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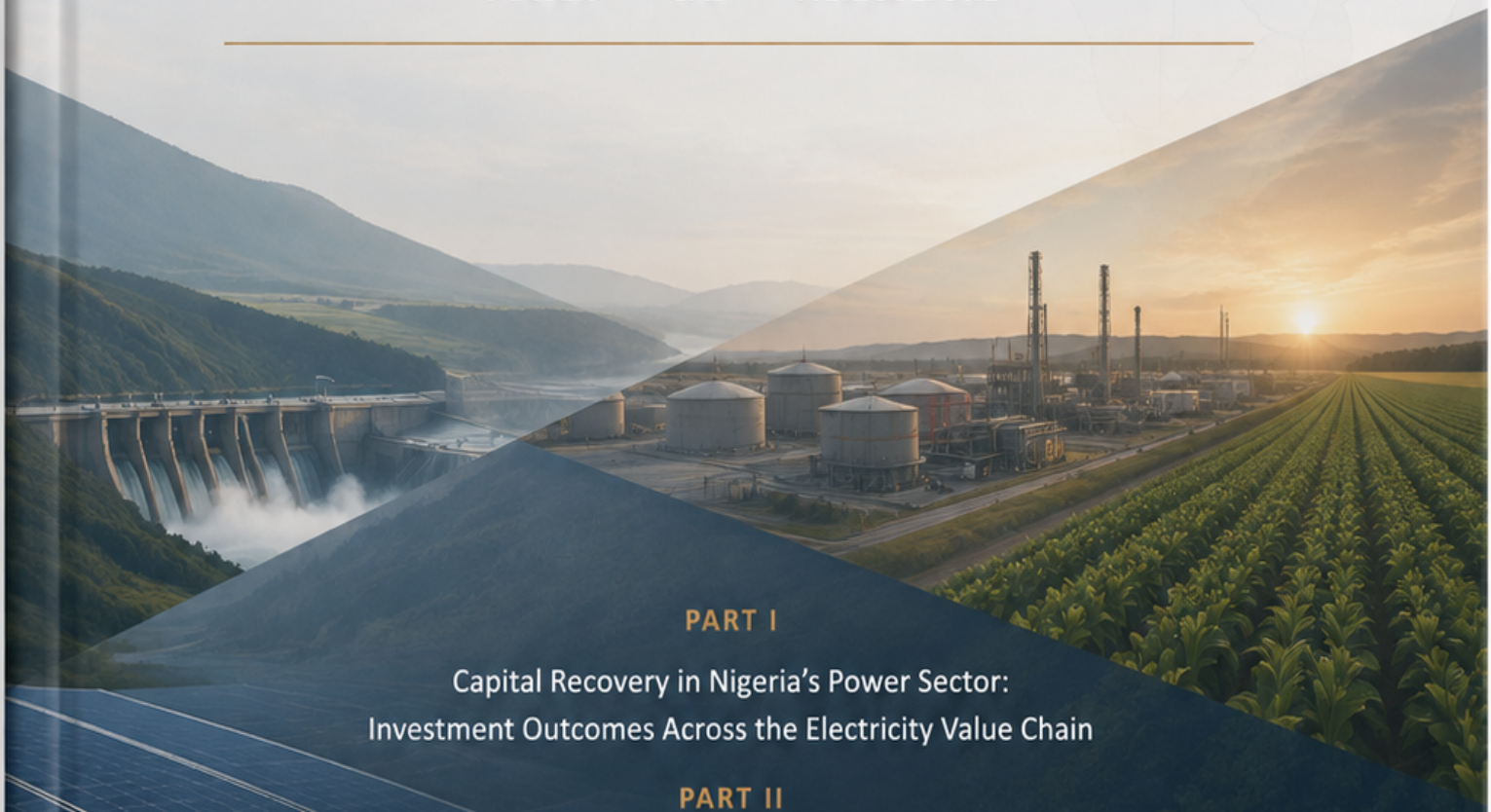
POWER • GAS • AGRICULTURE



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Prepared by Brockville Africa Research

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PART I — POWER

Capital Recovery in Nigeria's Power Sector

Overview

More than a decade after the privatisation of the Nigerian Electricity Supply Industry (NESI), capital is returning to the power sector. Repayment prospects, however, remain uneven and are determined largely by where capital is deployed within the value chain.

