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(THIS DOCUMENT IS ISSUED SOLELY FOR PRICE DISCOVERY PURPOSES – RED HERRING)



**Federal Government of Nigeria**

**Offer for Subscription**

**Of**

**N10,690,000,000**

**Series I: 5 Year [13.48] per cent Fixed Rate Bonds due 2022**

**Book Open: December 18, 2017**

**Book Close: December 20, 2017**

**FINANCIAL ADVISER/ BOOKRUNNER**

**CHAPEL HILL  DENHAM**

ADVISORY LIMITED

RC 1381308

**Supported by:**



**THE WORLD BANK**  
IBRD • IDA



This Pricing Supplement has been prepared in connection with the issuance of ₦10,690,000,000 Green Bonds by Federal Government of Nigeria (“the Issuer”). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Programme Prospectus dated December, 2017 and any other supplements to the Programme Prospectus as may be issued by the Issuer. Terms defined in the Programme Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Green Bonds only if accompanied by the Programme Prospectus. Copies of the Programme Prospectus can be obtained from the Financial Advisers / Book runners.

The Programme prospectus is valid for an indefinite period.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. Save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Programme Prospectus has arisen or has been noted, as the case may be, since the publication of the Programme Prospectus. Furthermore, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

[www.dmo.gov.ng](http://www.dmo.gov.ng) [www.environment.com](http://www.environment.com)

**THIS PRICING SUPPLEMENT IS DATED DECEMBER 18, 2017**

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## DISCLAIMER

*"In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor"*

The Final Terms relating to any specific Series of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes ("**Green Projects**"). Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any external reviews (such as opinions, certifications, verifications or ratings) provided by any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such external review is not, nor shall be deemed to be, incorporated in and/or form part of this Programme Prospectus. Any such external review is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such external review is only current as of the date that external review was initially issued. Prospective investors must determine for themselves the relevance of any such external review and/or the information contained therein and/or the provider of such external review for the purpose of any investment in such Notes. Currently, the providers of such external reviews are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Green Projects; nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such external review or any such external review attesting that the Issuer is not complying in whole or in part with any matters for which such external review is providing and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.”

## 1. Responsibility Statement

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The Issuer accepts responsibility for the information contained in this Pricing Supplement (“Prospectus”). To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Pricing Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the best of the knowledge and belief of the Issuer, the information contained in this Pricing Supplement is true and accurate in every material respect and is not misleading in any material respect and this Pricing Supplement, insofar as it concerns such matters, does not omit to state any material fact necessary to make such information not misleading. The opinions, assumptions, intentions, projections and forecasts expressed in this Pricing Supplement with regard to the Issuer are honestly held by the Issuer, have been reached after considering all relevant circumstances and are based on reasonable assumptions.

### Important Notice

No person has been authorised to give any information or to make any representation other than those contained in or consistent with this document in connection with the offering of the Notes (the “Offering”) and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. Neither the delivery of this Pricing Supplement nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. This document may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful, including Nigeria.

Neither the Financial Adviser nor any of its directors, affiliates, advisers or agents has made an independent verification of the information contained in this Pricing Supplement and no representation or warranty, express or implied, is made by the Financial Adviser or any of its directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this Pricing Supplement is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Financial Adviser or any of its directors, affiliates, advisers or agents in any respect. The contents of this Pricing Supplement are not, are not to be construed as, and should not be relied on as, legal, business or tax advice.

This Pricing Supplement is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Joint Lead Managers or the Financial Advisers that any recipient of this Pricing Supplement should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Pricing Supplement nor any other information supplied in connection with the Offering constitutes an offer or invitation by or on behalf of the Issuer. Neither the delivery of this Pricing Supplement nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Offering is correct as of any time subsequent to the date indicated in the document containing the same.

## 2. Notice to Prospective Investors

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This Pricing Supplement has been prepared by the Financial Adviser & Book Runner in connection with the ₦10,690,000,000 Green Bond Issuance of the FGN, for the purpose of giving information to prospective investors in respect of the Green Bonds and other securities described herein. Neither the approval nor prior notification of the SEC is required. Therefore, the securities listed herein have not been registered with the Commission.

