



## The Role of The World Bank Group in Green Financing to Enhance Green Entrepreneurship in Nigeria

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**Abstract:** The World Bank Group is one of the World's largest sources of funding for developing countries especially in the fight against poverty. Each institution of the World Bank Group plays a distinct role in the mission to fight poverty and improve living standards for people in the developing world. This study identified poverty as one of the major problems caused by the negative impacts of climate change leading to major disasters such as flooding, erosion, desertification, etc. in Nigeria today. It identified green entrepreneurship as one of the major strategies to adapt and mitigate climate change in Nigeria thereby eradicating poverty and ensuring sustainable economic growth. It also explored the critical role the World Bank Group can play in eradicating poverty by green financing to enhance green entrepreneurship in Nigeria. This study recommended further research in the field of green financing and green entrepreneurs to enhance solutions to eradicate poverty in Nigeria. This study concluded by highlighting the need to enhance green entrepreneurship through green finance for sustainable development in Nigeria.

**Keywords:** Climate Change, Green Finance, Green Entrepreneurship, Sustainable Development, World Bank Group.

### 1. INTRODUCTION

Poverty can be defined as the scarcity or the lack of a certain (variant) amount of material possessions or money. "Poverty is a multi-faceted concept, which may include social, economic, and political elements. Absolute poverty, extreme poverty, or destitution refers to the complete lack of the means necessary to meet basic personal needs such as food, clothing and shelter" (UNESCO, 2015). According to the World Bank, "Poverty is pronounced deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one's life"(World Bank,2011). According to the United Nations (1998), "Fundamentally, Poverty is the inability of having

choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living in marginal or fragile environments, without access to clean water or sanitation" (Un Statement, June 1998 –signed by the heads of all UN agencies). Poverty is one of the greatest problems facing developing countries in Africa including Nigeria in the 21<sup>st</sup> century. Poverty has always been the enemy of progress in any community or country and the fight against poverty is the no. 1 of the United Nations Sustainable Development Goals. Some researchers in Nigeria identified climate change as one of the leading causes of poverty which negatively affects sustainable economic growth in Nigeria

(Anabaraonye, Okafor & Eriobu, 2019; Eludoyin et al., 2022). A holistic approach must be adopted through proper climate change adaptation and mitigation strategies to address poverty and ensure sustainable economic growth in Nigeria. "The World Bank Group is committed to fighting poverty in all its dimensions. This goal is being achieved by the use of latest evidence and analysis to help governments develop sound policies that can help the poorest in every country and focus investments in areas that are critical to improving lives"(World Bank,2011). This study highlighted the role of the World Bank Group in green financing to enhance green entrepreneurship in Nigeria thereby helping to eradicate poverty in Nigeria.

## 2. MATERIALS AND METHODOLOGY

Data used for this study is derived from literature review of published works including academic articles, journals, conference papers, textbooks and internet materials. The researchers gathered much materials for the research but summarized the characteristics that centered more on "The Role of the World Bank Group in green financing to enhance green entrepreneurship in Nigeria". This enabled the researchers to generate the synthesis of various researchers' views on the subject matter.

## 3. RESULTS AND DISCUSSION

Climate change is now recognized as a true global emergency that requires concerted efforts by all countries, businesses, and even individuals to achieve the Paris Agreement goals aimed at addressing the crisis(Anabaraonye, Okafor & Eriobu, 2019).Countries are now moving with increasing urgency to develop more sustainable energy and transport systems, strengthen the resilience of their cities, and prepare people, public services and infrastructure for climate shocks to come"(World Bank,2016). More than 180 countries submitted pledges on climate action – the Nationally Determined Contributions (NDCs) in the run-up to the historic Paris Agreement at COP21 in December 2015(World Bank,2016). To help countries meet this climate challenge, the World Bank Group adopted a new Climate Change Action Plan, which lays out concrete actions to help countries deliver on their Nationally Determined Contributions (NDCs)

and sets ambitious targets for 2020 in high-impact areas, including clean energy, green transport, climate-smart agriculture, and urban resilience, as well as in mobilizing the private sector to expand climate investments in developing countries"(World Bank,2016).

## 4. UNDERSTANDING CLIMATE CHANGE

The Intergovernmental Panel on Climate Change (IPCC) defines climate change as statistical variations that persist for an extended period, typically decades or longer(IPCC, 2001). Similarly, they define adaptation as the "adjustment in natural or human systems to a new or changing environment. Adaptation to climate change refers to natural or human systems adjusting to actual stimuli or their effects that reduce harm or exploit beneficial opportunities. Various types of

adaptation can be seen, including anticipatory and reactive adaptation, private and public adaptation, and autonomous and planned adaptation (IPCC, 2001; GGW, 2018). Climate mitigation is any action adopted to reduce the long-term risk and hazards of climate variations to human life, property and society. The Intergovernmental Panel on Climate Change(IPCC) described mitigation as: "An anthropogenic intervention to suppress the causes or enhance the sinks of greenhouse gases "(IPCC 2001). Climate resilience is the capacity of a socio-ecological system to absorb pressures and maintain function in the face of external stresses resulting from climate change (Folke et al., 2010; Moench, 2014; Shamsuddin, 2020). It also includes the ability and capacity of an ecosystem to adapt, reorganize, and evolve into more desirable configurations that improve the sustainability of the system, leaving it better prepared for future climate impacts (Carpenter et al., 2001). In this study,It is clearly seen that green entrepreneurship which can be enhanced through green finance can be employed to adapt and mitigate climate change in Nigeria.

