DBN
Development
Bank of Nigeria

...Financing Sustainable Growth

Green Finance Impact Report

2025

Financing Nigeria's Transition To A Low-Carbon, Climate-Resilient Economy

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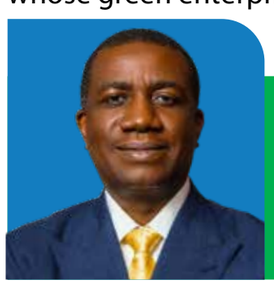
Lessons Learned and the Road Ahead

Message from the Managing Director / CEO

At the Development Bank of Nigeria, we believe that the future of Nigerian enterprise and the health of the planet are inseparable. As the country confronts the realities of climate change, from erratic rainfall and flooding to energy insecurity, the businesses that power our economy must be enabled to adapt, decarbonise, and grow sustainably. Channelling finance toward that transition is central to our mandates.

In 2025, DBN disbursed ₦41.5 billion to green and climate-aligned enterprises, a 54.02 percent year-on-year increase that confirms the accelerating trajectory of green capital deployment in Nigeria. Since inception, the Bank has deployed approximately ₦69 billion to green and climate-aligned projects, building a portfolio of more than 300 green loans. These funds are powering renewable energy, sustainable manufacturing, climate-smart agriculture, and waste management, the building blocks of a low-carbon economy.

Looking ahead, accelerating green and climate-aligned financing remains an explicit priority of our AMPLIFI Strategy through 2026 and beyond. The results in this report affirm that climate action and economic opportunity reinforce one another. On behalf of the Board and Management, I extend sincere appreciation to our development partners, our Participating Financial Institutions, and the entrepreneurs whose green enterprises are shaping a more resilient Nigeria.



Dr. Tony Okpanachi

Managing Director / Chief Executive Officer
Development Bank of Nigeria Plc

Message from the Executive Director & CFO

Sustainability is not a peripheral concern but a core value that shapes how we allocate capital at DBN. We recognise that the climate transition carries real financial implications for the MSMEs we serve, rising energy costs, supply-chain disruption, and exposure to physical climate risk, and that well-structured green finance is among the most effective tools for building enterprise resilience.

Conventional finance has too often been mismatched to the realities of climate investment; too short in tenor, too expensive, and too collateral-dependent. Through our wholesale model, dedicated green-finance partnerships, and a growing suite of concessional and catalytic instruments, DBN is working to close that gap and make climate-aligned capital both available and affordable. In 2025, this included sustaining our Green Climate Fund accreditation, and securing a EUR 2 million GIZ/IKI grant to increase access to funding for women-owned and women-led MSMEs operating in climate adaptation, climate mitigation, and biodiversity-related sectors.

This Green Finance Impact Report sets out the measurable difference that financing is making, in clean energy delivered, emissions and energy costs reduced, and green jobs created. We remain committed to deepening these outcomes and to embedding sound environmental and social risk governance across our lending ecosystem.



Ijeoma D. Ozulumba

Executive Director, Finance & Corporate
Services Development Bank of Nigeria Plc

Message from the Chief Economist

DBN understands that financing the climate transition is both an environmental imperative and a sound economic strategy. Nigeria faces one of the world's largest energy-access deficits, and the costs of inaction, in lost output, degraded livelihoods, and constrained enterprise growth, are already visible across the MSME economy. Directing capital toward clean energy, resource efficiency, and climate resilience is therefore central to how we think about long-term, inclusive growth.

Our 2025 green portfolio demonstrates that climate-aligned lending delivers measurable returns beyond emissions reductions. Financed enterprises cut energy costs, improved competitiveness, and created durable, future-facing jobs, from solar mini-grid developers extending electricity to underserved communities, to recyclers transitioning off diesel and into cleaner fuels. Behind every figure in this report is an enterprise that became more productive and more resilient because climate-aligned finance reached it on appropriate terms.

As we deepen our measurement of climate outcomes, including tonnes of CO_2 reduced, the evidence is increasingly clear; green finance is a powerful engine of enterprise growth and economic resilience. Sustaining and scaling this impact, through better data, sharper targeting, and continued innovation, remains central to how we operate as a Bank.



Prof. Joseph Nnanna

Chief Economist Development
Bank of Nigeria Plc

About the Development Bank of Nigeria

Development Bank of Nigeria (DBN) was set up by the Federal Government of Nigeria in collaboration with global development partners to address the major financing challenges facing Micro, Small and Medium Enterprises (MSMEs) in Nigeria. Our main objective is to alleviate financing constraints faced by MSMEs and small corporates through the provision of financing and partial credit guarantees to eligible financial intermediaries on a market-conforming and fully financially sustainable basis.

We directly contribute to alleviating the specific financing constraints that hamper the growth of domestic production and commerce by providing targeted wholesale funding to all identified enterprise financing gaps in the MSME segment. In addition, we play a focal and catalytic role in providing funding and risk-sharing facilities to financial institutions, predominantly deposit-money and microfinance banks, and improve the capacity of our financial intermediaries with funding facilities designed to meet the needs of these smaller clients. Sustainability is one of the Bank's core values, and green finance is one of its deliberate strategic priorities.