The receipt of this Pricing Supplement or any information contained in it, or supplied with it, or subsequently communicated to any person, does not constitute investment advice from the Financial Advisers to any prospective investor. Each prospective investor should make its own independent assessment of the merits or otherwise of subscribing for the securities offered herein and should take its own professional advice in connection with any prospective investment by it.

No person has been authorised to give any information, or to make any representation not contained in, or not consistent with, this Pricing Supplement, or any other information supplied in connection with the Issuance and, if given or made, such information must not be relied on as having been authorised by the FGN.

The FGN accepts full responsibility for the accuracy of the information contained herein, and has taken reasonable care to ensure that the material facts contained herein are true and accurate in all material respects and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts, the omission of which, would make any material statement herein misleading or untrue.

However, the delivery of this Pricing Supplement does not at any time imply that the information contained herein concerning the FGN is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Issuance is correct as of any time subsequent to the date indicated in the document containing same.

Additional information may be obtained through the offices of the Financial Adviser/Book Runner as specified on page 7 of this Pricing Supplement on any Business Day during the period of the respective opening and closing dates of the issuance of Instruments under this Bond Issuance.

Prospective Investors should rely only on the information in this Pricing Supplement and Programme Prospectus (together the "Offer Documents"). In agreeing to purchase Notes in the Issuance, each investor acknowledges that he or she is relying only on the contents of this Pricing Supplement and not on any other information or representation concerning the FGN, the Notes or the offer for the Notes.

### 3. Parties to the Issuance

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<b>Parties</b>	
<b>Authorising Ministry</b>	Federal Ministry of Finance Ahmadu Bello Way Central Business District Abuja
<b>Sponsoring Ministry</b>	Federal Ministry of Environment Block C, Mabushi Abuja
<b>Issuing Agency</b>	Debt Management Office NDIC Building (1 <sup>st</sup> Floor) Plot 447/448 Constitution Avenue Central Business District Abuja
<b>Financial Adviser/Bookrunner</b>	Chapel Hill Denham Advisory Limited 45 Saka Tinubu Street Victoria Island, Lagos
<b>Listing Exchange</b>	<b>The Nigerian Stock Exchange</b> 2/4 Customs Street Marina, Lagos  <b>FMDQ OTC Securities Exchange</b> 1 Olosa Street Victoria Island Lagos, Nigeria.

#### 4. Particulars of the Programme

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*The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Circular. Words and expressions defined in Definitions and Terms and Conditions of the Notes shall have the same meaning in this summary.*

<b>Issuer:</b>	The Federal Government of Nigeria
<b>Programme Description:</b>	5 Year 13.48% Fixed Rate Bonds due 2022
<b>Series Number</b>	I
<b>Description of the Notes:</b>	Fixed Rate Notes
<b>Aggregate Nominal Amount:</b>	10,690,000,000.00
<b>Tenor:</b>	5 years
<b>Specified Currency or Currencies:</b>	Nigerian Naira
<b>Par Value:</b>	₦1,000 (One Thousand Naira) per Note Unit
<b>Units of Sale:</b>	₦1,000.00 per unit subject to a minimum Subscription of ₦10,000,000.00 and in multiples of ₦1,000,000.00 thereafter
<b>Financial Adviser/Book Runner:</b>	Chapel Hill Denham Advisory Limited
<b>Security:</b>	Guaranteed by the full faith and credit of the Federal Government of Nigeria
<b>Issue Price:</b>	At par. ₦1,000 (One Thousand Naira) per Note Unit
<b>Method of Issue:</b>	Offer for Subscription
<b>Forms of Notes:</b>	The Notes shall be issued in dematerialised, electronic registration on the Central Bank of Nigeria
<b>Use of Proceeds:</b>	Pages 10 - 16 of this Pricing Supplement
<b>Interest Rate:</b>	Fixed Rate
<b>Currencies:</b>	The Bonds will be denominated in Nigerian Naira

