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IDA/R2016-0121/1

May 25, 2016

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

FROM: Vice President and Corporate Secretary

Nigeria - Community and Social Development Project

Additional Financing

Project Paper

Attached is the Project Paper regarding a proposed additional credit to the Community and Social Development Project (IDA/R2016-0121/1), which is being processed on an absence-of-objection basis.

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Report No: PAD1825

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 53 MILLION
(US\$75 MILLION EQUIVALENT)

TO THE

FEDERAL REPUBLIC OF NIGERIA

FOR A

COMMUNITY AND SOCIAL DEVELOPMENT PROJECT

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
CDD	Community-driven Development
CSDA	Community and Social Development Agency
CSDP	Community and Social Development Project
ESMF	Environmental and Social Management Framework
EU	European Union
FPSU	Federal Project Support Unit
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GVG	Gender and Vulnerable Groups
HRP	Humanitarian Response Plan
IDA	International Development Association
IDP	Internally Displaced Person
LGA	Local Government Authority
LGRC	Local Government Review Committees
NASSCO	National Social Safety Net Coordinating Office
NE	North East
NEMA	National Emergency Management Agency
NEST	North East States Transformation Strategy
NETSP	North East 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
RAP	Resettlement Action Plan
RPBA	Recovery and Peace Building Assessment
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's Primary Health Care Development Agencies
SSI Safe Schools Initiative
SSN Social Safety Net
TPMA Third Party Monitoring
UN United Nations
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
COMMUNITY AND SOCIAL DEVELOPMENT PROJECT**

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ADDITIONAL FINANCING DATA SHEET

Nigeria

Community and Social Development AF-2 (P157898)

AFRICA

GSP07

Basic Information – Parent									
Parent Project ID:	P090644	Original EA Category:	B - Partial Assessment						
Current Closing Date:	31-Dec-2017								
Basic Information – Additional Financing (AF)									
Project ID:	P157898	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:	29-Aug-2016						
Senior Global Practice Director:	Omar S. Arias Diaz	Expected Closing Date:	30-Jun-2020						
Practice Manager/Manager:	Stefano Paternostro	Report No:	PAD1825						
Team Leader(s):	Foluso Okunmadewa, Antonia T. Koleva								
Borrower									
Organization Name	Contact	Title	Telephone	Email					
Federal Ministry of Finance	Director	IERD							
Project Financing Data – Parent: Community and Social Development Project (P090644) (in USD Million)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P090644	IDA-44960	Closed	01-Jul-2008	24-Nov-2008	23-Feb-2009	31-Dec-2013	30-Sep-2015		
P090644	IDA-54070	Effective	26-Mar-2014	25-Feb-2015	17-Aug-2015	31-Dec-2017	31-Dec-2017		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P090644	IDA-44960	Closed	XDR	121.50	121.46	0.04	121.46	0.00	100.00
P090644	IDA-54070	Effective	XDR	91.30	91.30	0.00	10.17	81.13	11.14

		e							
Project Financing Data - Additional Financing Community and Social Development AF-2 (P157898) (in USD Million)									
<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:		75.00			Total Bank Financing:		75.00		
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
BORROWER/RECIPIENT								0.00	
International Development Association (IDA)								75.00	
Total								75.00	
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)?								Yes	
Explanation									
According to paragraph 58 of BP 10.00, if an Additional Financing (AF) will extend the closing date of the parent project more than 10 years from the original approval date, an ICR is required to be prepared before Management's decision on appraisal and negotiations of such AF, and a supplemental ICR is to be prepared upon the full project completion. Given the emergency nature of the operation, a waiver was requested to allow the first ICR be completed six months after the approval of the waiver, rather than before Management's decision on appraisal and negotiations.									
Has the waiver(s) been endorsed or approved by Bank Management?								Yes	
Explanation									
The waiver was approved by the Senior Vice President of Operations on May 2, 2016. An ICR will be prepared within 6 months after the approval of the waiver.									
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	Financial	Sr Financial		GGO25					

Akinyele	Management Specialist	Management Specialist		
Adam Shayne	Counsel	Lead Counsel		LEGAM
Aisha Garba Mohammed	Team Member	Consultant		GEDDR
Collins S. Umunnah	Team Member	Team Assistant		AFCW2
Dora A. Harris	Team Member	Program Assistant		GSP01
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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		Federal Republic of Nigeria			
Nigeria	Kwara	Kwara State		X	
Nigeria	Katsina	Katsina State		X	
Nigeria		Katsina Ala			
Nigeria	Abuja Federal Capital Territory	Federal Capital Territory		X	
Nigeria	Abia	Abia State		X	
Nigeria	Adamawa State	Adamawa State		X	

Nigeria	Bayelsa	Bayelsa State		X	
Nigeria	Ebonyi	Ebonyi State		X	
Nigeria	Ekiti	Ekiti State		X	
Nigeria	Gombe	Gombe State		X	
Nigeria	Nassarawa	Nassarawa State		X	
Nigeria	Zamfara	Zamfara State		X	
Nigeria	Taraba State	Taraba State		X	
Nigeria	Abia State	Isiala-Ngwa North			
Nigeria	Benue State	Logo			
Nigeria	Ekpoma	Ethiope West			
Nigeria	Ekpoma	Ethiope East			
Nigeria	Ekpoma	Ika North East			
Nigeria	Ekpoma	Ukwuani			
Nigeria	Imo State	Aboh-Mbaise			
Nigeria	Imo State	Ahiuzu-Mbaise			
Nigeria	Imo State	Ehime-Mbano			
Nigeria	Imo State	Ihitte/Uboma			
Nigeria	Imo State	Isiala Mbano			
Nigeria	Imo State	Mbaitoli			
Nigeria	Imo State	Ngor-Okp			
Nigeria	Imo State	Njaba			
Nigeria	Imo State	Obowo			
Nigeria	Imo State	Ohaji/Egbema			
Nigeria	Imo State	Okigwe			
Nigeria	Imo State	Oru East			
Nigeria	Imo State	Oru West			
Nigeria	Imo State	Owerri West			
Nigeria	Abia State	Ohafia			
Nigeria	Imo State	Unuimo			
Nigeria	Kogi State	Adavi			
Nigeria	Adamawa State	Fufore			
Nigeria	Kogi State	Bassa			
Nigeria	Kogi State	Ibaji			
Nigeria	Kogi State	Igalamela-Odolu			
Nigeria	Adamawa State	Gombi			
Nigeria	Kogi State	Ijumu			
Nigeria	Kogi State	Kabba/Bunu			
Nigeria	Adamawa State	Madagali			

Nigeria	Kogi State	Mopa-Muro			
Nigeria	Kogi State	Ofu			
Nigeria	Kogi State	Okehi			
Nigeria	Kogi State	Okene			
Nigeria	Kogi State	Olamabor			
Nigeria	Kogi State	Omala			
Nigeria	Kogi State	Yagba East			
Nigeria	Kogi State	Yagba West			
Nigeria	Niger State	Agai			
Nigeria	Niger State	Agwara			
Nigeria	Niger State	Bida			
Nigeria	Niger State	Borgu			
Nigeria	Bauchi	Bogoro			
Nigeria	Niger State	Chanchaga			
Nigeria	Niger State	Edati			
Nigeria	Bauchi	Darazo			
Nigeria	Bauchi	Misau			
Nigeria	Benue State	Buruku			
Nigeria	Benue State	Gboko			
Nigeria	Benue State	Kwande			
Nigeria	Enugu State	Abi			
Nigeria	Cross River State	Boki			
Nigeria	Abia State	Afikpo South			
Nigeria	Enugu State	Ikwo			
Nigeria	Enugu State	Izzi			
Nigeria	Enugu State	Enugu East			
Nigeria	Enugu State	Igbo Eze North			
Nigeria	Kebbi State	Ngaski			
Nigeria	Kebbi State	Yauri			
Nigeria	Kebbi State	Zuru			
Nigeria	Niger State	Gbako			
Nigeria	Niger State	Gurara			
Nigeria	Plateau State	Barikin Ladi			
Nigeria	Niger State	Lavun			
Nigeria	Plateau State	Pankshin			
Nigeria	Plateau State	Shendam			
Nigeria	Niger State	Muya			
Nigeria	Niger State	Paikoro			

