



Federal Republic of Nigeria
Sustainable Bond Framework
[March, 2025]

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1. Overview of Nigeria's Sustainable National Development Strategy

1.1 Nigeria's commitment to a green, diversified economy

As Africa's most populous nation and one of the leading economies, Nigeria is positioned for sustained growth, driven by abundant natural resources, a young and dynamic population, and thriving communications, financial, and services sectors.

With a stable federal democracy and a strong commitment to governance reforms, we are focused on building a resilient and diversified economy. However, recent global economic challenges and necessary monetary policy adjustments have presented short-term hurdles, impacting the modest post-COVID-19 recovery. While the effects of our bold economic reforms persist, they lay the foundation for long-term economic stability and prosperity.

Through key policy frameworks such as the **Economic Sustainability Plan (2020)**, the **National Development Plan (2021-2025)**, and **Nigeria Agenda 2050**, we are advancing a private-sector-led economic model. This strategy prioritizes investments in critical infrastructure, food security, renewable energy, local manufacturing, and the transition towards a green and circular economy.

In line with our commitment to environmental sustainability, Nigeria's **Nationally Determined Contribution (NDC) (2021)** sets ambitious targets for reducing greenhouse gas emissions. The enactment of the **Climate Change Act (2021)** further reinforces our determination to integrate climate action into national development plans, ensuring a low-carbon and climate-resilient future.

1.2 The National Development Plan and Green Growth Investment Priorities

Agenda 2050, Nigeria's long-term development plan ('The Plan'), aims to reposition Nigeria as one of the leading economies of the 21st Century within the next three decades. Part of the set goals for Agenda 2050 is to achieve unemployment and poverty rates of 6.3% and 0.6%, respectively, by 2050. This would require a significant investment of up to 40% of Nigeria's GDP, with the private sector expected to provide most of the required finance while the government sets the enabling environment and framework with complementary public investments. Recent global trends that impact these economic and social targets are the Fourth Industrial Revolution, regional integration, demographic shifts, knowledge economy, climate change and green/blue economy, as identified in the plan.

The nexus between climate change and global economic development is clear, and the poor are the most vulnerable. In recent times, Nigeria has experienced variability in rainfall patterns and extreme weather events, which have impacted agricultural productivity and access to clean water. The need for Nigeria to intensify its efforts on climate adaptation, particularly in energy transition, is critical to driving a green economy and is an important pathway to achieving net-zero emissions by 2060 as planned. To achieve some of these initiatives, Nigeria will, according to the Plan, ensure:

- Increased diversification from an oil-based economy
- Cleaner and safer environment with lower emissions from industrial, agricultural, and domestic activities

- Higher energy penetration, especially for lower-income communities
- increased resilience and sustainable development in the long term and
- The conservation of marine resources

To guide Nigeria to a low-carbon, green and sustainable economy by 2050, the following policy objectives were identified in the Plan:

Increase investment in renewable energy and energy efficiency in all sectors of the Nigerian economy, with a target of increasing the share of renewable energy in total electricity generation to 60% by 2050 from a baseline of 22% in 2020. Some identified initiatives under the renewable energy strategy are developing frameworks to increase investment in non-hydro renewable energy and expand the carbon market, adopting fiscal incentives to promote renewable energy sources, and enforcing energy efficiency policies for new and existing buildings.

Increase in climate-smart technologies in all sectors of the Nigerian economy, with the objective of an overall reduction in GHG emissions of 20% from the 2020 baseline by 2050. This will require investment in cleaner technologies and innovative agricultural, industrial, and transportation practices. Some initiatives include supporting farmers in adopting smart agricultural practices, expanding rail infrastructure, and promoting the use of electric and CNG-powered vehicles.

Curb desertification, conserve ecosystems, and restore degraded land in affected areas through continuous tree planting in deforested areas, building the capacity of local communities to improve forest management, promoting clean cooking, and encouraging the development of eco-tourism and conservation parks.

Build a circular economy and improve waste collection and the bioeconomy by promoting sustained investments in recycling activities, integrating policies on material, product, and chemical management, and boosting the production and use of biofuels through the adoption of new technologies and the active participation of the private sector in recycling activities.

Strengthen resilience and adaptive capacity to climate-change-related disasters. This will involve designing and implementing policies to strengthen disaster preparedness systems and contingency plans across the country, integrating disaster risk management into national plans and the budgetary process, and designing social security systems such as safety nets and affordable insurance instruments to facilitate quick recovery in the event of climate change-induced disasters.

The initiatives will be implemented through a series of medium-term development plans.

