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Title: Need for Legislative Oversight of the Proposed $200bn Integrated Gas, Power and High-Speed Rail Project

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Executive Summary

Nigeria is currently reviewing a proposed $200 billion Integrated Gas, Power and High-Speed Rail Project submitted by De-Sadel (Nig.) Limited in partnership with China Liancai Petroleum Investment Holdings Limited. The project is designed to deliver a nationwide infrastructure transformation, including a 4,000-kilometre high-speed rail network connecting major economic corridors such as Lagos, Abuja, Kaduna, Kano, and Port Harcourt, alongside large-scale gas-powered electricity generation and transmission infrastructure estimated at 3,500MW in phase one and up to 8,500MW in total. The proposal also includes associated fibre optic infrastructure and real estate development around rail corridors.

In response to the scale and complexity of the proposal, the Federal Government has constituted a multi-agency technical committee comprising key Ministries, Departments, Agencies, and security institutions, including the Ministries of Transportation, Petroleum Resources, Finance, Justice, Environment, as well as NERC, CBN, EFCC, NFIU, DSS, NIA, and the Infrastructure Concession Regulatory Commission (ICRC). The committee is tasked with conducting due diligence on financial viability, technical capacity, regulatory compliance, sovereign exposure, and security implications prior to any Federal Executive Council approval.

While the project presents significant potential for national transformation, it raises critical governance and accountability concerns. Key issues include uncertainty around the financial exposure to the Federal Government, particularly potential sovereign guarantees or contingent liabilities associated with the proposed funding structure. The integrated multi-sector design also introduces implementation complexity, increasing risks of coordination failures, cost overruns, and project fragmentation. Questions remain regarding the technical and financial capacity of the project promoters, as well as the transparency of procurement processes and concession arrangements. Furthermore, the absence of early-stage legislative visibility increases the risk of insufficient oversight over long-term fiscal commitments.

Given the scale of the proposed investment and its implications for public finance, infrastructure delivery, and national development planning, the National Assembly has a critical role in ensuring transparency, accountability, and value for money. Early legislative engagement is necessary to mitigate risks of unsustainable debt exposure, strengthen PPP governance, and ensure alignment with Nigeria's fiscal and development frameworks.

Accordingly, the National Assembly, through its relevant Committees on Works, Transportation, Aviation, Gas, Finance, National Planning, Public Accounts, and Anti-Corruption and Financial Crimes, may consider the following actions:

- Convene a joint legislative briefing involving the Federal Government technical committee, ICRC, CBN, NERC, Federal Ministry of Finance, and project promoters to present full project details, financing structure, and implementation plans.
- Require full disclosure of the project's financial architecture, including funding sources, sovereign guarantees, contingent liabilities, and repayment assumptions.
- Undertake legislative due diligence on the proposed PPP/concession framework to ensure compliance with Nigeria's fiscal responsibility and PPP regulatory frameworks.
- Mandate independent technical and economic feasibility assessments to validate cost assumptions, projected returns, and overall viability.
- Strengthen oversight of inter-agency coordination to ensure regulatory harmonisation and prevent duplication or governance gaps.
- Enforce public interest safeguards covering tariffs, land acquisition, environmental compliance, local content participation, and social impact considerations.
- Require periodic reporting to the National Assembly on project milestones, funding status, and risk exposures once implementation begins.

Background:

Nigeria is currently considering one of the largest infrastructure proposals in its history, the $200 billion Integrated Gas, Power and High-Speed Rail Project, submitted by De-Sadel (Nig.) Limited in partnership with China Liancai Petroleum Investment Holdings Limited[1]. According to reports, the project is designed to deliver a nationwide transformation covering:

- A 4,000-kilometre high-speed rail network linking key economic corridors (Lagos, Abuja, Kaduna, Kano, Port Harcourt)
- Gas-based power generation and transmission infrastructure (estimated 3,500MW in phase one and up to 8,500MW overall)
- Associated fibre optic and real estate developments around rail stations

The Federal Government has constituted an inter-agency technical committee comprising the Ministries of Transportation, Petroleum Resources, Finance, Justice, Environment, as well as regulatory and security institutions including the NERC, CBN, EFCC, NFIU, DSS, NIA, and the Infrastructure Concession Regulatory Commission (ICRC), to conduct due diligence on the proposal before any Federal Executive Council approval[2].

[1] Odeniyi, S. (2026, April, 10). Nigeria's $200bn mega rail project faces feasibility review. *Punch.* https://punchng.com/nigerias-200bn-mega-rail-project-faces-feasibility-review/

[2] Daka, T. (2026, April 9). FG sets up panel to scrutinise $200bn rail, power, gas project. *The Guardian.* https://guardian.ng/news/fg-sets-up-panel-to-scrutinise-200bn-rail-power-gas-project/

The committee is mandated to assess financial viability, sovereign exposure, technical capacity, regulatory compliance, security risks, and funding verification, reflecting the strategic scale and complexity of the proposal.

