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IDA/R2016-0123/1

May 26, 2016

**Closing Date: Tuesday, June 7, 2016  
at 6 p.m.**

FROM: Vice President and Corporate Secretary

**Nigeria - Youth Employment and Social Support Operation**

**Additional Financing and Restructuring**

**Project Paper**

Attached is the Project Paper regarding a proposed additional credit and restructuring to a Youth Employment and Social Support Operation (IDA/R2016-0123), which is being processed on an absence-of-objection basis.

Distribution:

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President  
Bank Group Senior Management  
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Report No: PAD1826

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT  
AND RESTRUCTURING

IN THE AMOUNT OF SDR 70.6 MILLION  
(US\$100 MILLION EQUIVALENT)

TO THE

FEDERAL REPUBLIC OF NIGERIA

FOR A

YOUTH EMPLOYMENT AND SOCIAL SUPPORT OPERATION

May 24, 2016

Social Protection and Labor Global Practice  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2016)

Currency Unit = Nigerian Naira (NGN)

NGN 199.25 = US\$1

SDR 0.70555199 = US\$1

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
BH	Boko Haram
CBO	Community Based Organization
CDD	Community Driven Development
CSDA	Community and Social Development Agency
CCT	Conditional Cash Transfer
CSDP	Community and Social Development Project
DA	Disbursement Arrangements
DFID	Department for International Development
ECRP	Emergency Crisis Recovery Project
ESMF	Environmental and Social Management Framework
EU	European Union
FM	Financial Management
FPSU	Federal Project Support Unit
FOCU	Federal Operation Coordinating Unit
GIZ	German Agency for International Cooperation ( <i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> )
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GVG	Gender and Vulnerable Groups
HD	Human Development
IDA	International Development Association
IDP	Internally Displaced Person
IP	Implementation Progress
IPF	Investment Project Financing
ISR	Implementation Status Reviews
LGA	Local Government Authority
LGRC	Local Government Review Committees
NASSP	National Social Safety Net Program
NASSCO	National Social Safety Net Coordinating Office
NE	North East
NEMA	National Emergency Management Agency
NEST	North East States Transformation Strategy
NDE	National Directorate of Employment
NETSP	Northeast Emergency Transition and Stabilization Program
NRDF	Northern Nigeria Regional Development Framework
NSAs	Non-State Actors

NSHIP	Nigeria State Health Investment Project
PCNI	Presidential Coordination Committee on North East Interventions
PDO	Project Development Objective
PHC	Primary Health Care
PIU	Project Implementation Unit
PWD	Person with Disability
RAP	Resettlement Action Plan
RPBA	Recovery and Peace Building Assessment
RPBS	Recovery and Peace Building Strategy
RPF	Resettlement Policy Framework
SBMC	School-Based Management Committees
SDR	Special Drawing Rights
SEMA	State Emergency Management Agency
SEPIP	State Education Program Investment Project
SGBV	Sexual gender based violence
SORT	Systematic Operations Risk-rating Tool
SPHCDA	Primary Health Care Development Agencies
SSI	Safe Schools Initiative
SOCU	State Operation Coordinating Unit
SSN	Social Safety Net
SSNIA	Social Safety Net Implementation Agency
TPMA	Third Party Monitoring
TCT	Targeted Cash Transfer
UN	United Nations
UNICEF	United Nations Children's Fund
USAID	U.S. Agency for International Development
WBG	World Bank Group
WFP	World Food Programme
YESSO	Youth Employment and Social Support Operation

Regional Vice President:	Makhtar Diop
Country Director:	Rachid Benmessaoud
Senior Global Practice Director:	Omar Arias (Acting)
Practice Manager:	Stefano Paternostro
Task Team Leader:	Foluso Okunmadewa/Toni Koleva



**FEDERAL REPUBLIC OF NIGERIA  
YOUTH EMPLOYMENT AND SOCIAL SUPPORT OPERATION**

**CONTENTS**

Project Paper Data Sheet	i
Project Paper	
I.    Introduction	1
II.   Background and Rationale for Additional Financing	3
III.  Proposed Changes	7
IV.  Appraisal Summary	14
V.   Governance and Accountability	17
VI.  Communication	17
VII.  World Bank Grievance Redress	17
Annex 1: Results Framework	19
Annex 2: World Bank Engagement in Northern Nigeria	25
Annex 3: Guiding Principles on the Incorporation of RPBA Findings in the Proposed Additional Financing	30

**ADDITIONAL FINANCING DATA SHEET**

*Nigeria*

*Nigeria Youth Employment and Social Support AF (P157899)*

**AFRICA**

**GSP07**

<b>Basic Information – Parent</b>									
Parent Project ID:	P126964			Original EA Category:	B - Partial Assessment				
Current Closing Date:	30-Jun-2020								
<b>Basic Information – Additional Financing (AF)</b>									
Project ID:	P157899			Additional Financing Type (from AUS):	Scale Up				
Regional Vice President:	Makhtar Diop			Proposed EA Category:	B – Partial Assessment				
Country Director:	Rachid Benmessaoud			Expected Effectiveness Date:	22-Aug-2016				
Senior Global Practice Director:	Omar S. Arias Diaz			Expected Closing Date:	30-Jun-2020				
Practice Manager/Manager:	Stefano Paternostro			Report No:	PAD1826				
Team Leader(s):	Foluso Okunmadewa, Antonia T. Koleva								
<b>Borrower</b>									
Organization Name	Contact	Title	Telephone	Email					
Federal Ministry of Finance	Kemi Adeosun	Minister of Finance							
<b>Project Financing Data - Parent (Nigeria Youth Employment &amp; Social Support Operation-P126964) (in USD Million)</b>									
<b>Key Dates</b>									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P126964	IDA-52120	Effective	26-Mar-2013	16-Apr-2013	07-Aug-2013	30-Jun-2020	30-Jun-2020		
<b>Disbursements</b>									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P126964	IDA-52120	Effective	XDR	194.70	194.70	0.00	23.67	171.03	12.16

<b>Project Financing Data - Additional Financing Nigeria Youth Employment and Social Support AF (P157899) (in USD Million)</b>					
<input type="checkbox"/>	Loan	<input type="checkbox"/>	Grant	<input type="checkbox"/>	IDA Grant
<input checked="" type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee	<input type="checkbox"/>	Other
Total Project Cost:		100.00		Total Bank Financing: 100.00	
Financing Gap:		0.00			
Financing Source – Additional Financing (AF)				Amount	
BORROWER/RECIPIENT				0.00	
International Development Association (IDA)				100.00	
Total				100.00	
Policy Waivers					
Does the project depart from the CAS in content or in other significant respects?					No
Explanation					
Does the project require any policy waiver(s)?					No
Explanation					
Team Composition					
Bank Staff					
Name	Role	Title	Specialization	Unit	
Foluso Okunmadewa	Team Leader (ADM Responsible)	Lead Specialist		GSP07	
Antonia T. Koleva	Team Leader	Social Protection Specialist		GSP01	
Adebayo Adeniyi	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist		GGO01	
Akinrinmola Oyenuga Akinyele	Financial Management Specialist	Sr Financial Management Specialist		GGO25	
Adam Shayne	Counsel	Lead Counsel		LEGAM	
Aisha Garba Mohammed	Team Member	Consultant		GEDDR	
Amos Abu	Safeguards Specialist	Senior Environmental Specialist		GEN07	
Collins S. Umunnah	Team Member	Team Assistant		AFCW2	

Dora A. Harris	Team Member	Program Assistant		GSP01
Eugene Otaigbe Itua	Safeguards Advisor	Consultant		GENDR
Fatimah Abubakar Mustapha	Team Member	Health Specialist		GHN07
Kafu Kofi Tsikata	Team Member	Senior Communications Officer		AFREC
Luis M. Schwarz	Team Member	Senior Finance Officer	Senior Finance Officer	WFALA
Michael Gboyega Ilesanmi	Safeguards Specialist	Social Development Specialist		GSU01
Ngozi Eucharia Anyikwa	Team Member	Consultant		GSPDR
Nnenna Atinuke Oshagbemi	Team Member	Consultant		GSPDR
Oluwatoyin Racheal Jinadu	Team Member	Temporary		GSPDR
Omobowale Ayoola Oni	Team Member	Consultant		GSPDR
Roland Lomme	Team Member	Senior Governance Specialist		GGO13
Sulaiman Adesina Yusuf	Team Member	E T Consultant		GSP07

### Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Nigeria		Sokoto State			
Nigeria		Rivers State			
Nigeria		Plateau State			
Nigeria		Oyo State			
Nigeria		Ondo State			
Nigeria		Ogun State			
Nigeria		Niger State			
Nigeria		Lagos State			
Nigeria		Kwara State			
Nigeria		Katsina State			
Nigeria		Kano State			
Nigeria		Kaduna State			
Nigeria		Imo State			

Nigeria		Cross River State			
Nigeria		Borno State			
Nigeria		Benue State			
Nigeria		Bauchi			
Nigeria		Anambra State			
Nigeria		Akwa Ibom State			
Nigeria		Abia State			
Nigeria		Delta State			
Nigeria		Adamawa State			
Nigeria		Edo			
Nigeria		Enugu State			
Nigeria		Jigawa State			
Nigeria		Bayelsa State			
Nigeria		Ebonyi State			
Nigeria		Ekiti State			
Nigeria		Gombe State			
Nigeria		Nasarawa State			
Nigeria		Zamfara State			
Nigeria		Kebbi State			
Nigeria		Kogi State			
Nigeria		Osun State			
Nigeria		Taraba State			
Nigeria		Yobe State			
<b>Institutional Data</b>					
<b>Parent (Nigeria Youth Employment &amp; Social Support Operation-P126964)</b>					
<b>Practice Area (Lead)</b>					
Social Protection & Labor					
<b>Contributing Practice Areas</b>					
<b>Cross Cutting Topics</b>					
[ ] Climate Change					
[ ] Fragile, Conflict & Violence					
[ ] Gender					
[X] Jobs					
[ ] Public Private Partnership					

<b>Sectors / Climate Change</b>				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Public Administration, Law, and Justice	Public administration-Other social services	49		
Health and other social services	Other social services	44		
Education	Vocational training	5		
Public Administration, Law, and Justice	Sub-national government administration	2		
Total		100		
<b>Themes</b>				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social Safety Nets/Social Assistance & Social Care Services	73		
Social dev/gender/inclusion	Gender	10		
Social protection and risk management	Improving labor markets	10		
Social protection and risk management	Social Protection and Labor Policy & Systems	7		
Total		100		
<b>Additional Financing Nigeria Youth Employment and Social Support AF (P157899)</b>				
<b>Practice Area (Lead)</b>				
Social Protection & Labor				
<b>Contributing Practice Areas</b>				
<b>Cross Cutting Topics</b>				
<input type="checkbox"/> Climate Change				
<input checked="" type="checkbox"/> Fragile, Conflict & Violence				
<input checked="" type="checkbox"/> Gender				
<input checked="" type="checkbox"/> Jobs				
<input type="checkbox"/> Public Private Partnership				
<b>Sectors / Climate Change</b>				
Sector (Maximum 5 and total % must equal 100)				

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Public Administration, Law, and Justice	Public administration-Other social services	49		
Health and other social services	Other social services	44		
Education	Vocational training	5		
Public Administration, Law, and Justice	Sub-national government administration	2		
Total		100		
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
<b>Themes</b>				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social Safety Nets/Social Assistance & Social Care Services	73		
Social dev/gender/inclusion	Gender	10		
Social protection and risk management	Improving labor markets	10		
Social protection and risk management	Social Protection and Labor Policy & Systems	7		
Total		100		
<b>Consultants (Will be disclosed in the Monthly Operational Summary)</b>				
Consultants Required? Consultants will be required				



