



# Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 23-Apr-2024 | Report No: PIDPC00083

**BASIC INFORMATION****A. Basic Program Data**

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Nigeria	WESTERN AND CENTRAL AFRICA	P504693	Nigeria: Primary Healthcare Provision Strengthening Program
Financing Instrument Program-for-Results Financing (PforR)	Estimated Appraisal Date 31-May-2024	Estimated Approval Date 30-Jul-2024	Practice Area (Lead) Health, Nutrition & Population
Borrower(s) FEDERAL REPUBLIC OF NIGERIA	Implementing Agency FEDERAL MINISTRY OF HEALTH		

**Proposed Program Development Objective(s)**

To support the Government of Nigeria improve access to, and utilization of quality primary health care services.

**COST & FINANCING (US\$, Millions)****Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

**SUMMARY**

<b>Government program Cost</b>	<b>11,200.00</b>
<b>Total Operation Cost</b>	<b>500.00</b>
Total Program Cost	450.00
IPF Component	50.00
<b>Total Financing</b>	<b>500.00</b>
<b>Financing Gap</b>	<b>0.00</b>

**FINANCING**

<b>Total World Bank Group Financing</b>	<b>500.00</b>
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World Bank Lending

500.00

#### Concept Review Decision

The review did authorize the preparation to continue

## A. Introduction and Context

- 1. The proposed Nigeria Primary Healthcare Provision Strengthening Program focuses on strengthening the delivery of essential health services in terms of access, utilization and quality.** It will comprise a Program-for-Results (PforR) Program that supports the Government of Nigeria's Health Sector Renewal Investment Initiative (NHSRII<sup>1</sup>) and serves as an anchor for a Sector Wide Approach (SWAp) aimed at aligning national, subnational and partner financing for health around the reform initiative. Investing in primary healthcare and progress towards Universal Health Coverage (UHC) require a multi-sectoral approach. The Primary Healthcare Provision Strengthening Program (herein after referred to as "HOPE-Health") would therefore yield mutual benefits and greater sustainability, in complement with the Human Capital Opportunities for Prosperity and Equity (HOPE-Governance) and HOPE-Education PforR programs, under preparation. HOPE-Governance centers on policy and institutional measures including domestic resource mobilization, public financial management and human resources management at the federal and state levels, representing the critical foundation required for service delivery in the health and education sectors. HOPE-Governance, HOPE-Education and HOPE-Health will operate under a common framework fostering multi-sector collaboration to advance the NHSRII.

## B. Country Context

- 2. Nigeria, Africa's most populous country and home to an estimated 13 percent of the world's poor, possesses substantial untapped economic potential yet is one of the least developed nations globally.** Nigeria has the largest economy in Africa, with a gross domestic product (GDP) of approximately \$472 billion in 2022. Yet over 40 percent of its population live in poverty and the country hosts the second-largest population of people living in extreme poverty.<sup>2</sup> Economic growth has not maintained pace with population growth, the average annual real GDP growth halved from 7.7 percent in 2000-2009 to 3.6 percent in 2010-2019. Nigeria's key development constraints include the high dependence on oil, insufficient economic diversification and inclusive growth, and a poor scorecard on good governance and service delivery including investments in human capital.<sup>3</sup> As a diverse federation of 36 autonomous states and 220 million people, federal state coordination is a challenge.<sup>4</sup> Pathways for development include improving economic governance and generating more trust in State institutions, boosting government investments in human capital building, introducing a social assistance program to sustain the move away from fuel subsidies, and improving the opportunities for the young and entrepreneurial to diversify the economy and invest in inclusive economic growth.

<sup>1</sup> The initiative aims to guide the renewal of Nigeria's health system as part of the Government's broader health agenda, including as part of its efforts aimed at achieving Universal Health Coverage (UHC) by 2030.

<sup>2</sup> World Bank. 2022. A Better Future for All Nigerians: Nigeria Poverty Assessment 2022. Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/37295> License: CC BY 3.0 IGO."

