

NIGERIA ELECTRIFICATION PROJECT

OUTPUT-BASED FUND GRANTEE SURVEY FEEDBACK

STANDALONE SOLAR HOME SYSTEM (SHS)
COMPONENT

DECEMBER 2023



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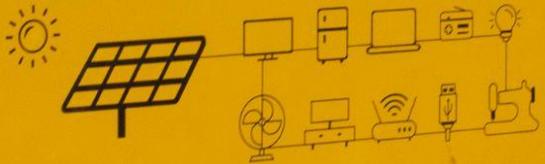
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SALPHA Powerflo100
Lithium Solar Home System



SCAN ME



USB 5V OUTPUT
L1 L2 L3 L4
OUTPUT 12V DC



OUTPUT 220V

Executive Summary

The objective of the Standalone Solar Home Systems Component of the Nigeria Electrification Project (NEP) is to increase energy access to Households and Micro Small Medium Enterprises (MSMEs) in unserved and underserved parts of Nigeria. Through Public Private Partnerships, the project aims to push access to energy services at an affordable cost, via stand-alone solar systems through the private sector companies. This in-turn will significantly scale up the market for Solar Home Systems (SHS) in Nigeria.

The target beneficiaries are people in off-grid locations or underserved customers that have inefficient and unreliable energy access.

The grant support provided through NEP will leverage other sources of finance such as: company's own equity, equity/debt from investors, and facilitate access to credit by reducing risk to lending entities, which will consequently promote the maturity of the market.

Under the Output-Based Funds (OBF) sub component, a total of USD69,703,276.30 in grants has been disbursed to beneficiary companies, and these have deployed over one million standalone solar home systems (1,082,281) translating to 46.416MW PV capacity and impacting over 5 million Nigerians.

In preparation for a component closeout report as well as to get first hand feedback from the Output-Based Funds (OBF) grantees on their experience and impact of the Nigeria Electrification Project, a comprehensive survey was sent to them to complete.

Questions around the OBF qualification process, the robustness of the online platform, the verification and disbursement processes, sales information, responsiveness of the Project Management Unit (PMU), challenges faced and recommendations as we look to launching the Distributed Access through Renewable Energy Scale Up Programme (DARES)

A total of 62 grantees were sent the survey by email link. It is important to note that there are 55 qualified OBF companies; of those, 52 have signed grant agreements. 9 Notices of Qualification (NOQs) have been issued to those who qualified after the allocated funds were fully expended. This group did not go on to sign grant agreements and were requested to complete only those applicable sections of the survey. 42 responses were received, with active grantees making up 86% of respondents.

Overview of The Nigeria Electrification Project (NEP)

A total of USD 550 million loan facility from the World Bank & African Development Bank targeted at providing off-grid reliable and clean electricity supply to 705,000 households, 90,000 MSMEs, 100 Isolation and Treatment Centers and 400 Primary Healthcare Centers in unserved and underserved areas of Nigeria. It also targets the provision of captive solar hybrid power plants to 15 Federal tertiary institutions and 2 teaching hospitals.

The NEP comprises 5 components:



