

Integrated Safeguards Data Sheet (Updated)

Report No: AC1583

Section I - Basic Information

Date ISDS Prepared/Updated: 05/11/2005

A. Basic Project Data (from PDS)

I.A.1. Project Statistics

Country: NIGERIA	Project ID: P074447
Project: State Governance and Capacity Building Project	Task Team Leader: Manga Kuoh
Authorized to Appraise Date: April 19, 2005	IBRD Amount (\$m):
Bank Approval: June 16, 2005	IDA Amount (\$m): 95.00
Managing Unit: AFTPR	Sector: General public administration sector (100%)
Lending Instrument: Technical Assistance Loan (TAL)	Theme: Other public sector governance (P)
Status: Lending	

I.A.2. Project Objectives (From PDS):

There are three sets of actors contributing to development in Nigeria - the government, the private sector, and local communities. Accordingly, the Country Assistance Strategy (CAS) framework has three pillars, namely: (1) improve economic governance, (2) create the conditions for rapid private sector-led, overty-reducing growth, particularly in the non-oil economy; and (3) empower local communities to play an active role in their own development. Taken together, these three areas are fundamental to achievement of any poverty reduction strategy. Nigeria's economy cannot grow, poverty cannot be reduced, and Nigeria will not meet the International Development Goals unless the substantial resources controlled by the government are used more effectively and equitably; unless the non-oil sector exhibits strong growth; and unless there is full participation of the Nigerian people, particularly the poor, in the development process.

The project supports mainly the first pillar by increasing the ability of selected States to deliver quality public services by strengthening their respective capacity in the key public management and governance areas of strategic planning and policy formulation, public expenditure management, and human resource management. This will enable them to discharge their constitutional role and mandate with higher standards of efficiency, effectiveness, and transparency. A further goal is to help states support national fiscal management targets. To better achieve this double objective, the Project also seeks to improve collaboration among the States on public sector reform and between tiers of government.

I.A.3. Project Description (From PDS):

The Project is designed around three broad components described in more detail in Annex 4 [with costs summarized in Annex 5].

Project Component #1: Individual States Public Management Reforms (US\$92.0 million; IDA US\$82 million; Participating States US\$10 million).

This first and largest component of the Project aims to (i) ensure that six to ten states (out of the thirty six of the Federation) rebuild basic systems of public financial management, procurement, and human resource management that meet a minimum standard in terms of efficiency, accountability and transparency; (ii) promote the standardization of FM and procurement

procedures and of financial data production among the states of the Federation to allow appropriate data aggregation and analysis; and (iii) increase the ability of the States to improve and monitor the development and implementation of public policies and programs. In each participating state, the component will support a predetermined set of reforms referred to as the core reform program (CRP). In addition to the CRP, each state will be assisted in implementing a limited number of state specific activities selected by the state. Costs and budget envelopes for activities under this Project component will vary from one State to another as shown in the states subprojects notes in Project files. Most states subprojects will require IDA financing in the range of US\$ 5 to 8 million equivalent including costs associated with the subproject management and implementation arrangements.

The first six states (Akwa Ibom, Bauchi, Cross River, Imo, Kaduna, and Lagos) were selected during project preparation in 2003, five of them through a transparent competitive process by geopolitical zones based on initial diagnostic/proposal documents presented by thirteen states out of twenty four invited. The four criteria utilized in evaluating the initial were: (i) quality of diagnosis of existing constraints, (ii) overall reform program for the state's public sector, (iii) relevance of the activities proposed for IDA consideration, and (iv) track record since 1999. As of now, most the first six selected states have conducted at least one staff audit since 2000 and resumed substantial staff training efforts. They have also begun modernizing accounts, catching up on audit reports, improving procurement procedures, strengthening revenue collection, and/or computerizing specific functions or set of functions relating to public finance management. In line with the CPS which calls for the selection of four focus states in 2005, up to four additional participating states will be selected among the strongly reform oriented states during the first year of Project implementation . This will be done in consultation with the Federal Government of Nigeria (FGN) and on the basis with the CPS criteria for focus states selection.

The Core Reform Program (CRP)- US\$77.0 million. For each state, the Project will finance an integrated package of technical assistance, equipment and training for FM and procurement reforms as follows.