The National Development financing plan includes targeted action to address these environmental priorities, including raising Sustainable Bonds to finance projects with Green and Social benefits, which is one source for meeting its Nationally Determined Contributions (NDCs).

In summary, as a result, Nigeria has chosen that its Sustainable Bond Framework would be oriented toward key national objectives:

- renewable energy
- green manufacturing
- natural resource management and nature conservation
- green and affordable housing and resilient urban infrastructure
- development of scalable, sustainable agriculture, natural resources management, and nature conservation, including developing opportunities in the sustainable blue economy

2. The Sustainable Bond Framework

The Federal Ministry of Environment (FMEnv) has updated the FGN's Green Bond Framework issued in 2020 and has developed a Sovereign Sustainable Bond Framework, which allows Nigeria to fund eligible projects, assets, and expenditures that will support the fulfilment of the country's sustainable development needs and meet international commitments, including its NDCs. At the same time, the Framework underlines Nigeria's commitment to the advancement of the Sustainable Bond market.

The FGN's Sustainable Bond Framework (the "framework") has been developed in line with the International Capital Market Association (ICMA) Green Bond Principles (2021), Social Bond Principles (2023), Sustainability Bond Guidelines (2021) as well as additional guidance on bonds to Finance the Sustainable Blue Economy (2023) also by ICMA. Additionally, individual issuances may comply with the Climate Bonds Standard and Certification Scheme of the Climate Bonds Initiative as relevant. The Framework is intended to provide transparency in FGN's Sustainable Bond issuance and reporting processes.

The Framework is based on the four core components of the Green Bond Principle (GBP), being "Use of Proceeds", "Process for Project Evaluation and Selection", "Management of Proceeds", "Reporting", and "External Reviews".

The framework also describes the way the FGN Sustainable Bonds support and contribute towards meeting the country's Nationally Determined Contributions (NDC) and United Nations Sustainable Development Goals (SDGs).

In summary, the Sustainable Bond Framework will allow FGN to issue:

- Green Bonds, including Blue Bonds: net proceeds will finance and/or refinance, in whole or in part, new and/or existing Eligible Green Projects (as defined in section X)
- Social Bonds: net proceeds will finance and/or refinance, in whole or in part, new and/or existing Eligible Social Projects (as defined in sections 2.2.1 and 2.2.2)
- Sustainability Bonds: net proceeds will finance and/or refinance, in whole or in part, a combined portfolio of new and/or existing Eligible Green and Social Projects ("Eligible Sustainable Projects").

As an umbrella term within the Framework, these will be collectively referred to as "Sustainable Bonds."

2.1 Use of Proceeds


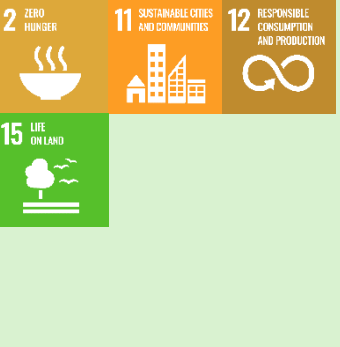


Sustainable Bonds issued pursuant to this Framework support the preparation, realisation and operation of projects that align with the Government's strategies and commitment to sustainable national development.

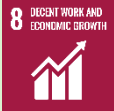











For specified "Use of Proceeds" Sustainable Bonds, as described in this Framework, green and social projects and assets financed by the Government will be eligible for inclusion in the Sustainable Bond Project Register (Eligible Projects). An equivalent amount to the proceeds of each Sustainable Bond will be used to finance and/or refinance eligible green and/or social projects as defined below. These programs and projects will form the basis for the issuance of Green, Social and Sustainability Bonds to fund new projects or the refinancing of projects that have been identified to have climate credentials in alignment with this Framework.


Sustainable Bonds will raise funds exclusively for spending on Eligible Projects, including new and existing projects, which should have clear environmental and/or social benefits and promote the transition to low-carbon and climate-resilient growth, including both climate mitigation and adaptation. Eligible Projects must fall within at least one of the following Eligible Project Categories defined below.







Activities and products not eligible under the Sustainable Bond Framework are described in Appendix I (exclusion list).




