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PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED {LOAN/CREDIT}

IN THE AMOUNT OF SDR 355 MILLION
(US\$500 MILLION EQUIVALENT)

TO THE

FEDERAL REPUBLIC OF NIGERIA

FOR A

NATIONAL SOCIAL SAFETY NETS PROJECT

May 16, 2016

Social Protection & Labor
AFRICA

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CURRENCY EQUIVALENTS

Exchange Rate Effective March 31, 2016

Currency Unit = NGN
198.96 NGN = US\$1
SDR 0.70981389 = US\$1
US\$ 1.40881999 = SDR 1

FISCAL YEAR
January 1 – December 31

ACRONYMS AND ABBREVIATIONS

BCC	Behavior Change Communication
CBT	Community-Based Targeting
CBTT	Community-Based Targeting Team
CCT	Conditional Cash Transfer
CDO	Community Development Officer
CE	Citizen Engagement
CGAP	Consultative Group to Assist the Poor
COPE	In Care of the People
CPI	Consumer Price Index
CQS	Selection Based on the Consultants' Qualifications
CSDP	Community Social Development Project
CSO	Civil Society Organization
DA	Designated Account
DFID	Department for International Development
FM	Financial Management
FOCU	Federal Operations Coordinating Unit
FPFMD	Federal Project Financial Management Department
FPM	Financial Procedures Manual
GBC	Gender-Based Violence
GDP	Gross Domestic Product
GHS	General Household Survey
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HQ	Headquarters
HRA	Household Registration Activity
ICB	International Competitive Bidding
ICT	Information and Communications Technology
IFR	Interim Financial Report
IT	Information Technology

LGA	Local Government Area
M&E	Monitoring and Evaluation
MCH	Maternal and child health
MDAs	Ministries, Departments, and Agencies
MIS	Management Information System
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NAPEP	National Poverty Eradication Program
NASSCO	National Social Safety Nets Coordinating Office
NASSP	National Social Safety Nets Project
NBS	National Bureau of Statistics
NCB	National Competitive Bidding
NCTO	National Cash Transfer Office
NEWMAP	Nigeria Erosion and Watershed Management Project
NFE	Non-Farm Enterprise
NGO	Non-Governmental Organization
NIMC	National Identity Management Commission
NLSS	Nigeria Living Standards Survey
NSA	National Security Adviser
NSR	National Social Registry
OAGF	Office of the Accountant General for the Federation
OVP	Office of the Vice President
PA	Project Accountant
PDO	Project Development Objective
PFMU	Project Financial Management Unit
PIA	Project Internal Auditor
PIM	Project Implementation Manual
PM	Procurement Manual
PMT	Proxy Means Test
QCBS	Quality- and Cost-Based Selection
RRM	Rapid Response Mechanism
SA	Social Accountability
SBD	Standard Bidding Document
SCTU	State Cash Transfer Unit
SOCU	State Operations Coordinating Unit
SORT	Systematic Operations Risk-Rating Tool
SP	Social Protection
SR	Social Registry
SSN	Social Safety Net
SURE-P	Subsidy Reinvestment and Empowerment Program
TCT	Targeted Cash Transfer

TOR	Terms of Reference
TRIMING	Transforming Irrigation Management in Nigeria
TTL	Task Team Leader
UNICEF	United Nations Children’s Fund
USAID	United States Agency for International Development
UCT	Unconditional Cash Transfer
VP	Vice President
YESSO	Youth Employment and Social Support Operation

Regional Vice President:	Makthar Diop
Country Director:	Rachid Benmessaoud
Senior Global Practice Director:	Omar S. Arias Diaz (Acting)
Practice Manager:	Stefano Paternostro
Task Team Leader:	Camilla Holmemo

FEDERAL REPUBLIC OF NIGERIA
Nigeria Social Safety Nets Project

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PAD DATA SHEET*Nigeria**National Social Safety Nets Project (P151488)***PROJECT APPRAISAL DOCUMENT***AFRICA*

Report No.: PAD1687

Basic Information			
Project ID P151488	EA Category C - Not Required	Team Leader(s) Camilla Holmemo	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 07-Jun-2016	Project Implementation End Date 31-Dec-2021		
Expected Effectiveness Date 07-Sep-2016	Expected Closing Date 30-Jun-2022		
Joint IFC No			
Practice Manager/Manager Stefano Paternostro	Senior Global Practice Director Omar S. Arias Diaz	Country Director Rachid Benmessaoud	Regional Vice President Makhtar Diop
Borrower: Federal Ministry of Finance			
Responsible Agency: Office of the Vice President			
Contact: Telephone No.: 2348033088521	Maryam Uwais	Title: Email: maryamu@leapafrica.org	Special Advisor, Social Investment
Project Financing Data (in US\$, millions)			
[] Loan	[] IDA Grant	[] Guarantee	
[X] Credit	[] Grant	[] Other	
Total Project Cost:	1833.00	Total Bank Financing:	500.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			1333.00

International Development Association (IDA)	500.00
Total	1833.00

Expected Disbursements (in US\$, millions)

Fiscal Year	2017	2018	2019	2020	2021	2022				
Annual	35.00	90.00	100.00	110.00	120.00	45.00				
Cumulative	35.00	125.00	225.00	335.00	455.00	500.00				

Institutional Data

Practice Area (Lead)

Social Protection & Labor

Contributing Practice Areas

Governance

Cross Cutting Topics

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

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	100	10	
Total		100		

I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

Themes

Theme (Maximum 5 and total % must equal 100)

Major theme	Theme	%
Social protection and risk management	Improving labor markets	15
Social protection and risk management	Social Safety Nets/Social Assistance & Social Care Services	60
Social protection and risk management	Social Protection and Labor Policy & Systems	15
Human development	Nutrition and food security	10

Total	100	
Proposed Development Objective(s)		
The project development objective (PDO) is to provide access to targeted transfers to poor and vulnerable households under an expanded national social safety nets system.		
Components		
Component Name	Cost (US\$, millions)	
Establishing a National Social Safety Nets System	180.00	
Implementing a Targeted Cash Transfer	1,653.00	
Systematic Operations Risk- Rating Tool (SORT)		
Risk Category	Rating	
1. Political and Governance	Substantial	
2. Macroeconomic	Substantial	
3. Sector Strategies and Policies	Moderate	
4. Technical Design of Project or Program	Substantial	
5. Institutional Capacity for Implementation and Sustainability	Substantial	
6. Fiduciary	High	
7. Environment and Social	Low	
8. Stakeholders	Moderate	
9. Other		
OVERALL	Substantial	
Compliance		
Policy		
Does the project depart from the CAS in content or in other significant respects?	Yes [] No [X]	
Does the project require any waivers of Bank policies?	Yes [] No [X]	
Have these been approved by Bank management?	Yes [] No []	
Is approval for any policy waiver sought from the Board?	Yes [] No [X]	
Does the project meet the Regional criteria for readiness for implementation?	Yes [X] No []	
Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01		X
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X
Pest Management OP 4.09		X

Physical Cultural Resources OP/BP 4.11			X
Indigenous Peoples OP/BP 4.10			X
Involuntary Resettlement OP/BP 4.12			X
Safety of Dams OP/BP 4.37			X
Projects on International Waterways OP/BP 7.50			X
Projects in Disputed Areas OP/BP 7.60			X
Legal Covenants			
Name	Recurrent	Due Date	Frequency
The Recipient shall prepare and adopt a Project Implementation Manual (PIM)		15-Jul-2016	
Description of Covenant			
By July 15, 2016 the Recipient shall prepare and adopt a PIM acceptable to IDA			
Name	Recurrent	Due Date	Frequency
Submit an interim annual work program and budget for the remainder of 2016		15-Jul-2016	
Description of Covenant			
By July 15, 2016 the Recipient shall submit to IDA an interim annual work program and budget for the remainder of 2016			
Name	Recurrent	Due Date	Frequency
Submit an annual work program and budget for the next Fiscal Year	X		Yearly
Description of Covenant			
No later than October 31 of each year of the Project, the Recipient shall prepare and furnish to the Association, for review and approval, an annual work program and budget for the next Fiscal Year			
Name	Recurrent	Due Date	Frequency
Engage experts to undertake ex-post verifications	X		CONTINUOUS
Description of Covenant			
The Recipient shall engage independent experts, whose terms of reference, qualifications and experience shall be satisfactory to the Association, to conduct ex-post verifications every calendar semester of the output-based financing activities			
Conditions			
Source Of Fund	Name	Type	
IDA	Confirm outputs for output-based payments	Disbursement	
Description of Condition			
For output-based payments, the Recipient shall confirm the number of outputs achieved for each specific Category			

Source Of Fund	Name	Type		
IDA	For TCT payments in a Participating State, the State shall adopt the PIM	Disbursement		
Description of Condition				
For payments to Eligible TCT Beneficiaries in a particular Participating State, unless and until the respective Participating State has adopted the PIM				
Source Of Fund	Name	Type		
IDA	For TCT payments in a Participating State, the State has signed MoU with Federal	Disbursement		
Description of Condition				
For payments to Eligible TCT Beneficiaries in a particular Participating State, unless and until the respective Participating State has signed a Memorandum of Understanding with the Recipient, acceptable to the Association, for the purposes of implementing the Project				
Source Of Fund	Name	Type		
IDA	TCT recipients satisfy PIM criteria and are registered in the National Social Registry	Disbursement		
Description of Condition				
For payments to Eligible TCT Beneficiaries in a particular Participating States, the Recipient shall confirm that the Eligible TCT Beneficiaries satisfy the criteria set forth in the PIM and are registered in the National Social Registry				
Source Of Fund	Name	Type		
IDA	Furnish all required verification documents for TCT payments	Disbursement		
Description of Condition				
Furnish all required verification documents for TCT payments as outlined in the Financing Agreement				
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Camilla Holmemo	Team Leader (ADM Responsible)	Senior Economist		GSP07
Oyewole Oluyemi Afuye	Procurement Specialist (ADM Responsible)	Procurement Specialist	Procurement	GGO01
Akinrinmola Oyenuga Akinyele	Financial Management Specialist	Sr Financial Management Specialist	Financial Management	GGO25
Adam Shayne	Counsel	Lead Counsel		LEGAM

Amos Abu	Safeguards Specialist	Senior Environmental Specialist	Environmental Safeguards	GEN07
Collins S. Umunnah	Team Member	Team Assistant		AFCW2
Dora A. Harris	Team Member	Program Assistant		GSP01
Edda Mwakaselo Ivan Smith	Safeguards Specialist	Senior Social Development Specialist	Social Safeguards	GSU01
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Foluso Okunmadewa	Team Member	Lead Specialist		GSP07
Katherine A. Bain	Team Member	Senior Governance Specialist	Governance	GGO25
Laura Campbell	Team Member	Consultant	Gender and Citizen Engagement	GSP01
Luis M. Schwarz	Team Member	Senior Finance Officer		WFALA
Oluwatoyin Racheal Jinadu	Team Member	Temporary		GSPDR
Sulaiman Adesina Yusuf	Team Member	E T Consultant		GSP07
Thomas Bossuroy	Team Member	Economist	Livelihoods	GSP07
Zaid Safdar	Team Member	Senior Operations Officer	ICT	GTI11
Extended Team				
Name	Title	Office Phone	Location	
Ayo Fashogbon	Consultant		Abuja, Nigeria	
Catherine Gibbons	Livelihoods Consultant		Washington, DC	
Ning Fu	Consultant		Washington, DC	
Nnenna Atinuke Oshagbemi	Consultant		Abuja, Nigeria	
Philippe Breul	Payments Consultant		Brussels, Belgium	
Polly Jones	SP Advisor		San Francisco, CA	
Ronke Azeez	Institutional Consultant		Abuja, Nigeria	
Vanessa Moreira Da Silva	Consultant		Washington, DC	
Victoria Esquivel-Korsiak	Consultant		Washington, DC	
Wale Oni	Consultant		Abuja, Nigeria	

Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Consultants (Will be disclosed in the Monthly Operational Summary)					
Consultants Required ? Consultants will be required					

I. STRATEGIC CONTEXT

A. Country Context

1. **With an estimated population of 177.5 million, Nigeria is Africa's most populous nation and the largest economy in Sub-Saharan Africa.** The Nigerian economy has consistently experienced significant growth in recent years. Gross domestic product (GDP) growth averaged 5.3 percent during 2011–2014 and was recorded at 6.3 percent in 2014, with most contributions coming from manufacturing, construction, trade, and services. The expansion of domestic demand has driven recent growth in Nigeria, while exports, dominated by the oil sector, experienced negative growth (–1.3 percent) in 2014 for the third year in a row. However, although oil accounts for only 15 percent of GDP, the drop in oil revenues has contributed to a slowdown in the economy not only due to a contraction in domestic demand following significant cuts in federal government and state government budgets, but also due to scarcity of foreign exchange. This has been compounded by a deterioration in oil sector GDP itself. As a result, Nigeria's economy grew at only 2.7 percent in 2015, compared to 6.3 percent the previous year.

2. **Additional efforts are needed to make growth more inclusive and translate it into decreased poverty.** Poverty remains at 33.1 percent of the population in 2012/2013, equivalent to 58 million Nigerians.¹ Poverty is a largely rural phenomenon: in 2013, 52 percent of the rural population was poor, as compared to 14 percent in urban areas. Due to population growth of nearly 3 percent, the absolute number of people living in poverty remained consistent between 2010 and 2013. In addition, a large portion of the population is clustered around the poverty line making them highly vulnerable to shocks and falling into poverty.

3. **Inequality in Nigeria has increased and is particularly acute between regions.** In the last decade, while average per capita consumption increased, Nigeria's income distribution became more unequal (based on General Household Survey (GHS) panel data), and there has been an increase in polarization. In 2012, the highest quintile held 54 percent of the total wealth, while the lowest accounted for only 4.4 percent. Moreover, while all three Southern macro-regions, together with the North Central region, experienced declines in estimated poverty rates between 2010 and 2013, poverty increased in the North East and remained largely unchanged in the North West. The North West and North East together account for about 60 percent of poor Nigerians. A recent mapping exercise found that poverty is concentrated in a belt covering the North and along to the eastern part of Nigeria.² The South West is least affected by poverty with rates lower than 12 percent. Most of South Central experiences rates below 13 percent, though moving southeast rates rise to 30 percent. The South South experiences pockets of poverty, but is homogeneously less poor. In the South East, rates are over 40 percent and reach 85 percent in certain parts of Enugu State. Stagnation in poverty reduction in the northern regions can be attributed to the security situation as well as a lack of public services and remoteness from ports and points of economic agglomeration.³ This inequality extends beyond income measures. It is also evident in health and

¹ The poverty line was calculated from the GHS panel data based on the same number of calories (3,000) as used for the official Nigerian definition of poverty. Figures are from the latest Nigerian Economic Report 2014.

² Gething and Molini. 2015. *Developing an Updated Poverty Map for Nigeria*.

³ World Bank. 2014. *Nigeria Economic Report*.

education outcomes, as well as in resiliency. In the North, an estimated 60 percent of households do not have the resources to withstand shocks.

4. **Persistent poverty has been accompanied by mixed progress in health, nutrition and education.** While infant mortality and child mortality rates have declined, Nigeria did not achieve the child mortality target of the Millennium Development Goals (MDG 4). There has been no progress on reducing maternal mortality and fertility rates which remain stubbornly high. Childhood malnutrition has worsened by some measures (low weight for age has increased by 21 percent and wasting has increased 64 percent). The national average annual out-of-pocket expenses for health, in spite of the National Health Insurance Scheme, is US\$94, creating a substantial demand side constraint to access services. Poor education outcomes further jeopardize child welfare and future development. From 2010 to 2013, the out-of-school rate for children ages 6-14 increased from 24 to 30 percent, with 95 percent living in the northern states, and the incidence increasing faster among girls, children from the poorest two income quintiles and in rural areas. These are children who have largely never been to school (92 percent) primarily because either their parents or they themselves do not think education is important. Financial constraints are also significant: school fees are the largest education expenditure for primary school students, followed by books, supplies, and uniforms.⁴

5. **The relatively high and stable economic growth in recent years has not resulted in a diversification of the sources of labor income for poor families.** Agriculture remains the largest employment sector in the country with half of the population engaged in low-productivity agriculture. This figure is even higher in the North East and North West, where two thirds of the population depend on farming, predominately at subsistence levels. Nationally, half of the people working in this sector remain in the bottom two income quintiles. Conversely, the poor are least likely to work in wage jobs.

6. **Across the labor market, women face barriers to productive jobs that could help them transition from poverty.** Between 2007 and 2011, the percentage of working women increased from 59 to 63 percent; however, 17 million women are not working or studying. Women are more likely than men to be in lower earning jobs, earn less than men with similar levels of education and have less access to land for farming or to use as collateral for loans. Women working in agriculture are also less likely to move into wage work than men but more likely to move into non-farm household enterprises, in which women make up 60 percent of the workforce.

7. **Diversification beyond agricultural activities has the potential to increase incomes.** High growth in the working-age population, low skill levels, and the marginalization of some groups, particularly women, from jobs and livelihoods opportunities present challenges to securing productive employment. About 40 percent of farmers already undertake non-agricultural activities at some point in the year. These households earn 30 percent more than their counterparts who focus entirely on agriculture. Constraints to household enterprises include skill deficits, poor access to finance, poor infrastructure, limited access to markets, and the lack of a legal or

⁴ Feda, K., Savrimootoo, T., Lomme, R., Tomita, R., Oseni, G., Dedu, G. Miningou, and Elise W. 2015. *Governance and finance analysis of the basic education sector in Nigeria*. Washington, D.C.: World Bank Group. <https://hubs.worldbank.org/docs/imagebank/pages/docprofile.aspx?nodeid=25799147>

regulatory framework. Financial access is improving globally but remains limited for the poor, women, youth, and those in rural areas.

B. Sectoral and Institutional Context

8. **Social protection (SP) has a critical role in reducing poverty and mitigating shocks.** Data from the 2009/2010 Harmonized Nigeria Living Standard Survey (NLSS) indicates the poor experience shocks such as the death of a spouse or household head, physical harm, personal theft, and robbery by force more often than the national average. These households are also vulnerable to climatic shocks, both flooding and droughts, which are becoming more frequent. Across the country, low income employment, particularly in agriculture, subjects households to periods of inactivity given seasonal variations. Thus, not only are these households more likely to live in poverty, they are also at higher risk for shocks to their already-low incomes. Social safety nets (SSNs), therefore, would provide an important consumption smoothing effect to prevent these households from falling further into poverty and to promote their ability to grow into sustainable livelihoods.

9. **Public expenditure on social protection programs in Nigeria has grown in recent years.** However, past Government expenditure on SSNs has been unpredictable, having increased in 2010 by 16.7 percent from the 2009 level but decreased by 21.1 percent in 2011 and increased again by 16.9 percent in 2012. In 2012, federal spending on social protection increased from an average of about 0.3 percent of GDP in the previous three years to 0.42 percent. Annual federal per capita expenditure on social protection rose from US\$3.5 in 2009 to US\$6.3 in 2012⁵; however, overall coverage remains low and is poorly targeted. SSN implementing agencies are almost entirely reliant on the federal government for funding and are thus subject to the disruptions and delays in financial flows and allocations. Execution of budgets among SSN-implementing ministries, departments, and agencies (MDAs) has also been plagued by short supply and untimely release of funds (for example, average actual spending as a percentage of total budget at the National Directorate of Employment was 69.1 percent). Similarly, a study of spending on public works in four states found the quality of budget execution was generally low at the state level as well.⁶ The federal government's proposed budget allocation to social protection of US\$2.5 billion (0.4 percent of GDP) in 2016, with similar commitments included in the Medium Term Expenditure Framework (MTEF), is an important step towards sufficient and sustainable sector spending, though annual budgets and releases of funds need to be closely monitored.

⁵ This figure is for social assistance and does not include contributory schemes such as public servants' pensions.

⁶ Because Nigeria depends highly on oil revenue, it is subject to fluctuations in the market that have implications for the whole economy and financing of social protection. The NBS reports that oil prices fell by 66.8 percent between June 2014 and December 2015 and continued to fall in 2016. The debt service-to-revenue ratio has also increased since 2007 from a low of 3.61 percent to 9.26 percent in 2013. These trends may curtail the growth of spending in sectors such as social protection, limit availability of credit for development purposes, and affect discretionary expenditure.

Table 1. Nigeria Federal Spending on Selected Social Protection MDAs 2009–2012

Social Protection (Youth, Women Affairs, Conditional Grants, SSN and Oil Subsidy Reinvestment through the SURE-P)	2009	2010	2011	2012*
Federal spending (US\$, billions)	0.54	0.56	0.59	1.05
Federal spending as % of GDP (%)	0.32	0.28	0.25	0.42
Federal spending as % of budget (%)	2.42	2.07	2.11	3.55
Federal spending per capita (US\$)	3.49	3.54	3.63	6.28

Sources: Office of the Accountant General, Budget Office of the Federation, International Monetary Fund.

Note: * Based on the approved budget for 2012; SURE-P = Subsidy Reinvestment and Empowerment Program.

10. **Coverage of programs specifically targeted to poor and vulnerable households is limited and addresses only a small fraction of national needs.** A small number of both conditional cash transfers (CCTs) and unconditional cash transfers (UCTs) have been or are being implemented in Nigeria. These are primarily implemented at the state level, with low overall reach and limited results from evaluations. For example, an impact evaluation for ‘In Care of the People’ (COPE) found that while many of the design elements were sound, its effectiveness was constrained by low coverage (although with an estimated 22,000 beneficiary households, this is one of the largest cash transfer programs in the country), low benefit levels, and weak incentives for state involvement. A recent national stock-taking exercise also found that most federal and state-level SSN interventions are constrained by systemic (institutional and process) weaknesses, including poor targeting, undefined eligibility criteria, lack of monitoring and evaluation (M&E) systems, and absence of a management information system (MIS).⁷ As a result of weak or absent coordination, there is also a high degree of duplication. While the World Bank-supported Youth Employment and Social Support Operation (YESSO) aims to reach more than 500,000 youth to receive re-orientation and life skills training and 1.5 million youth through public workfare—thus representing a substantial investment in youth-focused social support—the development of a true national SSN system requires that it is complemented by similar efforts targeted to other poor and vulnerable groups.⁸

11. **The Government has outlined its commitment to social protection in a draft National Social Protection Policy currently being finalized for submission to the Federal Executive Council.** The draft policy commits to dedicate national resources to improve the lives of its citizens and strengthen the role of social protection in helping to distribute resources more broadly. The policy outlines a gender-sensitive and age-appropriate framework to ensure a minimum social floor for all Nigerian citizens. Its specific objectives include contributing to reducing poverty, enhancing human capital, promoting sustainable livelihoods, and protecting households from shocks. Further, the Government has shown its renewed commitment through a significant budget inclusion for social protection in the MTEF of NGN 500 billion (US\$2.5 billion) per year. The same amount was included in the 2016 budget approved by the National Assembly. This includes financing for six new priority government programs, including CCTs, youth employment, school

⁷ Yusuf, S. A. (2014) *Stocktaking of Existing Social Safety Net Programmes in Nigeria*. Draft prepared for the Federal Ministry of Finance.

⁸ YESSO also included a component on CCTs, but will be restructured to focus on the youth employment and public works interventions.

feeding, microcredit, and education vouchers. About NGN 70 billion (US\$345 million) has been allocated to targeted cash transfers (TCTs) per year. This is an important part of the Government's strategy to develop a national safety nets system and to mitigate any potential impacts their economic reform may have on the poor.

12. The aim of the National Social Safety Nets Project (NASSP) is to support the Government's program by expanding access for poor households to SSNs while also developing systems at the federal level for use by other safety net and public programs. Ultimately, the establishment of these safety net system building blocks will allow the Government to target and deliver a range of programs to poor households more effectively and efficiently.

C. Higher Level Objectives to which the Project Contributes

13. NASSP is designed to contribute directly to the Government of Nigeria's development priorities. Nigeria's Vision 20:2020 Economic Transformation Plan acknowledges that the disconnect between economic growth and human development has to be addressed to increase the wellbeing and labor productivity of the people. NASSP will also support the Government's progress toward Sustainable Development Goal 1.3 (implement nationally appropriate social protection systems and measures for all, and by 2030 achieve substantial coverage of the poor and the vulnerable). Further, NASSP will support the Nigeria Gender Policy, which names social protection as a key sector for promoting gender equality and mainstreaming gender in development interventions.

14. NASSP will directly contribute to the two pillars of the Bank's global strategy of reducing absolute poverty and promoting shared prosperity. This will be done by providing cash transfers to support the poorest and most vulnerable, coupled with targeted support to establish a sustainable system for providing social assistance to the poor. The project is also closely aligned with the current Country Partnership Strategy for Nigeria, which includes a central focus on improved service delivery for greater social inclusion and addressing inequities in income and opportunities. Critical to this strategy are objectives that are fully supported by NASSP, including: (a) provision of basic services to poor and vulnerable households; (b) effective targeting, transfers, and tracking systems for support to poor and vulnerable households and individuals; and (c) development of appropriate policies, guidelines, and practices for addressing inequality and vulnerability in Nigeria.

15. Toward these higher-level objectives, NASSP will provide a platform for delivering social assistance and contributing to improved human capital development. Evidence from Nigeria and other countries shows that investing in safety nets and TCTs can stimulate demand for health, nutrition and education services, increase consumption, and promote productive investments that fuel the growth of opportunities amongst the poor. By focusing on the demand side of services, it complements efforts by the Government to boost the availability, quality and accountability of social services.

16. NASSP will complement key initiatives in the Bank's portfolio. Within the Social Protection and Labor Global Practice these include the Community Social Development Project (CSDP) and YESSO. NASSP institutional arrangements at the federal level are designed to ensure compatibility and synergies with YESSO and CSDP, which are both state-level interventions.

Establishing a robust system provides an entry point for harmonization of SSN programs. NASSP will also coordinate with Saving One Million Lives and other programs under the Health Global Practice. Saving One Million Lives focuses on improving the supply side of health services, particularly quality, cost-effective reproductive and child health and nutrition interventions, and building a more effective health system. NASSP will work on the demand side, providing households with cash transfers with co-responsibilities that promote utilization of health and nutrition services. Similarly, NASSP will closely coordinate with the education sector investments, in particular in the design of co-responsibilities that can help address binding demand side constraints on the enrollment in and utilization of education services.

17. **NASSP will be fully aligned with the existing YESSO.** YESSO aims to reach more than 500,000 youth to receive re-orientation and life skills training and 1.5 million youth through public workfare. It originally included four components: (a) strengthening the SSN system in Nigeria; (b) public workfare program; (c) skills for jobs; and (d) developing and implementing a CCT program. NASSP will take over responsibility for (a) strengthening the SSN system in Nigeria and (d) developing and implementing a CCT program. Building on the progress made by YESSO in establishing state coordinating structures and social registries (SRs), NASSP will take over responsibility for and expand these activities to additional states. NASSP will support the operation of the National Social Safety Nets Coordinating Office (NASSCO) at the federal level to coordinate all SP interventions, including YESSO and CSDP. YESSO will be primarily responsible for delivering jobs-related interventions for youth in the form of public workfare and skills for jobs. Under Additional Financing, YESSO will also be responsible for delivering one-time or short-term cash transfers in the North East states to internally displaced persons (IDPs) who are returning home or being resettled using existing registries of IDPs.

Table 2. Key Elements of NASSP and YESSO

NASSP	YESSO
Support for establishment of NASSCO at the federal level to coordinate all SP interventions (e.g. social jobs, school feeding, cash transfers)	Labor-intensive public workfare for poor youths ages 18–35 whose education level is below Junior Secondary 3
Targeting and registering of poor and vulnerable households into the unified National Social Registry (NSR, based on states’ Social Registries [SSRs]) to be used for cash transfer and other SP interventions	Skills for jobs for low-income youth of 18–35 years with at least a Junior Secondary 3 education
Targeted, regular cash transfers to poor and vulnerable households identified through the NSR	One-time or occasional cash transfers to displaced persons identified through existing IDP registries who are returning home or being resettled

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

18. The project development objective (PDO) is to provide access to targeted transfers to poor and vulnerable households under an expanded national social safety nets system.

B. Project Beneficiaries

19. The project will target poor households⁹ in Nigeria, identified through a combination of geographical and community-based targeting (CBT)¹⁰ and included in the NSR. The project will expand gradually to cover four million households in the NSR and one million households (about five million individuals) per year for TCTs by 2021, in a minimum of 24 states.

20. NASSP is a federal project and all states are eligible for the federal intervention once they complete a set of pre-conditions and sign a Memorandum of Understanding (MoU) with the federal level outlining their rights and responsibilities for participating in the project. It is likely that the current YESSO states, which already have SSRs, will be in a position to meet these pre-conditions first. The federal project will ensure that poorer states, including those in the vulnerable North East region, are strongly encouraged to participate and given the necessary support to fulfill the minimum conditions for inclusion in NASSP¹¹. A detailed project roll-out plan for states and local government areas (LGAs) will be included in the Project Implementation Manual (PIM).

C. PDO Level Results Indicators

21. Progress toward the key project results and attainment of the PDO will be measured through the following indicators:

- (a) Direct project beneficiaries (number), of which female (percentage) - core
- (b) Percentage of transfer recipients that are female
- (c) Percentage of beneficiaries that are in the bottom two quintiles
- (d) Number of households included in NSR
- (e) Number of states benefiting from TCTs

22. The values in the Results Framework are based on assumptions related to state take-up of the project.

III. PROJECT DESCRIPTION

23. **Implementing a safety net project in a federal context requires flexibility.** Nigeria is a federal country with a great degree of autonomy of states and significant variation between them with regard to human development indicators, institutional capacity, and development priorities. Given these disparities, as well as differences in the availability of supply of social services, required infrastructure for payment mechanisms, and monitoring systems, a uniform federal project would not be appropriate for Nigeria. Therefore, NASSP will provide a national platform for funding, coordinating, and monitoring a national safety net project at the central level while entrusting the implementation to the states. In this context, the proposed project aims to help strengthen the capacity of existing institutions and the collaboration between federal, state and

⁹ A household is defined as a group of people living together, eating from the same source and affecting the well-being of each other either by contributing resources to or taking resources from a common pool.

¹⁰ To be verified by a proxy means test (PMT).

¹¹ In the immediate term, YESSO Additional Financing will deliver cash transfers to IDPs in participating states in the North East. Therefore, NASSP will initially focus only on systems development in these states, with TCT starting delivery after the 2-year duration of cash transfers through YESSO.

local government levels. Although a decentralized scheme may pose new challenges, it carries potential advantages such as increased ownership and improved sustainability and institutionalization that may lead to higher impact.

24. **The project design has paid particular attention to consulting states to ensure that constraints on their participation, including financial ones, are addressed.** Incentives for state participation will be introduced through full federal financing of the TCTs, as well as state-level costs to undertake targeting and setting up and implementing co-responsibilities and delivery systems. Additional incentives for poorer states with less capacity to fulfill the minimum conditions will be provided based on an initial capacity assessment to be undertaken in each state. NASSP will also support peer-to-peer learning across states to show how the cash transfer program will add value to their state. State counterpart financing will be required in kind, to include office space, staffing costs, use of equipment and vehicles, and so on. The minimum conditions states will need to fulfill to be eligible for support will include: (a) establishment of a State Operations Coordinating Unit (SOCU) and a State Cash Transfer Unit (SCTU) with agreed capacities and positions; (b) a proposal for co-responsibilities for the cash transfer; (c) a state supply assessment on the proposed co-responsibilities; and (d) an agreement on the establishment of a SSR following federal guidelines and procedures on the targeting mechanism, based on the procedures now being used by YESSO. MoUs to be signed between the federal level and each participating state will set out the respective roles and responsibilities of the states and the national government. While initial consultations with states show strong interest in the project and these measures will go a long way toward addressing constraints for take-up, it must be recognized that there will be uncertainty related to if and when states will decide to join the project. Therefore, the project will continue to closely engage states during project implementation, including quarterly briefings and agenda items during the regular governors' forums.

A. Project Components

25. **The project will provide support for the design and implementation of the Government's NASSCO and the TCTs.** This will involve supporting the set-up of the safety net institutional framework and delivery systems and launching a national cash transfer project through two components: (a) Establishing the Foundation for a National Social Safety Net System; and (b) Implementing a Targeted Cash Transfer. The project will be national in coverage, with all states eligible for the intervention. Given financial and capacity constraints, the roll-out will be gradual and it is expected to reach 24 states in the next 5 years, with support for systems in 32 states. NASSP will be rolled out to states based on their fulfillment of a number of minimum conditions.¹²

Component 1: Establishing the Foundation for a National Social Safety Net System (US\$180 million of which IDA US\$100 million equivalent)

26. **The objective of this component is to strengthen and consolidate the building blocks of a safety net system at the national and state level that can deliver targeted support to poor households across Nigeria.** The system will be designed such that, irrespective of funding source

¹² The roll-out will be closely monitored and should more States sign up, the Government is committed to mobilizing additional funding.

or targeted beneficiary group, the same system can be used by national and state governments, development partners, and civil society in the medium term. Over time, the Government expects to use this system to consolidate its safety net interventions and ensure that social assistance and spending are delivered in an efficient and transparent manner. This component will include two subcomponents.

Subcomponent 1a: Project Management and Institutional Capacity

27. **This subcomponent will provide resources to support the Government’s decision to establish a coordinating office for SSNs in Nigeria.** It will also include support for the establishment and operationalization of a management office for TCTs; the NSR; and establishment and operationalization of coordination and management structures in participating states and LGAs.

28. The Government has established a coordinating office for SSNs under the Office of the Vice President (OVP). Over time, the aim of the NASSCO is to coordinate all government programs in the sector and have the lead role in establishing the building blocks of a national system for efficient coordination and response. The OVP was chosen to house NASSCO after a careful analysis of immediate capacity, convening ability, and coordination roles. NASSP will play an important role in the ongoing set-up of NASSCO and, over time, the TCT program (as outlined in Component 2) will be one of several complementary safety nets coordinated under the office.

29. **This subcomponent will also include financing for capacity building, communications, citizen engagement (CE), and grievance redress/complaints-handling.** NASSP will promote widespread understanding of project objectives and procedures, particularly at local levels, through a clearly articulated and communicated regular public awareness campaign before the start and during the project. This will be designed to build citizens’ awareness about their rights, eligibility and the services they can access. It will include a special emphasis on vulnerable groups as well as grievance redress. This will involve close engagement with nonstate stakeholders to help to create transparency and trust around the TCTs.

