

BOARD APPROVAL
Lapse-of-time Procedure

14 December 2018

FOR CONSIDERATION

MEMORANDUM

TO : THE BOARD OF DIRECTORS

FROM : Vincent O. NMEHIELLE
Secretary General

SUBJECT : NIGERIA – INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT INTEGRATED PROGRAMME (IBSDLEIP) – ADDITIONAL FINANCING *

ADF ADDITIONAL LOAN OF UA 3.99 MILLION

Please find attached the Loan **Proposal** and the draft **Resolution** related to the above-mentioned project, which are submitted for **your consideration on a Lapse-of-time Basis**.

In case of no objection by 5:00 pm on 14 December 2018, the Proposal will be considered as approved and the Resolution adopted.

Attach:

Cc: The President

*Questions on this document should be referred to:

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Mr. G. PENN
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Team Leader

RDNG	Extension 7754
AHHD	Extension 2174
PGCL	Extension 3220
PGCL.1	Extension 3309
RDNG	Extension 7751
RDNG	Extension 7774

AFRICAN DEVELOPMENT FUND



PROGRAMME: INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT INTEGRATED PROGRAMME (IBSDLEIP) – ADDITIONAL FINANCING

COUNTRY: NIGERIA

DATE: NOVEMBER 2018

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AFRICAN DEVELOPMENT FUND



NIGERIA

INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT INTEGRATED PROGRAMME (IBSDLEIP) ADDITIONAL FINANCING

RDNG/PICU/PGCL DEPARTMENTS

December 2018

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CURRENCY EQUIVALENTS

	Exchange rate as of August 2016 (at Appraisal)	Exchange rate as of November 2018
1 UA	1.39 USD	1.38 USD
1 UA	394.82 Naira	423.09 Naira
1 USD	283.36 Naira	306.12 Naira

FISCAL YEAR

April 1st - March 31st

WEIGHTS AND MEASURES

1 metric tonne (t)	=	2,205 lbs.
1 kilogramme (kg)	=	2.205 lbs.
1 metre (m)	=	3.281 ft.
1 kilometre (km)	=	0.621 mile
1 square kilometre (km ²)	=	0.386 square mile
1 hectare (ha) = 0.01 km ²	=	2.471 acres

ACRONYMS AND ABBREVIATIONS

ADB/AfDB	African Development Bank
ADF	African Development Fund
BDC	Business Development Centre
CCT	Critical and Creative Thinking
CSO	Civil Society Organisation
DPs	Development Partners
EMIS	Educational Management Information System
FGN	Federal Government of Nigeria
FME	Federal Ministry of Education
FMWR	Federal Ministry of Water Resources
FSTC	Federal Science and Technical College
IBSDLEIP	Inclusive Basic Services Delivery and Livelihood Empowerment Integrated Programme
IDPs	Internally Displaced Persons
IPR	Interim Progress Reports
LGAs	Local Government Areas
MDAs	Ministry, Department and Agencies
MIS	Management Information System
MSMEs	Micro, Small and Medium Enterprises
NE	North East
NEMIS	National Educational Management Information System
PAR	Project Appraisal Report
PCNI	Presidential Committee on North East Initiative
PCR	Project Completion Report
PCU/T	Project Coordinating Unit/Team
PEWASH	Partnership for Expanded Water Supply, Sanitation and Hygiene
PIU	Project Implementation Unit
QPR	Quarterly Progress Reports
RISP WA	Regional Integration Strategy Paper for West Africa
RWSSI-TF	Rural Water Supply and Sanitation Initiative Trust Fund
SAM	Severe Acute Malnutrition
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
STVEP	Skills Training and Vocational Education Project
TSED	Technology and Science Education Department
TVET	Technical Vocational Education and Training
UA	Unit of Account
USD	United States Dollars
WASH	Water Sanitation and Hygiene
WSS	Water Supply and Sanitation

PROJECT INFORMATION

Nigeria – Inclusive Basic Service Delivery and Livelihood Empowerment Integrated Programme – Additional Financing

CLIENT INFORMATION	
Borrower/ Recipient	Executing agency
Federal Republic of Nigeria	Federal Ministry of Education

FINANCING PLAN	
Financier	Amount
ADF Loan	UA 3.99 million (reallocation from cancelled loans)
TOTAL PROJECT COST	UA 3.99 million

AFRICAN DEVELOPMENT FUND KEY FINANCING INFORMATION	
	ADF loan
Amount	UA3.99 million
Interest type*	1% per annum from 11 th to the 20 th year inclusive then at 3% per annum thereafter
Interest rate spread*	NA
Commitment fee*	0.5% yearly on undisbursed loan amount, beginning to run 120 days after the signing of the loan agreement
Other fees*: Service Charge	0.75% yearly on amounts disbursed & outstanding
Tenor	40 years, after a grace period of 10 years
Grace period	10 years

TIMEFRAME – MAIN MILESTONES (expected)	
Concept note approval	N/A
Project approval	December 2018
Effectiveness	February 2019
Last disbursement	December 2021
Project Completion Report	September 2021

MANAGEMENT RECOMMENDATION TO THE BOARD OF DIRECTORS ON PROPOSED ADDITIONAL FINANCING FOR THE INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT INTEGRATED PROGRAMME (IBSDLEIP)

Management submits this Memorandum and Recommendation to provide an additional ADF loan not exceeding UA **3.99 million** to finance activities of the Inclusive Basic Service Delivery and Livelihood Empowerment Integrated Programme (IBSDLEIP). The additional funds will finance the completion of educational and hostel buildings, provide a water and sanitation system, along with providing capacity building and a Business Development Centre (BDC) and other additional facilities at the Federal Science and Technical College (FSTC), in Lassa, Borno State of Nigeria. The additional activities to be funded will be undertaken within the original IBSDLEIP timeframe; and will provide a conducive learning and teaching environment to ensure the reinstatement of the pre-closure capacity of the FSTC which at the time of closure had a total of 950 students and 80 technical subject tutors, and increase its capacity. This will assist the Government to improve access to quality Technical Vocational Education and Training (TVET) especially in North East Nigeria and contribute towards poverty reduction, and rebuilding of North East Nigeria.

1. SYNOPSIS OF THE INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT INTEGRATED PROGRAMME (IBSDLEIP)

1.1 On 16th December 2016, the Board approved a total amount of UAC 194.89 million (made up of an ADB loan of UAC 107.91 million, an ADF loan of UAC 71.94 million and Rural Water Supply and Sanitation Initiative Trust Fund (RWSSI-TF) Grant of EUR 5 million equal to UAC3.99 million and government contribution of UAC11.05) towards implementation of the Inclusive Basic Services Delivery and Livelihood Empowerment Integrated Programme (IBSDLEIP). Implementation is in five of the six North Eastern States of Nigeria and over a period of five years (2017-2021). The IBSDLEIP became disbursement effective in July 2018 and is currently under implementation.

1.2 **The objective of the Bank Financed Programme** is to contribute to reduction of poverty and vulnerability in Nigeria in the context of the North East emergency transition, recovery and peacebuilding framework. This will specifically improve the quality of life through increasing access of the poor and vulnerable to basic social services in water, sanitation, hygiene, health, nutrition, and education; provide livelihood opportunities and **skills development**; food security and strengthened safety net systems in affected states in the North East. The Programme will give particular attention to youth employment and entrepreneurship, women and internally displaced peoples (IDPs). Psychosocial support, peace-building, environment, climate change and gender equality interventions are mainstreamed in all components of the Program.

1.3 The initial program scope covers (i) the provision of facilities at basic schools, primary health clinics, water, hygiene, sanitation and environmental facilities in schools and communities, training of service workers in the water, sanitation, health and education sectors, community nutrition support services for the most vulnerable; (ii) **improvement of TVET** and facilities at three markets, livelihood support for IDP farmers and fisher folk, skills and entrepreneurship training; establishment of a unified social registry and (iii) Institutional strengthening of seven participating Federal Ministries/Agencies.

1.4 The Executing Agency is the Presidential Committee for the North East Initiative (PCNI) and the State Governments. Implementation arrangements is at two (2) levels (Federal and State). PCNI also serves as the Steering Committee for all North East (NE) Recovery and Rebuilding activities. Coordination and quality control of implementation of the program will be carried out by the North East Recovery and Stabilization Program (NERSP) Project Management Coordination (PMC) Cell already established under PCNI for coordination of Multi-Lateral Donor activities (AfDB, WB and IsDB). Federal Ministries of Education, Water Resources, Health, Labour, Women affairs and Investment Unit of the Vice president's office have set up Project Implementation Units for implementation of the Federal components of the program.

