INVESTMENT PROPOSAL

SUMMARY INFORMATION

Business unit and company	Shell Nigeria Exploration and Production Company Limited (SNEPCo)
Group Interest	100% in SNEPCo, which holds 55% in OML-118 under a PSC agreement. SNEPCo is the Operator.
Other shareholders/partners	Esso Exploration & Production Nigeria Limited (an affiliate of ExxonMobil): 20%; TotalFinaElf 12.5%; and Nigeria Agip Oil Company (NAOC) 12.5%.
Business or Function	Social Performance
Amount (In $mln MOD)	$17,920,000 (NGN2,848,730,000) Shell Share (SS) $32,580,000 (NGN5,179,500,000) 100%. Spend is spread over a 3-year period 2013-2015. Spend will be reconfirmed annually via approved Work Program & Budget before disbursement.
Project	SOCIAL PERFORMANCE ICT PROJECT
Main commitments (In $mln MOD)	Project is in 2 phases: • Phase 1 was delivered between 2007 and 2011 at a cost of $2.83mln SS. • Phase II will be delivered from 2013-2015, and with potential commitment as shown below. <table><tr><td>PHASE II</td><td>Shell Share $Mln</td><td>100% CoV $Mln</td></tr><tr><td>Building (construction, appurtenances, furnishing, generator, landscapping)</td><td>7.91</td><td>14.39</td></tr><tr><td>Procurements and Installations of IT Equipment</td><td>9.04</td><td>16.44</td></tr><tr><td>Project Management Services</td><td>0.96</td><td>1.75</td></tr><tr><td>Total</td><td>17.92</td><td>32.58</td></tr></table>
Source and form of financing	Project will be financed by Co-venturers. Annual spend will be recovered as cost oil under the PSC.
Summary cash flow	 ICT Centres in 54 Locations in Nigeria
Summary economics	• Based on the 1993 PSC and existing fiscal terms, the incremental expenditure has a Shell Share NPV7 of -$4.93mln, Real Term 2012. • Entire project cost ($17.92mln, MOD, SS) is treated as Opex and fully

	recoverable as cost oil under the PSC.
	• Project does not generate any revenue for SNEPCo but is an enabler for SNEPCo business.
	• The project was included in BP'11 and has been included in BP'12 based on amounts stated in the proposal.

DETAILED INFORMATION INCLUDING MANAGEMENT SUMMARY

SECTION 1: THE PROPOSAL

This proposal seeks support for the total investment of $18.00 million (SS) Money of the Day (MOD) for the execution of Social Performance ICT project Phase II. The phase II is the construction of fit-out Information and Communications Technology (ICT) facilities in fifty four (54) locations across the six geo-political regions of the country. The projects are in four categories:

1. ICT centre for tertiary institutions – this is tagged "e-learning" centre, and will contain 100 computer units. Centre will be sited in 18 universities across the country.
2. Smart lecture theatres with 250 computer units in 18 universities across the country.
3. ICT centre for state governments – this is tagged "e-library", and will contain 100 computer units. Project will be sited in 12 selected state capitals.
4. ICT centre for secondary schools – tagged "e-development" centre. Project has 20 computer units, and will be sited in 18 secondary schools across the country.

Advancement of computer literacy has been an integral part of national development strategies in many global societies because of its impact on productivity and economic development. Therefore knowledge of ICT has become a platform for broad-based development and poverty reduction.

Due to the importance of computer literacy to the national development and its relevance to achieving the Millennium Development Goals (MDGs), the Federal Government of Nigeria, through the Ministry of Communications Technology, developed a blueprint for the penetration of e-knowledge across the country. On its part, SNEPCo, through its ICT empowerment program, has already made some modest contributions towards enhancing e-literacy in the country, especially amongst students in secondary and tertiary institutions, under its Phase I successful deployment of 28 ICT centres at a cost of $2.83million.

SNEPCo commenced its Social Performance ICT program in 2007 and, under Phase I, delivered the projects in 18 secondary schools, and 10 universities at a cost of $2.83mln (SS) as at December 2011. These projects were executed using minor contracts within SNEPCo approval threshold. On completion of the proposed Phase II 54 centres, SNEPCo's footprints will be in 82 locations throughout the country, with a total investment cost of $20.75mln (SS) investment on its ICT program.

