CIRCULAR ECONOMY APPROACHES FOR THE ELECTRONICS SECTOR IN NIGERIA



CASE STUDY 1

ANITIZERS

Gaining legal ground in the Extended Producer Responsibility scheme for electronics in Nigeria

E-waste worker collecting e-waste, Nigeria © UNEP 2022

CONTEXT AND PROJECT SUMMARY

Over half a million tonnes of discarded electronic appliances are improperly processed in Nigeria every year, threatening the country's environment and the health of approximately 100 000 informal workers in the recycling industry¹.

To promote better e-waste management practices, The <u>United Nations Environment Programme</u> (UNEP) has worked with the Nigerian government and other key stakeholders under the "Circular Economy Approaches for The Electronics Sector In Nigeria" project funded by the <u>Global</u> <u>Environment Facility</u> (GEF). Please see the <u>Project Brief</u> for more information about the project.

The \$15 million initiative, led locally by the <u>National Environ-</u> mental Standards and <u>Regulations Enforcement Agency of</u> <u>Nigeria</u> (NESREA) and supported by UNEP, has brought stakeholders together to strengthen the understanding and implementation of an extended producer responsibility scheme and system for electronics at various levels including setting the legal grounds for the EPR scheme in Nigeria.

The project's breakthrough is the new EPR legislation enforced by NESREA. This new regulation will hold producers and importers accountable by requiring them to register their products with the national EPR system and pay for the cost of collection and recycling through a levy system.

> Mohammed Hassan Abdullahi, Minister of Environment, Nigeria

CASE STUDY FOCUS AREA

Strengthening legal efforts in Nigeria is crucial for successful implementation of Extended Producer Responsibility (EPR) systems. By having the National Environmental Standards and Regulations Enforcement Agency of Nigeria (NESREA)having the enforcing EPR laws create a more sustainable and accountable e-waste sector.

Developing and updating EPR legistlations helps clarify the different responsibilities and enforce producers to comply with their obligations and responsibility. However, effective EPR implementation will require further law enforcement measures.

The case study outlines two achievements of the project towards establishing a stronger legal system in Nigeria:

- The development and gazette of the EPR Guidance document in 2020: the guidance defines the roles and responsibilities of the key public and private stakeholders, the product categories to be covered by the EPR scheme, and the collection and recycling targets.
- 2. The amendment of the National Environmental (Electrical and Electronic Sector) Regulations in 2022: which legally requires EPR subscriptions and prohibits suboptimal treatment of e-waste.

The study concludes with a summary of key lessons and next steps, emphasizing the importance of enforcing EPR laws, engaging stakeholders, raising public awareness, and collaborating with regional and international partners.

CONTEXT AND BACKGROUND

Over half a million tonnes of discarded electronic appliances are improperly processed annually in Nigeria. Due to inadequate law enforcement and the lack of preventative legislation, electronic and electrical waste is flooding the Lagos State of Nigeria, posing a threat to the environment and the health of about 100 000 informal recyclers and neighbouring residents.

To combat the e-waste crisis and implement a more robust extended producer responsibility system, UNEP and the government of Nigeria joined forces to launch the "Circular Economy Approaches for The Electronics Sector In Nigeria" project in 2019 with financial support from GEF.

The project helped overcome several challenges, including legal obstacles impeding the implementation of existing policies and regulations. It also helped build expertise among key government members on operationalising EPR and increased public awareness of the EPR developments.

Establishing an EPR scheme for electronics in Nigeria

The Extended Producer Responsibility (EPR) approach has been widely used for different waste streams and is regarded as a conductive instrument to the transition towards a circular economy. A number of countries have adopted the scheme as an e-waste management policy, as it promotes total life cycle environmental improvements



2014

Cooling and Freezing Large Household Appliances

2017

E-waste generated in Nigeria (in tonnes)

300.000

250.000

200.000

150.000

100 000

50.000

2009

of production systems² and generates safe and secure work opportunities for informal e-waste workers.

Under EPR systems, producers are held responsible for the pollution they produce. In addition to paying for the collection, sorting, pre-treatment, and recycling of e-waste, manufacturers will cooperate with other producers and coordinate with the designated government body³ to ensure the system's operation.



