

**DOCUMENT OF THE EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT**

Approved by the Board of Directors on 25 February 2026<sup>1</sup>

**NIGERIA**

**NIGERIA SOVEREIGN FIBRE**

*[Redacted in line with the EBRD's Access to Information Policy]*

*[Information considered confidential has been removed from this document in accordance with the EBRD's Access to Information Policy (AIP). Such removed information is considered confidential because it falls under one of the provisions of Section III, paragraph 2 of the AIP]*

---

<sup>1</sup> As per section 1.4.8 of EBRD's Directive on Access to Information (2024), the Bank shall disclose Board reports for State Sector Projects within 30 calendar days of approval of the relevant Project by the Board of Directors. Confidential information has been removed from the Board report.

For the avoidance of any doubt, the information set out here was accurate as at the date of preparation of this document, prior to consideration and approval of the project.

## TABLE OF CONTENTS

	Page
<b>TABLE OF CONTENTS.....</b>	<b>2</b>
<b>ABBREVIATIONS .....</b>	<b>4</b>
<b>CURRENCY CONVERSIONS .....</b>	<b>5</b>
<b>PRESIDENT’S RECOMMENDATION.....</b>	<b>6</b>
<b>BOARD DECISION SHEET .....</b>	<b>7</b>
<b>ADDITIONAL SUMMARY TERMS FACTSHEET .....</b>	<b>8</b>
<b>1. STRATEGIC FIT AND KEY ISSUES.....</b>	<b>10</b>
<b>1.1 STRATEGIC CONTEXT.....</b>	<b>10</b>
<b>1.2 TRANSITION IMPACT .....</b>	<b>11</b>
<b>1.3 ADDITIONALITY .....</b>	<b>15</b>
<b>1.4 SOUND BANKING - KEY RISKS .....</b>	<b>16</b>
<b>2. MEASURING / MONITORING SUCCESS.....</b>	<b>20</b>
<b>3. KEY PARTIES .....</b>	<b>21</b>
<b>3.1 BORROWER .....</b>	<b>21</b>
<b>3.2 CLIENT .....</b>	<b>21</b>
<b>3.3 SPECIAL PURPOSE VEHICLE (SPV) .....</b>	<b>22</b>
<b>4. MARKET CONTEXT .....</b>	<b>22</b>
<b>5. FINANCIAL / ECONOMIC ANALYSIS .....</b>	<b>23</b>
<b>5.1 ECONOMIC ANALYSIS / SOVEREIGN DEBT ASSESSMENT .....</b>	<b>23</b>
<b>5.2 PROJECTED PROFITABILITY FOR THE BANK .....</b>	<b>23</b>
<b>6. OTHER KEY CONSIDERATIONS.....</b>	<b>24</b>
<b>6.1 ENVIRONMENT.....</b>	<b>24</b>
<b>6.2 INTEGRITY .....</b>	<b>25</b>
<b>6.3 MANAGEMENT APPROACH TO CYBERSECURITY IN     TELECOMMUNICATIONS INFRASTRUCTURE.....</b>	<b>25</b>
<b>ANNEXES TO OPERATION REPORT .....</b>	<b>26</b>
<b>ANNEX 1 - TRANSITION IMPACT SCORING CHART .....</b>	<b>27</b>
<b>ANNEX 2 – GREEN ASSESSMENTS.....</b>	<b>28</b>
<b>ANNEX 3 – PROJECT IMPLEMENTATION ARRANGEMENTS SPV.....</b>	<b>30</b>
<b>ANNEX 4 – PROJECT STRUCTURE RATIONALE .....</b>	<b>32</b>

**ANNEX 5 – FINANCIAL AND ECONOMIC ANALYSIS ..... 33**

## ABBREVIATIONS

AfDB	African Development Bank
AI	Artificial Intelligence
BRIDGE	Building Resilient Digital Infrastructure for Growth
E&S	Environmental and Social
EU	European Union
FEC	Federal Executive Council
FMCIDE	Federal Ministry of Communications, Innovation, and Digital Economy
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IFC	International Finance Corporation
InfraCo	Infrastructure Company
IRR	Internal Rate of Return
ISP	Internet Service Provider
LGA	Local Government Administration
Mbps	Megabits per second
MDB	Multilateral Development Bank
MNO	Mobile Network Operator
MOFI	Ministry of Finance Incorporated
NBAN	National Broadband Alliance for Nigeria
NCC	Nigerian Communications Commission
NDC	Nationally Determined Contribution
NGF	Nigeria Governors' Forum
NIBSS	Nigerian Interbank Settlement System
NLNG	Nigerian Liquefied Natural Gas
NNBP	Nigeria National Broadband Plan
NPV	Net Present Value
PIU	Project Implementation Unit
PPP	Public-private Partnership
RoW	Rights of Way
SEP	Stakeholder Engagement Plan
SHA	Shareholders' Agreement

SPV	Special Purpose Vehicle
TOR	Terms of Reference

### **CURRENCY CONVERSIONS**

USD/NGN	USD 1: NGN 1,442
EUR/NGN	EUR 1: NGN 1,674
USD/EUR	USD 1: 0.86 EUR

## PRESIDENT'S RECOMMENDATION

This recommendation and the attached Report concerning an operation in favour of the Federal Republic of Nigeria are submitted for consideration by the Board of Directors.

The facility will consist of a sovereign loan to the Federal Republic of Nigeria in the amount of up to USD 100m or the Euro equivalent (currently EUR 84m). The loan will finance the Federal Republic of Nigeria's capital contributions as per its obligations under a Shareholders' Agreement (SHA) with a majority privately held Special Purpose Vehicle (SPV) for the roll-out of 90k km fibre-optic cable in Nigeria (the "Project"). Parallel lenders include the World Bank with USD 500m (EUR 430m) financing and the African Development Bank (AfDB) with USD 200m (EUR 171m). The Federal Republic of Nigeria's share in the SPV will be up to 49%, with the private sector to hold a majority of 51% minimum at all times.

The expected transition impact derives from the *Competitive* transition quality, as the Project will help address critical infrastructure gaps in broadband connectivity and create incentives for private internet service providers to extend coverage to underserved areas. The Project targets the *Inclusive* transition quality as it will strengthen human capital by providing market relevant skills and income generating opportunities along the value chain and reducing digital inequality by requiring that internet service providers (ISPs) and mobile network operators (MNOs), as SPV clients, provide digital literacy training to over 37k subscribers, particularly women. The Loan will be supported with up to EUR 22m of EU grants, which will finance technical skills training targeting 2,000 technicians across six regions as well as the financing of detailed designs for project preparation.

I am satisfied that the operation is consistent with [REDACTED] the Bank's TMT Sector Strategy 2025-2029. I am also satisfied that the operation is consistent with the Bank's Approach to Accelerating the Digital Transition 2021-2025 , the Bank's Green Economy Transition Approach 2021-2025 , the Bank's Strategy for the Promotion of Gender Equality and with the Agreement Establishing the Bank.

I recommend that the Board approve the proposed loan substantially on the terms of the attached Report.