	No	Total		Shell Share	
		Nmln	$mln	Nmln	$mln
Phase I (deployed)	28	721.31	5.15	396.72	2.83
Phase II (Proposed)	54	5,179.50	32.58	2,848.73	17.92
Total	82	5,900.81	37.73	3,245.45	20.75

This proposal is to deliver a further 54 ICT projects over a 3-year period, using a competitive tendering process in order to achieve more effective contract and project management, optimal HSE performance, commerciality, and image enhancement for SNEPCo. We commenced the initial contracting process in Q4, 2010 and have involved both NAPIMS and Nigerian Content Development Monitoring Board (NCDMB) at all stages of the process. Evaluation of commercial bids for civil works in respect of 23 centres has been concluded with NAPIMS. However contract award process will be progressed only when all necessary approvals for contract implementation are obtained. Only the vendors that satisfy SNEPCO's International Due Diligence (IDD) certification will be used in project execution. Contract duration approved in the contract plan/strategy is four years, which includes one year extension

option to allow for the completion of any outstanding works by the contractors at no incremental financial exposure to SNEPCo.

In order to address the future sustainability of the projects, SNEPCo recently held a meeting with the Hon. Minister for Communications Technology, Mrs. Omobola Johnson. The purpose of this meeting was to explore possible benefits from the process the Ministry has developed for sustainability of its numerous ICT centres that are spread across the country. Thereafter SNEPCo initiated collaborative discussions with the agencies in the Ministry to develop models for sustainability of its ICT centres. Currently SNEPCo is a member of the committee set up by the Honourable Minister to develop a policy for deployment and management of ICT centres across the country. Furthermore, the IT team has initiated discussions with local computer assemblers and internet service providers, with a view to enhance the local content of the program.

This proposal is seeking the requisite approvals to spend $32.73mln ($18.00 mln, SS) for the construction of 36 fit out ICT centres and 18 Smart classrooms across the country over a period of 3 years.

Scope of Project

A 100-computer ICT centre will consist of:
- A fit out storey building (with provisions for physically challenged users) to consist of four mini-computer lecture rooms, offices, toilet facilities, and borehole.
- A generator house and 200KVA soundproof Perkins engine generator.
- Supply and Installation of 100 Personal Computers (PCs), accessories, h stabilisers and Uninterrupted Power Supply (UPS) systems.
- Supply and Installation of one Server, one colour multifunctional printer and one black & white printer.
- Cisco wireless solution for 1000 concurrent users.
- Internet connectivity via broad bandwidth (optic fibre) or VSAT
- Provision of 24hrs x 7 days 10Mbps bandwidth internet connectivity with 3 years subscription

A smart lecture theatre will consist of:
- 250 computer units, with specialized interactive software.
- Provision of Smart server system
- Installation of smart board.
- Internet connectivity via broad bandwidth (optic fibre) or VSAT

A 20-computer ICT centre will consist of:
- A bungalow (with provisions for physically challenged users).
- A generator house and 27KVA soundproof Perkins engine generator.
- Supply and Installation of 20 PCs with stabilisers and UPS systems.
- Supply and Installation of one Server, one colour multifunctional printer and one black & white printer
- Internet connectivity via VSAT
- Provision of 24hrs x 7 days 1Mbps internet connectivity with 3 years subscription.

The table below shows the annualized summary of volumes and types of infrastructure and hardware.

ANNUALIZED SUMMARY OF VOLUMES AND TYPES OF INFRASTRUCTURE AND HARDWARE				
Figures in Nos.	2013	2014	2015	Total
100-unit centers	10	8		18
20-unit centers	5	7	6	18
Smart lecture theatres			18	18
Building Infrastucture/Hardware				
Two storey building	10	8		18
Bungalow	5	7	6	18
200 KVA soundproof Perkins engine generator	10	8		18
27 KVA soundproof Perkins engine generator	5	7	6	18
Borehole units	10	8		18
Lecture theatres to be refurbished			18	18
IT Infrastucture/Hardware				
Desktops	1100	940	5100	7140
Printers	30	30	12	72
Broadband (10Mbps)	10	8	18	36
Broadband (1Mbps)	5	7	6	18
SMART Lecture theatres	0	0	18	18
Wireless Hotspots	0	0	18	18

Construction of building will be done for 18 universities, where there are no suitable lecture theatres for SMART facilities. A building will have four wings; each wing can be used for computer facilitated lectures. Other 18 projects proposed for 2015 will be executed in institutions with suitable lecture theatres for SMART facilities.

