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Date: 09/09/2009 08:53 AM
Subject: Notification of Joint Mission to Nigeria

Dear CTF Trust Fund Committee Members,

The CTF Guidelines for Investment Plans call for the CIF Administrative Unit to inform the Trust Fund Committee of country expressions of interest and all planned joint missions for the preparation of investment plans.

The purpose of this e-mail is to notify you that the Multilateral Development Banks (MDBs) have received a request from the Government of Nigeria (dated July 14, 2009) indicating its interest in accessing CTF funds and requesting a mission of ADB, IBRD and IFC to support the government in the preparation of a CTF investment plan. Nigeria is eligible for access to CTF resources, since it is ODA-eligible and has active MDB country programs. A joint MDB assessment confirmed the potential fit of the country request with the CTF investment criteria for significant greenhouse gas emissions savings, demonstration potential at scale, development impact and implementation potential.

Nigeria is the second-largest contributor to GHG emissions in Africa. The energy sector, broadly defined to include transportation using liquid-fuels, is the single largest source of CO₂ emissions, accounting for just over half of the total CO₂ emissions in the country with fugitive emissions alone (primarily from gas flaring) accounting for about 29.4% and transport accounting for 8% of national emissions. Energy-related carbon dioxide emissions from fossil fuels in Nigeria were 106 million tonnes, according to 2005 data, and are projected to double to over 200 million tonnes of CO₂ by 2030, with residential and commercial energy use and transportation accounting for much of the increase. Furthermore, Lagos is expected to be the largest or second-largest metropolis in the world with approximately 25 million inhabitants by 2015.

Nigeria is taking steps to address its infrastructure challenges while promoting a low carbon growth path. Highlights include:

- Nigeria ratified the United Nations Framework Convention on Climate Change (UNFCCC) in August 1994 and ratified the Kyoto Protocol in December 2004.

- Nigeria developed and submitted its First National Communication under the Framework Convention on Climate Change in November 2003, which contained an inventory of sources and sinks and broadly identified potential opportunities for climate mitigation and adaptation.
- On July 22, 2009, the Nigerian Senate passed a bill to establish a National Climate Change Commission as a statutory body and to vest it with the responsibility to regulate, coordinate policies and actions on climate change in Nigeria and to set up a National Carbon Market Scheme in addition to tackling the effect of global warming and its impact on Nigeria. The commission would be tasked with coordinating resources, policies and actions in the field of climate change, providing advice to the Federal Government and developing a national strategy for the reduction of greenhouse gas emissions and a low carbon economy.
- Recognizing that the low price of gas used domestically distorted incentives towards exporting and encouraged gas flaring, the Government enacted a transitional domestic gas pricing framework that moves prices progressively to cost-reflective levels. Other measures being launched include: (i) Domestic Gas Supply Obligations for gas companies (meeting these before export); and (ii) the introduction of bilateral commercially enforceable contracts between International Oil Companies and all end-users, including power companies. These measures are also expected to help reduce gas flaring.

Priorities for CTF co-financing are likely to be embedded in the Federal Government's critical infrastructure plans related to power, transportation, and gas transmission and distribution. With a population of 148 million and second largest economy in sub-Saharan Africa and largest in West Africa, Nigeria has been pivotal in Africa Union and Economic Community of West African States (ECOWAS) in terms of regional integration. Therefore, the demonstration effect of a CTF program in Nigeria would be significant.

The joint scoping mission of AfDB, IBRD and IFC will visit Nigeria between September 28 and October 9, 2009. The objectives of the mission are to: (i) agree on the strategic utilization of CTF resources in support of the government's strategies in the power and transport sectors; (ii) agree on the types of priority projects to be included in the Investment Plan submitted for CTF financing; and, (iii) discuss and agree on the elements of the draft investment plan with the relevant government Departments led by the Ministry of Finance. Depending on the outcomes of the scoping mission, a follow-up mission to finalize the investment plan may be scheduled for late October.

This mission falls in the category 2 Investment Plan (i.e. public and private sector).

The contact point for the Government of Nigeria is Mr. Victor Fodeke, Head, Special Climate Change Unit (fmenvccu@yahoo.com) . Contact persons at the MDBs are:

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