

**PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: 124328

<b>Program Name</b>	Power Sector Recovery Performance Based Loan
<b>Region</b>	Africa
<b>Country</b>	Nigeria
<b>Sector</b>	Energy and Extractives
<b>Lending Instrument</b>	Program-for-Results (PforR) Financing / Investment Project Financing (IPF)
<b>Program ID</b>	P164001
<b>Parent Program ID</b>	N/A
<b>Borrower(s)</b>	Federal Government of Nigeria (FGN)
<b>Implementing Agency</b>	PforR component: Nigeria Bulk Electricity Trading Company Plc. IPF component: Rural Electrification Agency / PSRP Implementation Monitoring Team under Vice President's Office
<b>Date PID Prepared</b>	03/06/2018
<b>Estimated Date of Appraisal Completion</b>	03/12/2018
<b>Estimated Date of Board Approval</b>	05/28/2018

**I. Country Context**

1. The 2015 elections marked, for the first time in Nigeria's history, a peaceful democratic transfer of power between two political parties, but the new administration faced a fast-deteriorating macroeconomic environment. GDP growth fell from 6.3 percent in 2014 to 2.7 percent in 2015, and to negative 1.6 percent in 2016, bringing Nigeria's first full-year of recession in 25 years. In 2016, global oil prices reached a 13-year low and oil production was severely constrained by vandalism and militant attacks in the Niger Delta. While the oil sector represents only 8.3 percent of total GDP, it provides the majority of foreign exchange (FX) earnings and three-quarters of government revenues. The decline in FX earnings from oil exports, compounded by Central Bank of Nigeria's (CBN) introduction of several FX allocation/utilization rules that restricted access to FX at the official market rate, had significant negative spillover effects on non-oil sectors dependent on FX to import inputs and raw materials.

**Table 1: Selected economic indicators, 2014-2018**

	2014	2015	2016	2017 e	2018 f
Real GDP growth, at constant market prices (percent)	6.3	2.7	-1.6	0.8	2.1
Private consumption (percent)	0.6	1.5	-5.7	-0.8	0.6
Government consumption (percent)	-7.0	-11.9	-15.1	5.3	20.1
Gross fixed capital investment (percent)	13.4	-1.3	-5.0	-0.1	0.8
Exports, goods, and services (percent)	24.1	0.1	11.5	1.0	6.0

	2014	2015	2016	2017 e	2018 f
Imports, goods, and services (percent)	6.0	-25.7	-10.4	-11.6	14.8
Real GDP growth, at constant factor prices (percent)	6.2	2.8	-1.6	0.8	2.1
Agriculture (percent)	4.3	3.7	4.1	3.4	3.5
Industry (including oil) (percent)	6.8	-2.2	-8.9	2.2	3.8
Services (percent)	6.8	4.8	-0.8	-0.9	0.8
Inflation (Consumer Price Index) (percent)	8.1	9.0	15.7	16.5	14.5
Fiscal balance (consolidated government, percent of GDP)	-1.2	-3.2	-3.9	-4.8	-4.8
Debt (consolidated government, percent of GDP)	12.5	13.2	17.3	21.8	23.1
Poverty rate (US\$1.9/day purchasing power parity terms)	46.8	46.8	48.4	49.2	49.3
Poverty rate (US\$3.1/day purchasing power parity terms)	72.9	72.9	73.9	74.6	74.7

Source: NBS and World Bank staff projections.

## 2. The Nigerian economy emerged from recession with GDP growth of 0.8 percent in 2017.

The recovery was driven by higher oil prices and production. Agriculture and non-oil industry grew by 3.4 percent and 0.6 percent, respectively. However, services, which account for over half of GDP, continued to contract (-0.9 percent). Unemployment increased in 2017 to 18.8 percent of the labor force, with a further 21.2 percent underemployed in Q3. Inflation remained sticky at just below 16 percent, despite monetary tightening from the Central Bank. The parallel exchange rate premium vis-à-vis the official exchange rate remains stable at just under 20 percent. Total government revenues performed below expectations as oil revenues remained below pre-crisis levels and non-oil revenues largely stagnated in the absence of significant tax reforms, leading to a larger fiscal deficit.

## 3. The recovery is expected to be slow and largely oil driven, with real GDP growth just over 2 percent in the World Bank's medium-term baseline growth scenario.

Oil production is expected to remain above 2 mb/d in the medium term, but below the government's projections. Output growth in the agricultural sector is expected to remain positive, but below its potential due to ongoing conflicts. Non-oil industry and services are expected to grow only slowly due to subdued consumer and investment demand. However, the recovery is subject to a high degree of fragility and risk.