For internet connectivity, the project will be integrated with existing broad bandwidth (fibre optics) structure in an institution, where such exists. VSAT will be used where long term cost of broadband is relatively higher and proposed beneficiary demonstrates ability to sustain internet cost after 3 years of Shell moratorium.

IT equipments to use are those branded by the respective manufacturers. NAPIMS approval is to use computers that are locally assembled in line with NCD Act/policy. SNEPCo will ensure that the equipments are bought in the names of the respective beneficiaries, while the maintenance/servicing of IT equipments for 12 months will form part of the contractual agreement with the vendors. Appropriate and other licensed educational interactive software will be provided for the units and basic IT training to be provided by the contractors will be given to 10 people selected by the institution/State Government. The software packages includes: Microsoft office, Encanta applications, Mavis typing tutors, Past question papers for secondary school leaving examinations, and Internet monitoring & flittering applications (Cybercafe type).

Responsibility for management of the centre is fully transferred to each beneficiary entity 12 months after commissioning, at which time the maintenance/contractual agreement between SNEPCo and the vendor would have lapsed. However as part of its post-completion project evaluation, SNEPCo will occasionally give guidance to the beneficiaries on sustainability of the project, though without any further future liability and commitments to SNEPCo.

Sustainability steps for ICT centres

The key cost components of this project will be:
- Cost of diesel for power supply through a generator, especially in places with erratic public supply of electricity. Typical diesel cost of running a 200KVA 24/7 averages XYZ per annum.
- Subscription cost for internet connectivity via a VSAT. This is estimated to cost XYZ per annum.

- Replacement costs for desktop computers when they become obsolete, likely in six years.

Ability of a beneficiary to meet up these costs in future will to a large extent influence the sustainability of the project.

SNEPCo has considered a 3-pronged approach to address the issue of future maintenance cost of the facility.

1. **Collaboration with local internet providers & hardware assemblers**.

Project will commence at the universities that have existing broadband (fibre optics). SNEPCo will expand the bandwidth and connect to internet through the existing fibre optics. Discussions are ongoing with MTN and Globacom mobile, two of the major internet providers, to use their base stations for internet connection to the ICT centres, and to secure fibre links to other universities and secondary schools. This approach is expected to bring down the cost of internet connectivity substantially. Also we are discussing with Zinox computers to supply all the required hardware with a warranty of 2 years and for beneficiary to trade-in the equipment when they become obsolete and get replacements at low costs.

2. **Collaboration with the beneficiaries**.

Major aspect of our collaboration with a university on this project is derived from the university's demonstrated ability to sustain the project. Therefore, before award of project:

- SNEPCo engages the university team led by the vice chancellor; we obtain and access the university's duly authorized procedure for project sustainability.
- SNEPCo obtains the university's commitment to assign a part of "technology fees" collected as part of students' fees for day-to-day maintenance of the facility.
- Beneficiaries must be willing to appoint and pay credible consultants to manage facility on its behalf during the 3 year subscription period. Income generated from centre is to be expended on maintenance aspects, such as provision of diesel, payment for internet subscription (post 3 year subscription) and replacement of obsolete IT equipments. Operational terms between beneficiary and consultant to be defined in a Memorandum of Understanding witnessed by SNEPCo on a no-liability basis.

3. **Collaboration with the Government through the Federal Ministry of Communications Technology.**

In order to sustain its investment in IT sector, the Federal Government through the Ministry of communication technology is developing a strategy to centrally monitor & control its Public Access Venues (ICT centres) by using consortium of IT experts, Internet Providers and engineers. This is to address the sustainability issue of its facilities built round the country. Shell is in constant engagement with the ministry through the National Information Technology Development Agency for possibility of including its ICT centres under this arrangement. SNEPCo was part of the committee that developed the draft strategy, which is now being reviewed by the honourable minister.

