

Nigeria

GDP: **\$568.5bn**

Five-year economic growth rate: **9.0%**

Population: **178.5m**

Total clean energy investments, 2009-2014: **\$358.7m**

Installed power capacity: **10.7GW**

Renewable share: **0.6%**

Total clean energy generation: **68.0GWh**

Top energy authority:

National Energy Regulatory Commission

OVERALL RANKING
2014

22

2015

12

OVERALL SCORE
2015

1.58

PARAMETER	RANKING	SCORE
I. Enabling Framework	14	1.48
II. Clean Energy Investment & Climate Financing	07	1.13
III. Low-Carbon Business & Clean Energy Value Chains	13	3.30
IV. Greenhouse Gas Management Activities	31	1.01

SCORE SUMMARY

Nigeria scored 1.58 in *Climatescope* 2015, placing it 12th on the list of countries overall. This was an increase from 2014 and was largely due to a higher score on Clean Energy Investment and Climate Financing Parameter II in general, and the growth rate of clean energy investment in particular.

On Enabling Framework Parameter I, the country's score increased thanks largely to a rise on its small base of clean energy generating capacity.

On Parameter II, Nigeria ranked 7th overall and highest among the African nations. This reflected an increase of 158% in the volume of asset finance to \$359m in 2015.

Nigeria's high score on Low-Carbon Business & Clean Energy Value Chains Parameter III was supported by a high number of value chains and service providers.

On Greenhouse Gas Management Activities Parameter IV, the country was ranked 30th and showed some strength in the carbon offsets category.

For further information, access www.global-climatescope.org/en/country/nigeria

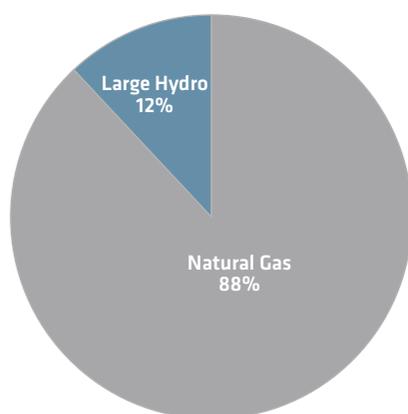
OVERVIEW

At year-end 2014, Nigeria had an installed electricity capacity of 10.7GW. Having gone through major power sector reform, and elections in 2015, it has yet to deploy grid-scale renewable energy projects despite having a feed-in tariff (FiT) in place.

Power cuts are a common occurrence for the 58% of the Nigerian population that has access to grid electricity. Among the rural population this drops to less than 20%. The electrification target is 75% by 2020 and 100% by 2030. The Nigerian grid also suffers from a lack of maintenance.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

10.7GW total installed capacity



Source: Bloomberg New Energy Finance, Nigeria National Bureau of Statistics, Nigerian Electricity Regulatory Commission, KNUST Energy Center
Note: Negligible values for small hydro and oil & diesel cannot be graphically represented due to scale, see source data for the complete numbers.

In March 2015, Nigeria elected a new president, General Muhammadu Buhari. Indications are that the new government will maintain the momentum on renewables and energy-efficiency policy development. In May 2015, the Nigerian Federal Executive Council approved the National Renewable Energy and Energy Efficiency Policy (NREEEP) which mandates which instruments (FiTs, energy targets, etc.) will be applied. The next step will be a National Renewable Energy Action Plan (NREAP).

KEY POLICIES

Energy Target	Non-legally binding targets, including 10% renewable energy by 2020, under the renewable energy policy proposed in 2014. Binding targets are slated to follow in the country's first NREAP in 2016.
Feed-in Tariff	A 15-year fixed tariff for wind, solar, small hydro and biomass, which is revised every five years. The regulator proposed significant changes in July 2015.
Biofuels	A mandate to blend 10% ethanol with gasoline and 20% biodiesel with diesel by 2020.

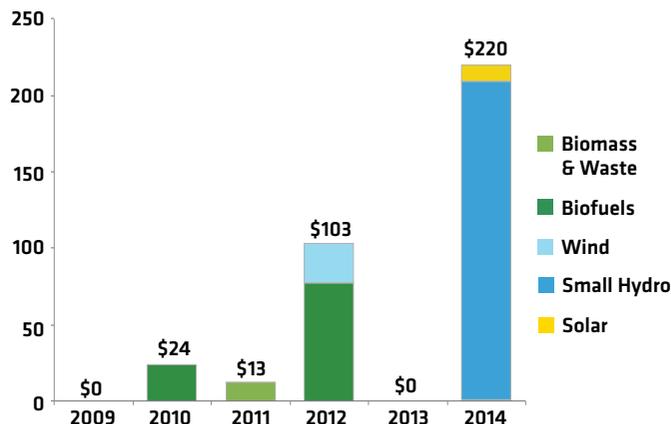
Source: Bloomberg New Energy Finance Policy Library

Nigeria currently has a target for 40GW of installed power capacity by 2020, of which 10% must come from renewable energy. Under the Multi-Year Tariff Order 2 (MYTO2), it also has a FiT underwritten by the government-backed electricity trader the Nigerian Bulk Electricity Trading Company (NBET).

New draft regulations for the country's FiT were published in July 2015. They introduce another renewable energy target: for 2GW by 2020, which also acts as a cap. Individual projects are limited to 30MW, but the FiT will be denominated in US dollars fixed for the duration of the power purchase agreement (i.e. 20 years) rather than reviewed every five years.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2009-2014 (\$m)

\$358.7m total cumulative investment



Source: Bloomberg New Energy Finance
Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.

Aside from the NREEEP policy and FiT proposal, the most significant recent development was the unbundling and privatisation of generation and distribution companies in the Nigerian power sector, which was completed in late 2013. The so-called transitional electricity market began in February 2015, after multiple delays, with NBET acting as a clearing house and guarantor for power purchases.