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This action is funded by the European Union

ANNEX

of the Commission Decision on the individual measure in favour of the Federal Republic of Nigeria to be financed from the 11th European Development Fund

Action Document for "Contribution to the African Investment Facility (AfIF) in support of the Energy Sector in Nigeria"

1. Title/basic act/ CRIS number	"Contribution to the African Investment Facility in support of the Energy Sector in Nigeria" CRIS number: NG/FED/039-672 Financed under the 11 th European Development Fund (EDF)
2. Zone benefiting from the action/location	Nigeria (NG) The actions shall be carried out at the following location: Federal and State levels in the Federal Republic of Nigeria.
3. Programming document	National Indicative Programme (NIP 2014-2020) – 11 th EDF
4. Sector of concentration/ thematic area	Priority area 2 – Sustainable energy and access to electricity
5. Amounts concerned	Total estimated cost: EUR 327 700 000 Total amount of EDF contribution: EUR 33 000 000 This action is co-financed by entities and for amounts specified indicatively in the draft list of priority projects in Appendix 1
6. Aid modalities and implementation modalities	Project Modality This action regarding the African Investment Facility (AfIF) shall be implemented in indirect management by entities to be indicated in complementary financing decisions to be adopted at the end of the AfIF project procedure.
7. a) DAC code(s)	230 – Energy generation and supply 23040 – Electrical transmission/distribution; 23067 – Solar energy;

	23081 – Energy education/training.			
b) Main Delivery Channel	Donor Government - 11000 European Investment Bank - 42004			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance		x	<input type="checkbox"/>
	Aid to environment		x	<input type="checkbox"/>
	Gender equality (including Women In Development)	x		<input type="checkbox"/>
	Trade Development		x	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation			X
	Climate change adaptation	X		<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			

SUMMARY:

Electricity supply in Nigeria, the largest country in sub-Saharan Africa with a population of 180 000 000, is significantly impaired by critical and frequent outages, as well as unavailability of grid supply for almost half of the population.

Within the framework of the 11th European Development Fund (EDF) National Indicative Programme (NIP) between the EU and Nigeria and in line with the Sustainable Development Goal (SDG) on affordable and clean energy, the overall objective of the EU's engagement in this sector is to contribute to Nigeria's economic and social development through enhancing access to sustainable energy, particularly for the poorest and in the least developed areas, especially in Northern Nigeria. The project will contribute to trade development, particularly the implementation of the Economic Partnership Agreement, and is part of the EU's support to the EPA Programme for Development in West Africa.

The EU proposes to achieve this objective through a mix of policy and regulatory support (soft actions) and blending with other instruments (such as AfIF) for investments in energy infrastructure. There is considerable scope for co-funding and partnerships with other donors. This action document therefore proposes a transfer from the National Indicative Programme

(NIP) for Nigeria to the AfIF in order to co-fund projects to improve access to sustainable energy, enhance the general business climate and enabling the environment of the energy sector.

The EU is providing technical and institutional support through the 10th EDF Nigeria Energy Support Programme (NESP) as well as co-operating closely with the Federal government and donor community.

Blending can be of particular relevance in contributing to these goals. Indeed, blending is relevant for projects with a high potential development impact and economic rate of return but a below-market expected financial internal rate of return, which cannot attract public lenders or commercial financiers without support. This may be due to the fact that certain projects, including appropriate technical assistance components to ensure quality and sustainability, do not generate sufficient revenue to cover their cost. Alternatively, perceived risks in certain projects may be too high to attract financing at the necessary scale. Development finance can be particularly important where the domestic and foreign private sector is unwilling to invest because risk and return profiles are not sufficiently attractive. As such, across all sectors, aid can be used to attract investments through blended operations.