## **I. Introduction**

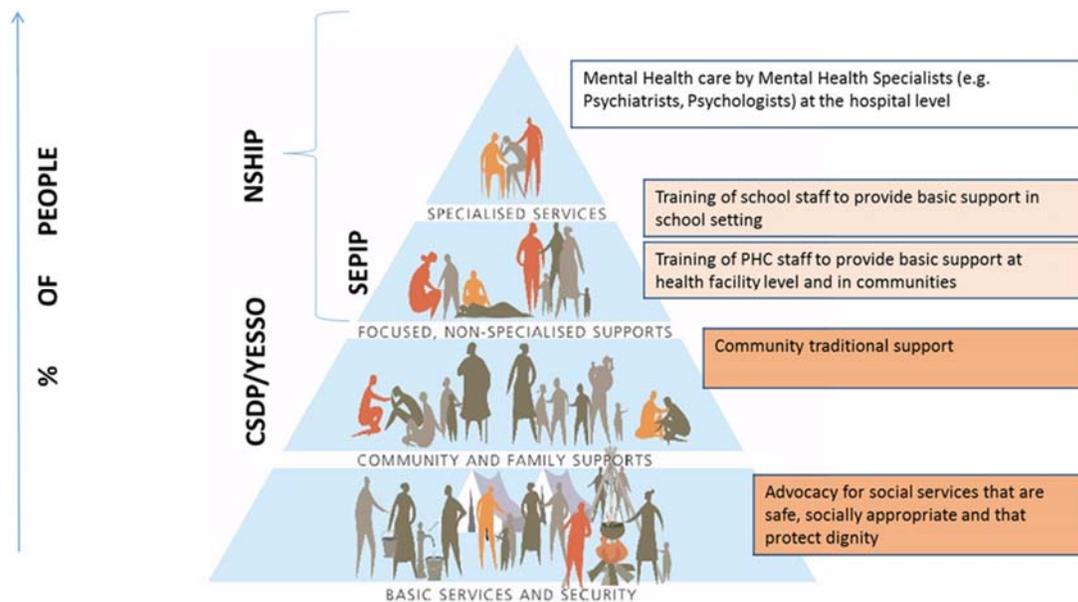
1. This Project Paper seeks the approval of the Board of Executive Directors to provide an additional credit in an amount of SDR 70.6 million (US\$100 million equivalent) and restructuring to the Federal Republic of Nigeria Youth Employment and Social Support Operation (YESSO). The proposed project is being processed under OP 10.00 paragraph 12, referring to projects in situations of urgent need of assistance or capacity constraints.
2. The proposed additional credit would help finance the costs associated with modified and new activities arising from scaling up and restructuring of the current operation in the North East of Nigeria (Borno, Yobe, Adamawa, Taraba, Bauchi, and Gombe States) with the aim of providing assistance to poor and vulnerable households—including internally displaced persons (IDPs), i.e. those able to return or resettle to safe environments—and host communities, for increased consumption and improved livelihoods and human capital.
3. On August 21, 2015, the Government of Nigeria requested donors' assistance in assessing the needs associated with peace building and crisis recovery. The Recovery and Peace Building Assessment (RPBA) of the North East region was conducted by the World Bank, European Union (EU), and United Nations (UN) in partnership with the Federal Government and confirms the extensive damage to livelihoods and job opportunities especially in attacks on markets and farms. The RPBA provides a framework for coordinated and coherent assistance to conflict-affected communities in the North East. It identifies the immediate and urgent need for sustaining emergency transition activities while supporting, in parallel, stabilization initiatives along the three strategic areas of intervention, namely (i) peace building and social cohesion; (ii) infrastructure and social services and; (iii) economic recovery (see Annex 3). According to the RPBA, about fifteen million people have been affected by the Boko Haram insurgency in the North East of Nigeria since 2009. It is also estimated that over 20,000 lives have been lost and over 2 million people have been displaced. The displacement has created several vulnerabilities. Food prices rose by nearly 7.5 percent with significant reduction in welfare of the residents. Poverty rates rose from 47.3 percent in 2011 to 50.4 percent in 2013. There is acute food insecurity among IDPs and host communities. An estimated 2 million people have been forcibly displaced by the conflict, 1.8 million of whom are displaced within Nigeria, making it the country with the third largest IDP population in the world.
4. The overall impact of the conflict on infrastructure and social services is estimated at US\$9.2 billion. Three-quarters of the damages are in Borno (US\$6.9 billion), followed by Yobe (US\$1.2 billion) and Adamawa (US\$828 million). The impact on the other three North East States and at the Federal level are less than 3 percent of the direct damages and impacts. Table 1 provides a detailed overview.
5. To respond to the crisis effectively, a restructuring of YESSO is imperative. Furthermore, the emergence of the National Program on Conditional Cash Transfers and the establishment of a National Social Safety Net Coordinating Unit in the Presidency of the Federal Republic of Nigeria also gave rise to the need to modify some of the components and activities in YESSO to ensure complementarity with the new national program and the coordinating unit.

**Table 1. Estimated Damages Related to Infrastructure and Social Services (US\$, millions)**

	Adamawa	Borno	Yobe	Gombe	Taraba	Bauchi	Federal	Total
<b>Physical Sectors</b>								
Energy	31.9	16.0	4.3		7.0		129.5	<b>188.7</b>
Environment	1.2	2.9	0.6	0.2	0.8	<0.1		<b>5.7</b>
ICT								<b>25.1</b>
Transport	73.8	306.1	116.9	29.0				<b>525.8</b>
<b>Social Sectors</b>								
Education	58.0	143.8	47.3	2.1	10.2	11.6		<b>273.0</b>
Health/Nutrition	21.1	59.0	32.9	0.4	6.5	27.8		<b>147.7</b>
Housing	25.8	3,179.0	118.3	2.9	2.8	1.2		<b>3,329.9</b>
Public Buildings	2.3	15.3	14.5	1.1		2.3		<b>35.5</b>
Social Protection								<b>n.a.</b>
Water & Sanitation	7.3	35.0	3.6					<b>46.0</b>
<b>Productive Sectors</b>								
Agriculture	457.9	2,377.7	868.7	4.9	12.0	7.6		<b>3,729.7</b>
Private Enterprises	149.8	763.6	<0.1	2.0		<0.1		<b>915.4</b>
<b>Total</b>	<b>828.9</b>	<b>6,898.5</b>	<b>1,207.2</b>	<b>42.5</b>	<b>39.2</b>	<b>50.5</b>	<b>129.5</b>	<b>9,221.5</b>

6. In addition to restoring livelihoods, the Additional Financing (AF) will also be used to provide trauma and psychosocial support to conflict-affected and returnee households, internally displaced groups, and individuals, as a form of social assistance intervention. The psychosocial support will be provided in addition with other AF operations at different levels (see Figure 1). The proposed AF for the Community and Social Development Project (CSDP) and YESSO will focus on traditional community support while the proposed AF for the State Education Program Investment Project (SEPIP) and the Nigeria State Health Investment Project (NSHIP) will provide focused, nonspecialized support in schools and health facilities, respectively.

**Figure 1. Psychosocial Support in Human Development Operations in North East Nigeria**



7. The major proposed changes in YESSO include (i) minor revision to the project development objective (PDO) of the operation to include the vulnerable and the IDPs in the North East States; (ii) changes in the Results Framework in view of the additional funds and geographical focus; (iii) realignment of the components in relation to the new project design; (iv) dropping of the conditional cash transfer (CCT) component; (v) addition of a targeted cash transfer (TCT) component aimed at the most vulnerable households and individuals, including IDPs, in the six North East States (Borno, Adamawa, Yobe, Bauchi, Gombe, and Taraba); and (vi) changes in institutional arrangements of the skills for jobs component.

## **II. Background and Rationale for Additional Financing in the Amount of US\$100 million**

### ***Background***

8. President Buhari has established the Presidential Coordination Committee on North East Interventions (PCNI) to coordinate and provide leadership for various interventions in the North East initiated by governments, development partners, charitable organizations, and civil society. The Government has also committed to significantly scale up investments in this geopolitical zone. The key objectives of the PCNI include the following: (i) promotion of civic culture that is supportive of peaceful coexistence; (ii) access to basic services and infrastructure; (iii) increase in the production capacity and wealth creation in the zone; (iv) acceleration of access to quality education; and (v) development and well-being of citizens living in the North East.

9. The World Bank Group's response includes active support to the Recovery and Peace Building Assessment. The RPBA has been led by the Government and was undertaken in collaboration with the EU, UN, and the World Bank. The RPBA was prepared in parallel and at the same time informed the design of the Northeast Emergency Transition and Stabilization Program (NETSP) which initially targets the short- and medium-term recovery, stabilization, and peace building needs. The NETSP comprises a coordinated set of six Additional Financings across selected ongoing including (i) the CSDP, (ii) YESSO, (iii) SEPIP, (iv) the Polio Eradication Support Project, (v) FADAMA 3; and (vi) NSHIP. These projects have already been operating in the North East region and the proposed AFs build on lessons learned and existing implementation mechanisms.

10. The parent YESSO, in the amount of US\$300 million, was approved by the World Bank's Board of Executive Directors on March 26, 2013. It became effective on August 7, 2013, and has an expected closing date of June 30, 2020. The development objective of the original credit is "increased access of the poor to youth employment opportunity, social services, and strengthened social safety net system in the participating States."

11. YESSO seeks to strengthen the State-level social safety net (SSN) systems and reducing vulnerability of poor youth and women through increased access to work opportunities and promoting human capital development of such households using incentives to keep children in school and to ensure that women attend health centers in participating States. This system-building approach, which also covers the Federal level, is assisting the Federal Government of Nigeria to respond effectively and efficiently to current and future challenges in Human Development (HD) among poor households. The operation has four components. The first component is institutional strengthening and enhancing the capacity of a central SSN platform in each participating State and at the Federal level. The central platform consists of a targeting system, a register of poor and vulnerable households and individuals,

and a monitoring and evaluation system. Three interventions that rely on the SSN platform constitute the remaining components of the operation: a Public Workfare Program (Component 2); a Skills for Jobs Program (Component 3); and a Conditional Cash Transfer program (Component 4).

### ***Performance Status of Original Project***

12. YESSO is currently active in eight States of the Federation: Bauchi, Cross River, Ekiti, Kwara, Niger, Kogi, Osun, and Oyo. Additional States, Anambra, Kaduna, Plateau, Katsina, and Zamfara, have expressed interest and their eligibility assessments are currently being reviewed by the Bank's task team. Staffing, office accommodation, and equipment for YESSO are at advanced stages in most of the interested States. All of the active States have completed the first round of identification of poor and vulnerable households and two of the States have completed the second round. In the eight active States, in total, there are now over 190,000 poor and vulnerable individuals in the combined State-level registers. Also the implementation of two interventions (Public Workfare and Skills for Jobs), which have been delayed due to non-release of government budget, are expected to commence in May 2016 in some of the States. The operation has also supported the establishment of the following systems at the State and Federal level: (a) community-based targeting system; (b) a database for registry of poor and vulnerable households—the registry; (c) a monitoring and evaluation framework; and (d) payment system guidelines. A third-party monitoring system is about to be finalized and the grievance redress mechanism (GRM) is in place at the State level in all States. Finally, the operation is supporting the development of a social protection policy document.

