

THE PROJECT HERALD

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**THIS WEEK, VOL. 3: MAMBILLA HYDROPOWER • \$10BN
GAS INFRASTRUCTURE INVESTMENT • NIGERIA'S
DIGITAL FREE ZONES • DANGOTE'S 600KM GAS
PIPELINE • HEALTHCARE INFRASTRUCTURE FINANCE**



MAMBILLA HYDROPOWER PROJECT

Nigeria Clears \$3.38bn Mambilla Arbitration Dispute, Removing Major Legal Barrier to Long-Delayed Power Project

ICC tribunal rejects Sunrise Power claims as Nigeria emerges from a dispute that has constrained progress on one of the country's largest planned hydropower developments.

PROJECT • INFRASTRUCTURE • CAPITAL • LEGAL

Nigeria has secured a major legal outcome in the long-running dispute surrounding the Mambilla Hydroelectric Power Project after an International Arbitration Tribunal under the auspices of the International Chamber of Commerce in Paris rejected claims brought by Sunrise Power and Transmission Company Limited.

The claims carried a combined potential value of more than **\$3.38 billion**, creating a significant financial exposure for the Nigerian government while the dispute remained unresolved.

The tribunal's award, issued on September 17, 2026, was announced by the Presidency as a major development for the long-delayed power project in Taraba State. According to the Federal Government, the decision removes what it described as the biggest legal obstacle that had constrained the project for years.

The dispute dates back to an agreement concerning the development of the Mambilla project. Sunrise commenced arbitration proceedings against Nigeria in 2017, alleging breaches connected to the project and seeking substantial compensation.

The Presidency said the claims included approximately **\$680 million** in settlement-related payments and interest, alongside a separate claim exceeding **\$2.7 billion** in compensation and interest. The tribunal rejected the claims.

A Project With a Long History

The Mambilla Hydroelectric Power Project has been planned as a major addition to Nigeria's electricity-generation infrastructure. The project was originally conceived at a substantially larger capacity before being rescaled during the development process.

The project has subsequently been described at approximately **1,500MW**, with the revised scale intended to make the development more financially viable and bankable.

Its significance extends beyond generation capacity. A project of this scale requires substantial civil works, engineering, transmission infrastructure, equipment procurement, financing and long-term project development.

The resolution of the arbitration therefore changes an important part of the project's development environment.

What Changes Now?

The arbitration decision does not itself constitute a financial close, construction award or final investment decision for Mambilla. However, it removes a major legal dispute that had been associated with the project.

That distinction is important for potential investors, lenders, contractors and engineering companies assessing the project.

The Federal Government has indicated that it remains committed to working with investors while defending Nigeria's interests in disputes connected to public projects. President Bola Tinubu said the ruling cleared the legal hurdle that had paralysed the project for years.

The next stages will therefore be important for the project's commercial trajectory, particularly around project structuring, financing, engineering, procurement, construction and the infrastructure required to transmit the electricity generated.

PROJECT HERALD INTELLIGENCE

Project: Mambilla Hydroelectric Power Project

Location: Taraba State, Nigeria

Planned capacity: Approximately 1,500MW

Arbitration exposure: More than \$3.38bn in combined claims

Latest development: ICC tribunal rejects Sunrise Power claims

Intelligence type: Project / Infrastructure / Capital

Status: Legal dispute resolved; project development remains to be advanced

What Happens Next

The central question now shifts from arbitration to execution: **how quickly can the project move from a legally constrained development into a bankable, financeable and executable infrastructure project?**

For contractors, lenders, engineering firms and infrastructure investors, subsequent announcements concerning project structure, financing, EPC arrangements and implementation will be the developments to watch.

Nigeria Targets \$10bn in New Gas Investment Through Infrastructure Fund

NMDPRA says public capital is being used to de-risk gas projects and attract significantly larger private-sector investment across Nigeria's midstream and downstream value chain.

CAPITAL · PROJECT FINANCE · GAS INFRASTRUCTURE · POLICY

Nigeria is targeting up to **\$10 billion in additional gas investment** through the Midstream and Downstream Gas Infrastructure Fund, as the country seeks to use public-sector capital to unlock larger volumes of private investment into gas infrastructure.

