

POWER_{FOR}ALL



Power for All: Nigeria Call to Action

March 2017

I. Introduction

Power for All's Calls to Action – taking place in Nigeria, Zimbabwe, Sierra Leone and at a global level over the course of March and April 2017 - represent an important milestone in the acceleration of distributed renewable energy (DRE) market growth.

The Calls to Action showcase the first ever recommendations from newly-established Renewable Energy Industry Associations, and a range of commitments from stakeholders, including the Governments of each country, to take action in support of DRE market growth in 2017. They show that the DRE community—made up of companies, civil society organizations, investors, aid agencies and government—is united around a shared vision for how each country can take advantage of distributed renewable energy to achieve ambitious energy access goals. They show that DRE stakeholders are ready and willing to work together to create the conditions for accelerated market growth.

Following the national Call to Actions, a global publication will be launched. Based on national experience, the latest academic research and extensive stakeholder consultations, the publication will clearly identify policies and programs correlated with accelerated DRE market growth. It will describe how industry, government, civil society and others can work together to create an enabling environment, and call upon stakeholders to take action to put in place the policies, programs and processes needed to accelerate progress towards universal energy access.

Nigeria's Call to Action has been developed through an extensive series of meetings, workshops and events with a range of DRE stakeholders, including industry, government and civil society. Power for

Nigeria has the largest potential distributed renewable energy market in Africa.

All worked with the Renewable Energy Association of Nigeria (REAN) to develop clear recommendations from the private sector, following a series of workshops focused on developing REAN's governance structure, strategy and plans. Other commitments, including commitments from the Rural Electrification Agency and Ministry of Power, were developed following a government MDA workshop in September 2017, held with policy makers involved in shaping and implementing DRE policies and several other sets of activities to raise awareness, share learning and support to stakeholders keen to support DRE market growth.

Context

Nigeria has one of the greatest energy access challenges in the world, with an unelectrified population of 75 million people (SE4ALL, 2015). Decades of policy focused on grid expansion have not only failed to deliver improvements in energy access; they have failed to keep up with population growth. The unelectrified population has grown from 44 million in 1990 to 75 million in 2015—an increase of 70%. The cost of the energy access deficit is huge, and is borne by households, businesses and the government. For instance, in the 2017 budget the Federal Government of Nigeria, its agencies, ministries and institutions are expected to spend N8.4bn on the maintenance, fueling and purchase of new

generators for the 2017 fiscal year alone. Around 60 million Nigerians use diesel generators, with households spending as much as N6,660 on kerosene monthly according to the General Household Panel Survey by the National Bureau of Statistics and the World Bank.

The energy access challenge is also a tremendous opportunity. With kerosene and diesel use so widespread, Nigeria has the largest potential DRE market in Africa—with the opportunity to save money, create jobs and drive economic growth. Nigeria is of great interest to the world's leading DRE companies, many of whom are already active in the market. An estimated 300,000 households currently use solar lights or home systems (GOGLA / Lighting Africa Market Trends Report 2016). 2015 and 2016 have seen growth in deployment of larger home systems, especially with the roll-out of the Lumos/MTN Yellowbox system. USAID is supporting 13 mini-grid projects around the countries, while some states have developed promising mini-grid focused strategies for rural electrification, and a new mini-grid policy framework by the Nigerian regulator is nearing completion which could attract significant additional private investment in the sector.

Key barriers to market growth include access to finance and foreign exchange, low public awareness, VAT & Tariff inconsistency, lack of market data, influx of substandard products and components, and a lack of technical capacity. Despite these challenges, exacerbated by Nigeria's recent recession, the DRE market remains robust and poised for accelerated growth in future. The prospects for attracting investment into the sector, to deliver on energy access for millions of people living in energy poverty, remain hugely positive.

I. Introduction

Relevant Policies, Strategies & Plans

The Nigerian government has approved several policies targeted at boosting distributed renewable energy:

DRAFT MINI-GRID POLICY.

- » Guides private and public sector engagement in providing electricity access to unserved and under-served areas through mini-grids.

SUSTAINABLE ENERGY FOR ALL ACTION AGENDA (2016).

- » Targets renewable energy generation capacity of 13,800MW by 2030.

NIGERIAN RENEWABLE ENERGY ACTION PLAN (2016).

- » Provides a set of measures and plans for the attainment of the country's 2020 and 2030 renewable energy targets.

RURAL ELECTRIFICATION STRATEGY AND IMPLEMENTATION PLAN (2016).

- » Outlines a mix of on-grid and off-grid approaches to be used for rural electrification.

THE NIGERIAN POWER SECTOR INVESTMENT OPPORTUNITIES AND GUIDELINES (2016).

- » Highlights the country's conventional and renewable energy resources and the desired energy mix.

NIGERIAN ENERGY EFFICIENCY ACTION PLANS (2015 – 2030).

- » Targets the use of efficient lighting by almost 100% of Nigerian households by 2030.

NIGERIAN RENEWABLE ENERGY AND ENERGY EFFICIENCY POLICY (2015).

- » Provides a framework for the

The prospects for attracting investment in Nigeria's DRE sector remain hugely positive.

attainment of the country's renewable energy, energy efficiency and climate objectives.

A key initiative is the Presidential Initiative on Rural Solar Home Lighting Systems, a PayGO Solar Home System project recently launched to provide affordable, clean energy to 20,000 rural households currently without electricity. The Federal Ministry of Power approves the policies and programmes of the government and the Rural Electrification Agency implements the Rural Electrification Strategy and Implementation Plan, whilst the Nigerian Electricity Regulatory Commission is developing the draft mini-grid regulation.

Key Stakeholders / Programs in the DRE space

Key stakeholders in the Nigerian DRE sector - apart from the government Ministries, Departments and Agencies highlighted previously - include donor organizations, private sector, and civil societies organizations, such as:

SOLAR NIGERIA

Provides grants and technical assistance to household solar companies.

GIZ – NIGERIAN ENERGY SUPPORT PROGRAM

- » Provides support to mini-grid

developers, helps attract investment, and advises on mini-grid policy & regulatory reform.

