

Approach to Developing State Government Off-Grid Solar Legislation

A Process Map



Background

- Out of a total population of 206 million, over 80 million Nigerians or 17.4 million households lack access to electricity predominantly in rural areas.
- The federal government aims to achieve 90% electrification by 2030 and 100% by 2040. However, to achieve this target, Nigeria will need to provide electricity to more than 1 million households per year and add roughly 25 GW to its power generation capacity.
- This requires government both at the federal and state level to utilise a range of solutions beyond grid extension. In recent years, the government has developed several energy access policies, plans and initiatives that promote the use of off-grid solar (OGS) electrification as a means of bridging the energy access gap in the country.
- Nigeria's electrification priorities include expanding electrification in a clean, reliable, and sustainable way to rural communities not connected to the national grid through off-grid solar solutions such as solar mini-grids and stand-alone solar (SAS) systems.
- Nigeria is one of the largest markets for off-grid solar electrification globally with an estimated investment opportunity of US\$ 9.2 billion per year.

- State governments have a significant, though largely overlooked, role in the power sector and are constitutionally empowered to provide electricity by establishing electric power stations, generating, and distributing electricity to rural off-grid areas within their states.
- The Rural Electrification Agency (REA), ACE TAF Programme, and Nigeria Governors' Forum have collaborated in providing policy and strategic support to state governments on OGS electrification.
- **Under this support,**
 - OGS Policies, Strategies, and Plans have been developed for Lagos, Kaduna, Kano, and Jigawa States including the provision of technical resources and capacity building.
 - Coordination workshop between REA and state governments on OGS delivery has been organised with the appointment of State focal OGS representatives.
- This State OGS Policy Process Map builds on the experience of providing OGS support to Lagos, Kano, Kaduna, and Jigawa states to guide the provision of similar support to other states. It provides a step-by-step guidance inclusive of principles, considerations and recommendations for developing State OGS Policies, Strategies, and Plans.

Principles

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1 Understanding the Local Context: Economic, Social, Political, Cultural, Governance in the state.
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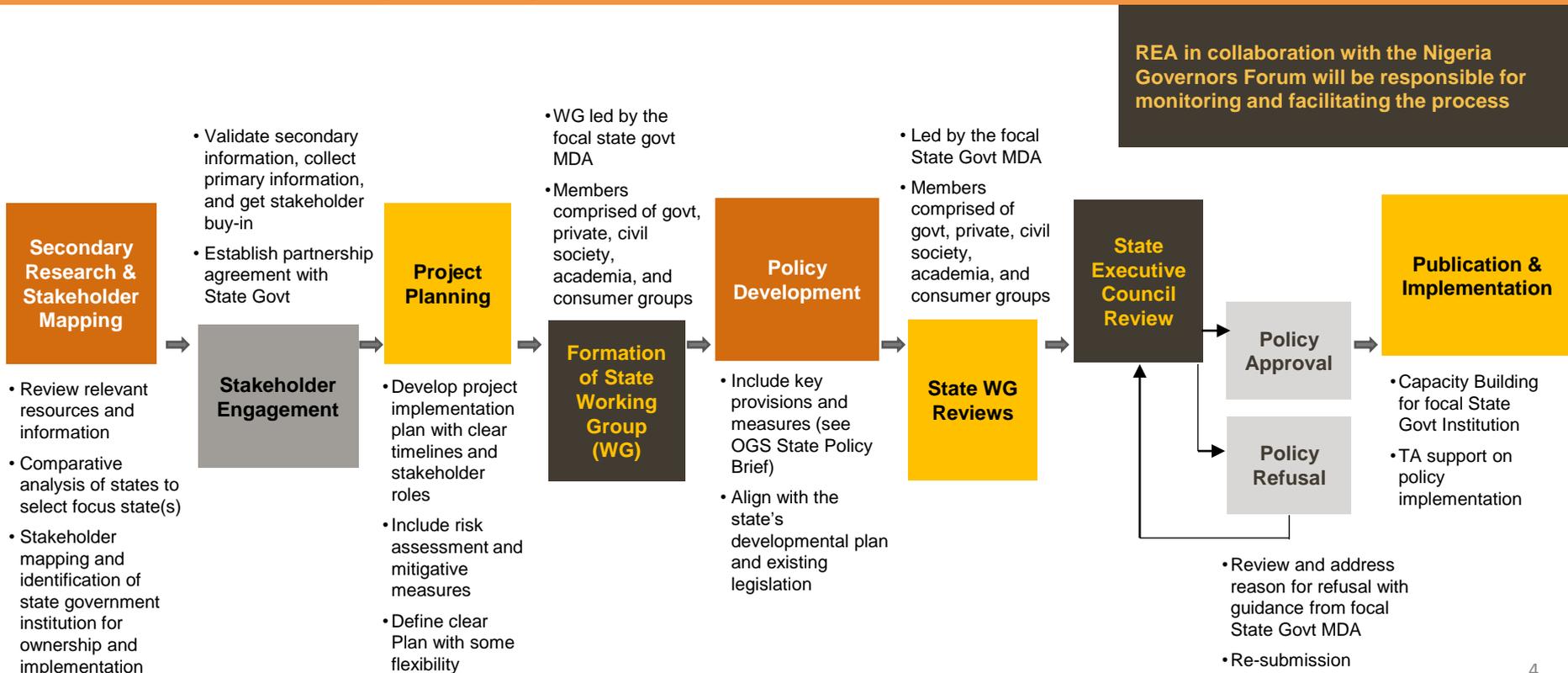
2 Stakeholder Mapping and Engagement: Government, Private Sector, Donor, Civil Society, Citizen Associations.
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3 Knowledge of State Government Legislation and Socio-Economic Plans as Relevant to Electrification
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4 Knowledge of State Electrification Projects and Initiatives especially on Off-grid Electrification
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5 Commitment and Buy-in from State Government Stakeholders (Political and Administrative)

