

# PROJECT COMPLETION REPORT FOR PUBLIC SECTOR OPERATIONS (PCR)

## I BASIC DATA

### A Report data

<b>Report date</b>	Date of report:	18-05-2018	
	Mission date	From: 14-05-2018	To: 20-05-2018

### B Responsible Bank staff

Positions	At approval	At completion
<b>Regional Director</b>	J. LITSE	E. FAAL
<b>Country Manager</b>	O. DORE	L. LAWSON ZANKLI
<b>Sector Director</b>	A. RUGAMBA	H. P. B BALDEH
<b>Sector Manager</b>	Z. AMADOU	J. MOULOT
<b>Task Manager</b>	B. TOURE	A. KAREMBU
<b>Alternate Task Manager</b>	T. BAH	
<b>PCR Team Leader</b>		L. LAWSON
<b>PCR Team Members</b>		A. SIMPASA, Lead Economist, RDNG A. ASIBEY, Consultant, RDNG

### C Project data

<b>Project name: Economic and Power Sector Reform Program (EPSRP)</b>		
<b>Project code: P-NG-FA0-002</b>	<b>Instrument number(s): 2100150027946</b>	
<b>Project type: Economic and Power Sector Reform Program</b>	<b>Sector: Power</b>	
<b>Country: Nigeria</b>	<b>Environmental categorization (1-3): 3</b>	
<b>Processing milestones – Bank approved financing only (add/delete rows depending on the number of financing sources)</b>	<b>Key Events (Bank approved financing only)</b>	<b>Disbursement and closing dates (Bank approved financing only)</b>
<b>Financing source/ instrument:</b>	<b>Financing source/ instrument</b>	<b>Financing source/ instrume</b>
<b>Date approved: 10/28/2009</b>	<b>Cancelled amounts:</b>	<b>Original disbursement deadline:</b>

Date signed: <b>30/03/2012</b>	Supplementary financing		Original closing date: <b>31 /05/2011</b>	
Date of entry into force: <b>10/19/2012</b>	Restructuring ( <i>specify date &amp; amount involved</i> ):		Revised ( <i>if applicable</i> ) disbursement deadline:	
Date effective for 1st disbursement: <b>10/19/2012</b>	Extensions ( <i>specify dates</i> )		Revised ( <i>if applicable</i> ) closing date	
Date of actual 1st disbursement: <b>01/03/2013</b>				
<b>Financing source/ instrument2:</b>	<b>Financing source/ instrument2</b>		<b>Financing source/ instrument2:</b>	
Date approved: <b>10/28/2009</b>	Cancelled amounts:		Original disbursement deadline:	
Date signed: <b>30/03/2012</b>	Supplementary financing:		Original closing date; <b>31/12/2015</b>	
Date of entry into force: <b>10/19/2012</b>	Restructuring ( <i>specify date &amp; amount involved</i> ):		Revised ( <i>if applicable</i> ) disbursement deadline:	
Date effective for 1st disbursement: <b>19/10/2012</b>	Extensions ( <i>specify dates</i> ):		Revised ( <i>if applicable</i> ) closing date <b>31/12/2015</b>	
Date of actual 1st disbursement: <b>01/03/2013</b>				
<b>Financing source/instrument (add/delete rows depending on the number of financing sources):</b>	<b>Disbursed amount (amount, UA):</b>	<b>Percentage disbursed (%):</b>	<b>Undisbursed amount (UA):</b>	<b>Percentage undisbursed (%):</b>
Financing source/ instrument1: <b>ADF</b>	<b>100,000,000.00</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Financing source/ instrument2: <b>ADF</b>				
Government:				
Other (eg. co-financiers). <i>Add rows as needed</i>				
<b>TOTAL</b>	<b>100,000,000.00</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Financing source/instrument (add/delete rows depending on the number of financing sources):</b>	<b>Committed amount (UA):</b>	<b>Percentage committed (%):</b>	<b>Uncommitted amount (UA):</b>	<b>Percentage uncommitted (%):</b>
Financing source/ instrument1: <b>ADF</b>				
Financing source/ instrument2:				
Government:				
Other (eg. co-financiers). <i>Add rows as needed.</i>				
<b>TOTAL</b>				

Co-financiers and other external partners:.