USAID/WINROCK

- » Provides technical assistance to banks and project developers, and promotes policy changes that improve business conditions.

HEINRICH BOELL FOUNDATION

- » Supports low-carbon and clean energy initiatives in the country.

RENEWABLE ENERGY ASSOCIATION OF NIGERIA

- » Represents the country's renewable energy private sector.

SHEHU MUSA YAR'ADUA FOUNDATION

- » Undertakes advocacy around climate change, promoting sustainable development and resource management.

About Power for All

Power for All is a global campaign to promote distributed renewable energy as the fastest, most cost-effective and sustainable way to achieve universal energy access.

Power for All:

- » Unifies the voice of the “beyond the grid” companies and organizations to advocate for specific financial and policy enablers.
- » Mobilizes the broader sector—manufacturers, distributors and consumers—to de-position fossil-fuel-centric “business as usual” approaches to addressing energy access.
- » Proactively positions distributed renewable energy as premium-quality, climate-resilient products and services that enable a wide-range of productive uses for the global community.

II. REAN Recommendations

Promote Access to Finance

Access to finance is a huge challenge for the DRE sector in Nigeria—companies need funding to build their businesses and to provide consumer financing to customers. Financial institutions are unwilling to lend due to a lack of understanding of the sector’s needs; an inability to adequately assess risk, and a perception that the sector is high risk. Few banks have dedicated Renewable Energy desk officers, or financial products that align with the needs of the DRE market.

Aid agencies, development finance institutions and state-owned finance institutions need to de-risk the sector, to attract investment and help investors gain the skills and experiences they need to accurately assess risk in future. They could do this through, for example, providing loan guarantees or first-loss facilities that enable investors to provide new forms of more affordable, patient capital. The Central Bank and the Ministry of Finance also need to engage with DRE companies to understand their needs and take them into account when drafting policies that affect the sector.

To improve access to finance, REAN specifically recommends that:

- » The Central Bank of Nigeria extends preferential access to Foreign Exchange to DRE companies.
- » The Central Bank of Nigeria should support the Bank of Industry to increase the allocation of the MSME funds specifically for DRE.
- » Aid agencies, development finance institutions and the Central Bank of Nigeria should provide more credit guarantees/de-risking mechanisms for the sector.
- » Investors should build dedicated

capacity and skills to assess risks in the DRE sector, and work closely with REAN to learn more about the sector and work together to develop innovative financing solutions that meet the sector’s needs.

Raise Awareness

Awareness of distributed renewable energy in Nigeria is low. Potential customers are unaware of recent advances in technology, reductions in cost, availability of financing solutions or the tremendous cost-savings and other benefits to be gained from owning a quality solar light or home system. Poor quality products and installations have undermined trust and reduced demand. This makes it very hard for businesses to establish a presence in rural areas, as significant resources need to be invested in marketing to secure sales.

Without endorsing any particular product or company, government, aid agencies and civil society organizations such as faith-based groups, should actively promote quality distributed renewable energy solutions—ensuring that people are aware of the benefits and able to make informed choices.

They could do this through a combination of above-the-line and below-the-line approaches. ‘Above-the-line’ media campaigns might include radio, TV, print and social media campaigns. ‘Below-the-line’ campaigns will focus on encouraging people to spread the word about distributed renewables, and have proven to be particularly effective in East Africa. These campaigns work through trusted opinion leaders, such as chiefs, head teachers or faith leaders, and enable people to see DRE in action for themselves. They can include

REAN calls for VAT and import taxes to be made more predictable.

DRE ‘marketplaces’ where companies can showcase their products in front of potential distribution partners such as micro-finance organizations or agricultural cooperatives.

Consistently apply VAT & Tariffs

Harmonized System (HS) codes are used to determine the rate of VAT and tariffs imposed on imports. In the experience of DRE companies, codes are inconsistently applied, making it difficult to predict the level of tax charged. Solar panels are classified as “solar powered generators” under HS Code 85.02 (Electricity generating sets and rotary converters), attracting a low import duty of 5% and a VAT of 0%. However, taxes imposed on integrated solar home systems; components such as batteries or charge controllers, or on related DC appliances are often inconsistent. Additional taxes related to landing charges are also inconsistently applied. Disputes over how DRE products and components should be coded, and how much tax they should pay, cause significant delays and costs for business.

In the short term, REAN calls for DRE products and components to be more consistently coded, so that the level of VAT and import tax can be made more predictable. In the longer term, Nigeria should consider joining many other African countries in

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providing zero percent duty and VAT on a full range of DRE products and components such as batteries, charge controllers and inverters. Lower tariffs for components would promote in-country assembly, thereby boosting job creation. Port and customs authorities also need capacity building to be able to recognize and code DRE equipment and components. The Nigerian Investment Promotion Commission could support this initiative through the establishment of a dedicated DRE desk.

REAN specifically recommends that:

- » The port and customs authorities apply HS codes consistently.
- » Central government and aid agencies support capacity building at the port and customs authorities to consistently apply HS codes for DRE.
- » Government of Nigeria should work towards the eventual elimination of all import tariffs and VAT on DRE equipment, components and related appliances.

Strengthen the Renewable Energy Department as the Lead Government DRE Agency

Furthermore, several government Ministries, Departments and Agencies have a limited understanding of the sector's technologies, business models, challenges and opportunities. They are not fully aware of the sector's size, or its development impact. However, the government has a vital role to play in creating an enabling environment, in building public awareness, ensuring policy reforms are meaningfully implemented and creating new access to finance solutions.

Many of these initiatives require the support of government stakeholders

outside of the Ministry of Power, Works and Housing traditionally responsible for electrification policies and programs, and should include for example the Ministry of Finance. To raise government awareness of the DRE sector, and to engage the whole of government in market building efforts, a lead government DRE agency is needed.

