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Report No: PAD1376

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 142.2 MILLION (US$200 MILLION EQUIVALENT)

TO THE

FEDERAL REPUBLIC OF NIGERIA

FOR

POLIO ERADICATION SUPPORT PROJECT

MARCH 24, 2015

Health, Nutrition and Population Global Practice
Country Department (AFCW2)
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective February 28, 2015)

Currency Unit	=	Naira
US$1	=	Naira 205.3
US1$	=	SDR 0.71053510

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AFP	Acute Flaccid Paralysis
ALGON	Association of Local Governments of Nigeria
Bank-UN FMFA	World Bank United Nations Financial Management Framework Agreement
BCG	Bacillus Calmette-Guérin
BMGF	Bill and Melinda Gates Foundation
CAS	Country Assistance Strategy
CDC	US Centers for Disease Control
CEO/ED	Chief Executive Officer/Executive Director
CHEW	Community Health Extension Workers
CMYP	Comprehensive Multiyear Plan
DALY	Disability Adjusted Life Years
DFID	UK Department for International Development
DHS	Demographic and Health Survey
DPT	Diphtheria, Pertusis, Tetanus
DSNO	Disease Surveillance and Notification Officer
ECA	Excess Crude Account
EIA	Environmental Impact Assessment
EIM	Enhanced Independent Monitoring
EOC	Emergency Operation Centre
EPI	Expanded Program of Immunization
ERC	Expert Review Committee
EU	European Union
FEC	Federal Executive Council
FGN	Federal Government of Nigeria
FM	Financial Management
FMF	Federal Ministry of Finance
FMOH	Federal Ministry of Health

FRR	Financial Resources Requirement
GAVI	Global Alliance for Vaccines and Immunization
GIS	Geographic Information System
GPEI	Global Polio Eradication Initiative
GPEP	Global Program to Eradicate Poliomyelitis
GPS	Global Positioning System
HCWM	Health Care Waste Management
ICC	Interagency Coordination Committee
IDA	International Development Association
IDP	Internally Displaced Persons
IMB	Independent Monitoring Board
IPD	Immunization Plus Days
IPV	Inactivated Polio Vaccine
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt fur Wiederaufbau
LID	Local Immunization Days
LGA	Local Government Authority or Local Government Areas
LQAS	Lot Quality Assurance Sampling
MDG	Millennium Development Goals
MNCH	Maternal, Neonatal and Child Health
MOU	Memorandum of Understanding
NIPD	National Immunization Plus Days
NG	Nigerian Government
NGO	Non-Government Organizations
NPHCDA	National Primary Health Care Development Agency
NSHIP	Nigerian State Health Investment Project
OP	Operational Policy
OPRC	Operations Procurement Review Committee
OPV	Oral Polio Vaccine
PCV	Pneumococcal Conjugate Vaccine
PDO	Project Development Objectives
PETF	Polio Eradication Trust Funds
PEI	Polio Eradication Initiative
PHT	Permanent Health Teams
PTFoPE	Presidential Task Force on Polio Eradication
RI	Routine Immunization
SIA	Supplementary Immunization Activity
SDI	Service Delivery Indicators
SDR	Special Drawing Rights
SIL	Specific Investment Loan
SMART	Standardized Monitoring and Assessment of Relief and Transition
SOML	Saving One Million Lives
SIPD	Sub-national Immunization Plus Days
STF/SIACC	State Task Force/State Interagency Coordination Committee
UN	United Nations
UNICEF	United Nation Children's Fund
UNF	United Nations Fund
USAID	United States Agency for International Development

VDPV	Vaccine Derived Polio Virus
VII	Vaccine Independent Initiative
WHO	World Health Organization
WPV	Wild Polio Virus

Regional Vice President:	Makhtar Diop
Country Director:	Marie Francoise Marie-Nelly
Sector Director:	Timothy Grant Evans
Practice Manager:	Trina Haque
Task Team Leaders:	Ayodeji Oluwole Odutolu, Shunsuke Mabuchi; Ana Besarabic

Nigeria

Additional Financing – Nigeria Polio Eradication Support Project (P154660)

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ADDITIONAL FINANCING DATA SHEET

Nigeria

NG-Polio Eradication Support Project- Additional Financing (P154660)

AFRICA

GHNDR

Basic Information – Parent			
Parent Project ID:	P130865	Original EA Category:	B - Partial Assessment
Current Closing Date:	31-Jul-2015		

Basic Information – Additional Financing (AF)			
Project ID:	P154660	Additional Financing Type (from AUS):	Scale Up
Regional Vice President:	Makhtar Diop	Proposed EA Category:	B - Partial Assessment
Country Director:	Marie Francoise Marie-Nelly	Expected Effectiveness Date:	01-Jun-2015
Senior Global Practice Director:	Timothy Grant Evans	Expected Closing Date:	31- Jul -2017
Practice Manager/Manager:	Trina S. Haque	Report No:	PAD1376
Team Leader(s):	Ayodeji Oluwole Odutolu, Ana Besarabic Bennett, Shunsuke Mabuchi		

Borrower				
Organization Name	Contact	Title	Telephone	Email
National Primary Health Care Development Agency	Dr. Ado J. G. Muhammad	Executive Director	+2348033139096	dradojg@yahoo.com

Project Financing Data–Parent (NG-Polio Eradication Support (FY13)-P130865)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P130865	IDA-51330	Effective	12-Jul-2012	16-Apr-2013	05-Jun-2013	31-Jul-2015	31-Jul-2015
Disbursements							

Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P130865	IDA-51330	Effective	XDR	61.30	61.30	0.00	61.30	0.00	100.00

Project Financing Data –Additional Financing NG-Polio Eradication Support - Additional Financing (P154660)

[ ]	Loan	[ ]	Grant	[ ]	IDA Grant
[X]	Credit	[ ]	Guarantee	[ ]	Other

Total Project Cost:	200.00	Total Bank Financing:	200.00
Financing Gap:	0.00		

Financing Source – Additional Financing (AF)	Amount
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	200.00
Total	200.00

Policy Waivers

Does the project depart from the CAS in content or in other significant respects?	No
Explanation	
Does the project require any policy waiver(s)?	No
Explanation However, the Project requires an embedded exception: There is the need for upfront payment for procurement of vaccines for routine immunization for the second and third quarters of 2015 and operating cost for the March/May 2015 Immunization Plus Days (IPD). The estimated cost of which is about US$60million. The team has sought and obtained RVP approval for retroactive financing of 30 percent.	
Has the waiver(s) been endorsed or approved by Bank Management?	No
Explanation	

Team Composition

Bank Staff

Name	Role	Title	Specialization	Unit
Ayodeji Oluwole Odutolu	Team Leader (ADM	Senior Health Specialist	TTL	GHNDR

	Responsible)			
Ana Besarabic Bennett	Team Leader	Senior Operations Officer	Co-TTL	GHNDR
Shunsuke Mabuchi	Team Leader	Senior Health Specialist	Co-TTL	GHNDR
Nikolai Soubbotin	Legal	Lead Counsel	legal	LEGAM
Daniel Rikichi Kajang	Procurement Specialist	Senior Procurement Specialist	Procurement	GGODR
Ismaila Ceesay	Financial Management	Lead Financial Management Specialist	Financial Management	GGODR
Adewunmi Cosmas Ameer Adekoya	Financial Management	Sr Financial Management Specialist	Financial Management	GGODR
Bayo Awosemusi	Team Member	Lead Procurement Specialist	IST	GGODR
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Edda Mwakaselo Ivan Smith	Safeguards Specialist	Senior Social Development Specialist	Social Safeguards	GSURR
Essienawan Ekpenyong Essien	Team Member	Team Assistant	Team Assistant	AFCW2
Joseph Ese Akpokodje	Environmental Specialist	Senior Environmental Specialist	Environmental Safeguards	GENDR
Mayowa Oluwatosin Alade	Team Member	Consultant	Health Systems	GHNDR

