry protection.

The current negotiation signals a third approach, procedural integration rather than market integration.

Dr. Jumoke Oduwole, Honourable Minister of Industry, Trade and Investment, emphasised the proposed framework is not a free trade agreement and must protect strategic industries. That clarification is central. Nigeria is acknowledging that regional economic geography cannot be ignored but also that tariff liberalisation without production capacity weakens domestic manufacturing. The MoU therefore targets friction reduction rather than competition expansion.

Instead of lowering duties, the countries intend to align documentation, customs processes and standards. In economic terms, Nigeria is choosing to improve how goods move rather than how many goods enter. The state is attempting to capture efficiency gains while containing import displacement.

This distinction reflects lessons from earlier trade liberalisation episodes where administrative weaknesses allowed transshipment through neighbouring ports to undermine local producers. The policy now recognises that borders in West Africa are administrative systems as much as physical boundaries. Cooperation becomes a tool for enforcement, not merely access.

The creation of a technical working group also suggests a shift from political declarations to operational design. Previous bilateral an-



Dr. Jumoke Oduwole, Honourable Minister of Industry, Trade and Investment,

nouncements often collapsed at implementation because agencies interpreted commitments differently. A zero-draft document as negotiation basis implies Nigeria wants definitional precision before obligation.

However, the approach carries inherent tension. Trade facilitation naturally increases volume. Even without tariff reductions, smoother logistics can expand imports faster than exports if production competitiveness remains uneven. Nigeria is therefore relying on institutional coordination to achieve what tariffs once attempted to guarantee.

Ambassador Nura Rimi described the objective as development focused and implementable. The phrase “implementable” indicates recognition that regional agreements frequently fail not from disagreement but from administrative incompatibility. Harmonising inspection procedures, certification standards and border data systems is technically complex but economically decisive.

The talks also reflect broader regional politics. The African Continental Free Trade Area (AfCFTA) encourages integration, yet Nigeria continues to prioritise industrial policy. This bilateral format allows selective cooperation without committing to full openness. It is integration on negotiated terms rather than automatic reciprocity.

Ultimately the framework attempts to transform the Nigeria Benin border from a leakage point into a managed trade channel. Success depends less on the wording of the MoU than on daily coordination between customs authorities who historically operated with different incentives.

## DATA BOX

**Instrument:** Non-binding bilateral economic cooperation MoU

**Coverage Areas:** Trade facilitation, customs management, standards, investment promotion

**Exclusions:** Tariff liberalisation and market access commitments

**Precedent Engagements:** West African Economic Summit June 2025, ministerial visit July 2025

**Current Stage:** Zero draft under negotiation

## WHO WINS / WHO LOSES

### Wins

- Formal traders benefiting from predictable border procedures
- Manufacturers seeking protection without isolation
- Governments aiming for controlled regional commerce

### Losses

- Arbitrage traders dependent on regulatory gaps
- Smuggling networks exploiting policy asymmetry
- Import substitution strategies relying solely on border restrictions.

## POLICY SIGNALS

- Shift from border closure to coordinated border management
- Preference for administrative harmonisation over tariff liberalisation
- Selective regional integration aligned with domestic industrial policy
- Movement toward enforceable rather than declaratory agreements.

## INVESTOR SIGNAL

Investors should read the framework as gradual regulatory stabilisation along a critical West African trade corridor. Logistics, warehousing and compliance services may benefit from clearer procedures, while pure import arbitrage models face tighter scrutiny.

## RISK RADAR

- Implementation gaps between policy intent and border practice
- Trade volume increases outpacing domestic production capacity
- Institutional rivalry between customs authorities
- Political pressure if cooperation is perceived as hidden liberalisation

# Nigeria Hands Over Africa Energy Bank HQ, Positioning Continent For \$5bn Energy Push

● Nigeria Hosts AEB HQ, Positioning The Continent For Energy-Led Industrial Growth, Financing Autonomy



Nigeria's leadership in hosting the bank reinforces its position as a continental energy hub. The country has provided financial, logistical, and infrastructural support, ensuring that the bank launches with a fully operational headquarters and governance framework. Once operational, the bank will establish shareholder structures, appoint management and board members, and recruit staff in line with best practices.