2.1.1 Eligible Green (and Blue) Project Categories



Eligible Green (and Blue) Categories (ICMA) and FGN priority sectors/programs	SDGs	Examples of Eligible Green Projects (Use of Proceeds)	Environmental Objectives and Benefits / KPIs for Reporting
Renewable Energy			
Solar		<p>Construction/Provision of Solar as an alternative source of power at the Ministry of Environment's headquarters</p> <p>Provision of solar mini-grids with Electric Vehicle charging capability</p> <p>Provision of solar mini-grid and productive use equipment in agricultural clusters</p>	<p>Climate change mitigation</p> <p>GHG emissions reduction</p> <p>Environmental and natural resources conservation and restoration</p>
Environmentally sustainable management of living natural resources and land use			
Sustainable agriculture		<p>Sustainable and scalable carbon re-generative agriculture in large-scale national projects, as well as support for small-scale farmers for sustainable agricultural practices, e.g.:</p> <ul style="list-style-type: none"> -Cropland management – carbon sequestration based on soil health and regenerative agriculture -Fertiliser management - reduced CH4 and N20 emissions in agriculture -Livestock and grazing land management -Food loss and waste reduction -Agroforestry and biodiversity 	<p>Climate change mitigation and Adaptation</p> <p>Pollution and waste management</p> <p>Environmental and natural resources conservation and restoration</p>
Sustainably managed forestry		<p>Community Landscape Restoration and Building Resilience Against Climate Change Across Nigeria</p>	<p>Climate change mitigation and adaptation.</p>
Clean transportation			
Electrified public transport		<p>Clean Energy Transition Initiatives: Development of Local Infrastructure, Conversion to CNG, Electric Vehicles</p>	<p>Climate change mitigation and adaptation</p>




Etc		Provision of Solar Mini Grid with Electric Vehicle Charging Capability across Nigeria	
Circular economy-adapted products, production technologies and processes			
Sustainable Product Design and Manufacturing	  	<p>Completion of The Solar PV Assembly Plant at the National Centre For Energy Research And Development (NCERD), Nsukka</p> <p>Establishment of Barefoot Renewable Energy (Re) College</p> <p>Green Hydrogen Research and Demonstration Pilot Plant</p> <p>Biomass-Based Methanol Plant</p>	<p>Minimised/reduced waste generation.</p> <p>Reduced resource depletion</p> <p>Reduced GHG emissions</p> <p>Reduced energy consumption</p>
Climate Change Adaptation			
Infrastructure Resilience etc	  	Climate Change Mitigation/ Adaptation Initiatives Project	
Sustainable Water and Wastewater Management			
	  	<p>Construction of 3 Earth Dams (Kalgo, Maiyama & Bunza),</p> <p>Construction of Dange Earth Dam, Rehabilitation And Upgrading of Buruku /Gboko Water Supply Project</p>	
Coastal Climate Adaptation and Resilience			
Projects that support ecological and community resilience and adaptation to climate change, including using nature-based solutions	  	<p>Implementation of nature-based solutions to coastal protection</p> <p>Hybrid (“grey green”) solutions to coastal protection implemented (e.g., combination of grey structures like groins, breakwaters, and seawalls with green solutions like restoration of vegetation on seawalls)</p> <p>Protection/restoration of coral reefs to help protect coastal communities from disaster impacts</p>	<p>Area benefiting from improved climate resilience and disaster risk management (ha)</p> <p>Reduction in land loss from coastal erosion (km²)</p> <p>Area benefiting from improved urban environment, climate resilience, and disaster risk management (ha)</p> <p>Area of protected or restored habitat (ha), Maintenance and safeguarding</p>


		<p>Sustainable management, conservation or enhancement of mangrove forests to reduce the impact of waves and reduce storm surge and flood depth</p> <p>Development/implementation of the Integrated Coastal Zone Management Plan</p> <p>Restoration of Beaches through artificial breakwater and dune planting</p> <p>Investments in improved early warning systems</p>	<p>(km²), and increase (%) of protected area/other effective area-based conservation measure/habitat</p> <p>Changes in CO₂, nutrient, and/or pH levels for coastal vegetation, and coral reefs (%)</p> <p>Mangrove forest under improved conservation and/or restoration (ha) Coastal area improved through integrated coastal zone management (ha)</p> <p>Area of newly restored beach as a result of investment (ha)</p> <p>Number of people and/or enterprises (e.g., companies or farms) benefiting from measures to mitigate the consequences of floods and droughts</p>
Marine Ecosystem Management, Conservation, and Restoration			
<p>Projects that manage, conserve, and restore the health of coastal and marine ecosystems</p>		<p>Establishment and/or management of Marine Protected Areas</p> <p>Development of Marine Spatial Plans (MSPs) with the appropriate MSP tools in place</p> <p>Sustainable management, conservation or restoration of critical ecosystems (e.g., mangrove forests, coral reefs, seagrass meadows, coastal wetlands, river embankments, or salt marshes)</p> <p>Implementation of invasive species eradication or control programs</p> <p>Development of management, monitoring, and enforcement systems utilizing high-level</p>	<p>Marine Environment with improved management (ha)</p> <p>Coastal or marine area under improved management, conservation, or restoration (ha) Increase in area of fragile and sensitive habitat/ecosystem (%)</p> <p>Reduction in invasive species populations (biomass) (outcome)</p>

