Ensuring Environmental Sustainability and Climate-Resilient Development within the “Change” Agenda

Memo to
Mr. President and National Assembly Members

5 June 2015

ENVIRONMENTAL RIGHTS ACTION/
FRIENDS OF THE EARTH NIGERIA

Protecting the Environment, Democratizing Development...
Environmental Rights Action/Friends of the Earth
Nigeria

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Acknowledgements

This policy brief is a summary of recommendations made at series of consultative meetings organised by ERA/FoEN on environmental sustainability in Nigeria. For more than 20 years, ERA/FoEN has provided policy briefs to government, oil companies and impacted communities with the aim of providing roadmaps for sustainable management of the environment. This policy brief is a product of collective work of several civil society groups over the years, impacted communities throughout Nigeria, and some government representatives, policy makers, lawyers, the Host Communities Network (HOCON), community leaders and representatives participating in our advocacy and public meetings.

It is hoped that this document will facilitate the desired change in environmental governance in Nigeria.

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Environmental Rights Action/Friends of the Earth Nigeria (ERA/FoEN) is a Nigerian advocacy group dedicated to the defence of the human ecosystem in terms of human rights. ERA/FoEN is the Nigerian chapter of friends of the Earth international (FoEI). ERA/FoEN is also the coordinating NGO for the Oilwatch International as well as the host of the secretariat of the African Tobacco Control Regional Initiative. ERA/FoEN is also the coordinating NGO for the Nigeria Tobacco Control Alliance.

The organization's committed struggles for environmental human rights won it recognition through awards such as the Sophie Prize for Excellence and Courage in the Struggle for Environmental Justice (1998) and the Bloomberg Award for Tobacco Control Activism (2009).

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Executive Summary

Nigeria is richly endowed with energy resources. Despite its large oil reserves (the 10th largest in the world) and massive natural gas reserves put at 187tcf that has a potential to grow to as much as 600tcf, Nigeria still experiences acute energy crisis.

Access to modern energy services in Nigeria is very low, with only about 40% of its estimated 168 million people having access to electricity on a meager 150kWh average electricity consumption per capita compared with a country like South Africa with 4000kWh. More than 15 million households do not have electricity and more than 67% of the population depend on biomass as primary source of energy.

The situation is exacerbated by the nation’s heavy reliance on the oil sector as the mainstay of the economy. Oil accounts for about 95% of the export earnings and about 85% of the government’s revenues (World Bank, 2012). Other factors responsible for this low energy access are lack of clear policy and legal framework that incentivize private sector investments in the energy sector, weak institutions and outright corruption.

The challenges in delivery of energy services can be surmounted by investments in a range of small scale decentralized power generation plants based on renewable resources or natural gas, which could provide viable long-term solutions for Nigeria’s energy needs, particularly for low income markets.

The on-going reform in the petroleum sector through the Petroleum Industry Bill (PIB), the Climate Change Governance Bill, the Renewable Energy Master-plan, that all empathize decentralization will hopefully unlock the massive renewable energy potentials and increase access to energy.
Nigeria’s energy challenge however presents the new administration an opportunity to pursue its economic growth agenda at a low carbon trajectory with minimal incremental cost. It also provides opportunities to create green jobs, enhance energy efficiency through appropriate energy labeling regulations and sustainably exploit its abundant renewable energy resources. Addressing these challenges will increase energy access, reduce the pervasive poverty across the country and enhance the standard of livelihoods with low health risks.

It is based on the foregoing that the ERA/FoEN presents this Memorandum to the President and government of the Federal Republic of Nigeria as well as policy makers for a sustainable Nigeria.

**This policy brief covers 10 cardinal areas listed below:**

1. Focus on energy transition from fossil fuel-based sources to renewable energy that is de-centralized, non-grid, and community driven so that costs and benefits are shared by all rather than monopolistic entities.

2. Statutory investment in renewable sources of energy is necessary to create the enabling environment through research and development.