13. While YESSO was slow to take off, it is currently rated Satisfactory in progress toward achievement of the development objective and Moderately Satisfactory in implementation performance in the last Implementation Status and Results Report from January 2016. It has disbursed about 18 percent of the total credit as the emphasis during the first two years of implementation has been on building the SSN system in the participating States. There has been substantial compliance with the loan covenants such as establishment and use of a single register for targeting of beneficiaries and use of an agreed governance and accountability plan, and there are no outstanding financial, procurement, and safeguards issues.

14. The existence of an SSN platform and interventions that focus on improving the welfare and livelihood of the poor makes YESSO (in a restructured form) an appropriate instrument to support the livelihood restoration, skills and capacity building, and empowerment of youth and women in the six States in the North East—Adamawa, Borno, Bauchi, Gombe, Yobe, and Taraba. The focus in these States will be especially on IDPs and the members of the host communities that are now poor and vulnerable, as recommended in the recent RPBA.

### ***Rationale for Additional Financing***

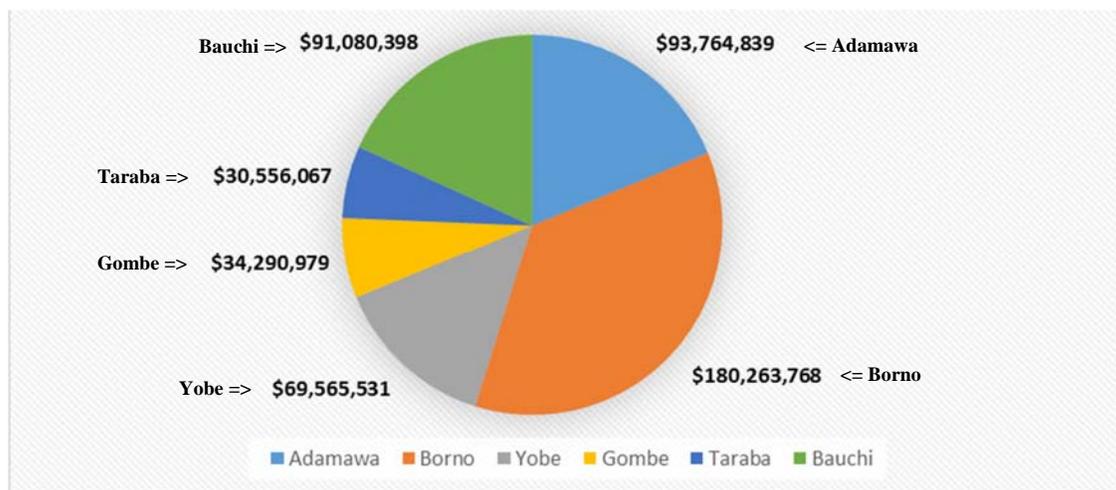
15. In recognition of the potential of YESSO to respond to the immediate needs of vulnerable and conflict-affected individuals in the North East, the Minister of Finance requested an AF of US\$100 million. In addition, a request was made for a credit of US\$500 million for a National Social Safety Net Program (NASSP) that is to include support to a national SSN coordinating platform and a national program on conditional cash transfers (CCTs) across the country, building on the experience of YESSO. The two operations taken together, seek to extend the scope and coverage of SSN interventions across the country to include the conflict-affected States in the North East region. The YESSO and NASSP are complementary in many ways but more specifically, the single register, which was generated

at the State level under the parent YESSO, will now be managed at the Federal level under NASSP support to the National Social Safety Net Coordinating Office (NASSCO). Also, while NASSP will be supporting Cash Transfer in all States, YESSO will be supporting other SSN interventions, i.e. public workfare and skills for jobs.

16. The RPBA estimated the immediate requirement for restoring basic infrastructure and social services in the North East at a total of US\$5.3 billion, of which reconstruction of houses (US\$1.2 billion); social protection schemes (US\$771 million); education (US\$700 million), health (US\$667 million); and the three infrastructure sectors of water, transport, and energy (US\$826.7 million). The social protection sector recovery strategy is linked to other sectoral strategies, including education and health, as simultaneous improvements in supply-side infrastructure and services unlock the true developmental potential of demand-side targeted social protection programs.

17. According to the RPBA, the most substantial increases in the poverty rate (and gap) are in rural households, households with children, and households with limited labor capacity, suggesting that social protection interventions targeted at households with children and elderly should be developed. Borno State is most in need of social protection interventions (see Figure 2). According to the RPBA findings, addressing structural differences between the North East and the rest of the country is important but also the different needs of these States should be taken into account, with Borno, followed by Adamawa and Yobe, being most in need of social protection interventions (see Figure 2) and the AF intends to allocate the funds proportionally based on the identified needs. In this regard, the allocation of the additional funds to the States will be guided by the RPBA findings of the extent of damage and cost of recovery per State, the capacity of each State to use the funds, and stability of the institutional structure. Accordingly, given the above criteria, the spatial targeting is planned to be as follows: Borno (30 percent); Yobe (20 percent); Adamawa (15 percent); Bauchi (15 percent); Gombe (12.5 percent); and Taraba (7.5 percent).

**Figure 2. Social Protection Needs by State**



18. Given the lack of institutionalized targeting and delivery mechanisms and the time required to set up such mechanisms, the RPBA recommended that the social protection interventions be targeted geographically. In this respect, the YESSO AF will focus on areas with a high number and density of IDPs and within these, ensure that crisis-affected households and individuals are targeted first. The poor and vulnerable in host communities will also be

beneficiaries, to avoid stigma and resentment. However, the intervention will be flexible by ensuring that geography, security, and demography of beneficiaries are duly taken into account during implementation and adjustments made, as needed, within the overall parameters of the operation.

19. Concerns on service delivery and the availability of essential infrastructure, including health and education services, as well as financial services such as banking for the poor, are key challenges to the implementation of the RPBA recommendations on social protection and even for longer-term development of the social protection system in the country. While social protection policies focus on reducing demand-side barriers, there is an urgent need for improvements on the supply side and strengthening the local government authorities (LGAs) delivery capacity, to enable beneficiaries to use their benefits, such as health insurances.

20. The IDPs and returnees, i.e. those willing to resettle or relocate in safe environments, represent a highly vulnerable group that requires other forms of assistance (social and economic) for the restoration of their livelihood. A public employment scheme to complement the demand- (cash transfers) and supply-side (restoration of infrastructure and services) measures is necessary. This will provide opportunities for youth and women, both IDPs and those in host communities, who have the capacity to work to be engaged in public workfare. In addition, persons with disabilities resulting from the crisis, as well as elderly, who would likely be excluded from interventions such as public works due to lack of labor capacity, are particularly vulnerable and will require different interventions, such as a Targeted Cash Transfer (TCT), which would be provided for, under the TCT component of the proposed AF.

21. Finally, to tackle the low institutional capacity in implementing social protection schemes and preparing recovery strategies, the RPBA recommended that the capacity building of policy and implementation structures should be improved.

22. YESSO is well suited to respond to these situations in the North East as one of the projects which can, in the immediate term, contribute to supporting the Government's efforts to provide assistance to those IDPs wishing to return to regions declared safe by the Government. It will also support IDPs and the poor and vulnerable in host communities to improve their standard of living. YESSO can provide support for public workfare, i.e. immediate labor intensive work opportunities and stipend payments, as well as provide cash transfers targeted to IDPs and other vulnerable people in the North East.

23. The proposed AF will contribute to a larger World Bank engagement framework, which is prioritized and sequenced to complement government and development partners' interventions (see Annex 2). To do so, YESSO will be scaled up and restructured to (a) support the States to establish and strengthen the database of the poor and vulnerable, including the IDPs; (b) support the provision of immediate labor intensive public work opportunities for poor and vulnerable youths and women; (c) support provision of skills building interventions for poor and vulnerable youths and women; and (d) support the establishment of an effective TCT program for poor and vulnerable youths and women in the North East, including IDPs.

24. Given that the National SSN Program will include management of the social registry and a national cash transfer program, the duplication with YESSO can be eliminated by restructuring YESSO to focus on social jobs (public works and skills for jobs) in all participating States and to provide TCTs to the North East States only. In the North East, YESSO will also complement the CSDP, which aims to support the supply side of social services provision and utilization and natural resource service provision. The TCT in the

proposed YESSO AF, even though unconditional, will also complement the health and education services utilization by the poor and vulnerable, through relieving them of the constraints of ‘out-of-pocket’ expenses needed for the consumption of HD services.

### III. Proposed Changes

#### Summary of Proposed Changes

The main change from the parent project is to increase the emphasis of YESSO on the North East and especially on employment opportunities, with the aim of providing assistance to poor and vulnerable households, including IDPs and host communities, for increased consumption and improved livelihoods and human capital. The main changes introduced through the AF are (i) minor revision in the development objective of the operation to include the vulnerable and the IDPs in the North East; (ii) changes in the Results Framework in view of the additional funding and geographical focus; (iii) realignment of the components as a result of the new National Social Safety Net Program; (iv) deletion of the CCT component; (v) introduction of a TCT component to be focused only on the vulnerable households and individuals (especially IDPs resettling/relocating to safe environments) in the North East; and (vi) changes in institutional arrangements of some of the components.

Component 1: The role of the Federal Operation Coordinating Unit (FOCU) is streamlined to provide technical assistance to Project Implementation Units (PIUs), monitoring and evaluation, reporting, and management of accounts. FOCU will no longer manage the National Single Register or provide technical assistance to the States as that would now be under the mandate of NASSCO. The State Operation Coordinating Unit (SOCU) is to be set up in a Central Agency, preferably at the Planning Ministry. The role of the SOCU will be to manage the Unified Register of Poor, Vulnerable, and IDPs, which would be a compilation of the existing State Emergency Management Agency (SEMA) Registers of IDPs in camps and host communities with those used by other organizations such as the World Food Programme (WFP) and U.S. Agency for International Development (USAID) in the six North East States.

Component 2: Public workfare will focus on poor, unskilled youth (ages 18-35) and women as major beneficiaries who, upon selection, mobilization, and participation in public works at State/LGA/wards/communities, will receive NGN 7,500 monthly stipends that will be transferred bimonthly for two years. In the North East, there would be more emphasis on labor intensive public works that are tailored toward women to involve more women in the public workfare, which is not the case in other States of the Federation.

Component 3: The National Directorate of Employment (NDE) will now be fully responsible for the skills for job component. The focus will be on skills building and apprenticeship for those beneficiaries with some form of education, youths, and women, for nine months with NGN 7,500 monthly stipends to be paid bimonthly. The NDE would also provide incentives to private sector firms/master trainers for the apprenticeship/internship session in line with a tripartite memorandum of understanding with the private sector umbrella body in each State, the State government, and the NDE.

Component 4: The new Component 4 (Targeted Cash Transfer [TCT] Program) is only for the North East States and will focus on IDPs (households or individuals) as well as poor and vulnerable in host communities who are duly registered in the Unified Register, which would be compiled by the States using existing registers in the North East States, by International Organization of Migration (IOM), SEMA, United Nations Children’s Fund (UNICEF), United Nations Population Fund, the German Agency for International Cooperation (Deutsche Gesellschaft Internationale Zusammenarbeit, GIZ), USAID etc. The poor and vulnerable groups would include women, youth, elderly, children, and people with disabilities. The targeting system in YESSO and NASSP is community-based. However, TCT in the North East States is going to rely on a unified register that is based on categorical targeting already done by Federal and State Governments in the North East, and other partners working in the North East until the national register is developed and becomes operational. The mechanism, amount, frequency, and duration of transfers for the

poor and vulnerable individuals and households in the Unified Register will be consistent with the mechanism currently adopted in the National Social Safety Net Project and will be detailed in the revised Operations Manual. Also, the peculiarities of the North East and the ongoing cash transfers by Federal and State governments as well as development partners and humanitarian agencies will be taken into consideration. As far as the TCTs to the IDPs who are able to return or resettle to safe environments, it is anticipated that there will be four rounds of transfers within the duration of the project and each round would be for 12 months. Transfers will be made to beneficiaries in four tranches based on soft and simple resettlement/relocation/reintegration criteria to be detailed in the revised Operations Manual. A total amount of NGN 150,000 will be disbursed in three month intervals and as follows: first - NGN 30,000; second - NGN 50,000; third - NGN 40,000; and fourth - NGN 30,000. The rationale for delivering a larger amount of the grant in the first half of the year is that it will support beneficiaries to restart self-managed consumption and livelihoods. The TCTs to other categories of poor and vulnerable in the Unified Register (women, children, the elderly, youths, persons with disabilities [PWDs], etc.) will also be unconditional and monitoring, grievance, and case management systems and social accountability mechanisms through third-party monitoring will also be incorporated in this component.