		and digital technologies (including data management tools)	
Sustainable Coastal and Marine Tourism			
Projects that improve the environmental sustainability of coastal and marine tourism		<p>Development of Sustainable tourism management policies, plans, or regulations to national, regional, or global standards</p> <p>Managing, conserving, or restoring critical ecosystems</p> <p>Implementation of Energy and water efficiency programs for coastal tourism facilities and destinations</p> <p>Improvement of Solid waste and wastewater management capacity for coastal tourism destinations</p>	<p>Policies, plans, or regulations drafted (number)</p> <p>Revenues generated from permitted visitors Operators (number) certified to GSTC-accredited sustainable tourism certifications</p> <p>Entities with improved management of energy and water resources (number) (outcome)</p> <p>Additional wastewater management and solid waste management capacity installed or implemented (litres/ tons)</p> <p>Absolute or percentage reduction in local pollutants</p>
Sustainable Marine Value Chains			
Sustainable Marine Fisheries Management	    	<p>Development and implementation of ecosystem-based fisheries management plans</p> <p>Development of Agreements on regional cooperation for reforming fisheries standards and improving compliance, particularly regarding illegal, unreported, and unregulated fishing</p> <p>Integration of bycatch exclusion devices in fishing fleets</p> <p>Implementation of Fishing gear modification programs, policies, and plans to reduce ghost fishing.</p>	<p>Management plans developed and adopted (number)</p> <p>Vessel compliance (%)</p> <p>Avoided bycatch (tons) (outcome)</p> <p>Solutions to reduce ghost fishing implemented (number)</p>

Sustainable Aquaculture Operations		<p>Development of new, or upgrades to existing infrastructure for sustainable aquaculture, algaculture, and/or mariculture</p> <p>Development of new technologies to reduce pollution from aquaculture systems</p> <p>Research and development of alternative (not wild-caught) feeds for aquaculture.</p> <p>Development of restorative aquaculture projects to improve water quality, carbon capture, and sustainable supplies of aquatic foods</p> <p>Development of national sustainable aquaculture policies and plans</p>	<p>Production of sustainable aquaculture, algaculture, and/or mariculture (tons) (outcome)</p> <p>New technologies developed (number)</p> <p>New feeds identified for testing (number)</p> <p>Reduction of nutrient concentrations in marine waters (% or mmol)</p> <p>New policies or plans (number)</p>
Seafood Supply Chain Sustainability		<p>Establishment or improvement of cold storage and processing facilities, certification schemes, traceability, marketing, and other initiatives to increase the value of sustainably caught or farmed seafood</p> <p>Implementation of policy and technology to strengthen traceability of seafood supply chains</p> <p>Enhancing the energy efficiency of seafood processing centers</p>	<p>Revenue to fishers increased (\$) (outcome)</p> <p>Sustainably harvested fish as a percentage of the total supply chain</p> <p>Supply chains in which traceability has been strengthened (number)</p> <p>Total GHG emissions reduction (tCO2e/ year) (outcome)</p>
Marine Renewable Energy			
Projects that increase the contribution of marine and offshore renewable energy to the energy mix, as well as renewable energy projects that support other Sustainable Business and Economic (SBE) sectors while safeguarding the marine environment.		<p>Installation of Offshore wind farms</p> <p>End-of-life decommissioning of offshore wind farm installation</p> <p>Implementation of physical design improvements to increase the efficiency of renewable energy installation and the surrounding infrastructure</p>	<p>Annual GHG emissions reduced or avoided in tons of CO2e.</p> <p>Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)</p> <p>Third-party verification that the decommissioning process was</p>





