SUSTAINABLE ENERGY FOR ALL

Africa Renewable Energy Manufacturing Initiative

NIGERIA

GREEN MANUFACTURING POLICY & INVESTMENT GUIDE

MARCH 2024

Why Renewable Energy Manufacturing in Nigeria?

Nigeria's Energy Transition Plan (ETP), launched in 2021, offers a pathway to meet net zero by 2060 while meeting the country's energy needs.

Key highlights of a net-zero aligned pathway include:

- Utility-scale solar capacity to expand to **8GW by 2030 and 197GW by 2050**; accounting for 76%+ of total installed capacity in power sector.
- Decentralized renewable energy capacity (mini-grids, distributed PV, solar home systems) grows **to nearly 16GW by 2050**, eliminating all forms of fuel-based generators.
- Electric vehicles to make up 60% of the passenger vehicle mix in 2050, with hybrid vehicles another 20%. **100% electric by 2060.**

Local manufacturing is a key priority for the government and is embedded in the ETP as well as various national plans and policies. Original equipment manufacturers (OEMs) will play a critical role in the renewable energy development value chain. The local manufacturing/ assembly of key technologies such as **solar panels, inverters, solar standalone systems, electric vehicles is essential to support the decarbonization targets for the government.**

Nigeria's Energy Transition Plan

VIEW ONLINE

About this Guide

Africa Renewable Energy Manufacturing Initiative

To aid the private sector, investors and other stakeholders in navigating the manufacturing policy and regulatory landscape in Nigeria, this guide offers insights on two key areas:

- **Considerations for OEMs in establishing a renewable energy (RE) manufacturing company:** applicable laws, processes and institutions to engage.
- **Overview of the domestic green manufacturing policy landscape:** available incentives, stakeholders and governance.

This guide is not designed to be an exhaustive resource but rather offers a preliminary understanding of the sector landscape. It forms part of a series of country-specific guides for each of Africa Renewable Energy Manufacturing Initiative's (Africa REMI) focus countries.

LEARN MORE ABOUT THE RENEWABLE ENERGY MANUFACTURING INITIATIVE

Content Outline

Establishing a Renewable Energy Manufacturing Company in Nigeria

What is an Original Equipment Manufacturer (OEM)?

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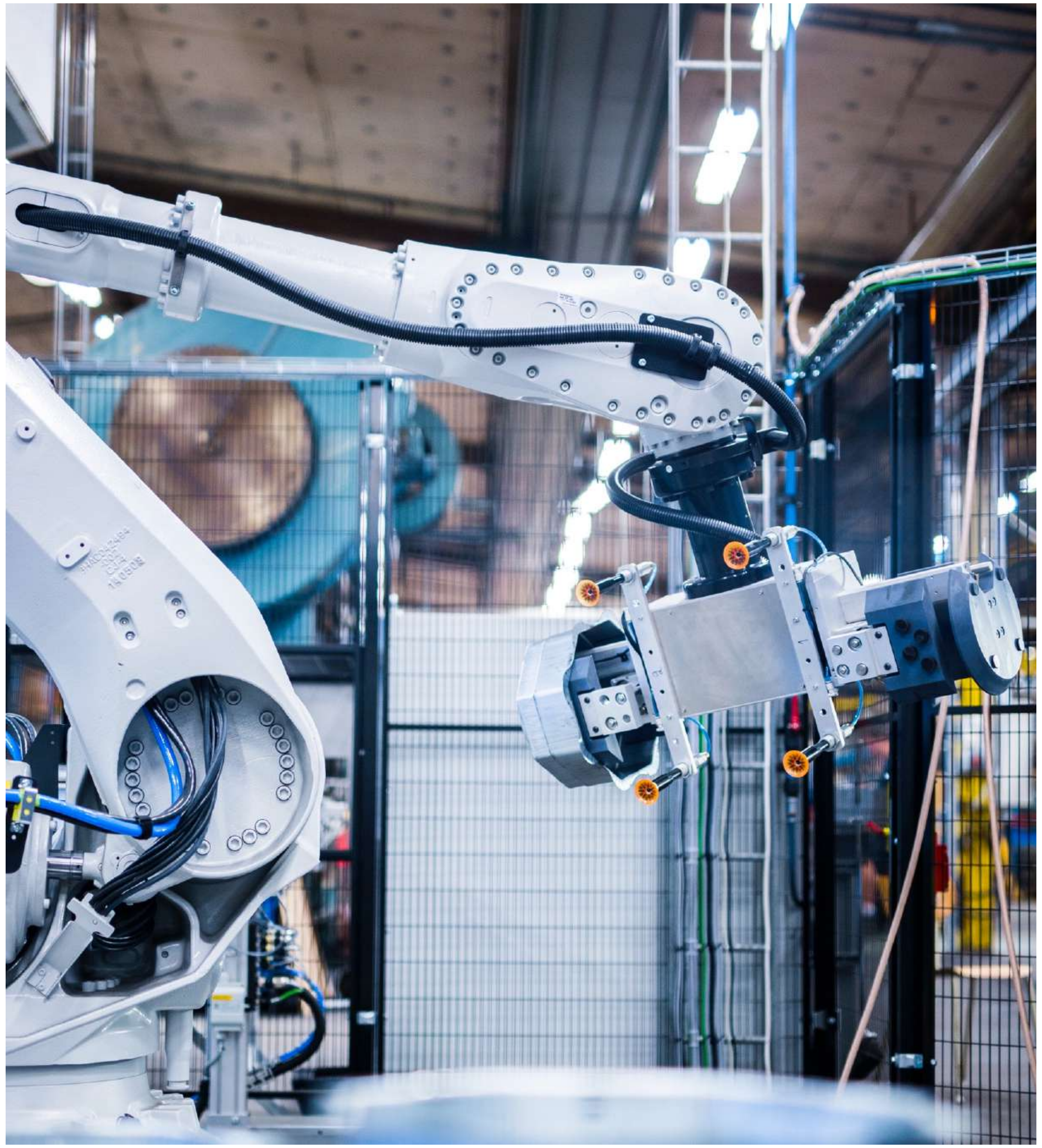
An original equipment manufacturer (OEM) is a business that produces component parts or products that serve as inputs for larger products or technology solutions. In the case of renewables, solar panels, batteries and other inputs are all essential components for renewable energy solutions, such as decentralized energy systems and electric vehicles.

