MacArthur Foundation

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ON NIGERIA: ELECTRICITY PORTFOLIO



INTRODUCTION

The goal of the John D. and Catherine T. MacArthur Foundation's On Nigeria program is to reduce corruption by supporting Nigerian-led efforts to promote an atmosphere of accountability, transparency, and good governance in the country. A thriving Nigeria — with its rich natural resources, young and growing population, and continental leadership — is one of the most important goals for the world today. Yet corruption, impunity, and lack of accountability have posed major governance challenges in the country, with far-reaching impacts on development and Nigerians' well-being.

Through targeted support, we aim to bolster the momentum around Nigerian-led efforts to strengthen accountability and reduce corruption. Our multifaceted strategy has the following complementary areas of focus:

- Reducing corruption in two sectors, education and electricity, to demonstrate tangible results that citizens can see when accountability and transparency are strengthened;
- Strengthening the criminal justice system through nationwide implementation and enforcement of the Administration of Criminal Justice Act and complementary laws and policies; and
- Supporting media and journalism to expose corruption and share information about anti-corruption efforts and success stories.

MacArthur has been making grants in Nigeria since 1989 and opened an office in Ibadan in 1994 before moving to Abuja in 2000, which is staffed by Nigerians and serves as the hub for the Foundation's work in the country.

ELECTRICITY PORTFOLIO

Only 59 percent of Nigerians have access to electricity through the national grid, leaving nearly 90 million people without power or dependent on generators. Those with access to electricity face load shedding and blackouts and rely heavily on inefficient private generators. Lack of stability, reliability, and low levels of revenue generation characterize Nigeria's electricity system and exact both social and economic costs.

While there are a number of explanations for the poor state of electrification in Nigeria, corruption is one of them. Mismanagement and lack of transparency and accountability can be found at each link in the electricity chain. Many actors, including donors, private companies, and the government of Nigeria have invested heavily to improve electricity generation, transmission, and distribution, yet few have focused on the corruption and lack of transparency and accountability that plague the sector. Compounding the issue is the lack of engagement by civil society and citizens in monitoring and promoting transparency and accountability.

Our work in the Nigerian electricity sector seeks to bring together regulators, distributors, consumers, professional associations, civil society actors, and the media to shine a light on corruption and the lack of accountability and transparency in the sector. We seek to raise awareness of consumer rights, test new mechanisms for consumer redress, and pilot new approaches to improving accountability. While the electricity sector comprises a chain of generation, transmission, and distribution, we focus primarily on distribution as the aspect of the system with the greatest impact on the day-to-day lives of Nigerians.

Our strategy aims to ensure the public is better informed and has a variety of mechanisms through which to dispute unfair,



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illegal, and dishonest acts committed with regard to electricity distribution. Our ultimate goal is to create a virtuous cycle in which distribution companies strengthen transparency and accountability practices and customers access transparently priced electricity and have decreased tolerance for corrupt practices like bribery and illegal connections. On Nigeria aids efforts by distribution companies to educate the public and policymakers about the rights of electricity consumers, the services available to them, and important health and safety considerations within the newly privatized sector. We also support distribution companies' efforts to improve interactions with customers and strengthen their operations and protocols in ways that reduce the chances of corruption. Further, we are working to ensure that customers have access to meters, which can help make electricity use and pricing more transparent.

REPRESENTATIVE GRANTS

- **Nextier Capital Limited** (Abuja): Educating the Nigerian public, media, and policymakers on the power sector and fostering problem-solving related to the sector.
- Association of Nigerian Electricity Distributors (Abuja): Building awareness about the newly-privatized electricity sector and accepted standards and practices in the sector.
- Nigerian Electricity Regulatory Commission (Abuja): Improving accountability and public knowledge about the power sector in Nigeria.

MORE INFORMATION www.macfound.org/onnigeria

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ABOUT THE JOHN D. AND CATHERINE T. MACARTHUR FOUNDATION

The John D. and Catherine T. MacArthur Foundation supports creative people, effective institutions, and influential networks building a more just, verdant, and peaceful world. MacArthur is placing a few big bets that truly significant progress is possible on some of the world's most pressing social challenges, including over-incarceration, global climate change, nuclear risk, corruption in Nigeria, and significantly increasing financial capital for the social sector. In addition to the MacArthur Fellows Program, the Foundation continues its historic commitments to the role of journalism in a responsible and responsive democracy, as well as the strength and vitality of our headquarters city, Chicago. Organizations supported by the Foundation work in about 50 countries. In addition to Chicago, MacArthur has offices in India, Mexico, and Nigeria.

In the United States, private foundations are charitable organizations that provide grants to organizations or individuals, helping those in need or working to solve societal problems. Private foundations act independently of any private business and of the United States government; they receive no government support.

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