## 4. The Government launched the National Economic Recovery and Growth Plan (ERGP) for the period 2017-2020 in March 2017.

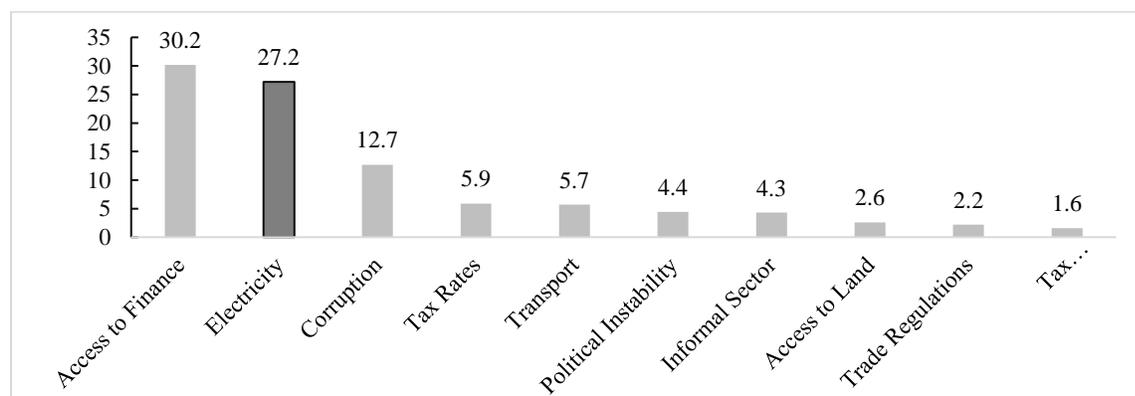
The ERGP sets out to restore macroeconomic stability in the short-term and to undertake structural reforms, infrastructure investments and social sector programs to diversify the economy and set it on a path of sustained inclusive growth over the medium- to long-term. The priority areas of action under the ERGP are: stabilizing the macroeconomic environment; achieving agriculture and food security; ensuring energy sufficiency in power and petroleum products; improving transportation infrastructure; and driving industrialization through focus on small- and medium-scale enterprises. The ERGP has the ambitious target of 7 percent real GDP growth by 2020, initially driven by the oil sector and then increasingly by strong non-oil sector growth. To increase growth above the baseline of 2 percent will require effective implementation of the structural reforms in the ERGP and a strengthened macroeconomic framework.

## 5. Reliable power supply is central to achieving the ERGP targets for growth in the non-oil sectors, particularly in manufacturing and services.

Firm-level data from the 2014 Nigeria World Bank Enterprise Survey shows that 27 percent of enterprises identified electricity as the

main obstacle to doing business, which is more than twice the average of Sub-Saharan Africa. Electricity is the most significant obstacle in all regions except the Northwest. Younger firms, exporters, and manufacturers are most likely to identify provision of electricity as the biggest obstacle. Having reliable electricity supply is consistently associated with higher levels of firm productivity.

**Figure 1: The Most Important Obstacles to Doing Business in Nigeria, 2014**  
(percentage of respondent firms stating the issue is the biggest obstacle)



Source: World Bank Enterprise Surveys

## II. Sectoral and Institutional Context

6. **Access to energy is low in Nigeria.** With approximately 80 million people lacking access to grid electricity, Nigeria has the largest access deficit in Sub-Saharan Africa and the second-largest in the world, after India.<sup>1</sup> The national electrification rate is 55 percent, and the rural electrification rate is only 39 percent. To achieve universal access to electricity by 2030, Nigeria would need to connect between 500,000 to 800,000 households per year. Both grid extension and off-grid solutions will be needed to provide quality services to unserved and underserved households and businesses in a timely manner. While female-headed households are more likely to be connected to the grid (72 percent) compared to male-headed households (53 percent), female-headed households tend to consume less.<sup>2</sup> The burden of ensuring access to energy (through electricity or traditional fuels) often falls primarily on women, who also disproportionately bear the health impacts of unclean cooking.

