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NACOP/2014 /01/003

AUGUST, 2014

Title: The Draft National Rural Electrification
implementation Strategy and Plan

Memorandum By: Federal Ministry of Power

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PC (2014)
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NATIONAL COUNCIL ON POWER

THE TECHNICAL SESSION AND STAKEHOLDER DISCUSSION OF THE DRAFT
NATIONAL RURAL ELECTRIFICATION STRATEGY AND PLAN FOR NIGERIA

Memorandum by the Director, Electrical Inspectorate Services

The purpose of this memorandum is to notify Council on recent developments on the preparation of the National Rural Electrification Strategy and Plan for Nigeria in the post privatization period.

2. The Federal Government since 1981 has made several advances to ensure rapid expansion and supply of electricity to rural areas at an affordable price, this is in consideration of the fact that half of the Nigerian population lives in rural areas and a greater percentage of this population also lack access to electricity.
3. Recognising this,. In March 2005, the Federal Government of Nigeria (FGN) passed the Electric Power Sector Reform Act 2005 (EPSR Act 2005), which among many other things provides the legal foundation for the establishment of the Rural Electrification Agency (REA), a governmental body charged with designing and implementing strategies to achieve rural access to electricity.
4. Meanwhile, Nigeria has been blessed with a wealth of natural resources that can be utilized to generate electricity. These include fossil fuels (e.g., gas, coal, oil), renewable energy sources (e.g., solar, wind, biomass, small hydro, geothermal, tidal), and large hydro sources. With proper market and regulatory mechanisms in place, these resources could be utilized to provide a reliable supply of electricity to not only all residential, commercial, industrial, and public sector consumers in Nigeria, but also the diverse rural households across the country at cost-effective and affordable tariffs.

5. A core challenge has been that rural households have not seen much improvement in the availability of services. To date, it is estimated that only about 26% of rural households have access to electricity, no significant difference compared to when the National Rural Electrification Programme (NREP) commenced in 1981. The growth in demand for electricity has outpaced supply and population growth has driven the rate of new household formation higher than the rate of new connections. As a result, rural households still rely on fuel-wood and other expensive, unhealthy and unsustainable sources of energy.

6. In recognition of this, the Federal Government of Nigeria has planned a renewed effort to increase rural electrification (RE), which has been identified as a priority for the growth and development of the nation. It was on this note that H.E. Dr Goodluck Ebele Jonathan, GCFR, President, Federal Republic of Nigeria launched the ***'Operation Light-off Nigeria- a noble National project aimed at providing electricity to rural areas of Nigeria'***. In addition the Federal Ministry of Power and other relevant MDAs also took up the challenge and have worked tirelessly to present a draft rural electrification strategy and plan which has been subjected to various stakeholders review and at its final stage of approval.

7. The draft strategy is coming at the time when Nigeria is undergoing a world class transformation in its electricity sector, and at a time when a National Renewable Energy and Energy Efficiency Policy is being finalised. The Rural Electrification Strategy will therefore help align and strengthen the plans of the government to meeting its 75% electricity access target by 2020.

Ministry of Power

ABUJA

AUGUST, 2014

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NACOP/2014 /01/004

AUGUST, 2014

Title: The Development of Nigerian Power Sector
Content Development Policy, Strategic Framework
and Draft Bill

Memorandum By: Federal Ministry of Power

NACOP (2015) – IM –

**INFORMATION MEMORANDUM ON A THREE-DAY RETREAT FOR
THE DEVELOPMENT OF A NIGERIAN POWER SECTOR CONTENT
DEVELOPMENT POLICY, STRATEGIC FRAMEWORK
AND DRAFT BILL**

The purpose of this Memorandum is to inform the National Council of Power (NACOP) that a three-day Retreat for the development of a Nigerian Power Sector Content Development (NPSCD) Policy, Strategic Framework and Draft Bill took place from 23rd to 25th July, 2014. The Retreat was organized by Frandek International Consulting Limited. A total of 50 participants that attended the Retreat came from professionals in the Power Sector including officials in the Federal Ministry of Power and Agencies, Consultants, Contractors, Manufacturers and other stakeholders in the Sector.