OEMs have a multi-fold impact on the economy and are critical for the growth. Their contributions include:

1. **Employment Generation**: Creating diverse and high-income jobs in manufacturing, engineering, and supply chain sectors.
2. **Supply Stability**: Ensuring consistent component supply, mitigating market and price volatility risks.
3. **Value Chain Enhancement**: Significantly adding to the value chain, driving innovation, and bolstering industry competitiveness.
4. **Cost-Effective Quality**: Focusing on specialized parts, they achieve economies of scale and uphold stringent quality standards.
5. **Customization and Technological Innovation**: OEMs offer bespoke solutions with advanced technology, crucial for product functionality and integrity.



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Key steps in establishing
an RE manufacturing company

1. Incorporate a legal entity in Nigeria.
2. Assess availability of business districts and zones that provide incentives to manufacturers along with strong transport links.
3. Obtain requisite approvals and registrations for manufacturing operations with relevant regulators.
4. Procure registration of intellectual rights where applicable.
5. Apply for and obtain relevant tax and fiscal incentives.

Options of Available Legal Entity Structures

In Nigeria, the Companies and Allied Matters Act (CAMA) 2020 is the primary legislation that governs the formation and management of companies and other legal entities. Under CAMA 2020, various types of companies and legal structures can be registered and established:

1. **Private Company**: This is a type of company that is privately held for small to medium size businesses. The ownership is determined by a private group of individuals, and shares are not offered to the public at large.
2. **Public Company**: These are companies whose shares are traded publicly and that usually have more regulatory requirements compared to private companies.
3. **Company Limited by Guarantee**: This type of company does not have share capital, and company directors are guarantors rather than shareholders. The members agree to pay a nominal amount in the event of the winding up of the company.
4. **Limited Liability Partnerships (LLPs)**: A form of partnership where some or all company directors have limited liabilities. It combines the flexibility of a partnership with the advantages of limited liability for the partners.
5. **Limited Partnerships (LPs)**: In a limited partnership, there are both directors with unlimited liability and limited directors whose liability is limited to the extent of their contributions.

General Zones

Industrial zoning and land use regulations in Nigeria are designed to ensure that manufacturing plants are located in areas that are suitable for their operation and that they do not impose a negative impact on the environment or surrounding communities.

Nigeria's zoning regulations specify the types of industries that are permitted to operate in different areas, while land use regulations govern the use of land and specify the minimum lot sizes and building heights for different types of development.

Setting up manufacturing plants in general zones requires securing the essential permits and authorizations from planning authorities and should be done in accordance with regulations designed to control and guide the use of land in different parts of the country.

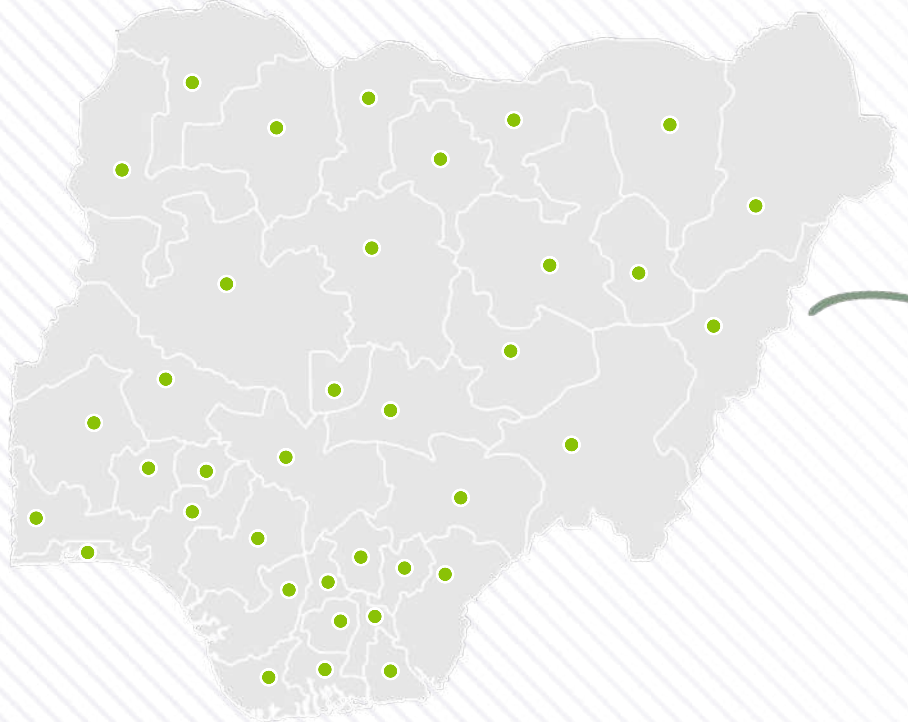
Factors such as the type of manufacturing, location and local regulations will determine the specific requirements for establishing manufacturing facilities.

To know more about registration and regulation of factories and other legal requirements for the operation of factories, go to Annex on Factories Act, 2004

Land Use Act, 1976

The Land Use Act ("LUA") is the primary legislation that regulates land ownership in Nigeria. Under the LUA, **all land comprised in the territory of each State in the Federation are hereby vested in the Governor of that State** and such land shall be held in trust and administered for the use and common benefit of all Nigerians in accordance with the provisions of this Act.

Furthermore, **the LUA provides that it is lawful for the Governor of a State to publicly acquire and revoke a right of occupancy for overriding public interest.** Overriding public interest includes the requirement of the land by the Government of the State or by a Local Government in the State, **in either case for public purposes within the State, or the requirement of the land by the Government of the Federation for public purposes of the Federation.**



The LUA provides that it is lawful for the Governor of a State to publicly acquire and revoke a right of occupancy for overriding public interest

Free Trade Zones

A Free Trade Zone ("FTZ") is a designated economic zone where approved goods and services can be provided without being subjected to the usual customs, tax, labour and other bureaucratic regulations that would otherwise apply outside the FTZ.

There are two types of FTZs in Nigeria:

- Specialized Free Zones
- General Free Zones

The FTZs are regulated by the Nigeria Export Processing Zones Act, the Nigeria Export Processing Zones Authority and the respective Free Trade Zone Regulations across Nigeria.

Under Section 8 of the Act, approved enterprises operating within FTZs shall be exempt from all Federal, State and Local Government taxes, levies and rate. **Section 18 (1) further provides that all legislative provisions pertaining to taxes shall not apply within Free Zones.**

Provisions of Free Trade Zones

- Legislative provisions pertaining to taxes, levies, duties and foreign exchange regulations shall not apply within the Zones.
- Repatriation of foreign capital investment in the Zones is permitted at any time with capital appreciation of the investment.
- Remittance of profits and dividends earned by foreign investors in the Zones.
- No import or export licenses shall be required.
- Up to 25% of production may be sold into the customs territory against a valid permit, and on payment of appropriate duties.
- Rent-free land at construction stage, thereafter, rent shall be as determined by the Authority.
- Up to 100% foreign ownership of business in the Zones is allowable.