- Adopting a new public financial management legislation that meets the standards of modern financial management in terms of relevance, comprehensiveness, transparency, and accountability. The new legislation already drafted for the FGN will serve as a guide for the new state legislations;
- Reforming the budget preparation and execution systems. The Project will finance the development and institutionalization of a simplified multi-year budgeting framework (MYBF) for annual budget preparation, leading to more sustainable budget implementation, less feast or famine, and no run up of short term debt. The objective will be to present to the State House of Assembly annual budgets which are part of the MYBF starting from the budget for FY 2007. The MYBF should state policies and priorities, and fiscal objectives clearly in a 3-year perspective for both revenue and expenditure (recurrent and capital). The first year of the MYBF, which will include more detailed information, will be the annual budget to be enacted for the corresponding year. In addition, as a normal practice, the State will prepare and publish monthly statements on budget execution by ministries no later than 25 days after the Strengthening the treasury, accounting, and financial reporting functions. This will include

(i) the implementation of the Standard Chart of Account developed by all the states' Accountants General and the Office of the Accountant General of the Federation; and (ii) improved financial reporting by Strengthening the external audit function. The Project will help modernize and strengthen external audit procedures, including adjusting the current legislations if necessary and developing and implementing capacity building programs for audit personnel;

- Implementing a properly sized integrated financial management system. The objective here will be to improve efficiency, transparency and comprehensiveness using modern ICT. The Budget and Treasury MIS (BATMIS) will be implemented in a phase manner and, when fully in place, support planning and budgeting, transaction processing, and reporting on the use of financial resources. The system will be integrated in the sense that it will offer a reliable and unified database to and from which all financial data will flow and which will be shared by all users. The BATMIS will be a small to medium-range system using technologies that are simple and user friendly. States will be encouraged to use off the shelf application software packages with appropriate customization and to group the departments responsible for the central functions of budgeting, budget monitoring, treasury and accounting in the same area making it possible to build a Local Area Network (LAN) if feasible.
- Modernizing Human Resource Management. Focusing on the basic functions of personnel registry management and establishment control and the in coordination with the Ministry of Finance, the activities supported will include reviewing current human resources management policies, processes and information system, as well as implementing an automated modern and unified human resource management information system (HRMIS) for public employees. The HRMIS will have a proper interface with the BATMIS (or preferably be one integrated module of BATMIS) for consistency between nominal roll and payroll.
- Implementing the procurement reforms adopted for all tiers of government. For each focal states, the project will finance procurement reform activities four key areas that are recognized as a way of organizing the basic elements of a sound national public procurement system, including (i) the legislative and regulatory framework; (ii) the institutional framework and management capacity; (iii) the procurement operations and market practices; and (iv) the integrity of the public procurement system. The specific activities in each of these areas are indicated in Annex 4.

States Specific Reform Programs – US\$15.0 million. During Project preparation, the states express a strong desire for support in areas of reform not included in the CRP but are important to improve governance and provide better service delivery. To consolidate the ownership of the Project by the state governments, it was agreed that the Project will support up to two institutional reform and capacity building initiatives in each of the first six participating states. The areas selected by the states and to be supported by the Project include: (i) record management (Lagos); (ii) modernization of tax payers identification system (Bauchi, Kaduna); (iii) restructuring and downsizing of selected Ministries,. Departments and Agencies (MDAs) (Akwa Ibom, Imo); (iv) public service training capacity enhancement (Cross River, Kaduna, Lagos);and (v) and judicial services enhancement (Cross River).

With the assistance of national and international consultants, the states have already proceeded with the preparation of these specific programs which will be reviewed at Appraisal with their

respective work plans and implementation arrangements. As an example, the Record Management Reform Program in Lagos State summarized in Annex 4, seeks to put in place a record management system that creates and captures information in record keeping systems as evidence of government's activities and that maintains, makes available and preserves these records to meet the needs of the State and the citizens. To that end, an eight-step strategy has been developed with specific activities, costs, and a timetable for implementation.

