

NIGERIAN RENEWABLE ENERGY INVESTMENT OPPORTUNITIES AFRICA INVESTMENT SUMMIT

London, January 2020



**NIGERIAN
INVESTMENT
PROMOTION
COMMISSION**

Dalberg

Nigeria's abundance of natural resources, and vast energy needs, mean it is ideally positioned to implement sustainable and profitable renewable energy solutions



The opportunity

Nigeria has a vast unmet energy need, with current grid capacity at **5.4GW despite consumption needs averaging 12.9GW** per annum. As a result, **74% of the energy consumed in Nigeria in 2019 came from generators**

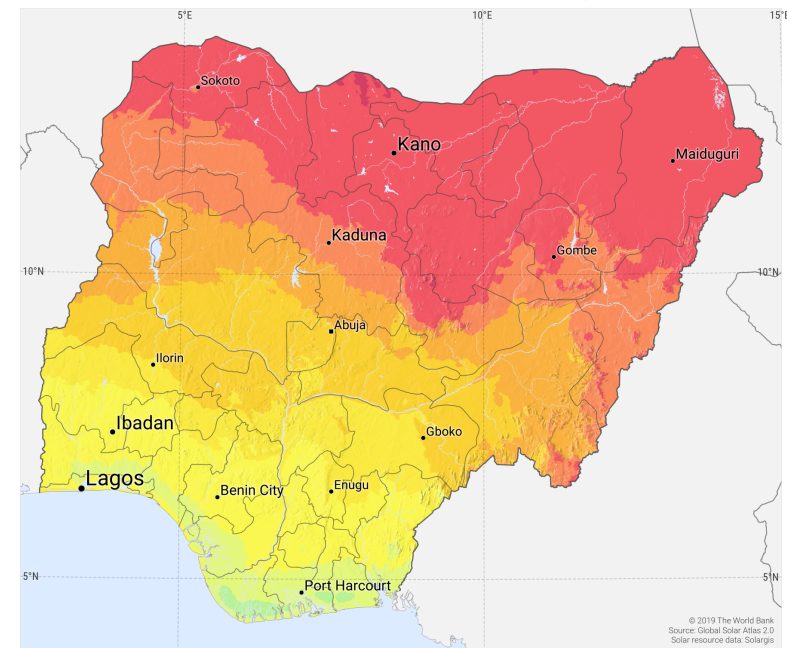
With an average **6.25 hours of sunshine daily** across the country, alongside **hydropower, biomass and wind potential**, Nigeria is ideally-placed to capitalize on technological improvements in the Renewable Energy sector and fulfil its energy needs through reliable, sustainable and profitable solutions

In this report we have identified and examined 3 sample investment opportunities for investors:

- 1 **Mini grids** - a potential **US \$3Bn** annual revenue market
- 2 **Solar Home Systems (SHS)** - a potential **US \$3.3Bn** market
- 3 **Captive Power** - an estimated **US \$8 – 15Bn** CAPEX opportunity

SOLAR RESOURCE MAP

PHOTOVOLTAIC POWER POTENTIAL NIGERIA



Long term average of PVOUT, period 1994-2018
Daily totals: 3.2 3.6 4.0 4.4 4.8 kWh/kWp
Yearly totals: 1168 1314 1461 1607 1753

This map is published by the World Bank Group, funded by ESMAP, and prepared by Solargis. For more information and terms of use, please visit: <http://globalsolaratlas.info>

This PVOUT map provides a summary of estimated solar photovoltaic (PV) power generation potential. It represents long-term average of yearly/daily potential electricity production from a 1 kW-peak grid-connected solar photovoltaic (PV) power plant.

Nigeria Energy Overview

- 1 Nigeria Energy Overview
- 2 Nigeria Renewable Energy Opportunities
- 3 Investor Services & Glossary

Access to reliable and sustainable energy is both a significant challenge and opportunity in Nigeria



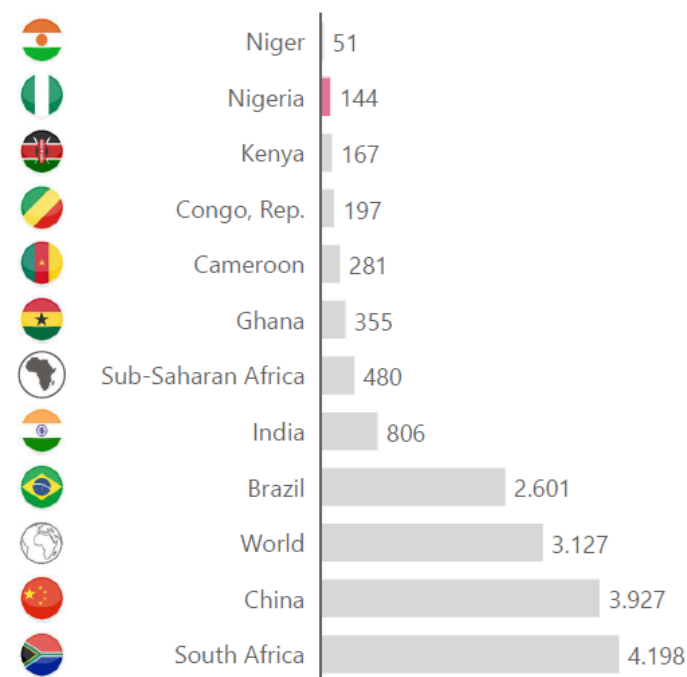
Access to reliable energy is a major issue for Nigeria