Fiscal Allowances for Operating in a Free Trade Zone

S/N	SUBJECT MATTER	TAX IMPLICATION
1	Purchases made by approved enterprises from companies operating in the customs territory.	No VAT No withholding tax (WHT)
2	Sales made by approved enterprises to companies operating in the customs territory.	VAT payable by Purchaser No WHT
3	Purchases or sales made from customs territory by unapproved enterprises operating within the Zones.	VAT and WHT applicable
4	Imported goods conveyed through other ports outside the Zones but consigned to the Zones.	No VAT and WHT provided the goods are escorted from the port of entry to the Free Zone by the Nigeria Customs Service
5	Submission of tax returns to Federal Inland Revenue Service (FIRS) by approved enterprises	Approved enterprises to submit tax returns through the Free Zone Authority to Federal Inland Revenue Service (FIRS)
6	Business activities of head offices or branch offices of approved enterprises located in customs territory dealing with approved enterprises.	All relevant tax laws applicable except as related to purchases and sales.

As reviewed in November 2023

Conditions for License Eligibility to

Operate in a Free Zone

- The activities that the applicant proposes to engage in shall be in consonance with the Free Zone approved activities.
- The proposed activities to be carried out shall or will add value to, and be consistent with, the development programme for the Free Zone.
- The applicant shall comply with the provisions of the Act and applicable Rules and Regulations that may be put in place by the Authority/Zone management from time to time.
- The technical, financial and managerial capabilities, experience and track record of the applicant.
- The quantum of foreign direct investment proposed by the applicant.
- For Free Zone developers, evidence of title to a suitable landing area free of encumbrances for the intended purpose.

Permits and Approvals

Key permits required to set up a manufacturing facility can be categorized across operational and environmental permits. These include:

1. Certificate of Incorporation issued by the Corporate Affairs Commission (CAC)
2. Business Permit to operate within a specific jurisdiction as required by the local government and the Nigerian Ministry of Interior (for wholly owned foreign entities or joint venture companies with foreign participation).
3. Environmental Impact Assessment Permit to show that potential environmental impacts have been assessed and mitigated
4. Zoning and Land Use Permits issued by local planning authorities to show compliance with zoning and land use regulations and ensure that the manufacturing activities align with the designated land use
5. Local Government Permits such as operational permits, building permits, or other licenses specific to the locality
6. Environmental Permits issued by National Environmental Standards and Regulations Enforcement Agency (NESREA) to ensure that all potential environmental impacts of the facility have been thoroughly assessed and approved by the appropriate authorities

To know more, go to the Annex Standards Organization of Nigeria Act

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Environmental Permits

The permits are categorized into:

- Air Quality Permits;
- Waste and Toxic Substances Permit;
- Used Electrical and Electronic Equipment;
- Biodiversity Conservation Permit;
- Eco-Guard Certification

For more information on environmental permits in Nigeria visit NESREA's website.

To apply for these permits, use the NESREA Permit and Management (NesPAM) portal.

Environmental Impact Assessment Act

NESREA also enforces compliance with the Environmental Impact Assessment Act and requires:

- National Evidence of Environmental Impact Statement (EIS)
- Environmental Management Plan (EMP)
- Environmental Audit Report (EAR) and
- Monthly Monitoring Report (where applicable) before granting permit for the operation of a manufacturing outfit

NESREA issues and regulates the issuance of environmental permit(s) to enable businesses and industrial facilities whose operations may have potential impact on the environment to be environment-friendly in their operations and to also comply effectively with the relevant environmental standards and regulations.

nesrea → **Regulates the issuance of environmental permit(s)**

Applicable Intellectual Property Rights

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Nigerian Intellectual property (IP) law covers ownership, registration, protection, licensing, assignment and lifespan of IP rights. For a RE manufacturer in Nigeria, the most relevant IP rights would include:

1. **Patents:** For any new inventions or proprietary technology related to RE manufacturing processes or sustainable products. The Patents and Designs Act would be the main point of reference for protecting these innovations.
2. **Industrial Designs:** If the RE manufacturer has unique aesthetic designs for their products that contribute to sustainability or energy efficiency, these can be protected under the same Patents and Designs Act.
3. **Trademarks:** To protect the brand identity of the manufacturer, especially if its branding is associated with green, sustainable practices. The Trademarks Act would offer protection for logos, names and other brand marks.
4. **Copyright:** Applies for any original content the manufacturer creates, such as instructional manuals, marketing materials and potentially software used in green technologies. The Copyright Act would protect these works from being used without permission.
5. **Trade Secrets:** For any proprietary methods, designs, formulas or data that give the manufacturer a competitive advantage, trade secret laws would apply, though they are not as clearly defined in Nigerian law as other forms of IP.

In light of the recent amendments to the Copyright Act in 2022, RE manufacturers should also be aware of the expanded rights for authors, particularly regarding digital content, which can include software and digital designs used in green manufacturing.

Considering Nigeria's participation in international treaties such as the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement, the Paris Convention, and the Berne Convention, manufacturers should ensure compliance not only with local Nigerian laws but also with international IP standards.

i. Pioneer Companies

A tax holiday between three and five years is granted to companies regarded as having Pioneer Status. A pioneer company is a company that is engaged in manufacturing, processing, mining, servicing and agricultural industries whose products have been declared pioneer products on satisfying certain conditions as determined by the Industrial Development Coordinating Committee (IDCC) of the Government under the Industrial Development (Income Tax Relief) Act Cap 179 LFN 1990. The pioneer tax holiday is for an initial period of three years, subject to further extension of two years or five years (once and for all without further extension) (NEPZA).

ii. Reduced Import Duty Rates

In 2015, the Nigerian government adopted the ECOWAS Common External Tariff ("CET") 2015–2019 and Fiscal Policy Measures, resulting in Nigerian imports being subject to the rates contained in the ECOWAS CET 2015-2019. One of the key features of the CET is the reduction of import duty rates on specific items on the national lists, all of which are aimed at the development of sectors that are deemed critical to the economy. Notably, the CET provides 0% duties for machinery and equipment for priority sectors, which include agriculture, hospitality, power (including solar), cement, solid minerals, iron and steel, textiles, and aviation (NEPZA).

