



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
COMMUNITY AND SOCIAL DEVELOPMENT PROJECT  
APPROVED ON JULY 1, 2008  
TO THE  
FEDERAL REPUBLIC OF NIGERIA

December 23, 2020

SOCIAL PROTECTION AND JOBS GLOBAL PRACTICE

WESTERN AND CENTRAL AFRICA REGION

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## **ABBREVIATIONS AND ACRONYMS**

AF	Additional Financing
CARES	COVID-19 Action Recovery and Economic Stimulus
CDD	Community Driven Development
CDP	Community Development Plan
COVID-19	Coronavirus Disease
CSDA	Community and Social Development Agency
CSDP	Community and Social Development Project
GDP	Group Development Plans
FCT	Federal Capital Territory
FMF	Federal Ministry of Finance
FPSU	Federal Project Support Unit
ICR	Implementation Completion and Results Report
PDO	Project Development Objective
PforR	Program for Results



**BASIC DATA**

**Product Information**

Project ID P090644	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 01-Jul-2008	Current Closing Date 31-Dec-2020

**Organizations**

Borrower Federal Government of Nigeria	Responsible Agency Federal Project Support Unit.,Ministry of Humanitarian Affairs, Disaster Management and Social Development
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**Project Development Objective (PDO)**

Original PDO

Development objectives. The project development objective is to sustainably increase access of poor people to social and natural resource infrastructure services. The key performance indicators are: - Increased number of poor people (of which 70% are women) with access to social services. - Increased number of poor people with access to natural resources infrastructure services. - Increased percentage of participating Local Governments that are incorporating Community development plans in their budget.

Current PDO

The new PDO is to increase access by the poor people, and particularly by the internally displaced and vulnerable people in the North East of Nigeria, to improved social and natural resource infrastructure services in a sustainable manner throughout Nigeria.

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-58400	07-Jun-2016	30-Aug-2016	27-Feb-2017	31-Dec-2020	75.00	55.00	19.01
IDA-54070	26-Mar-2014	25-Feb-2015	17-Aug-2015	31-Dec-2020	140.00	125.71	1.77
IDA-44960	01-Jul-2008	24-Nov-2008	23-Feb-2009	30-Sep-2015	199.95	187.44	0



### Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### A. Project Status

1. The Development Credit Agreement of the Nigeria, Community and Social Development Project (CSDP, P090644, IDA-44960) in the amount of US\$200 million IDA credit was approved on July 1, 2008. It became effective on February 23, 2009. An additional financing (AF, P148215, IDA-54070) of US\$140 million IDA credit became effective on August 17, 2015 with a closing date of December 2017. However, because of the Recovery and Peace Building Assessment (RPBA) of the insurgency situation in the North East, a second AF (P157898, IDA-58400) of US\$75 million IDA credit was prepared and became effective on February 28, 2017 with a new closing date of June 30, 2020. The closing date was further extended to September 30, 2020 and subsequently to December 31, 2020 to mitigate the effect of Coronavirus disease (COVID-19) on implementation of the project and to strengthen the platforms at the State level for mitigating the impact of the pandemic on the poor and vulnerable. The project has also a counterpart funding in the amount of US\$180 million for the parent credit. With this the total financing of the project is US\$595 million. The current CSDP development objective is *“to increase access by the poor people, and particularly by the internally displaced and vulnerable people in the North East of Nigeria to improved social and natural resource infrastructure services in a sustainable manner throughout Nigeria”*. The CSDP supports (i) the empowerment of communities and vulnerable groups within communities to develop, implement and monitor micro social infrastructure projects (public and common pool goods) including natural resource management interventions; and (ii) strengthening the skills and capacity of Local Government authorities, Local Government Authorities and sectoral public agencies to support communities and build a partnership between them. The CSDP-AF Project has four components. These are (1) Coordination and Program Support Component, (2) Local Government Authorities/Sectoral Ministries Capacity and Partnership Building Component, (3) Community-Driven Investment Component and (4) Vulnerable group support grant Component. The first component is managed at the Federal level by the Federal Project Support Unit (FPSU) supervised by the Ministry of Humanitarian Affairs, Disaster Management and Social Development through the National Social Safety Net Coordinating Office (NASSCO), while the other three components are currently managed at the State level by State Community and Social Development Agencies established by law.

2. The project is making satisfactory progress in terms of achieving its development objectives and targets and the implementation progress is commendable. The project has surpassed the project development objective (PDO) indicator targets and many of the intermediate objective targets. For example, as at end December 2020, over 5,834 poor communities now have access to social services (against a target of 3,750 communities). Also, more than 12 million people are direct beneficiaries of the micro-projects and community development plans (CDPs) supported by the project (target is 3.2 million). Over 15,900 microprojects have been



supported by the project (target is 8,500). The project also supported capacity building of over 2,500 officials of Local Government Authority and State Government Sectoral Ministries (target is 1,000). The project is currently active and project management is satisfactory in 30 states and Federal Capital Territory (FCT). More than 4.5 million individuals are benefiting directly from the CSDP interventions in the North East while across all the participating states, well over 20 million individuals are benefiting (directly and indirectly) from CSDP as of December 2020. The interventions (microproject services) are mainly in the areas of Education, Health, Water and Sanitation, Nutrition and Socio-Economic empowerment for the poor and vulnerable people.

3. The overall financial disbursement rate is about 95 percent (parent CSDP plus AF) as at end December 2020, with about US\$20 million remaining undisbursed. There is continued increase in completion rate of micro-projects, increase in number of CDPs and Group Development Plans (GDPs) approved and funded by the Community and Social Development Agencies (CSDA) despite the challenge of the COVID-19 in the country since late February 2020. Local Governments' participation and community level funding of micro-projects have also improved. The implementation of CSDP in the North East States has recorded tremendous progress. There is increasing number of CDPs and GDPs approved by the State Agencies and microprojects completed.