Our Mandates

On-lending:

Increase access to finance for MSMEs by lending to participating financial institutions (commercial banks, microfinance banks, and other DFIs) for on-lending to this segment.

Partial Credit Guarantee (Risk Sharing):

Provide capacity building for participating financial institutions to enhance their ability and willingness to lend to MSME segments, including for green and climate-aligned projects.

Capacity Building and Technical Assistance:

The Bank also provides technical assistance to PFIs to upscale their capacity to lend to MSMEs. Additionally, various learning programmes are extended to MSMEs to develop a viable pipeline of eligible businesses for on lending.

Our Awards & Ratings

In recognition of the Bank's active support for Micro, Small, and Medium Enterprises and its leadership in sustainable finance, the Bank has received several awards for its commitment to MSME development. Selected recognitions include:

Best Financier for Women Entrepreneurs (Honourable Mention)

Development Finance Institution With the Most Impact on MSMEs in Nigeria

Nigerian Portfolio Performance Award for Recognition

Outstanding MSME Clinic Partner (Awarded by the Federal Government of Nigeria)

Prince Talal International Prize for Human Development

Honourable Mention in the Best Financier for Women Entrepreneurs

Award of Excellence to Outstanding MSME Clinic Partner

Global SME Finance Award 2024

Award of Special Recognition

Financial Inclusion Leadership Award 2024

Highest Rated Institution in the Transparency and Integrity Index Report

Ratings

DBN holds strong external assessments of its financial strength and governance, including a triple-A (AAA) and A+ long- and short-term rating from Agusto & Co., an A+ rating from DataPro / GCR, and a Level 5 rating under the Sustainability Standards and Certification Initiative (SSCI).

Assigns Triple AAA Rating and Stable outlook on DBN

Assigns A+ on DBN

Assigns Triple AAA and A+ Long and Short-term Issuer Ratings to DBN

Our Development Partners

DBN's achievements in green and climate finance are made possible by our development partners, who provide catalytic funding and shared ambition, and by our Participating Financial Institutions (PFIs), who carry climate-aligned finance the final mile to enterprises in every corner of Nigeria.

Our development partners include the Federal Government of Nigeria, the African Development Bank (AfDB), the European Investment Bank (EIB), the World Bank, KfW Development Bank, and the Agence Française de Développement (AFD). We acknowledge in particular the KfW, Green Climate Fund (GCF), and the International Climate Initiative (IKI) of Germany, delivered through GIZ, whose support strengthened DBN's green finance in 2025.

AMPLIFI — Our 5-Year Strategic Pillars

DBN's strategic direction is anchored on the AMPLIFI framework, a set of five-year strategic pillars that guide the Bank's interventions across the MSME ecosystem.



The Case for Green and Climate Finance

Climate change is not a distant threat for Nigeria; it is a present economic reality. Flooding, desertification, energy poverty, and rising input costs already weigh on the MSMEs that generate most of the country's output and employment. Nigeria has the world's largest electricity access deficit, with roughly 86.8 million people, about two in five Nigerians, lacking access to reliable power, and unreliable power alone is estimated to cost the economy 5 to 7 percent of GDP each year.2 Directing capital toward climate solutions is therefore both an environmental imperative and a strategy for economic resilience.

Closing the Green Financing Gap

Green and climate-aligned enterprises, in renewable energy, sustainable agriculture, recycling, and resource efficiency, remain underserved by conventional finance, which is often too short-tenored, too expensive, or too collateral-dependent to match the realities of climate investment.

The scale of the gap is substantial. Nigeria's Energy Transition Plan alone is estimated to require about US$410 billion above business-as-usual spending to reach net-zero by 2060, while the International Finance Corporation identifies climate-smart investment in emerging markets as a multi-trillion-dollar opportunity that is heavily constrained by the limited supply of appropriate finance to climate-aligned SMEs. DBN's wholesale model is designed to narrow this gap by incentivising Participating Financial Institutions (PFIs) to lend more, and on more appropriate terms, to climate-positive businesses.

The Transition Dividend

Investments in clean energy and resource efficiency do more than cut emissions: they lower operating costs, improve competitiveness, and create durable, future-proof jobs. The case studies in this report show businesses that reduced energy costs by up to 70 percent or scaled from a handful of staff to dozens, demonstrating that the green transition can be a powerful engine of enterprise growth. At the national level, Nigeria's net-zero pathway is projected to create up to 340,000 jobs by 2030 and 840,000 by 2060, underscoring that climate action and employment growth move together rather than in tension.