For both investors and business owners, the central question is not whether demand exists, but whether revenues are recoverable at the point where debt service and equity returns depend on them. In Nigeria's current market structure, that distinction is critical.

The Core Investment Question

The core investment question is straightforward: through what mechanism, and over what timeframe, can capital be recovered? In the Nigerian power sector, the answer varies materially across generation, transmission, distribution, and distributed energy.

NERC's Q1 2026 market data indicates that the 11 distribution companies received electricity worth ₦907.28 billion but collected only ₦597.55 billion in revenue, implying a system-wide collection efficiency of 65.9%. That gap is commercially significant because it determines whether cash ultimately reaches the institutions responsible for settling market obligations, servicing debt, and generating distributable returns.

The same pattern is visible in transmission performance. In Q1 2026, the Transmission Company of Nigeria recorded transmission losses of 7.96%, above the allowed benchmark of 7.00%, resulting in an estimated additional loss of ₦2.61 billion for the quarter. For capital providers, these are not secondary operating details; they are indicators of recoverability and system efficiency.

Why the Timing Matters

The importance of the current moment is that the data is now specific enough to support more disciplined underwriting. What was previously described in broad terms as sector distress is increasingly measurable in quarterly commercial and operating data.

According to NERC, collection shortfalls in Q1 2026 translated into a value gap of ₦140.64 billion relative to MYTO assumptions. For investors, that matters because a quantifiable risk can be priced, structured around, or avoided; an unquantified risk usually cannot.

Timing also matters because the window for distribution-sector recapitalisation is narrowing. As the electricity distribution licences issued following the 2013 privatisation approach expiry in

September 2028, ownership restructuring, equity injections, consolidations, and selective buyouts are likely to shape which assets remain viable and on what terms.

At the same time, global electricity demand is strengthening. The IEA projects that global electricity demand will grow at an average annual rate of 3.6% from 2026 to 2030, with grids, storage, and delivery infrastructure increasingly acting as the binding constraints on power systems rather than generation alone. That global framing is relevant to Nigeria because the domestic bottleneck is also shifting downstream, from installed generation capacity to the ability to deliver, bill, and recover revenues effectively.

What the Q1 2026 Data Shows

The Q1 2026 results provide one of the clearest recent pictures of where value is leaking across the Nigerian electricity market.

Generation declined during the quarter. NERC reported that electricity output fell by 9.64%, while average available generation capacity fell by 17.45% to 4,457.96 MW from 5,400.38 MW in Q4 2025. The decline affected 20 of the 28 grid-connected plants and was driven primarily by inadequate gas supply to thermal plants, which received less than 43% of required gas volumes.

On the revenue side, the 11 DisCos collected ₦597.55 billion in Q1 2026, equivalent to approximately ₦199.18 billion per month. Eko and Ikeja remained among the stronger performers in revenue recovery despite lower generation and some service constraints, and Eko exceeded 100% collection efficiency in February after recovering outstanding arrears.

The larger issue remains downstream market leakage. Aggregate technical, commercial, and collection losses reached 37.44% in Q1 2026 against a MYTO target of 16.92%, producing a value gap of ₦140.64 billion. DisCos also under-remitted ₦24.95 billion to NBET and the Market Operator, reinforcing the conclusion that the principal financial weakness in the sector lies in collections and settlement rather than in demand alone.