1.5 Similarly each participating State has established a State Project Coordination Unit (PCU) for overall coordination of State activities and State Project Implementation Units for implementation of State activities. A more detailed description of the original IBSDLEIP is given in Annex I.

2. RATIONALE AND JUSTIFICATION FOR ADDITIONAL FINANCING TO IBSDLEIP

2.1 Rational For the Additional Financing to IBSDLEIP

2.1.1. The Boko Haram crisis, has exacerbated fragility with widespread devastation to the North East which remains one of the poorest regions in Nigeria. According to the Human Rights Watch Report of 2018, between 2009 and 2015, more than 910 schools were destroyed, at least 1,500 forced to close, at least 611 teachers killed and another 19,000 forced to flee with tremendous impact on the education for both boys and girls particularly in the three most conflict-affected states of Borno, Adamawa & Yobe. FSTC Lassa was also targeted and attacked and had to close. All three boys' hostels, one of three girls' hostels, the clinic and some classroom blocks were burnt down, while the roof of another girls' hostel was removed. A BDC workshop and boy's hostel under construction as part of the Skills Training and Vocational Education Project (STVEP) could not be completed. It is reported that 50% of the water facilities were also reportedly damaged in Borno State. Women and girls being in-charge of supplying and managing water for domestic use have borne the brunt of low access to portable water.

2.1.2 Progressively, the authorities have made important progress in restoring security in the North East, leading to the return of IDPs and Nigerian refugees since February 2016, and most of the remaining willing to go back to their communities or settle in other communities. Borno State remains the most affected of the conflict areas, hosting 1.6 million of the 2.4 million IDPs. These returnees, need assistance with rebuilding livelihoods. The additional funding aims to build the technical and entrepreneurial skills of the people as a catalyst for economic development. The Federal Government plans to re-open Lassa FSTC to students (boys and girls) for the next academic year (2019).

2.1.3 The overall budgetary requirement for the "Buhari Plan" for the North Eastern States, is currently estimated at USD 7.5 billion with a funding gap of 70%. The Federal government developed a Post-Conflict Socio-Economic Recovery, Peace-building and Development program to bring about peace and restoration in the North Eastern part of Nigeria, and dubbed it the "Buhari Plan". FSTC Lassa was part of the closed STVEP project but could not be completed due to the lack of access during the peak of the Boko haram conflict (2011 to 2015).

2.2 Justification for Additional Financing to IBSDLEIP

2.2.1 Socio Economic Impact: **In the context of recovery and peace building in the North East**, the additional activities will contribute to spur local economic activities in Borno State by enhancing Science and Technical Education service delivery and developing skills of both boys and girls in construction (brick-laying, block-laying and concrete-work; painting and decorating; carpentry and joinery; electrical installation and maintenance; welding and fabrication), computer craft and electronics/television/radio-craft. Entrepreneurial skills will also be developed. The additional operation will also create additional jobs in the construction industry (permanent and temporary), and also increase informal economic activity, as the Lassa community will benefit from the provision of water to FSTC Lassa through the reticulation of the water system from the adjacent water source.

2.2.2 The additional financing is specific to bringing improvement to the school infrastructure and improve the quality of services in science and technical education. Renovation/reconstruction of school infrastructure will ensure a conducive learning and teaching environment to acquire knowledge. Confidence in the school system will be restored and it will provide a safe place for youth to get a quality education and learn skills. The program will have positive social impact by protecting the most vulnerable individuals. The revised Program's Logical Framework is presented in **Annex – II**.

3. PLANNED PROGRAM ACTIVITIES

3.1. Overview of Planned Program Activities

3.1.1 Description of planned program activities in the additional financing to the IBSDLEIP are indicated in Table 1.

Table 1: Program Components under the Additional Loan

No.	Component Name	Cost (UA million)	Component Description
I	Service Delivery Promoting restoration and improving access and utilization of basic social services in water sanitation, health and education	3.59 3.59	Education recovery: Supporting the rehabilitation/reconstruction of 6 classroom blocks of 28 classrooms (made up of 2 blocks of 6-classrooms each and 4 blocks of 4 classrooms each), 3 workshops, 7 hostels of 640 total capacity (40% for girls), additional internal fencing for the girls wing, 6 blocks of 2-bedroom staff quarters, water supply systems for the school, a clinic, rehabilitation of the administration block; and gravelling of internal roads and parking areas. The facilities will also be equipped with solar power and furniture. Capacity-building activities for FSTC-Lassa Administration, teachers and school-based management committee; psychosocial support for students and teachers; and capacity building for TVET HQ and Lassa, covering engineering support and M&E for the project. Rehabilitation support to Federal Government Girls' College (FGGC), Yola, where furniture and equipment for FSTC Lassa was stored.
II	Institutional strengthening and programme management Institutional Strengthening	0.40 0.21	The institutional strengthening includes support (technical assistance, entrepreneurship exchange programmes) for reinforcement of BDC activities in Lassa FSTC and the other FSTCs under the closed STVEP – Ikare; Uyo; Ohanso; Orozo and Nomadic Centre
	Programme Management	0.19	Project Management support; Incremental project monitoring, reporting and audit (Procurement, Financial, and Technical) costs.
	Total	3.99	

3.1.2 **This additional loan reinforces program components at the Federal Level.** It reinforces planned activities in TVET training at secondary school level in order to enhance skills and promote entrepreneurship, and it will ensure a sustainable TVET policy is implemented. Support is being given at Federal level to finalize the guidelines for

implementation of the TVET policy. The approved guidelines will enable the Federal Ministry of Education monitor implementation of the policy nationwide.

3.1.3 The activities include completion of a workshop and hostel started under STVEP, rehabilitation/re-construction of classrooms, other workshops, hostels, school clinic; rehabilitation of the administration block, provision of new staff quarters and fencing for the girls section. Water supply will be from an existing borehole located in Lassa town. The roads and parking areas within the school compound will be gravelled to mitigate the poor ground conditions, which become water-logged during the rainy season. All facilities will be solar powered. The program will also invest in educational equipment and furniture for these structures.

3.1.4 To support sustainability of these infrastructure and boost the skills of the students, the program will also reinforce the Business Development Centre (BDC) concept in FSTC Lassa. This concept was embedded at all institutions that benefitted from the closed STVEP; it was a production centre whereby services, for a small fee, were provided to the community, private sector and individuals that required these services. Such services included repairs to equipment, provision of purified drinking water, cement blocks etc. and it promoted entrepreneurship amongst students and provided advice on self-employment to encourage the set-up of small and medium enterprises. Tutors' skills will be enhanced, along with members of the community and management staff of FSTC Lassa, through pre-requisite training and confidence built up with the provision of psychosocial support for all stakeholders.

3.2 Compliance with Environmental and Social requirements

3.2.1 IBSDLEIP was categorized in May 2016 as Category-2. Mitigation measures and timetable for their implementation at a total cost of UA 0.76 million as well as responsibilities are elaborated in IBSDLEIP Technical Annex B8. The activities to be financed under the additional loan are aligned to those in the ongoing IBSDLEIP and no significant negative incremental environmental and social impact is envisaged. Categorisation of the revised IBSDLEIP therefore remains unchanged. Some minor temporary negative environmental impacts that may occur, are mainly due to construction activities and the mitigation measures are well thought out. Environment-enhancing facilities will be provided, such as water-borne waste disposal system, proper disposal of waste or recycling. In addition shrubs and non-fruit trees will be planted in strategic places, with grassing over and gravel placed along the roads to provide firm ground to mitigate the poor ground conditions. All construction is at an existing site, so there is no concern regarding incursion into natural woodlands or waterways. There is no involuntary resettlement.

3.2.2 Climate resilience has also been built into relevant activities under the Programme in accordance with the Bank's Climate Risk Management Policy and the FMWR "Partnership for Expanded Water Supply, Sanitation and Hygiene (PEWASH)" strategy. Youth and gender issues have also been mainstreamed into all program activities. The youth in the community will be empowered economically through being engaged in the supply of local construction materials, having skills developed and entrepreneurship development and young graduates will have required training through relevant attachments. All activities will integrate a gender perspective that will ensure equality and equity e.g. provision of appropriate sanitary systems, secure hostels for girls, and activities to encourage participation of women.

