Unintended Consequences: Covid-19, Climate Change and Nigeria's Sustainability Transition

By:

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(Re)imagining Transformation

Covid19 provides a rare opportunity to rethink systems and jumpstart development sustainably and responsibly. Possibilities hitherto left to the imagination of the most radical of idealists have come mainstream. Nigerian companies are seeing benefits in encouraging employees to work from home. Employees are delighted for the reprieve that remote work alternative brings. Unintended consequences abound. Sustainability discourse can now be framed in the context of the immediate needs of people. Companies need their workers to work effectively from home without the limitation of a poor power infrastructure. People need more consistent and reliable power as they stay at home more often. Governments need a way to meet the increased demand for power and reboot their economies. Without necessarily framing climate change in the often unrelatable lingo of reducing the global temperature by 1.5^{o}C or 2^{o}

C relative to pre-industrial levels, a needs-based sustainability conversation can be had. There are direct benefits involved for companies, governments and people.

In this blog, using the First City Monument Bank (FCMB) solar initiative as a case-in-point, I attempt a pragmatic and actionable framing of the sustainability transition of Nigeria within the Covid-19 context.

Socio-technical transformation is often thought to be the primary product of deliberate and strategic efforts. This is more so in the climate change regime. Targeted mitigation efforts constitute the singsong of policy makers, scholars and activists alike. The hope of the world hinges on the voluntary commitment of countries to reduce emissions under the Paris Agreement (nationally determined contribution). Economic and non-economic mitigation tools have proliferated. Carbon pricing has gained an uptake worldwide. Renewable and energy conservation technologies are also flooding the market at increasingly lower prices. But emissions have remained an imperviously stubborn problem, having increasedover the years. In explaining transformation or concocting the potions to cure societal problems, unintended, non-deliberate events are often not factored in. Research, however, points to these events as crucial to various successful transformation agenda.

The multilevel perspective to sustainability transition emphasises that transformation is a product of the interplay of developments at the niche level (e.g. innovations), socio-technical regimes (e.g. policy makers), and exogenous socio-technical landscape (e.g. non-anthropocentric events). Without landscape developments to put pressure on the regime leading to cracks and windows of opportunities, niche innovations will stand a lower chance of uptake. In his work on *Envisioning Real Utopias*, Erik Olin Wright argues that deliberate and unintended trajectories of change are essential for emancipatory transformation. He evidences this claim with the transformation of the segregationist institutions in the United States of America in the 1960s. Wright shows that the destruction of sharecropping and the mechanization of Southern agriculture in the 1930s was key in creating cracks in the segregationist system, although the destruction and mechanization were not deliberately targeted at transforming the system.

Nigeria and Sustainability Transition: State of Play

Much ink has been spilled on Nigeria's energy poverty, more so, its (and Africa's) opportunity to leapfrog in the global drive for sustainable energy. Nigeria committed, conditionally and unconditionally, to reducing its emissions by 45% and 20% respectively by 2030. The country aims to get there primarily by installing 13,000MW of off-grid solar PV, 30% energy efficiency by 2030, and "transport shift car to bus". There is no evidence that any considerable progress has been made in meeting these targets. Only about 45% - 56% of the Nigerian population has access to electricity. The country of almost 200 million people only generates a total of 4000MW of electricity with no substantial contribution from renewable sources (apart from hydroelectricity). Also, in Lagos, the country commercial hub, about 8 million people in about 5 million vehicles each spend an average of 1560 hours on the road annually (compared to 128 hours and 210 hours spent in Los Angeles and Moscow traffic respectively in 2018).

Helen Mountford of the World Resources Institute, amongst others, has shown that despite the devastating impact of Covid-19 globally, it provides an apt exogenous socio-technical landscape to facilitate the sustainability transition of [all] economies. Although Gammage and Akinkugbe have noted that the possibility of developing States being advantaged by the post-Covid economic rebound is contested. System-based arguments are often offered in response to a case for a sustainability transition: the globe's deep-seated petroculture; the carbon locked-in infrastructure; the economic system that defies fossil decoupling; and the risk posed to fossil-based economies and jobs. The more advanced a country is, the stronger these arguments become. For example, a developed country with adequate power supply would also have an established grid infrastructure which is not readily appropriate for the transmission and distribution of renewable energy. Transportation infrastructure in developed States also needs to be redesigned to align with the sustainability agenda. Again, a political groundswell has attended the just transition discourse in developed States. The infrastructural deficits in developing States like Nigeria, paradoxically, provides opportunities to fill the gaps, sustainably. In this context, the term sustainability-based development might apply more to developing States than 'sustainability transition'. But let us stick to the latter,

given the chequered history and contestations surrounding the use of the word sustainable development.