State OGS Policy Development Process



Key Success Factors

1. Identify key stakeholders at the state level based on their mandate, roles, influence, and relevance to the policy implementation. Useful to engage with the focal State Govt MDA on Energy/Power, State Ministry of Planning and/or Development, and Office of the Executive Governor.

4. Consideration has to be given to the practical implementation of the policy during development. There needs to be a balance between being overly ambitious and being realistic.

7. If state selection is open, a comparative analysis of states can be useful with factors such as electrification rate, policy & regulatory landscape, off-grid population, ease of doing business, considered in the state selection. Also useful to balance regional equity, and consider interest and commitments from state governments.

2. Co-develop the policy with the state government with clearly defined targets with some flexibility to accommodate government bureaucracy

5. Work closely with REA and the Nigeria Governors Forum to ensure alignment and coordination between federal and state government goals for energy access, and cross-learning between states

8. It is recommended to have at least one project member on the ground for effective engagement with the state government institutions and stakeholder, and handle local logistics where required. Virtual engagement can be challenging for state governments.

3. Utilise an integrated energy nexus approach aligned with the state government's development plan in the development of the policy, and include considerations for gender equity and social inclusion.

6. Clear definition of scope of policy development and timeline is important and commitment to it has to be received from the state government. Also have flexibility to accommodate government requests relevant to the project such as training of government staff to support the project.

9. A central data repository to identify opportunities and monitor access across states such as through REA's Energy Access Explorer Platform

Stakeholder Mapping

State Working Group should comprise of representatives of the following,



State Government:

1. **Policy Owner & Implementer:** State Ministry of Energy/Power or relevant government MDA with designated responsibility on electrification.

Important to coordinate with the following state government MDAs:

1. **State Government Ministry of Planning:** To align policy with overall state government development plan.
2. **State Investment Promotion Agency:** To align policy provisions for private sector support with the State government IPA.
3. **State MDAs:** Energy nexus approach with relevant State MDAs such as Health, Agriculture, Education, Commerce & Industry, etc to align policy provisions with plans and targets in the sectors.



Federal Government

1. **Federal Ministry of Power:** Focal government ministry for policy development and implementation on power.
2. **Rural Electrification Agency:** Focal federal government agency for off-grid electrification.



Private Sector:

1. **Donor Programmes:** Can provide technical and financial support to state governments in the implementation of the policy. It can be beneficial to leverage any existing donor structure with the state government for implementation
2. **Industry Association:** Association(s) or representatives of Off-Grid Solar providers in the state with experience deploying OGS solutions.
3. **Civil Society:** Civil society organisations especially those focused of energy, policy, climate change, energy, and GESI.
4. **Financiers:** Commercial banks, DFIs, investors and other finance providers who can provide private sector finance for OGS projects
5. **Academia:** Academic institutions, research institutes, and other representatives of academia as relevant to energy.
6. **Citizen Groups:** Citizen groups such as women groups, consumer associations, citizen advocacy groups, and youth.

Resources

State Government Market Assessment Report on the Policy & Regulatory Landscape for OGS in States.

- Lagos State Electricity Policy
- Lagos State Off-Grid Strategy & Plan
- Jigawa State Off-Grid Solar Policy
- Jigawa State Off-Grid Solar Action Plan
- Kaduna State Off-Grid Solar Policy
- Kaduna State Off-Grid Solar Action Plan
- Kano State Off-Grid Solar Policy
- Kano State Off-Grid Solar Action Plan
- REA Energy Access Explorer Tool for Energy Access Planning
- Gender and Social Inclusion Guide for OGS Delivery

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ACE TAF

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Thank you