iii. Export Processing Free Zone Exempt Profit

100% tax exemption for profit obtained from export-oriented companies established within an export-free zone for **three consecutive assessment years** (NEPZA Act of 1992)

iv. Locally Manufactured Parts

5% investment tax credit is allowed for a company that produces locally manufactured parts, machinery or equipment (Industrial Development (Income Tax Relief) Act of 1958).

v. Spare Part Fabrication

For a company engaged wholly in the fabrication of spare part tools and equipment for local consumption and export, a 25% investment tax credit is allowed on qualifying capital expenditure. S. 28(1) of CITA (Companies Income Tax Act).

vi. Investment Tax Relief

Relief is granted for three years to companies located at least 20km away from essential infrastructure such as electricity, water, tarred roads and telephone services **when expenditures are incurred on such infrastructures (NIPC Act of 1996).**

vii. Investment Allowance

10% tax relief for companies in the year of purchase of plant and machinery used for agricultural production and manufacturing by agricultural manufacturing companies. This is in addition to the normal initial and normal allowances (Capital Allowances Act).

viii. Rural Investment Allowance

Granted to companies established in rural areas lacking infrastructural facilities. The same rates are applicable as investment Tax Relief as follows (NIPC Incentives for Infrastructure Development in Rural Areas (Guidelines) 2021)

a) No facilities at all 100%

b) No electricity at all 50%

c) No water at all 30%

d) No tarred road at all 15%

e) No telephone 5%.

ix. Research and Development

A 20% investment tax credit on qualifying expenditures is available to companies engaged in research and development for commercialization. Levies paid to the National Science and Technology Fund are also allowed as deductions in arriving at the company's taxable profits (NIPC Act).

x. Tax Treaties with Other Countries

Relief is granted for three years to companies located at least 20km away from essential Tax Treaties with other countries

This is aimed at:

- Eliminating double taxation through the granting of credit for tax paid by a Nigerian company in the other country, etc.
- The protection of tax incentives legislations of the government, which would otherwise be nullified by the tax measures of the other country
- Stable tax regime
- Concessions of treaty-rules for investment income, which are lower than domestic rates and are available to treaty partners only (NIPC Act)

Investment Promotion

The Nigerian Investment Promotion Commission Act, 1995 establishes the Nigerian Investment Promotion Commission (NIPC) and provides an open investment framework that encourages foreign investments in all sectors of the economy and allows 100% foreign ownership of companies (except where local participation is statutorily required, e.g. oil and gas, cabotage, etc.)

NIPC promotes investments by:

- Providing guidance on the process of setting up a manufacturing plant
- Providing incentives to investors in the manufacturing sector (e.g., tax breaks, access to land, and preferential access to government contracts)
- Facilitating access to finance for manufacturing businesses
- Facilitating skills development within the manufacturing sector

Foreign-owned businesses must register with NIPC and obtain a business permit. Companies seeking NIPC registration should have a minimum share capital of N10 million.

NIGERIAN INVESTMENT PROMOTION COMMISSION

Enabling Policies and Incentives for RE Technologies in Nigeria

Enabling Policies and Incentives for RE Technologies

Numerous studies have shown that the deployment of renewable energy technologies is the least-cost pathway to electrifying millions of Nigerians that are currently unserved and underserved. The country is committed to the rapid electrification of its unconnected populace as well as transitioning towards clean energy systems to support economic growth and development. The country is also keen to realize the catalytic opportunities in the energy transition and aims to do so by playing a key role in the RE manufacturing value chain. Nigeria is receptive to the growth of green manufacturing businesses and sustainable energy, as can be seen from various policy implementation and announcements.

This guide will highlight enabling policies and incentives that support the deployment of specific RE technologies across Nigeria.

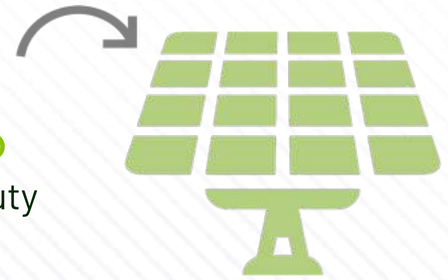
These include the following:

1. Solar photovoltaic modules and associated assembly components
2. Components or assembly of electric vehicles

Enabling Policies: Solar PV Panels

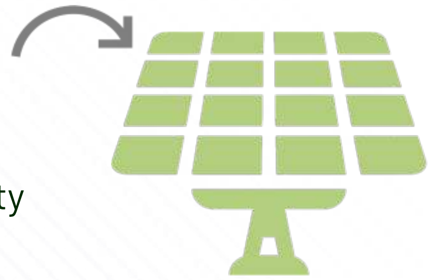
Over the years, several market shaping incentives have been introduced to support the domestic manufacture of solar PV panels. While it is evident that the local manufacturing sector for solar PV is in its infancy, to support the use of RE technologies, several import duty provisions have been made. As of December 2023, a lowered **5% import duty is applicable on solar panels with diodes,** and **solar panels without diodes are duty-free**. There is an exemption on solar cells and other components used in the manufacture or assembly of solar modules. The implication is that, upon clearance of the goods at the port, the exempted products will not have import duties imposed on them.

