

FACT SHEET

THE STATE OF CLIMATE FINANCE IN NIGERIA



Children stand in a flood water in Borno State, Nigeria by UNICEF/Vlad Sokhin

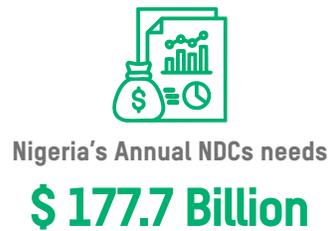
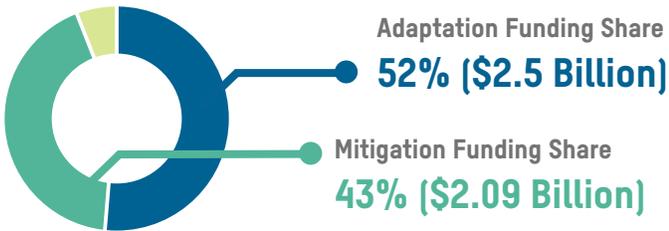
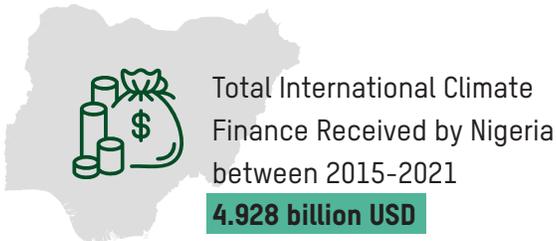
Nigeria faces significant challenges in mobilizing sufficient climate finance to meet its climate action goals. Between 2015 and 2021, the country received USD 4.928 billion for 828 climate-related projects, yet this amount remains far below the estimated USD 177.7 billion needed annually to achieve its climate commitments. A large portion of the funding came in the form of concessional loans, adding pressure to Nigeria's already burdensome debt portfolio. While key sectors such as agriculture, energy, and water have benefited from international support, there are gaps in mobilizing domestic resources and ensuring effective governance at both national and sub-national levels.

Despite Nigeria's climate finance landscape being heavily reliant on international providers, with limited contribution from domestic investments, there is a pressing need to enhance policy integration, strengthen climate governance, and empower sub-national governments. Recommendations in this report highlight the importance of improving local capacity, increasing public-private partnerships, and developing robust tracking mechanisms to ensure transparency and accountability in the use of climate funds.

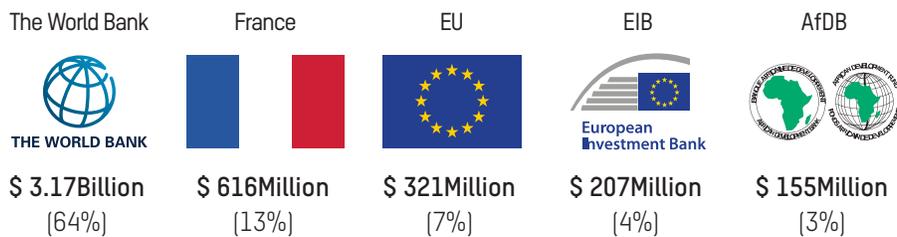
This factsheet presents key data and trends from the report, emphasizing the need for greater investment in climate-resilient infrastructure, enhanced local governance, and stronger collaboration between government, civil society, and the private sector to achieve more sustainable and impactful climate action in Nigeria.

**BETWEEN 2015 AND 2021,
THE COUNTRY RECEIVED
USD 4.928 BILLION FOR
828 CLIMATE-RELATED
PROJECTS, YET THIS
AMOUNT REMAINS FAR
BELOW THE ESTIMATED
USD 177.7 BILLION
NEEDED ANNUALLY TO
ACHIEVE ITS CLIMATE
COMMITMENTS**