**Odile Renaud-Basso**

## BOARD DECISION SHEET

NIGERIA – NIGERIA SOVEREIGN FIBRE	
<b>Transaction / Board Decision</b>	Board approval <sup>2</sup> is sought for a sovereign loan of up to USD 100m or the Euro equivalent (currently EUR 84m) in favour of the Federal Republic of Nigeria. EBRD will provide financing alongside the WB and AfDB (USD 500m and USD 200m respectively). The proceeds will finance the Sovereign's capital contributions as per its obligations under a SHA with the Project SPV for the roll-out of 90k km fibre-optic broadband in Nigeria. The SPV will aim to provide core connectivity infrastructure and a national backbone for universal access. The Sovereign's share capital in the SPV will be 25-49% at all times, with the private sector to always hold a majority of 51% minimum. The private share is expected to be taken up by telecom operators and infrastructure funds. The Loan will be supported with up to EUR 22m of EU grants, which will be used for network designs technical assistance, as well as subcontractor capacity building.
<b>Client</b>	The Federal Republic of Nigeria
<b>Main Elements of the Proposal</b>	<p><u>Transition impact</u> - Primary Quality: <i>Competitive</i> - The Project will help address critical infrastructure gaps in broadband connectivity by building out the fibre backbone and create incentives for private internet service providers to extend coverage to underserved areas. Secondary Quality: <i>Inclusive</i> – The Project strengthens the sector's human capital by securing targeted vocational training necessary for the fibre deployment for over 2000 technicians, 30% of which will be women. The Project supports the Federal Republic of Nigeria's digital inclusion agenda by requiring SPV clients to provide digital literacy training to subscribers and collect sex-disaggregated data that will inform national policy.</p> <p><u>Additionality – Financing Structure</u>: EBRD's involvement is essential to unlock investment for the 90k fibre-optic expansion via the provision of a large financing instrument, bridging a market failure where private provision alone is commercially unviable due to high-risk premiums and negative returns. <i>Policy, sector, institutional, or regulatory change</i>: The Project creates a strategic lever for engagement by the national regulator with state actors on long-term regulatory reform to create an enabling environment for private sector investment. It also ensures that the SPV delivers wholesale open-access services under transparent, non-discriminatory terms [REDACTED]. <i>Gender additionality</i>: Gender-inclusive digital literacy trainings and sex-disaggregated data collection and reporting on</p>

<sup>2</sup> Article 27 of the AEB provides the basis for this decision.

	subscribers' adoption, usage and complaints will be included as requirements for SPV off takers and will inform the development of a gender balanced National Broadband Plan. <u>Sound banking</u> – The transaction is a sovereign loan.
<b>Key Risks</b>	The Key Risk relate to the set-up of the SPV which will be conducive to Project success, and the ability of the PIU to implement the Project within schedule. This risk will be mitigated by ensuring that the SHA stipulating the set-up of the SPV will be acceptable to lenders [REDACTED].
<b>Strategic Fit Summary</b>	The Project is consistent with [REDACTED], the TMT Sector Strategy 2025-2029, the Approach to Accelerating the Digital Transition 2021-2025, the Green Economy Transition Approach 2021-2025, the Strategy for the Promotion of Gender Equality and with the Agreement Establishing the Bank.

### ADDITIONAL SUMMARY TERMS FACTSHEET

<b>EBRD Transaction</b>	Sovereign loan of up to USD 100m or the Euro equivalent of EUR 84m to the Federal Republic of Nigeria. The proceeds will finance the Sovereign's capital contributions as per its obligations under a SHA with the Project SPV for the roll-out of 90k km fibre-optic broadband in Nigeria. Parallel lenders are the World Bank with USD 500m financing and the African Development Bank (AfDB) with USD 200m. The Sovereign's share capital in the SPV will be 25-49%, with the private sector to always hold a majority of 51% minimum. The private share is expected to be taken up by infrastructure funds and telecom operators. The Loan will be supported with up to EUR 22m of EU grants, which will be used for network designs technical assistance, as well as subcontractor capacity building. EBRD's participation is crucial for the channelling of the EU funds, as there is unlikely to be such mobilisation otherwise.
<b>Mutual Reliance</b>	n/a
<b>Existing Exposure</b>	The Bank does not have existing sovereign exposure to the Federal Republic of Nigeria.
<b>Maturity / Exit / Repayment</b>	15 years [REDACTED]
<b>Potential AMI eligible financing</b>	n/a
<b>Use of Proceeds - Description</b>	The proceeds will finance the Federal Republic of Nigeria's capitalisation of a Project SPV for the roll-out of 90k km fibre-optic broadband in Nigeria. The

	SPV will aim to provide core connectivity infrastructure and a national backbone for universal access.
<b>Investment Plan</b>	[REDACTED]
<b>Financing Plan</b>	[REDACTED]
<b>Key Parties Involved</b>	<ul style="list-style-type: none"> <li>• Federal Republic of Nigeria as the Sovereign, represented by the Federal Ministry of Finance (“MoF”)</li> <li>• Federal Ministry of Communications, Innovation and Digital Economy (“FMCIDE”)</li> <li>• World Bank</li> <li>• African Development Bank</li> <li>• SPV</li> </ul>
<b>Conditions to disbursement</b>	[REDACTED]
<b>Key Covenants</b>	[REDACTED]
<b>Security / Guarantees</b>	Sovereign Loan
<b>Other material agreements</b>	[REDACTED]
<b>Associated Donor Funded TC and Blended Concessional Finance</b>	The Project includes EUR 22m of technical assistance grant funding to finance Detailed designs of the approximately 40,000 km of fibre networks Capacity-building programme targeting local contractors’ implementation capacity and 2,000 staff

[REDACTED]

## INVESTMENT PROPOSAL SUMMARY

### 1. STRATEGIC FIT AND KEY ISSUES

#### 1.1 STRATEGIC CONTEXT

In 2024, the Federal Ministry of Innovation, Communication and Digital Economy (FMCIDE) launched one of the most ambitious digital infrastructure programmes in Africa, aligned with the **National Broadband Plan (2020–2025)**. The Broadband plan aims to expand the national fibre-optic backbone by 90,000 km, bringing the total to 125,000 km (+70%) - the third-longest in Africa after Egypt and South Africa. Its objectives have been to raise broadband penetration from 45% to above 70%, reduce internet costs by over 60%, and connect at least half of the currently unserved population. The network will connect agro-industrial processing zones, educational institutions, healthcare centres, rural communities and commercial hubs with the aim of improving broadband access, stimulating digital demand, enhancing productivity, while reducing gender and inequality gaps, and positioning Nigeria as a regional digital service export hub.

While Lagos, Abuja, and Port Harcourt benefit from relatively strong internet penetration, the rest of the country remain excluded from digital opportunities. More than 33 million Nigerians remain unconnected, particularly in marginalised regions. The Project **will focus on regions with less than 20% broadband coverage**, including Jigawa, Kebbi, and parts of the North-East, and extending regional links to neighbouring countries such as Benin, Cameroon, Niger, and Chad. At the same time, broadband services remain costly, with Nigeria ranking 109th globally in internet affordability. As of Q4 2024, fixed broadband penetration stood at 8.4%, lagging nearly 25 percentage points behind Senegal, the regional leader. The market is experiencing rapid growth in urban centres, yet it remains nascent, with only 3.7 million fixed broadband subscribers compared to 154 million mobile users.

