

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA24330

Project Name	National Social Safety Nets Project (P151488)
Region	AFRICA
Country	Nigeria
Sector(s)	Other social services (100%)
Theme(s)	Improving labor markets (20%), Social Safety Nets/Social Assistance & Social Care Services (60%), Social Protection and Labor Policy & Systems (20%)
Lending Instrument	Investment Project Financing
Project ID	P151488
Borrower(s)	Federal Ministry of Finance
Implementing Agency	Office of the Vice President
Environmental Category	C-Not Required
Date PID Prepared/Updated	01-Mar-2016
Date PID Approved/Disclosed	23-Mar-2016
Estimated Date of Appraisal Completion	25-Mar-2016
Estimated Date of Board Approval	07-Jun-2016
Appraisal Review Decision (from Decision Note)	

I. Project Context

Country Context

With an estimated population of 177.5 million, Nigeria is Africa's most populous nation and the largest economy in Sub-Saharan Africa. Gross Domestic Product (GDP) annual growth in Nigeria averaged about 6 percent from 2005 until 2015, reaching an all-time high of almost 9 percent in 2010. In 2015, GDP growth fell significantly due to low oil prices to a record low of slightly over 2 percent.

Poverty remains at 33.1 percent of the population in 2012/2013, equivalent to 58 million Nigerians, and it is largely a rural phenomenon. 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.

Persistent poverty has been accompanied by mixed progress in health, nutrition and education. Nigeria did not achieve the child mortality target of the Millennium Development Goals (MDG 4)

and there has been no progress on reducing maternal mortality. Childhood malnutrition has worsened by some measures (low weight for age has increased by 21 percent and wasting has increased 64 percent). While poor education outcomes further jeopardize child welfare and future development. From 2010 to 2013, the out-of-school rate for children 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.

Agriculture remains the largest employment sector in the country with half of the population engaged in low-productivity agriculture. Women working in agriculture are less likely to move into wage work than their male counterparts but more likely to move into non-farm household enterprises, in which women comprise 60 percent of the workforce. 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.

Sectoral and institutional Context

Data from the 2009/2010 Harmonized Nigeria Living Standard Survey (HNLSS) indicates that the poor in Nigeria experience shocks such as the death of a spouse, the death of a household head, physical harm, personal theft, and robbery by force more often than the national average. Across the country, low income employment, particularly in agriculture, subjects households to periods of inactivity given its seasonal variations. These households are also vulnerable to climatic shocks, both flooding and droughts, which are becoming more frequent in Nigeria. Thus, not only are these households more likely to live in poverty, they are also at a higher risk for shocks to their already-low income levels. Social safety nets, therefore, would provide an important consumption smoothing effect to prevent these households from falling further into poverty and to make strides against it.

Public expenditure on social protection programs has grown in recent years. 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 2012 ; however, overall coverage of existing programs remains low and is poorly targeted. In 2016, the Government's proposed budget allocation to social protection of US\$2.5 billion (0.4 percent of GDP) is an important step towards sufficient and sustainable sector spending. Further, the Government has shown its renewed commitment through a significant budget inclusion for social protection in the Medium Term Expenditure Framework (MTEF) of Naira 500 billion (US\$2.5 billion) per year.

The Government has also outlined its commitment to social protection in a draft National Social Protection Policy currently being finalized for submission to the Federal Executive Council.

The aim of the National Social Safety Nets project (NASSP) is to support the Government's program by expanding access for poor households to social safety nets while also developing systems at the Federal level for use by other safety nets 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.

II. Proposed Development Objectives

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.

III. Project Description

Component Name

Establishing the Foundation for a National Social Safety Net System

Comments (optional)

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 or targeted beneficiary group, the same system can be used by national and State governments, development partners, and civil society in the medium term.

Component Name

Implementing a Targeted Cash Transfer

Comments (optional)

This component will finance safety nets transfers, both unconditional and conditional, to targeted poor and vulnerable households included in the National Social Registry.

IV. Financing (in USD Million)

Total Project Cost:	1911.00	Total Bank Financing:	500.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			1411.00
International Development Association (IDA)			500.00
Total			1911.00

V. Implementation

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 supported through the project to strengthen implementation.

Implementing arrangements for NASSP involve: (i) the National Social Safety Nets Coordinating Office (NASSCO) set up under the Office of the Vice President, including the National Social Registry (NSR); (ii) the National Cash Transfer Office (NCTO); (iii) coordination and implementation offices in the State governments; and (iv) implementation offices in Local Government Areas (LGAs). Across all these, significant coordination with line ministries and civil society will be included.

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. Over time, targeted cash transfers will be one of several complementary safety nets coordinated under NASSCO. NASSCO will include a multi-sectoral National Steering Committee (NSC) chaired by the Vice President. The development of the NSR will require putting in place management and technical specialists under NASSCO, in addition to building enabling IT infrastructure.

Implementation of the targeted cash transfers will be done through Government systems. The NCTO will be housed in the OVP under NASSCO, and will have the overall management responsibility for the targeted cash transfers, including implementation of Federal level activities and oversight of State level implementation.

Each NASSP State will have a State Operations Coordination Unit (SOCU) housed in the State Office for Budget and Planning that will be responsible for establishing and managing the State social registry. Each State will set up a State Project Implementation Unit (SPIU), separate from the SOCU, responsible for implementing and monitoring co-responsibilities.

To secure State buy-in and support, the Federal Government will enter into an Agreement 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 CT intervention, and therefore does not require cash co-financing by States. The minimum conditions for State participation will include: (i) establishment of a SOCU and SPIU with the agreed staffing; (ii) CBT undertaken and SR established per the agreed Federal guidelines; and (iii) Agreement with Federal Government signed. Activities (i) and (ii) will be financed by NASSP through advances once the Agreement is signed.

VI. Safeguard Policies (including public consultation)

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

Comments (optional)

VII. Contact point

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