Extended Team

Name	**Title**	**Location**

Locations

Country	**First Administrative Division**	**Location**	**Planned**	**Actual**	**Comments**
Nigeria		Sokoto State			
Nigeria		Rivers State			

Nigeria		Plateau State			
Nigeria		Oyo State			
Nigeria		Ondo State			
Nigeria		Ogun State			
Nigeria		Niger State			
Nigeria		Lagos State			
Nigeria		Kwara State			
Nigeria		Katsina State			
Nigeria		Kano State			
Nigeria		Kaduna State			
Nigeria		Imo State			
Nigeria		Cross River State			
Nigeria		Borno State			
Nigeria		Benue State			
Nigeria		Bauchi State			
Nigeria		Anambra State			
Nigeria		Akwa Ibom State			
Nigeria		Abia State			
Nigeria		Delta State			
Nigeria		Adamawa State			
Nigeria		Edo			
Nigeria		Enugu State			
Nigeria		Jigawa State			
Nigeria		Bayelsa State			
Nigeria		Ebonyi State			
Nigeria		Ekiti State			
Nigeria		Gombe State			
Nigeria		Nasarawa State			
Nigeria		Zamfara State			
Nigeria		Kebbi State			
Nigeria		Kogi State			
Nigeria		Osun State			
Nigeria		Taraba State			
Nigeria		Yobe State			

Nigeria		Federal Capital Territory			

Institutional Data

Parent (NG-Polio Eradication Support (FY13)-P130865)

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Cross Cutting Areas

[ ] 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	Health	100		
Total		100		

Themes

Theme (Maximum 5 and total % must equal 100)

Major theme	Theme	%
Human development	Child health	90
Social dev/gender/inclusion	Social Inclusion	10
Total		100

Additional Financing NG-Polio Eradication Support - Additional Financing (P154660)

Practice Area (Lead)

Health, Nutrition & Population

Contributing Practice Areas

Cross Cutting Areas

[ ] Climate Change

[X] 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	Health	90		
Health and other social services	Other social services	10		
Total		100		

Themes

Theme (Maximum 5 and total % must equal 100)

Major theme	Theme	%
Human development	Child health	90
Social dev/gender/inclusion	Social Inclusion	10
Total		100

Consultants (Will be disclosed in the Monthly Operational Summary)

N/A

PROJECT PAPER

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional Credit of US$200 million to the Federal Republic of Nigeria for the Polio Eradication Support Project (P130865), (Credit No. IDA 51330). The original project was approved on July 12, 2012, for an amount of US$95 million and has a closing date of July 31, 2015. The original project is fully disbursed. With the proposed additional financing, the closing date will be extended to July 31, 2017.

2. **Urgent Request to Avoid Financing Gap.** The Federal Government of Nigeria (FGN) made an urgent request to the Bank for the proposed additional financing (AF) which will provide critically needed funds to: (i) avoid any disruption in polio eradication activities; (ii) prevent a deterioration in routine immunization (RI); and (iii) take advantage of opportunities to introduce new vaccines that will have a large impact on under five mortality. The FGN made the request because it has previously made large investments in polio eradication, RI, and new vaccines but is facing a critical shortfall in revenues due to declining oil prices. This AF will fill an immediate financing gap for 2015 and part of 2016. The FGN's immunization program is financially sustainable in the medium term due to: (i) the establishment of the Primary Health Care Fund as a result of the newly signed Health Act 2014 which will make more funds available for immunization; (ii) up until this year the FGN has been increasing year by year its investments in immunization demonstrating national commitment to the program; and (iii) if polio transmission is interrupted the cost of polio eradication activities will decrease in the medium term. The proposed revised Project Development Objective (PDO) is to assist the Recipient, as part of a global polio eradication effort, to achieve and sustain at least 80 percent coverage with oral polio vaccine immunization in every state in the Recipient's territory, and sustain national routine immunization coverage. The PDO is modified to incorporate routine immunization (RI) activities. The project would have two components: (i) Polio Eradication Operations Support which would finance the distribution of polio vaccine and other operational requirements of polio eradication activities; and (ii) Routine Immunization Support which would include procurement of vaccines for RI. Using the same procurement arrangements that were applied in the original project, all routine vaccines to be financed by the AF will be procured and supplied by UNICEF.

3. **Strong Partnerships are in Place.** The activities under the AF build on a very strong network of development partners (DPs) that have helped Nigeria to improve immunization services. All of the funds under the AF will be channeled through WHO and UNICEF who have a large and well-functioning presence on the ground. These are the arrangements that the FGN itself has used and which have been successfully used during the original project.

4. **Finishing the Job on Polio Eradication and sustaining RI.** The Bank has provided US$285.4 million to support the polio eradication program in Nigeria over the last 12 years. This financing was provided through the previous project (which also included three additional financings) and the current project. Now that Nigeria is on the cusp of interrupting wild polio transmission, there is an opportunity to ensure that an acute financing gap does not derail hard

earned gains. The interruption of RI due to vaccine shortages can have a devastating effect on maternal, neonatal and child health as vaccine-preventable diseases contribute significantly to the overall burden of disease in Nigeria. This could also adversely affect polio eradication, as RI is important for polio eradication, particularly in security-compromised areas.

5. Given that most of the polio operations and the procurement of RI vaccines will be carried out in the first half of 2015, large amount of funds are needed before the expected date of project approval, signature and effectiveness, the AF proposes to increase the limit of retroactive financing to 30 percent (US$60 million).

II. Background and Rationale for Additional Financing

A. Background

6. **The Nigerian Government Faces a Serious Revenue Challenge.** Although macroeconomic performance remains strong, the sharp decline in oil prices has put significant pressure on the macro-fiscal situation, including development financing. Growth in 2014 is estimated to have been 6.1 percent, compared to 5.4 percent in 2013. Similarly, inflation has remained in single digits with January 2015 inflation recorded at 8.2 percent. However, world oil prices have declined by more than 45 percent since June 2014. Since oil accounts for more than 70 percent of Nigeria's fiscal revenues, the Government has had to introduce additional measures to increase non-oil revenues and control expenditures. In December 2014, the Government presented to the National Assembly a proposed budget for 2015 that was seven percent lower in nominal terms than the approved budget for 2014 and which was based on an oil benchmark price of US$65 per barrel. The proposed allocation to health was 5.6 percent lower than in 2014. However, due to the continued decline in oil prices, the Government has further revised the benchmark price to US$54 per barrel. While additional revenue raising measures are being explored, further cuts to some expenditure items seem inevitable.

Polio Eradication

7. **Nigeria is making significant progress on polio eradication – no cases of Wild Polio Virus (WPV) since July 2014.** The country has reduced the number of WPV cases from 122 cases in 2012 to 53 cases in 2013, and only 6 cases in 2014. As of February 23, 2015, WPV has not been detected for seven months; the last confirmed case was on July 24, 2014. Once the country has been WPV-free for one year, it will have "interrupted transmission" – a key step on the path to formal polio eradication.

8. **Disease surveillance, even in insecure areas, remains robust.** The surveillance system on which case detection is based continues to perform well; the system depends on local key informants and local government areas (LGA)-level surveillance officers who are all locally hired. They identify cases of acute flaccid paralysis (AFP) and obtain stool specimens in a timely fashion. Since there are other causes of AFP besides polio it is possible to judge whether the system is performing well by (i) looking at whether it is finding enough non-polio AFP cases; and (ii) obtaining stool samples expeditiously. On these and other parameters the surveillance system in all the states exceeds global standards. In addition to AFP surveillance, environmental sampling is carried out looking for WPV in water and sewage. Environmental sampling has not

found circulating WPV. Combining the results of AFP surveillance and environmental sampling makes it very likely that progress towards polio eradication is real.

