



## Nigeria Edo State Fiscal Improvement and Service Delivery Operation (P151480)

AFRICA | Nigeria | Macro Economics & Fiscal Management Global Practice |  
IBRD/IDA | Development Policy Lending | FY 2015 | Seq No: 3 | ARCHIVED on 28-Dec-2016 | ISR26610 |

Implementing Agencies: Edo state Ministry of Finance

### Key Dates

#### Key Project Dates

Bank Approval Date:29-Apr-2015

Effectiveness Date:07-Mar-2016

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:30-Apr-2016

Revised Closing Date:31-Dec-2016

### Program Development Objectives

Program Development Objective (from Program Document)

To support Edo state in the implementation of critical policy and institutional reforms to improve the management of its public resources; increase private sector access to land for investment and improve the quality of education.

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Satisfactory
Overall Risk Rating	● High	● High

### Implementation Status and Key Decisions

The Operation closes on December 31, 2016. It was expected that the last operation in the programmatic series would have been prepared and ready to become operational before this time. This has not been the case due to the various issues around the use of DPFs in Nigeria currently. Nonetheless, the team notes that the State Government has largely maintained its strong reform momentum and made good progress in building on a number of the reforms supported by the DPF program. Slow-down of activities was observed in some areas and this could be traced largely to the upsurge in political activities in the state preparatory to the September 2016 governorship elections in the state. Some important areas where progress has been maintained include:

- Continued expansion of the state's taxpayer database: While the consultant enumeration process for the taxpayer enumeration exercise or the state has stalled a number of times, the EIRS has continued to use its own personnel to register tax payers at its state-wide offices and as of October 2016, a total of 173,434 taxpayers had been captured in the TIN database, exceeding the DPF program target of 120,000
- The state continues to conduct quarterly payroll verification audits in 2016, following the full audit that was conducted in December 2015. This has contributed to keeping payroll expenditure under control.
- The state continues to build on its improved budget preparation process through the instrumentality of the Medium Term Sector Strategies (MTSS) and the Medium Term Expenditure Framework (MTEF). This process was piloted for the preparation of the state's 2016 budget and



- has been continued for the 2017 budgeting round.
4. The state is in the process of upgrading and re-implementing its electronic budget and treasury system (State Integrated Financial Management Information System (SIFMIS)) to enable a P2P regime that is more seamless and allows the roll-out of P2P to all remaining MDAs by March 31, 2017.
  5. Implementation of a new land transaction charge regime in the state that is equivalent to a nine (9) percentage point reduction in land transfer charges and about 45 percent reduction (on average) in the cost of obtaining Certificates of Occupancy (C-of-O) for the different categories of land (residential, commercial/industrial, agricultural).
  6. Agreements-in-Principle reached for technical partnerships between four private sector companies and Technical/Vocational Education (TVE) institutions in Edo state to enable stronger links between TVE curriculum and industry requirements.
- It is expected that with the political transition having been largely concluded in November, the state government will fully resolve all the stalled processes and advance further in its bid to improve its policies and institutions.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● High	● High	● High
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Substantial	● Moderate	● Moderate
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate	● Moderate
Other	--	--	--
Overall	● High	● High	● High

## Results

### Results Indicators

#### ► Number of taxpayers captured in Edo state's electronic taxpayer (U-TIN) database (Number (Thousand), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	38.00	169.20	173.43	120.00
Date	31-Dec-2014	22-Jun-2016	31-Oct-2016	31-Dec-2016



► Audited civil service payroll with accurate staff numbers (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	Y	Y	Y
Date	31-Dec-2014	22-Jun-2016	31-Oct-2016	31-Dec-2016

► Percentage of procurement staff in Edo state public service certified (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	100.00	30.00
Date	31-Dec-2014	22-Jun-2016	31-Oct-2016	31-Dec-2016

► Operational integrated electronic platform for budget preparation, execution and reporting (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	Y	Y
Date	31-Dec-2014	22-Jun-2016	31-Oct-2016	31-Dec-2016

► Expenditure arrears in relation to total expenditure (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.60	5.64	5.64	10.00
Date	31-Dec-2014	31-May-2016	31-Oct-2016	31-Dec-2016



► Number of MDAs for which Medium Term Sector Strategies (MTSSs) are prepared and reflected in the annual budget in consistency with fiscal stability goals (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	10.00	6.00
Date	31-Dec-2014	31-Dec-2015	31-Oct-2016	31-Dec-2016

► Number of months between end of fiscal year and the publication of the state's audited financial statements (Months, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	9.00	5.00	7.00	7.00
Date	31-Dec-2014	30-Nov-2015	31-Oct-2016	31-Dec-2016

► Land transfer fees as a percentage of land value in Edo state (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	26.40	17.40	17.40	20.40
Date	31-Dec-2014	22-Jun-2016	31-Oct-2016	31-Dec-2016

► Number of partnership agreements executed between TVET colleges and private sector actors (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	31-Dec-2014	22-Jun-2016	31-Oct-2016	31-Dec-2016



► Percentage of eligible female students in TVET colleges benefitting from TVET-Private sector partnership arrangements (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	31-Dec-2014	22-Jun-2016	31-Oct-2016	31-Dec-2016

► Percentage of SBMCs monitoring and reporting on teacher and pupil attendance (disaggregated by gender) at basic education level (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	50.00	50.00	60.00
Date	31-Dec-2014	22-Jun-2016	31-Oct-2016	31-Dec-2016

#### Overall Comments

The end-targets refer to end-of-program targets. The establishment of the targets pre-supposed that the second operation in the programmatic series would have been concluded by December 2016. Despite the fact that this has not happened, the state has achieved some of the end-targets.

## Data on Financial Performance

### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P151480	IDA-56260	Effective	XDR	53.30	53.30	0.00	53.30	0.00	100%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P151480	IDA-56260	Effective	29-Apr-2015	23-Dec-2015	07-Mar-2016	30-Apr-2016	31-Dec-2016

## Tranches

## Restructuring History



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There has been no restructuring to date.

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## **Related Operations**

P157619-SECOND EDO STATE FISCAL IMPROVEMENT AND SERVICE DELIVERY OPERATION

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