Segment	Key Metric	Q1 2026	Investment Implication
Generation	Output	-9.64%	Gas supply remains the principal operational constraint
Generation	Available capacity	4,457.96 MW	Significant idle capacity
Distribution	Revenue collected	₦597.55bn	Weak cash conversion
Distribution	Collection efficiency	65.9%	Limits debt repayment capacity
Distribution	ATC&C losses	37.44%	Well above MYTO assumption
Market	Under-remittance	₦24.95bn	Weak settlement discipline

Market Context

The broader international backdrop is supportive of electricity investment. The IEA's latest outlook states that global electricity demand is expected to increase at least 2.5 times faster than total energy demand between 2026 and 2030, with average annual growth of 3.6%, around 50% faster than in the previous decade. The report also emphasises that grids and delivery infrastructure have become central constraints in many electricity systems.

For Africa, the IEA projects electricity demand growth of 3.9% per year between 2026 and 2030. Nigeria is expected to grow broadly in line with that continental trend, but the Brockville qualifies the outlook by noting that stronger performance depends on reducing gas supply constraints and achieving fuller recovery of DisCo revenues.

We believe this qualification is central to any Nigerian power investment thesis. Demand is present, but demand growth alone does not resolve the repayment question unless the market can convert electricity delivered into cash collected and cash settled.

Where Capital Is Moving

Recent transactions and funding patterns indicate that capital is not treating all parts of the Nigerian power sector equally. The strongest momentum is in structures that reduce exposure to grid-wide collection weakness.

The Green Finance Investment Facility (GFiF), launched in May 2026 as a $188 million blended-finance platform, is targeting 191 MW of distributed solar and is backed by Barton Heyman Limited, the Rural Electrification Agency, UK PACT, First City Monument Bank, and ARM Harith Infrastructure Investment Limited. Its significance lies in structure: by financing distributed and off-grid assets, repayment is less dependent on the billing and remittance performance of the main grid distribution companies.

Similarly, First City Monument Bank has committed ₦100 billion in debt financing to the DARES programme and is supporting more than eight DARES mini grid developers. This suggests that commercial lenders are willing to underwrite distributed generation and related business models even while remaining cautious on conventional grid exposure. In addition, the Islamic Development Bank is also supporting a 100 MW solar project in Niger State, valued at about $160 million; Niger State recently secured $150 million in IsDB financing for the project, complemented by a $10 million state contribution. The Federal Energy Transition Office has separately indicated that it has mobilised more than $3.6 billion in investment commitments, although that figure appears to reflect pledges and pipeline commitments more than fully deployed, return-generating capital.

Outlook for the Next 12 Months

Over the next 12 months, capital is likely to continue differentiating sharply between investable and non-investable parts of the sector.

Globally, the IEA expects electricity demand growth of 3.6% in 2026 and 3.8% in 2027, with renewables and nuclear together projected to account for half of global electricity generation by 2030. In Africa, the IEA forecasts electricity demand growth of 5.5% in 2026 and 4.4% in 2027, continuing an acceleration from 5.2% growth recorded in 2025, up from 4% in 2024. Broader energy investment on the continent is expected to reach $110 billion in 2026.

In Nigeria, the growth case remains conditional. Tariff reforms, including continued migration of more consumers into Band A pricing categories, may improve cost reflectivity; however, tariff adjustments alone are unlikely to resolve market underperformance where service reliability remains inconsistent. For business owners and commercial consumers, this means that pricing reform without delivery reform may deepen pressure for refunds, downgrades, or self-generation rather than restore confidence in grid supply.

The more decisive domestic theme is likely to be DisCo recapitalisation. With current distribution licences due to expire from 2028, the financial position and operational performance of distribution companies are likely to come under greater investor and regulatory scrutiny.

At the same time, sector debt resolution remains incomplete. Although the federal government's proposed bond mechanism is intended to address part of the liquidity challenge affecting generation companies, legacy obligations and subsidy-related exposures remain substantial. This means that balance-sheet repair is still a moving target rather than a completed reform milestone.