Solar Hybrid Mini grid

USD 213M



Standalone Solar Home Systems

USD 75M



Energizing Education Programme

USD 250M



Energy Efficient Equipment And Productive Use Appliances

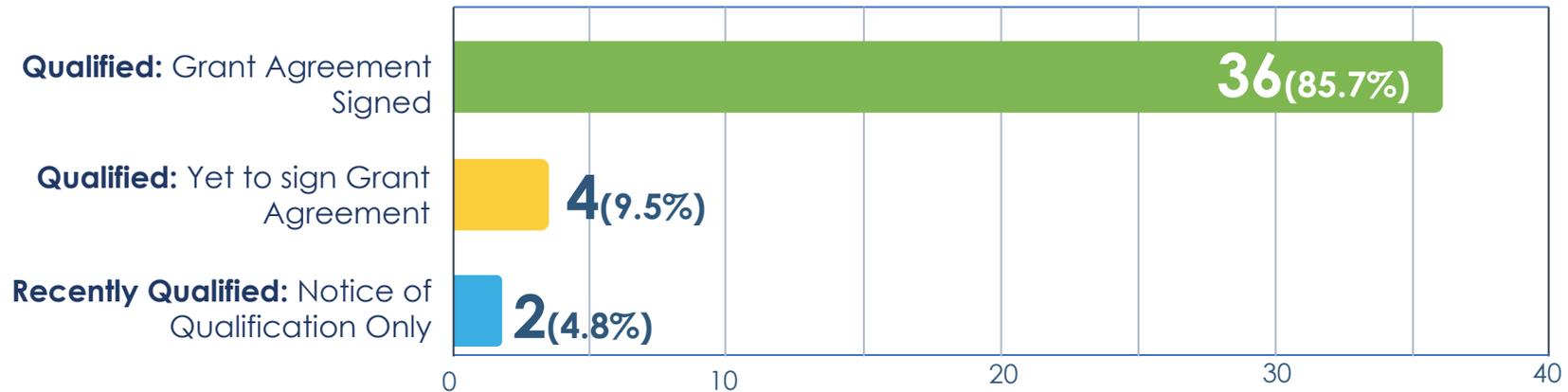
USD 20M



Technical Assistance

USD 37M

CATEGORY OF RESPONDENTS

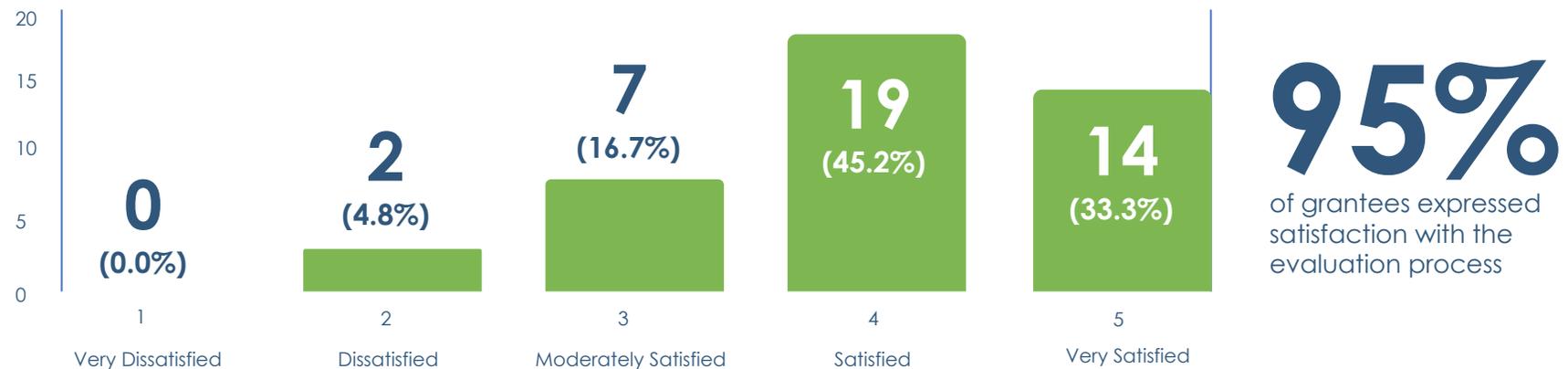


Total number of qualified companies: 61

Total number of signed grant agreements: 52

FEEDBACK ON THE EVALUATION PROCESS

Kindly provide feedback on the NEP SHS Evaluation Process, from application to the grant agreement signing





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FEEDBACK ON CRM INTEGRATION AND VERIFICATION PROCESS

Kindly provide feedback on the NEP SHS verification Process and CRM integration where applicable

