

**Stakeholder Consultation Workshop on Operationalizing a Pilot Carbon Tax in Nigeria's  
Telecommunications Sector:**

**Tuesday 11 February 2025**

**Abuja Continental Hotels, Abuja, Nigeria**

**1- CONTEXT**

Carbon pricing is widely recognised as a cost-effective approach to reducing greenhouse gas (GHG) emissions by assigning a monetary value to carbon, thereby incentivizing investments in low-carbon technologies and solutions. This mechanism not only supports the attainment of Nationally Determined Contributions (NDCs) but also facilitates long-term low-carbon development strategies. Currently, there are 75 carbon pricing instruments in operation worldwide, including 39 carbon taxes and 36 emissions trading systems (ETs). This growth highlights an increasing global commitment to adopting market-based solutions to combat climate change.

Nigeria's updated NDC targets a 20% reduction in emissions unconditionally and a 47% reduction conditionally below business-as-usual levels by 2030. To achieve these ambitious goals, the country has adopted a multi-pronged approach, including expanding renewable energy, improving energy efficiency, and implementing targeted emission control measures. Among these, carbon pricing stands out as a promising instrument—not as a conventional fiscal policy but as an innovative mechanism to drive emission reductions. Drawing on successful applications in South Africa and other African nations, Nigeria aims to leverage a carbon tax tailored to its national context as part of its broader climate strategy.

In this pursuit, the NCCC requested and received support from the UNFCCC Regional Collaboration Centre for West and Central Africa (RCC WAC Africa) to conduct a feasibility study for Nigeria under the Ci-ACA initiative. The study identified both a Carbon Tax and an Emissions Trading System (ETS) as viable options for managing GHG emissions in Nigeria. However, it recommended prioritizing a carbon tax in the short term due to its simplicity and immediate applicability, particularly in sectors with significant emissions, such as telecommunications.

A carbon tax has the potential to incentivize cleaner energy use and foster technological advancements, making it a pivotal tool for achieving emission reductions. The proposed tax is not a revenue-generation measure, but an emission reduction strategy designed to align with Nigeria's climate targets while mitigating impacts on stakeholders through thoughtful design and implementation.

The study further recommended the gradual introduction of the carbon pricing instruments, with an initial focus on high-emission sectors such as oil and gas, power, telecommunications, etc.

Nigeria has, therefore, prioritized the telecommunication sector for its significant reliance on diesel-powered infrastructure, which contributes to its high GHG emissions profile. For example, as of 2022, Nigeria had over 40,451 towers and 127,294 base stations, each typically equipped with generators to ensure uninterrupted service. Industry data indicates that operators consume over 50 million liters of diesel monthly to power these sites. This substantial fuel consumption not only imposes financial burdens on telecom operators but also contributes significantly to environmental pollution and GHGs that cause warming.

This consultation workshop marks a critical milestone in Nigeria's journey to operationalize the pilot carbon tax. It builds on the groundwork laid by the feasibility study and aims to ensure inclusive stakeholder engagement. The workshop seeks to build capacity, align perspectives, and gather input for refining the pilot carbon tax framework by convening representatives from the telecommunications sector and other key actors. This collaborative approach will ensure the tax is not only effective but also equitable and widely supported, setting the stage for successful implementation and long-term sustainability.

## 2- OBJECTIVE OF THE WORKSHOP

The Stakeholder Consultation Workshop on Operationalizing a Carbon Tax in Nigeria's Telecommunications Sector aims to provide a platform for stakeholders to collaboratively explore the design and implementation of a pilot carbon tax in the telecommunications sector. The specific objectives of the workshop include:

- Provide participants with a detailed understanding of carbon pricing, including its purpose, different approaches (e.g., carbon taxes and emissions trading systems), and initiatives in Africa and globally.
- Strengthen the capacity of key stakeholders and sector players by equipping them with the knowledge necessary to make informed decisions on pilot carbon tax and its implications for emissions reduction and low-carbon development.
- Highlight the potential of carbon pricing (**especially the proposed carbon tax**) to contribute to achieving NDCs, including unconditional targets, while supporting broader low-carbon development goals.
- Facilitate discussions to ensure the practicality, inclusivity, and effectiveness of a carbon tax design, reflecting the interests and concerns of diverse stakeholders in the telecommunications sector.
- Gather input from stakeholders on the feasibility, practicality, and design of the proposed carbon tax, including MRV requirements, revenue recycling mechanisms, and potential overlaps with existing fiscal policies.
- Discuss potential uses of revenues generated through carbon pricing, emphasizing their role in funding mitigation and adaptation actions under the NDC framework.
- Demonstrate the connections between carbon pricing and key elements of international climate policy, including climate finance, Monitoring, Reporting, and Verification (MRV), transparency frameworks, and cooperative action under Article 6.