Regulatory decentralisation also deserves closer attention. The Electricity Act 2023 permits states to assume a larger role in electricity regulation, and subsequent policy discussion has emphasised both the potential benefits of localised market development and the need for coordination across standards, tariffs, and dispute resolution. As more states develop their own regulatory frameworks, investability will increasingly need to be assessed at subnational, not just national, level.

Off-grid and behind-the-meter capital is therefore likely to retain a relative advantage. Where business models can bypass weak collection channels, they offer clearer repayment pathways and often a more bankable operating case.

Key Risks to the Forecast

The current forecast remains highly contingent on reform execution and commercial discipline.

The first major risk is persistent collection weakness. If the 65.9% recovery rate does not improve materially, liquidity stress will continue to flow upstream from DisCos to GenCos, TCN, and gas suppliers. Any investment whose repayment depends directly or indirectly on DisCo billing remains exposed to that structural constraint.

The second major risk is regulatory fragmentation under the Electricity Act 2023. While decentralisation can support local market development, insufficient coordination between federal and state regulatory systems could create uneven tariff regimes, inconsistent enforcement standards, and less predictable dispute-resolution pathways. For investors, such fragmentation would raise transaction complexity and reduce the predictability required to price long-term infrastructure risk efficiently.

A third risk is that generation constraints linked to gas supply remain unresolved. Q1 2026 performance suggests that plant underperformance was driven less by equipment failure than by inadequate fuel availability. If gas supply remains unstable, generation-side improvements alone will not translate into a stronger power market.

Brockville Perspective

Viewed over a longer horizon, Nigeria's privatised power sector presents room for growth and investment. Power assets are capital-intensive, operationally complex, and typically take long periods to mature into stable, system-wide return profiles.

Uneven returns more than a decade after unbundling are not, in themselves, unusual. What matters is that the market is beginning to show a clearer distinction between structurally weak segments and commercially viable pockets.

That distinction is already visible. Integrated or better-performing models, including stronger-performing urban distribution networks and distributed energy platforms that limit exposure to weak collections, demonstrate that profitability is not hypothetical in Nigeria's power market; it is selective.

The investment case is that Nigeria's power market presents a mix of proven pockets of profitability, reform-driven restructuring opportunities, and a still-developing demand base large enough to reward investors and operators who can position capital where revenues are most recoverable.

PART II — GAS

Nigeria's Gas Sector 2026

Executive Summary

The global energy landscape in 2026 is characterised by renewed investment in gas infrastructure, shifting market dynamics and heightened emphasis on energy security and the energy transition. Governments and investors are prioritising projects that combine commercial viability with long-term sustainability, and capital flows into gas and broader energy infrastructure remain robust. Successful outcomes, however, are increasingly dependent on policy certainty, efficient execution and resilient infrastructure.

Nigeria is strengthening its position within this environment. Through initiatives such as the Decade of Gas programme, expanded renewable deployment and closer engagement with international institutions, including its admission as an International Energy Agency (IEA) Association Country, Nigeria aims to accelerate industrialisation, improve energy access and attract long-term capital. At the same time, infrastructure constraints, financing gaps and implementation delays continue to shape the pace and quality of sectoral growth.

This part of the report focuses on Nigeria's gas sector within the broader climate and energy ecosystem. It examines recent policy developments, investment trends, strategic infrastructure projects and market outlooks, drawing on research from leading international organisations and industry sources. The objective is to provide concise analysis across key themes while highlighting opportunities and risks most relevant to investors, businesses and policymakers.

Across the gas value chain, several common themes emerge. Capital is flowing towards projects with strong commercial fundamentals and credible sponsors; execution capability has become a decisive differentiator as global competition for investment intensifies; and effective public-private collaboration remains central to unlocking financing and delivering infrastructure at scale. The report also sets out the principal risks to monitor over the coming year, including project delivery challenges, financing constraints, regulatory uncertainty and evolving global market conditions.