3. Overhauling of mechanisms for seeking redress in the event of oil spills and other environmental degradation so that the Joint Investigation Visits (JIVs) and report are not manipulated and used to criminalize the communities but a means of clean up, remediation, and compensation. To this end, there is need to enhanced the capacity of the Federal Ministry of Environment, National Oil Spills Detection and Remediation Agency (NOSDRA) and National Environmental Standards and Regulations Enforcement Agency (NESREA) to perform their statutory functions.
4. Implementation of the UNEP Assessment on Ogoniland recommendations by the establishment of US$1 billion Clean Up and Remediation Fund and the establishment of US$100 billion Clean up and Remediation of the entire Niger Delta through the Polluter-Pays-Principle (PPP).

5. The volume of oil extracted from Nigeria on a daily basis is unknown hence the need for metering of the crude oil pipelines, oil wellheads and flow stations down to the export terminals. The volume of 2.4mbpd declared in the record books run far below what is extracted given the massive oil theft and frequent oil spills currently on-going.

6. To effectively combat climate change, a Climate Change Energy Commission is necessary to provide institutional basis to drive the process.

7. The Niger Delta is destroyed by oil impacts so also are the 11 frontline states of the north by desertification. In the east gully erosion and in the west, deforestation have impacted rural livelihoods. To account for the level of livelihoods destruction throughout Nigeria, and plug the gap of social and income disparity, a National Basic Income Scheme of about N10,000 (ten thousand naira) should be paid to all Nigerians who are unemployed and without insurance or pension scheme.

8. The PIB should receive priority attention. The bill should unbundle NNPC, incorporate the Polluter-Pays-Principle, and Community Development Fund for rural communities.

9. The corporate impunity and “regulator capture” by oil transnationals should be checked and not allowed to diminish the sovereignty of Nigeria. It is strange that oil companies like Shell do not keep to their internal regulations and national regulations as noted in the UNEP
10. Rather than engage in oil prospecting in the Chad Basin, a post petroleum economy should be the focus drawing lessons from the Delta Beyond Oil Masterplan that seeks to deliver on sustainable development through renewable energy sources.

The scorecard indicators above are running and we share in the belief and optimism that lasting legacies will be achieved by your administration.
1. Background

The slogan of this year’s World Environment Day:Seven Billion Dreams, One Planet Consume with Care,is relevant to the Nigerian context. The slogan can only be seen from the paradox of poverty in the midst of plenty for the poor management and allocation of Nigeria’s resources which this policy brief seeks to address. In particular, it is directed to Mr. President and the federal government as well as policy makers at the National Assembly on how to achieve environmental sustainability for Nigeria’s development.

The recent transition to a new government has provided Nigeria yet another opportunity to reappraise its current socio-economic development pathway and set new agenda to attaining a high economic growth rate within the context of sustainable development.

The Vision 20:2020 Economic Blueprint of the Federal Government of Nigeria (FGN) envisaged increasing the per capita income of Nigerians to about $9000, increasing power generation by about 35,000mw, enhanced infrastructural development, creating jobs and ensuring environmental sustainability through a low carbon pathway amongst other things by the year 2020. Anchored on these objectives, various national programmes and initiatives including the Power Sector Reform, Oil and Gas Sector Reform through the proposed PIB, and Renewable Energy Policy Reform, among others were not implemented by past government.

The major task before the new administration is obviously the appraisal of the current implementation strategies adopted for the various program and contextualizing them within its “change” PIB vis-à-vis its Poverty Reduction Agenda to ensure social inclusion, equity and public participation.

From the outset, we stated that the Vision 2020 initiative needs a participatory review to turn it into a vision of sustainable growth within the
limits of a climate constrained world, and a translation into some national movement, sustained by the belief in a *shared vision* and a *common bright future*.

The “Change” agenda must cardinally aim at reducing the pervasive energy poverty through enhanced access to energy, particularly for off-grid populace, improved livelihood for women and youths, conservation and efficient use of natural resources, climate resilient development, environmental protection and social justice.

The following priority areas have been identified as cardinal to meeting citizens welfare and presents some indicators in which this present government success will be measured.

2. Energy Access and Off-Grid Options

Energy, in particular, oil and gas, contributes over 70% of Nigeria’s federal revenue. Regrettably Nigeria has relied too heavily on its oil and gas resources to the detriment of other renewable sources of energy.

Available statistics show that only about 40% of the nation’s population have access to electricity from the national grid, leaving close to 95 million people relying on the traditional use of wood and kerosene for cooking with its attendant health implications.

