Assignment: TF055588

GEF MSP- NIGERIA: NATIONAL ENERGY DEVELOPMENT PROJECT

GEFIA - GEF-IBRD AS IMPLEMENTING AGENCY

Task Team Leader: 00000259096 - Erik Magnus Fernstrom
Approving Manager: 00000234594 - Meike van Ginneken

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This GRM report includes the following sections: Overview, Outcome, Components/Outputs, Execution, Program(GEFIA), Processing, Attached Documents, Disbursements.
OVERVIEW

Overall Assessments and Ratings

Grant Objectives:
(i) to originate and implement several access expansion, intensification and renewable energy pilots with a view to provide inputs for the policy, legal, regulatory and institutional framework development process underway in Nigeria in the wake of the new Electricity legislation; (ii) Support the implementation of the National Renewable Energy Master Plan to reinforce its outcomes; (iii) develop market models for renewables, such as standard, bankable contractual agreement for grid-connected small hydro power and market penetration for solar PV technologies; and (iv) engender interest in development of energy-based cross sectoral development compacts (the Project).

Overall progress from 07/01/2011 to 06/30/2012 with regard to Achieving Grant Objectives:
Rating: Moderately Satisfactory (Previously Rated Satisfactory on 06/30/2011)
Comment: The Grant Objectives have been achieved. The lower than satisfactory rating is mainly due to the fact that GEF-financed activities mostly focused on Technical Assistance, falling short on the procurement and installation of equipment by the grant as initially envisaged in the objectives. However, the TA activities carried out as part of the GEF activities, such as business models for off-grid solar at Mfaminyen Village and other rural grid and off-grid electrification models (Enugu, Cross-River and Imu) are becoming prototype for replication in other villages areas and have leverage the interest of local governments and NGOs operating the area. The ICR currently under preparation for the associated project, the Nigeria Electricity Development Project, will report in details on those activities (including GEF-financed activities).

Overall progress from 07/01/2011 to 06/30/2012 with regard to Implementation of Grant Financed Activities:
Rating: Moderately Satisfactory (Previously Rated Satisfactory on 06/30/2011)
Comment: As mentioned above, implementation of the grant has been rated only MS due to the delays in procurement of goods for the implementation of some of the pilots, who in turns caused the low disbursement at the closing date (only about 20% of the total grant).

Grant follow-up and structure

Description and context of Grant:
The grant aims to achieve its main objectives of access expansion, intensification and development of renewables through:

a) i) Demonstration of viable models for expansion of access to electricity through the implementation of pilot electrification projects in selected States so as: (i) to achieve lower distribution costs through improved technology; (ii) to intensify distribution in peri-urban areas; and (iii) to expand distribution to rural areas, including grid extensions and renewable energy development.

(ii) Development of standard Power Purchase arrangements for Grid-connected small hydro projects, and development of replicable business delivery models for solar PV; and
(b) Provision of support for the National Renewable Energy Master Plan and design of cross sectoral applications

Expected follow up (if any): Expanded capacity

Comment on follow up:
The Grant is expected to lead to expanded capacity of policy and implementing agencies in Nigeria, such as the Ministry of Energy, the Rural Electrification Agency, the Nigeria Electricity Regulatory Commission, the Energy Commission of Nigeria and the Power Holding Corporation of Nigeria to conceptualize and implement rural electrification and renewable energy programs

End Date of Last Site Visit:
Restructuring of Grant:
The Grant has not been restructured and there is no proposal to restructure the grant. Extension of the closing date of the grant has been approved to June 30, 2012.

Activity Risk
Rating: Modest Risk
Comment: A modest risk is perceived for the sustainability of the financed activities as the institutional reforms have to be sustained and commitment to implement and scale up the pilot projects has to be demonstrated on a long term basis.

Critical Issues and Pending Actions for Management Attention
There are currently no issues and actions for Management attention.

OUTCOME

Comments on outcome achieved from 07/01/2011 to 06/30/2012

Grant Outcome Indicators
Grant outcome indicators are listed below.