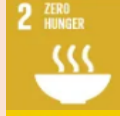





		Research and development into coastal renewable energy generation to increase efficiency, reduce costs, and minimize or enhance the impacts on nature	<p>completed using best practice standards</p> <p>Average energy generation increased (%)</p> <p>Averaged energy usage decreased (%)</p> <p>Number and scale of projects financed/outcomes</p> <p>Number of new technologies produced</p>
Marine Pollution			
Wastewater Management		<p>Building or upgrading wastewater collection and treatment systems</p> <p>Development of policies and regulations to improve wastewater collection and treatment</p>	<p>Wastewater treatment capacity added or improved (m3 /day)</p> <p>Annual absolute (gross) amount of wastewater discharge avoided before and after the project in m3 /a and p.e./a and as % (outcome)</p>
Solid Waste Management		<p>Improvement of integrated solid waste management systems and infrastructure (including “reduce, reuse, and recycle” approaches)</p> <p>Rehabilitation of coastal or riverside landfills or open dumps to improve containment</p> <p>Improvement of urban stormwater management systems to prevent plastics and other waste from entering waterways during floods</p> <p>Development of regional or subregional technical standards for plastics types, recycled plastics, and plastic products</p> <p>Development of policy and regulatory measures (e.g., market-based instruments</p>	<p>Waste prevented, minimized, reused, or recycled before and after the project (% of total waste and/or in absolute amount in tons per annum) (outcome)</p> <p>Rehabilitated landfills or open dumps (number)</p> <p>Stormwater management systems improved (number)</p> <p>Regional standards developed (number)</p> <p>Amounts of plastic materials properly collected, disposed of, or recycled, per year (tons)</p>


		and fiscal incentives) to increase collection rates	Policies and regulations drafted (output) and adopted (number) (outcome)
Resource Efficiency & Circular Economy		<p>Development and/or piloting of innovative technologies or approaches that reduce single-use plastic production or consumption, or that keep plastics out of the ocean</p> <p>Implementation of capacity-building programs on the circular economy</p>	<p>Solutions to enhance plastic pollution control and resource efficiency implemented (number) (outcome)</p> <p>Entities incorporating circular economy principles (number) (outcome)</p> <p>Waste that is prevented, minimized, reused, or recycled (% of total waste) or (absolute amount in tons per annum)</p>
Non-Point Source Pollution		<p>Development of sustainable agriculture programs that reduce inputs of fertilizer and agrochemicals</p> <p>Reduction of soil erosion along rivers that flow to the ocean through forest protection, reforestation, and increasing vegetation in riparian zones</p> <p>Development of land use planning, policies, and regulations to reduce non-point source pollution (e.g., putting sustainable land and water resources management systems in place)</p> <p>Development of new technologies to reduce agricultural pollution</p>	<p>Fertilizer and agrichemical use that is prevented (tons per annum) (outcome)</p> <p>Protected forest, reforestation, and planted riparian zones (ha)</p> <p>Area covered by sustainable land and water resources management practices (ha) (outcome)</p> <p>New technologies developed (number)</p>
Sustainable Ports			
Projects that increase environmental performance and the sustainability of port functions and infrastructure		<p>Development or improvement of port environmental management systems</p> <p>Implementation of oil spill disaster management plans with training programs for port workers</p>	<p>Ports with improved environmental management (number)</p> <p>Entities with improved planning, policies, and regulations (number)</p>



		<p>Building/upgrading of port renewable energy generation systems</p> <p>Implementation of port waste reduction and recycling initiatives</p> <p>Integration of sustainable ports into wider sustainable development plans and marine spatial plans</p>	<p>Oil spill disaster protocols established (number) and successfully tested (number) in simulated disasters.</p> <p>Total GHG emissions reduction (tCO₂ e/year) (outcome)</p> <p>Port-generated waste that is prevented, minimized, reused, or recycled (% of total waste and/or in absolute amount in tons per annum) (outcome)</p> <p>Spatial management and operational policies in place to protect marine species</p>
Sustainable Marine Transport			
Projects that involve increasing the environmental performance and sustainability of maritime transportation		<p>Retrofitting vessels for decarbonization and emissions reduction, energy efficiency, or improved ballast management</p> <p>Commissioning vessels that utilize alternatives to heavy fuel oil, provide improved fuel efficiency, leverage alternative technologies for low-carbon transport, or present significantly lower emissions profiles</p> <p>Sustainable vessel deconstruction and recycling (or scrapping)</p> <p>Integration of maritime transportation with marine spatial planning and integrated zone management</p>	<p>Ships with new measures (number)</p> <p>Annual GHG emissions reduced (tCO₂e)</p> <p>Shipping companies using responsible shipbreaking practices (number) (outcome)</p> <p>Spatial management and operational policies are in place to protect marine species</p>

2.1.2 Eligible Social Project Categories

Eligible Social Categories (ICMA) and FGN priority sectors/programs	SDGs	Examples of Eligible Social Projects (Use of Proceeds)	Target population	Social Objectives and Benefits / KPIs for reporting
Food security and sustainable food systems				