The target was disclosed by Nigerian Midstream and Downstream Petroleum Regulatory Authority Chief Executive Officer Rabi'u Abdullahi Umar during a panel session at the 2026 Gastech Conference in Bangkok.

According to the NMDPRA, the fund has already deployed approximately **\$300 million** to support projects and provide initial capital intended to encourage larger private investments.

The model is not designed for government funding to carry the full cost of infrastructure projects. Instead, the fund is intended to provide seed capital and equity support that can reduce project risk and make projects more attractive to private investors.

That distinction puts project finance at the centre of the initiative.

From Public Capital to Private Investment

The MDGIF is expected to support projects across several segments of the gas value chain, including liquefied natural gas, floating LNG, liquefied petroleum gas and compressed natural gas.

Nigeria has more than **210 trillion cubic feet of proven natural gas reserves**, but the availability of infrastructure capable of processing, transporting and delivering gas remains a critical factor in converting those resources into economic value.

NMDPRA has therefore positioned infrastructure development as a key requirement for expanding domestic gas consumption and supporting industrial and power-sector demand.

The authority has also highlighted the importance of predictable regulation in attracting long-term investment.

For investors, this is significant because gas infrastructure projects frequently require substantial upfront capital and long investment horizons. Government participation can therefore affect whether projects reach the stage at which commercial lenders and private investors are prepared to commit capital.

Pipeline Infrastructure Remains Central

Among the infrastructure identified by the regulator is the **Ajaokuta-Kaduna-Kano gas pipeline**, which is intended to strengthen the movement of gas from southern Nigeria into northern markets.

The regulator also referenced the proposed **Trans-Saharan Gas Pipeline**, which could provide another route for Nigerian gas toward Algeria and potentially European markets.

Such cross-border infrastructure requires not only capital but also regulatory coordination between participating countries, including common approaches to gas measurement, transportation and custody transfer.

The Commercial Signal

The \$10 billion target is therefore more than a headline investment figure. It indicates an attempt to use government-backed capital as a catalyst for a wider private investment pipeline.

The immediate question for the market is which projects will receive support, how the fund will structure its participation and which developments can convert that support into bankable investment opportunities.

For EPC contractors, engineering companies, infrastructure investors, gas processors, logistics operators and financiers, the pipeline of projects supported through the fund will be particularly important to monitor.

PROJECT HERALD INTELLIGENCE

Investment target: Up to \$10bn in additional gas investment

Public funding deployed: About \$300m

Fund: Midstream and Downstream Gas Infrastructure Fund

Sector: Gas infrastructure

Intelligence type: Capital / Project Finance / Policy

Key investment mechanism: Public seed capital and equity intended to de-risk projects

What Happens Next

The next important signals will be **specific project commitments, funding structures, equity participation, financing arrangements and procurement opportunities** emerging from the MDGIF.

The commercial significance of the programme will ultimately depend on how effectively the fund converts public intervention into bankable private-sector projects.

Nigeria Moves Digital Free Zones Into Implementation With \$500m Itana Project Already Taking Shape

Government sets a 180-day roadmap for the full launch of Digital Free Zones as Nigeria seeks to attract global capital and retain technology companies and intellectual property domestically.

POLICY · CAPITAL · DIGITAL INFRASTRUCTURE · REAL ESTATE

Nigeria has moved its Digital Free Zones initiative into its implementation phase, with the Federal Government directing the development of a roadmap for the full launch within **180 days**.

The initiative is designed to create a more favourable environment for technology and digitally enabled service companies to establish, finance and scale their businesses from Nigeria while serving international markets.

President Bola Ahmed Tinubu directed the Minister of Industry, Trade and Investment, Dr Jumoke Oduwole, working with the Presidential Steering Committee on Digital Free Zones and the Itana Innovation project, to develop the implementation roadmap.

The development places digital infrastructure and investment policy within the same commercial framework as Nigeria's broader efforts to attract foreign capital.

Itana Provides an Existing Investment Platform

The initiative is already being linked to **Itana Innovation**, described by the Presidency as Nigeria's first Digital Free Zone.

The project is located at **Alaro City in Lagos** and is backed by the **Africa Finance Corporation**, with the project valued at **\$500 million**.

