

Shaping Investment Strategies in Nigeria's Power Sector

Nigeria is the 13th highest petroleum producer in the world, yet its weak energy infrastructure continues to hinder the country's economic growth. According to World Bank estimates, approximately 65 percent of Nigerians—100 million people—lack access to the electricity grid, and 40 percent of on-grid customers receive inconsistent service. In response, Chevron's Niger Delta Partnership Initiative (NDPI) and DAI have teamed up to find a sustainable and realistic approach to addressing energy access challenges in the Niger Delta.

Since 2014, the NDPI-DAI initiative has sought to drive investment from private sector, government, and donor resources in small-scale (<5 MW) power generation and energy access solutions. DAI's [value chain analysis](#) of the electricity sector—including electricity distribution projects in underserved on-grid areas and off-grid sites home to small and medium-sized enterprises—identified sites for prospective investment based on a political economy assessment, cost analyses for current generation models, and cluster-wide economic growth analysis. DAI is also analyzing peak and potential loads, consumers' willingness and ability to pay in the identified clusters, and current plans for micro-grid development and embedded generation facilities. Ultimately, the report will help investors understand the current landscape of generation, transmission, and distribution assets, as well as potential financing mechanisms for power sector investments.

Underscoring DAI's focus on data-driven decision making, this project provides rigorous, quantitative data analysis for potential investors,



DAI study team member Luke Kozumbo, right, meets the owner of a potential off-grid generation site in Nigeria.

policy makers, and donors seeking to facilitate small-scale power generation projects in the Niger Delta.

More information can be found on the [NDPI website](#).