## Particulars of the Programme

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<b>Issuance in Series:</b>	The Bonds will be issued in Series. The Bonds in each Series will be subject to identical terms, whether as to currency or maturity or otherwise, except that the issue date, the amount of the first payment of interest and/or the denomination thereof may be different. Each Series may comprise one or more tranches) issued on different issue dates. A Series may only be comprised of Bonds in registered form.
<b>Coupon Payment:</b>	Coupon payment shall commence six months after the issuance date and every six months thereafter until the maturity of the Bond, provided that where a coupon payment date falls on a non-Business Day, such payment shall be deferred to the following Business Day.
<b>Maturity of Bonds:</b>	December 22, 2022
<b>Status:</b>	The Notes are direct, unconditional, general and unsecured obligations of the Government and shall rank pari passu and without any preference among themselves and pari passu with all other outstanding unsecured and unsubordinated obligations of the Federal Government
<b>Security:</b>	The Notes are backed by the full faith and credit of the Federal Government of Nigeria and are charged upon the general assets of Nigeria
<b>Redemption:</b>	The Federal Government of Nigeria will redeem the Notes at their principal amount on the Maturity Date.
<b>Taxation:</b>	The Notes are exempt from taxation in Nigeria. Accordingly, all payments made to Noteholders shall be free and clear of withholding or other deductions, in respect of State Governments and Federal Government Income taxes.
<b>Listing and Admission to Trading:</b>	The Notes will be listed on The Nigerian Stock Exchange and FMDQ OTC
<b>Paying Agent:</b>	Central Bank of Nigeria

## 5. Use of Proceeds

### Summary of the Projects

S/N	Project	Ministry	Description
1	Renewable Energy Micro-Utilities in 45 communities	Ministry of Power	An initiative to provide access to electricity to 45 unserved communities across the country employing mini grids with distributed loads of between 33-50KW per community  It is based on a combination of an operational pilot scheme in Gwami and Pakau, and rural electrification needs set out in the Federal Ministry of Power's Medium Term Sector Strategy (MTSS).
2	Energizing Education	Ministry of Power	A rural electrification initiative that seeks to develop off Grid Independent Power Plant (IPP) type projects for the generation and provision of adequate power supply to 37 Federal Universities and 7 University Teaching Hospitals across the country.
3	Afforestation Program	Ministry of Environment	Afforestation program that aims to increase forest coverage through the plantation of seedlings to cover 131,000 hectares of land.

### The Global Goals for Sustainable Development



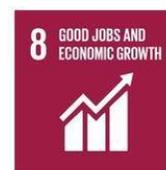
## Use of Proceeds

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**Programme Name:** Renewable Energy Mini Utility (REMU) Programme

### Programme Description

Renewable Energy Micro-Utilities (REMU) is an initiative of the Federal Ministry of Power, Works and Housing to provide access to electricity to 45 unserved communities across the country. REMU will employ mini grids with distributed loads of between 33-50KW per community



**Project Name:** Pilot: REMU

### Project Description

A pilot REMU project will be implemented in one (1) community at an estimated cost of N150 million. Development Finance Institutions (DFIs) operating in the selected regions will be responsible for project implementation through private contractors selected by the DFIs.



Lead MDA: Federal Ministry of Power, Works and Housing

Partner MDAs: Federal Ministry of Finance and Federal Ministry of Environment

2017 Budget Code: FMOWP44840550

Theme: Mitigation

Type: Renewable Energy

### Economic Profile - (Economic Rate of Return: 1.15%; Jobs Created: 667; Population Impacted: 6,667)

The REMU project is estimated to create 667 jobs both directly and indirectly. These jobs will be in the area of installation, maintenance and replacement of panels. The improved power supply in the three pilot communities under this REMU project is expected to lead artisanal migration into those communities and better standard of living and quality of life.

The entire REMU programme is estimated to impact 300,000 people in 45 communities all across the country.

### Environmental Profile - (CO<sub>2</sub>/Year: 14,083)

Citizens in rural areas mostly use kerosene lanterns and wax candles as the source of light at night. Solar Energy has the potential to replace GHG emitting sources with a clean and safe source of energy. Solar Energy technologies represent one of the least carbon-intensive means of electricity generation as it produces no emissions during the power generation process. Solar power reduces reliance on fossil fuels such as oil, coal and natural gas. When fossil fuels are used to create electricity, they produce harmful gas emissions that affect the safety of air, water and soil.