5%
import duty



Solar Panel with Diodes

0%
import duty



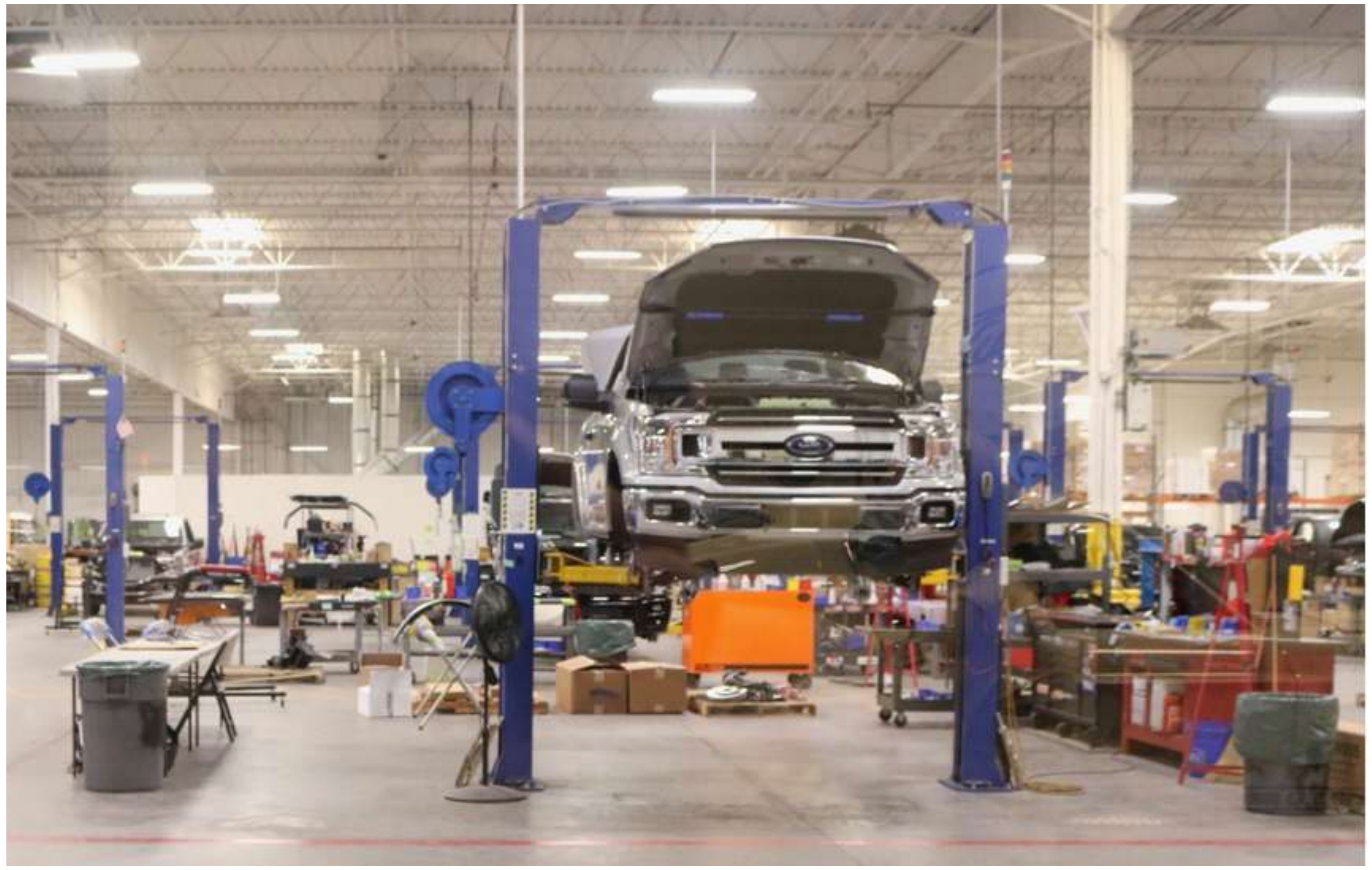
Solar Panel without Diodes

To qualify for the import duty exemption certificate, the company must present:

- Its certificate of incorporation from the Corporate Affairs Commission
- Its current Tax Clearance Certificate (TCC)
- A proforma invoice showing the quantity, value and description of items, and the bill of lading/shipping manifest/airway bill
- A comprehensive list of items to be imported, endorsed by the beneficiary
- Letters of donation (where applicable)
- Sales/purchase contract agreements (where applicable)

Enabling Policies: Electric Mobility

The Nigerian government recently approved the Nigerian Automotive Industrial Development Plan 2023 (the "Plan") to provide a policy direction for the development of a sustainable and competitive automotive industry in Nigeria. In discussing the Plan, the Director-General of the National Automotive Design and Development Council (NADDC) specifically stated that the Plan provides a 10-year tax relief for assemblers/manufacturers of electric vehicles and components of electric vehicles.



The Plan specifically promotes and welcomes investments in the auto sector with fiscal incentives such as:

- Pioneer status and tax incentives for local manufacturers of automotives and automotives' parts, and local assemblers.
- Tariff concessions for auto components and kits
- Tariff concessions for Licensed Automotive Assemblers/ OEMS, who purchase Fully Built Units (FBUs) under the Value-based Rebate Scheme
- Tariff concessions for electric vehicles and concessionary imports
- A 10-year tax holiday for assemblers of electric vehicles
- Accelerated capital allowances for electric vehicle manufacturers and auto-suppliers

The Plan provides a three-year tax holiday for cab and courier companies utilizing electric vehicles and accelerated capital allowances, in conjunction with the State governments, on Nigerian-made vehicle purchases for companies.

Stakeholder Landscape for RE Manufacturers

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PRE-PLANNING

- Federal Ministry of Environment regulates environmental matters in Nigeria
- National Environmental Standards and Regulations Enforcement Agency enforces policies, guidelines, standards and regulations

IMPORT, MANUFACTURING & ASSEMBLY

- Commercial banks remit payments to OEMs, review pre-importation documents, pay duties to NCS
- National Office for Technology Acquisition and Promotion registers technology transfer
- Commercial Law Department, Trademarks, Patents and Designs registers trademarks, patents and designs
- Nigerian Customs Service collects and accounts for revenue, import and excise duties
- The Nigerian Shippers Council institutes efficient economic regulatory system in the import sector
- Standards Organisation of Nigeria tests and investigates the quality of facilities, materials and product.

EXPORT, RETAIL, INSTALLATION & USE

- Energy Commission of Nigeria produces strategic plans and coordinates national policies
- Nigerian Electricity Regulatory Commission issues licenses and approvals for the entire electric value chain
- Federal Ministry of Power formulates policies and implements renewable energy programmes
- Nigerian Electricity Management Services Agency enforces technical standards, certifies electrical installations
- Rural Electrification Agency promotes rural electrification and administer the Rural Electrification Fund
- **Nigerian Export Promotion Council** administers export incentives

Nigerian Investment Promotion Commission encourages, coordinates and promotes investments in Nigeria.

Federal Inland Revenue Service assesses, collects and accounts for tax and other revenues accruing to the Federal Government.

National Assembly Committees on Power creates policies and laws for the power sector.

What are the key non-fiscal support measures for RE manufacturing?

The Manufacturers Association of Nigeria (MAN) recently expressed readiness to support RE manufacturing to reduce the negative impacts of production activities on the environment. In January 2023, MAN established the Environment and Green Manufacturing Unit with the responsibility of creating awareness among MAN members on climate change issues and environmental management system.

The constitutional amendments on electricity decentralization have empowered State Governments to regulate their own electricity markets. Hence, local manufacturers or assemblers of clean energy-related hardware systems have the benefit of engaging the State Governments directly for the purpose of executing public-private partnership projects geared at accelerating clean energy transition within each of the emergent 36 new electricity markets in Nigeria.

