



**NIGERIA'S PATH TO SUSTAINABLE ECONOMIC
DEVELOPMENT AND THE 2060 NET ZERO GOAL:
THE ROLE OF POLICY, REGULATION, AND CLIMATE
ACTION STRATEGY**

Oluwasemilore Olowokure

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Oluwasemilore Olowokure*

1.0 INTRODUCTION

Striking a balance between usage and wastage is much like tending to an indoor plant. The supply of sunlight and water are necessities for the plant's growth but an excess of either would result in wilted leaves and stunted growth. This responsibility of tending to a plant requires a keen sense of balance and moderation. Similarly, when considering the environment, there is an ostensible contrast between the charge to exploit our planet's natural resources for human development and the need to conserve these resources to mitigate the effects of climate change. In reality, these seemingly opposed ideas of "utilization" and "conservation" have a common goal; improving life on earth. Extracting and employing the earth's resources are a *sine qua non* for global improvement, but we must ensure that our strife for growth in the present does not leave the future desolate.

This need for balance permeates most discussions on sustainable development because it affects the earth's sustainability. The rationale behind such discussions is that earth is currently the only planet able to sustain human life, and its inhabitants have a moral obligation to preserve it, for the benefit of the present and future generations. The effects of climate change are especially felt by African countries. The term "greenhouse gas (GHG) emissions" refers to the release of GHG into the atmosphere, which is mostly brought on by human activity, and which poses a serious threat to the environment. Nigeria, in particular is vulnerable to climate change impacts caused by activities such as deforestation and GHG emissions from the use of fossil fuels. These climate change impacts have various effects on different sectors of the Nigerian economy; in

* LLB(Unilag). Email: oluwasemiloreolowokure@gmail.com

the agricultural sector, which constitutes a significant percentage of Nigeria's Gross National Product, increased temperatures result in lower agricultural productivity.¹ Investments in oil and gas, Nigeria's leading industrial sector, are also at risk due to rising sea levels and shoreline erosion.² Moreso, an estimated 2.8 million people are displaced or affected by the flooding in their communities, marking the worst flooding in Nigeria in at least a decade.³

To mitigate the effects of climate change, Nigeria has decided to participate in performing the necessary balancing act by creating its climate action strategy in line with its international commitments under the United Nations Framework Convention on Climate Change (UNFCCC), Kyoto Protocol, and the Paris Agreement. This is recognizing that Nigeria still has the seventh highest volume of gas flaring in the world, with the World Bank reporting a flare volume of about 6,627 million³ in the year 2021.⁴

An effective climate change framework must provide adequate mitigation and adaptation responses. These responses must be backed with institutional capacity and practical implementation. Nigeria has taken laudable steps to implement climate change laws and policies, and this paper will highlight the most recent framework adopted by Nigeria. This paper will further address issues concerning the efficacy of the framework and, finally, recommendations will be

¹ National Adaptation Strategy and Plan of Action on Climate Change for Nigeria (NASPA-CCN), 2011. p.16 available at <https://csdevnet.org/wp-content/uploads/NATIONAL-ADAPTATION-STRATEGY-AND-PLAN-OF-ACTION.pdf> (accessed 15 February 2023).

² *Ibid*, p.20.

³ International Federation of Red Cross (IFRC), "Nigeria: Flood" (October 2022) available at <https://www.ifrc.org/emergency/nigeria-floods> (accessed 9 March 2023).

⁴ Global Gas Flaring Reduction Partnership (GGFR), "Global Gas Flaring Data" (World Bank) available at <https://www.worldbank.org/en/programs/gasflaringreduction/global-flaring-data> (accessed 1 March 2023).

made to ensure Nigeria reaches its net zero target⁵ and achieves sustainable development.

2.0 NIGERIA'S REGULATORY FRAMEWORK FOR CLIMATE CHANGE: THE ROAD TO 2060

While there are a plethora of international provisions and policy documents on climate action, a pragmatic domestic framework is required for an effective response to climate change. In the same vein, an understanding of Nigeria's most recent international climate change commitments is important to appreciate the intent of its climate action strategies. In 2021, at COP 26,⁶ Nigeria committed to cut her carbon emissions to net zero by 2060. The 2060 net zero target was set, and this commitment is reflected in its most recent climate action policies and regulations. A major outcome of COP 27 that should assist Nigeria in dealing with climate change is the decision to set up a "loss and damage" fund to assist countries in coping with climate change impacts.

