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Nigeria Electrification Project

STANDALONE SOLAR HOME SYSTEMS

Component Overview

Presentation Agenda



**Overview of the Solar
Home Systems
Component**

**Output Based Fund
Sub-Component
Application Guideline**

Objective & Funding Amounts

The component aims to enable millions of underserved Nigerian households and micro enterprises (MSMEs) access better energy services at lower average cost, by supporting the private sector-led market development for stand-alone solar systems.

The **\$75million** SHS Component will be accomplished via two sub-components:



Output Based Fund (\$60M)
providing fixed incentive payment per system installed



Market Scale Up Challenge Fund (\$15M)
providing lump sum grants against strongest business plans and other investor co-funding



NEP COMPONENT 2 - STANDALONE SOLAR HOME SYSTEMS

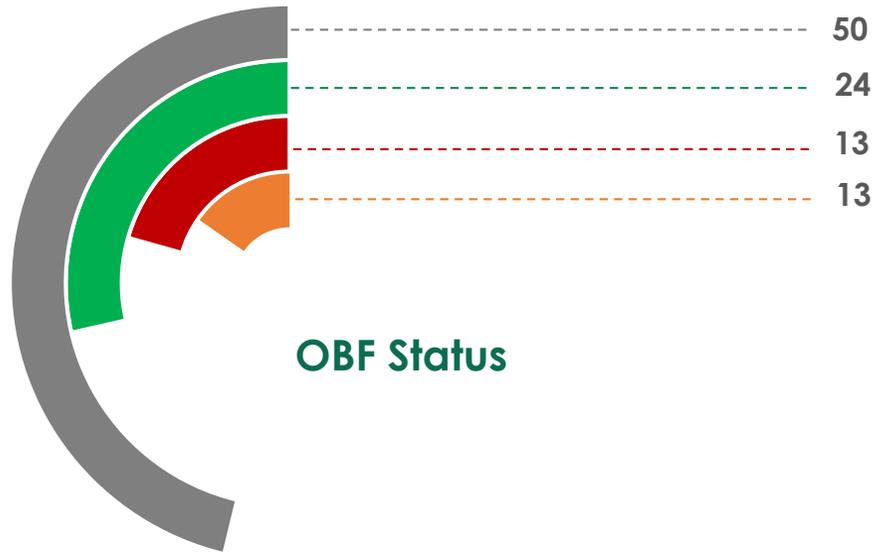
Output Based Fund – 8th March 2021



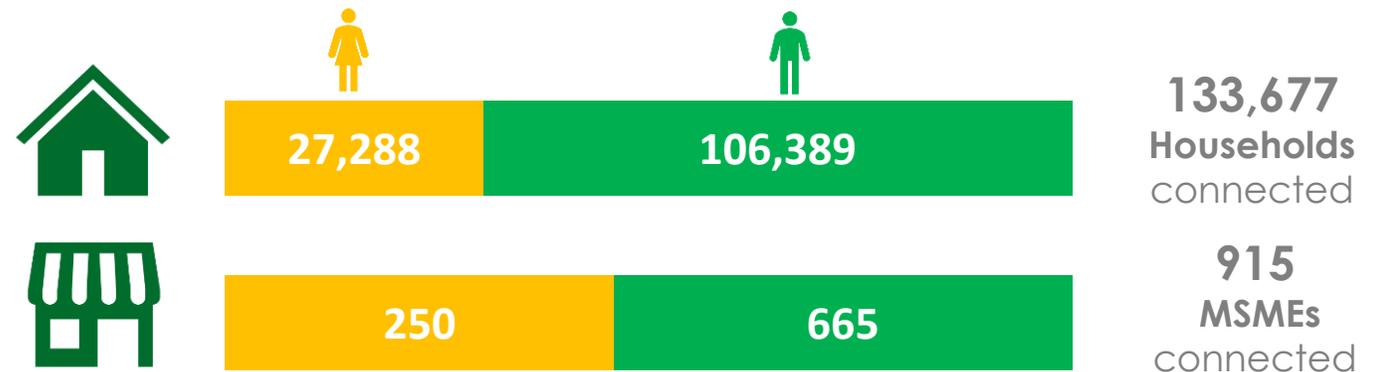
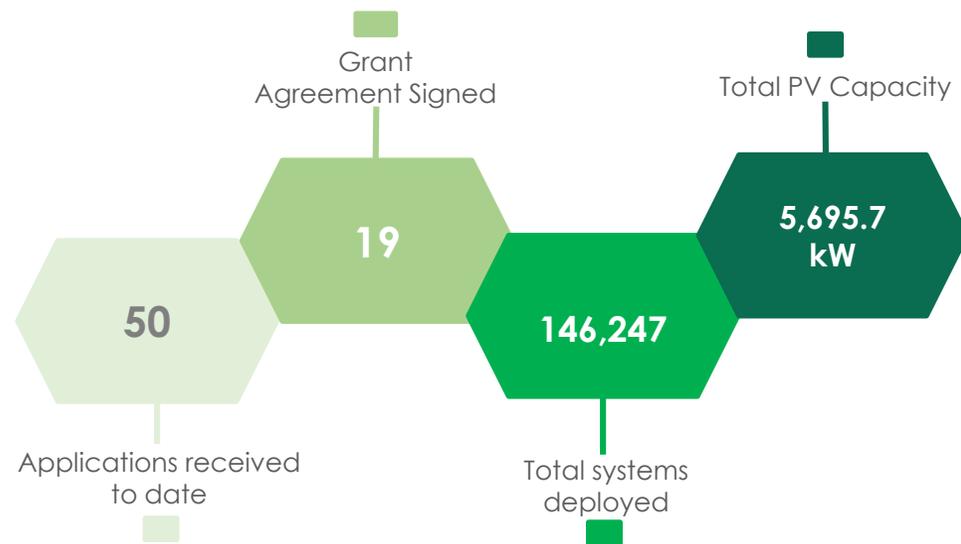
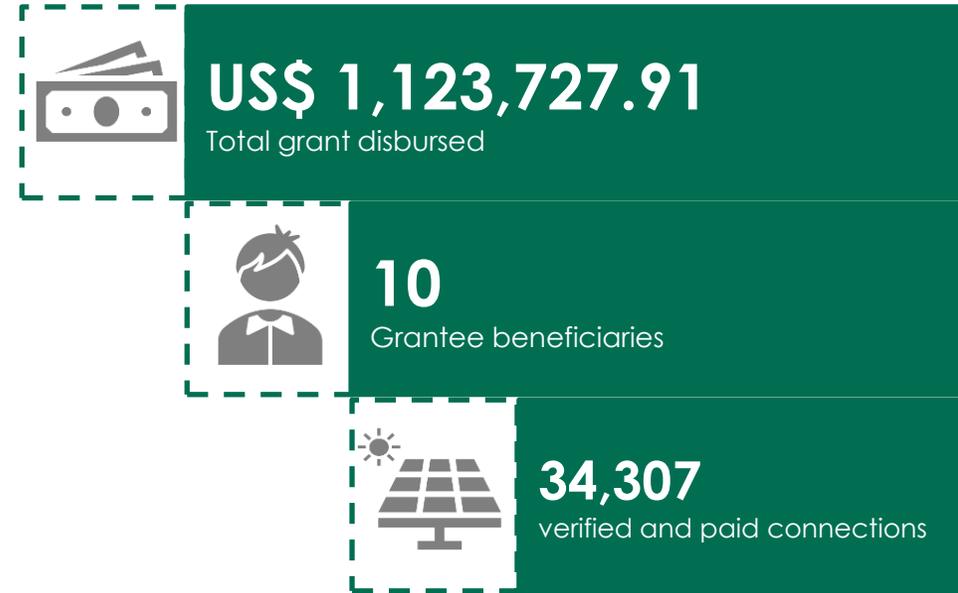
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- Total Applicants
- Successful Applications
- Unsuccessful Applications
- Ongoing Evaluations(s)