In addition to the state specific programs indicated above, other state specific programs will be considered as the implementation of the CPS unfolds. The differentiates two categories of states: basic partnership states and intensive partnership states. As already underlined, the CRP is design to support basic public management reforms and is therefore oriented toward basic partnership states. The Project will be an appropriate vehicle to support additional public management reforms in four intensive partnership states (as contemplated in the CAS as they emerge and complete the implementation of the Core Reform Program (CRP) successfully. The governance related elements of the enhanced reform package in intensive partnership states will also vary from one state to another. However, on the basis of the governance challenges in most states, the additional state specific reforms should include such items as (i) more developed forecasting and expenditure tracking; (ii) introduction of modern cash management system; consolidation of good procurement practice; (iii) right-sizing of MDAs and introduction of performance management; (iv) enhancement of internally generated revenue mobilization; and expanded IFMIS covering larger number of sector ministries and including additional modules such as fixed assets and purchasing; etc.

Project Component #2 - US\$ 2.0 million. Inter-Governmental Collaboration for Development (IDA Credit: US\$ 2.0 million).

The objective of this component will be to (i) develop an improved framework for intergovernmental collaboration for development activities an in depth and participatory analytical work, and (ii) strengthen the capacity of Ministry of Inter-governmental Affairs, Youth Development and Special Duties of the FGN (MoIGA) to play its role as an agency responsible for facilitating effective intergovernmental cooperation and information sharing and synergies among the states. To that end, the Project will support two sets of activities:

- (a) Regarding the intergovernmental collaboration framework: (i) the review of current legislation, regulations and practices, the (ii) a comparative analysis of Nigerian experience with intergovernmental relations and the experience of selected countries around the world with regards to the delivery of public services; and (iii) recommendations on the way forward for Nigeria. The analyses and the development of proposals will be the responsibility of an interdisciplinary task force on intergovernmental collaboration (TFIGC) coordinated by MoIGA. The report and recommendations of the TFIGC will be discussed with various constituencies and submitted to the Federal Executive Council before the end of 2006; and
- (b) Regarding the MoIGA institutional strengthening: (i) the implementation of the reorganization plan indicated above (with appropriate coordination with other Federal Government MDAs undergoing similar exercises under the ERGP), (ii) staff training in the areas

of decentralization and intergovernmental relations, communication and facilitation skills, and computer based data management; and (iii) the development of an information base on economic and social development in the states and the promotion of information/experience sharing among the states and between the states and the Federal Government. This will include the organization of annual conference on intergovernmental relations focused on themes varying from one year to the other.

Due to the current capacity constraints in MoIGA, the implementation of this component, will benefit from the services of a visiting international public sector management (PSM) specialist with a strong background on decentralization and intergovernmental relations issues, especially in developing countries context.

Project Component #3 US\$ 5 million: Niger Delta Development Commission Activities Enhancement (IDA Credit: US\$ 5 million)

Although primary responsibility for social and economic development in the nine states (Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers states) which comprise the Niger Delta Region of Nigeria rests with state governments, there are a number of regional issues that transcend state boundaries, and require the coordination of state and federal action in support of state development objectives. The Niger Delta Development Commission (NDDC) was established by law in 2000 to “formulate policies and guidelines for the development of the Niger-Delta area and conceive, plan and implement, in accordance with set rules and regulations, projects and programs for the sustainable development of the Niger-Delta area” Clauses 7(a)(b), Niger Delta Development Commission Act of 2000. . The NDDC is funded directly from the Federation Account. Its board is comprised of representatives of nine representatives of the Delta states, three representatives of non-Niger Delta states, and two federal government representatives (respectively from the Ministry of Finance and the Ministry of Environment)..

The grounding premise of the component is that improved accountability and enhanced trust in public institutions is the corner stone for peace and development in the Delta. The World Bank’s partnership with NDDC will be directed at building capacities that will effectively contribute to community-oriented sustainable development across the region and the mitigation of conflict. To that end, the component will have two objectives:

- (a) make NDDC a more effective development institution by building its capacities for (i) strategic management; (ii) financial management; (iii) conflict analysis and management; (iv) environmental management; and (v) community development orientation;
- (b) support a new partnership that would promote innovative collaboration among NDDC, NGOs, bilateral donors, communities and the private sector companies working in the Delta. The new partnership component will support three pilot Niger Delta Community Foundations (NDCFs) directed at the replication of the Community Foundation model deployed successful throughout Eastern Europe and in South Africa. The NDCFs will also draw guidance from the program of highly successful community development which has evolved in Akasa, Bayelsa State,

along the coast. Project funds will provide seed capital and support a board of governors and secretariats for the NDCFs for a period of four years.