## 5. UNDERSTANDING GREEN FINANCE

According to the United Nations Environment Programme (UNEP), green finance is "the financing of investments that provide environmental benefits in the broader context of environmentally sustainable development" (UNEP, 2016). Climate finance is critical to addressing climate change because large-scale investments are required to significantly reduce emissions, notably in sectors that emit large quantities of greenhouse gas (Anabaraonye, Okafor & Hope, 2018). Green finance is equally important for adaptation, for which significant financial resources will be similarly required to allow countries to adapt to the adverse effects and reduce the impacts of climate change. As the European Investment Bank (EIB) explains, "Green finance aims to support the transition to a low-carbon, resource-efficient and sustainable economy by shifting the flow of capital towards investments that are aligned with environmental, social and governance (ESG) criteria" (EIB, 2019).Green financing involves the deployment from developed (wealthy) countries including direct public finance, co-finance of public and private finance, risk mitigation by the public for private investment, incentives to low carbon investment, emission trading, tax incentives, removal of negative incentives (subsidies) and regulation for efficient investment to developing countries as bilateral or multi-lateral investment (UNFCCC, 2020). Though investment in developing countries by advanced countries through technological transfer and financing are important, these measures support climate change mitigation and adaptation in developing countries expressed in 2020 agreement (Climate Finance Report, 2021). The World Bank Group is one of those multilateral organizations actively involved in deploying green financing to developing countries like Nigeria towards adapting and mitigating climate change. The objective of deploying green finance in Nigeria is to enhance climate resilience and one of the ways is by enhancing green entrepreneurship for sustainable development.

## 6. THE PROJECT GREEN INITIATIVE IN NIGERIA

From all indications, Nigeria needs to embrace various strategies through which the unemployment rates among the youths can be reduced. One way to do this is to embrace green entrepreneurship, especially as the nation has a population that continues to generate huge amount of waste. “As such, investment should be directed towards cleaner production and waste-to-wealth efforts” (Richard et al.,2021). With this recognition was the emergence of Project Green Initiative in 2017 in Nigeria which seeks to partner with multilateral organizations such as the World Bank Group, Tony Elumelu Foundation,etc, and serves to educate stakeholders in various sectors of the economy toward sustaining green environment for green entrepreneurial activities and opportunities (Anabaraonye, Okafor & Eriobu, 2019).Green entrepreneurial opportunities abound in the waste management and plastic recycling industry in Nigeria today(Anabaraonye et al., 2022) , thereby helping to eradicate unemployment among the youths in Nigeria. The reduction and recycling of plastic waste can help address global warming and climate change as they are potent strategies for reducing greenhouse gas emissions. The Project Green Initiative which is an arm of the Benjy Poetry And Music Global Concepts, a company registered in 2017 with the corporate affairs commission, is a good example of a social enterprise which is very passionate about educating the communities in Nigeria about the green entrepreneurial opportunities in climate change mitigation and adaptation which includes plastic recycling for sustainable development in Nigeria(Anabaraonye, Okafor & Eriobu, 2019).It is very important for the World Bank Group to seek out some of these social enterprises in developing countries like Nigeria who are passionate about enhancing green entrepreneurship thereby investing in them through green financing.

## 7. ENHANCING GREEN ENTREPRENEURSHIP THROUGH GREEN FINANCE IN NIGERIA

Though, there abounds adverse effects inherent in climate change, the following approach could be deployed with the support of the World Bank Group towards maximizing the green entrepreneurship for sustainable development in Nigeria:

- i) Radical awareness approach of information disseminations. The emergence of information communication and technology (ICT) around the world to a large extent has proven as very effective and efficient vehicle of letting people becoming aware of opportunities and benefits in green entrepreneurship. These information dissemination platforms besides the internet(educational blogs, facebook, twitter, Instagram, etc) include radio, television and telephone.
- ii) The government at all levels in Nigeria should provide enabling environment and sustainable fund in form of grants and loans with the support of the World Bank Group to the teeming unemployed and underemployed Nigerian youths who may want to be involved in the

green entrepreneurship businesses in their different capacities. This approach when incorporated into long term policy planning in climate change mitigation in Nigeria will go a long way in reducing unemployment among the youths in the country.

- iii) The use and involvement of non-governmental organizations that are environmental driven and climate change sensitive can go a long way in providing green entrepreneurial opportunities for a lot of individuals in Nigeria. Awareness of the economic opportunities in green entrepreneurship can be communicated to communities, cities and campuses through the various outreaches, seminars and workshops initiated by these environmental sustainability driven NGOs in Nigeria.
- iv) Educational blogs can be used to inform, enlighten and educate researchers, green entrepreneurs and interested individuals in Nigeria especially the internet literate ones about green entrepreneurship(Anabaraonye et al., 2022).These blogs which are meant to be highly interactive allows individuals to contribute their ideas, suggestions and feedback to the environmental sustainability driven educators and green bloggers. A good example is the project green initiative blog ([www.projectgreeninitiative.wordpress.com](http://www.projectgreeninitiative.wordpress.com)) which features articles and poems on climate change adaptation and mitigation for global sustainability.
- v) Poetry has also been discovered as a great tool which can be used to educate individuals in Nigeria about the socio-economic benefits of green entrepreneurship thereby enhancing disaster risk reduction in Nigeria(Anabaraonye, Ewa & Hope, 2021). The writing of green poetry can be encouraged by World Bank Group through green financing via contests & competitions, awards and contracts, etc thereby enhancing sustainable economic growth in Nigeria.

## 8. CONCLUSION

This study has clearly identified green entrepreneurship as one of the major strategies to adapt and mitigate climate change in Nigeria thereby ensuring sustainable economic growth. It also explored the critical role the World Bank Group can play in eradicating poverty by green financing to enhance green entrepreneurship in Nigeria. There is therefore great need for more grants and funding from the World Bank Group to further support green entrepreneurs and researchers in the field of green entrepreneurship for sustainable development in Nigeria

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