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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
INTERNATIONAL FINANCE CORPORATION  
MULTILATERAL INVESTMENT GUARANTEE AGENCY  
AND  
DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (UK)  
COUNTRY PARTNERSHIP STRATEGY PROGRESS REPORT  
FOR THE  
FEDERAL GOVERNMENT OF NIGERIA  
FOR THE PERIOD FY05-09**

**February 26, 2008**

**Nigeria Country Management Unit  
Africa Region**

**Sub-Saharan Africa Department  
International Finance Corporation**

**Multilateral Investment Guarantee Agency**

**UK Department for International Development**

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## CURRENCY EQUIVALENTS (February 25, 2008)

Currency Unit = Naira  
Naira 118 = US\$1  
US\$ = SDR 1

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AAA	Analytical and Advisory Activities
AfDB	African Development Bank
CDD	Community Driven Development
CDMAP	Capacity Development Management Plan
CPIA	Country Performance Institutional Assessment
CPS	Country Partnership Strategy
DfID	Department for International Development
EC	European Commission
ECA	Excess Crude Account
ESW	Economic Sector Work
EFCC	Economic and Financial Crimes Commission
CET	Common External Tariff
GDP	Gross Domestic Product
HIVAIDS	Human immunodeficiency virus/Acquired immune deficiency syndrome
HSDP	Health Systems Development Project
IDA	International Development Association
JMT	Joint Management Team
LS	Lead States
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
MTSS	Mid-term Sector Strategies
MW	Megawatts
NAPE	Nigerian Association of Petroleum Explorationists
NEEDS	The National Economic Empowerment and Development Strategy
NEITI	Nigeria Extractive Industries Transparency Initiative
NEPA	Nigeria Electricity Power Authority
NGOs	Non-Governmental Organisations
NIPP	National Integrated Power Program
PPP	Public-Private Partnership
RAMP	Rural Access and Mobility Project
SEEDS	State Economic Empowerment and Development Strategy
SWAP	Sector Wide Approach
TA	Technical Assistance
TUGAR	Technical Unit on Governance and Anti-Corruption Reform
UBE	Universal Basic Education
UN	United Nations
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank

**FEDERAL GOVERNMENT OF NIGERIA**  
**COUNTRY PARTNERSHIP STRATEGY PROGRESS REPORT**

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## NIGERIA

### COUNTRY PARTNERSHIP STRATEGY PROGRESS REPORT FY05-09

#### Executive Summary

1. **The objectives and approaches of the Country Partnership Strategy ( Report, No. 32412-NG, June 2, 2005) remain relevant to Nigeria's needs, the Government program of reforms and the effort to improve aid effectiveness. Adjustments in the program will be made to reflect an increased emphasis on the power sector, state governance, and Niger Delta issues as key priorities of the new Administration.** This Progress Report assesses implementation of the CPS during 2005-2007, and is jointly agreed by the World Bank, DFID, and Government of Nigeria. The report identifies achievements, and areas where further progress is needed within the 3 pillars of the CPS (non-oil growth, governance and human development) and makes recommendations for better alignment of the future program of the World Bank with the priorities of President Yar'Adua's administration. It takes stock of progress in working in partnership and through the Lead States approach, to strengthen impact and obtain results in a big federal country.

2. **The two years of CPS implementation showed uneven achievements across the 3 strategic pillars.** There has been a notable increase in non-oil growth, commendable achievements in improving governance at the Federal level, and some successes in human development. However, slow progress in governance at the state level, in power and transport sectors, and education sector reforms remain a significant challenge. Achievements have been made possible in areas where strong government commitment and leadership have enabled the many different institutional actors to work together effectively. Where this leadership is absent, poor coordination and competition among different agencies and tiers of government severely hampers progress. Weak capacity is generally a major challenge across sectors and tiers of government.

3. **The Lead State approach and work in partnership remain central to the CPS.** Partners will continue to implement the Lead State approach and will use engagement in other states to inform their decision at the time of preparation of the next country strategy in 2009 on whether to expand into other Lead States. The partnership is working and has improved the quality of World Bank and DFID assistance. It has been most successful at the strategic policy level and in coordination of projects activities on the ground. In the remaining 2 years, more emphasis will be placed on joint design and monitoring of programs. Nigeria's other main development partners (USAID, EC, AfDB and the UN system) who have been working closely already, plan to sign up to a joint 2009 Country Partnership Strategy.

4. **The World Bank will continue to deliver a robust program of IDA lending and AAA with a strong focus on infrastructure and governance.** Project preparation and implementation will be expedited by scaling up existing successful projects and focusing new projects on fewer States. DFID and USAID programs will continue to contribute to the achievement of CPS outcomes, with a particular focus on State-level work across all sectors.

## I. Recent Developments and Challenges

5. **The second administration of President Obasanjo (2003–2007) was marked by important achievements in economic and governance reforms.** The introduction of an oil price-based fiscal rule led to increased fiscal discipline and was one of the main factors in the achievement of Paris Club debt deal, with the debt-relief gains to be spent on progress towards the MDGs. In 2006, the country obtained its first sovereign rating from Fitch Ratings and from Standard and Poor, both at BB- the same rating as Brazil, Turkey and Vietnam. Progress was made in increasing transparency and tackling corruption by strengthening government institutions (e.g. the Due Process Unit); prosecuting perpetrators of corruption (Economic and Financial Crimes Commission - EFCC); and embedding governance reforms in law (Procurement, Fiscal Responsibility and Nigeria Extractive Industries Transparency Initiative (NEITI) Bills).