9. **Performance has improved even under a challenging security environment**. The progress on reducing polio cases is corroborated by progress on polio immunization performance. During the last round of immunization plus days (IPDs) in January 2015 over 96 percent of the 85 high risk LGAs achieved more than 80 percent oral polio vaccine (OPV) coverage. This is based on household surveys using lot quality assurance sampling (LQAS) where surveyors use tablets which can establish their position (using GPS). The surveys demonstrate that the program has been able to significantly increase coverage over time and attain high coverage rates even in insecure parts of the country, including Yobe, Borno, and Adamawa. This has been achieved by a series of strategies specifically designed for security compromised areas, including: (i) monthly security risk assessments; (ii) expansion of "hit and run" campaigns where numerous vaccinator teams are deployed to an insecure area for just a short period (sometimes just four hours); (iii) health camps where a variety of health services beyond immunization are provided on a mobile basis to remote communities; (iv) the use of attractive "pluses" (e.g., multi-vitamin supplementation, biscuits for children); (v) establishing permanent health teams (PHTs) comprising community members who go around in street clothes with little fanfare providing immunization house-to-house; and (vi) offering immunization services in 50 internally displaced persons' (IDP) camps. The insurgency has actively opposed polio eradication so the success of the program, even in insecure areas, has further strengthened the morale of all the health workers and community members involved and increases the likelihood of continued success.

10. **Performance has improved due to better management and increased accountability.** The improved performance of the polio program appears due to: (i) better management through the establishment of Emergency Operations Centers; (ii) heightened accountability with rewards for good performance and sanctions for poor performance among both Government's and development partners' staff; and (iii) better and more strategic use of data.

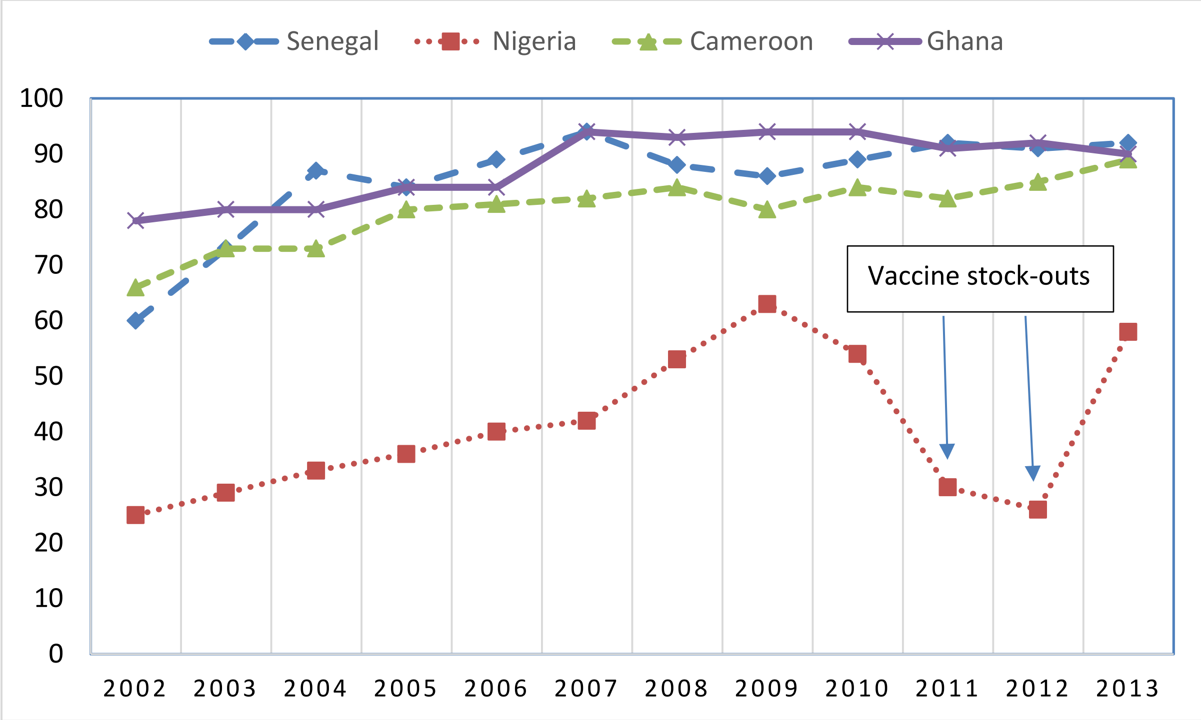
Routine Immunization

11. **Maintaining routine immunization (RI) is important to complete polio eradication and improve child health.** RI is key in interrupting the transmission of wild polio and in completing polio eradication. It is particularly useful in security-compromised areas and remaining hot-spots of polio such as Kano, Borno, and Yobe states where it is widely welcomed by community members. RI is also a critical aspect of improving child health. While Nigeria has made slow progress on improving immunization coverage, especially compared to other countries in West Africa (see Figure 1), it would be disastrous for coverage to actually deteriorate. There were repeated stock-out of vaccines in 2011 and 2012 that resulted in Nigeria quickly losing ground (see Figure 1).

12. **Some progress has been made on strengthening RI.** The recent and impressive success of polio eradication efforts indicates that focused attention, careful collection and analysis of data, application of appropriate technologies, and frequent review, can make a significant difference in program achievement. These lessons are being learned in RI and may help explain the success of some States in dramatically improving immunization coverage. Between 2008 and

2013 six States experienced a greater than 20 percentage point gain in DPT3 coverage based on Nigerian Demographic and Health Survey data. This suggests that rapid progress is possible. In addition, the recent Service Delivery Indicator survey shows that vaccines and the equipment needed for vaccination is widely available in health facilities. The recent development of a national RI strategy is also helpful and suggests that the basic building blocks of a successful RI program are being put in place.

Figure 1: WHO-UNICEF Estimates of DPT3 Coverage (in percentage) for Select Countries in West Africa



Source: http://apps.who.int/immunization_monitoring/globalsummary
Note: These estimates are based on reported data, routinely collected information, and household survey results.

13. **Other initiatives to improve RI.** Other Bank-supported initiatives are helping to improve RI and increase coverage rates. The Nigeria State Health Investment Project (NSHIP) provides payments to health facilities for providing immunization among other services. About 20 percent of the funds allocated to performance-based financing (PBF) are used to reward vaccination. The proposed Saving One Million Lives (SOML) program for results (PforR) will reward states for improving their vaccination coverage rates as judged by household surveys. WHO, UNICEF the GAVI Alliance, as well as other development partners such as USAID, DFID, the EU, Dangote Foundation and the Bill and Melinda Gates Foundation (BMGF) are investing considerable effort and money in trying to improve RI services.

14. **Nigeria has successfully introduced new vaccines.** Using funds from DPs and its own budget, Nigeria has recently (from June 2012 to December 2013) been able to successfully introduce "pentavalent" vaccine throughout the country. Pentavalent vaccine combines the "old" antigens (diphtheria, pertussis and tetanus) with Hepatitis B and Haemophilus Influenza B. The

latter is an important cause of pneumonia and meningitis in children. As part of its RI strategy, FGN has begun the introduction of pneumococcal conjugate vaccine (PVC) (the major cause of fatal pneumonia in children) and inactivated polio vaccine since 2014 and plans are in place to introduce other new vaccines especially rota-virus (a major cause of serious diarrhea in children), and human papilloma vaccine (the major cause of cervical cancer). The FGN has estimated that introducing these new vaccines will avert 487,000 deaths over the next six years.

Immunization Financing

15. **The FGN spends considerable sums on vaccines and immunization.** Over the past five years, the FGN has spent US$142.5 million annually of its own budget appropriation, presidential pledge, and additional appropriation for traditional and new RI vaccine. Such funds have been financing procurement and operational activities for RI through WHO and UNICEF.

16. **Despite DP assistance, there are important financing gaps for polio.** According to the latest Financial Resource Requirements (FRR) approved by the Interagency Coordinating Committee (ICC), the funding gap after including all the tentative funding from development partners in 2015 is about US$136 million. Of this gap, the Government of Nigeria is expected to contribute US$83 million to cover the operational costs of polio eradication. But the BMGF has decided on March 10, 2015 to further support the FGN with a matching grant of US$83 million for polio operations. Most of the funds are required in the first half of the year.