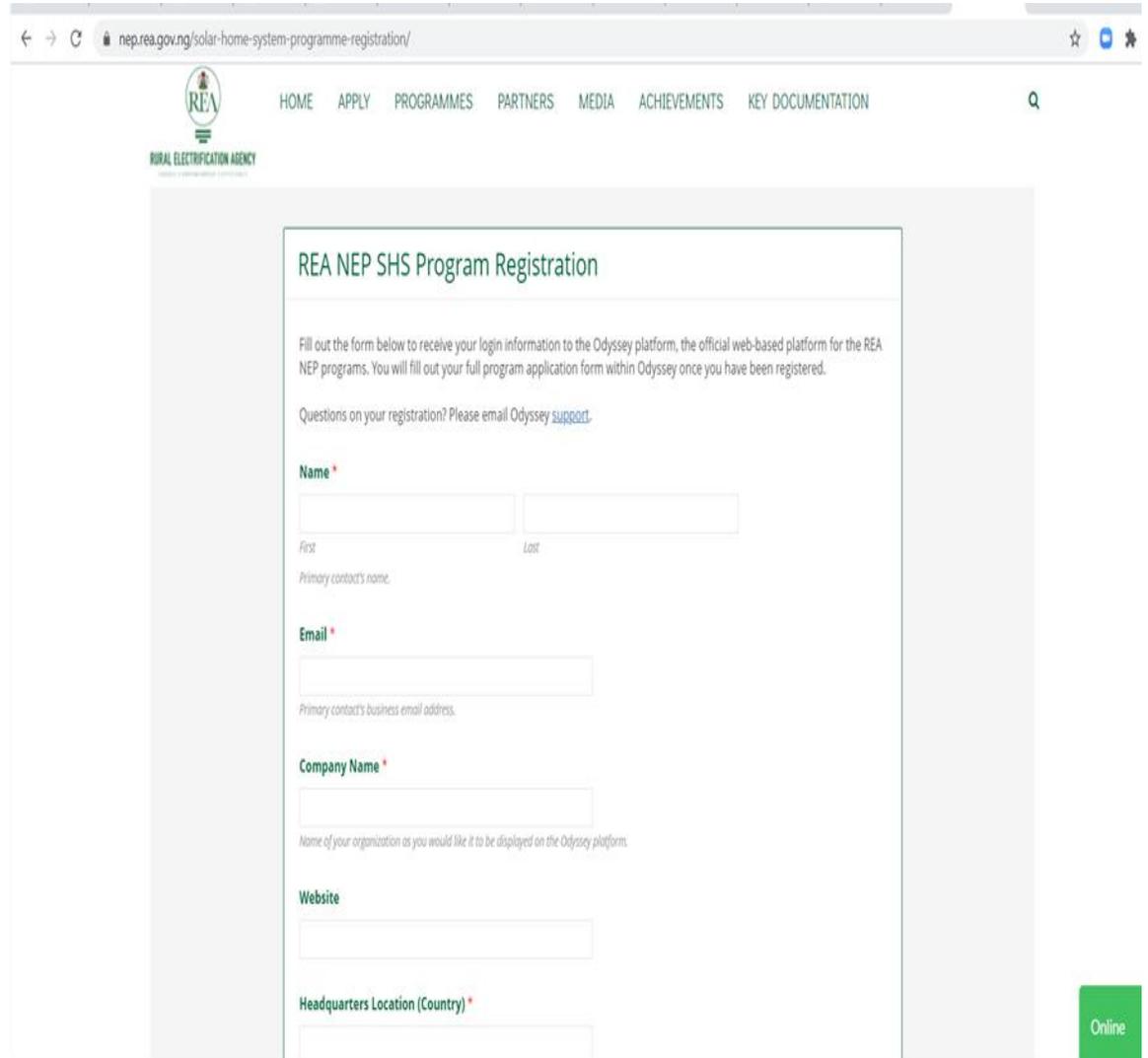
29 connections are public facilities

Uncategorized connections – 8,806

Output Based Fund – Application Process

To apply for the Output Based Fund, please follow this steps:

- Visit the Nigeria Electrification Project Website – www.nep.rea.gov.ng
- Click on **APPLY > SOLAR HOME SYSTEMS**
- Select the **Output Based Fund (OBF)** button and read the paragraph.
- At the bottom of the paragraph, select the **Click this link to register on the REA NEP SHS PROGRAMME**
- The link automatically directs to the page on the right.
- Kindly read the content on the page and fill out the form below to receive your login information to the **Odyssey platform**, the official web-based platform for the REA NEP programs.
- Once registration is done and login details have been received, the full program application form would be filled within Odyssey.
- If any challenge is encountered, please reach out to the Odyssey Energy Solutions ([support](#))