### Safeguard Profile - (Gender Impact: 29; Youth Impact: 11)

## Use of Proceeds

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Safeguard assessments of the REMU project take account of the World Bank performance standards in interrogating the social impacts of the project. The following World Bank performance standards would be triggered by this assessment:

Performance Standard 1 - Assessment and management of environmental and social risks and impacts;

Performance Standard 2 - Labour and working conditions

Performance Standard 3 - Resource efficiency and pollution prevention;

Performance Standard 4 - Community health, safety and security;

Performance Standard 5 - Land acquisition and voluntary resettlement;

Performance Standard 7 - Indigenous peoples; and

Performance Standard 8 - cultural heritage.

## Use of Proceeds

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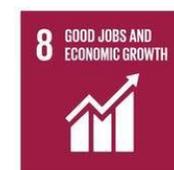
**Programme Name:** Energising Education Programme

### Programme Description

Energising Education (“EE”) is a rural electrification initiative to develop off-grid independent power plant (“IPP”) projects for the generation and provision of adequate power supply to thirty seven (37) federal universities and seven (7) university teaching hospitals across the country. The projects will strengthen the distribution system within the universities and provide street lighting for campus security; and a training centre at each federal university, focused on renewable energy training.



**Project Name:** Pilot: Energising Energy Programme



### Project Description

Phase 1 Project: Seven (7) or possibly ten (10)) universities out of the 37 federal universities will be developed in 2017. The estimated cost of the project is N20 billion.

The allocation under the 2017 National Budget for the EE Programme will cover the Phase 1 Projects only. The allocation in the FY17 Budget for the program is N8.55 billion.

**Lead MDA:** Federal Ministry of Power, Works and Housing

**Partner MDAs:** Federal Ministry of Finance, Federal Ministry of Environment and Federal Ministry of Education

**2017 Budget Code:** FMOWP86285961

**Theme:** Mitigation

**Type:** Renewable Energy

**Economic Profile – (Economic Rate of Return: 14.08%; Jobs Created: 5,714; Population Impacted: 190,473)**

For the entire programme, it is estimated that 1.11 million individuals across the universities and 7 teaching hospitals as well as 40,000 households. This programme is also expected to create several job opportunities, with job distribution coming from initial construction, operation and maintenance activities. The construction phase, which will be the first year of the project, is expected to create 5,714 jobs. After that, 1,904 jobs are expected to be created in the operation and maintenance period.

**Environmental Profile – (CO<sub>2</sub>/Year: 46,427)**

Energy demand assessments were carried out in a total of 59 institutions comprising forty (40) university main campuses, nine (9) University City campuses and ten (10) university teaching hospitals, as part of the EE programme. The 59 institutions between them had a total of 1,105 diesel generators. The ultimate

## Use of Proceeds

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objective of this project is the ultimate displacement of these generators, thereby significantly reducing the amount of CO<sub>2</sub> emissions. Furthermore, the attendant issue of diesel purchase and storage is reduced as some of the diesel storage facilities do not meet required standards and waste fuel disposal is often carried out in environmentally unfriendly ways. Of the 37 solar IPPs to be built under the Programme, 28 will utilize solar technology. A minimum of 90 per cent. of the Phase 1 projects will utilise solar technology, which is a sustainable, clean and efficient means of power generation. The optimum utilisation of this technology mitigates carbon emissions and thus climate change.

### **Safeguard Profile - (Gender Impact: 380; Youth Impact: 190)**

Both women and young adults will benefit under this Programme, being either students or staff of the universities, doctors/nurses, or patients of the university teaching hospitals. The Programme also includes the installation and operation of a training centre for final year electrical engineering students, who will gain hands on practical experience in the operation and maintenance of the university IPPs. Both women and young adults will benefit under this Programme, being either students or staff of the universities, doctors/nurses or patients of the university teaching hospital. The Programme also includes the installation and operation of a training centre for final year electrical engineering students, who will gain hands on practical experience in the operation and maintenance of the university IPPs.

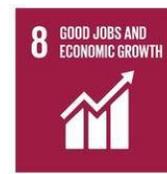
## Use of Proceeds

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**Programme Name:** Afforestation Programme

### Programme Description

Afforestation is the establishment of a forest or stand of trees in an area where there was no previous tree cover. Reforestation is the establishment of forest cover either naturally (by natural seeding, coppice or root suckers) or artificially (by direct seeding or planting). Forestation is the establishment of forest growth on areas that either had forest or lacked it. Many governments and non-governmental organisations directly engage in afforestation programmes to create forests, increase carbon capture and carbon sequestration and help to anthropogenically improve biodiversity.