<p>Projects that provide access to safe, nutritious, and sufficient food that meets dietary needs and requirements; resilient agricultural practices; reduction of food loss and waste; and improved productivity of small-scale producers</p>	 	<p>Projects that improve access to safe, affordable, and nutritious food for the vulnerable. Projects that reduce food loss and waste. Projects involved in food and agricultural research and innovations.</p>	<p>Underserved populations for agricultural growth and development</p>	<ul style="list-style-type: none"> • Number of people provided with safe, nutritious and sufficient food • Number/type of products with certified improvements in nutritional value • Number of small-scale farmers with increased productivity • Reduction of food losses • % of inputs/materials sourced sustainably/locally • Absolute or % reduction in local pollutants/emissions
<p>Affordable Housing</p>				
<p>Affordable housing projects</p>	 	<p>Housing finance, construction, renovation, and activities that expand access to affordable housing</p> <p>Renewed Hope Agenda Housing Scheme (Construction Of 20000 Housing Units)</p> <p>Green Building Project</p>	<p>The population with low income</p>	<p>Number of people with access to safe, affordable and sustainable housing</p>
<p>Affordable Basic Infrastructure</p>				
<p>Projects that improve access to clean drinking water, sewers, sanitation, transport, and energy</p>	     	<p>Water projects Waste management and sanitation projects Transportation and energy projects</p>	<p>Living below the poverty line Aging populations and vulnerable youth</p>	<ul style="list-style-type: none"> • Number of people with access to sustainable transport systems • Waste that is prevented, minimised, reused or recycled before and after the project • Number of people reached with improved health care

				<ul style="list-style-type: none"> • Cost reduction for standard treatments and medicines • Amount of wastewater treated before being disposed of and/or amount of wastewater reused • The amount of raw/untreated sewage sludge that is treated and disposed of • Number of people provided with safe and affordable drinking water • Number of people provided with adequate and equitable sanitation • Volume of wastewater treated for reuse • Number of people with access to affordable clean/efficient energy products/services (e.g. clean cooking stoves) • Number of hours saved by the introduction of a specific method of transportation
Access to Essential services				
<p>Projects that improve access to health, education and vocational training, healthcare, financing and financial services</p>		<p>Projects that enhance the quality of existing education and healthcare facilities. Projects that provide preventive and curative services. Projects that ensure better educational conditions for socially disadvantaged students.</p>	<p>Underserved, owing to a lack of quality access to essential goods and services</p> <p>Excluded and/or marginalised populations and/or communities Undereducated</p>	<ul style="list-style-type: none"> • Number of jobs created in low-income areas, among disadvantaged groups and other target populations • Health equity (e.g. patients served from minority groups) • Number of students enrolled • Number of students attaining the standard for education level • Education facilities for inclusive and effective learning environments

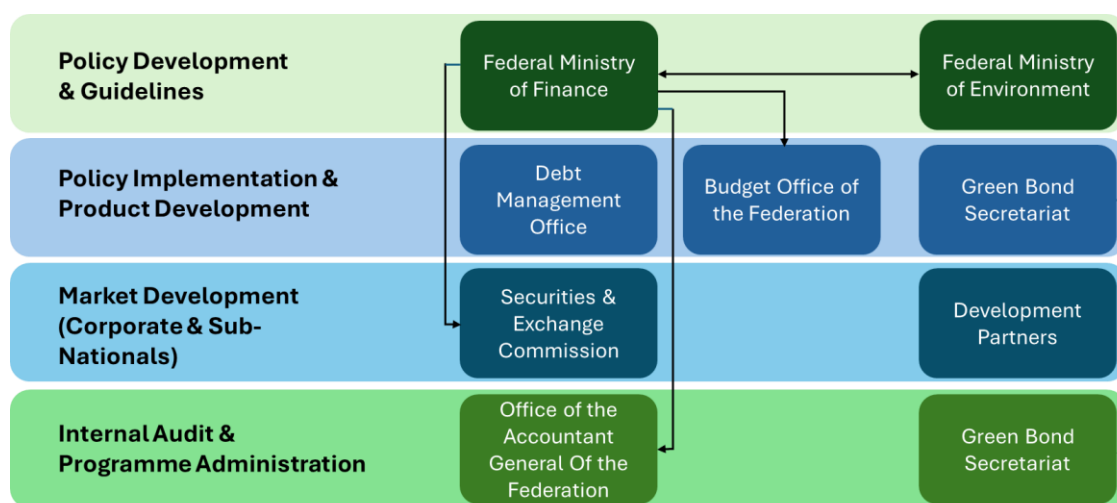
				<ul style="list-style-type: none"> • Number of people reached with improved health care • Cost reduction for standard treatments and medicines • Amount of wastewater treated before being disposed of and/or amount of wastewater reused • The amount of raw/untreated sewage sludge that is treated and disposed of
Socioeconomic advancement and empowerment				
equitable access to and control over assets, services, resources, and opportunities; equitable participation and integration into the market and society, including the reduction of income inequality)		<ul style="list-style-type: none"> • Projects that reduce and/or eliminate extreme poverty and economic hardship. • Projects that reduce the number of out-of-school children and promote literacy & practical education. • Projects that promote upskilling, entrepreneurship and innovation. • Projects that support businesses impacted by extreme events. • Projects that promote social inclusion. • Projects that improve the effectiveness of formal technical and vocational training 	Communities that lack basic infrastructure and need socioeconomic stimulation	<ul style="list-style-type: none"> • Number of low-income people provided with basic services • Number of low-income people benefiting from measures to mitigate the consequences of climate change, such as natural disasters • Number of people provided with safe, nutritious and sufficient food • Number of small-scale farmers with increased productivity
Employment Generation				
Projects designed to prevent and/or alleviate unemployment stemming from		<ul style="list-style-type: none"> • Projects that promote employment generation and retention. 	Unemployed and/or workers affected by climate transition	<ul style="list-style-type: none"> • Number of jobs created/ maintained (can be broken down by gender, race, and underrepresented groups)