REAN recommends that the Nigerian Ministry of Power, Works and Housing's Renewable Energy Department build experience and skills relating to private sector partnership, and develops plans to support market growth through policy reform, developing access to finance solutions, and designing public awareness campaigns to help create demand. The Renewable Energy Department should coordinate the activities of key stakeholders such as the Renewable Energy and Rural Power Access Team in the Ministry of Power, the Rural Electrification Agency, the Energy Commission of Nigeria, State Rural Electrification boards and other stakeholders. This would enable stakeholders in the sector to fully participate in—and contribute to—policy development and implementation.

Improve Market Data

Lack of market data makes it difficult for companies, investors and policymakers to make informed decisions. There is a limited understanding of market performance, future potential, challenges and opportunities, or social impact—creating a perception of risk amongst investors and limiting decision-maker willingness to support efforts intended to support market growth.

REAN calls for stakeholders to work together to find a way to regularly publish market data. This data should only be produced in

The Renewable Energy Dept. should support DRE market growth through driving policy reform

aggregate form, to prevent company confidentiality. Following an initial baseline study, market performance reports could be produced quarterly. This would help to attract investment to the sector

Public DRE sector performance reporting would allow investors to more accurately assess risk, and help to attract investment to the sector. It would help to establish a common understanding of the market's contribution to national development goals amongst policymakers, and help to build support for efforts to overcome policy barriers. Communicating the success and sustainability of DRE projects and businesses would help to challenge some of the negative perceptions about DRE in Nigeria.

Stand for Quality

Poor quality of DRE products and services is an issue that undermines trust in DRE technology and affects demand for DRE in a range of ways. For basic solar products, the widespread availability of generic or fake products is a major challenge. For larger systems, poor quality installation, or a failure to provide warranties or proper after-sales care, can lead to customers having a negative experience of DRE technology.

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REAN is prepared to take a stand for quality through developing a commitment to quality which all REAN members must sign. REAN members must commit to selling quality equipment, using quality components for their projects, providing quality service and after-sales care. We also call upon the government to introduce harmonized quality standards, which are in line with existing global standards, such as those developed by the World Bank / IFC Lighting Global program and the IEC.

Customers should also be supported to choose quality in the marketplace, by raising awareness of quality issues in public awareness campaigns, and encouraging customers to choose quality-certified products and companies.

REAN recommends development of a government supported and private sector led framework for quality and standards promotion in the renewable energy sector through partnership with institutions such as; Standards Organization of Nigeria (SON); Manufacturers Association of Nigeria (MAN); Nigerian Police Force (NPF); Nigerian Ports Authority (NPA); Nigerian Society of Engineers (NSE) and Council for Regulation of Engineering in Nigeria (COREN). REAN recognizes and supports

the work of Winrock through the Renewable Energy and Energy Efficiency Project in this area.

By improving the quality of DRE products and services in the marketplace, and by improving the business practices of DRE companies, this initiative will help to build trust and demand for DRE. Customers will be more likely to have a positive experience with DRE and more likely to recommend it to others. This will be essential in efforts to build market momentum.

Technical Assistance and Capacity Building for Businesses

Companies need technical assistance and capacity building to help them grow. This is especially the case for smaller and earlier stage companies, which need to strengthen knowledge and skills, to help to get their businesses investment-ready and attract investment. The absence of structured, easily accessed and affordable pathways for developing and improving commercial and technical skills is both a deterrent to growth and hinders the bankability of projects.

A government or aid agency supported and private sector-driven initiative for capacity

building is needed. This could make a suite of potential support offerings available to companies—from CEO mentoring & leadership training, to staff training in sales, marketing, after-sales care, logistics, and technical skills around manufacturing, assembly, installation, operations and maintenance.

REAN recommends development of a needs assessment tool to understand the talent and capacity gaps within individual companies and the sector. This could pave the way for design of a multi-year capacity building program providing a range of short and long term support packages, covering everything from staff training to CEO mentoring, with a focus on business plan development and investment-readiness. Such training could be domiciled in federal universities with industry-led monitoring and oversight.

II. Commitments

The Government's new 'Presidential Initiative on Rural Solar Home Lighting Systems', delivered in partnership with Azuri and Niger Delta Power Holding Company, launched in January 2017 and aims to provide electricity to 20,000 households.



REAN Commitment

Over the next 12 months, the members of REAN will ensure that their desired outcomes in these areas materialize.

Detailed activity planning and budgeting in each of the below focus areas is already underway, enabling REAN to fundraise to deliver activities and achieve impact in the following areas:

SME FINANCE

- » REAN will work with the CBN, BOI, DFIs and MFIs to ensure that the input and best interest of the Nigerian RE Private sector are captured in the design of various funding schemes. REAN will commit itself to undertake activities aimed at improving the inflow of funding and the access to finance for the RE sector in Nigeria.

LACK OF AWARENESS

- » REAN will work towards improving demand generation for RE products and services by increasing awareness for the sector through media campaigns that will restore consumer confidence.

VAT AND TARIFF CONSISTENCY

- » We will present the position of the Nigerian RE Private sector on the

importation process at meetings with all the stakeholders involved to bring about a harmonized approach to the importation of RE equipment and accessories.

LEAD GOVERNMENT AGENCY

- » At REAN, we are desirous of a closer working relationship with Government. To this end, we will foster the development of platforms to engage Government to amplify our advocacy efforts for the sector.

MARKET DATA

- » REAN will serve as the information hub for the RE sector in Nigeria and will provide periodic updates on the performance of the sector.

STAND FOR QUALITY:

- » REAN will work with Internationally recognized agencies and standards to develop member commitment to quality which every member of the association will sign up to. Members will be periodically assessed on their adherence to all agreed quality standards.

TECHNICAL ASSISTANCE

FOR BUSINESSES:

- » REAN will actively seek to develop the

capacity of its members for the delivery quality projects and investment readiness. REAN will periodically assess the capacity development needs of its members and design activities to close such gaps.

Ministry of Power Commitment

In 2016, the Nigerian government approved the Nigeria's Sustainable Energy for All (SE4ALL) Action Agenda with vision 30:30:30 to achieve 30GW of electricity generation by 2030 with 30% renewable energy or 13,800MW specifically.