Nigeria	Osun State	Atakumosa East			
Nigeria	Osun State	Atakumosa West			
Nigeria	Osun State	Atakumosa West			
Nigeria	Yobe State	Bursari			
Nigeria	Osun State	Boripe			
Nigeria	Yobe State	Gujba			
Nigeria	Oyo State	Ibarapa East			
Nigeria	Oyo State	Ibarapa North			
Nigeria	Yobe State	Gulani			
Nigeria	Oyo State	Ido			
Nigeria	Oyo State	Kajola			
Nigeria	Oyo State	Lagelu			
Nigeria	Oyo State	Ori Ire			
Nigeria	Oyo State	Oyo East			
Nigeria	Oyo State	Oyo west			
Nigeria	Oyo State	Saki West			
Nigeria	Oyo State	Surulere			

Institutional Data

Parent (Community and Social Development Project-P090644)

Practice Area (Lead)

Social Protection & Labor

Contributing Practice Areas

Cross Cutting Topics

- Climate Change
- Fragile, Conflict & Violence
- Gender
- Jobs
- Public Private Partnership

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	35		
Education	Primary education	20		

Transportation	Rural and Inter-Urban Roads and Highways	20		
Public Administration, Law, and Justice	Public administration-Other social services	15		
Water, sanitation and flood protection	General water, sanitation and flood protection sector	10		
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Rural development	Rural services and infrastructure	30		
Social protection and risk management	Social Protection and Labor Policy & Systems	30		
Social dev/gender/inclusion	Participation and civic engagement	30		
Public sector governance	Decentralization	10		
Total		100		
Additional Financing Community and Social Development AF-2 (P157898)				
Practice Area (Lead)				
Social Protection & Labor				
Contributing Practice Areas				
Cross Cutting Topics				
[] Climate Change				
[X] Fragile, Conflict & Violence				
[X] Gender				
[] Jobs				
[] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	56		
Public Administration, Law, and Justice	Public administration-Other social services	25		
Education	General education	7		

	sector			
Water, sanitation and flood protection	General water, sanitation and flood protection sector	6		
Transportation	Rural and Inter-Urban Roads and Highways	6		
Total		100		
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Other social protection and risk management	50		
Social protection and risk management	Social Protection and Labor Policy & Systems	25		
Social dev/gender/inclusion	Participation and civic engagement	13		
Rural development	Rural services and infrastructure	12		
Total		100		
Consultants (Will be disclosed in the Monthly Operational Summary)				
Consultants Required? Consultants will be required				

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional credit in the amount of SDR 53 million (US\$75 million equivalent) to the Federal Republic of Nigeria for the proposed Community and Social Development Project (CSDP, P157898, Credit number 5840-NG). 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 will help finance the costs associated with scaling up project activities in the North East of Nigeria, consisting of six States (Borno, Yobe, Adamawa, Taraba, Bauchi, and Gombe) to support the immediate provision of basic social and natural resource management infrastructure and services in the communities affected by the Boko Haram insurgency, thus assisting the promotion of resettlement, recovery, and welfare of the internally displaced persons (IDPs), the returnees, i.e. those willing to return or relocate to safe environments, and the host communities.

3. On August 21, 2015, the Government of Nigeria requested development partners' 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 of Nigeria and confirms the extensive damage to livelihoods and job opportunities, especially arising from attacks on markets and farms. The RPBA provides a framework for coordinated and coherent assistance to conflict-affected communities in the North East. The assessment identifies the immediate and urgent need for sustaining emergency transition activities while supporting, in parallel, stabilization initiatives along 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, since 2009 about fifteen million people have been affected by the insurgency of Boko Haram in the North East of Nigeria. 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 have been forcibly displaced by the conflict, 1.8 million of whom are displaced within Nigeria, making this the country with the third largest IDP population in the world.

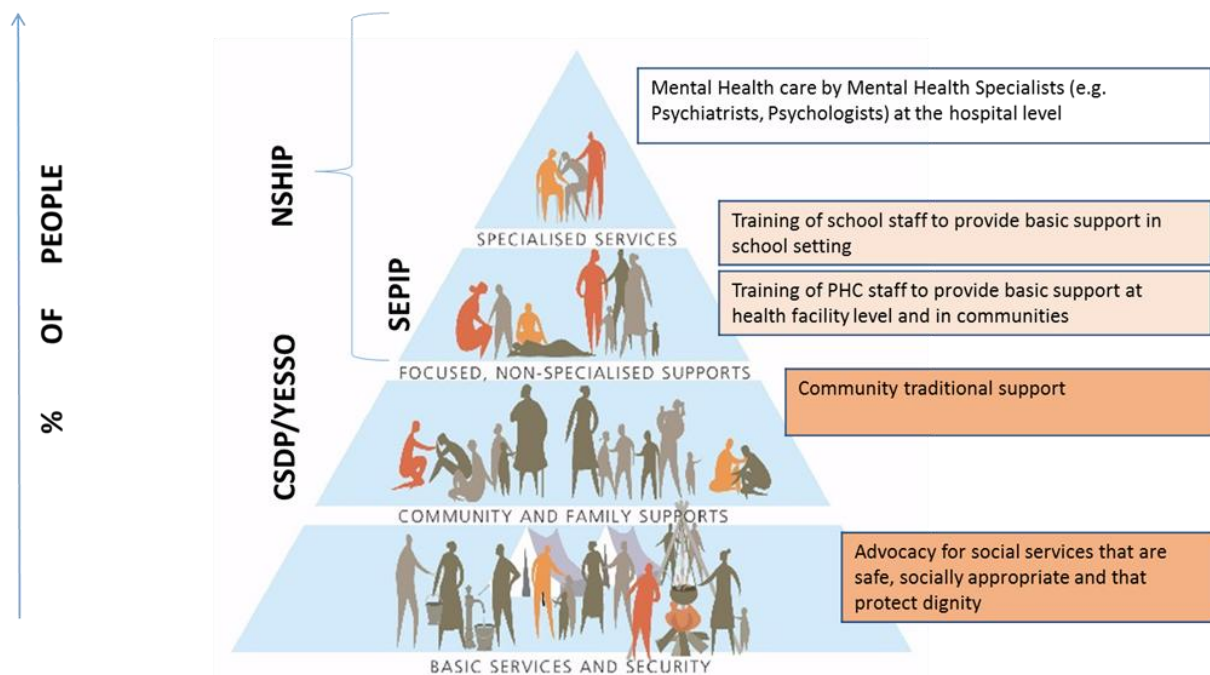
4. The RPBA confirms the extensive damage to education, water, and health facilities. Massive destruction of infrastructure in the North East States includes, for instance, over 400,000 housing units and 1,200 schools, adding to the interruption of basic services. Maiduguri city in Borno State alone is hosting 1.6 million IDPs, while Yobe and Adamawa have 130,000 and 136,000, respectively. The overall impact of the conflict on infrastructure and social services is estimated at US\$9.2 billion with three quarters of the damages 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 is less than 3 percent of the direct damages and impacts. Table 1 provides an overview.