- Nigeria's **maximum available capacity on the grid is 5.4GW**, despite current consumption **needs averaging 12.9GW** per annum
- This capacity constraint, combined with erratic supply to users, results in a **per capita consumption of 144kWh**, ranking **10th lowest globally**
- An estimated **US \$29Bn in economic productivity is lost annually** due to erratic power supply and **businesses spent ~US \$14Bn in 2017 on supplemental energy supply** according to the Nigerian Rural Electrification Agency (REA)
- A significant portion of the economy is powered by **small-scale generators** with **74% of energy in Nigeria being self generated by generators** in 2019

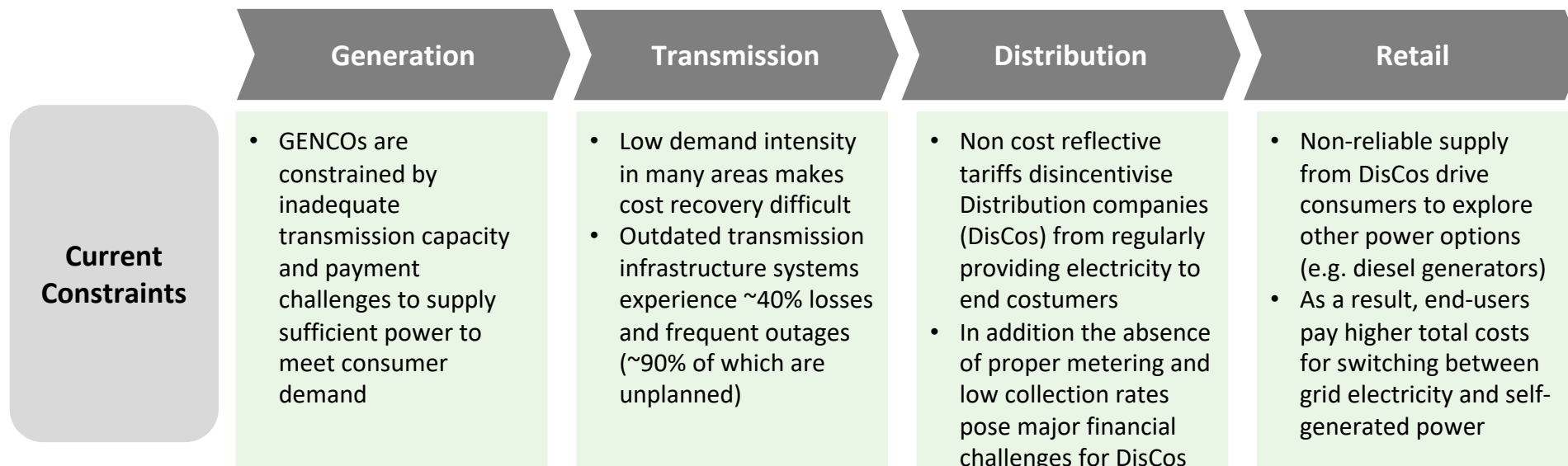
Renewables are ideally-placed to address Nigeria's energy needs

- Backed by a supportive government and increasing capital from investors and donors, **renewable energy is fast emerging as one of Nigeria's most exciting new sectors**
- With an **average 6.25 hours of sunshine daily** across the country, alongside **hydropower, biomass and wind potential**, Nigeria is ideally-placed to capitalize on technological improvements in the sector and accessibility to renewable energy sources

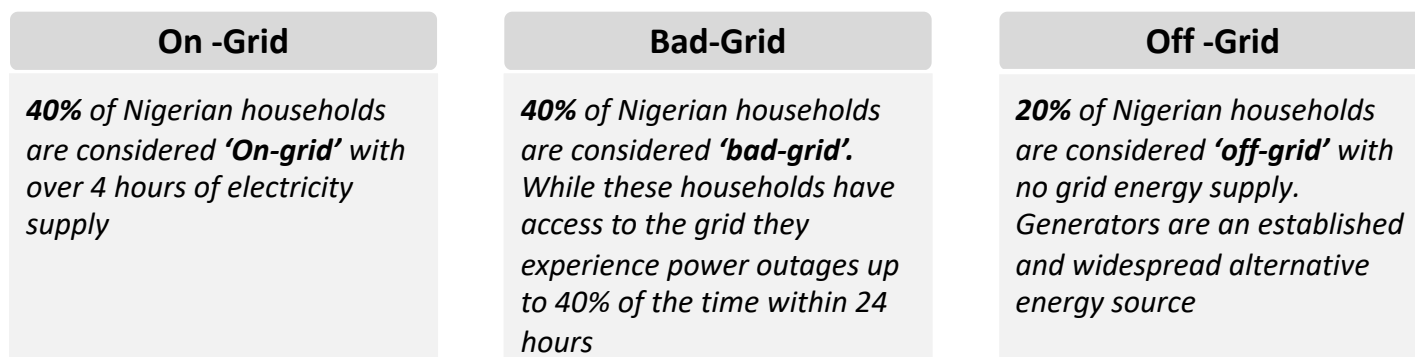
Electricity consumption per capita in selected countries
kWh per capita, 2016



With over 80% of the population experiencing inadequate energy supply, there are opportunities across the energy value chain to address this unmet, and growing need