17. **There will be vaccine stock-outs by the end of March 2015.** Due to the shortage of FGN funds, Nigeria will soon run out of vaccine. Time is of the essence if stock-outs are to be avoided and major disruptions in the national immunization program are to be prevented. Pre-financing may be available from development partners through the Vaccine Independence Initiative (VII) or other mechanisms. This will be important given that most of the polio campaigns including the two nationwide campaigns and RI activities will be implemented by the end of June and that they require at least two months of lead time for vaccine procurement and shipping.

18. **The FGN faces increased responsibilities for immunization financing.** Nigeria receives considerable financial support for immunization from the GAVI Alliance for new vaccine introduction. Given its per capita income GAVI expects the Government of Nigeria to bear 46 percent (US$105 million) of the total cost of vaccines and devices (syringes and needles) in 2015, and 44 percent (US$185 million) of the total in 2016. This ratio will increase to 80 percent by 2020. In addition, the total cost of immunization will increase significantly from 2015, with the introduction of the rota-virus vaccine and pneumococcal conjugate vaccine.

19. **The FGN has channeled its own funds through WHO and UNICEF**. Over the last few years the FGN has used WHO and UNICEF to help implement operational polio eradication activities. This arrangement has been used because the related expenditures involve small amounts of cash to be paid to a large number of people spread out over the country and these UN agencies have developed effective mechanisms for effecting payments while maintaining strong fiduciary controls.

20. **Oral Polio Vaccine financing is secure for 2015/2016.** The Bank has been financing OPV for 12 years and the funds from the current project were exhausted in November 2014. However, the Japan International Cooperation Agency (JICA) took over OPV financing with a US$81 million credit which is expected to cover OPV financing needs until June 2016. With the proposed Project, the Bank would complement JICA and through Component 1 would support the distribution of polio vaccine and the other operational requirements of polio eradication activities.

Current Project

21. **Fully Satisfactory implementation.** The Project Development Objective (PDO) for the current project is "to assist the Government of Nigeria, as part of a global polio eradication effort, to achieve and sustain at least 80 percent coverage with oral polio vaccine immunization in every state in the country." According to LQAS surveys, every state has surpassed the 80 percent benchmark. More impressive is that 96 percent of high risk LGAs has met that standard despite increasing insecurity. Given the progress on improving coverage and the seven months since a confirmed case of wild polio has been detected, the project is rated satisfactory for both PDO and IP ratings. The fiduciary ratings are also satisfactory and the funds are fully disbursed.

B. Rationale

22. There is a strong rationale for the additional financing:

(i) **Global public good:** Polio eradication is a global public good because of the epidemic potential of polio and its devastating impact both on children and adults. Polio remains a lethal and crippling disease that is entirely preventable. Eradicating polio in Nigeria contributes to the Global Polio Eradication program and makes the world a safer place for all children. With five more months of zero WPV cases, Nigeria will have officially interrupted transmission of polio viruses, which is a significant milestone toward polio eradication.

(ii) **An acute funding gap could derail progress on polio eradication:** At this critical juncture in polio eradication, an acute financing gap resulting from declining oil revenues could erase hard earned successes.

(iii) **Maintaining routine immunization is critical:** RI is critical to improving child health and will become an even more potent weapon against childhood mortality with the advent of new vaccines. RI is also a critical part of polio eradication, especially in the remaining hot spots facing security challenges.

(iv) **Stock outs of routine vaccines are associated with declining coverage:** Previous stock outs of routine vaccines have been associated with sharp declines in immunization coverage. This would have a deleterious effect on child health and could result in epidemics of vaccine-preventable diseases.

(v) **The FGN faces an acute revenue shortfall:** The FGN has demonstrated a real commitment to financing immunization and has requested this AF to address a short to medium term shortfall in revenues.

23. **The proposed operation is aligned with the Country Partnership Strategy FY 2014-2017** particularly within the second cluster which aims to improve the 'effectiveness and efficiency of social services at state level for greater social inclusion'. Immunization is a public good but it is only in recent years that coverage has been extended beyond upper income groups. The operation will help ensure sustained coverage and contribute to attainment of the related MDGs. Thus, the proposed AF is also contributing to the twin goal of eliminating extreme poverty and boosting shared prosperity.

Summary of Proposed Changes

The proposed Additional Financing would help finance the costs associated with polio operations in all the states in Nigeria and the procurement of vaccines for routine immunization for children under five years and women of reproductive age.

Change	Yes/No
Change in Implementing Agency	Yes [ ] No [X]
Change in Project's Development Objectives	Yes [X] No [ ]
Change in Results Framework	Yes [X] No [ ]
Change in Safeguard Policies Triggered	Yes [X] No [ ]
Change of EA category	Yes [X] No [ ]
Other Changes to Safeguards	Yes [ ] No [X]
Change in Legal Covenants	Yes [ ] No [X]
Change in Loan Closing Date(s)	Yes [X] No [ ]
Cancellations Proposed	Yes [ ] No [X]
Change in Disbursement Arrangements	Yes [X] No [ ]
Reallocation between Disbursement Categories	Yes [ ] No [X]
Change in Disbursement Estimates	Yes [ ] No [X]
Change to Components and Cost	Yes [X] No [ ]
Change in Institutional Arrangements	Yes [X] No [ ]
Change in Financial Management	Yes [ ] No [X]
Change in Procurement	Yes [ ] No [X]
Change in Implementation Schedule	Yes [ ] No [X]
Other Change(s)	Yes [ ] No [X]

Development Objective/Results

Project's Development Objectives

Original PDO

The development objective of the proposed Project is to assist, as part of a global polio eradication effort, the Government of Nigeria to achieve and sustain at least 80 percent coverage with OPV immunization in every state in the country.

Change in Project's Development Objectives

Explanation:

The PDO is modified to incorporate the routine immunization (RI) component. The PDO indicators are similarly changed.

Proposed New PDO - Additional Financing (AF)

To assist the Recipient, as part of a global polio eradication effort, to achieve and sustain at least 80 percent coverage with oral polio vaccine immunization in every state in the Recipient's territory, and sustain national routine immunization coverage.

Change in Results Framework

Explanation:

It is added "and sustain the national routine immunization coverage' to reflect component 2 which looks at routine immunization. The 2014 value for Penta 3 national coverage from the SMART survey will be used as baseline value. The first part of the PDO is in consonance with the Global Polio Eradication Initiative goal while the latter part is to accommodate the FGN's request to provide urgent financing for routine immunization.

Compliance

Change in Safeguard Policies Triggered

Explanation: Operational Policy (OP) 4.01 on Environmental Assessment has been triggered given the potential environmental concerns around the handling of health care waste resulting from project related activities such as the Vaccination and Routine Immunization that generate healthcare waste such as expired vaccines and sharps.

Current and Proposed Safeguard Policies Triggered:	Current (from Current Parent ISDS)	Proposed (from Additional Financing ISDS)
Environmental Assessment (OP/BP 4.01)		X
Natural Habitats (OP/BP 4.04)		
Forests (OP/BP 4.36)		
Pest Management (OP/BP 4.09)		
Physical Cultural Resources (OP/BP 4.11)		
Indigenous Peoples (OP/BP		

4.10)		
Involuntary Resettlement (OP/BP 4.12)		
Safety of Dams (OP/BP 4.37)		
Projects on International Waterways (OP/BP 7.50)		
Projects in Disputed Areas (OP/BP 7.60)		

Change of EA Category

Original EA Category:	Current EA Category: C	Proposed EA Category: B
Explanation: The Project's EA Category was changed from C to B due to the addition of Component 2: Routine Immunization Support.		

Other Changes to Safeguards

Explanation: N/A

Covenants - Additional Financing (NG-Polio Eradication Support - Additional Financing - P154660)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency
IDA	Schedule 2(IV)B1	No withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed the equivalent of SDR 42,700,000 may be made for payments prior to this date but on or after January 1, 2015 for	N/A	N/A	N/A

		Eligible Expenditures under the Project.			