Other steps that will be taken for sustainability of projects are:

- Maintenance of IT system for one year & payment of 3 year subscription for internet facility from date of commissioning assures of SNEPCo's support for the period.
- Appropriate guidance on project sustenance will be given to the beneficiaries.
- Training of ten (10) members of staff as trainers for others.
- Installation of commercial (cybercafé) software to enable beneficiary generate income for maintenance of the centres.
- Regular contact with beneficiaries as post construction evaluation process, and evaluation of project at 3-4 years post commissioning to assess effectiveness of the centres as well as identify learning that can be useful for future deployment of programme.

SNEPCo may consider taking over the facility if it is not properly managed by the beneficiary, and hand it over to its appointed credible consultant who will manage the facility on behalf of the university. The University will be made to agree to this step before project construction commences.

Project Location

Selection of location for university e-learning centre is based on review of the report from earlier assessment of computer availability and capability in the Nigerian tertiary institutions. The assessment was carried out, prior to scope expansion of SNEPCo's ICT empowerment program, in 2008 having commissioned an IT consultant, New Horizons Limited. For secondary schools, SNEPCo considered the strength of the alumni and ability to maintain the facilities. Project location is limited to public institutions only. Security, accessibility to good road, and public power supply are imperative for project locations. The locations were approved by SNEPCo's Social Performance Board (SPB) and NAPIMS in April 2011 and June 2011 respectively. Below is a list of proposed locations for the new 54 centres.

SHELL NIGERIA EXPLORATION AND PRODUCTION LIMITED
PROPOSED LOCATIONS FOR COMMUNITY DEVELOPMENT ICT PROJECT S

Project	2012	2013	2014
E-Learning Centre for Universities	1. University of Port Harcourt 2. Enugu State Univ of S&T 3. University of Abuja 4. Adekunle Ajasin University 5. Ambrose Alli University 6. University of Uyo 7. Abia State University 8. Obafemi Awolowo University 9. Benue State University	1. Rivers State University of Science &Tech 2. University of Benin 3. Petroleum Training Institute Warri 4. Ebonyin State University 5. Nnamdi Azikiwe University 6. Lagos state University 7. Ladoke Akintola University 8. Kogi State University 9. University of Ilorin	1. Katsina State University 2. University of Ibadan 3. Gombe State University 4. Ado Bayero University 5. Usman Dan Fodio University 6. Abubakar Tafawa Balewa University
E-Library for State Governme	1. Asaba, Delta State 2. Yenagoa, Bayelsa State 3. Owerri, Imo State 4. Awka, Anambra State 5. Lagos, Lagos State	1. Port Harcourt, Rivers State 2. Calabar, Cross Rivers State 3. Abeokuta, Ogun State 4. Umuahia, Abia State	1. Benin, Edo State 2. Ondo, Ondo State 3. Abuja FCT
ICT Centre for Secondary Schools	1. Port Harcourt River State 2. Enugu, Enugu State 3. Abeokuta, Ogun State 4. Onitsha, Anambra State 5. Abuja FCT	1. Calabar, Cross Rivers State 2. Uyo, Akwa Ibom 3. Osogbo, Osun State 4. Umuahia, Abia State 5. Akure, Ondo State 6. Minna, Niger State 7. Lafia, Nasarawa State	1. Kaduna, Kaduna State 2. Jalingo, Taraba State 3. Dutse, Jigawa State 4. Damaturu, Yobe State 5. Yola, Adamawa State 6. Katsina, Katsina State

SECTION 2: VALUE PROPOSITION AND STRATEGIC AND FINANCIAL CONTEXT

This program falls within the SEPCiN social investment strategy of contributing to achieving the Federal Government of Nigeria's aspirations for the Millennium Development Goals (MDGs) and ICT transformation agenda. The completion of the ICT projects will add significant value to SNEPCO's Social Performance delivery, contribute to IT skills development of students, and subsequently result in job creations and poverty alleviation.

It is an effective social investment that delivers business value, by helping to receive a 'license to operate' from government and stakeholders, through demonstrable commitment to economic and social development. The program is valuable in protecting the company's reputation, including those of partners and shareholders by engaging and building relationships with key external stakeholders. Furthermore the wide spread of projects will endear the PECTEN, and the logos of Co-venture partners to the hearts and minds of future leaders.