## 3- EXPECTED OUTCOMES

The expected outcomes include:

- Stakeholders gain a comprehensive understanding of carbon pricing mechanisms, particularly the proposed carbon tax, and its potential as an emission reduction strategy.
- Clear identification of the opportunities that carbon pricing presents for the telecommunications sector, as well as the challenges that need to be addressed for successful implementation.
- Consensus among stakeholders on the objectives and design of the pilot carbon tax framework, fostering broad support and ownership of the initiative.
- Confirmation of the roles and responsibilities of identified stakeholders, ensuring their alignment with the carbon tax design and implementation process.

- Clear proposals on how revenues generated from the carbon tax can be used to support clean energy transitions, climate action, and reduce potential negative impacts on vulnerable stakeholders.
- Stakeholders equipped with knowledge on the MRV systems necessary to ensure transparency and compliance.
- Compilation of stakeholder feedback on the feasibility and practicality of the proposed carbon tax, with adjustments made to address their concerns and recommendations.
- A clear, stakeholder-endorsed roadmap outlining the next steps for the pilot carbon tax implementation, including timelines, responsibilities, and follow-up actions.
- Establish a platform for continuous engagement and consultation, including existing ones.

#### 4- WORKSHOP FORMAT

<b>Organizers:</b>
Nigeria's National Council for Climate Change in partnership with RCC WAC Africa
<b>Participants</b>
Up to 100 participants from the following stakeholder groups: - Find list at the end of the document.
<b>Duration</b>
1 day
<b>Date</b>
11 February 2025
<b>Venue/Place</b>
Abuja Continental Hotels, Abuja, Nigeria

### AGENDA

Timetables	Thematic	Responsible
08:30 - 09:00	<b>Registration</b>	
09:00 - 09:30	<p>Opening Ceremony:</p> <ul style="list-style-type: none"> <li>✓ A word of welcome</li> <li>✓ Round of introductions</li> <li>✓ Message from the UN RCO, Nigeria</li> <li>✓ Message from the Director General, NCCC-S</li> <li>✓ Message from the Regional Lead RCC WAC Africa</li> </ul>	<p>UN RCO RL RCC WAC Africa NCCC-S</p>
	<b><u>Session 1: Overview of Carbon Pricing and Trends</u></b>	
09:30 – 10:30	<p><b><u>Sub-session 1.1: Introduction – 45 minutes</u></b></p> <ul style="list-style-type: none"> <li>✓ What is carbon pricing? How does it work?</li> <li>✓ Brief overview of the main approaches</li> <li>✓ Benefits and Co-Benefits of Carbon Pricing implementation - case studies</li> <li>✓ What are the different types of carbon pricing instruments? Pros and Cons of Different Options</li> <li>✓ Current state of carbon pricing globally and in West Africa</li> <li>✓ What are the opportunities and challenges for implementation</li> </ul> <p>Discussion (Q&amp;A) – 15 minutes</p>	<p>RCC WAC Africa Article 6 and Carbon Pricing Expert</p>
10:30–10:50	Coffee break and Photo Group	<i>All</i>
10:50-11:40	<p><b><u>Sub-session 1.2: Nigeria's Path to NDC Implementation – 35 minutes</u></b></p> <ul style="list-style-type: none"> <li>✓ NDC Targets</li> <li>✓ Gaps in Nigeria's NDC Implementation</li> <li>✓ Carbon Pricing Feasibility Study findings</li> <li>✓ Importance of Pilot Tax</li> <li>✓ Opportunities for Enhanced Climate Action</li> </ul> <p>Discussion (Q&amp;A) – 15 minutes</p>	<p>RCC WAC Africa Article 6 and Carbon Pricing Expert</p>
11:40–12:40	<p><b><u>Sub-session 1.3: Strategic Analysis of Nigeria's Telecommunications Industry – 40 minutes</u></b></p> <ul style="list-style-type: none"> <li>✓ Overview of Telecommunications sector</li> <li>✓ Stakeholder identification and Mapping report</li> <li>✓ Regulatory Landscape and Policy Drivers</li> </ul> <p>Discussion (Q&amp;A) – 20 minutes</p>	<p>RCC WAC Africa Article 6 and Carbon Pricing Expert</p>