As a result of challenges across the value chain, customers can be considered across 3 categories



The Rural Electrification Agency (REA) is the implementation agency of the Nigerian Government, tasked with the electrification of rural and underserved communities

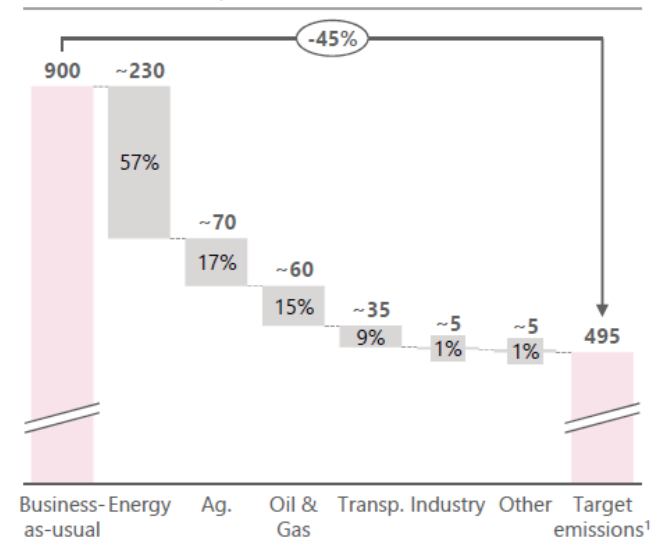


The REA has a set of stated Renewable Energy objectives and a supportive public and private sector investor structure

- REA have developed an **Off-Grid Electrification Strategy** to provide access to clean and sustainable electricity for millions of Nigerians with the the following objectives;
 - Support Nigeria's climate change obligations under the Paris Agreement, with respect to promoting renewable and reducing carbon emissions
 - Develop 10,000 mini grids by 2023 which will provide power to 14% of the population
 - Deploy 5 million solar standalone systems for residential and SMEs by 2023
 - Promote the use of decentralized energy solutions
- NEP is **private sector driven initiative**, being implemented by the **REA** in collaboration with the **World Bank** - NEP aims to provide clean, reliable power supply for **250,000 (MSMEs) and 1 million households across 4 states**, as well as developing a data driven off-grid model for Nigeria that will become an exemplar for Sub-Saharan Africa
- The **Rural Electrification Fund (REF)** has been established to promote expansion of the grid and the development of off-grid electrification. REF is intended to support investors and stimulate innovative approaches to rural electrification.

Nigeria has committed to cutting its GHG emissions by 45% by 2030, primarily from the energy sector

Projected emissions in Nigeria in 2030 and proposed sources of reductions, by sector
Million of tons of carbon dioxide equivalent, % of reduced emissions, 2030



Nigeria has subsequently seen increased DFI and private sector investment in recent years



DFI & Public Sector investment demonstrates Nigeria's commitment to Renewable Energy

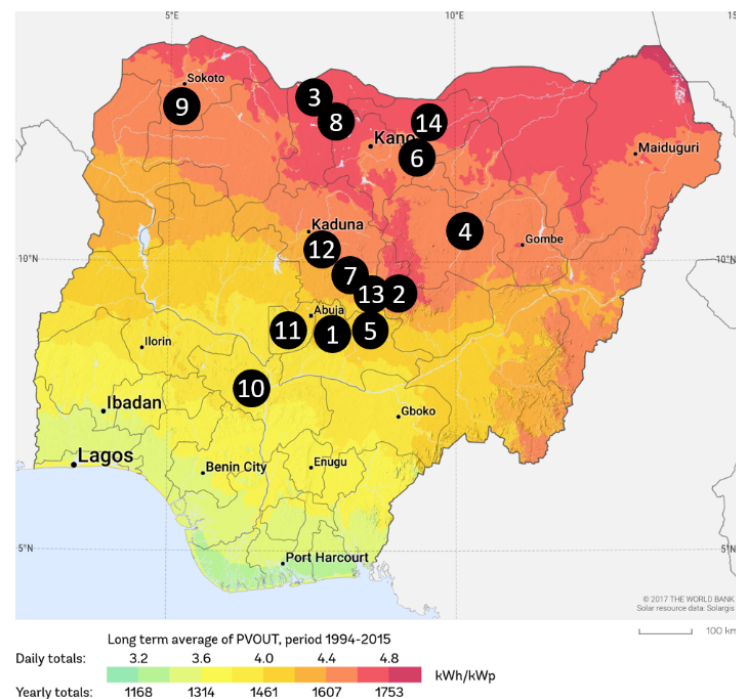
- **Solar Nigeria, a £66m UK government initiative**, was launched in 2014 to build the market for distributed solar energy in Nigeria. The programme works directly with companies that manufacture, install, and finance solar energy systems in Nigeria
- A collaboration between the World Bank, AfDB and the Africa Growing Together Fund led to **US \$550 Mn in funding for the NEP**
- In collaboration with the Chinese government, **over US \$5.8 Bn has been invested in adding 3 GW (~25% to current grid capacity) of large hydro supply to the grid**, with work to be completed by 2030

This is supplemented by a variety of external investors, including foreign private investors

- **AfDB is supporting the Nigeria Energy Access Fund (NEAF), a private equity fund backed by Shell**, to invest in Renewable Energy opportunities in Nigeria
- **Pembani Remgro Infrastructure Fund and Israel Capital Ventures** are part of a consortium which made a US \$40 Mn equity investment into Nigeria-based SHS company, Lumos
- **Clean energy funds such as bettervest, and the responsAbility Energy Access Fund, have a geographical focus including Nigeria** and typically make equity or debt investments of up to US \$3 Mn