Covenants – Parent (Polio Eradication Support - P130865)

Name	Recurrent	Due Date	Frequency
Institutional Arrangements (Section I.A, Schedule 2 of draft Financing Agreement	X		

Description of Covenant

Obligation to maintain, throughout the implementation of the Project, the NPHCDA, an inter-agency coordination committee, and an expert review committee, with functions, staff and resources satisfactory to the Bank

Name	Recurrent	Due Date	Frequency
UNICEF financial management arrangements (Section II.B.2, Schedule 2)	X		Quarterly

Description of Covenant

The Recipient shall, in accordance with the terms of the UNICEF Procurement Agreement: (i) require UNICEF to maintain a separate ledger account in which all receipts and expenditures financed under the Project will be recorded; (ii) require UNICEF to prepare and furnish to the Recipient as soon as available, but in any case not later than 60 days after the end of each quarter, "utilization" report.

Name	Recurrent	Due Date	Frequency
Audit-on-request provision (Section II.B.4, Schedule 2)	X		

Description of Covenant

The Recipient shall, upon the Association' request, have the Financial Statements for the Project audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Such audit of the Financial Statements shall cover the period indicated in the Association's request. The audited Financial Statements for such period shall be furnished to the Association not later than the date.

Name	Recurrent	Due Date	Frequency
Retroactive financing (Section IV.B.1, Schedule 2)	X		

Description of Covenant

No withdrawal shall be mad for payments made prior to the date of the Financing Agreement, except that withdrawals up to an aggregate amount not to exceed the equivalent of SDR 12,260,000 may be made for payments prior to this date but on or after May 1, 2012, for Eligible Expenditures.

Name	Recurrent	Due Date	Frequency
Provisions for buy-down of Credit principal and commitment and service charges f	X		

Description of Covenant

The Association shall: (a) as administrator of the Global Program to Eradicate Poliomyelitis Trust Funds ("GPEP Trust Funds") and on behalf of the Recipient, pay the Commitment Charge and the Service Charge, as they fall due under this Agreement, until the earlier of: (i) the date of the Assignment and Release Agreement; or (ii) the Buy-Down Completion Date; and (b) following the Assignment Trigger

Name	Recurrent	Due Date	Frequency
Execution of UNICEF Procurement Agreement		30-Jun-2012	

Description of Covenant

The Additional Condition of Effectiveness is that the UNICEF Procurement Agreement has been executed and delivered, under terms and conditions satisfactory to the Association in accordance with Section III of Schedule 2 to the Financing Agreement, and all conditions precedent to its effectiveness (other than the effectiveness of the Financing Agreement) have been fulfilled.

Effectiveness Condition

Source Of Funds	Name	Type

Description of Condition

The Project-specific Condition of Effectiveness is the following, namely, that the UNICEF Agreement and WHO Agreement have been executed and delivered, under terms and conditions satisfactory to the Association in accordance with Section III of Schedule 2 to this Agreement, between the Recipient and UNICEF and between the Recipient and WHO, respectively, and all conditions precedent to their effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

Risk

Risk Category	Rating (H, S, M, L)
1. Political and Governance	Substantial

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

Finance

Loan Closing Date - Additional Financing (NG-Polio Eradication Support - Additional Financing - P154660)

Source of Funds	**Proposed Additional Financing Loan Closing Date**
IDA	July 31, 2017

Loan Closing Date(s) - Parent (NG-Polio Eradication Support (FY13) - P130865)

Explanation:

It is proposed to change the closing date of the project to July 31, 2017 (a two-year extension).

Ln/Cr/TF	**Status**	**Original Closing Date**	**Current Closing Date**	**Proposed Closing Date**	**Previous Closing Date(s)**
IDA-51330	Effective	31-Jul-2015	31-Jul-2015	31-Jul-2017	

Change in Disbursement Arrangements

Explanation:

Funds from the Additional Financing will be channeled directly to World Health Organization (WHO) and UNICEF. Payments will be made directly from the Project account in Washington to WHO and UNICEF.

Change in Disbursement Estimates (including all sources of Financing)

Explanation:
Expected disbursement estimates below reflect the proposed Additional Financing.

Expected Disbursements (in USD Million) (including all Sources of Financing)

Fiscal Year	FY15	FY16	FY17	FY18	
Annual	90	100	10	0	
Cumulative					

Allocations - Additional Financing (NG-Polio Eradication Support - Additional Financing - P154660)

Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)
			Proposed	Proposed
IDA	SDR		142, 200, 000.00	142, 200, 000.00
		Total:	142, 200, 000.00	142, 200, 000.00

Components

Change to Components and Cost

Explanation:

The AF will help fund the implementation of national and state level polio immunization campaigns and support the procurement of vaccines for RI. Given that the most of the polio eradication activities and RI vaccine procurement need to take place in the first half of 2015 (the lead time required to procure and deliver RI vaccines is at least two months) the AF proposes to increase the ceiling of retroactive financing to 30 percent (US$60 million). The project would have the following two components:

COMPONENT 1 – Polio Eradication Operations Support (additional financing US$90 million) – **New Component**: This component would support the distribution of polio vaccine and the other operational requirements of polio eradication activities.

Component 1a. Within this sub-component, WHO will support the FGN to lead the training and planning for immunization plus days (IPDs) and intensified supplementary immunization activities (SIAs). WHO will also ensure supervision, monitoring and evaluation of all related activities as well as pay allowances to vaccination personnel during IPDs and SIAs.

Component 1b. UNICEF will support the FGN to lead the social mobilization for the IPDs and SIAs including engagement with traditional and religious leaders. In all the activities the two UN agencies will work with the National Primary Health Care Development Agency (NPHCDA) and state government officials. WHO and UNICEF have been managing polio operations in collaboration with NPHCDA. The AF will use these existing arrangements.

Based on contracts that will be signed between the FGN and UNICEF and WHO, the Bank will

disburse funds directly (direct payment mechanism) to the two UN agencies. UNICEF and WHO will carry out the above-mentioned activities. Fund utilization will be conveyed to the Government and the Bank through reports as agreed in the contracts.

The total estimated cost for polio eradication logistics and technical support in 2015 is US$102 million, of which, development partners such as BMGF, Rotary International, and KfW (Germany) have committed US$19 million. This leaves a financial gap of US$83 million that the proposed additional financing will finance. However, US$90 million has been earmarked for this component to deal with unexpected exigencies such as the need for additional SIAs, US$72 million will finance activities to be executed by WHO, and US$18 million will finance UNICEF activities.

Monitoring and evaluation (M&E) for this component will be carried out using household surveys that employ lot quality assurance sampling (LQAS) to measure percentage coverage.

COMPONENT 2 – Routine Immunization Support (additional financing US$110 million) – New Component: This component will include procurement of vaccines for RI. Using the same procurement arrangements that were applied in the original project, all routine vaccines to be financed by the AF will be procured and supplied by UNICEF based on contracts signed between the Borrower and UNICEF. The Bank will disburse funds directly to UNICEF, which in turn will purchase the required vaccines based on instructions from the FGN. UNICEF must know that they have secure funding for vaccine before then can negotiate with vaccine producers regarding both price and delivery schedules.

The proposed additional financing will provide financing to cover the gaps in RI in 2015. Of the total gap of US$105 million, US$101 million will be spent for procuring the following vaccines and devices (UNICEF forecast) and the remaining US$4 million will be spent on vaccine distribution and logistics.
Current vaccines (estimated total of about US$42 million) are BCG, hepatitis B, TOPV, measles, yellow fever, tetanus toxoid, and pentavalent vaccine. The new vaccines will cost US$59 million and are pneumococcal conjugate vaccine (PCV), rota-virus, and human papilloma virus (HPV) vaccines.

M&E for this component will be carried out through annual household survey (SMART survey) that will be conducted by the National Bureau of Statistics with collaboration with stakeholders while UNICEF will provide technical assistance.