Change in Implementing Agency	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Change in Project's Development Objectives	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
Change in Results Framework	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
Change in Safeguard Policies Triggered	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Change of EA category	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Other Changes to Safeguards	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Change in Legal Covenants	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Change in Loan Closing Date(s)	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Cancellations Proposed	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Change in Disbursement Arrangements	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
Reallocation between Disbursement Categories	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Change in Disbursement Estimates	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
Change to Components and Cost	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
Change in Institutional Arrangements	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ]
Change in Financial Management	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Change in Procurement	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Change in Implementation Schedule	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]
Other Change(s)	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ]

**Development Objective/Results**

**Project's Development Objectives**

Original PDO

The objective of the operation is to increase access of the poor to youth employment opportunities, social services, and strengthened safety net systems in participating states.

<b>Change in Project's Development Objectives</b>						
Explanation:						
The operation will narrow its focus on youth employment opportunities and drop the conditional cash transfers in view of the new National Cash Transfer Program that the Government has just created. The operation will also extend to the conflict affected North East region of the country and provide TCTs to the internally displaced persons and other affected individuals, including host communities.						
Proposed New PDO - Additional Financing (AF)						
The project development objective is to increase access of the poor and vulnerable, using improved social safety net systems, to youth employment opportunities in all Participating States and to provide Targeted Cash Transfers to the poor, vulnerable and internally displaced people (IDPs) in the North East States.						
<b>Change in Results Framework</b>						
Explanation:						
The Results Framework will change to reflect the new focus on the North East and the emergence of the new national SSN: (i) results on safety net systems development will be modified; (ii) the PDO indicator relating to the parent CCT component will be deleted; (iii) results on the number employed in public works and participating in skills for jobs would be retained and targets increased; also disaggregated by IDP status; (iv) number of IDPs (from existing registry) and vulnerable households, receiving TCTs and resettled, to be included; (v) number of poor, IDPs, and vulnerable households with improved livelihood to be added; and (vi) an indicator on citizens engagement as follows: Percentage of grievances addressed within the timeframe stipulated in the Operations Manual.						
<b>Compliance</b>						
<b>Covenants - Additional Financing ( Nigeria Youth Employment and Social Support AF - P157899 )</b>						
<b>Source of Funds</b>	<b>Finance Agreement Reference</b>	<b>Description of Covenants</b>	<b>Date Due</b>	<b>Recurrent</b>	<b>Frequency</b>	<b>Action</b>
IDA	Schedule 2, Section I, E, 5	The Recipient shall cause the North East States to ensure that any area in which civil works under the Project will be implemented has been cleared of Explosive Remnants of War ... the Recipient shall provide a confirmation, in form and substance satisfactory to the Association, that the area which such civil works will be implemented has		<input checked="" type="checkbox"/>	CONTINUOUS	New

		been declared safe and clear of Explosive Remnants of War.				
IDA	Schedule 2, Section V, B, 1.	The Recipient shall, not later than two (2) months following the Effective Date appoint third party monitoring agent(s) for the Project under terms of reference, and with qualifications and experience satisfactory to the Association.	21-Oct-2016	<input type="checkbox"/>		New
IDA	Schedule 2, Section V, C, 1.	The Recipient shall, no later than two (2) months following Effectiveness Date prepare and adopt, and cause each NE State to adopt, a governance and accountability plan in form and substance satisfactory to the Association.	21-Oct-2016	<input type="checkbox"/>		New

**Conditions**

Source Of Fund	Name	Type
IDA	Subsidiary Agreement	Effectiveness

**Description of Condition**

At least one Subsidiary Agreement having been executed on behalf of the Recipient and one NE Participating State, in form and substance satisfactory to the Association.

Source Of Fund	Name	Type
IDA	Operations Manual	Effectiveness

<b>Description of Condition</b>		
The Recipient, through the Federal Ministry of Finance, has adopted the Project Implementation Manual, in form and substance satisfactory to the Association.		
<b>Source Of Fund</b>	<b>Name</b>	<b>Type</b>
IDA	Subsidiary Agreement, PIM	Disbursement
<b>Description of Condition</b>		
... no withdrawal shall be made ... unless and until: (i) the respective NE State has entered into a Subsidiary Agreement with the Recipient; (iii) the Association has received an opinion satisfactory to it ...; (iii) the respective NE State has adopted its own State PIM satisfactory to the Association.		
<b>Source Of Fund</b>	<b>Name</b>	<b>Type</b>
IDA	Targeting	Disbursement
<b>Description of Condition</b>		
... no withdrawal shall be made ... for payments under Category (4) until: (i) the Recipient has confirmed that the Eligible TCT Beneficiaries satisfy the criteria set forth in the PIM, and (ii) the Recipient has furnished all required verification documents acceptable to the Association showing that the Targeted Cash Transfers have been made in accordance with the provisions of this Agreement ...		
<b>Risk</b>		
<b>Risk Category</b>		<b>Rating (H, S, M, L)</b>
1. Political and Governance		High
2. Macroeconomic		Substantial
3. Sector Strategies and Policies		Substantial
4. Technical Design of Project or Program		Moderate
5. Institutional Capacity for Implementation and Sustainability		High
6. Fiduciary		High
7. Environment and Social		Moderate
8. Stakeholders		High
9. Other (Fragility)		High
OVERALL		High
<b>Finance</b>		
<b>Loan Closing Date - Additional Financing ( Nigeria Youth Employment and Social Support AF - P157899 )</b>		
<b>Source of Funds</b>	<b>Proposed Additional Financing Loan Closing Date</b>	
IDA recommitted as a Credit	30-Jun-2020	
<b>Change in Disbursement Arrangements</b>		
Explanation:		
In an effort to ensure enhanced operational efficiency in the implementation of Component 3, the funds flow arrangements were revised to add an additional naira drawdown account which would be managed by the NDE as a Federal agency. While NDE HQ would transfer funds to the State NDE office account for implementation of activities, it would directly engage service providers and make stipend payment funds available to them across all the participating States. The Joint State Account funds flow remains unchanged		

between Federal and State and between the SOCU and PIUs. This revision will be detailed in the Operations Manual.

**Change in Disbursement Estimates (including all sources of Financing)**

Explanation:

Estimates revised to include additional financing.

**Expected Disbursements (in USD Million)(including all Sources of Financing)**

Fiscal Year	2016	2017	2018	2019	2020					
Annual	5.00	20.00	30.00	30.00	15.00					
Cumulative	5.00	25.00	55.00	85.00	100.00					

**Allocations - Additional Financing ( Nigeria Youth Employment and Social Support AF - P157899 )**

Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)
			Proposed	Proposed
IDA	XDR	Goods, non-consulting services, consultants' services, Operating Costs, Training and PW Payments under Part 2	21,200,000.00	100.00
IDA	XDR	Goods, non-consulting services, consultants' services, Operating Costs, Training and Stipends under Part 3 of Project	7,100,000.00	100.00
		Goods, non-consulting services, consultants' services, Operating Costs, Training under Part 4 of Project	10,600,000.00	100.00
		Targeted Cash Transfers under Part 4 of Project	28,200,000.00	100.00
		Unallocated	3,500,000.00	0.00
		<b>Total:</b>	70,600,000.00	

**Components**

**Change to Components and Cost**

Explanation:

Component 4 has changed from CCTs to TCTs. Costs for Components 2, 3, and 4 have increased to incorporate the additional financing provided.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Component 1: Strengthening Social Safety Net System	Component 1: Strengthening Social Safety Net System	20.00	20.00	No Change

Component 2: Public Workfare Program	Component 2: Public Workfare Program	200.00	240.00	Revised
Component 3: Skills for Jobs Program	Component 3: Skills for Jobs Program	30.00	40.00	Revised
Component 4: Conditional Cash Transfer (CCT) Program	Component 4: Targeted Cash Transfer (TCT)	50.00	100.00	Revised
	<b>Total:</b>	300.00	400.00	
<b>Other Change(s)</b>				
<b>Change in Institutional Arrangements</b>				
<p>Explanation:</p> <p>Institutional Changes</p> <p>North East - State Level Institutional and Organizational Arrangement. YESSO in the North East will have SOCUs, designated Social Safety Net Implementation Agencies (SSNIAs), and Project Finance Management Units (PFMU). The SOCU will be situated in the Planning or Central Ministry, a non-implementing multilateral development agency, and staffed appropriately with dedicated personnel. It will (a) manage the Unified Register of Poor, Vulnerable, and IDPs and (b) coordinate and support facilitation, monitoring and evaluation, and reporting. The SSNIA will be situated in appropriate State sectoral multilateral development agencies. This can be the same or different agencies depending on whether the two State-level interventions are to be implemented by one or two agencies, and they will be properly staffed with dedicated personnel. The SSNIAs will be required to (a) implement public workfare and TCT; (b) report on performance to SOCU; and (c) be supported by FOCU. Lastly, the State Project Finance Management Unit (PFMU) will manage IDA funds for SOCU and SSNIAs.</p> <p>There will be a slight institutional change at the Federal level, as the NDE will now directly supervise Component 3 and report to NDE management and FOCU. Furthermore, the State offices of the NDE will work directly with the State governor's office rather than through a designated State agency.</p> <p>Changes in Operational Process</p> <p>Federal and State-level operational process. The FOCU, which is the YESSO team at the Federal level, will now report to and be supervised by the National Social Safety Net Coordinating Office (NASSCO) in the office of the Vice President. The Presidential Committee on North-east Initiative (PCNI) desk is also part of NASSCO. The NDE would work with a naira drawdown account and report only to the FOCU. At the State level, State agencies will collect and validate all existing registers (IOM, SEMA, WFP, USAID, EU, and the Bank) in use in the States into a Unified Register. Moreover, the Unified Register will use the current YESSO template during validation, for compatibility and comparability. State Unified Registers will consist of particulars of all IDPs, poor, and vulnerable and all interventions will be targeted at only beneficiaries selected from the State Unified Registers. At the LGA/ward level, the SSNIA will work with State and ward/community structures to implement public workfare and TCT. A community assistance committee, comprising district heads, religious leaders, representative of resettling IDPs, women and youth representatives, would be constituted to partner with the LGAs and States during implementation. Also, nongovernmental organizations, community-based organizations, and private firms will be used to compliment the efforts of SOCU and SSNIA in areas such as psycho-social and trauma support. Development partners such as UNICEF, EU/GIZ, Mercy Corps-USAID, and WFP will continue to be allies for support and cross learning. In addition, linkages will be established between line ministries and public sector entities with centers of excellence, especially universities, public and private, to support the project implementation by providing third-party monitoring.</p>				

## Appraisal Summary

### Economic and Financial Analysis

#### Explanation:

The economic and financial analysis carried out for the proposed YESSO AF assessed (i) the economic rationale and expected benefits of additional investment in YESSO, including its impact on household income, poverty, livelihood, and resettlement of the poor and vulnerable in the North East of Nigeria and (ii) possible increase in levels of public sector social protection expenditure in some of the States in the country and the States in the North East in particular.

