



**REPORT OF THE GEF NATIONAL PORTFOLIO FORMULATION
EXERCISE FOR NIGERIA – 5TH REPLENISHMENT PERIOD**

**NATIONAL GEF FOCAL POINT
FEDERAL MINISTRY OF ENVIRONMENT
ABUJA, NIGERIA**

MARCH 2012

1. Introduction

This report outlines the process that was followed to arrive at the STAR allocations for Nigeria's national priority projects for the GEF resource programme covering the 5th replenishment period. It also indicates how the grant of US\$30,000 that was received was expended during the process. The purpose of the grant was to enable Nigeria to conduct a broad consultation process, including government ministries and other stakeholders such as civil society and community-based organizations in national GEF policy and programming to set priorities for GEF resource programme.

2. Setting up the National Steering, Technical and Operational Committees

To kick-start the whole process, and in line with the GEF guidelines, a National Steering Committee was set up with the approval of the Minister of Environment. The Committee comprised top decision makers in some of the relevant Ministries, academia and civil society organizations as well as the private sector. It was an expansion of the one that government formed and inaugurated in August, 2006 to give room for more participation of additional stakeholders, particularly the academia and members of the civil society. The main role of the newly-constituted Committee was to decide the strategic directions and ensure effective and efficient management of the process that will lead to a very good and solid decision about priority national and regional projects that can be supported from the GEF STAR for the GEF 5 under the fifth replenishment. Other functions of the Steering Committee include:

- Advising the Ministry on project proposals and activities requiring endorsement by the Operational Focal Point to GEF.
- Assisting the Operational Focal Point in ensuring that project proposals are consistent with National priorities and create awareness on GEF activities and programme.
- Improving public and stakeholders' participation in GEF activities and facilitating in-country consultation and any other activities which the committee may deem fit for adequate GEF intervention in the country.

In addition to the Steering Committee, two sub-committees were set up to enable the Steering Committee draw up adequate guideline for effective operation and structuring of project submissions in the proper format that will be acceptable to GEF. The sub-committees were (i) Technical Sub-Committee and (ii) Operational Guideline Sub-Committee. The Technical Committee was chaired by a University Professor with vast experience in GEF process, while the Operational Guideline Committee had representatives of relevant UN Agencies and other development partners on board to provide good directions as to how the process should move.

To facilitate the work of the committees, two consultants were recruited to support the GEF Focal Point. This was done through a comprehensive process of selective targeting of competent and proven individuals with high competencies that have been demonstrated in other areas of environmental management in Nigeria.

3. Stakeholders Consultations

As indicated in the duly completed application for the grant, two separate meetings for the National Steering Committee in Abuja were proposed: (i) consultation and discussion of the new procedures in GEF-5; and (ii) validation and harmonization of the National portfolio.

First Consultation

The first major meeting of the Steering Committee took place on September 15 2010 in Abuja. Prior to this, there were in-house consultations to agree on the process to follow to ensure transparent allocation of GEF resources to different sectors of the Nigerian environment. The meeting was chaired by the Permanent Secretary of the Ministry of Environment. The consultation provided a good opportunity for the National GEF Operational Focal Point (GEF-OFP) and the GEF Desk Officer for Nigeria to brief members on the new operational modality of GEF.

The GEF-OFP briefed the meeting that based on her understanding from the series of meetings that she had attended, projects for support should be country-driven in view of the fact that GEF resources are only catalytic with GEF grants not expected to exceed one-third of projects' financial requirements, while countries must source two-thirds of their needs, either from national budgets or from other development partners. She also stressed the need to engage experts in the development of projects that will be submitted to the Secretariat of GEF so as to guarantee acceptability and approval. The meeting was also informed that the GEF office in Nigeria has been upgraded into a Unit in the Ministry.