30. To ensure sufficient data availability for safety nets targeting and monitoring, NASSP will also finance NASSCO support to the NLSS. NLSS is a household survey representative at the national and state levels used by the National Bureau of Statistics (NBS) to monitor poverty in Nigeria. The NLSS will oversample in order to capture existing cash transfer beneficiaries and allow it to be used as a baseline for future evaluation. An additional module covering social protection will also be added.

31. The activities in Subcomponent 1a related to the implementation of the NLSS will be financed through an output-based model, based on unit costs. The unit costs represent the underlying costs required to implement the activities to carry out the survey and publish the data, calculated by the NBS on the basis of historical costs, as reflected in the PIM and presented in annex 11. Bank staff have reviewed these costs based on experience with similar surveys in the Africa Region as well as the local economy in Nigeria, concluding that they are reasonable. See annexes 2 and 11 for more details.

32. Further, once the core systems and cash transfers are set up and operational, the project will finance technical assistance for identifying accompanying measures to support sustainable livelihoods and graduation out of poverty for a subset of cash transfer recipients. This will include resources to pilot livelihoods interventions in a small number of states with a functional SR. The pilots will be implemented using the principles of adaptive learning and evaluated through impact evaluation and rigorous M&E. It is expected that these pilots will help identify scalable livelihoods interventions that may later be expanded to other states implementing cash transfers through NASSP. These pilot activities and implementation arrangements will be designed based on careful review of experiences in Nigeria, including through Fadama¹³ and Feed the Future,¹⁴ international good practices such as the Consultative Group to Assist the Poor (CGAP) pilots, and with benefit from a Bank-led sub-regional initiative to develop livelihoods activities as part of SSN programs. Emphasis will be put on simplicity, scalability and flexibility to adapt interventions to local conditions. Plans for rolling out the pilot interventions to additional states will be reviewed and decided based on implementation experience and findings of impact evaluations. Because there is significant regional variation and diverse socio-cultural contexts, care will be taken to ensure that approaches are contextualized and flexible.

Subcomponent 1b: Developing Building Blocks of the Safety Net System

33. This subcomponent will finance investments in the main building blocks of the national social safety nets system: (a) a robust targeting mechanism and a national registry of poor and vulnerable households; (b) payment systems; and (c) M&E and the MIS. These investments will build on significant progress made under YESSO, but with aims to further systematize and modernize. While these longer-term systems are developed, NASSP will continue to use the targeting, registries, and monitoring systems already in place under YESSO.

34. **NSR of poor and vulnerable households.** NASSP will support the development of a NSR of poor and vulnerable households in Nigeria. The NSR will employ a combination of geographic targeting using poverty data and maps to locate the LGAs most in need in each state,¹⁵ and CBT and proxy means test (PMT) verification to identify the poor and vulnerable for inclusion in the NSR. This combination of targeting methods is not new in Nigeria—it is currently being rolled out at the state level under YESSO¹⁶—and has the advantage of minimizing exclusion and inclusion errors.

¹³ The US\$450 million Fadama III project (with US\$250 million from IDA) is being implemented in 35 states, and in Nigeria's Federal Capital Territory. Local community members, under the umbrella of Fadama Community Associations and Fadama User Groups, oversee the design and implementation of the project and are empowered through skills and capacity building to improve their livelihoods by increasing income-generating activities.

¹⁴ The Feed the Future Nigeria Livelihoods Project is a five-year U.S. Agency for International Development (USAID)-funded grant operating in northwestern Nigeria and the Federal Capital Territory. The goal of the project is to address poverty and under-nutrition through interventions that integrate the very poor into the agricultural rural economy by increasing their agricultural productivity, building their income and assets, and improving their nutritional status.

¹⁵ A team at Oxford University, with support from the Poverty Global Practice, has created a geospatial poverty map that combines geo-referenced datasets to identify local level correlates of poverty with household survey data (the GHS). Information from other sources, including the Recovery and Peace Building Assessment, will also be used as appropriate.

¹⁶ CBT uses a group of community members or leaders to decide local eligibility (i.e. the poorest and vulnerable households in their communities). PMTs generate a proxy for actual household welfare through observable household

35. The targeting system will include grievance and appeals mechanisms for receiving and managing complaints from individuals about the inclusion and exclusion of households identified through the targeting mechanism as poor. Complaints will be managed at various levels including the community, LGA, state, and federal. There will be strong emphasis on outreach and communications regarding the targeting process, tailored to diverse stakeholders. Regular targeting assessments will verify that the process is solid and accurately identifies the poor and vulnerable. The first targeting assessment will be undertaken in the current YESSO states before NASSP starts.

36. The NSR will serve as a policy instrument for social development in the country, whereby social programs, including for health, education, and social protection, at the federal and state levels, will over time be able to use a single common registry to identify the poor and offer targeted benefits. The NSR will thus improve the efficiency and efficacy of social programs in the country. The NSR will build on the design and experience of YESSO and produce an electronic list of the poorest households in Nigeria. Each individual in a household under the NSR will be a unique and actual person, thus ensuring that government benefits reach only those who are targeted. The registry will provide for security, privacy, accuracy, and availability of information. NASSP will support the NSR to register four million poor and vulnerable households (or 20 million individuals).

37. A decentralized approach will be used in the setup of the NSR. The NSR will be established at the federal level under NASSCO and will consolidate information about poor households from state-level SRs. The SRs will be housed in the SOCUs in the Ministry of Planning of each state. The NSR will aim to link with a biometric identity registry using a unique identity number per person to establish uniqueness of each individual. The project will fund the cost of setting up and operating the NSR in NASSCO and the SSRs in up to 32 SOCUs, along with building technical capacities and partnerships, for a well-functioning, reliable, and robust NSR. The project will seek to use output-based financing for registration into SRs, biometric data capture, and recertification of poverty data. While the NSR is developed in the medium term, the current single registers developed in an Excel-based system by participating states under YESSO will be used and strengthened to ensure proper security and privacy of information. More details on the targeting system and the NSR are included in annex 10.

38. Under Subcomponent 1b the project will use an output-based disbursement mechanism to finance payments from NASSCO's two outputs: (1) roll-out of the CBT process and (2) household registration activities (HRAs) implemented by LGAs. The roll-out of the CBT Process and HRAs unit costs include all of the service and operating costs needed to carry out the CBT process, including community identification of poor households, enumeration of identified households, and entry of the data into the respective SR. These unit costs have been reviewed and found acceptable by the Bank and will be reviewed regularly and at any time by request from NASSCO, and adjusted as necessary to reflect actual costs. The roll-out of the CBT process and HRAs unit costs are included in the PIM and described in full in annex 11.

and individual characteristics such as the location and quality of the household's dwelling, its ownership of durable goods, its demographic structure, and the education and occupations of its adult members – which are highly correlated with household welfare levels.

39. **MIS.** An MIS will be developed for NASSP to manage operations, monitor indicators and results, and strengthen control and accountability. Two forms of the MIS are planned under NASSP: (a) an MIS providing a consolidated view of social protection programs at the federal and state levels; and (b) an MIS providing detailed information about the cash transfer programs at the federal and state levels. The cash transfer MIS will allow for a beneficiary registry, management of payment information, compliance monitoring, supply side tracking, grievance and redress, and change management of beneficiary information.

40. **Payment systems.** Building on ongoing work under YESSO, NASSP will support the establishment of a payment system for SSNs in Nigeria. The payment system will, to the extent possible, use electronic forms of delivery, including mobile money, card-based payments, and additional e-payment solutions. The approach will help: (a) ensure that cash benefits reach those intended; (b) establish an electronic trail of information for payments issued, strengthening transparency, accountability, efficiency, and security; (c) lower administrative costs for cash transfers, with fewer intermediaries; and (d) achieve greater potential for integration between federal and state levels. The payment system will issue cash transfers directly from the National Cash Transfer Office (NCTO) to beneficiaries, using payment service providers, and will be integrated with systems developed under NASSP, including the NSR, MIS, and financial management (FM) system.

Component 2: Implementing a Targeted Cash Transfer (US\$1,653 million of which IDA US\$400 million equivalent)

41. **This component will finance safety net transfers to targeted poor and vulnerable households included in the NSR, delivering regular and reliable transfers in a way that is accessible to beneficiaries and with benefit levels that are consistent with project objectives.** Through this component, the Government aims to cover at least one million households, or approximately 10 percent of the poor, over a five-year period in at least 24 states. Each household will receive a base transfer of NGN 5000 (US\$25, equal to about 15 percent of the national poverty line) per month. This base benefit is designed to ensure a minimum, reliable payment to promote consumption smoothing, address food insecurity and protect against economic shocks. Targeted households will be eligible for an additional monthly benefit of NGN 5000 upon the completion of agreed co-responsibilities. Payments will be made on a regular basis, with the aim of making payments for base transfers every two months and quarterly payments of top up transfers. The primary caregiver (in most cases the woman) in a household will be the designated recipient of the payment. Recertification of poverty status will take place every three years. This procedure will be defined in an updated targeting manual.

42. Under Component 2 the project will use an output-based disbursement mechanism to finance payments from the NCTO for enrollment into the TCTs. The unit costs include all of the service and operating costs needed to carry out the enrollment, including community sensitization, orientation sessions, entry of enrolled households into the program database, and production and dissemination of program cards. These unit costs have been reviewed and found acceptable by the Bank and will be reviewed regularly and at any time by request from the NCTO and adjusted as necessary to reflect actual costs. The enrollment unit costs will be included in the PIM and are described in full in annex 11.

43. **Co-responsibilities.** NASSP has developed a national framework for the co-responsibilities, reflecting key national priorities and desired outcomes in the areas of human capital formation and productive inclusion. Depending on state development priorities, availability of accessible services, and their varying needs and conditions, the exact combination of co-responsibilities will vary from state to state, but will be aligned with the national framework. Building on experiences in Nigeria and elsewhere, as well as recent impact evaluation findings, the project will aim to include a minimum number of co-responsibilities needed to achieve its objectives, as conditioning on many behaviors complicates implementation and monitoring requirements and may limit take-up by states. Initially it is expected that most states will opt for “softer” co-responsibilities or accompanying measures such as awareness seminars on nutrition, family practices, health, sanitation, education, productive practices, and training sessions. Co-responsibilities are expected to evolve over the life of the project to include more activities related to use of health and education services (that is, use of health centers, primary school enrollment and attendance, girls’ senior secondary school attendance) as the participating states improve both supply side and project management capacity. The initial strategy described earlier attempts to balance the Government’s desire for beneficiary co-responsibilities with the goal of making meaningful progress in the establishment of a truly national SSN and recognizes the importance and impact of establishing a track record with beneficiaries of predictable cash transfers.

44. The project has developed a menu of co-responsibilities around health and nutrition, education, environment and productivity (box 1). Each state will, depending on their conditions and priorities, choose their co-responsibility area.

Box 1. Menu of Co-responsibilities

Education:

- Attend workshops on importance of child education
- Attend literacy classes
- Primary school enrollment
- Primary school attendance
- Girls’ attendance of senior secondary schools years 1–3

Health and nutrition:

- Attend health and nutrition education workshops, including family planning and maternal health
- Immunization of children
- Use of pre-natal and post-natal services
- Child growth monitoring

Environment:

- Attend workshops on hygiene and sanitation
- Attend workshops on environmental activities, such as tree planting
- Participate in local tree planting initiatives

Productivity:

- Open bank accounts and attend financial literacy training
- Attend group meetings and coaching sessions

45. To the extent possible, NASSP will use existing proven and effective curricula and manuals for these workshops available nationally or at state level. A framework and guiding principles for the implementation and monitoring of co-responsibilities, including a protocol for case management in cases of non-compliance, will be included in the Project Implementation Manual (PIM). As necessary, national project management will provide technical assistance to states in developing co-responsibilities as well as review/approve specific state proposals. In consultation with the Ministries of Education and Health, a methodology for states to assess supply-side capacity for health and education services has been developed. The menu of co-responsibilities will be subject to revision at the midterm review.

46. During project implementation, a subset of beneficiaries may be identified to receive livelihood support to complement the cash transfer, based on the results of the livelihoods pilots conducted under Component 1. International evidence suggests that complementing a regular cash transfer benefit with activities designed to support productive livelihood activities is effective in increasing earnings and well-being in both the short and longer term.

47. Throughout all aspects of this component, the key principles of safety net transfers will be as follows:

- **Primacy of transfers.** Targeted households will receive transfers based on need and inclusion in the NSR. Penalties for non-compliance with co-responsibilities will be applied only after an assessment of the individual household's situation and effort to address non-compliance, carried out by the LGA (process will be detailed in the PIM).
- **Timeliness of transfers.** Transfers must be received according to the planned transfer schedule.
- **Predictability of transfers.** Clients must know the value of the cash transfer and a reliable schedule for when they will receive it.
- **Appropriateness of transfers.** The transfer value must be appropriately related to the project objectives and have the capacity to adjust, as necessary, to reflect inflation and cost increases (such as an annual transfer value survey or automatic adjustment according to an agreed-upon index, such as the Consumer Price Index [CPI]).

48. The cash transfers will be financed from the federal NASSP budget and paid directly by the federal government through payment service providers contracted by the NCTO. The payments will, where possible, use electronic forms of delivery, including mobile money, card-based payments, and additional e-payment solutions. Contributions from states will be required for management, implementation, monitoring, and, particularly, service provision for the co-responsibilities and specific aspects of the livelihood support. The NCTO and NASSCO will also provide financial and technical support to states and LGAs for these areas. Given the complexity of launching a national cash transfer, the project will support monitoring, evaluation, and technical support throughout the operation, but with a particular emphasis during year one. Careful evaluation of experiences in the early years of implementation will be done to ensure that the

package of support incorporates lessons from implementation in the early years before scaling up to a larger number of beneficiaries in the later years of the project.

B. Project Financing

49. **The Bank will use Investment Project Financing for this operation.** A program for results instrument was considered, but the significant investments in institutional development and systems building will require close and intensive implementation support and investments in technical capacity at all levels, which can be better supported through Investment Project Financing. Additional financing for YESSO was also explored as an option, however it was decided that a new operation that sets up a new national system under federal financing and introduces new parameters for state-federal collaboration is a more feasible approach to achieve the intended results.

50. **The proposed NASSP will be implemented for a period of 5.5 years starting June 7, 2016.** The project financing requirement estimates are US\$1.833 billion, towards which this IDA Credit will finance US\$500 million. The Government’s cash contribution of approximately US\$1.333 billion is significant, and an important step towards sustainability. The Government’s contribution includes an annual cash contribution as well as covering the operational expenses of all government entities involved in the project. Retroactive financing may be provided for up to 20 percent of eligible expenditures incurred up to 12 months before the signing of the Financing Agreement once the Credit becomes effective by submitting a ‘reimbursement withdrawal application’ to the Bank with necessary supporting documents.

Table 3. Project Cost and Financing

Project Components	Project Cost (US\$)	IDA Financing	% Financing
1. Establishing the Foundation for a National Social Safety Nets System	180,000,000	100,000,000	56
2. Implementing a Targeted Cash Transfer	1,653,000,000	400,000,000	24
Total Costs	1,833,000,000	500,000,000	27

C. Lessons Learned and Reflected in the Project Design

51. **The project design reflects lessons from the implementation of YESSO, other safety net programs in Nigeria, and good practices from safety net programs in other countries.** There has been a particular focus on addressing lessons that are thought to have hindered successful implementation of a large-scale safety nets operation in the past. These include (a) removing, to a large extent, the financial constraints for state take-up by financing all cash requirements from the federal level; (b) softening the co-responsibilities to be more flexible and less dependent on supply side services; (c) scaling up the technological investments in systems for registry and payments and the MIS; and (d) ensuring that significant efforts are dedicated to setting up a solid institutional office for coordinating the sector. These lessons and experiences have also highlighted that (a) investments in institutions and components of the national SP system can lead to great efficiency gains; (b)

alignment of federal and state roles, responsibilities and incentives are key to ensure state take-up and buy-in; (c) TCTs are effective in supporting poor and vulnerable households if they are timely and predictable; (d) targeted and institutionalized capacity development is important to overcome systemic constraints and facilitate effective management and coordination; (e) investments in social accountability (SA) and gender are crucial for promoting good project governance and empowerment of project clients; and (f) complementing TCTs with livelihoods support can greatly improve households' ability to sustainably exit safety net support.

52. The unique nature of Nigeria's federalism and the introduction of a national-level SSN system, a first in Nigeria, has required significant pragmatism during design and will require a strong element of flexibility and learning-by-doing during implementation. Efforts by the Bank and Government teams to learn from global and national experiences have been an important part of the design process. This has included a series of Bank-supported South-South learning events and materials, a process that is continuing into implementation. Annex 5 contains a full discussion of lessons learned.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

53. Implementation arrangements for NASSP will be fully streamlined into the existing government structure at the federal, state and local government levels. Additional technical assistance and coordination support will be provided through the project to strengthen implementation. Implementing arrangements for NASSP involve (a) NASSCO set up under the OVP, including the NSR; (b) the NCTO; (c) coordination and implementation offices in the state governments; and (d) implementation offices in LGAs. Across all these, significant coordination with line ministries and civil society will be included.

54. The Government has established the NASSCO under the OVP. Over time, the aim of NASSCO will be to coordinate all government programs in the social protection sector, including for cash transfers, youth employment, social infrastructure, and others, supporting a national system for efficient coordination and response. NASSCO will include a multi-sectoral National Steering Committee chaired by the Vice President (VP) with representatives from relevant MDAs and civil society. The development of the NSR will require putting in place management and technical specialists under NASSCO, in addition to building enabling information technology (IT) infrastructure. The Government will submit terms of reference (TORs) and curriculum vitae (CVs) of key proposed candidates for NASSCO staffing to the Bank for review.

55. **NCTO.** Implementation of the TCTs will be done through government systems. The NCTO will report to NASSCO, and will have the overall management responsibility for the TCTs, including implementation of federal level activities and oversight of state level implementation. NCTO will be led by a project coordinator. He/she will be responsible for the project management specifically linked to administration of the cash transfers and livelihoods. This will include annual work plans, budget, training plans, procurement plans, M&E, grievances, technical support to states, and stakeholder engagement, and so on. The project coordinator will be supported by a small team of officers on a full time basis, which will include a procurement officer, project accountant, auditor, program officer, M&E/MIS officers, information and communication

technology (ICT) specialist, communication specialist, social and environmental safeguards officer, gender and social development officer, and grievance officer. Short-term technical assistants will also provide necessary expertise as and when required.

56. **State-level coordination and implementation.** Each NASSP state will have a SOCU, following the setup in current YESSO states. The SOCU will be housed in the State Office for Budget and Planning and will be responsible for establishing and managing the SSR. Each state will set up a SCTU separate from the SOCU. The SCTU will manage the enrollment into the TCTs; undertake data collection for M&E; participate in information dissemination and community feedback on all project activities; ensure social and environmental safeguards are in place and adhered to; implement grievance procedure framework; coordinate reporting on co-responsibilities by LGAs and report to the NCTO; prepare lists of beneficiaries eligible for payment; and facilitate implementation of livelihoods pilots. The residence of the SCTU will vary from state to state depending on the state’s institutional set-up, but likely locations include the Ministries of Women Affairs and Social Development. In the LGAs, desk offices will be established to implement CBT, grievance redress mechanisms (GRMs), and monitoring. States and LGAs will receive financial and technical support from NASSCO and NCTO to carry out their responsibilities.

57. **The roles of federal and state governments.** Although the project has been designed as a federal one, without state buy-in and strong support, NASSP will not succeed. The federal government will enter into an MoU with all participating states, laying out the roles and responsibilities of both entities. The project design recognizes the potential financial constraints states will face in co-financing a cash transfer intervention, and therefore does not require cash co-financing by states. The minimum conditions for state participation will include (a) establishment of a SOCU and SCTU with the agreed staffing; (b) CBT undertaken and SR established according to the agreed federal guidelines; and (c) the MoU with the federal government signed. Activities (a) and (b) will be supported by NASSP once the MoU is signed. In addition, states will be expected to ensure that supply side facilities are provided as needed.

<p>Box 2. Roles of Federal Government, States, LGAs</p> <p>Federal</p> <ul style="list-style-type: none"> • Financing of TCTs; disbursed directly to beneficiaries • Overall project coordination • Dialogue with states and provision of technical assistance • NSR • Program monitoring and impact evaluation • Setting standards for safety nets implementation, including for targeting, payments, and monitoring. <p>States</p> <ul style="list-style-type: none"> • Implementation of targeting, SSR, supply provision and monitoring co-responsibilities, livelihoods pilots • Feedback and accountability mechanisms • Funding of staff, office space and other in-kind support • Reporting to the federal level <p>LGAs</p> <ul style="list-style-type: none"> • CBT • Community orientation and facilitation • Feedback and accountability mechanisms • Monitoring and reporting of compliance
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B. Results Monitoring and Evaluation

58. **NASSP will invest in building the capacity of the Government to systematically monitor and evaluate the identification of beneficiaries, delivery of benefits, and impacts through Component 1.** The Government will establish an M&E system for the project to assess progress toward higher-level objectives while also responding to the realities of collecting regular monitoring data through government systems. The project will place a strong emphasis on measuring results accurately and reliably at specified intervals. An MIS will be developed and an assessment will be conducted to ascertain the status of existing M&E systems in the states. The results will be integrated into a detailed project M&E manual. This will ensure that a systematic plan is established to strengthen monitoring of results in the sector. The targeting system and the development of the SR will form the basis for monitoring and evaluating the entry and exit of NASSP client households. The project will also finance an impact evaluation to measure achievements of the PDO, with surveys at the baseline, mid-term, and project end. A detailed description of the M&E arrangements is included in annex 3.

C. Sustainability

59. **The Government has demonstrated strong ownership of NASSP and the overall safety net institutional and systems agenda.** The Government has made an important commitment to financing of the SP sector, including the development of long-term system, evidenced in the Government's cash contribution to the project of US\$1.333 billion over 5 years and the NGN 500 billion (US\$2.5 billion) per year earmarked to SP in the MTEF (for CCTs, youth and teacher employment, school feeding, and micro credit). The Government has also made commitments to establish long-term institutions and systems for SP, a key element to ensuring sustainability of project investments. The low oil prices may pose a risk to financial sustainability over time.

60. **NASSP will directly improve delivery efficiency by addressing the current fragmentation in the sector and improving cost effectiveness through developing harmonized targeting and an NSR that will work across key programs to reduce overlap and inefficiencies.** Building and introducing key systems is likely to improve the delivery of safety nets to larger numbers of poor people for a longer period beyond the life of the project. Regular assessments of project performance will provide timely information to help with management and policy decisions regarding the implementation of the TCTs and livelihoods support. In other country contexts, such M&E mechanisms have been useful not only in strengthening the implementation of programs but also in sustaining support through different political cycles.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

61. **The overall risk of the proposed project is Substantial.** Federal, state and local government institutions have limited experience in implementing SSNs and will need substantial investments in capacity. Attention to political economy of targeting, preventing capture and ensuring accountability to project principles will be crucial. Project success will also depend on a careful balance of roles and responsibilities between levels of government, to ensure that states

and LGAs have incentives to participate in the national project. Further, the project will require intensive efforts to mitigate the fiduciary risks of implementing cash transfers on such a large scale. The political environment and security situation in some states in the North may limit the rollout of the project across Nigeria.

Table 4. Systematic Operations Risk-Rating Tool (SORT)

Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	High
7. Environment and Social	Low
8. Stakeholders	Moderate
9. Other	
OVERALL	Substantial

62. **Political and governance.** NASSP is the first federal level SSN project in Nigeria. There are risks related to political will and buy-in from states and other key stakeholders. High level cross-sectoral leadership is key to ensuring a well-coordinated approach to this ambitious new project and to promote the visibility, budget, and leadership needed to implement a coordinated new approach to partnering with states around SP. The location of the project in the OVP and the appointment of a special adviser who has credibility and a background as child and women’s right advocate will help ensure high coordination and visibility. Ensuring that this project continues to be high on the VP’s agenda, given the number of initiatives that his office is now managing, will be important. The project is also designed to facilitate state take-up by limiting financial requirements for co-financing.

63. **Macroeconomic.** The current macroeconomic environment in Nigeria is constrained by the recent significant drop in oil prices, which has had large negative impacts on the fiscal situation both at the federal and state levels. There is a risk that a continued constrained fiscal space may negatively affect Government financing of the project. This is mitigated by the Government’s strong budget commitment through the three year MTEF which earmarks NGN 500 billion per year for SP. In addition, the design of the project minimizes the requirements for state funding, with counterpart requirements being mainly in-kind contributions. The project will continuously monitor the situation and assess on a regular basis whether the Government’s financial commitments are being met. This will include monitoring risks related to late budget releases, which has negatively affected other projects in the portfolio.

64. **Technical Design.** A national targeted cash transfer project and SSN system are still new ideas in Nigeria, leading to substantial technical design risk. As a federal project, NASSP will also require significant collaboration with the states for implementation, as well as close multi-sectoral

coordination to implement and monitor co-responsibilities. The development of an electronic SR poses further risks of cost, capacity, and sustainability. These technical risks have been carefully assessed during project design, and a flexible and evidence-based approach has been adopted, which will allow the project to adapt to changing circumstances and evolve throughout implementation. The project invests significantly in this learning agenda.

65. **Institutional capacity for implementation and sustainability.** Institutional overlap and lack of clarity between the roles and responsibilities of different public institutions is a challenge in Nigeria's institutional landscape. It is important to ensure that there is a consolidation of SP programs under NASSCO and good coordination with state programs and institutions. NASSP will support the gradual consolidation of existing SP programs by providing Technical Assistance to ensure that the changes identified by NASSCO are implemented in a planned, coordinated and efficient manner. Potential resistance to this consolidation has been identified and a process of engagement with all stakeholders has been initiated as part of the preparation for the project. Integration has been agreed as a phased approach over the next five years. The consolidation will start with all Bank-supported SSN projects, and a number of joined systems and processes have been identified to kick-start the consolidation, including the NSR, agreed payment system modalities, unified reporting, and agreed MIS. NASSP will provide managerial and technical capacity building to build and operate these systems. A Steering Committee of Ministers, chaired by the VP, has also been set up to ensure information sharing with critical partners, resolve bottle necks, and drive overall performance. In addition to high level leadership and institutional clarity, having a technically competent and motivated team is critical to delivery. High performing civil servants have been recruited to staff NASSCO and NCTO from within the civil service.

66. Nigeria's federated structure has long been a challenge for smooth service delivery from the federal level down to the users of public service in communities. When states perceive federally designed programs as an imposition, even if they come with needed funds, ownership is weakened and delivery chains complicated detracting from quality services for the user. Buy-in from state governments is critical to the success of this project. To mitigate against these risks, the federal government has undertaken high level consultations with states. The first consultation took place with state level implementers, and subsequently the governors' forum provided the opportunity to carry out wider consultations with the state governors. This will be a continued process throughout project implementation, coordinated by a dedicated unit within NASSCO.

67. **Fiduciary risk, transparency and accountability.** NASSP involves the disbursement of large number of grants to targeted recipients, posing significant fiduciary risks. There are also large procurement packages in the project. The project design carefully assessed the risks and developed mitigation measures as outlines in Annex 3. In particular, NASSP will directly disburse cash grants from the federal level to beneficiaries through payment service providers. To the extent possible, payments will be done using electronic or mobile modalities. This will have the benefit of ensuring a direct flow of the total amount to beneficiaries. In addition to the regular financial controls and annual audits, NASSP introduces several additional mechanisms including quarterly interim audits of the cash transfer payments, annual performance audits of key processes using output-based disbursement, and a targeting assessment undertaken every six months.

68. The low levels of trust that exist between the Government and citizens are partly due to low levels of transparency around public expenditure and a perception that public resources are used for the benefit of few. The new administration was elected with a strong focus on anti-corruption. NASSP will use a data driven approach to systematically disclose information on the project's objectives, budget, and results. Ensuring that information is isolated from political interference and the NSR is a robust and objective source of data and beneficiaries are key to the credibility of the project.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

69. The economic benefits of NASSP will include improvements in household well-being as a result of consumption smoothing, asset protection, and avoidance of negative coping behaviors; enhanced livelihoods through asset accumulation and increased productivity; increased use of social services and awareness of productive behaviors and skills; and improved efficiency and reduced gaps and benefits overlaps from the investments in systems for targeting, payments, and SRs. Based on the economic and financial analysis undertaken, the proposed approach represents the most cost-effective means to achieving the PDO in a sustainable manner.

70. **Household-level benefits.** International experience from Impact Evaluations (IEs) has concluded that targeted safety nets are efficient in smoothing household consumption and protecting assets. As currently designed, the transfers provided to households in NASSP are equivalent to 15 percent of the poverty line for the base transfer of NGN 5,000 and 30 percent for the base transfer and top-up (totaling NGN 10,000). Analysis completed during project design shows that this transfer value has the potential to significantly reduce poverty. Assuming that 80 percent of transfers is spent on consumption, it is estimated that a cash transfer of NGN 5,000 per month to all poor households for one year would reduce poverty incidence from 33 to 27.6 percent, while a transfer of NGN 10,000 would reduce poverty incidence to 20.97 percent.

71. Vast economic literature shows that the poor face multiple constraints to productivity, which are often complementary and mutually reinforcing. For example, poor households typically have low endowments in physical capital (that is, equipment, durable assets) and human capital (that is, basic education and technical skills). This reduces the productivity of their economic activities, and limits the income that can be derived from them. Low productivity prevents households from diversifying income sources, making them highly vulnerable to external shocks due to weather, health, crime or conflict. As a consequence, they are unable to accumulate savings, which prevents them from investing in physical capital. Poor households are thus trapped in a low-productivity, low-income equilibrium. Addressing these multiple constraints simultaneously is necessary to lift households from poverty and sustain them. Smoothing consumption patterns through regular cash transfers reduces vulnerability and allows households to make economic decisions driven by long-term efficiency rather than short-term contingencies. Encouraging access to savings can further help start a virtuous circle of accumulation and productivity enhancement. Evidence from the CGAP livelihoods pilots¹⁷ shows that two years after the program, beneficiaries

¹⁷ The CGAP and the Ford Foundation launched a partnership in 2006, testing and adapting a comprehensive package combining consumption support with livelihoods interventions through 10 pilot programs in eight different countries:

were earning 33 percent more than non-beneficiaries, consuming 5 percent more per capita, spent significantly more time on productive activities, and were more likely to be food secure. Livelihoods activities proved cost-effective, with returns on investment ranging from 120 percent (Ghana) to 420 percent (India).

72. **Economic benefits from systems development.** NASSP will include significant investments in systems, including the establishment of the NSR and a payment system. These investments will have significant short-term costs, but in the medium term significant efficiency and cost savings gains are expected. The NSR will help ensure efficiency in the delivery of social services, minimize leakages or misuse of funds, and facilitate the coordination of social programs. A coordinated payment system that moves towards systematic use of electronic modes of payments will have significant benefits: (a) an electronic trail for cash transfers, allowing safety, efficiency, and transparency of cash transactions; (b) cheaper and less cumbersome administrative costs, given few intermediaries in the cash transfer chain; and (c) reduced costs incurred by beneficiaries in accessing cash grants.

73. **Fiscal and macro-economic implications.** The Government is committed to establishing a national safety net system and delivery of benefits to the poor as signified by its contribution to the overall project costs and its budgetary commitment in the MTEF. A long term fiscal strategy will require further analysis and dialogue. The size of transfers through NASSP is expected to have little, if any, inflationary effect. Of more concern is the impact inflation can have on the purchasing power of transfers. Continuous monitoring is required to ensure that the value of the transfer is not eroded by inflation.

74. **Rationale for use of public funds.** Provision of SSNs is a public function with significant societal returns, justifying the use of public funds. Another rationale for public intervention is the public good nature of social assistance. TCTs can generate positive externalities on human capital and the economy that cannot be fully internalized by private agents, help support immediate consumption, and deter households from negative coping mechanisms (such as depletion of household assets), while the co-responsibilities will support households to accumulate human capital and become less vulnerable in the long term. The investments in coordination and systems will address the fragmentation of current donor- and government-funded programs and improve the overall functioning of the SP sector and the implementation of SSNs in Nigeria. This will lead to improved efficiency in spending of sector resources.

75. **Value added of the Bank's involvement.** The Bank has considerable experience in providing safety net support in Africa, and in Nigeria through the YESSO and CSDP, as well as in supporting livelihoods development through Fadama and other projects. In addition, the Bank brings global experience in the provision of targeted safety net and livelihoods support, which allows the Bank to facilitate a number of South-South learning events to build knowledge and capacity on safety net delivery in Nigeria. This has been done throughout the design phase and will continue in project implementation. Furthermore the Bank can help convene donors, particularly through its expertise in the systematic approach to the delivery of safety nets. The development of the NSR will be of benefit to all actors in the sector.

Ethiopia, Ghana, Haiti, Honduras, India, Pakistan, Peru, and Yemen. The pilots were evaluated using randomized control pilots and have shown impressive results in moving people out of poverty.

B. Technical

76. **The design of NASSP is built on the implementation experience of related programs in Nigeria as well as extensive analytical and technical work conducted during the design.** This includes Government efforts to implement CCT interventions, United Nations Children's Fund (UNICEF) and U.K. Department for International Development (DFID) support to a CCT intervention in three northern states, and state-level interventions including the Kano CCT program for girls' education. These lessons have informed discussions and decisions on implementing arrangements, transfer sizes, payment modalities and co-responsibilities. In addition, significant analytical work has informed the design, including a review of existing social assistance programs, institutional assessments, economic and financial analysis, gender and social analysis, systems assessments for payments, SRs, and M&E, as well as lessons learned from a number of South-South knowledge exchanges. NASSP will be the first nationally provided TCT in Nigeria, which will address constraints related to state's financial situation and take-up. NASSP will also support technical assistance to link transfer clients to livelihoods services and opportunities. There is growing international evidence that this combination of a predictable safety net support with longer term investments in training, financial services (savings, investment grants and credit), and income generating activities can equip households to move out of poverty in a sustainable manner.

77. **Institutional and systems development.** The investments in institutional coordination are expected to significantly improve resource efficiency and overall coordination of the sector. The systems development investments will provide for the development of the NSR of the poor and vulnerable, a key building block of an efficient and effective national SP system. This system will over time allow for harmonized targeting across various SP interventions and establish a one-stop database providing harmonized information on all the SP programs and benefits that serve a single client as well as the key characteristics of all poor and vulnerable households in the country.