3.3 Implementation Arrangements

3.3.1 The Implementation timelines of the additional program scope, can be found as Annex III.

3.3.2 Implementation will be by the Federal Ministry of Education Program Implementation Unit (FME PIU) already set up under the IBSDLEIP. For implementation of the additional activities the Program Coordinator of the Technology and Science Education Department (TSED) in FME will have responsibility for implementation of the additional program activities. TSED has experience in providing oversight of Bank-funded projects, as it was the implementing agency of the STVEP. In addition, a construction management engineer, whose experience, qualifications and proficiency is acceptable to the Bank, will be recruited or deployed from one of the Federal Ministries to coordinate the field activities and manage the contracts for the construction at FSTC Lassa.

3.4 Procurement Arrangement for the Additional Activities

3.4.1 The procurement arrangements for the additional program scope will be the same as for the original approved IBSDLEIP. Therefore, procurement of goods, works and services, under the additional financing will be in accordance with the Bank's rules and procedures: "Procurement Policy and Methodology for Bank Group Funded Operations" (BPM), dated October 2015 and as amended from time to time, using the relevant Bank standard bidding documents and the provisions stipulated in the Legal Agreement and procurement plan. Specifically, Procurement would be carried out following Bank Procurement Policy and Methodology (BPM).

3.4.2 A Procurement Specialist with qualifications acceptable to the Bank will be recruited or deployed by the Federal Ministry of Education to provide the required competencies for the planned procurement activities. The Procurement Specialist will be located within the Federal Ministry of Education Program Implementation Unit for the duration of the program.

3.5 Financial Management and Disbursement

3.5.1 The Financial Management for the additional resources will follow the same arrangement as for the main IBSDLEIP project, including reporting and audit arrangements with separate reporting for this project. The project implementation team under the main IBSDLEIP including an accountant is in place and the first disbursement has been made in July 2018.

3.5.2 Disbursement: The disbursement methods under the IBSDLEIP shall also be used under this financing for this additional loan. A specific dollar denominated, dedicated account (Project Special Account) into which the Bank will disburse the proceeds of the Loan for this program (for the additional activities to be financed under this additional loan) will be opened. The Special Account method together with a local currency Naira account will be used to meet local operating expenses; while major contracts shall be financed out of Loan proceeds, using the Direct Payment method of disbursement.

4. REVISED PROGRAM COST AND FINANCING PLAN

4.1 Revised Program Cost

4.1.1 Tables 2 and 3 show the initial and revised program cost estimates taking into account the additional UA 3.99 million ADF loan. The additional funding is from the cancelled amount of the UA 5.7 million from the ADF loan under the Skills Training and Vocational Education Project (STVEP), reallocated in accordance with cancellation guidelines. The STVEP was closed in 2016.

Table 2: Original Program Cost Components and the Revised Cost Components in UA million

Components	Initial				Revised			
	Foreign	Local	Total	% Foreign	Foreign	Local	Total	% Foreign
1. Service Delivery	82.76	46.49	129.25	64.0	85	48.24	132.84	63.7
1.1 Promoting restoration & improving access and utilization of basic social services in health and education	12.19	10.15	22.34	54.6	14.03	11.90	25.93	54.1
1.2 Promoting and improving access and utilization of Rural Water Supply and Sanitation Infrastructure, Hygiene, sanitation and environmental promotion in schools, health facilities, and communities	59.33	33.67	93.00	63.8	59.33	33.67	93.00	63.8
1.3: Community Nutrition Support to Scale up nutrition services for the most vulnerable population	4.40	2.27	6.67	66.0	4.40	2.27	6.67	66.0
1.4. Rural Water and Sanitation Reform (Federal Ministry of Water Resources)-Institutional Support and capacity Building	6.84	0.40	7.24	94.5	6.84	0.40	7.24	94.5
2. Economic Recovery	17.42	9.50	26.92	64.7	17.42	9.50	26.92	64.7
2.1 MSMEs and youth entrepreneurship promotion	5.39	4.69	10.08	53.5	5.39	4.69	10.08	53.5
2.2 Empowerment of women micro enterprises in agri- businesses	4.67	1.29	5.96	78.4	4.67	1.29	5.96	78.4
2.3 Livelihoods for Vulnerable Groups	7.36	3.52	10.88	67.6	7.36	3.52	10.88	67.6
3. Performance Based Allocation	8.00	5.33	13.33	60.0	8.00	5.33	13.33	60.0
4. Institutional strengthening	3.02	1.30	4.32	69.9	3.17	1.36	4.53	70.0
5. Project Coordination	12.87	0.06	12.93	99.5	13.06	0.06	13.12	99.5
Total BASECOSTS	124.07	62.68	186.75	66.4	126.25	64.49	190.74	66.2
Contingency	4.86	3.28	8.14	59.7	4.86	3.28	8.14	59.7
Total PROJECT COSTS	128.93	65.96	194.89	66.2	131.11	67.77	198.88	65.9

Table 3: Original Program Costs by Category of Expenditure and the Revised Costs in UA Million

Disbursement categories	Initial				Revised			
	Foreign	Local	Total Cost	%F.E	Foreign	Local	Total Cost	%F.E
Civil Works	57.42	38.83	96.25	59.7	58.93	40.31	99.24	59.4
Goods	9.48	3.72	13.20	71.8	9.67	3.95	13.62	71.0
Services	43.94	14.31	58.25	75.4	44.28	14.40	58.68	75.5
Operating Cost	5.22	0.50	5.72	91.3	5.36	0.51	5.87	91.3
Performance Based Allocation	8.00	5.33	13.33	60.0	8.00	5.33	13.33	60.0
Total base cost	124.06	62.69	186.75	66.4	126.24	64.50	190.74	66.2
Contingency	4.86	3.28	8.14	59.7	4.86	3.28	8.14	59.7
Total project cost	128.92	65.97	194.89	66.2	131.10	67.78	198.88	65.9

4.2 Revised Financing Plan

4.2.1. IBSDLEIP is financed by the Bank from an ADB Loan, ADF loan and a RWSSI-TF grant with the Federal Government of Nigeria and the States providing counterpart funding. Table 4 shows the various contributions for the original program and revised contributions with the additional loan.

4.2.2. The revised financing plan modifies the initial ADF loan contribution from UA 71.94 million to UA 75.93 million, an increase of UA 3.99 million. The ADB Loan and RWSSI-TF grant remain at UA 107.91 million and UA 3.99 million respectively. Government's UA 11.05 million contribution (FGN + States' Contribution) of the initial total program cost as shown in Table 4 is considered an adequate proportion of the revised program cost and remains the same. Table 5 shows the category of expenditure to be financed out of the additional loan.

Table 4: Sources of financing for foreign and local costs

Sources of Financing (UA million)	Initial			% Total	Revised			% Total
	FE	LC	Total		FE	LC	Total	
ADB Loan	71.55	36.36	107.91	55.4	71.55	36.36	107.91	54.3
ADF Loan	46.35	25.59	71.94	36.9	48.53	27.40	75.93	38.1
RWSSI-TF Grant	3.99	-	3.99	2.0	3.99	-	3.99	2.0
FGN Contribution	0.37	0.16	0.53	0.3	0.37	0.16	0.53	0.3
States' Contribution	6.66	3.86	10.52	5.4	6.66	3.86	10.52	5.3
Total	128.92	65.97	194.89	100.0	131.10	67.78	198.88	100.0

Table 5 Category of Expenditure to be financed out of the Additional Loan

Disbursement categories	UA Million			
	Foreign	Local	Total	%F.E
Civil Works	1.51	1.48	2.99	50.5
Goods	0.19	0.23	0.42	45.2
Services	0.34	0.09	0.43	79.1
Operating Cost	0.14	0.01	0.15	93.3
Total project cost	2.18	1.81	3.99	54.6

5. WHY THE BANK SHOULD CONSIDER THE REQUEST FOR ADDITIONAL FINANCING

5.1. **The ADF Additional Loan is committed to the reconstruction and rehabilitation of infrastructure at FSTC Lassa along with improvements in quality of services.** The insurgency in the North East brought about destruction of infrastructure and disruption to schooling at FSTC Lassa. The additional financing is specific to bringing improvement to the school infrastructure and quality of services in science and technical education. This will bring more confidence in the school system and provide a safe place for youth to get a quality education and learn skills.

5.2. The Program supports the Buhari Plan for rebuilding the North East (June, 2016) - Pillar (i) *Infrastructure development particularly* and Pillar (iii) *Improving livelihoods through job creation and social welfare programmes*. The Buhari Plan provides the program for post-conflict socio- economic development to spearhead recovery and development of the region.