Oil exploration in Nigeria has led to monumental environmental damage to communities in the Niger Delta, while energy poverty has increased the rate of deforestation and loss of forest cover with about 72% of the population depending on biomass as source of cooking energy (GCN, 2010).

The unsustainable approaches to production and use of energy are the twin problems that induce climate change and global energy poverty. Therefore,
the deployment of cleaner energy solutions, particularly renewable, is paramount to reduce emission of greenhouse gases, protect the environment and enhance sustainable development.

On a long term basis, rather than focus attention on oil discovery in the Chad Basin, a post petroleum economy for Nigeria should be the focus drawing lessons from the Delta Beyond Oil Masterplan that seeks to deliver on sustainable development through renewable energy sources. There is a need to shift from fossil fuel based energy sources to cleaner energy such as solar and mini-dams as alternatives to drive future development within planetary boundaries. Renewable energy has emerged as the most favoured alternative to fossil fuels because of its low carbon nature, low rate of depletion, high rate of regeneration and inherently sustainable component. The provision of reliable, clean, and affordable energy access is required to create economic opportunities, harness the economic potentials of the rural areas to reduce poverty, stall rural-urban drift, enhance educational potentials for rural school children and encourage the growth of Small and Medium Enterprises (SMEs) in the rural areas and attain the MDGs.

The National Energy Policy (2005) emphasized the importance of renewable energy to achieving sustainable development through the expansion of overall access, targeting access rate of at least 75% by 2020.

The National Policy and Guidelines on Renewable Electricity, and the ongoing PIB also emphasized the importance of renewable energy.

However, renewable energy options are suitable off-grid and stand-alone systems. Based on a 10% economic growth rate and the corresponding ECN projected electricity demand profiles of about 16,000MW, 30,000MW and 192,000MW in the short, medium and long terms in the country, the document envisaged that Renewable Energy (RE) would contribute about 13%, 23% and 36% of the total electricity demand of the nation in the short, medium and long terms, respectively (ECN, 2007). Nigeria needs to be in the
forefront of the renewable energy revolution by dedicating adequate resources for research and development that will drive this process.

3. The UNEP Assessment Report Recommendations on Ogoni

It will be recalled that the Federal Government commissioned the United Nations Environmental Programme (UNEP) to assess the level of environmental pollution in the Ogoniland occasioned by years of spillage from oil operations in that area. The UNEP Environmental Assessment of Ogoniland Report released on August 4, 2011 made far-reaching recommendations for the cleanup, which it envisaged will take up to 30 years and cost an estimated $1billion. While government accepts the report, it has however not demonstrated sufficient commitment to implement the recommendation. It is therefore ironic, that despite several millions of naira invested in the report and countless agitations by interested stakeholders, the report has been subjected to political machinations and intrigues, while the environmental degradation continues unabated.

Your administration will do well to study the report with a view to fully implement its recommendations, which will certainly reduce environmental hazards and improve livelihoods in the affected communities.

4. Environmental Sustainability of the Niger Delta: Overhauling the JIV process

Closely linked to the UNEP report is the general environmental concerns in the Niger Delta region which are well documented and further exacerbated by continued poor environmental enforcement, low level of commitment by operating companies and unbridled frustration by affected communities due to perceived neglect of government. ERA/FoEN-led coalition of CSOs and HOCON urge the government to compel the transnational oil companies to halt gas flaring and commence the cleanup of the over 10,000 oil spill sites by
the establishment of US$100 million clean up and remediation fund for the entire Niger Delta. The socio-economic costs of inaction, economic and health losses and fast depleting biodiversity in the region have not been properly quantified neither is any one held accountable for such losses. The inability of government to hold culprits to account and non-enforcement of the Polluter-Pays Principle has encouraged the culture of impunity with grave consequences to the environment, rural livelihood sources and serious environmental degradation. Environmental risks and ecological scarcity are being heightened. Rather than selective settlement, the root cause of grievance and environmental pollution should be dealt with decisively.

In particular, the mandatory JIV to oil spill sites is currently led by the same oil companies that are responsible for the spills. It is the oil companies that put the logistics together and eventually decide the cause of spill, level of impact and extent of remediation rather than NOSDRA which has the statutory functions. The resulting JIV reports criminalize communities, and even falsify dates and extent of impact in order to reduce damages and liability as a recent case involving the Bodo community and Shell show. Even though the issue was settled out of court with US$83 million paid to victims, it ought to be the concern of the Nigerian government how a company like Shell treated its citizens with contempt by the falsification of documents and manipulations of the JIV process.