Citizen Engagement. NASSP design recognizes the need for strong checks and balances as an integral part of the project. Audits and regular administrative reporting will be complemented by direct engagement with beneficiaries and their communities. Steps to promote bottom-up accountability will be taken to ensure that beneficiary feedback triggers a response. A NASSP Communications Strategy will be developed in addition to the introduction of a charter of rights and responsibilities and a system of NASSP beneficiary cards as a means of clarifying project objectives, performance targets, roles, responsibilities and entitlements among implementers, beneficiaries, and communities. A GRM will ensure that all beneficiaries and non-beneficiaries are able to hold implementers accountable for delivery. Multiple gender-sensitive entry points to launch appeals or complaints will be available both within and outside communities. Specific steps will be taken to learn lessons on how SA tools (Citizen Report Cards, Community Score Cards, and so on) can be adapted to the NASSP context to provide feedback, inform interface meetings between beneficiaries and implementers, and develop joint action plans that solve implementation challenges at the local level. Key SA mechanisms will be included from the start: (a) regular third party monitoring and (b) implementation of an annual results and resources scorecard by an independent third party that is published in the public domain. NASSP will integrate a strong system of SA into its regular M&E system, and the following CE indicators have been included in the results framework: Percentage of complaints satisfactorily addressed

within three months of initial complaint being recorded; Percentage of beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements; Percentage of beneficiaries that report they are satisfied with the targeted cash transfers; Annual Results and Resources Scorecard implemented and made public by independent third party. See annex 8 for more details.

78. **Gender development.** Gender gaps in Nigeria have widened between 2006 and 2013, and Nigeria ranks 106 out of 136 countries on the Global Gender Gap Index¹⁸ for 2013. This index measures several key variables including economic participation and opportunity, educational attainment, health and survival, and political empowerment, and show that there is deeply rooted gender inequality in Nigeria. While it is beyond the scope of NASSP to fully address barriers and change deep-rooted gender attitudes, it is possible for NASSP to play a role in addressing some of the risks and vulnerabilities facing women and girls. The NASSP is designed to respond to the unique needs, interests and capabilities of men and women to ensure that they benefit equally from NASSP. Project preparation included a gender analysis to identify opportunities for improving NASSP design and implementation to increase impacts on women. Participation of women is given consideration with regard to beneficiary selection and the principle that female caregivers will be prioritized to receive transfers, community decision-making structures, and a beneficiary card, which includes both male and female household heads to encourage joint decision-making on household use of transfer. Sensitization and awareness raising on the prioritization of women for transfers as part of project orientation at the community level are critical to achieving PDO targets for transfer recipients that are female. Other entry points identified include: communications, awareness, behavior change communication (BCC) activities, and piloting livelihood interventions tailored to women's needs. Due to the significant regional variation and diverse socio-cultural contexts, there is a need to contextualize approaches and ensure flexibility. A Social Assessment will also be undertaken during year one.¹⁹ A Gender Action Plan identifies concrete strategies to ensure equitable participation of men and women in NASSP, guides how to implement gender provisions, and provides direction to better mainstream gender in planning, M&E, reporting, and management. It also contributes to addressing critical gender constraints and priorities outlined in the Government's 2015 National Gender Policy. See annex 7 for the full Gender Analysis and Action Plan.

C. Financial Management

79. A Federal Treasury Circular of March 2010 established the Federal Project Financial Management Department (FPFMD) in the Office of the Accountant General for the Federation (OAGF) to handle the FM responsibilities for funds provided to MDAs by donor partners. In line

¹⁸ Since 2006, the World Economic Forum's Global Gender Equality Index has rated 136 countries against the same set of indicators, encompassing the relative gaps between women and men, across a large set of countries and across four key areas: health, education, economics, and politics.

¹⁹ The Social Assessment will include review of dynamics within polygamous households and shared housing to make recommendations for appropriate procedures for targeting. The Social Assessment will also ensure that all potential social risks and any corresponding mitigating measures are identified to ensure that NASSP moves forward while avoiding any negative social impacts and embraces social development. For example, additional opportunities for NASSP to address gender risks and vulnerabilities will be identified and incorporated into the Gender Action Plan, PIM and other relevant manuals and documents.

with this, the FPFMD will be responsible for establishing and maintaining acceptable FM arrangements for the project. The FPFMD established through the joint efforts of the Bank and the Government features robust systems and controls. The FPFMD is presently involved in the implementation of a number of Bank-assisted projects such as the YESSO, CSDP, Nigeria Erosion and Watershed Management Project, and Transforming Irrigation Management in Nigeria.

80. The FPFMD will designate from the pool of professional accountants in the OAGF a project accountant, project internal auditor, and other support accounting technicians for NASSP that will make for appropriate segregation of duties. The FPFMD will render annual audited financial statements and periodic unaudited interim financial reports (IFRs) in the format and frequency agreed, submitting them to the Bank within agreed timelines. A TOR to be prepared by the project and cleared by the Bank will be used to engage the Office of the Auditor General to undertake the annual audit as well as interim quarterly audits of the TCTs. A computerized accounting system will be used and shall be configured in line with the agreed formats of the IFR and annual financial statements. The project bank account will be opened with the Central Bank of Nigeria in line with federal government directives on Treasury Single Account. Further to the recommended FM action plans being implemented according to the agreed time frame, the FM arrangements will meet the minimum FM requirement in accordance OP/BP 10.00. Taking into consideration the risk mitigation measures, the FM risk for this financing is assessed as High. Annex 3 provides additional information on FM.

D. Procurement

81. Considerable progress has been made on procurement reform in Nigeria since the Procurement Act was passed in 2007. Among the results are a cadre of procurement staff established in the Federal Civil Service and a national bidding document acceptable to the Bank now available for use by MDAs. A majority of the states in the country have either promulgated the Public Procurement Act or are in the process of doing so. There are efforts to ensure that the provisions of laws meet international standards.

82. Procurement for the proposed project will be carried out in accordance with the Bank's: 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and revised in July 2014; 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and revised in July 2014; 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', (the Anti-Corruption Guidelines) dated October 15, 2006 and revised in January 2011; and the provisions stipulated in the Legal Agreement. For each contract to be financed by the Credit, the different procurement methods or consultancy services selection methods, estimated costs, prior-review requirements, and time frame have been agreed between the Borrower and the Bank in the Procurement Plan. The first 18 months Procurement Plan has been agreed, and the plan will be subsequently updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

83. Procurement activities under NASSP will be implemented at the NCTO and NASSCO, both located in the OVP. NASSP procurement will build on the existing system used under YESSO, with the engagement of additional procurement officers to support implementation.

E. Social (including Safeguards)

84. NASSP has been classified as a Category C project, as the activities that will be financed under this project are likely to have minimal or no adverse social impacts. Specifically, no physical works will be undertaken under the project. There is a negative list (see annex 3, table 3.7) to ensure that cash payments, including for livelihoods pilots, do not lead to activities that could result in significant environmental and social impacts and/or trigger any World Bank safeguards policies. Further, any social issues are addressed by specialized instruments, including (a) GRM to ensure that beneficiaries and non-beneficiaries can make complaints about the management of the targeting process, timeliness and completeness of transfers and any other perceived abuses of NASSP, including fraud and corruption; (b) an independent firm or civil society organization (CSO) will implement and publish an annual results and resources scorecard; and (c) CE indicators will be included as part of the social accountability tools and M&E system. Due attention will be paid to the gender dynamics of access to household and external financial resources to ensure that there is equity between genders for the benefit of the project and to ensure alignment with the Bank's twin goals. Systematic feedback loops will be clearly defined and developed, and M&E will be used as a management information tool. As such, it will be important to build the Government's capacity and ensure proper budget allocation for monitoring and supervision.

F. Environment (including Safeguards)

85. The proposed project is classified as Environmental Assessment Category C as the activities that will be financed under this project are likely to have minimal or no adverse environmental impacts. As noted earlier, no physical works will be undertaken, and there is a negative list to ensure that cash payments, including for livelihoods pilots, do not lead to activities that could result in significant environmental and social impacts and/or trigger any Bank safeguards policies.

Table 1. Safeguard Policies Triggered by Project

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	[]	X
Natural Habitats OP/BP 4.04	[]	X
Forests OP/BP 4.36	[]	X
Pest Management OP 4.09	[]	X
Physical Cultural Resources OP/BP 4.11	[]	X
Indigenous Peoples OP/BP 4.10	[]	X
Involuntary Resettlement OP/BP 4.12	[]	X
Safety of Dams OP/BP 4.37	[]	X
Projects on International Waterways OP/BP 7.50	[]	X
Projects in Disputed Areas OP/BP 7.60	[]	X

G. World Bank Grievance Redress

86. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring

Country: Nigeria

Project Name: National Social Safety Nets Project (P151488)

Results Framework

Project Development Objectives

PDO Statement

The PDO is to provide access to targeted transfers to poor and vulnerable households under an expanded national social safety nets system.

These results are at | Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values					
		YR1	YR2	YR3	YR4	YR5	End Target
Direct project beneficiaries (Number) - (Core)	0	1,000,000	2,000,000	3,000,000	5,000,000	5,000,000	5,000,000
Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core)	0	50	50	50	50	50	50
Percentage of transfer recipients that are female (Percentage)	0	60	70	75	80	85	85
Percentage of beneficiaries that are in the bottom two poverty quintiles (Percentage)	0	80	80	80	80	80	80

Number of households included in National Social Registry (Number - Thousands)	35	50	200	2,000	3,000	4,000	4,000
Number of states benefiting from targeted cash transfers (Number)	0	8	14	18	24	24	24

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values					
		YR1	YR2	YR3	YR4	YR5	End Target
Number of states that have signed MoUs with federal level (Number)	0	6	10	14	18	24	24
Number of states with Social Registry (Number)	8	10	14	18	24	24	24
Number of other social protection or social sector programs utilizing the National Social Registry (Number)	0	0	1	3	4	5	5
Percentage of individuals registered in National Social Registry with a valid national ID number from NIMC (Percentage)	0	1	2	5	10	15	20
Percentage of payments delivered to beneficiaries	0	40	40	70	70	80	90

within one month of the due date (Percentage)							
Percentage of targeted households receiving transfers electronically (Percentage)	0	65	75	75	80	85	85
Percentage of households who receive top-up transfers (Percentage)	0	60	70	75	80	80	80
Percentage of households receiving top-up transfers for which monitoring information on co-responsibilities is available (Percentage)	0	60	70	70	80	85	85
Percentage of complaints satisfactorily addressed within three months of initial complaint being recorded (Percentage)	0	30	60	80	80	90	90
Quarterly reports are generated by NCTO using a MIS system (Yes/No)	No	No	Yes	Yes	Yes	Yes	Yes
Number of state CTUs that generate quarterly reports using a MIS system (Number)	0	0	4	8	12	16	18
Percentage of beneficiaries and non-beneficiaries that report they are aware of	0	60	60	75	75	75	75

project objectives and entitlements (Percentage)							
Percentage of male beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements (Percentage - Sub-Type: Breakdown)	0	60	60	75	75	75	75
Percentage of female beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements (Percentage - Sub-Type: Breakdown)	0	60	60	75	75	75	75
Number of LGAs that have completed the targeting process (Number)	60	150	200	250	300	350	350
Percentage of beneficiaries and non-beneficiaries reporting that targeting process is fair (Percentage)	0	75	75	80	80	90	90
Percentage of males reporting that the targeting process is fair (Percentage - Sub-Type: Breakdown)	0	75	75	80	80	90	90

Percentage of females reporting the targeting process is fair (Percentage - Sub-Type: Breakdown)	0	75	75	80	80	80	90
Percentage of beneficiaries that report they are satisfied with the targeted cash transfers (Percentage)	0	60	65	70	75	80	80
Percentage of male beneficiaries that report they are satisfied with the targeted cash transfers (Percentage - Sub-Type: Breakdown)	0	60	65	70	75	80	80
Percentage of female beneficiaries that report they are satisfied with the targeted cash transfers (Percentage - Sub-Type: Breakdown)	0	60	65	70	75	80	80
Annual Results and Resources Scorecard implemented and made public by independent third party (Yes/No)	No	No	Yes	Yes	Yes	Yes	Yes
Number of states that have developed livelihoods strategy based on pilots (Number)	0	0	0	3	5	7	12

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Direct project beneficiaries	Direct beneficiaries are the people who make up the households which will receive targeted cash transfers. Targets are set using an average household size of 5 people per household.	Quarterly	Administrative data	NCTO
Female beneficiaries	The percentage of people who are female in the households which receive targeted cash transfers.	Quarterly	Administrative data	NCTO
Percentage of transfer recipients that are female	The percentage of transfer recipients that are female. Numerator: Number of transfer recipients that are female. Denominator: Total number of transfer recipients.	Annually	Administrative data	NCTO
Percentage of beneficiaries that are in the bottom two poverty quintiles	The percentage of beneficiaries in the bottom two poverty quintiles as measured through a sample based validation of poverty status. Numerator: Number of beneficiaries in the bottom two poverty quintiles as measured through a sample based validation of poverty status. Denominator: Total number of beneficiaries.	Every two years	Impact evaluation, Targeting evaluation	NCTO
Number of households included in National Social Registry	Number of households identified through CBT that are registered in the National Social Registry.	Quarterly	State and National Registries	SOCUs, NASSCO
Number of states benefiting from targeted cash transfers	The number of states that are benefiting from targeted cash transfers under NASSP, defined as having benefited from at least one transfer under the project.	Annually	Administrative data	NCTO

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Number of states that have signed MoUs with federal level	Number of states that have signed the standard MoU prepared for NASSP on their roles and responsibilities in the project.	Annually	Administrative data	NCTO
Number of states with Social Registry	Number of states that have undertaken CBT and set up a social registry following the federally issued guidelines.	Annually	Administrative data	NASSCO
Number of other social protection or social sector programs utilizing the National Social Registry	Number of social protection or social sector programs utilizing the National Social Registry	Annually	Administrative data	NCTO
Percentage of individuals registered in National Social Registry with a valid national ID number from NIMC	Percentage of individuals registered in National Social Registry with a valid national ID number from NIMC. Numerator: Number of individuals registered in the National Social Registry with a valid national ID number from NIMC. Denominator: Total number of individuals registered in the National Social Registry.	Annually	Administrative data	NASSCO, NIMC
Percentage of payments delivered to beneficiaries within 1 month of the due date	The percentage of beneficiaries of the project that receive payments within one month of the due date. Numerator: Number of beneficiaries that receive payments within one month of the due date. Denominator: Total number of beneficiaries receiving payments.	Quarterly	Administrative data	NCTO

Percentage of targeted households receiving transfers electronically	Percentage of households receiving targeted cash transfers electronically as opposed to manually in cash. Numerator: Number of households receiving targeted cash transfers electronically. Denominator: Total number of households receiving transfers in any form.	Annually	Administrative data	NASSCO, NCTO
Percentage of households who receive top-up transfers	The percentage of households who receive the top-up transfers. Numerator: Number of households who receive top-up transfers. Denominator: Total number of households receiving base transfers.	Quarterly	Administrative data	NCTO
Percentage of households receiving top-up transfers for which monitoring information on co-responsibilities is available	Percent of households receiving top-up transfers for which monitoring information on co-responsibilities is available. Numerator: Number of households receiving top-up transfers for which monitoring information on co-responsibilities is available. Denominator: Total number of households receiving top-up transfers.	Quarterly	Administrative data	NCTO
Percentage of complaints satisfactorily addressed within three months of initial complaint being recorded	Percentage of complaints satisfactorily addressed within three months of initial complaint being recorded. Numerator: Number of complaints satisfactorily addressed within three months of initial complain being recorded. Denominator: Total number of complaints recorded.	Annually	Administrative data, Grievance review	NCTO
Quarterly reports are generated by NCTO using a MIS system	Confirmation that quarterly reports are being generated using a MIS system that follows NASSP guidelines.	Annually	Progress report/MIS	NCTO
Number of state CTUs that generate quarterly reports using a MIS system	Number of states that are using a MIS established per NASSP guidelines to generate quarterly reports.	Annually	Progress report/MIS	SCTUs

Percentage of beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements	Percentage of beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements. Numerator: Number of beneficiaries and non-beneficiaries queried in the Impact Evaluation that report they are aware of project objectives and entitlements. Denominator: Total number of beneficiaries and non-beneficiaries queried in the Impact Evaluation.	Every two years	Impact evaluation	NCTO
Percentage of male beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements	Percentage of male beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements. Numerator: Number of male beneficiaries and non-beneficiaries queried in the Impact Evaluation that report they are aware of project objectives and entitlements. Denominator: Total number of male beneficiaries and non-beneficiaries queried in the Impact Evaluation.	Every two years	Impact Evaluation	NCTO
Percentage of female beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements	Percentage of female beneficiaries and non-beneficiaries that report they are aware of project objectives and entitlements. Numerator: Number of female beneficiaries and non-beneficiaries queried in the Impact Evaluation that report they are aware of project objectives and entitlements. Denominator: Total number of female beneficiaries and non-beneficiaries queried in the Impact Evaluation.	Every two years	Impact Evaluation	NCTO
Number of LGAs that have completed the targeting process.	Number of LGAs that have completed the targeting process in all communities, following national guidelines.	Annually	Administrative data	NASSCO, SOCUs

Percentage of beneficiaries and non-beneficiaries reporting that targeting process is fair	Percentage of beneficiaries and non-beneficiaries reporting that targeting process is fair. Numerator: Number of beneficiaries and non-beneficiaries queried in the Impact Evaluation reporting that the targeting process is fair. Denominator: Total number of beneficiaries and non-beneficiaries queried in the Impact Evaluation.	Every two years	Impact evaluation	NCTO
Percentage of males reporting that the targeting process is fair	Percentage of male beneficiaries and non-beneficiaries reporting that targeting process is fair. Numerator: Number of male beneficiaries and non-beneficiaries queried in the Impact Evaluation reporting that the targeting process is fair. Denominator: Total number of male beneficiaries and non-beneficiaries queried in the Impact Evaluation.	Every two years	Impact evaluation	NCTO
Percentage of females reporting the targeting process is fair	Percentage of female beneficiaries and non-beneficiaries reporting that targeting process is fair. Numerator: Number of female beneficiaries and non-beneficiaries queried in the Impact Evaluation reporting that the targeting process is fair. Denominator: Total number of female beneficiaries and non-beneficiaries queried in the Impact Evaluation reporting that the targeting process is fair.	Every two years	Impact evaluation	NCTO
Percentage of beneficiaries that report they are satisfied with the targeted cash transfers	Percentage of beneficiaries that report they are satisfied with the targeted cash transfers. Numerator: Number of beneficiaries that report they are satisfied with the targeted cash transfers as queried	Every two years	Impact Evaluation	NCTO

	in the Impact Evaluation. Denominator: Total number of beneficiaries queried about satisfaction with the targeted cash transfers in the Impact Evaluation.			
Percentage of male beneficiaries that report they are satisfied with the targeted cash transfers	Percentage of male beneficiaries that report they are satisfied with the targeted cash transfers. Numerator: Number of male beneficiaries that report they are satisfied with the targeted cash transfers as queried in the Impact Evaluation. Denominator: Total number of male beneficiaries as queried in the Impact Evaluation.	Every two years	Impact Evaluation	NCTO
Percentage of female beneficiaries that report they are satisfied with the targeted cash transfers	Percentage of female beneficiaries that report they are satisfied with the targeted cash transfers. Numerator: Number of female beneficiaries that report they are satisfied with the targeted cash transfers as queried in the Impact Evaluation. Denominator: Total number of female beneficiaries as queried in the Impact Evaluation.	Every two years	Impact Evaluation	NCTO
Annual Results and Resources Scorecard implemented and made public by independent third party	Annual Results and Resources Scorecard implemented and made public by independent third party.	Annually	Scorecard	NASSCO, Independent contractor
Number of states that have developed livelihoods strategy based on pilots	Number of states that have developed livelihoods strategy based on pilots.	Annually	Administrative data	NCTO

Annex 2: Detailed Project Description

NIGERIA: National Social Safety Nets Project

1. The PDO is to provide access to targeted transfers to poor and vulnerable households under an expanded national social safety nets system.

Project Beneficiaries

2. The project will target poor and vulnerable households in Nigeria, identified through a combination of geographical and CBT and included in the NSR. The project will expand gradually to cover four million households in the NSR and one million households (about five million individuals) for TCTs per year by 2021, in a minimum 24 states. It will use an evidence-based approach to target new households for inclusion when existing clients graduate.

3. NASSP is a federal project and all states are eligible for the federal intervention once they complete a set of pre-conditions, as outlined below, and sign an MoU with the federal level outlining their rights and responsibilities of participating in the project. It is likely that the current YESSO states, which already have SSRs, will be in a position to meet these pre-conditions first. The federal project will ensure that poorer states, including those in the vulnerable North East region, are particularly targeted for participation and given the necessary support to fulfill the minimum conditions for inclusion in NASSP.

PDO Level Results Indicators

4. Progress toward the key project results and attainment of the PDO will be measured through the following indicators:

- Direct project beneficiaries (number), of which female (percentage) - core
- Percentage of transfer recipients that are female
- Percentage of beneficiaries that are in the bottom two quintiles
- Number of households included in NSR
- Number of states benefiting from TCTs

PROJECT DESCRIPTION

Project Components

5. The project will provide support for the design and implementation of the Government's NASSP. This will involve supporting the set-up of the safety net institutional framework and delivery systems and launching a national cash transfer project through two components: (a) Establishing the Foundation for a National Social Safety Net System; and (b) Implementing Targeted Cash Transfers. The project will be national in coverage, with all states eligible for the intervention. Given financial and capacity constraints, the roll-out will be gradual and is expected to reach 24 states in the next 5 years, with support for systems in 32 states. In addition, while the project will establish a national framework, its design will ensure flexibility for states to adapt to their diverse geographic conditions and varying needs and demands.

6. Implementing a safety nets program in a federal context requires flexibility, as well as a clear definition of roles and responsibilities. Nigeria is a federal country with a high degree of state autonomy and significant variation among states in terms of human development indicators, institutional capacity and development priorities. Given these disparities as well as differences in the availability of supply of social services, required infrastructure for payment mechanisms, and monitoring systems, a uniform federal program would not be appropriate for Nigeria. Therefore, NASSP will provide a national platform for funding, coordinating and monitoring a national safety net program at the central level while entrusting the implementation to the states. In this context, the proposed project aims to help strengthen the existing commitment of resources, the capacity of existing institutions, and the collaboration between federal, state and local government levels. Although a decentralized scheme poses substantial challenges, it carries potential advantages such as increased ownership and improved sustainability and institutionalization that may lead to higher impact, including the narrowing of the disparities in social conditions and poverty levels among states.

7. The project design has paid particular attention to ensuring that constraints on state participation, including financial ones, are addressed. The TCTs, as well as costs of states in undertaking targeting and setting up a registry and MIS, will be financed by the federal level. State counterpart financing will be required in kind, to include office space, staffing costs, use of equipment and vehicles, and so on. In addition, states will need to fulfill a set of minimum conditions to be eligible for NASSP support. This will include: (a) establishment of the SOCU and SCTU with agreed capacities and positions; (b) a proposal for co-responsibilities for the cash transfer; (c) a state supply assessment on the proposed co-responsibilities; and (d) an agreement on the establishment of a SSR following federal guidelines and procedures on the targeting mechanism, based on the procedures now being used by YESSO. MoUs to be signed between the federal level and each participating state will set out the respective roles and responsibilities of the states and the national government.

Component 1: Establishing the Foundation for a National Social Safety Net System

8. The objective of this component is to strengthen and consolidate the building blocks of a safety net system at the national and state level that can deliver targeted support to poor households across Nigeria. The system will be designed such that, irrespective of the funding source or targeted beneficiary group, the same system can be used by national and state governments, development partners, and civil society in the medium term. This component will include two subcomponents.

Subcomponent 1a: Project Management and Institutional Capacity

9. This subcomponent will provide resources to support the Government's decision to establish a coordinating office for SSNs in Nigeria, to be housed in the OVP. It will also include support for the establishment and operation of a management office for NASSP under the NASSCO; the NSR; and establishment and operation of coordination and management structures in participating states and LGAs.

10. The Government has made a decision to establish a coordinating office for SSNs under the presidency. Over time, the aim is that NASSCO will coordinate all government programs in the

sector and will have the lead role in establishing the building blocks of a national system for efficient coordination and response. NASSP will play an important role in the set-up of NASSCO and, over time, the TCTs (as outlined in Component 2) will be one of several complementary safety nets coordinated under the office.

11. A Communications Strategy will be developed and implemented to ensure that project clients have the necessary, appropriate and accessible information to fulfill their role in the project and hold local decision-makers to account. NASSP will promote widespread understanding of project objectives and procedures, particularly at local levels, through a clearly articulated and communicated regular public awareness campaign before the start and during the project. This will be designed to build awareness for citizens about their rights, eligibility and the services they can access. It will include a special emphasis on vulnerable groups and direct support clients, as well as grievance redress. NASSP will finance the following activities: (a) services and materials to design and implement a communication strategy and to design and produce accompanying communication materials; (b) training for government staff at all levels and partner organizations; (c) printing of materials, and so on.

12. **Gender development.** Gender gaps in Nigeria have widened between 2006 and 2013. Nigeria ranks 106 of 136 countries on the Global Gender Gap Index²⁰ for 2013. This index measures several key variables including economic participation and opportunity, educational attainment, health and survival and political empowerment. The low scores on these indicators are symptoms of deeply rooted gender inequality in Nigeria. While it is beyond the scope of NASSP to fully address barriers and change deep-rooted gender attitudes, it is possible for NASSP to play a role in addressing some of the risks and vulnerabilities women and girls face. Preparation for NASSP included a gender analysis to identify opportunities for improving NASSP design and implementation to increase impacts on women. Participation of women is given consideration in beneficiary selection, community decision-making structures, and through a beneficiary card, which includes both male and female household heads to encourage joint decision-making on household use of transfer. Other entry points identified include: communications, awareness, BCC activities and piloting livelihood interventions tailored to women's needs. Due to the fact that there is significant regional variation and diverse socio-cultural contexts, there is a need to contextualize approaches and ensure flexibility. A Gender Action Plan identifies concrete strategies to ensure equitable participation of men and women in NASSP, guides how to implement gender provisions, and provides direction to better mainstream gender in planning, M&E, reporting, and management. It also contributes to addressing critical gender constraints and priorities outlined in the Government of Nigeria's (2015) National Gender Policy. See annex 7 for the full Gender Analysis and Action Plan.

13. **Citizen engagement.** NASSP design recognizes that any public program implemented through several tiers of administration with specific targeting criteria, involving millions of beneficiaries and a large volume of resources, requires strong checks and balances. There is a need to incorporate participatory M&E, including direct engagement with beneficiaries, so that communities can hold people and systems accountable. Upholding the standards and reputation of NASSP and ensuring that its resources are used as intended are critical. NASSP's ability to demonstrate that it is

²⁰ Since 2006, the World Economic Forum's Global Gender Equality Index has rated 136 countries against the same set of indicators, encompassing the relative gaps between women and men, across a large set of countries and across four key areas: health, educational, economics and politics.

fair and delivering expected results while avoiding or minimizing distortion or negative impacts is critical to sustaining broad-based support in Nigeria, internationally and among development partners. Basic steps to ensure bottom-up accountability, which builds on existing initiatives, will be taken to ensure that beneficiary feedback triggers a response. A NASSP Communications Strategy will be developed in addition to the introduction of a charter of rights and responsibilities and a system of NASSP beneficiary cards as a means for clarifying project objectives, performance targets, roles, responsibilities, and entitlements among implementers, beneficiaries, and beneficiary communities. The YESSO GRM will also be built upon and strengthened to ensure that beneficiaries are able to claim entitlements and hold implementers accountable for delivery. NASSP will integrate a strong system of SA into its regular M&E system. Specific steps will be taken to learn lessons on how SA tools (for example, Citizen Report Cards, Community Score Cards, and so on.) can be adapted to the NASSP context to provide feedback, inform interface meetings between beneficiaries and implementers, and develop joint action plans that solve implementation challenges at the local level. See annex 8 for more details.

14. NASSP will also finance NASSCO support for the NLSS. The NLSS is a household survey representative at national and state level used by the NBS to monitor poverty in Nigeria. The survey is expected to cover 2,220 enumeration areas (EAs) at 10 households per EA, totaling 22,200 households across the country. Additionally, five states where the federal government plans to scale up TCTs through NASSP will be oversampled to capture existing programs beneficiaries and construct a baseline for future evaluation. An additional module covering SP programs will also be added.

15. The activities in Subcomponent 1a related to the implementation of the NLSS will be financed through an output-based model, based on unit costs. The unit costs represent the underlying costs required to implement the activities to carry out the survey and publish the data, calculated by the NBS on the basis of historical costs, as reflected in the PIM and presented in annex 11. The four outputs to be financed are: (a) EAs with listed households; (b) trained survey staff; (c) completed household questionnaires; and (d) validated questionnaires. Bank staff have reviewed these costs based on experience with similar surveys in the Africa Region as well as of the local economy in Nigeria, concluding that they are reasonable. The estimated US\$224 per household surveyed for the next NLSS is a midrange value compared to other surveys recently implemented around the world. Due to transport and logistic costs, surveys in Sub-Saharan Africa tend to be more expensive than in other regions and, in general, surveys in Nigeria tend to be very expensive. This is explained by factors such as power outages, shortages of fuel, the high cost of living, transportation difficulties during rainy season in some regions, and damage to infrastructure because of the insurgency in some localities. The unit cost estimates use Government standards for allowances and per diems; amounts are high due to the fact that fieldwork is carried out over 12 months. Finally, purchases of vehicles and equipment, and consultant selection will be carried out according to Bank procurement procedures, promoting value for money. In addition, the introduction of several technical and organizational innovations should reduce costs compared to surveys with a similar design in Sub-Saharan Africa. See annex 11 for details.

16. **Livelihoods support.** Further, NASSP will finance technical assistance, including for identifying accompanying measures to support sustainable livelihoods and graduation out of poverty for a subset of cash transfer recipients. This will include resources to pilot livelihoods interventions

in a small number of states, one from each geopolitical zone, with a functioning SSR. Through rigorous impact evaluation and M&E these pilots will aim to yield a range of scalable livelihoods interventions to be later expanded to other states implementing cash transfers through NASSP. These pilot activities will be developed in partnership with a regional Bank-supported initiative. Interventions and implementation arrangements will be designed based on careful review of experiences in Nigeria as well as international good practices such as the CGAP pilots and similar livelihoods support that have shown promising outcomes. Efforts will be made to ensure that activities are designed to be as simple as possible, with the linking of safety net clients to existing training and livelihoods services being a key feature. Plans for rolling out the pilot interventions to additional states will be reviewed and decided based on implementation experience and impact evaluation results.

Subcomponent 1b: Developing Building Blocks of the Safety Net System.

17. This subcomponent will finance investments in the main building blocks of the national SNN system: (a) a robust targeting mechanism and NSR of poor and vulnerable households; (b) payment systems; and (c) an MIS.

18. **NSR of poor and vulnerable households.** NASSP will support the development of an NSR of poor and vulnerable households in Nigeria. The NSR will use a combination of geographic targeting to locate the LGAs most in need in each state, and CBT and PMT verification to target beneficiaries for the cash transfers. For project roll-out, geographic information on poverty will be used to inform selection of the poorest LGAs. Following the geographical selection of the poorest areas in a participating state, the identification of poor households and members (potential beneficiaries) will then be determined using a combination of CBT and PMT. The PMT formula will be developed and rolled out during the first year of project implementation, and will potentially include an over sampling to address possible exclusion errors. Using a combination of methods has the advantage of minimizing exclusion and inclusion errors.

19. The targeting system will include grievance and appeals mechanisms for receiving and managing complaints from individuals about the inclusion and exclusion of households identified through the targeting mechanism as poor. Complaints will be managed at various levels including the community, local government, state, and national levels. There will be a strong emphasis on outreach and communications regarding the targeting process, tailored to diverse stakeholders.

20. NASSP will develop the NSR as a policy instrument for social development in Nigeria, whereby social programs, including for health, education, and SSNs at the federal and state levels, can over time use a single common registry to identify the poor and offer targeted benefits. The NSR will thus improve the efficiency and efficacy of social development programs in Nigeria through improved administration, targeting and distribution of benefits. The aim is for NSR to capture information on about a third of the poorest households in Nigeria, representing four million households or 20 million individuals, out of an estimated total of 58 million poor in the country. Mechanisms will be developed so that the information contained within the NSR is kept up to date: new households will be able to enter the registry as they become poor, and households will exit the registry as they graduate out of poverty. The NSR will build on the design and experience of YESSO.

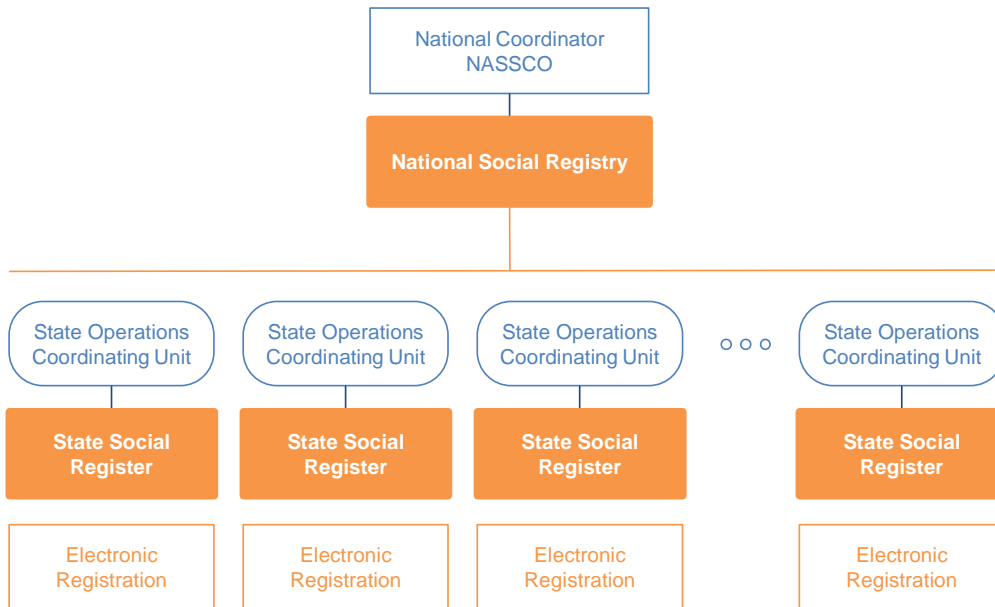
21. **Several guiding principles will govern the development of the NSR.** The registry will be an electronic list of the poorest households in Nigeria. Each individual under the NSR will be a unique and actual person, thus ensuring that government benefits reach only those who are targeted. The registry will provide for security, privacy, and availability of information.

