Early Warning System

AFDB-P-NG-K00-013

NIGERIA - Economic Governance and Energy Transition Support Programme - Phase II (EGET-SP II)

Quick Facts

Countries	Nigeria
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	C
Voting Date	2025-11-23
Borrower	Government of Nigeria - Ministry of Finance
Sectors	Energy, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 489.29 million
Project Cost (USD)	$ 489.29 million

Project Description

According to the Bank's website, the proposed operation is a loan of US$ 500 Million to the Federal Republic of Nigeria to finance the second phase of the Economic Governance and Energy Transition Support Programme (EGET-SP Phase II). The EGET-SP was designed as a programmatic series of two consecutive General Budget Support Operations covering the fiscal years 2024 and 2025. Phase I of EGET-SP was approved by the Bank's Board of Directors on the 19th of July 2024, and the resources (US$ 500 millions) were fully disbursed in September 2024.

The objective of Phase II is to sustain the reform momentum achieved in Phase I and unlock growth for households and firms by addressing major infrastructure gaps such as access to electricity. Furthermore, with improved fiscal space, there is a unique opportunity to improve the quality of spending to invest in infrastructure, social protection and human capital development.

EGET-SP II's package of reforms is organized around three complementary and mutually reinforcing components, namely: (i) Strengthening Economic and Financial Governance; (ii) Accelerating Power Sector Reforms; and (iii) Supporting implementation of the Energy Transition Plan while pursuing climate change initiatives.

The goal of EGET-SP II is to stimulate inclusive growth by accelerating structural reforms in the energy sector while advancing progressive tax policy reforms to improve non-oil revenues and expand the fiscal space. EGET-SP II will consolidate and leverage on the achievements of EGET-SP I. Consistent with this goal, EGET-SP II will: (i) Deepen tax policy reforms on strengthening PFM systems while improving transparency and efficiency in public expenditures (ii) Accelerate power sector reforms to reduce energy poverty, improve energy access, strengthen power sector governance and attract private sector investments and (iii) support implementation of the energy transition plan through climate mitigation and adaptation initiatives, and adopt energy efficiency standards for electrical appliances while updating the NDC's 2026-2030.

The program's direct beneficiaries are the Federal Ministry of Energy, the Federal Ministry of Finance, Federal Inland Revenue Service, Office of the Accountant General, Debt Management Office, Office of the Auditor General, Office of the Accountant General of the Federation, Nigeria Climate Change Council (NCCC), Federal Ministry of the Environment, Nigerian Electricity Regulatory Commission (NERC) and other agencies responsible for social and economic policies.

Early Warning System Project Analysis

Environmental Category: [3] Low Risk

The proposed Programme is designed to focus solely on policies without any physical actions that can result in environmental consequences, hence the categorization as ‘low risk program”. This categorization is justified by the design of the program, which focuses on policy reform measures with no physical or investment activities.

People Affected By This Project

Investment Description

- African Development Bank (AFDB)

Financial Instrument: Structural Adjustment

Commitments (UA): 363,697,200

Conversion Rate USD (2025-12-21): 1,34533

Commitments (USD): 489,292,754.10

Private Actor Relationship

Private Actors Description

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal Report (EN)
- Appraisal Report (FR)

Other Related Projects

- AFDB-P-NG-K00-012 NIGERIA - Economic Governance and Energy Transition Support Program (EGET-SP) Phase I