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

RCC West and Central Africa
Collaboration for Climate Action

Validation Workshop on Operationalizing a Pilot Carbon Tax in Nigeria's Telecommunications Sector:

Concept Note

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 incentivising 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. To date, an increasing number of governments around the world are considering implementing carbon pricing policies in their efforts to reduce GHG emissions. The number of instruments in operation worldwide is now 75, a net gain of two since April 2023. There are now slightly more carbon taxes in operation than ETSs (39 taxes versus 36 ETSs). In recent years, an increasing number of developing countries have launched initiatives to analyse and introduce carbon pricing, particularly in Africa (e.g. Côte d'Ivoire, Ethiopia, Ghana, Malawi, Nigeria, Senegal, South Africa).

At COP25, UN Secretary-General Antonio Guterres stressed the need for "political will to tax carbon", "political will to end fossil fuel subsidies" and, in general, "political will tomove from income taxation to carbon taxation – taxing pollution rather than people". In a recent speech he gave on 2 December 2020, he stressed, following many climate organizations, that the costof carbon pollution should be factored into the price of fossil fuels, as this is a measure that would bring certainty and confidence to the private and financial sectors.

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, Nigeria through the National Council on Climate Change (NCCC-S) requested and received support from the UNFCCC's 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 prioritising 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 incentivise 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, prioritised 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 litres 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 validation workshop marks a critical milestone in Nigeria's journey to operationalise the pilot carbon tax. It seeks to validate the groundwork done by the consultant and aims to ensure inclusive stakeholder engagement. The workshop seeks to align perspectives and gather stakeholders' inputs to update the pilot carbon tax design 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 **Validation Workshop on Operationalising a Carbon Tax in Nigeria's Telecommunications Sector** seeks to formally present, review, and validate the outcomes of the stakeholder consultations and technical analyses conducted in the development of the pilot carbon tax design. The specific objectives of the workshop include:

- Present the proposed design framework for the pilot carbon tax in the telecommunications sector, including policy options, institutional arrangements, coverage, and MRV requirements.
- Validate stakeholder inputs integrated into the draft carbon tax design to ensure accuracy, representation, and inclusivity.
- Confirm alignment of the proposed carbon tax design with Nigeria's climate policy objectives, including the Nationally Determined Contributions (NDCs) and the Long-Term Low Emission Development Strategy (LT-LEDS).
- Assess the feasibility and readiness of implementing the proposed pilot carbon tax, including timelines, roles of institutions, and inter-agency coordination.
- Discuss the final recommendations for revenue use, fiscal policy integration, and safeguards to ensure the carbon tax is equitable, efficient, and development oriented.
- Strengthen stakeholder ownership and buy-in by building consensus on next steps for pilot implementation, including potential regulatory or legislative pathways.
- Reaffirm the role of carbon pricing in supporting Nigeria's participation in international climate mechanisms, including Article 6, climate finance mobilisation, and transparency requirements.

3- EXPECTED RESULTS

The expected results of the Validation Workshop include:

- Stakeholders gain clarity on the final design elements of the proposed carbon tax in the telecommunications sector, reflecting inputs from prior consultations and technical assessments.
- Validation and endorsement of the proposed carbon tax framework, including its objectives, coverage, design features, MRV requirements, and revenue recycling mechanisms.
- Consolidated stakeholder agreement on the implementation pathway, institutional roles, and coordination mechanisms necessary for operationalising the carbon tax.
- Final stakeholder feedback was documented and used to refine outstanding elements of the framework, ensuring inclusivity, practicality, and alignment with national climate and development goals.
- Increased stakeholder confidence and ownership of the pilot initiative, fostering momentum toward implementation and future scale-up.
- Agreement on communication and engagement strategies to maintain transparency and support ongoing collaboration across government, industry, and civil society actors.
- Identification of capacity-building needs and support mechanisms to enable compliance, reporting, and adaptive implementation of the carbon tax.
- Strengthening of institutional relationships and creation of a platform for continuous monitoring, feedback, and learning during and after the pilot phase.