5.3. The additional financing is aligned to the Bank's CSP for Nigeria (2013-2017, extended to December 2019) - particularly to Pillar (ii) *investing in critical infrastructure to promote the development of the real sector of the economy*; and also Pillar (i) *Supporting the Development of a Sound Policy Environment for Social Inclusion*. The Program resonates with the Bank's

Ten year Strategy (TYS) and the High 5s particularly to “*improve the quality of life for the people of Africa*” as well as other Bank strategies i.e. Gender, fragility and Human Capital Development and Jobs for Youth in Africa. The program is consistent with the Regional Integration Strategy for West Africa (RISP WA) which underscores attention to fragility as a key area of intervention by the Bank for the region.

6. LEGAL INSTRUMENTS AND AUTHORITY

6.1. Condition Precedent to Entry into Force of the ADF Loan Agreement:

6.1.1. The ADF loan agreement shall enter into force subject to fulfilment by the Borrower of the provisions of section 12.01 of the General Conditions Applicable to African Development Fund Loan Agreements and Guarantees Agreement (Sovereign Entities).

6.2. Conditions Precedent to First Disbursement for the Loan:

6.2.1 In addition to the provisions of Section 6.1 (Entry into Force), the obligation of the Fund to make the first disbursement of the Loan shall be subject to the satisfaction of the following condition by the Borrower:

6.2.2 Submission of evidence of the deployment or recruitment of a construction management engineer for the Project Implementation Unit of the Borrower’s Ministry of Education with qualifications and terms of reference acceptable to the Fund.

6.3. Other Condition

6.3.1 The Borrower shall no later than March 2019, after the Date of the Loan Agreement or such later date as may be agreed by the parties, deploy or recruit a Procurement Specialist to provide the required competencies for the planned procurement activities. The procurement specialist will be located within the Federal Ministry of Education Program Implementation Unit.

6.4. Compliance with Bank Policies

6.4.1 This program complies with all applicable Bank policies, including the 2008 Policy on Expenditure Eligible for Bank Group Financing, where a justification for reduced counterpart funding has been provided accordingly with the Policy on Counterpart funding, as indicated in the IBSDLEIP PAR of October 2016.

7. CONCLUSION AND RECOMMENDATIONS

7.1. Conclusion

7.1.1 The Program is part of ongoing Federal Government efforts toward North East States Emergency Transition, Recovery and Peacebuilding, elaborated by the five-year programmatic “Buhari Plan” of 2016. The additional financing sought by the Federal Government of Nigeria will further contribute to addressing gaps in government’s financial commitment to operationalising the Plan.

7.1.2. In line with the Operational Guidelines for the Implementation of the Strategy for Addressing Fragility and Building Resilience in Africa, the Bank will support stabilization and government’s recovery efforts. It will also partner with others that have complementary

comparative advantages, notably in humanitarian aspects and also contribute directly or indirectly to the ‘High 5s’ particularly to *improve the quality of life for people of Africa*.

7.2. Recommendation

7.2.1 Management recommends that the Board of Directors approves an ADF additional loan of UA 3.99 million, to the Federal Republic of Nigeria for the purposes and subject to the conditions stipulated in this report.

ANNEX I DESCRIPTION OF ORIGINAL INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT INTEGRATED PROGRAM (IBSDLEIP)

a. Background

i On 16th December 2016, the Board approved an ADB loan of UA 107.65 million, an ADF loan of UA 71.77 million and Rural Water Supply and Sanitation Initiative Trust Fund (RWSSI-TF) Grant of 5 million Euro (UA3.98 million) towards implementation of the Inclusive Basic Services Delivery and Livelihood Empowerment Integrated Programme (IBSDLEIP). Counterpart funding by both the Federal and State Governments is estimated at up to 5.8% of the Bank's total financing. The programme is currently at the stage of implementation in five North Eastern States of Nigeria¹.

ii IBSDLEIP emphasizes selectivity, integration and prioritizes support to three key components (i) Service delivery- promoting restoration, access and utilization of basic social services in health, education, water and sanitation and nutrition support; (ii) Economic Recovery- empowering youth and women through entrepreneurship, employment generation and tailored skills for the labour market and livelihoods for vulnerable households; and (iii) Programme Management and Institutional Strengthening. Social cohesion and psychosocial support will be undertaken as cross-cutting elements of the programme.

iii IBSDLEIP is a multi-sectoral program and focuses on the intermediate and long term components (12-60 months) of the five-year programmatic "Buhari Plan" of 2016, which is the ongoing Federal Government of Nigeria's efforts toward the North East States Emergency Transition, Recovery and Peacebuilding. The Bank's entire financing contributes 4.8 % of existing funding gaps in the development strategy and priority needs of the Buhari Plan and will help address the inherent socio-economic drivers of the insurgency. The Bank's programme is to see about improvement of livelihoods for the North East and it is working closely with other Development Partners to ensure effective harmonisation and drawing up of synergies to the Federal Government's programme.

iv The initial program scope covers (i) the provision of facilities at 60 basic schools, 30 Primary Health Clinics, 7,200 water, hygiene, sanitation and environmental facilities in schools and communities, training of service workers in the water, sanitation, health and education sectors, community nutrition support services for the most vulnerable; (ii) improvement of TVET and facilities at three markets, livelihood support for IDP farmers and fisher folk, skills and entrepreneurship training; establishment of a unified social registry; and (iii) Institutional strengthening of seven participating Federal Ministries/Agencies.

v The Program will help address the needs of an estimated 14 million affected people, including over 2.3 million Internally Displaced Persons (IDPs), of whom nearly 80 % are women, children, and youth and with special attention given to rural households in Local Government Areas affected by the insurgency.

vi Prior to IBSDLEIP, the Bank had approved a support under the 'Safe Schools Initiative (SSI)' of UA 1.0 million for the reconstruction of the Government Girls Secondary School in Chibok, Borno State where 276 schoolgirls were abducted in April 2014². This reconstruction was implemented by the federal government and the project completion report (PCR) of the project is being awaited.

b. Implementation Arrangements

i. Implementation arrangements will be at two (2) levels, Federal and State. Following lessons learnt from other Bank operations in post-conflict recovery context, and processing delays in execution of current portfolio operations the program will use a third party arrangement to manage risks and facilitate the implementation of the interventions at the state level as follows: UNICEF- components related to service delivery, ILO- entrepreneurship and skills acquisition programme for unskilled youth and the informal sector of artisans/mechanics and, UNIDO- for the MSMEs component focused on women. All the participating third parties will work closely with the Government and participating ministries to ensure adherence to quality standards, timely implementation and reinforcement of capacities. At mid-term review of the programme, an assessment of the state participating institutions will be carried out and upon satisfactory outcomes, the third party will hand over full implementation to the states. A detailed MOU elaborating specified actions and deliverables will be developed by the Federal Government and signed with each third party. The third parties will therefore work with the following implementation set up at the federal and state levels.

ii. **Federal Level:** At the Federal level, a Steering Committee will be set up with the Presidential Committee for the North East Initiative (PCNI), which is mandated to coordinate and ensure harmonisation of the operationalisation of the Buhari programmatic Plan. The membership of the steering committee will draw from PCNI personnel, participating Federal ministries, all the five participating states and CSO representatives. Specifically members from federal ministries and agencies will include an official each from the participating Federal Ministries (at PS level) of Water Resources, Education, Health, Women's Affairs, Labour and Employment; Agriculture and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). Representatives (1 per State) of the five states of the North East and an official from the Office of the Vice President, Social Investment Unit. The Committee will hold quarterly sessions every year, for programme prioritization, planning and development. The Steering Committee will provide support, guidance and oversight of progress of the programme implementation.

iii. A Federal Program Coordinating Unit/Team (PCU/T), headed by the Social Investment Unit in the Office of the Vice President with component heads from participating Ministries including water resources, education, health, labour, agriculture, women's and youth affairs, SMEDAN and the Social Investment Unit in the Office of the Vice President will be established. Their role will be to coordinate the implementation of the institutional support activities relating to institutional strengthening interventions at the Federal level. The Federal PCU/T will also host the secretariat for the coordination of federal level programme activities, promote the programme through Programme support communication activities and prepare the quarterly and annual Programme reports. Each participating Federal Ministry will implement their own institutional strengthening activities under the programme. The PCU/T will also play an advisory, compliance and quality assurance role to ensure the Federal level programmes are delivered as required. The representative of the Programme participating Ministries, Departments and Agencies (MDAs) in the PCU will be responsible for the coordination and delivery of its component activities. The Federal Ministry of Education/Technology Science and Education Department (TSED) will be supported to implement the activities under the additional ADF loan. Considering the high fiduciary risk associated with government systems, AfDB procurement and financial management systems will continue to be used.

