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TITLE

**EVALUATING POLICY STRATEGIES FOR DRIVING NIGERIA'S GREEN ECONOMY
TRANSITION IN RESPONSE TO CLIMATE CHANGE.**

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BY

NNADI CHIAMAKA STEPHANIE

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info@naltf.gov.ng

ABSTRACT

Climate change is no longer a distant threat to Nigeria, and it is actively reshaping the economy and affecting livelihoods. Increasing temperatures, floods, erratic rainfall, and desertification are disrupting productivity, food security, and overall economic stability. This research paper examines the impact of climate change on Nigeria's financial performance and assesses the country's efforts to build resilience. Nigeria's 2025 sources came from the Nationally Determined Contribution (NDC), World Bank and IMF analyses, and national initiatives like the Nigerian Climate Investment Platform and Flare4Value. The research highlights both progress and persistent gaps. While government policies have advanced climate action, challenges, including weak institutions, limited funding, and inadequate data systems, continue to hinder momentum. The research work concludes with policy recommendations to strengthen governance, attract green investments, and ensure climate action benefits all Nigerians, particularly the most vulnerable. Findings underscore the urgency of integrating low-carbon strategies into Nigeria's development agenda to achieve a sustainable and inclusive economic future.

Keywords: Climate change, Nigeria, Economic resilience, Adaptation, Green economy, Policy frameworks.

1.0 INTRODUCTION

Nigeria is at a turning point. Across the globe, countries are moving quickly to reduce emissions and strengthen resilience against climate shocks, and Nigeria cannot afford to be left behind. The effects of climate change are already visible.

Unpredictable rainfall, rising food prices, and repeated floods are becoming part of our daily lives. Nigeria's climate journey is not just about cutting emissions; it's about building a resilient and inclusive economy. Sectors such as agriculture, energy, water, and health are becoming increasingly vulnerable. Floods along the Niger and Benue rivers have displaced thousands, while drought and desertification in the north threaten food production and the livelihoods of local communities.

According to the World Bank (2025) and the IMF (2025), climate shocks are already having a tangible impact on Nigeria's economy. Declining agricultural output, damaged roads, and disrupted energy systems are creating real costs for businesses and households alike. Tackling these issues requires careful planning, strong institutions, and well-designed policies.

Nigeria has shown commitment to addressing climate change through initiatives such as its Nationally Determined Contributions (NDCs) and the Climate Change Act (2021), which sets a goal of achieving net-zero emissions by 2060. Yet progress has been slow, held back by limited funding, institutional gaps, and infrastructure challenges. This research examines how Nigeria can better align its economic objectives with environmental sustainability by refining its policies, strengthening institutional capacity, and implementing effective climate change strategies.

Yet there is reason for hope. Projects like the EU-Germany "Flare4Value" initiative demonstrate that environmental challenges can be turned into opportunities, for example, by converting gas flares into usable energy. Similarly, the International Labour Organisation (ILO) and Nigeria Labour Congress (NLC) stress the importance of a "just transition," supporting workers and communities that depend on oil and gas through retraining and access to green jobs.

1.1 STATEMENT OF PROBLEM

Nigeria is experiencing the realities of climate change more intensely with each passing year. Rising temperatures, longer dry seasons, severe flooding, coastal erosion, and unpredictable rainfall are no longer distant warnings; they are happening now and disrupting lives, livelihoods, and the country's economic stability (French Treasury, 2024). These changes affect almost every sector, but they have a significant impact on agriculture, which remains a substantial source of employment and income for millions of households.

Because most of Nigeria's agriculture depends on rainfall, shifts in weather patterns have created significant challenges for farmers across the country. Unpredictable rainfall, droughts, and sudden extreme weather have damaged farmlands, reduced harvests, and worsened food insecurity in many rural communities (Business Day, 2024a). Flooding, which has become increasingly frequent and severe, destroys farmland and homes, displaces families, and places additional financial strain on

communities already struggling to recover from previous disasters (Business Day, 2024a).