Alignment with National and Global Priorities

DBN's green finance agenda supports Nigeria's Energy Transition Plan and the country's Nationally Determined Contribution commitments under the Paris Agreement. Through climate-aligned financing for MSMEs, including renewable energy, energy efficiency, circular economy, waste management, recycling and other green business activities, the Bank contributes to SDG 7 on Affordable and Clean Energy, SDG 13 on Climate Action, SDG 12 on Responsible Consumption and Production, SDG 9 on Industry, Innovation and Infrastructure, and SDG 8 on Decent Work and Economic Growth.



Our Commitment to Green Finance

DBN's Green Finance Strategy

The 2015 Paris Agreement accelerated the global shift of financial flows toward low-emission and climate-resilient investments. DBN's Green Finance Strategy is positioned within this global transition and aligned with Nigeria's pathway toward a more sustainable and inclusive growth model. At DBN, green finance is treated as a strategic extension of the Bank's development mandate, with environmental sustainability embedded within core lending activities rather than pursued as a standalone initiative. The Strategy is anchored on three core pillars:

1 **Greening Finance**

Integrating climate and environmental considerations into financial decision-making, identifying emerging market opportunities, strengthening institutional and value-chain capacity, and developing innovative green financing solutions.

2 **Financing Green**

Mobilising funding for climate-aligned and sustainable investments to help address financing gaps in sustainable infrastructure.

3 **Capturing Commercial Opportunities**

Building a pipeline of commercially viable projects that deliver measurable economic, social, and environmental outcomes, including the deployment of clean technologies and collaboration with ecosystem partners to expand access to sustainable energy and green solutions.

Key Green Priority Areas

The Bank's green finance strategy identifies five strategic priorities that direct how capital, capacity, and partnerships are deployed across the green economy:

1 **Expanding Access to Green Finance:**

Mobilising and crowding in financing to support MSMEs and green projects, strengthening the flow of capital to environmentally sustainable investments.

2 **Capacity Building:**

Strengthening internal capabilities and supporting the development of technical capacity among key stakeholders to deepen impact within green sectors.

3 **Green Product Development:**

Designing and deploying tailored financial products that integrate and scale green financing across the Bank's lending portfolio.

4 **Strategic Partnerships:**

Building alliances with market stakeholders to develop a sustainable pipeline of bankable green projects and strengthen the broader green finance ecosystem.

5 **Youth and Gender Mainstreaming:**

Promoting inclusive participation by supporting greater involvement of women and youth in Nigeria's sustainable development and green economy.

Green Finance as a Strategic Priority

DBN's green lending focus prioritises financing for enterprises and projects advancing climate resilience, renewable energy, sustainable agriculture, waste management, and other environmentally responsible activities, supporting a transition to a low-carbon economy that leaves no business behind. Renewable Energy features explicitly within the Bank's HEARTBEAT priority-sector framework, and green and climate-aligned projects are a core focus of the new Direct Lending Desk launched in 2025.

Green Portfolio Impact at a Glance

In 2025, DBN's green lending reached a new high, with ₦41.5 billion disbursed to climate-aligned enterprises, a 54.02 percent increase on the prior year.



Solar-farm aerial photo

Headline Results (2025 Performance)

Total disbursement to support green projects

₦41.5bn

Green Climate Fund status

Direct Access Entity

Accreditation maintained

Year-on-year growth in green disbursements

54.02%

GIZ/IKI sustainability

EUR 2 million

Cumulative green & climate-aligned financing

Approximately ₦69bn

Priority sectors

Includes Renewable Energy / Green Sectors

Green lending portfolio

300+ Loans

Million - mn I Billion - bn I Trillion - tn

Prado Power Limited, Solar Mini-Grids for Underserved Communities

Founded in 2015 by Washima Mede, to address Nigeria's electricity deficit, Prado Power develops solar mini-grids for communities, corporate organisations, and residences, with a long-term vision to expand into other renewable energy sources. The company positioned itself within Nigeria's evolving renewable-energy and mini-grid ecosystem, particularly through opportunities created by the Nigeria Electrification Project (NEP).

The Need for Financing.

Before accessing external financing, Prado Power operated with just four staff from a single-room office and faced the financing constraints common to startups in emerging sectors: traditional collateral requirements made bank loans difficult to secure despite strong technical capacity and growing demand.

To finance its electrification projects, the company accessed performance-based, risk-sharing financing of ₦1.75 billion from First City Monument Bank, a DBN Participating Financial Institution. The facility required no traditional collateral and was structured around project-delivery milestones, an innovative approach that aligned capital with the company's project-based business model.

10,000 | customer connections served by Prado Power mini-grids



DBN team with the CEO and staff of Prado Power

AT A GLANCE:

Years in Operations	**10**
Loan Amount	**₦1.75 billion**
PFI	**FCMB**
Collateral Requirement	**None**
Growth in Employees	**Over 18X (4 to 75)**
Business Expansions	**1 room office space to locations across multiple States**

Impact on the Business

The financing transformed Prado Power from a small startup into a renewable-energy company employing 75 fully paid staff across multiple states. The company now operates mini-grids delivering 45 to 50 kW systems and serving roughly 10,000 customer connections, with average annual revenue of approximately US$2 million over the past five years.