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

	Adamawa	Borno	Yobe	Gombe	Taraba	Bauchi	Federal	Total
Physical Sectors								
Energy	31.9	16.0	4.3	—	7.0	—	129.5	188.7
Environment	1.2	2.9	0.6	0.2	0.8	<0.1	—	5.7
ICT	—	—	—	—	—	—	—	25.1
Transport	73.8	306.1	116.9	29.0	—	—	—	525.8
Social Sectors								
Education	58.0	143.8	47.3	2.1	10.2	11.6	—	273.0
Health/Nutrition	21.1	59.0	32.9	0.4	6.5	27.8	—	147.7
Housing	25.8	3,179	118.3	2.9	2.8	1.2	—	3,329.9
Public Buildings	2.3	15.3	14.5	1.1	—	2.3	—	35.5
Social Protection	—	—	—	—	—	—	—	n.a.
Water & Sanitation	7.3	35.0	3.6	—	—	—	—	46.0
Productive Sectors								
Agriculture	457.9	2,377.7	868.7	4.9	12.0	7.6	—	3,729.7
Private Enterprises	149.8	763.6	<0.1	2.0	—	<0.1	—	915.4
Total	828.9	6,898.5	1,207.2	42.5	39.2	50.5	129.5	9,221.5

5. In addition to restoring natural resources management infrastructure and basic services, the Additional Financing (AF) will 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 coordination with other AF operations, at different levels (see figure 1). The proposed AFs for the CSDP and Youth Employment and Social Support Operation (YESSO) focus on traditional community support while the proposed AF for the State Education Program Investment Project (SEPIP) and Nigeria State Health Investment Project (NSHIP) would provide focused, non-specialized support in schools and health facilities, respectively. The community driven development approach of the CSDP will support promotion of social cohesion, social inclusion, human capital development and shared prosperity in the North East, especially as the phase of rehabilitation and recovery sets in.

Figure 1: Psychosocial Support in HD Operations in NE Nigeria



6. The emphasis on the North East will translate into an increase of activities across the four components of the project, but the bulk of funding is for the Components 3 and 4, i.e. support to vulnerable groups on livelihood investments. A slight modification of the Project Development Objective (PDO) to incorporate the added emphasis on the North East States is being introduced. The results framework has also been adjusted and the additional resources will be dedicated only to the six States of the North East (Borno, Adamawa, Yobe, Bauchi, Gombe, and Taraba). Borno, Adamawa, and Yobe will receive a larger part of the resources, given the extent of damage in these three States as confirmed by the RPBA and other assessments of the situation in the North East.

7. The ongoing project has four components. Component 1 involves federal coordination with a continued focus on CDD policy and strategy assessment and formulation, technical support, monitoring, and impact evaluation. Components 2 (State level coordination), 3 (community-driven investment), and 4 (support to the vulnerable groups) will remain as in the current project, however, the additional resources will go only to the North East States mainly for Components 3 and 4 and the focus will be on the communities most affected by the recent conflict and terrorist attacks, targeted vulnerable households (IDPs, returnees, and host families) in the poor communities. The use of local support groups to assist the targeted groups and communities in articulation and implementation of the interventions will also be explored.

II. Background and Rationale for Additional Financing in the Amount of US\$75 million

Background

8. President Buhari has established the Presidential Coordination Committee on North East Interventions (PCNI) to coordinate and provide leadership for various interventions initiated by governments, development partners, charitable organizations, and civil society in the North East. The Government has also committed to significantly scale up investments in this geopolitical zone. The key objectives of the PCNI include: (i) promotion of civic culture

that is supportive of peaceful co-existence; (ii) access to basic services and infrastructure; (iii) increase in 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 response includes active support of the RPBA to assess the crisis recovery needs. It has been led by the Government and was undertaken in collaboration with the EU, UN, and other development partners. The RPBA was prepared in parallel and at the same time informed the design of the North East Emergency Transition and Stabilization Program (NETSP) package of activities which initially targets the short- and medium-term recovery, stabilization, and peace building needs. The North East Emergency Transition and Stabilization Program (NETSP) comprises a set of six AFs for the selected ongoing projects, including the CSDP, Youth Employment and Social Support Operations (YESSO), State Education Program Investment Project, Polio Eradication Support Project, Nigeria State Health Investment Project, and FADAMA 3 Project. These projects have been implemented in most of the North East States and the AFs build on lessons learned and existing implementing mechanisms in those projects.

10. The parent CSDP was approved by the World Bank's Board of Executive Directors on July 1, 2008, for an amount of SDR 121.50 million (US\$200 million equivalent) and became effective on February 23, 2009. The original closing date of CSDP was December 2013, but was extended to December 31, 2014. The parent project was fully disbursed before the revised closing date. A first additional credit for an amount of SDR 91.3 million (US\$140 million equivalent) was approved by the Board of Executive Directors in March 2014. The related Financing Agreement was signed on February 25, 2015, and the AF became effective on August 17, 2015.

11. The CSDP is a CDD project and its PDO is "to increase access by the poor to improved social and natural resource infrastructure services in a sustainable manner throughout Nigeria." Therefore the CSDP supports: (i) the empowerment of communities to develop, implement, and monitor micro social infrastructure projects (public and common pool goods) including natural resource management interventions; and (ii) strengthening the skills and capacity of Local Government Authorities (LGAs) and sectoral public agencies to support communities and build partnerships between them. The original project had three components with a fourth added during the processing of the first AF.

12. The first component is managed by a Federal Project Support Unit (FPSU), currently supervised by the Federal Ministry of Finance, while the other three are currently managed at the State level by 27 State agencies established by law. All six States of the North East are currently participating in the CSDP, with established structures and mechanisms for the CDD approach.

Performance Status of Original Project

13. Over the life of the parent project and the first AF, 11 Implementation Status Reviews were conducted. Implementation progress and progress toward achievement of the development objective were consistently rated Satisfactory and met and surpassed the original targets of the PDO. For example, the project exceeded the target number of poor communities and households with increased access to social and natural resource management services. As of November 2014, more than 3,500 new communities were covered by the completed micro-projects, compared to a target of 3,000. A total of over 6,000 micro-projects across the participating 26 States and the federal capital territory were

completed. The distribution of the micro-projects were across eight major sectors: education, environment, health, rural electrification, rural markets infrastructures, skill acquisition centers and equipment, transport, and water infrastructure. Water supply infrastructure was the highest on the list of the micro-projects with a total of over 1,800 water-related micro-projects completed. Also, the number of direct project beneficiaries was over 2 million, higher than the target of 1.5 million. The national impact assessment (conducted by independent firms across all participating States and summarized by a national consultant) shows that the CSDP has benefitted about 3 million people directly and indirectly across all the 26 participating States. The summarized report shows that the project has contributed to significant outcomes in all the sectors of interventions.

14. The period between the closure of the original credit and the effectiveness of the additional credit, however, witnessed a lull in the implementation pace of the project, especially at the State and community level. The original IDA resources were fully disbursed; the Government contribution was not increased and in a few cases even stopped. This was a period of protracted general election and change of government at all levels. Fortunately, most of the State Agencies and the Federal Units were retained but with limited activities. With the first AF effectiveness and the completion of the general election and transitions, the FPSU and the State Agencies are now back in full activity mode. The FPSU has been restructured and along with more than 18 of the original 26 participating States, has met disbursement conditions on the first AF and started community level micro-project support.

Rationale for Additional Financing

15. The efficacy of the CDD approach under the CSPD project and the results achieved so far make it apt for supporting the federal and State governments' efforts to rapidly restore basic services and livelihoods to the communities affected by the Boko Haram insurgency in the North East.