Even where infrastructure exists, there is limited competition, inflated costs and a weak demand-side. Youth unemployment is at 13.7%, and a declining per capita income coupled with inflation all exacerbate digital exclusion with consequences for socio-economic inequality and dampened productivity. Structural challenges such as unpredictable fiscal policies, fragmented regulatory oversight, Right-of-Way (RoW) delays, foreign exchange constraints and high energy costs further limit sectoral expansion. To address these gaps, the **Building Resilient Digital Infrastructure for Growth (BRIDGE)** Project aims to provide catalytic financing to expand backbone broadband infrastructure in areas of Nigeria where market gaps exist. The Project will be delivered through a Special Purpose Vehicle (SPV) that will deploy, manage and lease out wholesale broadband capacity. The Federal Republic of Nigeria will hold a 25% to 49% equity stake, while the private sector will hold 51% to 75%. This blended approach aims to crowd in large-scale private investment alongside development finance, enabling the private sector to offer internet services to people, businesses, and government institutions in currently underserved regions. The loan will be enhanced by a grant from the European Union to accelerate project preparation and improve implementation capacity.

The design of the Nigeria Sovereign Fibre Project draws from the experience and lessons learned of similar ventures in Nigeria, such as the Nigeria Inter-Bank Settlement System (NIBSS) and Nigerian Liquefied Natural Gas (NLNG). NIBSS was created in 1993 as a PPP between deposit-money banks and the Central Bank of Nigeria. It provides the core backbone for the country's digital and inter-bank payments infrastructure and is fully self-sustaining through transaction-based revenues. Similarly, NLNG was established in 1989 with a 49% public and

51% private shareholding split among Shell, TotalEnergies, and Eni and is governed by an independent board comprising private shareholders and key government representatives.

Vocational and technical skill shortages remain a major barrier to Nigeria’s economic and digital development. A mismatch between training and market demand, limited training infrastructure, and weak industry-academic collaboration leave curricula misaligned with real-world needs. Digital skills shortages are especially concerning: a 2022 World Bank baseline assessment found that while 68% of participants have moderate smartphone skills, only 39% are proficient with laptops/tablets and 31% with desktops. Gender disparities compound this challenge: only 33% of women use mobile internet compared to 52% of men, despite high mobile phone (88%) and smartphone (32%) ownership among women. Key barriers include affordability, literacy, and digital skills. Project Bridge will address these gaps by legally requiring SPV clients to offer basic digital literacy and online safety training to potential subscribers, at least 60% of whom must be women, in targeted last-mile areas. Additionally, SPV clients will collect data on women subscribers, and subscribers from Female-Headed Households (FHHs) to improve availability of sex-disaggregated data, which will inform the Government’s development of a new broadband strategy to increase digital access and dividends for women and men, which is currently underway to be developed and adopted by Q2 2026.

This Project is mobilizing several IFIs in a parallel financing arrangement, with the World Bank and the African Development Bank also financing the Government’s capital contribution separately. [REDACTED] the Project aligns with the TMT Sector Strategy’s objective to invest in inclusive, resilient, and green digital infrastructure as the foundation for digital transformation. The Project is further aligned with the Bank’s Equality of Opportunity Strategy 2021-2025 and with the Strategy for the Promotion of Gender Equality. The Project is also aligned with the Bank’s Green Economy Transition Approach 2021–2025 through its financing of climate-resilient digital infrastructure, with 90% of the network expected to meet climate resilience standards embedded in construction contracts.

## 1.2 TRANSITION IMPACT

The table below sets out the TI Objectives and details of the Project.

### Primary Quality: Competitive

Obj. No.	Objective	Details
1.1	<i>The Project will improve digital connectivity in the country by increasing to at least 50% nationwide the coverage of ICT infrastructure, products or services that are currently not prevalent in the country (less than 10% nationwide coverage), in line with international best practice.</i>	The Project will scale national fibre infrastructure from 35,000 km to 125,000 km, providing connectivity to 50% of 33m unserved Nigerians and increasing fixed broadband coverage to 50%. Fixed broadband penetration was 8.4% in Q4 2024. The SPV will operate as a neutral open-access wholesale provider of broadband infrastructure, focusing on building middle-mile fibre routes that connect local government areas, schools, hospitals, and government facilities. These connected facilities will act as Points of Presence, enabling ISPs and MNOs to extend last-mile connections to households and small businesses at lower cost. Market wide private sector consultations confirmed that a major bottleneck for further nationwide

		investments in fixed broadband last mile is the absence of backbone infrastructure across Nigeria. Bigger market players have a competitive advantage due to better developed backbone segments of the network. The project will address this by developing the infrastructure and offering wholesale access services on a non-discriminatory basis to incentivise all ISPs to invest in the last mile, mobilising up to USD 1bn from the private sector. [REDACTED]
1.2	<i>The client/sponsor will engage in a competitiveness-focused policy dialogue initiative that is relevant in the country and sector context, taking a supporting role (e.g. a client joining a well-established initiative, launching an initiative with a limited/specialised impact, or with engagement limited to attending meetings etc.)</i>	The Project is expected to create an SPV whose potential market share is estimated at 75% of all public facilities, underscoring the importance of complementary policy actions to create a competitive environment and tackle key barriers to private sector participation. [REDACTED] The Project will act as a strategic lever for long-term regulatory reforms led by the FMCIDE, NCC and other key public stakeholders to create an enabling environment for private sector investment. A key priority will be the harmonisation of RoW charges. EBRD will seek engagement with AfDB, WB, the PIU, the NCC and the National Broadband Alliance for Nigeria (NBAN) to support the implementation of RoW reforms, including via enhancing the regulator's capacity. [REDACTED]

**Secondary Quality: Inclusive**

Obj. No.	Objective	Details
2.1	<i>EMPLOYABILITY: The Project broadens access to market-relevant skills and training opportunities, boosting the supply of human capital with demonstrably moderate need and limited effectiveness.</i>	TC will support the Client develop and implement trainings for technical skills required to enable the fibre deployment. The Borrower will explore partnering with local training providers to deliver the training to local contractors and strengthen the supply chain. These skills relate to civil engineering and construction works, cable installation, fibre optics handling, testing and quality assurance, network design and planning. At least 2000 individuals across six regions, 30% of which will be women, will benefit from this skills development programme that will equip the trainees with new and emerging highly demanded skills. The trainings will include 18 learning programmes, three per region, and will cover network installation, operation, including usage of heavy-duty machinery such as trenchers, cable pulling, splicing machines, and maintenance of the fibre equipment. Trainings will be provided by local training providers with implementation and monitoring managed by the PIU who will report on progress. Via the expansion of the 90k thousand fibre-optic infrastructure, the Project is expected to create significant employment opportunities across sectors such as agriculture, trade, health, fintech, and education. It is expected 35 million Nigerians will benefit, including 16.5