ERA/FoEN advocates for stronger commitment from the government to hold every polluter accountable for both clean up and remediation of any affected area and strengthen institutions to avoid “regulator capture” which has often rendered government’s efforts useless. Attention should be paid to the Ministry of Environment, NESREA and NOSDRA so that they can properly be equipped to conduct their statutory regulatory and enforcement duties.
5. Climate Change and National Economic Development: The Climate Change Commission Bill

That the present government has pledged to focus attention on climate change is significant. But it can hardly do this without a strong institutional base to drive the process. There is a global consensus that climate change will stunt economic development if no urgent actions are taken. Nigeria has committed to the global effort to reduce the impact of climate change by signing both the United Nations Framework Convention on Climate Change (UNFCCC) and ratifying the Kyoto Protocol. Appropriate policies like the National Climate Change Policy and the National Adaptation Strategic Action Plan (NASPA) have been adopted. However, because climate change is crosscutting and directly affects economies of nations, a strong national institution that will provide appropriate climate governance is being advocated. Such national institution will provide leadership, coordination, create access to resources and information to fully respond to the present and future dangers of climate change.

Nigeria has pioneered the legislation for the establishment of a specialized National Climate Change Commission/Agency through the Bill for the establishment of a Commission since 2009. However the Bill was not assented to by former President Goodluck Jonathan. It is instructive to note, that countries like Philippines, Mexico, Columbia and Kenya that have adopted Nigeria’s proposed model have since established statutory Commissions to provide climate governance and resilience in their respective countries.

ERA/FoEN recalls President Mohammadu Buhari’s acceptance speech where he commits to addressing the climate challenge that presently incapacitates livelihoods and urge him to champion the fight against climate change by the establishment of a dedicated commission directly under the presidency in line with current global practices.
6. The PIB

The PIB was introduced to restructure the oil and gas sector through the unbundling of the existing NNPC with specialized agencies and bodies. Amongst other things the Bill seeks to ensure that the management and allocation of petroleum resources and their derivatives shall be conducted strictly in accordance with the principles of good governance, transparency and sustainable economic development; enshrines the principles of transparency and good governance by stating that institutions of the industry shall be guided by the principles of the Nigerian Extractive Industry Transparency Initiative (NEITI).

It also incorporate the provision for participation of the people in the decision making process and fully provides for the rights of citizens to know about processes of the industry.

The Bill has been subject to intense debate and political intrigues despite the fact that its philosophy and principles have been generally accepted. While the immediate past legislature promised to pass the Bill before the expiration of its legislature year, it is imperative that the new administration ensure the full implementation if passed so that local participation in community development process is enhanced.

In the event of non-passage of the Bill, the President is called upon to accelerate the passage by working with the National Assembly to ensure probity and accountability for the general good of the economy and the people. The Bill if passed will increase revenue for Nigeria, account for frequent oil spills and cleanup process and arrest the spate of oil theft.
7. **Who is Afraid of Oil Pipelines Metering?: Publish What You Pump.**

Surprisingly, the amount of oil extracted in Nigeria on a daily basis is unknown. What is known is the amount offered for sale at the export terminals. ERA/FoEN suggested to the past administration the need for metering of the oil pipelines, oil wellheads, and flow stations down to the export terminals but the oil companies by consensus were opposed to this. In this way, the massive oil theft currently on-going is unaccounted for. The question this government should ask and deal with is: “who is afraid of oil pipeline metering?” so that Nigeria can ascertain the actual volume of oil extracted from Nigeria which far exceeds the records of about 2.4mbpd.

8. **Social Justice and Equity:**

   **National Basic Income Scheme for the unemployed**

Years of failed promises, dashed expectations and limited opportunities for self-actualization have been perceived by a large portion of the population as injustice. This has elucidated protests and to some extent armed struggle of diverse levels and characteristics across the country. Inequitable distribution of the nation’s endowed natural resources and the widening gap between the rich and the poor has increased a sense of social exclusion and public participation. Despite consistent GDP growth, Nigeria continues to experience “growthless growth” as poverty and joblessness have become pervasive. The absence of necessary social security safety nets like medical insurance, welfare particularly for the poor coupled with lack of access to energy, water and a safe environment have continued to demoralize meaningful contribution from this segment of the population.