However, all these issues hinder Nigeria's ability to meet its climate goals, build resilience, and protect communities most at risk. The result is a large and growing gap between what Nigeria has committed to on paper and what is happening in practice. Nigeria has put in place strong climate policies, but without practical, well-coordinated, and adequately funded action, these plans remain mostly on paper. The gap between policy and practice is putting the country's development at risk, weakening its ability to withstand economic shocks, and threatening the long-term health of its environment.

1.2 JUSTIFICATION

Climate change is impacting Nigeria by undermining agriculture, displacing people, and threatening economic stability (French Treasury, 2024; Business Day, 2024a). Despite policies like the Climate Change Act (2021), poor implementation, inadequate funding, and weak coordination limit their effectiveness (CSDevNet, 2021; Nigerian Journals Online, 2023; PwC, 2022). Bridging this gap is vital for protecting communities and promoting sustainable development. Further research is needed to develop solutions that translate policy into action.

1.3 AIM

This research paper examines the obstacles to the effective implementation of Nigeria's climate policies. Despite robust frameworks such as the Climate Change Act (2021) and the National Climate Policy, there remains a gap between policy formulation and tangible outcomes. The research aims to identify actionable strategies to transform these policies into coordinated and sustainable initiatives. Ultimately, the goal is to safeguard vulnerable populations, mitigate economic disruptions resulting from climate-related events, and enhance Nigeria's overall economic growth and resilience.

1.4 SPECIFIC OBJECTIVES

- To analyze how climate change affects key sectors such as agriculture, energy, and infrastructure in Nigeria.
- To Identify the economic costs associated with climate-related disruptions and evaluate their implications for national development.
- To review the effectiveness of Nigeria's current climate policies, including the Climate Change Act (2021) and Nationally Determined Contributions (NDCs).
- To identify gaps in implementation and coordination among governmental institutions responsible for climate action.
- To examine the current state of climate financing in Nigeria, including domestic and international funding sources.

- To identify the barriers to accessing climate finance and propose solutions to enhance funding for green initiatives.
- To identify potential sectors for green investment and economic diversification, such as renewable energy, climate-smart agriculture, and waste management.
- To analyze successful case studies, such as the EU-Germany Flare4Value initiative, to draw lessons for scaling up green projects in Nigeria.
- To propose actionable strategies for integrating climate considerations into Nigeria's broader development agenda.

2.0 LITERATURE REVIEW

According to the World Bank (2025) and the IMF (2025), Climate change in Nigeria has shifted from mainly being an environmental issue to an urgent economic concern, affecting livelihoods, infrastructure, and national development on a broad scale. Rising temperatures, prolonged droughts, severe flooding, soil erosion, and desertification are increasingly disrupting economic activities, especially agriculture, which remains central to Nigeria's economy. These climate challenges jeopardise food systems, threaten food security, and place significant strain on public finances as government funds are redirected toward disaster relief and recovery efforts (NCIC, 2025).

Nationally Determined Contribution (NDC), submitted to the UNFCCC in 2025, outlines ambitious climate targets: reducing greenhouse gas emissions by almost 50% by 2030 and achieving net zero by 2060 (UNFCCC, 2025). Meeting these objectives calls for substantial investment, effective institutional coordination, and integrated policies spanning sectors such as energy, agriculture, transport, and industry. Reports from the World Bank (2025) and the IMF (2025) indicate that climate-related risks are rising faster than anticipated, with extreme weather events already reducing agricultural productivity, damaging infrastructure, and impeding overall economic growth.

Locally, the Nigeria Climate Innovation Centre (NCIC, 2025) cautions that without adequate adaptation measures, climate-driven losses could reach hundreds of billions of dollars by mid-century. Nonetheless, the NCIC also points to opportunities for green innovation, including renewable energy, climate-smart farming, and waste recycling, all of which have the potential to generate jobs, diversify the economy, and foster inclusive growth.

However, according to EU-Germany, 2025 issues of financing and social inclusion remain challenging. The Climate Policy Initiative (2025) notes that although Nigeria has developed many climate policies, real funding, especially from domestic sources, remains scarce. Bureaucratic inefficiencies, inadequate climate data, and overlapping institutional mandates further hamper the implementation of climate programs. Some innovative efforts, like the EU-Germany "Flare4Value" project,

demonstrate how environmental challenges can become economic assets by transforming gas flares into usable energy, creating jobs, and reducing emissions.