In the same year also, "The Nigerian Power Sector Investment Opportunity and Guidelines" was released highlighting the conventional and renewable energy resources in the country and the desired energy mix.

The Federal Government of Nigeria (FGN) is taking concrete steps to achieve the targets including approving and adopting complementary enabling policies such as the:

- » National Renewable Energy and Energy Efficiency Policy(NREEP),
- » National Renewable Energy Action Plan(REAP),(Adopted by the inter-ministerial committee on Renewable

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- » Energy and Energy Efficiency ICREEE), Rural Electrification Strategy and Implementation Plan (RESIP)
- » FGN's 2016 and 2017 budgets concentrate resources on completion of on-going off-grid and mini-grid demonstration projects such as, 50kW Pakau Village, in Kaduna State.
- » FGN has resumed works on major base-load hydro projects at Kashimbilla 40MW with completion target in 2018, Zungeru 700MW with target completion in 2019, and actively preparing, contracting and financing for the Mambilla 3,050MW with target completion in 2024.
- » NBET, executed solar power purchased agreement with solar 14 project developers with total 1,100MW with target completion date in 2017 and 2018.
- » FGN is committed to facilitating development of hydro electric sites in partnership with private investors starting with concession of six(6) locations with total capacity of 16.3MW

The Ministry of Power, Works and Housing is ready to support earnest investor in renewable energy who seeks to take advantage of these policies to deliver the 30% renewable; the Government has committed 13,800MW by 2030 of renewable energy.

Rural Electrification Agency Commitment

It is the desire of the Federal Government of Nigeria to expand rural access to electricity as rapidly as possible in a cost-effective manner. It is assumed that government in partnership with the private sector will be heavily involved in enhancing this access. The mandate of Rural Electrification Agency - REA as provided for in Section 88-92 of the Electricity Power Sector

REA and REAN can form a public-private partnership to accelerate DRE market growth in 2017.

Reform Act (EPSRA), 2005 is Expansion of the main grid; Development of isolated and mini-grid systems; and Renewable energy power generation and to set up and administer the Rural Electrification Fund (REF) for the purpose of promoting, supporting and providing rural electrification programs through Public and Private Sector Participation:

- » REA will continue to uphold its mandate to ensure the facilitation of entry of new market participants and continued development of local rural electrification ventures whose activities may include production, installation, operation, maintenance, and sales/distribution of equipment, systems and services related to power supply in rural communities. REA recognizes the efforts of Power for All initiative and commends them for serving as an organized focal point for such market participants in renewable energy space and will continue to support such initiatives according to our mandate.
- » REA will continue to work with Power for All in 2017 and beyond to mobilize civil society organizations and faith-based groups, to help create trust in distributed renewable energy technology, raise awareness and strengthen demand, so that companies can more easily extend their value chains into rural areas.

- » REA recognizes the newly-formed Renewable Energy Association of Nigeria (REAN) as a representative of the DRE private sector, and will open discussions around developing a joint Memorandum of Understanding with them, so that REA and REAN can form a Public-Private Partnership to accelerate DRE market growth in 2017.
- » REA recognizes the need for cheaper, cleaner and sustainable modes of electricity access and considers DRE as a quick way to ensure rural access and utilizing the platform of the Rural Electrification Micro-Consumer Credit Scheme will promote cost effective community based financing for rural and last mile communities across Nigeria.

REA is glad to support initiatives to drive rural electricity access and welcomes all market development initiatives and awareness programs in this regard and will continue, in accordance with our mandate, to ensure service delivery to rural communities across Nigeria. We are glad to partner with Power for All in this regard.

Global Rights Commitment

For the past five years, Global Rights has engaged government agencies and grassroots communities across Nigeria on the need to promote sustainable energy production advocating renewable energy sources in order to protect the rights of coal mining host communities, to protect health and livelihoods, and to combat climate change.

We have through our Power At What Cost Project actively advocated against the Nigerian government's planned energy mix which will consist of 30% coal powered

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energy to meet the nation's energy needs; and have concurrently advocated for cleaner and sustainable alternatives to coal energy—in particular, solar and wind energy. We also through this initiative pointed out the inconsistency of Nigeria's COPP 22 INDC commitment and its proposed coal energy production.

In furtherance of the objectives stated above, Global Rights in partnership with Power for All commits to:

- » Build the capacity of citizens to understand that access to power is a socio-economic right. In this regard, we will be releasing a five-part vlog series on "Power as a Right" by June, 2017.
- » Promote awareness on green energy sources for a critical mass of Nigerians, and empower them to engage the government on the provision of renewable energy sources.
- » Partner with Power for All and other organizations to engage the government on the need for decentralized and off-grid power distribution, proffering renewable energy solutions to meet the nation's energy needs.
- » Facilitate scientific evidence of the dangers of coal energy production, and continue to host platforms for energy stakeholders across Nigeria to debate the true cost of coal as an energy source.
- » Remind the government at every opportunity of its obligations to COPP 22, demonstrating that Nigeria cannot consider coal to power for energy production and meets her COPP 22 obligations.
- » Continue to engage the Nigeria media on climate change, the demerits of coal mining and green energy sources.
- » Collaborate with other stakeholders, in

Global Rights will partner with Power for All to engage government on the need for DRE.

particular Power for All, to promote our shared objectives in the energy access space and in particular, decentralized renewable energy as a means to cleaner, quicker and more sustainable path towards electrification in Nigeria.

Nigerian Women Trust Fund Commitment

The Nigerian Women Trust Fund was set up in March 2011 and works on improving women's participation in democracy, leadership and governance processes. In the last two years, we have launched an ambitious recruitment drive for women into political parties and built the capacity of over 3,000 women and young women to engage in the political space as active citizens, voters and candidates. Our primary focus is to close the gender gaps in governance at all levels and entrench inclusion of women in the democratic space. We believe that for women to have a seat at the table, they need a voice.

