

Project Name: Towards Natural Capital Accounts for Nigeria

Notwithstanding the level of environmental degradation and its health and economic impacts, the cost of degradation is not taken into account in national accounts and policy decision. The lack of incorporation of the cost expended due to the use of environmental wealth in national accounts gives a wrong impression on returns from natural capital and does not provide incentive for its management. Given the country's rich natural resources and her dependence on extraction of these resources, it is imperative that Nigeria makes reasonable progress in incorporating and mainstreaming natural capital and ecosystem services accounting into its System of national Accounts and national development plans. This will lead to long term sustainable growth that will ensure improved well-being and economic development of the country.

Therefore, to facilitate the incorporation of environment wealth (stocks and flows) in national accounts and to facilitate environmental policy reform, a Targeted Technical Assistance (TTA) support has been designed to facilitate studies relating to cost of environmental degradation and economic valuation studies. The development initiative is focused on facilitating the generation of specific Natural Capital Accounts (NCA) based on the priority areas identified during the development of a roadmap for NCA in Nigeria, for example, Air Emissions and coastal and marine ecosystem leveraging on the Cost of Air Pollution study (funded by the Pollution Management and Environmental Health/Air Quality Management Multi-Donor Trust Fund) and Cost of Coastal and Environmental Degradation study (funded by Global Program for Sustainability/ Wealth Accounting & Valuation of Ecosystem Services Global Partnership). The objective is to conduct studies focused on cost of environmental degradation and use the output in the development of NCA, for example in air emission, coastal marine ecosystem, and Waste accounts. This will thus provide required data to facilitate environmental policy reforms in the sectors, for example, regarding air pollution and ensuring that polluters (polluting industries) pay.

Therefore, **the main objective of this project is to prepare Nigeria towards becoming a Core Implementing Country for natural capital accounting in the Global Program for Sustainability.** In this respect, with close collaboration with the World Bank team and International NCA Consultant, the scope of the work/project entails the following:

- Engage and understand stakeholder needs

- Review activity to date and identify data for production of pilot accounts
- Demonstrate utility of accounts for meeting stakeholder through case studies through the production of pilot accounts for air pollution and greenhouse gas
- Understand and plan for on-going production of accounts via national institutions

Activities that will be Carried Out

1. Stakeholder Engagement- Starting with a 2-day workshop is aimed at sensitizing the stakeholders on NCA. Another one-day workshop to present the developed pilot accounts to stakeholders.
2. Designing of pilot accounts for greenhouse gas emissions and air pollution
3. Data Collection and Compilation for Specific Accounts with focus on Greenhouse Gas (GHG) Emission Account and Pollution Account (PM 2.5)
4. Production of Pilot Accounts for GHG emission and PM 2.5
5. Presentation of pilot accounts and draft report to stakeholders
6. Investigating and recommending the institutional arrangements needed to advance natural capital accounting in Nigeria