Executing and implementing agency (ies): **Federal Ministry of Finance**

## D Management review and comments

Report reviewed by	Name	Date reviewed	Comments
Country Manager	L. LAWSON ZANKLI		
Sector Manager	J. MOULOT		
Regional Director (as chair of Country Team)	E. FAAL		
Sector Director	H. P. B BALDEH		

## II Project performance assessment

### A Relevance

#### 1. Relevance of project development objective

Rating*	Narrative assessment ( <i>max 250 words</i> )
4	<p>The goal of the Economic and Power Sector Reform Program (EPSERP) was to contribute to providing access to affordable and reliable electricity to all Nigerians, in order to encourage diversification of the economy, sustainable growth, create jobs and alleviate poverty. The program sought to address power sector bottlenecks in the Federal Republic of Nigeria (FRN) so as to create an enabling environment for increased economic activities and private sector participation aimed at sustaining growth in the non-oil sector. The EPSERP was in line with the Seven-Point Agenda 2008-2011 of the Federal Government of Nigeria (FGN), which focused on developing critical infrastructure, particularly in power, as a key element to building a robust, resilient and competitive economy for sustainable growth. The program was also consistent with the priorities of the Medium Term Expenditure Framework (MTEF) 2008-2010 and the 2009 annual budget as well as the second pillar of the CSP 2005-2009. The program was in response to the need for a quick disbursing fiscal stimulus to support the adverse effects of the economic crisis and to address some key reforms in the short term that would provide an enabling environment for private sector investment in the power sector.</p> <p>Further, the EPSERP provided the Bank with a donor-coordinated platform to engage in dialogue with the FGN on ongoing Public Financial Management and fiduciary reforms.</p>

\* For all ratings in the PCR use the following scale: 4 (Highly satisfactory), 3 (Satisfactory), 2 (Unsatisfactory), 1 (Highly unsatisfactory)

#### 2. Relevance of project design

Rating*	Narrative assessment (max 250 words)
3	<p>The EPSERP was a budget support program designed to support the implementation of the FGN's development agenda. It was aimed at improving the electricity system in a sustainable manner, and creating an enabling business environment for active private sector financing in the power sector in the medium term. The design was in response to the desire of the FGN to remove bottlenecks in the power sector.</p> <p>The design logic of the program was clear, incorporating the key levels of the results chain mapping. The design also took into consideration the relevant variables or factors that were identified to be critically important for the realisation of the intended objective of sustaining the growth of the non-oil sector by: (1) improving the electricity system in a sustainable manner; (2) improving the business environment for active private sector financing; and (3) contributing to ensuring macroeconomic stability. Importantly, the design had an in-built flexibility that enabled the FGN to address and align the resource envelope to the critically important and emerging issues that required immediate attention, including developing the requisite capacity in the implementing entities. The EPSERP was anchored on country ownership and lessons from the Bank's past policy-based operations in other countries and those of other donors.</p> <p>Notwithstanding the clear articulation of the program, the PCR mission identified that some of the indicators were not "SMART" enough and others did not have baselines and targets. The mission also noted that the logical framework (baseline and target values) was not adjusted after the program duration was revised. The end date of the program was extended from May 2011 to December 2012 and the final extension that pushed the closing date to December 2015 meaning most of the baselines and target values were no more valid.</p>

### 3. Lessons learned related to relevance

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. Agile and timely response to emerging needs	1. The program was in response to an emerging and critically important need of the FGN, namely to enhance power generation and distribution, while improve access to electricity to all Nigerians. It was based on a request by the Government to address power sector bottlenecks and thereby create an enabling environment for private sector investments, in order to sustain growth in the non-oil sector, create jobs and reduce poverty .	1.AfDB, FGN and other partners