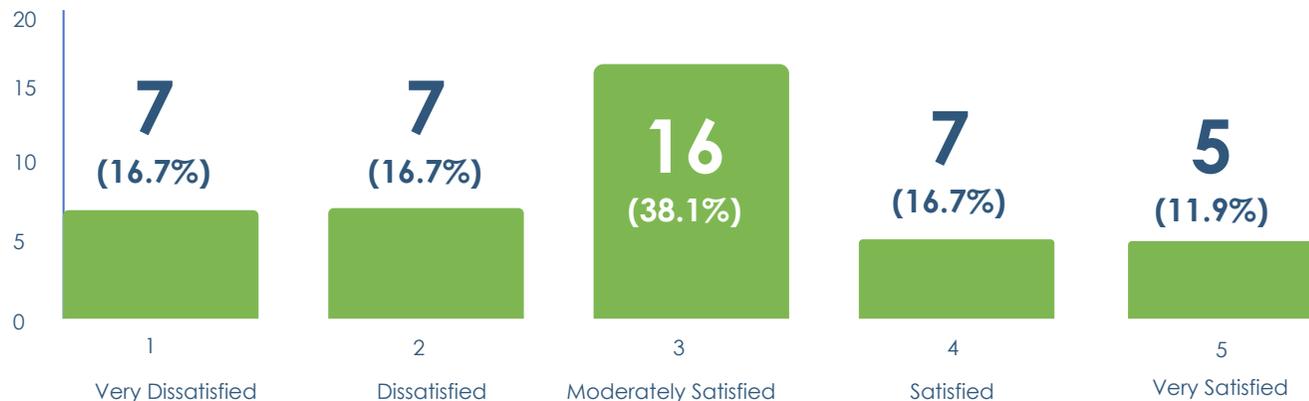


85%

of grantees expressed satisfaction with the CRM integration process.

FEEDBACK ON DISBURSEMENT AND PAYMENT PROCESS

Kindly provide feedback on the NEP SHS Payment/Disbursement process



67%

of grantees expressed satisfaction with the disbursement process



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FEEDBACK ON PMU'S RESPONSIVENESS

Kindly provide feedback on the Project Management Units responsiveness to enquiries and other communiques.

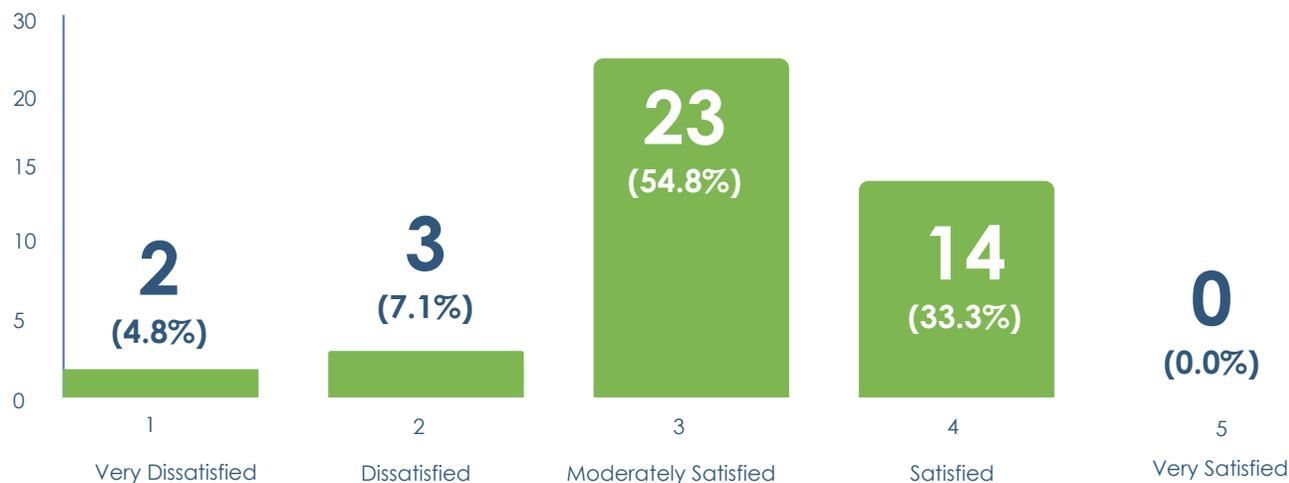


95%

of grantees expressed satisfaction with the PMUs responsiveness

FEEDBACK ON SYSTEMS TIERS & LEVELS

The grant rates disbursed for the different tiers are;



88%

of grantees expressed satisfaction with the grant rates disbursed for the different tiers