1 CONTEXT

1.1 National, sector context

Despite its rich gas and oil reserves and the corresponding export earnings, Nigeria continues to suffer from a chronic shortage of electricity. The disappointing performance of the electricity sector has resulted in frequent electricity shortages, leaving large, medium and small enterprises as well as households without a reliable electricity supply and some 80% of the rural population without access to electricity. Despite repeated attempts at reforms by successive governments, only about 35% of the Nigerian population enjoy grid access and the country has the second largest access deficit in the world. Total installed capacity stands at about 8.500 megawatts (MW), of which only around 4200MW was supplied in October 2015 (with the highest peak of 4800MW registered on 25 August), due to insufficient provision of gas, losses at transmission and distribution networks level and recurrent system breakdowns. Severe technical constraints in the grid are exacerbated by years of poor maintenance and inadequate revenue collection rates. The Central Bank of Nigeria reports that Nigerians currently spend USD13 billion a year on private, diesel-operated generators in order to compensate for the recurrent electricity shortages and cuts. In the latest Nigeria Investment Climate Assessment, 83% of Nigerian business owners stated that lack of electricity is the biggest obstacle to doing business (compared to Indonesia 14% and Kenya 28%).

More efforts should be made to exploit the potential of renewable energy sources for ensuring reliable electricity supply and improving energy access. Of the estimated hydro potential of over 10 000 MW, only 2 000 MW are installed, while other renewable energy generation technologies such as solar and biomass have played no significant role to date. Moreover, the efficiency of electricity supply and use is very low. Technical losses (15 - 25%) and substantial losses due to illegal connections (20%) reduce the efficiency of the distribution network; inadequate

transmission line capacity is another factor for frequent electricity outages. The lack of reliability of electricity supply inhibits the growth of the private sector and is an important factor in the relocation of energy-intensive operations to other countries. Hardly any studies exist on the consumer side, but in individual industries the potential for energy savings is estimated at 20-40%. Average annual consumption on the basis of grid supplies is a low 162 kWh (kilowatt/hour) per capita, compared to the whole of sub-Saharan Africa's average of 317 kWh (225 kWh excluding South Africa).

Grid-connected renewable energy sources and energy efficiency measures could make a valuable contribution to increasing security of supply, while decentralised/off-grid renewable energy would help considerably to raise the electrification rate. However, the unfavourable framework in Nigeria's energy sector is an obstacle to using the renewable energy and energy efficiency potential to ensure a sustainable electricity supply.

There is an expectation that private sector operators will be better able to tackle problems such as the losses in the system and to increase the transmission reach. However, a number of constraints to the business climate are preventing the private sector from playing that role: inadequate pricing mechanisms, poor technical and managerial skills, difficulties to access to finance, non-compliance to quality standards. In summary, an inefficient energy sector is a constraint for the economic development of the country.

1.2 Public Policy Assessment and EU Policy Framework

The institutional and regulatory framework of the Nigerian energy sector is complex. Various federal ministries, institutions, public authorities and commissions are involved in setting energy policies, plans and projects. Overlaps and unclear definition of roles are common, as well as lack of resources or mismanagement by projects' sponsors, developers and public servants, creating delays, and sometimes cancellations of projects that have started but never completed.

In 2005, the Nigerian Government passed the *Electric Power Sector Reform Act* in response to demands for deregulation of the electricity sector and in order to tackle the desolate situation arising from years of monopoly and mismanagement. With effect from November 2013, the national electricity company was unbundled into 11 private generation, 6 distribution companies and 1 state-owned transmission company. The aim was to foster competition between the individual electricity providers and thereby achieve a more reliable electricity supply. The new market system currently takes insufficiently into account specific requirements for renewable energy and energy efficiency but the "National Renewable Energy and Energy Efficiency policy" was adopted in May 2015. Clarity on measures and targets to be adopted are expected soon, as the Buhari Government has been nominated in November 2015, several months after elections results. A plan for off-grid development is in the making.

Access to secure, affordable, clean and sustainable energy services has been identified by the *European Union's Agenda for Change* as one of EU's priorities and a key driver for inclusive growth. The EU strongly supports the United Nations' (UN) Sustainable Development Goal 7 (SDG), on affordable and clean energy, and has been one of the leaders in the UN initiative on

Sustainable Energy for All (SE4ALL) aiming at: a) ensuring universal access to modern energy services; b) doubling the share of renewable energy in the global energy mix; and c) doubling the global rate of improvement in energy efficiency. The EU's target is to help developing countries to provide access to sustainable energy services to 500 000 000 people by 2030. These are in line with targets established within the *Africa-EU Energy Partnership*.

