

FACT SHEET

# THE STATE OF CLIMATE FINANCE IN NIGERIA





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

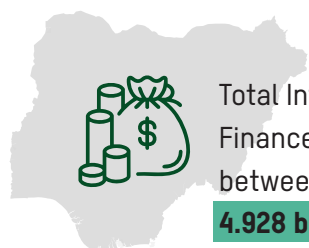
Nigeria faces significant challenges in mobilizing sufficient climate finance to meet its climate action goals. Between 2015 and 2021, the country received USD 4.928 billion for 828 climate-related projects, yet this amount remains far below the estimated USD 177.7 billion needed annually to achieve 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



Total International Climate Finance Received by Nigeria between 2015-2021

**4.928 billion USD**



Average Annual Finance

**\$704M**



Number of Projects

**828**



Adaptation Funding Share

**52% (\$2.5 Billion)**

Mitigation Funding Share

**43% (\$2.09 Billion)**



Nigeria's Annual NDCs needs

**\$ 177.7 Billion**

Domestic Climate Finance Share

**19%**



## Top Donor

The World Bank



THE WORLD BANK

**\$ 3.17Billion**  
(64%)

France



**\$ 616Million**  
(13%)

EU



**\$ 321Million**  
(7%)

EIB



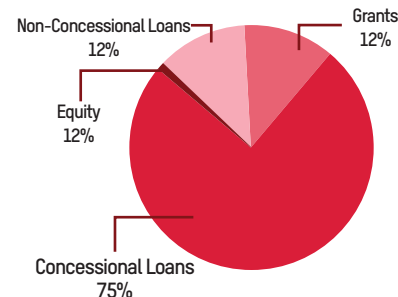
**\$ 207Million**  
(4%)

AfDB

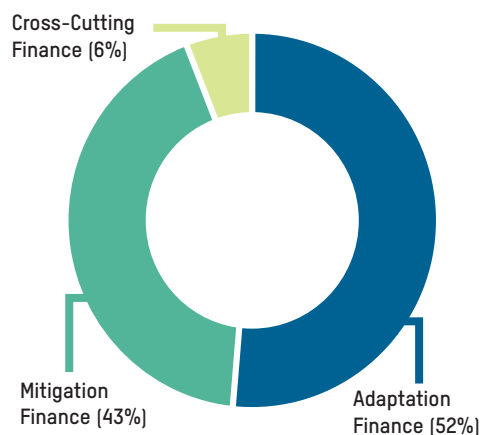


**\$ 155Million**  
(3%)

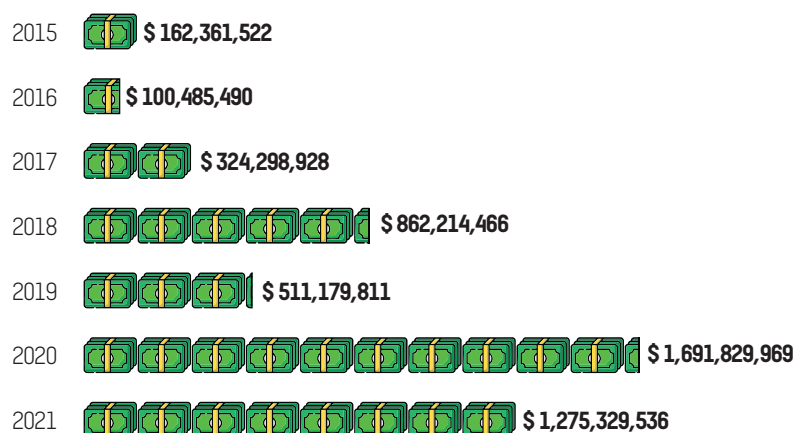
## Debt and Finance Instruments



## 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**

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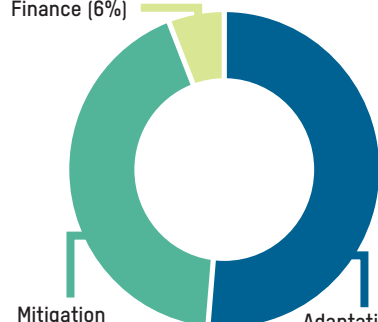
AfDB



**\$ 155Million**  
(3%)

### Adaptation vs Mitigation.

Cross-Cutting  
Finance (6%)



Mitigation  
Finance (43%)

Adaptation  
Finance (52%)

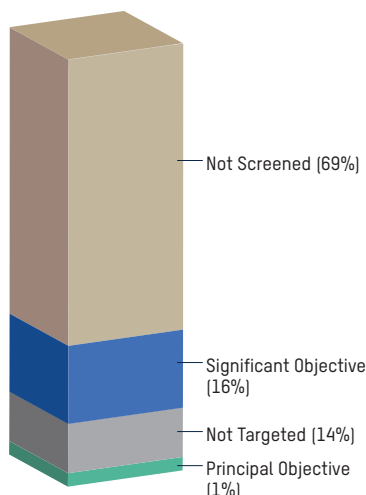
### Notable Projects

- 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)