<p>socioeconomic crises, climate transition projects and/or other considerations for a “just transition” (such provision and/or promotion could include SME financing and microfinance)</p>		<ul style="list-style-type: none"> • Projects that aim to increase access to financial services, including affordable credit, payment and savings to MSMEs. • Projects that promote the formalization and growth of MSMEs. 	<p>Excluded and/or marginalised populations and/or communities Living below the poverty line</p>	<ul style="list-style-type: none"> • Number of new jobs created and/or supported in green/related supply chains • Number of loans/financial services provided to economically disadvantaged groups (as defined against local references) • Number of people affected by discontinued energy-related industries as part of a climate transition agenda that are benefiting from re-training and education • Number of people benefiting from safety nets
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2.2 Process for Project Evaluation and Selection

The figure below provides a snapshot of the institutional arrangements, which will require effective coordination across multiple Ministries, Departments and Agencies (MDAs). **The FMEnv is ultimately responsible for evaluating and selecting green projects for consideration**, while the Federal Ministry of Finance will develop the annual borrowing plan for the government, with a portion allocated to Green, Social and/or Sustainability Bonds. Working with the Debt Management Office (DMO), these functions will largely coordinate the implementation and execution of Nigeria's Sustainability Bond programme. **The Sustainable Bond Secretariat is housed in the FMEnv** and tasked with providing technical guidance and advisory support to relevant MDAs, including sub-nationals in project preparation, selection, and monitoring to ensure alignment with best practices.

Figure: The Government of Nigeria's Sustainable Bond institutional governance framework



The Federal Ministry of Finance (FMF) is responsible for managing the finances of the Federal Government of Nigeria, including controlling and monitoring federal revenues and expenditures.

It actively collects and disburses government revenue, formulates policies on taxation, tariffs, fiscal management, etc., prepares and manages the annual budget, and prepares annual accounts for Ministries, Departments, and Agencies (MDAs). The Ministry is also responsible for developing the government's annual borrowing plan and implementing the country's fiscal and financial policy.

The FGN Sustainable Bond program (initially launched as the Green Bond program in 2017) has been part of the (domestic) borrowing plan and will continue to be as long as there are programs and projects within individual MDAs sector strategies and the priority programs in the National Development Plan that meet the Environmental and Social Criteria specified in this Framework.

The Federal Ministry of Environment, in collaboration with relevant ministries, will review sector strategies for MDAs with programs and projects approved in the Federal Budget that have climate credentials and are consistent with the expectations of the Sustainability Bond Guidelines. These programs and projects will be communicated to the Federal Ministry of Finance through the Debt Management Office for inclusion in the projects that will be funded through a Sustainable Bond.