In 2016, Nigeria signed power purchase agreements (PPAs) worth US \$2.5 Bn with 14 independent power producers (IPPs) to build a total 1,125 megawatts of installed solar capacity for the national grid

FIGURE 1: PV Power Potential in Nigeria with Corresponding Planned PV Projects

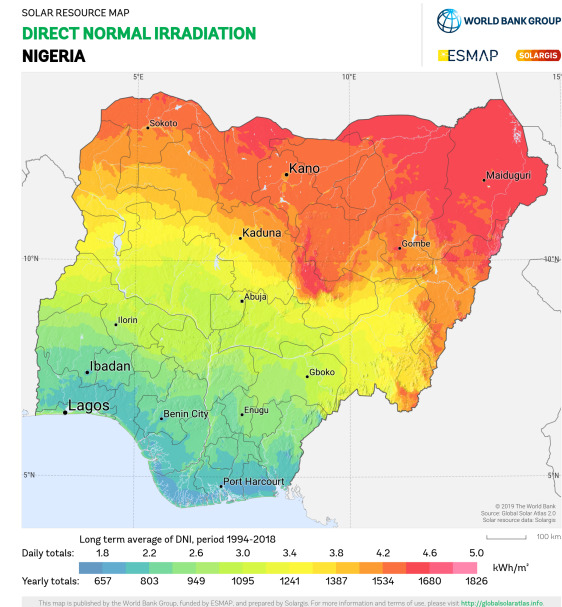


Given Nigeria's natural resources, multiple renewable technologies offer investment opportunities (1 of 2)



Solar Power

- Nigeria has **enormous solar energy potential**, with fairly distributed solar radiation averaging $19.8 \text{ MJm}^2/\text{day}$ and **average sunshine hours of 6.25h/day**
- The **assumed potential** for concentrated solar power and photovoltaic generation is around **427GW**
- According to estimates, the **designation of the 5% most suitable land in central and northern Nigeria** for solar thermal would provide a theoretical generation capacity of **42.7GW** - over 4 times the current Nigerian grid capacity



Biomass Power

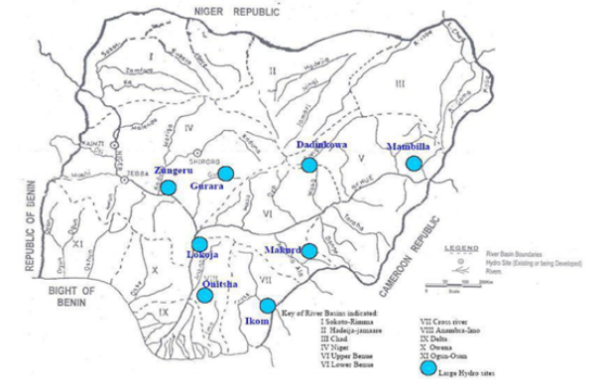
- The biomass resources of Nigeria are mainly **crops, forage grasses, shrubs, animal wastes and waste arising from forestry, agriculture and municipal and industrial activities**
- According to estimates, the **daily production of animal waste in Nigeria** is about 227,500 tons, which could produce **~30% of electricity consumed by the grid in 2018**. And crops such as sweet sorghum, maize, and sugarcane are the most promising opportunities for biofuel production
- Though the technology itself is not yet widely established in the country, there are **number of successful cases of agri-businesses producing energy for own use** with biomass feedstock as well as **pilot biomass mini-grids** powering communities such as Wuna community in Abuja funded by USADF

Given Nigeria's natural resources, multiple renewable technologies offer investment opportunities (2 of 2)



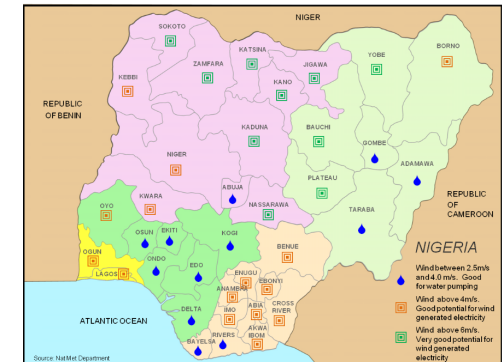
Hydro Power

- Hydropower has been a substantial contributor to Nigeria's grid for a number of decades, accounting for ~20% of total grid supply today
- While large scale hydro power is well established, there is significant untapped potential in small hydropower across Nigeria
- A multitude of river systems, providing a total of 70 micro dams, 126 mini dam and 86 small sites, supply a technically exploitable capacity of 3.5GW, but only 1.7% (0.06GW) of these resources is currently being tapped



Wind Power

- Wind energy potential in Nigeria is modest compared with other technologies, with annual average speeds of about 2.0 m/s at the coastal region and 4.0 m/s at heights of 30m in the far northern region of the country¹
- Wind speed of up to 5m/s were recorded in the most suitable locations, which reveals only a moderate, localized potential for wind energy. As a result, wind energy has not been considered for detailed assessment in this document



There are 3 primary investment opportunities identified for the Nigerian market



Technologies



Solar – The use of Solar thermal energy or Photovoltaic cells presents the greatest number of potential applications in Nigeria



