Project Summary

Project Background
The Nigerian Energy Support Programme (NESP) aims at enabling and fostering investments in the renewable energy, energy efficiency and rural electrification sectors. The objective is to create an investor friendly environment, including policy, regulation and access to finance, to enable investments in the mini-grid sector. In the second phase (NESP II), the focus is mainly upon implementation. NESP is co-funded by the European Union and the German Government (Bundesministerium für Zusammenarbeit, BMZ), and implemented by the GIZ (Gemeinschaft für Internationale Zusammenarbeit) for the Federal Ministry of Power of Nigeria (FMP) and the Rural Electrification Agency (REA).

Project Objectives
Under NESP II, the development of an investor friendly environment for investments in the mini-grid sector is targeted. The Programme will support the FMP and REA in establishing support mechanisms as well as creating an investor friendly environment for mini-grids. NESP will also aim at unlocking access to finance in forms of debt and third-party equity for the mini-grid sector.

Project Results
The overall goal is to enable the roll-out of privately led mini-grids in Nigeria to provide sustainable and reliable energy access to 100,000 previously unserved people and to 400 rural businesses that are currently using inefficient sources of energy (targeting CO2 savings of 10,000 t p.a.). In order to achieve the targets, the consortium of INTEGRATION (lead company) and INSENSUS will design and implement tenders for mini-grid project development and operation, monitor mini-grid projects and improve the regulatory framework in collaboration with the local regulatory authority (targeting at least 2 new measures). Mobilizing finance for the mini-grid projects (minimum of 10 million EUR) and strengthening the mini-grid sector network through sector dialogue events and policy papers are also targeted.

Services Provided
- Supporting FMP and REA during the launch of competitive mini-grid tenders to support the development of a sustainable mini-grid market in Nigeria.
- Conducting in-depth analyses of different tendering approaches and experiences from tenders conducted under NESP I and tender projects in other regions to develop and improve new concepts to support NESP in implementing mini-grid tenders.
- Monitoring the mini-grids developed under NESP I & II in terms of their economic and financial viability as well as with respect to their socio-economic benefits and risks using a holistic approach.
- Distributing data and results obtained during monitoring to inform public stakeholders upon direct benefits and associated impacts.
- Identifying potential gaps in the existing regulatory framework for mini-grids and subsequently developing and enforcing at least two new regulatory instruments to address the identified gaps.
- Unlocking access to at least 10 million EUR in finance (debt and private equity) from national and international investors.
- Assisting FMP in championing and promoting mini-grids across the public-sector in Nigeria. Therefore, INT-INS will support to identify ten key areas and provide input for policy papers and upcoming dialogues.