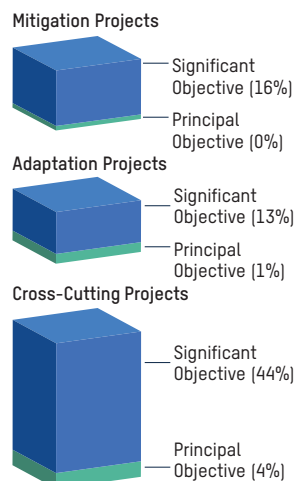
### Gender Integration

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**



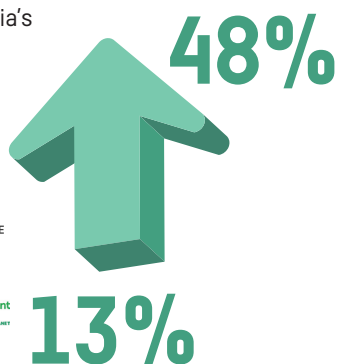
Public debt servicing constitutes over

**37%**

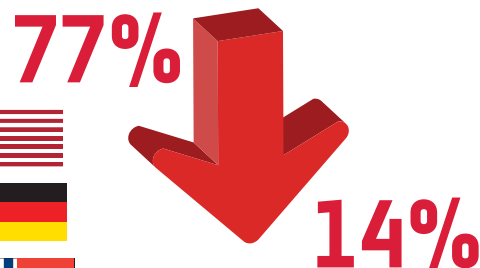
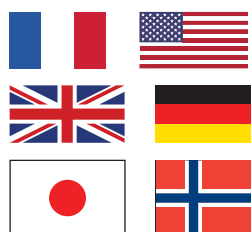
of GDP limiting fiscal space for climate action

## Changing Dimensions of Creditors (2000–2020)

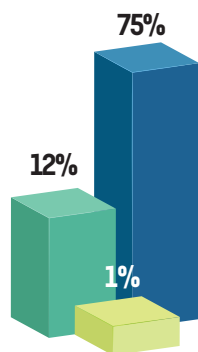
Multilateral creditors of Nigeria's external debt increased from