Timetables	Thematic	Responsible
12:40–13:40	Lunch break	All
13:40–14:20	<p><b><u>Sub-session 1.4: MRV in Telecommunications - 25 minutes</u></b></p> <ul style="list-style-type: none"> <li>✓ Presentation on the current MRV framework in Telecommunications</li> <li>✓ Proposed MRV Setup</li> <li>✓ Legal Framework</li> </ul> <p>Discussions and Q&amp;A – 15 minutes</p>	Carbon Limit Nigeria
14:20- 15:15	<p><b><u>Sub-session 1.5: Presentation and Discussion on the Proposed framework for Carbon Tax in Telecommunication - 30 minutes</u></b></p> <ul style="list-style-type: none"> <li>✓ Presentation on considerations and framework for Carbon Tax in Nigeria's Telecommunication Industry.</li> </ul> <p>Discussions and Q&amp;A – 25 minutes</p>	Carbon Limit Nigeria
15:15 – 15:45	<p><b><u>Sub-session 1.6: Group Hands-on Discussion on carbon pricing: - 30 minutes</u></b></p> <p>Stakeholders will be put into groups to discuss Carbon tax for telecommunications to highlight the merits and demerits as well as how to implement Carbon tax successfully in the telecommunication industry</p> <p><b><u>Plenary Session: Summary of Breakout discussion</u></b></p> <p>Facilitators of the group discussions present key takeaways to the plenary.</p>	Experts and Participants
15:45 – 16:00	<p><b><u>Reflections and Closing Ceremony</u></b></p> <p><u>Closing remarks from</u></p> <ul style="list-style-type: none"> <li>✓ Message from the Director General, NCCC-S</li> <li>✓ Message from the Regional Lead RCC WAC Africa</li> </ul>	NCCC-S RL RCC WAC Africa

### Invited Stakeholders List

	Stakeholder	Sector/role
1	MTN NIGERIA	Mobile Network Operator
2	AIRTEL NIGERIA	Mobile Network Operator
3	GLOBACOM	Mobile Network Operator
4	9MOBILE (Emerging Markets Telecommunication Services Ltd)	Mobile Network Operator
5	Africa Data Centres (Cassava Technologies)	Data Centre
6	Digital Realty	Data Centre
7	WIOCC (Open Access Data Centers)	Data Centre
8	Jovis Nigeria Limited	Data Centre
9	Rack Centre	Data Centre
10	Main One	Internet infrastructure
11	Spectranet	Internet Services
12	Fiberone Broadband Ltd	Internet Services
13	Starlink Internet Services Nigeria Ltd	Internet Services
14	Tizeti Network Ltd	Internet Services
15	ipNX Nigeria LTS	Internet Services
16	Broadbased Communications Ltd	Internet Services
17	VDT Communications Ltd	Internet Services
18	Cobranet LTD	Internet Services
19	Radical Technology Network Ltd (COOLINK.NG)	Internet Services
20	Cyberspace Network Ltd	Internet Services
21	IHS Towers	Infrastructure Support



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**THE NATIONAL COUNCIL  
ON CLIMATE CHANGE**  
LEADING NIGERIA'S CLIMATE CHANGE RESPONSE



22	ATC Nigeria	Infrastructure Support
23	Huawei Technologies Nigeria	Infrastructure Support
24	Ericsson Nigeria	Software and Hardware Services
25	Nokia Networks Nigeria	Software and Hardware Services
26	ZTE Corporation	Software and Hardware Services
27	CISCO Systems	Software and Hardware Services
28	Samsung Networks	Software and Hardware Services
29	Nigerian Communications Commission (NCC)	Regulator
30	Federal Ministry of Communications and Digital Economy	Policy Maker
31	Federal Inland Revenue Services (FIRS)	Revenue
32	National Environmental Standards and Regulations Enforcement Agency (NESREA)	Regulator
33	Federal Competition and Consumer Protection Commission (FCCPC)	Regulator
34	Digital Bridge Institute (DBI)	Training
35	Federal Ministry of Environment	Policy Maker
36	Nigerian Upstream Petroleum Regulatory Commission (NUPRC)	Regulator
37	Federal Ministry of Finance, Budget, and National Planning	Regulator
38	Federal Ministry of Industry, Trade, and Investment	Regulator
39	Federal Ministry of Petroleum Resources	Regulator
40	Federal Ministry of Transportation	Regulator
41	Energy Commission of Nigeria (ECN)	Regulator
42	Nigeria Meteorological Agency (NIMET)	Regulator
43	Rural Electrification Agency (REA)	Regulator
44	Nigeria Customs Service (NCS)	Regulator
45	Nigerian Electricity Regulatory Commission (NERC)	Regulator



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**THE NATIONAL COUNCIL  
ON CLIMATE CHANGE**

**LEADING NIGERIA'S CLIMATE CHANGE RESPONSE**



46	National Oil Spill Detection and Response Agency (NOSDRA)	Regulator
47	Infrastructure Concession Regulatory Commission (ICRC)	Regulator
48	Nigerian National Petroleum Corporation Limited (NNPC)	Regulator
49	Standards Organisation of Nigeria (SON)	Regulator
50	National Planning Commission (NPC)	Regulator
51	National Bureau of Statistics (NBS)	Regulator
52	Nigerian Bulk Electricity Trading (NBET)	Regulator
53	Nigerian Communications Commission (NCC)	Regulator
54	National Agency for Science and Engineering Infrastructure (NASENI)	Regulator
55	Federal Ministry of Works and Housing	Regulator
56	Federal Ministry of Power	Regulator
57	National Information Technology Development Agency (NITDA)	Research & Development