



## COMMUNIQUE

### Stakeholder Engagement Event on Advancing Debt Relief for Climate Action: Post African Climate Summit Reflections and the Way Forward

16<sup>th</sup> October 2023 at the Exclusive Serene Hotel, Wuye, Abuja.

#### Background

High fiscal deficits in Nigeria and many African countries have made it challenging to build resilience and handle various shocks, including the Covid-19 pandemic and natural disasters that are becoming more frequent due to climate change. In 2022, eight African nations were already in debt distress, with another thirteen at high risk of facing a similar crisis. Alarmingly, 144 million non-poor individuals were at a significant risk of falling into poverty. It is in this context that African leaders gathered at the Africa Climate Summit (ACS) in Nairobi from 4 to 6 September 2023. The resulting Nairobi Declaration, among other issues, called for debt relief and restructuring interventions, allowing countries to focus on addressing the climate crisis, and urged for greater representation of African and other countries in the governance of multilateral banks, aimed at making the international financial system fit for purpose.

Against this backdrop, the African Network for Environment and Economic Justice (ANEEJ) collaborated with Civil Society Organizations (CSOs) under the Network for Debt, Development, and Climate Change (NDDCC), with support from Heinrich Böll Foundation (HBF) Nigeria, to organize a one-day stakeholder engagement event titled "Advancing Debt Relief for Climate Action: Post African Climate Summit Reflections and the Way Forward." This event provided a platform for various stakeholders, including political decision-makers, climate negotiators, legislators, and CSOs, to reflect on the outcomes of the Africa Climate Summit (ACS). The discussions also centered on how Nigeria could actively support the agenda of debt relief for climate action, particularly at the upcoming COP28 in the UAE at the end of November 2023 and beyond.

The event saw participation from 50 in-person and 10 online attendees. This included government representatives from ministries and legislative bodies, such as the Federal Ministry of Environment, the National Council on Climate Change (NCCC), the Debt Management Office (DMO), the Senate Committee on Local and Foreign Debts, the Fiscal Responsibility Commission (FRC), and the Auditor General of the Federation. In addition to government representatives, various CSO groups were present, including the Center for the Study of the Economy of Africa (CSEA), AGORA Policy, Oxfam, Christian Aid, CISLAC, ActionAid Nigeria, the Centre for Journalism Innovation and Development (CJID), Global Initiative for Food Security and Ecosystem Preservation (GIFSEP), BudgIT, Center for Social Justice (CSJ), C21st, Climate & Sustainable Development Network (CSDeVNet), STRADEV, Women Environment Program (WEP), Environmental Green Voice, The Cable Foundation, Americas Empowerment Institute (Nigeria), Good Governance Team Nigeria, Institutional and Sustainable Development Foundation, Connected Development (CODE), Carbon Free Africa, Center for Inclusive Social Development, Keen and Care Initiative, Accountability Lab Nigeria, Connected Advocacy, and Lekeh Development Foundation. Major media organisations, including AIT, This Day Newspaper, EnviroNews Nigeria, Premium Times, Vanguard Newspaper, Cable Newspaper, and TV360, were also in attendance.



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## Key Observations

The meeting reviewed the Nairobi Declaration of the Africa Climate Summit as it relates to the issues of debt, climate and development. The meeting expressed deep concern over the rising debt crisis in Nigeria and Africa, and how high debt service payments are compounding the challenge to respond to the climate crisis.