List of Key Stakeholders

For more details on the following stakeholders, go to annex on Regulatory Agencies for Green Manufacturing in Nigeria:

- Federal Ministry of Power
- Standards Organisation of Nigeria (SON)
- Energy Commission of Nigeria (ECN)
- Federal Ministry of Environment (FME)
- Nigerian Electricity Regulatory Commission (NERC)
- Nigerian Electricity Management Services Agency (NEMSA)
- National Environmental Standards and Regulations Enforcement Agency (NESREA)
- National Office for Technology Acquisition and Promotion (NOTAP)
- Nigerian Investment Promotion Commission (NIPC)
- Central Bank of Nigeria (CBN)
- National Assembly Committees on Power
- Nigerian Customs Service (NCS)
- Nigerian Shippers Council
- Rural Electrification Agency (REA)
- Industrial Training Fund (ITF)
- Commercial Law Department, Trademarks, Patents and Designs
- Nigerian Export Promotion Council
- Securities and Exchange Commission (SEC)
- Federal Inland Revenue Service (FIRS)

Africa Renewable Energy Manufacturing Initiative

ABOUT SEforALL

Sustainable Energy for All (SEforALL) is an independent international organization that works in partnership with the United Nations and leaders in government, the private sector, financial institutions, civil society and philanthropies to drive faster action on Sustainable Development Goal 7 (SDG7) – access to affordable, reliable, sustainable and modern energy for all by 2030 – in line with the Paris Agreement on climate change.

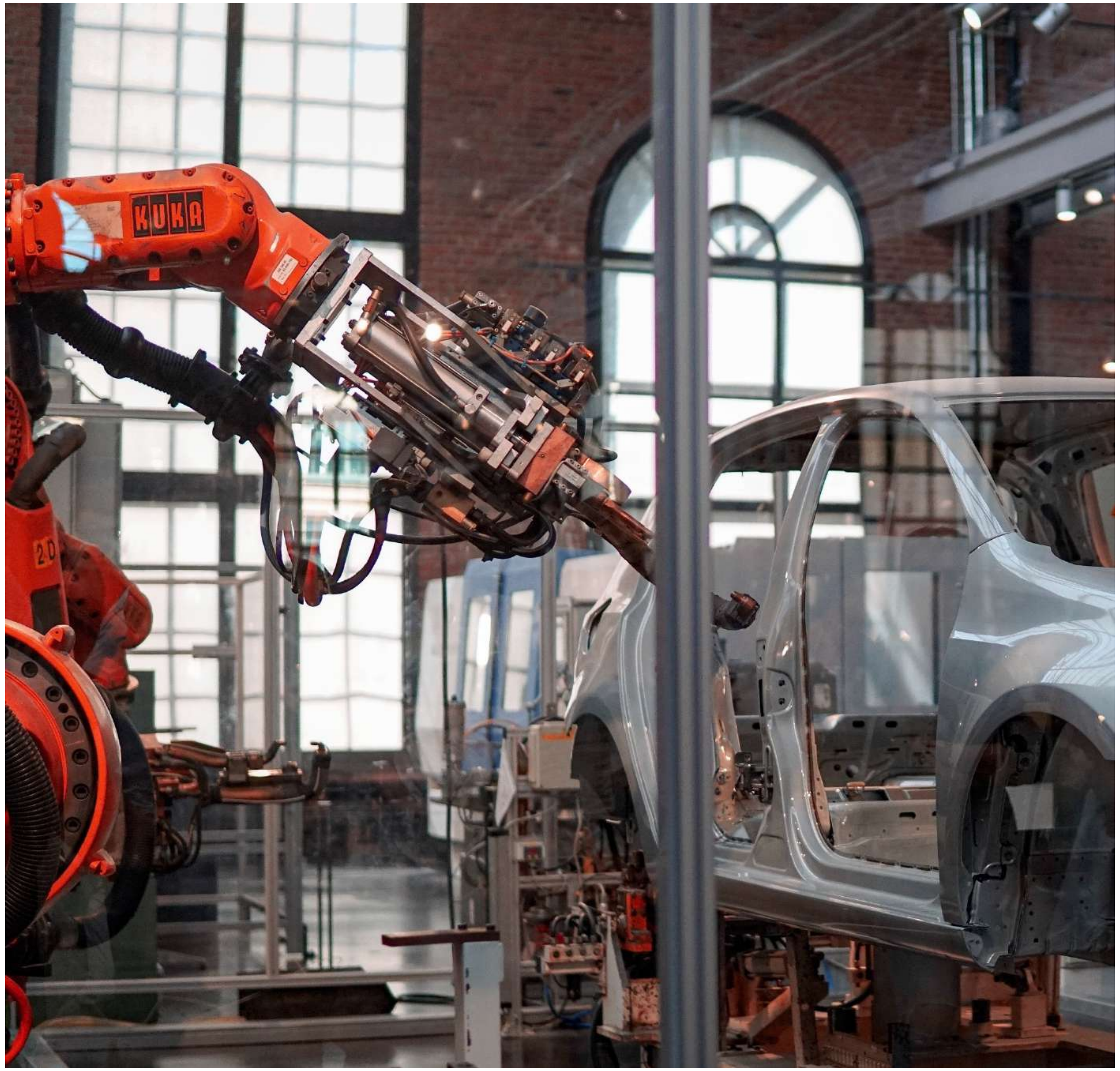
SEforALL works to ensure a clean energy transition that leaves no one behind and brings new opportunities for everyone to fulfil their potential. Learn more about our work at www.SEforALL.org.

ANNEX

The Factories Act

The Factories Act, 2004 provides for the registration and regulation of factories and other legal requirements for the operation of factories. The law is principally administered by the Federal Ministry of Labour and Employment, which issues guidelines for the operations of factories and manufacturing industries in Nigeria.