**Project Name:** MoE Afforestation Programme

### Project Description

The Afforestation programme of the Federal Ministry of Environment is expected to meet certain criteria such as strategic approach, coverage and impact of the programme, contribution to ecosystem and expansion/exit options. The strategic approach adopted in involves actively engaging members of the communities in the planting, maintenance, protection of forest land and sustainability of the projects over time. The estimated cost of the project is N1.99 billion, which has been fully captured in the FY-17 National Budget.

Lead MDA: Federal Ministry of Environment

Partner MDAs: Federal Ministry of Finance

2017 Budget Code: FRIOI58466661; NAFGG54305923; FMOEC80664332; and FMOEC1790850

Theme: Adaption

Type: Sustainable Forest Management

**Economic Profile - (Economic Rate of Return: 4.44%; Jobs Created: 3,990; Population Impacted: 3,770,400)**

The Afforestation Programme besides aiming to achieve economic and climate benefits, seeks to positively impact an estimated 3.77 million citizens in communities across 26 states where the four departments of the MoE will implement their projects. The positive impact will include, but not limited to provision of shelter, provision of food, skill development in agriculture, processing of raw materials as well as the empowerment of women and youth within the communities.

**Environmental Profile - (CO<sub>2</sub>/Year: 12,969)**

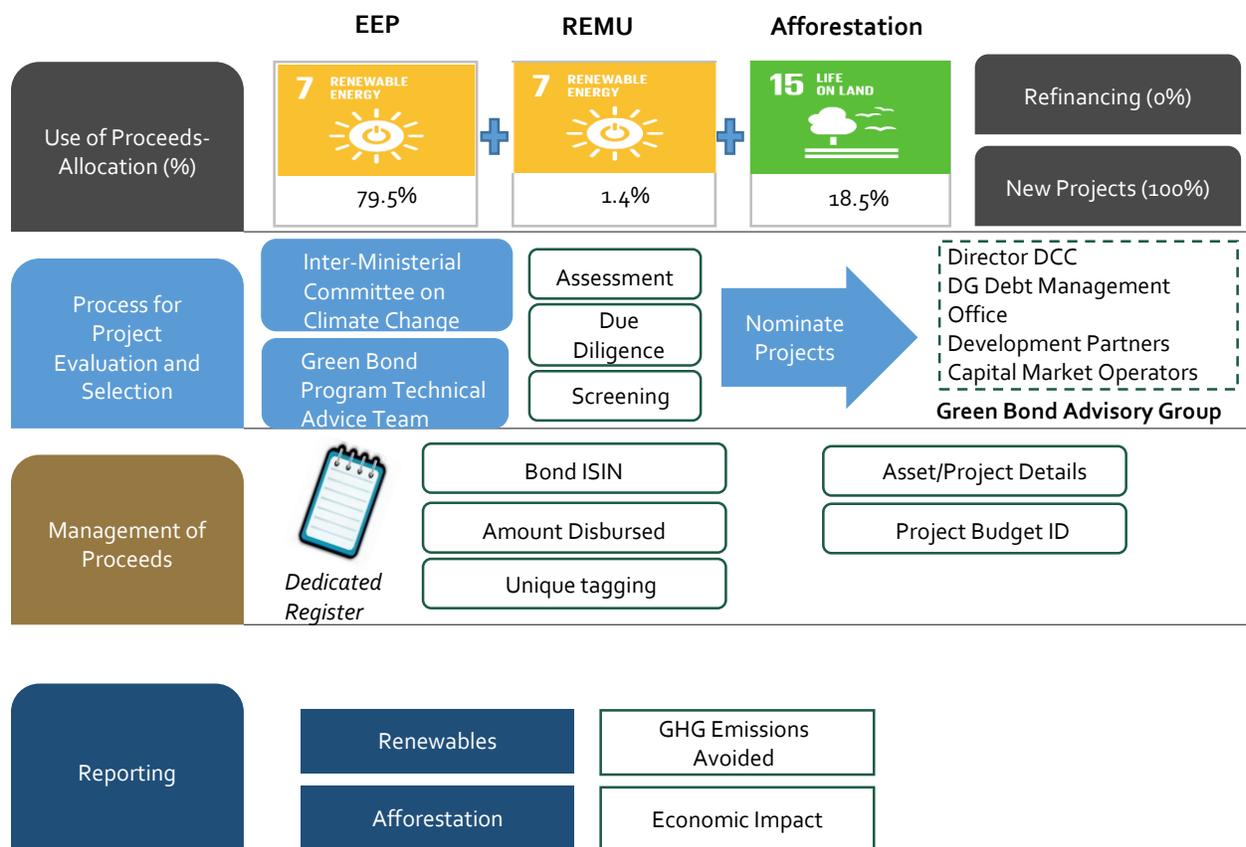
## Use of Proceeds

Afforestation projects have significant and widespread benefits on the environment as they involve the planting of trees. At the source of every ecosystem are trees which serve as homes, places of protection for many animal species and even humans. Through photosynthesis, trees play a prominent role in the fight against the greenhouse effect causing negative climate change around the world. The afforestation programme aims to reverse the effects of desertification and soil erosion in Nigeria, which have turned farmlands into dry wastelands over the years.

### Safeguard Profile – (Gender Impact: 1,700; Youth Impact: 540)

Community engagement in the workforce will result in employment and wealth creation. Wealth generated through labour engagements and skills acquisition would directly impact the quality of life of the indigenous people. Female empowerment is important as most rural women are engaged in agriculture. Community engagement in land acquisition, relocation, planting and maintenance will ensure sustainability.

### Putting the Principles into Practice



## 6. Extract from External Review TBU

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Climate Bonds Standard Board has conducted and Issued a Certificate for the FGN Green Bond





### **Announcement: Moody's Investors Service Assigns GB1 (Excellent) Green Bond Assessment to the Government of Nigeria's Green Notes**

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Global Credit Research - 13 Dec 2017