Hydropower – A number of potential large and smaller scale applications in Nigeria



Biomass – Primary opportunities are within existing agri-businesses and fuel alternatives



Wind Power – Limited number of potential applications

Opportunities

1

Mini grids

Provide electricity to a network of households and SMEs, independent to distribution networks. Removes a number of upstream dependencies for power supply compared to on-grid alternatives

Technologies



2

Solar Home Systems (SHS)

Deliver electricity to bad and off-grid customers at an affordable price, with a lower total cost than fossil fuel based alternatives over a 10 year period

Technologies



3

Captive Power

Provide on-site electricity to commercial entity/agri-business, defined by NERC regulations as being systems > 0.001GW and cannot sell power to the grid

Technologies



Note: There are additional opportunities to provide value add services across the energy value chain, most notably in smart metering for DisCos. This is an emerging market with limited data points currently but significant potential.

Nigeria Renewable Energy Investment Opportunities

- 1 Nigeria Energy Overview
- 2 Nigeria Renewable Energy Opportunities
- 3 Investor Services & Glossary

1

Mini-grids present a nascent but growing opportunity to address the needs of both bad-grid and off-grid customer segments

Mini-grids are an attractive proposition to meet both domestic and commercial needs beyond what SHS and grid solutions can achieve

- An estimated 13.6 million people (**13% of the non-electrified population**) are best served by mini-grid solutions due to a combination of their distance to grid infrastructure and relatively high housing density (over 50 households per km²) according to a 2018 SEforAll and AfDB market assessment report
- This mini-grid market represents a **potential US \$3Bn annual revenue for investors**, according to the REA

Mini-grids can be considered across two categories based on the different customer groups addressed



Off-grid mini-grids – Mini-grids powering households and SMEs which are not connected to the national grid



Interconnected – Mini-grids that are connected to the national grid, as well as off-grid users, providing the opportunity to generate revenue by selling energy back to the grid

Mini-grid market and industry insights

- The NEP under REA has identified **10,000 sites suitable for mini grid development**
- The mini-grid market is **mainly serviced by Nigerian start ups** who **import core infrastructure** from China and are increasingly gaining credibility in their **ability to replicate their networks nationally**
- There are significant **opportunities for investors to inject capital into these start ups to accelerate their expansion**, either through **partnership or acquisition**
- A number of successful mini-grid installations have combined providing power supply alongside **building economic activity in the ecosystem** e.g. **interest free loans to SMEs** within the mini-grid to **stimulate transactions and drive further electricity demand**

1 Mini-grids present a nascent but growing opportunity to address the needs of both bad-grid and off-grid customer segments

The mini-grid sector is growing rapidly with increased regulatory support and capital investment

- The Nigerian Electricity Regulatory Commission (NERC) **established mini-grid regulation in 2016** covering all aspects of mini-grid licencing, installation and operational standards, as well as associated tariffs. This regulation additionally outlines asset transfer and compensation frameworks for future scenarios where mini-grids may interconnect or join the grid
- Arnergy, a leading provider of solar solutions to SME's in Nigeria received **3 rounds of contingent grants under the DFID Solar Nigeria programme**, and subsequently raised **US \$9 Mn** in Series A funding in Q1 2019 from international investors to fuel their expansion and power **35,000 businesses**
- Nigeria received a **World Bank loan of ~US \$ 550 Mn** for the development of mini-grids, this allow mini-grid developers to claim US \$350 for each user connected to their network

Market entry considerations

- The imported mini-grid infrastructure is subject to a 10% combined import duty and VAT under current government policy. Investors are encouraged to review applicable policies through the Climatescope website - <http://global-climatescope.org/policies?country=NG>
- With mini grids being an emerging power delivery mechanism in Nigeria there is a shortage of technical skills and expertise today to maintain the systems which must be considered with any potential investment
- Extensive community engagement is a key success factor. This is essential to illustrate the benefits of the technology, and to ensure continued operation and maintenance
- While initial demand assessments have been undertaken by REA to guide investors to the highest potential markets, any potential investment will require further detailed demand modelling and site evaluations

Current
actors



Case study 1: Green Village Electricity are leveraging low-cost financing and prioritizing community engagement to provide solar mini-grids at scale



Green Village Electricity

Business Overview

- Green Village Electricity (GVE) is Nigeria's largest solar mini-grid solutions provider
- GVE was founded in 2012 by three Nigerian undergraduates at the Federal University of Technology Owerri
- GVE provide decentralized solar energy solutions to community-level and commercial users and are active in 12 locations across South, East, West and Central Nigeria

Investment timeline

2013: GVE's pilot project, a 6kW solar mini-grid in Egbeke Rivers State, launched with investment from GE and USADF

2015: Received a US \$676,000 equity and debt investment from the Bank of Industry of Nigeria. This was matched by IEEE Smart Villages with a US \$66,000 seed grant

2019: Signed an agreement with the DISCO, Abuja Electricity Distribution Company to electrify Wuse Market in Abuja, the first collaboration of its kind in Nigeria

Social Impact

- GVE has a total installed capacity of 0.5MW powering 5,200 households in 9 rural communities across six states
- Customer testimonies show that access to energy provided by GVE has reduced energy expenditure, increased the revenues of SMEs, and allows children to study after dark