Current Component Name	**Proposed Component Name**	**Current Cost (US$M)**	**Proposed Cost (US$M)**	**Action**
Supply of oral polio vaccine to national strategic cold		95.00	0	100% disbursed

stores				
	Component 1: Polio Eradication Operations Support	0.00	90.00	New
	Component 2: Routine Immunization Support	0.00	110.00	New
	Total:	95.00	200.00	

Other Change(s)

Implementing Agency Name	Type	Action
NPHCDA	Implementing Agency	No Change

Change in Institutional Arrangements

Explanation:

The Bank will disburse funds directly to UNICEF and WHO, based on the contracts between the FGN and the two UN agencies. Fund utilization will be conveyed to the Government and the Bank through reports using agreed formats.

Appraisal Summary

Economic and Financial Analysis

Explanation:

There is a strong economic rationale for FGN and the Bank to invest in polio eradication and RI. They include: (i) the control of communicable diseases, such as those prevented by vaccination, has large positive externalities beyond the individual benefits that warrants public financing; (ii) polio eradication is a global public good because of its epidemic potential; eradicating polio in Nigeria is part of global effort that would rid the world of this scourge); (iii) the children of poor families are more likely to be exposed to vaccine-preventable diseases and are themselves less likely to be immunized. Thus there is a strong equity argument for public financing of vaccination; and (iv) families may under-value immunization because of a lack of information on the benefits of vaccination or the risks posed by vaccine-preventable diseases. In this way immunization is a “merit” good that deserves Government financing.

The economic rationale for this particular AF includes: (i) the country has not had an indigenous case of WPV for seven months. This is a particularly important time to avoid financing gaps that would nullify all the gains made so far; (ii) disrupting nationwide RI activities due to lack of vaccines will adversely affect the health of 32 million children under five years of age.

The costs of the polio eradication activities and RI have been worked out carefully by a third party (McKinsey) and reviewed and approved by all the stakeholders. Thus, the costs used in preparing the AF represent the most accurate and considered estimates of financing requirements for the polio and RI programs.

For polio eradication, an economic analysis estimated that the incremental net benefits of the GPEI between 1988 and 2035 assuming that the polio will be eradicated in 2015 are US$40 billion (Tebbens et al, 2010). Sensitivity analysis suggested that the net benefits remains positive over a wide range of assumptions, and that including additional externalities such as mortality reduction with Vitamin A supplements together with OPVs increases the net benefit to US$59-130 billion. Given that the difference in the incremental net benefits between the 2012 eradication scenario and 2015 eradication scenario is about US$2 billion, any delays in eradication will only marginally reduce the estimated net benefits.

Technical Analysis

Explanation:

Evidence of Effectiveness: The quality of evidence supporting the effectiveness of RI and polio eradication is exceptionally high. Most of the vaccines, especially the new vaccines, have been subjected to multiple randomized trials in diverse settings and proven both their efficacy and their effectiveness under field conditions. Vaccine efficacy rates (incidence rate among unvaccinated individuals minus incidence among immunized individuals over the incidence among the vaccinated) for most of the vaccines are above 80 percent. In addition, numerous studies have indicated that “herd immunity” (i.e., the proportion of individuals that need to be vaccinated to prevent transmission to un-immunized individuals) can be obtained at about 80 percent coverage.

Efficiency: Numerous studies from different settings and using different assumptions have consistently found RI to be among the most cost-effective interventions in public health. If successful, polio eradication would have an infinite cost-effectiveness ratio because the benefits would accrue far into the future while future costs would be zero. In particular cost effectiveness of immunization interventions (including tuberculosis, diphtheria-pertussis – tetanus, polio and measles) is US$7/Disability Adjusted Life Years (DALY) and for second opportunity measles vaccination is US$4/DALY.

Program Implementation: The implementation of polio eradication activities has improved over the last few years as judged by increasing OPV coverage rates. This has occurred in every high risk state and in almost every high risk LGA. The results of polio (AFP) surveillance confirm the effectiveness of the polio program. The situation is not as good for RI but the building blocks for improving vaccination coverage rates are in place. Avoiding vaccine stock-outs will prevent deterioration in coverage. Other Bank-supported initiatives are providing help to the RI program and other DPs are also providing wide-ranging support.

Monitoring and Evaluation: The progress on RI will be judged using annual household surveys (SMART) that are conducted by the National Bureau of Statistics in collaboration with stakeholders and technical assistance from UNICEF. SMART surveys provide reasonable state-level estimates of immunization coverage and are carried out by an entity without a vested interest in the results. Other sources of information, such as the annual estimates from WHO and

UNICEF will provide supplemental data. For polio activities, the LQAS surveys that provide pass/fail data at LGA level but provide robust state level estimates will be used to judge OPV coverage. Ultimate success will be judged by AFP surveillance which so far has proven to be of high quality.

Social Analysis

Explanation:

Poverty and vulnerable groups focus: The proposed AF, particularly polio operations, has a strong poverty focus since poor families, particularly poor children, are the primary beneficiaries. Poor people living in unhygienic conditions are at greatest risk of having polio. Besides, children in poor families tend to have the lowest immunization coverage. The Project specifically aims to benefit vulnerable groups and previously neglected groups to receive polio immunization. Similarly, under the proposed SOML PforR lagging states will receive additional support to improve the coverage of key health interventions, including vaccination.

Ability to Reach Insecure Areas: LQAS survey data and AFP surveillance indicate that the polio program's ability to reach conflict-affected areas is actually quite impressive. The program has put in place a special set of interventions for security compromised areas, including monthly security risk assessments, expansion of "hit and run" and "catch-up" campaigns based on the changing security status, enhanced RI services with attractive pluses (e.g., malaria diagnosis, multi-vitamin supplementation, biscuits for children) through health camps, and strengthening of permanent health teams (PHT) from within the community. The risks are high but the program has been able to mitigate the risks. Going forward, although the insurgency has been weakened, the program will continue to use these approaches and respond with more strategies as the need arises.

Gender and Equity Issues: There is no evidence suggesting preferential vaccination of male children. In addition, the focus on introducing HPV vaccine and emphasizing tetanus toxoid demonstrates that RI will have disproportionate impact among women. There are issues of equity, both by geo-political zone and by income quintile. Efforts at addressing these inequities are incorporated in NSHIP and the proposed SOML PforR.

Strong community involvement: The proposed AF also builds awareness and political support of LGA Chairmen in collaboration with the Association of Local Governments of Nigeria (ALGON) by requiring their participation in the supervision of SIA and RI. Further, to consolidate traditional and religious leaders' engagement, the NPHCDA, WHO and UNICEF ensure the active participation of traditional and religious leaders in Task Forces at all levels. Also, traditional/religious leaders head rapid response teams to deal with non-compliance in all high risk/vulnerable LGAs. They are called to help vaccinators and social mobilization teams to convince non-compliant households to accept OPV and thereby assist with addressing non-compliance in all high risk and vulnerable LGAs. The government also strengthened the engagement of Faith-Based and Community-Based organizations in mobilizing communities. National advocacy teams visit State Governors and other top government officials of high risk states to ensure complete political support.

Domestic Economy and Market: There is potential for local device (e.g., needles, syringes) manufacturing in Nigeria which could add value to the economy and allow for long term sustainability from cost savings when local manufacturers are patronized. In addition, there is potential for long-term vaccine manufacture and possibility of revamping earlier work on vaccine production in the Vaccine Research Laboratory in Lagos. These are core sustainability issues.

Financial Management Analysis

Explanation:
The financial management arrangements under this Additional Financing will remain the same as under the original project - Polio Eradication Support Project (P130865). Within Component 1 (Polio Eradication Operations Support), funds for Component 1a will be disbursed directly by the World Bank to WHO while funds for component 1b as well as Component 2 (Routine Immunization Support) of this project, will be disbursed directly by the World Bank to UNICEF. The assessment of the financial management arrangements for the Additional Financing confirms that the arrangements would provide adequate assurance that the Bank's fiduciary requirements would be met, especially that funds will be used for the purpose intended with due regard to economy and efficiency.

