



Nigeria Distribution Sector Recovery Program (P172891)

AFRICA WEST | Nigeria | Energy & Extractives Global Practice | Requesting Unit: AWCW2 | Responsible Unit: IAWE4  
IBRD/IDA | Program-for-Results Financing | FY 2021 | Team Leader(s): Muhammad Abba Wakil, Yadviga Viktorivna Semikolenova

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**Program Development Objectives**

Program Development Objective (from Program Appraisal Document)

The Program Development Objective is to improve financial and technical performance of the electricity distribution companies.

**Overall Ratings**

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	--	<input type="checkbox"/> Satisfactory

**Implementation Status and Key Decisions**

The Board of Executive Directors of the World Bank approved financing for Nigeria Distribution Sector Recovery Program on February 4, 2021. The financing agreement is yet to be signed and made effective. Progress is being made with government counterparts in order to meet effectiveness conditions as soon as possible.

**Data on Financial Performance**

**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P172891	IBRD-92060	Not Effective	USD	500.00	500.00	0.00	0.00	500.00	0%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P172891	IBRD-92060	Not Effective	04-Feb-2021	--	--	30-Jun-2026	30-Jun-2026

**Program Action Plan**

<b>Action Description</b>	Undergo in-depth internal control review (as part of NERC's open book review or otherwise) and establish a framework to address identified risks				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>



Fiduciary Systems		DISCOs through BPE	Other	Prior to execution of Shareholder Loan Agreements	In Progress
<b>Completion Measurement</b>	Provide copy of the report as well as evidence of a framework to address risks				
<b>Comments</b>					

<b>Action Description</b>	Undergo 2nd in-depth internal control review (as part of NERC's open book review or otherwise)				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		DISCOs through BPE	Other	3 years after the first in-depth review and thereafter once every 3 years until program closure	Not Yet Due
<b>Completion Measurement</b>	Provide copy of the report along with evidence of continued existence of a framework to address risks as well as evidence of corrective action taken on key issues from the previous in-depth review				
<b>Comments</b>					

<b>Action Description</b>	Board approved procurement regulatory framework that supports procurement core principles of economy, competition, transparency and integrity and practice that is embedded on good budget management				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		DISCOs through BPE	Other	Prior to execution of Shareholder Loan Agreements	In Progress
<b>Completion Measurement</b>	Evidence of existence of procurement policy that supports procurement practice to achieve procurement core principles of economy, competition, transparency and integrity in budget execution.				
<b>Comments</b>					

<b>Action Description</b>	Ensure existing governance and anti-corruption framework incorporate the Program				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		DISCOs through BPE	Other	Prior to execution of Shareholder Loan Agreements	In Progress
<b>Completion Measurement</b>	DISCOs confirm to PMU that their fraud and corruption / complaints redress mechanism have incorporated the DISREP program within the specified time period				
<b>Comments</b>					



<b>Action Description</b>	Commitment by DISCOs to implement IAPs, including all necessary fiduciary actions and safeguard actions, as specified in the ESSA				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems		DISCOs through BPE	Other	Prior to execution of Shareholder Loan Agreements	In Progress
<b>Completion Measurement</b>	Inclusion of agreed IAPs in BPE-DISCO loan agreements				
<b>Comments</b>					

<b>Action Description</b>	Develop a protocol/standard that will serve for benchmarking environmental and social system and performance of DISCOs				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems		BPE	Other	Prior to execution of Shareholder Loan Agreements	In Progress
<b>Completion Measurement</b>	Document containing environmental and social benchmarks for DISCOs				
<b>Comments</b>					

<b>Action Description</b>	Engage suitable Environmental and Social Risk Management Specialists (Consultants) as part of the Program Implementation Team in a manner that will be satisfactory to the World Bank				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems		BPE, All DISCOs	Other	Prior to program implementation/prior on-lending to specific DISCOs	In Progress
<b>Completion Measurement</b>	Letters of appointment of Consultants/ Specialists				
<b>Comments</b>					

<b>Action Description</b>	Approval of individual DISCO PIPs by NERC				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Other		NERC	Other	Prior to individual DISCO participation in the operation	Completed
<b>Completion Measurement</b>	NERC gives notice of PIP approval				
<b>Comments</b>	PIP Approval was published on the NERC website on May 1, 2021				



## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	□ Substantial	--	□ Substantial
Macroeconomic	□ Substantial	--	□ Substantial
Sector Strategies and Policies	□ Substantial	--	□ Substantial
Technical Design of Project or Program	□ Moderate	--	□ Moderate
Institutional Capacity for Implementation and Sustainability	□ High	--	□ High
Fiduciary	□ Substantial	--	□ Substantial
Environment and Social	□ Substantial	--	□ Substantial
Stakeholders	□ Substantial	--	□ Substantial
Other	--	--	--
Overall	□ Substantial	--	□ Substantial