		million unserved individuals, at least half of whom are women and those in underserved areas, resulting in broadened access to education, services and economic opportunities for all.
2.2	<i>EMPLOYABILITY: The Project delivers inclusive business policies, practices or standards at the client level with verifiable commitment within 1 behavioural change area</i>	1. The Project will require SPV customers to deliver digital literacy and online safety trainings to individuals, who are currently offline and living in digitally unserved or underserved areas. [REDACTED]. By 2030, it is expected that 37,000 people will benefit from the digital literacy trainings. The latter will focus on increasing women’s ability to use digital services through simple exercises, and repeated tasks and demonstrations, group learning and regular progress checks. They will aim to help women use their phones more effectively for daily tasks such as finding information, managing finances, and learning. There is also limited sex-disaggregated data at the sub-national level, and no evidence on how connectivity benefits differ between female- and male-headed households. This lack of data may obscure unequal access to digital dividends, as female-headed households (FHHs) often face unique barriers to leveraging connectivity for economic gain. To close these gender data gaps, SPV clients will also be required to report sex-disaggregated data on subscribers, including female-led households. This will inform the development of the new National Broadband Plan. The latter will incorporate gender metrics within its core results framework and tie them to program design and time-bound targets (for example, narrowing the mobile internet gender gap and increasing women’s use of broadband internet), embed indicators such as the “percentage of female mobile internet users compared to men,” and link these to inclusion programs that expand women’s access to devices and data, creating a feedback loop where routine, operator-sourced, sex- disaggregated data inform targeting, rollout, and performance management. This will in the long run enhance equality of opportunity when it comes to reaping the benefits of available high-speed internet.

**Delivery risks:** Delivery risks to the Competitive transition quality relate to delays in fibre deployment which could slow progress toward nationwide coverage and undermine affordability goals. These risks are mitigated by the Project’s design [REDACTED]. Risks to the Competitive quality also stem from the high envisioned market share of the SPV, which is expected to connect 75% of public facilities with a likely equally high market share. This is mitigated via the ongoing and proposed policy engagement by EBRD and co-lenders with the NCC, the Government of Nigeria and other relevant stakeholders on key aspects related to competition and regulation. Additionally, there is a risk that demand from public institutions or households and uptake by ISPs and MNOs may be slower than expected. [REDACTED] On the Inclusive quality, key risks relate to the potential ineffective or uneven provision of digital literacy trainings and collection of sex-disaggregated data by off-takers. This is mitigated by the fact that these activities will be formalised as legal obligations in service agreements.

**Digital Approach:** The Project is aligned to the Foundation area of intervention outlined in the EBRD Approach to Accelerating the Digital Transition 2021-2025; the digital component of the Project is in support of the Competitive Transition Quality by improving digital connectivity (with roll-out of 90k km of fibre-optic) and ICT infrastructure.

### 1.3 ADDITIONALITY

Identified triggers	Description
<i>No triggers identified</i>	<i>n/a</i>
<b>Additionality sources</b>	
<p><b>Financing Structure</b></p> <p>EBRD offers a <b>large volume</b> instrument that fills a market funding gap and is required to structure the Project.</p>	<p>The planned expansion of Nigeria’s fibre-optic network by 90,000 km is central to the country’s ambition to become a regional digital hub in Africa. However, achieving the original target of 70% broadband penetration by 2025, as set out in the FMCIDE’s strategy, has proven unrealistic without substantial investment from DFIs and private-sector partners. Private-sector investment alone is unviable due to prohibitively high-risk premium, and the Project would not be undertaken on a commercial basis. Recognising this, the government revised its target to 2031 and is actively accelerating coordination, financing, and policy implementation to meet this goal. Leveraging some of the lessons learned from a previous, unsuccessful attempt to create open-access networks in the country and based on a Broadband Financing Options and Cost-Benefit Analysis Study supported by the World Bank, a joint public-private solution through SPV was chosen. To address delays and unlock the necessary investment by the private sector, FMCIDE has worked closely with development partners, including the EU, World Bank, AfDB since 2023, with EBRD asked to join once it became active in SSA to help structure the Project and fill the funding gap.</p>
<p><b>Policy, sector, institutional, or regulatory change</b></p> <p>EBRD’s involvement in a project is considered additional when it is designed to <b>trigger a change in the policy</b>, sector, institutional or regulatory framework, or enhance practices at the sector or country level</p>	<p>The deployment of broadband infrastructure in Nigeria is hindered by persistent challenges related to RoW and open access. While the legal framework requires non-discriminatory access and standardised charges for RoW, enforcement is inconsistent across states and acquiring RoW permits remains difficult in practice. This fragmentation and lack of transparency significantly increase costs and hinder national infrastructure deployment. Throughout the project lifecycle EBRD will also ensure compliance with open access regulation and wholesale provision of services [REDACTED] EBRD has found close alignment with the co-lending IFIs on policy, with the</p>

(e.g., an introduction of cost-reflective pricing of energy, water etc.).	open access and infrastructure sharing, physical use of rights and regulatory independence being the most critical elements to project success. A study funded by the European Union on the regulatory environment and required steps for successful project outcomes is providing the inputs for discussions with the regulator, with concrete steps and engagement mechanisms to be aligned with co-investors. The Project will generate valuable knowledge that might have spillover effects on the Nigerian economy, particularly on structuring large-scale, PPP-led broadband infrastructure rollouts, advancing open-access regulatory models, and accelerating gender responsive and inclusive digital adoption in low-connectivity regions.
<b>Standard-setting:</b> Clients seeks EBRD expertise on <b>digital standards</b> and international best practice via the provision of technical assessments, digital strategies and policies, integration of solutions and skills training	EBRD is additional in that it acts as the Lead Financing Institution (LFI) for the EUR 22m grant from the European Union attached to its loan which would not have been mobilised otherwise. The grant supports the adoption of EU-aligned cybersecurity and quality standards and facilitates the participation of trusted suppliers, strengthening Nigeria’s alignment with Global Gateway principles on secure connectivity and quality standards. The cooperation between the EU Delegation in Nigeria, EC and EBRD on issues of cybersecurity will also address implementation capacity throughout project execution [REDACTED]
<b>Standard-setting: helping projects and clients achieve higher standards</b> Gender Additionality	Gender disparities actively hinder Nigeria’s digital and economic development. In the Global Gender Gap Index 2024, Nigeria ranks 125th out of 146 countries globally and 29th out of 35 in Africa. In response to especially pronounced digital literacy gaps in the country, the Project will require SPV customers to deliver digital literacy and online safety training to subscribers [REDACTED]. In addition, SPV clients will be mandated to collect and report sex-disaggregated on usage, adoption and complaints of subscribers, with this data informing the development of a gender affirmative National Broadband Plan.