As part of our commitment to engaging women in more policy oriented outcomes, the Nigerian Women Trust Fund partnered with Power for All to host a one day full training workshop for market women leaders and traders on the decentralized renewable energy business; its potentials, its benefits and the opportunities for cost savings. The theme of the workshop

was "driving energy access and economic empowerment of women".

As a direct outcome of that training with Power for All: The Nigerian Women Trust Fund is committing to:

- » Facilitate access to and collaborate with relevant organizations to attract training opportunities and programs to empower women entrepreneurs and businesses in the decentralized renewable energy sector
- » Leverage on our vast network of women groups and stakeholders as a platform to build a demand driven market for decentralized renewable energy through policy, market based activities including further training and capacity building to build access to markets for decentralized renewable energy products.
- » Promote energy access initiatives by engaging women to contribute significantly to economic discourse and build better understanding and knowledge of decentralized renewable energy technology because women are the backbone of SMEs in Nigeria and are pivotal driving the distribution networks for these goods and services.
- » Encourage women to become active champions and political advocates for clean and renewable energy for their homes and businesses. By building in political advocacy into our training, women are better able to engage politicians and policy makers as critical voting blocs and community mobilizers that can support the removal of taxes and tariffs for renewable energy products so that prices of these products are more readily available.

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Nigerian Investment Promotion Council Commitment

The Nigerian Renewable Energy sector is poised for spectacular growth with inherent opportunities for strategic partnerships and investments. The Nigerian Investment Promotion Commission (NIPC) is fully committed to attracting both Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI) into the sector through innovative strategies for reaching out to investors, and forging closer alignment with agencies in the public and private sector. The commission has facilitated several investment partnerships which includes, the United States Trade and Development Agency (USTDA), partnership with Nigerian company, Quaint Global Energy Solutions on \$160m solar power project being developed in Kaduna, etc. Through the facilitation of Power for All, the Commission is also participating in the first ever – international solar conference in Nigeria (The Solar Future Conference), holding from April 25th to 26th, 2017.

As part of Power for All's Call to Action on addressing Investment in Decentralized Renewable Energy (DRE) Sector; Nigerian Investment Promotion Commission makes the following commitments:

- » NIPC commits to work with Power for All, to promote and facilitate both local and foreign investments in the decentralized renewable energy sector. This is in line with the commission's belief that development of the Nigerian economy lies with resolving the nation's electricity access problems and that decentralized renewable energy is a quick way to scale up small and medium sized enterprises and reduce the cost of doing business in Nigeria.
- » NIPC also recognizes Renewable

NIPC commits to work with Power for All to promote investment in the DRE sector.

Energy Association of Nigeria and will form a public-private partnership to accelerate DRE market growth. NIPC commits to facilitate and encourage the scaling-up of decentralized renewable energy solutions alongside Renewable Energy Association of Nigeria and partnership with Development Financing Institutions to define and provide project-financing measures for projects in different areas of the country.

- » NIPC will ensure the effective facilitation of fiscal concessions and incentives to the DRE sector to encourage potential and existing investors and entrepreneurs including: Pioneer status (tax holiday granted to qualified companies within their formative years), Investment promotion and protection agreement (to guarantee safety of investment), long lease on land for industrial development and liberalization of ownership structure (foreign investors can own 100% of their company or form joint ventures with local investors)).
- » NIPC commits to advocate with the Federal Government on policy matters to make electrification more affordable and boost uptake.

NIPC recognizes the efforts of Power-For-All initiative and will continue to partner with them in creating a competitive and decentralized renewable energy

investment climate in Nigeria.

Solar Nigeria Commitment

Solar Nigeria has improved energy access for over 1.5 million people to date in Nigeria. Delivering clean, reliable, affordable solar energy has been achieved by accelerating the private markets for off-grid solar solutions and providing solar energy to government education and health facilities where the need is greatest. This is DFID funded program that started in 2014 and will run to 2020. The program understands that solar market sustainability is complex and requires activities across the solar value chain. As such there are four components:

SOCIAL

- » Providing solar power to government schools and clinics, directly impacting the lives of Nigeria's poor and promoting public awareness of the benefits of solar. Utilising £38.3 million from DFID and Lagos and Kaduna State Governments this has resulted in 175 schools and 11 clinics in Lagos and 34 primary health clinics in Kaduna with solar installations. These projects combined have provided 6MW of solar power.

CONSUMER MARKET

- » Helping Nigerian households to access modern, clean, lighting and power at lower cost than kerosene lanterns and small generators. It is achieving this by helping to rapidly scale up the private market for small solar lighting and power systems, with a focus on northern states. In 2016 more than 166,000 solar systems were acquired on commercial terms by individual consumers from companies supported by the consumer grants program with

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grants totaling £2 million.

COMMERCIAL MARKET

- » Demonstrating how solar systems can be technically and economically viable, and to drive growth in the private sector solar market by enabling companies to overcome barriers to growth. Focusing on growing the commercial market for solar manufacturers and other entities that can benefit from solar systems through reductions in their electricity costs.

GOVERNMENT

- » Working in partnership with both the Federal and State Governments and donors to create an enabling environment by influencing policy and regulation. This will support the long-term development of off grid solar energy markets in Nigeria and will support the government in its ambitious long term National Plan for solar.

We are committed to continue to work in the following areas:

- » Work with State Governments to improve renewable energy to their health and education facilities, particularly in the North of Nigeria.
- » Drive and scale up the solar private sector market growth, by attracting and supporting capable national and international solar companies who are able to rapidly scale in the consumer markets. As well as mobilizing investor and debt finance throughout the supply chain. By 2020 the program expects to provide further grants of £13 million to help strong companies accelerate their expansion to serve 25 million Nigerians.
- » Work with Federal and State

Solar Nigeria expects to provide further grants of £13 million to help strong companies expand.

Governments to improve the enabling environment by influencing policy and regulation to encourage the solar sector to grow.

- » Act as advocates for renewable energy in Nigeria and in particular solar power.

We continue to support and advocate the great work that Power for All plays in raising awareness and improving renewable energy access for all in Nigeria.