<sup>3</sup> See World Bank Systematic Country Diagnostic 2020. <https://elibrary.worldbank.org/doi/epdf/10.1596/33347>

<sup>4</sup> <https://www.unfpa.org/data/world-population/NG>



3. **Elections in 2022 brought in a new President and administration who have introduced long awaited reforms to the exchange rate and fuel subsidy regimes, ushering in a new era of reform to stabilize the macroeconomic and fiscal situation.** Macroeconomic stability had been deteriorating leading to a pre-election parallel market exchange premium of close to 100 percent over the official rate, a shortage of foreign exchange, and inflation of 19.64 percent year-on-year in 2022. Confronted with this fragile economic reality, the administration led by President Tinubu that took office in May 2023 announced two critical macro-fiscal reforms: the elimination of a costly (2.2 percent of GDP in 2022) and regressive gasoline subsidy, and liberalization of the exchange rate. The implementation of these policies has already led to the reduction of foreign exchange premium to negative in March 2023 and a rise in petrol pump prices from average of NGN 238 in May 2023 to NGN 668 in January 2024.<sup>5</sup> The reforms are estimated to lead to an increase in net fiscal transfers from Nigerian National Petroleum Corporation Limited (NNPC),<sup>6</sup> from 6.9 percent of GDP in 2022 to 9.4 percent of GDP in 2024.<sup>7</sup>
4. **The economic and fiscal outlook continue to be vulnerable to shocks and oil-dependence and the challenges associated with improving governance of the State.** In recent years the economy has been hit by COVID-19, a fall in global oil prices, and weak domestic oil production. The post-COVID recovery was short-lived with real GDP growth just 3.3 percent in 2022 and 2.9 percent in 2023, due to low oil production, flood-related low agricultural output, and the introduction of a demonetization policy. The fiscal space is limited by the need to service debts (101.5 percent of revenues in 2022) and vulnerable to fully realizing the fiscal transfers from the oil sector, restricting public investments. Long-standing perceptions of corruption and other governance challenges such as weak institutions and limited transparency and accountability dampen business sector confidence.

#### Sectoral (or multi-sectoral) and Institutional Context of the Program

5. **Nigeria's youthful population represents a vast reservoir of human capital waiting to be tapped, but the country's low score on the human capital index undermines this potential.** Nigeria's Human Capital Index (HCI) of 0.36 implies that a child born in Nigeria can be expected to achieve only 36 percent of her or his potential productivity. If Nigerian children were to reach their full potential on education and health, the country's GDP per capita could be 2.8 times higher. Investing in human capital will therefore be critical for Nigeria's future development and shared economic prosperity. Half the population is currently less than 18 years old.
6. **Most of Nigeria's key health outcome indicators – including those in the human capital index – rank among the bottom five or ten countries globally.** Life expectancy of 54 years is the lowest in the world. Under-five mortality is the second highest globally at 114 per 1,000 live births. Maternal mortality is third highest in the world at over 1,000 per 100,000 live births. These numbers translate into over 800,000 deaths annually among children under five, and about 80,000 maternal deaths. Nigeria therefore accounts for 1 out of 6 child deaths globally, and 1 out of 4 maternal deaths. The prevalence of stunting among children under five is 37% – with long-term implications for human development – and ranks among the top 10 in the world. The same is true of the total fertility rate (5.3 births per woman), which has only fallen slightly from its 1990 level of 6.0. While Nigeria is at the early stages of the epidemiological transition, with non-communicable diseases (NCDs) accounting for 24% of total deaths, the NCD burden poses a new and growing challenge.

<sup>5</sup> <https://nigerianstat.gov.ng/elibrary>

<sup>6</sup> NNPC is owned by the Ministry of Finance Incorporated (MOFI) and the Ministry of Petroleum Incorporated (MOPI). NNPC explores, produces, refines oil, and markets and retails petroleum products.

<sup>7</sup> Gasoline subsidies are deducted from oil revenues resulting in lower remittance of oil revenues to the Federation.