Sustained interest and commitment of Government	The program targeted a sector that was strategic for the sustainable development of the FRN. By targeting the power sector, the project responded to and supported reforms that were critically important for effective and efficient management of the sector. Further, the program was aligned with the priorities of the FGN and as a result benefitted from sustained interest and commitment of the government.	AfDB, FGN and other partners
2. Using country systems	The program provided an opportunity for strengthening existing power sector institutions and systems. By mainstreaming the program into the national energy policy delivery, it helped to enhance project coordination and collaboration across the implementing entities such as the Federal Ministry of Finance, the Transmission Corporation of Nigeria (TCN) the Bureau of Public Enterprise (BPE) and the Ministry of Power. This aimed at promoting knowledge sharing and ideas sourcing among the key players in the power sector	AfDB, FGN and other partners
3. Platform for effective engagement with donors and the FGN	The program provided a platform for effective donor engagement and coordination. It enabled afdb to enhance dialogue with the FGN on ongoing Public Financial Management and fiduciary reforms.	AfDB, FGN and other partners

## B Effectiveness

### 1. Progress towards the achievement of the program's development objective (project purpose)

#### Comments

The FGN has made significant progress towards the achievement of the objectives of the Economic and Power Sector Reform Program. Being a budget support, the program has and continues to contribute to provide access to affordable and reliable electricity in Nigeria.

The Electric Power Sector Reform Act (2005) resulted in a radical overhaul of the power sector, leading to the creation of 11 power distribution companies (DISCOs), six power generation companies (GENCOs) and the TCN. The TCN has exclusive rights to transmit power. The TCN received the bulk of the funding under the EPSERP, which has enabled it to undertake massive strategic interventions to strengthen power transmission across the country. The PCR mission revealed that EPSERP has contributed to strengthening transmission systems by building new transmission lines and revamping existing lines. These interventions have led to an improvement in the stability of power evacuation, especially in the heavily industrialized Lagos corridor. Also the reinforcement of Plinth at Lekki in Lagos is a case in point.

The PCR mission identified that the program has fully completed 11 key projects including Benin, Onitsha, Ogba, Ota, Ibadan North, Bauchi, Akangba, Iwo, Oturkpo and Lekki in Lagos. These projects have contributed improved capacity of the electricity transmission systems in the country.

Specifically, the following results were recorded under the two main components of the program:

**Component A: Improving the electricity system and business environment**

sub-components 1: *Increasing access to electricity*

Evidence from Nigeria Electricity Regulatory Commission ( NERC) shows that save for the distribution capacity that has not improved, the EPSERP has contributed to improvement in the production and transmission capacity of Electricity in Nigeria as shown in Table 1.

<b>Table 1. Improvement in Production and Transmission of Electricity</b>				
<b>S/N</b>	<b>KEY PERFORMANCE INDICATOR (KPI)</b>	<b>UNIT</b>	<b>VALUE IN 2010</b>	<b>VALUE IN 2017</b>
1	<b>INSTALLED AVAILABLE GENERATION CAPACITY</b>	MW	5,511.00	8,132.00
2	<b>TOTAL TRANSMISSION SYSTEM TRANSFORMATION CAPACITY</b>	MVA	16,818.00	27,323.00
2.1	Energy wheeled	MWH	24,362,423.46	30,717,017.01
2.2	Transmission loss factor	%	9.75	8.82
2.3	NUMBER OF SYSTEM COLLAPSES	No.	42.00	24.00
3	<b>TRANSMISSION AVAILABILITY FACTOR</b>			
3.1	330kV Transmission Lines	%	94.79	96.5
3.2	132kV Transmission Lines	%	93.67	95.7
4	<b>TRANSMISSION RELIABILITY FACTOR:</b>			
4.1	a. 330kV Circuits	%	99.25	99.5
4.2	132 Circuits	%	99.6	99.7
5	<b>TRANSMISSION CAPACITY UTILIZATION FACTOR:</b>			
5.1	330kV/132kV Transformers	%	0.7	0.78
5.2	b. 132/33kV Transformers	%	0.66	0.71

Table 1, shows that the project has contributed to improvement in production and transmission of power which has led to reducing the power gap in the country. With the improvement in the installed available generation capacity including expansion of transmission lines, more people and businesses ( though moderate) have access to electricity.