22. A decentralized approach will be used in the setup of the NSR. Information about the poor will be collected by states, using a CBT approach, into a state-managed SSR, as used under YESSO, and culminate into a federally-managed NSR. The NSR will be housed in the NASSCO in the OVP. The SSRs will be housed in the SOCUs in the Ministry of Planning of each state. The NSR will aim to link with a biometric registry to establish uniqueness of each individual and use a common unique identity number for linkage. The project will fund the cost of setting up and operating the NSR in NASSCO and the SRs in up to 32 SOCUs, along with building technical capacities and partnerships, for a well-functioning, reliable and robust NSR. The project will seek to use output-based financing for registration into SSRs, biometric capture, and recertification.

23. **Policy and law.** The national policy for social protection in Nigeria is expected to provide the necessary mandate to NASSP to collect information about the poor and setup the NSR and SSRs at federal and state levels, respectively. The implementation of the NSR would require coordination with the National Security Adviser (NSA) of Nigeria to ensure adherence to national policies and laws and to oversight mechanisms for cybersecurity. Implementation will require coordination with the National Identity Management Commission (NIMC) as well as internal protocols to ensure privacy of people's information. Additional work may be needed to review the policy and legal environment in Nigeria dealing with data protection and security, data management, ensuring privacy, digital authentication (electronic digital signatures), legal recognition of electronic transactions/commerce, cybercrimes, cybersecurity, and electronic government.

24. **Design.** A decentralized approach will be used to set up the NSR, as shown in figure 2.1. The NSR will be established at the federal level under NASSCO, and will consolidate information about poor households from state-level SSRs under SOCUs. Each of the 36 states and the FCT will implement an SSR using CBT, focus groups, enumeration, ranking of the poor, and a GRM—steps similar to those used under YESSO. For SSRs developed under YESSO, a technological upgrade will be supported under NASSP along with data standardization and biometric capture. Information presented by SSRs of states for entry in the NSR will undergo validation to ensure that the data are of good quality. A reconciliation of information between the NSR and SSRs will ensure that both federal and state registries carry the same information.

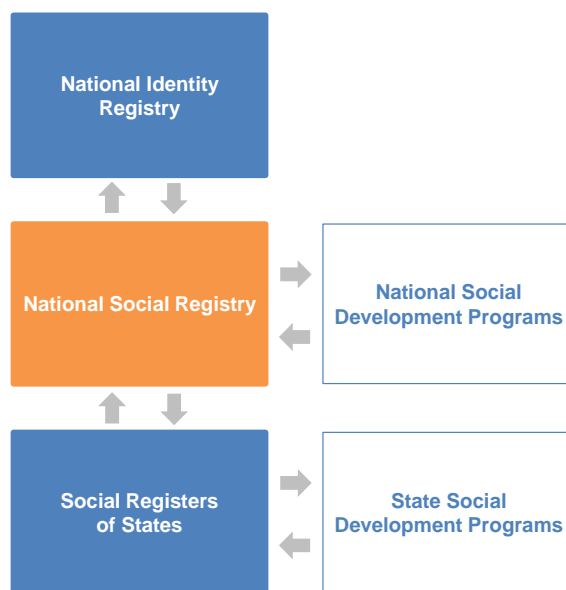
Figure 2.1. Decentralized Approach for Setup of the NSR



25. Once established, the NSR will over time be available to social development programs at the federal and state levels. The NSR will provide an electronic interface (such as an electronic look-up or an application programming interface) for social programs to obtain information about the poor from the NSR or to look up a poor household, while safeguarding security and privacy.

26. The information contained within the NSR will be periodically recertified to ensure that the information is up to date. During the project cycle of NASSP, one recertification is planned.

Figure 2.2. Setup of NSR



27. **Data.** During project implementation, NASSP will define data parameters to be captured per household. The data parameters will align where possible with information collected by Single Registers under YESSO. In establishing the data parameters, *sufficiency* and *economy* of data will be followed. Data sufficiency will ensure that the data captured for each individual adequately reflect the poverty profile of the person. Data economy will ensure that the least amount of information is captured to reduce the burden of data collection on the poor and lower the cost of data collection. Several fields of information will be provisioned (where available) in the NSR: (a) the national identify number of NIMC for linkage with the national identity registry; (b) a reference number of the poor individual within the NSR; (c) a reference number for each household within the NSR; and (d) a mobile phone number for each individual.

28. **Registration.** Each SOCU will administer CBT, compile a list of the poorest households in communities, and administer data collection for each individual in a poor household to be entered into the SR. To register people into SSRs, the SOCUs of each state will engage registration officers (or enumerators) from LGAs, who will visit poor households and collect data about individuals per household. Over time, to automate the data collection process, the registration officers will use low-cost computing tablets. The use of computing tablets can greatly improve the quality and speed of data collection, reduce human errors, and efficiently transfer data to the SSRs and the NSR. However, the use of computing tablets requires caution; it poses cost, capacity and sustainability risks to the registration process and requires risk mitigation measures.

29. To ensure that the poor in the SSR and NSR are unique, the data under SSRs and NSR needs to be linked with biometric profiles of individuals under a biometric registry, such as of NIMC. Joint registration of NASSP with a biometric partner will be considered. During registration, SOCU may capture information about the poor, while the biometric partner may capture the biometric profiles of the person according to its data requirements. A joint registration will depend on low, competitive cost of registration, since the cost of registration is the largest component in the total cost of developing the NSR.

30. Under subcomponent 1b the project will use an output-based disbursement mechanism to finance payments from NASSCO for two outputs: (1) roll-out of the CBT process and (2) household registration activities (HRAs) implemented by LGAs. The roll-out of the CBT process and HRAs unit costs include all of the service and operating costs needed to carry out the CBT process, including community identification of poor households, enumeration of identified households, and entry of the data into the respective SR. These unit costs have been reviewed and found acceptable by the Bank and would be reviewed regularly and at any time by request from NASSCO, and adjusted as necessary to reflect actual costs. The roll-out of the CBT process and HRAs unit costs are included in the PIM and described in full in annex 11.

31. To achieve accountability in the registration process, the NSR will record the identity information of the registration officer under SOCU and of the officer under the biometric partner for each record stored under the SSRs and the NSR.

32. **Credentials.** NCTO will issue an identity card to beneficiaries of the program. One million identity cards are expected to be given to beneficiary households under NASSP.

33. **Special provisions.** Special provisions and exception handling will be made to capture information about children, the disabled, elderly, or other individuals for whom biometric information (fingerprints) cannot be captured.

34. **Development and rollout.** The development and rollout of NSR and SSRs will be done in stages, given the extended development time for building a decentralized SR. Until the full NSR is deployed, state registries developed in concurrence with the national guidelines (including Single Registers in YESSO states) will be used for program operations.

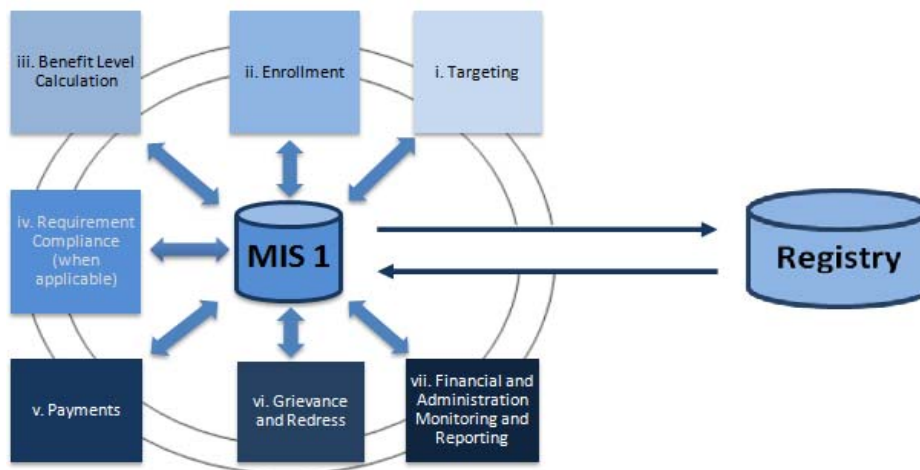
35. **MIS.** NASSP plans to use the MIS to improve overall project management, bringing a discipline to collect, track and report information; trigger early warning of issues and bottlenecks during the course of implementation; and inform future policy, strategy, and planning based on good information.

36. Two forms of the MIS are planned under NASSP: (a) an MIS providing a consolidated view of social protection programs at the federal (i.e. NASSCO) and state levels (i.e. SOCU); and (b) an MIS providing detailed information about the cash transfer programs at the federal (i.e. NCTO) and state (i.e. SCTU) levels. The cash transfer MIS will allow for a beneficiary registry, management of payment information, compliance monitoring, supply side tracking, grievance and redress, and change management of beneficiary information.

37. The MIS will support three core functions:

- Operations, including selection of beneficiaries, enrollment, registration, verification of co-responsibilities, updates in circumstances, and payments.
- Monitoring and management, including creation of indicators and management alerts.
- Control and accountability including the generation of reports and materials for communication with the stakeholders and the public.

Figure 2.3. Functional Overview of MIS



38. Given the use of MIS across NASSP, a common framework for the development and use of MIS at federal and state levels will be used. The framework will aim to establish standardized applications, data, interfaces, technology systems, and development strategy. The project will aim for off-the-shelf solutions in collaboration with the private sector to lower cost, alleviate capacity constraints, and achieve longer term sustainability.

39. **Payment system.** Building on ongoing work under YESSO, NASSP will support the establishment of a payment system for SSNs in Nigeria. The payment system will, to the extent possible, use electronic forms of cash transfers, including mobile money, card-based payments, or additional e-payment solutions. The benefits of the approach include: (a) ensuring that cash benefits reach those intended; (b) an electronic trail of cash transfers is established, strengthening transparency, accountability, efficiency, and safety; (c) administrative costs can be lowered, with fewer intermediaries; (d) reduced costs may be achieved for beneficiaries in accessing cash grants; and (e) greater integration is developed between federal and state levels for safety net programs. Provisions will be made for making manual payments as needed or where electronic transfers are not feasible.

40. The payment system will transfer cash benefits directly from NCTO at federal level to beneficiaries using commercially-available payment services and minimize the role of intermediaries. At the stage of enrolling beneficiaries under NCTO, the project will collect documentary evidence of payments to be paid, including, but not limited to, identity information of the beneficiary from the NSR, where available, eligibility under the project, compliance with co-responsibilities, if any, and additional relevant information. The payment system will retain documentary evidence of each transaction paid, including the date and time of transaction, use biometrics for authentication, where possible, and reconcile the information with financial accounts of the NCTO.

41. The payment system will provide flexibility to issue cash transfers in different geographic locations in Nigeria, since NCTO plans to issue cash transfers to enrolled beneficiaries in the poorest communities in the country. These communities often have limited access to technology infrastructure, such as mobile phone coverage and internet, and financial infrastructure, such as bank branches, agent networks, point of sale devices, and automated teller machines. Additional aspects of the beneficiary population will be considered: geographic location (including remote and rural areas), economic and social demographics (such as poverty, gender, age, disability, and literacy), technology adoption, and ease of use of digital cash transfers.

42. The project will competitively select multiple service providers, including financial institutions, technology service providers and retail networks, to achieve the lowest cost of issuing cash benefits, while achieving efficiency of the delivery. The payment system will integrate with systems developed under NASSP, including NSR, MIS, FM, and GRM. The rollout of the payment system will be done in stages, to continue to issue cash transfers using simple yet effective channels while the full payment system is developed and launched.

Component 2: Implementing a Targeted Cash Transfer

43. This component will finance safety nets transfers to targeted poor and vulnerable households, delivering regular and reliable transfers in a way that is accessible to project clients and with benefit levels that are consistent with the project objectives. The TCTs will start in the YESSO group of states including the eight states currently participating²¹, supplemented by at least two additional states in order to achieve a minimum zonal balance. The goal by the end of the project will be at least 24 states participating in the project. Through this component, the Government aims to cover one million individuals (roughly 200,000 households) by the end of 2016 and five million individuals (roughly one million households) by the end of the project. The target group will be poor and vulnerable households identified through the same targeting methodology currently used by YESSO and included in the NSR. The delivery of cash transfers will be tailored to reflect the diversity of profiles of the poor in Nigeria.

44. Under Component 2, the project will use an output-based disbursement mechanism to finance payments from NCTO for enrollment into the TCTs. The unit costs include all of the service and operating costs needed to carry out the enrollment, including community sensitization, orientation sessions, entry of enrolled households into the program database and production and dissemination of program cards. These unit costs have been reviewed and found acceptable by the Bank and will be reviewed regularly and at any time by request from NCTO, and adjusted as necessary to reflect actual costs. The enrollment unit costs will be included in the PIM and are described in full in annex 11.

45. **Benefit structure and periodicity.** There will be a base benefit of NGN 5,000 per month for all targeted households, designed to ensure a minimum, reliable payment to achieve consumption smoothing, address food insecurity and protect against economic shocks. Targeted households will be eligible for an additional monthly benefit of NGN 5,000 upon the completion of agreed co-responsibilities. Payments will be made on a regular basis, starting quarterly with an aim to adjust as appropriate over time. The transfer size and its purchasing power will be reviewed annually and adjusted as needed. The primary caregiver (in most cases the mother) in a household would be the designated recipient of the payment.

46. **Co-responsibilities/conditions.** Co-responsibilities will be state specific, tailored to the deficiencies and capacities in each state, and designed so as not to be an obstacle to state take-up. The NCTO will provide a framework for the state selection of co-responsibilities. Co-responsibilities will include activities related to both human capital formation (education, health, nutrition, family dynamics, and hygiene) and livelihoods (financial literacy, group meetings, and receipt of mentorship). Co-responsibilities could be either 'strict' or 'soft'. The former will include co-responsibilities related to school enrollment and attendance and the use of health services such as immunization, pre-natal and post-natal care, and child growth monitoring. The latter will include workshops on gender, health, education, family dynamics, hygiene, nutrition, and sanitation. To the extent possible, activities will build upon and/or expand existing interventions proven effective in behavior change. Recertification of poverty status will take place in three years and the procedure will be defined in an updated targeting manual.

²¹ Bauchi, Cross River, Ekiti, Kwara, Niger, Kogi, Osun and Oyo

47. Building on experiences in Nigeria and elsewhere, as well as recent impact evaluation findings, the project will aim to include a minimum number of co-responsibilities needed for it to achieve its objectives, as conditioning on many behaviors complicates implementation and monitoring requirements, and may limit take-up. In the case of interventions aimed at behavior change, to the extent possible activities would build upon and/or expand existing interventions that have been proven effective.

48. During project implementation, a subset of beneficiaries may be identified to receive livelihood support to complement the cash transfer, based on the results of the livelihoods pilots conducted under Component 1. International evidence suggests that complementing a regular cash transfer benefit with activities designed to support productive livelihood activities is effective at helping increase earnings and well-being in both the short and the longer term.

49. Throughout all aspects of this component, the key principles of safety net transfers will be as follows:

- **Primacy of transfers.** Targeted households will receive transfers based on need and inclusion in the SR. Any penalties for non-compliance with co-responsibilities will be applied only after an assessment of the individual household's situation and effort to address non-compliance.
- **Timeliness of transfers.** Transfers must be received according to the planned transfer schedule.
- **Predictability of transfers.** Clients must know the value of the cash transfer and a reliable schedule for when they will receive it.
- **Appropriateness of transfers.** The transfer value must be appropriately related to the project objectives and have the capacity to adjust, as necessary, to reflect inflation and cost increases (such as an annual transfer value survey or automatic adjustment according to an agreed-upon index, such as the CPI).

50. The cash transfers will be financed from the federal NASSP budget and paid directly by the federal government through payment service providers contracted by NCTO. Contributions from states will be required for management, implementation (particularly service provision for the co-responsibilities and specific aspects of the livelihood support), and monitoring. Given the complexity of launching a national cash transfer, the project will support M&E and technical support throughout the operation, but with particular emphasis during year 1. Evaluation of experiences in the early years of implementation is necessary to ensure that the package of support offered incorporates lessons from implementation before scaling up to a larger number of beneficiaries in the later years of the project.

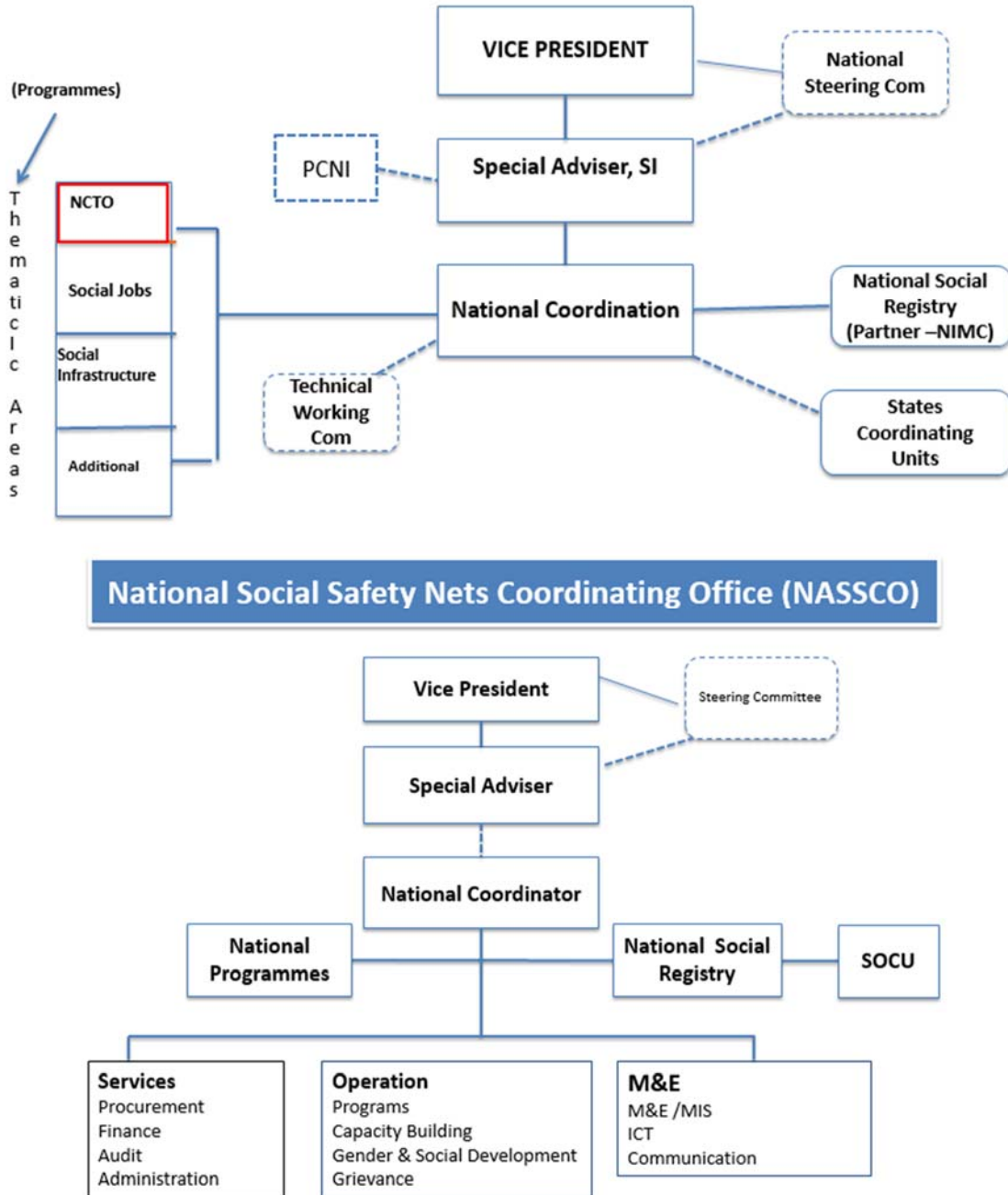
Annex 3: Implementation Arrangements

NIGERIA: National Social Safety Nets Project

Project Institutional and Implementation Arrangements

1. Implementing arrangements for NASSP will be fully streamlined into the existing government structure at the federal, state, and local government levels. Additional technical and coordination assistance will be supported through the project to strengthen implementation. The project institutional arrangement builds on the experiences of other Bank-funded projects.
2. The main institutional structures for NASSP implementation are: (a) NASSCO set up under the OVP, including the NSR; (b) the NCTO; (c) coordination and implementation offices in the state governments; and (d) implementation offices in LGAs.
3. **The roles of federal and state governments.** Although the project has been designed as a federal one, without state buy-in and strong support, NASSP will not succeed. The federal government will enter into an MoU with all participating states, laying out the roles and responsibilities of both entities.
4. **Federal-level coordination.** The Government has established NASSCO under the OVP. The aim and mandate of NASSCO will be to coordinate all government programs in the sector, supporting a national system for efficient SSN coordination and response. NASSP will play an important role in setting up NASSCO and, over time, TCTs will be one of several complementary safety nets coordinated under NASSCO. In the short term, the YESSO and CSDP programs will also be coordinated by NASSCO. Additional programs are expected to come under NASSCO in the medium term.
5. The Special Adviser, Social Investments has been appointed by the President to head NASSCO. The Special Adviser will be assisted by the National Coordinator, not below the rank of a director, who will be responsible for day-to-day management, planning, coordination and management information/M&E. The National Coordinator is the everyday link between the NASSCO and the program offices. To enable the programs to perform effectively, there will be regular technical coordination meetings (Technical Working Group) between the National Coordinator and the coordinators responsible for SSN projects under the thematic areas. The Coordinating Office will also comprise other staff including a head of the NSR, an M&E specialist, communication specialist, head of MIS, head of payments, and procurement, finance, and support staff. (See figure 3.1)

Figure 3.1. NASSCO Institutional Diagram



6. The main responsibilities of NASSCO are the following:

- Provide effective coordination across institutions responsible for SSNs
- Establish and facilitate the use of the NSR, targeting and payment systems for effective coordination and operations of SSNs
- Coordinate and consolidate information from the various SSN programs

- Ensure efficient communication and facilitate knowledge management and experience sharing
- Disseminate and publish SSN policies and guidelines
- Provide regular public updates on progress, MIS and M&E results
- Set standards for SSN delivery, including training
- Ensure grievances or complaints are responded to by the appropriate agencies
- Provide appropriate links between Government, development partners, private sectors and non-governmental organizations (NGOs) on SSNs

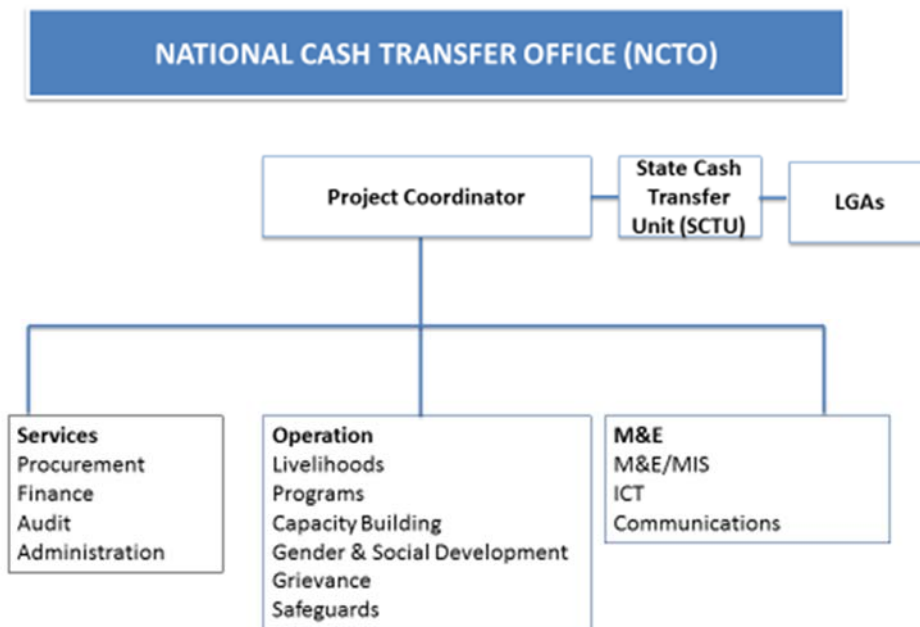
7. NASSCO will have a National Steering Committee chaired by the VP. The representatives of the steering committee include ministers from relevant MDAs (such as Health, Education, Agriculture, Labor, Environment, Budget and Planning, Finance, and Women Affairs); two representatives from the legislative body; and civil society. Its roles will include, but will not be limited to, providing strategic guidance in project implementation and taking action on issues that require high-level decisions. The detailed roles and responsibilities of the steering committee and other coordination arrangements will be outlined in the PIM that will be developed.

8. **State-level coordination.** Each participating state will have a SOCU housed in and reporting to the State Office for Budget and Planning. The SOCU will be responsible for establishing and managing the SSR, M&E/MIS, and reporting progress to NASSCO and NCTO. Key staff of the SOCU will include a director to head the unit, M&E officers, and data entry officers.

9. **LGAs.** Each LGA will establish a desk office responsible for the overall project implementation in the LGA, including training, monitoring, mentoring, and targeting. The desk office will consist of LGA officers with relevant responsibilities. A team from the LGA will be responsible for carrying out CBT in communities.

10. **Federal-level implementation.** The NCTO will report to NASSCO, and will have the overall management responsibility for the TCT. NCTO will be led by a project coordinator. He/she will be responsible for the project management specifically linked to administration of the cash transfers. This will include annual work plans, budget, training plans, procurement plans, M&E, grievances, technical support to states, and stakeholder engagement. The project coordinator will be supported by a team of officers on a full time basis, which will include a procurement officer, project accountant, auditor, program officer, M&E/MIS officers, ICT specialist, communication specialist, social and environmental safeguards officer, gender and social development officer, and grievance officer. Short term technical assistants will also provide necessary expertise as and when required. Performance incentives and accountability mechanisms for these staff will be designed and included in the PIM.

Figure 3.2. NCTO



11. **State-level implementation.** Each state will set up an SCTU separate from the SOCU. The residence of the SCTU will vary from state to state depending on the state’s set-up, but likely residences of the SCTU include the Ministry of Women Affairs and Social Development, the local government, and other relevant ministries. The SCTU will have close links with the NCTO that will monitor the progress of activities according to plans and standards. The SCTU will: undertake data collection for M&E; participate in information dissemination and community feedback on all project activities; ensure that social and environmental safeguards are in place and adhered to when applicable; implement the grievance procedure framework; coordinate reporting on co-responsibilities by LGAs and report to NCTO; prepare lists of beneficiaries eligible for payment; and facilitate implementation of livelihoods pilots.

12. **LGAs.** For the TCTs, each LGA will assign a community facilitation team to carry out community sensitization activities, co-responsibility-related workshops and activities, grievance redress, and monitoring.

13. **Coordination with MDAs.** NASSCO and NCTO will liaise closely with MDAs in the implementation of NASSP. There will be an agreement between each of the participating federal MDAs and NCTO on their specific roles. High-level officials of the MDAs will be members of the National Steering Committee, and relevant officers in each of the MDAs will be members of Technical Working Committee chaired by the national coordinator of NASSCO. Further, federal and state MDAs will contribute their expertise to support the design, implementation, monitoring and outcomes of the co-responsibilities. SOCUs and SCTUs will set up and oversee coordination functions at the state level, including a State Steering Committee and a State Technical Working Committee.

Financial Management, Disbursements and Procurement

14. In line with the Financial Management Manual (March 1, 2010) and the AFTFM Financial Management Assessment and Risk Rating Principles (October 2010), a FM assessment of the implementing entities was conducted in February 2016. The objective was to determine whether the implementing entities have acceptable FM arrangements that would ensure: (a) that all transactions and balances relating to the project are correctly and completely recorded; (b) the preparation of regular, timely, and reliable financial statements; (c) safeguarding of the entity's assets; and (d) existence of auditing arrangements acceptable to the Bank.

15. In line with the Federal Treasury Circular of March 2010 that established the FPFMD in the OAGF to handle the FM responsibilities for funds provided to MDAs by donor partners, responsibility for establishing and maintaining acceptable FM arrangements for the project will be handled by the FPFMD. At the state level (that is, SOCU and SCTU) the FM function will be managed by the Project Financial Management Unit (PFMU). The FPFMD and PFMUs in all states are established through the joint efforts of the Bank and the Government and feature robust systems and controls. The FPFMD and PFMUs are presently involved in the implementation of a number of Bank-assisted projects, including YESSO, CSDP, NEWMAP, TRIMING, and so on. The PFMUs and FPFMD feature among other things the following: (a) all the key elements of FM, including budgeting, funds flow, accounting, internal control, reporting and audit; (b) computerized system and robust FM procedures manuals; (c) qualified staff who are well-trained in relevant Bank procedures and requirements, including procurement; (d) robust segregation of functions/duties; (e) a strong control environment, which is required to mitigate fiduciary risks; (f) highly independent and well-trained internal auditors; and (g) full alignment with the Government's own FM system but with some important enhancements and controls.

16. The overall FM risk for the project is assessed as High in the preparation phase. This is mainly because of inherent risks and not because of the control risks associated with the basic elements of the project FM arrangement. However, these inherent risks are well mitigated by the use of the PFMU and FPFMD, which feature robust internal and external controls. Even with the mitigation measures, the residual FM risk is High. The mitigation measures include use of electronic payment systems with electronic trails of information, computerized accounting systems, professionally qualified and experienced FM staff, an independent and effective internal audit that will adopt a risk-based internal audit methodology involving risk mapping, and so on. The Financial Procedures Manual (FPM) used at the FPFMD and PFMU will be updated with the adequate accountability framework and risk management strategy that will apply to the project. Regular reporting arrangements and a supervision plan will also ensure that the implementation of the project is closely monitored and that appropriate remedial actions are taken expeditiously. The FM risks will be reviewed during project implementation and updated as appropriate.

17. The Bank's recent reviews showed that the PFMUs and FPFMD are performing satisfactorily. The key issues noted within the PFMUs and FPFMD are that of unretired advances and inadequate documentation for incurred eligible expenditures. These are mainly the result of inadequate understanding of Bank FM requirements. To mitigate the risks arising from these issues, adequate procedures for the handling of advances against expenses including remedial actions in the event of default will be elaborated in the update of the FPM; an indicative check list

of appropriate supporting documents for incurred eligible expenditures will be developed and included in the FPM; and capacity of the project staff on Bank FM procedures will be built.

18. *Planning and budgeting.* On an annual basis, the project accountants at NASSCO and NCTO in consultation with key members of these implementing units will prepare the budget for the fiscal year based on the approved work program. The budget will be submitted to the task team leader (TTL) at least two months before the beginning of the project fiscal year. Detailed procedures for planning and budgeting will be documented in the FPM.

19. *Funds flow.* Project funding will consist of IDA credit and government financing. Disbursement for all categories of expenditure will follow standard Bank procedures. IDA will disburse the credit through two designated accounts (DAs) opened with the Central Bank of Nigeria which will be managed by NASSCO/FPFMD and NCTO/FPFMD. The specific banking arrangements are as follows:

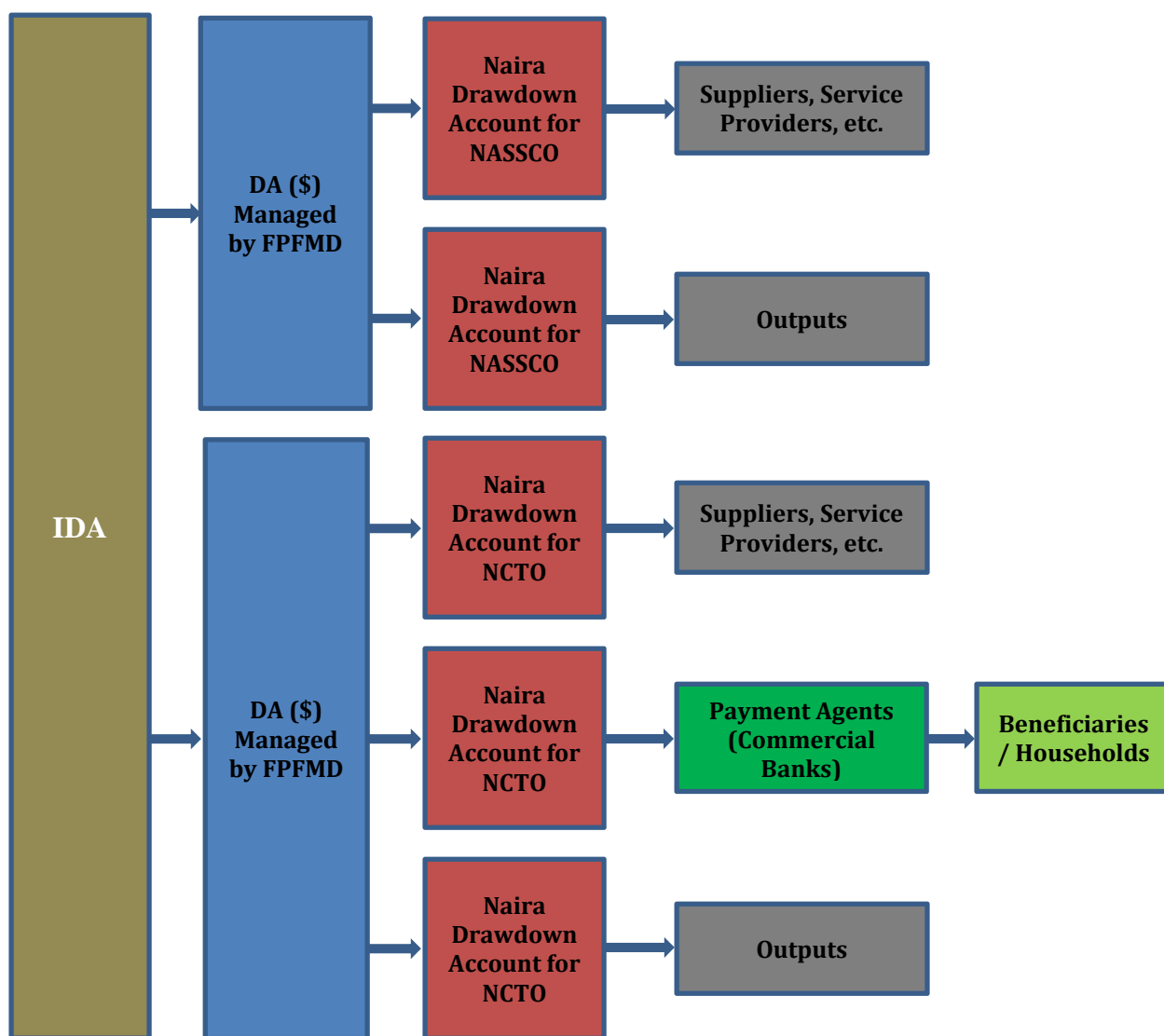
NASSCO

- One DA in U.S. dollars to which the initial deposit and replenishments from IDA will be lodged for NASSCO
 - One current (draw-down) account in Naira to which draw-downs from the DA for NASSCO will be credited for incurred eligible expenditures, maintaining balances on this account as close to zero as possible after payments.
 - One current (draw-down) account in Naira to which draw-downs from the DA for NASSCO will be credited for incurred eligible outputs, maintaining balances on this account as close to zero as possible after payments.