7. **Nigeria's power sector is unbundled and largely privately-owned.** Following the passage of the Electric Power Sector Reform Act (2005), the sector was unbundled into six generation companies (GENCOs), eleven distribution companies (DISCOs) and the Transmission Company of Nigeria (TCN). The privatization of the DISCOs and GENCOs was completed in 2013. Three of the five thermal GENCOs (that use natural gas as fuel) were sold in their entirety to new owners, while three hydropower plants were concessioned to private operators. TCN has remained a fully Government-owned monopoly. In the current stage of market development, known as the Transitional Market, the Government-owned Nigerian Bulk Electricity Trading Company (NBET) fulfills the role of bulk trader, buying electricity from GENCOs (including

<sup>1</sup> Energy Access Outlook 2017, International Energy Agency, 2017.

<sup>2</sup> General Household Survey (GHS) Panel Wave 3 conducted in 2015.

Independent Power Producers) under Power Purchase Agreements (PPAs) and reselling it to DISCOs under Vesting Contracts.

8. **The transition from a publicly-owned to largely privately-owned power sector did not bring the expected outcomes and the sector is under severe stress.** High losses, low collections and lack of cost recovery tariffs have resulted in an annual financial deficit to the sector of approximately US\$1 billion. For the years 2015 and 2016 combined, the tariff shortfall alone amounted to US\$1.4 billion. Sector Aggregate Technical Commercial and Collection (ATC&C) losses are extremely high, averaging 54 percent in 2017, versus 27 percent projected in the tariff regulation/order. The poor financial viability of the eleven DISCOs has resulted in their low remittances to NBET (estimated to be 28 percent for the first nine months of 2017) with a resulting lack of timely and full payments to GENCOs that, in turn, accumulate arrears to gas suppliers.

9. **The causes for the crisis are interlinked and self-reinforcing.** The inconsistent application of the tariff policy (the Multi-Year Tariff Order or MYTO) resulted in the deterioration of the financial situation of sector companies, especially DISCOs. In particular, lack of tariff adjustment to account for depreciation of the Naira in 2016 severely impacted the power sector, as approximately 65 percent of the sector costs are denominated in hard currency. Declining revenues further constrained access to commercial financing by DISCOs, whose balance sheets were already weak. Without access to financing, DISCOs have not progressed with investments in metering and rehabilitation of distribution networks, resulting in poor service delivery. Declining revenues have also constrained FGN's ability to enforce key contracts (including DISCOs' Vesting Contracts) with resulting non-payment across the supply chain, including to gas suppliers of the thermal power plants. Payment arrears to the gas suppliers and the occasional sabotage of petroleum infrastructure have led to erratic gas supply, further impacting service delivery. Poor service delivery, in turn, has made tariff adjustments difficult.

10. **Poor service delivery is largely related to constraints in distribution and gas supply.** The installed power generation capacity is approximately 13 GW, and the available generation capacity is approximately 7 GW. On average, however, just 3.5 GW were dispatched over the last two years, largely due to constraints in gas supply and distribution. Capacity of the primary transmission network (330kV) is not currently a constraint, though the transmission system is operating well-below international reliability and security standards. The underlying causes of distribution constraints are multiple, including congestion at the transmission and distribution interface to satisfy the differentiated demand growth, lack of investments, and lack of accountability (i.e. DISCOs disconnecting feeders where the collection loss is high). The capacity dispatched by the power system has, at times, exceeded 5 MW (most recently, on December 8, 2017), indicating that non-infrastructure distribution constraints associated with a lack of contract enforcement and accountability are significant.

11. **The operational and financial situation of the sector is further aggravated by weak governance and inadequate enforcement of contracts.** The sector's lack of financial viability hinders the full activation and enforcement of sector contracts and regulations, i.e. the financial consequences of sector companies being unwilling or unable to meet their contractual obligations are not enforced. The power market thus functions on a "best effort" basis with a resulting lack of accountability and poor service delivery.

12. **The Government has demonstrated its commitment to addressing these issues through the Power Sector Recovery Program (PSRP).** Approved by the Federal Executive

Council in March 2017, the PSRP includes measures to improve the financial viability of sector operators, increase power supply and strengthen sector governance and contract enforcement, de-risking the sector for private investment and putting it on a path to long-term sustainability.

### III. Program Development Objective(s)

13. **The Program’s development objectives (PDO) are to improve the reliability of electricity supply and enhance power sector financial viability and governance.** Consistent with the PSRP, the Program-for-Results (PforR) seeks to achieve these development objectives by helping the power sector to establish a track record of sustainable performance, thus unlocking private financing for the sector.

14. The PforR supports results in three areas: (i) reliability of electricity supply is improved<sup>3</sup>; (ii) financial sustainability is reached; and (iii) governance and transparency is improved. The following outcome indicators will be used to measure achievement of the PDO:

- **PDO Indicator 1:** Annual electricity supplied to the distribution grid is increased;
- **PDO Indicator 2:** Power sector companies receive their revenue requirement; and
- **PDO Indicator 3:** Public awareness about ongoing reforms in the power sector improves.

