



Reduce, Recycle, Renovate, Reuse

INTRODUCTION

By and large, today’s manufacturing takes raw materials from the environment and turns them into new products, which are then discarded into the environment. This system is characterised as a Linear Process with a beginning and an end. In this system, limited raw materials eventually run out. Waste accumulates, either incurring expenses related to disposal or else pollution. Additionally, manufacturing processes are often themselves inefficient, leading to further waste of natural resources.

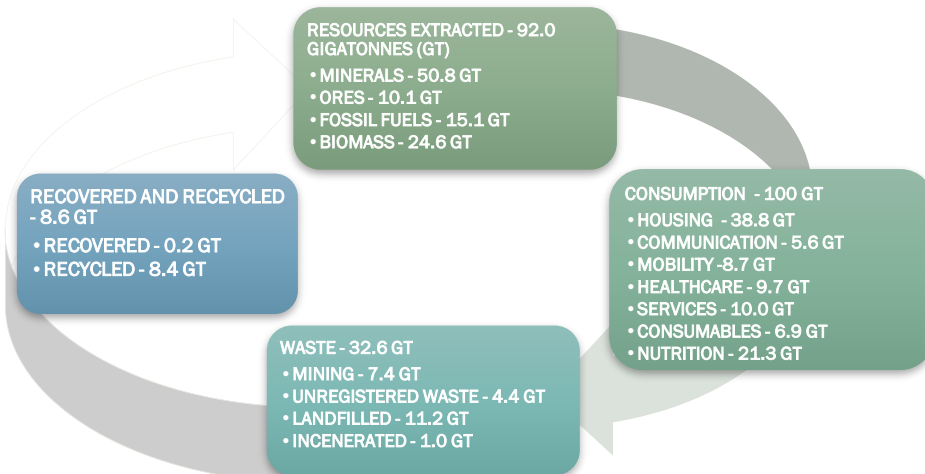
In a Circular Economy, however, materials for new products come from old products. As much as possible, everything is reused, re-manufactured or, as a last resort, recycled back into a raw material or used as a source of energy.

Governments are encouraging and, in some cases, requiring the adoption of circular economy principles that would lead to higher resource efficiency and less waste. At the global level, the Sustainable Development Goals, adopted by the United Nations Member States in 2015, include many related ambitions. This newsletter sets out to give a global and local overview of the Circular Economy and the opportunities that lie therein for all businesses.

Happy reading!

OVERVIEW OF THE CIRCULAR ECONOMY

The global circularity gap is widening. The negative trend overall can be explained by three related, underlying trends: high rates of extraction; ongoing stock build-up; plus, low levels of end-of-use processing and cycling. These trends are embedded deep within the ‘take make-waste’ tradition of the linear economy – the problems are hardwired.



Source: Circularity Global Report 2020, Green Advisors Research

CIRCULAR ECONOMY IN NIGERIA

Nigeria is Africa's most populous country and biggest waste producer. By 2025, it is estimated that waste generation in Nigeria would make up 25% of Africa's total wastes generation. To meet the needs of the growing population, extraction of virgin and raw materials has been on the rise to achieve higher production quotas - this raises the risk of the rapid depletion of such resources should unsustainable exploitation persist.

Evidence for the circular economy’s potential in Nigeria is reflected in its informal waste management sector that attracts operators due to the abundance of waste and a high demand for recycled materials, which offers a much valued economic incentive. Formalizing the informal waste management sector in Nigeria is only an initial step in realizing the country’s circular potential.

Nigeria is part of several international treaties and multilateral environmental agreements, including Basel Convention, Montreal Protocol, and UN Climate Change Convention. The Federal Executive Council of Nigeria has recently approved a new law on plastic waste management. This legislation aims at developing a circular economy around plastic and financial institutions that support recycling initiatives in the country.

Extended Producer Responsibility (EPR)
EPR has been in the regulations since 2011. NESREA (on a federal level) and LASEPA (on Lagos State level) are responsible for monitoring and implementing EPR systems in Nigeria for different industries, including a \$15 million fund for implementing circular economy approaches for the electronics sector.

The expertise is not yet available locally and would require support for the next stages, in terms of developing a roadmap towards implementation of the proposed EPR. There is a dire need for support in enforcing the EPR process.

African Circular Economy Alliance (ACEA)
Nigeria is one of the founding members of the ACEA, which serves as a centralized platform for knowledge-sharing and best practices identification, the creation of enabling legal and regulatory frameworks, as well as building partnerships for financing and creation of circular economy projects in Africa.