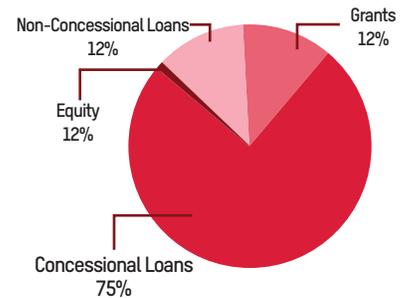
KEY STATISTICS AT A GLANCE



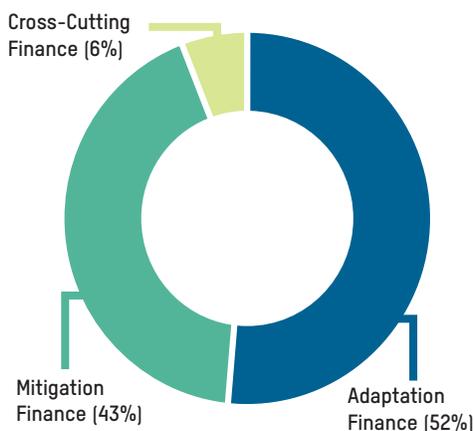
Top Donor



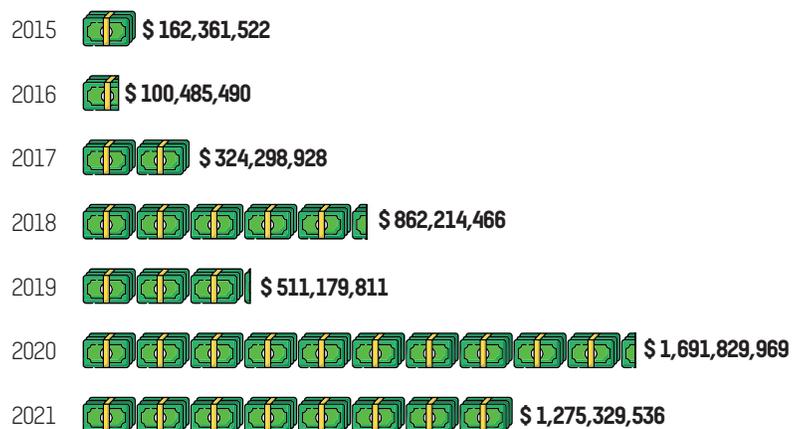
Debt and Finance Instruments



Climate Finance Distribution (2015 - 2021)



Annual Finance Trends



KEY FINDINGS



International Climate Finance



\$4.93 Billion

Total International Climate Finance (2015-2021), across

828 Projects



Grant Equivalent Values

48%

lower than face value



Actual Grant Equivalent is

\$2.5 Billion

Top Donor

The World Bank



THE WORLD BANK

\$ 3.17Billion
(64%)

France



\$ 616Million
(13%)

EU



\$ 321Million
(7%)

EIB



\$ 207Million
(4%)

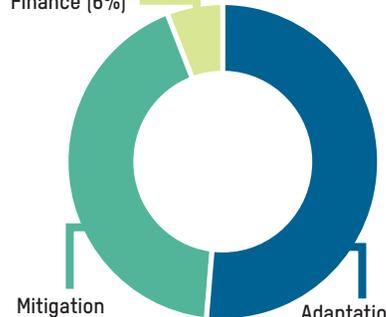
AfDB



\$ 155Million
(3%)

Adaptation vs Mitigation.

Cross-Cutting Finance (6%)



Mitigation Finance (43%)

Adaptation Finance (52%)

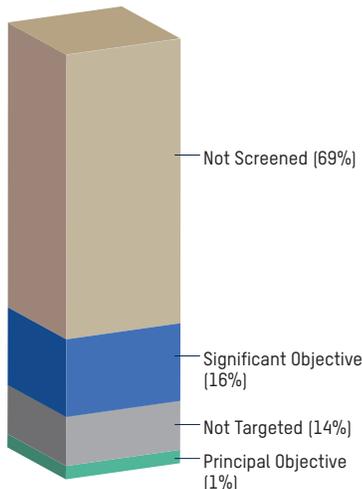
Notable Projects

- Adaptation: Agro-Climatic Resilience in Semi-Arid Landscapes (Funded by: World Bank, Fund: \$493 million, Year: 2021, Sector: Agriculture, Forestry and Fishery, Instrument: Debt Instrument)
- Mitigation: Power Sector Recovery Performance Based Operation (Funded by: World Bank, Fund: \$309 million, Year: 2020, Sector: Energy, Instrument: Debt Instrument)

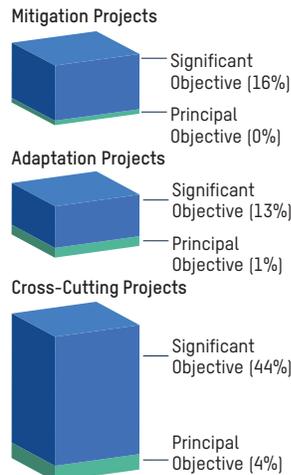
Gender Integration

Only a fraction of projects include explicit gender markers. Adaptation projects show a higher percentage of gender-focused objectives.