GVE: Business Model Breakdown

PRODUCTS AND PRICING	• Residential consumers are required to pay a one-time connection fee of US \$20 • Subsequent payments are based on per kWh tariffs and depend on consumer type
SALES SUPPORT	• GVE sells power to communities through a network of vendors who purchase electricity in bulk and resell to consumers
MARKETING	• Projects begin with community engagement, ensuring full buy-in from all stakeholders • Discounted tariffs for SMEs offer an additional incentive for customers
PROJECT MANAGEMENT	• Mini-grids are currently installed in approximately 4-6 weeks • Partnerships with equipment manufacturers allow GVE to source low-cost materials
AFTER-SALES SUPPORT	• GVE hires maintenance officers locally, ensuring continued community involvement

Key insights from case study

- **Early-stage grant funding was essential for initial profitability**, particularly, low-cost, long-term donor funding
- **Extensive community engagement is a key success factor**. This helps achieve local buy-in and ensure continued maintenance

2 Solar Home Systems (SHS) deliver electricity to bad and off-grid customers at a lower total cost than fossil fuel based alternatives over a 10 year period

SHS is an effective and affordable power delivery system for difficult to serve customers

- An estimated 6.2 million people (**6% of the non-electrified population**) are best served by SHS solutions due to their distance from grid infrastructure and low housing density according to the SEforALL and AfDB market assessment in 2018
- SHS are a **potential US \$ 3.3Bn market for investors** according to the REA. SHS can **offset over US \$2.1Bn in annual costs for households** who currently primarily rely on generators for their power supply and spend more than US \$6/month on kerosene or battery powered torches for lighting

SHS can be considered across two categories based on the different customer groups addressed



Small/Entry level – Providing basic power requirements to households e.g. lighting



Large SHS – Providing larger power outputs for domestic use e.g., TVs, fans, kitchen appliances for an increasing middle class market

The lifetime costs of SHS are significantly lower than alternatives such as generators but market awareness is low

- **SHS systems have a 15% lower lifetime cost, but the payback time today is 8-9 years.** However, reducing the initial unit costs by 40% to US \$1,500 would significantly reduce the payback time to **4-5 years**
- Key hardware components (solar panels, batteries, etc.) are **expected to reduce in cost by 25-30% from 2017 prices by 2022** according to the AllOn Nigeria Energy Needs Assessment
- Despite estimated costs savings of 76% compared to kerosene lamps, **market awareness of solar lamps is low**, with solar only accounting for 0.3% of the lighting market today. However, awareness of the benefits of solar lanterns is increasing, a recent Lighting Global campaign reached 50m people across 21 states

2 Solar Home Systems (SHS) are an established and growing market with a number of lessons learned by first-movers

SHS are an established and growing market, which is attracting international investment

- **PAS Solar** received a UK grant, and later a UK REPP \$10m syndicated loan, and have **installed more than ~4,000 SHS** for households and micro-enterprises, mostly across Northern Nigeria. PAS Solar have received further international financing **to expand to 35,000 more SHS installations**
- Azuri and BBOX both received **US \$20-40Mn** investment in the last year to fuel Nigerian expansion
- The REA are using outcome-based funding to incentivize SHS expansion. The **Output Based Fund (OBF)** provides grants in the range of **20% of the retail cost per verified SHS installation**

Market entry considerations

- Successful SHS companies have provided affordable and accessible PAYG financing to customers to lower the upfront capital investment required to access SHS. This financing is primarily managed through the customers mobile device and requires collaboration with a local Mobile Network Operator (MNO) to ensure payments can be easily collected
- As with mini-grids, SHS infrastructure is primarily imported, requiring import duties to be paid, adding 10% to the landed cost of solar panels and 20% to the landed cost of batteries. This import duty is higher than mini-grids for example due the additional battery needs of SHS and the higher import duty associated with batteries. Investors are encouraged to review applicable policies through the Climatescope website - <http://global-climatescope.org/policies?country=NG>
- Challenges around the technical expertise for installation and maintenance of SHS will need to be considered in any potential business case. Improper installation and maintenance reduces effectiveness of SHS products, requiring larger and more expensive units than otherwise necessary.

Current
actors

fenix intl

LUMOS

mobisol

Azuri

BBOX

COOLU

Case study 2: Lumos is using mobile money channels for pay-as-you-go solar home system sales in Nigeria, in partnership with MTN



Lumos

Business Overview

- Lumos is a Dutch SHS company founded in 2012
- The Lumos system includes two LED lights and mobile charging ports, with the capacity to power additional appliances
- Lumos operate in conjunction with MTN in Nigeria, allowing customers to pay for the SHS via mobile money

Investment timeline

December 2013: The Mobile for Development Utilities Program awarded Lumos a Seed grant to trial the development of a mobile-enabled energy service with MTN Nigeria

April 2016: Received a £150,000 grant from SolarNigeria via DfID

November 2016: Raised US \$90 Mn of investment including US \$50 Mn of debt funding from OPIC and US \$40 Mn of equity from a variety of other funds

December 2019: Awarded a share of a US \$75 Mn World Bank-funded grant by the government of Nigeria

Social Impact

- Lumos have installed over 100,000 SHS in Nigeria, this equates to over 0.06GW of installed capacity
- Customer testimony shows that Lumos' SHS lead to a reduction in energy expenditure and higher quality of life

