



NIGERIA POWER SECTOR PROGRAM (NPSP)

TECHNICAL ASSISTANCE SUPPORT FOR OFF-GRID ELECTRIFICATION PROJECTS IN NIGERIA

January 2019

USAID NIGERIA POWER SECTOR PROGRAM

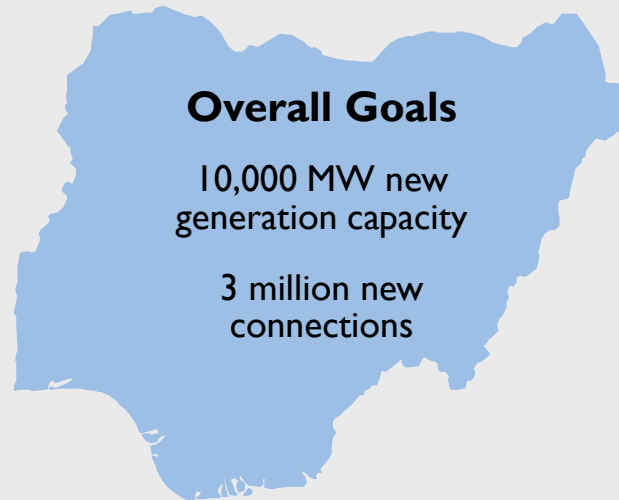
The USAID Nigeria Power Sector Program's main objective is to **increase electricity availability and access in Nigeria** by assisting in the development of generation, transmission, and distribution infrastructure while promoting private sector investment in the energy sector

5

Years

ACTIVITY DURATION

April 2018 – April 2023



4

TARGET OUTCOMES

1. Increased Private Sector Investment
2. Improved Off-grid Connections
3. Improved Enabling Environment
4. Greater Energy Sector Liquidity

IMPLEMENTATION TEAM

Deloitte Consulting LLP, *with support from*

- McKinsey & Co.
- WorleyParsons
- Cliffe Dekker Hofmeyr (CDH)
- Manitoba Hydro International (MHI)
- CrossBoundary

NPSP PROGRAM OVERVIEW

OBJECTIVE

Increase electricity availability and access by strengthening the enabling environment for private sector investment in the power sector, facilitating the financial closure of new power sector transactions, and enhancing the liquidity of power market operators

GOALS

Assist in the development of:

1. Generation capacity – 10,000 MW
2. New connections – 3 million

PROGRAM TASK AREAS



Outcome 1 On-Grid (Gas Supply, Power Generation, & Transmission)



Outcome 2 Off-Grid



Outcome 3 Enabling Environment



Outcome 4 Distribution

OUTCOME I (ON-GRID) INTERVENTIONS

Targeted Interventions

1. Technical assistance to NDPHC to **complete privatization or a concessional arrangement of NIPPs**, including through provision of credit enhancements
2. **Transaction advisory support to the generation subsector**, including NBET, BPE, and existing GENCOs
3. Assessing viability of alternative energy procurement models
4. Support the transformation of the transmission business through **targeted utility reform at TCN**, development of creative transmission financing arrangements, and capital execution support

OUTCOME 2 (OFF-GRID) INTERVENTIONS

Targeted Interventions

1. Technical Assistance to the **Rural Electrification Agency (REA)**, including capacity building initiatives focused on project management
2. Develop **business and consumer markets for off-grid solutions**, focusing on solar home systems (SHS), mini-grids, and micro-grids
3. Unlock **private capital for off-grid solutions providers and enabling enterprises** by streamlining and expanding access to innovative financing mechanisms and supporting transactions
4. Identify and directly **support the market entry of leading private sector companies** to serve the off-grid market through market entry studies, go-to-market implementation strategies, and partnership facilitation
5. Develop **quality standards** and provide consumers with reliable information on off-grid products

CURRENT OFF GRID WORKSTREAMS

Current Workstreams Relevant to this Workshop

REA Energizing Economies Initiative (EEI)

EEI will support the **rapid deployment of off-grid electricity solutions** that will provide clean and consistent power to economic clusters in Nigeria, leveraging the Odyssey platform to standardize and streamline the project development process