### IV. Program Scope

#### A. Government program

15. **The FGN recognizes the critical role of the power sector in Nigeria’s economic development.** “Ensuring energy sufficiency” is one of the key priorities of the national ERGP for 2017-2020. The PSRP was developed to support the goal of energy sufficiency through a Reset of the power sector. Specifically, the PSRP aims to: a) restore the sector’s financial viability through the elimination of the 2015-2016 historical tariff shortfall and a commitment to eliminating future tariff shortfalls, prior to tariffs reaching cost recovery level; b) improve power supply reliability to meet growing demand; c) strengthen the sector’s institutional framework and increase transparency through the publication of key operational and financial data; d) implement clear policies that promote and encourage investor confidence in the sector; and e) establish a contract-based electricity market.

16. **The PSRP seeks to de-risk the power sector for private investment through a comprehensive package of financial, operational, governance, and policy interventions.** The PSRP embraces the role of the Government and public funding in meeting the revenue requirement of the privatized power sector until end-user tariffs are adjusted in parallel with improvements in service delivery and sector efficiency. To that end, the financial interventions of the PSRP aim to fully fund historical and future sector deficits, so that sector companies receive their required revenue. The PSRP’s operational/technical interventions aim to ensure that DISCO performance and electricity supply improve. Strengthening sector governance and transparency, enforcement of contracts, and the communication of reforms are the major priorities of the PSRP’s governance interventions. Policy interventions aim to increase electricity access and manage costs by ensuring

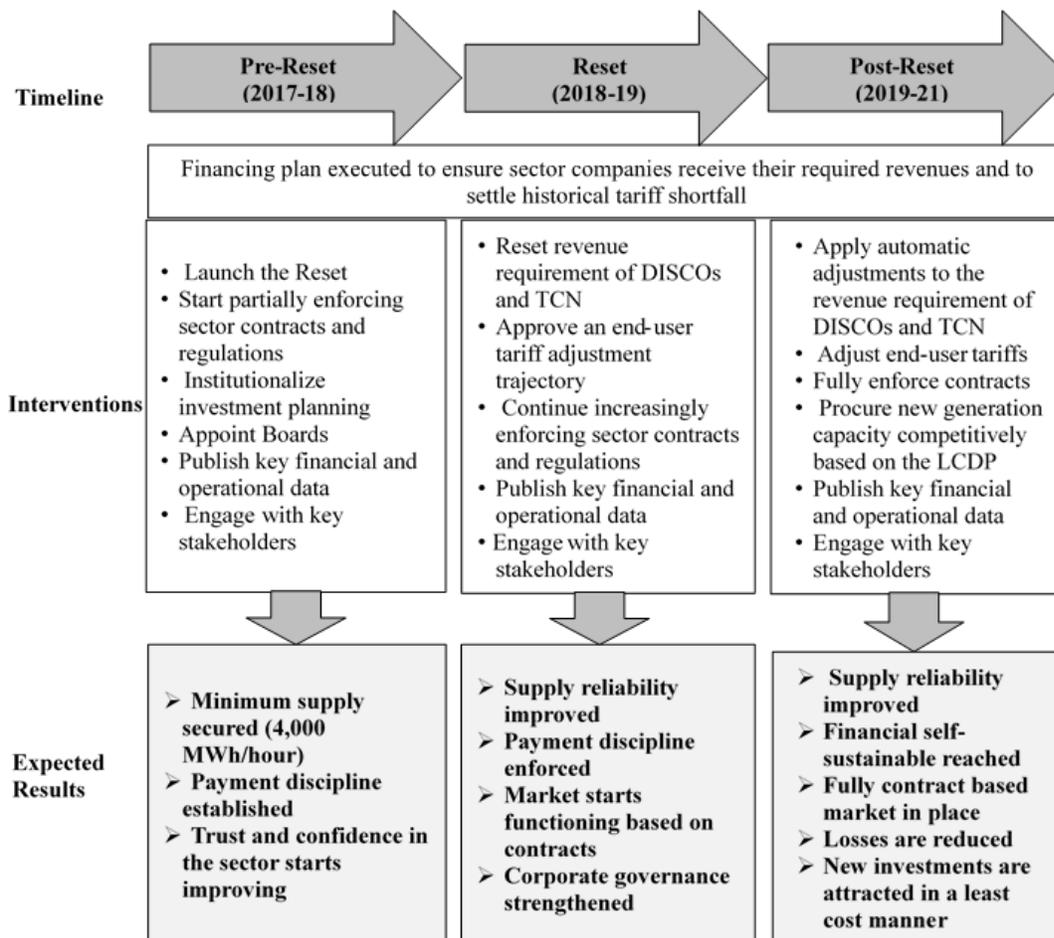
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<sup>3</sup> This increase in reliability will be achieved through enforcement of existing contracts and regulations and will entail no investment in the rehabilitation or construction of infrastructure.