16. The six North East States have a total population of about 30 million inhabitants. Three of the States (Borno, Adamawa, and Yobe) are directly affected by conflict while all six States host a significant number of IDPs. Nearly 15 million people have been affected by the Boko Haram insurgency and the resulting military operations in the North East of Nigeria. The human, social, and economic losses of the conflict and the investments needed for the recovery, peace building, and reconstruction of the North East are overwhelming. Damage to education and health facilities, attacks on markets and farms, loss of job opportunities, and the psychological impacts of the crisis are adversely affecting an entire generation of Nigerians. The conflict has triggered a humanitarian crisis, which has exacerbated already existing socioeconomic disparities. Estimates also suggest that less than 10 percent of IDPs live in camps or camp-like sites, with the remaining in host communities with friends and family, mainly in the six North East States. Given that the insurgency is subsiding and military response has been largely successful, though still ongoing, there are now an increasing number of returnees in 'restored' but highly affected communities. There is also tremendous pressure on existing socioeconomic support facilities and services in all of the host communities. As the Government of Nigeria makes progress in securing significant parts of the North East, much of the region remains fragile.

17. The RPBA estimated the immediate requirement for restoring basic services and livelihood activities in the North East as follows: the infrastructure and social services component, estimated at a total of US\$5.3 billion; of which, reconstruction of houses

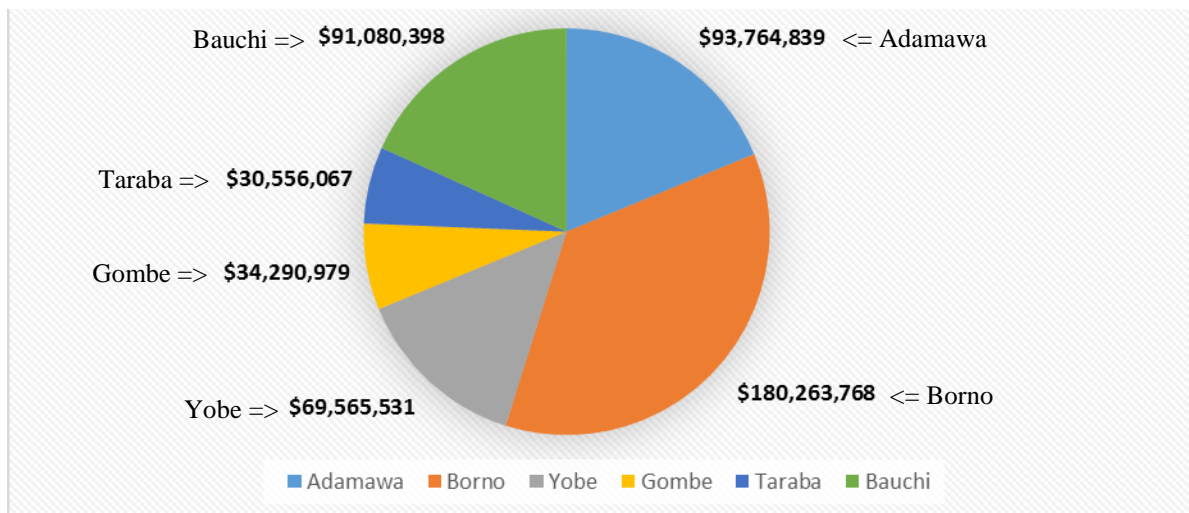
(US\$1.2 billion); social protection schemes (US\$771 million); education (US\$700 million), health (US\$667 million), and the three infrastructure sectors of water, transport, and energy (US\$826.7 million).

18. The protracted crisis has led to service delivery gaps, livelihood deficits, and interrupted social cohesion. Given the strong need to rebuild and improve infrastructure and service delivery and to use mechanisms that ensure ownership, participation, sustainability and social capital, and peace building, the CDD approach in the CSDP and the flexibility and wide applicability across sectors (social, environmental, and economic) makes the case for Additional Financing for CSDP in the North East as part of the NETSP, as recommended by the RPBA and World Bank overall engagement framework in the North East (Annex 2).

19. The CSDP will support the provision of public goods, social and natural resource management infrastructure services and the utilization of such services by all community members, as well as special considerations for groups of the poor and vulnerable, including settlers such as IDPs the poor in host communities. Complementing the CSDP, YESSO will target and support the poor and vulnerable, including IDPs and host communities, for private goods and livelihood support assistance as households or individuals. The other assistance proposed as part of the NETSP, such as the projects in health, education, and food security, will complement the CSDP and YESSO in many of the affected communities, local governments, and States in the North East. Specifically, while CSDP focuses on public goods, FADAMA 3 covers private works. At the Local Government levels in each State, a Local Government Review Committee reviews proposals of communities and ensures that private goods or services focused micro-projects are redirected to FADAMA 3 while those for public goods go to CSDP. So the coordination of the interface between CSDP and FADAMA is managed at the LGA level. The complementarity of all mentioned interventions is further detailed in Annex 2. Additionally, the social protection sector programs are linked to those of other sectors, including education, health, and nutrition, as simultaneous improvements in supply-side infrastructure and services unlock the true developmental potential of demand-side targeted social protection programs.

20. 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 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 utilize 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



21. 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. Priority will be given to areas with a high number and density of IDPs, ensuring that first and foremost crisis-affected communities are targeted. Another crucial feature in designing the targeting mechanism are clear eligibility criteria, defining who is eligible and who is not, which will be detailed in the Operations Manual.

22. The IDPs and returnees represent a highly vulnerable group that requires other forms of assistance (social, natural resource, and economic) for the restoration of their livelihood. The presence and functionality of the CSDP Agencies in five of the six States and the effectiveness of the partnership and delivery system of the project in the States recommends it as a vehicle for support to the recovery and peace building plans of the federal and State governments in the North East. The sixth State, Borno, is expected to have a functional State implementation structure before the Board consideration of the proposed AF.

III. Proposed Changes

Summary of Proposed Changes

The main change being introduced to the proposed second AF to the CSDP is to scale up activities in the six North East States of Nigeria, which have been ravaged by the Boko Haram insurgency. The second AF will support the immediate provision of basic social and natural resource management infrastructure and services to returnees and host communities with the main goal of assisting their resettlement, recovery, and welfare. The second AF will also be used to provide trauma and psychosocial support to returnee households and internally displaced groups and individuals, as a form of social assistance intervention. There will be a slight change to the current PDO. The new emphasis on the North East, will translate into: (i) an increase in activities across the four project components with a larger emphasis on support to vulnerable groups on community-driven and livelihood investments; (ii) adjustment to the results framework; (iii) the additional resources will be dedicated only to the six North East States (Borno, Adamawa, Yobe, Bauchi, Gombe, and Taraba) with more resources to be allocated to Borno State; (iv) the additional resources will be allocated mainly to Component 3 (community-driven investment) and Component 4 (support to vulnerable groups) with emphasis on communities affected by the recent terrorist attacks and targeted vulnerable groups of households (IDPs, returnees, and host families) in the poor communities; (v) use of local support to assist targeted groups and communities to articulate their demands and support implementation in a few instances and at early stages, and (vi) extension of the closing date to June 2020.

While the details of the type of micro-projects to be supported under Components 3 and 4 will be detailed in the revised Operations Manual, the recommendations of the RPBA and other assessments have given rise to the following revisions:

- (a) As in the current project, Component 3 will continue to support provision of public goods, social and natural resource management infrastructure services and the utilization of such services by all community members with considerations for groups of the poor and vulnerable, including IDPs in host communities. Such public goods will include, but not be limited to, schools, health centers, water points, skills centers, market stalls and shops, and rural access structures, such as soil erosion and conservation structures.
- (b) Component 4 will continue to support socioeconomic activities of poor and vulnerable groups (widows, deprived, IDPs, physically challenged, elderly, etc.), within and outside of the host communities. Such activities could include specialized schools and skills center infrastructure and equipment, specialized health centers, community housing, or welfare funds managed by the group. Also soft-support interventions assisted through local nongovernmental organizations and community-based organizations, such as life skills training, psychosocial and trauma support activities, especially targeting women and children affected by the insurgency will now be eligible for support. Microcredits, however, would not be eligible. The draft Vulnerable Groups Investment Facility Support Manual will be revised in this context and used for Component 4.

