



**DEBT MANAGEMENT OFFICE
NIGERIA**

PRESS RELEASE

RE: NIGERIA'S INDEBTEDNESS TO WORLD BANK NOW N6TN

Following media reports on Nigeria's debt to the World Bank, the Debt Management Office (DMO) wishes to clarify to the general public that Loans from the World Bank come from the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD).

According to the media reports, Nigeria's indebtedness to IDA grew from USD6.29 billion in 2015 to USD13.46 billion in 2022. Whilst these figures are correct for IDA Loans only, it is actually a positive development for Nigeria contrary to the narrative in the media reports. Positive development in the sense that IDA Loans are concessional, that is, they attract low charges and are for very long tenors in some cases, exceeding 30 years. These are the types of Loans required to fund development in countries such as Nigeria. By accessing IDA funding, the Government is actively reducing debt service costs, since non-concessional funding are usually more expensive and for shorter tenors. Indeed, it will be inefficient for Nigeria to borrow from commercial sources when concessional funding sources such as IDA is available.

It would seem that the authors of the media reports did not put into consideration the fact that IDA Loans are concessional, and that it is a plus that Nigeria qualifies for such Loans.

In addition, it may be useful at this time to state that Nigeria's Medium-Term Debt Management Strategy (2020-2023) actually states that we will, "*Maximize funds available to Nigeria from Multilateral and Bilateral sources in order to access cheaper and long tenored funds.*" Therefore, borrowing from IDA (a multilateral organization) is actually an implementation of this Strategy.

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