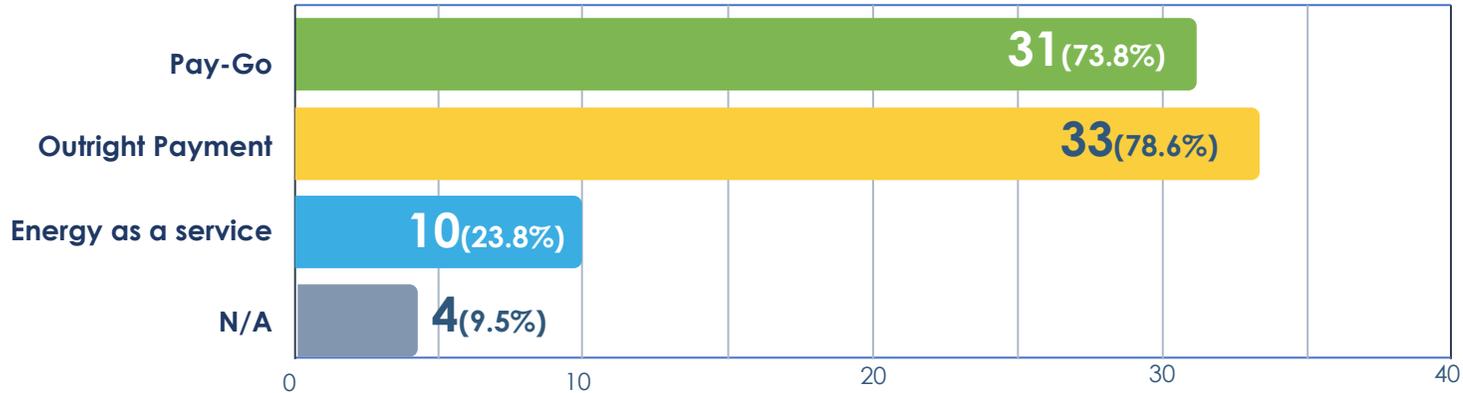
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COMPANY MODE OF SALES

