

Establishing the Foundations of a Partnership To Accelerate the Global Market Transformation For Efficient Appliances and Equipments (United For Efficiency Initiative).

Ref NO: UNEP/U4E/ DTIE17- EN039 • Contract No:

Reducing Black Carbon Emissions by Transitioning to Clean and Sustainable Lighting (Nigeria)

United For Efficiency Initiatives (U4E)

GUIDELINES AND RECOMMENDATIONS ON DEPLOYMENT OF PV PICO-SOLAR AND SOLAR HOME SYSTEMS

2017

Mission reference: U4E (Nigeria)

GUIDELINES AND RECOMMENDATIONS ON DEPLOYMENT OF PV PICO-SOLAR AND SOLAR HOME SYSTEMS

1.0 Public Awareness and Demand Creation

To address the low level awareness of modern off-grid lighting and drive demand creation for the market.

- “Above the line” campaigns using national and state government owned media houses including television, radio and other digital networks via public announcements, discussions, interviews, documentaries, programs, and other channels.
- “Below the line” national and state level campaigns including road shows, community town-hall meetings, educative programs, and other channels aimed at creating awareness of modern off-grid lighting especially in rural and last mile communities.
- Partnership with private sector, non-governmental organizations, civil society, faith-based institutions, local groups, women groups, traditional institutions, pressure groups, academic institutions, and other influencers in driving awareness on the different offerings of modern off-grid lighting.

2.0 Access to Finance

To address bottlenecks in accessing finance for both consumers and enterprises.

- Provision of consumer finance such as Micro-Credit schemes for off-grid solar lighting products working with local banks, microfinance institutions and other credible finance institutions in the country. Power Africa’s Beyond the Grid Initiative established partnerships between leading micro-finance institutions (MFIs) at the federal, state and local level such as LAPO micro-finance bank (MFB), Grooming People MFB, Accion MFB, Fortis MFB and Mutual Benefits MFB; and off-grid solar companies such as Azuri, Greenlight Planet, D.Lighti, Barefoot and Emel to facilitate the deployment of solar off-grid systems in the Nigerian market.¹ These has helped to boost affordability and deployment of solar solutions in various communities

¹ Nigeria Electricity Hub (2018) Nigerian micro-finance banks start selling solar – Power Africa. Available from: <http://www.nigeriaelectricityhub.com/2018/06/05/nigerian-micro-finance-banks-start-selling-solar/>

across the country with sales of solar lanterns and solar home systems increasing from 500 systems monthly to over 8,000 systems monthly facilitated by LAPO MFB alone.² The government can replicate such consumer finance schemes leveraging on the country's strong micro-finance sector of over 1,000 registered MFBs at the national, state and local levels to drive the adoption of clean lighting technologies across the country. These MFBs can partner with credible associations such as women groups, faith-based institutions, civil society and other credible bodies in deploying these Micro-Credit schemes.

- Implementation of voucher programs for off-grid lighting solutions. These vouchers will hold certain monetary value redeemable upon purchase of solar products, offering discounts to customers and creating incentives for them to buy off-grid lighting products. The vouchers can be distributed through credible institutions to communities and markets over a limited period of time with residents in these communities redeeming these vouchers through credible off-grid lighting enterprises, and the government responsible for the defrayed cost of the solar products. Such voucher programs will facilitate a transition from the use of inefficient lighting sources to clean solar solutions, encourage entrepreneurs and traders in the community to become advocates of these solutions while driving demand. A strong monitoring and evaluation framework will be developed to assess the success of the voucher program, get feedback from users, and help in the improvement of future voucher programs
- Provision of credit facilities, credit guarantees, low interest loans and other financing instruments to enterprises in the sector requiring such funds to scale operations and meet demand in the country.
- Collaboration with private sector financiers and investors, in catalyzing finance for the market.

3.0 Promoting Quality and Consumer Protection

To promote the adoption of quality products and eliminate the negative perception on off-grid products/solutions in the country created by sub-standard products in the market.

² ibid

- Adoption of international certified product standards such as the Lighting Global Quality Standards and Minimum Energy Performance Standards (MEPS) for the sector.
- Training responsible agencies such as the Nigeria Customs Administration and Standards Organization of Nigeria on the established standards and product-verification measures to ensure imported products meet the Lighting Global Quality Standards.
- Taking decisive measures against defaulters, dealers, and marketers of sub-standard off-grid lighting products and ensuring only enterprises whose products meet the established standards are allowed to operate in the country.

4.0 Incentives

To scale up energy access and drive the market for modern off-grid lighting in the emerging Nigerian market through the provision of incentives required to catalyze the market and encourage investment.

- Provision of tax incentives including tax exemptions, VAT reduction, import duty/excise duty concession, tax credits, production tax concession and/or tax holidays for the off-grid lighting market.
- Elimination of kerosene subsidies to create a level playing field for clean modern energy-efficient lighting technologies and increase their value proposition to the consumer.

5.0 Technical Assistance and Capacity Building

To develop the required human capacity required for the industry, and ensure quality in the market.

- Developing and supporting technical and non-technical training programs and certification schemes for enterprises, businesses and entrepreneurs in the sector through government training institutions.
- Enforcing these certification schemes as mandatory for the private sector in order to promote standard and quality in the market.

6.0 Institutional Coordination and Collaboration

To ensure effective coordination of the sector and promote public-private collaboration.

- Working with key stakeholders in the sector including private sector enterprises, donor community, development organizations, civil society, and other relevant influencers in the sector in driving the adoption of off-grid solar solutions.

7.0 Environmental Management

To optimize the benefits of modern off-grid lighting and ensure environmental best practices are adopted and maintained in the sector.

- Ensuring that the manufacture, transport, and disposal of modern off-grid lighting products are consistent with international best practices and adhere to both the Lighting Global Quality Standard and the Basel Convention on the Control of Transboundary Movement of Hazardous Wastes and Their Disposal.
- Ensuring that the disposal of off-grid lighting products at their end of their lifespan follow the national regulation for environmentally sound disposal of spent e-waste and is adhered to by both the consumer and enterprise.
- Ensuring that enterprises educate consumers on the use and safe disposal of modern off-grid lighting products as well as develop collection systems for the collection of these spent lighting products and their safe disposal after use.