#### DATA BOX

**Headquarters:** Abuja, Nigeria, fully furnished and funded

**Launch Window:** April–June 2026

**Investment Capital:** \$5 billion

**APPO Member States:** 18

**Primary Functions:** Energy financing, oil and gas development, industrialization support

**Key Partners:** APPO (strategy), Afreximbank (technical execution)

**Nigeria's Contribution:** HQ procurement, funding, furnishing, regulatory facilitation

#### WHO WINS / WHO LOSES

##### Winners:

- Nigeria, cementing its role as a continental energy leader
- African oil and gas projects accessing stable, indigenous financing
- APPO member states gaining greater financial autonomy

##### Losers:

- External financiers with limited influence over African energy policy
- Projects lacking domestic or continental backing struggling to secure funding

#### POLICY SIGNALS

The launch signals a strategic shift toward African-led energy financing. Governments may increasingly rely on indigenous institutions to fund exploration, production, and infrastructure projects rather than external lenders. Strong governance and operational transparency will be essential for the bank to sustain confidence among member states and investors.

#### INVESTOR SIGNAL

Investors should expect coordinated, continent-wide financing with structured governance. The bank's early-stage operations will likely emphasize public-private partnerships, with returns tied to project execution and regional integration rather than speculative energy markets.

#### RISK RADAR

- Operational risk during initial setup and staffing
- Concentration on oil and gas projects; diversification into renewables may take time
- Dependence on APPO and Afreximbank for early governance and technical expertise

The AEB represents more than symbolism. It is a response to structural gaps in financing that have historically constrained Africa's energy ambitions. By leveraging local leadership, financial sovereignty, and strategic partnerships, Nigeria and APPO aim to ensure that energy development supports industrialization, economic freedom, and continental energy security.

By Ayo Susan

Nigeria has cleared the final hurdle in establishing the Africa Energy Bank (AEB), formally handing over a fully furnished headquarters in Abuja to the African Petroleum Producers' Organisation (APPO). The move sets the stage for the launch of the \$5 billion institution, expected to begin operations between April and June 2026, and signals a new phase of African-led financing for oil and gas development.

#### DECISION HIGHLIGHT

**Source:** Nigerian Ministry of Petroleum Resources / APPO

**Timeframe:** Handover – February 2026; Launch – April–June 2026

**Investment Capital:** \$5 billion

**Geographic Scope:** Entire African continent; 18 APPO member states directly

**Strategic Focus:** Oil and gas development, energy security, industrialization

**Nigeria's Role:** Host country; fully funded and furnished HQ; regulatory facilitation

**Key Partners:** APPO (strategic direction), Afreximbank (technical and operational expertise)

#### MEMO

Nigeria's handover marks the completion of host-country obligations, resolving one of the last practical obstacles to the bank's launch. According to Honourable Minister of State for Petroleum Resources, Mr. Heineken Lokpobiri, two earlier proposed sites were rejected over size and location concerns before the current Abuja headquarters was secured, paid for, and

fully furnished. "Today, Nigeria has made all our commitments. The last was this bank," Mr. Lokpobiri said.

The AEB is designed to address the chronic financing gaps that have long constrained Africa's energy sector. External financing cycles are often unpredictable and politically influenced, and global pressures have at times restricted fossil fuel development on the continent despite Africa's minimal contribution to global emissions. By establishing a locally governed bank, APPO and its partners aim to provide stable, continent-wide financing that prioritizes energy access, industrialization, and economic sovereignty.

"This bank will service not just APPO member countries but the entire continent," Mr. Lokpobiri said. "Africa faces a challenge in finance...we are victims of global emissions pressures, yet energy poverty persists. The Africa Energy Bank changes that."

APPO President for 2026, Mamadou Sangafowa-Coulibaly of Côte d'Ivoire, highlighted the partnership with Afreximbank as critical to operational success. Afreximbank brings experience managing continental financial institutions, while APPO provides strategic oversight aligned with the energy needs of member states and the broader continent.

Farid Ghezali, APPO Secretary-General, framed the bank as a tangible step toward energy independence. "Africa cannot depend solely on external financing cycles that are unpredictable and politically driven," he said. "This institution is about economic and energy sovereignty - every drop of oil and every BTU of gas matter for industrialization and economic freedom."