In Nigeria, the National Indicative Programme's (NIP) overall objective is to contribute to improving access to the sustainable supply of electricity, particularly for the poorest and in the least developed states in northern Nigeria. This will be achieved by strengthening the capacity of relevant regulatory agencies, improving the enabling environment and supporting infrastructure investment.

1.3 Stakeholder analysis

The Federal Ministry for Power (FMP), Nigeria Electricity Regulatory Commission (NERC) and Rural Electrification Agency (REA) are committed to furthering implementation of the sector reform but are still adapting to the shift of responsibilities resulting from the privatisation process and sometimes lack specialised technical skills. NERC's capacities have been tested by the declaration of the *Transitional Electricity Market*, supported by substantial technical assistance. REA and its Rural Electrification Fund struggle to achieve results. The National Power Training Institute of Nigeria, (NAPTIN), is fully owned by the government and still in a transition to become a self-sustained vocational training provider. The Standards Organisation of Nigeria (SON) is meant to adopt standards and ensure compliance. All these institutions require organisational support, to different extents.

Other players are the government owned and privately managed Transmission Company of Nigeria (TCN) and the distribution companies, most of which have states as one of their minority investors, with a stake of less than 10%. Indeed, electricity is under the concurrent legislative list an area where the federal and state governments have shared competences. The primary role of states should be to create the enabling environment that will lead to better supply of power within their distribution zones. They also are in charge of generation, transmission and distribution of electricity to areas not covered by a national grid system. Further, they have the authority to allocate land and right of way.

1.4 Priority areas for support/problem analysis

The bulk electricity system has been affected by insufficient and inadequate capacity in generation, transmission and distribution and is marred by high levels of system failures and electricity losses. The situation is even more problematic in northern Nigeria, which has the least developed transmission and distribution networks and a more sparsely distributed population. This is one of the most important barriers affecting businesses and the investment climate but also an obstacle to the provision of basic services to the population, for example regarding primary health and education.

The ongoing sector reform provides a basis for a sustainable transformation of the electricity sector. There is lack of capacity/expertise in regulators (NERC), ministries/agencies (FMP, REA) and state-owned transmission monopoly (TCN) but market-oriented policies are being implemented, to benefit from the efficiencies of the private sector in service delivery and to attract domestic and foreign direct investment. The expectation is that private sector operators will be better able to tackle efficiently problems such as the losses in the system and to increase the transmission reach.

The expected increasing demand for sector-related items and services should provide opportunities for the development of a supply chain of local SMEs. Nonetheless, serious constraints exist for businesses, such as lack of finance and technical skills. Nigeria's banking sector has some of the highest interest rates among large African economies so businesses are faced with very high borrowing costs as well as onerous requirements attached to loans.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<p>Debt sustainability could negatively impact blending operations, in particular if there is a moderate to high risk of debt distress, as Nigeria may be facing in view of the impact of low oil prices in public revenues.</p> <p>The existence and application of favourable policies by Nigeria in the energy sector will be of high importance and should be considered when deciding about a support to an operation in such a way that a systemic impact is being aimed at.</p> <p>Blending projects crowd out private sector financing.</p>	<p>L</p> <p>L</p> <p>L/M</p>	<p>Project application forms contain information about debt sustainability provided by Financial Institutions (FIs), FIs also have internal policies in terms of sovereign lending. The EU Delegation is consulted in this process. Nigeria has scope to take on further debt. Debt to Gross domestic product (GDP) ratio is currently about 12%, while countries in Nigeria's peer group are around 40% of GDP.</p> <p>Electricity is a key area for the Buhari administration and long-lasting results are being sought out, in order to ensure the successful transition to a fully private sector led market.</p> <p>The risks inherent to investment in the Nigeria are a deterrent to private investment and justify the EU involvement. An assessment on the additionality of EU funds will be made in all blending operations proposed.</p>

Application for the investment in Bauchi is not brought forward by the expected lead financier	M	Several FI are involved in the project and could be involved as an alternative.
Low quality pipeline of project proposals and also of renewable energy (RE), energy efficiency (EE) and rural electrification (RrE) projects	M	Pre-feasibility studies and technical assessments on potential projects will be conducted through the programme and the Technical Assistance Facility (TAF).
Limited ability of NAPTIN to adapt to a private sector led market and to respond to market demand	M	NAPTIN has already accepted significant changes and is working hand in hand with the private sector, indicating a change in mind-set. Technical assistance is provided to NAPTIN to manage this transition.