The analysis indicated that the economic rationale for the proposed AF is very strong. The original YESSO intervention is already helping to create and strengthen coordination and monitoring of SSNs at the Federal and State government levels. This will make the delivery of social protection to the poor and vulnerable in the North East more effective and efficient. Furthermore, YESSO interventions in the areas of public workfare and skills for jobs focus on making young people more employable, thereby contributing to the reduction of youth unemployment and its attendant risk of violence and crime. This is very apt for the North East, where youths who are idle are easily recruited into violence and crime. It will also increase the access of poor and vulnerable groups, including IDPs, to education and health services, thus enhancing the quality of the region's human capital.

The analysis still confirms favorable cost/returns ratios on the two original components of YESSO that remain unchanged in the AF. For instance, the costs of YESSO (administration/management) for the public workfare component remains as estimated to be US\$7.8 million per year. In this component, over a period of one year, YESSO with the AF is expected to transfer an average of US\$25.5 million wage benefits to unemployed youth. This results in transferring US\$1 of benefits at a cost of US\$0.24. This compares favorably with the estimated cost/return ratios and labor cost ratio for several countries reported in a recent publication on public works (see Subbarao et al. 2012). It is worth stressing that these are only economic returns. In addition, the YESSO AF, in the North East, has potential for social returns with respect to reducing youth violence and economic benefits for assets created which are beneficial to communities. As such, the above estimate understates the benefits. Because in the case of the North East, administrative costs will include not only public works implementation costs but also the costs of administering TCTs, the costs are overestimated. Taking these considerations into account, it is clear that YESSO aims to generate significant economic returns at a reasonable cost.

In the context of recovery and peace building in the North East, the YESSO AF with a component on TCT to the poor and vulnerable (especially IDPs) will assist those people who wish to return to smooth consumption, resettle when deemed safe to do so, and restart their means of livelihood. It will also assist poor and vulnerable in host communities to improve their consumption and livelihood. The creation of social jobs under the SSNs platform (public workfare and skills for jobs) will assist in engaging youth and women, thereby keeping them productive and moving them away from partaking in insurgency. This will contribute to stabilizing the social fabric and spur recovery.

### Technical Analysis

#### Explanation:

The parent YESSO is anchored on lessons learned on SSNs both within and outside the country. This includes the support given to the Government since 2004 for the social assistance program, technical assistance to the National Poverty Eradication Program for the design of a CCT framework in 2007-2008, joint support with UNICEF and the U.K. Department for International Development to three northern States in a CCT intervention, and support to the MDG Office for the revision of the funding of CCTs under the Conditional Grant Scheme (CGS). In addition, the Federal Ministry of Finance has recently asked the Bank to provide support for the institutionalization of a national public workfare intervention under the

National Job Creation Program. The operation's design is also informed by analytical work, including an assessment of existing social assistance programs, an institutional assessment, economic and financial analysis, a social assessment, and governance and public expenditure assessments, as well as lessons learned from study visits to SSN programs in Ghana, Rwanda, Kenya, and Brazil.

The proposed restructuring and AF of YESSO for the North East has been designed based on lessons learned from the parent YESSO, emerging issues of resettlement, recovery and welfare of the returnees and host communities affected by the insurgencies (conflict/emergency situation), and consultations with the stakeholders in the North East. This AF for the North East is a derivative of the recent joint UN/EU/Bank RPBA which indicates that IDPs and host communities require some assistance to enable them to restart their means of livelihood while stimulating economic recovery. Already some development partners such as the EU, GIZ, USAID, UNICEF, WFP, Catholic Relief Services, Dangote Foundation, Bill and Melinda Gates Foundation are active in the North East on cash transfers, livelihood support, and skills and capacity building albeit in humanitarian activities. The new National Social Safety Nets Project (NASSP) has a national CCT program, necessitating the CCT component in YESSO to be dropped while an unconditional TCT is introduced for the North East for the poor and vulnerable, especially IDPs and those in host communities. The following key design elements of YESSO have been guided by the lessons learned from these previous interventions:

- Implement YESSO support in States that have demonstrated interest, ownership, and funding of programs similar to the components in the operation. This way, ownership and sustainability can best be assured.
- Promote strategic partnerships between relevant ministries, agencies, and organizations within the public and private sector.
- Mainstream YESSO management into existing institutional arrangements designated by the Federal and State governments for SSN programs.
- Strengthen the existing institutional structure at the Federal, State, and LGA levels for SSN programs.
- Take a community-driven development approach to governance, including an anticorruption plan and objective mechanisms for selecting beneficiaries such as community-based targeting and proxy means tests backed by community validation. Community committees are to also be involved in public works supervision.
- Integrate a robust social accountability framework into the design and implementation process to ensure transparency, accountability, and equity.
- Agree on a communications strategy up front and lay out the details related to all components and all government levels in the Operations Manual.

### **Social Analysis**

Explanation:

**Social Impact:** The YESSO AF is designed to have a positive social impact by protecting the most vulnerable individuals and households (especially IDPs, women, youths, and children) in conflict-affected communities. Project activities will rejuvenate local economic activities by creating purchasing power in affected areas, as well as rebuilding some damaged basic infrastructure by integrating some reconstruction activities into the public workfare component of the project. Providing employment opportunities to youth would also give them activities to engage in, instead of being idle and at risk of being prone to get involved in insurgency.

**Safeguards:** No substantive changes are expected from the parent project. The YESSO AF, like the parent project, triggers OP 4.12. Under the parent project, a Resettlement Policy Framework was prepared and to date no Resettlement Action Plans have been prepared as project implementation is yet to result in land acquisition. Under the AF, the project is not expected to lead to any large-scale acquisition of land or to any denial of access for usual means of livelihood. The subprojects under the public workfare component may involve small-scale land acquisition, temporary relocation of residents, and/or restriction of access to sources of livelihoods. Since the exact locations and the number of people likely to be affected will be

known only during implementation, the Resettlement Policy Framework (RPF) and Environmental and Social Management Framework (ESMF) prepared under the parent project has been revised and disclosed in country and in the InfoShop on May 20, 2016.

Citizen Engagement: Project implementation to date has demonstrated the effectiveness of the mechanisms to enhance transparency, accountability, and participation being implemented under the parent project. As such, the same mechanism will be integrated into the AF operations. These include (i) a robust communication strategy and plan; (ii) community-based beneficiary identification, implementation, and monitoring; (iii) information dissemination on SSN interventions, eligibility criteria, roles, and responsibilities of stakeholders; (iv) accountability nodes and an accessible and responsive feedback and grievance mechanism; (v) third-party monitoring arrangements to validate project progress and impacts; and (vi) beneficiary assessment to capture impacts at the individual household level from the range of SSN interventions.

### **Environmental Analysis**

Explanation:

There is no change in project safeguards and the overall safeguards performance of the original project is satisfactory. During the preparation of the original YESSO project, the specific sites where the project's activities would be implemented were not known in sufficient detail. As a result, an Environmental and Social Management Framework (ESMF) was prepared for the project in accordance with OP 4.01 and disclosed in-country and at the World Bank's InfoShop on November 26, 2012. During implementation, the client has not prepared site specific safeguards instruments as spelled out by the ESMF since no site-specific projects have been embarked upon.

The proposed activities under this restructuring will be similar in type and scope to those of the original project (especially in relation to public workfare and skills for jobs) in addition to extending the project to the North East States of Nigeria. As in the parent project, the exact locations and the types of activities that will be funded under the restructured project are not yet known in sufficient detail. Meanwhile, since the restructuring will include additional States in the conflict-affected North East States, the existing ESMF has been updated and was disclosed in country and in the World Bank's InfoShop on May 20, 2016.

The potential environmental impacts are not expected to transcend what was anticipated (minimal, site specific, and manageable to an accepted level) in the original project. Also, the restructured project will not trigger new safeguard policies and thus will remain in safeguards Category B. As indicated in the ESMF, public works that will result in environmental impacts that are more substantial shall prepare Environmental Social Impact Assessments and/or ESMPs, which will be consulted upon and disclosed prior to work starting. The emergency nature of the AF will be processed according to paragraph 12 of OP 10.00. Adequate provision will be made for the implementation of the safeguard instrument in the various States and specifically in the North East States through capacity-building/training measures and adequate site visits to administer the safeguard instrument for each public works project.

### **Risk**

Explanation:

The overall risk is High. Political and Governance, Institutional Capacity, Fiduciary, and Stakeholders categories have been rated as High, while Macroeconomic, as well as Sector Strategies and Policies categories have been rated as Substantial. These ratings, as well as the addition of a category of Other (Fragility), which is rated High, are primarily due to the fragile and conflict environment as the focus of the AF is on the North East States which have been heavily hit by the Boko Haram insurgency. In an environment where transition from conflict to peace remains fragile, the implementation of the YESSO is expected to face a number of challenges. These relate to the dynamic nature of the conflict as well as to the lack of clarity on government policies related to the emergency transition and stabilization phases. There

are increasing security challenges and conflict situations in the North East part of the country. This poses implementation risk for the Government and supervision risk for the World Bank team. In terms of mitigation, the use of third-party monitors, local nongovernmental organizations, and other civil society groups for supervision, monitoring, and evaluation will be explored and if the situation escalates, the World Bank and the Government will reassess the operation. Lack of clarity on beneficiary eligibility and spatial targeting is another challenge, so government clarity on spatially differentiated interventions would be required to guide the stabilization and recovery process. In addition, the lack of a displacement management process is a challenge. The nature of population displacement resulting from the conflict is complex. Different displacement categories in the North East include IDPs living in official camps, IDPs living within host communities, IDPs living in schools and public buildings, refugees returning from neighboring countries and resettling in official IDP camps, IDPs settling permanently in host States, and IDPs returning to the States and areas of origin. These challenges would be mitigated by consistent government policies on support schemes addressing the respective needs of each IDP category.

## **V. Governance and Accountability**

25. The project aims at strengthening institutional effectiveness and accountability at three levels: Federal and State levels for the establishment and management of a central SSN platform and community level for the targeting of beneficiaries and social accountability.

26. To help restore public trust in the Government, which is at a low ebb as a result of the conflict, the project establishes a robust grievance redress system, which should help mitigate endemic fraud and corruption, including at the point of delivery across public programs (as documented by a recent survey). Communities will be trained and capacitated to report on petty fraud and corruption through the grievance redress system, which will ensure that individual complaints are adequately addressed as well as the systemic issues they reflect. Given the need to restore social cohesion, the GRM is also designed as a conflict resolution mechanism. Details are provided in the Operations Manual.

27. Based on the findings of the detailed financial management review of the World Bank's portfolio with a focus on project soft expenditure and operating expenses at the Federal and State levels, an enhanced accountability framework will apply to provide increased assurance that funds are used for the intended purposes with economy and efficiency and attain value for money. Details are provided in the Operations Manual.

## **VI. Communication**

28. Communication was incorporated into YESSO as a tool for enhancing and showcasing results, citizen's engagement and participation and provisions were made to mainstream communication into project implementation. A communications action plan was developed and communications specialists were recruited at the Federal and State PIU levels. This AF will benefit from the already existing communication arrangements which anticipate the scaling-up of the implementation of the communication strategy, including a communication action plan further detailed in the Operations Manual.