The screenshot shows a web browser window with the URL nep.rea.gov.ng/solar-home-system-programme-registration/. The page features the REA logo and a navigation menu with links for HOME, APPLY, PROGRAMMES, PARTNERS, MEDIA, ACHIEVEMENTS, and KEY DOCUMENTATION. The main content area is titled "REA NEP SHS Program Registration" and contains the following text: "Fill out the form below to receive your login information to the Odyssey platform, the official web-based platform for the REA NEP programs. You will fill out your full program application form within Odyssey once you have been registered." Below this text is a link for "Questions on your registration? Please email Odyssey support." The form itself includes several fields: "Name" (split into "First" and "Last" sub-fields), "Email" (with a note "Primary contact's business email address."), "Company Name" (with a note "Name of your organisation as you would like it to be displayed on the Odyssey platform."), "Website", and "Headquarters Location (Country)". A green "Online" button is visible in the bottom right corner of the form area.

Output Based Fund – Application Scoring Structure

Applicants are not ranked but rather admitted or rejected subject to either passing or not passing the minimum average score of 70%, across the criteria below:

Company ●
Skills, staff experience, governance structures, regulatory and statutory compliance, financial standing (availability of financial resources).

Customer Tracking ●
Evidence of the ability to identify, track and report customers and SHS.

Customer Service ●
Evidence of ability to effectively provide pre- and after- sales service to customers, including easy and practical warranty service.



● **Operational scale**
Evidence of ability to achieve the minimum required level of sales (>150 systems/month). Evidence of strategic value chain partners

● **Environmental and Social Management**
Evidence that environmental and social risks are mitigated and provisions to pacify if they occur. Evidence of interest in either starting or enhancing engagement of the female gender

● **Product**
Products must pass the NEP quality verification (detailed in following slide) process or the Lighting Global standard.

SHS OBF Quality Verification Framework

The SHS component makes use of a thorough quality verification framework to ensure that all standalone solar home systems meet the international baseline level of system quality, durability, lumen maintenance, warranty truth in advertising set out by Lighting Global.

System size range	Applicable steps
6-15Wp plug & play	Lighting Global (Verasol) specification sheet and verification letter required
15-350Wp	Lighting Global (Verasol) specification sheet and verification letter required for plug & play systems in this range. For systems in this capacity range that are sold on a component-basis or are otherwise not “plug-and-play”, the quality verification framework applies.
Larger than 350Wp	Each part of the component based systems must pass the quality verification framework and should each possess a distinct IEC Certificate.

