



Nigeria Electrification Project (P161885)

AFRICA | Nigeria | Energy & Extractives Global Practice |
IBRD/IDA | Investment Project Financing | FY 2018 | Seq No: 4 | ARCHIVED on 07-May-2020 | ISR41436 |

Implementing Agencies: Federal Ministry of Finance, Rural Electrification Agency

Key Dates

Key Project Dates

Bank Approval Date: 27-Jun-2018

Effectiveness Date: 10-Jun-2019

Planned Mid Term Review Date: 01-Jul-2021

Actual Mid-Term Review Date:

Original Closing Date: 31-Oct-2023

Revised Closing Date: 31-Oct-2023

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The development objective is to increase access to electricity services for households, public educational institutions, and underserved micro, small and medium enterprises.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Solar Hybrid Mini Grids for Rural Economic Development:(Cost \$330.00 M)
Stand-alone Solar Systems for Homes and MSMEs:(Cost \$305.00 M)
Energizing Education:(Cost \$105.00 M)
Technical assistance:(Cost \$25.00 M)

Overall Ratings

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

Implementation Status and Key Decisions

The Implementation Support Mission took place in March 2020, just before the COVID-19 outbreak. Progress includes qualification of 15 mini grid companies with 71 mini grids (including 3 that have already been commissioned) that will collectively serve 42,611 connections, or 221,577 people, with 5.8 MW of solar PV capacity. The first mini grid was commissioned just 60 days after grant agreement signing, with the State Minister for Power, World Bank Country Director and other dignitaries attending the ceremony. Furthermore, an additional 32,100 connections, or 166,869 people, have been provided with electricity through solar home systems. This has been done by 8 solar companies that have qualified for financing under the program and deployed over 1.43 MW of power across all of Nigeria's geopolitical zones.

During the mission, the REA PMU, together with the World Bank, hosted the 3rd Performance Based Grant (PBG) Roundtable to discuss implementation progress, challenges and issues with mini grid developers. For the record, the below points were discussed with the counterpart and stakeholders:



Component 1: Solar Mini Grids for Rural Economic Development:

Engagement with NERC: Participants requested clarification on how they may use the NEP application portal at NERC to expedite their permit applications, and they were advised that they would receive a unique identification number as well as a verification email for login into the NERC fast track portal once they have qualified for the program,.

Environmental and social (E&S) compliance; Developers indicated that E&S requirements and processes remain difficult for them to understand and follow, and clarifications were provided on specific E&S issues. Based on the discussions at the Roundtable, it was agreed that a clarification in writing on the E&S requirements for the performance -based grant program would be circulated to the mini grid developer community (this has already been circulated to all registered developers).

Community engagement; As part of the discussion on environmental and social compliance, several issues pertaining to community engagement, which has been causing delays in project preparation for some developers, were explored in more details.

Eligibility of communities with existing distribution infrastructure to be included in the program.; Some developers are assessing communities with some distribution infrastructure already in place and posed the question of whether mini grids proposed to be developed in such communities would be considered for performance- based grants. Developers were advised that mini grids developed in such communities would generally not be considered eligible for performance-based grants. However, on a case-by-case basis, where it can be established that the distribution company does not have any claim to the existing distribution infrastructure, REA may consider accepting performance-based grant applications for such mini grids.

Eligibility for NEP performance- based grants of mini grid projects receiving grants from other sources: Developers also inquired about whether a project receiving some grant funding from other sources would be automatically disqualified from consideration for NEP performance -based grants. It was agreed that those proposals will only be considered, at REA's discretion, in exceptional circumstances.

Component 2: Standalone Solar Systems - Output-Based Fund (OBF):

Verification challenges: The original verification process includes making telephone audits of a 10 percent sample size for each claim submission with a required 90% satisfaction rate in order for the full claim to be approved for payment. To avoid further delays it was agreed that payments would be made on the percentage of claims that are successfully verified. if 70 percent of the claim sample has been successfully verified then 70 percent of the total claim will be disbursed.

Onset of COVID -19: Companies expressed some business uncertainty related to the onset of the COVID-19 pandemic which is expected to affect the operation on the ground as well as shipments from China as well as clearance of products at the port of entry.