## **VII. World Bank Grievance Redress**

29. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's

independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## Annex 1: Results Framework

Project Name: Nigeria Youth Employment and Social Support AF (P157899)	Project Stage: Additional Financing	Status: FINAL
Country: Nigeria	Approval FY: 2016	
Region: AFRICA	Lending Instrument: Investment Project Financing	
Parent Project ID: P126964	Parent Project Name: Nigeria Youth Employment & Social Support Operation (P126964)	

### Project Development Objectives

Original Project Development Objective - Parent:

The objective of the operation is to increase access of the poor to youth employment opportunities, social services, and strengthened safety net systems in participating states.

Proposed Project Development Objective - Additional Financing (AF):

The project development objective is to increase access of the poor and vulnerable, using improved social safety net systems, to youth employment opportunities in all Participating States and to provide Targeted Cash Transfers to the poor, vulnerable and internally displaced people (IDPs) in the North East States.

### Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

### Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised (changed definition, updated target)	Youths receiving cash payment in return for working in the public works program in each participating state	<input type="checkbox"/>	Number	Value	0.00	0.00	300000.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			

	(disaggregated by gender and IDP status).						
Revised (changed definition, updated target)	States using the single and unified registry for selecting eligible beneficiaries for various interventions (disaggregated by gender and IDP)	<input type="checkbox"/>	Number	Value	0.00	0.00	16.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
Revised (changed definition)	Trained youths from selected benefiting households with job (increasing earning) one year after completion of skills for job intervention (disaggregated by gender, IDP and employment status)	<input type="checkbox"/>	Number	Value	0.00	0.00	40000.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
Marked for Deletion	Individuals from poor beneficiary households (those in the lowest quintiles) selected under the unified registry of beneficiaries receiving cash payments (disaggregated by gender)	<input type="checkbox"/>	Number	Value	0.00	0.00	40.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
Marked for Deletion	School-age children of beneficiary households who attend school for at least 80 percent of the school year during participation in the CCT intervention (disaggregated by gender).	<input type="checkbox"/>	Percentage	Value	0.00	0.00	60.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
Marked for Deletion	Women from benefiting household who use health and or nutrition services in CCT intervention	<input type="checkbox"/>	Percentage	Value	0.00	0.00	60.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			

No Change	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0.00	0.00	370000.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
No Change	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	0.00	60.00
				Date			
				Comment			
New	Number of vulnerable households receiving targeted cash transfers in the North East	<input type="checkbox"/>	Number	Value	0.00		50000.00
				Date	21-Apr-2016		30-Jun-2020
				Comment			

**Intermediate Results Indicators**

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Coordinating platform at Federal level functional	<input type="checkbox"/>	Text	Value	No Coordination platform	Coordination Platform in place at Federal and State level and functionality is improving gradually	Functional
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
No Change	Final SP/SSN strategic framework developed	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
No Change	Single Registry for selecting and tracking eligible beneficiaries available for use by participating States	<input type="checkbox"/>	Number	Value	0.00	8.00	12.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			

No Change	States that use agreed criteria in the selection of beneficiaries (disaggregated by interventions).	<input type="checkbox"/>	Number	Value	0.00	0.00	12.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
No Change	Youths who completed assigned tasks.	<input type="checkbox"/>	Number	Value	0.00	0.00	200000.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
No Change	Average working time per day	<input type="checkbox"/>	Hours	Value	0.00	0.00	4.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
No Change	Youths who receive orientation and life skills training (disaggregated by gender).	<input type="checkbox"/>	Number	Value	0.00	0.00	100000.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
No Change	Number Female	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	50000.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
No Change	Youths who graduated from internship programs (disaggregated by gender)	<input type="checkbox"/>	Number	Value	0.00	0.00	50000.00
				Date	07-Aug-2013	29-May-2015	30-Jun-2020
				Comment			
No Change	Number Female	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	25000.00
				Date	07-Aug-2013	29-May-2015	30-Jun-2020
				Comment			
No Change	Youths trained in life, vocational and entrepreneurial	<input type="checkbox"/>	Number	Value	0.00	0.00	50000.00
				Date	07-Aug-2013	29-May-2015	30-Jun-2020

	skills (disaggregated by gender).			Comment			
No Change	Number Female	<input type="checkbox"/>	Number	Value	0.00	0.00	25000.00
				Date	07-Aug-2013	29-May-2015	30-Jun-2020
				Comment			
Marked for Deletion	Total number of households benefiting from Cash transfer	<input type="checkbox"/>	Number	Value	0.00	0.00	50000.00
				Date	07-Aug-2013	29-May-2015	30-Jun-2020
				Comment			
Marked for Deletion	Poor beneficiaries (lowest quintiles) from the unified register receiving cash transfer on schedule	<input type="checkbox"/>	Percentage	Value	0.00	0.00	40.00
				Date	07-Aug-2013	29-May-2015	30-Jun-2020
				Comment			
No Change	School-age children of benefiting households who attended schools for 80% of the term.	<input type="checkbox"/>	Number	Value	0.00	0.00	50000.00
				Date	07-Aug-2013	29-May-2015	30-Jun-2020
				Comment			
No Change	Women from benefiting households who receive health information on routine visits to health facilities.	<input type="checkbox"/>	Number	Value	0.00	0.00	25000.00
				Date	07-Aug-2013	25-Nov-2015	30-Jun-2020
				Comment			
New	Number of IDPs (from existing registry) resettled/relocated to safe communities in the North East	<input type="checkbox"/>	Number	Value	0.00		250000.00
				Date	21-Apr-2016		30-Jun-2020
				Comment			
New	Number of poor, vulnerable and IDPs with improved livelihoods in the North East	<input type="checkbox"/>	Number	Value	0.00		150000.00
				Date	21-Apr-2016		30-Jun-2020
				Comment			
New			Percentage	Value	0.00		60.00

	Percentage of project beneficiaries satisfied with project interventions	<input type="checkbox"/>		Date	21-Apr-2016		30-Jun-2020
				Comment			
New	Percentage of grievances addressed within the timeframe stipulated in the Operations Manual	<input type="checkbox"/>	Percentage	Value	0.00		70.00
				Date	21-Apr-2016		30-Jun-2020
				Comment			

## Annex 2: World Bank Engagement Framework in Northern Nigeria

### I. Context

1. **The Boko Haram insurgency has disrupted economic and social activities and has negatively affected the productive capacity, employment, and livelihoods of over fifteen million people.** The six North East States of Borno, Yobe, Adamawa, Taraba, Bauchi, and Gombe have been adversely affected by the insurgency which has severely curtailed their ability to meet the most pressing needs of IDPs, deliver basic social services, and restore essential infrastructure. The human, social, and economic losses attributed to the Boko Haram insurgency are enormous, resulting in the loss of over 20,000 lives, the displacement of over 2 million people (nearly 80 percent are women, children, and youth) forcibly displaced by the conflict with Boko Haram, and the destruction of entire towns and villages. Furthermore, the region has witnessed a 20–30 percent decrease in crop yields and declining livestock productivity. The amount of land being used to grow food has dropped by almost 70 per cent over the past year as violence disrupted farming activities. The recently completed North East Nigeria RPBA<sup>1</sup> estimates nearly US\$9.0 billion in damages across all six States. With US\$5.9 billion in damages, Borno is the most affected State, followed by Adamawa (US\$1.6 billion) and Yobe (US\$1.2 billion). The damages to the agricultural (US\$3.5 billion) and housing sectors (US\$3.3 billion) are considerable and make up three-quarters of the total losses. The economic impact of the insurgency has also transcended the geographic borders of the country, impairing cross-border trade with Niger, Chad, and Cameroon.

### II. Government's Response

2. **The critical and immediate challenge facing the Government of Nigeria today is ensuring the welfare of the IDPs, the host communities, and the population in the conflict areas.** The immediate and effective provision of basic social services to the above target groups remains a government priority. Nigeria's Emergency Management Agency (NEMA), in coordination with State Emergency Management Agencies (SEMAs) has been monitoring IDP movements and providing a range of relief support to affected communities. According to the RPBA, food, access to clean drinking water, and other emergency supplies have been provided to IDPs living in camps and many of those staying with host families in the North East in response to Boko Haram-related violence. Emergency education for displaced children also became a priority following unprecedented attacks targeting students and teachers, as well as school infrastructure. In 2014, a Safe Schools Initiative has been set up to promote safe zones for education. In some cases, students were transferred with parental consent to other schools in States not affected by the fighting.

3. **On August 21, 2015, the Government of Nigeria requested donors' assistance in assessing the needs associated with peace building and crisis recovery efforts.** The joint North East RPBA was launched in January 2016 in support of the Government's efforts toward peace building and sustainable recovery in the North East. The RPBA provided a framework for coordinated and coherent assistance to conflict-affected communities in the North East. The proposed framework identified the immediate and urgent need for sustaining emergency transition activities while supporting, in parallel, stabilization initiatives along the three strategic areas of

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<sup>1</sup> RPBA, World Bank, EU, and the UN, April 2016.

intervention, namely: (i) peace building and social cohesion; (ii) infrastructure and social services and; (iii) economic recovery. The total needs across the three strategic areas of interventions are estimated to be around US\$6.42 billion.

### III. World Bank's Engagement in Northern Nigeria

4. **The World Bank has a critical role to play in supporting the Government in its efforts to restore stability and create economic opportunities for the most vulnerable.** Such an approach is well aligned with the World Bank Group's twin goals of ending poverty and boosting shared prosperity. The focus of the Bank's engagement in Northern Nigeria is twofold. First, in collaboration with the authorities, the Bank has developed the NETSP of support for the six States in the North East. In parallel, it seeks to deepen its engagement in Northern Nigeria through the work on the formulation of a Northern Nigeria Regional Development Framework. The Bank's support to the North East and to the North as a whole is prioritized and sequenced to complement government and development partners' interventions.

### IV. North East Emergency Transition and Stabilization Program

5. **The Bank is fully cognizant of the importance of bridging the gap between the two phases of emergency transition and stabilization in the North East.** A key cross-cutting objective underpinning the Bank's support relates to addressing the service delivery gaps, livelihood deficits and social cohesion issues created by the protracted crisis. The NETSP comprises a set of coordinated emergency transition and stabilization activities and targets Borno, Yobe, Adamawa, Bauchi, Gombe, and Taraba. The NETSP support includes a series of AFs and a multisector Emergency Crisis Recovery Project. The proposed World Bank support under the NETSP (US\$775 million) represents 12 percent of the total identified needs for recovery and peace building across the three strategic areas of interventions. This is expected to be further complemented by ongoing and/or planned programs funded by the government and development partners in the targeted areas identified under the RPBA.

6. **The AF interventions under the NETSP focus on 4 areas: agriculture, health, education, and social protection.** They are informed by the findings of the RPBA and represent a set of priority initiatives that have a tangible and quick impact. They are predominantly results driven and aim at improving government service delivery while building on collaborative partnerships between governmental institutions and civil society. The implementation of the AF interventions relies on accumulated knowledge and existing institutional networks to assist with the rapid deployment of Bank resources.

