



Financing Mission 300: Bridging Nigeria's Energy Gap Through PPPs

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Imagine an entire continent where half the population lives off-grid. That is exactly what's happening today in Sub-Saharan Africa, where, according to World Bank estimates, 600 million people lack reliable electricity. This severe energy poverty forces communities to rely on inefficient and hazardous alternatives like firewood, charcoal, and polluting generators for basic needs, perpetuating health risks, and environmental damage. The scale of this challenge demands urgent, coordinated action to unlock Africa's development potential.

This is why the World Bank, in response, launched Mission 300 during its 2024 Spring Meetings, an ambitious initiative aimed at providing electricity



access to 300 million Africans by 2030. The program features a joint commitment of 250 million connections from the World Bank and 50 million from the African Development Bank, creating a comprehensive framework for energy access expansion. This collaborative effort brings together key partners including Sustainable Energy for All, the Global Energy Alliance for People and Planet, Rockefeller Foundation, and various private sector actors combining resources and expertise.

Mission 300 represents a transformative opportunity to address Africa's energy crisis through innovative financing, policy reform, and technology deployment. The initiative can catalyze sustainable development by bridging the electricity gap for half of the currently underserved population, while advancing climate goals.

Mission 300's success rests on three critical pillars working in unison. First, development partners mobilising substantial financial resources and technical expertise. Second, Governments committing to meaningful energy sector reforms, which includes modernising regulatory frameworks, improving utility governance, and creating enabling environments for investment. Without these policy improvements, even substantial funding will fail to deliver sustainable electrification at the required scale and pace. Finally, private sector engagement is essential to drive innovation and efficiency. Businesses can invest confidently across the energy value chain - from generation to transmission to last-mile distribution encouraged by both development funding and government reforms. Only through this three-way collaboration can Mission 300 achieve its transformative potential and bring power to 300 million Africans.

The Nigeria Lens

In the heart of Africa's largest economy, darkness persists, over 85 million Nigerians live without electricity, while those connected endure erratic power supply. Businesses lose about \$29 billion annually to a lack of reliable power supply, and households spend fortunes on polluting generators.

Mission 300 presents a transformative moment for Nigeria to revolutionise its energy landscape by addressing historical challenges through strategic infrastructure investments and governance reforms. This initiative creates a framework for sustainable energy access that can power homes, businesses and industrial growth across the nation.

Leveraging this pivotal chance to reshape energy access for millions, Nigeria has crafted its National Energy Compact - a strategic roadmap designed to rapidly expand energy access while guaranteeing affordable, reliable, inclusive, sustainable and clean power solutions for all citizens

Nigeria's National Energy Compact sets ambitious yet achievable targets to transform the nation's energy sector by 2030: accelerating annual electricity access growth from 5% to 9%, expanding clean cooking access from 22% to 25%, and increasing renewable energy's share in the generation mix from 22% to 50%. Achieving these goals will require substantial private sector engagement, with Nigeria targeting US\$15.5 billion in private investments specifically for last-mile electrification.

The Compact includes a time-bound action plan with five key pillars: expanding power generation and investment into transmission and distribution infrastructure at competitive costs; ensuring financially viable utilities; incentivising private sector investment; adopting distributed renewables and clean cooking for last-mile access; and enhancing regional integration benefits.

The Federal Government of Nigeria has acknowledged that achieving universal energy access demands collaborative action, and has therefore invited development partners, philanthropic organisations, private investors, and civil society to unite in this transformative initiative to accelerate energy access nationwide.



For private sector investors to successfully capitalise on this opportunity, three non-negotiable imperatives must guide their approach. First, structuring bankable solar and mini-grid projects requires balancing technical feasibility with investor returns, particularly for the \$15.5 billion private-sector portion. This necessitates robust feasibility studies, blended finance models, and standardised power purchase agreements aligned with Nigeria's Electricity Act reforms. Second, mitigating risks in Public-Private Partnerships (PPPs) and donor-funded initiatives is paramount, given Nigeria's operating environment. Effective safeguards must address currency volatility, fund flow transparency, and community engagement to prevent delays.

Finally, navigating Nigeria's evolving regulatory landscape will prove decisive. Investors must strategically leverage policies like renewable energy Value-Added Tax (VAT) exemptions while complying with local content rules and State-level market liberalisation. Past initiatives demonstrate that overlooking these technical and regulatory nuances can derail even well-funded electrification efforts making expert guidance indispensable for translating commitments into executable projects.

In conclusion, Mission 300 offers Nigeria a historic opportunity to illuminate its future, harnessing the power of public-private partnerships to close the energy gap and drive sustainable growth. By aligning robust financing, strategic reforms, and private sector innovation, Nigeria can not only meet its ambitious 2030 targets but also set a precedent for energy transformation across Africa. Success, however, hinges on meticulous execution, turning commitments into action through collaboration, adaptability, and unwavering focus on the millions still living in darkness.

Reference

**African Development Bank, Building a Global Nigeria
National Energy Compact for The Federal Republic of Nigeria
World Bank Group, Mission 300 is Powering Africa**

For further enquiries on the above and information on how KPMG can assist you, please contact:

Ayo Luqman Salami

Partner & Head
Energy Line of Business (Tax)
KPMG Nigeria
T: + 234 803 402 1015
E: ayo.salami@ng.kpmg.com

Martins Arogie

Partner
Tax, Regulatory & People Services
KPMG Nigeria
T: + 234 703 403 6318
E: martins.arogie@ng.kpmg.com

Oluwabukola Sanni

Manager
Tax, Regulatory & People Services
KPMG Nigeria
T: + 234 805 711 1889
E: oluwabukola.sanni@ng.kpmg.com

Gabriel Mango

Manager
Advisory Services
KPMG Nigeria
T: +234 703 124 6313
E: gabriel.mango@ng.kpmg.com

home.kpmg/ng
home.kpmg/socialmedia



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