



Dutch Good Growth Fund

Part of DGGF

Investing Dutch Entrepreneurs executed by Invest International Public Programmes B.V.

Title

Nigeria – Solar Park installations / DGGFST2203

Company

NXT Grid B.V.

Country

Nigeria

Sector

Solar energy (23067)

Amount of the investment

€ 450.000

Period

1 August 2022 - 31 December 2025

Involved parties

N.a.

Short description

With a DGGF Starter financing in the form of a loan, NXT Grid B.V. will be able to install 'off the grid' solar park installations together with the local subsidiary. To further scale up in rural Nigeria and also to expand the associated software and service platform. Next Grid's goal is "Profitable, clean mini-grids for everyone, everywhere". It is about offering both a service and a product. NXT Grid has found a way to automate and standardize the rapid rollout of grids by using proprietary software and technology.

NXT Grid BV tested their proposition in Tanzania with the help of a DHI grant. More recently, they installed two additional mini-nets in Nigeria, the results are promising and want to invest to scale up. A mini-grid provides small-scale electricity generation (10 kW to 10 MW) that serves a limited number of consumers and that can operate in isolation from national electricity grids. Half of all new electricity connections worldwide come from a mini-grid system.



NXT Grid sells electricity produced by solar panels to end customers on a pay-per-use basis.

This is done through a payment system for mobile phones.

NXT Grid works together with local entrepreneurs who they support and train to become professional mini-grid developers. The NXT Grid platform makes it possible for non-engineers to run their own local utility and also be profitable.

This project will contribute to the

Sustainable Development Goals: 4 (Quality education) - 5 (Gender equality) -

7 (Affordable and clean energy) - 8 (Decent work) and 13 (Climate action).



Development impact

Employment

SDG 8 - NXT Grid Nigeria Ltd. creates local and decent employment. 3,189 new indirect jobs are expected once the loan has been paid back as a result of the provision of solar energy in communities through our financing. The entity of NXT Grid in Nigeria will grow from 3 to 73 employees (half of which are women). In the Netherlands the number of permanent jobs will grow from currently 4 to 11 jobs. All employees are paid a living wage as per Wage Indicator Benchmark and employment conditions are in line with OECD requirements. 250 temporary jobs will be created during the construction of the mini-grids and another 125 for their deployment.

Transfer of knowledge

SDG 4 - Equal access to affordable technical, vocational and higher education. NXT Grid trains

250 electricians and engineers for the establishment of the mini-grids on-site and 125 local developers in PV technologies, their operations and maintenance. Through the high-level skills training the technicians will be able to obtain Nigerian NEMSA certificates for electrical contracting.

Climate action:

SDG 13 - NXT Grid's mission is to provide energy to Nigerian communities that are off-grid, through the establishment and deployment of mini-grids of solar panels thereby avoiding large amounts of GHG emissions stemming from the conventional grid and energy generation (coal) through diesel generators. The mini-grids will be placed both in communities where members have no access to electricity and possibly in communities where they do have (limited) access to the energy coming from diesel generators.

Affordable and Clean Energy:

SDG 7 - NXT Grid's mission is to provide access to affordable, reliable and renewable energy to Nigerian communities that are off-grid or have no access, through the establishment and deployment of the necessary infrastructure being mini-grids of solar panels. The mini-grid systems are correctly sized while avoiding over-investment in (unused) equipment and allowing



additional growth in demand and supply.

Gender equality:

SDG 5 - NXT Grid aims to recruit women technicians/engineers/managers for 50% of its employment base. It will empower those women that are in rather non-traditional jobs. The company will also promote women entrepreneurs to become local developers of mini-grids and aim to have women co-owners within NXT Grid BV.

ICSR

The investment is scaled in category B in terms of CSR-risk. An Environmental and Social Action Plan (ESAP) will be drafted, which is based upon the OECD and IFC performance standards, which aims to reduce the risk of non-compliance with these standards.