4- WORKSHOP FORMAT

In-person workshop with the following stakeholders

Organizers: Nigeria's National Council for Climate Change in partnership with UNFCCC RCC WAC Africa
UNFCCC Regional Lead ***Staff from the RCC WAC Africa***
Participants
Up to 70 participants from the following stakeholder groups: - Designated National Authorities for Article 6.4 and other relevant officials in associated roles across various ministries/national agencies - UNFCCC National Focal Point - Participants from key NDC sectors (Agriculture, Power generation, Industrial energy efficiency, Oil and gas, Telecommunications etc.) - NGOs, CSO - Academia - National independent experts - Representatives from the telecommunication sectors and related (Find the list at the end of the document.)
Duration

1 day
Date
14 October 2025
Venue/Place
Abuja

5- PROVISIONAL AGENDA

Time	Thematic	Responsible
08:30 - 09:00	**Registration**	
09:00 - 09:30	Opening Ceremony: ✓ A word of welcome ✓ Round of introductions ✓ Message from the Regional Lead UNFCCC RCC WAC Africa ✓ Message from the UN Resident and Humanitarian Coordinator for Nigeria ✓ Message from the Director General, NCCC-S	• Walters Tubua, Regional Lead, UNFCCC RCC WAC Africa • Mohamed Malick Fall, UN Resident and Humanitarian Coordinator • Omotenioye Majekodunmi, Director General of NCCC-S
	Session 1: Overview of Carbon Pricing and Trends	
09:30 – 10:20	***Sub-session 1.1: Introduction – 40 minutes*** ✓ What is carbon pricing? How does it work? ✓ Brief overview of the main approaches ✓ What can carbon pricing be used for? (Benefits and Co-Benefits of Carbon Pricing implementation - case studies) ✓ What are the different types of carbon pricing instruments? Pros and Cons of Different Options ✓ Current state of carbon pricing globally and in the region ✓ Carbon pricing initiatives in West Africa ✓ Carbon pricing and regional/international trade ✓ What are the opportunities and challenges in the region? ***Sub-session 1.2: Nigeria's Path to NDC Implementation*** ✓ NDC Targets ✓ Feasibility findings ✓ Gaps in Nigeria's NDC Implementation ✓ Importance of Pilot Tax ✓ Opportunities for Enhanced Climate Action Discussion (Q&A) – 10 minutes	• Article 6 and Carbon Pricing Expert, UNFCCC RCC WAC Africa • Carbon Limits Nigeria • Country's NDC team
10:20–10:35	Coffee break and Photo Group	*All*

Time	Thematic	Responsible
10:35-11:20	**Sub-session 1.3: Strategic Analysis of Nigeria's Telecommunications Industry – 35 minutes** ✓ Overview of Telecommunications sector ✓ Stakeholder identification and Mapping report ✓ Regulatory Landscape and Policy Drivers **Sub-session 1.4: MRV in Telecommunications -** ✓ Presentation on the current MRV framework in Telecommunications ✓ Proposed MRV Setup ✓ Legal Framework Discussion (Q&A) – 10 minutes	Carbon Limits Nigeria
11:20–12:15	**Sub-session 1.5: Presentation and Discussion on Proposed framework for Carbon Tax in Telecommunication - 30 minutes** ✓ Presentation on considerations and framework for Carbon Tax in Nigeria Telecommunication Industry. Discussions and Q&A – 25 minutes	Carbon Limits Nigeria
12:15–13:00	**Sub-session 1.6: Presentation and Discussion on the Carbon Tax Operational Guide - 30 minutes** ✓ Responsibilities of Stakeholders ✓ Compliance Responsibilities for Telecom Operators ✓ Tax Implementation Process ✓ Enforcement and Compliance Management Discussions and Q&A – 15 minutes	Carbon Limits Nigeria
13:00–14:00	Lunch break	*All*
14:00–14:30	Discussions and Q&A – 30 minutes	Carbon Limit Nigeria
14:30 – 15:00	**Sub-session 1.6: Group Hands-on Discussion on operationalisation of the carbon tax: - 30 minutes** Stakeholders will be put into groups to discuss on Carbon tax operationalisation in the telecommunications sector and highlight their recommendations **Plenary Session: Summary of Breakout Discussion** Facilitators of the group discussions present key takeaways to the plenary	Experts and Participants
15:00 – 15:30	**Reflections and Closing Ceremony** Closing remarks from ✓ Message from the Director General, NCCC-S	• Walters Tubua, Regional Lead, UNFCCC RCC WAC Africa

Time	Thematic	Responsible
	✓ Message from the Regional Lead RCC WAC Africa	• Omotenioye Majekodunmi, Director General of NCCC-S

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 (COOLLINK.NG)	Internet Services
20	Cyberspace Network Ltd	Internet Services
21	IHS Towers	Infrastructure Support
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
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