The GEF Desk Officer informed participants that GEF is a financial mechanism that provides grants to developing countries and countries with economies in transition for projects that benefit the global environment and promote sustainable livelihoods, through full, medium and small size programmes. The project implementation is pivotal in addressing issues of biodiversity, climate change, land degradation, international waters, persistent organic pollutants and ozone layer depleting substances. She also briefed the meeting that the Resource Allocation Framework (RAF) that was used in GEF-4 has now been replaced with the System for Transparent Allocation of Resources (STAR) to cover three focal areas of the GEF under GEF- 5. The STAR approach is to ensure transparency and efficient allocation of the STAR funds to projects.

The meeting came up with many ideas that would ensure wider understanding of the GEF process and contributions by many stakeholders. A major suggestion that was agreed to was the need to selectively advertise for some project ideas that can be considered for GEF-5 STAR support. The emphasis was on projects that are in line with National objectives as GEF projects are only incremental to the National developments. There was also an agreement that a database on GEF projects should be established and information on GEF activities in the country is web-based. In addition, the meeting recommended that the GEF OFP/Desk Officer should embark on a number of activities, including but not limited to:

- Advocacy among legislators to attract support for the mobilization of necessary co-financing for GEF projects in the country.
- Training on project proposals writing and other skills.
- Involving consultants in the preparation of database.
- Translating Handbook on GEF into Nigeria's major languages.
- Building partnerships with Implementing Agencies for support.

At the end of this meeting a number of project ideas surfaced.

Second Consultation

In line with the proposal during the first consultation of the Steering Committee and other stakeholders, a call was made for interested individuals and institutions and agencies to submit proposals to the GEF OFP of the Ministry for consideration. This led to the submission of a plethora of proposals that are listed in Annex I of this report. The consideration of the submissions by the Committees constitutes the main objective of the second consultation. The second consultation took place in February 9 and 10 **2011**. The focus was to evaluate the synergies and complementarities among the various proposals that were received by the GEF OFP/Desk Officer so as to come up with well-focused proposals that can be further developed for submission to GEF. Initial submissions were classified according to their areas of focus to include climate change, biodiversity, POPs, international water and land degradation, as well as those that are multi-sectoral in nature.

To facilitate the workings during the second consultation, participants were divided into working groups in the areas of climate change, biodiversity, POPs, international water and land degradation. Groups then looked at the various submissions to see how ideas can be clustered into making them relevant to GEF operational strategies and modalities. They were requested to take the national environmental challenges of the country (see Section 4 of this report) into account in their consideration of the proposed topics.

Working over a period of two days, the meeting came up with the following suggested and potential project proposals. These are given in Table 1 (Annex 1).

The proposals from the various working groups were then discussed at the plenary, where it was agreed that a small technical committee should have another look at them and make final recommendations for the country.

Third Consultation

The third consultation was for the sub-committee that was set up at the end of the second consultation. It met in March 2011 to select critical projects that can win GEF support for the country. Based on the recommendations of the sub-committee, the following project areas were selected for Nigeria (Table 2) and communicated to the GEF Secretariat:

Table 2; Identified and programmed project areas for Nigeria

S/No	Proposed project Title	Focal Area	Amount (US\$)
1.	Integrated Ecosystem Management in the Transboundary Areas of Niger and Nigeria	Multi Focal	2.5
2.	Small Grants Programme	Multi Focal	2.4
3	Sustainable Forest Management (SFM) REDD+	Multi Focal	3.0
4	Great Green Wall Initiative and Lake Chad	Multi Focal	2.0
5	Small Scale Gas Utilization in Nigeria	Climate Change	3.0
6	Multi-Country Programme for Lighting Africa	Climate Change	2.0
7	Rural Women and Energy Security	Climate Change	1.73
8	Improving Energy in the Transport, Industrial and Residential Sectors	Climate Change	3.0
9	Scaling up Small Hydro Power Plants	Climate Change	2.0
10	Erosion and Watershed Management	Land Degradation	1.28
11	Green Commodity Facility (sustainable global export of palm oil)	Biodiversity	1.0
TOTAL			23.91

Based on the comments received from the GEF Secretariat on Table 2, a revision was made to the initial submission by the technical committee.