that new capacity is procured competitively on the basis of a Least Cost Development Plan (LCDP).

17. **A key milestone of the PSRP is the sector “Reset”, which will define new conditions for the sector companies based on the current situation of the sector.** Even in well-functioning power sectors, a Reset is part of the process of determining the power sector revenue requirement at the end of a multi-year tariff period. It is, however, particularly important in the context of Nigerian power sector, as the sector situation has significantly evolved since the privatization of DISCOs. As a result, the targets set in the existing Performance Agreements<sup>4</sup> and the parameters of the Nigeria Energy Regulatory Commission’s (NERC) current MYTO, which sets the revenue requirements of DISCOs and TCN, are not reflective of the actual sector situation. The PSRP therefore includes three distinct phases - pre-Reset, Reset, and post-Reset – with associated interventions to gradually bring the sector to a sustainable state characterized by improved service delivery, financial self-sustainability, full enforcement of contracts and regulations and transparency.

**Figure 2: Power Sector Recovery Program**

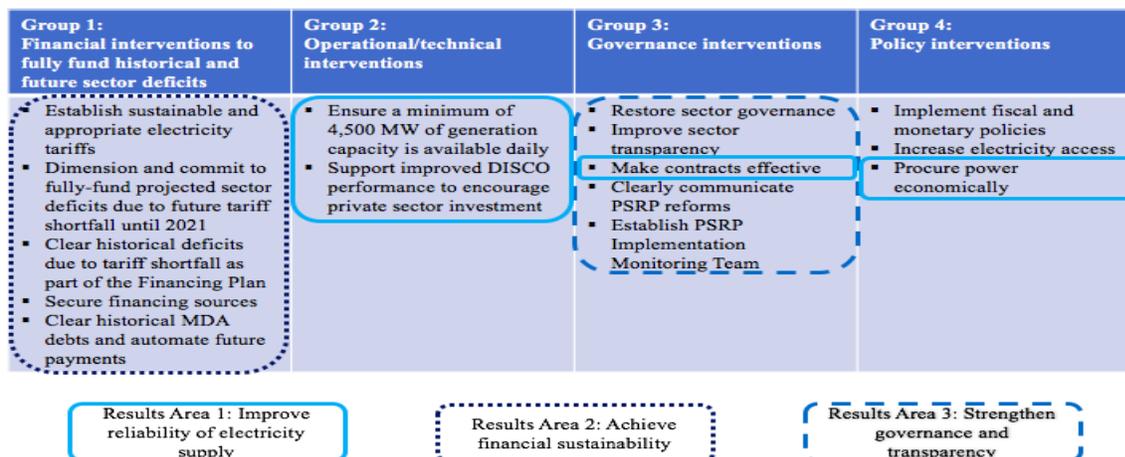


<sup>4</sup> The Performance Agreements, which define baseline and target performance parameters, were signed between the Bureau of Public Enterprises (BPE) and the owners of DISCOs after the privatization.

## B. PforR Program Scope

18. **The Program is a hybrid with two components, a PforR and an IPF.** The PforR component will cover years 2018-2021 of the PSRP and support the implementation of key financial, operational, regulatory, and policy measures to reset the power sector for sustainable operation. The IPF component will finance Technical Assistance (TA) to key sector agencies to support their implementation of the Disbursement Linked Indicators (DLIs) and overall capacity building.

**Figure 3: PSRP Interventions and Program Boundaries**



19. **Underlying the PforR design are the sector “Reset” and the receipt of full revenue requirement by the power sector companies.** These two measures are essential for de-risking private financing by transitioning the sector to a contract-based market; establishing greater transparency and accountability; and improving the sector’s service delivery and operational efficiency.