Azuri Commitment

Azuri has been at the forefront of transforming the lives of women living in off-grid rural communities in Africa. In parts of northern Nigeria, since 2016, our PayGo solar home systems have contributed to helping women change the way they are running their households. Access to electricity means increased hours that they can perform their everyday tasks; They are not restricted by a dawn-to-dusk schedule, allowing for a better social life. With Azuri's community-oriented distribution, women can also be economically empowered by becoming agents, consequently being able to generate other sources of income.

Azuri is committed to a nationwide rollout of our PayGo solar home systems in the next three years, thereby:

- » Significantly reducing the energy

poverty that is depriving women the freedom to make basic life choices, especially economic choices

- » Creating more opportunity for women entrepreneurs
- » Improving women's standard of living by offering a clean, renewable energy source

Lumos Nigeria Commitment

600m people in Sub Saharan Africa and 700m in Asia lack access to electricity – they rely on lamps and small generators which are expensive, noisy and harmful to health. Lumos allows off grid homes and businesses to easily transform to affordable and clean electricity, using their mobile phone - Accessible Electricity™!

Lumos connects the dots between the mobile revolution and solar energy, through its patented, self-deployable mobile energy system, with integrated cellular payment and advanced security mechanisms. With Lumos service, households and small businesses in the off-grid world can replace generator, kerosene and candles with affordable solar modern electricity. The Lumos service powers light, cell phones, fans, computers, TVs and other small electronic devices (all at once, every day). Our customers can pay conveniently for the service from their phones, paying considerably less for access to electricity.

Lumos's systems were planned and developed for Pay-Per-Use functionality, allowing small ongoing payments, and assuring no usage is possible if payments are not made. We work in cooperation with mobile phone operators, utilizing their proven sales, marketing, distribution and billing infrastructure. To fulfil its vision, Lumos chose to initially focus its efforts on the

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largest economy in Africa – Nigeria. Lumos has secured a strategic relationship with MTN Nigeria, the largest mobile operator in Africa to bring millions of its customers reliable, safe and clean electricity.

In working with Power for All we are committed to:

- » Providing access to affordable solar electricity for homes and small businesses in Nigeria. We believe that every family and, most importantly, every person - has a basic right for an abundance of safe electricity and that it is an essential condition for quality of life and a better living.
- » Advance the goal of providing access to clean, reliable energy, and specifically we are committed to deploy 6 million Solar Power systems in the next 5 years in Nigeria
- » Increase efforts to provide a larger, more financeable product which answers the true demand from customers, for both affordable price and high capacity and quality, we commit to continually invest in R&D and system design.
- » Increase rapid scale-up by attracting new funding to the table that supports the progress of the sector. By getting corporate investors involved in funding the deployment of the impactful Lumos systems we expect to achieve our goals above.

Caritas Commitment

In line with the recommendation of the Holy Father Pope Francis in *Laudato Si* that our positive actions, no matter how small, could contribute to preserving the Earth, our common home; Caritas Nigeria commits to promoting among its

Caritas will advocate with the Bishops of Nigeria to adopt a DRE policy

constituencies a lifestyle that is sustainable. Caritas Nigeria is the relief and development agency of the Catholic Bishops Conference of Nigeria and has a vision of “a harmonious environment where everyone enjoys fullness of life,” and a mission to “advance the well being of all through participatory measures in line with Catholic Social Teaching.”

There are 56 ecclesiastical jurisdictions in Nigeria called dioceses, divided into 9 Provinces. Each of these jurisdictions has a relief and development unit under the auspices of the JDPC – Justice Development Peace and Caritas. Caritas Nigeria oversees these units, which are spread across the 36 States of the Nigerian Federation. Caritas Nigeria is also linked to other Caritas member organizations in 165 nations of the world, where she shares some of her results with.

Caritas Nigeria is committed to partnering with Power for All in the following interventions:

- » Advocating with Bishops of Nigeria to adopt a distributed renewable energy policy in which parishes and Catholic schools would be required to install solar power in their premises
- » Enhancing the reduction of emissions from deforestation and forest degradation and promoting female health,

through access to energy saving stoves in 19 communities of the Oban Corridor of the Cross River National Park.

- » Facilitating access to solar lanterns and clean stoves to 5000 households in the North East.
- » Participating in national, regional and global advocacies for the promotion of the Sustainable Development Goals (SDGs), with special emphasis on Goal 13 on combating climate change.

Caritas Nigeria will continue to use her network of organizations including Power for All to promote behavioral change that would enhance a carbon neutral life and to advocate for decentralized energy provision in our country Nigeria.

Lux Terra Leadership Foundation Commitment

The Lux Terra Leadership Foundation (LTLF) is a training facility committed to building and exposing leaders and aspiring leaders to the dynamics of purposeful, visionary and transformative leadership. The Foundation is committed to raising leaders in Church, as well as in the Corporate and Public sectors to be effective agents of change in the society. A Faith-based organization rooted firmly in the Catholic Church, we advocate for effective, purpose-driven and accountable leadership and effective governance in the society, whilst collaborating and building partnership with organizations and agencies with similar objectives.

We are very supportive of all initiatives towards renewable energy access, seeing it as a major propeller for efficiency and productivity on the one hand, and the promotion of clean sustainable energy on the other. Our Foundation's Headquarters in

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Abuja is the first of its kind to be completely off-grid - deploying and utilizing 100% solar renewable energy in running our facilities. This is in line with the Catholic Church's commitment to advocating for and championing the global movement towards clean and sustainable energy technologies. In his Encyclical letter *Laudato si* Pope Francis had called for the mobilizing of individual and collective efforts and contributions towards saving the earth from destruction. We have been working in this line since the year 2011 with our solar powered office complex, and Director's residence.