7. **Nigeria's poor health outcomes and weak health financing environment are not unconnected to the complex federal arrangements:** Nigeria's constitution provides for a vertical revenue-sharing formula across the federal, states, local governments, and centrally controlled special funds, respectively. This has resulted in federal fiscal dominance and financially weak states. Furthermore, the constitutional allocation of roles and responsibilities in health care is unclear across all orders of government. The consequences are that subnational entities in Nigeria have faced resource constraints in increasing expenditure on health, and in turn, the federal government has used conditional fiscal transfers in the health sector as a vehicle to transfer resources and influence policy.
8. **External development assistance accounts for about 10% of Nigeria's total health spending but represents less than the sum of its contributions due to significant fragmentation.** There are many multilateral, bilateral, and philanthropic development partners in the health sector in Nigeria, with a complex array of inputs (financing, technical assistance, commodities), geographies (focus states, federal government), sectoral priorities, and institutional arrangements (M&E frameworks, financial management practices, authorizing structures). This fragmented approach is a transactional and prioritization burden on government authorities and undermines long-term sustainability.

#### Relationship to CPF

9. **HOPE-Health is aligned with the core objectives of the Nigeria Country Partnership Framework (CPF) FY21-25.** Firstly, it aligns with *Core Objective 3: Improve Primary Healthcare*, which is focused on enhancing the quality and coverage of public health services and sustainable financing for basic health services through the Basic Healthcare Provision Fund (BHCPF). Secondly, the operation aligns with *Core Objective 1: Increase Domestic Resource Mobilization, Improve Quality of Public Expenditures and Strengthen Debt Management*, which prioritizes amongst other issues, strengthening federal-state coordination and accountability within Nigeria's fiscal federalism framework. This will be addressed through inter-governmental transfers and performance incentives of the Nigeria Health Sector Renewal Investment Initiative ~ BHCPP and by strengthening the social contract between government and people. The BHCPP will aim to achieve this through a sharper focus on social accountability. Thirdly, the operation, with its predominant focus on women and young children through the delivery of Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) services, deepens the CPF's drive to reduce *Gender* gaps and inequities. Lastly, the operation will aim to address interdependent climate and health challenges by proactively integrating climate resilience into health systems infrastructure and planning.

#### Rationale for Bank Engagement and Choice of Financing Instrument

10. **The rationale for World Bank support of this operation is based on the centrality of human capital to Nigeria's future employment opportunities, productivity, economic development, and poverty reduction.** The country's low score on the HCI (152 out of 157 countries globally) underlines the urgency of this agenda. Primary health care system strengthening as supported by this operation is one of the most cost-effective approaches to improving human capital outcomes through the health sector and generates significant economic benefits.<sup>8</sup> The World Bank is also uniquely positioned to bring to bear the vast range of expertise required for such an extensive reform, spanning governance, public financial management, health systems and service delivery, digital in health and the climate/health nexus. The proposed operation is also consistent with Nigeria's strategic priorities as articulated in the Medium-Term National Development Plan 2021-25 and Nigeria's Agenda 2050.

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<sup>8</sup> WHO (2018) Building the economic case for primary health care: a scoping review <https://www.who.int/docs/default-source/primary-health-care-conference/phc---economic-case.pdf>



- 11. HOPE-Health will provide a platform for a SWAp, thereby leveraging additional resources to support a critical agenda.** By aligning donor financing with government's own resources, the proposed operation will foster convergence around a common set of results that are reflective of Nigeria's disease burden. A SWAp will also provide the leverage to deepen federal-state dialogue towards additional domestic resource mobilization and better accountability for results. Providing mutual and joint platforms for planning, delivery, monitoring and accountability will drive efficiency, transparency, and accountability for health spending and key health systems inputs and processes. The World Bank has a clear comparative advantage to serve as the anchor organization for the SWAp, as it brings a long history of supporting SWAps in health and other social sectors, from across the globe and in doing so has provided a convergence point for enhanced leverage and efficiency of other partner financing. The operation will mainly utilize the PforR instrument placing greater emphasis on results, while allowing flexibility to finance technical assistance activities through an Investment Project Financing (IPF) component.