Beyond business growth, Prado Power has contributed to skills development through structured training and internships, promoted gender inclusion, and positioned itself to scale into multi-megawatt solar projects, supporting Nigeria's clean-energy transition and community electrification goals.













Impact Highlights, Energy, Emissions and Jobs

The value of green finance lies in outcomes beyond the balance sheet; cleaner energy, lower emissions, reduced costs, and durable employment. In 2025, DBN surpassed its green lending target by 20 percent, deploying ₦41.5 billion and supporting over 100 green businesses across the country. The highlights below capture the year's measurable climate and energy results.



Green Lending Performance Highlights 2025

Total green lending deployed

₦41.5bn

Estimated carbon emissions avoided

292,000 kg

Green lending

Surpassed by 20%

Estimated energy

1.6 million kWh

Green businesses

Over 100

Axis Recycling Packaging Ltd, Cleaner Energy in the Circular Economy

Axis Recycling Packaging Ltd. specialises in recycling shopping-bag waste as well as Low-Density (LD) and High-Density (HD) plastic materials.

Originally established as an extension of Polysmart, Axis has evolved into an independent business unit over the past four years, employing 41 full-time staff alongside additional casual workers and supplying reprocessed plastic materials to industrial clients, supporting manufacturing value chains while contributing to environmental sustainability through waste recovery and reuse.

The Need for Financing.

Before accessing this funding, Axis faced operational and financial constraints, with high production costs driven largely by diesel-powered energy resulting in operating expenses of approximately ₦500 per kilogram.

To expand and optimise operations, the company accessed a ₦1.8 billion facility from First City Monument Bank, a DBN Participating Financial Institution. The credit enabled Axis to upgrade its production systems and transition from diesel-powered operations to pipeline natural gas.

70% | reduction in energy cost per kilogram after switching from diesel to pipeline natural gas



Waste recycling plant: Axis Recycling Packaging Ltd.

AT A GLANCE:

Loan Amount	**₦1.8 billion**
PFI	**FCMB**
Location	**Ota, Ogun State**
Number of Fulltime Employees	**41**
Nature of Business	**Collection and recycling of plastic waste, including shopping-bag waste and Low-Density (LD) and High-Density (HD) plastic materials, into reusable raw materials for supply to industrial client**

Impact on the Business

Energy costs fell dramatically from approximately ₦500/kg using diesel to ₦150/kg using pipeline natural gas, a 70 percent reduction that transformed the economics of the business and strengthened its competitiveness while reducing its carbon footprint.

The financing also supported the retention of 41 full-time employees and additional casual workers, sustaining livelihoods while strengthening the recycling value chain. Looking ahead, Axis aims to acquire additional crushing and pelletising machinery to double or triple its current output while maintaining energy efficiency.







> “The switch from diesel to natural gas cut our energy cost per kilogram by 70 percent, it changed the economics of the entire business.”
>
> Axis Recycling Packaging Ltd.





Avoided Emissions and Green Jobs

Recognising the importance of measuring the climate impact of financial institutions' lending activities, DBN has initiated efforts to estimate the avoided emissions associated with its green loan portfolio.

In FY2025, the Bank extended over ₦41 billion in green loans, supporting climate-aligned investments across key sectors. Based on available data and project-level estimates, over 292,000 kg CO_2e avoided emissions were achieved and approximately 1.6 million kWh in energy savings were generated.

