



**DEBT MANAGEMENT OFFICE
NIGERIA**

THE DEBUT FEDERAL GOVERNMENT OF NIGERIA GREEN BONDS

Green Bonds

Green Bonds, also known as Climate Bonds, are fixed income securities issued to finance projects that have a positive impact on the environment and provide solutions to climate change. Green Bonds can be issued by Governments or private sector organisations.

Why Nigeria is Issuing Green Bonds

The issuance of Green Bonds by the Federal Government of Nigeria will provide funds for financing the implementation of projects by Ministries, Departments and Agencies towards the achievement of Nigeria's commitments to the Paris Agreement.

In September 2016, President Muhammadu Buhari, GCFR signed the Paris Agreement on Climate Change, joining other nations to commit to reversing the negative effects of Climate Change. Under the Paris Agreement, each country was required to specify the specific efforts it would undertake to achieve the objective of the Paris Agreement. These commitments by each country are referred to as Nationally Determined Contributions.

Nigeria's Nationally Determined Contributions

Nigeria has committed to reducing carbon emissions by 20% unconditionally and 45%, with international support, by 2030 through energy, transport and agriculture projects that would reduce carbon emissions and mitigate the effects of climate change in the country such as desertification, flooding, erosion, erratic rainfall, etc. Achieving the NDCs requires the implementation of various projects in different sectors of the economy which would need to be financed.

Benefits of the Federal Government of Nigeria Green Bonds Features of the Debut Green Bonds

The issuance of Green Bonds by Nigeria will have the following key benefits:

- Provide funds for important projects towards protecting the environment and reversing the harmful effects of climate change.
- Signal the commitment of the Government to protecting the environment and lead citizens to take climate change seriously.
- Create a Benchmark for subsequent Issuances of Green Bonds by State governments and Corporates for financing environmental projects.
- Provide an opportunity for investors that are interested in preserving the environment to contribute to the country's efforts at environmental preservation, while earning income from a low risk Sovereign instrument.
- Further diversify the Government's funding sources and deepen the domestic capital market by providing a wider variety of products for investors.

- **Offer Period:** December 18 - 20, 2017.
- **Offer Amount:** ₦10,690,000,000.00.
- **Purpose:** To finance projects in the 2017 Appropriation Act for Afforestation, Renewable Energy and the provision of Clean Energy to support education.
- **Tenor:** 5-year.
- **Guarantee:** Backed by the full faith and credit of the Federal Government.
- **Interest Payment:** Bi-Annually.
- **Warehousing of Proceeds:** Administrative procedures have been established to ensure that the bond proceeds are channeled directly to the stated projects in a transparent manner, with periodic monitoring to ensure that funds are properly utilized.

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