



## RURAL ELECTRIFICATION FUND (REF)

The Rural Electrification Fund (REF) was set up by virtue of Section 88, Sub-section II of the Electric Power Sector Reform Act (EPSRA) of 2005.

# PURPOSES AND SOURCES OF FUNDING

PURPOSES	SOURCES OF FUNDING
<p>The purpose of the REF is to promote, support and provide rural electrification through public and private sector participation in order to:</p> <ul style="list-style-type: none"> <li>Achieve more equitable regional access to electricity</li> <li>Maximize the economic, social and environmental benefits of rural electrification subsidies</li> <li>Promote expansion of the grid and development of the off-grid electrification</li> <li>Stimulate innovative approach to rural electrification provided that no part of the country is marginalized</li> </ul>	<p>According Section 88, Sub-section 12 of the EPSRA, the REF shall consist of the following sources of funding:</p> <ul style="list-style-type: none"> <li>Any surplus appropriated pursuant to section 53 of the EPSRA;</li> <li>Any fines obtained by the Commission pursuant to the EPSRA;</li> <li>Any donations, gifts or loans made by international agencies, State Governments, the Federal Government, local communities, businesses or any other entity;</li> <li>Monies appropriated by the National Assembly</li> <li>Such percentage of the annual turnover of the licensee's as may be determined by the Commission.</li> <li>Currently the only source of funding has been through budgetary allocation.</li> </ul>

## INITIATIVES ON REF

- ➔ The REF Directorate has developed a draft REF Operational Guidelines in line with 4.1.1 of the Rural Electrification Strategy and Implementation Plan (RESIP)
- ➔ It has been sent to the World Bank, African Development Bank (AFDB) and other stakeholders for comments.
- ➔ Discussion with the Nigeria Electricity Regulatory Commission (NERC) as regards the EPSRA Section 12 (a, b, d & f) is ongoing.