20. **The Reset will entail a redefinition of the revenue requirements of the DISCOs and TCN, based on new performance parameters and well-specified Performance Improvement Plans (PIPs) of DISCOs.** The Reset is important for the turnaround of the performance of DISCOs, which remain the largest constraint in the supply chain and a key factor in poor service delivery. The Reset will allow DISCOs and TCN to receive their full revenue requirement and will thus serve as the basis for the enforcement of key sector contracts and regulations. The Reset will also serve as the basis from which the Government will define the trajectory of phased end-use tariff adjustments, consistent with improvements in service delivery.

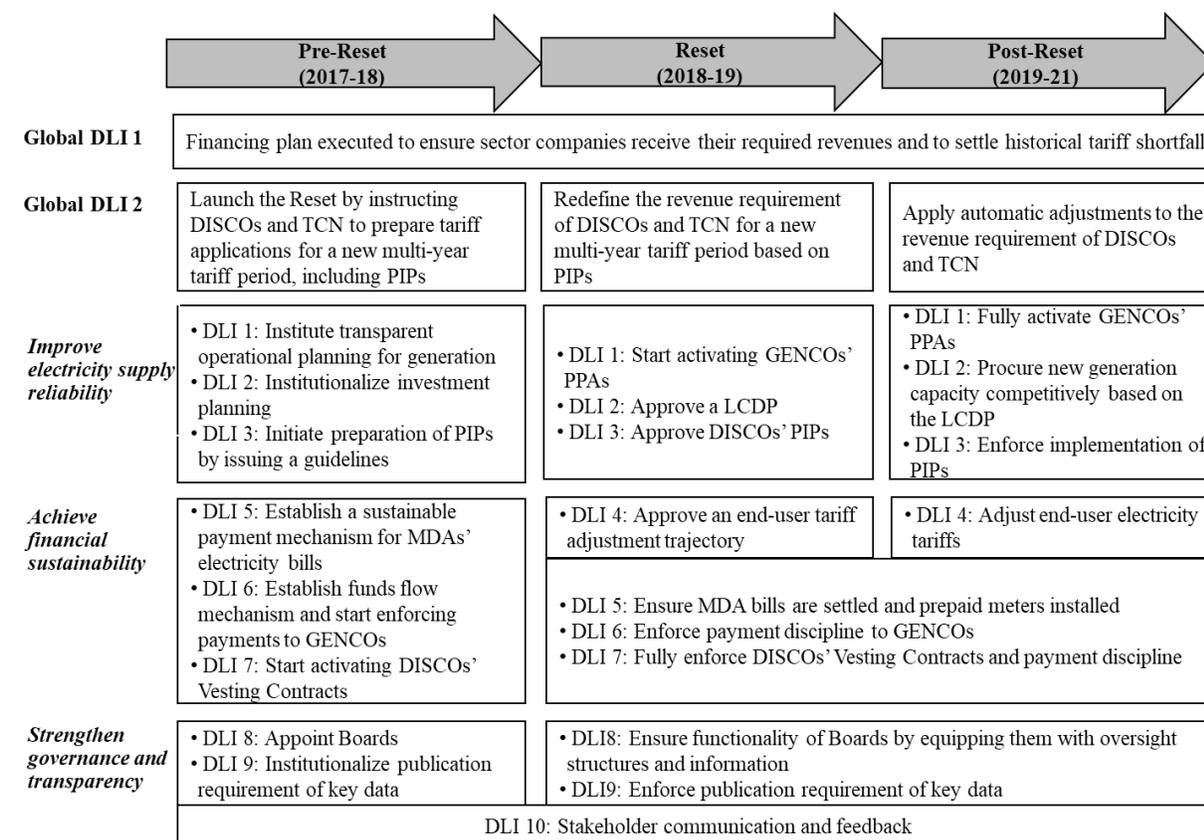
21. **The receipt of revenue requirements by power sector companies is essential to breaking the vicious cycle of poor sector financial performance, which prevents the enforcement of contractual and regulatory obligations and results in poor service delivery.** The sector is projected to reach self-sustainability by 2021, when a number of PSRP measures – operational efficiency improvement, management of investment costs, enforcement of payment discipline and tariff adjustment – are expected to lead to the convergence of the sector revenue requirement and tariff revenue. In the interim (2017-21), the Government has committed to fund the difference between the revenue requirement and tariff revenue and ensure that the sector operates without a financial deficit. This will allow sector companies to meet their contractual

obligations and will build trust and confidence in the sector, including among private investors and financiers. To that end, the Government has developed a Financing Plan to cover the recurrent tariff shortfall of the sector (2017-21) and to clear the historical tariff shortfall (2015-16). From 2021, tariffs are expected to be at cost-recovery levels and the sector is expected to function without Government support.

