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**Nnabuike O Osadebe**  
Department of Sociology and  
Anthropology, University of  
Nigeria, Nsukka, Nigeria

**Emmanuel Emone**  
Faculty of Human Resources,  
Development and  
Management, Afri-Edu,  
Nigeria

**Ayodeji S Omilabu**  
Department of Public  
Administration and Local  
Government, Faculty of Social  
Sciences, University of Nigeria,  
Nsukka, Nigeria

**Chukwuma J Okafor**  
Department of Political  
Science, University of Nigeria,  
Nsukka, Nigeria

**Benjamin Anabaraonye**  
Institute of Climate Change  
Studies, Energy and  
Environment, University of  
Nigeria, Nsukka, Nigeria

**Corresponding Author:**  
**Benjamin Anabaraonye**  
Institute of Climate Change  
Studies, Energy and  
Environment, University of  
Nigeria, Nsukka, Nigeria

## The role of government in enhancing climate finance and green innovations for sustainable development in Nigeria

**Nnabuike O Osadebe, Emmanuel Emone, Ayodeji S Omilabu, Chukwuma J Okafor and Benjamin Anabaraonye**

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### Abstract

This study defines the concept of poverty, climate finance and green innovations. It further explores the critical role the government can play in eradicating poverty by enhancing climate finance and green innovations for sustainable development in Nigeria. Climate finance will play a major role in eradicating poverty, ensuring climate action and sustainable development in Nigeria. This study highlights how climate finance will enhance green innovations which will enhance the green economy and spur sustainable development in Nigeria. This study further recommends that the government should play its role in enhancing climate finance and green innovations in Nigeria.

**Keywords:** Climate change, climate finance, economic growth, green innovations, sustainable development

### 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) <sup>[8]</sup>. 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. This simply implies that everyone has a part to play in ensuring that the goal of zero poverty is achieved by 2030 as enshrined in the United Nations Sustainable Development Goals (SDGs). Climate change has been discovered as one of the leading causes of poverty which negatively affects sustainable economic growth in Nigeria (Anabaraonye, Okafor & Eriobu, 2019) <sup>[1]</sup>. A holistic approach must be adopted through proper climate change adaptation and mitigation strategies to address poverty and ensure sustainable economic growth in Nigeria. This study highlights the role of government in eradicating poverty by enhancing climate finance and green innovations for sustainable development in Nigeria.

### 2. 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 centred more on “The Role of Government in Enhancing Climate Finance and Green Innovations for Sustainable Development in Nigeria”. This enabled the researchers to generate the synthesis of various researchers’ views on the subject matter and further recommend strategies for adapting and mitigating climate change to address poverty and enhance sustainable economic growth in Nigeria.

### 3. Result and Discussion

The phenomena of defining climate finance in the literature of climate change mitigation and adaptation are viewed from different perspectives ranging from socio-economic, political and

environmental challenges from the landscape of the authors. It is critically vital to get common definition of climate finance in order to consider effective and efficient measures. Most importantly, to implement and monitor its amount and performance in carrying out climate change mitigation and adaptation. According to Watson and Liane (2020) <sup>[10]</sup>, Climate finance refers to the financial resources mobilized to fund actions that mitigate and adapt to the impacts of climate change, including public climate finance commitments by developed countries under the United Nations Framework Convention on Climate Change (UNFCCC). Climate finance remains central to achieving low-carbon, climate resilient development. The global climate finance architecture is complex and always evolving. Funds flow through multilateral channels – both within and outside of the UNFCCC and Paris Agreement financial mechanisms – and increasingly through bilateral, as well as through regional and national climate change channels and funds (Watson & Liane, 2020) <sup>[10]</sup>. Climate 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) <sup>[9]</sup>. 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 objective of deploying climate finance is to mitigate and push Green House Gas (GHG) emission reduction projects forward. The authors are of the view that “Climate Finance is the finance which is intended to support GHG emission reductions encouraging finance such as “public and private” and “multilateral and bilateral” dimensions of investment. Furthermore, Climate Financing also supports the investment cost of GHG emission reduction. Simple, objective and practical, encourage the low carbon investment and taking into account of the different investment climate and keeping flexibility (UNFCCC, 2020) <sup>[10]</sup>.

### 3.1 What is Green Innovation?

The environmental impact of human activities has become a global and growing concern for society. In recent years, carbon dioxide emissions from fossil fuels have reached record highs, global average sea levels have risen immensely, and heat waves, forest fires, and air pollution have increased (Guinot, Barghouti & Chiva, 2022) <sup>[5]</sup>. These challenges undermining the success of climate change sustainability have been spelt out by Guinot, Barghouti and Chiva in their year 2022 articles, highlighting the creative importance of green innovation in ensuring the course of climate change sustainability. Green Innovation as a concept in the literature, has been defined differently from diverse scholars, practitioners and experts. The term Green Innovation has been called as “Eco Innovation”. In the definition of Castellacci & Lie (2016) <sup>[2]</sup> avers that “Green innovation” or “Eco-innovation” can be defined as a process that contributes to the creation of new production and technologies with the aim of reducing environmental risks, like pollution and negative consequences of resource

exploitation in energy. “Green innovation” or Eco-innovation, (hereby used interchangeably) can be defined as the production and adoption of new technologies that lead to “a reduction of environmental risk, pollution and other negative impacts of resource use (including energy use) compared to relevant alternatives” (Kemp & Pearson, 2007) <sup>[6]</sup>. Chen, Lai *et al* (2006) <sup>[3]</sup> define green innovation “as hardware or software innovation that is related to green products or processes, including the innovation in technologies that are involved in energy-saving, pollution-prevention, waste recycling, green product designs, or corporate environmental management”. From all indication, Nigeria needs to embrace various methods through which the unemployment rates among the youths can be reduced. One way to do this is to finance green innovations and embrace green entrepreneurship, especially as the nation has a population that continues to generate huge amount of waste (Anabaraonye, Okafor & Eriobu, 2019) <sup>[1]</sup>. “As such, investment should be directed towards cleaner production and waste-to-wealth efforts” (Richard, Olatunji & Samuel, 2021) <sup>[7]</sup>.