1. Africa is warming faster, than the rest of the world. African countries are most vulnerable and bear the brunt of the climate crisis even though they contribute little to global carbon emissions.
2. According to the CSO participants who attended the ACS, the voices of developed countries and multilateral companies dominated the summit; crowding out the voices of local communities and people devastated by the effects of climate change in the region.
3. According to the CSO participants who attended the ACS, the Summit was not strong on demanding a cut-down on emissions by large polluters in the developed world and her multilateral companies, nor was it strong on the demand and call for climate justice. The summit seemed overtly focused on carbon market mechanisms.
4. Nigeria's voice, position and representation at the summit should have been stronger and more visible. There is a need for better preparation and collaboration among Nigerian CSOs, experts, negotiators and government (NCCC, Ministry of Environment, Department of Climate Change, etc.) to show Nigeria is a force to reckon with that promotes international dialogue for climate justice and increased climate finance. The COP 28 offers a chance to do that.
5. There is a need for African countries to demand from high emitting developing countries that they stick to their plans and timelines to reduce emissions, while Africa and Nigeria should also be more deliberate in their pursuit of low-carbon development, by greening budgets and increasing collaboration to build capacity for a green transition.
6. The meeting expressed deep concern over the lack of climate finance (i.e. the \$100 billion per year by 2020 promised at the 2009 Copenhagen climate summit). Available international climate finance and funds are also not designed in a manner that allows for easy accessibility by African countries. Hence there is need to build capacity, especially for government officials on ways to access climate finance.
7. Of the fifteen-member states of the Economic Community of West African States (ECOWAS), eleven are currently in debt distress including Nigeria according to new report by the Nigerian Economic Summit Group (NESG).
8. Nigeria's high debt burden poses a formidable challenge to the country's progress. The recent debt figures are worrisome. According to figures obtained from the Debt Management Office (DMO), debt as a share of GDP has more than doubled from 17.7% in 2012 to 37.3% in 2022. Deficit financing has risen by about 370% from 2.41 trillion Naira in 2016 to 11.34 trillion Naira in 2023. Nigeria's public debt stood at 87.3 trillion Naira as of June 30 2023. This puts serious limitations on the public finances of the country at a time of increasing social hardship (driven by inflation) and accelerating climate change impacts.
9. It is self-deceiving to continue to measure Nigeria's debt sustainability using the debt-to-GDP ratio because Nigeria's GDP does not reflect her revenue position. Debt servicing costs have reached worrisome levels. In 2022, Nigeria at the federal level spent more than 80% of its



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revenue on service debt (leaving the country with little to cater for security, health, agriculture, infrastructure, education etc.)

10. Making the case for debt restructuring/ relief for climate action will however be challenging for countries with poor fiscal management, and a lack of transparency and accountability mechanisms.
11. Adhering to relevant legal and institutional fiscal frameworks is important in the context of high and rising debt levels. Although the country has a comprehensive legal framework that specifies processes and obligations of government entities to manage debt, these are not always complied with. For example, annual borrowing plans are not made available to the public and borrowing occurs without being attached to any particular projects, contributing to a lack of transparency and accountability.

## Recommendations

1. President Bola Ahmed Tinubu and the Federal Government of Nigeria in coordination with other African states should take leadership at COP 28 in advancing the core demands in the Nairobi Africa Declaration on Climate Change.
2. Nigeria is a leading economic and political power on the African continent. Given the country's high physical climate and transition risks, Nigeria should use its position and influence to help champion initiatives that seek to reform the international financial architecture in a way that will help to make it fairer and fit for climate. Specifically, Nigeria should join the Emergency Coalition for Debt Sustainability and Climate Prosperity led by the V20, rally behind the Bridgetown Initiative and actively engage in the reform package on the international financial architecture suggested by the UN Secretary-General.
3. There is an urgent need to mobilise more international climate finance, operationalise the Loss and Damage Fund and make it easily accessible to affected developing countries as agreed in COP 27.
4. The international community and creditor countries should urgently consider debt relief and debt restructuring for countries in debt distress in Africa to enable them to respond to the multiple crisis they face.
5. The relevant international and national institutions should review their debt sustainability assessments to take climate and poverty indicators into consideration. An enhanced assessment should integrate climate and other sustainability risks, and climate resilience benefits, as well as estimates of a country's financing needs for climate change adaptation, mitigation, and achieving the broader goals set out in the 2030 Agenda for the SDGs.
6. Nigeria should work to improve domestic resource mobilisation to increase public investments that will help address its climate and development challenges.
7. The Nigerian government should go to COP 28 with a strong technical team that will be involved in climate negotiations. There is a need for the government, CSOs, and climate experts in Nigeria to rally together and to have a pre-COP 28 meeting in order to develop a joint position for Nigeria as a continental leader.
8. The National Assembly should review the existing legal and institutional frameworks relevant to debt management with the view of closing existing loopholes and strengthening transparency and



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enforcement. For example, the Fiscal Responsibility Commission and Debt Management Office should be empowered to sanction breaches of existing laws and regulations.