OBF – Evaluation, Verification & Disbursement Process

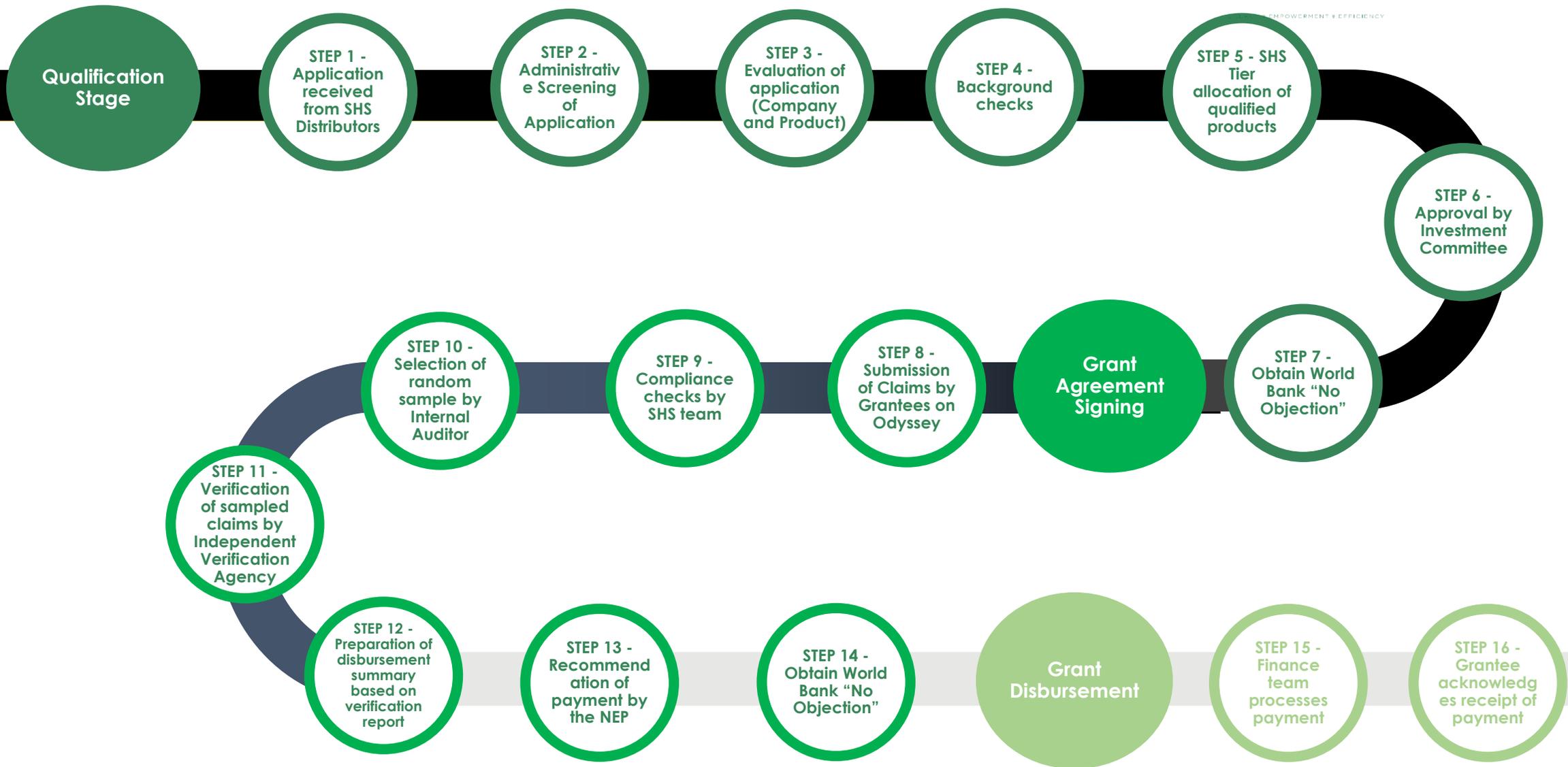


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SHS OBF Grant Unit Rate



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SHS are categorized into several Tiers based on capacity and service. Within each Tier of the SHS, a single unit rate of Output Based Grant will be paid against all systems.

SE4ALL		Tier 1		Tier 2	Tier 3	Tier 4	Tier 5
Product Tiers		Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Nominal Capacity (minimum)	Wp	6	15	50	200	800	2,000
Daily Capacity	Wh	24	60	200	1,000	3,400	8,200
Minimum Service		Min 3 lamps, possible 2000 lumen hours per day, phone charging	Min 3 lamps, phone charging, air circulation possible	Electrical lighting, air circulation, television and phone charging are possible			
Availability (Day)	hrs	4	4	4	8	16	23
Availability (Evening)	hrs	2	2	2	3	4	4
Nominal Retail Price	USD	80	125	250	800	3,200	7,000
Grant	%	20%	20%	20%	15%	10%	7%
Grant Amount	USD	16	25	50	120	320	490



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**THANK
YOU FOR
LISTENING.**



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Output Based Fund - Overview



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Objective

To enable capable solar providers reach and serve larger numbers of customers more rapidly.

Mechanism

Average grant at 20% of system cost. Fixed amount of grant paid after the installation of each system is verified.

System Requirements

Minimum SHS size: 6Wp (quality verified).

Access to Fund

Must pre-qualify both company and product to claim grant as often as once a month. Claims are submitted online then installations of systems are verified by the IVA.

