CLEAN DEVELOPMENT MECHANISM (CDM) IMPLEMENTATION IN NIGERIA: Monitoring of Sustainable Development

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The United Nations Framework Convention on Climate Change (UNFCCC) – Adopted in 1992 during UNCED

The ultimate objective of the Convention, as enshrined in Article 3 is ‘to achieve stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system’.

Entered in to force in 1994

Nigeria ratified in 1994

First Conference of Parties held in 1995

Ad hoc Group on Berlin Mandate (AGBM) that negotiated the Kyoto Protocol was established in 1995 by the COP having realized the inadequacy in the Convention;

Kyoto Protocol is to enforce achieving the objective of the Convention, especially emission reduction through;

Clean Development Mechanism (CDM), Joint Implementation (JI) and Emission Trading (ET).
CDM and its Objectives

• CDM is one of the three flexible mechanisms established under the Kyoto Protocol (Article 12) as a cost effective mechanism whose objectives are two:

  – To assist industrialised countries (Annex 1) comply with their greenhouse gas emission reduction commitments outside their boundaries - 6 GHGs by at least 5% compared to 1990 level;
  – To promote sustainable development in developing countries including Nigeria

• To achieve these objectives:
  - Developing countries (Non-Annex 1) will host project activities resulting in real, measurable, verifiable & certified emission reductions i.e. CERs
  - The CERs can be traded and sold, and used by industrialised countries to meet a part of their emission reduction targets under the Kyoto Protocol
Eligibility Criteria for Participation

- Ratification of the Climate Change Convention and the Kyoto Protocol
- Voluntary participation
- Establishment of a Designated National Authority (DNA)
CDM Implementation in Nigeria

• **Legal background:**
  – Ratification to the UNFCCC;
  – Ratification to the Kyoto Protocol;

• **Institutional framework:**
  – Establishment of Interministerial Committee on Climate Change (ICCC)
  – Establishment of Special Climate Change Unit (SCCU)
  – Establishment of Designated National Authority (DNA)
  – Establishment of National Technical Committee on CDM
Opportunities – National Circumstances

• Nigeria’s national circumstances create great potential for development of CDM projects;

• Geographical coverage of about 923,000 sq. Km

• Endowment with physical features such as
  • Vegetation
  • Broad drainage system
  • Population and waste generation
Endowment with Physical Features - Vegetation
Broad Drainage System in Nigeria
Population and Waste Generation
**With all these opportunities, CDM projects can be developed in the following sectors:**

- Oil and gas especially flared gas gathering

- Renewable energy generation such as biofuel development, wind, solar, hydro, biomass, geothermal, etc

- Integrated waste management through landfills for methane capture;

- Sustainable land management practices such as aforestation and reforestation

- Energy efficiency such as manufacturing and distribution of energy saving bulbs;
- Transportation, Manufacturing, Construction etc
Functions of Nigeria DNA

- **Mandatory function**
  - Approving proposed CDM projects based on the national sustainable development criteria
  - Tracking and annual reporting to the UNFCCC Secretariat

- **Non-mandatory promotional function**
  - Facilitating communication among investors and the proponent and other related parties
  - Facilitating capacity building in proposing and implementing CDM projects
  - Providing information to support CERs marketing and/or CERs potential

- **Monitoring of sustainable development**
Organisation structure and supporting elements of Nigeria DNA

Diagram:
- DNA
  - Secretariat
    - Technical Team
    - Experts
  - Stakeholder Forum
National Technical Committee on CDM

Members: Ministries of

- Environment,
- Petroleum Resources
- Power and Energy,
- Foreign Affairs,
- Industry,
- Transportation,
- Agriculture,
- National Planning Commission; and others such as
- Private Sector,
- Academia and
- NGOs
Procedures screening of CDM Project by DNA before approval
Summary of Procedure for DNA approval

• Registration of the Project Participant
• Initial Screening of the Project
• Submission of Project Idea Note
• Initial evaluation
• Site visits in case of construction/afforestation/distribution projects
• Issuance of Letter of no objection
• Submission of Project Design Document (PDD)
• Evaluation of PDD/site visit if necessary
• Issuance of Letter of approval
Sustainable Development Criteria and Indicator

