

# Mainstreaming Climate Change in Nigeria's Economic Planning



## Context

Nigeria's economy faces severe challenges from declining oil revenues, high inflation, unemployment, and poverty. Additionally, the country is grappling with climate change impacts and public health crises that disproportionately affect vulnerable groups. In response, Nigeria has committed to global climate goals like the Paris Agreement and aims for net-zero emissions by 2050. However, there is a need to increase funding and improve technical capacity to balance urgent economic development with transitioning to sustainable growth. Supporting vulnerable citizens while transforming the economy toward a net-zero, climate-resilient future presents a dual challenge. Achieving this just transition requires reliable information and funding from both public and private sectors.



*Cross session of participants at the private sector engagement in Lagos.*

## Objective

The Government of Nigeria through its Federal Ministry of Finance (FMF), Federal Ministry of Budget and Economic Planning (FMBEP) and the National Council on Climate Change (NCCC) of the Federal Ministry of Environment are supported with advisory services, technical and coordination support towards development as well as implementation of climate change actions as parts of economic development strategies and the Nationally Determined Contributions of Nigeria.

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| Project title     | Policy Dialogue and Knowledge Management on Climate Protection Strategies (DIAPOL-CE)                    |
| Commissioned by   | Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) |
| Political partner | Federal Ministry of Finance, Budget and National Planning Nigeria  |
| Countries         | Georgia, Mongolia, Oman, Rwanda, Senegal, Uganda, and other selected countries                           |
| Overall term      | 03/2014 – 06/2025  |

An embedded economic advisor specialised in climate change supported the ministry with the following:

- Raising awareness, developing capacity, and providing technical advice on climate protection opportunities and challenges in Nigeria.
- Facilitating national and international policy dialogue and advocacy on climate change impacts and response measures in Nigeria.
- Strengthening evidence-based policymaking using economic models with climate-relevant scenarios, in collaboration with other Ministries, Departments, and Agencies within the NDCs and mid-term economic plan.
- Building synergies among government partners, private sectors, and civil society organizations to raise awareness and mobilize support for biodiversity and climate protection in Nigeria.

## Approach

To address these challenges, the program offers economic advisory services, technical support, and coordi-

nation to integrate climate change priorities into Nigeria's economic planning and policy framework. Key elements include:

- Strengthening the use of economic modelling and climate impact scenario analyses to inform evidence-based climate policymaking.
- Building institutional awareness and capacity as well as providing advisory service on climate protection opportunities.
- Facilitating dialogues and advocacy on the economic impacts of climate change and potential response measures.
- Fostering partnerships between government, private sector and civil society to support climate action and natural resource protection.



*Duke Benjamin, Cluster Coordinator for Just Transition, and Inclusion of GIZ making remarks at the Workshop on SB 58 Outcome in Abuja.*

## Deliverables

Since 2023, DIAPOL-CE engages in the following work areas:

### A. Advisory and Capacity Support for Climate Action in Nigeria

- ✓ Facilitated public dialogue meetings to enhance private sector participation in the Nigerian Climate Change Act, involving high-level ministerial officials, the National Council on Climate Change, NESG, NDC-Facilitator, Development and Commercial Banks, and others.

- ✓ Facilitated hybrid public workshops in Abuja to discuss outcomes of the Bonn Climate Change Conference (SB 58) with representatives from the Office of the Vice President and donor partners.
- ✓ Participated in a World Bank side event in Marrakesh, focusing on defining the roadmap for the Coalition of Finance Ministries for Climate Action and sharing experiences on Climate Macro-Modelling needs for finance ministries in emerging and developing countries. The roadmap includes Green Innovation, Competitiveness, Fiscal and Debt Sustainability, Adaptation, and Nature.

### B. Modelling Climate Resilient Economic Development

The project supports the enhancement of an existing Computable General Equilibrium (CGE) model at the Federal Ministry of Budget and Economic Planning to strengthen the integration of social, economic, and environmental concerns into the Nigerian Macroeconomic Policy. It also intends to introduce more detailed sectoral analysis and conduct simulations in critical areas including Climate Smart Agriculture, and Flood Risk and Disaster Management. The implementation process is highly participatory, including the selection of scenarios and underlying assumptions in consultation with key government Ministries, Departments and Agencies as well as academia and civil society. Additionally, the support includes capacity development efforts to ensure that the enhanced CGE model will continue to be used and regularly updated after the project timeline.



*Consultation Meeting for Climate Resilient Economic Modelling*

#### Impressum

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