**Sub-outcome B: Improving sustainability of the electricity and the business environment.**

The evidence gathered by the PCR mission shows significant improvement in private sector participation in the distribution of power in the country . The NERC revealed that there has been increased request for licenses by independent power producers since 2010. This, they indicated , is as a result of the enabling policies and programs implemented by FGN over the past ten years. However, it was identified that unlike the production sub-sector, the distribution sub-sector has become less attractive to private sector interest due to the significant losses recorded over the past few years.

**Component B: Sustaining growth through sound macroeconomic policies and budget priorities.**

Under this component, it was identified that the Bank’s engagement and participation has increased. The Bank

currently plays a lead role and has become a go to place by the FGN when it comes to issues relating to the power sector. The Bank has also been effectively involved other multi-donor engagements, including promoting effective implementation of PFM and fiduciary reforms in the country.

Further, the program helped to focus the national budget on raising FGN investment spending in critical areas to accelerate non-oil growth, in order to progressively diversify the economy, create jobs and reduce poverty

## 2. Outcome reporting

Outcome indicators (as per RLF; add more rows as needed)	Baseline value (Year)	Most recent value (A)	End target (B) (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per outcome)	Core Sector Indicator (Yes/No)
2.1 Overall fiscal balance as a % of GDP	-10% of GDP (2009)	-3.2% of GDP (2015)	-2.5% of GDP (2015*)	-128%*	There was significant reduction in the overall fiscal balance as a % of GDP, moving from -10 % to -2.5 % in 2015.	No
2.2 Non-oil sector real GDP growth rate	4.5% (2009)	2.8% (2015)	5.2% (2011)	53%	<b>Target not Met:</b> The Non-oil sector growth has been slower than expected	No
2.3 Percent of population with access to electricity	45% (2008)	55% Urban 39% Rural	55% (2010)	100%	<b>Target Met:</b> Access of electricity to Nigerian has increased compared to the 2009 baseline.	No
2.4 Number of power plants by IPPs <sup>3</sup> at advanced construction stage	0	Only AZURA IPP out of the 170 registered IPP's has reached advanced construction stage	At least 3 power plants At advanced stage by 2010/2011	33%	<b>Target not Met:</b> Most of the licensed IPP's have not reached their financial closure	No
Rating* (see IPR methodology)	Narrative assessment					

3	The program has made significant progress towards the achievement of the objectives of the Economic and Power Sector Reform Program. Being a budget support, the program has and continues to contribute to provide access to affordable and reliable electricity in Nigeria.
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### 3. Output reporting

Output indicators (as specified in the RLF; add more rows as needed)	Most recent value (A)	End target (B) (expected value at project completion)	Progress towards target (% realized) (A/B)	Narrative assessment (indicative max length: 50 words per output)	Core Sector Indicator (Yes/No)
3.1 Operable electricity generation capacity(MW)	Operable electricity generation is 4,500MW (Highest attained was 5,223MW)	6,000 MW (2009)	75%	<b>Target partially met:</b> Actual availability of power fluctuates in a day and could drop as low as 1,500 MW or lower	
3.2a Operable transmission and distribution capacity(MVA)	Operable Transmission capacity is 13,286MVA at 330kV, 15,462MVA at 132kV and 7,300MW Transmission wheeling capacity	3,000km transmission line (8,900 MVA) constructed 22,600 distribution transformers (3,540MVA) installed by 2011	49.76%	<b>Target not met :</b> The transmission capacity has improved by the distribution sub-sector has experience a lot of challenges which has made the sub-sector less attractive to investors.	
3.3 Percent of NIPP program achieved	80% completion	NIPP completed and 10,000MW of operable power generated by 2011	80%	<b>Target partially met:</b> The program is on going and the FGN is working assiduously to complete all the projects.	
3.4 Creation of	Permanent	Permanent	100%	<b>Target met:</b> Official Board of	