### V. NETSP Implementation Risks and Challenges

7. **In an environment where transition from conflict to peace remains fragile, the implementation of the NETSP is expected to face a number of challenges.** These relate to the dynamic nature of the conflict on one hand and to the evolving policy environment on the other. On the latter, both the design features and the technical assistance to be provided under the NETSP will mitigate the anticipated policy challenges. The NETSP interventions will provide guidance to State governments on the formulation of appropriate support schemes and subsidy systems targeting, on one hand, public assets and public services (Federal and State-owned), while on the

other, addressing private assets and the needs of private individuals. Such guidance will focus on the following:

- (a) **Selectivity and beneficiary eligibility for government support schemes.** Social groups affected by the protracted conflict in the North East are quite diverse. They include among others, disabled; women and girls; elderly; youth (especially child soldiers); victims of war, IDPs living in official camps; IDPs living within host communities; refugees returning from neighboring countries; host communities; residents of areas of conflict; farmers, etc. Hence, given the limited availability of public resources at the disposal of State governments, guidance on the hierarchy of beneficiary groups that are eligible for immediate government assistance will be provided under the NETSP interventions.
- (b) **Equity in government support schemes to private individuals and private assets.** International experience has shown that common and equitable support schemes need to be applied within beneficiary groups and across affected States (no one left behind). This is more important in situations where the North East States are implementing an array of interventions targeting various beneficiaries (IDPs, etc.) and private assets through (i) cash transfers; (ii) financial support for repair and reconstruction of private housing; (iii) financial support for replacement of damaged private productive assets (farming tractors, etc.). Bank assistance under the NETSP will support State governments in formulating schemes that are equitable and well aligned behind past governments' track record following similar situations of natural and/or man-made disasters.
- (c) **Displacement management.** The nature of population displacement resulting from the conflict is complex. IDPs in the North East include IDPs living in official camps; IDPs living within host communities; IDPs living in schools and public buildings; refugees returning from neighboring countries and resettling in official IDP camps; IDPs settling permanently in host States; and IDPs returning to States and areas of origin. Bank assistance under the NETSP will support State governments in formulating consistent government policies and support schemes addressing the respective needs of each category of IDPs.
- (d) **Resource mobilization strategy.** The magnitude and complexity of challenges necessitates the mobilization of considerable financial resources. As such, aligning both Federal and State budgets (both recurrent and capital) behind local needs, while developing plans and resource mobilization strategies at international level will be required. Resources will need to cater to the basic functioning of the States, including salaries and pensions for the civil service and security sector, which have a critical impact on the stabilization process. As such, Bank assistance under the NETSP will support State governments in formulating burden-sharing arrangements with the Federal Government and Development Partners.
- (e) **Communication with stakeholders and beneficiaries.** The NETSP involves many nonconventional stakeholders, possibly with different priorities and interests. Coordination between these entities will become extremely difficult. This risk will be

mitigated through regular information sharing processes among stakeholders, including counseling and awareness sessions for the beneficiaries to apprise them on the available support under the NETSP program.

- (f) **Security and the recurrence of militancy.** The Bank foresees the difficulties in direct monitoring and supervision in the field. High security-related risks may interfere with timely achievement of intended outcomes. Despite the external security risks, the flexibility of the NETSP design and the existing experience in quick mobilization will assist the projects in adjusting to the changing environment. Also, the government is ensuring that repatriation is announced for only those areas which have been cleared by the army and declared as safe.
- (g) **Political and governance.** Due to continued insurgency in the region and lack of formal control of the government over some areas, the institutional setup and the writ of the government were weakened. This led to deterioration of the informal governance structures that were being managed through the traditional authority of local leaders. The social fiber of the region has been weakened and challenged, which has been posing challenges for the government to reestablish linkages. For local people, the time tested reliance on the local elders and leaders has also grown weak. Citizen-State relationship, improved governance, and service delivery are important components of long-term development and governance reforms embedded in the NETSP.

## VI. Major Design Features of the NETSP

8. Cognizant of the implementation risks described above, the AF initiatives have incorporated a number of mitigation measures and design features that build on the findings and recommendations of the RPBA. These include:

- (a) **Building on lessons learned.** The Bank's engagement under the NETSP builds on lessons learned in similar challenging circumstances. There is no 'one size fits all' approach and a successful response needs to be flexible, creative, and rapid. For example, results- and service-based financing has been successfully implemented in the health sector in Adamawa with Bank support. Initial results show significant improvements in contraceptive prevalence rates, antenatal care, and utilization of curative services. Experience has also shown that putting in place well-motivated and well-managed health workers with access to decentralized funding allows for large and immediate gains in service delivery during the post-conflict transition phase. Furthermore, in areas where conflict is ongoing, strategies such as the use of mobile health teams to run free 'health camps' that provide a broad array of medical services are being adopted.
- (b) **Relying on available institutional capacities.** Given the need for a rapid and timely response, the NETSP design benefits from the available institutional capacities built under ongoing Bank-financed operations. The program relies on existing institutions at both State and local government levels and works with civil society and faith-based and community-based organizations.

- (c) **Factoring security concerns.** The situation in the North East remains volatile with pockets remaining under the influence of the insurgents. To mitigate these risks, program implementation will be particularly mindful of security matters and will operate within the mechanisms established by the Government of Nigeria and the military. Also, the Bank has extensive experience operating in fragile post-conflict areas and has demonstrated flexibility adapting to changing circumstances. The use of third-party monitoring agents to ensure adequate fiduciary oversight and to offset the difficulties in access by Bank staff has been adopted in the design of the various project interventions.
- (d) **Promoting demand-driven approaches.** Experience in restoring services in conflict-affected areas confirms that community-level empowerment and engagement are absolutely key. As such, the local participation of target community groups is an integral part of the NETSP design and implementation. This involves school-based management committees in the education sector, primary health care development agencies, primary health care centers, and non-State entities such as UN agencies and community-based organizations in the health sector, as well as private farmers, farming groups, and farming cooperatives in the agriculture sector. Also, demand-based CDD approaches have been adopted under the social protection interventions.
- (e) **Integrated and balanced approach.** The NETSP design has adopted an incremental and sequenced approach focusing first on the immediate and rapid restoration and sustaining of basic social services and livelihoods followed by increasing emphasis on recovery and rehabilitation of public goods.
- (f) **Targeting for maximum impact.** The NETSP supports an area-based approach that consists of a blend of Statewide and LGA-specific targeting approaches. Given the limited government and donor funding available, greater focus is placed on host communities and the IDPs living among them rather than on IDPs living in camps. Also, support to communities in their areas of origin is envisaged so as to prepare the enabling environment for the dignified return of IDPs. The welfare impact of such an approach is justified given that several international organizations (in particular United Nations Children’s Fund) and civil society organizations are active in the IDP camps providing education and health services. Moreover, none of the humanitarian donor agencies appear to be focusing on livelihood support either through labor-intensive public works or through cash transfers to IDPs and host communities. Some food distribution has taken place (for example, funded by the Food and Agriculture Organization in health camps) but remain very limited in scale.
- (g) **A State-differentiated approach for budget allocation.** Considering the differing transition and stabilization needs among the six North East States, the three conflict-affected States of Borno, Yobe, and Adamawa were allocated a higher share of the NETSP funds. This reflects the extent of displacement, food insecurity, and destruction witnessed. However, fund allocation among States will remain flexible to cater to variation in absorptive capacity and disbursement rates.

### **Annex 3: Guiding Principles on the Incorporation of RPBA Findings in the Proposed Additional Financing**

#### **Background: The North East Nigeria Recovery and Peace Building Assessment (RPBA)**

1. **On August 21, 2015, the Government of Nigeria requested assistance to assess the needs associated with peace building and crisis recovery.** Support has been provided in accordance with the 2008 Joint European Union (EU) – United Nations (UN) – World Bank (WB) Declaration on crisis assessment and recovery planning. The RPBA has been prepared and implemented by the Federal Government, led by the Vice President’s Office, and the governments of the six affected States, with support from the World Bank, UN, and EU. A multistage consultation process was followed for the development of the assessment methodology, collection and validation of data, and progressive corroboration of results, ending with consultation and validation of the RPBA findings, after which the document was fully endorsed by the different stakeholders.

2. **The RPBA informs a collective vision and strategy on peace building and recovery and provides a framework for coordinated and coherent support to assist conflict-affected people in the North East.** The assessment covers the six States of Borno, Yobe, Adamawa, Gombe, Taraba, and Bauchi, and provides an overarching framework for stability, peace building, and recovery. The RPBA is founded on the recognition that a durable resolution to the conflict in the North East requires addressing the structural and underlying drivers of violent conflict. To assess and prioritize immediate and medium-term peace building and recovery needs, the RPBA gathered information across three components, namely: Peace Building, Stability, and Social Cohesion; Infrastructure and Social Services; and Economic Recovery. The full RPBA report will be made publicly available by the Nigerian government upon its launch in mid-May.

#### **RPBA Recovery Strategy and Framework**

3. **The RPBA confirmed the need for recovery and peace building efforts to be carried out in tandem with the ongoing scaling up of the humanitarian assistance.** Therefore, the Recovery and Peace Building Strategy will need to be closely coordinated with the Humanitarian Response Plan (HRP)<sup>2</sup> to build on the HRP’s achievements and avoid overlaps.

4. **Careful and coordinated sequencing of the RPBA and subsequent support will be critical in view of the fluidity of the security environment and the marked variation in security within and among the six States.** Priorities should be carefully assessed on a continuous basis and adjusted as needed in light of the prevailing situation on the ground. In some areas, a humanitarian response combined with stabilisation will be needed, while in other areas, the context will permit more substantial movement toward recovery.

5. **An integrated and balanced approach to recovery is essential.** Peace building and social cohesion is the backbone of the assessment. Hence, it is crucial to properly balance peace building,

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<sup>2</sup> The HRP 2016 was prepared by the UN-Nigeria, with the purpose of assessing the humanitarian conditions of the Nigerian North East and providing a framework for the continuous national response and early recovery plans and interventions to these needs. For more information, please visit: [https://www.humanitarianresponse.info/en/system/files/documents/files/nigeria\\_2016\\_hrp\\_03032016\\_0.pdf](https://www.humanitarianresponse.info/en/system/files/documents/files/nigeria_2016_hrp_03032016_0.pdf)

stability, and social cohesion interventions with other interventions aimed at reconstructing or rehabilitating social, physical, and productive assets. Peace building, stability, and social cohesion interventions will ensure the sustainability of recovery interventions on the ground and lay the foundation for human security to prevail. The assessment sets out four strategic outcomes for recovery and peace building: 1) Safe, voluntary, and dignified return and resettlement of displaced populations; 2) Improved human security, reconciliation, and violence prevention; 3) Enhanced government accountability and citizen engagement in service delivery; and 4) Increased equity in the provision of basic services and employment opportunities.

## Overview of Overall Impacts and Needs from the Crisis under the RPBA

6. The assessment indicates that the economic impact of the crisis is substantial, reaching nearly US\$9 billion. Needs for recovery and peace building are disproportionately concentrated in Borno, followed by Yobe and Adamawa.

Two-thirds of the damages (US\$5.9 billion) are in Borno, the most affected State; damages in Adamawa and Yobe account for US\$1.6 billion and US\$1.2 billion, respectively. Three-quarters of the overall impacts are on agriculture (US\$3.5 billion) and housing (US\$3.3 billion). The conflict resulted in more than 400,000 damaged and destroyed housing units, 95 percent of which are located in Borno. The total need for recovery and peace building across the three strategic areas of interventions in both the stabilization and recovery<sup>3</sup> phase is US\$6.7 billion (table 3.1).