#### 1.4 SOUND BANKING - KEY RISKS

Risks	Probability / Effect	Comments
-------	----------------------	----------

Project Implementation Risk	High/High	<p>Low implementation capacity at the PIU and the SPV, insufficiently detailed designs, higher than expected operating costs, delays in deployment, failure to implement E&amp;S requirements and other setbacks pose implementation risks, in addition to operational risks linked to the lack of local technical expertise to deploy and manage fibre.</p> <p><i>Mitigants:</i> The PIU has been staffed with personnel with significant and relevant experience in the technology and telecommunications sectors, who are overseeing the hiring of key experts in a process led by the WB, with the EBRD needing to approve E&amp;S personnel. The EU is financing the initial detailed designs covering half of the network, which will be procured under the Bank's PPR for public sector operations with prior review procedures. The Bank will be contributing to the ToRs (making sure E&amp;S requirements are included in the designs) and review the selection of consultants to ensure that a robust, security-assessed design is prepared to reduce risks of cost overruns, with E&amp;S considerations as well as security concerns taken into account. Risks associated with the lack of local implementation capacity is being addressed by capacity building trainings for local contractors financed by the EU, with the private sector participation in the SPV bringing operational experience to guide SPV management.</p>
Market Risk	Medium / High	<p>Lower-than-expected demand uptake of services provided by the SPV could result in reduced revenues and failure to achieve the aims of the Project.</p> <p><i>Mitigants:</i> The network will connect healthcare centres and educational institutions, thus stimulating initial demand in the connected regions, incentivising private operators to connect the last-mile. Nigeria is experiencing rapid growth of fixed broadband last-mile connections, however this is limited to the areas where backbone infrastructure is present. Market wide private sector consultations in preparation of the project have confirmed that the major bottleneck for further nationwide investments in fixed broadband last mile is the absence of backbone infrastructure across Nigeria, often including in urban and semi-urban areas. The project will address this bottleneck while offering wholesale access services on a non-discriminatory basis to incentivize all ISPs to invest in the last mile. Clear communication about the SPV's neutral wholesale role will be essential. This will include actively engaging with operators to clarify the SPV's wholesale, non-competitive role. [REDACTED]</p>
Political risk	Medium / High	<p>Election cycle risk (2026–27) could result in a political slowdown, reduced decision-making, and possible delays in SPV capitalisation.</p>

		<p><i>Mitigants:</i> While the rollout of the Project could be impacted by the political climate, the Project is a strategic priority of the Nigerian Government, and the widely accepted necessity to roll out fibre networks in the country and its imperative nature for economic development provides some mitigation against risk of changes to the Project in the case of governmental shifts.</p>
Macro-economic risk	High / High	<p>Nigeria has a long history of running budget deficits and these have widened in recent years. Fiscal consolidation is progressing following fuel subsidy and tax reforms. The deficit stood at 4.1 per cent of GDP in 2024, down from 4.3 per cent the preceding year. Fuel subsidies, [REDACTED], have been phased out since 2023. The government has increased spending in other areas to lessen the social impact of subsidy reductions and has faced a higher debt servicing burden due to high interest rates. The debt position remains vulnerable to currency risk, given that around half of total debt is now denominated in foreign currencies.</p> <p><i>Mitigants:</i> While macroeconomic risks persist, Nigeria’s credit rating was upgraded by Fitch to B (from B-), and by Moody’s in May 2025 from Caa1 to B3. Economic growth is expected to remain moderate over the medium term driven by the services sector, with a gradual recovery in the non-oil industrial sector. Higher output at the Dangote Refinery, which started operating last year, is also expected to support Nigeria’s external position and boost non-oil economic activity.</p>
Regulatory risk	Medium/ High	<p>Uncertainty around key aspects impacting the roll-out, including Rights-of-Way payments, the enforcement of open-access rules, and the lack of stakeholder coordination in a fragmented regulatory landscape could impact the Project’s implementation.</p> <p><i>Mitigants:</i> The National Communication Commission (NCC) had made Right of Way reforms one of the key milestones, with IFI support strengthening the regulatory environment for broadband licensing to reduce investment risks and build a predictable climate for long term digital infrastructure development. The Ministry of Communications, Innovation and Digital Economy are coordinating the National Broadband Alliance for Nigeria (NBAN), a multi-stakeholder partnership bringing together public and private sector entities, which facilitates dialogue between telecom operators and state governments on key issues including RoW. The role of the NCC will also be important to oversee efficient competition in the wholesale broadband market where the SPV will operate. Therefore, the World Bank has dedicated funding to finance technical assistance to support the NCC in broadband market regulation and development.</p>

Management Risk	Medium/High	<p>There is a risk of management at the SPV lacking the key track record and experience, exacerbated by the unknown organisational structure and corporate governance framework, particularly given that this will be a PPP.</p> <p><i>Mitigant:</i> The SPV will always be majority held private, with the private sector through its equity participation being incentivised to ensure that the Management Company hired to run the day-to-day operations of the SPV will bring in the necessary skills and expertise.[REDACTED] With private investors being equity shareholders, there is a strong incentive for the management to be qualified to ensure success of the Project.</p>
FX and interest rate risks	High/Low	<p>The revenues of the SPV will be primarily in Naira, though a large share of expenditures, especially when it comes to equipment, might be in USD. There is a risk of currency mismatch which could be exacerbated in the case of Naira devaluation.</p> <p><i>Mitigants:</i> The SPV will be receiving both Naira and USD from the Government as its paid-in-capital, depending on the planned use of proceeds. The risks to EBRD are limited as it is a sovereign loan [REDACTED]</p>
Integrity Risks	Medium/High	<p>As the Bank is not a party to the official selection process of private sector shareholders in the SPV, there is a risk that a party unacceptable to the Bank could be selected.</p> <p><i>Mitigant:</i> The Bank draws comforts from the Ministry of Communications, Innovation and Digital Economy having reviewed the list of criteria for integrity due diligence the Bank has developed. [REDACTED]</p>
Security Risks	Medium/High	<p>Vandalism and theft of physical infrastructure poses a risk to the network in some regions of the country. In addition, cybersecurity risk derives from the presence of active components in the network, with the risk of high-risk vendor presence potentially adding an additional layer of risk.</p> <p><i>Mitigant:</i> The World Bank has mandated state-specific Security Management Plans (SMPs) to address issues related to security risks, to be in place ahead of SPV formation. In addition, in 2024, telecommunications infrastructure was designated Critical National Information Infrastructure (CNII), thus increasing legal protection of assets from vandalism and other threats [REDACTED]</p>

## 2. MEASURING / MONITORING SUCCESS

### Primary Quality: Competitive

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
1.1	Client engages in policy dialogue: other	EBRD will complete a market study on regulatory and broadband frameworks in SSA (incl. Nigeria) which will inform engagement with the Regulator.	No	Yes	[REDACTED]
1.2	- Number of new/improved ICT service(s) connections	By 2031, the Project will aim to connect approximately 59,100 public facilities, including 38,800 public schools, 16,900 health facilities, and 3,400 Local Government Administration offices.	0	59,100	[REDACTED]
1.3	Number of individuals with improved access to ICT related services	The Project will aim to expand the access to network connectivity in underserved areas by reaching at least half of the underserved population, increasing nationwide coverage of fixed broadband from 8.4% to 50%.	0	16,500,000 <sup>3</sup>	[REDACTED]
1.4	Improved quality of ICT	Median fixed broadband download will increase from 22.15 Mbps to 50 Mbps by 2032	22.15 Mbps	50 Mbps	[REDACTED]
1.5	Legal, institutional or regulatory frameworks in target areas improved	Open-access model implemented for all networks and the SPV to have at least 25 clients.	No	Yes	[REDACTED]