Transaction Advisory Support

NPSP is providing **transaction advisory assistance to project developers**, including pitch material and financial model development, and **facilitating introductions** between companies and potential investors

World Bank Nigeria Electrification Programme (NEP)

Collaboration effort targeted at **reducing transaction timelines and costs associated with the World Bank's NEP**, a USD 350 million tender – effort will identify potential investors and leverage the Odyssey platform to standardize and streamline the project development process

GIZ Nigerian Energy Support Program (NESP) II

Collaboration effort targeted at **reducing transaction timelines and costs associated with GIZ's Mini Grid Acceleration Scheme**, a EUR 6 million tender – effort will identify potential investors and leverage the Odyssey platform to standardize and streamline the project development process

OUTCOME 3 (ENABLING ENVIRONMENT) INTERVENTIONS

Targeted Interventions

- I. Technical assistance to the following key FGN institutions focused on improving the enabling environment for increased private sector investment in the power sector:
 - a. NERC
 - b. BPE
 - c. MoPR
 - d. TCN
 - e. NBET
 - f. MoPWH

Donor Coordination



Build on PSRP Principles



Actively Coordinating with Donor Working Group



Supporting FGN to Better Manage Development Assistance

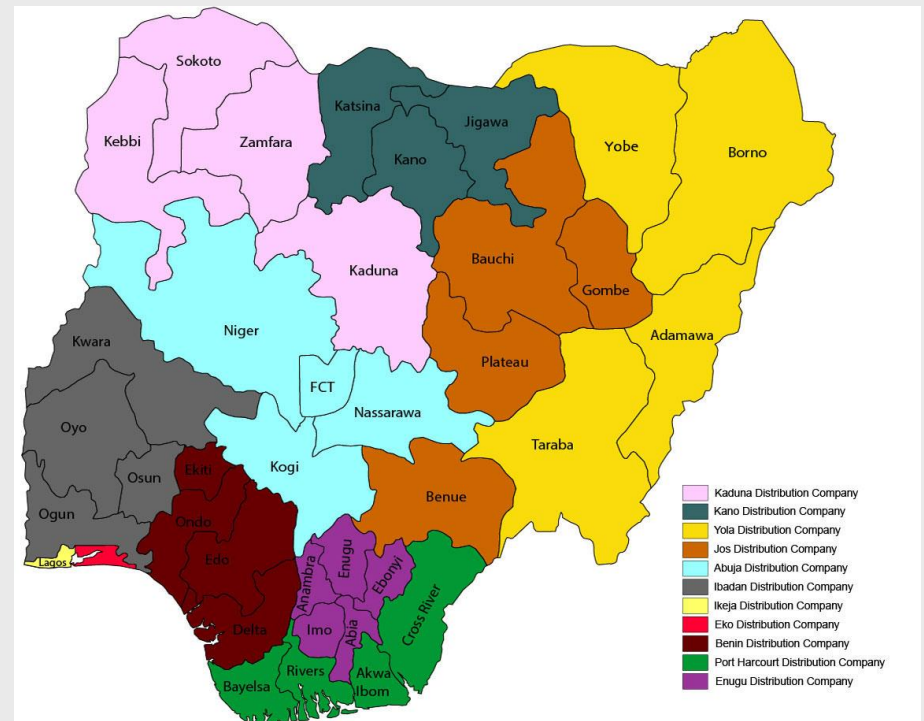
OUTCOME 4 (DISTRIBUTION) INTERVENTIONS

Technical Interventions

1. Implement **diagnostics** and develop **operations improvement plans** for select DISCOs
2. Develop **financing plans** and provide **technical assistance to finance departments** at select DISCOs to support healthy operations, improve the accuracy/quality/integrity of reporting for tariff applications, and enable DISCOs to achieve targets included in their privatization agreements
3. Provide **training and mentoring** to DISCO staff through embedded field teams to (a) strengthen billing/collections and technical service capabilities, (b) implement targeted community and gender engagement campaigns, and (c) build the capabilities of DISCO finance and accounting departments

Expected Results

1. Reduction in losses
2. Increased revenue



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Thank You!

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FROM THE AMERICAN PEOPLE