2. The need for the development of the Power Sector Content Policy was realized as a result of the growing need to enhance sustainable development in the sector while harnessing indigenous resources.

3. Particularly, the Power Sector Content will have an overarching effect on power generation, transmission and distribution. The NPSCD Policy is expected to achieve the following:

- * Value Creation
- * Capacity development
- * Utilization of Nigerian human material resources and services, and employment of Nigerians.
- * Reduce outflow of foreign exchange.

4. **Retreat Activities and Outcomes:**

The Retreat activities consisted of interactive presentations, policy and framework development and Bill Drafting. The following outcomes were achieved:

- * A draft Nigerian Power Sector Content Development Policy (NPSCDP).
- * A draft Strategic Framework and Roadmap to drive the implementation of NPSCDP
- * A draft Bill for the Nigerian Power Sector Content Development.

5. Nigerian Power Sector Content Development Policy Recommends:

- (a) There is an urgent need to commence the Power Sector Content Development Initiative through firstly the implementation of the Policy and ultimately the enactment of the Nigeria Content Development Act.
- (b) There should be a Power Sector Monitoring Board to drive the Nigerian Power Sector Content Development Initiative. This Board should synergize with the Nigerian Content Development and Monitoring Board in the Oil and Gas Sector.
- (c) There should be a Nigerian Content Development Fund where all investors would contribute x% of earnings. This would go towards enhancing the development of Nigerian Content Capacity Building in the Power Sector.
- (d) The Content Development Initiative should act as a catalyst to support indigenous companies in playing a key role in the Power Sector Reform by developing a data

base of Indigenous resources, products and human capital for Investors.

- (e) Provision of incentives and support to indigenous companies and service providers in the Power Sector to strengthen them in preparation for the take-off of the Nigerian Content Development Initiative.

6. A nationwide stakeholder workshop is planned for later in the year 2014 to brainstorm and review the draft policy, strategic framework and draft bill prior to being forwarded to Federal Ministry of Justice and National Assembly.

7. **Council is invited to note that:**

- (i) a three-day Retreat for the development of a Nigerian Power Sector Content Development Policy, Strategic Framework and Draft Bill between 23rd – 25th July, 2014;
- (ii) The participants included amongst others, officials in the Federal Ministry of Power and Agencies, Consultants, Contractors, Manufacturers and other stakeholders in the Sector;
- (iii) The need for the development of the Power Sector Content Policy was realized as a result of the growing need to enhance sustainable development in the Sector while harnessing indigenous resources;
- (iv) **The following outcomes were achieved:**
 - (a) A draft Nigerian Power Sector Content Development Policy (NPSCDP)
 - (b) A draft Strategic Framework and Roadmap to drive the implementation of NPSCDP

(c) A draft Bill for the Nigerian Power Sector Content Development.

(v) **Major recommendations are as follows:**

- (a) There is an urgent need to commence the Power Sector Content Development Initiative through firstly the implementation of the Policy and ultimately the enactment of the Nigeria Content Development Act.
- (b) There should be a Power Sector Monitoring Board to drive the Nigerian Power Sector Content Development Initiative. This Board should synergize with the Nigerian Content Development and Monitoring Board in the Oil and Gas Sector.
- (c) There should be a Nigerian Content Development Fund where all investors would contribute x% of earnings. This would go towards enhancing the development of Nigerian Content Capacity Development in the Power Sector.
- (d) The Content Development Initiative should act as a catalyst to support indigenous companies in playing a key role in the Power Sector Reform by developing a data base of indigenous resources, products and human capital for investors.
- (e) Provision of incentives and support to indigenous companies and service providers in the Power Sector to strengthen them in preparation for the take-off of the Nigerian Content Development Initiative.

- (vi) A nationwide stakeholder workshop is planned for later in the year 2014 to brainstorm and review the draft policy, strategic framework and draft bill prior to being forwarded to Federal Ministry of Justice and National Assembly.