transitional management boards for PHCN successor companies	Board for PHCN successor companies were established as part of the conditions precedent for the second disbursement	Boards for PHCN successor companies established by end 2011		PHCN was established and an official document from the Bureau of Public Enterprise (BPE) confirming the establishment of transitional management boards for the successor companies, was sent to the Bank	
3.5 Improved gas processing and supply infrastructure	Approx. 520mmscf/d	2,400 scf of gas available for power generation by end 2011	21.66%	<b>Target not met:</b> The has been challenges with meeting the gas processing and supply targets	
3.6 Market driven gas price	Approx. \$3.80 per mmscf/d	Gas Price Agreement signed by 2009 and implementation initiated	Agreement signed	<b>Target met:</b> The NERC facilitates the pricing if Gas every year.	
3.7 Improved policy framework for coal to power strategy	N/A	Terms of reference of Feasibility study of coal supply to power approved by end of 2009 and study approved by end of 2010	N/A	N/A	
3.8 Number of renewable energy projects approved	2	Increase in the number of license issued for renewable energy	.N/A	<b>Target Achieved:</b> Two bilateral agreements (1200MW by IPP and 100MW bilateral agreement between Nigerian Govt. and Moroccan Govt) were signed	
3.1 Operable	Operable	6,000 MW	75%	<b>Target partially met:</b>	

electricity generation capacity(MW)	electricity generation is 4,500MW (Highest attained was 5,223MW)	(2009)			
Rating* (see IPR methodology)	Narrative assessment				
3	Most of the outputs were met or partially met. Given the nature of the funding instrument, the timelines for the achievement of some of the outputs goes beyond the duration of the funding.				

#### 4. Development Objective (DO) rating

DO rating (derived from updated IPR)	Narrative assessment (indicative max length: 250 words)
3	<p>The DO rating is satisfactory. The Program has made significant progress towards the achievement of the PDO despite the initial delays and implementation challenges.</p> <p>As at the end of 2015, the FGN had achieved all the condition precedent(. Given the fact that the loan was implemented through budget support, some of the activities are still ongoing.</p> <p>Furthermore, the Implementation of EPSERP has given further impetus to the power sector reforms that are being implemented by the FGN.</p>

#### 5. Beneficiaries (add rows as needed)

Actual (A)	Planned (B)	Progress towards target (% realized) (A/B)	% of women	Category (eg. farmers, students)
			n/a	n/a
			n/a	n/a
			n/a	n/a

#### 6. Unanticipated or additional outcomes (add rows as needed)

Description	Type (eg. gender, climate change, social, other)	Positive or negative	Impact on project (High, Medium, Low)

#### 7. Lessons learned related to effectiveness (add rows as needed)

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. Difficulty in tracking resources and attribute results at activity level.	2. The mainstreaming of project selection and implementation into the national budget process made it difficult to track resource utilization and to attribute results to the program.	FGN, AfDB and other partners
2. Weak institutional and disbursement modalities	3. The lack of clear and robust implementation arrangements and accountability mechanism beyond the compliance with the conditions precedent, which were not aligned to results delivery, compromised the implementation and achievement of intended results.	FGN, AfDB and other partners
3. Optimizing the benefits of PBO in crises situation.	The PBO is one of the most effective instruments of the Bank for providing fast disbursement to address actual, planned or unexpected development financing requirements of RMCs and for policy dialogue. However, to ensure that the benefits of the instrument is optimized, it should not be overburdened in terms of focus and must be accompanied by ISP or technical assistance.	FGN, AfDB and other partners

## C Efficiency

### 1. Timeliness

Planned project duration – years (A) (as per PAR)	Actual implementation time – years (B) (from effectiveness for 1st disb.)	Ratio of planned and actual implementation time (A/B)	Rating *
24	39	0.62	2

#### Narrative assessment (indicative max length: 250 words)

The EPSERP was approved by the Bank in October 2009 after which it faced major delays mainly due to administrative obstacles encountered within the FGN. The Loan approval stage coincided with the passing away of President Ayardua, followed by a transitional and election phase, within which FGN administration was in near standstill. With the new government in place, it was noticed that the loan did not adhere to the FGN internal procedures as EPSERP was signed by the previous Minister of Finance without the required approval from the Federal Executive Council. As a result of these lapses, the loan had to be resigned on March 30, 2012 before becoming effective on October 19, 2012. The Program was subsequently extended three times from December 31, 2011 to December 31, 2013; December 31, 2013 to May 31, 2015; and finally from May 31, 2015 to December 31, 2015, taken into consideration all the related legal and administrative procedures from both the Bank and the FGN