Approximately

292,000 kg CO_2e

in estimated avoided emissions were achieved

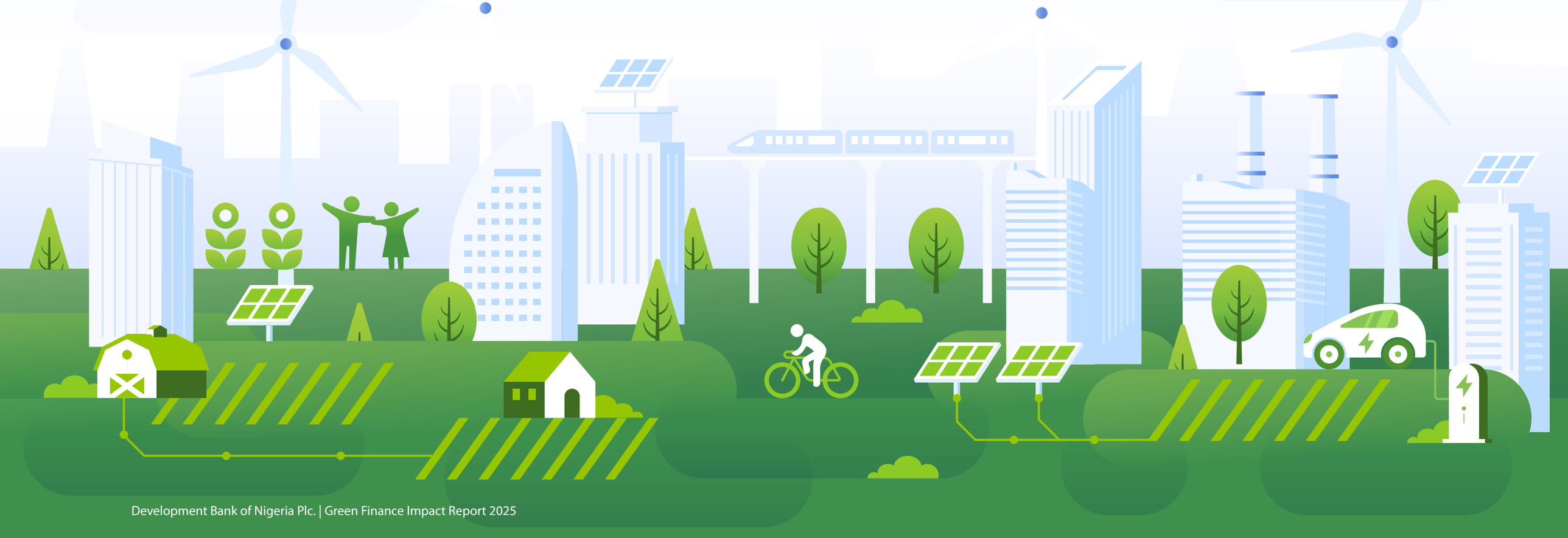
Approximately

1.6 million kWh

in estimated energy savings were generated

These figures represent early estimates derived from supported green projects and provide an initial indication of the climate impact of the Bank's financing activities.

According to the 2025 independent evaluation, enterprises supported through DBN-linked green financing generated an estimated 11,251 new jobs while safeguarding 6,505 existing jobs, bringing the total number of green jobs created and sustained to 17,756.



Darway Coast Nigeria Limited, Scaling Solar Mini-Grids Across Southern Nigeria

Incorporated in 2015 and fully operational from 2018, Darway Coast Nigeria Limited was co-founded by Henry Ureh and Austin Ureh, who strategically positioned the company to capitalise on the declining costs of solar PV and battery energy storage systems. From a first 30 kW deployment in Rivers State in 2018, sponsored by Honeywell and Shell, the company has scaled to over 30 active mini-grid sites generating more than 7 megawatts.

Darway Coast participates in the National Electrification Programme (NEP) and the DARES Programme, both sponsored by the Rural Electrification Agency (REA) and the World Bank. Operations are concentrated in southern Nigeria, with planned expansion into the North-Central region. The company's workforce has about 40 percent female representation, including a female engineering design lead.

The Need for Financing.

Mini-grid development requires substantial upfront capital, including feasibility studies, community agreements, asset procurement (panels, inverters, batteries, and poles), construction, and commissioning, all before any revenue is earned. FCMB's willingness to provide financing of ₦190m backed by REA grant agreements as collateral enabled Darway Coast to deploy sites without waiting for its own equity to accumulate.

38,000 | people are projected to gain reliable access to electricity for the first time



Darway Coast Nigeria Limited, Headquarters

AT A GLANCE:

Years in Operation	**7 years**
Loan Amount	**₦190 million**
PFI	**FCMB**
Collateral	**REA Agreements**
Number of Minigrid Sites	**30 generating over 7 MW**
Workforce Size	**About 200**
Female Representation	**40%**

Impact on the Business

In 2022, the company accessed a loan of ₦98 million to power about 400 connections at the time of commissioning. That number has since grown organically, as households migrated toward reliable power zones, expanding the estimated impact to over 1,200 people.

The 2025 facility goes further still: once the four new sites are commissioned, over 38,000 people are projected to gain reliable access to electricity for the first time. The commercial benefit to these communities is equally significant. Darway Coast's solar tariff of ₦300 to ₦310 per kilowatt-hour saves customers over 50 percent compared with diesel generation, currently estimated at ₦700 per kilowatt-hour.

That saving translates directly into increased disposable income for households and small businesses in communities where energy costs have historically consumed a significant earnings.

Consequently, the workforce grew by 67% within a single year, making Darway Coast one of the fast-growing employers in Nigeria's clean energy sector.

Beyond direct employment, the company's institutional credibility has grown in parallel: it has raised over US$46 million in project finance from domestic and international lenders, a demonstration of confidence that attracts further investment into Nigeria's renewable energy market.

Aspirations and Future Plans

Darway Coast aims to develop 63 additional isolated mini-grid sites over the next two years and to construct two large utility-scale plants in Taraba State (8.4 MW and 5.5 MW), bringing total generation capacity to 50 to 60 megawatts.

Total project finance required to execute this pipeline exceeds US$100 million, which the company is actively raising from multiple domestic and international lenders.

