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ANNEX

of the Commission Decision amending Commission Decision C(2017) 5513 of 31.7.2017 on the individual measure in favour of the Federal Republic of Nigeria to be financed from the 11<sup>th</sup> European Development Fund

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

**SUMMARY**

1) *The fourth paragraph of this section is deleted.*

2) *The fifth paragraph is replaced as follows:*

“2. Support solar home systems, mini-grids and rural electrification related projects: new connexions will not be made by Distribution Companies (DisCos) in the medium term, as they are focusing on losses in the existing grid, and there is interest from other private operators to do so. The EU has strong experience in rural electrification and current interventions show the social and commercial benefits of promoting this type of investments. This component is the Nigeria window of the Electrification Financing Initiative - ElectriFI.”

**1 CONTEXT**

**1.1 National, sector context**

3) *The last paragraph of this section is deleted.*

**1.1.1 Public Policy Assessment and EU Policy Framework**

*This point remains unchanged.*

**1.1.2 Stakeholder analysis**

*This point remains unchanged.*

**1.1.3 Priority areas for support/problem analysis**

4) *The fourth paragraph of this section is replaced as follows:*

“The aim is also to allow for the implementation of ca. 150 MegaWatt (MW) renewable energy projects mostly through Photo Voltaic (PV) solar projects. The investment under this action can accelerate the delivery of renewable energy generation infrastructure and address challenging green-field projects facing difficulties to reach financial closure by supporting projects through all stages of their life providing technical, environmental and social due diligence support from the early-stage.”

5) *The fifth paragraph of this section is replaced as follows:*

“The second component is designed to reply to the strong need for further electrification of areas without stable supply of electricity, as grid extension is currently not foreseeable. The interventions under this component look at off-grid renewable energy solutions as potential alternatives to

promote rural electrification and a study has been undertaken by the Nigeria Energy Support Programme (NESP), highlighting where decentralised systems would be most cost effective. This component is aligned with the interventions made under Solar Nigeria and also represents a strong opportunity to scale up pilot interventions promoted under the NESP programme. It is aligned with the European Union Support to the Energy Sector's second component, aiming at bringing solar power to remote areas especially in the North, and with the Borno package under preparation, which has an energy component focused on rural electrification through renewable energy.”

## **2 RISKS AND ASSUMPTIONS**

*This point remains unchanged.*

## **3 LESSONS LEARNT, COMPLEMENTARY MEASURES AND CROSS CUTTING ISSUES**

*This point remains unchanged.*

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results and options**

*This point remains unchanged.*

### **4.2 Main activities**

6) *The third paragraph is replaced as follows:*

“The Nigeria Renewable Energy Programme (NREP) investment by Climate Investor One, proposed by the Netherlands Development Finance Company (FMO), will allow for the implementation of circa 150 MegaWatt (MW) renewable energy projects in Nigeria. The initial projects under NREP are all PhotoVoltaic (PV) solar projects. The Climate Investor One (CIO) investment can accelerate the delivery of renewable energy generation infrastructure and address challenging green-field projects facing difficulties to reach financial closure by supporting projects through all stages of their life providing technical, environmental and social due diligence support from the early-stage.”

7) *The seventh paragraph is replaced as follows:*

**Component 1:** increase the supply of on-grid electricity through Renewable Energy (RE) by supporting grid reinforcement/rehabilitation and integration of technologies required to

- Increase transmission capacity
- Increase grid stability and flexibility
- Improve grid operations procedures
- Increase RE generation capacity

8) *The ninth, tenth and eleventh paragraphs are deleted.*

9) *The twelfth paragraph is replaced as follows:*

**Component 2:** Provide access to power to previously un-electrified populations through sustainable and scalable solutions:

- Solar Home Systems (SHS)
- Mini-grids

- Consideration of other options which could be submitted for Nigeria under a dedicated Electrification Financing Initiative (ElectriFI) call of proposals

### **4.3 Intervention logic**

*This point remains unchanged.*

## **5 IMPLEMENTATION**

### **5.1. Financing agreement**

*This point remains unchanged.*

### **5.2. Implementation**

*10) The first paragraph is replaced as follows:*

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 204 months from the date of entry into force of the financing agreement or, when none is concluded, from the adoption of this Action Document.

### **5.3 Implementation of the budget support component**

*This point remains unchanged.*

### **5.4 Implementation modality**

*This point remains unchanged.*

### **5.5 Scope of geographical eligibility for procurement and grants**

*This point remains unchanged.*

### **5.6 Indicative budget**

*This point remains unchanged.*

### **5.7 Organisational set-up and responsibilities**

*This point remains unchanged.*

### **5.8 Performance monitoring and reporting**

*This point remains unchanged.*

### **5.9 Evaluation**

*This point remains unchanged.*

### **5.10 Audit**

*This point remains unchanged.*

### **5.11 Communication and visibility**

*This point remains unchanged.*

## APPENDIX

11) The Appendix is replaced as follows:

### APPENDIX: indicative list of projects/plans for funding

NO.	PROJECT TITLE	SECTOR	BENEFICIARY	LEAD FINANCIAL INSTITUTION	ESTIMATED TOTAL COST (EUR)	ESTIMATED NIP GRANT (EUR)	MATURITY
1	Electricity Sub Sector Support Project (PASSEN)	Energy	Federal Republic of Nigeria (FGN)	AFD	200 000 000	25 000 000	Medium
2	Nigeria Renewable Energy Programme (NREP)	Energy	FGN	FMO	115 000 000	10 000 000	Medium
3	Solar home systems (SHS), mini-grids and other rural electrification related projects	Energy	FGN	TBD	90 000 000*	30 000 000	Low

\* Up to 40% grant needed for mini-grids, solar home systems and other investments have a higher leverage rate