The Nigerian Journal Online (2023) highlights the need for a “just transition” in Nigeria, advocating for the retraining and reintegration of workers from traditional oil and gas industries into the growing green economy. This not only promotes social equity but also enhances economic resilience by equipping communities with skills relevant to emerging climate industries. Across numerous studies, a standard message emerges: designing effective climate policies requires understanding the real-world experiences of farmers, workers, and local communities, which is critical for building resilience, advancing sustainable development, and shaping an inclusive economic future for Nigeria (Business Day, 2024a; PwC, 2022).

3.0 METHODOLOGY

This study uses a mixed-methods, qualitative-focused approach supported by descriptive quantitative data to analyse Nigeria's climate policy landscape.

1. Desk-Based Document Analysis

- Reviewed national and international documents, such as Nigeria's 2025 Updated NDC, Climate Change Act (2021), policy frameworks (2021-2030), National Adaptation Plan, Energy Transition Plan (2022), World Bank/IMF climate-economic assessments, and reports from NCIC, NCCC, ILO, and the Climate Policy Initiative.
- Extracted information on governance, finance, progress indicators, and policy gaps.

2. Secondary Data Review

- Collected quantitative data from sources like the World Bank, IMF, NiMET, and NBS.
- Used these to estimate climate losses, agricultural and infrastructure impacts, food security trends, and economic effects.

3. Thematic Content Analysis

- Coded and grouped qualitative data into themes: governance, finance, adaptation, mitigation, social inclusion, and economic impacts.
- Assessed strengths, weaknesses, and opportunities in Nigeria's climate response.

4. Comparative Policy Assessment

- Compared Nigeria's policies and institutions with global best practices in coordination, finance, data management, and energy transition.
- Evaluated alignment with international standards and areas for improvement.

5. Case Study Reflection

- Examined specific initiatives such as the EU-Germany Flare4Value program, renewable energy pilots, and climate-smart agriculture to assess implementation outcomes and lessons learned.

4.0 RESULTS

1. Climate change is already imposing significant economic burdens: Agricultural productivity is declining in climate-sensitive areas due to droughts, heatwaves, and irregular rainfall patterns. Flooding has repeatedly damaged roads, bridges, railways, and farmland, resulting in substantial repair costs. Projections indicate that economic losses may reach **US\$460 billion by 2050** if adaptation efforts remain inadequate.
2. Nigeria possesses robust climate policies, but implementation remains slow: The Nationally Determined Contributions (NDCs), Climate Change Act, National Adaptation Plan (NAP), and Energy Transition Plan (ETP) establish a strong strategic framework. However, institutional fragmentation and insufficient enforcement have impeded tangible progress.
3. Climate finance is severely inadequate: Nigeria faces a funding shortfall of over **US\$177 billion** for full NDC implementation. Foreign investors are hesitant, citing regulatory uncertainties and investment risks.
4. Renewable energy adoption is progressing, though still limited: Solar mini-grids and clean cook-stove initiatives demonstrate initial success; however, the national electricity grid continues to depend predominantly on fossil fuels, particularly natural gas.
5. Social inclusion and just transition principles require further integration: Targeted support for women, youth, farmers, and oil-dependent communities remains limited, with few beneficiaries of green initiatives. Programs for green jobs and reskilling opportunities are also insufficient.
6. Ongoing data gaps hinder effective planning: The Capacity for climate modelling is underdeveloped. Emission inventories and adaptation monitoring systems are inconsistent and frequently outdated.

4.1 FINDINGS

1. Nigeria increasingly recognises climate change as an economic threat: its consequences are tangible, influencing food costs, household incomes, infrastructure, and the nation's overall development.
2. While policies are well-designed, implementation is weak.

Key obstacles include:

- Ministries often lack coordination.
- Technical expertise is insufficient.
- Funding falls short
- Political priorities frequently shift.

1. Accessing climate finance remains a significant challenge: Nigeria relies largely on foreign funding, yet financing is slowed by bureaucracy, ambiguous investment guidelines, and an underdeveloped project pipeline.