## 2. Resource use efficiency

Median % physical implementation of RLF outputs financed by all financiers (A) (see II.B.3)	Commitment rate (%) (B) (See table 1.C – Total commitment rate of all financiers)	Ratio of the median percentage physical implementation and commitment rate (A/B)	Rating *
62	100%	62%	2
<b>Narrative assessment</b> (indicative max length: 250 words)			
Eleven (11) major projects representing about 62% of the total projects planned to be implemented under the budget support has been fully completed. The projects include: Plinth at Lekki in Lagos; 2nd Benin – Onitsha (Edo/Anambra); Reconductoring of Ogba – Ota (Lagos/Ogun); Provision of 2 No 33kV line bags at Eket S/S; and Reconductoring of Ogba – Ota (Lagos/Ogun). Although the Budget support had an end date of 31 December 2015, most of the targeted projects had long implementation periods beyond the end date of the program.			

## 3. Cost benefit analysis

Economic Rate of Return (at appraisal)	Updated Economic Rate of Return (at completion)	Rating *
N/A	N/A	
<b>Narrative assessment</b> (indicative max length: 250 words)		

## 4. Implementation Progress (IP)

IP Rating (derived from updated IPR) *	Narrative comments (commenting specifically on those IP items that were rated Unsatisfactory or Highly Unsatisfactory, as per last IPR). (indicative max length: 500 words)
3	Out of a total of 63 specific projects targeted by FGN under the budget support, 11 projects had been completed with a budget absorption rate of 62%. The eleven project constituted the most significant milestones and investment such as: Plinth at Lekki in Lagos; 2nd Benin – Onitsha (Edo/Anambra); Reconductoring of Ogba – Ota (Lagos/Ogun); Provision of 2 No 33kV line bags at Eket S/S; and Reconductoring of Ogba – Ota (Lagos/Ogun). Although the Budget support had an end date of 31 December 2015, most of the targeted projects had long implementation periods beyond the end date of the program.

## 5. Lessons learned related to efficiency

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
1. Inherent inefficiencies in the procurement process	1. The sole sourcing method employed in the procurement of some goods and	The Bank and Borrower

	services took away the element of competition that had an inherent value of reducing prices. It also took away the element of competition	
1. Weak enforcement and accountability	2.The use of sole sourcing or restricted tendering may have led to the selection of less efficient firms whose lapses and capacity challenges could have affected the timely implementation of time bound activities.	The Bank and Borrower

## D Sustainability

### 1. Financial sustainability

Rating *	Narrative assessment (indicative max length: 250 words)
3	The benefits of the program are sustainable since it directly answers and responds to one of the critical needs of individual power consumers and industry. The program was a direct response to mitigating the adverse impact of the global financial and economic crisis. The outcomes also serve as a catalyst for increased private sector investment in the power sector . The design process adopted by the Bank also ensured that the program is anchored on the long term development priorities of the FGN. By increasing access to power for all Nigerians and by creating enabling environment for the active participation of the private sector, the program has an embedded sustainability strategy that enhances demand and supply..

### 2. Institutional sustainability and strengthening of capacities

Rating *	Narrative assessment (indicative max length: 250 words)
3	The design and implementation arrangements of the program were underpinned by continuous enhancement of institutional capacity. By using the national systems to drive and oversee the implementation of of planned activities, the program sought to strengthen the capacity of the implementing entities. The program also provided targeted technical support, including training in financial management and procurement that has strengthened the fiduciary capability of the implementing partners.

### 3. Ownership and sustainability of partnerships

Rating *	Narrative assessment (indicative max length: 250 words)
3	The sustainability rating is Satisfactory. The program was demand driven; it responded to a request from the FGN. The focus areas and the specific interventions were driven by the government. The FGN has shown commitment right from the concept and implementation phases of the program.. The FGN has put in place the necessary institutional and organizational arrangements and capacity and met all

the conditions precedent to disbursement. This ensured that the project progressed as plan saved for the initial delays that was beyond the control of the program.