NCTO

- One DA in U.S. dollars to which initial deposit and replenishments from IDA will be lodged for NCTO
 - One current (draw-down) account in Naira to which draw-downs from the NCTO DA will be credited for incurred eligible expenditures, maintaining balances on this account as close to zero as possible after payment.
 - One current (draw-down) account in Naira to which draw-downs from the NCTO DA will be credited for incurred eligible expenditures, maintaining balances on this account as close to zero as possible after payment.
 - One current (draw-down) account in Naira to which draw-downs from the NCTO DA will be credited for incurred eligible outputs, maintaining balances on this account as close to zero as possible after payment.

Figure 3.3. NASSP Funds Flow



20. **Output-based disbursements.** The activities in Subcomponent 1a related to the implementation of the NLSS will be financed through an output-based model, based on unit costs. Under subcomponent 1b, the project will use an output-based disbursement mechanism to finance payments from NASSCO for CBT and HRA implemented by LGAs. Under Component 2, the activities to undertake enrollment of households into the project will use output-based disbursement to NCTO. Advances of up to 30 percent may be given for each output. The advances will be deducted from the outputs achieved at the end of the fiscal year in order to avoid overpayments. The details of the output based disbursements are given in annex 11.

21. *Accounting.* IDA funds will be accounted for by the project on a cash basis, using a computerized accounting system. The accounting software to be deployed will take into account the project implementation arrangements and accounting system. Annual financial statements will be prepared in accordance with the relevant International Public Sector Accounting Standards. All

accounting and control procedures will be documented in the FPM, a living document which will be subject to review as appropriate.

22. *Financial reporting.* Consolidated calendar semester IFRs will be prepared by NASSCO and NCTO every 6 months. NCTO will submit IFRs to NASSCO not later than 30 days after each semester while NASSCO will consolidate IFRs for both NASSCO and NCTO and submit it to IDA within 45 days of the end of each calendar semester. The formats of IFRs were agreed at Negotiation. Consolidated annual project financial statements will be prepared and submitted to IDA within 6 months of the end of the government fiscal year by the NASSCO. Regular periodic returns will be made to the OAGF for consolidation in the government accounts.

23. *Internal control.* Adequate internal controls are in place at both PFMUs and FPFMD but will be strengthened further to the outcome of the assessment. The control features at both PFMUs and FPFMD include a robust FM procedures manual; qualified staff who are well trained in relevant Bank procedures and requirements, including procurement; robust segregation of functions/duties; and highly independent and well-trained internal auditors. Capacity of the internal auditors at NCTO and NASSCO will be built to use a risk-based internal audit approach involving risk mapping, and so on. FM staff are appointed by each State Accountant-General and the Accountant General for the Federation.

24. Following the findings of a detailed FM review—conducted primarily on soft expenditures such as workshops, training, travel and operating expenses in some Bank-financed projects—an enhanced accountability framework will be implemented in the project to provide increased assurance that funds are used for the intended purposes with economy and efficiency and attain value for money.

25. **Specific accountability framework for training, workshops, study tours, and so on.** An enhanced accountability framework is put in place over expenditures in the areas of training, workshops, study tours, and so on, as follows:

- At the beginning of each fiscal year, a separate training summary plan shall be developed and shared with the TTL for review as part of the annual work plan.
- All trainings (i.e. local and international) will require prior clearance from the Bank’s TTL before being undertaken. The request for clearance should, at a minimum, include the following:
 - A demonstrated linkage between the rationale for the workshop/training/etc. and the PDO
 - An annual work program (AWP) under which the activity falls
 - The number of trainees, their function, and mode of selection. This should also include the number of times during the past 18 months that listed trainees had benefitted from training.
 - Number of years before retirement from service of each of the proposed trainees
 - The process used for selection of the training provider and if foreign training, rationale for not proposing local training

- Training prospectus and reference to the beneficial outcome of the training
- Detailed cost of the event: if local, the following additional information will need to be provided: venue location, how venue was/is proposed to be selected, venue rental cost, refreshment/lunch costs, per diem costs, and transport costs (air or land travel cost per trainee)
- No residential local training program will be allowed where the venue of the training is in the locality of the trainees; the preferred choice of locality should be the location of the majority of officials to be trained.
- Only on the basis of these submissions and the TTL's prior clearance will expenses be committed and become eligible for financing under the project.
- NASSCO and NCTO will ensure that a formal process of accountability is instituted on training expenditures which will include the following:
 - Submission of training report by the trainee
 - Certificate of attendance from the training institution
 - Relevant travel certifications such as air tickets, boarding passes for air travel, hotel bills, etc.
 - Consistent with the Government's cashless policy, air tickets shall be procured directly from the airline through electronic payment or cheque (no cash payments shall be allowed).
 - Similar practice shall also be applied in the payment to vendors and tuition fees to training providers.
- A reduced amount of Daily Subsistence Allowance (DSA) will be paid where training/workshop organizers provide meals and accommodation. Cash advances granted to project staff must be retired by the concerned staff within the timeline specified in the PIM before a new advance is granted. Where retirement of an advance is past due, an automatic payroll deduction of the unretired amount should be effected. To keep track of cash advances disbursed, an advances register shall be maintained as a control measure.
- The project internal auditor shall include in his/her work program periodic random audits of travel advances and retirement thereof, and a review of the training/workshop conducted. A report of this review shall be provided to the project coordinator as well as the Bank TTL.

26. *The annual financial statements will be audited by OAGF* appointed on the basis of TORs acceptable to IDA to audit the entire project and certify the consolidated financial statements for the project. The TOR will include provision for the auditor to deploy computer assisted audit techniques. The auditor will express an opinion on the annual consolidated financial statements in compliance with International Standards on Auditing. In addition to the audit report, the external auditors will prepare a Management Letter. A copy of the audited financial statements along with the Management Letter will be submitted to IDA not later than six months after the end of each financial year. In addition, the TCTs will be verified on a sample basis by an independent monitor at least every quarter and reports submitted to the Bank.

27. *Risk mitigation measures related to governance and anti-corruption.* Measures to mitigate FM governance and anticorruption related risks in the project include having in place an independent grievances and appeal mechanism for receiving and managing complaints from individuals about inclusion and exclusion of households identified through the targeting mechanism as poor.

Disbursements

28. With issues of inadequate documentation for incurred expenditures and poor quality IFRs being flagged in FM and external audit reports of some on-going projects at FPFMD and PFMUs, the project will use the transaction-based disbursement procedures and not report-based disbursements at effectiveness. When project implementation begins, the calendar semester IFRs produced by the project will be reviewed. Where the reports are found adequate and produced on a timely basis and the Borrower requests conversion to report-based disbursements, a review will be undertaken by the IDA project team to determine if the project is eligible for report-based disbursement. Details of the disbursement arrangement will be elaborated in the Disbursement Letter.

29. **Retroactive financing.** Retroactive financing may be provided for up to 20 percent of eligible expenditures incurred in the 12 months preceding the signing of the Financing Agreement (FA) and before effectiveness of the credit once the credit becomes effective by submitting a ‘reimbursement withdrawal application’ to the Bank with necessary supporting documents. The eligibility of claiming retroactive finance will be based on a review of the expenditure by the Bank to confirm if they followed IDA procurement and FM guidelines.

FM Action Plan

30. Actions to be taken for the project to further strengthen its FM system are listed in table 3.1.

Table 3.1. FM Action Plan

No.	Action	Date due by	Responsible
1	Agreement of format of Interim Financial Report (IFR), Annual Financial Statement and External Auditors TOR	Agreed at negotiations	NASSCO/FPFMD and NCTO/FPFMD with support and guidance of IDA task team
2	Train designated FPFMD staff in Bank FM procedures and Disbursement Guidelines.	As soon as staff are designated	NASSCO/FPFMD and NCTO/FPFMD
3	Engage Office of the Auditor General	Within 90 days after effectiveness	NASSCO/FPFMD
4	Deploy computerized accounting systems at NASSCO and NCTO	270 days after effectiveness	NASSCO/FPFMD and NCTO/FPFMD
5	Designate PA, PIA and support accounting technicians to NASSCO and NCTO	Agreed at negotiations	NASSCO/FPFMD and NCTO/FPFMD
7	Agreement on Memorandum of financial services and service standards between FPFMD & NASSCO and NCTO	Agreed at negotiations	NASSCO/FPFMD and NCTO/FPFMD

FM Implementation Support Plan

31. FM supervision will be consistent with a risk-based approach, and will involve collaboration with the Bank's project team, LOA and procurement. The supervision intensity is based initially on the assessed FM risk rating and subsequently on the updated FM risk rating during implementation. Given the high residual risk rating, on-site supervision will be carried out at least twice a year. On-site review will cover all aspects of FM, including internal control systems, the overall fiduciary control environment, and tracing transactions from the bidding process to disbursements, as well as statement of expenses review. Additional supervision activities will include desk review of semester IFRs, quarterly internal audit reports, audited annual financial statements and management letters as well as timely follow up of issues that arise, and updating the FM rating in the Implementation Status and Results Report (ISR) and the portfolio and risk management system. Additional target reviews may be conducted depending on emerging risks. The Bank's project team will support monitoring the timely implementation of the action plan.

Conclusion

32. The FM Assessment conclusion is that, subject to the mitigation measures and the action plan being implemented according to the agreed time frame, the project has met the minimum FM requirement in accordance with OP/BP 10.00. Further, this objective will be sustained by ensuring that strong and robust FM arrangements are maintained for the project throughout its duration. Detailed FM reviews will also be carried out regularly, either within the regular proposed supervision plan or a more frequent schedule, if needed, to ensure that expenditures incurred by the project remain eligible.

Procurement

General

33. Considerable progress has been made on procurement reforms in Nigeria since the Procurement Act was passed in 2007. Among the results are the creation of the procurement cadre and the development and deployment of the national standard bidding document (SBD). The national SBDs have been cleared for use for national competitive bidding (NCB) in Bank-funded projects in Nigeria. Over two-thirds of states have enacted the public procurement law, which is modelled after the United Nations Commission on International Trade Law model law, and many have functional regulatory agencies. The remaining states are at various stages of enacting the public procurement law. In spite of these achievements, challenges remain. Procurement capacity is generally low and most of the states do not have procurement tools. Although procurement activities are carried out at the procuring entity level, approval of contract awards at a predetermined threshold is the prerogative of the governor and the State Executive Council at the state level and the Federal Executive Council at the federal level. In many states, the procurement law is not applicable to local governments, thus excluding substantial public expenditure from the procurement law.

34. At the federal level, procurement activities under NASSP will take place under NASSCO and NCTO, located in the OVP. The procurement arrangements established under YESSO will be

continued, but additional staff will be hired for both NASSCO and NCTO. As procurement capacity in the YESSO Federal Operations Coordinating Unit (FOCU) is still considered weak, the overall procurement risk assessment rating for NASSP has been assessed as High.

Guidelines

35. Procurement for the NASSP will be carried out in accordance with the Bank's 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers' (January 2011, revised in July 2014); 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers' (January 2011, revised in July 2014); 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants' (the Anticorruption Guidelines) (October 15, 2006, revised in January 2011); and the provisions stipulated in the Legal Agreement. For each contract to be financed by the credit, the different procurement methods or consultancy services selection methods, estimated costs, prior review requirements, and time frame have been agreed between the Borrower and the Bank in the Procurement Plan. The first 18-months Procurement Plan has been agreed, and the plan will subsequently be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

36. **Procurement of works.** Procurement of works is not envisaged. However, any works contracts under this project shall be procured in line with the Bank's SBD with references to the relevant clauses of the IDA Procurement Guidelines and 'Guidance on Shopping Memorandum' (June 9, 2000). The procurement procedures and SBDs to be used for each procurement method, as well as model contracts for works and goods procured, are presented in the PIM.

37. **Procurement of goods.** The goods to be procured under the project will include vehicles, office equipment, and computers for the implementing and coordinating units. Procurement of goods will be carried out using the Bank's SBD for all International Competitive Bidding (ICB) (if any). NCB procurement will be carried out using the national SBDs already in use at the federal level. Readily available off-the-shelf goods that cannot be grouped or standard specification commodities for individual contracts of less than US\$50,000 equivalent may be procured under shopping procedures as detailed in paragraph 3.5 of the Procurement Guidelines and the Guidance on Shopping Memorandum. The procurement procedures and SBDs to be used for each procurement method as well as model contracts for works and goods procured are presented in the PIM.

38. **Procurement of IT.** Procurement of IT under the project will include the procurement of an MIS. This will be carried out using the Bank's SBD for Supply and Installation of Information Systems. Single-Stage Bidding is envisaged as it will be possible to use off-the-shelf application software packages after making the appropriate reconfigurations.

39. **Selection of consultants.** Consultancy services will be provided under the operation in the following categories: software development; studies; the audit and verification of beneficiaries' participation; service-wide data collection; the development of an SSN policy, program, and instruments; the development of a communication strategy; and others. Consultancy firms and individuals will be selected from short lists put together, as applicable, after the implementing unit has solicited a request for expressions of interest using the Bank's standard template. The selection

of consultants will be procured in accordance with the Bank Consultant Guidelines of July 2014. Short lists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may consist entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. The appropriate selection method for each consulting contract will be set out in the Procurement Plan.

40. **Operating costs.** The operating costs will include: staff's travel expenditures and other travel-related allowances with prior clearance from IDA; equipment rental and maintenance; vehicle operation, maintenance, and repair; office rental and maintenance; materials and supplies; utilities and communication expenses; and bank charges. The operating costs financed by the project will be procured using the federal government administrative procedures.

41. **Training, capacity building, and workshops.** The project coordinating and implementing units will submit their annual training plans to IDA for clearance. The plans will include, but not be limited to, the names of the officers to be trained, the training institutions and/or facilitators, the cost contents, the justification for the training, and the estimated cost of the training. Substitution of training candidates will require the clearance of the Bank.

42. **Hiring of service providers to issue payments to the selected households.** The service providers will be hired in two phases. In the short term, using the Selection Based on the Consultants' Qualifications (CQS) method, the project will hire a firm competitively to provide payments in up to eight states as a pilot. This firm will immediately kick-start payments to the beneficiaries of the identified households already included in the registry of the poor and vulnerable households developed by the YESSO. For the second phase, the project will procure a firm using the Quality- and Cost-Based Selection (QCBS) method on a long-term contract. The project will adopt a framework contract, because the activities are incremental in scope and duration and to ensure continuity in the contract administration. The selection process of the main service provider for the second phase will be prior reviewed by the Bank.

43. **Engagement of performance audit firm.** In view of the proposal to adopt an output-based disbursement mechanism for the completed household registration into the NSR, the project will competitively engage an independent firm as third-party verifiers to undertake performance audits. The first performance audit will be done after six months of project implementation and will cover the CBT, application of the questionnaires to the identified households, data entry into the registry, and so on. A subsequent performance audit will be carried out annually, as needed. The process of engagement of the performance audit firm will be prior reviewed by the Bank.

44. **Specific procurement training.** The Bank will be providing specific procurement trainings for the project team on the effective preparation of the bidding document and evaluation of bids and proposals.

Assessment of Federal Level Capacity to Implement Procurement

45. With NASSCO and NCTO still being set up and staffed, the procurement assessment considered the YESSO FOCU's capacity to implement the procurement of this project, and mainly focused on updating the procurement risk assessment, mitigation actions and recommendations agreed with the Bank before YESSO's effectiveness.

46. The procurement unit of the YESSO FOCU, which will be serving as the platform for procurement activities by NASSCO and NCTO, has carried out a number of procurement activities in the last two years. The activities were mainly procurement of goods and engagement of consultants. Two procurement officers have been fully supported by the procurement unit of the Bank in the majority of the procurement transactions, because they both do not have Bank procurement experience. The procurement assessment has shown that capacity has improved with regard to the procurement policies and procedures of the Bank. The project has not established a functional filing system and the staff are yet to be trained, though all procurement records were properly kept manually. It is necessary to continue to build the capacity of the procurement staff and to also setup a robust record management system as soon as NASSP implementation starts.

47. The recommendation for the YESSO FOCU to have a dedicated Procurement Manual (PM) and PIM is still outstanding. The replacement of these manuals with a Generic Operations Manual is not acceptable to the Bank. NASSP should ensure that all manuals are readily available before effectiveness of this project.

48. The complete procurement risk assessment will be filed in the Procurement Risk Assessment and Management System.

**Table 3.2. Procurement Risk Assessment and Mitigation Action Plan
(Updated from YESSO Assessment Report)**

S/N	Risk	Procurement risk status based on assessment	Mitigation measures to be done by NASSP	Responsibility	Target Date	Remarks
1	Poor record keeping System	No training on record keeping has been conducted	Establish a procurement records management system and train staff in records management.	World Bank/NASSCO/NCTO	Within three months of effectiveness	This should be continuous.
2	Lack of procurement manual	Procurement manual not yet in place. Project has a generic PIM	Prepare Procurement Manual as part of the PIM	NASSCO/NCTO	By July 15, 2016	The generic manual is not adequate. NASSP should have both PM and PIM.
3	Inadequate procurement skills of the existing procurement staff	No training has been conducted	Train procurement staff using workshops and institutional training	NASSCO/NCTO	Within three months of effectiveness	Continuous
4	Inadequate number of procurement staff	Done	Recruit or deploy at least one additional procurement officer	NASSCO/NCTO	By July 15, 2016	Additional staff are required both at NASSCO and NCTO.

5	Lack of contract administration skills	Not yet conducted	Organize contract administration training for staff	NASSCO/NCTO	Within three months of effectiveness	–
6	Lack of knowledge of the Bank's procurement tracking system	Training not yet done.	Train procurement staff in procurement tracking system	World Bank/NASSCO/NCTO	After effectiveness.	–

49. **Result-based procurement plan.** The first 18-month procurement plan for the project outlines the procurement activities that will be implemented. The approved plan will be published on the Bank database. The Procurement Plan will be updated annually with the project team to assess the procurement implementation status, procurement capacity and annual disbursement status of the project.

50. **Publication of results and debriefing.** The contract awards results of all procurement through NCB, direct contracting, and selection of consultants greater than US\$300,000 must be published. For direct contracting and NCB contracts, the awards may be published every quarter in the local newspapers. All competing consultants who have submitted separate technical and financial proposals, irrespective of the amount, should be informed of the result of the technical evaluation before opening the financial proposals. NASSP will be required to debrief all unsuccessful bidders and consultants.

51. **Fraud, coercion, collusion, and corruption.** All procuring entities as well as bidders, contractors, suppliers and consultants must observe the highest standard of ethics during the procurement and implementation of contract financed under the project in accordance with paragraphs 1.14 and 1.15 of the Procurement Guidelines and paragraphs 1.22 and 1.23 of the Consultant Guidelines.

Table 3.3. Procurement Reviews and Thresholds – Goods, Works, and Non-Consulting Services

	Procurement Method	Prior Review Threshold US\$	Comments
1	NCB (Goods) Packages	Above 750,000	All
2	Non-Consulting Services	Above 750,000	All
3	Shopping (Goods)	Below 100,000	None
4	Shopping (Works)	Below 200,000	None

52. A summary of the procurement packages planned during the first 18 months after project effectiveness are given in table 3.4.

Table 3.4. NASSP 18-Month Procurement Plan for Goods and Grants

1	2	3	4	5	6	7
Reference No.	Description of Activity	Estimated Cost (US\$, millions)	Package	Domestic Preference (%)	Review by Bank (Prior /Post)	Comments
ICB/001	Establishment of state Registries	2.06	3	5	PRIOR	On states readiness basis
ICB/002	Establishment of NSR (federal registry)	0.54	1	5	PRIOR	Datacenter / Application

NCB/001	Supply and installation of office equipment	1.15	3	N.A.	POST	For federal, states and LGAs
NCB/002	Supply and installation of office furniture	0.08	1	N.A.	POST	–
NCB/003	Supply of project vehicles	2.88	3	N.A.	POST	On states readiness basis
ICB/003	Procurement of 3,243 customized tablets for wards in 20 selected state	1.22	3	5	PRIOR	On states Readiness basis
NCB/004	Payment service providers	10.0	5	N.A.	PRIOR	On states readiness basis
NS/001	Printing of various manuals	0.60	8	N.A.	POST	–
	TOTAL	196.03	24	–	–	–

53. **Prequalification.** Bidders will be prequalified in accordance with the provisions of paragraphs 2.9 and 2.10 of the Procurement Guidelines.

54. **Selection of consultants.** Selection decisions are subject to prior review by the Bank as stated in Appendix 1 of the ‘Consultant Guidelines’ as shown in table 3.5.

Table 3.5. Selection subject to Prior Review by the Bank and Thresholds - Consultancy Services

	Selection Method	Prior Review Threshold US\$	Comments
1	Competitive Methods (Firms)	Above 300,000	All
2	Single Source (Firms)	All	All
3	Individual	Above 100,000	All

55. **Short-listing consisting entirely of national consultants.** A shortlist of consultants for services estimated to cost less than US\$300,000 equivalent per contract may consist entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

56. Details of consultancy assignments to be procured are shown in Table 3.6.

Table 3.6. Consultancy Assignments to be Procured

Description of Activity	Selection Method	Lump Sum or Time-Based	Estimated Amount US\$	Review by Bank (Prior /Post)
Consultancy services for cash transfer payment system development	QCBS	LS	200,000	PRIOR
Consultancy for design and development of MIS for tracking and monitoring	QCBS	LS	50,000	PRIOR
Consultancy for the design, detailed technical specification and supervision of development of NSR	QCBS	LS	200,000	POST
Consultancy services for the development of M&E Manual	CQS	LS	22,500	PRIOR
Consultancy services for the development of the PM	CQS	LS	22,500	PRIOR

Consultancy services for the development of Gender & Social Development Manual	CQS	LS	22,500	PRIOR
Consultancy services for the development of Grievance Manual	CQS	LS	22,500	PRIOR
Consultancy services for the development of NASSP Handbook	CQS	LS	25,000	PRIOR
Capacity building assessment and strategy - design and implementation	QCBS	LS	450,000	PRIOR
Consultancy for development of M&E Web-based Platform	CQS	LS	30,000	PRIOR
Consultancy services for Baseline study and Impact Assessment for six (6) regions	QCBS	LS	225,000	POST
Consultancy for development and installation of FM system and computerization of accounting system	CQS	LS	137,500	PRIOR
Consultancy service for development of communications strategy	CQS	LS	20,000	PRIOR
Third party monitoring	CQS	LS	100,000	PRIOR
Development of livelihood modules and trainers' guide (micro-feasibility studies, business planning, business record keeping, reinvestment plan and sector specific training)	CQS	LS	100,000	PRIOR
TOTAL			1,627,500	

57. **Frequency of procurement supervision.** In addition to the prior review supervision for high value contracts to be carried out by the Bank, the capacity of the implementation agency suggests that the Bank should carry out supervision missions at least twice every year to review procurement implementation. The procurement post review should cover a minimum of 20 percent of the contracts subject to post review.

Environmental and Social (including Safeguards)

58. The proposed project is classified as Safeguards Category C as the activities that will be financed under this project are likely to have minimal or no adverse environmental and social impacts. Specifically, no physical works will be undertaken under the project. Adverse impacts are likely to be minimal or none, and there will be a negative list to ensure that cash payments, including for livelihoods pilots, do not lead to activities that could result in significant environmental and social impacts and/or trigger any Bank safeguards policies.

59. Any social issues are addressed by specialized instruments, including: (a) the GRM to ensure beneficiaries and non-beneficiaries can make complaints about the management of the targeting process, timeliness and completeness of transfers and any other perceived abuses of NASSP, including fraud and corruption; (b) an independent firm or CSO will implement and publish an annual results and resources scorecard; and (c) CE indicators will be developed as part of the SA tools and M&E system. Due attention will be paid to the gender dynamics of access to

household and external financial resources to ensure that there is equity between genders for the benefit of the project and to ensure alignment with the Bank’s twin goals.

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Natural Habitats OP/BP 4.04	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests OP/BP 4.36	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management OP 4.09	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Physical Cultural Resources OP/BP 4.11	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples OP/BP 4.10	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement OP/BP 4.12	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams OP/BP 4.37	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways OP/BP 7.50	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas OP/BP 7.60	<input type="checkbox"/>	<input checked="" type="checkbox"/>

60. *Environmental Assessment OP/BP 4.01.* Environmental Assessment OP/BP 4.01 is not triggered. No physical works will be undertaken under the project. Cash payments will be made to eligible households, with payment being associated with attendance at health clinics, education facilities, or participation in nutritional programs. Adverse impacts are likely to be minimal or none, and there will be a negative list to ensure that cash payments, including for livelihoods pilots, do not lead to activities that would trigger safeguards policies.

61. *Natural Habitats OP/BP 4.01.* The project will not affect natural habitats. It is not envisaged that the proposed activities will be located on any critical natural habitats or RAMSAR²² sites.

62. *Forests OP/BP 4.36.* The project does not involve forests or forestry activities.

63. *Pest Management OP 4.09.* The project is not expected to raise potential pest management issues. The project will not finance procurement of pest control products directly or provide credit that may be used to purchase pest control products. The project will not finance goods or services that significantly change pesticide patterns or include components, including support to development and implementation of integrated pest management programs aimed at reducing environmental and health hazards associated with pest control and use of pesticides.

64. *Indigenous Peoples OP/BP 4.10.* There are no indigenous peoples in the project area.

65. *Physical Cultural Resources OP/BP 4.11.* The project does not involve or affect physical cultural resources.

²² The Convention on Wetlands, called the Ramsar Convention, is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources.

66. *Involuntary Resettlement OP/BP 4.12.* The project is not expected to lead to any land acquisition or prevention of access to usual means of livelihood.

67. *Safety of Dams OP/BP 4.37.* The implementation of the project will not entail the construction of new dams; neither will any of the project activities rely on the performance of an existing dam or a dam under construction.

68. *Projects on International Waterways OP/BP 7.50.* This project will not involve extraction of water from any international waterways (any river, canal, lake, pond or similar body of water that forms a boundary between, or any river or body of surface water that flows through, two or more states, whether Bank members or not). In addition, the project will not affect any tributary or other body of surface water that is a component of any waterway described earlier.

69. *Projects in Disputed Areas OP/BP 7.60.* The project will not be located in disputed areas as defined by OP/BP 7.60.

70. *Screening.* Adverse impacts are likely to be minimal or none, and there is a draft negative list of activities that will not be financed under the project (see box 3.1) to ensure that cash payments, including for livelihoods pilots, do not lead to activities that would trigger safeguards policies. The negative list will be finalized in the PIM. Based on the final design of the livelihoods pilots. NASSCO and NCTO, in particular the M&E officers, will ensure that activities on the negative list that would have Category A and B types of impacts, and/or activities that would trigger safeguards policies are not financed by the project. Subsequent Bank supervision missions would provide oversight and ensure that the activities financed under this project are consistent with the Category C status of NASSP.

Box 3.1. NASSP Negative List

NASSP is not expected to finance any activity that could result in potentially significant environmental and social impacts that could have Category A or B types of impacts. The project will not finance any civil works, including but not limited to, the following draft negative list.

- Road construction, expansion and or rehabilitation of roads
- Culverts, bridges, drifts and stock routes
- Borrow pits
- Waste management
- Pollution management
- Construction of buildings
- Construction and or rehabilitation of dams, weirs and canals
- Construction of boreholes
- Procurement of chemicals for pest management
- Agriculture and food processing including woodlots, poultry, piggery, cassava, cereal processing
- Land acquisition or prevention of access to usual means of livelihood
- Logging or encroachment to designated forest and the adjacent buffer zones
- Forestry production activity especially conversion of forest land to other land use
- Drainage schemes
- Construction and or rehabilitation of reservoirs
- Artificial enlargement of lakes with surface areas of 20ha or more
- Drainage of wetland wildlife habitat or of virgin forest covering an area of 5ha or more

- Irrigation schemes covering
- Activities that would impact cultural property
- Acquisition of land (whether individually or communally owned)
- Housing development
- Industrial plants and industrial estates including expansion, rehabilitation or modification
- New land development
- River basin development (i.e. development and construction in riparian areas such that it would affect downstream systems)
- Manufacture, transportation and use of pesticides or other hazardous and/or toxic materials
- Construction or major upgrading of highways
- Construction of ports
- Mining
- Quarries
- Construction of railways
- Power generation and transmission
- Construction of power stations
- Any form of resettlement (voluntary or involuntary)
- Construction or rehabilitation of buildings
- Construction of incineration plant
- Construction of secure landfill facility

Any other activity with Category A and B types of impacts and/or that would trigger safeguards policies shall not be financed by the project.

Monitoring and Evaluation

71. NASSP will invest in building the capacity of the Government to systematically monitor and evaluate the identification of beneficiaries, the delivery of benefits and the impact of those benefits through Component 1 for institutional and systems development. The project will place strong emphasis on measuring results accurately and reliably at specified intervals. An MIS will be developed and an assessment will be conducted to ascertain the status of existing M&E systems in the states and the results will be integrated into a detailed M&E manual for the operation. This will ensure that a systematic plan is established to strengthen monitoring of results in the sector. The targeting system and the development of the SR will form the basis for monitoring and evaluating the entry and exit of NASSP client households. The NCTO is responsible for the overall monitoring of the TCTs and livelihoods interventions, and NASSCO will be responsible for monitoring related to the NSR and overall coordination with other programs. Evaluations will be carried out by independent bodies.

Regular monitoring data

72. Information at the output and activity level will be collected regularly through government systems. This includes information on beneficiaries, transfers, and over time linking NASSP clients to livelihoods services. Financial reports provide information on budget expended according to agreed line items.

73. Data will come from an integrated system of monthly routine data collection in communities and LGAs, and quarterly summaries of results and progress reports by states. The type of data and collection methods and responsibilities at the community, LGA, state and federal

levels for the project will be clearly designated in the M&E manual. These data will be triangulated by M&E conducted by independent third parties.

74. SA tools will form part of the regular monitoring, ensuring that beneficiaries actively participate in monitoring the project. SA tools will be mainstreamed into NASSP through a step-by-step process by creating a link with service providers at the local level to create a strong communication channel through which the project can be adjusted to beneficiary requirements and to create a system that is able to identify problems and solve them. An annual results and resources scorecard will also be implemented by an independent third party and published in the public domain.

75. **Responsibility for M&E tasks.** NASSCO and NCTO will designate M&E specialists who will have the responsibility for organizing technical support, implementation verification visits and data collation, as needed. The unit will conduct quarterly review meetings and prepare overall quarterly and annual reports. This system of staffing and responsibilities will be replicated in the SOCUs and SCTUs. The M&E officers will be in charge of organizing state-level technical support, implementation verification visits and data collation, as needed. The Bank team will provide technical guidance and support the project teams at all levels. The Bank will also prepare ISRs, on a six-monthly basis as required, and will be responsible for preparing the Implementation Completion Report with inputs from counterparts and beneficiaries.

76. **Implementation support.** NASSCO, NCTO and states will collaborate with the Bank to carry out at least two joint implementation support missions annually, with more frequent missions planned during the first year as required. Bank supervision will comprise of semi-annual joint missions (which will include visits to states and project sites), additional visits by Bank country office staff and technical consultants as the need arises, and continuous electronic communication and follow-up to review NASSP implementation progress and performance.

77. Regular reporting aims to keep stakeholders apprised of expenditures and activities, verify the proper implementation of processes described in the POM and other project documents, and identify areas where performance does not match expectations so that project managers can take corrective actions. Information collected by the regular monitoring system is expected to flow both 'upwards' and 'downwards'. As each office fulfills its reporting requirements up the chain, it will be expected to also report back to those providing the data. A summary of responsibilities follows.

78. *Community level.* Project staff will visit communities every quarter and administer a checklist that will assist both the officers and community members to track performance over time and address problems on a real-time basis, for the targeting and the cash transfers activities. These checklists will also be an important source of routine data on project performance. Data can be aggregated by the state agencies to track and manage the performance within their span of control.

79. *LGAs.* LGAs will regularly monitor targeting, safety net and livelihoods support activities, including co-responsibilities, compile the data and review implementation against plans. Monthly, quarterly, and annual reports will be submitted to the SCTU and SOCU.

80. *States.* The SCTU will compile data submitted by LGAs and review progress. Quarterly and annual synthesis reports will be submitted to the federal project office. SOCUs will be responsible for monitoring and reporting related to the SSR.

81. *Federal Level.* The NASSCO and NCTO will collect reports from the states and implementing partners. This data will be analyzed in a consolidated report to provide a comprehensive overview of implementation progress.

82. Reporting will follow the Government of Nigeria's fiscal year, which begins on January 1 and ends on December 31. Annual plans for the project will be completed by December 1 and will be used as the basis for preparing quarterly achievement reports of the following fiscal year.

Real-Time monitoring Data

83. A Rapid Response Mechanism (RRM) will be established to address critical implementation problems as they occur. The RRM will be launched to address problems that warrant immediate attention and respond rapidly to resolve the problems, thus reducing any potentially serious risk. Rapid response teams may be regularly deployed to states, LGAs, and communities to monitor implementation progress in targeting and cash transfer implementation. This is done through focus group discussions (FGDs) with implementers, beneficiaries, and non-beneficiaries and a review of records. Teams will also follow up to solve any problems and ensure that consistent follow-up is provided.

Systems Assessments

84. A number of independent systems audits and studies will be implemented to ensure efficient information flows on systems and processes, with the aim of strengthening implementation and overall accountability:

85. An annual external grievance redress review will assess the effectiveness of the appeals system at the community and LGA levels and disseminate best practices. This review ensures the grievance redress system is functioning as expected and that records are being kept.

86. The independent procurement assessment will review procurement systems and processes to ensure that procedures and guidelines are followed and to make recommendations on how procurement could be improved.

87. The annual financial audit will fulfill three functions: audit of accounts, systems audit, and review of transactions to beneficiaries to ensure that funds disbursed are used for purposes intended.