iv. **State Level:** At the state level, the individual state Governments are the originators of the programme and the ultimate borrowers of the ADB and ADF loans (on-lent by the Federal Government). The five State Governments will each establish a State Steering Committee

chaired by the Secretary to the State government. Membership will comprise of Commissioners from the Ministries of Water Resources, Education, Health, Agriculture, Commerce, Women Affairs, Information, SMEDAN, Finance, Budget and Economic Planning, and Local Government, Chieftaincy & Community Affairs; Local Government Areas (LGAs); (Civil Society Organisation (CSO) representative, and Bureau of Public Private Partnerships. Financier representatives (AfDB and other development partners) may participate as observers with members. The State level steering committees will provide guidance and oversight to the state level PIUs and will undertake the following: (i) endorse annual work plans, (ii) Vet the prioritisation of LGAs for project activity, (iii) monitor progress and review quarterly progress reports, and (iv) address any issues raised for their attention that risk preventing the Programme achieving its objectives. The Steering Committee will meet quarterly and designate officials to sign withdrawal applications and other correspondences with the Bank.

v. Each state will also establish a State Project Implementation Unit (PIU) with designated officials from the participating state ministries including water resources, education, health, labour and youth, women and SMEDAN as well as a decentralised staff of PCNI. The PIU will be responsible for coordination of implementation and reporting among participating ministries. The representative component head will be directly responsible for implementation of specific programme activities under his/her purview. The state PIU will also host the secretariat for the coordination of state level program activities, promote the programme through Programme support communication activities and prepare the quarterly and annual Programme reports.

vi. Members of the expanded sub-committee will include all key stakeholders that are involved in the implementation of the Programme.

c. Program Description

IBSDLEIP is anchored on three major reinforcing Components described in Table 1.1 below.

Table 1.1: Program Components in the original IBSDLEIP

No.	Component Name	Cost (USD million)	Component Description
I	Service Delivery	161.06	
1.1	Promoting restoration and improving access and utilization of basic social services in water sanitation, health and education	20.00	Basic education recovery: Supports the reconstruction of model primary schools with teachers' accommodation and library facilities. The schools will also be equipped with solar electricity systems to light the classrooms and library and teachers accommodation. There is a significant training component (soft aspects) which comprises series of capacity building programme for head teachers, schoolteachers and quality assurance officers from SUBEB. Training content covers inter alia school administration management and record keeping, pedagogy and core subjects, school monitoring and supervision. Aside these, selected existing unqualified teachers will be supported to pursue training for relevant qualification upgrade. There will also be tailored training courses for School Based management and School Development Plan (SDP).
		7.80	Primary Health Care Services Recovery: focuses on the strengthening of PHCs destroyed by Boko Haram. The support will also ensure the availability and use of SOPs and will further support the strengthening of referral and outreach services to remote communities to ensure access to the last mile as well as routine immunization services. The capacity-building component focuses on support to primary health care training institutions to scale up the production of a critical mass of multipurpose and lower level PHC workers, tailored trainings for health workers and pharmacy staff on post. The programme further integrate service delivery satisfactory surveys through score cards and will create mechanisms for dialogue with communities and service providers on quality service delivery.

No.	Component Name	Cost (USD million)	Component Description
1.2	Promoting and improving access and utilization of rural water supply and sanitation infrastructure hygiene, sanitation and environmental promotion in schools and communities.	114.52	<p>Rural Water and Sanitation Recovery and Development: consists of infrastructure provision as well as support the establishment/strengthening of institutional and organizational arrangements to maintain the water supply and sanitation systems put in place and ensure sustainable services are provided. The infrastructure component will integrate environmental, climate change and green growth principles to ensure long-term sustainability of the infrastructure. The institutional support and capacity building sub component focuses is on strengthening State Rural Water and Sanitation Agencies, LGA water and sanitation units and user communities, and in addition, key stakeholders outside RUWASSA will be supported to be able to fully play their respective roles in relation to the water and sanitation service provision. This will be accomplished through capacity building activities, development of tools and guidelines, and establishment of appropriate contractual arrangements.</p> <p>Hygiene, Sanitation and environmental Promotion: critical aspects of the related hygiene and environment and practices will be addressed by the project. This will be accomplished through capacity building activities, training, development of tools and guidelines and establishment of appropriate contractual arrangements. This component is aimed at solving three key problems areas:</p> <p>Improvement of household conditions In neighbourhood improvement of healthiness and community hygiene Elimination of open defecation and prevention of environmental degradation including pollution of ground water resources.</p>
1.3	Community Nutrition Support to scale up nutrition services for the most vulnerable population	9.23	<p>Community Nutrition Support: Supports the stabilization process through extensive OTPs and for hospital based management of severely malnourished children through establishment of stabilization care units specific to Borno State. It will also support Outpatient Therapeutic Program (OTP) in the primary health centres for the management of severe acute malnutrition without complications and supplementary feeding program for the moderate malnutrition. Bank's support will further ensure the community mobilization integration of CMAM into health services with other existing health and nutrition activities and training of Health Care Workers and Community Volunteers. To promote good feeding practices, peers mothers support groups will benefit from food fortification and nutrition programs.</p>
1.4	Rural water and sanitation reform(Federal ministry of Water resources)	9.50	<p>This subcomponent will include (i) strengthen institutional and organizational arrangement for sustainability of the services; (ii) strengthen Federal government capacity to facilitate Rural WSS reform and performance improvement across the country; (iii) Establish a comprehensive National Rural Water and Sanitation Investment plan as well as sector coordination mechanisms, (iv) Rural Water Sanitation Implementation Manuals and Toolkit taken into account implementation in post conflict areas; (v) Strengthen Sector Performance Monitoring and reporting; (vi) Renovation and modification of FMWR and Zonal National Water Resources Data Base Centres; (vii) Establishment of National Water Resources Data bank (viii) Project impact Evaluation(Baseline and Post evaluation)</p>
II	Economic Recovery	41.24 6.00	<p>This aims to upgrade selected skills acquisition and TVET centres into models with commensurate infrastructure that enables effective training that matches needs of the labour market. It will basically involve Rehabilitation/ reconstruction of infrastructure ; and Equipment supplies for practical training</p>

No.	Component Name	Cost (USD million)	Component Description
		7.64	Skills acquisition and entrepreneurship for unskilled youth productivity of existing artisans and mechanics to informal sector: Training youth in specific trades including artisan-plumbing; wood works; GSM repairs etc. and tailored training for economic opportunities in value chain in livestock markets (including sheep and goats) and crop commodities. The training incorporates apprenticeship schemes with master craft men and Entrepreneurship Tours- An experience sharing and learning event to expose youth trainees to successful likeminded small scale artisans and business; provision of starter packs/tools/grants(promotion for female youth to participate through sensitization) and Tracer studies-M&E systems; it also includes improving the training abilities of entrepreneurs as masters to enhance informal apprenticeship to be more innovative of higher quality and more market responsive.
		6.20	Reconstruction of prominent markets seeks to support revamping of economic activities through restoration and development of the Yobe Potiskum and Adamawa Mubi cattle market. It will involve the reconstruction of market facility including offices, shops; boreholes wash facility and fencing with gender-sensitive infrastructure. Prior to works, a conditional assessment will be carried to technically access the physical state of facilities and extent of needs.
		8.50	Focused on Women Owned Enterprises through cooperatives to assist women entrepreneurs operating in women co-operatives to expand their businesses. Support will be provided to enable the enterprise(a) increase productivity and improve product quality (b) access finance (c) access market (d) Diversify products (e) Add value to raw materials and (f) Access production equipment (e.g. 40% match up for basic).
		11.80	Support to IDPs economic reintegration and vulnerable families: support to IDPs returnees and vulnerable families in the northeast in order to improve their livelihoods and make economic reintegration possible. These would be achieved through the following interventions.
		5.50	Unified national social registry to facilitate the targeting national social safety nets programme and vulnerable support component of this programme. World Bank will focus the Bank's support on North East states as complementary to ongoing support on the safety net programme.
III	Institutional strengthening and programme management	13.59	
	Institutional Strengthening	5.00	The institutional strengthening includes technical assistance to federal ministries and the office of the Vice President social investment unit in charge of the national safety nets programme and job creation coordination.
	Programme Management	15.59	Project Management TA support; Projects operations manual; Project monitoring and Reporting; Procurement Audit; Project Financial Audit; Project Support Communication; Project Financial and Technical Audit; Environmental compliance monitoring in accordance to ESMP; Annual and Mid Term review; Impact evaluation; Gender toolkits to guide the implementation of these interventions will be developed.
	Performance Based Allocation	19.35	This amount is put in place to incentivize and reward states with outstanding results for efficient projects implementation.
	Total	242.24	

ANNEX II: REVISED RESULTS-BASED LOGICAL FRAMEWORK

Country and Programme Name: Nigeria Inclusive Basic Service Delivery and Livelihood Empowerment Integrated Programme

Purpose of the Programme: Contribute to reduced poverty and vulnerability in Nigeria by promoting increased access of the poor and vulnerable to basic social services, livelihood opportunities and job creation in the context of the North East emergency transition, recovery and peacebuilding framework.