### Secondary Quality: Inclusive

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
2.1	Number of individuals enhancing their skills as a result of training	Individuals receiving training related to civil engineering and construction works, cable installation, fibre optics handling	0	2,000	[REDACTED]
2.2.	Practices of the relevant stakeholder improved (skills development)	SPV clients will deliver digital literacy and online safety trainings to 37,000 individuals of which 60% must be women.	No	Yes	[REDACTED]

#### Additional Indicators

Indicator type	Monitoring indicator	Details	Baseline	Target	Due date
Advisory & Policy Indicators	Practices of the relevant stakeholder improved (equal opportunity policies and practices)	SPV clients will ensure 60% of the digital literacy trainees are female.	No	Yes	[REDACTED]
Advisory & Policy Indicators	Practices of the relevant stakeholder improved (equal opportunities)	SPV clients will collect and report sex-disaggregated data on subscribers, including female-led households.	No	Yes	[REDACTED]

### 3. KEY PARTIES

#### 3.1 BORROWER

The Borrower is the Federal Republic of Nigeria.

#### 3.2 CLIENT

The Federal Republic of Nigeria represented by the **Federal Ministry of Communications, Innovation and Digital Economy (FMCIDE)** will act as the overall implementing entity, with a **Project Implementation Unit (PIU)**, established within the Ministry, serving as the dedicated

unit responsible for the implementation of the Project. The PIU will coordinate implementation and oversee implementation of the ESAP and E&S compliance. [REDACTED] The broadband rollout itself will be implemented by the Special Purpose Vehicle (SPV).

### 3.3 SPECIAL PURPOSE VEHICLE (SPV)

The SPV as the entity rolling out the Project is expected to be set up in 2026. [REDACTED]

## 4. MARKET CONTEXT

The ICT sector contributed 16.55% to Nigeria’s GDP in Q3 2024, ranking third after crop production and trade. Telecommunications alone accounted for 13.94%, reaffirming its role as a key driver of growth. With over 219 million mobile subscriptions and 163 million internet users, Nigeria is Africa’s largest mobile market.

The telecommunications market in Nigeria is highly concentrated. In mobile, MTN Nigeria holds a 50% market share, followed by Airtel (34.9%), Globacom (12.4%) and 9mobile (2.4%). In fixed, MTN leads at 82% of subscriptions, while Starlink and Spectranet hold 3% each and smaller providers make up marginal shares.

Nigeria’s telecommunications sector is regulated by key agencies including the Nigerian Communications Commission (NCC), the National Broadcasting Commission (NBC), and the National Information Technology Development Agency (NITDA), all operating under the oversight of the Federal Ministry of Communications and Digital Economy (FMCIDE). Through its National Broadband Plan (NBP) 2020–2025 introduced several measures, including the reduction of RoW charges, financial support for rural broadband deployment and the promotion of PPPs.

Recently, the government lifted a decade-long cap on mobile tariffs, enabling operators to recover rising costs and strengthen their balance sheets. In return, they are required to improve service quality and expand network coverage, supporting renewed investment and growth in Nigeria’s telecom sector. Due to the limited availability of fixed infrastructure, the mobile network is the primary means of connectivity in Nigeria. The mobile network expands alongside the fibre optic backbone across the country.

Nigeria has a total of 154 million mobile subscribers<sup>4</sup>. About 95% of fixed broadband subscribers are actually served through Fixed Wireless Access (FWA), which relies on the mobile network. This means that the mobile network has widespread coverage, reaching most of the population, while the fixed network infrastructure has not yet been expanded to the same extent. Nigeria’s optic-fibre backbone, a 14,000-kilometer-long connects major cities and is present in 490 out of the 774 LGAs (63%). [REDACTED]

[REDACTED]

---

4. The discrepancy between number of mobile subscriptions (219m) and mobile subscribers (154m) is attributable to individuals holding multiple SIMs.

## 5. FINANCIAL / ECONOMIC ANALYSIS

### 5.1 ECONOMIC ANALYSIS / SOVEREIGN DEBT ASSESSMENT

Output continued to recover as growth was broad-based across sectors. Real GDP growth accelerated to 3.7 per cent year-on-year (YOY) in 1H-2025, up from the 2.9 per cent over the same period the preceding year, driven by the telecommunications, agriculture, real estate and financial sectors. Performance was underpinned by a rebound in the oil sector, which reached its highest production level in more than three years at an average of 1.7 million barrels per day. Output growth figures for 2024 and 2023 were revised upwards to 4.1 and 3.3 per cent, respectively, (from 3.4 and 2.8 per cent) following an official GDP rebasing. The economy is now thought to be approximately one-third larger than previously estimated, with the biggest relative increases in the trade, real estate and agricultural sectors.

Inflation continued its downward trend, following a period of adjustment. Inflation has been on a downward trajectory since the beginning of 2025, easing to 16.1 per cent YOY in October 2022 from 24.5 per cent in January, reflecting sustained price stabilisation efforts. Comparability with 2024 is difficult given a rebasing which came into effect in 2025. Food and fuel prices were significant drivers of an extended rise in CPI that began in December 2021, as global prices increased while subsidies were gradually reduced. The Central Bank of Nigeria (CBN) cut its policy rate by 50 basis points to 27.0 per cent in September 2025. This was the first cut since CBN hiked rates by 875 basis points starting in February 2025. The naira appreciated against the USD by 6.4 per cent since the beginning of the year, driven by USD weakness and sustained FX liberalisation.

Fiscal consolidation is progressing, following fuel subsidy and tax reforms. The fiscal deficit stood at 4.1 per cent of GDP in 2024, down from 4.3 per cent the preceding year (pre-rebasing figures were 5.6 and 5.8 per cent of GDP). Fuel subsidies have been phased out since 2023. Debt-to-GDP ratio eased to 37.7 per cent as of June 2025, down from 38.5 per cent in March, and significantly lower than the pre-GDP basing levels. In early 2025, Nigeria's credit rating was upgraded by Fitch to B (from B-), and by Moody's from to B3 (from Caa1). S&P also recently revised its rating to B- positive (from stable). November saw Nigeria's return to international markets, issuing USD 2.3 billion in ten- and twenty-year maturities. The issuance had an oversubscription rate of 5.5 times.

Growth is expected to remain moderate over the medium term but may be boosted by further macroeconomic reforms. Output is expected to rise by 3.4 and 3.3 per cent in 2025 and 2026, respectively. Growth is expected to be driven by the services and oil sectors, with a gradual recovery in the non-oil industrial sector. Domestic demand may remain constrained, however, due to fiscal consolidation, currency pressures, and diminishing but high inflation. Risks relate mainly to stalled reforms due to domestic pressures, security challenges hampering oil production and the vulnerability of the agricultural sector which accounts for about a quarter of real GDP.