Given the magnitude of the proposed investment, its cross-sectoral implications, and potential long-term fiscal exposure, there is a clear need for proactive legislative oversight to ensure transparency, value for money, and protection of national interest.

Issue:

While the proposal presents potential transformative infrastructure benefits, several governance and public accountability concerns require legislative attention:

1. **Unverified Financial Exposure Risk**: The project's scale ($200bn) raises concerns about debt sustainability, contingent liabilities, and possible sovereign risk exposure, particularly where public guarantees or concessions may be involved.

2. **Complex Multi-Sector Structure:** The integration of gas, power, rail, ICT, and real estate components increases implementation complexity, raising risks of fragmentation, weak coordination, and cost overruns.

3. **Private Sector Promoter Capacity Uncertainty:** The technical and financial capacity of project promoters and contractors remains subject to verification, as acknowledged by the Federal technical committee.

4. **Regulatory and Procurement Transparency Risks:** Multi-agency approvals and potential concession arrangements heighten the need for transparency in procurement, project selection, and financing structure.

5. **Long-Term Fiscal Commitment Risks:** Infrastructure of this scale may involve long-term government commitments, guarantees, or public-private partnership arrangements with implications for future budgets.

6. **Limited Parliamentary Visibility at Early Stage:** At present, legislative oversight appears absent at the pre-approval stage, despite the project's potential national economic and security implications.

Rationale for Legislative Action:

The National Assembly has a constitutional responsibility to ensure accountability, transparency, and prudent use of public resources, especially in large-scale infrastructure and PPP arrangements.

Legislative engagement is necessary to:

- Safeguard against unsustainable sovereign exposure or hidden liabilities
- Ensure alignment with Nigeria's Medium-Term Debt Strategy and fiscal framework
- Strengthen value-for-money assurance in PPP and concession agreements

- Provide oversight on inter-agency coordination and regulatory compliance
- Guarantee that project approvals are consistent with national development priorities and spatial equity
- Prevent future governance disputes arising from opaque contracting or implementation failures

Early legislative involvement will reduce the risk of post-approval fiscal, legal, and governance complications.

Recommendations to the National Assembly:

The National Assembly is respectfully urged, through its Committees on Works; Aviation; Transportation; Gas; Finance; National Planning; Public Accounts; and Anti-Corruption and Financial Crimes, to consider undertaking the following actions:

1. **Convene a Joint Legislative Briefing Session:** Invite the Federal Government technical committee (SGF-led panel), Infrastructure Concession Regulatory Commission (ICRC), Central Bank of Nigeria (CBN), Nigerian Electricity Regulatory Commission (NERC), Federal Ministry of Finance, and relevant project promoters to present comprehensive details of the project scope, financing structure, and implementation framework.

2. **Demand Full Disclosure of Financial Architecture:** Request full transparency on key financial components, including: funding sources (equity, debt, guarantees), sovereign exposure and contingent liabilities, return on investment assumptions and debt servicing structure (where applicable)

3. **Conduct Legislative Due Diligence on PPP Structure:** Review the proposed contractual and Public-Private Partnership (PPP) model to ensure compliance with Nigeria's PPP laws, fiscal responsibility framework, and global best practices.

4. **Mandate Independent Technical and Economic Impact Assessment:** Commission an independent review, through credible institutions such as the National Assembly Budget Office or reputable external consultants, to validate project feasibility, cost assumptions, and overall economic viability.

5. **Strengthen Oversight on Inter-Agency Coordination:** Ensure effective harmonisation of regulatory approvals across relevant ministries, departments, and agencies to prevent duplication, policy inconsistencies, or risks of regulatory capture.

6. **Ensure Public Interest Safeguards:** Introduce and enforce legislative safeguards covering tariff structures (including rail and power pricing), land acquisition and resettlement processes, environmental and social impact compliance and local content participation.

7. **Mandate Periodic Reporting:** Require quarterly reporting to the National Assembly on project progress, funding status, implementation milestones, and emerging risk exposures upon commencement.

Conclusion:

The proposed $200 billion integrated infrastructure project represents a potentially transformative national investment but also a significant fiscal, governance, and implementation risk if not properly structured and monitored.

Given its scale and long-term implications for public finance, infrastructure development, and national security, it is imperative that the National Assembly exercises early-stage legislative oversight rather than post-approval scrutiny.

Proactive engagement through relevant committees will ensure that Nigeria secures development benefits while safeguarding public resources, strengthening accountability, and preventing future financial or contractual vulnerabilities.

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