#### **First time assessment assigned to Africa's maiden sovereign green bond**

New York, December 13, 2017 – Moody's Investors Service ("Moody's") has assigned a Green Bond Assessment of GB1 (Excellent) to the Government of Nigeria's senior unsecured green notes. The Series 1 green bond issuance is expected to launch during the week commencing 18 December 2017 for the amount of NGN10.69 billion, with precise coupons and maturities to be determined at the time of closing. The green notes will represent the Nigerian government's debut offering under its NGN150 billion green bond program and is expected to be listed on the Nigerian Stock Exchange (NSE). It will also mark the first sovereign green bond issuance in Africa, and the fourth on record globally.

"In preparation for Africa's maiden sovereign green bond, the Government of Nigeria has put in place a comprehensive governance structure and framework that is aligned with the country's domestic green bond guidelines and international best practices," says Rahul Ghosh, a Moody's Senior Vice President.

"Robust disclosure practices, including expectations of ongoing and granular reporting over the life of the bond, will facilitate the implementation of Nigeria's Paris Agreement commitments," adds Charles Berckmann, Assistant Vice President and lead analyst in Moody's Green Bond Assessment team.

#### **ASSESSMENT RATIONALE**

The GB1 grade is supported by a full allocation of proceeds to renewable energy and afforestation projects that qualify under Nigeria's domestic green bond guidelines and international green bond taxonomies, including the Green Bond Principles and Climate Bond Initiative's (CBI) Climate Bond Standard. The projects financed through the green notes will also support the country's national commitments to the Paris Agreement on Climate Change. The government has received pre-issuance assurance from an independent verifier (DNV GL) that the green notes are compliant with the CBI's Climate Bond Standard Version 2.1. The issuer expects to receive a formal certification letter from the CBI.

Further bolstering the GB1 grade is the government's comprehensive organization and governance structure, which includes a formal green bond framework and explicit guidelines on eligible categories, project evaluation and selection criteria, and oversight from internal bodies and external organizations. To support the green bond initiative, the government has set up a Green Bond Private Public Sector Advisory that is comprised of external development partners, independent regulators, capital market operators and relevant ministries. The development partners include the World Bank, International Finance Corporation, African Development Bank, the United Nations Environment Program (UNEP) and the CBI.