We believe that Nigeria's current electricity deficit is inimical to any meaningful growth in the country and that distributed renewable energy can help drive development, and improve the livelihood and wellbeing of the ordinary Nigerian. This is why we have in partnership with Power for All aired through our media platform, a number of television broadcast programs, advocating for distributed off-grid renewable energy as a way to address the nation's energy poverty, promote job growth and enterprise development, as well as positively impact the overall trajectory of Nigerian economy. We therefore fully endorse the Call to Action by Power for All and we make the following commitments:

- » We commit to collaborating with Power for All on several other advocacy and enlightenment programs, that will lead to the shaping of public policy, and change in both public opinions and public behavior, towards a more sustainable and cost effective form of electricity access and use. We commit to scaling up our advocacy campaign on renewable energy using our various media platforms.

Lux Terra commits to building a coalition of faith based initiatives in support of DRE.

- » We are committing to use our off-grid facility as case study, and make it available for site visits for the purposes of awareness raising, on the viability of distributed renewable energy as proof that the technology works. This should be particularly convincing, as we have functioned completely off the grid for about six years and running solely on solar renewable energy.
- » In building a coalition of faith based initiatives in support of the distributed renewable energy we commit to working with Power for All along with other faith-based organizations and public sector agencies within Power for All's network for DRE outreach purposes.

In sum, the Lux Terra Leadership Foundation will continue to collaborate with Power for All on its DRE campaign to ensure that clean, affordable and sustainable energy becomes a reality for Nigerians.

Nigeria Economic Summit Group Commitment

The Nigerian Economic Summit Group (NESG) has a mandate to promote and champion the reform of the Nigerian economy into one that is open and globally competitive through public-private dialogue. The NESG engages the government, private sector, and civil society on key development issues and economic policies

in Nigeria and is Nigeria's leading private sector think-tank, driving the development of a modern globally competitive economy for the nation. Over the years, we have recorded successes and introduced a number of economic policy reforms, and shaped and molded opinions positively towards free market concepts as the basis for national growth.

As a representative of both the private and public sector, we are aware of the challenges in the country's power sector and the negative impacts this has had on its economic growth. We believe that a country without reliable power cannot fully develop. This is why our sustainability and energy commissions have driven policy changes in the energy sector, advocated for a strong energy mix that takes into account our strong repository of renewable energy resources like solar, wind, hydro, geothermal, biomass and bio-fuel energy. The NESG has pushed for the adoption of strong energy access programs including the distributed renewable energy (DRE) as a lever to drive manufacturing hubs, develop new cottage industries and grow Small and Medium Sized enterprises (SMSEs) across the country. NESG also supports several initiatives in the solar off grid market and is fully working with the federal and state governments to advance investments and project delivery in this sector.

NESG has been a close partner of Power for All and has supported its initiatives in the DRE sector including facilitating the incubation of the Renewable Energy Association of Nigeria (REAN) and in drafting its governance documents. NESG remains on the advisory board of the Renewable Energy Association of Nigeria. As part of Power for All's Call to Action, we commit to

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the following:

- » Full implementation of our energy and sustainability policy commission projects for 2017 which focuses on driving renewable off-grid power energy for agribusiness including mini-grids, to grow our agriculture and agro-allied industries.
- » Formulating and driving policies favorable to the growth of the country's DRE market and continually engaging the government on the adoption of DRE as a key tool in driving economic activities in the country.
- » Recognizing the Renewable Energy Association of Nigeria as the industry voice and platform in engaging with stakeholders in the DRE space including but not limited to private sector, the government and other donor partners on growing the renewable energy industry in Nigeria.
- » Engaging in policy research and development on DRE innovations and market trends, and economic impacts of DRE through our various platforms including our NESG journal and other publications as well as annual summit.

NESG will continue to collaborate and partner with Power for All; particularly in the area of advocacy for the adoption of DRE technologies, and in market development activities as we believe that the economic growth of Nigeria can be leapfrogged through distributed renewable energy to drive industry, commerce and enterprise across the country.

Heinrich Boll Commitment

The Heinrich Boell Foundation is a political green foundation with headquarters in Berlin, working with civil society

NESG commits to formulating and driving policies favorable to DRE market growth.

organizations, policy shapers at the federal, state and local levels, and with the private sector. We aim to inspire public debate on the development options before Nigeria, support initiatives that are environmentally and politically green, and help Nigerians identify and promote low-carbon governance, gender mainstreaming and equitable growth models.

The Heinrich Boell Foundation in Nigeria focuses on increasing access to clean power and has initiated, championed and supported debates, research studies, energy study tours to Germany and exhibitions on practical Nigerian options for off-grid renewable energies for SMEs and agricultural processing. Our efforts have manifested into the creation of new relationships across stakeholders, and facilitated support in government policy. A major milestone was the 30:30:30 energy mix for Nigeria; where HBS contributed to connecting relevant private sector, civil society and government stakeholders who then forged the new policy drive, which raised the percentage of renewables in Nigeria's envisaged energy mix from 15% to 30% by 2030.

Currently, we work on the following energy issues:

- » Market development initiatives: highlighting successful business models by

entrepreneurs and innovators in the Off-grid Renewable Energy space and providing platforms and information that build and encourage a robust foreign and local investment portfolio for the sector.

- » Policy advocacy around a Cost Comparison of various energy sources in order to promote various policy, international cooperation and investment drives towards clean energy options for Nigeria's energy future.
- » Awareness raising by highlighting and publicizing the benefits of decentralized renewable energy solutions in Nigeria, through networking and site visits.
- » Adoption of off-grid energy options to drive support to the SME and small-scale agricultural sector at state level.

We are already collaborating with Power for All to strengthen the capacity of the newly formed Renewable Energy Association of Nigeria (REAN) and are happy to continue collaboration wherever it adds value.