# Nigeria's Fintech Moment Is Real, But Regulation Is Still the Bottleneck

● **CBN Positions Fintech As A Strategic Pillar For Growth, But Regulatory Delays And Compliance Costs Remain The Sector's Biggest Bottlenecks**

By Ogbuefi O. Emelike

The Central Bank of Nigeria (CBN) has formally repositioned fintech as a strategic pillar of national economic transformation, releasing a comprehensive 2025 policy insight report that frames the country not just as Africa's largest fintech market, but as a potential global rule-setter in digital finance. Yet beneath the optimism, the data reveals a harder truth. Innovation is scaling faster than regulatory clarity, and compliance friction is now one of the biggest constraints on growth.

**DECISION HIGHLIGHT**

**Decision Type:** Regulatory direction-setting  
**Decision Authority:** Central Bank of Nigeria  
**Policy Instrument:** Fintech Policy Insight Series 2025  
**Core Objective:** Balance innovation, inclusion, and financial integrity  
**Implicit Trade-off:** Speed-to-market versus systemic stability

**MEMO**

The Central Bank of Nigeria's fintech report is not a celebratory document, it is a warning wrapped in confidence. On the surface, the numbers are impressive. Nigeria processed close to 11 billion real-time payment transactions in 2024, more than double 2022 volumes. Real-time payments now account for over a quarter of all electronic transactions, placing Nigeria among the most mature instant-payment markets globally. But scale has changed the problem. Fintech is no longer peripheral. It is now infrastructure, and infrastructure failures carry systemic risk. The report's most consequential insight is not about growth, but friction. Nearly 63 percent of fintech firms say regulatory timelines materially delay product launches. Over a third require more than twelve months to bring new products

to market, an eternity in a sector defined by iteration. Compliance costs are no longer marginal, with 87.5 percent of firms reporting that regulatory and risk requirements materially reduce their capacity to innovate.

This creates a paradox. Nigeria wants to lead globally, but its domestic operating environment still behaves like fintech is experimental rather than structural. The CBN acknowledges this disconnect, conceding that regulatory ambiguity, overlapping mandates, and supervisory capacity gaps are now binding constraints.

Mr. Olayemi Cardoso, Governor of CBN, frames the challenge clearly in the report, arguing that innovation must advance alongside integrity, not ahead of it. That framing is correct, but incomplete. Integrity without execution speed risks pushing innovation offshore, while innovation without clarity creates reputational risk the system can no longer absorb.

The report also exposes a capital problem hiding behind regulation. Fintech funding remains highly exposed to foreign capital cycles. As global rates rose, investment slowed. Over a third of surveyed firms describe access to capital within Nigeria as difficult, reinforcing the argument that domestic capital markets are not yet structured to support fintech at scale.

Where the report is most forward-looking is in its embrace of shared infrastructure. Proposals for compliance-as-a-service, regulatory sandboxes that evolve into live pilots, and a single regulatory window reflect an understanding that Nigeria cannot regulate fintech using fragmented, analogue-era tools.

Yet these remain proposals. The credibility gap is execution.

Nigeria exited the FATF grey list, strengthened AML supervision, and improved KYC enforcement. These are real wins. But they also raise the bar. A country that claims rule-setter status will be judged not by frameworks announced, but by friction reduced.

**WHO WINS / WHO LOSES**

**Winners:**

- Large, well-capitalised fintechs able to absorb compliance costs
- RegTech and SupTech providers positioned as shared utilities
- Jurisdictions offering faster regulatory pass-

DATA BOX

- Real-time payment transactions (2024): ~11 billion
- Share of electronic transactions via instant payments: >25%
- Fintechs reporting compliance costs limit innovation: 87.5%
- Firms citing regulatory delays as major constraint: 62.5%
- Firms taking over 12 months to launch products: 37.5%
- Nigerian startups' share of African VC funding (2024): ~\$520m of \$2.2bn

Source: CBN's fintech report

porting for Nigerian firms

**Losers:**

- Early-stage fintechs with limited compliance budgets
- Consumers facing slower rollout of innovative products
- Nigeria's ambition to export fintech leadership at speed

**POLICY SIGNALS**

- Regulation is shifting from permissive to structural
- Supervisory technology will replace manual oversight
- Compliance burden will increasingly be shared, not individual

**INVESTOR SIGNAL**

Nigeria's fintech ecosystem remains fundamentally strong, but regulatory execution risk is now as material as market risk. Capital will favour firms that align early with compliance-by-design models and can navigate prolonged approval cycles without burning growth.