Other Assessments

88. The project will commission a number of independent studies and reviews to assess progress toward outputs. These studies aim to assess if the project is on track to achieving its purpose and identify any adjustments needed. The results of the various studies will continue to inform adjustments to project activities.

89. A Gender Assessment will be undertaken before the midterm review to uncover the impacts of NASSP interventions as they relate to women’s lives and to analyze the implications of gender and social norms in relation to successful implementation of NASSP and recommend specific strategies and actions to improve implementation.

Impact Evaluations

90. A set of impact evaluations aimed at measuring the changes that are brought about for the direct and indirect beneficiaries and/or their institutional structures as a result of the activities initiated by the project will be implemented through independent assessments.

91. A household survey will be carried out every two years to assess the impact on direct and indirect beneficiaries as a result of activities initiated by the project. A baseline for NASSP will be conducted in 2017. The selection for implementation of the baseline survey and impact evaluation surveys will be done using a competitive procurement process. Quantitative household-level information is augmented through qualitative assessments, addressing beneficiary perceptions and related social issues.

92. The livelihoods pilots will be evaluated through a carefully designed impact evaluation which will include randomized control trials.

Table 3.7. NASSP M&E System - Key Reports, Assessments, Audits and Evaluations

Types of reports	Information provided	Frequency	Examples of indicators
Monitoring Reports	Regular collection of information at the output and activity levels, including regular financial reports.	- Monthly from LGA to state level; Quarterly to federal level	- Registration in the SR - Co-responsibilities met
RRM Report	Regular assessments of implementation at community, LGA and state levels to address critical implementation problems as they occur. This includes timeliness and size of transfers to beneficiaries, capacity issues and others.	- Every two months from federal level	- Number of households targeted - Beneficiary satisfaction with NASSP
Reviews	- <i>GRM review</i> to assess the functioning of the appeals and complaints system - <i>Beneficiary review</i> : Qualitative and learning surveys will be conducted by an independent agency at baseline, year 2, and year 4 in a selected sample of states. The beneficiary assessments will use participatory and robust techniques that can provide feedback on the quality of services, perceptions and service satisfaction that will be useful for project reviews.	- Annual - Every two years	- Number and performance of Grievance Redress Committees established - User satisfaction with services - Trust in project delivery and government

Types of reports	Information provided	Frequency	Examples of indicators
Audits	<ul style="list-style-type: none"> - The <i>financial audit</i> includes an audit of accounts; systems audit; and review of transactions to beneficiaries to ensure that funds were used for purposes intended. - Procurement audit 	<ul style="list-style-type: none"> - Quarterly rolling, annual - Annual 	<ul style="list-style-type: none"> - Percent of households receiving full payment
Evaluations and Assessments	<ul style="list-style-type: none"> - <i>Targeting assessment</i> to confirm the effectiveness of project targeting and assess relevant social issues - <i>Performance audits</i> to verify the delivery under output-based disbursements - <i>Impact evaluation</i>, a household survey, to assess outcomes and impacts of all project components - <i>Impact evaluation of livelihoods activities</i> to determine the efficacy on household's productivity and capacity to exit poverty 	<ul style="list-style-type: none"> - During project start-up, and annually thereafter - Every 6 months - Every two years - During the livelihoods pilot 	<ul style="list-style-type: none"> - Review of targeting - Change in household consumption - Household economic activities, assets, earnings and consumption
Other Studies	<ul style="list-style-type: none"> - <i>Study on beneficiary use of transfers</i> - <i>Survey on household composition</i> 	<ul style="list-style-type: none"> - Once - Once 	<ul style="list-style-type: none"> - Use of funds on selected consumption groups - Household composition in target group

Knowledge Management Agenda

93. A wealth of assessments, surveys, evaluations, guidance notes, facilitation notes and think pieces will be commissioned to support the design and implementation of the project. An effort will be supported to ensure that the considerable knowledge generated by NASSP is captured and knowledge products created on safety nets, livelihoods support and social protection practice.

Annex 4: Implementation Support Plan
Nigeria: National Social Safety Nets Project

Strategy and Approach for Implementation Support

1. The unique nature of federalism in Nigeria required significant pragmatism during design and will require a strong element of learning-by-doing during implementation. NASSP is the first national SSNs project in Nigeria, with unique design aspects to ensure the necessary flexibility to accommodate the reality of the conditions in the individual states. The Government has a strong team in NASSCO and on NASSP, but many new institutions and individuals mean significant capacity development will be necessary. The design process involved efforts by the Bank and Government technical teams to learn from counterparts through a series of Bank-supported South-South learning events and materials and intensive design consultative workshops—a process that is ongoing through Board approval and will continue into implementation.

2. Given the size and complexity of launching and managing a national level project, requirements for implementation support are extensive. Implementation will involve intensive country-level dialogue, ongoing technical assistance, and early and sustained capacity- and systems-development investments. Extensive dialogues will be conducted with the NASSCO, NPMO, MDAs and states. Continuous engagement and implementation support to the states by joint Bank and Government teams will be key to generating lessons and will inform the planned gradual project scale-up. The Bank will thus need to mobilize a multi-skilled team.

3. To achieve effective implementation support for NASSP, there will be need for a strong field presence on the ground, as well as support from a multi-skilled team with expertise in the areas of CCTs, livelihood services, systems development, governance, FM, procurement, social and environmental safeguards, and gender and CE. Reflecting the project's close links to other sectors, implementation support will require involvement and possible cross-support from several World Bank Global Practices such as Governance, Health, Nutrition, and Population; Education, and Social, Urban, Rural and Resilience.

4. Project supervision and implementation support will be guided by ongoing learning and an adaptive implementation approach. Great effort will be directed at learning from implementation to positively influence necessary refinements. Rather than carry over design aspects that may prove unfeasible early in project implementation, the project will seek adaptive solutions for emerging challenges and make appropriate and timely design changes. Implementation support and reviews will be structured flexibly to be able to identify and respond quickly to implementation challenges while also supporting mechanisms for close collaboration and dialogue. While six-monthly reviews will be implemented, the Bank will position itself to proactively mobilize just-in-time implementation support between missions, as well as provide ongoing support at the field level. To respond effectively to the unique demands of NASSP implementation and ensure technical rigor, implementation support will comprise team members with appropriate technical skills and relevant experience to project requirements. The project will also seek to undertake special rapid response missions to respond to emerging issues and needs, technical reviews, and regular FM and procurement reviews. In addition, an envisaged MIS, as well as an analytical agenda constituting a number of analytical and advisory activities, including impact evaluation, will inform project management and decision-making.

Implementation Support Plan

Table 4.1. A Forecast of the Main Focus for Implementation Support during the Economic Life of the Project

Time	Focus	Skills Needed	Resource Estimate
First 12 months	Overall project management and technical support; ongoing country-level policy and technical dialogue; supporting functionality of institutional and coordination mechanisms; developing systems agenda; start delivery of cash transfers; enhancing work on cross-cutting themes and social and environmental safeguards	<ul style="list-style-type: none"> • Senior SP specialist with focus on coordination, team leadership, and policy dialogue management • Senior SP and ICT specialists with focus on systems development, safety nets, and CE • Senior economist/specialist with focus on targeting effectiveness, M&E, and impact evaluations • Gender and CE specialist 	Bank Budget - US\$200,000 Trust Funds
12–48 months	Overall project management and technical support; ongoing country-level policy and technical dialogue; supporting functionality of coordination mechanisms; delivering cash transfers with co-responsibilities; launching livelihoods pilots; developing systems agenda; enhancing work on cross-cutting themes and social and environmental safeguards	<ul style="list-style-type: none"> • Senior SP specialist with focus on coordination, team leadership, and policy dialogue management • Senior SP and ICT specialists with focus on systems development, safety nets, and CE • Senior economist/specialist with focus on targeting effectiveness, M&E, and impact evaluations • Gender and CE specialist 	Bank Budget - US\$200,000 Trust Funds
48–60 months	Same as above	Same as above	Same as above

Table 4.2. Skills Mix Required

Skills Needed	Number of Staff Weeks Annually	Number of Trips Annually	Comments
Task Team Leadership and project Management	40	Country/HQ based	2 Senior Specialists/project Management
SP Specialist	40	Country based	CCTs, project management
Senior SP Specialist	10	2	CCTs
Senior SP/ICT Specialist	11	2	Systems development
SP Specialist	12	2	Livelihoods
Senior Social Development Specialist	1	Country office based	Technical support and monitoring of safeguards
Senior Environmental Specialist	1	Country office based	Technical support and monitoring of safeguards

Skills Needed	Number of Staff Weeks Annually	Number of Trips Annually	Comments
Social Development Specialist	5	HQ based	Technical support to social safeguards, social development, and CE
Senior Governance Specialist	3	HQ based	Institutional and governance follow-up and implementation support
FM specialist	8	Country office based	Technical support to FM and fiduciary reviews
Procurement Specialist	5	Country office based	Technical support to procurement and fiduciary reviews
Poverty economist	2	2	Oversee NLSS
Total Staff Weeks Annually	142		

Note: HQ = Headquarters

Annex 5: Lessons Learned

1. The design of NASSP builds on significant evidence and experience from Nigeria and globally, including from independent impact evaluations, studies and assessments. This includes the Government's efforts to implement CCT interventions, UNICEF and DFID support to a CCT intervention in three northern states, as well as state-level interventions including the Kano CCT program for girl's education. These lessons have informed discussions and decisions on implementing arrangements, transfer sizes, payment modalities and co-responsibilities. In addition, significant analytical work has informed the design, including a review of existing social assistance programs, institutional assessments, economic and financial analysis, gender and social analysis, systems assessments for payments, SRs, and M&E. The design team has also visited programs in Tanzania and Pakistan and attended several global learning events. The Bank team has also introduced and presented global lessons on a continuous basis throughout the design process. This annex outlines some of the main lessons learned that have been incorporated into the design of NASSP.

2. **Design flexibility and adaptive learning.** Given the complex nature of federalism in Nigeria, significant pragmatism has been brought into the project design. There is a need to recognize the various contexts of states, as well as their autonomy in deciding implementation arrangements and development interventions. This means that the design provides a national framework for this federally financed safety nets project, but leaves much decision making of the exact interventions and implementation arrangements to states. NASSP also includes significant investments in data which will allow implementers to continually test assumptions through data driven feedback mechanisms. This helps adapt projects to evolving contexts and test assumptions, making course corrections as needed. Safety net programs involve a relatively complex set of operational features. Lessons learned from other programs have shown that it is better to first, start implementation at a relatively small scale but ensuring that all basic elements are in place and working well (for example, targeting, monitoring, and payments); second, assess its operational processes; and scale up after adjustments and fine-tuning have been completed. In addition to global experience, the assessment of the Nigeria COPE pilot conducted after one year of implementation revealed various operational problems due to the lack of proper framework and systems that were needed before the program commenced operations.

3. Implementing a safety nets project in a federal context requires flexibility. Nigeria is a federal country with great degree of autonomy of the states and a great variation between them with regard to human development indicators, institutional capacity and development priorities. Given these disparities as well as those related to specific aspects of a safety nets program such as availability of supply of social services, required infrastructure for payment mechanisms, or monitoring systems, a uniform federal program will not be appropriate for Nigeria. Although a decentralized scheme may pose challenges, it carries potential advantages such as increased ownership and improved sustainability and institutionalization that may lead to higher impact. Drawing on its recent history of the CCT pilot and the Conditional Grants Scheme, the Government has already moved in the direction suitable for its federal structure (for example, setting up a national platform for funding, coordinating and monitoring a national safety net program at the central level while entrusting the implementation to the states). In this context, the

proposed project aims to help strengthen the existing commitment of resources, the capacity of existing institutions and the collaboration between federal, state and local government levels.

4. **Institutional arrangements.** Strong leadership combined with technical implementation capacity is a key element to project sustainability. Besides sound technical design, safety nets programs require strong support from the highest level of government. There is a clear political commitment to implement effective safety nets in Nigeria, signified by the investments in institutions and the leadership of the OVP.

5. Clearly defining institutional responsibilities and adequate coordination for project design, monitoring and implementation is the key to successful outcomes. In Nigeria, due to the character of the project, where implementation is at the state level, the need for clear institutional responsibilities is even more relevant. To address this issue, the proposed project aims to assist the Government in clearly defining institutional responsibilities and providing technical assistance to enhance the capacity of involved agencies at the federal and state levels.

6. **Incentives for state participation.** NASSP is a federal project, but will not be successful without significant state ownership and buy-in. Previous experiences of implementing federal programs in Nigeria have been challenging and NASSP aims to incorporate previous lessons to promote more productive state-federal relations in implementation. The financial constraints on state participation have been largely removed by a decision of the federal government to finance the TCTs as well as investment in state systems for safety nets.

7. NASSP also recognizes that states need to demonstrate interest and ownership for the project to succeed. The roles and responsibilities of states and the federal level will be outlined in an MoU that both actors need to sign for a state to be included in the project. State responsibilities outlined in the MoU will include establishment of project coordination and implementation structures and establishment of a state registry using the agreed targeting and data requirements.

8. **Transparent targeting mechanisms ensure that the project reaches its intended beneficiaries and maximizes its impact.** Safety net programs have been proven effective to reduce extreme poverty and the poverty gap. However this largely depends on a good targeting system capable of reaching the poorest and most vulnerable. NASSP will build on the CBT under YESSO and will seek to further strengthen it by implementing PMTs to complement community targeting.

9. **Social registry.** The use of a common SR can significantly improve the efficiency of a safety net program. Capturing and storing information electronically can help the SR to be reliable, robust, and available. Linking individuals in an SR with the biometric profiles in a national identity registry can improve the accuracy and integrity of information. The collective approach can ensure that government benefits only reach those who are targeted. Several lessons are noteworthy for setting up an electronic form of an SR. First, strong governance, legal safeguards, and data decentralization mechanisms are needed to ensure that information collected about the poor is secure and private. Second, building institutional capacity and exploiting partnerships with public and private sector organizations can help alleviate cost and capacity constraints on Government, and strengthen the longer-term sustainability of the operation. Third, economizing on the amount

of data collected, and tightly managing the cost, design, and execution of the data collection process, can ensure cost-effective overall development.

10. **Developing a payments system.** Evidence suggests that electronic payments through financial service providers may (a) increase the security and transparency of payments (by improving how the identity of those collecting payments is verified); (b) improve timeliness through more streamlined procedures; and (c) promote financial inclusion by linking clients to the financial system, enabling beneficiaries to save a portion of their transfer and bringing them into frequent contact with financial service providers. NASSP will support the development of a national payment system, and to the extent possible use electronic or mobile payments for delivery of TCTs.

11. **Careful consideration of supply side constraints.** Strengthening human capital requires tight coordination between demand- and supply-side interventions. The proposed project recognizes that significant supply-side constraints remain for health and education throughout Nigeria. It addresses this situation by introducing options for alternative co-responsibilities to achieve improved human capital through behavioral change communication and awareness workshops. It will also finance state assessment of availability of supply services.

12. **Livelihoods support for safety net beneficiaries.** Sequenced access to consumption support and livelihoods services along with close monitoring and mentoring can create pathways out of extreme poverty. In 10 pilots in eight countries around the world, the CGAP-Ford Foundation Graduation Program is one example where the provision of support for immediate needs (that is, safety net transfers) combined with longer-term investments in skills training, savings services and livelihoods grants, enabled between 75 to 98 percent of the households participating in the pilots to successfully graduate from the program in a period of 18–36 months. Participating households typically stabilized and diversified their income and increased their assets and savings. This ‘graduation’ model was then tested in six different countries around the world (Honduras, Peru, Ghana, Ethiopia, Pakistan, and India) using coordinated randomized controlled trials. The livelihoods package, which included a 12-month cash transfer, a one-off transfer of a productive asset, training on asset management, and access to savings products, showed strong and sustained impact on various indicators. Two years after the program, beneficiaries were earning 33 percent more than non-beneficiaries, were consuming 5 percent more per capita, spent significantly more time on productive activities, and were more likely to be food secure. The livelihoods activities proved to be cost-effective, with returns to investment ranging from 120 percent (Ghana) to 420 percent (India). Only Honduras turned out less favorably, due to an inadequate choice of the productive asset for beneficiary households. In India, the impact of short term livelihoods support was shown to not only persist, but amplify after seven years. Consumption per capita was 25 percent higher for beneficiaries rather than non-beneficiaries, as was non-farm income or durable goods expenditure.

Annex 6: Economic Analysis

1. **The economic benefits of NASSP will include** improvements in household well-being as a result of consumption smoothing, asset protection, and avoidance of negative coping behaviors; enhanced livelihoods through asset accumulation and increased productivity; increased use of social services and awareness of productive behaviors and skills; and improved efficiency and reduced gaps and benefits overlaps from the investments in systems for targeting, payments and SR. Based on the economic and financial analysis undertaken, the proposed approach represents the most cost-effective approach to achieving the PDO in a sustainable manner.
2. **Household-level benefits.** International experience from impact evaluations has concluded that targeted safety nets are efficient in smoothing household consumption and protecting assets. As currently designed, the transfers provided to households in NASSP are equivalent to 15 percent of the poverty line for the base transfer of NGN 5,000 and 30 percent for the base transfer and top-up (totaling NGN 10,000). Analysis is currently ongoing on the re-distribution and welfare impacts of the transfers on the poor. This will inform the final decisions on transfer sizes.
3. **International evidence shows a strong impact of cash transfers on human capital outcomes.**²³ Systematic reviews have found that cash transfers are effective in improving: education outcomes, with an increase in school enrollment and attendance by 5 to 10 percent²⁴; health²⁵, with for example a 20 percent decrease in days lost to illness in Mexico²⁶; and health facility use²⁷, with for example a 16 percent increase in participation in the health-care program by children under three in Honduras²⁸. Such impacts help offset costs of financing social protection, easing their fiscal burden.
4. **Results from a meta-analysis indicate unambiguously that total household consumption and food consumption increase significantly as a result of cash transfers.**²⁹ This is in keeping with numerous country-level studies.³⁰ There is some heterogeneity across programs.

²³ Fiszbein, A. and N. Schady. 2009. *Conditional Cash Transfers: Reducing Present and Future Poverty*, With Francisco H. G. Ferreira, Margaret Grosh, Nial Kelleher, Pedro Olinto, and Emmanuel Skoufias. Washington, D.C.: World Bank.

²⁴ Baird, S., B. Ozler, F. Ferreira, and M. Woolcock. 2013. "Relative Effectiveness of Conditional and Unconditional Cash Transfers for Schooling Outcomes in Developing Countries." *Campbell Systematic Reviews* 2013: 124; Saavedra, J.E. & Garcia, S., 2012, "Impacts of Conditional Cash Transfers on Educational Outcomes in Developing Countries: A Meta-analysis." RAND Corporation Working Papers, WR-921-1.

²⁵ Gaarder, M., A. Glassman, and J. Todd. 2010. "Conditional Cash Transfers and Health: Unpacking the Causal Chain." *Journal of Development Effectiveness* 2 (1): 6–50.

²⁶ Gutierrez, J; Bautista, S; Gertler, P; Hernandez-Avila, M; Bertozzi, SM. 2006. Impacto de Oportunidades en la morbilidad, estado de salud y utilización de los servicios de salud de la población beneficiaria en zonas urbanas. In: Hernandez-Ávila, M; Hernández-Prado, B; Urquieta-Salomón, JE, (eds.) *Evaluación externa de impacto del Programa Oportunidades 2006*.

²⁷ Lagarde, M., A. Haines, and N. Palmer. 2009. "The Impact of Conditional Cash Transfers on Health Outcomes and Use of Health Services in Low and Middle Income Countries." *Cochrane Database of Systematic Reviews* 2009.

²⁸ Maluccio, J. A., and R. Flores. 2005. *Impact Evaluation of A Conditional Cash Transfer Programme: The Nicaraguan Red De Protección Social*. Research Report No. 141. Washington, DC: IFPRI.

²⁹ Kabeer, N. and H. Waddington (2015) Economic impacts of conditional cash transfer programmes: a systematic review and meta-analysis, *Journal of Development Effectiveness*, 7:3, 290-303.

³⁰ Maluccio, J. A. 2005. *Coping with the Coffee Crisis in Central America: The Role of the Nicaraguan Red De Protección Social*. Fcndp Discussion Paper No. 188. Washington, DC: IFPRI; Angelucci, M., and O. Attanasio. 2009. "Oportunidades: Programme Effect on Consumption, Low Participation, and Methodological Issues." *Economic Development and Cultural Change* 57 (3): 479–506; Gitter, S. R., and N. Caldés. 2010. *Crisis, Food Security, and Conditional Cash Transfers in Nicaragua*. Department of Economics, Working Paper No. 2010-07.

For example findings from Mexico³¹ were of smaller magnitude than those from Colombia.³² Yet in Mexico, consumption was shown to increase by 34 percent over five years thanks to an increase in investment due to the cash transfers³³. In Zambia, a UCT increased food expenditure and reduced extreme poverty by 5.4 percentage points.³⁴

5. CCTs enabled households to withstand shocks and avoid negative coping strategies. Programs mitigated the likelihood of reductions in school enrolment or attendance in response to shocks such as illness or unemployment of a household head,³⁵ offset the adverse shock on returns to coffee production by boosting household per capita expenditures by 14 percent in Honduras³⁶, and enabled consumption smoothing for producers, which kept them from exiting the coffee sector in Nicaragua when it was hit by a crisis.³⁷

6. Impacts on productive activities are more heterogeneous. Cash transfers in Malawi³⁸ and in Zambia³⁹ showed positive impacts on ownership of productive assets such as farm tools and livestock, the ownership of which increased by 50 percent in Malawi. However, programs in Kenya⁴⁰ and Ghana⁴¹ did not show any productive impact of cash transfers alone.

7. There is little rigorous evidence showing that transfers in poor countries lead to less work. Most existing evidence finds little or no effect of transfer programs on labor supply.⁴² Data from across

Baltimore, MD: Towson University; Rubalcava, L., G. Teruel, and D. Thomas. 2009. "Investments, Time Preferences, and Public Transfers Paid to Women." *Economic Development and Cultural Change* 57: 507–538.

³¹ Handa, S., M. C. Huerta, R. Perez, and B. Straffon. 2001. Poverty, Inequality, And Spillover In Mexico's Education, Health, And Nutrition Programme. Fcndp Discussion Paper No. 101, March. Washington, DC: IFPRI; Todd, J., P. Winters, and T. Hertz. 2010. "Conditional Cash Transfers and Agricultural Production: Lessons from the Oportunidades Experience in Mexico." *The Journal of Development Studies* 46 (1): 39–67.

³² Attanasio, O., and A. Mesnard. 2006. "The Impact of a Conditional Cash Transfer Programme on Consumption in Colombia." *Fiscal Studies* 27 (4): 421–442.

³³ Gertler P, Martinez S, Rubio-Codina M (2006) Investing cash transfers to raise long term living standards. World Bank.

³⁴ Seidenfeld, D., S. Handa, and G. Tembo (2013) Social Cash Transfer Scheme: 24-Month Impact Report for the Child Grant Programme. Ministry Of Community Development, Mother And Child Health, Republic Of Zambia.

³⁵ de Janvry, A., F. Finan, E. Sadoulet, and R. Vakis. 2006. "Can Conditional Cash Transfer Programs Serve as Safety Nets in Keeping Children at School and from Working When Exposed to Shocks?" *Journal of Development Economics* 79 (2): 349–373.

³⁶ Coady, D., P. Olinto, and N. Caldes. 2003. Coping with the Coffee Crisis in Central America: The Role of Social Safety Nets in Honduras. IFPRI Research Report. Washington, DC: IFPRI.

³⁷ Maluccio, J. A. 2005. Coping with the Coffee Crisis in Central America: The Role of the Nicaraguan Red De Proteccion Social. Fcndp Discussion Paper No. 188. Washington, DC: IFPRI.

³⁸ Boone, R., Covarrubias, K., Davis, B. and Winters, P. (2013), Cash transfer programs and agricultural production: the case of Malawi. *Agricultural Economics*, 44: 365–378; Covarrubias, K., B. Davis and P. Winters (2012). From protection to production: productive impacts of the Malawi Social Cash Transfer scheme. *Journal of Development Effectiveness*, Volume 4, Issue 1.

³⁹ Seidenfeld, D., S. Handa, and G. Tembo (2013) Social Cash Transfer Scheme: 24-Month Impact Report for the Child Grant Programme. Ministry Of Community Development, Mother And Child Health, Republic Of Zambia.

⁴⁰ Asfaw, S., B. Davis, J. Dewbre, G. Federighi, S. Handa and P. Winters (2013). The impact of the Kenya CT-OVC programme on productive activities and labour allocation. Food and Agriculture Organization.

⁴¹ Handa, S, Park, M, Darko, RO, Akoto-Osei, I, Davis, B and Daidone, S, 2014. Livelihood empowerment against poverty program impact evaluation, 3ie Grantee Final Report. New Delhi: International Initiative for Impact Evaluation (3ie).

⁴² Banerjee, A., R. Hanna, G. Kreindler and B. Olken (2015). Debunking the Stereotype of the Lazy Welfare Recipient: Evidence from Cash Transfer Programs Worldwide. Harvard Kennedy School, Faculty Research Working Paper Series;

Latin America, Africa and Asia also show that cash transfers do not result in higher consumption in alcohol, tobacco or other temptation goods.⁴³

8. **Cash transfers might create income spillovers within local economies.** According to estimates from a multi-country study focused on Sub-Saharan African,⁴⁴ each US dollar transferred to poor eligible households generates an additional 0.27 to 1.52 of local income. Most of the spillover goes to households that are not eligible for transfers because they do not meet the poverty or other eligibility criteria of the programs but are positioned to respond to increased demand for local products.

9. **A vast economic literature shows that the poor face multiple constraints to productivity, which are often complementary and mutually reinforcing.** For example, poor households typically have low endowments in physical capital (equipment, durable assets) and human capital (basic education and technical skills). This reduces the productivity of their economic activities, and limits the income that can be derived from them. Low productivity further makes households unable to diversify income sources, which makes them highly vulnerable to external shocks due to weather, health or crime. As a consequence, they are unable to accumulate savings, which prevents them from investing in physical capital. Poor households are then trapped in a low-productivity, low-income equilibrium. Addressing these multiple constraints together is necessary to lift households out of poverty and help them engage in a sustainable pathway out of poverty. Smoothing consumption patterns through regular cash transfers reduces vulnerability and allows households to make economic decisions driven by long-term efficiency rather than short-term contingencies. Encouraging access to savings can further help start a virtuous circle of accumulation and productivity enhancement. Integrating social protection systems with wider livelihoods support and opportunities for those able to work can, potentially, 'graduate' beneficiaries into sustainably more productive livelihoods, help meet social protection objectives and reduce long term system costs. Evidence from the CGAP livelihoods pilots show that two years after the program, beneficiaries were earning 33 percent more than non-beneficiaries, were consuming 5 percent more per capita, spent significantly more time on productive activities, and were more likely to be food secure. The livelihoods activities proved to be cost-effective, with returns on investment ranging from 120 percent (Ghana) to 420 percent (India).

10. **Economic benefits from systems development.** NASSP will include significant investments in systems, including the establishment of an NSR and a payment system. These investments will have significant short-term costs, but in the medium term significant efficiency and cost savings gains are expected. The NSR will help ensure efficiency in the delivery of social services, minimize leakages or misuse of funds, and facilitate the coordination of social programs. A coordinated payment system that moves toward systematic use of electronic modes of payments will have significant benefits, including an electronic trail for cash transfers, allowing safety, efficiency, and transparency of cash transactions; cheaper and less cumbersome administrative costs, given few intermediaries in the cash transfer chain; reduced costs incurred by beneficiaries in accessing cash grants; and financial inclusion dividends for safety nets beneficiaries.

⁴³ Evans, D. and A. Popova. 2014. Cash Transfers and Temptation Goods A Review of Global Evidence. World Bank Policy Research Working Paper 6886.

⁴⁴ Thome, K., Taylor, J., Filipski, M., Davis, B., Handa, S. 2016. The local economy impacts of social cash transfers A comparative analysis of seven sub-Saharan countries. The Food and Agriculture Organization.

11. **Fiscal and macro-economic implications.** The Government is committed to establishing a national safety net system and delivery of benefits to the poor as signified by its contribution to the overall project costs and its budgetary commitment in the MTEF. A long term fiscal strategy will require further analysis and dialogue. Overall, SSNs programs are efficient, with low unit costs and administrative costs per recipient (see table 6.1 for international experiences. This analysis will be completed for NASSP during implementation). The size of the cash transfers through NASSP are also expected to have little, if any, inflationary effect. Of more concern is the impact inflation can have on the purchasing power of cash transfers. Continuous monitoring is required to ensure that the value of the cash transfer is not eroded by inflation.

Table 6.1. Unit Cost and Cost-Efficiency Ratios for Selected Social Transfer Programs

Program	Year of operation to which cost efficiency metrics apply	No. of direct recipients	Cost per direct recipient	Cost per wider beneficiary	Admin cost per recipient	Admin cost as % of total cost	Total cost-transfer ratio
Ex ante costs (2012 US\$)							
Ghana LEAP, 2012	5	164,370	155	40	35	23	1.29
Nigeria CDG, 2017	5	60,000	400	100	107	27	1.37
Tanzania PSSN, 2018	5	275,000	296	55	104	35	1.54
Zambia Child Grant, 2015	5	85,502	237	47	60	25	1.34
Actual costs (current US\$)							
Bangladesh CLP, 2011	8	17,485	940	235	347	37	1.59
Ethiopia PSNP, 2010	7	7,535,451	34	34	9	28	1.38
Ghana LEAP, 2010	3	26,079	132	34	69	53	2.11
Kenya CT-OVC, 2008	3	15,000	331	75	83	25	1.34
Kenya HSNP, 2011	4	68,611	297	50	51	17	1.21
Mexico PROGRESA/Oportunidades, 2000	4	2,600,000	314	63	16	5	1.05
Mexico PROGRESA/Oportunidades, 2012	16	6,500,000	815	163	42	5	1.05
Zambia Child Grant, 2011	2	32,643	251	50	111	44	1.79

12. **During project design, analysis was done to inform the level of the transfer benefit and simulate the impacts transfers may have on poverty.** From the 2013 GHS panel of Nigeria, household-level consumption figures were obtained by aggregating information on food consumption and non-food consumption. Household level data were then averaged over the two visits to proxy households' annual consumption patterns irrespective of seasons.⁴⁵ Consumption

⁴⁵ Consumption figures were averaged over the two visits to proxy households' annual consumption patterns irrespective of seasons. Averaging consumption over the two visits has one important limit: it reduces substantially

data were also deflated spatially using a zone level price deflator based on the national CPI provided by the NBS. Therefore consumption per capita is regionally deflated to 2010 prices.

13. **A simulation exercise explored the total cash transfer cost to Government and the overall effect on poor households’ consumption.** It examined different transfer values and the changes produced with regard to improving indicators of poverty and reducing inequalities. It also examined different numbers of target households: (a) all poor households; (b) 200,000 poor households; (c) 500,000 poor households; and (d) 1,000,000 poor households. Annual⁴⁶ welfare impacts of a cash transfer program were simulated under two different transfer amounts: (a) NGN 5,000 per month per household, totaling NGN 60,000 per year, and (b) NGN 10,000 per month per household, totaling NGN 120,000 per year.⁴⁷

14. **Total amount spent as share of GDP per capita is less than 2 percent.** Simulation with different levels of cash transfer amounts suggests that the cost of the program, even with the most generous transfer amount (NGN 120,000 per household per year), is not large representing less than 2 percent of the country’s GDP.

Table 6.2. Total Cost (as % of GDP)

Targeting strategy	Total Cost as a % of GDP per capita Transfer amount per household per month	
	NGN 5,000	NGN 10,000
All poor households	0.8459	1.6918
200,000 poor households	0.0197	0.0394
500,000 poor households	0.0539	0.1077
1,000,000 poor households	0.1077	0.2154

15. **Impact on poverty was estimated for different scenarios and values.** Figures 6.1 and 6.2 show the potential impact on poverty given the two different transfer values defined, the two consumption scenarios considered, and two household numbers (1,000,000 or all households). Tables 6.3–6.6 show the change in poverty headcount, poverty gap index, and poverty severity index at both transfer sizes and consumption scenarios, disaggregated by geopolitical zone. To establish the impact of the program on poverty, ‘pre-transfer’ (poverty without the program) is compared to ‘post-transfer’ (poverty after transfers are paid to poor households).

16. **Estimates found modest effects on poverty headcount, gap and severity index over the course of one year of transfers; the North East and North West zones experienced the greatest reductions in poverty measures.** The effect on poverty headcount nationally was

the standard deviation of the distributions.

⁴⁶ As poverty numbers for Nigeria are annual, we have considered 12 transfers.

⁴⁷ It should be noted that the simulation exercise does not account for the possible changes in household behaviors as a result of changes in income due to the cash transfer program. It is further assumed that all or most of the additional income received through cash transfers will be used for consumption, under the assumption that households are able to save some cash for harder times (or to spend in other ways they see fit). Therefore this simulation exercise examined two possible scenarios without affecting the total amount of money spent by the Government: (a) 100 percent of the transfer amount is used for household consumption (i.e. an income-consumption elasticity of 1); (b) 80 percent of the transfer amount is used for household consumption (i.e. an income-consumption elasticity of 0.8).

estimated at less than a 2 percent reduction given both transfer sizes and consumption scenarios targeting household numbers from 200,000 to 1,000,000. The best case scenario—where all poor households received NGN 10,000 per month per household and used 100 percent of the transfers to improve consumption—yielded a 12 percent reduction in poverty headcount. Yet, in this scenario, 21 percent of the population would still be below the poverty line indicating that the poorest population may need higher transfers to move out of poverty. At zonal level, given the best case scenario, the North West would experience the highest reduction in poverty headcount (14.5 percent), followed by the North East (13.6 percent) and the South East (13.25 percent). The greatest reduction in the poverty gap index would be seen in the North East (7 percent) and North West (6.5 percent). The North East and North West would also experience the greatest reduction in the poverty severity index at roughly 4 and 3 percent, respectively.

