

Nigeria and COP 26

Nigeria and COP 26 – the question facing us must surely be whether the emphasis in Nigeria should be on adapting to climate change, mitigating its multiple impacts within the country, excoriating others for advocating a remedial plan or instead focussing more strongly on seizing it as an opportunity to change the country's development paradigm.

Recent government discussions, particularly the position put forward by the Vice President in discussion with Tony Blair, or by President Buhari in his "Opinion" piece for Newsweek magazine, have been on how best to continue using gas as the fuel for the country's electricity generation – and not as feedstock for manufacturing and industrial activities to spur real growth and job creation. A case has been put forward for insisting that Nigeria be allowed, if such is the right word, to use its own natural gas resources to the end or for as long as is necessary to rectify the shortfall in electricity supply to the national grid. This approach is simply a variant of "business as usual", as it ignores the potential for innovation in order to drive economic growth. It resorts instead to the past in an effort to continue that past. Will simply providing more electricity in the national grid bring back factories and revitalise industries in those clusters where they once were? Should we not be asking whether supplying to residential customers at incredible cost to the government is worth continuing?

Radical problems call for radical solutions

What if the government rather than propping up a moribund system that it has consistently thrown a comparatively large proportion of its revenues at for that purpose, instead incentivises the conversion of gas into products that could drive industries, whereby government's role must solely be to incentivise and not to own? At the same time, given that the national grid only reaches 40-50 percent of the population at best, why are we not grasping COP 26 as a real opportunity to completely rethink our electricity system and how electricity is provided on location?

Nigeria has under-developed itself into a corner. Its transport system relies on diesel be it for road haulage or for its two old-made-new passenger railway lines. The rampant use of cars rather than buses in its conurbations drives greater reliance on fossil fuels. The electricity the country produces does not reach half the country geographically speaking, let alone very many people, and worse, does not drive at least half the economy. It is time to rethink the entire approach to energy consumption.

With regard to the electricity system, for far too long the focus has been simply on increasing the number of megawatts. This approach is evidenced once again in the Vice President's published preference to extend the use of gas. This mindset simply ignores the fact that it is not the number in absolute terms that counts but the number of megawatt hours reach what users. Therefore, instead of now saying we need to be allowed to use our gas to create more megawatts we should be asking ourselves: Who needs electricity, where, and for what purpose. And we should avoid not appearing serious to the international community. How long have we talked about stopping gas flaring and done nothing? We should end gas flaring immediately, rather than once again stating some date in the future. Indeed, if the government is cash strapped it could simply impose severe penalties for those companies that do not end flaring. It bears noting that a system of penalties has existed for some time, but sanctions have not been applied.

To return to the question: Where do we need electricity? We need it where the economy can grow quickly and where we can create added value in-country. That is in agriculture. And that is in manufacturing. Residential housing requires a far lower amount of electricity, is non-productive in its consumption of electricity, and could henceforth, for example, be offered a choice between being penalised for using diesel or instead receiving subsidises to start to rely on renewables.

The national grid as is, need not be expanded further at great expense. For economic activities, electricity need not be something wheeled over vast distances through a national grid but could equally be something generated locally. Nigeria has ample hydroelectric potentials just as it has extensive solar radiation. It has the ability to produce green hydrogen going forward to drive industrial plants. Just as it has the infrastructure for exporting the green hydrogen, in the form of its LNG terminal.

Nigeria has to date, like most of Africa, relied on old technologies from the global North and used them for old purposes. COP 26 should be viewed as an occasion to revisit the macroeconomic impact of this fact. Going forward, Nigeria must start to explore and identify new technologies to be used for new purposes. If we take the example of agriculture, then we see where centralised power generation in processing, packaging, and forwarding could play a massive role in changing the country's economic fortunes and employment opportunities. The key argument must not be to negotiate with the Global North over the continued use of gas but to negotiate with the Global North over international subsidises to defray the upfront costs of introducing such decentralised systems and avoiding the use of diesel. Indeed, if Nigeria boasts that it can plant millions of trees, then it must also show how those millions of

trees will be moved as saplings to the areas where they are to be planted and how they will be irrigated without massive reliance again on diesel. Otherwise, things will simply move in a vicious rather than a virtuous circle.