> "By the time you don't have power, and suddenly you have power, people start moving there. You see connections go from 400 to 600 to 800."
>
> Co-founder, Darway Coast Nigeria Limited





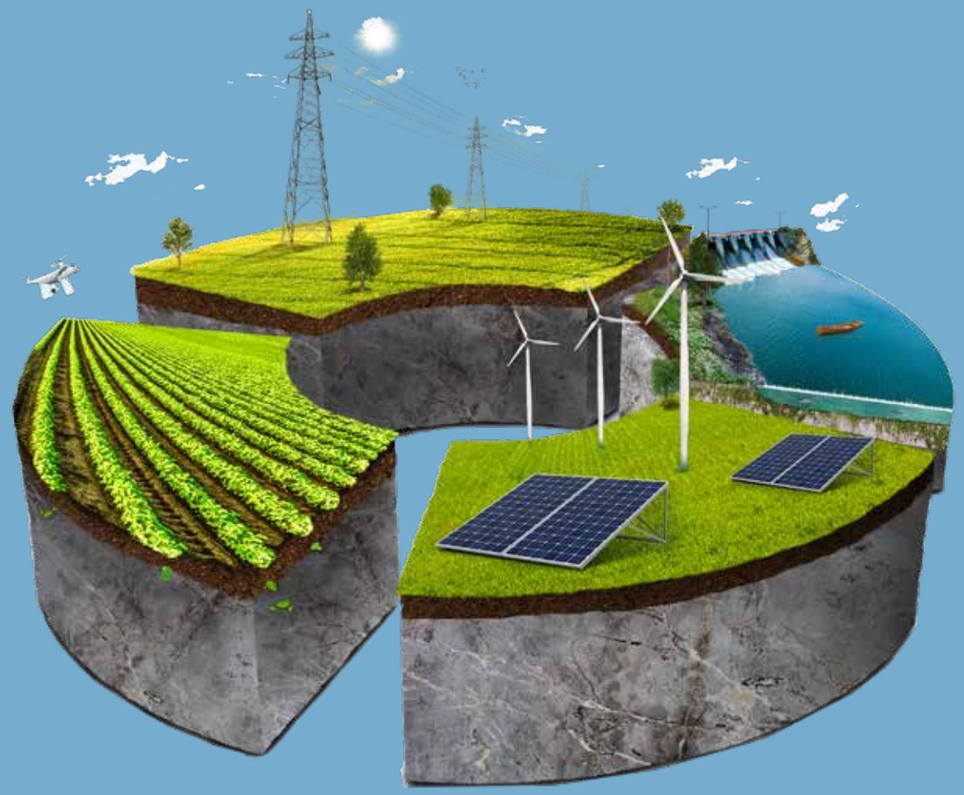
Building the Green Finance Ecosystem

Beyond lending, DBN is deliberately strengthening the institutions, partnerships, and capabilities that allow green finance to scale sustainably across Nigeria's financial system. The Bank advances its green finance agenda through coordinated action both internally, across its own operations, and externally, across the market and the broader sustainability ecosystem.

Green Climate Fund Accreditation and Readiness

DBN maintained its accreditation as the first Direct Access Entity (DAE) of the Green Climate Fund in Nigeria, a status that positions the Bank to mobilise and channel international climate finance directly into Nigerian projects.

Building on this, the GCF Readiness and Preparatory Support Programme, under which the GCF approved USD 949,316, is enhancing the Bank's ability to mobilise global climate finance. The funds support institutional strengthening, capacity building, and the development of investment-grade funding proposals capable of mobilising climate finance at scale for projects in Nigeria.



ACCREDITATION

GREEN CLIMATE FUND

First

Direct Access Entity (DAE) of the Green Climate Fund in Nigeria

READINESS SUPPORT

USD 949,316

under which the GCF approved

STATUS

Maintained

its accreditation as the first Direct Access Entity (DAE)

2025 Executive Round Table on Mainstreaming Green and Climate Finance

In 2025, the Bank convened the Executive Roundtable on Mainstreaming Green and Climate Finance, a high-level strategic engagement designed to accelerate the integration of climate and green finance into the Nigerian financial system. The Roundtable brought together chief executives and senior executives of participating financial institutions in a closed, peer-level forum to move discussions beyond awareness toward actionable commitments and balance-sheet alignment.

Unlike conventional stakeholder engagements, the discourse deliberately emphasised the commercial and risk-management case for green and climate finance, positioning it as a viable and scalable business opportunity rather than a purely developmental or compliance obligation. The engagement also signalled the Bank's role as the only Direct Access Entity to the Green Climate Fund, highlighting how concessional climate finance, blended-finance instruments, and risk-sharing mechanisms can lower the cost of capital, de-risk lending, and support financial institutions in building bankable green portfolios.













FMDO























Strategic Partnerships and Sustainable Financing Projects

In 2025, DBN secured a EUR 2 million grant from GIZ/IKI to increase access to funding for women-owned and women-led MSMEs operating in climate adaptation, climate mitigation, and biodiversity-related sectors, thereby strengthening their contribution to economic development and climate action in Nigeria. This sits within a broader suite of sustainable financing partnerships that mobilise concessional capital and technical assistance for Nigeria's green transition.