The disclosure on use of proceeds practices are robust overall, providing a strong level of detail on project descriptions, applied methodologies, and intended benefits. The government has provided portfolio-level technical reports for each of the three programs that will be financed with the green bond proceeds. Each report contains comprehensive program descriptions, assessments of the environmental, financial and economic impacts and an evaluation of safeguards and social implications. The funding in place to complete the projects appears adequate, despite the government's weak fiscal position and recent track record of enacting significant capital expenditure cuts.

The Nigerian authorities have adopted a clear internal process and formal set of administrative policies designed to manage the segregation and tracking of green bond proceeds. This includes the creation of a centralized Green Bonds Proceeds Account held at the Central Bank of Nigeria, and individual sub-accounts for specific environmental projects. Any unallocated proceeds will be held in accordance with the government's normal liquidity management policy, which comprises of investments in cash, short-term deposits and other short-term liquidity instruments. One area of slight weakness is the lack of an unequivocally independent internal audit of the centralized and sub-accounts.

The government has committed to bi-annual reporting, initially within one year of the issuance and

## Extract from External Review

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subsequently until full allocation of the proceeds. Furthermore, it has signaled its intention to provide ongoing disclosure over the life of the bond, and potentially afterwards given that green project metrics will be used to track the annual performance of Nigeria's nationally determined contribution (NDC) under the Paris Agreement, which runs until 2030. While the NDC targets will be reported on an aggregated basis, the authorities have indicated that reporting on the green bonds will be provided at a project level. The government has also indicated that the annual reports will be segregated by the relevant green bond and, as such, subsequent issuances would be covered in separate annual reporting.

Nigeria is the largest economy in Africa, generating a gross domestic product of US\$405.9 billion, in nominal terms, last year. The country is also the continent's most populous, with an estimated population of over 180 million. Nigeria has been actively engaged in international climate policy negotiations since it became a Party to the United Nations Convention on Climate Change in 1994, and is a signatory to the Paris Agreement on Climate Change.

The principal methodology used in this analysis was Green Bonds Assessment (GBA) published in March 2016. Please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

Please see [www.moody's.com](http://www.moody's.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

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## Extract from External Review

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## **7. Other General Information**

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### **Trading/Quotation Information**

The Notes will be quoted and traded on The Nigerian Stock Exchange and the FMDQ OTC Securities Exchange.

### **Authorizations**

The Issuer has obtained all necessary consents, approvals and authorizations in connection with the issue and performance of its obligations under the Notes prior to the date of this Prospectus. The issue of the Notes has been authorized and cleared by the National Assembly, the Federal Executive Council, and the Federal Ministry of Finance as part of the Borrowing to finance the 2017 Appropriation Act.

# Subscription Form

To:  
Director-General,  
Debt Management Office, Abuja.



DEBT MANAGEMENT OFFICE  
NIGERIA

## SUBSCRIPTION FORM FOR THE FEDERAL GOVERNMENT OF NIGERIA GREEN BOND

Applications must be made in accordance with the instructions set out on the back of this application form. Care must be taken to follow these instructions as applications that do not comply with the instructions may be rejected. If you are in any doubt, please consult your Financial or Legal Adviser for guidance.

In response to the advertisement in both print and electronic media, I/We hereby offer my/our subscription for FGN Green Bond

<b>A</b>	<b>Guide to Application</b>	<b>Date:</b> <table border="1"> <tr> <td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td> </tr> </table>	D	D	M	M	Y	Y	Y	Y	<b>E-allotment Details</b> <b>Applicant S4 or CSCS A/C No.</b> <table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>								
	D	D	M	M	Y	Y	Y	Y											
<b>Minimum Value:</b> ₦ 10,000,000.00 <b>Multiples therefore:</b> ₦ 1,000,000.00	<b>Value of Green Bonds Applied For ₦</b>																		
<b>B</b>	<b>Amount in Words:</b>																		

### 1. Individual Applicants (to be completed in block letters)

Fill Name (Surname first).....  
(State titles if any e.g. Mr., Mrs., Miss.)  
Occupation:..... Phone No.....  
Next of Kin.....  
Contact Address.....  
Full Postal Address.....  
E-mail Address.....  
Name of Bank/Branch.....  
Bank Account No.....BVN.....  
(For interest payment purpose)  
Usual Signature.....Date.....  
**Residency classification of Applicant (tick the appropriate box)**  
Resident  Non-Resident   
**(Residency classification of Applicant must be indicated)**