Figure 6.1. Poverty changes according to transfer amount (All Households)

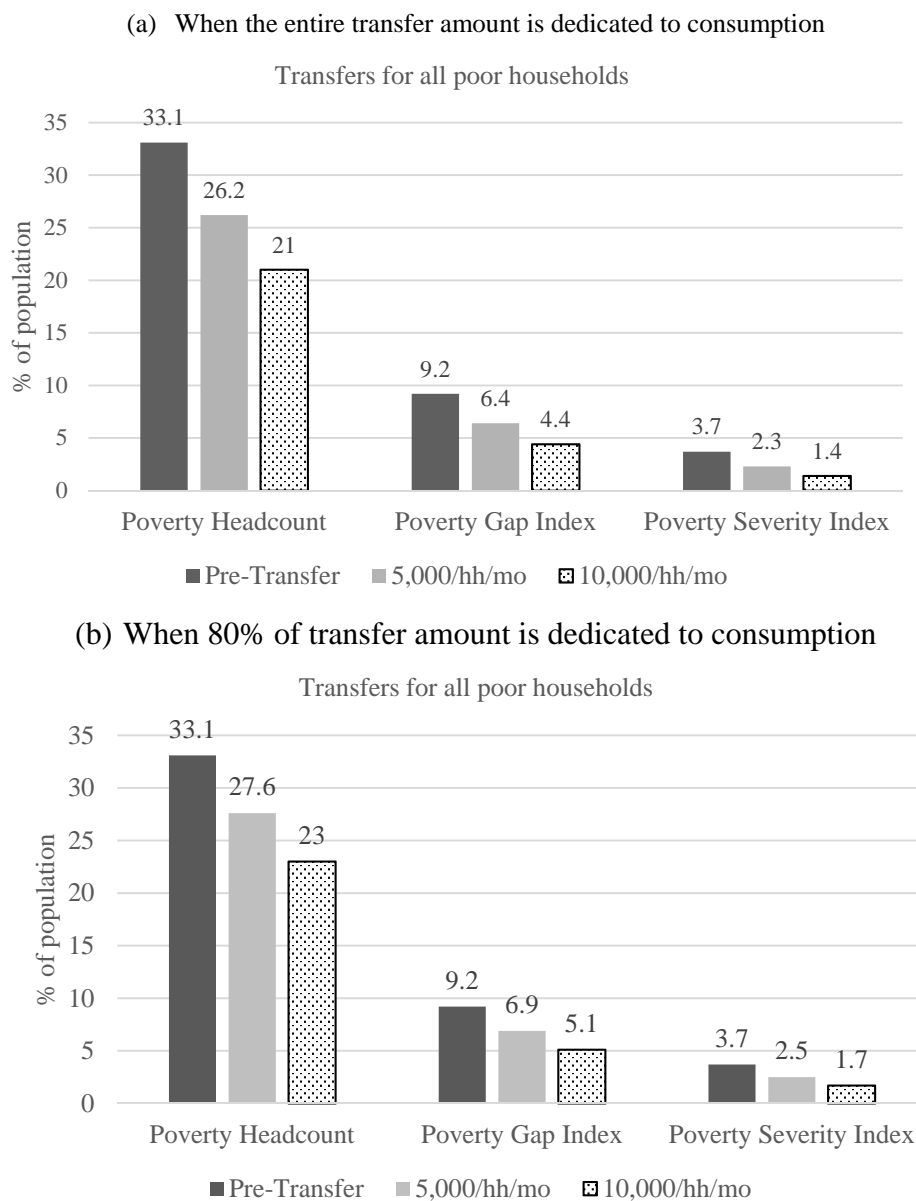


Figure 6.2. Poverty changes according to transfer amount (1,000,000 Households)

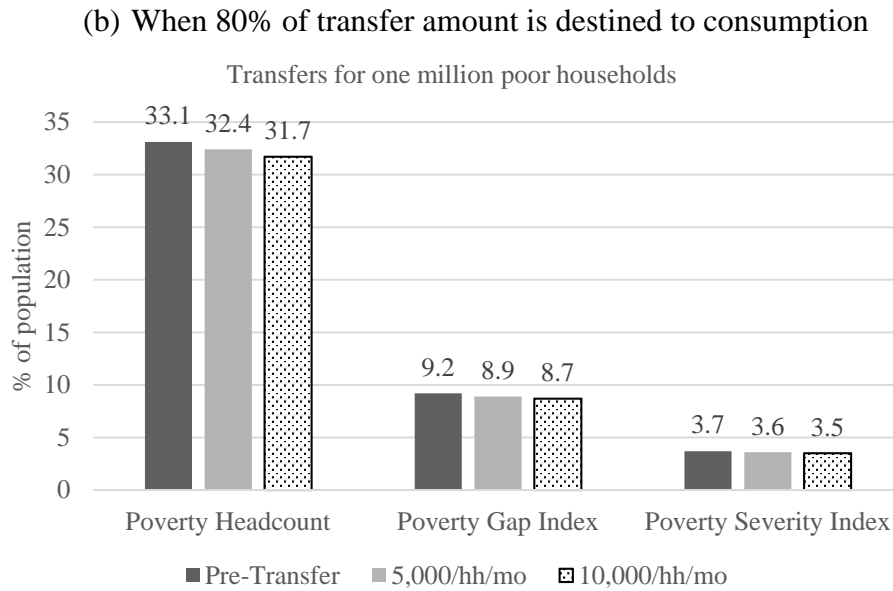
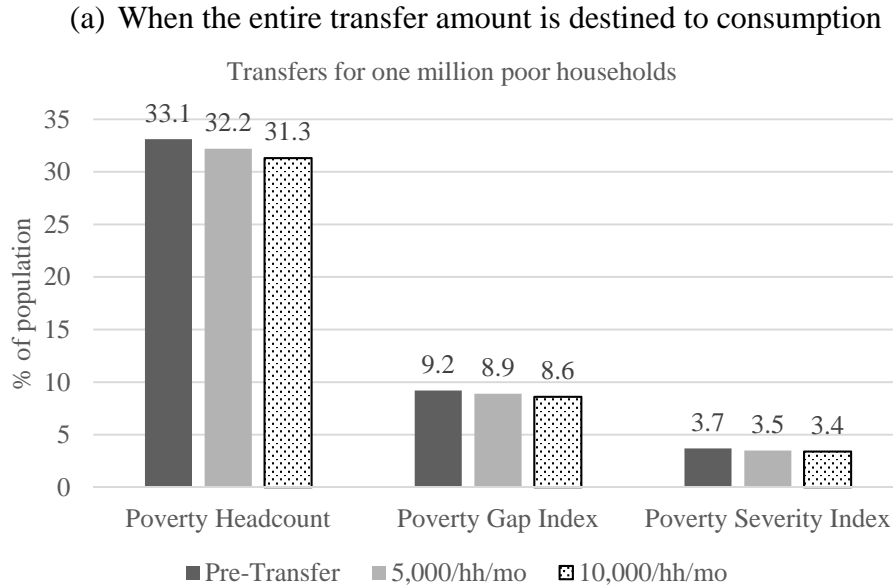


Table 6.3. Change in Poverty Headcount (All Households)

Zone	Pre-Transfer	All to Consumption		80% to Consumption.	
		5,000/hh/mo	10,000/hh/mo	5,000/hh/mo	10,000/hh/mo
NIGERIA	33.09	26.18	20.97	27.63	23.03
North Central	31.11	24.21	18.87	25.52	21.49
North East	50.20	42.37	36.62	44.45	39.94
North West	45.91	38.55	31.39	39.68	34.48
South East	28.79	20.43	15.54	22.99	16.82
South South	24.41	18.54	14.13	19.70	15.43
South West	15.98	10.29	7.12	11.37	7.69

Table 6.4. Change in Poverty Gap Index (All Households)

Zone	Pre-Transfer	All to Consumption		80% to Consumption.	
		5,000/hh/mo	10,000/hh/mo	5,000/hh/mo	10,000/hh/mo
NIGERIA	9.23	6.43	4.37	6.92	5.12
North Central	8.91	6.38	4.47	6.82	5.16
North East	15.91	12.06	8.89	12.76	10.10
North West	12.36	8.69	5.80	9.36	6.86
South East	8.10	5.23	3.31	5.70	3.99
South South	6.65	4.58	3.10	4.94	3.65
South West	3.59	1.90	0.95	2.16	1.27

Table 6.5. Change in Poverty Severity Index (All Households)

Zone	Pre-Transfer	All to Consumption		80% to Consumption	
		5,000/hh/mo	10,000/hh/mo	5,000/hh/mo	10,000/hh/mo
NIGERIA	3.70	2.29	1.40	2.52	1.70
North Central	3.95	2.58	1.66	2.81	1.98
North East	6.92	4.69	3.10	5.08	3.67
North West	4.55	2.78	1.63	3.08	2.03
South East	3.22	1.84	1.05	2.05	1.31
South South	2.69	1.64	0.98	1.82	1.21
South West	1.30	0.58	0.24	0.68	0.35

17. **Rationale for use of public funds.** The proposed project will contribute to improved equity and well-being throughout Nigeria, justifying the use of public funds. Cash transfers will help support immediate consumption and deter households from negative coping mechanisms (such as depletion of household assets), while the co-responsibilities will support households to accumulate human capital and become less vulnerable in the long term. Second, the investments in coordination and systems will address the fragmentation of current donor- and government-funded programs and improve the overall functioning of the social protection sector and the implementation of SSNs in Nigeria. This will lead to improved efficiency in resources spent in the sector.

18. **Value added of the Bank's involvement.** The Bank has considerable experience in providing safety net support in Africa, and in Nigeria through YESSO and CSDP, and also in supporting livelihoods development through the Fadama and other projects. In addition, the Bank brings global experience to the provision of targeted safety nets and livelihoods support, which allows the Bank to facilitate a number of South-South learning events to build knowledge and capacity on safety net delivery in Nigeria. This has been done throughout the design phase and will continue in project implementation. Furthermore, the Bank can help convene donors, particularly through its expertise in the systematic approach to the delivery of safety nets. The development of the NSR will be of benefit to all actors in the sector.

Annex 7: Gender Analysis and Action Plan

1. **Gender gaps in Nigeria widened between 2006 and 2013.** Nigeria ranks 106 of 136 countries on the Global Gender Gap Index for 2013. This index measures several key variables including economic participation and opportunity, educational attainment, health and survival and political empowerment. More specifically, among the 136 countries surveyed, Nigeria ranked 54 on economic participation and opportunity, 126 on educational attainment, 122 on health and child survival and 83 on political empowerment. Nigeria performs worse overall compared to other Sub-Saharan countries on the overall gender equality index. The widest gap is in political participation⁴⁸ while the economic opportunity gap has closed slightly.⁴⁹

2. **Experiences of poverty and vulnerability in Nigeria are highly gender specific.** Poverty affects women in Nigeria more intensely than men with 70 percent of women living below the poverty line. Poverty is characterized by little access to development oriented infrastructure and SP, high dependency ratios within families with a disproportionately heavier burden on women, harmful traditional practices and stereotypes related to widowhood, single and child/underage motherhood, social exclusion, lack of access to productive resources and opportunities as well as inadequate legal provisions to foster equity and rights protection. Civil unrest also adversely affects women and girls, reducing their mobility and inhibiting their participation in social, economic and political life. The incidence of food insecurity is also higher for female than for male-headed households (49 percent compared with 38 percent). Approximately two thirds of Nigeria's women live and work in rural areas, making up 60 percent to 79 percent of the rural labor force. In rural communities, female-headed households tend to be the poorest, given cultural norms which inhibit women from inheriting land—traditionally, on the death of her husband, a widow is dispossessed of all her husband's property.⁵⁰

3. **Harmful traditional practices (for example, widowhood abuse, early and forced marriage, and female genital mutilation) are widespread and there is a high prevalence of all forms of Gender-Based Violence (GBV) in Nigeria.** About 30 percent of Nigerian women and girls (ages 15–49) have experienced some form of physical and/or sexual violence with 52 percent of women in the South-South zone and 44 percent of women who are either divorced, separated or widowed experiencing especially high rates of physical violence across all zones.⁵¹ The health and economic costs of GBV, in its various manifestations, on the productivity of women are huge. For example, a quarter of all girls in Nigeria are married as adolescents, with negative implications for their human capital development as well as their intra-household bargaining power and access to resources. Female genital mutilation is widespread, practiced by approximately 33 percent of all households across ethnic and religious groups in all parts of the country (although there is a higher prevalence in the eastern and southern regions) with significant physical and psychological health risks for women.

4. **Gender disparity is significant in economic participation and opportunity.** Although women constitute half of the total population and contribute in many ways to national development (for example, producing approximately 75 percent of Nigeria's food for local consumption and export), women face a number of constraints and discrimination affecting their economic

⁴⁸ According to the 2013 Global Gender Gap Report, 5 percent in 2014 compared to 11 percent in 2006.

⁴⁹ The gap is slightly above the regional average according to the (2013) *Global Gender Gap Report*.

⁵⁰ Rural Poverty Portal (www.ruralpovertyportal.org).

⁵¹ NPC and ICF Macro. 2009. Nigeria Demographic and Health Survey. Abuja, Nigeria.

empowerment (for example, legal constraints related to inheritance and less access to credit) and earn the least in most organizations. Women run only 20 percent of enterprises in the formal sector,⁵² 23 percent of which are in the retail sector. Women also make up 37 percent of the total work force in the garment industry. More women are in the formal sector in the South than in the North and the rate of female entrepreneurship in the micro sector is higher in the more industrialized states of the South (36 percent) than in the North (23 percent). The majority of women are concentrated in casual, low-skilled, low-paid informal sector employment—the majority of Nigerian women make their living through informal micro-enterprises. Women also receive a smaller proportion of non-agricultural wages at 32 percent compared to 68 percent for males.⁵³ Women’s labor market participation rate is 40 percent compared with 75 percent for men.⁵⁴

5. **Numerous factors constrain women’s contribution to agricultural growth.** Though between 60 percent and 79 percent⁵⁵ of women make up the agriculture labor force playing a significant role in the production, processing and marketing of food crops,⁵⁶ only 7 percent of women own the land they farm, which limits their potential and also access to credit and constrains entrepreneurship and business activities. In rural Nigeria, the way that land is controlled and accessed varies from place to place and can be a combination of traditional Islamic Sharia and other local governance practices⁵⁷ and is still often mediated by patrilineal systems (for example, traditional male decision-making power over female access to assets) which affects ownership patterns.⁵⁸ Women in Nigeria also have relatively limited access to productive agricultural land inputs and services compared with men. Men control farm decisions and productive resources.⁵⁹ Similarly, microcredit opportunities are more available for men (79 percent compared to 30 percent for women).⁶⁰

6. **Nigeria’s gender gap is widening for want of political empowerment, leadership and good governance.** Women are under-represented in all political decision-making bodies and most often occupy subordinate positions, particularly at the community and household levels. The lack of women in decision-making positions may be one explanation for Nigeria’s low investment in sectors that are crucial to human development outcomes, such as health and education⁶¹. Although more women than men are registered to vote, women are most often excluded from decision making at all levels by male dominated patronage networks, the absence of agreed quotas and a party system that fails to nominate women candidates for electable seats. Fear of violence and restrictions on mobility may also deter women.

⁵² World Bank. 2009. *An Assessment of the Investment Climate in Nigeria*. Washington, DC: World Bank.

⁵³ NBS Core Welfare Indicators Survey in British Council. 2012. *Gender in Nigeria Report 2012: Improving the Lives of Girls and Women in Nigeria*. 2nd Edition. Nigeria: British Council.

⁵⁴ United Nations Development Programme Nigeria. 2011. *Human Development Report Nigeria, 2008–9*. UNDP, Abuja.

⁵⁵ Aluko, B.T., and A. Amidu, in British Council. 2012. *Gender in Nigeria Report 2012: Improving the Lives of Girls and Women in Nigeria*. 2nd Edition. Nigeria: British Council.

⁵⁶ Rural Poverty Portal (www.ruralpovertyportal.org)

⁵⁷ Mabogunye, A.L. 2010. *Land Reform in Nigeria: Progress, Problems, and Prospects*. At: <http://siteresources.worldbank.org/EXTARD/Resources/336681-1236436879081/58933111271205116054/mabogunje.pdf>.

⁵⁸ NBS Core Welfare Indicators Survey in British Council. 2012. *Gender in Nigeria Report 2012: Improving the Lives of Girls and Women in Nigeria*. 2nd Edition. Nigeria: British Council.

⁵⁹ Ajani, O. I. Y. 2008. “Gender Dimensions of Agriculture, Poverty, Nutrition, and Food Security in Nigeria.” International Food Policy Research Institute.

⁶⁰ USAID (U.S. Agency for International Development). 2014. *Gender Analysis for Strategic Planning*. Nigeria: USAID.

⁶¹ British Council. 2012. *Gender in Nigeria Report 2012: Improving the Lives of Girls and Women in Nigeria*. 2nd Edition. Nigeria: British Council.

7. **There are constraints to girls' educational access, retention and affordability, most notably affected by household decision-making dynamics.** Nigeria has the largest number of out of school children in the world at 10.5 million, the majority of which are female. Girls' dropout rates are high. There are wide disparities between states and across communities. About 70 percent of young women ages 20–29 in the North West are unable to read or write compared to 10 percent in the South East. Several reasons explain this, including early marriage, early childbirth, poor sanitation, and the shortage of female teachers. Girls from the poorest wealth quintile are most likely to be out of school as cost⁶² is a major reason for withdrawing girls from education.⁶³ Many schools fail to provide a safe environment for adolescent girls who fear corporal punishment or worse forms of violence, bullying or humiliation. Fear of violence deters girls from going to school and affects almost every aspect of women's lives as productive and active citizens.

8. **For the majority of women and children in Nigeria, life-saving and quality primary health care is unavailable.** Nigeria has one of the highest rates of maternal mortality in the world at 545 deaths per 100,000 live births, nearly double the global average and accounting for 10 percent of global maternal, infant and child deaths. In the rural North East region, maternal mortality is 1,549 per 100,000 live births, over five times the average. Decisions to seek treatment may be influenced by a woman's social position in the household, economic status, age and education. Mothers in the poorest quintile are 6.5 times more likely to die than those in the wealthiest quintile. Social norms, taboos, and household decision making norms impede access to the use of skilled health facilities, as well as constraints to contraception use, negatively affecting the health and well-being of women, girls, men and boys. Poor access to safe childbirth services, combined with the influence of cultural norms and customs associated with a preference for giving birth at home, and lack of adequate and affordable emergency obstetric care are the main reasons for high mortality. Although women improve household food and nutrition security by spending more of their income on food,⁶⁴ 42 percent of Nigerian children are malnourished.

9. **Gender inequalities have significant regional variations, which are strongly influenced by cultural, religious, and traditional norms in addition to economic, urban, and rural status.** There are particular differences in gender disparities between the Muslim North and the Christian South, but equally vast differences between (and even within) the six geopolitical Zones of Nigeria. Higher inequality, where poverty levels are sometimes twice as high as parts of the South (72 percent in the North East compared with 26 percent in the South East and a national average of 54 percent), is present in the northern region, particularly the North West and North East. Nearly half of all children under five are malnourished in the North East, compared to 22 percent in the South East. The impact of inequality on the lives of girls and women is reflected in health and education outcomes, nationally and between North and South.

⁶² In theory, education is free but in practice parents pay fees, which disproportionately burden the poor. For both girls and boys, there is a strong correlation between income level and school attendance.

⁶³ British Council. 2012. *Gender in Nigeria Report 2012: Improving the Lives of Girls and Women in Nigeria. 2nd Edition*. Nigeria: British Council.

⁶⁴ Ajani, O. I. Y. 2008. "Gender Dimensions of Agriculture, Poverty, Nutrition, and Food Security in Nigeria." International Food Policy Research Institute.

10. **The above outlined gender disparities are symptoms of gender inequality and unequal power relations which are deeply embedded in the complex socio-cultural history and traditions and entrenched in laws, which manifest as social norms that are barriers to gender equity and women’s empowerment.** While it is beyond the scope of NASSP to fully address these barriers and change deep-rooted gender attitudes and underlying causes, it is possible for NASSP to play a role in addressing some of the risks and vulnerabilities facing women and girls. NASSP will take a gender-sensitive approach including specific initiatives to ensure payment to women and incorporate linkages between core interventions and broader initiatives that can benefit women and girls (for example, awareness campaigns targeted at men and wider communities, enlightenment workshops on GBV, and so on). Ensuring that the NASSP Communications Strategy is gender-sensitive and mainstreams gender and ensuring opportunities for women’s/girls’ feedback and involvement in program accountability mechanisms are important.

11. **The Government of Nigeria recognizes that harnessing the potential of the entire citizenry is needed to achieve development goals and social harmony.** The Government is currently finalizing a National Gender Policy, which highlights SP as a priority sector for systematically mainstreaming gender. The policy seeks to achieve gender equality and women’s rights and empowerment. Specifically, the policy highlights the need to (a) change perceptions, attitudes, and behaviors that condone and justify violence against women and girls; (b) promote education and skills for women and girls; and (c) promote equal decision-making in households and strengthen women’s collective action. The policy incorporates principles of the United Nations Convention on the Elimination of All Forms of Discrimination Against Women and other global and regional frameworks that support gender equity and women’s empowerment. It also proposes affirmative action and quota systems, capacity building in gender statistics, gender analysis, gender budgeting, and so on.

12. **Related programs in Nigeria have incorporated a gender- and child-sensitive focus in their design.** The Child Development Grant Program (2013–2018) is expected to lead to improvements in child nutrition within households. Early impact assessment findings revealed that the level and frequency of transfers matter; women voiced a preference for receiving a slightly larger transfer on a less frequent basis (as opposed to a smaller sum more frequently). COPE, a CCT program launched in 2007, targeted individuals or households who had children of school age to enable them to take care of their needs in school and also utilize essential public health facilities, while receiving a monthly payment of NGN 5,000 per child. However, lack of adequate sensitization⁶⁵ and discrimination in disbursement of funds are said to have limited effectiveness.⁶⁶ A 2011–2014 CCT in three states aimed at reducing girls’ dropout rates as a result of early marriage, specifically in the transition period from primary to secondary school. The design included a community sensitization component on the importance of sending girls to school, recognizing not only the income related demand-side deficit in accessing services, but also the role of socio-cultural barriers. Other initiatives support access to basic services (that is, education and health) especially for pregnant women and children under five and provide support to orphans and vulnerable children. Recognizing the influence of socio-cultural differences on women’s access to human capital development, participation in socio-economic activities and women’s empowerment, recent community-driven development programs have ensured that gender is mainstreamed into their

⁶⁵ Other evidence from the 2015 National Gender Policy 2006–2014 Situational Analysis suggested that women were not informed about their entitlements and that male household-heads did not share any of the transfer for food.

⁶⁶ Federal Republic Government of Nigeria. 2015. *National Gender Policy 2006–2014 Situational Analysis*.

activities, including in M&E frameworks (for example, Local Empowerment and Environmental Management Project, Fadama Project, Community and Social Development Project and YESSO). For example, sensitization and enlightenment activities have improved the quality of women's participation and access to services, which translates into human capital development.

13. The preparation of NASSP included discussions at the federal, state, LGA, and community levels on gender risks and vulnerabilities. Discussions often focused on intra-household dynamics in relation to use of transfers recognizing that women are most likely to use the transfer to address household food security and basic needs, especially with regard to their children. While it was agreed that it is important to prioritize payments to female household members, it was also recognized that targeting women with small-scale cash transfers does not necessarily translate into women's empowerment or challenge existing and deep-rooted gender inequalities.⁶⁷ Relationships and behaviors may stay the same and there may continue to be inequality within the household with regard to male dominance and decision-making on utilization of funds and resources. The role of men as gatekeepers at community level was discussed. It was agreed to (a) adopt the principle that while households will be targeted, female caregivers will receive the transfers; (b) engage men and wider communities to ensure they understand that NASSP is not a threat and they are involved in activities, particularly in the northern region; (c) collect gender disaggregated data; (d) consider the unique characteristics of each state and understand values systems and traditional communities; (e) form women's groups for savings and livelihoods activities; (f) assign gender officers and female staff and facilitators; (g) institute focus groups for women; (h) sensitize and build awareness among traditional and religious leaders regarding program objectives; and (i) identify male gender 'champions' who have the capacity to facilitate the participation of women.

14. The review and analysis identified opportunities for improving NASSP design and implementation to increase impacts on women. Participation of women is given consideration with regard to beneficiary selection and the principle that female caregivers will be prioritized to receive transfers and community decision-making structures and through a Beneficiary Card, which includes both male and female household heads to encourage joint decision making on household use of transfer. Other entry points identified include: communications, awareness and BCC activities. Due to significant regional variation and diverse cultural contexts, there is a need to contextualize approaches and ensure flexibility. Table 7.1 presents a Gender Action Plan which identifies concrete strategies to ensure equitable participation of men and women in NASSP, guides how to implement gender provisions, and provides direction to better mainstream gender in planning, M&E, reporting and management. It also contributes to addressing critical gender constraints and priorities outlined in the Government's National Gender Policy.

15. To complement and strengthen the Gender Action Plan, a Social Assessment will be undertaken in year 1. It will review dynamics within polygamous households and shared housing to make recommendations for appropriate targeting procedures. It will also identify all potential social risks and corresponding mitigating measures to ensure that NASSP avoids any negative social impacts and embraces social development. Additional opportunities to address gender risks and vulnerabilities will be identified and incorporated into the Gender Action Plan, PIM and other relevant manuals and documents.

⁶⁷ Holmes, R., B. Akinrimisi, J. Morgan, and R. Buck. 2012. "Social Protection in Nigeria: Mapping Programmes and Their Effectiveness". Nigeria: ODI/UNICEF.

Table 7.1. NASSP Gender Action Plan

Activity	Action	Responsible Body	Time Frame
Component 1: Establishing the Foundation for a National Social Safety Net System			
Subcomponent 1a: Project Management and Institutional Capacity			
Institutional Arrangements/ Structure	Mandatory female staffing quotas from federal, state levels, steering committees, LGAs, CBT teams, enumerators, community committees, GRM, etc.	NASSCO/NCTO/SOCU/SCTU	Years 1–5
	Include Ministry of Women Affairs and Social Development in institutional arrangements	NCTO/SOCU	Year 1
Capacity Development	Introduce experience sharing and establish networks among implementers and women’s groups at all levels	NCTO/SOCU	Years 2–5
	Include Gender in Capacity Development Strategy	NCTO/SOCU	Year 1
	Develop gender awareness among implementers at all levels	NCTO/SOCU	Years 1–5
Communications	Develop and implement a Communications Strategy that is gender sensitive and mainstreams gender, outlining challenges and messages for various target groups (focus on simple messaging, low literacy level audience)	NASSCO/NCTO/SOCU	Year 1
	Target male religious and traditional leaders who are respected and hold authority in the community and among men		Years 1–5
	Sensitization (promotion and outreach) among states, LGAs politicians, and communities	CT/CBT Teams/SOCU	Years 1–5
	Engage with traditional and religious leaders (i.e. separate awareness sessions)	CT/CBT Teams/SOCU	Years 1–5
	Incorporate messaging on best household use of transfer (i.e. promote behavioral change in households through, for example, sensitization delivered through monthly meetings, first with village heads and later on with communities)	CT/CBT Teams/SOCU	Years 1–5
	Ensure women have a strong understanding of roles and responsibilities related to targeting, project budgets, transfers, Co-Responsibilities, etc.	CT/CBT Teams/SOCU	Years 1–5
	Implement beneficiary cards to provide beneficiaries with an increased sense of certainty over their entitlements, and a proof of what they actually receive. The cards should help to ascertain the identity of the beneficiaries and could be a means to communicate basic information on NASSP.	NASSCO/NCTO/SOCU/SCTU	Year 1
	Implement a charter of rights and responsibilities	NASSCO/NCTO/SOCU	Year 1
Citizen Engagement	Implement SA tools which include women’s perceptions on satisfaction with project implementation	Independent Third Party (TBD)	Years 1–5
Grievance Redress Mechanism	Ensure awareness of GRM	NASSCO/NCTO/SOCU	Years 1–5
	Include module on use of household transfer in Grievance Redress Manual/System	NASSCO/NCTO/SOCU	Year 1

	Ensure GRM is accessible and accountable to women (including election of women as grievance redress focal persons at community level)	NASSCO/NCTO/SOCU	Years 1–5
Livelihoods Pilots	Ensure eligibility of women from male-headed households and female-headed households	NCTO/SOCU/SCTU	Years 1–5
	Encourage local savings groups and participation of women in groups	NCTO/SOCU/SCTU	Years 1–5
	Careful implementation of gender-sensitive and demand-driven economic opportunities for women, girls and boys and seek support of men when dealing with such issues	NCTO/SOCU/SCTU	Years 1–5
	Appropriate technical support (including coaching, financial literacy and mentoring) for female beneficiaries in business skills	NCTO/SOCU/SCTU	Years 1–5
	Develop and implement appropriate training and communication materials	NCTO/SOCU/SCTU	Years 1–5
	Facilitate linkages with markets and business opportunities for women	NCTO/SOCU/SCTU	Years 1–5
	Ensure that financial services meet needs and accessible to women (e.g. designing appropriate products and services)	NCTO/SOCU/SCTU	Years 1–5
<i>Subcomponent 1b: Developing Building Blocks of the Safety Net System</i>			
Targeting	Incorporate guidance on targeting of polygamous households into NASSP Targeting Manual	NASSCO/SOCU	Year 1
	Ensure use of gender-sensitive targeting tools and skills (i.e. separate FGDs, gender-inclusive community-based targeting teams and enumerators) during targeting	SOCU/CBT	Year 1
	Ensure women’s participation in targeting, and enumeration (i.e. presence of gender officer during targeting)	SOCU/CBT	Years 1–5
	Incorporate the principle that women should receive transfer	SOCU/CBT	Year 1
	Undertake a Social Assessment which includes a review of dynamics within polygamous households and shared housing to make recommendations for appropriate procedure for targeting and identifies additional opportunities to address gender risks and vulnerabilities	NCTO	Year 1
Registry	Ensure gender balance in selection during mining by SCTUs	SCTU/SOCU	Years 1–5
M&E	Ensure gender disaggregated data collection	NASSCO/SOCU	Years 1–5
	Design and implement Social Assessment/Social Impact Assessment	NCTO/SOCU	Years 2–3
	Ensure planning and reporting templates are gender disaggregated	NCTO/SOCU	Year 1
	Systemize gender monitoring through hire of gender advisor		Year 1
Payments	Ensure payments are accessible and made at a time that is appropriate for women	SOCU/SCTU/CDO	Years 1–5
	Ensure secure access for women to receive transfer	SCTUs/SOCU	Years 1–5
	Consult with women to understand preference for receipt of transfer	SCTUs/SOCU	Years 1–5
	Implement e-payments where appropriate		Years 1–5
	Incorporate the principle that women caregivers receive transfer on behalf of household	NASSCO/SOCU/SCTUs	Years 1–5

Component 2: Implementing a Targeted Cash Transfer			
Cash Transfer with Co-Responsibilities	Include ‘enlightenment workshops’ on priority issues outlined in National Gender Policy (e.g. gender based violence) on menu for co-responsibilities (ensuring flexibility to adapt activities by state)	NASSCO/NCTO/SOCU/SCTU	Years 1–5
	Include literacy and basic numeracy training for women as a menu option for co-responsibilities	NASSCO/NCTO/SOCU/SCTU	Years 1–5
	Ensure flexibility among states and LGAs to adapt co-responsibilities to women’s needs and to address gender equity and women’s empowerment	NASSCO/NCTO/SOCU/SCTU	Years 1–5
	Visit households to find out reasons for non-compliance to co-responsibility before exercising warning, penalty, etc.	NASSCO/NCTO/SOCU/SCTU	Years 1–5
	Ensure co-responsibilities are flexible and adapt to women’s activities (i.e. recognizing that women are overburdened with household activities which must be recognized and catered for)	NASSCO/NCTO/SOCU/SCTU	Years 1–5
Behavioral Change Communications	Tackle social norms underpinning of gender risks and vulnerabilities (e.g. GBV, HTP, etc.)	NCTO/SOCU/SCTU	Years 1–5
	Target both traditional and religious leaders in addition to wider community members	NCTO/SOCU/SCTU	Years 1–5
	Include workshops on health and nutrition	NCTO/SOCU/SCTU	Years 1–5
	Include workshops on household use of transfer	NCTO/SOCU/SCTU	Years 1–5
	Explore linkages and build partnerships with organizations working on gender equity and women’s empowerment	NASSCO/NCTO/SOCU	Years 1–5
	Include opportunities for mentorship, confidence building and leadership training for women	NASSCO/NCTO/SOCU	Years 1–5

Annex 8: Citizen Engagement

1. **Any public program implemented through several tiers of administration with specific targeting criteria, involving millions of beneficiaries and a large volume of resources, requires strong checks and balances.**⁶⁸ Demonstrating that NASSP is fair and delivering expected results, while avoiding/minimizing distortion or negative impacts, is critical to sustaining broad-based support. NASSP will ensure that its M&E system is aware of grassroots implementation challenges and is able to respond. CE within NASSP is aimed at creating an environment that will facilitate effective delivery of project benefits through promotion of transparency and accountability, citizen participation, a system of registration and resolution of grievances, collecting information that can be used to improve operational performance, deterring fraud and corruption, and mitigating project risks. This initiative is based on the premise that establishing a systematic mechanism for engaging citizens in the Nigerian context can foster better reflection of citizens' needs in project interventions, assure beneficiary participation, contribute to building an effective system for CE, and lead to improved results on the ground.

2. Investing in efforts to engage direct beneficiaries and wider citizenry can potentially generate a significant return on investment by eliminating inclusion errors and other leakages due to waste and corruption (for example, recertification of inclusion errors as a result of mistaken payments to ineligible beneficiaries).

3. CE in NASSP builds on existing initiatives in Nigeria and includes three interrelated interventions: (a) communications; (b) SA; and (c) a GRM.

Communications

4. **A robust Communications Strategy is an important tool for a large-scale national project.** Citizens, beneficiaries, communities, implementers and officials need a strong understanding of project information on entitlements, objectives, criteria for inclusion and non-inclusion, performance targets (or service standards), co-responsibilities, etc. The strategy will provide quality information that is easily consumed by the public. Innovative tools will be explored to disseminate information about the project at all levels (e.g. mass media such as radio).

5. **NASSP will introduce a beneficiary charter of rights and responsibilities and beneficiary cards.** These are building blocks for a strong system of SA which actively involves beneficiaries in monitoring the project. For example, the charter should be particularly clear about NASSP service standards (i.e. entitlements, right to grievance redress, etc.).

⁶⁸ The (2015) Report on *Citizen Engagement and Social Accountability Approaches in Enhancing Integrity of Conditional Cash Transfer Programs* found that integrity risks are inherent in all states of CCTs and emanate from several sources including lack of transparency in key systems (e.g. targeting, compliance verification), weakness in internal control and accountability system, beneficiary falsification or concealment of information required for eligibility, bribes demanded from compliance verification officers to overlook non-compliance or validate compliance, ineffective grievance redress processes, and interference with program design and implementation to derive political advantage (e.g. inappropriate inclusion or exclusion or eligible households).