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 checked="" type="checkbox"/>] No [<input type="checkbox"/>]

Cancellations Proposed	Yes [] No [X]
Change in Disbursement Arrangements	Yes [] No [X]
Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [X] No []
Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [X] No []
Change in Financial Management	Yes [] No [X]
Change in Procurement	Yes [] No [X]
Change in Implementation Schedule	Yes [] No [X]
Other Change(s)	Yes [] No [X]
Development Objective/Results	
Project's Development Objectives	
Original PDO Development objectives. The project development objective is to sustainably increase access of poor people to social and natural resource infrastructure services. The key performance indicators are: - Increased number of poor people (of which 70% are women) with access to social services. - Increased number of poor people with access to natural resources infrastructure services. - Increased percentage of participating Local Governments that are incorporating Community development plans in their budget.	
Current PDO The project development objective is to increase access by the poor to improved social and natural resource infrastructure services in a sustainable manner throughout Nigeria.	
Change in Project's Development Objectives	
Explanation: The PDO is being changed due to the emphasis on IDPs and host communities in the North East States which have been affected by the Boko Haram insurgency.	
Proposed New PDO - Additional Financing (AF) The new PDO is to increase access by the poor people, and particularly by the internally displaced and vulnerable people in the North East of Nigeria, to improved social and natural resource infrastructure services in a sustainable manner throughout Nigeria.	
Change in Results Framework	
Explanation: The results framework has been adjusted. While the results on (a) number of poor communities and (b) number of direct beneficiaries have been maintained and the targets increased, new results indicators on (c) number of damaged and or host communities supported; (d) number of returning IDPs and affected households and individuals with improved access and disaggregated by gender and age, and (e) citizens engagement have been included as follows: "percentage of grievances addressed within the timeframe stipulated in the Operations Manual". There is a general increase in target numbers and intermediate indicators including new interventions, such as community housing and trauma and psychosocial support sessions conducted.	

Compliance						
Covenants - Additional Financing (Community and Social Development AF-2 - P157898)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
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 and the Recipient shall provide a confirmation, in form and substance satisfactory to the Association, that this area has been declared safe and clear of Explosive Remnants of War.		<input checked="" type="checkbox"/>	CONTINUOUS	New
IDA	Schedule 2, Section II, A, 2, (a)	The Recipient shall, not later than six (6) 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.	28-Feb-2017	<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	CSDA, PIM and Subsidiary Agreement	Disbursement
Description of Condition		
No withdrawal shall be made for payments under any Category ... that: (A) the concerned NE Participating State has duly established its CSDA and has recruited staff ... ; (B) ... has adopted the PIM; (C) the Recipient has concluded a Subsidiary Agreement with the concerned NE Participating State ... satisfactory to the Association.		
Source Of Fund	Name	Type
IDA	Borno State	Disbursement
Description of Condition		
No withdrawal shall be made for payments made under any Category with respect to Borno State, until the Borno State CSDA has deposited at least twenty-five million Naira (N25,000,000) into its CSDA Project Account.		
Source Of Fund	Name	Type
IDA	VG Manual	Disbursement
Description of Condition		
No withdrawal shall be made for payments under Category (4), until the Recipient has adopted a revised VG Manual in a manner and substance satisfactory to the Association		
Risk		
Risk Category	Rating (H, S, M, L)	
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	
Finance		
Loan Closing Date - Additional Financing (Community and Social Development AF-2 - P157898)		
Source of Funds	Proposed Additional Financing Loan Closing Date	

IDA recommitted as a Credit					30-Jun-2020				
Loan Closing Date(s) - Parent (Community and Social Development Project - P090644)									
Explanation: The Additional Financing is a scale-up and requires additional years to complete.									
Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)				
IDA-44960	Closed	31-Dec-2013	30-Sep-2015		31-Dec-2014, 30-Sep-2015, 31-Mar-2016				
IDA-54070	Effective	31-Dec-2017	31-Dec-2017	30-Jun-2020	31-Dec-2017				
Change in Disbursement Estimates (including all sources of Financing)									
Explanation: The Additional Financing has added US\$75 million equivalent as a scale-up and the revised disbursement estimates reflect the additional amount spread over the 4 year life of the credit.									
Expected Disbursements (in USD Million)(including all Sources of Financing)									
Fiscal Year	2016	2017	2018	2019	2020				
Annual	5.00	20.00	25.00	20.00	5.00				
Cumulative	5.00	25.00	50.00	70.00	75.00				
Allocations - Additional Financing (Community and Social Development AF-2 - P157898)									
Source of Fund	Currency	Category of Expenditure	Allocation		Disbursement %(Type Total)				
			Proposed		Proposed				
IDA	XDR	Goods, works, non-consulting services, consultants' services, Operating Costs and Training under Part A of the Project	5,300,000.00		100.00				
IDA	XDR	Goods, works, non-consulting services, consultants' services, Operating Costs and Training under Parts B, C and D	7,100,000.00		100.00				
		Grants under Part C of the Project	14,200,000.00		100.00				
		VG Expenditures under Part D of the Project	26,400,000.00		100.00				
		Unallocated	0.00		0.00				
		Designated Account - 1	0.00		0.00				

		Designated Account - 2	0.00	0.00
		Total:	53,000,000.00	

Components

Change to Components and Cost

Explanation:

The cost for each component was increased based on the additional financing.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Overall Project Support and Coordination	Component 1: Overall Project Support and Coordination	15.75	23.25	Revised
Capacity Building and Partnerships Development in State Ministries and LGAs	Component 2: Capacity Building and Partnerships Development in State Ministries and LGAs	47.50	57.50	Revised
Community-Driven Investments Facility	Component 3: Community-Driven Investments Facility	236.75	256.75	Revised
Vulnerable Groups Investments Facility	Component 4: Vulnerable IDP Groups Investments Facility	40.00	77.50	Revised
	Total:	340.00	415.00	

Other Change(s)

Change in Institutional Arrangements

Explanation:

In order to strengthen social safety net coordination in the country, a National Social Safety Net Coordinating Office (NASSCO) has been established in the Office of the Vice President. NASSCO has been mandated to set standards for all social safety net interventions in the country. In this regard, to ensure coordination and harmonization of social safety net delivery systems, as well as to enhance the optimization of support to the poor and vulnerable, FPSU of CSDP will, henceforth, report to NASSCO in the Office of the Vice President. NASSCO will, therefore, provide oversight, clearance, financial and advisory support to FPSU.

Appraisal Summary

Economic and Financial Analysis

Explanation:

Economic Analysis: The analysis of costs and financial flows in the CSDP contained in the recent impact evaluation study (2013) clearly justifies the CSDP. The CSDP uses detailed technical criteria, standard designs, and simple economic criteria to determine micro-project economic viability before financing. This includes application of a comprehensive list of unit costs by type of micro project. The impact evaluation study established that the CSDP, relative to other interventions, is more cost effective ranging from a comparative cost ratio of 1:1.97 for lock-up stalls to 1:4.58 for open stalls. A unit classroom and health center in the CSDP are on average 1:2.25 and 1:2.72 times, respectively, lower than the cost of building

the same structures by other organizations. Also in comparison to other agencies, the CSDP has a more positive impact on the private and public sector by setting points of reference, such as prices and procedures, for the social and natural resource infrastructure industry. The CSDP approach fosters greater allocative efficiency in public expenditure in relation to the needs of the poor. Through the promotion of participatory decision making at the local level (the participatory community planning process), the CSDP empowers communities to allocate scarce resources across sectors and the ability of the communities to control valuable resources, thereby ensuring that such resources are applied most efficiently in response to local priorities. Broad-based participation creates local ownership, which combined with other complementary activities that CSDP provides (such as capacity building), makes the subprojects sustainable and extends the life of the investment's benefits. This same approach is envisaged for the AF and will empower the citizens displaced as a result of the Boko Haram insurgency to return and rebuild their communities.