According to the Presidency, the Itana Innovation project is intended to combine an enabling policy environment with an innovation campus, access to capital and ecosystem services designed to support African technology companies.

This gives the Digital Free Zones programme a physical infrastructure component rather than making it solely a regulatory initiative.

The development of innovation campuses, office environments, supporting infrastructure and associated services creates opportunities across real estate, engineering, professional services, technology infrastructure and investment.

The Policy Objective

The Federal Government says the broader objective is to reduce the incentive for Nigerian technology companies and entrepreneurs to incorporate or hold intellectual property outside the country simply to access global capital and markets.

The initiative will involve work across areas including regulation, taxation, banking, immigration, arbitration and the digitisation of government processes within the free-zone framework.

The policy is also being positioned against the expansion of Africa's digital economy and digitally enabled trade under the African Continental Free Trade Area.

Why Infrastructure Investors Should Watch It

Digital Free Zones can require a combination of physical and digital infrastructure.

Beyond conventional office development, successful digital hubs depend on connectivity, power reliability, data infrastructure, technology services, professional services and an investment ecosystem capable of supporting companies as they scale.

The implementation of the policy could therefore generate opportunities that extend beyond technology companies themselves.

For developers, infrastructure operators, engineering firms, investors and professional-service providers, the important question will be how the 180-day implementation process translates into actual zones, infrastructure commitments, incentives and investment transactions.

Programme: Nigeria Digital Free Zones

Implementation timeline: 180-day roadmap for full launch

Existing anchor: Itana Innovation, Alaro City, Lagos

Project value: \$500m

Key backer identified by government: Africa Finance Corporation

Intelligence type: Policy / Capital / Digital Infrastructure

Commercial sectors affected: Technology, real estate, infrastructure, professional services and investment

What Happens Next

The next milestone is the **implementation roadmap**.

The market will be watching for the specific regulatory incentives, infrastructure requirements, eligible locations, investment structures and projects that emerge from the process.

Dangote Plans 600km Offshore Gas Pipeline as Refinery Targets 1.4 Million bpd Capacity

Engineering design has been completed for an offshore gas-gathering network intended to connect offshore producers to shore as the Dangote complex expands its energy requirements.

PROJECT · ENGINEERING · ENERGY INFRASTRUCTURE · CORPORATE

Dangote Industries Limited is planning a **600-kilometre offshore gas-gathering pipeline** as the company develops additional infrastructure around its refinery and fertiliser complex in Lagos.

The project was disclosed on September 18 during a tour of the Dangote Petroleum Refinery.

Devakumar Edwin, Group Vice President for Oil and Gas and Fertiliser at Dangote Industries, said the engineering design for the offshore gas-gathering project had been completed and construction was expected to commence soon.

The proposed pipeline would create a network through which offshore gas producers could connect to a common pipeline for transportation to shore.

According to the company, the gas could either be treated and returned to producers or purchased and used by Dangote.

Infrastructure Behind the Refinery Expansion

The pipeline development comes as the Dangote refinery targets a substantial increase in processing capacity.

The refinery is currently operating at a capacity of about **700,000 barrels per day**, with the company targeting approximately **1.4 million barrels per day by 2029**.

The company's wider industrial complex also includes fertiliser production and its own power-generation requirements.

Dangote has said the refinery and fertiliser complex generates more than **650MW of electricity**, making reliable gas supply an important component of the group's industrial infrastructure strategy.

The offshore pipeline would therefore serve a broader infrastructure objective: improving the connection between offshore gas resources and a major industrial consumer.

An Engineering and Procurement Opportunity

The completion of engineering design represents an important development milestone because it moves the project beyond an initial concept.

The next stage will be closely watched for construction mobilisation, contractor appointments, procurement packages and associated offshore engineering requirements.

A 600-kilometre offshore pipeline would involve significant engineering, subsea, pipeline, fabrication, marine logistics and installation requirements.

The project could consequently create opportunities across multiple parts of the engineering and contracting supply chain if and when construction packages are formally awarded.

The Strategic Gas Question

Nigeria possesses substantial gas resources, but inadequate infrastructure has historically limited the ability to bring some offshore gas supplies to market.

