



FACTSHEETS

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The Federal Government of Nigeria, with supports from global partners led by the World Bank – is poised to address the challenges faced by the Nigerian power sector.

PSRP-The New Approach

The Power Sector Recovery Programme (PSRP) is a comprehensive response to Nigeria’s power challenges. PSRP aims to improve the reliability of electricity supply to Nigerians, achieve financial and fiscal sustainability and enhance accountability, by helping the power sector establish a track record of sustainable performance, thus unlocking private local and international financing.

The design of the PSRP is data driven. Actions included in the Programme are based on real sectoral data.

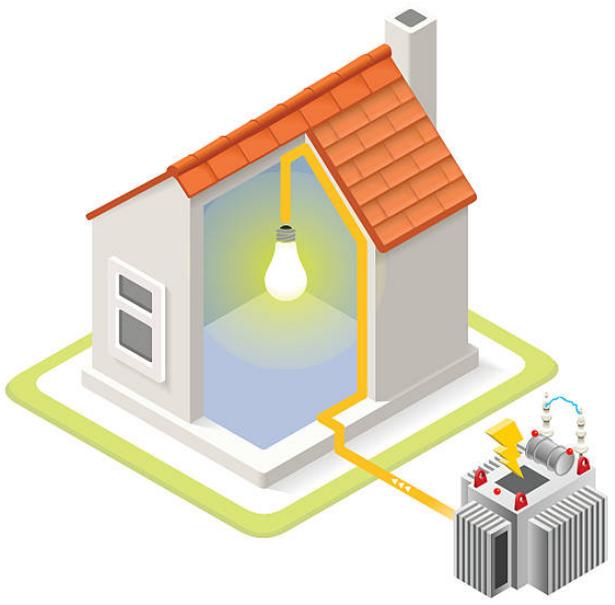
The implementation of the PSRP has started. Programme oversight is led by Office of the Vice President, with the Ministry of Finance, Budget and National Planning and the PSRP Secretariat closely monitoring implementation progress and supporting cross-sector coordination.

How will PSRP improve electricity supply?

PSRP includes a set of measures to ensure that a minimum 4,500 MWh/hour of electricity is supplied to the Distribution Grid from 2022. This is the minimum level of supply necessary for grid stability and the reduction of system outages.

The PSRP helps address the constraints in the distribution segment, via the implementation of the Performance Improvement Plans (PIPs).

PSRP will assure the receipt of revenue requirements by power sector companies, which is essential to breaking the vicious cycle of poor sector financial performance.



Operational Technical Interventions



The PSRP Financing Plan for 2021 has been approved by the Hon. Minister of Finance, Budget and National Planning, to ensure realistic and sustainable financial support to the power sector.

The National Mass Metering Programme has kicked off and it aims to increase metering significantly to help DisCos increase their billing transparency and collection efficiency.

A payment discipline mechanism has been put in place, to ensure compliance to remittance obligations for each Disco and is being enforced, achieving above 80% remittance in 2021 and on course to ramp up to 100% remittance upstream by the DisCos. NERC has approved Performance Improvement Plans (PIPs) for each DisCos for 2021-2025.

The Performance Improvement Plans (PIPs) became Effective 1st July 2021.

The PIPs have clear and measurable indicators to track improvement in quality of DisCos services, for example reduction of losses.

Total PIP investments are envisaged to be approx. N871 billion across the eleven DisCos, with funding from DisCo financing and Government interventions.

Governance Interventions

PSRP implementation also include the strengthening of effective communication channels with the public as a first step.

Periodic engagements with key sector stakeholders will occur to facilitate communications, collaborations, and implementation of PSRP reform measures.

Poliy Interventions

The implementation of the tariff adjustment policy has commenced, ensuring appropriate and sustainable electricity tariff over the next five years.

Financial Interventions

PSRP Financing Plan was approved in November 2021.

This Financing Plan identifies all sources and use of funds necessary to keep the Nigeria Electricity Supply Industry (NESI) liquid and viable to promote sustainable growth.

Tariff shortfall payment has been reduced from an accumulated N1,891 billion, to N247 billion and will be eliminated by December 2022.