The program is planned to increase the company's local content rating by its being 100% local content in terms of delivery. Under an arrangement with respective state governments, the e-libraries could be a platform to train manpower for Nigerian Content Development (NCD) delivery.

Summary of costs

The total value of $32.58mln has been derived from estimated value for IT services of $16.44mln; civil works of $14.39mln; and $1.75mln for project management service for duration of construction works.

The amount required in 2013 is $11.00mln ($6.05mln, Shell Share), and included in BP'12. Expenditure for project was recommended to Operating & Management Committee Meeting (OCM) as OPEX by the Co-venturers at the Technical Committee Meeting (OCM) of 31 October 2012. Also we obtained NAPIMS' approval for the project and budget during the Management Committee Meeting (MACOM) of 05 Mar 2012. Costs are recovered as spent on annual basis.

The table below summarizes the phasing of project costs over the 3-year period.

FIGURES IN $million	100%				Shell Share 55%			
	2013	2014	2015	Total	2013	2014	2015	Total
Building (construction, appurtenances, furnishing, generator, landscapping)	7.47	6.29	0.63	14.39	4.11	3.46	0.35	7.91
Procurements and Installations of IT Equipment	2.94	2.65	10.85	16.44	1.62	1.46	5.97	9.04
Project Management Services	0.59	0.51	0.65	1.75	0.32	0.28	0.36	0.96
Total	11.00	9.45	12.13	32.58	6.05	5.20	6.67	17.92

Detail is shown in Appendix 1.

SECTION 3: RISKS, OPPORTUNITIES AND ALTERNATIVES

HSE Risk: Medium & Mode 3; Contract Risk: Medium

The principal risks associated with this proposal are:

1. HSE Risk
   - HSE hazards and Interface problems with existing habitation.
   - Management of the environment.
   - Motor Accidents
   - Security risks at proposed locations of projects

2. Risk of Sustainability and continued operation of the centre.
   - Inability to run and maintain the generator after handover.
   - Beneficiary's inability to pay for internet and license subscriptions after 3 years of SNEPCo's support.
   - Beneficiary's inability to replace the IT equipments when they become obsolete.

3. Commercial Risk
   - Contractor failure and poor performance.
   - Project delay due to inadequate budget.

4. Technical Related
   - Lack of adequate expertise to supervise the projects during execution due to their number and spread.
   - Copyright, piracy of IT software and Intellectual Property issues.
   - Compliance with Nigerian Communications Commissions (NCC) regulations.

5. Stakeholder Relationship Management
   - Reputational risk due to delay in contract award

A tabulated detail of risk descriptions and mitigation measures is shown in Appendix 2

SECTION 4: CORPORATE STRUCTURE, AND GOVERNANCE
This project fits within the existing SNEPCo corporate structure and governance.

SECTION 5: FUNCTIONAL SUPPORT AND CONSISTENCY WITH GROUP AND BUSINESS STANDARDS
This is a Social Investment project and has the full support of the Sustainable Development and HSE Departments. IT support was given during project conception and contract packaging. Also support is obtained from Technical, Finance, Treasury, Tax, Legal, Contracting & Procurement, and Security departments. The proposal complies with Group and Business policies and standards.

SECTION 6: PROJECT MANAGEMENT, MONITORING AND REVIEW
The overall accountability for SNEPCo SP lies with the SNEPCo MD, while the SNEPCo SP Lead is responsible for SP deliverables. The technical aspect of the project will be managed by SNEPCo Facility Infrastructure. Project delivery process will be overseen by a competent Project Management Services (PMS) consultant who reports on regular basis to an infrastructure technical expert within SNEPCo Infrastructure department. This arrangement has received the approvals of NAPIMS, and SNEPCo SP project Decision Review Board (DRB). The PMS cost is included in this proposal. Also there will be periodic Management Facility Inspection (MFI) visits to project sites by members of SNEPCo management team.