Key Insights

The easing of gas market fundamentals in early 2026 has been disrupted by conflict in the Middle East and the closure of the Strait of Hormuz, which has increased price volatility and altered short- and medium-term market dynamics. Global LNG production

fell by around 8% in March, while loadings from Qatar and the UAE declined by an estimated 9.5 bcm compared with the previous year. Although higher LNG output in North America and Africa offset part of this decline, extended transit times and market uncertainty have contributed to a more challenging environment for pricing and portfolio management.

Against this backdrop, Nigeria's gas sector is balancing global opportunity with domestic execution challenges. The Federal Government continues to position gas as Nigeria's transition fuel through the Decade of Gas programme, prioritising domestic utilisation, industrial development and LNG exports. Nigeria's IEA Association status, confirmed in July 2026, reinforces policy cooperation and may strengthen international confidence in the country's long-term energy strategy.

Global investment in natural gas infrastructure is projected to exceed US$330 billion in 2026, signalling continued investor confidence in gas projects worldwide. Nigeria is seeking to capture part of this pool by expanding domestic gas infrastructure, progressing LNG capacity through NLNG Train 7, and strengthening its regional and global export position.

Conflict in the Middle East and Short-Term Market Fundamentals

The conflict in the Middle East and the temporary closure of the Strait of Hormuz disrupted the gradual easing of gas market fundamentals observed in early 2026. These developments increased price volatility, constrained LNG exports from Qatar and the UAE, and altered global trade flows, with implications for both buyers and sellers.

Disruptions to LNG loadings in Qatar and the UAE prompted buyers to source additional cargoes from North America, partially offsetting the supply shortfall. However, shipping delays, elevated freight costs, and heightened geopolitical risks created a more complex trading environment, while many African LNG importers faced higher prices and tighter supply.

For Nigeria, these dynamics present both risks and opportunities. Greater price volatility can complicate planning, financing, and investment decisions for long-term gas projects. At the same time, heightened concerns over supply security may strengthen demand for reliable, well-structured LNG supply arrangements, creating opportunities for competitive exporters.

Capital and Investment

Global investment in natural gas infrastructure is projected to exceed US$330 billion in 2026, reflecting renewed confidence in gas as part of the global energy mix. The bulk of this capital is directed towards projects with clear commercial structures, credible sponsors and resilient policy environments.

In Nigeria, capital is being deployed primarily into strategic gas infrastructure under the Decade of Gas programme. NLNG Train 7 is the flagship export project, and its successful execution will be a key signal of Nigeria's ability to deliver complex, capital-intensive infrastructure on time and on budget.

The Midstream and Downstream Gas Infrastructure Fund (MDGIF) has signed a strategic partnership with Afreximbank to mobilise up to US$500 million for Nigerian gas infrastructure projects, underscoring the role of development finance institutions in closing funding gaps. Afreximbank has also provided a US$64 million acquisition facility supporting Levene Energy's purchase of a stake in Axxela Limited, reinforcing investor confidence in midstream assets.

Strategic Infrastructure

Several strategic infrastructure projects underpin Nigeria's long-term gas expansion strategy and will heavily influence the sector's ability to convert resources into economic value.

- **AKK (Ajaokuta–Kaduna–Kano) Gas Pipeline —** A 614 km pipeline extending gas supply to industries and power plants across northern Nigeria, under construction since it was commissioned in July 2020. As of NNPC's June 2026 operations report, the project stood at 94% completion, bringing gas supply to Abuja and the north closer to reality; a revised in-service date is expected to follow final commissioning works.
- **Obiafu–Obrikom–Oben (OB3) Pipeline —** A 127 km (approximately 130 km) pipeline strengthening domestic gas transmission across southern Nigeria and connecting the eastern gas network to the western and northern networks. First announced in the early 2010s, the project missed successive targets in 2019, 2021 and 2024, but NNPC's Gas Infrastructure Company completed the pipeline's technically demanding River Niger crossing in April 2026. By June 2026 the project had reached 98% completion, with First Gas targeted for August 2026.
- **Escravos–Lagos Pipeline System (ELPS) Expansion —** Supports industrial clusters and gas-fired electricity generation. The original system was established in 1989; an expansion announced in 2019 was completed in 2021, extending the network to a total length of about 342 km.
- **Trans-Saharan Gas Pipeline (TSGP) —** A long-term regional project intended to transport Nigerian gas to European markets via Niger and Algeria. The proposed 4,128 km pipeline has been under discussion since 2002.