Gender Marker Breakdown



Finance by Objective



Projects with Gender as Principal Objective



Total Projects

35



Finance

\$47 Million

Highlighted Projects

Nigeria for Women Project

Funding Source



THE WORLD BANK

Debt Instrument

Evidence to Action (E2A)

Funding Source



Grant

DEBT PROFILE OF NIGERIA AND CLIMATE FINANCE



External Debt (2023)
\$41.59 Billion



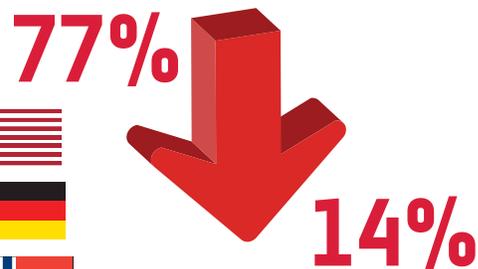
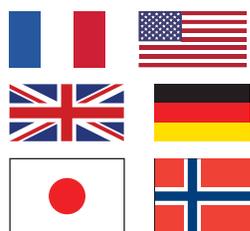
Public debt servicing constitutes over
37%
of GDP limiting fiscal space for climate action

Changing Dimensions of Creditors (2000–2020)

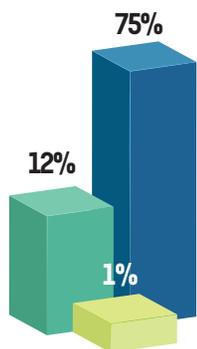
Multilateral creditors of Nigeria's external debt increased from



Bilateral creditors decreased from

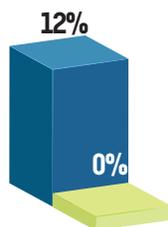


Financial Instruments



Concessional Instruments

- Debt instrument \$ 3.7billion (75%)
- Grant instrument \$ 580million (12%)
- Equity shares of collective vehicle \$32 million (1%)



Non-Concessional Instruments

- Debt Instrument \$ 597million (12%)
- Bank Instrument \$ 8.8million (0%)