### C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

#### Program Development Objective(s)

To support the Government of Nigeria improve utilization and quality essential health care services.

#### PDO Level Results Indicators

- 12.** Five PDO-level indicators align with the PDO emphasis on access, utilization and quality of primary and priority secondary health care services.
- Number/coverage rate of selected priority services delivered by community health workers (for example, Micronutrient Powder (MNP) supplementation, Multiple Micronutrient Supplementation (MMS), deworming, provision of Zinc and Oral Rehydration Salts (ZnORS) for treatment of diarrhea, Integrated Community Case Management (iCCM) for treatment of childhood illnesses, counselling)
  - Number of PHC facilities achieving service readiness criteria (or % of target number)
  - Number of Local Government Areas with accredited Comprehensive Emergency Obstetric and Newborn Care (CEmONC) facilities (or % of target number)
  - Number/coverage rate of selected priority services provided (for example, four or more antenatal visits (ANC4+), Pentavalent vaccines coverage (Penta3), family planning, Basic Emergency Obstetric and Newborn Care (BEmONC)
  - Quality of care process measurement (% discordance between Local Government Areas (LGA) assessment and Independent Verification Agent (IVA) quality audit)
- 13. Results Area #1: Financing & Governance** will focus on policy and institutional measures that lay the foundation for effective service delivery, including measures such as (i) a fiscal transfer design under BHCPF that will balance state needs (proxied by key disease burden indicators) with a state performance index to reward high performing states; (ii) key building blocks for strategic purchasing by NHIA and its state counterparts, such as robust data systems, medical audit and fraud control guidelines; (iii) deployment of national health fellows for performance and financial management at the LGA level to oversee service delivery units; and (iv) action plans to address Nigeria's climate and health challenges.
- 14. Results Area #2: Health systems supply side strengthening** will focus on facility-level indicators of both readiness to provide services and utilization of priority services by the population. This will embrace indicators such as (i) primary health care center readiness through the NPHCDA gateway; (ii) CEmONC accreditation to provide secondary care via the NHIA gateway; (iii) delivery of priority services such as ANC-4, DPT3, family planning, BEmONC, malaria treatment,



and reaching zero-dose children with vaccines; (iv) a measure of quality of care provided by PHC centers (including but not limited to commodity stock-outs); and (v) climate resilience and energy efficiency of PHC infrastructure.

15. Results Area #3: Accelerating Access through demand side interventions, will focus on steps to enhance access to services including through demand-side interventions. This will include domains such as (i) the recruitment, deployment, and performance management of community health worker cadres; (ii) priority services delivered by community health workers (with focus on behavior change and preventive care); (iii) cash transfers to pregnant mothers to incentivize institutional delivery and selected priority child health services; and (iv) emergency medical transport for pregnant women to facilitate access to care.