Timely delivery of these projects will be central to enabling domestic industrialisation, improving power sector performance and enhancing Nigeria's capacity to compete in the global gas market. With OB3 and AKK both nearing completion in 2026, the near-term focus for investors should shift from construction risk to commissioning, off-take and revenue-collection performance once gas begins flowing.

Market Outlook

The IEA's latest Gas Market Report (Q3-2026) projects global natural gas demand to **decline by around 0.5% (roughly 20 bcm) in 2026** — the third annual contraction this decade — after the Israel-Iran conflict disrupted LNG flows through the Strait of Hormuz, a corridor that normally carries about a fifth of the world's LNG supply. The IEA expects Middle East gas demand to contract by around 4%, with softer demand also weighing on Asia and Europe. This marks a downward revision from the IEA's earlier 2026 forecast of roughly 2% demand growth, which predated the conflict. The agency assumes the Strait will reopen in the third quarter, allowing Gulf LNG exports to gradually recover through October, though full-year global LNG trade is expected to stay broadly flat as new supply from North America, Africa and Australia offsets the Gulf shortfall.

Despite this near-term headwind, Nigeria — one of Africa's largest natural gas producers and a well-established LNG exporter — remains structurally positioned to benefit as global LNG supply expands over the medium term, particularly once Gulf disruptions ease and Asian demand growth resumes.

Nigeria holds Africa's largest proven gas reserves and is the continent's third-largest gas producer, behind Algeria and Egypt. Globally, its gas reserves rank 8th, though its production ranks lower, around 18th worldwide. Total gas production rose from 2.508 trillion standard cubic feet in 2024 to 2.706 trillion standard cubic feet in 2025, an increase of about 8%. Nigeria is also the world's seventh-largest LNG exporter, shipping 14.78 million tonnes in 2025 and remaining Africa's top LNG supplier.

Nigeria's long-term success will depend on timely delivery of strategic infrastructure, improved financing frameworks, and continued policy support for both domestic gas utilisation and exports.

Key Risks

Infrastructure Delivery Risk

Major gas infrastructure projects continue to face delays arising from financing constraints, engineering complexity and right-of-way challenges. Persistent delays could slow industrial development, reduce domestic gas availability and weaken investor confidence.

Global LNG Price Volatility

Rising LNG supply is intensifying competition among exporters. Prolonged price weakness could reduce export earnings and make future Nigerian gas projects more difficult to finance.

Cross-Sector Themes

Several cross-sector themes cut across Nigeria's gas sector and the broader climate and energy landscape:

- Infrastructure delivery has become increasingly important as investors prioritise execution over new project announcements.
- International capital remains available for commercially viable projects supported by stable, predictable policy environments.
- Public-private partnerships continue to play a critical role in financing strategic infrastructure.
- Energy security and industrialisation remain central to Nigeria's transition strategy.
- Growing global competition requires faster project execution and improved commercial bankability.

Brockville Perspective

Global investment in natural gas is at its highest level in more than a decade, but access to capital is increasingly determined by a country's ability to deliver infrastructure rather than the size of its resource base. Investors are directing capital towards projects with clear commercial structures, credible sponsors, predictable regulatory environments and demonstrable market viability.

Nigeria is advancing several strategic initiatives — including the Decade of Gas programme, the AKK pipeline and NLNG Train 7 — and has strengthened its international credibility through its IEA Association Country status.

At the same time, the window for Nigeria to capture additional market share in increasingly competitive LNG and regional gas markets is narrowing. In this context, Brockville's view is that Nigeria's strategic focus should shift to making existing projects commercially executable and attractive to investors.