Not Specified
0%

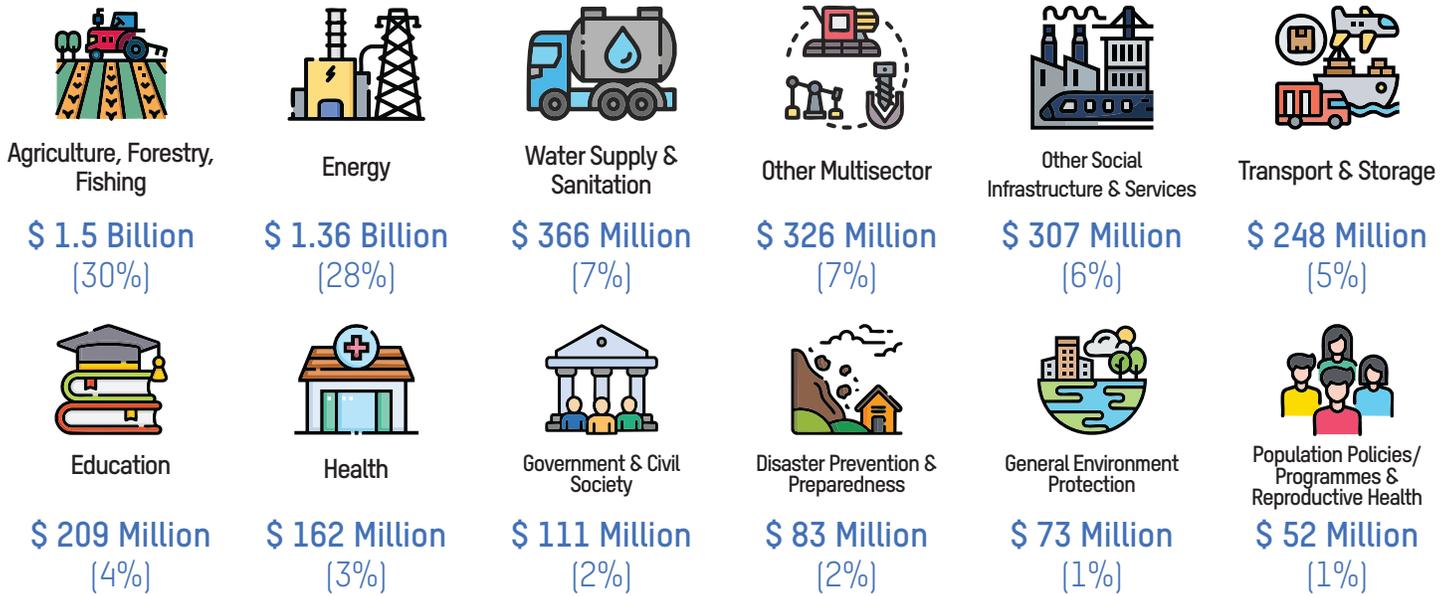


Debt Instrument \$ 1.7million (0%)

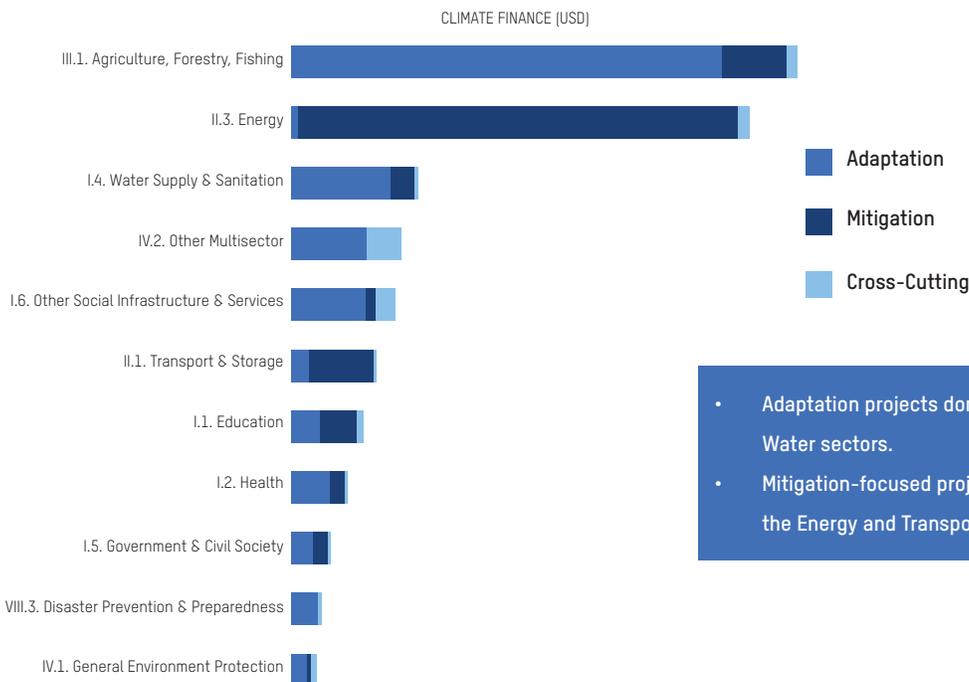
SECTOR BREAKDOWN OF INTERNATIONAL CLIMATE FINANCE (2015–2020)



Sectors by Climate Finance



Objectives by Sector

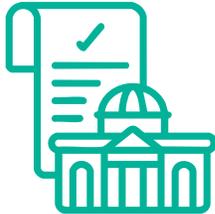


- Adaptation projects dominate in AFOLU and Water sectors.
- Mitigation-focused projects are prevalent in the Energy and Transport sectors.

DOMESTIC FRAMEWORK FOR CLIMATE FINANCE IN NIGERIA



Key Policies



Climate Change Act (2021): Established the National Council on Climate Change.

National Adaptation Strategy and Plan of Action (NASPA-CCN)

Updated Nationally Determined Contributions (NDCs, 2021)

Nationally Determined Contributions (NDCs) and Funding

Funding has been a challenge, with over **87.7%** of NDC-related finance sourced from international donors between 2020–2023.