The Debt Management Office will determine from the Domestic issuance Programme, based on New Borrowing approved in the Federal Government's Budget, for financing with the proceeds of the Sustainable Bonds. In the selection of Eligible Projects, the following additional factors will be considered:

- Investment horizon
- Alignment with the disclosed development plan at the time
- Provision of evidence of impact on the economy (e.g. Economic Rate of Return, Jobs created, etc.)
- Calculation of associated GHG emissions reductions
- Availability of information to facilitate reporting
- Other ESG / external factors related to the agencies/organisations

The FMEnv will review the Eligible Project Portfolio periodically for updates but at least on an annual basis and replace projects that no longer meet the eligibility criteria. Where an Eligible Project is replaced for valid reasons, the funds earmarked for such project will be administered in line with procedures in Section 2.3 (Management of Proceeds) until it is reallocated to another Eligible Project.

2.3 Management of Proceeds

Proceeds from the issuance of the Sustainable Bonds will be credited to the Sustainable Bond Proceeds Account at the CBN. Based on the confirmation of the approved amounts for the projects from the Budget Office, the DMO will advise the OAGF to open sub-accounts for each project and transfer the amounts approved for each project to the respective sub-accounts. Key aspects of the management of proceeds include:

- i) The DMO will have custody of the Sustainable Bond Proceeds Account and will authorise payments from the account.
- ii) Upon the approval of the Budget, the specific amounts approved for the Eligible Projects to be financed will be confirmed by the FMEnv from the Budget Office, who will advise the DMO and the OAGF with the aim to allocate the funding to projects within 24 months. This will include details of the implementation of MDA and the project code.
- iii) The DMO and FMEnv, working with the Transaction Parties, will issue the Bond.
- iv) The proceeds from the issuance of the Bond will be credited to the Sustainable Bond Proceeds Account at the CBN.
- v) Based on the confirmation of the approved amounts for the projects from the Budget Office, the DMO will advise the OAGF to open sub-accounts for each project and transfer the amounts approved to the respective sub-accounts.
- vi) The implementing MDAs will implement the projects as approved, and after obtaining all required approvals in line with budget-funded projects, payments will be processed by the implementing MDAs from the sub-account for each project. Separate documents exist referred to as “Administrative Processes for the Management of Sustainable Bonds issuance” and “the Treasury Singular Accounts Policy”. These should be read in conjunction with the above related to the Management of Proceeds.

2.4 Reporting

Allocation reporting: Implementing MDAs are to submit quarterly implementation reports to the Green Bond Secretariat of the FMEEnv. The Green Bond Secretariat is to ensure that the projects are implemented in line with the objective of achieving Nigeria's Nationally Determined Contributions. FMEEnv will provide summaries of the reports submitted by the implementing MDAs to the DMO and OAGF, which will include statements of account from the main Sustainable Bond account (to be obtained from DMO) and the sub-accounts. A dedicated reporting template is provided to the MDAs for this purpose.

Any instance of misapplication or diversion of funds would result in a stop on further utilisation of funds by the MDA until the issue is resolved. At the end of the fiscal year, any unutilised funds from the Nigeria Sovereign Sustainable Bond Framework will be rolled over to the next year as long as the project is still ongoing after obtaining the approval of the Honourable Minister of Finance.

Impact reporting: The FMEEnv, represented by the Green Bond Secretariat, will report on the environmental and social impacts resulting from each Project allocated funds from the respective Bond. The Environmental and Social reporting metrics are included in section 2.1 above.

2.5 External Review and Post-Issuance Verification

A Second Party Opinion or other External Verification of this Sustainable Bond Framework/issuance will be done by an External Verifier to confirm its alignment with the ICMA Green/Social Bond Principles and possibly with the Climate Bonds Standard (to be determined on a case-by-case basis). For the inaugural issuance, TUV Nord was chosen to do the review. The review can be found on FGN's website.

The FMEEnv may also consider engaging an independent external auditor to provide third-party assurance on the allocation report, its conformity with this Framework, and the allocation of net proceeds to Eligible Green and Social Projects as required.

This document will be publicly available on the websites of the FMEEnv, FMF, and DMO.

2.6 Amendments to the Framework

This Framework may be updated from time to time, including its alignment with the ICMA Principles. If the Sustainability Bond Committee deems such an update material, it will be subject to review by a qualified External Reviewer.

Annex 1: Exclusion List

The exclusion list consists of projects/assets and activities that the Federal Government of Nigeria will not finance with the proceeds from the Sustainability Bond:

- Energy: nuclear energy, coal-fired power plants, exploration and production of fossil fuel
- Deforestation and/or burning of tropical rainforest
- Activities that are illegal under Nigerian laws, regulations and international conventions and agreements
- Forced labour or child labour as defined by ILO conventions

Annex 2: Eligible Project Register (draft as of DATE)

Project	Sector	Description	KPIs established