	RESULTS CHAIN	PERFORMANCE INDICATORS			MOV	RISKS/MITIGATION MEASURES
		Indicator (including CSI*)	Baseline	Target		
IMPACT OUTCOME	Reduced Poverty and Vulnerability in Nigeria and Improved basic social service delivery in health, education and water and sanitation in North East Nigeria	% population below poverty line	51.9% (2010/11)	20% (2020) Vision 20:2020	Poverty Profile Report	Security risk: resurgence attacks by Boko Haram could affect achievement of outcomes Mitigation: Programme design includes security risk as part of the criteria for selection of beneficiary LGAs. More so, the development approach adopted by the programme design limits interventions in areas where security risk is still high. An implementation phasing strategy is also envisaged for Local Government Areas where security conditions have significantly improved and IDPs are returning. Risk: Inadequate Capacity of Executing Agency could affect implementation effectiveness and efficiency. Mitigation: The Programme integrates Capacity building interventions particularly in procurement and financial management for the PMU and where necessary, experts will be hired to reinforce gap capacities of the PMU
		Food poverty	41. % (2010/11)	Reduced by 75% (2020) Vision 20:2020	Poverty Profile Report	
		Unemployment rate	Total:10.4% (2015) Youth (15-34) 30.4% Male: 5.4% Female: 7.5%	Total:9 % (2021) Youth (15-34) 25% Male: 4.4% Female: 6%	SDG and national reports HIES reports	
		Underemployment rate	Total 18.7% (2015) Youth (15-34) 52% Male 15% Female 21.1%	Total 16% (2021) Youth (15-34) 49% Male 12% Female 15%		
		Underweight in children under 5 years of age (NE)	30.8% (2013)	20 %by 2021		
		Percentage of children age 12-23 months who received all basic vaccination (NE)	Underweight 25% 14.6% (2013)	50% by 2021 (60% by both sexes)		
		Percentage of birth by nurse or midwife (NE)	25.7% male 24.9% female 14.3% (2013)	25% by 2021		
		School attendance ratio at primary level (NE)	46.7% (2013) –boys	55% by 2021		
		% of pupils able to read at grade six	41.5% (2013)-girls	50% by 2021		
		Percentage of primary teachers possessing minimum professional knowledge and skills	28% (2013) 20% (2013)	40% by 2021		
		% Population with safe water access, of which % are female (CSI)	34 % (2015)	80% by 2021		
		% Population with access to new hygienic HH toilets, % female (CSI)	30 % (2015)	80% by 2021		

	RESULTS CHAIN	PERFORMANCE INDICATORS			MOV	RISKS/MITIGATION
		Indicator (including CSI*)	Baseline	Target		MEASURES
	Employment generation and livelihoods enhanced in North East Region	% Schools and health centres with access to improved water sources on premises.	30% (2015)	80% by 2021		Risk: Persistence of harmful cultural practices could limit service delivery and nutrition outcomes Mitigation: Programme includes advocacy campaigns aimed at sensitizing against detrimental cultural practices Risk: Incomplete support and lack of follow-up of trained youth and women could limit the effectiveness of MSME support programmes. Mitigation: Programme shall target youth and women obtain all the support they require and use experienced implementing partners with a mechanism to ensure close follow up.
		% Schools and health centres with access to improved gender separated sanitation facilities, (CSI) with a handwashing facility with soap and water near or in the facility.	25% (2015)	80% by 2021		
		Additional Open Defecation Free communities	NA	5000		
		% Pupils practicing hand washing at critical times, boys/girls	NA	20/25		
		% of households practicing safe solid waste disposal	NA	30		
		Jobs created from Programme interventions direct/temporary (out of which are youth male/ female)	0	Direct-7,740 Temporary- 4,700		
		% TVET graduates supported under the Programme who are employed and earning income	0 (2016)	60%		
		% women /Youth MSMEs supported by the Programme who have achieved productivity/ business or market linkages by end of Programme.	0 (2016)	70%		
		% vulnerable household supported with productive assets under the Programme with increased income	0	60%		
		Component 1: Service Delivery				
1.1 Promoting restoration, access and utilization of basic social services in health, education and water and sanitation						
	1.1.1 Improved infrastructure/facilities for basic service delivery in health education and water and sanitation	No. of model PHCs ³ / schools ⁴ /rehabilitated/constructed and supplied with material and basic equipment's	PHCs : 0 Schools: 0	PHCs: 30 Schools: 60 (2021)	Supervision reports Annual and quarterly Programme Progress Reports Supervision reports Annual and quarterly Programme Progress Reports	
		FSTC Lassa rehabilitated and equipped.		1 (PY3)		
		No of water systems rehabilitated		600		
		FSTC Lassa water reticulation system installed with community standpipes		1		
		No of hand-dug wells constructed		300		
		No. of boreholes constructed		3000		
		No. of solar power pumped schemes & taps constructed		600		
		No of integrated water/energy system with drip irrigation, cattle troughs		500		
		No of Toilets Constructed in Schools		3000		
		No Toilets Constructed in PHUs		360		
		Functionality of water and sanitation facilities	58%	90%		

	RESULTS CHAIN	PERFORMANCE INDICATORS			MOV	RISKS/MITIGATION MEASURES
		Indicator (including CSI*)	Baseline	Target		
	1.1.2 Enhanced delivery of basic services through skills acquisition/upgrading for service workers in water, sanitation, health and education systems	No. of health workers benefiting from training/ refresher courses ⁵	0	1000 50% female		
		No. of basic school/head teachers receiving training/ in-service training		2000 40% female		
		No of unqualified teachers trained for appropriate certification		200 (60% women)		
		Sustainable EMIS development at both state and Federal level	National EMIS policy in place and adopted by states	All 6 States/Federal implement NEMIS policy and EMIS development 120		
		No. of LGAs Quality Assurance Officers trained on school monitoring and supervision				
		Number of teachers (Trainers of Trainers) trained in hygiene & sanitation promotion/% women	0	300/30%		
		Number of Trainer of Trainers trained for improved environmental sanitation and SWM (groundwater pollution prevention)/ % women	0	10000/ 40% women		
	1.1.3 Community awareness strengthened on hygiene, sanitation water conservation and environment and Open Defecation Free Environment	Number of Hygiene Sanitation and Environmental health clubs formed or strengthened in schools/% girls	0	1000/40%		
		No of CLTS Promotional Events	0	10000		
		Number of Water Sanitation and Hygiene Committees created and/or strengthened	0	7260		
	1.1.4 Social dialogue promoted for enhanced demand side accountability in service delivery in health, education and water and sanitation	%age of Programme-supported ministries/agencies that use feedback and recommendation provided by satisfactory rate report	0	80% ⁶		
		Satisfaction rate on services provided by agencies supported by the programme (as measured by annual % increase in overall satisfaction rate in citizens' report cards)	42% ⁷	80%		
	1.1.5 Schools enrolment and participation enhanced and particularly for girls	No of schools equipped with recreational facilities	0	60		
		No of primary and JHS schools with low girl enrolment with motivational programmes in place ⁸ . No. of students enrolled FSTC Lassa	Boys = 30 Girls = 20 (at reopening of the school)	100 Boys >= 722 Girls >= 228		
		Number of SBMCs trained		250		
		Number of PTAs trained		250		