Figure 3.1. Overall Recovery and Peace Building Needs by State

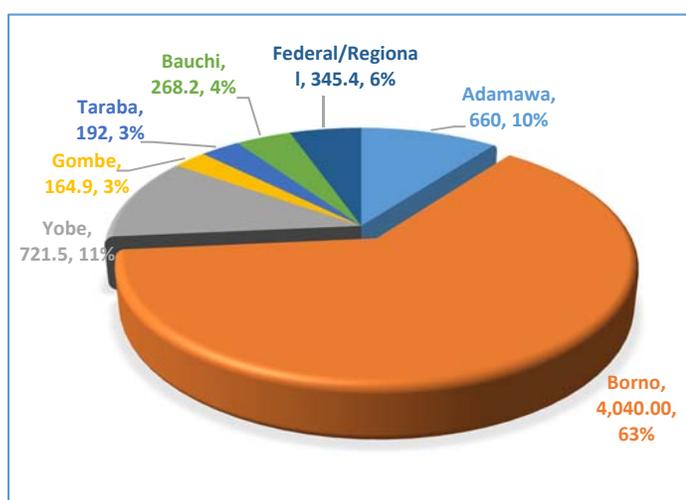


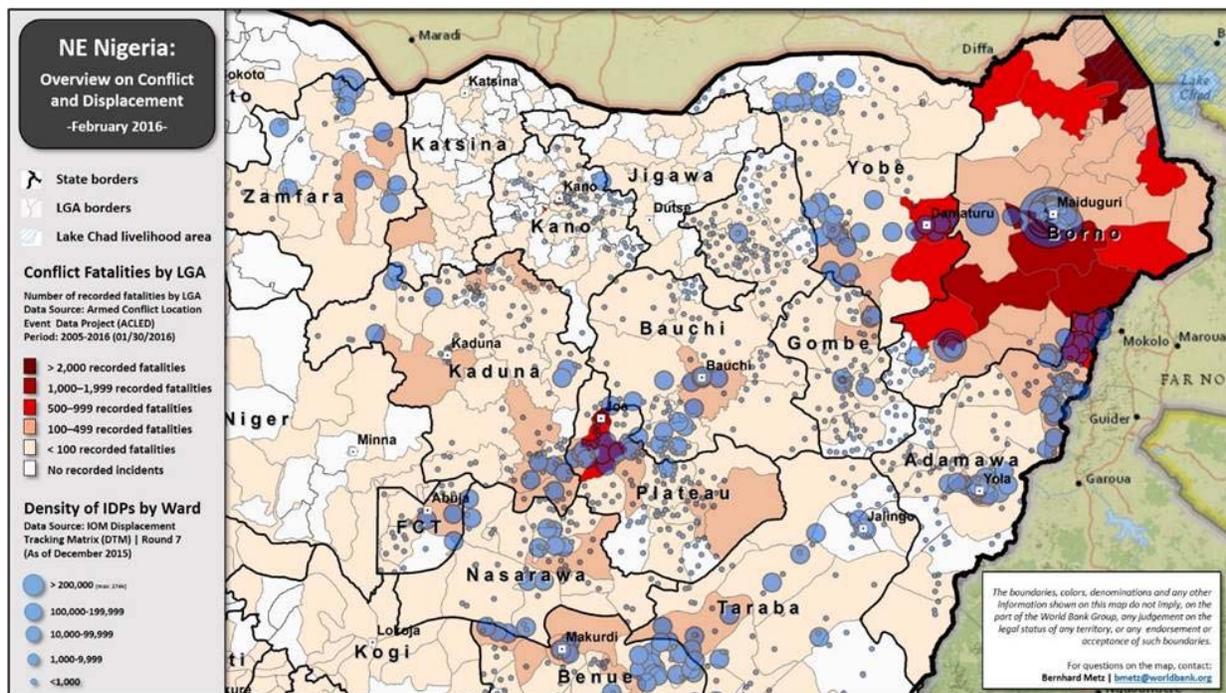
Table 3.1. Overall Recovery and Peace Building Needs by Component

	Adamawa	Borno	Yobe	Gombe	Taraba	Bauchi	Federal/Regional	Total
	(US\$, millions)							
Peace building and social cohesion	27.5	37.8	22.5	13.6	19.4	23.9	5.7	150.5
Infrastructure and social services	594.9	3,933.3	668.3	129.1	144.9	202.9	94.7	6,040.1
Economic recovery	37.6	68.8	30.7	22.3	27.7	41.4	245	473.5
<b>Total</b>	<b>660.0</b>	<b>4,040.0</b>	<b>721.5</b>	<b>164.9</b>	<b>192.0</b>	<b>268.2</b>	<b>345.4</b>	<b>6,664.1</b>

<sup>3</sup> Stabilization generally denotes the period during which initial recovery interventions commence and start taking effect while ongoing humanitarian operations continue. These initial recovery interventions build upon humanitarian interventions, do not duplicate them, and do not address the development deficits existing before the insurgency. Recovery denotes the period during which the initial recovery interventions start galvanizing into concrete recovery outcomes while more medium-term recovery and reconstruction activities take shape, scale up, and intensify. The RPBA recognizes that these periods will overlap across the territory, with some areas being ready for recovery efforts sooner than others.

7. **Forced displacement and social cohesion are the most acute impacts of the conflict in North East Nigeria.** An estimated 2 million people have been forcibly displaced by the conflict, 1.8 million of whom are displaced within Nigeria, making it the country with the third largest IDP population in the world. The burden of displacement is asymmetric across regions and populations. Borno, at the heart of the crisis, hosts 67 percent. The majority of IDPs live in host communities with only 8.5 percent in camps and camp-like sites. The population of Maiduguri, the Borno State capital, has more than doubled due to displaced persons. Yobe and Adamawa also share large burdens of IDPs, hosting 130,000 and 136,000, respectively, or around 6 percent in each State. Women, children, and the youth bear the brunt of forced displacement, accounting for nearly 80 percent of affected populations. Of the 1.8 million identified IDPs nationally, 53 percent are women, 57 percent are children (of whom 28 percent are ages five or younger) (IOM 2015).

**Figure 3.2. North East Nigeria: Conflict Fatalities by LGA and Displacement by Ward**



8. **Security remains the main factor preventing an accurate assessment of the extent of the needs of the displaced population, as well as any attempts of return.** Most of Borno and parts of Yobe and Adamawa remain inaccessible due to unstable security conditions (see figure 3.2). Attempts of return by IDPs have been frustrated due to attacks by Boko Haram, forcing people to displace again. More recently, reports of unexploded ordinance have increased, preventing access to farmlands and limiting the restoration of livelihoods. Displacement has also increased vulnerability in many ways, including to sexual and gender-based violence. There is evidence from humanitarian agencies that sexual abuse of women and children is widespread. Girls and women who have experienced sexual violence from Boko Haram members are stigmatized by their communities, especially when they become pregnant. Men and boys also confront a range of

threats, including violence, abduction, and forceful recruitment by Boko Haram and vigilante groups and detention on suspicion of militancy sympathies.

9. **The rapid deterioration of the conflict, and vacuum of law enforcement mechanisms to contain and control conflict, resulted in widespread levels of suspicion, mistrust, and stigma along ethnic, religious, political, and geographical lines.** The social fabric in the North East was deeply damaged, eroding social relations between citizens and the government, down to ethnic clans, communities, and even extended families. Economic, ethnic, religious, political, and geographical divisions have hardened, affecting the way in which any recovery effort is perceived, while new divisions have emerged. The sequentially overlapping phases of humanitarian, early recovery, and development assistance need to incorporate confidence, trust building, collaboration, and mutual understanding. Social impacts of efforts are central considerations in all proposed interventions in such a fragile social system.

### **Guiding Principles Emerging from the RPBA for Recovery and Peace Building Responses**

10. The response to recovery and peace building needs in the North East will require (i) adopting holistic approaches that address the multi-dimensional impacts of the conflict; (ii) retaining flexibility for future adjustment in light of post-RBPA delivery mechanisms, financial complementarity, and in-depth assessments; (iii) implementation flexibility to adapt to the evolving situation around security; and (iv) impact-based resource allocation along geographic, demographic, and sectoral priorities.

- **The RPBA indicates that the recovery and peace building of the Nigerian North East calls for a holistic approach** that promotes peace, stability, and social cohesion, addresses the rehabilitation of infrastructure and services, and also addresses underlying macroeconomic issues to overcome the nexus of instability, conflict, and deteriorating development. Throughout this process, principles such as sustainable recovery, do-not harm approaches, and building-back-better/smarter standards should be further integrated.
- **Flexibility in the design of AF project components and operational and implementation modalities greatly facilitates the alignment between the post-RPBA programmatic response and the proposed AF.** The RPBA will be followed by more detailed conflict recovery planning, prioritization, and operationalization led by the Federal and State Governments and supported by the EU, UN, and World Bank. A formal request of the Government of Nigeria for support during this phase has been received by partners. This post-RPBA phase will produce a programmatic response for recovery and peace building of the North East, including duly prioritized plans for recovery at the sector levels as well as institutional arrangements for recovery for the entire recovery program in the six States as a cohesive whole. It is important that AF operations build in enough flexibility to remain aligned with this programmatic response.
- **As the situation in the North East remains fluid in terms of security and forced displacement, adaptability is key to ensure positive impacts.** Security continues to be the number one reason preventing people from returning or resettling as large parts of the North East remain unstable. The RPBA provides a series of recommendations on how to carry out interventions in this context, strongly advising that a series of steps be

undertaken to avoid any harm being done to the affected population through operations. Risk associated with return and resettlement of displaced populations have been identified as particularly high, and a series of preliminary actions have been identified as critical to ensure their safe, voluntary, and dignified return and resettlement.

- Based on the RPBA findings, the following emerge as key priorities for resource allocation during stabilization and recovery:** Geographically, impacts are disproportionately concentrated in Borno, where 63 percent of total damages have occurred and 67 percent of all IDPs are hosted. Within Borno, damages are heavily concentrated in LGAs around the Sambisa forest and closer to the border with Niger, Chad, and Cameroon, in particular, those in the vicinity of Lake Chad. LGAs with the highest concentration of IDPs include Maiduguri, Jerre, Konduga, and Biu in Borno; Damaturu, Potsikum, and Bade in Yobe; and Michica and Yola South and North in Adamawa. Demographically, while the entire population in those areas has been affected by the conflict, displaced populations and host communities, women (and within this group, widows and abductees), unaccompanied children, youth, and the elderly were identified as particularly vulnerable populations. In terms of sectoral priorities, social cohesion and peace building were identified as the most critical area for stabilization and recovery, while infrastructure and service delivery is the area in which there is highest financial need. Table 3.2 summarizes the main social protection priorities as identified by the RPBA.

**Table 3.2. RBPA Social Protection Priorities**

Needs	Indicators for Stabilization and Recovery
<b>Subcomponent 9: Social Protection</b>	
Expansion of coverage of forthcoming National Social Safety Nets Program, unconditional top-up for first 2 years	<b>Output indicator:</b> Number of households covered; Ratio of IDPs to non-IDP beneficiary households <b>Outcome indicator:</b> Poverty incidence and poverty gap; Household income/expenditure
Employment of IDPs in procurement of forthcoming national school feeding program	<b>Output indicator:</b> Number of IDPs employed; Number of meals served; Number of public school children that received meals
Public employment scheme	<b>Output indicator:</b> Number of households covered; Ratio of IDPs to non-IDPs beneficiary households <b>Outcome indicator:</b> Poverty incidence and poverty gap; Household income/expenditure
Old age and disability allowance	<b>Output indicator:</b> Coverage of older persons aged 65 years and above and persons with disabilities, in terms of absolute numbers and share of total older persons/persons with disabilities <b>Outcome indicator:</b> Poverty incidence and poverty gap
Targeted subsidy of Community Based Social Health Insurance Program for children under 5, lactating mothers, and pregnant women	<b>Output indicator:</b> Number of total individuals covered; Individuals covered as share of total population in the North East; Health expenditure per individual/household; Child immunization rates
Capacity building	<b>Output indicator:</b> Number of LGA-level implementers receiving training