Assumptions

- A sufficiently stable political and financial climate is in place to promote and secure investments.
- Financial Institutions are engaged in actively identifying projects susceptible to involve blending operations, in close cooperation with the partner country and the EU delegation.
- The Federal Government of Nigeria continues committed to the promotion of RE, EE and RrE.
- Private funds are available to finance projects.
- Acceptance of NAPTIN's services by the newly privatised electricity sector.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

During the period 2007-2013, the EU has set up eight blending facilities¹, achieving worldwide coverage. By the end of 2014, the support approved under the facilities from the EU budget and

¹ EU-Africa Infrastructure Trust Fund (ITF), Neighbourhood Investment Facility (NIF), Latin America Investment Facility (LAIF), Investment Facility for Central Asia (IFCA), Asian Investment Facility (AIF),

EDF resources has reached a sum of more than EUR 2 billion, generating more than EUR 40 billion total investments. The EU-Africa Infrastructure Trust Fund was set up in 2007. Since then, it has provided support to projects for a total of more than EUR 500 000 000 mainly in the energy, transport and water sector. During its mid-term evaluation, a number of recommendations were made; notably in terms of improvements to the decision making structure and in particular the role of EU delegations and partner countries, further exploring the involvement of private sector, the use of specific financial instruments such as risk mitigation instruments, and finally the implementation of a result measurement framework.

In this context, the Court of Auditors published a special report on blending in October 2014, recommending to:

- a. ensure documented assessment of the additionality resulting from the EU grant;
- b. ensure the maturity of projects submitted to executive boards and produce guidelines;
- c. ensure more proactive role of Delegations;
- d. simplify the decision making process, improve Commission's monitoring of the projects;
- e. ensure appropriate visibility for EU funding.

The Africa Investment Facility was established as a result of these different findings and recommendations, with a governance framework that improves the accountability of the decision-making process while reducing transaction costs.

3.2 Complementarity, synergy and donor coordination

By enabling joint operations (combining bilateral and EU grant funding with eligible Finance Institutions loan operations), the projects financed under the AfIF will generate greater coherence and better coordination between donors, in line with the Paris Declaration principles and in compliance with the EU Financial Regulation. Member States' resources will reinforce the EU effort. The AfIF will finance larger operations, better supporting partners in the necessary reforms and investments, and bringing greater visibility for the European dimension of external cooperation. Co-financing with non-EU financial institutions will certainly further improve donor coordination and harmonisation.

Special attention will be given to ensure complementarity with other existing EU financial instruments for the region notably the African, Caribbean and Pacific Investment Facility (ACP IF) under the ACP-EU Partnership Agreement ("Cotonou Agreement"), and the EU-Africa Infrastructure Trust Fund.

In addition, several development partners are already active or planning to get involved in supporting the energy sector in Nigeria. Indeed, EU, Gesellschaft für Internationale Zusammenarbeit (GIZ), Agence Française de Développement (AFD), African Development Bank (AfDB), Japan International Cooperation Agency (JICA), UK Department for International Development (DFID), the United States Agency for International Development (USAID), World Bank, finance and implement various types of institutional support measures, actions, studies and

Caribbean Investment Facility (CIF) and Investment Facility for the Pacific (IFP) and Western Balkan Investment Framework (WBIF).

capacity building programs. A donor coordination group, co-chaired by the EU, is in place to exchange information, conduct policy dialogue with Government and coordinate donor activities.

The World Bank has been supporting the “*Electricity and Gas Improvement Project for Nigeria*” since 2010, to improve gas supplies to thermal power stations and the transmission and distribution infrastructure (USD 300 000 000). Other programmes aim to rehabilitate the hydro power plants at Kainji and Jebba and to improve access, namely by mapping least-cost expansion of the grid.