Yar'Adua Foundation Commitment

The Yar'Adua Foundation is committed to improving Sustainable Energy Access and addressing climate change through the adoption of renewable energy, sustainable practices and energy efficiency. The Foundation's Public Policy initiative, which includes a Climate Advocacy Campaign to address the lack of awareness and understanding of the impacts of climate change and energy poverty, features a series of activities designed to engage citizens, policy makers, and other stakeholders about the impact of climate change. A milestone of this campaign is the national

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The Yar’Adua Foundation will support and showcase innovative solutions for adoption and deployment of decentralized renewable energy solutions in Nigeria on our digital media channels.



screenings of the film *Nowhere to Run: Nigeria Climate and Environmental Crisis*, a documentary produced by the Foundation as an advocacy tool to raise awareness and galvanize communities and policy makers to confront the threat of climate and environmental degradation. The documentary won give awards, including the prestigious 2016 Africa International Film Festival Award. The Foundation’s climate advocacy has raised the profile of national and international discourse on the impact of climate change in Nigeria, drawing crucial attention to the need for an immediate policy response to a challenge that is now a crisis for many of our communities. As part of Power for All’s Call to Action on addressing Energy Poverty and Climate Change: the Yar’Adua Foundation makes the following commitments

- » That we will work with Power for All to drive advocacy through increased awareness on the importance of off-grid renewable energy technologies as a solution to bridging the rural energy deficit in the country.
- » Partner with organizations and stakeholders, particularly Power for All and the Renewable Energy Association of Nigeria to drive rural electricity access through DRE technologies in rural and

off-grid communities in the country.

- » Support and showcase viable innovative solutions for adoption and deployment of decentralized renewable energy solutions in Nigeria on our digital media channels.

The Yar’Adua is pleased to support decentralized renewable energy market growth, universal energy access and climate change mitigation.

REEP Commitment

USAID’s Renewable Energy and energy Efficiency Project, implemented by Winrock International in Nigeria seeks to improve access to energy through improved access to affordable finance for renewable energy technologies that will improve lives, increase economic opportunities, and support various sectors such as health and agriculture. The project is designed to help mitigate climate change, reduce carbon emissions, increase economic opportunities, improve employment and, ultimately, sustain development in Nigeria.

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to affordable finance for renewable energy technologies that will improve lives, increase economic opportunities, and support various sectors such as health and agriculture. The project is designed to help mitigate climate change, reduce carbon emissions, increase economic opportunities, improve employment and, ultimately, sustain development in Nigeria.

- » Facilitating the development and financing of renewable energy (RE) and energy efficiency (EE) markets; providing financial advisory and access to finance services for all sector stakeholders.
- » Strengthening the current policy and regulatory environment for public and private sector investment,
- » Develops and enhances the capacity of key stakeholders, such as The Central Bank of Nigeria (CBN), financial institutions, RE/EE Businesses, Agribusinesses, etc
- » REEEP recognizes the newly-formed Renewable Energy Association of Nigeria and will work with Power for All to build it capacity and possibly take over the technical assessment and quality standard activities for the renewable energy sector in Nigeria.

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The Yar'Adua Foundation will support and showcase innovative solutions for adoption and deployment of decentralized renewable energy solutions in Nigeria on our digital media channels.



EU-Nigeria

The European Union has committed more than 700 million EUR of grant funding for the 2014-2020 periods in the energy sector in West Africa. In Nigeria, we are supporting the government's efforts in the electricity sector with 150 M€ in grants, to improve energy access and to diversify the country's energy mix, namely through renewable energy sources.

We have been working closely, since 2013, with the Federal Ministry of Power, Works and Housing, the regulator and the bulk trader, through the Nigeria Energy Support Programme. NESP has given technical assistance to federal and state levels and is aiming to show the viability in the country of business models that can contribute to scale up access to electricity, such as mini grids.

The European Union welcomes this call for action and discussions on DRE, as structured by Power for All and the organizations representing the sector. We will continue supporting the government in its drive to improve access to electricity and to diversify the energy mix. Our engagement will be done through specific programs, for example:

- » The extension of NESP, after September

2017, for an amount of 20 million euros. The project will be implemented by GIZ. It will namely contribute to expanding the use of sustainable business models in the sector and to reduce barriers for market and business development.

- » A EU-funded component of Solar Nigeria, which will design and implement solar off-grid systems for education and health facilities in 3 Northern states (30 million euros).
- » A 12 million euros technical assistance and investment grant for a credit line for Nigerian commercial banks for on lending to promoters of RE/EE small and medium scale projects, through AFD.

We also hold global calls for proposals, such as the Electrification Financing Initiative - ElectrIFI, to support investments providing access to reliable, affordable and sustainable energy. Finally, the European Union works hand in hand with Development Financing Institutions (DFI) on large scale projects. It is important to note that our grant funding is untied, meaning that goods and services can be purchased from suppliers based in countries outside the EU.

Power for All Commitment

The Power for All Campaign team will continue to support stakeholders to take action in support of DRE growth, create awareness and advocate for the sector:

- » Conduct research around how DRE technologies can replace kerosene and diesel and the potential economic impact for households and government, with a focus on how government can save money through reducing kerosene and diesel subsidy bills.
- » Work closely with government on policy reform, providing technical assistance, guidance notes and communications materials.
- » Continue supporting the DRE sector to ensure the private sector has a seat at the table in decision-making processes.
- » Continue to partner with civil society to help them contribute to achieving universal energy access through supporting DRE market growth.
- » Work with partners to bring best-in-class approaches to public awareness-raising and demand creation to Nigeria

As Nigeria make great strides in accelerating access in rural areas, continuous engagement with a whole range of stakeholders – from international donor partners

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to traditional paramount chiefs; across government, civil society and the private sector - is the key to meeting energy access targets.

Distributed Renewable Energy, from basic solar lighting to large mini-grids, must be recognized as an important, legitimate approach within the government's broader energy strategy and plans. The private sector stands ready to partner with government to achieve energy access goals. If we deliver on the recommendations and commitments outlined above, and continue to work together effectively in coming years, then together we can deliver on the government's target of Universal Energy Access by 2030.

The Power for All campaign will continue to support stakeholders to take action in support of market growth.



Continuous engagement with a whole range of stakeholders is key to meeting energy access targets.

IV. Partners



Power for All will continue to support stakeholders to take action in support of DRE market growth. If we deliver on the recommendations and commitments outlined above, and continue to work together effectively in coming years, then together we can deliver on the government's target of Universal Energy Access by 2030.

