Panel Brief: Critical Minerals and the Clean Energy Race – Is Nigeria Ready?

Prepared for: Chairman, House of Representatives Committee on Solid Minerals

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Framing the Conversation

The global transition to clean energy has intensified the race for critical minerals like lithium, cobalt, nickel, graphite, and rare earth elements. These minerals are essential inputs in electric vehicles (EVs), solar panels, wind turbines, and battery storage. By 2040, demand for these minerals is projected to quadruple (IEA, 2023).

Countries like Australia and Chile have become major beneficiaries due to targeted policies supporting responsible extraction and downstream integration. In Africa, Namibia and DR Congo are central players, albeit with different governance models—Namibia promoting state equity in lithium projects, and DR Congo grappling with artisanal mining, insecurity and child labour in cobalt supply chains.

Is Nigeria Ready? A Balanced View

Progress Made!

- Nigeria has confirmed reserves of lithium (in Nasarawa, Kogi), niobium (Plateau), and tin (Bauchi, Jos).

- Through the Presidential Artisanal Gold Mining Initiative (PAGMI) and the formalization push in ASM, Nigeria is building a foundation to integrate informal miners into the formal economy.

- Nigeria is also leveraging transparency through NEITI's disclosures and the SMDF's interventions in early-stage financing.

But there are Critical Gaps

- **Absence of a National Critical Minerals Policy:** Unlike Canada, which published a Critical Minerals Strategy aligning mining with geopolitics and trade, Nigeria lacks a coordinated roadmap.

- **Limited Value Addition:** Raw mineral export still persists. Unlike Indonesia, which banned raw nickel exports to boost domestic processing and EV manufacturing, Nigeria lacks local refining capacity.

- **Insufficient Geological Data:** Despite airborne geophysical surveys, most mineral-rich zones remain underexplored, deterring serious investment.

- **Weak Environmental and Social Governance (ESG) Frameworks:** Nigeria risks repeating oil sector mistakes—resource extraction without community development or remediation.

Recommendations for Policy and Legislative Action

1. Pass a Critical Minerals Development Bill
    - Define strategic minerals, mandate ESG compliance, enforce local content, and enable incentives for value addition.
    - Example: Namibia's Sovereign Wealth Fund is funded partly by mineral revenues, ensuring intergenerational equity.
2. Strengthen Geological Surveys and Data Transparency
    - Expand NGSA's capacity and partner with global institutions to derisk exploration.
    - Consider Ghana's model of public-private mineral cadastre partnerships.
3. Promote Local Processing and Industrial Linkages
    - Incentivize lithium-to-battery value chains. Establish critical mineral industrial parks near source regions.
4. Ensure Community and Environmental Safeguards
    - Institutionalize Free, Prior and Informed Consent (FPIC).
    - Integrate host communities in benefit-sharing, skills development, and environmental monitoring.
5. Champion International Partnerships
    - Nigeria should align with the U.S.-led Minerals Security Partnership (MSP) or EU's Critical Raw Materials Act to access financing and markets—on equitable

terms.

The Role of the House Committee on Solid Minerals

- Provide legislative leadership to position Nigeria in the global clean energy supply chain.
- Monitor implementation of mining reforms and enforce compliance with ESG standards.
- Facilitate public hearings and national dialogue with industry, civil society, and communities to ensure inclusive policymaking.

Closing Statement

“Nigeria cannot afford to be a bystander in the global clean energy revolution. We must be deliberate, not just in extracting critical minerals—but in governing them with foresight, justice, and national purpose.”