Bilateral creditors decreased from



## Financial Instruments

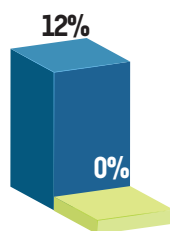


Concessional Instruments

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%**

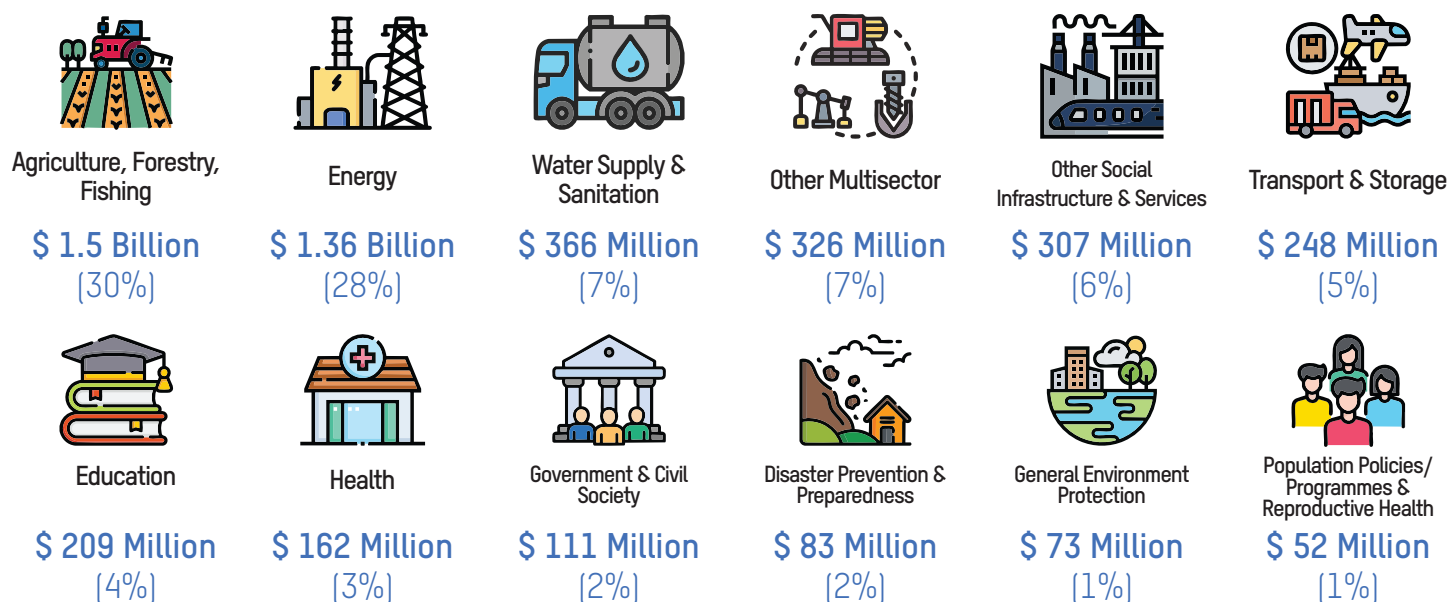


Debt Instrument **\$ 1.7million (0%)**

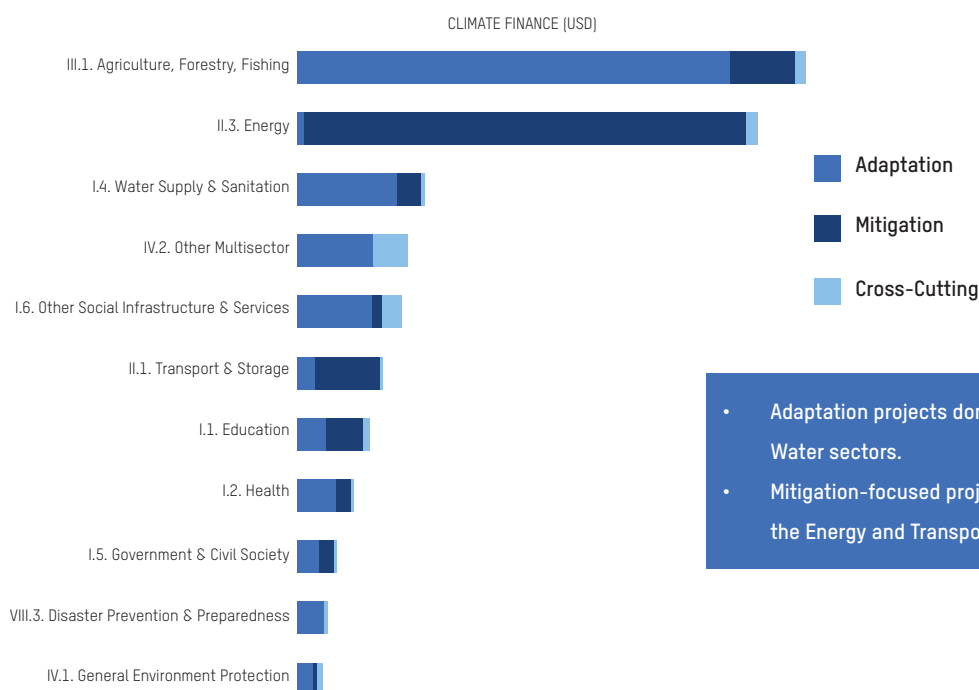
# SECTOR BREAKDOWN OF INTERNATIONAL CLIMATE FINANCE (2015–2020)