Strategic Partners

IKI INTERNATIONAL CLIMATE INITIATIVE

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



DBN team in a conversation with the founder of Jeromaski Farms Limited



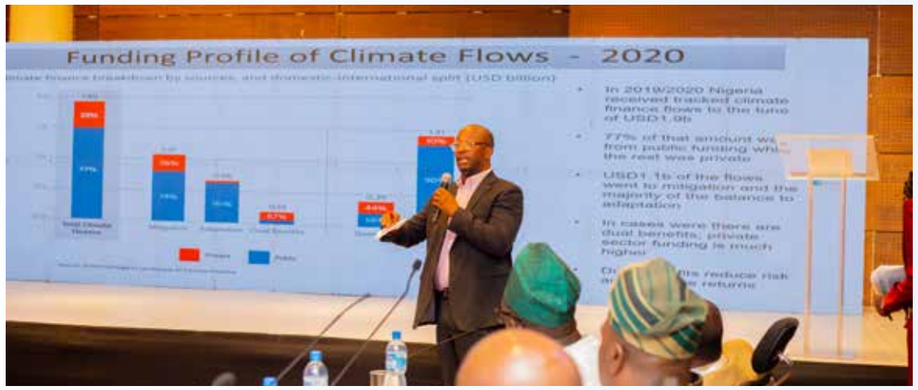
DBN Sustainable Financing Projects

S/N	Project title	Amount accessible	Partners
01	Livestock productivity, Resilience and support project	USD 70 million + Technical Assistance	THE WORLD BANK
02	Gender Credit Line	EUR 50 million + Technical Assistance	AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT
03	Green Credit Line	USD 25 million + Loan/Technical Assistance	KFW
04	IKI Small Grants	EUR 2 million + Technical Assistance	IKI INTERNATIONAL CLIMATE INITIATIVE; giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
05	Water, Sanitation, and Hygiene (WASH) Fund	USD 300,000 + Technical Assistance	SHF Fonds pour l'Assainissement & l'Hygiène

Risk Governance and Sustainability Reporting

To embed sustainability within the lending system itself, DBN delivered two specialised Environmental and Social Risk Management (ESRM) training sessions for PFIs in April and November 2025, targeting capacity gaps among Microfinance and Other Financial Institutions and emphasising the financing of environmentally sustainable projects alongside sound governance and regulatory compliance.

The Bank also convened a 2025 Sustainability Community of Practice, delivering a two-part training series on reporting under the ISSB's IFRS S1 and S2 standards to over 200 participants across its PFI network. In line with its sustainability agenda, DBN further assessed the resilience of its strategy under a range of plausible climate scenarios, using the Network for Greening the Financial System (NGFS) reference scenarios to identify transition and physical climate risks transmitted through PFIs, and to highlight climate-related opportunities in climate finance, energy efficiency, and resilience-oriented MSME financing.







Switch Recycling, A Digital Recycling Startup Scaling Nationwide

Switch Recycling Innovations Ltd. accessed and utilised ₦854.82 million in financing through First City Monument Bank (FCMB) Ltd, a Participating Financial Institution (PFI) of the Development Bank of Nigeria (DBN), to expand nationwide, strengthen Nigeria's circular economy, and improve plastic waste collection.

Background

A subsidiary of the Polysmart Group, Switch Recycling Innovations Ltd. was established in 2021 to collect and process polyethylene terephthalate (PET) bottles and other recyclable plastics for use as raw materials in manufacturing. The company plays a critical role within the group's circular business model by supplying recycled materials for downstream production, including polybags and other plastic products.

Driven by technology and sustainability, Switch Recycling has developed a nationwide network of plastic collection centres supported by its proprietary Switch Recycling App. The digital platform enables individuals to locate collection centres, deposit recyclable materials, and receive financial incentives, promoting responsible waste disposal while improving the traceability of recyclable materials throughout the value chain.



Switch Recycling Innovations Ltd, recycling plant

22 | operational branches nationwide, from three at the outset

Situation

As demand for recycled plastic materials increased, Switch Recycling Innovations Ltd. required substantial investment to expand its collection infrastructure and improve operational capacity.

Scaling the business required the acquisition of baling machines, tricycles, and other specialised equipment necessary to collect, sort, and compress recyclable materials efficiently across multiple locations.

Without access to affordable long-term financing, expanding beyond its existing collection network would have been difficult, limiting the company's ability to increase collection volumes, strengthen raw-material supply for local manufacturing, and contribute more significantly to Nigeria's growing circular economy.

Solution

To accelerate its expansion, Switch Recycling Innovations Ltd. accessed ₦854.82 million in financing facilitated by DBN through First City Monument Bank (FCMB) Ltd.

The financing enabled the company to procure baling machines, collection tricycles, and other operational equipment required to establish new collection centres across the country.

The investment also strengthened the company's technology-driven collection model by expanding the network supported through the Switch Recycling App, improving accessibility for users and increasing the volume of recyclable materials entering the formal recycling system.