SECTION 7: BUDGET PROVISION
The 54 projects and budgets required for their execution have been approved by NAPIMS and the Co-venturers as part of SP plan for 5-year period 2012-2017. Project budget for 2012 was included in SNEPCo's BP'11, while the budgets for 2013-2015 have been included BP '12 and the 5-year strategic plan.

SECTION 8: GROUP FINANCIAL REPORTING IMPACT
There is upfront funding required by SNEPCo and partners, however spend is fully recoverable as cost oil under the PSC. There is a small impact of Shell share of profit oil.

SECTION 9: DISCLOSURE
Material disclosures, if any, will be done in line with the Group and SNEPCo Disclosure policies and guidelines.

SECTION 10: FINANCING
Project will be funded as OPEX by the Co-Venturers and fully recovered annually as cost oil under PSC during expenditures.

SECTION 11: TAXATION
Taxation is in line with general SNEPCo taxation of OPEX. No unusual Tax features.

SECTION 12: KEY PARAMETERS
The key parameter of the proposal for which considered sound support is sought is: ***The provisions of "e-Learning" centres in 54 locations across the country. Projects require estimated cost of $17.92m (Shell share) over 3 years (2013-2015). Expected spend for 2013 is $6.05 SS.***

This proposal is submitted for consent to undertake the project.

Initiated by: Dejo Oluwaniyi, UIG/S/RS

Approved by:

………………………………   ………………….............
Bernard Bos   **Tony Attah**
Vice President Finance, Africa   **Vice President, Africa**
                                                     Safety, Environment, SD & CX

Date …../…./….   **Date: …../…./….**

Appendix 1a: Analysis of project costs for construction of 54 ICT centres over a 3-year period.

100 Computers ICT Centre	2013 YR1	2014 YR2	2015 YR3	TOTAL
No of 100-unit computer projects	10	8	18	36
No of 20-unit computer projects	5	7	6	18
Exchange Rate (N/$)	159.00	159.00	159.00	
Estimated Annual Budget Required to execute buildingWorks(NGN'M)	1,188.70	1,000.88	99.84	2,289.42
Estimated Annual Budget Required to execute building works ($F'M)	7.47	6.29	0.63	14.39
SHELL SHARE of 55% (NGN'M)	653.79	550.48	54.91	1,259.18
SHELL SHARE of 55% (F$'M)	4.11	3.46	0.35	7.92
Estimated Contract Value for provision of IT Equipments (NGN'M)	466.15	421.19	1,724.52	2,611.86
Estimated Contract Value for provision of IT Equipments (F$'M)	2.94	2.65	10.85	16.44
SHELL SHARE of 55% (NGN'M)	256.38	231.65	948.49	1,436.52
SHELL SHARE of 55% (F$'M)	1.62	1.46	5.97	9.05
Cost of Project Management Services (NGN'M)	93.94	80.72	103.56	278.22
Cost of Project Management Services (F$'M)	0.59	0.51	0.65	1.75
SHELL SHARE of 55% (NGN'M)	51.67	44.40	56.96	153.03
SHELL SHARE of 55% (F$'M)	0.32	0.28	0.36	0.96
Estimated Annual Budget Required to execute all projects (NGN'M)	1,748.79	1,502.79	1,927.92	5,179.50
Estimated Annual Budget Required to execute all projects ($F'M)	11.00	9.45	12.13	32.58
SHELL SHARE of 55% (NGN'M)	961.83	826.53	1,060.36	2,848.73
SHELL SHARE of 55% (F$'M)	6.05	5.20	6.67	17.92

Appendix 1b:

ROE	159	159			159	
					EST COST/ UNIT	
ANNUALIZED SUMMARY OF VOLUMES AND TYPES OF INFRASTRUCTURE AND HARDWARE						
Commencement year	2013	2014	2015	TOTAL		
Number of 100-Unit Centre	10	8	18	36		
ESTIMATED BUILDING COST						
Building Cost (NM)	1,105.50	884.40		1,989.90	110.55	
Total Building Cost ($FM)	6.95	5.56	-	12.51	0.70	
IT Infrastructure/Hardware Quantity)						
Desktops Per Centre	100	100	250			
Desktops total	1000	800	4500	6300		
Coloured Printers	10	8		18		
Black and white Printers	10	8		18		
Broadband (10Mbps)/VSAT Installation	10	8	18	36		
Internet subscription payment	10	8	18	36		
E-Library Subscription	10	8	18	36		
SMART Lecture theatres			18	18		
Wireless Hotspots			18	18		
IT Infrastructure/Hardware (NM)					NM	$M
Desktops	150	120	675	945	0.15	0.00094
Coloured Printers	0.5	0.4	0	0.9	0.05	0.00031
Black and white Printers	0.4	0.32	0	0.72	0.04	0.00025
Broadband (10Mbps)/VSAT Installation	120	96	216	432	12	0.075
Internet subscription payment (3yrs/ctr)	99.8	79.84	179.64	359.28	9.98	0.06238
E-Library Subscription	15	12	27	54	1.5	0.00938
SMART Lecture theatres	0	0	216	216	12	0.075
Wireless Hotspots	-	-	242.34	242.34	13.46	0.08
IT Cost (NM) - 100 Units	385.70	308.56	1,555.98	2,250.24		
IT Cost ($FM) - 100 Units	2.43	1.94	9.79	14.16		
Total Cost (NM) - 100 UNITS	1,491.20	886.34	9.79	2,387.33		
Total Cost ($FM) - 100 UNITS	9.38	7.50	9.79	26.67		
Number of 20-Unit Centre	5	7	6	18		
ESTIMATED BUILDING COST						
Building Cost (NM) - 20 Units	83.20	116.48	99.84	299.52	16.64	
Building Cost ($FM) - 20 Units	0.52	0.73	0.63	1.88	0.11	
IT Infrastructure/Hardware Quantity)						
Desktops (20 per centre)	100	140	600			
Coloured Printers	5	7	6			
Black and white Printers	5	7	6			
Broadband (1Mbps)/VSAT Installation	5	7	6			
Internet subscription payment (3yrs/ctr)	15	21	18			
IT Infrastructure/Hardware						
Desktops (Nos)	15	21	90	126	0.15	
Coloured Printers	0.25	0.35	0.3	0.9	0.05	
Black and white Printers	0.2	0.28	0.24	0.72	0.04	
Broadband (1Mbps)/VSAT Installation	35	49	42	126	7.00	
Internet subscription payment (3yrs/ctr)	30	42	36	108	2.00	
IT Cost (NM) - 20 UNITS	80.45	112.63	168.54	361.62		
IT Cost ($FM) - 20 UNITS	0.51	0.71	1.06	2.28		
Total Cost (NM) - 20 UNITS	163.65	229.11	268.38	661.14		
Total Cost ($FM) - 20 UNITS	1.03	1.44	1.69	4.16		
Total Building Cost (NM) - ALL	1188.70	1000.88	99.84	2289.42		
Total Building Cost ($FM) - ALL	7.47	6.29	0.63	14.39		
Total IT Cost (NM) - ALL	466.15	421.19	1724.52	2611.86		
Total IT Cost ($FM) - ALL	2.94	2.65	10.85	16.44		
	1,654.85	1,422.07	1,824.36	5,599.69		
	10.41	8.94	11.48	30.83		

Appendix 2:   Risks, Issues, & Mitigations

The principal risks associated with this proposal and key mitigation measures are tabulated below:

S/N	Risks Category	Risk Description	Mitigation/Remedial Effort
1	HSE Risk	• HSE hazards and Interface problems with existing habitation. • Management of the environment. • Motor Accidents • Security risks at proposed locations of projects - Terrorism, Kidnapping, theft of materials or equipment.	• Use of Hazard and Effect Management Programme (HEMP) and other tools to identify, assess risks and control hazards to As Low As Reasonably Practicable (ALARP). • Approved HSE plan for the management of construction worksite hazards • Work Instructions/toolbox meeting; Use of Qualified Personnel; Pre-mob Equipment; Use recommended specifications; Company Site Representative to inspect materials before use; Appropriate Personnel Protective Equipment (PPE); Ensure contractor has Workmen's Compensation insurance and General Third Party Liability insurance. • Roll out of Life-Saving Rules to contractor during kick-off meeting; Ensure contractor has third-party & passenger liability insurance; Contract Holder (CH) to obtain contractor's Journey Management plan and ensure compliance; Ensure no night-driving policy • SNEPCo journey management procedure will be strictly complied with for visits to project locations by any staff. • Projects will commence at locations approved for access by the company's security team. • Appropriate security clearance will be obtained before a visit is made to site by a SNEPCo staff. • Site security plan to be owned by the contractor will be reviewed and approved by SNEPCo security lead. • There will be security briefs as part of kickoff procedure. Contractors consent to comply will be obtained, and CH will mandate contractor to evacuate site where insecurity is perceived. • Contractor will be responsible for security of materials and tools.
2	Sustainability and continued operation of the centres.	1. Inability to run and maintain the generator after handover. 2. Beneficiary's inability to pay for internet and license subscriptions after 3 years of SNEPCo's support. 3. Beneficiary's inability to	• Proposed beneficiary demonstrates ability to sustain project before project location is confirmed. • Engagement/involvement of beneficiary during pre-construction and construction stages. • Maintenance of IT system for one year & 3 year subscription for internet facility from date of commissioning assures of