Recommendation — Improving marketability through coordinated infrastructure delivery, predictable regulation and stronger project preparation will be essential to attracting long-term capital. In the current market, the ability to execute announced projects will determine whether Nigeria converts its gas resources into durable economic value.

Risks to Watch

Key risks for stakeholders to monitor include:

- Delays in strategic infrastructure delivery.
- Global commodity and LNG price volatility.
- Financing constraints for capital-intensive projects.
- Regulatory and policy uncertainty.
- Increasing international competition for investment and export markets.

PART III — AGRICULTURE

Agric-Climate: Nigeria's Value-Chain Reckoning

Executive Insight

Nigeria has crossed an important industrial milestone. Within the past eighteen months, the country has evolved from a significant importer of fertiliser to one of Africa's largest and fastest-growing urea exporters, supported by successive capacity expansions at Dangote Fertilizer Limited and Indorama Eleme Fertilizer & Chemicals. According to National Bureau of Statistics (NBS) Q1 2026 trade data, urea generated ₦1.37 trillion in export earnings during the quarter, making it Nigeria's third-largest export product by value after crude oil and natural gas.

The constraint facing Nigerian agriculture has therefore shifted. Fertiliser production capacity is expanding rapidly, but investment now depends on whether financing, aggregation, storage, logistics and climate resilience can evolve quickly enough to connect industrial input production with millions of smallholder farmers.

Capital continues to concentrate around large fertiliser producers and development-finance-backed infrastructure, while financing for smallholders remains fragmented following the suspension of the Central Bank of Nigeria's Anchor Borrowers' Programme. Several replacement financing initiatives have been announced or are being implemented, but their scale and effectiveness remain too recent to assess.

The investment question is therefore no longer whether Nigeria can manufacture agricultural inputs, but whether the downstream agricultural value chain can become sufficiently bankable to absorb them.

Where Capital Is Flowing

Investment continues to favour upstream production and large-scale agricultural infrastructure.

Investment	Status
Indorama Urea Line 3	Commissioned (approximately US$1.25 billion investment)
Dangote Fertilizer expansion	Expansion financing secured (approximately US$600 million)
Special Agro-Industrial Processing Zones (SAPZ) Phase I	Under implementation
Afreximbank–Bank of Agriculture financing partnership	Signed (September 2025); implementation ongoing

These investments share a common characteristic: credit risk remains concentrated among large corporates, development finance institutions and government-supported infrastructure rather than individual farmers.

By contrast, financing for aggregation, storage, rural logistics and smallholder production remains comparatively underdeveloped despite representing some of the weakest links in Nigeria's agricultural value chain.

SAPZ: Progress and Constraints

The Special Agro-Industrial Processing Zones (SAPZ) programme remains the Federal Government's flagship initiative for strengthening agricultural value chains through agro-industrial hubs, processing facilities and supporting infrastructure.

Phase I is a five-year programme covering seven states (Cross River, Imo, Kaduna, Kano, Kwara, Ogun and Oyo) and the Federal Capital Territory, through investments in agro-industrial hubs, aggregation centres, rural infrastructure and related value-chain assets.

The programme has an estimated total cost of approximately US$538.05 million and is financed through a consortium of development partners and public-sector institutions:

Financing Partner	Commitment	Share
African Development Bank (AfDB)	**US$160 million**	29.7%
Africa Growing Together Fund (AGTF)	**US$50 million**	9.3%
Islamic Development Bank (IsDB)	**US$150 million**	27.9%
International Fund for Agricultural Development (IFAD)	**US$100 million**	18.6%
Green Climate Fund (via IFAD's IGREENFIN initiative)	**US$60 million**	11.1%
Federal and State Governments of Nigeria	**US$18.05 million (cash and in-kind)**	3.4%

As of a March 2026 mid-term review, AfDB reported a 41% commitment rate and a 12% disbursement rate (approximately US$25 million disbursed), while IFAD had committed a total of US$100 million to the programme. With financing for Phase I substantially committed, the principal investment challenge has shifted from capital mobilisation to implementation. Timely

disbursement, infrastructure delivery, private-sector participation and operational execution will determine whether the programme achieves its intended impact.