Data privacy laws: Another point raised was with regard to data privacy laws and the fact that detailed customer data from the companies would be shared with several entities including Odyssey, REA, the Bank, and the IVA. REA indicated that the legal counsel advising on the project would review the laws to ensure compliance and that this is accurately reflected in the grant agreement.

Import Duty Exemptions Deloitte's NPSP program consultants were invited to the roundtable to present the work from NPSP's work on accessing of the Import Duty Exemption Certificates (IDEC) for SHS companies.

Evaluation report for third batch of companies; An evaluation report for a third batch of OBF applicant companies was submitted to the Bank and subsequently cleared adding three additional companies (Azuri Oolu, Engie Fenix Nigeria) to the list of those supported by the NEP SHS program.

Component 3: Energizing Education Program: Significant progress has been made in the implementation of the Energizing Education Program – Phase II. The task team participated in a stakeholder workshop hosted by the REA PMU and attended by the representatives of the seven (7) Universities and two (2) Teaching Hospitals under EEP Phase II. During the event, members of the PMU team and representatives of the consulting firms provided presentations to the attending beneficiary representatives on the current status of evaluations, the next steps, and the commitments that the beneficiary institutions will be expected to make in order to proceed with the process.

Front-End Engineering Design (FEED): It was agreed during the meeting that the current draft FEED would be revised based on: (i) an agreement that the universities would maintain an interconnection with the distribution companies, in order to optimize the system design, improve its sustainability and reduce the overall cost; (ii) the results of the energy retrofitting audit and energy audit re-validation, which were initially scheduled to commence at the end of March, 2020. But a revised timeline will be agreed upon after the COVID-19 pandemic.

Energy Retrofitting Audit and Energy Audit Re-Validation: The PMU and the Task Team agreed that strong and clear coordination will be ensured between the PMU and the consultant team, once the latter is brought on board and mobilized.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Substantial	☐ Substantial	☐ Substantial
Macroeconomic	☐ Substantial	☐ Substantial	☐ Substantial
Sector Strategies and Policies	☐ Substantial	☐ Substantial	☐ Substantial



Technical Design of Project or Program	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Fiduciary	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Environment and Social	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Stakeholders	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Other	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Overall	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

Results

PDO Indicators by Objectives / Outcomes

Households provided with new electricity services				
▶ Households provided with new electricity services (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	42,000.00	500,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
□ of which female headed households (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	4,200.00	50,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023

Micro-, Small- and Medium-Sized Enterprises (MSMEs) provided with new electricity services				
▶ Micro-, Small-, and Medium-Sized Enterprises (MSMEs) with new or improved electricity service (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	2,100.00	70,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
□ ... of which female headed MSMEs (Number, Corporate Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	210.00	7,000.00



Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
Public Educational Institutions provided with new or improved electricity services				
▶ Federal universities and university teaching hospitals with new or improved electricity service (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023

People provided with new or improved electricity service				
▶ People provided with new or improved electricity service (Number, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	227,000.00	2,500,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023

Intermediate Results Indicators by Components

Solar Hybrid Mini Grids for Rural Economic Development				
▶ Households provided with access to electricity by mini grids (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	10,000.00	300,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
□...of which headed by women (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	10.00	10.00
▶ MSMEs provided with access to electricity by mini grids (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	500.00	30,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023



□...of which headed by women (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	50.00	10.00
▶ Percentage of women of total number of people employed by mini grid and off-grid companies (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.00	0.00	5.00	20.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
▶ Volume of results-based financing channeled to private sector mini grid developers (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	150,000,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
▶ Annual publication of feedback received from citizens reached through the consumer education and citizen engagement program (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
▶ Increased productive uses of electricity for female headed businesses and female famers etc (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.00	5.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
▶ New generation capacity of renewable energy (solar) installed (Megawatt, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.20	85.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023

Stand-alone Solar Systems for Homes and MSME

▶ Households provided with access to electricity by stand-alone solar systems (Number, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	32,000.00	300,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
□...of which headed by women (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	10.00	10.00
► MSMEs provided with access to electricity by stand-alone systems (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1,600.00	40,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
□...of which headed by women (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	10.00	10.00
► Volume of results-based financing channeled to private sector stand-alone solar system providers (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75,000,000.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
► New generation capacity of renewable energy (solar) installed (Megawatt, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1.40	15.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023