### 5.2 PROJECTED PROFITABILITY FOR THE BANK [REDACTED]

## 6. OTHER KEY CONSIDERATIONS

### 6.1 ENVIRONMENT

The Project, the establishment of an SPV for the future implementation of fibre broadband rollout in Nigeria, has been Categorised as B under the 2024 ESP, as this is primarily a financial transaction which will facilitate a future, undefined, programme of works and project components. The Environmental and Social risks associated with the project itself are limited in nature and have been assessed in detail and mitigation measures have been incorporated into the transaction through the development of a comprehensive ESAP and agreement with the Sponsors over the future implementation of the wider programme of works.

Although the risks and impacts associated with the project (establishing the SPV) are minimal when considered in isolation, the future programme of works have the potential to present a full suite of E&S issues due to the large scale footprint of the project and yet-to-be-determined routing and implementation strategy of the broadband rollout, and associated infrastructure.

These risks have the potential to trigger impacts under ESRs1-8 and 10, though implementation and assessment of individual, or groups of project components, cannot be assessed at the time of the project (as designs and routing are yet to be designed). As such, the project incorporates safeguards so that: (1) the structure and management of the SPV is satisfactory to the Bank prior to the initial release of any financing; (2) EBRD requirement to sign-off on E&S and OHS specialists staffing the PIU; and (3) funds are released only once appropriate ESDD and impact assessment has been carried out on all components that will receive EBRD-funds. [REDACTED]

ESDD has included a detailed review of the ESMS and LALRP developed on behalf of the Sponsors by the World Bank and Africa Development Bank. These documents have been disclosed and are aligned with EBRD's ESRs. Risk-mitigation actions are inserted into the financing structure first at the SPV level, as noted above, and then at the PIU, EPC and sub-EPC tendering level to ensure compliance is cascaded to all implementing entities during the appropriate phase of the project implementation. ESAP actions require detailed (i.e., based on intended initial design, components and expected routing) ESAs for all components, in line with the ESRs.

Overarching findings of this exercise will inform project component E&S assessment (under ESR1) where mitigation measures are further/fully detailed and included in RFPs prior to tendering or agreement with the EPC. Written confirmation is required, under the ESAP, that no project component or associated facility, triggers action(s) listed under EBRD's Environmental and Social Exclusion list. Adding to compliance safeguards is the ESAP requirement that EBRD sign off on all contractor and/or sub-contractor ESMPs prior to the release of funds for any works.

Specific actions to be implemented or conducted at the project component level are required to ensure compliance with EBRD requirements on labour and working conditions, supply chain, pollution prevention, health and safety, resettlement and land acquisition, biodiversity and stakeholder engagement. These will be informed by high-level assessment, under ESR1, and project component ESAs, and include: development of an Human Resources Policy applicable to both employees and non-employee workers; a supply chain management system commensurate to the complexity the sub-project supply chain risks; resource, waste, hazardous substance and pest management plans; ISO 45001 Occupational Health and Safety Management System (OHSMS); GBVH and SEAH risk identification and mitigation within C-ESMPs; development of resettlement plans as well as confirmation of permitting and land acquisition procedures within the RAPs and achievement of

compliance with ESR5 where triggered; identification and assurance of No-Net-Less or Net Positive Gain in cases where Critical Habitats and/or Priority Biodiversity Features impacts are identified in line with ESR6; and establishment of a Contractor Grievance Mechanism. All of which are to be developed prior to the commencement of works. In the event that an envisioned project component triggers Category A categorisation under EBRD's Environmental and Social Policy (2024 ESP), preparation, approval, and disclosure of full ESIA will be provided to EBRD and presented to the Board on a no-objection basis.

Reporting on Bank ESAP actions and ESR compliance will take place on a monthly basis. Additionally, provision to EBRD of reporting required under the E&S Policies of parallel MDB lenders (World Bank and AfDB) is required and project implementation will be closely monitored by the EBRD in collaboration with WB and AfDB.

## **6.2 INTEGRITY**

[REDACTED]

All actions required by applicable EBRD procedures relevant to the prevention of money laundering, terrorist financing and other integrity issues have been taken with respect to the Project, and the Project files contain the integrity checklists and other required documentation which have been properly and accurately completed to proceed with the Project.

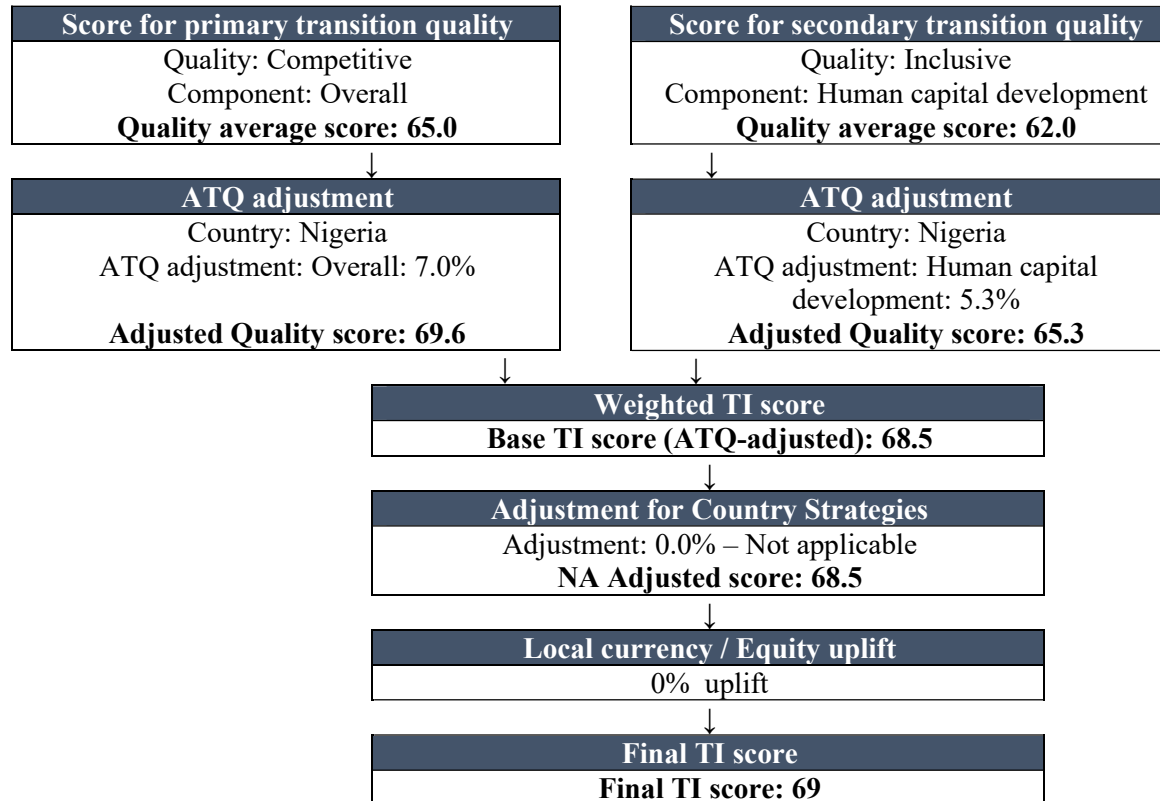
## **6.3 MANAGEMENT APPROACH TO CYBERSECURITY IN TELECOMMUNICATIONS INFRASTRUCTURE**

As part of the Bank's cybersecurity due diligence, the Project has been assessed in line with the Bank's Management Approach to Cybersecurity in telecommunications infrastructure. With the Project being greenfield, technical specifications and standards will be crucial to ensure that risks to the cybersecurity of the networks are limited, as the network will have active components.