The key enactment for Nigeria's climate action strategy is the Climate Change Act, 2021 (hereinafter referred to as "The Act").⁷ The Act is primarily enacted to mainstream climate change actions and establish the National Council on Climate Change (NCCC).⁸ Importantly, Part V of the Act provides for a carbon budget to be set by the Federal Ministry of Environment as well as a National Climate Action Plan. It provides for a five-year review cycle, with the overall aim of achieving Nigeria's net-zero target between 2050-2070.⁹ The Action plan will proffer guidelines to achieve the nation's climate

⁵ Nigeria has committed to net zero emissions by 2060, in line with Section 1(f) of the Climate Change Act, 2021.

⁶ The Conference of the Parties (COP) is an annual summit of members of the United Nations Framework Convention on Climate Change (UNFCCC).

⁷ Climate Change Act (CCA), 2021.

⁸ *Ibid*, preamble.

⁹ O. Atoyebi S.A.N. "The Nigerian Climate Change Act 2021: Nigeria's Antidote to the Global Climate Crisis" available at https://omaplex.com.ng/wp-content/uploads/2021/12/THE_NIGERIAN_CLIMATE_CHANGE_ACT_2021-1.pdf (accessed 5 March 2023).

goals and ensure the “climate proofing” of infrastructure: ensuring infrastructure remain usable even as the environment changes.¹⁰

Interestingly, section 4(i) of the Act also provides that the NCCC shall collaborate with the Federal Inland Revenue Service (FIRS) to develop a mechanism for carbon tax in Nigeria. In essence, there will be a set price that emitters will pay for every ton of GHG emitted over a certain period.¹¹ This is expected to reduce indiscriminate GHG emissions while adding to the Climate Change Fund to aid the activities of the NCCC. While a carbon budget has not yet been set, the Director General of the NCCC has announced plans to unveil a carbon budgetary system and taxing policy for Nigeria.¹² The Act also provides for emissions trading to further boost the Climate Change Fund account¹³ and this is likely to stimulate economic growth due to capital inflows.

Another major development is the Energy Transition Plan (ETP) released in 2022 which sets out a framework and timeline for reducing emissions in five key sectors: oil, power, transport, cooking, and gas.¹⁴ It plans to use gas as a transition fuel toward net zero. The National Climate Change Policy 2021 (NCCP) serves as a guide for the country’s response to climate change in light of more recent recommendations by the international community.¹⁵ The strategic objectives of the policy include implementing mitigation actions towards low carbon emission, improving Nigeria’s climate change

¹⁰ *Ibid.*

¹¹ A. Mojeed, “Climate Change: FG to Unveil Carbon Tax System for Nigeria”, *Premium Times* (13 February 2023) <https://www.premiumpremium.com/news/more-news/581752-climate-change-fg-to-unveil-carbon-tax-system-for-nigeria.html> (accessed 8 March 2023).

¹² *Ibid.*

¹³ *Supra* note 7 at s. 15(1)(e).

¹⁴ Nigeria’s Energy Transition Plan (ETP) available at <https://energytransition.gov.ng> (accessed 12 March, 2023).

¹⁵ Federal Ministry of Environment, Department of Climate Change, National Policy on Climate Change 2021, p.7 available at https://climatechange.gov.ng/wpcontent/uploads/2021/08/NCCP_NIGERIA_REVISED_2-JUNE-2021.pdf (accessed 5 March 2023).

adaptation capacity, and encouraging climate change agencies to educate the public on climate change related issues.¹⁶

These recent developments in Nigeria's climate framework are bound to bring positive change for attaining its net zero goal and economic development. The ETP projects that it will drive economic growth and lift 100 million Nigerians out of poverty while still managing the long-term job loss expected in the oil sector due to reduced global demand for fossil fuel.¹⁷ It also projects a rise in job creation in key sectors, with up to 840,000 jobs created by 2060.¹⁸ This rise will be the result of the expansion of the renewable energy industry across all sectors, which will result in 'green job' opportunities.

The ETP further points to investment opportunities as novel areas of energy production expand in Nigeria. The possibilities are endless, yet the climate framework is not free from stumbling blocks on the road to net-zero.

3.0 STUMBLING BLOCKS TO ACHIEVING NET-ZERO AND SUSTAINABLE DEVELOPMENT

Nigeria's efforts towards creating a framework for climate action show that laws and policies have deliberately been created to curb climate change and attain sustainable economic development. However, there are defined global measures that an effective regulatory framework on climate change should respond to, such as an analysis of measures to reduce GHG emissions, an action plan to address climate change, and enhancing general awareness of climate change-related issues.¹⁹ Where laws are not practicable, and institutions lack capacity, the resultant framework is a dead letter with no practical use.