4. Nigeria's Environmental Challenges

The key environmental challenges in Nigeria can be captured broadly in terms of land degradation, air and water pollution. Rapid deforestation, resulting from unsustainable use of forest resources for human survival is a major contributing factor to land degradation. Severe land degradation, usually referred to as desertification, is particularly affecting the northern part of the country.

Biodiversity loss: The IUCN Red List of Threatened Species (i.e. of globally threatened species) includes 148 animals and 146 plants that are found in Nigeria. Of these, 26 animals and 18 plants are classified as endangered and another three animals and 15 plants are critically endangered worldwide. Within the last 30 years, about 43 percent of the forest ecosystem has been lost through human activity. Close to 96 percent of the original 20 percent forest cover has been cleared and only 2 percent of what remains is undisturbed. This has resulted in massive loss of the very rich and diverse forest flora and fauna, including indigenous tree species. It is estimated that 0.4 percent of the plant species are threatened and 8.5 percent endangered, with 0.14 percent of the animals and

insects threatened and 0.22 percent endangered. In addition, about 10-12 species of primates are threatened.

Coastal and marine environment: The marine and coastal area of the country is afflicted with many environmental problems that are being addressed for sustainable development. Industrialization, urban development, oil and gas exploration and exploitation have infringed on the people and their environment, leading to the opening up of previously pristine ecosystems. This has resulted in the alteration of habitats, biodiversity loss, deforestation and pollution (UNDP, 2006).

Land Degradation: Land cover changes in the last 30 years suggest intensification in southward movement of the grazing zone in the country. The strong increase in flood plain agriculture strongly suggested intensification of cultivation within the Fadamas when other surrounding lands are already close to the climatic limit of cultivation. A 425% increase in the extent of sand dunes/aeolian deposits and the over 50% decrease in the area of undisturbed forest is a strong evidence of land degradation. In general, there is a strong indication of loss of prime arable lands which is in turn leading to the opening up of new virgin land towards the southern part of the country. In the northern and central parts of the country, the Sudan savanna ecology is transiting to Sahel, an indication that desertification intensity is increasing.

Drought and desertification: Desertification has become a major development and environment problem in many parts of Nigeria, particularly in the region north of latitude 10°N. It is estimated that the country is currently losing 351,000 hectares of its landmass to desert-like conditions annually, and such conditions are estimated to be advancing southwards, in a haphazard manner, at the rate of about 0.6km per year.

Climate change: In general, Nigeria is strongly predisposed to severe negative impacts of climate change due to its fragile economy, weak resilience and low adaptive capacity. Much of the economy is dependent on climate-sensitive resources. For example, the agriculture, forestry and fishing sectors employ up to 70% of the workforce. Its fossil fuel-dependent economy will be particularly vulnerable to climate change-induced frequent and severe extreme events, such as floods and droughts. The heavy concentration of GDP generating industry in locations that are highly vulnerable to climate change-induced sea level rise, e.g. Lagos and the Niger Delta makes the country extremely vulnerable. The 2011 Climate Change Vulnerability Index (CCVI) published by the UK-based risk company, Maplecroft, classifies Nigeria as being of high risk. Climate change could result in a loss in GDP of between 6% and 30% by 2050, worth an estimated US\$ 100 to 460 billion dollars. According to the DFID (2009) study, if no adaptation is implemented, between 2-11% of Nigeria's GDP could potentially be lost by 2020, thereby hampering the national development goal of becoming one of the top 20 economies in the world (NPC, 2009).

5. STAR Allocation and Priority Projects

The following are the projects that were eventually approved by the Steering Committee and submitted to the GEF Secretariat for GEF-5 support (Table 3).