Lumos: Business Model Breakdown

PRODUCTS AND PRICING	• Lumos sells 80W SHS which provide high-quality lighting for a US \$75 up-front fee
SALES SUPPORT	• Sales are made through MTN Nigeria • The PAYGO service is enabled by a SIM card embedded in the SHS, allowing Lumos to remotely monitor customer behavior and remotely disable their SHS services if they are not complying with contract terms
MARKETING	• Community demonstrations are used to build trust and demonstrate product effectiveness in new markets
DISTRIBUTION	• MTN manages the transport of products to MTN owned retail stores
AFTER-SALES SUPPORT	• Customers are responsible for installation; but Lumos provide a manual and a list of trained technicians if required • MTN's call-centers provide remote customer support for free

Key insights from case study

- Partnerships with local operators are crucial to success, particularly in distribution, maintenance, and mobile payments
- The Nigerian Government is maintaining interest in subsidizing SHS with grant funding available for companies operating in this space

Captive Power is an attractive proposition in Nigeria, with the potential to meet large commercial and agri-business needs

Nigeria's manufacturing and agri-businesses can sustainably generate their own power, independent of the grid

- The manufacturing and agriculture sector accounts for ~30% of Nigerian GDP and relies heavily on generators to either **supplement power supply or act as the primary source of power supply**.
- Captive power is a significant opportunity for these businesses to remove their dependency on grid infrastructure and provide reliable and sustainable power supply. Captive Power is **defined as the generation of off-grid electricity that is entirely consumed by the generating entity itself and has an installed capacity exceeding 1 MW**
- **In the manufacturing sector alone, 86% of companies own a generator.** The demand for self-generated power in the sector is approximately 8-14 GW corresponding to an annual energy spend of between US \$7Bn - \$13Bn (representing a **potential CAPEX investment of US \$8 Bn - \$14Bn to replace existing power sources** with Solar alternatives for example)

Captive power opportunities most frequently leverage solar power or biomass power though agricultural residues or MSW



Solar - generally in the form of mini-grids which supply power to an entire site, including markets schools, and hospitals



Agricultural residue - sourced from agricultural residues including Cassava, Rice, Sorghum and Maize, and energy crops such as Sugar Cane



Municipal solid waste (MSW) - organic waste (e.g. animal or human waste) when decomposed by anaerobic microorganisms releases biogas which can be trapped and stored for either cooking or to generate electricity

Key potential clients include private agro-processors and municipalities with potential to recycle human waste

- The **processing of rice and cassava** present a particularly large opportunity; Nigeria is Africa's largest producer of rice, and the world's largest producer of cassava. The primary/secondary agri-processing steps for these produces have the highest potential as they use a significant amount of energy and inputs are often available at processing locations
- A feasibility assessment of MSW electricity production in 2017 suggested that **municipalities in Port Harcourt, Abuja, Benin and Ilorin are potentially feasible and economically viable** for waste-to-energy projects

Captive Power is an attractive proposition in Nigeria, with the potential to meet large commercial and agri-business needs



Captive Power market status

- The **Energizing Economies Initiative** supports the rapid deployment of off-grid electricity solutions to MSME's in economic clusters across Nigeria. The REA manage and facilitate relationships with state actors including conducting pre-feasibility assessments, energy audits and data analysis to identify appropriate and profitable sites for investors
- The **Energizing Education Program (EEP)**, is a rural electrification initiative, funded by the World Bank and AfDB, to power to 37 universities and seven teaching hospitals. The first phase, consisting of 9 universities and a teaching hospital, is already funded, and mini-grids at Kano University of Science and Technology and the Federal University of Petroleum Resources are in the final stages of commissioning
- There are success stories in the application of biomass for captive power. **In 2016, newly installed Biomass and Biogas plants saved Presco 1,064,000 liters of diesel and US \$861,185 at their factory in Edo State**

Market entry considerations

- As biomass plants require a high volume of inputs, and biomass is a low energy intensity fuel, it is crucial to locate any biomass plant within proximity to a plentiful supply of input sources to lower transport costs
- Government licenses are required for captive power projects, which involves conducting an environmental impact assessment, for which the cost and time commitments can be high. However the Tanzanian Mini-grid Information Portal provides an example of best practice for streamlining this process
- Any successful Captive Power investment requires identifying and establishing effective partnership, supply and logistical support structures. Investors should be aware of the need to engage with local actors to build sustainable working models in this space

Current
actors



PRESKO PLC

Case study 3: Presco operates a milling plant and refinery in Edo State, using wasted biomass from industrial processes as an energy source



Presco Plc

Business Overview

- Presco operates a refinery in Edo State. In the Presco refinery, biomass is recycled and used to produce the electricity for the factory
- Additional Biogas facility developed as a heat source for the plant
- This electricity is also distributed to the staff housing estate

Project timeline

2014: Initial investment. A 600 kVA biomass powered steam turbine is installed

2018: Follow up expansion. The Steam turbine is upgraded and additional capacity added, bringing the total to 4MW

Social and/or Environmental Impact

- In 2016, the Biomass and Biogas generation plants saved Presco 1,064,000 liters of diesel and US\$ 861,185

Presco: Project Breakdown

BIOMASS WASTE HARVESTING

- Biomass by-products from industrial processes within the factory serve as the feedstock for energy generation
- The primary success factor for this facility is the on-site availability of input fuels for the biomass power plant

ENERGY GENERATION

- Presco could potentially generate an average 8MW of electricity from both biomass and biogas which can be harvested from its industrial processes
- The biomass plant powers both the factory and the staff quarters
- The biogas facility also provides energy for heating (e.g. water heating) for industrial processes

Key insights from case study

- **Biomass requires a high volume of inputs**, removing or reducing transport needs through local sourcing or utilizing waste from production processes significantly lowers biomass production costs and increases the viability of a biomass plant
- **Biogas can also be utilized as a heat source**, potentially offering further energy-saving opportunities

Investor Services & Glossary

- 1 Nigeria Energy Overview
- 2 Nigeria Renewable Energy Opportunities
- 3 Investor Services & Glossary

Services to UK Investors

The UK government provides multiple strands of support for UK companies looking to invest in these countries and the broader Africa region.