Please indicate the company's mode of sales

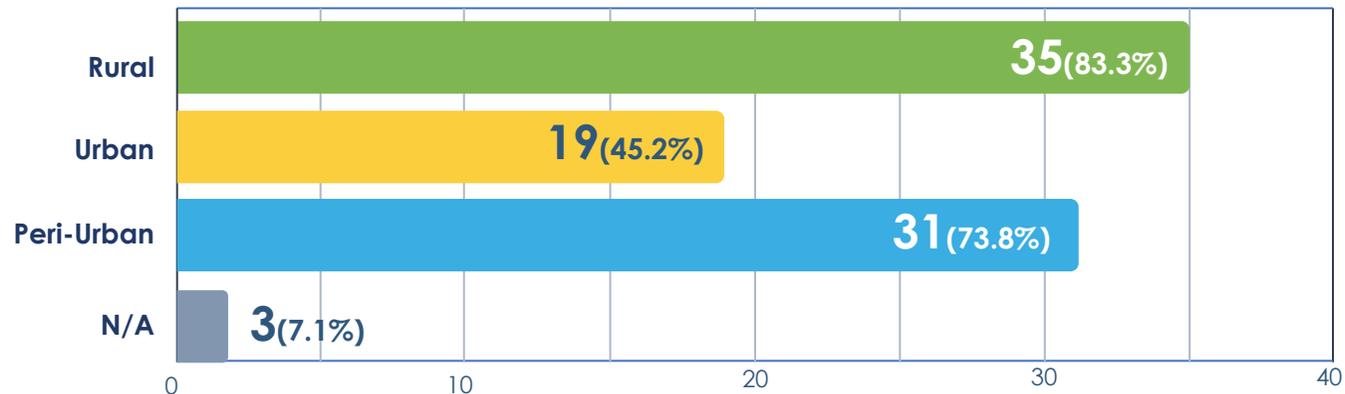


73%

of grantee sales are Pay-Go

SALES LOCATION

Kindly indicate the location of your sales

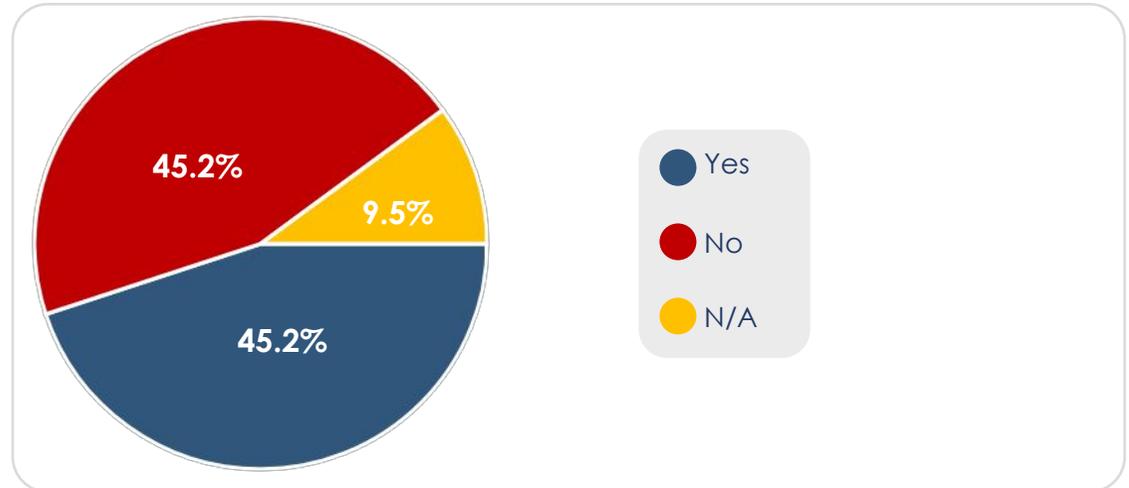


83%

of grantee sales are to rural location

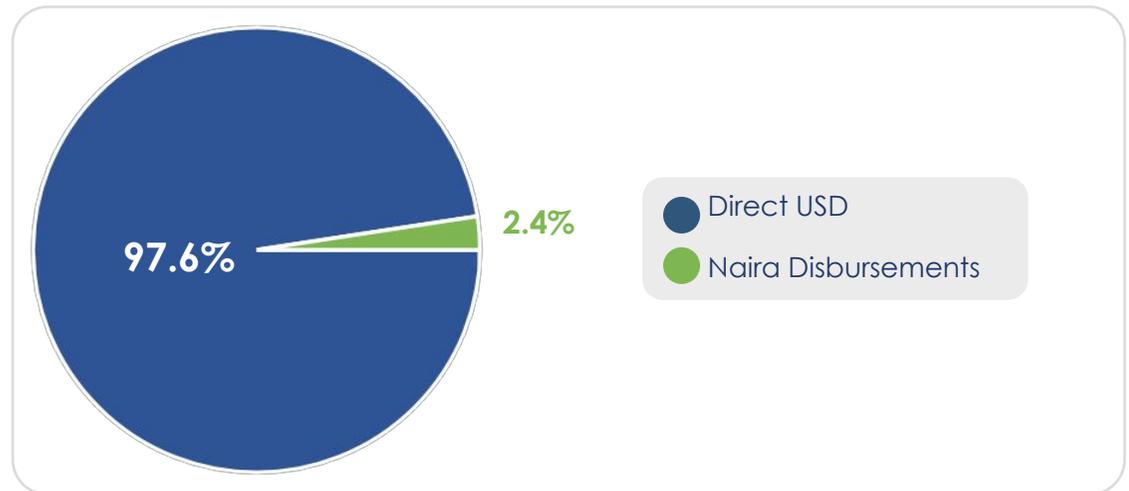
SALES TARGET

Did you meet your targeted sales Numbers as submitted in the Forecast document at the point of application