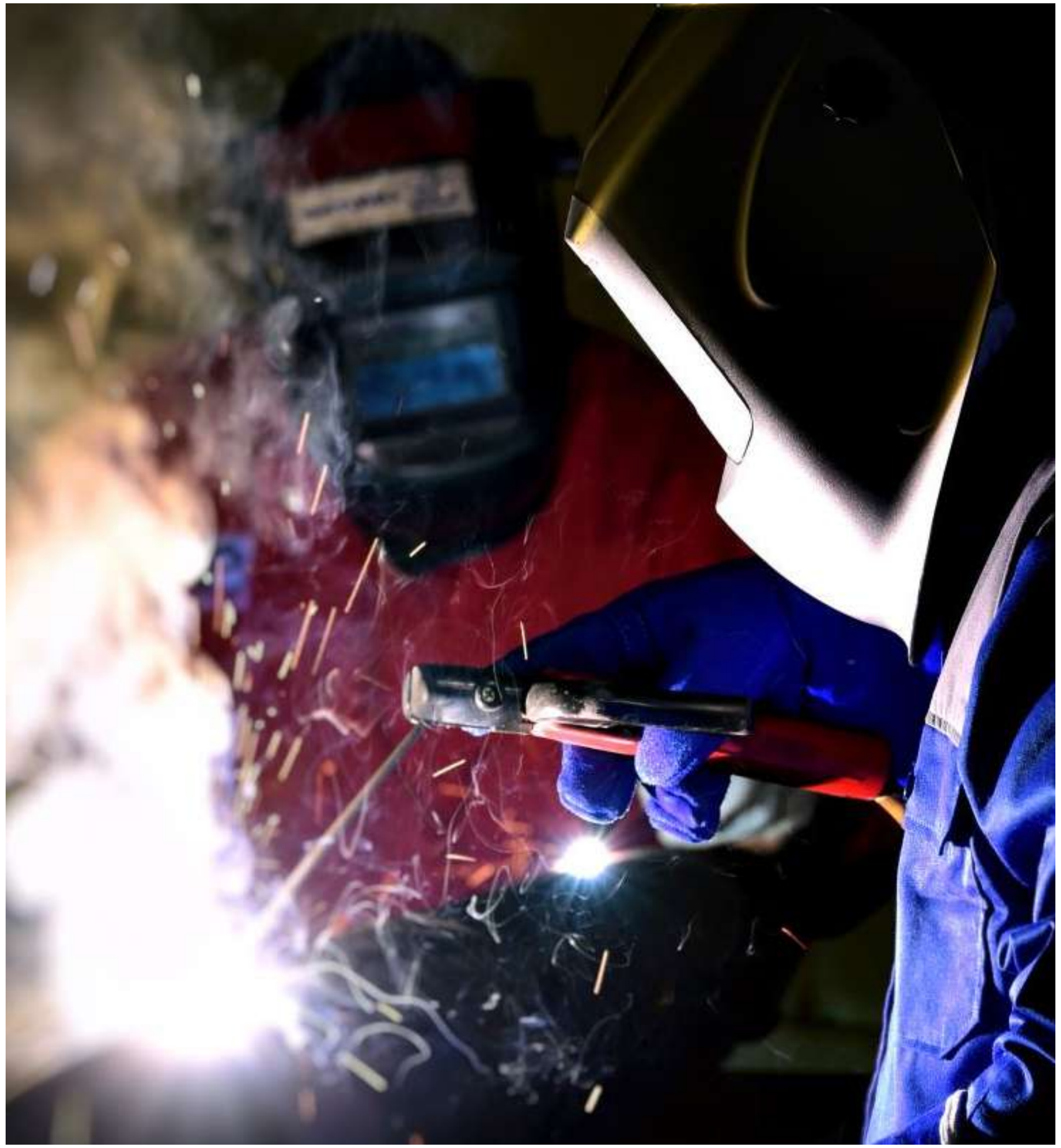
- The Factories Act authorizes the Factories Inspectors Department of the Federal Ministry of Labour and Employment to register all factories located in Nigeria and further provides for basic safety and health measures that must be put in place on the premises.
- The National Policy on Occupational Safety and Health also imposes a duty on manufacturers who design, manufacture or import any equipment, article or substance for the use at work to ensure the product is safe for use without health risks when properly used, and to ensure that adequate information is available in connection with the safe operation of machines and use of products.



Standards Organisation of Nigeria Act

The Standards Organisation of Nigeria Act establishes the Standards Organisation of Nigeria (SON) which is empowered to establish a mandatory conformity assessment programme for locally manufactured products in Nigeria.

- A SON issued Mandatory Conformity Assessment Programme (MANCAP) certificate must be sought and obtained before distribution of the manufactured products in Nigeria. Obtaining the MANCAP certification requires:
  a) Inspection of the production processes
  b) Sampling and testing of the products against the relevant Nigerian Industrial Standards (NIS) to confirm compliance through conformity assessment processes.
- Report of inspections and test results are compiled by State Offices and forwarded to the Product Certification Directorate for evaluation and recommendation for SON Management's approval for certification. If the product meets the requirement of the relevant Nigerian Industrial Standard, an MANCAP certificate and the MANCAP logo, which bears a unique number for that product, are issued for the product upon payment of the applicable administrative charges. Every issued MANCAP certificate is valid for three years, after which the product must undergo recertification.



FEDERAL MINISTRY OF POWER

FEDERAL MINISTRY OF POWER

This is the chief regulator of the Nigerian power sector. **Its responsibilities include:**

a. Initiating and formulating broad programmes and policies on the development of the general power sector
b. Initiating power sector concessions
c. Coordinating power sector activities
d. Implementing renewable energy programmes
e. Handling research, development and policy matters of the power sector
f. Promoting hydropower development through public-private partnerships;
g. Participating in bilateral and multilateral relations affecting the power sector and coordinating its parastatals.

STANDARDS ORGANISATION OF NIGERIA (SON)

The SON is primarily responsible for testing and investigating the quality of facilities, materials and products, registering and regulating standard specifications and marks, ensuring reference standards for calibration and verification of measures and measuring instruments, and enforcing the provisions of the Standards Organisation of Nigeria Act. It is the apex standardization body in the whole of Nigeria, with core functions such as the certification of industrial products, assistance in the production of quality goods, etc. SON has developed up to 31 standards for solar systems in collaboration with international bodies, including the International Electrotechnical Commission (IEC).

ENERGY COMMISSION OF NIGERIA (ECN)

The ECN promotes the development of sustainable energy through the production of strategic plans and the coordination of national policies. **It aims to promote sustainable energy development in Nigeria by:**

a. Serving as a centre for gathering and disseminating information relating to national policy in energy development
b. Solving inter-related technical problems that may arise in the implementation of energy policies
c. Providing government advisory on energy at both Federal and State levels
d. Preparing periodic masterplans for the balanced and coordinated development of energy and new energy sources across Nigeria
e. Liaising with relevant international organizations on relevant energy matters

FEDERAL MINISTRY OF ENVIRONMENT (FME)

The FME is the principal regulator of environmental matters in Nigeria. It is in charge of Environmental Impact Assessments ("EIA") and, by extension, the EIA Report, which is required to be procured for all energy projects in Nigeria including renewable energy projects. The FME also issued the Green Bonds Guidelines ("GBG") in December 2016 for the purpose of issuing green bonds in Nigeria to enable access to finance for green projects. According to the GBG, issuers are expected to report on the use of proceeds and the impact of the utilization, as well as engage the Department of Climate Change in the FME in preparing for the issuance. **Worthy of note is the fact that the first green bond issued by Nigeria raised N10.69 billion ($30 million) in 2017 for renewable energy and afforestation projects.**

Department of Climate Change – "Green Bonds" – https://climatechange.gov.ng/nigeria-green-bonds/

NIGERIAN ELECTRICITY REGULATORY COMMISSION (NERC)

The NERC is primarily responsible for granting and issuing licenses and approvals for the entire electric value chain. That is, from generation to transmission, to distribution to trading, etc. It is committed to stimulating investments in renewable energy in Nigeria.