### 3. Corporate Applicants (to be completed in block letters)

Company's Name.....  
Type of Business.....  
Contact Address.....  
Full Postal Address.....  
E-mail Address.....  
Contact Person..... Telephone No.....  
Signature.....Signature.....  
Name of Bank/Branch.....  
Bank Account No.....BVN.....  
(For interest payment purpose)

### 2. Joint Applicants (to be completed in block letters)

Full name (Surname first).....  
(State titles if any e.g. Mr., Mrs., Miss.)  
Occupation:..... Phone No.....  
Next of Kin.....  
Contact Address.....  
Full Postal Address.....  
E-mail Address.....  
Name of Bank/Branch.....  
Bank Account No.....BVN.....  
(For interest payment purpose)  
Usual Signature.....Date.....  
**Residency classification of Applicant (tick the appropriate box)**  
Resident  Non-Resident   
**(Residency classification of Applicant must be indicated)**

<b>C</b>	<b>Thumb print of illiterate applicant</b>
<b>Witness:</b> I.....have given detailed explanation to this applicant in the language understood by him and consequently the applicant has a clear understanding of the transaction he/she has entered into. <b>Signature</b> .....	

<b>D</b>	<b>Authorized Dealer</b>
<b>NAME OF FINANCIAL ADVISER:</b> .....	
<b>FINANCIAL ADVISER CODE:</b> .....	

<b>F</b>	<b>OFFICIAL USE</b>
<b>Stamp of Financial Adviser</b>	<b>Amount Applied for ₦</b>
	<b>Amount Allotted ₦</b>

<b>E</b>	<b>Investor Category of Applicant (tick the appropriate box)</b>
<b>Individual</b> <input type="checkbox"/> <b>Bank</b> <input type="checkbox"/> <b>Corporate</b> <input type="checkbox"/> <b>Co-operative Society</b> <input type="checkbox"/> <b>Foreign Investor</b> <input type="checkbox"/> <b>Government Agencies</b> <input type="checkbox"/> <b>Staff Scheme</b> <input type="checkbox"/> <b>Non-Bank Financial Institution</b> <input type="checkbox"/> <b>Others</b> <input type="checkbox"/>	

Please affix company seal and RC Number

## INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

1. Applications must be made only on the official form as prescribed by the Debt Management Office.
2. Applications must be for a minimum of ₦10,000,000.00 and thereafter, in multiples of ₦1,000,000.00. The value of the Green Bonds applied for should be entered in the appropriate box.
3. The Application Form, when completed, should be lodged with the Financial Adviser.
4. The Financial Adviser will provide Allotment details to successful applicants who shall be required to pay for Allotments latest by the Settlement Date to the Bank Account indicated by the Financial Adviser. Payment may be in any form acceptable to the Financial Adviser.
5. Applicants should note that **No Charges or Fees would be paid by investors.**
6. For the purpose of this application, residency classification refers to the country where the Applicant(s) permanently resides as at the time of filling the Application Form, Applicant(s) must indicate his/their residency classification in the appropriate box provided.
7. For joint applications, information on the Applicants should be provided in the appropriate boxes. However, all correspondence will be addressed to the first named Applicant.
8. An application form from a group of individuals should be made in the names of those individuals with no mention of the names of the group.
9. An application by a firm, which is not registered under the Companies and Allied Matters Act, should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
10. An application from a corporation must bear the corporate body's seal and be signed in accordance with the company's signature mandate by duly authorized officials. A corporate stamp may be used where the corporate seal is not available.
11. An application from a pension or provident fund must be in line with the guidelines of the National Pension Commission with regard to the custody of the pension assets.
12. An application by an illiterate person should bear his right thumb print on the Subscription Form and be witnessed by an official of the Financial Adviser at which the application is lodged, who must first have explained the meaning and effect of the application to the illiterate person in his own language. The witness should indicate his name and signature in the appropriate box.
13. The applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this offer as an illiterate and his right thumb should be clearly impressed on the Subscription Form.