4. Monitoring and evaluation, as well as financial management system reporting have improved. The rating as at the last implementation support mission is satisfactory for monitoring and evaluation and for financial management as well. The Federal team is providing adequate support to state level CSDAs, and other related delivery units especially in terms of recruitment process, revision of operation manuals and technical guidance. Monitoring and reporting on the North East CSDP Program are carried out by the FPSU on a quarterly basis. The FPSU support to States in terms of capacity building through staff audit, joint training, study tours facilitation and on-the-field assistance remains commendable. Also, the project management of the procurement process is rated as satisfactory across the Federal unit and all participating States and FCT.

5. The impressive results and impact of the CSDP on the life and livelihood of the poor in rural communities across all the participating States in Nigeria, and the supportive role of the FPSU to the State Government owned community and social development agencies, and safety nets, and livelihood as well as food security delivery agencies and units, explain why the Government continue to appreciate the CSDP as the foremost and effective pro-poor service delivery mechanism in the country. This is the main reason why the Government is leveraging on the CSDAs and FPSU for the implementation readiness of the emergency COVID-19 response- the COVID-19 Action Recovery and Economic Stimulus (CARES) Program for Results (PforR, P174114) Program.

6. The covenants of the CSDP have been complied with, with the exception of the one on State Government contribution, and the use of third-party monitors, that are partially complied with. Some of the State Governments have not been regular about counterpart funding provision, while the third-party monitors were appointed only recently and submitted first report in early September 2020 and being reviewed for inclusion in the next Implementation Status and Results Report (ISR).

### **Rationale for Restructuring**

7. The CARES (PforR) in the amount of US\$750 million IDA credit was approved by the Board of Executive Directors of the World Bank on December 14, 2020, with the CSDAs at the State level and the FPSU at the Federal



level as the pivotal platforms for response at the community level in supporting the poor and vulnerable. The CARES (PforR) was approved along with the Country Partnership Framework (R2020-0214) for for year 2021-2025. The approval of the Government and signing of the Financing Agreement is expected in the next couple of months. The Government originally requested a three (3) month extension of the closing date of the CSDP to ensure further strengthening of the CSDA and FPSU platforms to prepare for implementation of the CARES Program. The need to further strengthen the CSDAs and other identified delivery platforms at State level as well as the Federal support platform in readiness for start of implementation in 2021 is the basis for the request for further extension of the closing date of the CSDP credit. A formal letter from the Borrower, Federal Ministry of Finance (FMF), was received by the World Bank on December 22, 2020 requesting the additional extension in order to “further strengthen the institutional framework for implementation of the proposed CARES Program”.

8. The extension of the closing date is important to ensure better strengthened, effective and efficient platforms for the CARES Program implementation. The CSDP, using a community driven development (CDD) mechanism, offers a veritable platform for pro-poor service delivery as proposed under the CARES in response to the challenges of poverty and vulnerability in the country.

#### **DESCRIPTION OF PROPOSED CHANGES**

9. The proposed restructuring includes extension of the closing date of the two AF credits (IDA 54070 and IDA 58400) by four months (December 31, 2020, to April 30, 2021). This will help the Borrower to enhance robustness of the CSDAs and related agencies of the Government in furtherance of its pivotal role in the COVID-19 response strategy. The change is not expected to result in any policy, components, or institutional changes. About US\$18 million of the credit is expected to be disbursed for the purpose of enhancing the implementation readiness of the CSDA and other delivery platforms. The cancellation of any undisbursed balance before the closure of the credit will be undertaken within the period of extension. Not granting the extension will leading to loss of undisbursed balance and great limitation on implementation readiness of the Nigeria CARES operation

10. The proposed closing date extension by four months from December 31, 2020, to April 30, 2021 will bring the cumulative extension of the closing date to over seven years. With this new closing date, the project will be 12 years and 10 months old at the time of closure. The original credit was extended at the time when the AF was added. As part of the wavier requirements, an interim Implementation Completion and Results Report (ICR) was completed in 2016. The plan for a further ICR report of the completed project following its closure in April 30, 2021 is now well advanced.

11. The proposed closing date extension meets the requirements of the World Bank Investment Project Financing (IPF) Directive regarding extension of closing dates, specifically: (i) the project objectives remains achievable; (ii) the performance of the Borrower remains satisfactory; (iii) the World Bank and the Borrower agree on actions that will be undertaken by the Borrower to complete project critical activities; and (iv) there are no outstanding audits and/or interim financial reports.

12. The results framework will be revised to extend the end target dates to match with the newly established closing date as soon as the extension is approved.



### III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

### IV. DETAILED CHANGE(S)



**LOAN CLOSING DATE(S)**

<b>Ln/Cr/Tf</b>	<b>Status</b>	<b>Original Closing</b>	<b>Revised Closing(s)</b>	<b>Proposed Closing</b>	<b>Proposed Deadline for Withdrawal Applications</b>
IDA-44960	Closed	31-Dec-2013	31-Dec-2014, 30-Sep-2015, 31-Mar-2016		
IDA-54070	Effective	31-Dec-2017	30-Jun-2020, 30-Sep-2020, 31-Dec-2020	30-Apr-2021	30-Aug-2021
IDA-58400	Effective	30-Jun-2020	30-Sep-2020, 31-Dec-2020	30-Apr-2021	30-Aug-2021