Nigeria Circular Economy Working Group
A Nigeria circular economy working group (NCEWG) has been established by the Federal Government of Nigeria and the AfDB in which government, private sector and academics have a seat (including NLCG in Lagos). The aim of the working group is to make a Circular Economy Roadmap for Nigeria.

REGULATIONS AROUND CIRCULAR ECONOMY IN NIGERIA

There are also EPR organizations representing industries that aim at implementing a functioning EPR system in Nigeria. For food and beverages this is the Food and Beverages Recycling Alliance (FBRA) and for E-waste this is the Extended Producer Responsibility Organization Nigeria (EPRON).



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Plastic Waste	<ul style="list-style-type: none"> 1.3 million tons of plastic waste is generated in Lagos alone every year. Currently only 10% is recycled. It is estimated that the increase of plastic recycling to 50%, can yield a \$250 million return for the industry. Although both recycling companies and informal workers are collecting plastic waste, a huge amount still ends up in the ocean due to lack of collection. Opportunities in this area include buying recycled plastics, application of Ocean Cleanup Interceptors, incineration of non-recyclables for industrial energy production, investments in PET recycling facilities and much more, knowing that the demand for recycled raw materials in Nigeria is higher than the current supply.
Organic Waste	<ul style="list-style-type: none"> Lagos on its own produces an estimate of 7,000 tons of organic waste daily (>40% of the city's total waste). Organic waste supply is currently regularly provided by markets and food producers, and hopefully soon this will also be available from households via the Green Box initiative that is yet to be implemented. The demand side for organic waste is still virgin and full of opportunity.
Electronic Waste	<ul style="list-style-type: none"> Nigeria deals with over 1.1 million tons of e-waste annually, most of which is handled unprofessionally in a place called "New Garage" in the Ojota district in Lagos. A national program funded by the Global Environment Facility (GEF) has recently launched to implement a functioning EPR system for EEEW, which has triggered an increase of e-waste treatment and storage infrastructure. Business opportunities include collecting and recycling deep cycle batteries and setting up proper WEEE recycling lines for different products.
Textiles	<ul style="list-style-type: none"> Imports of both used apparel and poor quality new apparel has been the main reason for the declining local textiles industry. It is estimated that 12% of the municipal waste produced in Lagos consists of textiles, which means that around 2,000 tons of textile waste is produced on a daily basis; most of which ends up in landfills. Advancements in textile recovery technologies, e.g chemical recycling, can offer a unique opportunity for a country like Nigeria.

OPPORTUNITIES FOR CIRCULAR ECONOMY IN NIGERIA



CHALLENGES FACING IMPLEMENTATING REGULATION OF CIRCULAR ECONOMY IN NIGERIA



AREAS OF OPPORTUNITY TO PARTNER WITH OR CONSULT GREEN ADVISORS LIMITED

ECONOMIC UPDATE

MACROECONOMIC INDICATORS

	FEB' 2021	MAR' 2021	% CHANGE
GDP GROWTH RATE(%)	(3.62) (Q3)	0.11 (Q4)	103.03
MPC RATE(%)	11.5	11.5	-
FOREIGN RESERVES (US\$ BILLION)	35.23	34.53	(19.92)
GLOBAL NATURAL GAS PRICE (US\$/MMBTU)	2.771	2.639	(4.76)
GLOBAL OIL PRICE (US\$/BARREL)	64.42	62.45	(3.06)
CBN FOREX RATE(US\$/NGN)	380.00	380.69	(0.18)
INFLATION (%)	17.33	N/A	-

SOURCE: CBN, WWW.OILPRICE.COM, Green Advisors Research

FINANCIAL MARKET HIGHLIGHTS

MARKET INDICATORS

	FEB' 2021	MAR' 2021	% CHANGE
NSE ALL SHARE INDEX (POINTS)	39,799.89	39,045.13	(1.93)
MARKET CAPITALISATION (BTRILLION)	20.82	20.37	(2.21)
AVERAGE TREASURY BILLS YIELDS (%)	1.47	3.65	(59.73)
AVERAGE TREASURY BONDS YIELDS (%)	9.94	10.42	(4.61)
EUROBOND YIELDS (%)	5.75	6.23	(7.70)

Source: Nigerian Stock Exchange, FMDQ, Green Advisors Research

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