NIGERIAN ELECTRICITY MANAGEMENT SERVICES AGENCY (NEMSA)

The NEMSA collaborates with the SON to enforce technical standards in the power sector, inspect, test and certify that all power systems, networks, equipment and instruments are well-planned, of the right quality, properly designed, and capable of delivering safe, reliable, sustainable and regular power supply nationwide. The NEMSA is responsible for the enforcement of technical electrical standards prescribed by NERC, including the testing and certification of electrical installations, electricity meters, and instruments. All investments that are targeted towards the manufacturing, fabricating and installation of electrical equipment will come under the regulatory jurisdiction of the NEMSA.

NATIONAL ENVIRONMENTAL STANDARDS AND REGULATIONS ENFORCEMENT AGENCY (NESREA):

The NESREA is responsible for the protection and development of the environment. It is empowered to enforce all environmental laws, policies, guidelines, standards and regulations both local and international. It is also mandated to liaise with relevant local and international stakeholders on matters of environmental preservation and enforcement of environmental standards. Investors involved in green manufacturing must adhere to the provisions of the Environmental Impact Assessment (EIA) Act, in relation to the environmental impact of such projects. For instance, a person seeking to undertake power generation must submit, for screening, an EIA Report to the NESREA. The submission of an EIA approval certificate is a prerequisite for an application for a generation license from NERC.

NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (NOTAP):

The NOTAP is the body primarily responsible for the registration of technology transfer agreements signed by Nigerian entrepreneurs and their foreign technical partners.

In pursuance of this mandate, NOTAP carries out a detailed analysis of technology transfer agreements submitted by transferors/licensors prior to the registration, to ensure that the technologies involved (including renewable energy technologies) suit the local environment and that they are adaptable, equitable, fair and commensurate in prices, and are well aligned to the capacities/capabilities of the Nigerian National Innovation System.

How to Register a Technology Transfer Agreement at the NOTAP accessed here

NIGERIAN INVESTMENT PROMOTION COMMISSION

FEDERAL REPUBLIC OF NIGERIA NATIONAL ASSEMBLY

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC):

The NIPC is a Federal Government agency that encourages, coordinates and promotes investments in Nigeria. The NIPC provides various fiscal incentives such as Pioneer Status and Tax Holidays for renewable energy sources and manufacturers of solar energy-powered equipment and gadgets.

CENTRAL BANK OF NIGERIA (CBN):

The CBN is the overall controller and administrator of the Nigerian financial sector and all Federal Government financial and monetary policies. It maintains external reserves to safeguard the international value of the local legal tender, ensures price and monetary stability, and promotes a sound financial system in Nigeria. Furthermore, the CBN issues forex for trading activities to commercial banks, and houses the designated account for the payment of tariffs of the Nigerian Customs Service.

NATIONAL ASSEMBLY COMMITTEES ON POWER:

The National Assembly is the legislative arm of government in Nigeria, empowered by the Constitution to make laws. Nigeria runs a bicameral legislative system and as such, the National Assembly is divided into the lower chamber, the House of Representatives, and the higher chamber, the Senate. Both chambers have various committees that focus on the power sector and create policies and laws to that effect.

NIGERIAN CUSTOMS SERVICE (NCS):

The NCS is the government agency responsible for collecting and accounting for revenue, promoting and monitoring trade competitiveness between Nigeria and other countries. The NCS also collects and accounts for import and excise duties, and maintains the prevention and suppression of smuggling and other harmful border-related trade activities.

COMMERCIAL BANKS: Although not regulators, commercial banks are the only entities with the authority to liaise with the NCS during the pre-importation stage. They are responsible for remitting payments to the original equipment manufacturer (OEM) or exporting party, reviewing the pre-importation documents and interfacing with the NCS, paying duties and associated charges to the NCS and provision of financial advisory services to the company.

NIGERIAN SHIPPERS COUNCIL: The Council is mandated to establish an enabling environment for all stakeholders by instituting an effective and efficient economic regulatory system in the import sector.

RURAL ELECTRIFICATION AGENCY (REA): The REA is the implementing Federal Government agency tasked with the electrification of rural and unserved communities. Its mandate is to promote and coordinate rural electrification in Nigeria and administer the Rural Electrification Fund (REF) to promote, support and provide rural electrification through decentralized renewable energy technologies, primarily mini-grids and solar home systems (SHS).

INDUSTRIAL TRAINING FUND (ITF): As per the ITF (Amendment) Act, 2011, an employer shall be liable to contribute 1% of its annual payroll costs to the ITF if it has: (a) 5 or more employees or an annual turnover of ₦50 million and above; (b) bids for or solicits contracts, businesses, goods and services from public and private establishment; (c) requires approval for Expatriate Quota; or (d) utilizes customs services for import and export. The ITF Governing Council may refund of up to 50% of the contributions if the employer's training programmes are in accordance with the ITF's schemes.

COMMERCIAL LAW DEPARTMENT, TRADEMARKS, PATENTS AND DESIGNS: It is the designated department responsible for the registration of trademarks, patents and designs in the Ministry of Industry Trade and Investments. This allows businesses to register and acquire legal protection over exclusive exploitation of their intellectual properties. There are different requirements for registration of each of these intellectual properties.

NIGERIAN EXPORT PROMOTION COUNCIL: The Council is vested with the responsibility of administering non-oil export incentives in Nigeria. Every exporter is required to register with the NEPC. This will entitle the exporter to qualify for the available incentives upon satisfying the prescribed requirements.

SECURITIES AND EXCHANGE COMMISSION (SEC): SEC regulates shares and investment in Nigerian companies. SEC also grants approval for manufacturing companies intending to make sales of its shares open to the members of the public through the Nigerian Stock Exchange.

FEDERAL INLAND REVENUE SERVICE (FIRS): FIRS is the agency responsible for assessing, collecting and accounting for tax and other revenues accruing to the Federal Government of Nigeria. Companies are required to register for tax and file their audited accounts and tax computations with the FIRS.