Only **4.7%** of NDCs funding came from Nigeria's government budget during this period; while 4.1 Lines of Credit, 1.7 from financial support

Key NDC Projects

Energy Transition Plan
\$410 Billion in incremental funding (2021–2060);
\$1.9 Trillion total

Aims to achieve net-zero emissions and carbon neutrality by 2060

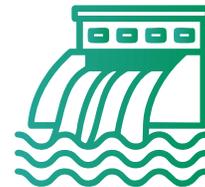
Projects include renewable energy, gas commercialization, and electric vehicles

Energize Education Programme



Targets solar-powered systems for **37** federal universities and **7** teaching hospitals.

ACReSAL



Targets land degradation and water resource management

Climate Change Fund (CCF)

- Institutionalized by the Climate Change Act 2021.
- Managed by the NCCC, it aims to mobilize resources for mitigation, adaptation, research, and advocacy.
- Challenges exist regarding its implementation and concerns over potential misappropriation.

Absence of Budget Tagging

- Nigeria is yet to operationalize system for tagging and tracking climate finance in budgets.
- Lack of coordination between ministries affects the transparency and efficiency of climate finance allocation.
- This limitation hinders real-time decision-making and climate finance flow tracking.

DOMESTIC CLIMATE FINANCE



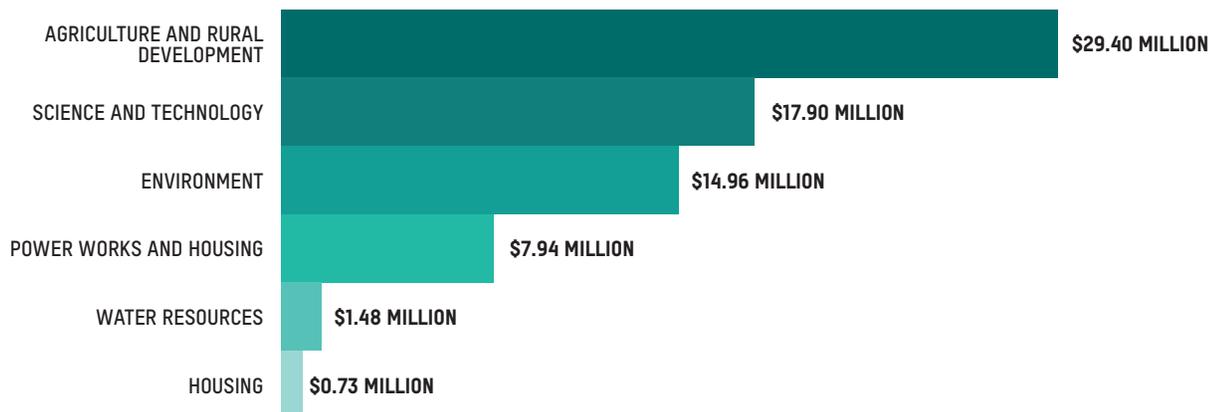
Over 14 Ministries, Departments, and Agencies (MDAs) implemented climate-related projects. Recurring MDAs include



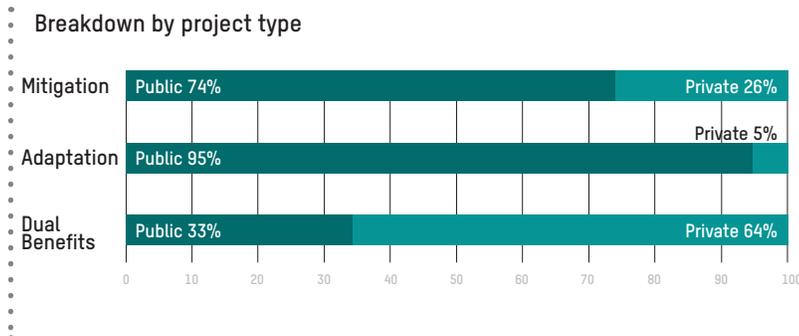
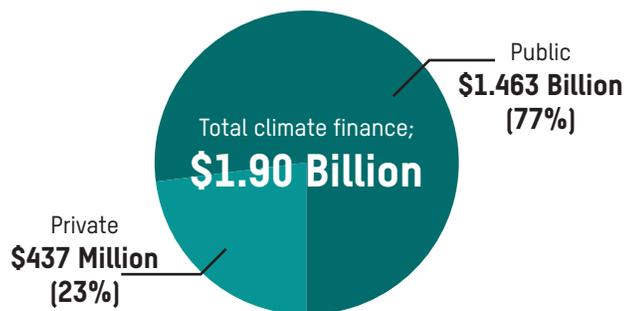
Climate projects primarily involved capital expenditures amounting to over **\$103.12 Million** from 2015 to 2022