### 3.2 How does climate change impacts lead to poverty in Nigeria?

Climate change impacts have inculcated poverty in numerous communities in Nigeria by the following:

1. Many deaths and loss of properties were attracted by flooding, erosion, drought and numerous dangers pose by climate change thereby negatively affecting sustainable economic growth in the regions.
2. Failure on the part of the citizens or leaders of the affected communities to educate, sensitize and create awareness on the dangers caused by climate change menace on businesses and livelihoods of persons in the area leads to poverty.
3. Failure of the government in providing finance or facilities in salvaging the lives and businesses of persons affected by the climate change disruptions can further lead to depression and poverty in the regions.
4. The careers, business, education and ambitions of many youths in Nigeria are being truncated because of poor leadership in mitigating the effects of climate change thereby leading to poverty in the nation.
5. Nigeria’s climate change disruptions in the growing shifts in temperature, rainfall, storms, and sea levels throughout the twenty-first century are increased by poor adaptive responses to these shifts which affects agricultural produce leading to poverty in the nation.
6. The increase of communal clashes, crises and violence across communities as result of climate change leading to destruction of properties and poverty in some areas of the country especially in the North-Eastern and South-Eastern Nigeria.

### 3.3 How does climate finance enhance green innovations for sustainable development in Nigeria?

The idea of increasing the effectual forms of climate finance to emancipate or increase the creativity of green innovation in triggering sustainable development in Nigeria especially, in our local communities, local government areas, Thirty Six (36) States in Nigeria are in numerous forms. The manifestation of these increasing effectual of green innovation through the flow of climate finance in Nigeria begins with the leadership of this country. These points

enumerate how climate financing in green innovations guarantees sustainable development in Nigeria:

1. Conscious enlightenment of Nigeria's citizens across the communities, cities and institutions of the damning interference of climate change disruptions and damages in their socio-economic and livelihood bearings. When they are aware of their plight, through mass media sensitization and education, their plea and assertiveness through the right channels coming from their respective difficulties emanating from climate change challenges attract government intervention in their problems.
2. Climate finance enhancing green innovation in increasing sustainable development in Nigeria is through commitment and support by the Federal Government, State Government in Thirty Six states of Nigeria and Local government chairmen across the federation. This leadership gesture in the form of decision making should extend to public and private collaboration in attracting climate financing for green innovations.
3. Participation and Increment of Federal Government (FG) budgets in belonging, supporting and collaboration in enabling United Nations Framework Convention on Climate Change (UNFCCC) with other Bilateral, Multilateral groups like the World Bank in promoting climate finance for green innovations in Nigeria.
4. Critical assessment of public or private bodies whose responsibilities are targeted in disbursing finance across numerous communities in climate financing for green innovations in Nigeria.
5. Untangling the dilapidated posture of corruption across the private and public office holders in question regarding climate financing for green innovations.
6. Identification of communities in the country where the damning disruptions of climate change are visible and requires the urgent introduction and cure of green innovation through climate financing.

#### 4. Recommendations

These important aspects in deploying climate finance for sustainable development in Nigeria are as follows:

1. Promotion of specific monthly or annual leadership summits aimed at attracting individuals or groups in the investment of climate financing for green innovations in Nigeria.
2. There should be constitutional review to let Nigerians be aware of climate change difficulties, pains and damages incurred by fellow Nigerians in various socio-political and economic dimensions with new strategies in climate financing and green innovations to tackle them.
3. Granting of loans and incentives to individuals and organizations whose businesses are based on green innovations and green entrepreneurship in Nigeria.
4. Carrying out of intensive research to be aware of communities or cities that have suffered intense climate change disruptions in Nigeria. Knowing of these communities or cities enables the government to better plan and properly invest in them through climate finance and green innovations.
5. Attracting the increasing inflow of climate financiers from the International Bodies such as World Bank,

United Nations Environment programme (UNEP), etc to enhance green innovations in Nigeria.

#### 5. Conclusion

The Federal government, State government and local government chairmen across various communities in Nigeria have a vital role to play in eradicating poverty by enhancing climate finance and green innovations for sustainable development. Climate finance will play a major role in eradicating poverty, ensuring climate action and enhancing green innovations for sustainable development and economic growth in Nigeria. When the right forces join forces together for the purpose of climate finance to enhance green innovations and spur economic growth, then the United Nations Sustainable Development Goals can be achieved by 2030 in Nigeria.

#### Author declarations

**Author Contributions:** Conceptualization, B.A., S.O. and N.O.O; methodology, N.O.O and S.O; software, B.A., C.J.O. and N.O; validation, S.O and C.J.O, formal analysis, B.A., and S.O; investigation, B.A and E. E.; resources, E.E, and N.O.O; data curation, B.A., S.O. and N.O.O; writing-original draft preparation, B.A and C.J.O; writing-review and editing, B.A and C.J.O; funding acquisition, B.A. E.E and C.J.O. All authors have read and agreed to the published version of the manuscript.

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**Data Availability Statement:** The qualitative data utilized for this study will be made available upon reasonable request.

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