Principal Risks

Climate Risk

Nigeria's 2026 Seasonal Climate Prediction, issued by the Nigerian Meteorological Agency (NiMet), assumed a weak La Niña transitioning toward neutral conditions during the growing season. Subsequent monitoring by the U.S. National Oceanic and Atmospheric Administration (NOAA) has indicated a marked shift: El Niño conditions have since developed, with NOAA's Climate Prediction Center assessing a 97% probability that El Niño will persist through early 2027, including a meaningful chance of a very strong event later in the year.

This represents a material change from the assumptions underpinning Nigeria's original seasonal outlook. Any resulting shift in rainfall distribution, onset timing or dry-spell frequency could affect several SAPZ states where agricultural productivity depends heavily on rainfall patterns and irrigation performance, increasing execution risk for irrigation projects, crop production and agro-processing investments planned under the earlier climate assumptions. Investors should monitor updated forecasts issued by NiMet and NOAA as implementation progresses.

Financing Risk

Although new agricultural financing initiatives are emerging, none has yet demonstrated the nationwide scale previously associated with the Anchor Borrowers' Programme.

Until replacement mechanisms mature, downstream investment is likely to remain constrained despite continued improvements in upstream industrial production.

Brockville Perspective

The trends examined above point to a structural shift in Nigeria's agricultural investment landscape. Expanding fertiliser production, rising export earnings, continued development-finance participation, persistent food inflation and the concentration of capital in upstream production rather than in the downstream value chain together indicate that Nigeria's investment constraint is increasingly one of bankability and execution relative to industrial production capacity.

Recent agricultural financing initiatives demonstrate growing recognition that expanding upstream input production alone will not transform agricultural productivity. Long-term investment opportunities are therefore likely to emerge in businesses that reduce risk across aggregation, storage, logistics, irrigation, climate adaptation and rural financing.

One noteworthy feature of the signed Afreximbank–Bank of Agriculture US$1 billion partnership (September 2025) is its currency swap mechanism, which converts dollar-denominated Afreximbank funding into naira for on-lending to smallholders — directly addressing the foreign-exchange mismatch that has historically constrained agricultural lending. The agreement also includes a guarantee framework under which Afreximbank backs BOA-disbursed loans, reducing credit risk for previously underserved farmers.

Outlook

Over the next six months, business leaders and investors should monitor SAPZ implementation and disbursement, the rollout and performance of replacement agricultural financing initiatives (including the Afreximbank–BOA partnership) and evolving seasonal climate conditions as El Niño develops.

Over the following year, fertiliser exports are likely to continue expanding as recently commissioned production capacity reaches fuller utilisation. The more important question, however, is whether downstream financing, logistics and value-chain infrastructure can develop quickly enough to translate upstream industrial success into broader agricultural productivity, food security and long-term resilience.

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	Babafemi Adewumi **| Peer Reviewer** Babafemi Adewunmi served as the independent Peer Reviewer for this publication, providing critical review of its analytical framework, technical content and overall quality. His review focused on ensuring the accuracy, consistency and robustness of the report's analysis, while strengthening its clarity, coherence and relevance for policymakers, investors and industry stakeholders.

ABOUT US:

Brockville is an infrastructure advisory firm providing project development, project management, financial advisory, and capital-raising services across Sub-Saharan Africa.

We partner with governments, developers, investors, and development finance institutions to structure, finance, and deliver infrastructure projects. Our expertise includes financial modelling, project finance structuring, financial feasibility analysis, transaction and PPP advisory, due diligence, investment strategy, and capital raising.

We help transform infrastructure opportunities into bankable, investment-ready projects that drive sustainable economic growth.

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