Outcome

The DBN-supported financing transformed Switch Recycling from a business operating just three collection branches into a nationwide network of 22 operational branches across Lagos, Ogun, Oyo, Kaduna, Sokoto, Edo, Rivers, and Katsina States.

The wider reach brought organised plastic waste collection to underserved communities, raised the volume of recyclable materials entering the formal system, and strengthened raw-material supply for local manufacturing, while making the Switch Recycling App more effective by adding accessible collection points and encouraging greater public participation.

The company also continues to invest in its workforce through internal training and external programmes run by the Manufacturers Association of Nigeria (MAN), sustaining high operational standards as it scales.

Aspirations and Future Plans

Building on the success achieved through DBN-supported financing, the company has set an ambitious vision of establishing a recycling collection centre in every local government area across Nigeria.

By combining digital technology with physical recycling infrastructure, Switch Recycling aims to make plastic waste collection more accessible, improve environmental outcomes, and strengthen Nigeria's circular economy.

Its growth demonstrates how targeted development finance can enable innovative businesses to scale rapidly, strengthen domestic manufacturing supply chains, and accelerate the transition toward a more resource-efficient economy.







Lessons Learned and the Road Ahead

DBN's green portfolio is growing rapidly, more than half year-on-year, but two clear frontiers remain: widening geographic reach beyond Lagos and Abuja into the climate-vulnerable north, and deepening the measurement of climate outcomes such as tonnes of CO_2 avoided. Financed entrepreneurs also continue to call for affordable, single-digit, long-tenored products tailored to the green sector.

What We Are Building On

01

Scaling green disbursements through the Direct Lending Desk, Green Finance Desk and PFI network, building on 54 percent year-on-year growth.

02

Leveraging Green Climate Fund Direct Access Entity status and partnerships such as GIZ/IKI to mobilise additional climate capital.

03

Broadening the geographic reach of green finance into northern and climate-vulnerable zones currently under-represented in the portfolio.

04

Embedding ESRM and ISSB-aligned sustainability reporting across PFIs to build a resilient, transparent green lending ecosystem.

05

Advocating for affordable, long-tenored green financing products to match the realities of climate investment.

FRONTIER 01

Widening geographic reach beyond Lagos and Abuja into the climate-vulnerable north

FRONTIER 02

Deepening the measurement of climate outcomes such as tonnes of CO_2 avoided

Acronyms	Full Meaning
AFD	Agence Française de Développement (French Development Agency)
AfDB	African Development Bank
AMPLIFI	DBN's five-year strategic pillars: Advocacy; MSME Capacity Building; Proposition for Impact; Lending Reach; Integrated Risk Sharing; Financial Sustainability; Innovative Ventures
BizAid	DBN's digital MSME learning and enterprise development platform
CO_2e	carbon dioxide equivalent (a common unit for greenhouse-gas emissions)
DAE	Direct Access Entity (DBN's accreditation status with the Green Climate Fund)
DARES	Distributed Access through Renewable Energy Scale-up programme (Rural Electrification Agency / World Bank)
DBN	Development Bank of Nigeria Plc
EIB	European Investment Bank
ESG	Environmental, Social, and Governance
ESRM	Environmental and Social Risk Management
ETP	Entrepreneurship Training Programme
EUR	Euro
FCMB	First City Monument Bank
GCF	Green Climate Fund
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German development cooperation agency)
HD	High-Density (polyethylene / plastic)
HEARTBEAT	DBN's priority-sector framework: Healthcare, Education, Agriculture, Renewable Energy, Transport and Logistics, Banking, Enterprises in Manufacturing, Arts and Creatives, Technology
IFRS S1 and S2	International Financial Reporting Standards Sustainability Disclosure Standards (S1: general sustainability; S2: climate-related disclosures), issued by the ISSB

Acronyms	Full Meaning
IKI	International Climate Initiative (Germany)
ISSB	International Sustainability Standards Board
KfW	Kreditanstalt für Wiederaufbau (German development bank)
kW	kilowatt
kWh	kilowatt-hour
LD	Low-Density (polyethylene / plastic)
L-PRES	Livestock Productivity and Resilience Support project
MAN	Manufacturers Association of Nigeria
MSME	Micro, Small, and Medium Enterprise
MW	megawatt
NDC	Nationally Determined Contribution (a country's climate pledge under the Paris Agreement)
NEP	Nigeria Electrification Project
NGFS	Network for Greening the Financial System
PET	polyethylene terephthalate (a recyclable plastic)
PFI	Participating Financial Institution
REA	Rural Electrification Agency
SDG	Sustainable Development Goals (United Nations)
SHF	Sanitation and Hygiene Fund (also shown as UNSHF, the United Nations Sanitation and Hygiene Fund)
US$ / USD	United States dollar
WASH	Water, Sanitation, and Hygiene
WDFI	Wholesale Development Finance Institution

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