One of the unintended consequences of Covid-19 is the exposure of the falsities of the system-based arguments against sustainability transition. In-person work culture is not inevitable. Hundreds of thousands of flights around the world daily is not a given. Millions of car rides to work everyday is not sacrosanct. The most conservative governments can design and implement social intervention programs of historical proportion in weeks. Even the proclivity of developing States to predicate commitments to sustainability on the support of developed States and international organizations has not escaped the assault of Covid-19. It is becoming increasingly apparent that the case for sustainability is not just a lofty moral persuasion to do what is good for 'mother nature', but there are real and present implications for the bottom line of companies, the productivity of individuals, and the economy of governments. I highlight this point with the FCMB example below.

Microlevel Transformation: The FCMB Example

FCMB is a banking group headquartered in Lagos, Nigeria. The Nigerian government, joining a long list of countries, declared a lockdown in Lagos in late March. Although initially for two weeks, the shelter in place order remained in place for more than four weeks. Like other companies, FCMB had to lockdown, with its employees compelled to work remotely. But for the switch to remote operation to be effective, steady power supply and internet connectivity are essential. Two areas Nigeria has an immense infrastructural deficit. Following an assessment by the bank, it found that the virtual work experience had been positive in the overall, although the staff overwhelmingly complained about the state of power supply, cost of internet connectivity, and lack of access to personal computers.[1] The bank responded with a loan package including loans for laptops and solar home systems. Staff are expected to, at minimum, initially pay 20% of the total cost of the system, with the balance spread over 12 months at zero interest.[2] The bank also requires that the system must comply with the World Bank Global Lighting Standard.

To be clear, the FCMB solar initiative was not actuated by altruistic

sustainability concerns. It was a business decision to enable its workers to continue to work at the least cost to the workers, at near-zero cost to the bank itself. It is worth noting that solar is now one of the cheapest sources of power globally. Small and Medium-sized Enterprises (SME) on the bank's books were designated as the suppliers of the solar systems. This, again, evidences the business side of the initiative. This is, however, not strange. It has been found that sustainability initiatives are largely market motivated. This initiative means thousands more not burning fossil fuel in the generators which are now the 'power staple' of Nigerians. As more people work from home, fewer need to commute to work, hence reducing emissions from transportation. While no conclusive determination on the effectiveness FCMB's approach can be made now, the bank arguably provides another tool in the climate mitigation toolbox. Admittedly, this approach will only lead to a minimal reduction in Nigeria's emissions as a vast majority of Nigeria's labour force, who cannot operate remotely, work in its informal sector. However, compared to Nigeria's current inertia, a widespread replication of FCMB's solar initiative by corporate entities in Nigeria will not only help lift thousands, if not millions, of Nigerians out of energy poverty but also energize a renewable energy industry in the country and reduce the country's emissions.

Macro-level Transformation: Constraints and Prospects

Rosenau reminds us that while micro-level change is essential, change confined to the micro-level, which fails to find expression at the macro-level, would leave the system's operational values unchanged. The government, therefore, has a vital role to play in scaling initiatives like FCMB's. By government, I emphasise State governments. The centralization of power governance in Nigeria has been an albatross in addressing the energy poverty ravishing the country. The Nigerian Constitution overwhelmingly confers legislative powers on the generation and transmission of electricity on the federal government.[3] The federal government also regulates any person or authority who operates any plant or equipment for the supply or use of electrical energy.[4] The jurisdiction of States is limited to areas within the State not covered by the national grid.[5] This has been the limited focus of State bodies like the Lagos State Government Electricity Board. The meaning of areas covered by the national grid is, however, unclear. Does this mean physical or constructive coverage?

While various areas of Lagos State, for example, are physically covered by the national grid, the very intermittent supply of electricity makes it constructively questionable if the areas are in fact covered. The bottom line is that State governments must go beyond the off-grid constraint to meet the electricity needs of their States. This might entail a more creative interpretation of the Constitution or, preferably, an outright amendment.

The Constitution, however, does not limit State governments from incentivizing the uptake of renewable energy in their States. The Constitution, expressly, permits States to make laws for its industrial and commercial development.[6] It also allows States to make laws to regulate and coordinate scientific and technological research.[7] States can, for example, provide subsidies and interest-free loan facilities to its employees to procure solar systems from designated SMEs. The process of designation must be transparent, merit-based and premised on credible quality standards. Using its research regulatory powers, States should prioritize SMEs with research and development capacity and who are ready to collaborate with universities and other research institutions in the State to research and develop solar systems suitable for the country. The Strathmore Energy Research Centre at Strathmore University, Kenya, is a model for such industry – academia partnership. The proposal here is for State governments in Nigeria to work on creating a system of innovation rather than just facilitating the importation of turnkey solar systems, which the FCMB approach is limited to. A system of innovation approach acknowledges that innovation is dependent on a blend of institutional factors (legal, social, economic, academic). Again, although sustainability is at the core of these proposals, there is a developmental case which policymakers seem to understand better. In its recent report on a sustainable reboot of economies post-Covid19, the International Energy Agency (IEA) notes that investing in green technologies could boost the growth of developing countries by about 1.3% and add 23 million jobs over the next three years.