**ANNEXES TO OPERATION REPORT**

ANNEX 1	Transition Impact Scoring Chart
ANNEX 2	Green Assessment
ANNEX 3	Procurement Plan
ANNEX 4	Project Structure Rationale
ANNEX 5	Financial and Economic Analysis

## ANNEX 1 - TRANSITION IMPACT SCORING CHART



## ANNEX 2 – GREEN ASSESSMENTS

### SUMMARY

The Project is a sovereign loan to the Federal Republic of Nigeria, to finance the roll-out of 90,000 km of climate-resilient fibre-optic backbone and middle-mile broadband infrastructure in Nigeria. This will aim to provide core connectivity infrastructure and a national backbone for universal access.

- The Project is determined **aligned with both mitigation and adaptation goals of the Paris Agreement**.
- The Project is attributed 77% **GET**.
- Climate-related financial risks have been assessed [REDACTED] .

### PARIS ALIGNMENT ASSESSMENT

#### For Direct finance projects

##### *Alignment with the mitigation goals of Paris Agreement - General screening*

The project is determined as aligned with the mitigation goals of the Paris Agreement based on the application of the Bank’s Paris alignment approach for direct finance.

- The projects activity is included in the 'MDBs' aligned list' under the category “Information and communication”.
- There are no activities included in the 'non-aligned list'.
- There are no applicable additional or specific conditions associated with the ‘aligned’ project/economic activity.

##### *Alignment with the adaptation goals of Paris Agreement*

The project is determined as aligned with the adaptation goals of the Paris Agreement as it satisfies all three steps of the assessment. During project preparation and execution, site-specific climate risk assessments will be carried out, resulting in the integration of climate adaptation measures into the design of the backbone fibre optic infrastructures to strengthen resilience against floods, intense rainfall, and heat stress. The digital connectivity infrastructure will be subject to quality standards that include compliance with the requirements for disaster response and for climate change mitigation. Risk assessments will be carried out by the Project Implementation Unit (PIU) and the outcome of this work will inform directly the design and execution of the works.

**CLIMATE RELATED FINANCIAL RISK****Carbon transition risk**

Final carbon transition risk score for the key counterparty of risk 3

Evaluation of carbon transition risks for the key counterparty of risk n/a

**Physical climate risk**

Final physical climate risk score for the key counterparty of risk 3

Evaluation of the physical climate risk for the key counterparty of risk (if different from the borrower) n/a

**GET ATTRIBUTION**

The Project is attributed 77% GET. This share has been calculated in line with Annex 2, section 10.3. “Telecommunications networks with energy efficiency levels that meet best international practices” of the GET Handbook.

The expected impacts of the transaction are:

- Avoided Scope 2 GHG emissions: 184,233 tn/year
- Avoided primary energy consumption: 4,590,891 GJ/y

[REDACTED]

## ANNEX 3 – PROJECT IMPLEMENTATION ARRANGEMENTS SPV

### Procurement classification for the Loan proceeds – *not applicable*

The proceeds of the loan will be to finance the capital contributions of the Republic of Nigeria as per its obligations under the SHA with the majority private owned Special Purpose Vehicle (SPV). The Bank’s loan will not be used to directly finance any goods, works, services or consultancy services. Accordingly, the Bank’s Procurement Policies and Rules (PPR) are not applicable for the use of the loan proceeds.

To oversee the implementation of the broader Project, a **Project Implementation Unit (PIU)** has been established under the Federal Ministry of Communications, Innovation and Digital Economy (FMCIDE). The PIU will be responsible for selecting private investors in the SPV through an open and competitive process, in accordance with the World Bank’s Procurement Regulations for Public-Private Partnerships (PPP), including prior review procedures and compliance with the World Bank’s Anti-Corruption Guidelines.

In addition, the Federal Ministry has constituted a National Broadband Alliance, comprising key public and private sector stakeholders. The broader project will report to this body and seek its strategic guidance. For the structuring of the SPV, the project is also recruiting a Transaction Advisor under the World Bank’s Procurement Regulations.

The procurement for the **supply and installation of 90,000 km of fibre-optic infrastructure** across Nigeria will be carried out by the SPV using **commercial practices**. This will be governed by a private sector-oriented framework, including the Companies and Allied Matters Act (CAMA), a Shareholders Agreement, an independent Board of Directors, and adherence to international PPP and corporate governance standards.

The SPV will also be subject to the World Bank’s Core Procurement Principles, including standards on fraud and corruption prevention, integrity, sexual exploitation and abuse/sexual harassment (SEA/SH), environmental and social safeguards, and record-keeping for audit purposes.

### Project Implementation Unit (PIU)

As previously noted, the PIU established within the Federal Ministry of Communications, Innovation and Digital Economy (FMCIDE) will be responsible for managing the implementation of the broader Project. The PIU will oversee key functions including procurement, compliance, environmental and social safeguards, monitoring and evaluation, and gender inclusion. It will serve as the primary interface between financiers, government agencies, and private stakeholders. Additionally, the PIU will track performance indicators, coordinate audits, and support reporting activities from the SPV.

[REDACTED]

The PIU will receive additional support and capacity building to effectively implement the wider project.

The EBRD will apply its Procurement Policies and Rules (PPR) to the EU-financed Grant, which will be extended to the Government of Nigeria. This grant falls under a Public Sector Operation, as defined in Article 3 of the PPR.

The Procurement classification for this component therefore different to the Project classification and is as follows:

**Procurement classification for the EU Grant – *public*****Project risk assessment:**

Project implementation will be carried out by the same PIU that is been set up within the FMCIDE to oversee the wider World Bank Programme and AfDB Component. [REDACTED]

Further training and support will be provided for the preparation of the Procurement Documents and the use of the Bank's E-procurement platform (ECEPP).

By applying PPAD's developed toolkit the client's risk on procurement has been assessed as *Moderately high*. All categories i.e. legal framework, organisation of procurement function, support/control systems, staffing, record keeping, procurement planning, procurement cycle, general assessment of the client, and project risk have been assessed. It is acknowledged that the PIU is a recently established entity; however, it benefits from robust operation and technical support from both the World Bank programme and the Ministry.

*Contracts risk assessment - Moderately high*

**Procurement Plan:**

[REDACTED]

## **ANNEX 4 – PROJECT STRUCTURE RATIONALE**

[REDACTED]

**ANNEX 5 – FINANCIAL AND ECONOMIC ANALYSIS**

[REDACTED]