#### 4. Environmental and social sustainability

Rating *	Narrative assessment (indicative max length: 250 words)
N/A	The program was classified under category III of the Bank's environment classification. The program was not expected to generate directly any negative impact on the environment, given that it is a budget support aimed at improving the policy environment not only in the power sector but also with respect to PFM and the fiduciary framework

#### 5. Lessons learned related to sustainability

Key issues (max 5, add rows as needed)	Lessons learned	Target audience
Country Ownership	Budget support programmes supports effective country ownership of the specific interventions. When accountability systems are enhanced, budget support funding model can be a sustainable modality of supporting prioritised interventions of beneficiary countries.	Bank ., Borrower and other partners
		Bank ., Borrower and other partners

### III Performance of stakeholders

#### 1. Bank performance

Rating *	Narrative assessment by the Borrower on the Bank's performance, as well as any other aspects of the project (both quantitative and qualitative). See guidance note on issues to cover. (indicative max length: 250 words)
3	The Bank was diligent and ensured that all the conditions precedent to disbursement were met and required evidence provided by FGN and thoroughly reviewed before disbursements were made. However, the level of engagement and technical support from the Bank was inadequate. Reporting and documentation of program delivery and performance data was weak.
Comments to be inserted by the Bank on its own performance (both quantitative and qualitative). See guidance note on issues to cover. (indicative max length: 250 words)	
Key issues (related to Bank performance, max 5, add rows as needed)	Lessons learned

<p>1. Poor reporting and documentation of program performance information and indicator performance.</p>	<p>1. The Bank did not follow through with the proposed monitoring and reporting arrangements detailed in the PAR. Most of the relevant reports such as IPRs , Aide Memmoires, quarterly performance reports and back to office reports on engagements with FGN were not available. The PCR mission had to rely on documents prepared by the implementing partners of the FGN to fill the information gap. The information asymmetry made it difficult for data analysis and triangulation.</p>
<p>2. Inadequate supervision and implementation support</p>	<p>Supervision and support to the implementing entities waned with the exit of the substantive Task Manager. Although a stop gap arrangement was made, it was not very effective.</p>

## 2. Borrower performance

Rating *	Narrative assessment on the Borrower performance to be inserted by the Bank (both quantitative and qualitative, depending on available information). See guidance note. (indicative max length: 250 words)	
3	<p>The Borrower performance is Satisfactory. However, there were significant delays in the implementation timelines due to externalities that were beyond the control of the Borrower. For example , the passing away of President Ayardua and the subsequent transitional challenges led to a delay of the project for about two years. With the new government in place, it was noticed that the loan did not adhere to the FGN internal procedures as EPSERP was signed by the previous Minister of Finance without the required approval from the Federal Executive Council. As such the loan had to be resigned on March 30,2012 and became effective on October 19,2012. The program was subsequently extended three times from December 31, 2011 to December 31,2013; December 31, 2013 to May 31, 2015; and finally from May 31, 2015 to December 31, 2015 with all the related legal and administrative procedures from both the Bank and the FGN</p>	
Key issues (related to Borrower performance, max 5, add rows as needed)		Lessons learned
1. Extension of implementation timeline		<p>1 The underlying assumptions of a program could be influenced by external events and internal bureaucratic and administrative arrangements. Program implementation suffered due to (a) the sudden demise of President Ayardua and subsequent transitional bottlenecks and (b) the misunderstanding between the management of Manitoba Hydro International and their Nigerian counterparts</p>
2. Inadequate documentation and reporting		<p>3. If the Borrower had failed to keep proper documentation on program performance and results, it would have been difficult to have a good appreciation of the actual achievements of the program. Therefore, having a respository of</p>

	<p>information on all phases of the project is important.</p> <p>4. The program should have had a robust monitoring and evaluation system</p>
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## 5. Performance of other stakeholders

Rating *	Narrative assessment on the performance of other stakeholders, including co-financiers, contractors and service providers. See guidance note on issues to cover. (indicative max length: 250 words)		
	N/A		
Key issues (related to performance of other stakeholders, max 5, add rows as needed)	Lessons learned (max 5)	Target audience (for lessons learned)	
1.	1.	1.	