22. **The three Results Areas of the PforR support measures to ensure an effective Reset, receipt of revenue requirement by sector companies, and the enforcement of contracts and regulations on that basis.** The PforR supports implementation of the PSRP through the following three results areas - improving reliability of electricity supply; restoring financial viability of the power sector; and strengthening governance, transparency and accountability.

23. **The PforR supports achievement of these three results areas through twelve disbursement linked indicators (DLIs).** The DLIs articulate the actions necessary to recover the sector and set it on the path to financial and operational sustainability. The two DLIs which are most critical to the success of the Program – namely, the sector Reset and the execution of the Financing Plan – have been designated as Global DLIs; disbursements of the ten standard DLIs can only be completed upon verification that the Global DLIs have been achieved. The two Global DLIs, therefore, trigger not only the disbursement of the funding allocated to them but also disbursement against other DLIs achieved in parallel. This framework provides incentives to ensure that the key development objectives of the Program are achieved.

**Figure 4: Program Results Areas and Disbursement Linked Indicators**



24. **Consistent with the PSRP, the PforR has strong emphasis on stakeholder engagement and communication.** To that end, the PforR supports the implementation of a comprehensive national communication strategy and stakeholder engagement to build public trust, ensure message discipline across public agencies, shape the national dialogue about the power sector, and raise awareness of the reforms and expected outcomes.

#### *Excluded activities*

25. **The PforR does not support any investment-related activities and rather aims to improve service delivery by strengthening power sector financial viability, governance and accountability.** The PforR expenditure framework is the Financing Plan of the FGN and does not include high-value contracts. The specific PSRP interventions which have been excluded from this Program include fiscal and monetary incentives (e.g. tax holidays, duty waivers); as well as investments in increased electricity access (electrification) and the rehabilitation of transmission and distribution infrastructure. Complementary World Bank IPF operations under preparation support investments in electrification and the alleviation of transmission and distribution network constraints.

#### *Capacity Building and Institutional Strengthening*

26. **Capacity building and institutional strengthening at key sector agencies are important parts of the Program and will be delivered through the TA.** The TA will be designed as an IPF and will support the implementation of DLIs, as well as overall capacity building of key sector agencies.

### **V. Environmental and Social Effects**

27. **The Program is expected to have potential environmental and social benefits, particularly through enhanced reliability of supply and governance.** By improving the reliability of the electricity supply, the Program will allow businesses and households to avoid reverting to diesel-based self-generation and traditional fuels, which are inefficient and potentially harmful to their health and the environment. This, in turn, will reduce air pollution, which is one of the contributors to climate change. Through improved service delivery, as well as strengthened governance and communication, the Program should strengthen the relationship between electricity consumers and DISCOs and improve overall trust in the sector.

28. **The potential environmental risks associated with the Program are expected to be small.** The improved electricity supply promoted by the Program is within the existing physical capacity of the sector and does not entail new investments. Hence, the Program does not involve Category A activities, which could have environmental and social impacts that are large-scale, irreversible, sensitive, diverse, cumulative or precedent-setting. Given that grid electricity could replace diesel-based self-generation, the Program is expected to lead to net reduction of greenhouse gas (GHG). Increased grid-based electricity generation will also increase consumption of natural gas and thus reduce gas flaring, as natural gas produced in association with crude oil is flared when it cannot be utilized in power generations.

29. **Overall, the Nigerian environmental systems for handling these impacts are relatively strong, although enforcement can be enhanced.** Nigeria has adequate environmental policies, guidelines and legal and regulatory systems. However, existing laws and regulations present some

challenges, such as multiple regulations, overstretched regulatory authorities, weak monitoring, inadequate and mismanaged funding, and a low degree of public awareness. To address these limitations, the Bank team will support the capacity-building needs of agencies that are responsible for the review and enactment of the Environmental Impact Assessment (EIA) Act and System, and support the monitoring of the performance of the transmission, generation and distribution companies to ensure that they consider environmental issues in their operations.

30. **End-user tariff adjustments implemented based on the trajectory determined at the Reset may affect households' welfare in the short term, but mitigation measures will be incorporated in the tariff structure to protect the poor and vulnerable.** The direct effect, resulting from changes in electricity consumption, is expected to be relatively small and progressive since electricity access and consumption volumes are still limited, especially among the poor and in rural areas. The indirect effect, through the price increases of other goods and services that use electricity as input, is similar across the households and contained by the fact that tariffs for businesses are already relatively close to cost recovery and that businesses rely more on self-generation than grid electricity (due to the unreliability of the latter). The negative impact of tariff adjustments for the poor will be mitigated through the tariff structure. Since the poor generally consume less electricity, a progressive tariff structure (e.g. incremental block tariff) can reduce the negative impact on the poor.