**RISK RADAR**

- Regulatory fatigue if timelines are not shortened
- Innovation leakage to faster jurisdictions
- Reputational risk from compliance gaps at scale
- Capital flight if domestic funding structures remain weak.



L-R: Mr. Olayemi Cardoso, Governor of CBN with another stakeholder.

# ... Recognition For Fela Highlights Nigeria's Growing Creative Economy

CONT. FRM PG 1

**MEMO**

The Grammy decision does not create value in isolation. It legitimises value that the market is already pricing in real time. In 2024 alone, Nigerian artists generated over N58 billion in streaming royalties from Spotify, driven largely by international listeners. That figure represents a 203 percent increase year on year, emphasizing how quickly Afrobeats has moved from cultural export to revenue engine.

This modern revenue surge gives Fela's recognition sharper economic meaning. Afrobeat is no longer simply a historical influence or movement. It is the intellectual foundation of a genre that generated an estimated \$100 million in global revenue in 2023 across streaming, touring, and ancillary income. The Grammy award effectively links today's earnings cycle to a validated lineage, reinforcing the idea that Nigerian music is not a trend but a durable system.

The distribution of that value, however, remains uneven. Despite headline figures, industry estimates suggest that less than half of streaming revenue generated by Nigerian artists ultimately reaches Nigeria. Weak payment infrastructure, offshore rights administration, and fragmented royalty collection mean that global platforms monetise Nigerian creativity more efficiently than domestic systems capture it. The result is scale without full retention.

Artist-level data illustrates both the opportunity and the imbalance. Projections for 2025 place Burna Boy, Wizkid, and Davido among the continent's top earners, with estimated total revenues of \$17.5 million, \$17.1 million, and \$13.5 million respectively, combining streaming and touring. On Spotify alone, Wizkid is estimated to earn roughly \$1 million per month, while Burna Boy generates about \$782,000 monthly. These are global-scale numbers, yet they rely heavily on foreign platforms and markets.

Live performance remains the financial backbone. Approximately 66 percent of artist income still comes from shows and touring, while digital streaming accounts for about 30 percent. This mix highlights both resilience and vulnerability. Touring delivers cash flow, but it is volatile and artist-dependent. Streaming offers recurring income, but only when rights management and payment channels function properly.

Within this context, Fela's Grammy recognition takes on structural significance. His catalog, ideology, and performance spaces represent legacy intellectual property that can generate sustained returns through licensing, tourism, archives, and education. Lagos, in particular, stands to benefit if cultural infrastructure around Fela's legacy is treated as economic capital rather than symbolism.

For today's artists, the message is practical rather than impractical. Long-term ownership matters. Recognition increasingly follows bodies of work that can compound in value. Fela did not design his career for awards, yet his music now anchors a genre generating billions of streams globally. That arc reframes how Nigerian creatives should think about rights, catalogs, and longevity.

**WHO WINS / WHO LOSES**

**Winners:**



Photo: credit: AFP/Getty Image

- Top-tier Nigerian artists with global touring and streaming reach.
- International platforms monetising Afrobeats at scale.
- Lagos as a potential cultural-tourism hub anchored by legacy acts.

**Losers:**

- Domestic royalty systems unable to capture full value.
- Mid-tier artists without touring leverage.
- Local institutions slow to formalise creative asset management.

**POLICY SIGNALS**

The convergence of legacy recognition and modern revenue strengthens the case for creative-economy reform. Priorities include enforceable rights management, improved payment infrastructure, and national archives that protect catalogs as long-term assets. Without these, growth will continue to outpace domestic benefit.

**INVESTOR SIGNAL**

Nigerian music is proven demand, not speculative growth. Investors should expect stable streaming expansion, continued touring dominance, and rising interest in catalogs and heritage assets. Returns will depend less on virality and more on ownership structure and rights control.

**RISK RADAR**

Value leakage remains the central risk. As revenues grow, so does the cost of weak infrastructure. Without systemic fixes, global earnings will

rise while local compounding remains limited.

Fela's Grammy recognition closes a historical loop. Afrobeat has moved from resistance to revenue, from ideology to industry. The unresolved question is whether Nigeria will now build the systems required to keep more of that value at home, rather than exporting both culture and cash.

