

Cutting costs, cutting emissions

Climate change and finance opportunities in Nigeria



Webinar brief

This March 2026 webinar addressed Nigeria's transport emissions, bridging gaps between policy and finance to support inclusive, low-carbon solutions

Overview

Nigeria's transport sector plays a crucial role in the country's transition to a low-carbon and climate-resilient economy. Transport businesses have the potential to reduce greenhouse gas and air pollutant emissions, access climate finance, and participate in emerging carbon markets. However, private sector engagement in emissions measurement and climate action remains limited due to limited technical capacity and restricted access to finance. These are challenges that are particularly acute for small and medium-sized transport enterprises.

The webinar titled "Cutting Costs, Cutting Emissions: Climate Change and Finance Opportunities" was organised on 5 March 2026 as part of the UK PACT Enhancing private transport-sector capacity for climate and clean air action in Nigeria project. This project aims to strengthen Nigeria's transport private sector's capacity to implement inclusive, finance-ready climate and clean air actions. The project is delivered by a consortium that brings together expertise in transport, finance, climate policy, and inclusion which are the University of York – Stockholm Environment Institute (SEI), Escher Silverman Global (ESG), Africa PPP Advisory (AP3 Advisory), the Consulting Engineers Group (CEG), and SLOCAT Partnership on Sustainable, Low Carbon Transport (SLOCAT).

The webinar focused on the intersection between climate change, air pollution, transport systems, and climate finance opportunities, and introduced those attending to the project. The event brought together experts and participants from different sectors, including private businesses, government institutions, academia, civil society organisations, and development partners. It aimed to build capacity among participants by improving their understanding of greenhouse gas emissions, climate mitigation strategies, and the financial mechanisms available to support low-carbon transport solutions.

IMAGE (ABOVE):
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1. Link between climate change and air pollution

One of the most important insights from the webinar was the strong relationship between climate change and air pollution. Many transport-related activities generate greenhouse gases while also producing harmful pollutants that affect air quality.

In his presentation, Dr Gary Haq from SEI, University of York, emphasised the need for integrated solutions that address both climate change and air pollution simultaneously, as reducing greenhouse gas emissions can also lead to improved air quality and better health outcomes for communities.

2. Role of the transport-related activities in emissions

Another key learning point was the significant role played by transport-related activities in climate change. Transport activities contribute a large proportion of greenhouse gas emissions due to heavy reliance on fossil fuels, ageing vehicle fleets, and inefficient transport systems.

The session highlighted that transport emissions not only contribute to climate change but also affect urban air quality. Exposure to air pollution can lead to serious health consequences, particularly for vulnerable populations such as women, children, and people with disabilities.

According to Olumide Onitekun of AP3, in his presentation, he highlighted that Nigeria performs relatively well in terms of governance frameworks, particularly regarding vehicle emission standards and the existence of clear fuel regulations. However, despite these policy structures, the country scored significantly lower in terms of implementation outcomes. Key gaps were identified in areas such as actual emissions reductions, access to climate finance, and the quality and coverage of public mobility systems. He emphasised that Nigeria's challenge is not the absence of policies or regulations, but rather the difficulty in translating these frameworks into effective action. In his view, the country does not face a policy vacuum; instead, it faces significant gaps in coordination, institutional capacity, infrastructure development, and financing needed to implement existing policies effectively.

3. Importance of measuring and managing emissions

A critical step toward climate action is understanding the level of emissions produced by business operations. The webinar emphasised that companies must first measure and assess their emissions before developing effective mitigation strategies.

By understanding their emissions profile, organisations can identify key sources of pollution and design targeted actions to reduce them. Dr Bernard Obika from CEG reflected on the need to measure emissions, saying, “Clearly, we say that it is important to understand emissions, but very few are measuring emissions. The question is why are we not measuring it?” This statement emphasised the need for organisations to move beyond awareness and begin implementing systems to measure and manage their emissions.