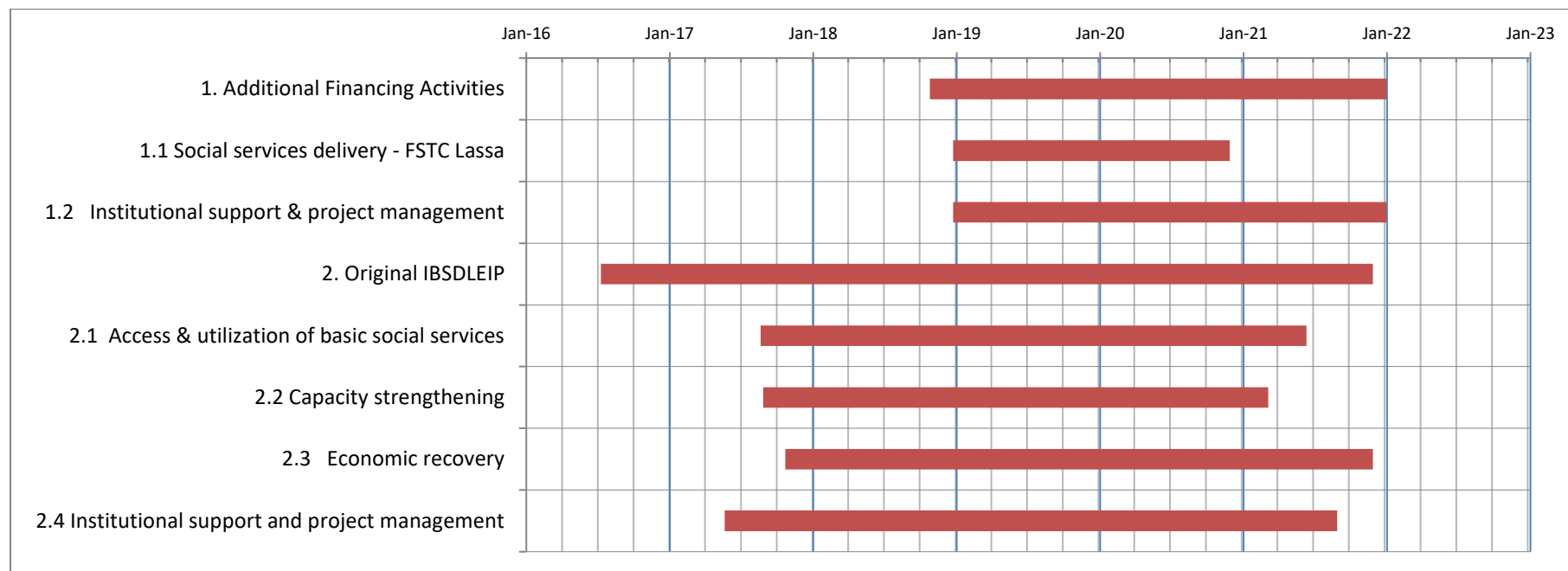
	RESULTS CHAIN	PERFORMANCE INDICATORS			MOV	RISKS/MITIGATION MEASURES
		Indicator (including CSI*)	Baseline	Target		
	States effectively supported by the FMWR to reform RWSS service provision	Joint FGN/Sates/Development Partners WSS sector reviews held		Annually from 2017		
	Community nutrition programmes strengthened	% National Rural WSS budget allocated in line with the Investment Plan		80% by 2018		
		No. stabilization care units (at hospitals/temporary facilities i.e. tents) in support of hospital based management of severely malnourished children established - Borno	0	50		
		Children under 5 years with SAM admitted to therapeutic feeding programmes	16.4% (2011)	20,000		
		Children under 5 years with SAM who recovered under treatment		75%		
		No. of women that benefit from dietary counselling during their lactation and pregnancy		TBD		
		Iron-acid folic supplementation for pregnant women				
		Vitamin A	80% 2014	90% 2021		
		Deworming coverage	45% 2015	50% 2021		
		Nutrition early warning system available	TBD	TBD		
	%age of multiple micronutrient powder (Outpatient Therapeutic Programme (OTP) for mgt. of sever acute mal nutrition	7.6%	10% 2021			
Component II: Economic labour market and livelihoods		Recovery- Empowering youth and women through Entrepreneurship, employment generation and tailored skills for for Vulnerable households ⁹ (IDPs)				
2.1 MSMEs and Entrepreneurship promoted	No of micro enterprises in agri-business and wash businesses supported to improve their businesses	0	2,032	Supervision reports	Risk: Weak targeting could limit the effectiveness of the cash grants scheme to IDPs Mitigation: Programme shall target youth and women obtain all the support they require and use experienced implementing partners with a mechanism to ensure close follow up	
	No. Rehabilitation / reconstruction of TVET/Skills acquisition centres and equipped	0	79% female 12	Annual and quarterly Programme Progress Reports		
	No. of construction/WASH artisans supported to upgrade their skills and productivity	0	2,100			
	No. of local mastercraft men mobilised and trained in skills acquisition apprenticeship programmes	0	600			
	No of unskilled youth trained through TVET/apprenticeship attachments to local master craftsmen(sex disaggregated) ¹⁰	0	2000 (50% female)			
	% unskilled youth trained who receive start- up kits and cash grant to start businesses (sex disaggregated)	0	At least 80% of artisans trained benefits from support			
	No. of PPP established for mgmt. of motorised/piped water supplies and for public sanitation, % managed by women		500/40%			
	No. of artisans trained in maintenance of water facilities/% women		500/30% women			

	RESULTS CHAIN	PERFORMANCE INDICATORS			MOV	RISKS/MITIGATION MEASURES
		Indicator (including CSI*)	Baseline	Target		
		No. of women MSMEs trained in entrepreneurship and productive improvement and who receive mentoring and early stage investment support ¹¹ (at least 50% are youth)	0	1200		
		% beneficiaries with access to credit from a formal source by end of Programme.	0	70%		
		No of prominent markets reconstructed	0	3 – Mubi Adamawa cattle; Borno cattle; and Fish markets		
	2.2 Household food security and Agricultural Livelihood economic reintegration enhanced	No. IDP reintegrating farmers (in cooperatives) benefiting from agricultural packages/ grants and extension services	0	5000 (40% women)	Supervision reports	
		No. IDPs integrating fishermen who receive fishing gears and accessories/grants	0	1800	Annual and quarterly Programme Progress Reports	
	%. of beneficiary farmer cooperatives who receive agricultural extension services	0	100%			
	No. of Vulnerable ¹² households empowered with income generating ¹³ activities for enhanced livelihoods.	0	1,200			
	Existence of Unified social registry developed for states to promote targeting of social safety nets	1 out of 5 states	All six states			
	Component III: Programme	Management and Institutional Strengthening				
	3.1 Institutions capacities strengthened in monitoring and evaluation	Existence of adequate capacity to implement EMIS policy	NEMIS policy in place	Adequate capacity in place to implementation NEMIS policy (2021)	Supervision reports	
		Existence of capacity of national women empowerment fund to facilitate disbursement of loan schemes	Loan facility of N200million per state in place for 7 states including 3 states in north east (Adamawa, Yobe,,Borno)-no disbursement yet due to capacity constraints	TOT of 3200 women in loan management and repayment procedure's and BDS BDS to channel beneficiaries in M&E (2018) At least first level of disbursement take place by (2020)	Annual and quarterly Programme Progress Reports	
		Existence of capacity to Office of VP, social investment unit for strengthened coordination of social inclusion programmes	MIS non existent	MIS in place to enhance monitoring and coordination of programme clusters		
			Not in place	hub for job creation established in place by 2017		
		Existence of capacity of Ministry of labour and Employment to enforce and monitor private employment agency regulation.	Inadequate capacity in enforcement of private employment agency regulation and TVET Policy	Capacity in place on Private Employment Agencies' Regulation, Monitoring and Enforcement		