Table 3; Identified Priority Project for STAR Allocation in Nigeria

S/No	Project Title	GEF Grant (US\$)	Total	Implementing Agent
1.	Integrated Ecosystem Management in the Transboundary Areas of Niger and Nigeria	CC \$1.0 BD \$1.0 LD \$1.0	\$3.0	UNEP
2.	Great Green Wall Initiative	CC \$2.22 BD \$0.94 LD \$0.84	\$4.0	WB
3.	Small Grants Programme	CC \$1.4 BD \$0.7 LD \$0.3	\$2.4	UNDP
4.	Small Scale Gas Utilization in Nigeria	CC \$3.0	\$3.0	WB
5.	Deployment of Sustainable Energy Solutions in Nigeria/Promoting Low Carbon Energy Solutions in Nigeria Energy Supply	CC \$4.67	\$4.67	UNDP
6.	Lake Chad Regional Programme for Wetlands, Water Resources and Natural Resources Conservation	CC \$2.0 BD \$0.5 LD \$1.0	\$3.5	AfDB
7.	National Forest Resources Assessment and Monitoring for Improved Forest Governance in Nigeria	BD \$2.5	\$2.5	WB

ANNEX 1

Table 1: List of project topics proposed for the consideration of the Steering Committee Meeting of February 2011

Thematic Area	Proposed Project Title
Climate Change	Capacity building for legislators and policy makers to sensitize them on the need for the development of policy framework for renewable energy
	Human capital development for two Universities (Usman Dan Fodiyo University, Sokoto and University of Nigeria, Nsukka) as Centres of Excellence on renewable energy
	Energy security for rural women: Pilot projects (a) biogas systems as alternative to firewood in one community each in 36 states of Nigeria and the FCT (b) solar dryers for perishable farm produce
	Solar PV-based mini-grids for rural electrification in each of 36 states (2 small hydro-mini grids and 6 500kVA jatropha-based bio-diesel power plants for rural electrification in each 6 geo-political zones)
	Promoting industrial energy efficiency programme for climate change mitigation in Nigeria
	Improving energy efficiency of urban transport in Nigeria
	Promoting technology transfer for energy lighting in Nigeria
	Technology transfer for the local production of energy efficient compact fluorescent lamps (CFLs) in Nigeria
	Solar power technology transfer for electricity generation
	Small-scale associated gas utilization
	Cassava-based biofuel refinery at Ipao-Ekiti, Nigeria
	Improved cooking stoves (e.g. rocket/plant oil stove) linked with land degradation focusing on state level interventions
	Renewable energy policy and establishment of a feed in tariff with a demonstration project on one of the RE technologies (e.g. solar, hydro, wind, biomass/waste to energy)
	Scaling up small hydro power development in Nigeria
	Agro-biodiversity and nutrition in West African countries
	Agro-forestry on a degraded land in Odeda local government area, Ogun State, Nigeria
	African mangroves ecosystem
Land Degradation	Combating desertification through the use of tissue culture and on-farm tree planting in front line states
Biodiversity	Updating baseline data on flora and fauna in Nigeria
	Development of community based land use management through bamboo production
	Expanding the planting of beehives on non-economic trees to ameliorate human/elephant conflict and enhance biodiversity conservation

	Planting jatropha cactus to address cattle rearer/farmer conflicts
	Production and popularization of the use of environment friendly coal bricks in communities
	Development of national bio-prospecting framework
	Conservation of threatened indigenous crops and trees in Nigeria through partnership with communities
	Establishment of resource centres for training rural dwellers on bio-resources management around protected areas in Nigeria
	Rehabilitation of forest resources utilization and holding centres for capacity building for communities
	Cactus for biodiversity conservation and land degradation management in six states of Nigeria (Adamawa, Bauchi, Gombe, Sokoto, Yobe and Zamfara)
International Waters	Sustainable livelihood support and development of integrated coastal zone management plan for Nigeria
POPs	Polychlorinated biphenyls (PCB) containing equipment management and disposal
	Introduction of best available technology and best environmental practices and strategies in selected NIP priority sectors of Article 5 Industries.
	Policy framework for government to review emission, as it is now and propose limit
	Vehicular emission pollution
	Assessment of POPs contamination in the marine environment of Nigeria
Multi-focal	Institutional strengthening and capacity building of national mechanism for effective environmental compliance, monitoring and enforcement
	Re-operation/re-optimization of Tiga and Challawa gorge dams to restore human livelihoods and ecosystems in the Hadejia/Jama'are/Komadugu-Yobe/Lake Chad basin
	Presidential Afforestation Programme
	Nigeria Erosion and watershed management