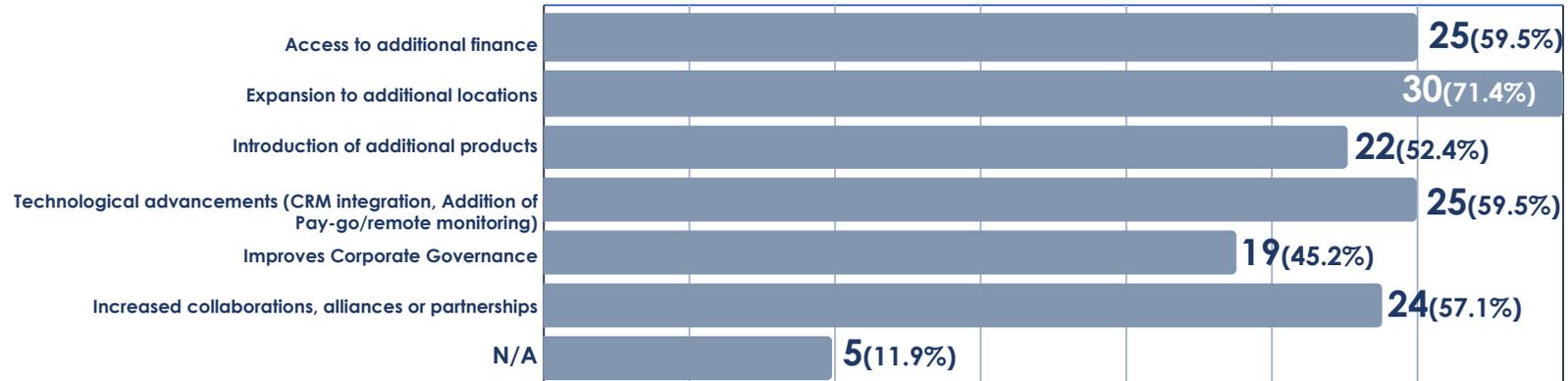
PREFERRED DISBURSEMENT CURRENCY

Kindly select your preferred disbursement method



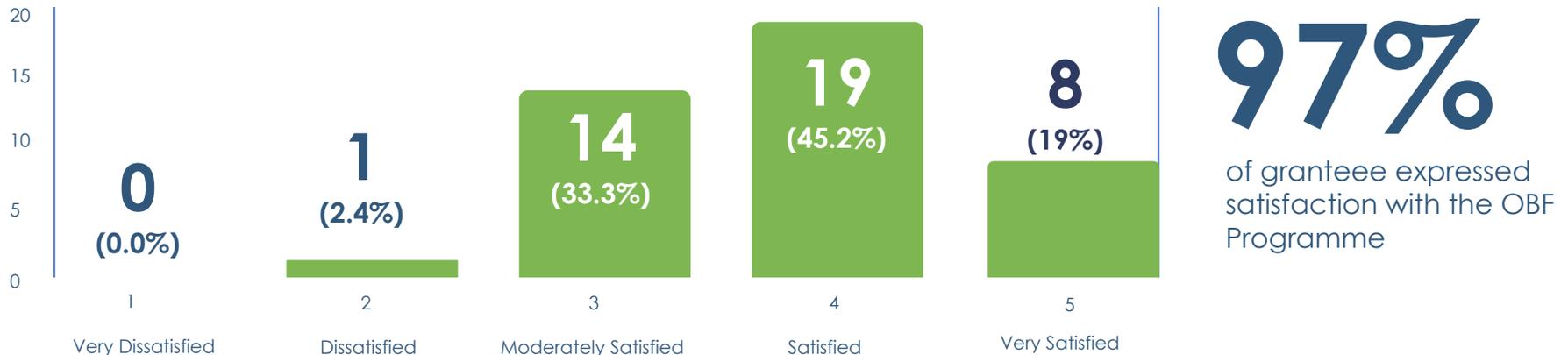
BENEFITS OF THE NEP

Please indicate the benefits experienced either as a direct or indirect result of the NEP Grant



GRANTEE SATISFACTION WITH NEP

Rate your overall satisfaction with the SHS OBF Programme





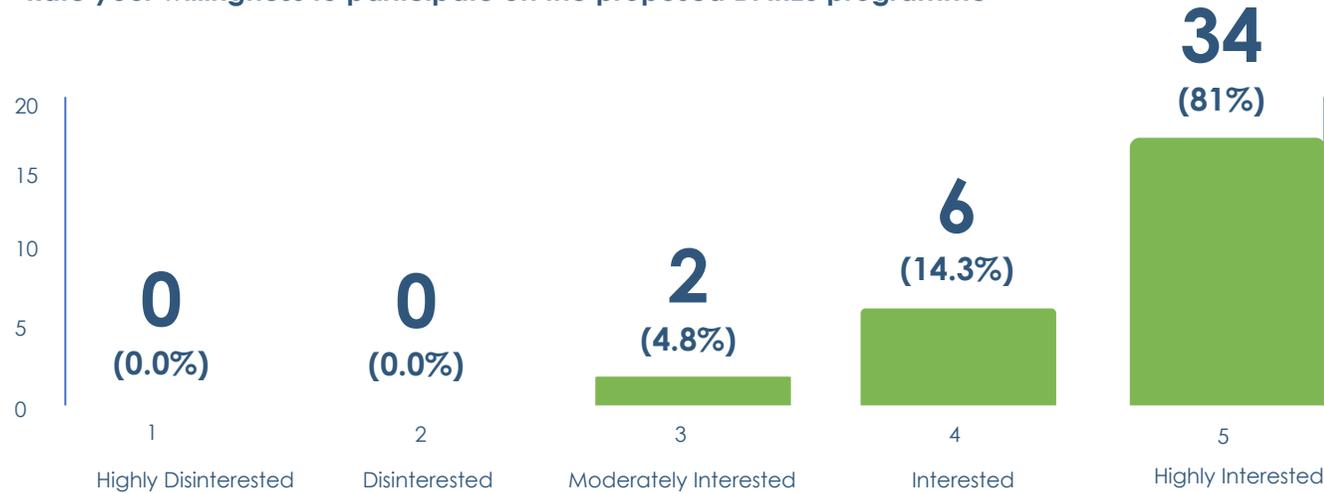
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WILLINGNESS TO PARTICIPATE ON DARES