As part of the solution, ERA/FoEN advocates for reforms that will guarantee livelihoods like the Right to a clean and safe environment, Right to access to water, and Public participation in environmental issues as a fundamental
right under the Nigerian Constitution. For us, a regime that ensures social justice and equity is the first step towards ensuring a sustainable Nigeria.

The Niger Delta environment has been degraded by oil extraction activities so also are the 11 frontline states of the north that are affected by desertification. In particular, the Fulani-Hausa herdsman-famers conflict over grazing and farmlands for food have spilled to the south. In eastern Nigeria, gully erosion, and in western Nigeria, deforestation have impacted rural livelihoods. Selective payment to a few cannot be the answer to mass unemployment and security. Since rural livelihoods sources have been affected throughout Nigeria, ERA/FoEN further advocates for the adoption of a National Basic Income Scheme (NaBIS) of about N10,000 to be paid to ALL Nigerians who are unemployed to reduce social disparity and income inequalities. This initiative will cushion the meager earnings of the poor and provide some safety valves in desperate times. ERA/FoEN urge Mr. President to adopt NaBIS which has the prospects of unlocking creative potentials, reducing crime rates, and fostering national cohesion and sense of belonging to this group of Nigerians desperately in need of succor.

ERA/FoEN believes that Nigeria can only make meaningful progress through efficient use of its natural resources in a sustainable manner. A “Change” agenda that will result to improved human well-being and social equity while significantly reducing environmental risks and ecological scarcities is strongly advocated.

Apart from statutory allocation to a NABIS Fund which will deemphasize individual security and push for the collective, all Nigerians earning N500,000 and above on a monthly basis (or N6 million per annum) will be too willing to contribute 1% of their earnings to this fund. A social security fund for the unemployed is long overdue. In the past, Governors Kayode Fayemi (Ekiti), Olusegun Mimiko (Ondo) Seriake Dickson (Bayelsa), and Emmanuel Uduaghan (Delta) were already implementing monthly stipends to alleviate old age poverty. This experience can be built upon successfully by the use of biometrics.
9. **Poverty, Unemployment, Population, Electricity Rates: Current Trends**

How will the current administration reverse these damaging statistics and reduce the rate of poverty in Nigeria? The Nigerian economy grew at an average of about 6.2 percent annually between 2002 and 2011, the new poverty estimates in 2010/2011 and 2012/2013 are 35.2% and 33.1% respectively (NBS report 2014). Punch Newspaper of February 14, 2012 reported the NBS statistic as 112.519 million Nigerians live in relative poverty condition. This figure is contained in the 2010 Poverty Profile Report of NBS which represented 69% of the country’s total population. There is a general disconnect between Nigeria’s economic growth and human development.

Nigeria is ranked 156th out of 187 national economies worldwide (UNDP-HDR 2011) not doing well in tackling poverty. In 2004, out of the estimated population of over 130 million in Nigeria, 54.4% lived below the poverty line. The situation worsened in 2011 when 69.1% of the population or approximately 100 million people lived in abject poverty (NBS Report 2011). As at mid-2010, Nigeria’s population was estimated at about 163.4 million (NBS 2011) and a steady annual population growth rate of 2.5%. The population rose from 140,431,790 in 2010 to 167,912,561 as at 2014 (NPC). This represents an annual growth rate of 3.2% or 5.6 million people per annum. The unemployment rate as at 2011 was 24% compared with 21% in 2010. According to NBS 2013, 54% of Nigerian youths were unemployed in 2012 and this trend continued to rise by 27% within the period 2013 and 2014 according to NBS.
Conclusion

It is within this context that submission on the above critical issues stalling the development of Nigeria are raised, with a view to getting government to redouble its effort in seeking alternative and sustainable solutions to the current energy poverty in the country.

The brief outline here focuses on some parameters which eventually provides a template for scorecard for this present government.

Long live the Federal Republic of Nigeria.
REFERENCES


Nigeria Power generation capacity currently stands at 6000MW, Vanguard September 2014.


This policy brief was written by Dr. Godwin Uyi Ojo with support from Clean Energy Consult, Abuja