Procurement

For this Additional Financing, the procurement management arrangements will be slightly modified from what is in the current Polio Eradication Support Project (P130865). Under the AF, UNICEF will be responsible for Procurement of Vaccines and Devices for Routine Immunization (RI), which is estimated to cost US$101 million. UNICEF will also provide Technical Assistance (TA) for Polio and RI Operations (US$22 million). The World Health Organization (WHO) will also provide Technical Assistance on Advisory and Operations Services.

Under the AF, UNICEF will undertake the procurement and supply of routine immunization vaccines and devices for the RI, through its international procurement division based in Copenhagen, as agreed under the previous Project. Operations Procurement Review Committee (OPRC) will give the Regional Procurement Advisor authority to provide IDA "No Objection" to the draft contract between the FGN and UNICEF for the duration of the project. Under the contract, UNICEF will buy the vaccines from the most advantageous source, while taking into account its other obligations to respond to the global needs for RI vaccines and its own institutional requirements. The development of the draft contracts with UNICEF for the procurement of the vaccines and the agreement for the TA component, and also agreement for the WHO TA which are needed urgently for the OPRC review is already on-going. Since procurement will be managed by UNICEF and its procurement systems are acceptable under the Bank-UN FMFA agreement, no formal assessment of UNICEF and WHO systems will be conducted.

For polio operations, the Bank will finance the payment for logistics services as well as other operating cost through the contracts to be signed with both UNICEF and WHO. The expenditures under these contracts will not be subject to the Bank's procurement procedures but the requirements for documentation, verification, internal and external audits, as well as the ceiling

amounts, etc. will be agreed with the Bank prior to disbursing of such expenditures. UNICEF and WHO will sign contracts including technical agreements with the FGN (NPHCDA) for handling of operations cost and related logistics costs following the model template used for the Ebola Emergency Response Project.

Retroactive financing in accordance with the Procurement Guidelines will be allowed up to 30 percent of the Credit prior to the signing of the Credit Agreement. The effective date of the retroactive financing was agreed as January 1, 2015. UNICEF will need to retroactively finance with up to US$25 million if the Vaccine Independence Initiative (VII) or another donor step up to provide the support. Other options include getting the consensus of development partners to use other earmarked funds for the program. However, WHO will be able to source up to US$30 million between now and May, 2015 for the polio operations.

Environmental Analysis

Explanation:

The proposed AF does not envisage any civil works including construction and rehabilitation of existing buildings. Operational Policy (OP) 4.01 on Environmental Assessment has been triggered given the potential environmental concerns around the handling of health care waste resulting from project related activities such as the Vaccination and Routine Immunization that generate healthcare waste such as expired vaccines and sharps. Thus the Project's EA Category was changed from C to B as the original Project did not have an RI component.

The risks: Currently, improper and unsafe health care waste management (HCWM) practices put at risk healthcare workers, patients, and communities at large who are exposed both within health facilities (HFs) and the surrounding communities.

1. Although a well-defined Environmental Assessment legal system (EIA Act, Cap EI2LFN2004) for safeguarding the environmental aspect of the project exists, as well as the recently approved National Strategic Healthcare Waste Management policy (including National Strategic Healthcare Waste Management Plan and Guideline for 2013 -2017 by the FGN), the operators, especially at facility levels, do not seem to be aware of these policies and documents, resulting in inadequate waste management and poor implementation or utilization of these instruments.

2. The potential risks are considered to be small in scope, site specific, and easy to prevent, and manage as well as remediate to acceptable levels. Experience has proven that when healthcare wastes are properly managed, generally they pose no greater risks than that of properly treated municipal or industrial wastes. Thus the risks are manageable and can be mitigated through development and implementation of the approved National Healthcare Waste Management Plan.

3. **Government actions to date**: Nigeria has demonstrated its commitment to mitigating adverse social and environmental impacts in the implementation of a range of World Bank projects such as the HIV/AIDS project and the Nigerian State Health Investment Project (NSHIP). There are adequate legal and institutional frameworks in the country to ensure compliance with World Bank safeguards policies. On September 4, 2013, the Nigerian Federal Executive Council (FEC)

approved a new National Strategic Healthcare Waste Management policy, including National Strategic Healthcare Waste Management Plan and Guideline for the country. The fact that the Ministers of Environment and Health jointly presented the memo seeking Council's approval for the adoption of the National Healthcare Waste Management policy underscores the high level of the commitment of the Government toward improving the situation of the sector. The policy stipulates that waste generated by both public and private medical institutions in Nigeria must be safely handled and disposed of by these institutions, and provides guidelines and a strategic plan for medical waste management activities at medical institutions.

4. **Project Interventions**: The project will (a) apply the necessary safeguard requirements at primary care facility level; (b) draw upon the National Healthcare Waste Management Strategic Plan and other already prepared HCWM plans of other World Bank health projects in Nigeria such as the Nigeria HIV/AIDS project and NSHIP to prepare guidance on HCWM processes for the implementing agencies (Federal, States, Local Government Authorities, and Healthcare Facilities Managements); to ensure the protection at local clinics of healthcare workers, wastes handlers, and communities from the harmful impacts of hazardous healthcare wastes; and, to maximize project compliance with international and national environmental regulations and best practices. Following the clearance of the final document by FGN, the Bank will disclose the revised regulations and assist Nigeria with country-wide dissemination if so desired.

Risk

Explanation:

The overall risk rating for the AF is Substantial. This reflects mostly the macro-economic risks that the Government faces due to oil price declines that adversely affect its revenues. Additional issues may arise for the AF if there is significant post-election turmoil.

The fiduciary risks are also rated low because funds will flow directly to UNICEF and WHO. This is the same mechanism used for the original project and the way through which the Nigerian government channels its own funds to the FGN and DPs 'basket fund' for the National Immunization Program. Furthermore, as part of efforts to improve FGN's internal control and fiduciary management, the Federal Ministry of Health has recently entered into agreement with the Global Fund to conduct an in-depth fiduciary assessment of all it funds recipients which includes the NPHCDA, with a view to instituting necessary reforms. The HNP Team would work with Bank Governance colleagues to see how the Bank can also support this process and provide any additional support that may be required through the on-going NSHIP and SOML.

Grievance Redress

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: Revised Results Framework and Monitoring

NIGERIA: Additional Financing (P154660) – Polio Eradication Support Project (P130865)

Revisions to the Results Framework		**Comments/ Rationale for Change**
PDO		
Current (PAD)	*Proposed*	
To assist the Government of Nigeria, as part of a global polio eradication effort, to achieve and sustain at least 80% coverage with oral polio vaccine immunization in every state in the country	*Add:* "and sustain national immunization coverage"	This is to accommodate the FGN's request to provide urgent financing for routine immunization.
PDO indicators		
Current (PAD and Restructuring Paper)	*Proposed change**	
Immunization coverage of OPV in the country	No Change	
Immunization coverage of OPV in each high risk state	No Change	
Direct project beneficiaries (Children Immunized), of which female	No Change	
	Pentavalent 3 coverage rate from household survey	This is to reflect efforts to sustain the routine immunization program. Pentavalent vaccine is one of the most important vaccines and the largest cost component in the RI.
Intermediate Results indicators		
Current (PAD)	*Proposed change**	
Percentage of teams with viable vaccine according to the Vaccine Vial Monitor	No Change	
Percentage of campaigns where vaccines are available on time	No Change	

Project Name:	Additional Financing (P154660) – Polio Eradication Support Project (P130865)		Project Stage:	Additional Financing	Status:	DRAFT
Team Leader(s):	Ayodeji Oluwole Odutolu	Requesting Unit:	AFCW1	Created by:		
Product Line:	IBRD/IDA	Responsible Unit:	GHNDR	Modified by:		
Country:	Nigeria	Approval FY:	2015			
Region:	AFRICA	Lending Instrument:	Investment Project Financing			
Parent Project ID:	P130865	Parent Project Name:	Polio Eradication Support Project (P130865)			

Project Development Objectives
Original Project Development Objective - Parent:
A. Proposed Development Objective To assist the Government of Nigeria, as part of a global polio eradication effort, to achieve and sustain at least 80% coverage with oral polio vaccine immunization in every state in the country.
Proposed Project Development Objective - Additional Financing (AF):
To assist the Recipient, as part of a global polio eradication effort, to achieve and sustain at least 80 percent coverage with oral polio vaccine immunization in every state in the Recipient's territory, and to sustain national routine immunization coverage.