Replicable Rural Electrification models
Baseline Value:
- Date: 08/22/2005
- Progress to Date: Pilots under implementation. The Cross River Polar PV pilot completed in 2011.

Target Value: Two active RE Off Grid models (completed)
- Date: 06/30/2012

Sustainable legal and contractual arrangements for RE and Renewable models
Baseline Value:
- Date: 08/22/2005
- Progress to Date: Work in progress
- Date: 05/31/2010

Target Value: RE and Rural model PPAs in place (completed for the pilot projects covered under NEDP)
- Date: 06/30/2012
National Renewable Energy Master Plan
Baseline: Such a Plan does not exist
Value:
  Date: 08/22/2005
Progress to Date:
  Date: 05/31/2010
Target Value: RE Master plan (completed)
  Date: 06/30/2012

Complementary cross sectoral linkages between energy and other sector
Baseline: No evident cross sectoral applications
Value:
  Date: 08/22/2005
Progress to Date:
  Date: 05/31/2010
Target Value: One FADAMA cross sectoral application (completed)
  Date: 06/30/2012

COMPONENTS/OUTPUTS
There are no components defined for this trust fund / grant.

Comment on planned and actual Output

Comment on component implementation progress

EXECUTION

Bank project related to the grant
  Project ID / Name: P097692 - NG-GEF MSP Natil Energy Dev SIL (FY06)
  Project Status: Lending
  Global Focal Area: Climate change
  Product Line: GM - GEF Medium Sized Program

Implementing agency and contact details
  Agency: National Electric Power Authority, presently the Power Holding Company of Nigeria
  Contact: Alh. S. Maigida, Coordinator Liaison unit
  Address: PHCN, Asokoro, Abuja, Nigeria
  Phone: 09-4135656
  Email: smaigida@hotmail.com
  Website: www.phcnonline.com
Implementation performance ratings from 07/01/2011 to 06/30/2012 with regard to:

Project Management: Moderately Satisfactory (Previously Rated Satisfactory on 06/30/2011)
  Brief Comment:
  The MS rating is due to the slow procurement which caused the final low disbursement for the grant.

Financial Management: Satisfactory (Previously Rated Satisfactory on 06/30/2011)
  Brief Comment:
  None

Counterpart Funding: Satisfactory (Previously Rated Satisfactory on 06/30/2011)
  Brief Comment:
  None

Procurement: Moderately Satisfactory (Previously Rated Satisfactory on 06/30/2011)
  Brief Comment:
  Delays in procurement caused 80% of the funds to stay not utilized.

Monitoring and Evaluation: Satisfactory (Previously Rated Satisfactory on 06/30/2011)
  Brief Comment:
  None

Additional Comments on Implementation Performance:
  The NEDP program used only about 20% of the available funding from GEF. This has been recognized as a significant loss of available funding by the borrower and a lesson learned for future project implementation. More details will be provided in the ICR for the associated NEDP project.

PROGRAM

Program Specific Ratings

1. Please rate public involvement - Satisfactory
2. Please rate government commitment - Moderately Satisfactory
3. Please rate safeguard performance - Satisfactory
4. Please rate arrangements for sustainability - Moderately Satisfactory

Program Specific Questions

  1. Please comment on additional resources leveraged
  The Work on Renewable and Rural electrification pilots have so far leveraged only minor amounts (The Government of Cross river is funding the operational expenses of the Solar village installation and is considering funding several additional village projects out of their budget in the future), outside the IDA and Government agreed Co-financing. However the nature of the pilots is such as the scaling up effects can be expected over time as the Rural electrification Agency becomes operational.
Manager’s comments on this GRM report:
Date:09/17/2012 User ID:WB234594 Name:Ms Meike van Ginneken Operation performed:Approved by Manager
GRM approved.

GRM report history - Requested on 07/13/2012, due on 09/30/2012

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DOCUMENTS

List of documents attached to this GRM
1) GRM Report 20120630

DISBURSEMENTS

Disbursements Summary in USD

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*Report Type: Progress Report
Report Status: Approved*