Figure 2: EPR Scheme in Nigeria. Source: Guidance Document for the Implementation of the EPR Programme for the Electrical/Electronics Sector

CONTEXT AND BACKGROUND



E-waste workers in collection site, Nigeria © UNEP 2022

Nigeria has been addressing EPR policy since 2007 when the National Environmental Standards and Regulations Enforcement Agency was formed. Since then, several steps have been taken by the government, including the publication of the National Environmental Regulations containing EPR provisions, followed by EPR guidelines for implementing the policy.

Alongside government efforts, early private sector involvement and support have been crucial to the establishment of EPR in Nigeria. As part of the E-Waste Solutions Alliance for Africa (the Alliance), Dell, HP, Microsoft Mobile, and Philips formed a Local Producer Working Group in 2016 comprising of local manufacturers and importers to initiate EPR work in the country based on their international expertise and practices.

The Group developed a localized EPR plan with support from Deloitte and Sofies Group that was approved by NESREA in 2017. The members also created a complete blueprint for the setup and financing of the first Producer Responsibility Organization (PRO) in Nigeria, which resulted in the establishment in 2018 of the "E-waste Producer Responsibility Organisation Nigeria" (EPRON) to coordinate the management and treatment of e-waste. A year later, the organization was incorporated as the Nigerian Professional Organization for Electronics.

The establishment of EPRON has brought the necessity to register more producers to launch EPR activities on establishing take-back and recycling schemes, which has further stimulated the need to lay the legal basis for EPR implementation in Nigeria.





ADRESSED LEGAL BARRIERS

Despite Nigeria's progress toward EPR implementation, the scheme remains largely unknown, misconstrued, misapplied, and underutilized⁴. This was when the "Circular Economy Approach for the Electronics Sector in Nigeria" project was launched to support the government in reforming the electronics sector by addressing the improper management of electronic waste through EPR approach.

The initiative has supported Nigeria in gaining legal ground towards EPR implementation by developing the EPR Guidance in 2020 and revising and gazetting the National Environment Regulation for the Electrical and Electronic Sector in 2022.

I.Developing the Extended Producer Responsibility Guidance

The Challenge: The EPR policy was introduced in the National Environmental Electrical/Electronic Sector Regulation in 2011, followed by the EPR Guidelines adopted in 2014. But the latter was still missing operational guidelines, targets, and enforcement mechanisms, which blocks the advancement of EPR in the country.

Therefore, it was still necessary to clarify the roles and responsibilities of different stakeholders more thoroughly, the types of EEE to be covered by the EPR scheme, and the collection and recycling targets for different types of EEE.

The Solution: Based on international best practices and lessons from existing EPR systems, the project has supported NESREA in further developing the Guidance Document for the Implementation of the Extended Producer Responsibility (EPR) Programme for the Electrical/Electronics Sector in 2020.

In the development process of the EPR Guidance, international consultations were also conducted to collect knowledge and comments from international experts and organisations such as WEEE Forum, World Resource Forum, GIZ and the International Telecommunication Union (ITU).

These efforts helped:

 Define and clarify the roles and responsibilities of various stakeholders, including relevant governmental agencies, producers (importers and exporters, distributors), consumers, collectors and recyclers in the electronics value chain and e-waste management systems.

- Cite the essential products and e-waste categories under the scope of the EPR Programme.
- Design a methodology for collecting and maintaining sales and market information data.
- Set minimal requirements and specific targets for collecting and recycling e-waste considering B2B and B2C products.
- Create a financial scheme for collecting levies/fees to cover the cost of collection and recycling.
- Build the modality and responsibilities of the Producer Responsibility Organisation.
- Identify the requirement(s) for monitoring and reporting on the performance and progress of the EPR Programme.

The project was instrumental in clarifying and detailing EPR regulations and guidance, which greatlyhelped producers in complying with the EPR implementation in the sector.

Ibukun Faluyi, Executive Secretary of EPRON



E-waste worker in collection site, Nigeria © UNEP 2022

▲ ADRESSED LEGAL BARRIERS

II. Revising and gazetting the National Environmental (Electrical and Electronic Sector) Regulation

The Challenge: Efforts from NESREA were only partially effective in driving producers to register with EPRON, which is crucial for implementing the EPR programme. This is due to the incomplete definition of producers and the lack of essential elements for EPR enforcement in the EEE regulations.