¹⁶ *Ibid.* p.15.

¹⁷ *Supra* note 13.

¹⁸ *Ibid.*

¹⁹ O. Fagbohun & F. Nlerum, "Implementing an Effective Regulatory Scheme for Climate Change in Nigeria: The Role of Law" (2011) | *NIALS Journal of Environmental Law*, 280.

In highlighting the issues in Nigeria's climate action framework, the first thing to note is that the government appears to have fallen behind schedule with regards to the deadlines outlined in the Climate Change Act. While the Act sets a 12-month deadline for the carbon budget to be set,²⁰ which would have been November 2022, the Director General of the NCCC was only appointed in July 2022,²¹ and the pilot carbon budget has still not been set. This raises concerns about the efficacy of the institutions implementing the lofty objectives of the Act.

Secondly, section 5(1) of the Act states that the President shall head the NCCC as Chairman.²² This has the potential to stall progress as the President, at any given point in time, may not be knowledgeable enough or may not align himself with the objectives of the Act. This potential problem may be seen in light of the remarks of President Bola Ahmed Tinubu, who distanced himself from the fight to mitigate climate change when he stated that Nigeria's response to the western world should be "*If you don't guarantee our finances...we are not going to comply with your climate change.*"²³ This raises concerns about the support (or lack thereof) that the NCCC will receive if the current administration does not regard climate change as a global issue or is not aligned with the mandate of the NCCC.

A third concern is that while the NCCP should align with Nigeria's Nationally Determined Contribution (NDC),²⁴ there may be a mismatch in the characterization of current GHG emissions. The more recent NCCP indicates that Agriculture, Forestry, and Other Land Use ("AFOLU") are the largest sources of emission,

²⁰ *Supra* note 7, s. 19(2), s. 20(2).

²¹ Climate Action Tracker, "Country Summary: Nigeria" available at <https://climateactiontracker.org/countries/nigeria> (accessed 12 March 2023).

²² *Supra* note 7, s.5(1)(a).

²³ V. Terhamba, "Tinubu's faulty knowledge of climate change", *The Cable* (20 October 2022) <https://www.thecable.ng/tinubus-faulty-knowledge-of-climate-change> (accessed 7 March 2023).

²⁴ NDCs embody the efforts by each country to reduce national emissions and the Paris Agreement requires each party to communicate its NDCs. Nigeria submitted its NDCs in 2021.

contributing 66.6%.²⁵ The NDC, on the other hand, identifies AFOLU as contributing just a quarter of the emissions.²⁶ Moreso, the historical emissions presented by the NCCP are more than double that presented in the NDC.²⁷ This raises uncertainty about how accurate the analysis of Nigeria's measures to reduce GHG emissions is.

In light of the issues highlighted, there is a need to improve climate strategies and implementation. With further efforts to refine the existing climate framework, Nigeria's journey to its net-zero target will be much smoother, and there will be a greater chance of achieving sustainable economic development.

4.0 RECOMMENDATIONS FOR A SMOOTH NET-ZERO JOURNEY

Less than a year after the enactment of the Act, Former President Muhammadu Buhari called for a review of the Act, citing issues such as bureaucracy and cost management.²⁸ While the recent developments in Nigeria's climate action framework are largely promising, there are areas to be improved on to sufficiently bring about economic development and ensure a successful net-zero journey. To repave the road to 2060, the following measures should be considered:

4.1 Eliminating Administrative Obstacles

Provisions that may potentially hinder the smooth running of institutions for climate action should be eliminated or reviewed. This includes provisions such as section 5(1) of the Climate Change Act,

²⁵ Supra note 14, p.17.

²⁶ UNFCCC, "Nigeria's Nationally Determined Contribution" available at https://unfccc.int/sites/default/files/NDC/2022-06/NDC_File%20Amended%20_11222.pdf (accessed 12 March 2023).

²⁷ Climate Action Tracker, "Policy Overview: Nigeria" available at <https://climateactiontracker.org/countries/nigeria/policies-action/> (accessed 12 March 2023).