This includes, but is not limited to:-

- Advice & guidance on market entry, including introductions to country government officials, advice on consultants, any joint venture partners, information on legislative and political risk issues, including managing corruption.
- Financing (debt & equity) including long term patient capital from UK's Development Finance entity – CDC and other development finance institutions
- Overseas Investment Insurance
- Training & linkage development with local input suppliers
- A new UKAid programme, FDI Africa, that will offer transaction facilitation services in due course including for Nigerian investments.

For further information on the full suite of UK support available to your firm please contact:
Department for International Development GrowthGateway@dfid.gov.uk

The DIT Africa Trade Services Unit (TSU) - DIT.Africa@fco.gov.uk

Specific UK officials in Nigeria:

DIT: Lami Adekola lami.adekola@fco.gov.uk

DFID: Manufacturing/agriprocessing Grace Cramer G-Cramer@dfid.gov.uk

Agriculture: Bola Karimu b-karimu@dfid.gov.uk or Gail Warrander g-Warrander@dfid.gov.uk

Energy and Infrastructure: Rob MacIver R-MacIver@dfid.gov.uk

General: Gail Warrander g-warrander@dfid.gov.uk

Innovation and Tech: Leanne Jones leanne-jones@dfid.gov.uk



Contacting NIPC

Nigerian Investment Promotion Commission (NIPC)

Hours: 0900 - 1700

+234 (09) 290 0059

+234 (09) 290 0061

Email:

infodesk@nipc.gov.ng;

osicinfodesk@nipc.gov.ng

Website:

www.nipc.gov.ng

<https://www.theiguides.org/public-docs/guides/nigeria>

<https://www.facebook.com/nipcng>

<https://twitter.com/nipcng>

https://www.instagram.com/nipc_ng/



**NIGERIAN
INVESTMENT
PROMOTION
COMMISSION**

Glossary of Terms Used



Actors

DisCO	An electricity distribution company.
Federal Government of Nigeria Ministry of Power (FGN)	The policy making arm of the Federal Government responsible for the provision of power in Nigeria.
GENCO	An electricity generation company.
Rural Electrification Agency (REA)	The implementing agency of the Federal Government of Nigeria tasked with electrification of rural and unserved communities
Nigerian Electricity Regulatory Commission (NERC)	An independent body, which has the mandate to license operators, determine operating codes and standards, establish customer rights and obligations, and set cost reflective tariffs

Funds, Programs, and Initiatives

Energizing Economies Initiative (EEI)	An REA initiative to supply power to four large markets. As part of this, the REA manage and facilitate relationships with state actors.
Energizing Education Program (EEP)	A rural electrification initiative to power to 37 universities and seven teaching hospitals.
Nigerian Energy Access Fund (NEAF)	A private equity fund developed by AllOn. NEAF will make strategic investments in sustainable energy in Nigeria, particularly in the off-grid and mini-grid sectors.
Nigerian Electrification Project (NEP)	A private sector driven FGN initiative in collaboration with the World Bank which aims to provide power to 250,000 SMEs and 1Mn Households. Key components include grants and subsidies for Solar Mini-grids, SHS, and Captive power for education.
Rural Electrification Fund (REF)	A fund administered by the REA to promote expansion of the grid and off-grid electrification. Funded by government surplus, fines obtained by NERC, and gifts and donations from 3 rd parties.

Acknowledgments & Disclaimer



This material and the analysis contained herein (the Report) was prepared by Dalberg Advisors in collaboration with Coffey International Development (Coffey) for the Department for International Development (DFID) on behalf of the Nigerian Investment Promotion Commission (NIPC) (together the “Parties”)

The analysis and opinions contained in the report are based on information provided by Industry professionals and from other primary and secondary sources. The Parties have not audited or verified this information and make no representation or warranty, express or implied that such information is entirely accurate or complete. No legal, environmental, financial operational or physical due diligence has been conducted concerning the subject companies. Forward looking statements and estimates contained herein are based on information described above and the Parties own judgement. These pieces of information should not be construed as definitive predictions or forecasts. This report does not propose to address all risks and challenges

The parties do not have any duty to update or supplement any information in the Report. No responsibility or liability whatsoever is accepted by any person including DFIC, NIPC or its affiliates and their respective officers, employees or agents for any errors or omissions in this report save insofar as may be expressly agreed in writing.

This report does not constitute i) an offer or solicitation to purchase or sell any securities or assets or ii) a recommendation to purchase or sell any securities or assets. It is not financial advice. Each potential participant in the financing of any transaction concerning the subject company should make their own independent assessment of the investment

Due to US regulations, the information in this brochure is not aimed at, nor being made available to US companies or in the USA.



NIGERIAN
INVESTMENT
PROMOTION
COMMISSION

Dalberg