I. Introduction and Context

Country Context

In recent years, Nigeria’s GDP has experienced fair economic growth, especially in the non-oil sectors, as evidence by an annual growth rate of about 7.7 percent in 2008. However, there is decline in welfare status of the people. The two major indicators of deterioration in poverty or welfare status of Nigerians in recent times is the increasing rate of youth unemployment (30%) and maternal and child mortality (26% of neonatal pregnancy and 99 per 1,000 infant mortality rate). According to the 2009 Nigeria MDG report, more than four million children are out of junior secondary school, and about 45,000 women die yearly during childbirth. Fundamental to these two indicators is the high level of illiteracy and lack of functional education. Both of these cases have reached crisis situation, with the case of youth unemployment presenting a great threat to the political and social fabric and stability of the nation.

Sectoral and Institutional Context

The current welfare status of Nigerians – depicted by the magnitude of youth unemployment and the declining human capital of the poor and vulnerable dictate that immediate action is needed especially on the functionality (effectiveness and efficiency) of the systems to deliver the support. A labour intensive public workfare program to address the “unskilled youth bulge” coupled with skills development (especially through internship and or apprenticeship program) to assist in developing expertise and experience for formal and informal employment is imperative given the magnitude of the challenge. This will complement government effort and other development agencies initiative to improve infrastructure and increase investment in youth friendly sectors such as agriculture, ICT entertainment and Tourism. Together these initiatives will address the supply and demand side of the youth unemployment crisis. Improving access to functional education and quality health services, through demand side interventions will also complement increase government investment in health and education facilities and services to increase employability of youths. The emphasis on public workfare intervention plus youth empowerment scheme and CCT will also serve as the building block of strong social protection platform that can be made to respond to both the current and future social and economic shocks. This is the experience in a large number of Countries.

Relationship to CAS

The World Bank has world wide experience with best practice operational features of social protection and safety net operations and will, together with other development partners, continue to provide important technical assistance and resources to improve the effectiveness and efficiency of the interventions in Nigeria. This is in line with the second pillar of the Country Partnership Strategy (CPS 2010 – 2013) which seeks to support government effort to increase the access, quality, efficiency, equity, and utilization of the services for human development. This is also in line with draft World Bank Africa region social protection strategy that places emphasis on supporting Africa Countries to develop systems for social protection. The Africa Region SP strategy aims to help countries to be more prepared to respond to uncertainties related to crises and shocks in the short term, while building productive assets and increasing expanding employment opportunities in the longer term. Supporting Nigeria to build a responsive SP system also align with the Africa Region Strategy. Finally, given the deep knowledge of the challenges that have been revealed during the implementation of social safety nets (including CCT) in Nigeria and the Government’s desire to evolve a functional, effective and efficient solution to the major challenges of the poor – especially youth employment and human capital growth and funding better targeted and more equitable interventions for the vulnerable groups, the World Bank as a partner is in a good position to assist.

II. Proposed Development Objective(s)
Proposed Development Objective(s)

The project will ultimately contribute to improving human capital development among the poor and reducing intergenerational poverty, by ensuring the effectiveness of the mechanism to deliver immediate employment to youths, empower them for future jobs and provide demand side support to the core poor in accessing and utilizing human development services so as to increase their employability and income earning potential. In essence, the project will contribute significantly towards reducing youth unemployment and improving both health and education levels of the core poor families and vulnerable groups in the Country. Therefore the proposed project development objective (PDO) is “to strengthen the institutions and their functionality for youth employment and social service for the poor in Nigeria.” The project will support existing, and new Federal and State Governments systems and arrangements to (i) provide temporary employment opportunities to unskilled and semi skilled youths by supporting labour intensive public works schemes and (ii) provide skills (trainings, internship and apprenticeship) assistance to youth for employability and (iii) provide conditional cash transfer to core poor and vulnerable groups for education and health services utilization.

Key Results

Key Outcome Indicators for measuring achievement of the Project Development objective includes:

- Increased number of youths participating in public works program activities.
- Increased number of trained youths with certification for employability.
- Increase number of school-age children of participating households attending school regularly.
- Increased number of pregnant women, infants and pre-school age children registered in the program complying with stated health co-responsibilities.
- Increase number of poor beneficiaries (lowest quintiles) receiving cash transfers.

The following key monitoring indicators will be set to measure progress towards achievement of project development objective:

- Number of youth receiving transfer from participating in labor intensive public works activities.
- % of youth receiving training and internship who are certified after participating in the program.
- % of beneficiaries (children of school age, women, designated household member) for whom (education, and health) co-responsibilities are verified.
- % of disbursed cash transfers received by household in the last 40% poorer household.
- Frequency of transfer payment.

III. Preliminary Description

Concept Description

The project will support existing, and new Federal and State Governments systems and arrangements to (i) provide temporary employment opportunities to unskilled and semi skilled youths by supporting labour intensive public works schemes and (ii) provide skills (trainings, internship and apprenticeship) assistance to youth for employability and (iii) provide conditional cash transfer to core poor and vulnerable groups for education and health services utilization. So the project will have the following components:

- Public workfare component ($180m).
- Youth Empowerment Scheme/Skills for Jobs ($30m).
- Performance-based Cash Transfer Component. ($60m) and
- Institutional, and Partnership Support Component. ($30m) This last component which is the main system component will support the setting-up of basic program architecture for comprehensive social safety net at Federal level for partnership with State and LGA levels and cover key and central aspects of social safety net program implementation.

The target groups for the public workfare and youth empowerment, and CCT interventions will include extremely poor families with children in the age bracket of 0 – 15 years, pregnant women, street children, the physically challenged, semi skilled and unskilled unemployed youth aged 15 – 35, and unemployed youth in the same age bracket. The target group for each participating State will, however, vary, depending on the main focus within the overall objective of the operation. It is envisaged that close to 10 percent of the poor families, and youths in these categories in each State would be covered by the project in its first phase.

IV. Safeguard Policies that might apply

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VI. Contact point

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