A private-sector pipeline connecting multiple offshore producers to shore could provide an alternative route for monetising those resources while supplying an expanding industrial complex.

For Dangote, the infrastructure is linked directly to the reliability and scalability of its broader industrial operations.

For the wider market, the project represents another example of large private industrial developments generating their own supporting infrastructure requirements.

Project: East-West offshore gas-gathering pipeline

Planned length: 600km

Engineering: Design completed

Construction: Expected to commence soon, according to Dangote Industries

Primary linkage: Dangote refinery and fertiliser complex

Refinery target: Approximately 1.4 million bpd by 2029

Current refinery capacity: Approximately 700,000 bpd

Intelligence type: Project / Engineering / Infrastructure / Corporate

What Happens Next

The next developments to watch are **construction commencement, contractor selection, procurement packages and offshore installation activity**.

For engineering and EPC companies, these milestones will determine when the project moves from engineering preparation into active execution.

Nigeria Seeks Risk-Sharing Mechanism to Unlock Private Investment in Primary Healthcare

House of Representatives calls for a financing structure capable of reducing investment risk as stakeholders push for stronger public-private participation in healthcare infrastructure.

POLICY · PROJECT FINANCE · PPP · INFRASTRUCTURE

Nigeria is considering a stronger private-sector financing framework for primary healthcare infrastructure, with the House of Representatives calling for the establishment of a **risk-sharing fund** to attract private investment into the sector.

The proposal was driven by concerns over weak revenue certainty and regulatory bottlenecks that can make primary healthcare projects difficult for private investors to finance.

The House said a risk-sharing mechanism could help reduce the barriers preventing private capital from participating more substantially in the development and operation of primary healthcare infrastructure.

The development is significant from a project-finance perspective because the challenge is not simply the availability of capital. It is the ability to structure projects so that private investors can assess and manage the risks associated with long-term healthcare infrastructure.

From Government Spending to Investment Structures

Primary healthcare infrastructure can include health centres, diagnostic facilities, medical equipment, digital health infrastructure, power systems, water systems and other supporting assets.

However, projects in the sector may face challenges involving revenue certainty, procurement, regulation and the ability of operators to generate sufficient returns over the life of an investment.

The proposed risk-sharing approach seeks to address some of those constraints by creating a mechanism through which government and private investors can share risks rather than leaving the private sector to absorb them independently.

This could make selected healthcare projects more suitable for PPP structures and other forms of private capital.

PPP Framework Also Enters the Conversation

The discussion comes alongside wider calls for a clearer national framework for public-private partnerships in healthcare.

The Nigerian Economic Summit Group has also been involved in discussions around stronger private-sector participation in primary healthcare, with stakeholders examining ways to improve healthcare financing and investment.

For investors, developers and infrastructure companies, a predictable PPP framework can be important because it establishes how projects are identified, procured, financed, operated and monitored.

The commercial opportunity therefore depends on whether the proposed reforms move beyond policy statements into specific investment structures and procurement processes.

The Infrastructure Opportunity

Nigeria's primary healthcare system represents a large infrastructure requirement spread across multiple locations.

A structured private-investment programme could potentially create opportunities for construction companies, engineering firms, facility operators, equipment suppliers, technology providers, financiers and infrastructure investors.

However, these opportunities will depend on the eventual structure of the proposed risk-sharing mechanism and the projects selected for participation.

At this stage, the development should therefore be regarded as **policy and project-finance intelligence**, rather than an established investment programme.

PROJECT HERALD INTELLIGENCE

Sector: Primary healthcare infrastructure

Proposed mechanism: Risk-sharing fund

Objective: Attract private investment

Key constraints identified: Revenue certainty and regulatory bottlenecks

Potential structure: PPP / private capital participation

Intelligence type: Policy / Project Finance / Infrastructure

Current status: Proposal and policy-development stage

What Happens Next

The key milestones will be the **design of the proposed risk-sharing mechanism, establishment of a formal PPP framework, identification of qualifying projects and the commencement of procurement or investment processes.**

Until those steps occur, the commercial significance remains prospective. But if the framework is implemented, primary healthcare could become a new category of infrastructure investment for private capital in Nigeria.