Rate your willingness to participate on the proposed DARES programme

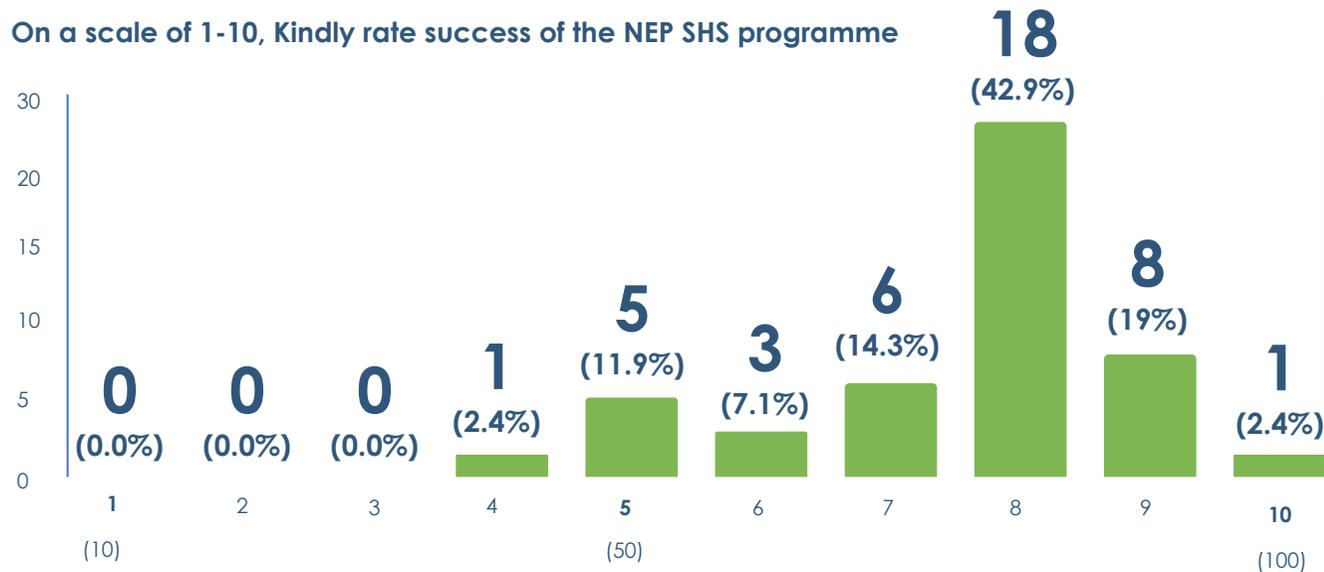


100%

of grantees showed willingness to participate on the DARES Programme

OBF SUCCESS RATE

On a scale of 1-10, Kindly rate success of the NEP SHS programme



97%

of grantees rated the OBF programme successful

OBF IMPACT Households



OBF IMPACT MSMEs



OBF IMPACT Gender Inclusion



GRANTEE TESTIMONIAL

Empowering Communities and Driving Change

We are incredibly proud of our journey as a grant beneficiary of the NEP OBF sub-component. Our shared commitment to providing clean and reliable energy access has brought about transformative change in the Niger Delta region and beyond.