4. Climate finance opportunities

“Which climate finance door to knock?” was the central point of discussion led by Akshay Jamdade from SLOCAT. His presentation focused on three issues.

First, why greater climate finance is critical. Nigeria needs to mobilise more than ten times its current level of climate finance to meet its climate goals, yet the transport sector currently receives only a small share of available funding. The presentation outlined Nigeria’s climate finance landscape, highlighting key sources and intermediaries such as international and regional development finance institutions, governments, and private investors, as well as the financial instruments that can help mobilise additional investment.

Second, the session examined opportunities to scale up climate finance. These include strengthening the policy environment through supportive legislation, policies, and regulatory frameworks, while also building institutional and technical capacity. A major focus was the development of bankable projects aligned with the priorities of different financiers, for example, public institutions often prioritise development outcomes, while private investors seek a balance between risk and financial returns. Emphasis was also placed on developing bankable projects that incorporate gender inclusion and equity principles.

Third, he highlighted how this project will support businesses in identifying relevant funding opportunities and offering practical tools and case studies to help develop and deliver high-quality climate finance proposals.

Discussion highlight

The transport sector was both a challenge and an opportunity

One of the major discussion points during the webinar was the significant role of the transport sector in contributing to climate change, while also presenting opportunities for impactful solutions. Participants highlighted that businesses can reduce their environmental impact by assessing their emissions and identifying areas for improvement. Actions such as adopting cleaner technologies, improving operational efficiency, and implementing sustainable practices were discussed as practical steps that organisations can take to reduce emissions.

Participants highlighted a persistent gap between climate awareness, existing policies, and their practical implementation. Although Nigeria has policies related to transport, energy transition, and emissions, challenges arise from weak coordination, limited institutional capacity, fragmented responsibilities, and insufficient infrastructure.

Businesses also struggle to translate policy signals into investments. While clean transport and energy initiatives are promoted, financial and operational risks remain high, particularly where government support, regulatory clarity, and infrastructure are limited. As a result, private sector participation depends heavily on clear government commitment and enabling frameworks.

Participants also noted that regulatory complexity—such as overlapping licensing requirements, multiple regulators, and inconsistent enforcement—can discourage innovation and create uncertainty for companies investing in cleaner transport solutions.

Bridging the gap between awareness, policy and implementation

Gender and social inclusion in the transport sector

The webinar highlighted the need to integrate Gender Equality, Disability and Social Inclusion (GEDSI) into climate and transport initiatives. Participants stressed promoting women's participation in the sector, supporting women-led businesses, and ensuring policies and investments enable equitable access to sustainable mobility solutions while addressing the impacts of air pollution.

Conclusion

Following the webinar, several actions were identified to support participants in applying the knowledge gained. Organisations are encouraged to start assessing and documenting their greenhouse gas emissions, especially in their transport-related activities and operations. This helps to identify opportunities for the reduction of emissions. The project team will continue to provide capacity-building training on emissions measurement and prepare finance-ready proposals, which allow businesses to access climate finance. In addition to continuing stakeholder engagement through follow-up workshops and dialogues, the project will develop practical guidance materials to help organisations align activities with climate policies and regulatory frameworks at national levels.

UK PACT

About UK PACT Programme in Nigeria

UK PACT is a flagship technical assistance programme funded by the UK Government's International Climate Finance (ICF). The programme's mission is to support partner countries with high emissions-reduction potential in accelerating their efforts to mitigate climate change.

UK PACT achieves this by enhancing the capacity and capability of key public, private, and civil society institutions to achieve ambitious Nationally Determined Contributions (NDCs) and transition to low-carbon development.

UK PACT partners with Nigeria to implement its NDC and promote climate action.

The programme provides technical assistance to enhance capabilities, helping Nigeria accelerate its low-carbon transition and cut emissions.

Project Partners

The project is delivered by a consortium that brings together expertise in transport, finance, climate policy, and inclusion.