Example projects include “Land and Climate Management” under the Ministry of Agriculture, with budget allocations of **547,000 USD (2016)**, **4.7 million USD (2019)**, and **1.2 million USD (2020)**.

Top 6 Ministries with highest allocation received from 2015–2021



Public-Private Climate Finance Split (2019–2021)



Amounts Mobilized by Green Bonds



Total Green Bonds mobilized

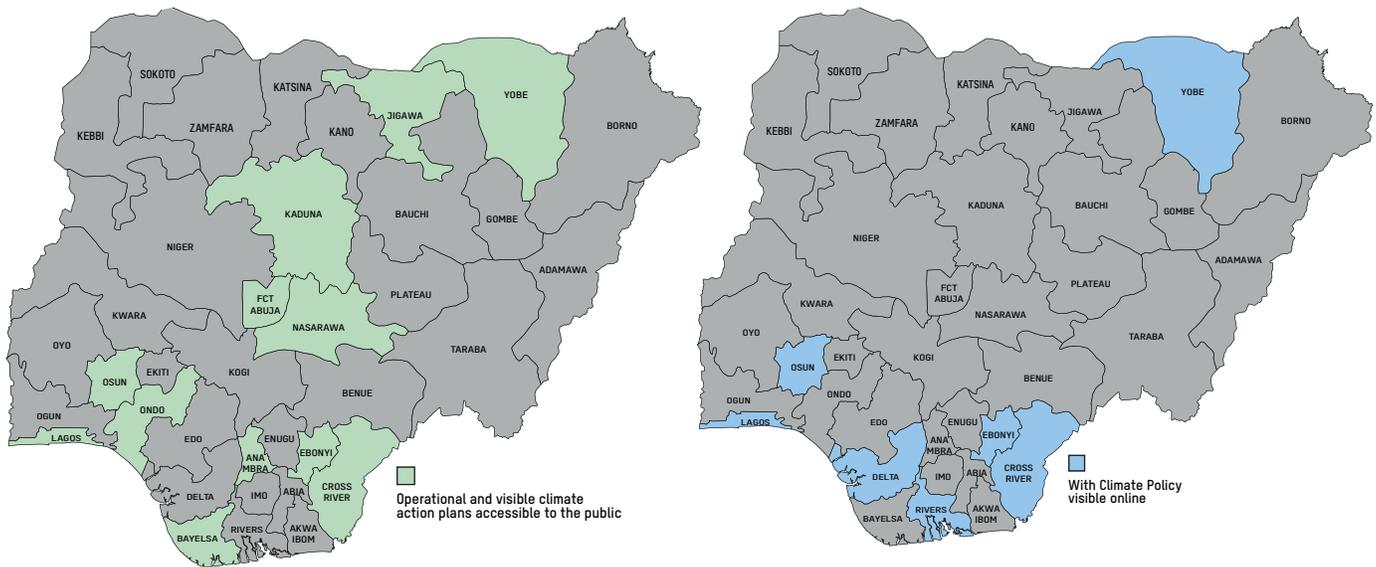
\$165.1 Million

2017: **\$29 million** (Federal Government, Solar energy, and afforestation)

2019: **\$49 million** (Federal Government, wind and solar energy, rural electrification)

Other issuers: North-South Power Company, Access Bank

Sub-National Climate Governance (as of June 2024)



Recommendations

For Government

- Prioritize climate considerations in budgets and policymaking.
- Enhance local government capacity for climate action.
- Mobilize domestic funding through green bonds and infrastructure investment.

For Private Sector

- Expand green finance portfolios.
- Invest in climate-resilient technologies.
- Disclose climate-related financial risks.

For Civil Society

- Monitor and advocate for transparent climate finance flows.
- Raise awareness about climate justice and finance mechanisms.
- Develop tools for tracking and reporting climate finance.