²⁸ S. Angbulu, "Buhari orders immediate review of Climate Change Act" *Punch* (28 September 2022) available at <https://punchng.com/buhari-orders-immediate-review-of-climate-change-act/n> (accessed 7 March 2023).

which should be reviewed to ensure that the President is not intricately a part of the NCCC, and performs limited oversight functions. This would be similar to the United Kingdom Climate Change Act,²⁹ which leaves the Chair of the Climate Change Committee to be appointed by the Secretary of State and ministers rather than have them as members of the committee.³⁰

Section 11(1) of the Act should also be reviewed to limit bureaucracy and cost of administration as it excessively provides for the establishment of zonal offices, 36 state offices and any other administrative apparatus the Council may deem fit. In addition, the long yet fixed list of members of the NCCC makes it impossible to have additional key members without an amendment to the Act. On the other hand, the UK Act leaves the appointment of members to the national authorities and the Chair of the Committee and sets the maximum number of members to nine, subject to amendment by the Secretary of State.³¹ Such steps will limit the cost of administration and promote efficiency.

4.2 Improving GHG Inventory Management

For Nigeria to participate in the international carbon market, it needs to be able to calculate its emission reductions. However, Nigeria does not have a fully operational GHG Inventory System. Developing and digitalizing an emissions tracking and transaction system will facilitate emissions trading and economic development. Nigeria can take a cue from Jordan which is the first developing country to build end-to-end digital infrastructure for this problem.³² These are being worked towards by other countries such as Senegal, Ghana and Chile, and can be replicated with the help of the Partnership for Market Implementation (PMI) initiative by the World

²⁹ Climate Change Act, 2008 (c.27).

³⁰ *Ibid*, schedule 1, para. 1(1)(a).

³¹ *Ibid*, schedule 1, para. 1(2) & (4).

³² The World Bank, "Countries on the Cusp of Carbon Markets" available at <https://www.worldbank.org/en/news/feature/2022/05/24/countries-on-the-cusp-of-carbon-markets> (accessed 12 March 2023).

Bank, which has standardized the Jordan model to enable its implementation by other countries.³³

4.3 Enabling Renewable Energy-related Foreign Direct Investment

Capital intensive projects must be embarked on for renewable energy to thrive. Even with grants from the international community, the Nigerian government cannot execute the necessary projects without private investments. International Investment Agreements (IIAs) can be repurposed to provide incentives for renewable energy-related investments. Essentially, investors must have an assurance that their energy investments in Nigeria will be protected and they have enforceable rights codified in contract and at law such as through express regulatory provision or ratification of international investment treaties. Nigeria can make its IIAs climate-responsive by reforming them in line with available international frameworks such as the Investment Policy Framework for Sustainable Development.³⁴

4.4 Consolidating the Climate Reporting Framework

Keeping an accurate track of climate data, mitigation, and financing efforts is essential for meaningful climate strategies to be formed. Thus, Nigeria must improve coordination within the various climate agencies by streamlining their roles with the role of the NCCC and establishing a working reporting framework. This will avoid contradictory reports and a mismatch in characterizing the problems to be dealt with.

A formalized reporting mechanism will also ensure that Nigeria's NDC is accurately reviewed and updated. Further, accurate reports will enable localized climate solutions per region rather than general solutions, allowing the government determine which climate

³³ *Ibid.*

³⁴ United Nations Conference on Trade and Development (UNCTAD), "Investment Policy Framework for Sustainable Development" available at https://unctad.org/system/files/official-document/diaepcb2015d5_en.pdf (accessed 12 March 2023).

strategies should be prioritized per state or region. This will flow into other key aspects of climate action, such as education and awareness,³⁵ where the government is able to design particular advocacy strategies based on the data collected.

5.0 CONCLUSION

While developing countries such as Nigeria must have the freedom to exploit their resources for economic development, it is trite that no classification of countries is absolved of the global responsibility to move towards low-carbon economies. Climate Change affects the entire planet, and as such, this economic freedom should be tempered with limitations birthed from collective responsibility. Since signing the Paris Agreement in 2015, Nigeria's energy transition efforts have taken positive turns as it has been marked with commendable policy and regulatory development. However, sustainable economic development will not be achieved through wishful thinking in the form of well-written policy documents. The issues of implementation highlighted such as; administrative obstacles, tardy implementation, and inaccurate analysis of the current energy situation, demonstrate that there is more work to be done for sustainable economic development to be achieved. Notwithstanding, properly implementing regulatory and policy measures can ensure that Nigeria's 2060 target is attained.

³⁵ United Nations Framework Convention on Climate Change, Report of The Conference of The Parties On Its Seventh Session, Held At Marrakesh from 29 October to 10 November 2001 FCCC/CP/2001/13/Add.1 at 11 and 12.