**DECISION HIGHLIGHT**

- **Award:** Grammy Lifetime Achievement Award
- **Recipient:** Fela Anikulapo Kuti (posthumous)
- **Firsts:** First African recipient since the award's inception in 1963
- **Contemporary Context:** Afrobeats global streaming and touring boom
- **Spotify Royalties (2024):** N58bn+ (\$37.5m-\$38m) earned by Nigerian artists
- **YoY Growth:** +203% compared to 2023
- **Structural Lens:** Legacy validation meets modern revenue scale

# ... Livestock Reform Shifts From Plans To Practical Delivery

CONT. ON PG 15

The sub-committee supports a high-level NEC committee chaired by the Governor of Kebbi State, Dr Nasir Idris, and made up of governors from all six geopolitical zones, relevant ministers, and members of the Presidential Committee on Livestock Development. According to Sen. Bagudu, the technical structure was created to keep work moving, given the limited availability of governors and the urgency of reform.

He said the focus was not on producing new policy documents, but on distilling existing work into practical steps that can be implemented without delay. He described President Bola Tinubu's personal involvement, including chairing the Presidential Committee on Livestock Development and approving a stand-alone Ministry of Livestock Development, as evidence that livestock is now being treated as a core economic sector rather than a marginal agricultural activity.

At the same time, a separate but related intervention is taking shape outside government.

At the NIRSAL Auditorium in Abuja, ABIS Group recently held a technical validation session for its Livestock Academy curriculum. Regulators, industry operators, financiers, and development partners reviewed the programme, which is designed to build practical skills and enforce standards across livestock production, processing, food safety, and related services.

The stated objective is not basic training, but workforce rebuilding, aimed at improving productivity, food safety, import substitution, and export readiness.

**MEMO**

Nigeria's livestock challenges are often discussed in terms of conflict, grazing routes, or infrastructure. The NEC sub-committee and the ABIS Livestock Academy present a different view. They frame the problem as one of weak coordination at the policy level and weak skills and compliance capacity at the operational level.

The NEC intervention focuses on alignment. Agriculture and food security are shared responsibilities across federal, state, and local governments. By working through the National Economic Council and the Ministry of Budget and Economic Planning, the government is trying to align planning, budgets, and programmes, rather than allowing states and agencies to operate separately.

Sen. Bagudu noted that once the NEC adopts a clear livestock roadmap, states and local governments will find it easier to mobilise funding and attract development partners and private investors. Existing platforms such as the World Bank-supported Livestock Productivity and Resilience Support Project, NG-CARES, the Nigeria for Women Programme, and the Renewed Hope Ward-Based Development Plan provide channels for delivery, but only if coordination improves.

The ABIS Livestock Academy addresses a different gap. Speaking at the validation session, ABIS Group co-founder Dr Iliyasu Gashinbaki said the Academy aims to produce a competent and compliant livestock workforce that can support food security, improve public health, and compete in regional and global markets.

The curriculum avoids a single-track approach. Short courses are designed for smallholders and new entrants. Applied certificates target supervisors and enterprise operators. Professional certifications are aimed at senior managers, policymakers, and consultants. Across all levels, the focus is on practical skills linked to recognised standards

**DECISION HIGHLIGHT**

**Decision Type:** Policy coordination and skills development intervention

**Promoters:** Federal Government of Nigeria and ABIS Group

**Instruments:**

- NEC Technical Sub-Committee on Livestock Development
- Tiered livestock training and certification academy

**Target sectors:** Livestock production, processing, food safety, halal markets, agribusiness services

**Policy alignment:** Food security, import reduction, public health, export readiness

Execution status: NEC sub-committee inaugurated, Academy curriculum validated, regulatory engagement pending

in animal health, food safety, quality control, and agribusiness management.

This reflects a clear reading of the sector's weaknesses. Nigeria does not only lack producers or processors. It lacks trained middle-level managers, compliant operators, and professionals who understand regulatory and export requirements. Without this layer, enforcement is weak, investments struggle, and access to higher-value markets remains limited.

The Academy's development process has involved expert input, sector reviews, peer review, and technical validation. The next phase is regulatory engagement. Without formal recognition, certification will have limited value. With it, the Academy could become a practical support structure for national livestock reform.