Components:

1. Individual Focus States Public Sector Reforms
2. Inter-Governmental Collaboration for Development
3. NDDC Institutional Development
4. Project Coordination monitoring and evaluation

I.A.4. Project Location: (Geographic location, information about the key environmental and social characteristics of the area and population likely to be affected, and proximity to any protected areas, or sites or critical natural habitats, or any other culturally or socially sensitive areas.)

The project's activities will take place throughout the country, with focus on the Niger Delta region.

B. Check Environmental Classification: C (Not Required)

Comments:

C. Safeguard Policies Triggered (from PDS)

(click on  for a detailed description *or* click on the policy number for a brief description)

	Policy	Triggered
	Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Natural Habitats (OP 4.04, BP 4.04, GP 4.04)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Forestry (OP 4.36, GP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Pest Management (OP 4.09)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Cultural Property (OPN 11.03)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Indigenous Peoples (OD 4.20)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Involuntary Resettlement (OP/BP 4.12)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Safety of Dams (OP 4.37, BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD
	Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)*	<input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> TBD

Section II - Key Safeguard Issues and Their Management

D. Summary of Key Safeguard Issues. Please fill in all relevant questions. If information is not available, describe steps to be taken to obtain necessary data.

II.D.1a. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts.

Not Applicable

II.D.1b. Describe any potential cumulative impacts due to application of more than one safeguard policy or due to multiple project component.

Not Applicable

II.D.1c Describe any potential long term impacts due to anticipated future activities in the project area.

Not Applicable

II.D.2. In light of 1, describe the proposed treatment of alternatives (if required)

Not Applicable

II.D.3. Describe arrangement for the borrower to address safeguard issues

Not Applicable

Not Applicable

II.D.4. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Not Applicable

E. Safeguards Classification (select in SAP). Category is determined by the highest impact in any policy. Or on basis of cumulative impacts from multiple safeguards. Whenever an individual safeguard policy is triggered the provisions of that policy apply.

- S1. – Significant, cumulative and/or irreversible impacts; or significant technical and institutional risks in management of one or more safeguard areas
- S2. – One or more safeguard policies are triggered, but effects are limited in their impact and are technically and institutionally manageable
- S3. – No safeguard issues
- SF. – Financial intermediary projects, social development funds, community driven development or similar projects which require a safeguard framework or programmatic approach to address safeguard issues.

F. Disclosure Requirements

<i>Environmental Assessment/Analysis/Management Plan:</i>	<i>Expected</i>	<i>Actual</i>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable
Date of distributing the Exec. Summary of the EA to the Executive Directors (<i>For category A projects</i>)	Not Applicable	Not Applicable
<i>Resettlement Action Plan/Framework:</i>	<i>Expected</i>	<i>Actual</i>
Date of receipt by the Bank	Not Applicable	Not Applicable

Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable
<i>Indigenous Peoples Development Plan/Framework:</i>	<i><u>Expected</u></i>	<i><u>Actual</u></i>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable
<i>Pest Management Plan:</i>	<i><u>Expected</u></i>	<i><u>Actual</u></i>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable
<i>Dam Safety Management Plan:</i>	<i><u>Expected</u></i>	<i><u>Actual</u></i>
Date of receipt by the Bank	Not Applicable	Not Applicable
Date of “in-country” disclosure	Not Applicable	Not Applicable
Date of submission to InfoShop	Not Applicable	Not Applicable

If in-country disclosure of any of the above documents is not expected, please explain why.

Signed and submitted by

	<u>Name</u>	<u>Date</u>
Task Team Leader:	Manga Kuoh	02/16/2005
Project Safeguards Specialists 1:	Kristine M. Ivarsdotter/Person/World Bank	02/16/2005
Project Safeguards Specialists 2:		
Project Safeguards Specialists 3:		

Approved by:

	<u>Name</u>	<u>Date</u>
Regional Safeguards Coordinator:	Thomas E. Walton	02/16/2005
Sector Manager/Director	Helga W. Muller	02/16/2005

Comments

I agree with the depiction in this safeguards sheet and hence (from my vantage point) approve as per requirements vis a vis my role.