31. **Potential tariff adjustment may also exacerbate the risk of social unrest in an environment of low public trust of DISCOs.** Currently, the combination of unreliable supply and DISCOs' practice of estimating customers' consumption (in the absence of metering) has exacerbated customer's dissatisfaction. Overbilling and illegal bill collection compound the problem. Customers, therefore, believe they are paying more for a service that has deteriorated, and would be unwilling to pay higher tariffs experiencing improvement in service.

32. **Government systems regarding stakeholder engagement and grievance redress exist but need strengthening to address the social risk.** In principle, there is already a strong Government commitment to robust stakeholder and grievance redress mechanisms at both the Federal and state levels; NERC has established call centers and a website for customer complaints; and DISCOs are committed to improving transparency and stakeholder management processes. In practice, there is a disconnect between NERC guidelines and DISCOs' implementation; there are mixed messages from NERC regarding disconnection for nonpayment of bills; the inclusivity of the consultation process is contested; and DISCOs' local offices show limited capacity to respond to customers. DISCOs should therefore accelerate deployment of meters and strengthen their capacity to provide high-quality customer service, with responsive staff and clear procedures for all customer interactions (e.g. billing, repairs, complaints, connections/disconnections). To assist this process, NERC must be clearer about its regulations and enforce them (e.g. for estimated billing and nonpayment). NERC and DISCOs should strengthen (i) the grievance redress mechanisms by building on current NERC initiatives to increase the number of staff and training of staff; (ii) stakeholder management systems to inform customers of changes in services, such as advance notice of power outages and tariff increases; and (iii) the capacity of consumer and civil society organizations to improve their social accountability skills.

33. **Gender.** The draft revised National Energy Policy of 2013 pays specific attention to gender-differentiation in energy needs and use, impacts of energy use, resource ownership and participation in the energy sector. Related to the issue of inclusivity of consumer engagement

above, this highlights the need to ensure that women are well-represented throughout the stakeholder consultation processes and that women-specific issues are heard and addressed.

34. **Grievance Redress.** Communities and individuals who believe that they are adversely affected as the result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance redress mechanism of the World Bank’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their complaints to the World Bank’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For more information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## VI. Financing

	USD Million
Borrower	3,038
IDA	1,000
Others (CBN Payment Assurance Facility)	2,301
<b>Total Financing</b>	<b>6,339</b>

## VII. Program Institutional and Implementation Arrangements

35. **Successful implementation of the PSRP and the PforR requires robust governance and implementation arrangements, given the complex inter-agency dependencies of many of the PSRP interventions and the need for changed behaviors in key MDAs.** To that end, the governance arrangements of the PSRP are structured in three layers. The strategic oversight of PSRP implementation is by the Vice President, who in turn relies on a subgroup of the inter-ministerial Economic Management Team to assist him in exercising effective oversight. The day-to-day monitoring and coordination of PSRP implementation is managed by the IMT<sup>5</sup> that has been established under the supervision of the Vice President. As part of this role, the IMT is responsible for facilitating stakeholder engagement and communication during the PSRP implementation. Finally, coordinated implementation of the PSRP interventions involving significant inter-agency dependencies is being facilitated through inter-agency teams. Two multi-agency teams responsible respectively for the preparation and quarterly update of the Financing Plan and the development and implementation of the LCDP have been established.

36. **The Program leverages the existing implementation arrangements of the PSRP.** The IMT is the main interlocutor of the World Bank on behalf of the FGN. NERC will play the leading role in implementation of the Program and the associated achievement of the majority of the results and DLIs. Other agencies with implementation roles will include NBET and the agencies responsible for LCDP preparation and update. As the bulk trader purchasing electricity from

<sup>5</sup> The PSRP IMT is led by the PSRP Coordinator and includes technical experts (finance, engineering, communication, distribution management), a monitoring and evaluation specialist and support staff.

GENCOs and selling it to DISCOs, NBET will be the agency receiving the funds identified in the Financing Plan. The IMT will be responsible for the implementation of the Technical Assistance component and will rely on the Project Management Unit (PMU) of the Rural Electrification Agency (REA) for procurement and financial management of the Technical Assistance.

## **VIII. Contact point**

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