6. **Specific communication on the GRM system will be supported.** This will include: the types⁶⁹ of grievances that can be submitted; how to submit a complaint; NASSP's standards and timeframes for complaints resolution; and options available to a complainant if s/he is dissatisfied with the grievance redress process or outcome. Communications should aim to reach poor and marginalized groups and emphasize that: there is no financial charge for making a complaint; grievances help improve project policies, systems and service delivery; and grievances will be confidential and complainants will not be punished for submitting them.

7. **Communications should include a consistent focus on gender issues and ensure women's involvement.** Communicating aspects of the intervention is an issue generally (e.g. sharing targeting criteria and ensuring that transfers are seen as an entitlement), and there are elements that are particularly important for women. Communications activities should be clear on the principle that women caregivers are prioritized for receiving the transfer on behalf of households. A variety of communication procedures should be employed, recognizing low literacy rates in many implementing communities. Communication should also be done in context specific ways, at community meetings, at payment points, or with women or men only groups.

8. **The linkages between communications, SA and GRM are important; effective implementation of NASSP rests on awareness.** The implementation of the Communications Strategy will make beneficiaries aware of their rights and responsibilities. However, empowerment of citizens to monitor project implementation requires a means of complaining. A direct accountability relationship between service users and service providers is important, thus communication channels must be set up so service users can communicate their views on quality and areas that need improvement.

Social Accountability

9. **SA refers to a wide range of tools to help empower service users to voice their needs and demands and create opportunities to hold policy makers and service providers accountable for their performance.** The SA process includes five step, namely, (a) access to information; (b) assessment of services using SA tools; (c) interface meetings; (d) Joint Action Plan Implementation; and (e) monitoring. SA supports service users and service providers to improve basic services through constructive dialogue and better use of resources. The role of CSOs is also important with regard to empowering and strengthening the voices of key vulnerable groups.

10. **Preparation of NASSP included discussion of a number of SA tools and strategies that take place at community level.** These include Community Score Cards, Citizen Report Cards,⁷⁰ Citizen's Charter, Social Audit, Focus Group Discussions, etc. In addition to the SA tools

⁶⁹ The grievances from the citizenry may include all forms of unfair treatment, ranging from entry or failure to enter into the program, timeliness or other issues related to payments, fairness of targeting processes, any forms of misuse of program funds, etc.

⁷⁰ Community Score Cards are a tool through which communities evaluate their access to basic services and the quality of services they receive. In FGDs, community members develop indicators to evaluate the services they receive. Service providers also assess their performance in delivering services through a similar process. Community Report Cards are surveys that compile Service User opinions on their satisfaction with service delivery, availability, usage, quality and equity. Interface meetings in which service providers and users discuss their results of their assessments and jointly prepare an action plan are a key component for both tools.

available, the design recognizes that the structure that SA will ultimately take in NASSP will depend on the diverse operating environments of communities; available resources; capacity of civil society; technological constraints; and cultural attitudes.

11. International experience recognizes SA as a critical factor to the success of CCT programs. The following good practices and lessons have been identified:⁷¹ (a) CSOs and civil society volunteers can be important facilitators by better linking authorities and beneficiaries; (b) collaboration with citizen beneficiaries and civil society in decision-making processes is good practice (e.g. several countries have set up collaborative decision-making bodies involving civil society, community and beneficiary representatives); (c) quality and accessibility of information disclosed is a key determinant of SA initiatives and CSOs should assess the availability of information and advocate for greater transparency; (d) civil society participation improves the responsiveness of grievance reporting and other beneficiary feedback mechanisms by raising awareness and facilitating grievance filing and follow-up; (e) independent third party monitoring by CSOs on the effectiveness of state-led integrity assurance systems is essential to the integrity of CCTs; and (f) SA initiatives can be an effective complement to state-led control but these should not substitute existing internal MISs.

12. The Government of Nigeria has recognized the potential of SA to improve service delivery. A pilot using communications technology for greater citizen input to improve the efficiency of public health resources was implemented within the *Nigeria States Health Investment Project*. Nigeria also has a long history of using *mass media* to put pressure on Service Providers and make them accountable for their actions. CSOs have also engaged in efforts to increase transparency, facilitate community ownership of public programs, develop SA strategies, track budgets, fight corruption, etc. For example, the *Local Empowerment and Environmental Management Project* included CSOs as community facilitators during the development planning process. Under the *Community Engagement and Public Participation* project, Kudirat Initiative for Democracy built the capacity of local government staff and members of local communities to engage in critical dialogues for development in health, education and environment issues. YESSO planned for capacity building for local administrators on SA, and the *Community and Social Development Project* built the capacity of local organizations on communication and project planning. *Citizen Report Cards for Public Services, Good Governance and Infrastructure/Development*, implemented by NGO LITE-Africa, measured the effectiveness of Government and oil company policies and practices related to community relations and oil revenue expenditure for development in Niger Delta riverine communities.

13. The roll-out of SA in NASSP will take a phased approach. SA will be mainstreamed through a step by step process that builds on communications and awareness activities, empowering beneficiaries by creating a link with service providers at the local level that will serve as a strong communication channel through which the project can be adjusted to beneficiary requirements and is able to identify and resolve problems.

⁷¹ Good practices and lessons are drawn from Bhargava V. and S. Raha. 2015. *Report on Citizen Engagement and Social Accountability Approaches in Enhancing Integrity of Conditional Cash Transfer Programs*. Partnership for Transparency Fund. September 12, 2015.

14. **Phase I will take specific steps to learn lessons on which SA tools can be adopted to work best for NASSP context.** Phase I will focus on identifying best practices from Nigeria and internationally on the best and most cost-effective implementation arrangements and the most feasible and value adding approach to SA. Based on this lesson learning, a plan for the roll-out of SA in NASSP will be designed. An annual results and resources scorecard will be published publicly by an independent third party. This will encourage good governance, transparency, and accountable behavior from service providers, as well as be a mechanism through which beneficiaries and their communities can gain confidence in their ability to effect positive change.

15. **SA will be integrated into the project's institutional arrangements and overall systems development.** Although it is important for SA to improve NASSP performance at the local level, critical issues from the SA process must be linked to relevant state and federal decision making forums. Independent third party monitors (i.e. CSOs and specialized private firms) will collect feedback from beneficiaries on project performance (e.g. transfers, quality of services and responsiveness to beneficiary challenges) and conduct spot checks. Monitors will present findings during review and decision-making meetings. A desk officer at SOCU and SCTU will be in charge of follow up to ensure issues are resolved. Participation of CSOs in a steering committee at all levels is also important.

16. **In cases where the SA process does not solve all problems** (i.e. if an individual has a justified grievance deserving additional attention) the establishment of a strong gender-sensitive GRM will serve an important and distinct purpose.

Grievance Redress Mechanism

17. **NASSP's GRM is a system which responds to queries or clarifications, resolves problems with implementation, and efficiently and effectively addresses complaints and grievances.** The GRM will (a) be responsive to the needs of beneficiaries and non-beneficiaries and address and resolve grievances; (b) serve as a channel for soliciting enquiries, inviting suggestions and increasing community participation; (c) collect information to improve operational performance; (d) enhance project legitimacy among stakeholders; (e) promote transparency and accountability; and (f) deter fraud and corruption and mitigate project risks.

18. **A review of international best practices⁷² for managing appeals and complaints within CCTs, especially related to improving targeting processes (i.e. reducing exclusion and inclusion errors), found that** (a) a widespread information campaign is crucial for ensuring that the public understands project objectives, selection criteria, how to register, and how to access redress if there are problems (including special measures to reach the most vulnerable); (b) setting up multiple channels for receiving complaints is the best way to ensure access; (c) GRMs need dedicated staffing to perform adequately; (d) performance standards and targets for grievance handling should be set in advance and made central to the project performance monitoring system; (e) access to independent channels for redress is important (e.g. links to ombudsman, contracting out facilitation and collection of complaints to third parties such as CSOs); (f) GRMs should be gender-sensitive; and (g) complaints are most effectively resolved at the point of service delivery where information and transaction costs are lowest.

⁷² Best practices are drawn from Barca, V. (2012) *Review of, and Recommendations for, Grievance Mechanisms for Social Protection Programs*. Oxford Policy Management.

19. **NASSP will build on existing approaches to embed a GRM system within NASSCO and assign dedicated staff to ensure GRM performance.** Complaints and grievances will be managed at all levels including the community,⁷³ LGA, state and federal levels. A grievance redress officer will be housed within the NCTO and will ensure that grievances emerging from all states are investigated and responded to. At state level, the SCTU will include a grievance redress officer (who will have close links to the grievance redress officer in the NCTO). Grievance redress focal points in NASSCO and the SOCUs will coordinate complaints related to the SSRs and NSR. Grievance officers will have clear roles and responsibilities to receive, evaluate and redress complaints, ensuring linkages to appropriate bodies which have the ability to make a binding decision and ensure that feedback is provided to the complainant. At LGA level, a focal person will be assigned as grievance officer from within the community facilitating team. At community level, there will be 2–3 grievance focal persons (independent from the targeting team) elected by communities to record grievances and forward them to the LGA level. GRM teams will be gender balanced to ensure that space is created for female beneficiaries (and non-beneficiaries) to appeal or complain in an appropriate and comfortable way. In areas where there are existing Legal Aid Council offices, linkages will be built to provide training for community and LGA level focal points on alternative dispute resolution.

20. **To ensure that direct beneficiaries or members of their communities have the ability to make a complaint outside of their communities, toll-free phone numbers will be set up at state and federal levels and linked to grievance redress officers/focal persons in NASSCO, NCTO, SOCU and SCTU.** These numbers will be communicated to beneficiaries and their communities alongside addresses and/or drop-boxes for official letter communication.

21. **A GRM Manual will be developed.** It will guide stakeholders on their key functions, roles and responsibilities; include clear steps on how to address each type of appeal or complaint with clear procedures to be followed; and ensure that feedback is provided to complainants. The GRM Manual will also set performance standards and targets for grievance handling. Grievances should also be linked to the project MIS (e.g. template on GRM module will be linked). An independent fraud and corruption component will be linked to the GRM.

22. **A GRM review will take place each year to ensure that the GRM produces results.** If complaints and queries are not responded to in a timely manner, beneficiaries will not trust or take it seriously. Thus, measuring performance of the GRM is critical to understanding if there is awareness among the citizens on how to register their grievances, the proper handling of grievances, and the timeliness for doing so. The review will allow for lessons to be learned that can be fed back into the GRM system with a focus on improving it and addressing weaknesses.

⁷³ Based on lessons learned from the experiences of Save the Children and Action Contre La Faim which identified challenges related to the establishment of grievance structures at the ward level, it was agreed that grievance structures would focus on creating direct linkages between the community and LGA levels.

Annex 9: Governance and Institutions

1. Under the leadership of the OVP, the Government has gone through an inclusive preparation process for NASSP, engaging federal, state and local stakeholders in the design with a keen eye to the institutional context, actors, interests and incentives at different levels and bearing in mind institutional lessons on how successful programs deliver in Nigeria.⁷⁴ The Bank has supported the Government in choosing design options relating to NASSCO, the NSR, and the role of the states which take into account best practice and tailor it to the realities of the Nigerian context, increasing the potential for delivery and impact of NASSP.

2. Nigeria is a complex and diverse institutional setting for Bank engagement but an increasing body of evidence shows that Nigerian institutions can and do deliver, even when put under stress. Literature on “islands of excellence” in Nigeria (Thorkildsen 2008) and ‘pockets of effectiveness’ (Roll 2012, 2015) trace positive examples of reform and public sector management that often break with bad practices and achieve delivery. This literature distills success factors that might be replicable in supporting delivery.⁷⁵

3. While there is no clear formula or blueprint on how reform or delivery happens in Nigeria—indeed context specific and flexible approaches are required—a common set of principles and hypothesis is beginning to emerge. Political, managerial and institutional factors, as well as flexibility, adaptability, and the use of data are all important. The composition, location and implementation support model of the Bank can also make a difference. Ultimately, support over the long term requires embedding ‘pockets of effectiveness’ in country systems, incentives, and behaviors.

Box 9.1. Factors of Effectiveness in Public Sector Service Delivery in Nigeria

Political

- *Political Interest and Function:* Establishing a coordination office (NASSCO) and consolidating Social Protection initiatives across existing agencies will benefit from targeted political interest.
- *Political Management:* Political interest should influence institutional arrangements for NASSP so that NASSCO is protected in an environment with high political turnover and rapid changes in priorities for leadership.

Managerial

- *Merit, Integrity and Commitment Based Recruitment:* Recruiting project management and other staff based on successful experiences in existing projects and social protection agencies.
- *Training and Performance Incentives:* to ensure that training for staff is highly selective based on evidence and pertinence to the core functions of NASSP agenda; and that incentives are well-designed to complement staff interests, the needs on the ground and an understanding of the contextual environment.
- *Administrative Discipline:* Ensure that exit strategies are clearly spelled out from the outset.

⁷⁴ This process was supported by the Governance Partnership Facility trust fund financed by the UK’s Department for International Development (DfID) as part of the Doing Development Differently work stream in the Nigeria country team.

⁷⁵ The World Bank has contributed to this literature through the Politics of Policy Reform analysis as well as the Delivery Case Studies.

- *Inclusive Leadership*: The NCTO should enable a participatory design and implementation process to ensure multi-stakeholder ownership across all levels of government. A participatory design approach has also helped establish a sense of commitment to NASSP and adaptation during implementation.
- *Public Service Commitment*: The recruitment of the NASSCO, NCTO and when relevant, other staff, based on performance in other projects could also be used as a signal to indicate commitment to public service. Linked to inclusive leadership above, training efforts, consistent communication and consultation and engagement early-on can help establish a sense of commitment to NASSP.

Institutional

- *Autonomy*: A decentralized, autonomous operating structure with well-defined roles and responsibilities will empower and increase efficient administration at the federal, state and LGA level.

Other Factors

- *Adaptability*: Adaptation can be put in place during a participatory design process, with inclusive leadership. An adaptive approach will be required as NASSCO establishes itself and engages the states and LGAs.
- *Long Term Engagement*: As a federal level flagship SSNs project, NASSP can seek out lessons from the Fadama experience on channeling consistent support, maintaining continuity in the project's objectives, maintaining a successful history of meeting objectives and consistently innovating as mechanisms to facilitate long term engagement.
- *Data and real time feedback*: Data can be effectively used to monitor and manage project performance. However, robust data collection and monitoring systems in the Nigerian context require high-level political will.

4. These factors have been factored into the project design in the following ways:

5. **Leadership and ownership.** SSNs is a key agenda for the Government and as such enjoys strong political commitment and support. This has been translated into: (a) the establishment of coordinating structures for social protection in the OVP under the VP's leadership; (b) communication activities to announce the project to the public; and (c) the allocation of funds in the 2016 budget for social protection and specifically the TCTs. NASSCO will provide a coordinating platform and leadership for safety nets in Nigeria. The role of this newly created office includes coordination, policy standard and platforms for a NSR and payment system.

6. **Structure.** NASSCO builds on the learning from YESSO and lessons derived from global good practice in building an integrated comprehensive SSN system. This structure includes a National Steering Committee, which is an inter-ministerial body for policy and oversight, chaired by the VP. Membership will include ministers, private sector, and civil society. The fact that the Steering Committee is chaired by the VP is significant, as it is expected to attract high-level resolutions and policy discussions. NASSCO is overseen by the Special Adviser, Social Investment. The Special Adviser reports directly to the VP and supports strategic and policy direction. The National Coordinator of NASSCO is a senior civil servant who will provide continuity, experience in public administration and ability to build relationships across the numerous MDAs with social safety net programs. The National Coordinator will report to the Special Adviser and will be responsible for the coordination of SSNs. The National Coordinator provides the linkage to the NCTO and SSN programs under NASSCO.

7. **Staffing.** Apart from technical assistants who will be recruited on a short-term basis, staff under NASSCO will be deployed from various ministries. To ensure that NASSCO has competent

and motivated staff, TORs for core staff will be developed to support competitive internal recruitment. Incentives will be developed to reward performance based results, as has been done in the Bank-supported CSDP project. Results and lessons from CSDP so far indicate high productivity and motivation of staff.

8. **Principles of the design.** The long-term goal of the federal government is to fully coordinate all nationally funded SSN programs under NASSCO. The design of NASSCO was cognizant of its immediate capacity to manage a huge change process within a short period of time. With stakeholders and the design team, a phased approach was put in place to manage the gradual change process for a fully integrated NASSCO. Stakeholders and the design team came up with a number of implementable short-term actions over the next two years to harmonize safety net programs.

Box 9.2. Steps to Harmonization under NASSCO

Short Term (0–2 Years)

- Integrate, starting with NASSP, YESSO and CSDP
- Develop a common clearly defined vision for NASSCO
- Agree joint national performance indicators for NASSCO
- Establish and utilize NSR
- Create unifying reporting framework

Medium Term (3–5 Years)

- Align program MISs
- Establish and utilize agreed payment system modalities for cash transfers

Long Term (6+ Years)

- Additional SSNs programs gradually integrated by adopting the procedures and systems highlighted above
- Increased development assistance funding for SSNs to go through NASSCO

9. **Relationship with states.** Implementation arrangements have been developed with the objective of ensuring that effective collaboration can occur within the established institutional structures at state level. To avoid the issue of duplication, NASSCO will be implemented using existing structures and their experienced and skilled officers. Additional capacity building will also be undertaken to further their skillset. YESSO states that have developed a registry will be the initial entry points for the SSN cash transfer project. A few of these are also states where CSDP is being implemented. This process will create quick wins, allow learning from the states, and synergize the benefits of the three programs to achieve higher quality outcomes.

10. **Data and communication.** The general lack of trust and increasing demand for public accountability among the populace makes communication, data and evidence critical for the cash transfers component. Under NASSP, a communications strategy will be developed to provide information, create awareness and address beneficiary grievances. An MIS, M&E plan, and CE strategy have been discussed with the Government design team. They have committed to establishing results-oriented reporting, supporting the states to set up robust registries, developing a system for validating beneficiaries, and adopting a number of methods for CE, such as an annual results and resources scorecard, beneficiary satisfaction surveys as part of the impact evaluation, third-party monitoring to include civil society groups, and a GRM at all levels of the project.

Annex 10: Targeting and the National Social Registry

Objectives

1. **The NSR of poor and vulnerable households serves as a policy instrument, and is populated by identifying the poor using CBT.** Social programs, including for health, education, and social protection, at the federal and state levels in Nigeria, will, over time, be able to use a single common registry to identify and enroll the poor and offer targeted benefits. The set up and use of a robust NSR has the potential to improve development impact by: improving coordination across SP programs (including SRs); improving efficiency, transparency and governance of social development (with the use of a system to enhance integrity of information and offer cross-checks); and managing changes in beneficiary information as the poor move across states and by mitigating exclusion of the poor through grievance and redress. CBT is used to identify and rank-order the poor within states.
2. **The NSR will be governed by guiding principles.** It will contain an electronic list of the poorest households in Nigeria, where each individual will be unique and an actual person. All information contained in the NSR will be secure, accurate, complete, and available.
3. **The NSR will be a decentralized registry building on the approach of YESSO in setting up state-level single registers.** Poor and vulnerable households will be identified by each state and information about the poor will be captured in an SSR of each state. The NSR will aggregate and unify the information obtained from state-level SSRs. About four million households or 20 million people are expected to be registered in the NSR under NASSP.

Enabling Environment

4. **A supportive policy and legal environment is expected to allow capture and storage of information about the poor with safeguards for security and privacy.** The setup of the NSR will also require adhering to national policies and laws dealing with cybersecurity and with oversight mechanisms being administered by the NSA of Nigeria. The governing arrangements for NASSP will ensure that information about the poor is private. As NIMC is currently responsible for setting policy and oversight mechanisms for privacy of data in Nigeria, NASSP will need to work with NIMC to ensure data privacy.
5. **Additional review of the enabling environment is recommended.** This includes review of the policy and legal environment dealing with: (a) data protection and security, data management, and ensuring privacy, including developments and trends in other jurisdictions and the need of individuals for privacy protection in an evolving technological environment; (b) current and emerging international law and obligations in this area; (c) legal issues affecting the development and operation of the NSR and identification system, including digital authentication (electronic digital signatures), legal recognition of electronic transactions/commerce, cybercrimes, cybersecurity and electronic government; and (d) any relevant constitutional law issues.

Targeting

6. **NASSP will use CBT to identify and register poor and vulnerable households in state-level SRs that will feed into the NSR.** CBT follows geographic targeting using available data to

generate poverty maps and criteria for ranking the poorest LGAs and communities. YESSO has successfully employed CBT to identify poor and vulnerable households for enrollment in SSRs. Given the absence of reliable data on poverty in Nigeria, and the country's unique federal structure, community-based targeting offers the best option for defining and identifying the poor and vulnerable within each state.

7. **CBT is a community-led process where members' local knowledge is used to identify the poorest and most vulnerable households in their community.** Broad and thorough community participation helps avoid errors of exclusion and inclusion. Sensitization, engagement, and the selection process of the poorest households follow at the community level. Trained enumerators will administer a checklist to the identified households and this data will be validated using PMT. The data will then be entered into the SSR which is cleaned, validated, and consolidated into the NSR.

8. **The targeting exercise is carried out by trained representatives of government at LGA level and SOCU team members.** A Community-Based Targeting Team (CBTT) is headed by the Community Development Officer (CDO) of the LGA and made up of LGA staff in relevant sectors. It includes a SOCU staff member for technical support on the CBT process.⁷⁶ CBTT members receive three days of training devoted to understanding the CBT process and practicing it in the field. Two additional days of training on the checklist for data collection are delivered to the identified enumerators, who meet some basic criteria and are usually those who show the most aptitude for the CBT process.

9. **The process of CBT begins with geographic targeting to identify the poorest LGAs in the state.**⁷⁷ Existing poverty maps, ground classifications, and/or other available information are used to define poverty incidence and provide a basis for ranking, classification and selection of LGAs for targeting. The state planning office, statistical agencies, local government planning authorities, community development office and other groups with responsibilities for data generation and utilization for development are closely involved and sign off on this process. Indicators considered during geographic targeting include those relating to availability and use of education and health facilities, ease of transportation, extent of rural electrification, access to water sources, quality of environment, and vulnerability.

10. A committee of staff at the LGA level representing health, works, education, and planning departments is called upon to score and rank the poorest wards in their LGA according to the agreed criteria.

11. **Community engagement takes place in all communities of the identified wards and begins with sensitization to create awareness that the Government is embarking on a data collection exercise to understand the characteristics of poverty and vulnerability and identify poor individuals or households for better planning and support.** At no point are communities informed of any potential benefits that households might receive from being identified.

⁷⁶ The CBTT consists of one CDO, one officer from the LGA planning department, two computer literate LGA officers, one representative of the state agency responsible for data management, and one representative of the SOCU.

⁷⁷ The initial scope of data collection is limited to six LGAs per state, 30 poorest communities per LGA, and 30–40 poorest households per community.

Communities are instructed to invite a wide variety of members to the group discussion, both men and women, as well as youth, the elderly, and disabled. A date and time for the community mobilization exercise is agreed to ensure all members' ability to participate effectively.

12. Community members are mobilized for FGDs to select the poorest and most vulnerable households in their community. Only permanent residents in the community are mobilized for the CBT exercise. The group is briefed on the purpose of the gathering and if the group is very large, it is broken up into homogeneous groups—men, women, male youth, female youth, and so on—to ensure meaningful participation of all segments in the community.

13. Community members use their own criteria to define poverty and vulnerability in their community and generate a ranked list of the poorest households. After a general discussion about poverty in their community, the focus groups are asked to define a set of criteria (5–7) by which to identify the most needy individuals and households (if broken up into different FGDs, the criteria are harmonized across all groups). Experience from YESSO has shown that communities will usually define poverty and vulnerability based on: food insecurity status, physical appearance of household members, consequences of unemployment, and whether they are disadvantaged (e.g. widows, orphans, elderly, disabled). FGDs use the agreed criteria to generate a list of poor and vulnerable households that meet some or all of the criteria. The community then agrees on a harmonized list of households and ranks them in order of poverty. Two members of the community are selected to assist the CBTT in locating the specified households and individuals, and 2–3 focal persons, at least one of whom is female, are elected to community-level grievance redress committee responsible for reporting grievances to LGA grievance focal persons. The targeting assessment will explore whether providing communities with a core set of criteria to rank the poorest households may further strengthen the process.

14. CBT enumerators will collect information on every member of the identified households. Data is collected on the following seven broad characteristics of proxies for poverty status: geographic information (state, local government, community, and contact details of the respondents); name(s), age, sex, and marital status of household members; household labor market characteristics for members above 10 years of age, defining individuals' employment status; household members education, health and disability information containing information on health and educational status, including and especially on the productive function of women; household assets; household dwelling/living characteristics; and social network to determine membership of any support group.

15. The welfare data can then be used to inform the PMT to validate the findings of the community. PMTs generate a proxy for actual household welfare through observable household and individual characteristics. These include: the location and quality of the household's dwelling; ownership of durable goods; demographic structure; and education and occupations of adult members. Using a combination of CBT and PMT methods has the advantage of minimizing exclusion and inclusion errors in communities' lists of poor and vulnerable households.

Setting up the SSRs

16. **Validated lists of households make up the state-level SR, which is used in identifying beneficiaries for SSN interventions.** The lists of poor and vulnerable households, as well as each household's data, are collected using electronic tablets and uploaded to the SSRs, which take the form of secure relational databases. Biometrics, primarily fingerprints, for each household member are also collected and fed into the SSR. This process follows an agreed data management protocol and is overseen by the Head of Operations and State Coordinator. Any issues are resolved through the respective CBTTs. SSRs are uploaded and fed into the NSR at federal level.

17. **The CBT process will be carried out every three years to expand and update the registry.** Additional rounds of targeting in new LGAs and wards will be carried out to continue expanding the state-level SR to cover all of the poor and vulnerable households in the state. CBT will also be repeated periodically in communities to revalidate household's registration in the Single Registry. The information contained in SRs (and subsequently the NSR) will be dynamic and correct: new households will enter the registry as they become poor and old households will exit the registry as they graduate out of poverty.

18. **Grievances over the CBT process and final lists of poor and vulnerable households are resolved through focal persons at community, LGA, and state level.** During mobilization and engagement the community receives information on the GRM and is appraised of the contact information for grievance redress (phone lines and addresses) at the local, LGA, and state levels. They are free to reach out to any of the grievance redress focal persons who then collect and discuss reported grievances. These can take the form of complaints that the initial awareness raising did not reach all segments of the community, that criteria for selection were not clear and households were overlooked, or that the list changed following verification by PMT. Redress takes place through reconvened community meetings; no household may be added or removed from the list without the agreement of the community gathering.

Annex 11: Output-Based Activities - Unit Costs

- 1. Disbursements for selected activities for Subcomponents 1a and 1b and Component 2 are designed as output based.** The project will reimburse costs incurred by NASSP (through the NBS for Subcomponent 1a only) to produce four outputs under Subcomponent 1a and one output each under Subcomponent 1b and Component 2, the latter through the LGAs in participating states. Verification mechanisms will be employed through independent assessments as described in annex 3.
- 2. Outputs under Subcomponent 1a are part of the work needed to complete the NLSS.** The four outputs to be financed are EAs with listed households, trained survey staff, completed household questionnaire, and validated questionnaire.
- 3. Outputs under Subcomponent 1b include the core activities to carry out the CBT process and enter the data into the SSR and transmit to NASSCO for consolidation into the NSR.** The output to be financed is the roll-out of the CBT process HRA resulting in a validated household entry into the NSR.
- 4. Outputs under Component 2 are for the core activities for enrollment into the TCT.** The unit costs include all of the service and operating costs needed to carry out the enrollment, including community sensitization, orientation sessions, entry of enrolled households into the program database and production and dissemination of program cards.
- 5.** The NBS in collaboration with Bank staff calculated the costs for the four outputs in Subcomponent 1a based on historical data. The NBS has substantial experience in carrying out similar surveys and a report describing the methodology used to calculate them, their structure and estimated value at the time of negotiations was submitted to the Bank. Bank staff has reviewed these costs in the context of experience with similar surveys in the Africa Region as well as of the local economy in Nigeria, concluding that they are reasonable. The estimated US\$224 per household surveyed for the next NLSS is a midrange value compared to other surveys recently implemented around the world. Due to transport and logistic costs, surveys in Sub-Saharan Africa tend to be more expensive than in other regions and, in general, surveys in Nigeria tend to be very expensive. This is explained by factors such as power outages, shortages of fuel, the high cost of living, transportation difficulties during the rainy season in some regions, as well as damage to infrastructure because of the insurgency in other localities. The unit cost estimates use Government standards for allowances and per diems; amounts are high due to the fact that fieldwork is carried out over 12 months. Finally, purchases of vehicles and equipment, as well as consultant selection will be carried out according to Bank procurement procedures, promoting value for money. In addition, the introduction of several technical and organizational innovations should reduce costs compared to surveys with a similar design in Sub-Saharan Africa. Notably, the supervision mechanism and enumerators' rotation around geographical areas will substantially reduce the per diems and transport costs. Moreover, in order to reduce errors and the subsequent need to recollect or clean data, Computer Assisted Personal Interviewing technologies will enable mistakes to be corrected while teams are still in the field.

Table 13.1. Country-Specific Implementation Unit (per Household) Costs Underlying the Household Survey Costing Exercise

Country	Income Class	Survey	Survey Year	Sample Size	Real Unit Cost in USD 2014 Prices
Afghanistan	Low Income	Living Conditions Survey	2014	21,000	109.25
Bangladesh	Low Income	Household Income and Expenditure Survey	2010	12,240	64.00
Colombia	Upper Middle Income	Integrated Household Survey	2014	22,000	88.03
Costa Rica	Upper Middle Income	Average of 7 LSMS Surveys	2006-2012	11,871	121.27
Ethiopia	Low Income	Socio-Economic Survey	2011/12	3,969	331.24
Guatemala	Low Middle Income	Encuesta Nacional de Condiciones de Vida	2014	11,554	134.71
Iraq	Upper Middle Income	Household Socioeconomic Survey	2012	26,000	149.23
Kyrgyz Republic	Low Middle Income	Integrated Household Survey	2003	5,016	48.58
Malawi	Low Income	Integrated Household Survey	2010/11	12,271	199.48
Myanmar	Low Income	Integrated Household Survey	2015	3,600	82.27
Nepal	Low Income	Living Standards Survey	2010	5,988	205.89
Nicaragua	Low Middle Income	Encuesta de Mecicion de Nivel de Vida	2014	7,897	97.84
Niger	Low Income	Enquete Nationale sur les Conditions de Vie des Menages et l'Agriculture	2011	4,000	296.74
Nigeria	Low Middle Income	General Household Survey - Panel	2010/11	4,916	406.03
Peru	Upper Middle Income	National Household Survey	2014	26,456	85.86
Tanzania	Low Income	National Panel Survey	2008/09	3,265	308.57
Uganda	Low Income	National Panel Survey	2009/10	2,975	395.90
Yemen	Low Middle Income	Household Budget Survey	2014	14,400	298.42

6. **For Subcomponent 1b, the unit cost for the CBT process and HRA has been calculated by YESSO project staff, based on experience applying CBT processes and preparing Social Registries in seven states.** The CBT targeting process and household registration into the NSR are described in detail in annex 10. In addition, a report describing the methodology used to calculate the costs, their structure, and estimated value at the time of negotiations was submitted to the Bank. The Bank concludes that these costs are reasonable, based on a comparison of information from the actual experience of several states in Nigeria, expected efficiencies as the process is scaled up, as well as comparisons with similar processes in other countries in the region.

7. For Component 2, NASSCO, with support from the Bank, calculated the costs for the core activities for enrollment of households in the registry into the TCTs program. The unit costs calculations were done by collecting data from the current YESSO states for similar activities, and adjusting them for any updated procedures to be used by NASSP. The costs are assessed to be reasonable and comparable to costs of similar activities in other similar projects.

8. **The unit costs are included in table 13.2.** They will also be part of the PIM and in the case of HRA may be revised at the request of NASSCO, if the underlying costs change during implementation, with the Bank's agreement. In the case of Subcomponent 1b, activities are expected to be carried out and completed early on during project implementation; no adjustments in unit costs are expected to be needed. In addition, an annual concurrent audit will be carried out to confirm that both the unit costs and the underlying structure continue to be reasonable and acceptable to the Bank for both subcomponents.

Table 13.2. Output Based Activities - Unit Costs and Underlying Structure

Component	Activity/Outputs	Unit of Measurement	Information or Verification System	Total Reimbursed Cost (Average) US\$	Cost Breakdown	
1a Project Management and Institutional Capacity	NLSS					
	Listing of Households in Enumeration Areas	Enumeration Area with Listed Households	National Bureau of Statistics; Bank staff supervision; Concurrent Audit	105	Per Diem Transportation Sundry Materials (Stationary)	82% 11% 7%
	Preparation and Training for Main Survey	Trained Survey Staff	National Bureau of Statistics; Bank staff supervision; Concurrent Audit	2,025	Printing and Facility Rental Services Per Diem Transport Allowances	43% 49% 8%
	Main Fieldwork and Supervision	Completed Household Questionnaire	National Bureau of Statistics; Bank staff supervision; Concurrent Audit	179.07	Field Staff Per Diem Field Staff Transport Allowance Supervision per diem Supervision staff transport allowance Equipment Vehicles	39% 25% 10% 7% 9% 10%
	Data Processing, Quality and Launch	Validated Questionnaire	National Bureau of Statistics; Bank staff supervision; Concurrent Audit	12.35	Specialized Consulting Services Per Diem Media Services	53% 44% 4%
1b Building Blocks of the Safety Net System	(a) Robust Targeting Mechanism (b) NSR					
	Roll-out of CBT process	LGA with completed CBT process	NASSCO Supervision Process;	1,140	Transportation Allowances Accommodation	21% 26% 24%

			Targeting Assessment; Performance Audit		Sundry Materials (incl. food) Rental Service	18% 11%
	Household Registration Activity	Validated Household Entry in NSR	NASSCO Supervision Process; Targeting Assessment; Performance Audit	7.5	Accommodation Transportation Allowances Materials (incl. food)	2% 15% 16% 66%
2. Implementing Targeted Cash Transfer	Enrollment of households into Targeted Cash Transfers program	Validated enrollment of households into program	NASSP supervision process; Performance audit	6.5	Per diem Allowances Transportation Training Materials	12% 15% 30% 28% 15%