2. Progress across sectors is inconsistent: The energy sector tends to get prioritised over critical areas such as agriculture, health, water, and disaster management, even though these are hit hardest by climate impacts.
3. Achieving a just and inclusive transition is ongoing: Communities reliant on oil have minimal assistance to enter green industries. Youth and women are not yet fully engaged in programs for a sustainable economy.
4. There are strong opportunities for green economic growth.

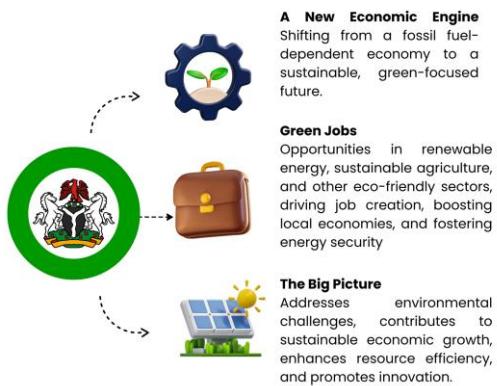
Promising sectors include:

- Renewable power generation
- Waste recycling initiatives
- Climate-resilient farming
- Green-focused businesses

4.2 ANALYSIS

1. Economic Impact of Climate Shocks: Climate-related incidents increase public expenditure on emergency response, disrupt food supply chains, and reduce productivity. Given that agriculture employs over 30% of Nigerians, climate shocks have a pronounced effect on livelihoods and GDP growth.
2. Governance and Institutional Capacity: The National Council on Climate Change (NCCC) provides oversight; however, ministries and state institutions frequently operate independently, resulting in diminished coordination and delayed implementation. Enhanced leadership and more clearly defined mandates are required to address these challenges.
3. Financing Challenges: Domestic funding for climate initiatives remains limited, with Nigeria primarily dependent on external financial sources that are often unpredictable. Although mechanisms such as green bonds and carbon markets hold potential, their impact has so far been minimal.
4. Energy Transition Dynamics: Nigeria's role as an oil producer creates complexities between immediate economic reliance on fossil fuels and longer-term sustainability objectives. While natural gas is positioned as a transition fuel, progress in renewable energy investment is gradual.
5. Social Dimensions: National climate policies may not sufficiently account for local conditions. Vulnerable groups, particularly farmers, rural women, and youth, derive limited benefits from climate programs despite bearing the most significant impacts.
6. Data and Technology Constraints: Inadequate climate data systems impede forecasting and strategic decision-making. The adoption of technologies, including advanced irrigation, early warning systems, and climate-smart solutions, advances slowly.

Powering Nigeria's Green Economy



Title: An infographic, showing Nigeria's transiting economy

Source: *The Economic Power of Green Jobs in Nigeria - Quintessence Environmental Consult*

4.3 DISCUSSIONS

Nigeria stands at a pivotal juncture. While the nation has exhibited a strong commitment to addressing climate change through legislative measures and strategic frameworks, a notable gap in policy implementation remains.

Key challenges include:

- **Weak Institutions and Policy Discontinuity:** Effective climate action necessitates sustained, long-term planning. However, frequent changes in political leadership have hindered consistent progress.
- **Economic Reliance on Fossil Fuels:** Nigeria faces the dual imperative of maintaining oil-generated revenue while transitioning to cleaner energy sources.
- **Limited Public Awareness:** Public understanding of climate risks often emerges only after disasters. There is a pressing need to enhance engagement and awareness across communities.
- **Inequitable Transition:** The move toward a low-carbon economy must safeguard the livelihoods of workers and communities dependent on high-carbon sectors.
- **Opportunity for Transformation:** With sustained, scalable implementation, Nigeria has the potential to assert leadership in solar energy, green

employment, climate-resilient agriculture, and circular economic models at the continental level.