ABIS Group's existing operations add weight to

CARES, Renewed Hope Ward-Based Development Plan

**WHO WINS / WHO LOSES**

**Winners:**

- States that align livestock plans with national policy and funding
- Young Nigerians entering the livestock economy through structured training
- Regulators seeking better compliance capacity
- Export-oriented processors and halal market participants
  - Investors looking for clearer policy and lower execution risk

**Losers:**

- Informal operators resistant to standards and traceability
- Rent-seeking intermediaries benefiting from weak enforcement
- Import-dependent supply chains exposed by local capacity growth

**POLICY SIGNALS**

Both developments point to a shift in how livestock is treated. It is moving away from social welfare and crisis management toward regulation, planning, and market discipline. The combination of NEC-led coordination and skills-based private sector intervention suggests stronger inter-agency and public-private alignment than in previous reform efforts.

**INVESTOR SIGNAL**

Policy clarity and workforce quality are being treated as economic infrastructure. For investors, this reduces uncertainty, improves compliance, and supports more stable operations across processing, logistics, and export platforms.

**RISK RADAR**

- Delays in NEC roadmap approval
- Slow regulatory recognition of certification
- Weak enforcement across states
- Political transitions disrupting continuity
- Limited integration of smallholders

Nigeria's livestock reform is entering a more serious phase. Policy coordination is taking shape at the centre, while skills and standards are being built along the value chain. If delivery holds and institutions follow through, livestock could finally evolve into a disciplined, investable sector rather than a recurring policy challenge.



Senator Abubakar Bagudu, Honourable Minister of Budget and Economic Planning

the initiative. The company processes about 220 cattle and 3,000 poultry daily in Lagos and plans larger facilities in Abuja and Plateau State. Embedding training within an active industrial environment strengthens relevance but also raises expectations around governance and results.

**DATA BOX**

- Lagos processing capacity: 220 cattle, 3,000 poultry daily
- Abuja facility (planned): 1,000 cattle, 400-600 tons of poultry daily
- Plateau State facility: 500 cattle, 300-400 tons of poultry daily
- Training structure: Short courses, applied certificates, professional certifications
- Policy platforms: NEC roadmap, L-PRES, NG-

## Bankable or Borrowable Nigeria's Infrastructure Pact Weighs Whether Reform Finally Means Preparation



## THE CLOSING BELL *With* Enam Obiosio

I have long believed that Nigeria does not primarily suffer from a shortage of money. It suffers from a shortage of preparation. For decades, the country has searched the world for capital, negotiated loans, courted investors and announced partnerships, yet infrastructure deficits persist with stubborn consistency. Roads stall, power projects wobble, rail lines overrun budgets and hospitals decay faster than they are commissioned. The signing of a cooperation agreement between the federal government and the International Finance Corporation (IFC) therefore interests me not because it promises funding, but because it promises something Nigeria rarely institutionalises, project credibility.

The agreement, signed in Abuja with the participation of senior economic officials and the World Bank Group's private sector arm, is designed to accelerate the delivery of bankable infrastructure and mobilise private capital. The wording matters. Bankable infrastructure is not infrastructure that merely exists on paper or in political speeches. It is infrastructure whose technical, legal, environmental and financial assumptions have survived scrutiny. Investors do not fund ambition. They fund certainty.

For years Nigeria has tried to leap directly from political intention to financial closure. Governments announce megaprojects before feasibility studies are complete. Cost assumptions shift midstream. Regulatory responsibilities overlap. Risk allocation becomes unclear. By the time lenders arrive, the project itself is still negotiating with reality. Capital retreats not because Nigeria lacks potential but because uncertainty is priced as risk and risk is priced as exit.

I interpret this partnership as an admission, perhaps the most important one in recent reform discourse, that preparation is the real bottleneck. Senator Abubakar Bagudu, Honourable Minister of Budget and Economic Planning, framed it as the creation of credible investment ready projects across sectors from rail and energy to water and healthcare. I read that statement less as an ambition and more as a correction. Nigeria is attempting to move from announcing projects to engineering them.

This distinction reshapes the economics of development. Traditional public infrastructure relies on sovereign borrowing. Government estimates demand, borrows money, builds assets and absorbs inefficiencies. But Nigeria's fiscal space is narrowing. Debt service competes with social spending. Revenue volatility makes long-term borrowing politically fragile. Private capital therefore becomes necessary not as ideology but as arithmetic.

However, private capital behaves differently from sovereign lending. It does not accept patriotic risk. It does not finance uncertainty for diplomatic goodwill. It seeks predictable cash flows, enforceable contracts and credible dispute resolution. In other words, it requires governance translated into project documentation. This is precisely the gap the IFC claims it wants to close by improving identification, structuring and delivery of high impact projects.