Financial Analysis: In line with the Country Financing Parameters, IDA will finance 100 percent of most project investment costs, including incremental operational costs. However, in view of the significant impact and results of the parent CSDP, State governments have already provided budgetary contributions, in an incremental fashion to the investment, as well as operational costs of the CSDP. The recent implementation support mission report provided evidence that more than 60 percent of the participating States, including in the North East, have been providing regular budget allocations to the State agencies, while the others are making firm commitments to do so. The North East States for this second AF, are also committing to providing budgetary provision for the project to enable IDPs to return to their communities, once they have been deemed safe, and start recovery of their livelihoods. Evidence of this is the creation and budgetary provision in 2016, for the Ministry of Reconstruction, Rehabilitation, and Resettlement in Borno State. Upon completion of social and natural resource micro-projects contained in the CDPs, the communities, LGAs, and State governments, as appropriate, finance additional overhead and maintenance costs associated with these infrastructures. For example, if communities are assisted by the Community and Social Development Agency (CSDA) to put up school classrooms and furniture, the LGA or State government will provide teachers. It was estimated that the total contribution by State and local governments represents less than a 5 percent increase in State and local government expenditure and therefore does not constitute any fiscal strain for the governments.

Technical Analysis

Explanation:

The proposed CSDP-AF for the North East has been designed based on lessons learned from the parent CSDP and first AF and the emerging issues of resettlement, recovery, and welfare of the returnees and host communities affected by the insurgencies (conflict/emergency situation). The lessons from the RPBA of the North East have also been incorporated into the design of the project. Accordingly, the key design elements of the AF for the North East are guided by the following lessons:

- Implement the AF in the North East through the autonomous State agency which has been set up to minimize government interference in the project implementation. Borno State, being new, is at an advanced stage of setting up a CSDA. As in other States, a State Law has been used to create the CSDA, as a statutory organ of the State government.
- Provide input into the development of the CDD approach into government strategy for inclusive growth and shared prosperity
- Maintain institutionalization of the CDD at the local level, set out by a bylaw, which delineates specific roles and responsibilities between the LGA and its communities, by adopting and funding of Community Development Plans
- Strengthen the LGAs and local support groups through capacity building and skills training to enhance their active engagement with communities and improving governance
- Expand the coverage of the CSDP to more communities and local governments, particularly to increase the number of poor households and individuals in the North East with access to basic social and natural resource management infrastructures
- Create a window for social and empowerment support to individuals and households as well as the needs of the chronically poor and vulnerable

- Ensure that both host communities and IDPs are integrated for CDD to avoid stigma or resentment
- Because of the possible mutual suspicion by people, local support groups such as civil society organizations will be engaged to assist targeted groups and communities to articulate their demands. This is expected to help improve social cohesion, social inclusion, and human capital development
- View IDPs as vulnerable groups and consider the possibility of a one-time grant to voluntary returnees to safe areas for resettlement and commencement of livelihood activities
- Possible introduction of a community housing scheme to reconstruct damaged houses in the affected communities
- Engage psychologists to provide trauma and psychosocial support to returnee households and internally displaced groups and individuals, as a form of social assistance interventions

Social Analysis

Explanation:

Building on the successes of its parent project, the proposed CSDP aims to improve access to social infrastructure and livelihoods for communities and populations affected by the insurgency in North East Nigeria.

The project will, among other things, augment existing social and natural resource infrastructure across the North East where such infrastructure has either been destroyed or overstretched to cater to the large number of IDPs. This will help alleviate the pressure on community resources and prevent or reduce the tensions inherent in sharing them.

The communities themselves will continue to have a critical role in choosing the micro- projects through a conflict-sensitive, participatory, and inclusive process which will map existing facilities to identified gaps and prioritize additional requirements. This will not only ensure the relevance of project outputs, but also strengthen and promote dialogue, social cohesion, trust, and participatory decision making at the local level.

Community contribution of micro-project costs, in cash or in kind, will guide grant allocation and will be further detailed in the Operations Manual. The community contribution will be minimal in the case of the North East. Community contribution, especially under the vulnerable grant facility will be only in kind. The planning and implementation process will give primacy to people's service priorities; encourage close partnership between communities, LGAs, and civil society in finalizing and implementing micro-projects; and facilitate coordination with sector agencies for implementation and meeting recurrent costs and operation and management expenses.

As is the case with the parent project, under the proposed AF, the establishment of Local Government Review Committees (LGRCs) will continue to serve as an institutional mechanism to establish and nurture partnership relationship between LGAs and the communities. All communities in LGAs with a functional LGRC will be able to submit Community Development Plans and expect funding for community prioritized social and natural resources infrastructure.

Community-level committees will be elected at local levels to improve project implementation and synergies with existing formal and informal local governance structures. In order to respond adequately to the needs of vulnerable populations and households being targeted under Component 4, Group Project Management Committees will be established. These committees will comprise representatives of the different categories of people in the community, especially women, youth, people with disabilities, widows, returnees, and IDPs.

In the CDD approach, the easy way of avoiding or reducing social tensions is to inform community members accurately about the objectives, procedures, roles of local stakeholders, and intended benefits of the program. Creative mechanisms will be used to ensure that the poor and marginalized are as well informed as the community leadership, including through development of outreach materials in local languages, use of radio and community theater where literacy is low, dissemination through alternate

channels of local stakeholders (like using community associations and women’s groups to complement official channels), and posting of key information in places accessible and open to the public. Aside from the robust consultation mechanism embedded in the project, the CSDP second AF will contain three additional social accountability measures: social audits, grievance redress mechanism (GRM), and third-party monitoring. First, the social audits will be held in the form of public meetings facilitated by a civil society organization supporting the State agency at the end of each annual cycle. The results of the social audits will feed into the annual multi stakeholder reviews.

Second, a GRM will be established. This mechanism will handle any grievance arising from the project, including those regarding targeting and section procedures. The community-level committees (including informal IDP committees) will serve as the first level of the GRM and this will help strengthen the social fabric, support community dialogue, and promote the resolution of community-level disputes. Grievances that cannot be resolved at this level will be moved up to the traditional and local government authorities. The design of the GRM will be included in the project Operations Manual. It will specify the systems and requirements (including staffing) for the grievance redress value chain, from uptake, sorting and processing, and acknowledgement and follow-up, to verification and action, monitoring and evaluation, and finally, feedback.

Third, if the state of emergency in the North East persists due to the security situation, security constraints may limit access by the government or Bank staff and thus hamper their ability to monitor project implementation effectively. To this end, the project will work with local non-state actors who are present in the region and know the security situation. The non-state actors will work with project components that cannot otherwise be monitored by the Bank and also strengthen project monitoring when State agencies lack monitoring capacity.

OP 4.12 - Involuntary Resettlement is triggered. No significant land take is anticipated. However, there may be a need for limited land acquisition in connection with certain subprojects. As such, it is important to note that the conflict in the region has resulted in massive displacement of populations as well as weakened traditional authority and other community verification mechanisms hitherto in place to ascertain land ownership and use rights in many communities. As a result, small-scale resettlement as well as due diligence for establishing ownership of land in instances of voluntary land donation may be challenging and need to be well managed to prevent negative impact. In the event of any contestation over land, ownership and user rights will be verified using the traditional institutions at the ward, village, district, and emirate levels, as the case may be.