## 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



Federal Ministry of Agriculture

24



Federal Ministry of Environment

104



Federal Ministry of Power, Works, and Housing

26



Federal Ministry of Science and Technology

132



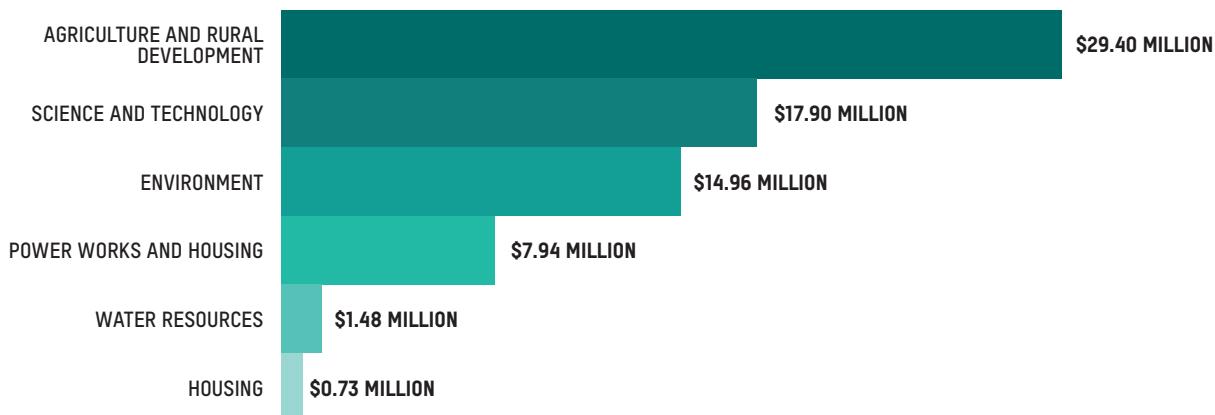
Federal Ministry of Water Resources

32

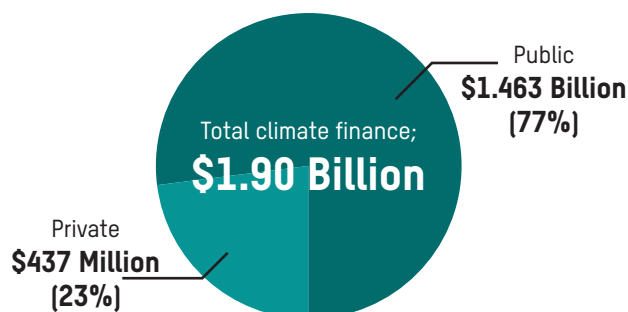
Climate projects primarily involved capital expenditures amounting to over **\$103.12 Million** from 2015 to 2022

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)**.

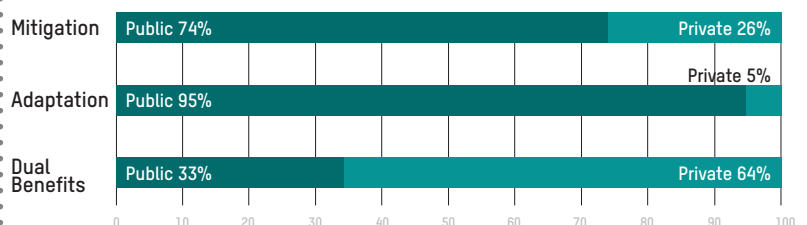
## Top 6 Ministries with highest allocation received from 2015–2021



## Public-Private Climate Finance Split (2019–2021)



### Breakdown by project type





## Amounts Mobilized by Green Bonds



Total Green Bonds mobilized

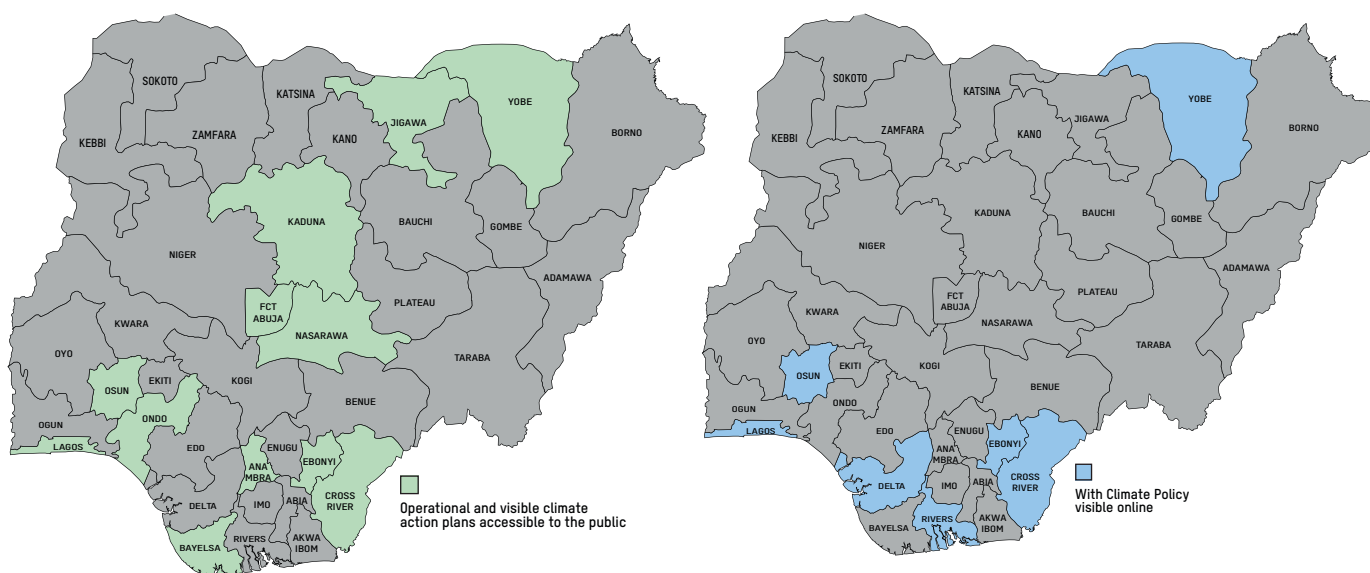
**\$165.1 Million**

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.