- **Environmental Sustainability:**
  - Environmental sustainability through conservation or diversification of natural resources
  - Local community health and safety

- **Economic sustainability:**
  - Income generation
  - Local community welfare
  - Investment flow

- **Social sustainability:**
  - Local community participation
  - No negative impact on community’s social integrity
  - Improve social facility

- **Technical sustainability:**
  - Transfer of technology
  - Improving indigenous/ existing technology
  - Transfer of knowledge
  - Not used as experimental technology
CDM Registration Process

• Registration is the formal acceptance of validated projects by the UNFCCC CDM Executive Board;

• Prerequisite for the implementation, verification and the subsequent issuance of certified emission reduction units (CERs)
CDM project activity – Registration Process cycle
Registered CDM Projects in Nigeria

• Recovery of Associated Gas that would otherwise be flared at Kwale Oil-Gas Processing Plant. The facility is owned by AGIP
• Pan Ocean Gas Utilisation Project in Ovade-Ogharafe;
• Asuokpu-Umutu Marginal Field Gas Recovery Facility owned by Platform Petroleum.

*The three gas gathering projects are capable of cutting emissions by estimated four million tons of carbon dioxide annually.*

• The fourth CDM project is the SAVE80 fuel efficient wood stove which aims to reduce by 80 per cent the amount of wood needed for cooking thereby slowing the rate of desertification in the northern part of the country; and
• Municipal Solid Waste (MSW) Composting Project in Ikorodu, Lagos State, with reference number 3841, was registered on the 15th of December 2010. The Facility is owned by EarthCare Nigeria Limited
Monitoring of Sustainable Development (SD)
Does CDM Project really support SD

- **Environment Indicator**
  - almost all projects could fulfill this criteria
  - CDM projects should have EIA and fulfill the national environmental standards

- **Economic and Social Indicators**
  - Some projects such as landfill project, biogas and biomass projects could give some benefit directly to local community
  - Other projects which are industry process based do not give impact directly to local community → the project employ national/local human resources

- **Technology Transfer Indicator**
  - Many CDM Projects are using import equipments
  - Ask the proponent to use local operator
  - Not really 100% depended on import technology → maintenance or repairing better to do locally
How we will evaluate the impacts of CDM Project on SD

• We are designing the procedure of monitoring for SD achievement
• Mechanism : Report and Field visit
  ⇒ Who will make the report ? The proponent or local government ?
  ⇒ How would SD achievement be quantified ?
  ⇒ Field visit :
    ⇒ DNA need to do survey regularly during and after project implementation
    ⇒ DNA will need special budget
• What we are going to do:
  ⇒ The projects which do not give direct impact to the local community will be requested to contribute voluntarily by Corporate social Responsibility (CSR) Program
  ⇒ Develop proper National Performance Rating Program
    ⇒ Endorse industries for getting better rating :
      some criteria including waste management, energy efficiency and community development
Potential Proposal to the Stakeholders Forum

• We need involvement of Developed Countries DNA
  ⇒ Support funding for doing monitoring of SD
• Sharing information among DNAs to create networking and formulating procedure for SD monitoring
• Strengthening relationship between the DNA and EB
• Levying Project Participants/Developers to obtain funding for activities of DNA.
National Strategy on CDM Implementation in Nigeria

• Institutional and legal strengthening
• Establish bilateral agreements with Annex 1 countries
• Improve coordination among central and local governments
• Develop networking among stakeholders (government, NGO, university, business, etc.)
• Improve public awareness, education, training;
• Provide access to information on CDM issue:
  International:  http://unfccc.int

National:  http://climatechange.gov.ng
National Strategy on CDM Implementation in Nigeria (Cont’d)

- CDM Projects can be developed from various sectoral activities
- Highly support of using Renewable energy, alternative energy and clean technology
- Simplified approval procedure on CDM proposed
- Incentive scheme for CDM Project developer
- Promote CDM project potential through international event such as Carbon expo
- Active involvement of various stakeholders
Thank You

..... Save Our Earth

DNA Secretariat: Special Climate Change Unit, Federal Ministry of Environment,
Federal Republic of Nigeria

http://climatechange.gov.ng