		replace the IT equipments when they become obsolete.	SNEPCo's support for the period. • Appropriate guidance on project sustenance will be given to the beneficiaries. • Training of ten (10) members of staff as trainers for others. • Installation of commercial (cybercafé) software to enable beneficiary generate income for maintenance of the centres. • For effective management of cybercafé and in order to save funds for subsequent sustenance; beneficiaries will appoint and pay credible consultants to manage cybercafés on its behalf during the 3 year subscription period. • Income generated from cybercafé to be expended on maintenance aspects of centre, such as provision of diesel for generator, payment for internet subscription (post 3 year subscription) and replacement of obsolete IT equipments. • Operational terms between beneficiary and consultant to be defined in a Memorandum of Understanding witnessed by SNEPCo on a no-liability basis. • Regular contact with beneficiaries as post construction evaluation and evaluation of project at 2-3 years post commissioning to assess effectiveness of the centres as well as identify learning that can be useful for future deployment of program. • Ongoing collaboration with the Ministry of Communications Technology to fashion out a commercial model for sustainability of ICT facilities deployed by both Government and private companies
3	Commercial	4. Contractor failure and poor performance. • Project delay due to inadequate budget.	• Technical evaluation of vendors was done to ensure vendor's capability. • SNEPCo MD to have a pre mobilization engagement with all contractors to highlight/inform them on the effect of performance and/or default in the execution of the contract. • SNEPCo will ensure that contractor's key personnel are qualified and experienced for the project execution. • Supervision of contractor's activities using available project management methods and tools. Project Management Services (PMS) to be engaged by SNEPCo will be deployed for project supervision. • Two different contracts (Civil works and IT services) will be used for each project execution to ensure the benefit of certified experts. • SNEPCo's standard contract terms as reviewed and approved by the appropriate

			teams will be applicable.
			• Only one project will be awarded to a vendor at a time. Additional project will be awarded to any vendor who delivers the earlier awarded one to time and quality.
			• Project delivery is divided into milestones, and payments will be made on the basis of milestones completed and certified.
			• Relevant contract clauses will be invoked where underperformance is observed, including termination if and when required.
			• Obtain approved budget from the Co-Venturers and NAPIMS over the phase of the projects.
4	Technical - Civil	5. SNEPCo lacks adequate expertise to supervise the projects due to their number and spread.	• Use of specialist PMS to supervise all aspects of projects. • Certify the PMS operating model and staff before their deployment. • Certified verification of materials and equipment before usage. • Periodic site visits by SNEPCo management staff.
	Technical – Information Technology (IT)	(a) Copyright, Piracy of IT software and Intellectual Property issues: (b) Compliance with Nigerian Communications Commissions (NCC) regulations.	• Computers will be bought, and all installed software must be licensed, in the name of beneficiary. • Vendors provide evidence of license and SNEPCo to verify credibility of licences from manufacturers. • Vendors to provide evidence of, and SNEPCo to verify NCC approval for bandwidth/frequencies supplied, and Internet Service Provider category.
5	Stakeholder Relationship Management	• Reputational risk due to delay in contract award	• Regular engagement and communication with internal and external stakeholders to facilitate prompt receipt of necessary approvals. • Ensure early commencement of due diligence check