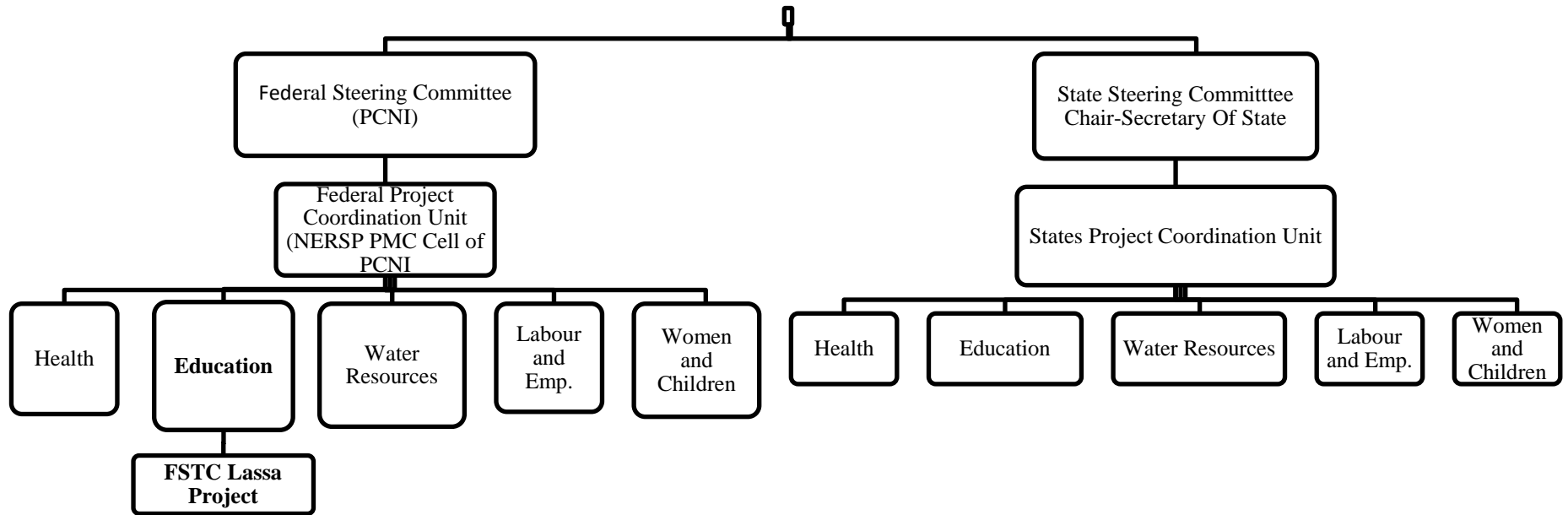
	RESULTS CHAIN	PERFORMANCE INDICATORS			MOV	RISKS/MITIGATION MEASURES
		Indicator (including CSI*)	Baseline	Target		
	3.2 Project activities implemented	No. of functional BDCs at FSTCs	2	7	QPR; IPRs	
		Enhance capacity of Ministry of Education on implementation of TVET Policy	None	TVET Policy adequately implemented and monitored		
		Existence of Baseline survey report disaggregated by sex	None (2016)	Report prepared (2017)		
		Existence of Project Implementation Manual with a gender and inclusion perspective	None (2016)	Manual prepared (2017)		
		Timely implementation of project activities and preparation of reports, including audits.	n/a	Project activities and reports, including audit prepared and submitted on time (during project duration)		
		Existence of impact evaluation report	n/a	Report in place by 2021		

NB: Items in **bold** are revisions to the IBSELEIP log-frame introduced to reflect the additional FSTC Lassa activities.

ANNEX III PROGRAM IMPLEMENTATION PLAN OF THE ADDITIONAL FINANCING



ANNEX IV REVISED IMPLEMENTATION ARRANGEMENT



ANNEX V: MAP OF NIGERIA SHOWING LASSA, BORNO STATE



¹ Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe. Yobe is not a beneficiary to this loan. Already the Bank has an ongoing water programme for Yobe state. Yobe will however benefit from the economic recovery component of TA to the women economic fund which will help prepare women-led businesses loan recipients on ground to grow and development their businesses.

² Human Rights Watch 2018. <https://www.hrw.org/world-report/2018/country-chapters/nigeria>

³ Renovations, nurses quarters, solar powered electrification; supply of solar powered refrigerators and cold chains; Support availability and use of Standard Operating Procedures (SOPs) including Standing Orders, job aids, flow charts and programme specific clinical guide lines for key services, especially the priority impact interventions at PHCs etc. details in cost tables of technical annex B2

⁴ Classroom blocks with office, including FSTC Lassa classrooms, workshops, hostels and ancillary facilities; teachers accommodation; solar power electrical system integrated with WASH including FSTC Lassa water reticulation system; school furniture, teaching and learning materials and recreational facilities.

⁵ PHC level health works trained on integrated health service delivery to improve diagnosis and management; training of pharmacy technicians

⁶ Water resources, education, health and labour and employment

⁷ Only for health insurance. This will be revised after the baseline.

⁸ CCT/material supplies

⁹ Co-financed with the World Bank- WB is targeting 24 states , ADFB is targeting 5 states in the North East

¹⁰ Startup tool kit / seed funding, details to be worked out

¹¹ Two stage funding support- seed capital and growing business capital upon completion of a successful early stage (criteria to be developed)

¹² To be defined at appraisal

¹³ receiving cash grants and or livelihood assets Including small scale ruminants, dairy cattle, poultry and homestead fishing

AFRICAN DEVELOPMENT FUND

BOARD OF DIRECTORS

Resolution No. F/[●]/2018/[●]

Adopted by the Board of Directors on a lapse-of-time basis, on [●] 2018

Additional Financing: Loan to the Federal Republic of Nigeria to finance part of the costs of the Inclusive Basic Service Delivery and Livelihood Empowerment Integrated Programme (IBSDLEIP)

THE BOARD OF DIRECTORS,

HAVING REGARD to (i) Articles 1, 2, 11, 12, 14, 15, 16, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (ii) the ADF-IX Financing Policy Guidelines; (iii) the ADF-X Financing Policy Guidelines; (iv) the applicable ADF-IX Country Resource Allocation; (v) the applicable ADF-X Country Resource Allocation; and (vi) the Appraisal Report contained in document ADF/BD/WP/2018/205/Approval (the “Appraisal Report”);

HAVING CONSIDERED:

- (i) The Revised Guidelines on Cancellation of Approved Loans, Grants and Guarantees contained in Document ADB/BD/WP/2010/106/Rev.3/Approval -ADF/BD/WP/2010/62/Rev.3/Approval, in particular, the provisions of Paragraph 3.3 concerning the re-allocation of cancelled balances for ADF countries; and
- (ii) The ADF-14 Statement of Commitment Capacity as at 30 September 2018 contained in Document ADF/BD/IF/2018/189, in particular the provisions of Annex F concerning approvals from resources generated from cancelled loans;

RECALLING:

- (i) Resolution N° F/NG/2016/106 adopted by this Board on 14 December 2016, approving from the resources of the Fund, a Loan of an amount not exceeding the equivalent of Seventy-One Million, Seven Hundred Sixty-Seven Thousand, Nine Hundred Thirty-One Units of Account (UA 71,767,931) to the Federal Republic of Nigeria, for the financing of the Inclusive Basic Service Delivery and Livelihood Empowerment Integrated Program – Rebuilding the North East for Shared Prosperity (the “Project”);
- (ii) Resolution N° B/NG/2016/77 adopted by the Board of Directors of the African Development Bank (the “Bank”) on 14 December 2016, approving from the ordinary capital resources of the Bank, a loan of an amount not exceeding One Hundred and Fifty Million United States Dollars (USD 150,000,000) to the Federal Republic of Nigeria, for the financing of the Project; and
- (iii) Resolution N° B/NG/2016/78 - F/NG/2016/107 adopted by the Boards of Directors of the Bank and the Fund on 14 December 2016, approving from the resources of the Rural Water Supply and Sanitation Initiative (RWSSI) Multi-donor Grant Arrangement, a grant of an amount not exceeding Five Million Euros (EUR 5,000,000) to the Federal Republic of Nigeria, for the financing of the Project;

NOTING the availability of sufficient resources to enable the Fund to commit the amount of the loan;

DECIDES as follows:

1. To award to the Federal Republic of Nigeria (the “Borrower”), from the resources of the Fund, a loan of an amount not exceeding the equivalent of Three Million, Nine Hundred Ninety Thousand Units of Account (UA 3,990,000) (the “Loan”), as additional financing for part of the costs of the Inclusive Basic Service Delivery and Livelihood Empowerment Integrated Programme (IBSDLEIP);
2. To authorize the President to conclude a loan agreement between the Fund and the Borrower (the “Loan Agreement”), on the terms and conditions specified in the General Conditions Applicable to the African Development Fund Loan Agreements and Guarantee Agreements (Sovereign Entities), the Appraisal Report and, in particular, the terms and conditions specified herein below:
 - (i) The duration of the Loan shall be fifty (50) years including a grace period of ten (10) years (the “Grace Period”) commencing on the date of signature of the Loan Agreement. During the Grace Period, service charge and commitment charge shall be payable;
 - (ii) The Loan shall be amortized over a period of forty (40) years after the expiration of the Grace Period, at the rate of one percent (1%) per annum from the eleventh (11th) to the twentieth (20th) year inclusive and at the rate of three percent (3%) per annum thereafter, in equal and consecutive semi-annual instalments payable on 15 April and 15 October of each year (each a “Payment Date”), and the first of such instalments shall be paid on the Payment Date immediately following the expiration of the Grace Period;
 - (iii) A service charge at the rate of zero point seventy-five percent (0.75%) per annum on the disbursed and outstanding balance of the Loan shall be payable semi-annually on a Payment Date; and
 - (iv) A commitment charge at the rate of zero point five percent (0.5%) per annum on the undisbursed portion of the Loan shall begin to accrue one hundred and twenty (120) days after the date of signature of the Loan Agreement and shall be payable on a Payment Date;
3. The President may cancel the Loan if the Loan Agreement is not signed within ninety (90) days from the date of approval of the Loan by this Board; and
4. This Resolution shall become effective on the date above-mentioned.