Press Release

Supporting the Federal Government of Nigeria’s Climate Change Initiative: Debt Management Office issues its second Sovereign Green Bond, recording 220% subscription level

The Debt Management Office (“DMO”) has announced the results of its second Sovereign Green Bond offering (the “Offer”) for ₦15 billion. The Offer, which opened to the general public on Monday, June 3, 2019 and closed on Monday, June 10, 2019, was preceded by road show meetings with investors and other stakeholders in Lagos and Abuja.

The results of the second Sovereign Green Bond issuance revealed increased knowledge and awareness of Green Bonds by subscribers, and perhaps also demonstrated a greater level of commitment from the general public towards protecting the environment. Total value of subscriptions received was ₦32.93 billion, representing 220% of the ₦15 billion offered. Similarly, the number of subscribers doubled when compared to the figure for the first Sovereign Green Bond issued in December 2017. Retail investors were not left out, as the number of individuals who subscribed for the second Sovereign Green Bond more than doubled. The amount of subscriptions grew by almost 201% with the share of total subscriptions rising to 1.43% compared to 0.67% for the 2017 Sovereign Green Bond. The stronger participation of retail investors shows that financial inclusion and deepening of the domestic financial market, which are some of the key objectives of the DMO in its issuance activities, are being achieved.

Whilst the Offer was oversubscribed, the DMO allotted only the ₦15 billion that was offered for a tenor of 7 years, at a coupon of 14.50% p.a.

The proceeds of the Green Bond will be used to finance projects in the 2018 Appropriation Act, which will contribute to Nigeria’s commitments to the Paris Agreement on Climate Change. The projects include Off-Grid Solar and Wind Farm, Irrigation, Afforestation and Reforestation, as well as, Ecological Restoration.

Assisting the DMO with this landmark offering were the financial advisors, Chapel Hill Denham Advisory Limited, Capital Assets Limited, Rand Merchant Bank Nigeria Limited and Stanbic IBTC Capital Limited.