The “*Economic and Power Sector Reform Program*” of the African Development Bank provides direct financing to FMP (USD 150 000 000) and partial risk guarantees have been made available by the Bank in support of the privatisation.

AFD is contributing USD 170 000 000 to transmission system upgrade and extension, and is looking to support distribution companies (DISCOs), vocational training, energy efficiency gains and renewable energy.

DfID funds Solar Nigeria, which has provided electricity to schools and clinics while bringing down barriers to entry for solar to private consumers and small and medium enterprises (SMES) and, finally, encouraging large solar applications through a first loss facility.

USAID has set up a financing facility for renewable energy and is scaling up its support jointly with the private sector, through the Power Africa initiative.

China is contributing to major hydro power projects through concessional loans (Mambillai 3 000 MW hydro power project) with USD 5 billion through Exim Bank of China.

3.3 Cross-cutting issues

Cross cutting issues will be addressed in all activities implemented under of the project. Regional organisations, partner countries and eligible financial institutions will ensure that all projects financed with EU resources respect European Union principles in terms of environmental and social impact (e.g. gender issues, indigenous people's rights, governance, etc.), public procurement, state aid, and equal opportunities. All activities must also respect the principles of sound financial management with effective and proportionate anti-fraud measures as well as good governance and human rights (applying the Rights Based Approach Toolbox²).

Environmental and social issues will be a key part of the project design and assessment process in terms of ensuring positive environmental and social impact of infrastructure projects, as well as climate-proofing the proposed projects. All projects will be subject to an Environmental Impact Assessment as per the AfIF guidelines in order to identify their potential environmental impacts and measures to integrate in their design to ensure they will not result in significant adverse impacts on the environment during their construction, operation and decommissioning.

Energy projects can contribute to gender equality and women empowerment by engaging women throughout the value chain and in decision-making roles from which they have traditionally been excluded.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results and options

The overall objective of the Action is to contribute to Nigeria's economic and social development through the access to sustainable energy.

The specific objectives for the action are as follows:

- To improve access to electricity from renewable sources
- To reduce environmental impact of the Nigerian energy sector.

Expected results are:

- A larger pool of technically qualified professionals in the energy sector
- Increased private investment in RE and EE projects
- Increased electricity generation through on-grid and off-grid renewables

4.2 Main activities

The main activity is to contribute to investment projects to improve access to sustainable energy, with a particular focus on rural electrification and the general business climate and enabling environment of the energy sector. The projects earmarked for financing at this stage are indicative and will be the subject of detailed applications to AfIF by the financial institutions responsible for the projects. These projects will include the following activities:

- 1) Supporting the improvement of technical skills, through NAPTIN and other training institutes: teaching curricula, training of teachers, strengthening management structures, upgrading facilities and equipment:
 - To develop training curricula adapted to market needs and specialise trainers
 - To reinforce NAPTIN's attractiveness by building new technical infrastructures and acquiring relevant technical equipment for the network of regional training centers and headquarters in Abuja
 - To reform NAPTIN's governance, procedures and policies, creating a business-oriented institution
- 2) Supporting private sector SMEs with access to affordable credit lines to develop RE, EE, RrE projects:

- Assist financial institutions to finance innovative EE & RE projects on immature markets
 - Develop participating bank's appetite and capacity to identify, appraise and finance EE and RE investments, creating a bankable pipeline of projects
 - Extend access to financing for the sponsors and strengthen the competitiveness of private sector
 - Support local companies to implement and finance a green investment scheme to improve their competitiveness
 - Support the improvement of the technical expertise of local engineers in the identification and preparation of technically feasible and financially viable projects for project sponsors
- 3) Increase the supply of on-grid electricity through RE generation by contributing to a large solar plant project
- Provide financial support to the new substation and transmission line of a 100MW project, possibly including feeders to surrounding villages and rural electrification component

4.3 Intervention logic

N/A

5 IMPLEMENTATION

5.1 Financing Agreement

In order to implement this action, it may be foreseen to conclude a financing agreement with the partner country, as referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

5.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement or, when none is concluded, from the adoption of this Action Document.

Extensions of the implementation period may be agreed upon by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of the Regulation (EU) 2015/322.