To date, no Resettlement Action Plans have been prepared. Most micro-projects have not involved land take; in some cases, communities have voluntarily donated community land for the micro-projects. Because the range, scale, locations, and number of micro-projects will emerge from a participatory process, the social impacts of the micro-projects, as well as possible negative impacts in terms of land acquisition, loss of economic activities, and/or possible displacement are not known ex ante. Therefore, the Resettlement Policy Framework (RPF), prepared under the first AF has been updated by the borrower, in line with national and Bank policies, and disclosed in-country on May 17, 2016 and at the Bank’s InfoShop on May 18, 2016. The instrument will guide implementation under the project. The updated RPF will outline measures to avoid or reduce impacts through appropriate mitigation measures such as compensation and livelihood restoration, where applicable. Resettlement Action Plans will be prepared, consulted upon, and disclosed as and when necessary.

Environmental Analysis

Explanation:

As in the parent project, the AF is categorized B, resulting from the site-specific environmental and social impacts associated with small infrastructure associated with the CDD micro-projects. As indicated in the social section of this paper, the emergency nature of the AF will be processed according to paragraph 11 of OP 10.00, and the Environmental and Social Management Framework (ESMF) prepared for the parent project in accordance with OP 4.01, has been updated and disclosed in country on May 17, 2016 and in the

Bank's InfoShop on May 18, 2016. The updated ESMF outlines measures to avoid, mitigate, or reduce impacts from the proposed CDD micro-projects. The micro-projects are expected to be minimal, site specific, and manageable at an accepted level. However, in those cases where environmental impacts are more substantial, ESIA's and/or ESMPs will be prepared, consulted upon, and disclosed when required. Before finalizing the first AF, an environmental safeguards audit was prepared for the parent project to ascertain how well the ESMF and RPF instruments have been complied with and to identify recent challenges in safeguards implementation with the aim of proffering solutions to such challenges and providing guidance for improvement where necessary. This audit carried out in the 26 CSDP States (including States in the North East) rated the project's performance on environmental safeguards compliance as credible and satisfactory. In the audit, reference was made to the use of a limited safeguard instrument used to assess the development of a CDD project (Bemi Bridge) in Cross River State that attracted criticism of some stakeholders in the area, in particular, with regard to the construction of the bridge, which could potentially cause induced impacts (including illegal logging and poaching) in two parks. An ESIA has been prepared for the CDD project, and the ESMP, drawing on consultations with local communities, includes mitigation measures to address these risks (e.g. monitoring and enforcing forest management rules, constructing additional ranger posts, involving the community in the management of the parks, and an outreach/communication strategy to sensitize local communities about the parks). The ESIA/ESMP has been consulted upon, cleared by the Bank, and disclosed in-country and at the InfoShop. The environmental audit has also been publicly disclosed.

The audit also recommended the following: (i) two additional safeguard policies, namely, OP 4.36 Forests and OP 4.04 Natural Habitat, should be included to the already triggered safeguard instruments - OP 4.01 Environmental Assessment and OP 4.12 Involuntary Resettlement; (ii) adequate provision should be made for the implementation of safeguards instruments in the various States and specifically the North East States through capacity-building measures such as training; and (iii) adequate site visits to administer the adequate safeguards instrument for each CDD 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.

IV. Governance and Accountability

23. The project aims at strengthening governance at the three lower levels of government: State, local, and community (the fourth tier of the government). But the parent project also aims at strengthening capacity at the federal level. By empowering communities for the development, implementation, and monitoring of micro social infrastructure projects and natural resources management, the risk of fraud and corruption is mitigated at the point of delivery, which proves endemic according to a recent survey.¹ Specific support provided to vulnerable groups will also mitigate the risk that they be deprived of their entitlements and further victimized. The project helps restore public trust in government by strengthening the relationship between local governments, often remote and hardly accountable to their constituents, and the communities. A grievance redress system ensures that individual complaints are adequately addressed as well as the systemic issues they reflect at local government level are escalated and handled at the State level when needed. Given the need to restore social cohesion, the GRM is also designed as a conflict resolution mechanism. Details are provided in the Operations Manual. Based on the findings of the detailed financial management review of the Bank portfolio with a focus on project soft-expenditure and operating expenses at 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.

V. Communication

24. Communications was incorporated into the CSDP as a tool for enhancing and showcasing results, community 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 project implementation unit 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.

VI. World Bank Grievance Redress

25. 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.

¹ ActionAid, Poverty and Corruption in Nigeria, 2015.

Annex 1: Results Framework

Project Name: Community and Social Development AF-2 (P157898)	Project Stage: Additional Financing	Status: FINAL
Country: Nigeria	Approval FY: 2016	
Region: AFRICA	Lending Instrument: Investment Project Financing	
Parent Project ID: P090644	Parent Project Name: Community and Social Development Project (P090644)	

Project Development Objectives

Original Project Development Objective - Parent:

Development objectives. The project development objective is to sustainably increase access of poor people to social and natural resource infrastructure services. The key performance indicators are: - Increased number of poor people (of which 70% are women) with access to social services. - Increased number of poor people with access to natural resources infrastructure services. - Increased percentage of participating Local Governments that are incorporating Community development plans in their budget.

Current Project Development Objective - Parent:

The project development objective is to increase access by the poor to improved social and natural resource infrastructure services in a sustainable manner throughout Nigeria.

Proposed Project Development Objective - Additional Financing (AF):

The new PDO is to increase access by the poor people, and particularly by the internally displaced and vulnerable people in the North East of Nigeria, to improved social and natural resource infrastructure services in a sustainable manner throughout Nigeria.

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	Poor communities with access	<input type="checkbox"/>	Text	Value	1000	3,200 new	3750

(changed definition, updated end target, revised closing date)	to social services (of which IDPs constitute more than 10% of residents)				Communities (about 500,000 households)	communities(about 1,550,000 households)	Communities (about 1,500,000 households of which 40% are women, 10% of whom are other vulnerable groups)
				Date	31-Mar-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised (changed definition, updated end target, revised closing date)	Poor communities with access to natural resource management services (of which IDPs constitute more than 10% of residents)	<input type="checkbox"/>	Text	Value	50 Communities (about 25,000 households)	750 new communities (about 375,000 households)	800 communities (about 400,000 households of which 30% are women, 10% of whom are other vulnerable groups)
				Date	31-Mar-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised (updated end target, revised closing date)	Annual Local Government budget in participating States incorporating Community development plans increases yearly	<input type="checkbox"/>	Text	Value	1%	42%	45%
				Date	31-Mar-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised (changed definition, updated end target, revised closing date)	Direct project Beneficiaries, including IDPs (measured by the number of poor people with access to social services)	<input type="checkbox"/>	Number	Value	0.00	2500000.00	3200000.00
				Date	01-Jul-2009	25-Nov-2015	30-Jun-2020
				Comment			

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised (updated end target, revised closing date)	Completed microprojects, that are operational and maintained one year after completion.	<input type="checkbox"/>	Text	Value	300 microprojects	7947 (6677 new ones)	8500
				Date	31-Mar-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised (updated end target, revised closing date)	Health Centers built or rehabilitated	<input type="checkbox"/>	Text	Value	50	1094 (1044 new ones)	1500
				Date	31-Mar-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised (updated end target, revised closing date)	Classrooms built or rehabilitated	<input type="checkbox"/>	Text	Value	100	1533 (1433 new ones)	2000
				Date	31-Mar-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised (updated end target, revised closing date)	Students enrolled in primary education schools supported by project	<input type="checkbox"/>	Text	Value	0	32,000 new enrolments (Boys 18,000 and Girls 14,000)	50000
				Date	31-Mar-2009	25-Nov-2015	31-Dec-2017
				Comment			
Revised (revised closing date)	LGAs that received training have integrated CDD approach in the formation of their Local development plans	<input type="checkbox"/>	Text	Value	0	60%	65%
				Date	31-Mar-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised (revised closing date)	Project funds that are channeled to community- driven investments	<input type="checkbox"/>	Text	Value	0%	72%	75%
				Date	31-Mar-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised	Community Development	<input type="checkbox"/>	Number	Value	0.00	2683.00	3750.00