## Results

### PDO Indicators by Objectives / Outcomes

Improved DISCO performance				
► Reduction in DISCOs' metering gap (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	100.00	--	100.00	50.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Percentage of metered customers			
► Semi-annual electricity billed (Gigawatt-hour (GWh), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10,947.00	--	10,947.00	15,716.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Semi-annual electricity billed			
Enabling diversification of commercial options for DISCOs to supply their demand				



► Semi-annual collection of billed electricity (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	66.00	--	66.00	88.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Semi-annual collection of billed electricity			

  

Strengthened corporate governance and transparency				
► Compliance with NERC Code of Corporate Governance by DISCOs (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	52.00	--	52.00	95.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Semi-annual verification of DISCOs compliance with Code of Corporate Governance			

**Intermediate Results Indicators by Results Areas**

Improved DISCO performance				
► New customers connected to the network (Number) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	2,592,000.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Number of new customers connected to the network			
► Number of customer meters installed at unmetered customers (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	5,129,295.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Number of customer meters installed at unmetered customers			
► Operation of MDMSs in DISCOs (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026



Comments	Operation of MDMSs in DISCOs			
<b>► Number of new metered connections by DISCOs (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	100.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Number of new metered connections by DISCOs (Metered Connection Score)			
<b>► Number of DISCOs tracking new metered connections to customers in Tariff Band A and B (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	11.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Number of DISCOs tracking new metered connections to customers in Tariff Band A and B			
<b>► Number of DISCOs that have identified and quantified the gender gap within their customer base (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	4.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Number of DISCOs that have identified and quantified the gender gap within their customer base			
<b>► The Consumer Assistance Fund designed to support vulnerable women and girls and female-headed households within DISCOs' customer bases (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	22-Oct-2020	--	28-Apr-2021	31-Dec-2024
Comments	Consumer Assistance Fund designed to support vulnerable women and girls and female-headed households within DISCOs' customer bases			
<b>► Development of NERC guidance on addressing the gender gap within DISCOs' customer bases (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	guidance on addressing the gender gap within DISCOs' customer bases			
<b>► Number of grids with improved stability, reliability and/or capacity to reduce technical losses (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	--	0.00	11.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Number of grids with improved stability, reliability and/or capacity to reduce technical losses			
<b>► Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs (Kilometers, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	20,774.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs			
<b>► Reduction in transformer technical losses in existing distribution networks (Kilovolt-Ampere(KVA), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	9,501,000.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Reduction in transformer technical losses in existing distribution networks			
<b>► Development of NERC Guidance of Investment in Climate Resilient Infrastructure (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Development of NERC Guidance of Investment in Climate Resilient Infrastructure			

Enabling diversification of commercial options for DISCOs to supply their demand

<b>► Implementation of Management Information Systems (MIS) by DISCOs (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	--	10.00	77.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Implementation of Management Information Systems (MIS) by DISCOs in terms of complete MIS packages installed			
<b>► Amount of electricity supply sourced directly from GENCOs or from embedded generation (Megawatt hour(MWh), Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.12	--	0.12	0.60



Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Amount of electricity supply sourced directly from GENCOs or from embedded generation			

**Strengthened corporate governance and transparency**

► Audited financial statements of DISCOs are published annually (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Audited financial statements of DISCOs are published annually			

► Number of qualified FGN representative appointed to DISCO Boards (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	--	1.00	2.00
Date	22-Oct-2020	--	28-Apr-2021	30-Jun-2026
Comments	Number of qualified FGN representative appointed to DISCO Boards			

**Disbursement Linked Indicators**

► DLI 1 Number of new metered connections by DISCOs (Intermediate Outcome, 69,000,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	FY26
Value	0.00	--	0.00	100.00
Date	--	--	04-May-2021	--
Comments				

► DLI 2 Kilometers of medium voltage (MV) distribution lines rehabilitated by DISCOs (Output, 96,600,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	FY26
Value	0.00	--	0.00	20,774.00
Date	--	--	04-May-2021	--
Comments				

► DLI 3 Reduction in transformer technical losses in existing distribution networks (Intermediate Outcome, 96,600,000.00, 0%)





	Baseline	Actual (Previous)	Actual (Current)	FY26
Value	0.00	--	0.00	9,501,000.00
Date	--	--	04-May-2021	--
<b>Comments</b>				

► DLI 4 Compliance with NERC Code of Corporate Governance by DISCOs (Intermediate Outcome, 34,500,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	FY26
Value	20.00	--	20.00	95.00
Date	--	--	04-May-2021	--
<b>Comments</b>				

► DLI 5 Implementation of Management Information Systems by DISCOs (Intermediate Outcome, 48,300,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	FY26
Value	10.00	--	10.00	77.00
Date	--	--	04-May-2021	--
<b>Comments</b>				