## IV Summary of key lessons learned and recommendations

### 1. Key lessons learned

Key issues (max 5, add rows as needed)	Key lessons learned	Target audience
1. Targetting projects under budget support	<ul style="list-style-type: none"> <li>Budget support does not necessarily lead to the achievement of intended results unless there is a robust system to ensure the selection and implementation of high impact projects in a timely and efficient manner.</li> </ul>	FGN, AfDB and other partners
2. Country ownership and strong accountability	<ul style="list-style-type: none"> <li>It was learned from the review that budget support works well when the program and the respective projects are fully owned and led by the Borrower supplemented by the existence of strong accountability mechanisms to ensure effective delivery and value for money.</li> </ul>	FGN, AfDB and other partners
3. Implementation support and supervision of targeted projects	<ul style="list-style-type: none"> <li>Effective implementation support, timely supervision and institutionalised monitoring and reporting arrangements are critically important for the achievement of budgetary support objectives</li> </ul>	FGN, AfDB and other partners
4. Financing instrument	<ul style="list-style-type: none"> <li>It was also learned that budget support works well when the Borrower has strong, planning, implementation and</li> </ul>	FGN, AfDB and other partners



accountability systems. Budget support tends to be affected by institutional and operational weaknesses of the Borrower and as a result dilute the expected impact.

## 2. Key recommendations (with particular emphasis on ensuring sustainability of project benefits)

Key issue (max 10, add rows as needed)	Key recommendation	Responsible	Deadline
1. Review/Refine financing model	Review and refine the financing model from a pure budget support to include upfront design of a detailed project description that will guide the use of the loans. The Borrower must be supported to select and implement high impact projects	Bank	
Strengthen implementation support and accountability mechanism	The Bank should provide continuous implementation support to enable the borrower implement, monitor and report on the project delivery and performance. The Bank should also support the development of strong accountability mechanisms by the Borrower .	Bank	
Empower and deepen country ownership	Country ownership of the programs should be a top priority in the Bank's program. In this regard, measures must be put in place to ensure that the Borrower plays a lead role in the design , implementation monitoring and evaluation of the program.	Bank	
Integrate capacity building in program design	Budget support , as much as possible , should have a capacity building component that responds to and provide requisite capabilities that will enable the Borrower to achieve the program objectives.	Bank	
Develop and implement strong monitoring and reporting protocols	The Borrower must develop and implement strong monitoring	Borrower	

	and reporting protocols, including partnership strategies that will ensure timely implementation and achievement of results.		
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## V Overall PCR rating

Dimensions and criteria	Rating*
<b>DIMENSION A: RELEVANCE</b>	<b>3.5</b>
Relevance of project development objective (II.A.1)	4
Relevance of project design (II.A.2)	3
<b>DIMENSION B: EFFECTIVENESS</b>	<b>3</b>
Development Objective (DO) (II.B.4)	3
<b>DIMENSION C: EFFICIENCY</b>	<b>2.33</b>
Timeliness (II.C.1)	2
Resource use efficiency (II.C.2)	2
Cost-benefit analysis (II.C.3)	-
Implementation Progress (IP) (II.C.4)	3
<b>DIMENSION D: SUSTAINABILITY</b>	<b>3</b>
Financial sustainability (II.D.1)	3
Institutional sustainability and strengthening of capacities (II.D.2)	3
Ownership and sustainability of partnerships (II.D.3)	3
Environmental and social sustainability (II.D.4)	-
<b>AVERAGE OF THE DIMENSION RATINGS</b>	<b>2.95</b>
<b>OVERALL PROJECT COMPLETION RATING</b>	<b>(S)</b>

## VI Acronyms and abbreviations

Acronym (add rows as needed)	Full name
AfDB	African Development Bank
BPE	Bureau of Public Enterprises
DISCOs	Power Distribution Companies
DO	Development Objective
EPSERP	Economic and Power Sector Reform Program
FGN	Federal Government of Nigeria
FRN	Federal Republic of Nigeria
GDP	Gross Domestic Product
GENCOs	Power Generation Companies

IPR	Implementation Progress Report
MTEF	Medium-Term Expenditure Framework
NERC	Nigerian Electricity Regulatory Commission
NIPP	Nigeria Integrated Power Project
PDO	Project Development Objective
PFM	Public Financial Management
PHCN	Power Holding Company of Nigeria