9. Lawmakers should carry out loan approvals with proper scrutiny and approvals be subject to public hearings and input. Public disclosure of, for example, the terms and conditions of loans, and borrowing plans are critical steps to increase transparency and accountability in Nigeria.
10. The Nigerian government and its decision-makers should reduce its reliance on borrowings from the international capital market and commercial loans. There is a need to more strictly adhere to the provision of the law on maintaining concessional loans.

## Commitments

1. The National Council on Climate Change (NCCC) committed to inviting the represented CSOs in the climate space to a pre-COP 28-planning meeting ahead of the COP in November 2023.
2. The Debt Management Office (DMO) delegate committed to setting up a meeting between the members of the Network and their Director General to further discuss the highlighted issues and means through which the Nigerian government and her relevant agencies could voice support for debt relief for climate action.
3. The Office of the Auditor General of the Federation committed to working with the Network on its plans to conduct environmental and climate audits of MDAs.
4. ANEEJ, on behalf of the Network, committed to share the communique with all relevant actors, hold follow-up engagements with the above agencies and relevant offices on their commitments, and continue to advance discussions on debt and climate change with the network and other stakeholders within and outside the country.

## Undersigned Organizations

Accountability Lab Nigeria	Follow Taxes
Action Aid Nigeria	New Century Initiative (NCI) Enugu State.
Advocacy for Information	Global Initiative for Food Security and Ecosystem Preservation (GIFSEP)
Advocacy for Peace	Good Governance Team (GGT)
African Centre for Leadership, Strategy and Development (CentreLSD)	Grassroot Development Initiative (GDI)
African Initiative for Transparency Accountability and Responsible Leadership (AfriTAL)	Heinrich Boell Stiftung Nigeria
African Network for Environmental and Economic Justice (ANEEJ)	Herald for Community Development (HECODEV)
Agora Policy	Institutional and Sustainable Development Foundation (ISDF)
Americas Empowerment Institute (Nigeria)	International Centre for Energy and Environment Development (ICEED)
BudgIT Foundation	Kal'Maji Foundation (BarnsConnect)
Carbon Free Africa Network (CFAN)	Keen and Care Initiative (KCI), Nigeria
Center for Gender Economics (CGE Africa)	Lekeh Development Foundation
Centre for 21st-Century Issues	National Council on Climate Change (NCCF)
Centre for Climate Change and Development (CCCD)	Natural Resource Governance Institute (NRGI)
Centre for Development Support Initiatives (CEDSI Nigeria)	Nigerian Institute of Social and Economic Research (NISER)
Centre for Inclusive Social Development	OrderPaper Initiative
Centre for Journalism Innovation and Development (CJID)	OXFAM Nigeria
Centre for Media Policy and Accountability (CMPA)	Paradigm Leadership Support Initiative (PLSI)
Centre for Social Justice (CSJ)	Premium Times
Centre for the Study of the Economies of Africa (CSEA)	Policy Alert
Chachavivi Women and Girl Child Development Foundation (CWGCDF)	Positive Youth Transformation Initiative (PYTI)
Christian Aid	Praxis Academy
Civil Resource Development and Documentation Centre (CIRRDOC)	Procurement Monitoring Group
Civil Society Legislative Advocacy Centre (CISLAC)	Publish What You Pay (PWYP)
Clean Technology Hub Nigeria (CleanTechHub)	Social Action
Climate & Sustainable Development Network (CSDeVNet)	Socio-Economic Research and Development Centre (SERDEC)
	Sustainable Research and Action for Environmental Development (SRADeV Nigeria)
	Surge Africa Organization



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Connected Advocacy for Employment and Youth Development  
Initiatives (CAEYDI)  
Connected Development (CODE)  
Daily Commerce  
EnviroNews Nigeria  
Environmental Green Voice

The Cable Foundation  
The Nigerian Observer Newspaper  
Women Environmental Program (WEP)

Signed:  
**Rev David Ugolor**  
CEO ANEEJ  
For the Network



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