Our recent launch of a solar home system and solar generator assembly factory in Cross River, Nigeria has set a new benchmark for sustainable energy solutions. This factory has not only generated over 105 direct jobs, with women and underrepresented individuals accounting for 40% of the manpower, but offers a beacon of hope for millions of Nigerians who lack reliable access to electricity.

The socio-economic impact of our facility has been profound. In promoting local content and developing in-country capacity for assembling and manufacturing solar system components, we have played a vital role in fostering sustainable development and financial resilience across the region.

Our commitment to women's empowerment, particularly in technical and engineering roles, has resulted in a notable 30% increase in female employment. Our company boasts a strong female presence, with 67% women ownership and 33% representation in senior management positions.

With the NEP OBF grant, we have deployed solar home systems to over 80,000 households and businesses. These initiatives have enabled us transition communities to clean energy sources, promote solar for productive use, and reduce energy expenditure.

Essentially, we have established a robust solar ecosystem in the region. Our assembly plant's exclusive use of 50KW of solar energy to power operations is another testament of our dedication to sustainability. By minimizing greenhouse gas emissions and reducing the plant's carbon footprint by 133,042.50 tons of CO₂, we aim to inspire others in the industry to follow suit.

In conclusion, being beneficiaries under the OBF sub-component has been nothing short of transformative. It has allowed us improve energy access, promote clean energy adoption, and empower local communities. Together, we are shaping a brighter, more inclusive energy future for all, and we at Salpha Energy are excited to continue this impactful work in the years to come.

Sandra Chukwudozie
CEO-Salpha Energy

Salpha Energy's Solar Generator Assembly Factory





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CONCLUSION

The OBF Grantee Feedback Survey provides valuable insights into the experiences and perspectives of grantees under the NEP. The survey results indicate that the OBF funding mechanism has been successful in supporting the growth and expansion of off-grid energy solutions in Nigeria.

71% of respondents reported that NEP grant funding enabled them to expand to additional locations, 52% stating that they were able to access additional funding, and over half of the respondents introducing new products due to the support received. Moreover, the PMU's responsiveness was rated between 3 and 5 by over 70% of respondents, reflecting a satisfactory level of engagement and support from the management team.

An overwhelming majority (88%) expressed overall satisfaction with the OBF, with 100% of respondents rating their experience as satisfactory and above, indicating their willingness to participate in the upcoming Distributed Access through Renewable Energy Scale Up Programme (DARES).

As the NEP transitions to the DARES program, it is essential to integrate the lessons learnt from the OBF grantees' feedback to optimize processes, address challenges, and maximize the impact of future initiatives. Continued collaboration and communication between grantees, the PMU, and other stakeholders will be critical to ensuring the success of DARES and achieving the shared goal of providing sustainable and affordable energy solutions to Nigerian communities.

Building on the encouraging feedback will be the focus of the team as will seeking solutions for those areas identified as hurdles to overcome. The overarching goal remains to decrease Nigeria's energy access gap.

Team



Abba Aliyu

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Head Project Management
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Electrification Project



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Standalone Solar
Home Systems
(SHS)



Tobi Ogunlesi

Project Manager
(PM) Output-Based
Fund (OBF)



Isioma Okobi

Private Sector Liaison
Officer

OBF Grantees



OBF Grantees



Smarter Grid
International



Sandstream



rensource



Solarpawa



ZOLA



COLU



ABOUT REA-NEP

The Rural Electrification Agency (REA) is the Implementing Agency of the Federal Government of Nigeria (FGN) under the Federal Ministry of Power, tasked with the electrification of unserved and underserved communities to catalyze economic growth and improve quality of life for Nigerians.

REA is implementing the Nigeria Electrification Project (NEP), an innovative programme that is private sector driven and seeks to bridge the energy access deficit by providing electricity to households, MSMEs, educational and healthcare facilities in unserved and underserved rural communities through the deployment of solar hybrid mini grids, Solar Home Systems (SHS), captive power plants and productive use equipment & appliances. The primary objective of the NEP is to connect more than 3.5 million people, 705,000 households, 90,000 Micro, Small, and Medium Enterprises (MSMEs), 15 Federal Universities, 3 affiliated Teaching Hospitals, and 100 COVID-19 Isolation centers.



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Powering Nigeria, one community at a time