I find the emphasis on structuring particularly re-

vealing. Nigeria's infrastructure failures are rarely purely financial failures. They are design failures. Tariffs are set without cost recovery logic. Demand projections assume economic behaviour that regulation discourages. Land acquisition risks emerge after procurement. Environmental approvals appear after financing. The result is a project that is politically attractive but financially incoherent.

When the IFC speaks about preparing projects capable of attracting investors, it is essentially promising to convert policy aspirations into investment language. Investors read models, not manifestos. They analyse risk matrices, not development rhetoric. The challenge Nigeria faces is not persuading the world that infrastructure is needed. That fact is obvious in a country of over 230 million people. The challenge is persuading capital that the infrastructure will operate predictably after construction.

I also interpret the timing carefully. Nigeria's current reform programme has prioritised macroeconomic stabilisation, exchange rate alignment, subsidy removal and fiscal adjustments. Those reforms were necessary to correct distortions, but they are not growth by themselves. Stabilisation creates the environment in which growth becomes possible. Infrastructure determines whether growth actually occurs.

The partnership therefore attempts to move reform

**Nigeria is attempting to reposition itself from a borrower seeking funds to a project sponsor offering opportunities**

from macroeconomic housekeeping to microeconomic productivity. Without power reliability, logistics efficiency and water security, stabilisation simply produces a balanced but stagnant economy. With infrastructure, stabilisation can produce expansion. The distinction will define whether the reform era becomes remembered as painful adjustment or structural transition.

Yet I remain cautious. Nigeria has signed many agreements before. What determines success is not the signing ceremony but institutional behaviour afterward. Bankability depends on discipline. Governments must resist altering project terms after procurement. Regulators must honour tariff frameworks. Courts must enforce contracts within predictable timelines. Subnational authorities must coordinate rather than duplicate authority. Without these, even well structured projects degrade into uncertainty.

The presence of the health sector in the agreement interests me as well. Infrastructure conversations in Nigeria traditionally focus on roads and power, but social infrastructure carries different economic logic. Hospitals do not always produce immediate cash

flows. They produce welfare and productivity. Structuring them for private participation requires hybrid financing models, viability gap funding and credible insurance systems. If the partnership succeeds here, it signals institutional maturity beyond conventional public works.

The IFC's representatives emphasised Nigeria's youthful population and reform momentum. I interpret this as recognition that demography creates demand but not automatically investment. A large population guarantees usage but not payment. Bankable infrastructure therefore depends on aligning social need with financial sustainability. Tariffs must be affordable yet recover costs. Subsidies must be transparent rather than hidden in fiscal leakage. Otherwise projects attract users but repel investors.

In my view the most consequential element of this agreement is psychological rather than financial. Nigeria is attempting to reposition itself from a borrower seeking funds to a project sponsor offering opportunities. The difference changes negotiation dynamics. Borrowers ask for leniency. Sponsors demand partnership. The credibility of that posture depends on whether project preparation becomes institutional habit rather than consultant driven exception.

If the government internalises these practices, the long-term effect extends beyond individual projects. Pension funds gain investable assets. Insurance firms diversify portfolios. Domestic capital markets deepen. Infrastructure financing shifts from external dependence to internal circulation. The country begins financing itself through structured assets rather than external debt. That transformation, not the projects themselves, is the real prize.

But if preparation remains episodic, the agreement risks becoming another technical assistance initiative whose frameworks dissolve once initial transactions close. Nigeria's history shows that reform success depends less on design than on continuity. Institutions must behave consistently across administrations. Investors price political turnover as risk when policy logic resets every electoral cycle.

I therefore see this partnership as a test of governance maturity. Bankable infrastructure is not built by engineering firms alone. It is built by predictable behaviour over time. The IFC can design templates, but Nigeria must supply credibility repeatedly.

I want the agreement to succeed because it addresses the correct problem. The country's deficit is not opportunity but translation. Nigeria speaks development fluently but investment imperfectly. If this cooperation teaches the state to communicate in enforceable contracts, measurable assumptions and stable policy frameworks, private capital will not need persuasion. It will arrive rationally.

Until then, I interpret the announcement not as financing secured but as responsibility accepted. The government has acknowledged that infrastructure cannot depend solely on borrowing and that reform must produce investable assets. The coming years will reveal whether that acknowledgement becomes practice.