5.3 Implementation of the Budget Support Component

N/A

5.4 Implementation Modality

5.4.1 Contribution to the African Investment Facility (AfIF)

This contribution may be implemented under indirect management with the entities called Lead Financial Institutions, and for amounts to be identified by a complementary decision, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012, applicable in accordance with Article 17 of Regulation (EU) 2015/323.

The entrusted budget implementation tasks consist of the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

The Lead Financial Institutions are not definitively known at the moment of adoption of this Action Document but are indicatively listed in its appendix. A complementary financing decision will be adopted under Article 84(3) of Regulation (EU, Euratom) No 966/2012 to determine the Lead Financial Institutions definitively.

Certain entrusted entities are currently undergoing the ex-ante assessment in accordance with Article 61(1) and 140(13) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Article 140 of Regulation (EU, Euratom) No 1605/2002, they can be entrusted with budget-implementation tasks under indirect management.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1) (b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution* - NIP (EUR)	Indicative third party contribution (including 11th EDF –RIP), in the identified currency
5.4.1 Contribution to the African Investment Facility, including communication and visibility	33 000 000	294 700 000
5.9 Evaluation 5.10 Audit	To be covered by another measure constituting a financing decision	N/A
Totals *The contribution to the Africa Investment Facility includes the fees to be paid to the Lead Finance Institutions, as defined in the contractual arrangements of each specific project.	33 000 000	294 700 000

5.7 Organisational set-up and responsibilities

The organisational set-up and responsibilities are those put in place in the context of the African Investment Facility.

The contribution will be implemented under the governance of the EDF blending framework with a decision-making process organised in a two level structure:

- opinions on projects will be formulated by the Board, held whenever possible back-to-back with EDF Committee meetings;
- opinions will be prepared in dedicated Technical Meetings, where the project application forms completed by the lead finance institution are assessed. These opinions will be formulated, in coordination with the Nigerian National Authorising Officer (NAO) and the EU Delegation to Nigeria,

The activities will be implemented under indirect management by the Lead Financial Institution. A list of pre-identified "Lead Financial Institutions" will be provided for guidance.

A Steering Committee composed of representatives of the EU, the Federal Government of Nigeria and other stakeholders involved in the implementation of projects will be established and will meet at least once a year to ensure adequate monitoring of all the activities of the various projects.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of individual projects will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring

system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the relevant minimum set of indicators defined in the EU blending results framework and the relevant indicators defined in the regional programme.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

At the level of the individual operations, evaluation tasks will be carried out under the responsibility of the Lead Financial Institution and will be organised according to the requirements of each project.

If the Commission finds it necessary, it reserves the right to undertake evaluations on one or several specific projects implemented under this action.

In that case, the evaluations shall be financed by other resources.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of such audit shall be covered by another measure constituting a financing decision.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

The individual operations financed under this action shall contain communication and visibility measures which shall be based on a specific communication and visibility plan of the action, to be elaborated at the start of implementation of the operations.

The European Commission and its implementing partners will abide by the visibility rules for European Union financing as per relevant provisions in the respective project agreements and contracts.

For each individual project, a communication plan will be prepared by the lead Financing Institution, allowing for the involvement of the EU Delegations at key stages of the projects to have visibility potential. Additional communication measures might be taken if necessary.

The communication and visibility manual for European Union External Action shall be used to establish the communication and visibility plan of the operations financed under this action and the appropriate contractual obligations.

APPENDIX: INDICATIVE LIST OF PROJECTS/PLANS FOR FUNDING

No.	PROJECT TITLE	SECTOR	BENEFICIARY	LEAD FINANCIAL INSTITUTION	ESTIM. TOTAL COST (EUR)	ESTIM. NIP GRANT (EUR)	MATURITY
1	Project to Enhance Vocational Training Delivery for the newly privatised power sector	Energy	Federal Republic of Nigeria (FGN)	AFD	50.700 000	8 000 000	High
2	SUNREF Nigeria	Energy	Local Banks	AFD	57 000 000 (USD 62 000 000)	10 000 000	High
3	Bauchi Solar Plant	Energy	FGN	EIB	220 000 000	15 000 000	Medium