5.0 RECOMMENDATIONS

Climate change is a present reality for Nigeria, not a distant concern. Farmers are grappling with erratic rainfall, communities are experiencing more frequent flooding, and increasing temperatures are straining health, energy, and food systems. Despite these obstacles, Nigeria has significant potential to lead Africa's green transition. To achieve this, stronger policies, smarter investments, and inclusive climate solutions involving everyone from policymakers to residents are essential. Here are ways Nigeria can build a resilient, sustainable future:

- **Strengthen Climate Governance:** Effective climate action requires well-coordinated institutions. The National Council on Climate Change (NCCC) should be empowered and appropriately resourced to oversee all climate initiatives at both the state and national levels. Clear roles, improved coordination, and robust accountability frameworks will help translate policy into measurable outcomes. Enhancing government capacity and ensuring stable leadership are crucial steps.
- **Integrate Climate Action into Development Plans:** Climate change affects every aspect of development and should be integrated into Nigeria's National Development Plan (2021–2025) and state strategies. Sustainable planning protects people, the economy, and the environment together. Climate-conscious budgets and inclusive planning guarantee that spending supports a greener future.
- **Expand Climate Financing:** Many promising projects falter due to insufficient funding. Nigeria needs to boost green investment, domestically and internationally. Transparent management, incentives for private investors, and collaborations with entities such as the **World Bank** and the **African Development Bank** will encourage greater funding. Tools such as green bonds, carbon trading, and a National Climate Finance Fund can support renewable energy, reforestation, and other vital efforts.
- **Invest in Renewable Energy:** Clean, affordable power is key to Nigeria's energy future. Scaling up solar, wind, and hydro energy projects will cut emissions, generate jobs, and reach rural areas still off the grid. Investing in renewable energy benefits the planet, businesses, education, and everyday life.
- **Promote Climate-Smart Agriculture:** Agriculture is central to Nigeria's economy, but highly sensitive to climate shifts. Equipping farmers with better irrigation, drought-resistant seeds, and early warning systems helps them adapt and safeguard their livelihoods. Advancing climate-smart agriculture and sustainable land use secures food supplies and protects resources.
- **Strengthen Research and Climate Data:** Sound policy depends on reliable data. Nigeria should invest in advanced systems for monitoring rainfall, temperature, and emissions. Collaborations with universities and research

centres can improve forecasting, develop local models, and inform decision-making. Better data enables faster, more effective action.

- Empower Communities and Youth: True progress comes when people actively participate. Local communities, NGOs, and especially young people must be integral to climate action. From tree planting and recycling to inventive green startups, youth can inspire innovative solutions. Education and outreach will nurture a new generation of climate advocates.
- Ensure an Inclusive and Fair Transition: A greener economy should benefit everyone. Workers in conventional sectors need retraining for green jobs, while women and youth deserve equal opportunity in climate initiatives. Supporting community-led adaptation and entrepreneurship helps ensure a fair, inclusive shift to low-carbon growth.
- Strengthen International Partnerships: Nigeria cannot tackle climate change alone. Collaborating with partners such as the UNDP, the World Bank, and the African Union brings in funding, technology, and expertise. Adhering to global agreements such as the Paris Agreement helps keep Nigeria's climate ambitions aligned with international standards.

6.0 CONCLUSIONS

Climate change is no longer a distant or theoretical issue for Nigeria. It is a daily reality that is already reshaping economic activities, affecting community livelihoods, and placing increasing pressure on national development. From destructive floods to prolonged droughts, from disrupted food production to the rising cost of rebuilding damaged infrastructure, climate change is exerting a heavy toll on households, businesses, and government resources. This research clearly shows that Nigeria is at a turning point, where urgent, coordinated action is necessary to prevent more profound social and economic disruptions.

One of the most striking findings is the financial challenge. Nigeria requires substantial investment far beyond current levels to scale up adaptation, strengthen energy systems, and help communities transition to new, sustainable livelihoods. Without adequate funding, even the most ambitious policies remain only aspirations. Similarly, poor data systems make it challenging to plan effectively or track progress, leaving policymakers without the timely information they need to respond to climate risks.

In essence, Nigeria is standing at a crucial crossroads. The country has the knowledge, the legal frameworks, and the strategic direction necessary to address climate change. What is needed now is sustained political will, stronger institutions, reliable financing, and active involvement from citizens, private sector actors, civil society, and international partners. Aligning climate action with national development goals will not only reduce vulnerability but also create a healthier, more resilient, and more inclusive economy.

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