(revised closing date)	Plans that are approved and funded			Date	30-Jun-2009	25-Nov-2015	30-Jun-2020
				Comment			
Revised (changed definition, updated end target, revised closing date)	Gender and Vulnerable Groups (GVG) (women/gender and other vulnerable groups) register or list available in communities implementing CSDP.	<input type="checkbox"/>	Number	Value	0.00	0.00	500.00
				Date			30-Jun-2020
				Comment			
Revised (changed definition, revised closing date)	Gender and Vulnerable Groups (GVG) (women/gender and other vulnerable groups) with functional micro-projects or specialized services	<input type="checkbox"/>	Number	Value	175.00	385.00	500.00
				Date	26-Mar-2014	25-Nov-2015	30-Jun-2020
				Comment			
New	Number of damaged / host communities supported by CSDA	<input type="checkbox"/>	Number	Value	0.00		250.00
				Date	20-Apr-2016		30-Jun-2020
				Comment			
New	Number of community housing created / supported by CSDA	<input type="checkbox"/>	Number	Value	0.00		1000.00
				Date	20-Apr-2016		30-Jun-2020
				Comment			
New	Number of trauma and psychosocial support sessions conducted	<input type="checkbox"/>	Number	Value	0.00		200.00
				Date	20-Apr-2016		30-Jun-2020
				Comment			
New	Percentage of project beneficiaries satisfied with the project interventions	<input type="checkbox"/>	Percentage	Value	0.00		60.00
				Date	20-Apr-2016		30-Jun-2020
				Comment			
New	Percentage of grievances addressed within the timeframe	<input type="checkbox"/>	Percentage	Value	0.00		70.00
				Date	20-Apr-2016		30-Jun-2020

	stipulated in the Operations Manual			Comment			
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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 RPBA² 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

² RPBA, World Bank, EU, and the UN, April 2016.

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. 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)³ 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.

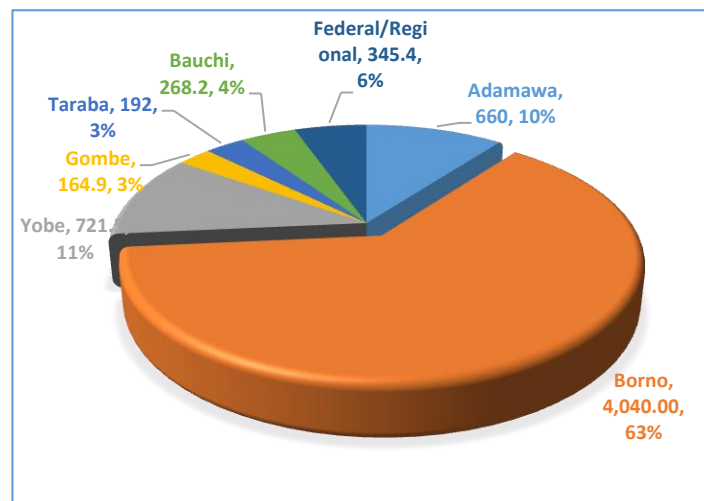
³ The HRP 2016 was prepared by the UN-Nigeria, with the purpose of assessing the humanitarian conditions of the Nigerian North East and providing a framework for the continuous national response and early recovery plans and interventions to these needs. For more information, please visit: https://www.humanitarianresponse.info/en/system/files/documents/files/nigeria_2016_hrp_03032016_0.pdf

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, 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) and 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 recovery⁴ phase is US\$6.7 billion (table 3.1).

Figure 3.1. Overall Recovery and Peace Building Needs by State



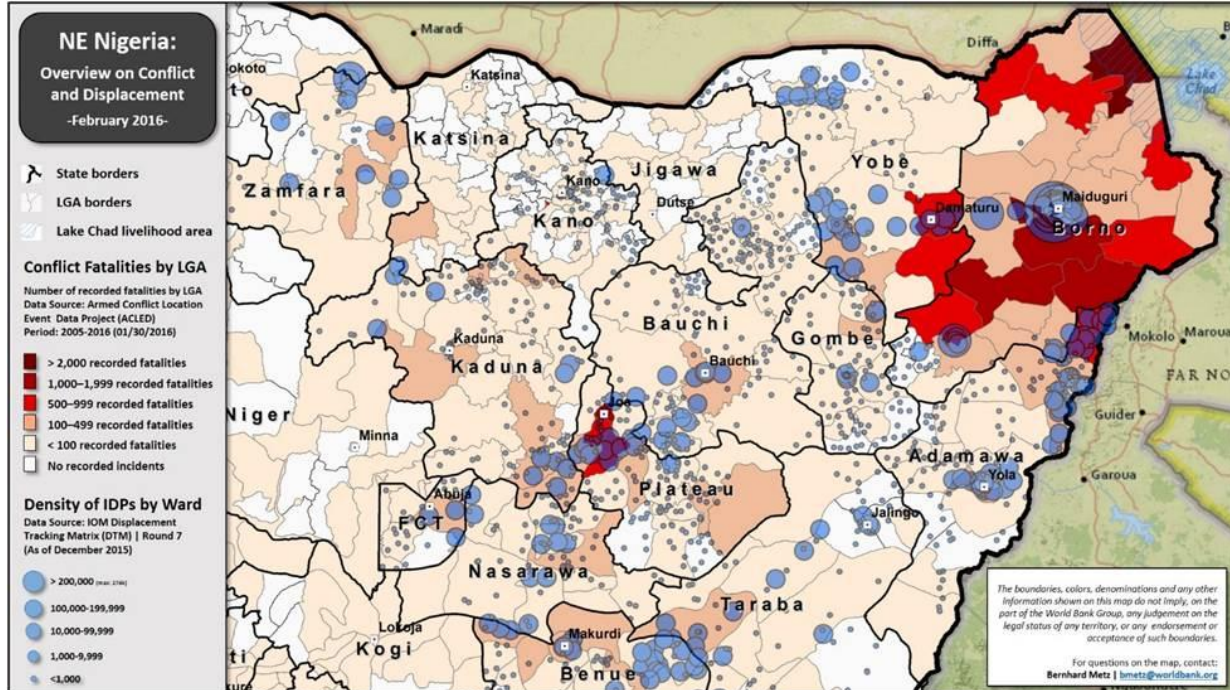
⁴ Stabilization generally denotes the period during which initial recovery interventions commence and start taking effect while ongoing humanitarian operations continue. These initial recovery interventions build upon humanitarian interventions, do not duplicate them, and do not address the development 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.

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
Total	660.0	4,040.0	721.5	164.9	192.0	268.2	345.4	6,664.1

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 displaced populations, 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
Subcomponent 9: Social Protection	
Expansion of coverage of forthcoming National Social Safety Nets Program, unconditional top-up for first 2 years	Output indicator: Number of households covered; Ratio of IDPs to non-IDP beneficiary households Outcome indicator: Poverty incidence and poverty gap; Household income/expenditure
Employment of IDPs in procurement of forthcoming national school feeding program	Output indicator: Number of IDPs employed; Number of meals served; Number of public school children that received meals
Public employment scheme	Output indicator: Number of households covered; Ratio of IDPs to non-IDPs beneficiary households Outcome indicator: Poverty incidence and poverty gap; Household income/expenditure
Old age and disability allowance	Output indicator: 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 Outcome indicator: Poverty incidence and poverty gap
Targeted subsidy of Community Based Social Health Insurance Program for children under 5, lactating mothers, and pregnant women	Output indicator: 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	Output indicator: Number of LGA-level implementers receiving training