Revised Results Framework	
Core sector indicators are considered: Yes	Results reporting level: Project Level
Project Development Objective Indicators	

				Target Values			Data Source/	Responsibility for
Indicator Name	Core	Unit of Measure	Baseline	YR1	YR5	Frequency	Methodology	Data Collection
Immunization coverage of OPV in the country	☐	Percentage	91.80[1]	80	80	Every Immunization round	EIM	UNICEF, NPHCDA
Immunization coverage of OPV in each high risk state	☐	Percentage	Kano 76 Zamfara 89 Katsina 94 Borno 82 (Oct,2010)[2]	80	80	2012, 2014, 2015, 2016	Cluster sample survey according to WHO approved methodology	World Bank /NPHCDA executed performance audit/LQAS
Pentavalent 3 coverage rate from household survey (New)	☐	Percentage	52 (SMART 2014)		52	Annual	SMART survey (UNICEF)	UNICEF
Direct project beneficiaries of which female[3] (number)	☒	Number	0	X[4]	X[4]	Annual	WHO, UNICEF campaign reports	UNICEF, NPHCDA

[1] This baseline value is a national average based on data collected during the campaigns and compares the number of children immunized to a population target, while the indicator below uses cluster sampling, a much more robust methodology, but is limited to the high risk states. The 80 percent value is the internationally recommended value for achieving herd immunity.
[2] Baseline from 2010 Performance Audit (PA). Since more states are endemic- future performance audits /LQAS will include more states in the surveys.
[3] As the national program does not disaggregate by gender, the proportion of female will be an estimated figure.

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values YR1	YR5	Frequency	Data Source/ Methodology	Responsibility for Data Collection
Children immunized (number) [4]	☒	Number	0	X[4]	X[4]	Annual	WHO, UNICEF campaign reports	UNICEF, NPHCDA
Intermediate Results Indicators								
				Cumulative Target Values			Data Source/	Responsibility for
Indicator Name	Core	Unit of Measure	Baseline	YR1	YR5	Frequency	Methodology	Data Collection
Percentage of teams with viable vaccine according to the Vaccine Vial Monitor	☐	Percentage	97	97	98	Every round	WHO campaign report	WHO
Percentage of campaigns where vaccines are available on time	☐	Percentage	100	100	100	Every round	WHO/UNICEF campaign reports	UNICEF, NPHCDA

[4] Core indicator - cumulative for the project period inclusive of National Immunization Plus Days (NIPD) and Supplementary Immunization Activities (SIA). The NIPD target is to reach 80 percent of the children in the country between 0- 5years which is about 32 million children in each round. The target for the SIAs will vary with the number of high risk states covered, as determined by the epidemic.

Annex 2: Systematic Operations Risk- Rating Tool (SORT)

Nigeria: NG Polio Eradication Support Project (P154660)
Stage: Additional Financing

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

Annex 3: Implementation Arrangements

Financial Management

1. The financial management (FM) arrangements under this Additional Financing will remain the same as under the original project - Polio Eradication Project (P130865). The funds for Component 1a (Polio Eradication Operations Support - WHO) will be disbursed directly by the World Bank to WHO while funds for Component 1b (Polio Eradication logistics and technical Support - UNICEF) and Component 2 (Routine Immunization Support) of this project, will be disbursed directly by the World Bank to UNICEF, (Copenhagen, Denmark) based on contracts signed between the government and these UN agencies. The assessment of the financial management arrangements for the Additional Financing confirms that the arrangements would provide adequate assurance that the Bank's fiduciary requirements would be met, especially that funds will be used with due regard to economy and efficiency.

2. These FM operating procedures are consistent with the procedures agreed and documented in the original PAD of the previous project and summarized below:

- i) An agreement will be signed between the Federal Government of Nigeria and UNICEF on a single source contract basis for the purchase of Vaccines for Routine Immunization (VRI);
- ii) An agreement will be signed between the Federal Government of Nigeria and WHO on providing support for the distribution of vaccines from the point of entry to the country to various states of the federation and subsequently to the LGAs and health facilities;
- iii) The Agreements (contracts) will be cleared with the World Bank and the signing of the Agreements with UNICEF and WHO will be a condition of effectiveness of the Additional Financing;
- iv) The VRI will be procured and operational expenses under Component 1b , would be incurred in accordance with UNICEF's rules, regulations and procedures;
- v) The operational expenses under Component 1a would be incurred in accordance with WHO's rules, regulations and procedures;
- vi) The Credit proceeds will be disbursed by the Bank directly to UNICEF for the purchase of the required VRI on the basis of Withdrawal Applications, along with forecast expenses for six (6) months replenishable quarterly, upon receipt of an Utilization Certificate from UNICEF/WHO ;
- vii) UNICEF and WHO will maintain a separate ledger accounts in their books through which all receipts and expenditures, for the purposes of providing these services contemplated by the Agreement, will be recorded;
- viii) The Credit proceeds will be disbursed by the Bank directly to UNICEF and WHO as an "advance" for operational expenses on the basis of instructions from the Government of Nigeria;
- ix) UNICEF will report every semester to the FGN (with a copy to the Bank) on the use of funds received showing, inter alia, the fund balance at the beginning and end of the reporting period. The Fund Utilization Report will include, at a minimum:

(a) the sales and purchase orders placed by UNICEF during the reporting period;
(b) the actual quantities of VRI delivered during the reporting period; and
(c) the expenditures from the VRI Procurement Account during the reporting period.

x) WHO will report every six (6) months to the FGN (with a copy to the Bank) on the receipt and use of funds received indicating, inter alia, allocation of expenditures made and committed balance at the beginning and end of the reporting period.

3. As the IDA Credit will not be directly disbursed to the FGN, all financial management responsibilities under the Additional Financing are vested in UNICEF and WHO. The reports submitted under (ix) and (x) above will allow the project to meet the Bank's financial reporting requirements, given that UNICEF and WHO's financial regulations and procedures are accepted under the Bank-UN Financial Management Framework Agreement (Bank – UN FMFA). Both UNICEF and WHO have subscribed to the UN Framework Agreement. This Additional Financing, as in the case of the original project (P130865), will also not request financial audits. The team has received an audit exemption for this project from the Bank Financial Management Sector Board, with the understanding that the IDA reserves the right in the Financing Agreement to request for such audit should any issue come to its attention.

4. Since the funds will be managed by UNICEF and WHO, and their FM systems and financial regulations are acceptable under the Bank-UN FMFA agreement, no formal assessment of UNICEF and WHO systems were conducted. Rather the assessment was limited to the existing arrangements that ensure that the procured vaccines are delivered to the Government and that the accompanying invoices and delivery notes are consistent with the financial utilization reports submitted by UNICEF. The assessment therefore was limited to the review of the records presented by UNICEF to the Government, including the delivery notes covering the vaccines and traced to the distributed quantities by Government and also the financial utilization reports submitted by both UNICEF and WHO to the Government.

Disbursement by category

5. The table below sets out the expenditure categories and percentages to be financed out of the Credit proceeds.

Table: Disbursement Categories

Category	Amount of the Credit Allocated (expressed in SDR '000)	Amount of the Credit Allocated (expressed in USD '000)	% of Expenditures to be financed
1. Goods, Non-Consultant Services, Training &	142,200	200,000	100

Vaccination Personnel Allowances			
Total Amount	**142,200**	**200,000**	100

6. The Bank assessment found these systems to be functioning well and no exceptions were noted, which gives the assurance that the funds will be used for the purposes of the project. These arrangements therefore meet the Bank's minimum FM requirements in accordance with OP/BP 10.0.