#### D. Program Description

##### PforR Program Boundary

16. **The government program, “p”, is encapsulated in the Nigeria Health Sector Renewal Investment Initiative 2023-27 roadmap.** Critical aspects of the program, particularly the Basic Healthcare Provision Program are described in the National Health Act 2014 and the enacted NHIA Act 2022. The program (“p”) will include: (i) primary healthcare service readiness, service availability and quality by *National and State Primary Healthcare Development Agencies*; (ii) strategic purchasing for maternal and child health administered by *National and State Health Insurance Agencies* through general hospitals managed by the *State Ministries of Health*; (iii) Health Security functions delivered by the *Nigeria Centre for Disease Control*; (iv) *National Emergency Services and Ambulance Scheme (NEMSAS)*; (v) Digital in Health for Information Systems Strengthening and *Human Resources for Health* by the *Department of Health, Planning, Research and Statistics of the Federal Ministry of Health and State Ministries of Health*; (vi), cash transfers; (vii) medical industrialization; and (viii) citizens engagement program. The Basic Healthcare Provision Program of the NHSRII is estimated at US\$2.8 billion annually.
17. **The proposed Program “P” of support by the World Bank will incentivize a subset of expenditures across all pillars of the government program “p”.** Program boundaries will include the following discrete expenditure categories the Basic Healthcare Provision Fund for fiscal transfers to 36 + 1 states, by the Federal Ministry of Health, strategic purchasing through the NHIA, capital investment in primary healthcare rehabilitation, essential commodities, health worker salaries, emergency and ambulance services, data and information systems and conditional cash transfer programs. The expenditure categories will be financed under *State Ministries of Health, State Primary Healthcare Development Agencies* and *State Health Insurance Agencies*. The World Bank’s contribution to the government’s expenditure program will be US\$500 million, with intent of other development partners to provide co- and parallel financing. The World Bank’s financing represents 7.5% of BHCPP program costs.

#### E. Initial Environmental and Social Screening

18. **At this concept stage, the Environmental and Social (E&S) risks have been evaluated and found to be of moderate risk based on the activities that will be supported by the Program.** Solarization of healthcare facilities can have numerous positive impacts for their efficient functioning. However, there are some minor/moderate E&S risks that need to be considered and mitigated during implementation and operation, such as occupational health and safety (OHS) issues during installation, waste generation and pollution (including waste produced by disused solar panels, batteries and inverters), noise pollution, complaints, and Operation and Maintenance (O&M) considerations.





Additionally, there are other potential social risks associated with the proposed cash transfer activities, such as complaints and grievances due to the selection process and service delivery; Program-induced gender-based violence (GBV) risks, including sexual exploitation and abuse/sexual harassment (SEA/SH) risks; potential security issues related to cash payment and household visits which need to be considered and mitigation measures put in place to minimize the risks. The Program implementers have experience in addressing E&S concerns from the Saving One Million Lives PforR (P146583) and IPF operations such as National State Health Investment Project (P120798) and Immunization Plus and Malaria Progress by Accelerating Coverage and Transforming Services Project (P167156). The Environmental and Social Systems Assessment (ESSA) which is currently being prepared under HOPE-Governance will determine Nigeria's existing environmental and social management system, that is, the legal, regulatory, and institutional framework guiding the Program and define measures to strengthen the systems where gaps are identified and integrates these measures into the overall Program. The preparation of the ESSA commenced in the last quarter of 2023, and the disclosure of the draft ESSA is expected in April 2024. The ESSA findings and proposed Program Action Plan will be shared and consulted with the government, and the ESSA will be disclosed before the Program appraisal.

**19. The environmental and social risks of the Investment Project Financing (IPF) component is rated Low** since the anticipated risks and impacts are minimal due to the scope of the component. The Environmental and Social Commitment Plan (ESCP) will include activities to improve good labor management procedures, continuous stakeholder engagement throughout implementation period including grievance mechanisms for direct and indirect workers including independent verification agencies (IVAs). To further promote understanding of social accountability and build trust in government systems, the Program will ensure a grievance redress mechanism is in place, which will be incorporated into the Stakeholder Engagement Plan. The technical assistance component will also support Civil Society Organizations to improve social accountability in the health sector intervention. The public health sector in Nigeria is governed by Public Service Rules, which address some issues on labor and working conditions. However, private entities such as consultants for IVAs or M&E that may be engaged to provide services for the operation are not covered by the public service rules. Therefore, the Implementing Agency(ies) will prepare a Labour Management Procedure (LMP) to address the risks associated with such entities. The LMP will include information on OHS, Code of Conduct for preventing sexual exploitation, abuse, and sexual harassment, as well as grievance mechanisms.

## Legal Operational Policies

	Triggered?	
	Last approved	Current
Projects on International Waterways OP 7.50	No	
Projects in Disputed Area OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts of the IPF Component





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Nigeria: Primary Healthcare Provision Strengthening Program(P504693)

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