Energizing Education

► Federal universities with new or improved electricity service (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023



► Federal universities with a teaching hospital with new or improved electricity service (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023
► New capacity of renewable energy (solar) installed (Megawatt, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	19.00
Date	28-Aug-2018	16-Apr-2019	24-Apr-2020	28-Aug-2023

Data on Financial Performance

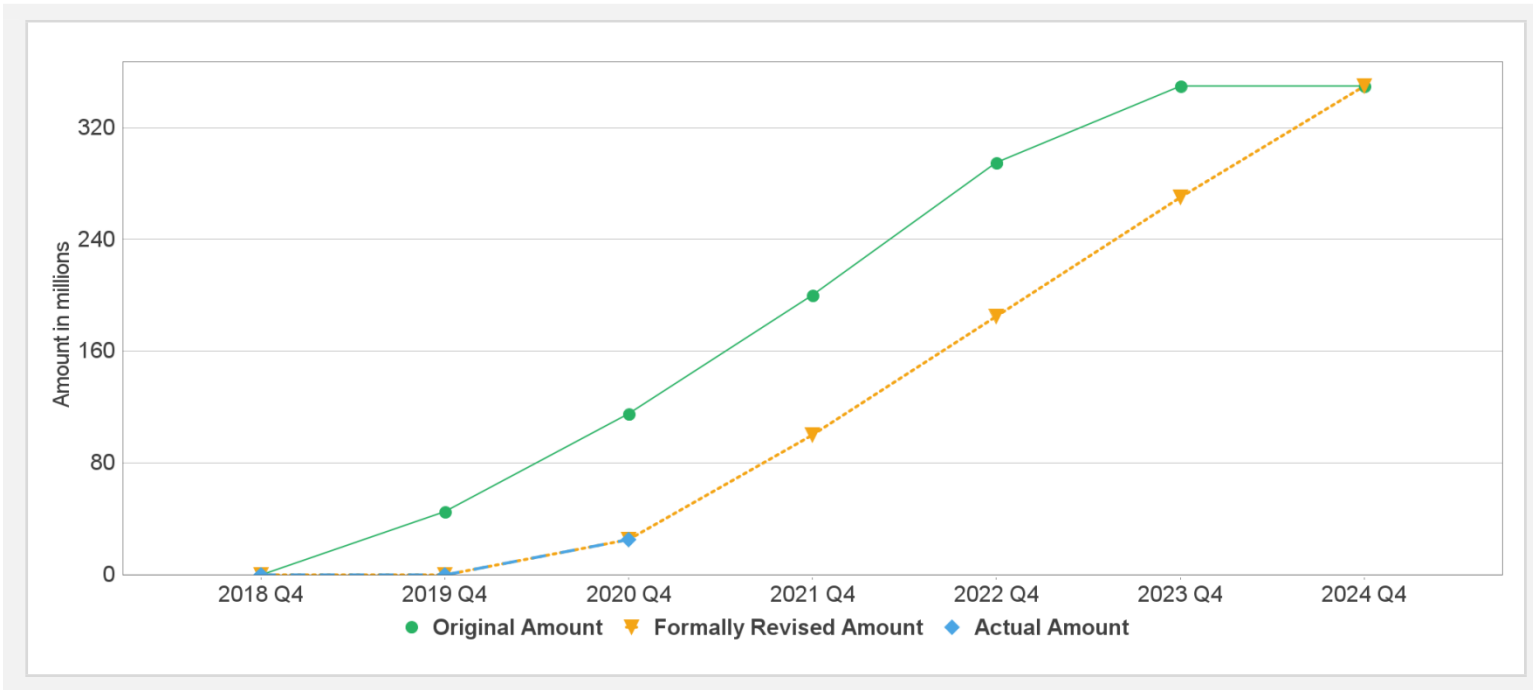
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P161885	IDA-62910	Effective	USD	350.00	350.00	0.00	24.91	307.98	7.5%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P161885	IDA-62910	Effective	27-Jun-2018	12-Feb-2019	10-Jun-2019	31-Oct-2023	31-Oct-2023

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.