Renewable energy technologies like solar PV systems remain unaffordable for most in Nigeria. A 4-kW solar PV system (including the battery bank) costs over N1.5 million. Solar home systems are way less expensive, but capacity and durability would have to be traded off for cost. Again, government incentives are necessary here. There are different ways this could be done at near zero-

cost to States already in dire economic straits. One is through an indirect subsidy system where a percentage of the cost of renewable energy systems would be deducted from the land use tax paid to State governments. Another is through the creation of a renewable energy fund which corporate organizations will be required or incentivized to contribute into. For example, States can set a limit for the emissions of big emitters, with companies exceeding the limit set paying into the renewable energy fund. While smaller emitters could be allowed to voluntarily participate in the scheme.

Also, a well designed and implemented feed in tariff (FIT) and community feed in tariff (COMFIT) programmes should be established. This will allow individuals and communities to sell excess power generated by them to the grid and mandate off-takers to purchase the offered excess wholly or in part. This third option would, however, require partnership with the federal government as the national grid is a federal jurisdiction item. Nigeria rolled out its FIT Regulation in 2015. Apart from the flawed implementation of the Regulation, it seems specifically designed for corporate entities and not individual users. COMFIT is yet to be recognized in Nigeria. COMFIT allows communities to invest in renewable energy project (e.g. mini community solar farm) and sell excess energy to the grid. It is arguable that State governments are not prohibited from establishing State grids insofar the grid only covers areas not covered by the national grid (physically or constructively) and/or is independent of the national grid. In such case, States could have State based FIT and COMFIT programmes which would be linked to a State-based power pool (grid) for subsequent transmission to underserved households. COMFIT is different from the federal Rural Electrification Agency's solar hybrid mini-grids,which focuses on areas not covered by the national grid, is centered on corporate developers, and prioritises areas with "high economic growth potential".

Unintended but Anticipated Consequences: A Strategy of Dialects

The sustainability transition discourse attempted in this blog is different from the public good description of climate change which people find difficult to relate with or commit to. The climate change conversation is most effective when had in the distinct 'dialects' of socio-political spaces. In Nigeria, climate policies must be framed in the 'dialects' of addressing energy poverty, poor

transportation infrastructure, developmental deficits, and unemployment. But there are other less overt distinct platforms of engagement. For example, the renewed currency of the case for regionalism in Nigeria provides a potentially effective (albeit disguised) 'dialect' of sustainability when framed as region-based economic diversification. Hence, whereas it might be difficult to directly apply the mainstream elements of the greening of (Covid-19) economic stimulus packages in Nigeria, a pragmatic case can be made for the appropriation of the intervention fund by the Central Bank of Nigeria using the region-based diversification 'dialect'. Time and space do not allow for further explication on this idea. It is sufficient to note for now that responses to Covid-19 are, potentially, rich in unintended consequences.

Unintended consequences are, however, not necessarily unanticipated consequences. In other words, consequences can be anticipated though unintended. I argue that post-Covid sustainability end-goals in Nigeria (and other African States) are more effectively framed as anticipated consequences of policies with 'other' more explicitly intended consequences (e.g. regionalism as the explicitly intended consequence and sustainability based diversification as anticipated consequence). Although it is arguable that more overt mitigation policies (e.g. fossil fuel divestment and carbon pricing) are the more ideal initiatives, these are alien 'dialects' in Nigeria (and most African States). Indeed, they are 'dialects' less understood even in developed States. Covid-19 provides an opportunity to relaunch the sustainability cause in Nigeria (and other African States). We must carefully unlearn unhelpful dialects of the pre-Covid era and embrace fully the dialects that this new era amplifies. While the authorship of the aphorism "never let a crisis go to waste" is disputed, it is nevertheless an admonition that we should heed.

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[1] FCMB Human Resources. "Re: Introducing Laptop Loan and Solar Inverter Purchase Scheme". Message to All Staff of FCMB. 2 June 2020. E-mail.

[2] *Ibid.*

[3] 2nd Schedule, Part II to the 1999 Nigerian Constitution, para. 13 (a) – (e).

[4] *Ibid*, para. 13(f).

[5] *Ibid*, para. 14(b).

[6] *Ibid,* para. 18.

[7] *Ibid,* para. 21.

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