The Solution: The National Environment Regulation for the Electrical and Electronic Sector was revised and gazetted in 2022. This pivotal achievement helped sign the mandatory nature of the EPR scheme for electronics in Nigeria, to ensure the registration with PRO from international and local producers and importers.

With technical support from the project, the revision was conducted by NESREA with other government agencies, With technical support from the project, the revision was conducted by NESREA with other government agencies, laying the legal ground for the EPR enforcement by:

- Redefining Producers to include but not limited to the brand owner, manufacturer, franchisee, assembler, distributor, retailer or first importer of the product who sells, offers for sale, or distributes the product. Producer also includes the local manufacturer or importer of new and used electrical and electronic equipment (EEE) to be placed on the national market at first invoice by sale or donation. A producer can be a legal or natural person.
- Enforcing mandatory subscription to the EPR programme for producers.
- Requiring e-waste collection centers and recycling facilities to register with NESREA and the PRO.
- Criminalizing the import of non-functional used EEE into the country without subscribing to the EPR programme or operating an e-waste collection or recycling facility without registering with NESREA and the PRO
- Penalizing manufacturers, importers, or assemblers who trade or distribute a new EEE without registering with the PRO.

 The penalty for this offence includes a fine of N2,000,000.00 for corporate bodies and a fine of N200,000.00 or a prison term of not less than six (6) months for individuals.

Under the project, UNEP provided capacity-building support to government and private sector entities to achieve efficient and coordinated EPR implementation. In accordance with best practices and experiences, government officials covering managerial and administrative tasks were trained on various aspects of EPR operations.

As part of its holistic support, UNEP also supported NESREA to establish an awareness campaign for the public (including videos, interviews, radio segments, and printed materials) to ensure the public is aware of the latest EPR development in Nigeria.

Next Steps

- All the relevant stakeholders are to comply with the EPR Guidance under the supervision of the Nigerian government to meet the collection and recycling targets.
- The gazetted EEE regulation is to be enforced to ensure the registration of producers and importers with the PRO and minimise non-compliance. This requires close and robust collaboration among relevant government agencies, including but not limited to NESREA, Ministry of Environment, Customs, Standards Organisation, and Ministry of Labour and Employment.
- The Customs and the Standards Organization of Nigeria will be involved to accelerate importers' registrations with EPRON as a prerequisite for importing or trading licenses of new electronics.
- NESREA will further raise the awareness on the revised EEE regulations to inform importers and producers about the mandatory registration with EPRON and the punitive implications of non-compliance.
- EPRON will plan and conduct an awareness-raising campaign to inform producers about the regulation and obligation in the EPR system.
- 6. Define achievable targets in the EPR Guidance.
- Providing training to stakeholders, such as relevant governmental staff, is key to ensuring the understanding and proper application of the newly published regulations.

LESSONS LEARNED

Key learnings

- Critical elements for the EPR implementation should be made clear, including but not limited to the definition of producers, the roles and responsibilities of relevant stakeholders, the types of EEE to be covered by the EPR scheme, and the collection and recycling targets for different types of EEE.
- Even though EPR could be a voluntary scheme, a legally mandatory EPR is crucial for its implementation in practice and at scale.
- Effective law enforcement is key to ensuring that producers and importers comply with their registration and subscription obligations with the PRO. This requires close and robust collaboration among relevant government agencies.
- 4. Early and strong involvement and commitment of the private sector are essential to help accelerate the development and implementation of the EPR policy. In Nigeria's case, learnings from the experience of the E-Waste Solutions Alliance for Africa (the Alliance) on EPR development are highly resourceful.
- Effective public awareness raising about the importance of compliance is essential to supporting the registration with PRO and compliance with the new EPR scheme.
- Linking EPR key stakeholders from the country with global initiatives, international experts, events and international producers and stakeholders such as WEEE Forum, World Resource Forum, GIZ, and Interna-

tional Telecommunication Union (ITU) adds solid value to the national EPR design and implementation. International experience also helps define achievable targets in the EPR Guidance.

 Providing training to stakeholders, such as relevant governmental staff, is key to ensuring the understanding and proper application of the newly published regulations.

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DISCLAIMER

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