6. **Nigeria maintained macro-economic stability and achieved strong performance of the non-oil sector.** Improved fiscal management has been the driver of recent macroeconomic stability improvements. Inflation has declined to single digits in 2006-2007, the parallel and official exchange rates have converged reflecting the unification of foreign exchange market, and international reserves reached USD54 billion by the end of 2007. Continued fiscal discipline at Federal and State levels will be critical to maintaining macro-economic stability. The non-oil sector which provides livelihood for the majority of Nigerians grew at a rate of 8.2 percent in 2005, 9.4 percent in 2006 and 9.6 percent in 2007. GDP per capita in current US dollars has more than doubled from USD358 in 2000 to USD752 in 2005. Since mid-2005, Nigeria's economic reform program has been supported by the IMF's Policy Support Instrument (PSI). The government has expressed interest in close collaboration with the IMF in the future, possibly in the context of a successor PSI, but no formal request to this effect has been made. The IMF Board meeting of February 13, 2008 concluding the 2007 Article IV Consultation with Nigeria strongly highlighted the good macroeconomic performance under the PSI and progress in the structural reform agenda.

7. **President Yar'Adua has committed his government to reform and has drawn on NEEDS to set out a 7-point agenda of priorities.** The elections of April 2007, though judged by observers to fall short of international standards, led to the first handover in Nigeria's history from one democratically elected administration to another. President Yar'Adua's 7-point agenda builds on NEEDS and identifies the development of human capital; economic reforms; transport; power; rule of law; Niger Delta and electoral reform as key priorities for his Administration. Power, the Niger Delta, reforms at state level and in particular the effort to ensure macro-economic stability as States use their shares of the Excess Crude Account (ECA) have emerged as the most critical issues in the immediate future.

8. **Carrying forward the reforms initiated in the power sector is critical to improving Nigeria's competitiveness, sustaining economic growth and fostering human development.** Progress in recent years includes: (i) enactment of a Power Sector Bill which provides the basis for reforms of the sector, (ii) unbundling of the national power company (NEPA) in preparation for privatization, and (iii) investments in an increased generation. Sustaining and continuing the reform program will be a major technical challenge, as simultaneous action is needed in a wide range of areas: institutional and governance reforms, regulation and ensuring the financial sustainability of the power holding company; and investment in transmission and distribution to



keep pace with increasing generation capacity. The President has established an Energy Council to conduct a review of the sector, and make proposals on the way forward.

9. **Conflict in the Niger Delta threatens stability in the region and Nigeria's economy as a whole.** Despite the wealth of oil extracted from the Niger Delta region, poverty remains high (43%), and development indicators are very poor (average life expectancy is 43, and 12% of infants do not live to see their first birthday), which is one of the factors driving conflict and instability in the region. The States receive large allocations from the Federation Account<sup>1</sup>, but little finds its way to services and benefits for the general population. Poor development, increasing public concern over environmental damage, and high levels of youth unemployment, has led to the growth of both political and criminal groups, who kidnap oil workers and damage oil pipelines for publicity, profit or both. The conflict, though contained in the Delta Region, has a significant economic impact. The cost of reduction in oil production as a result of conflict is estimated at USD58.3 billion from 1998 to 2007<sup>2</sup>. The new Administration is focusing on achieving security and development in the Niger Delta as a priority, and are working closely with all stakeholders to this end.

10. **Reform at State level is vital for continued economic stability and to accelerate progress towards the MDGs.** The 36 State governments, together with the 774 local governments, are responsible for around 50% of government expenditure and the delivery of basic health and education services. Nigeria's Federal system grants a significant degree of autonomy to the State governments and the Federal reform efforts cannot simply be 'rolled out' at State level. The challenge for the Federal government is to provide incentives for better performance at State level, and for the State governments to implement reform agendas which are relevant to the specific challenges in each State and in line with the national objectives of maintaining macro economic stability and achieving sustained growth. State commitment to, and implementation of, fiscal responsibility and procurement reforms are particularly urgent.

## II. Progress towards CPS Outcomes

11. Progress towards outcomes was uneven across sectors and states. The Result Matrix reflects progress towards outputs and assessment of likelihood of achieving outcomes in the CPS period (See Annex 1).

12. **In Human Development, there are some improvements in the health sector while education reforms are slow.** Routine and polio immunization coverage increased dramatically from 38% in 2005 to 77% in 2006 and Polio Type 1 cases were halved over 2006. The official HIV/AIDS prevalence rate reduced from 5.2% in 2004 to 4.4% in 2006, though as the data is weak this figure should be viewed with caution. The partners have been mainstreaming HIV/AIDS control interventions across projects and components of their programs, such as transport, education, support to MSME and others. Education reforms are rather slow, due partly to the poor coordination among the many institutional actors and partly to low capacity at all tiers of government, and access to services remains one of the major challenges.

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<sup>1</sup> In 2007, Rivers State received \$1.6 bn from the Federal government, which is more than the annual GDP of Niger, Mali or Guinea.

<sup>2</sup> Figure from "Locating Peace in the Niger Delta", a paper presented to the 2007 pre-conference workshop organized by the Nigerian Association of Petroleum Explorationists (NAPE) by Senator David Brigidi (Chairman, Niger Delta Peace and Conflict Resolution Committee), as quoted in 'This Day' newspaper on 17 October 2007

**13. Non Oil Sector Growth is strong, though insufficient progress on power and transport remain a critical bottleneck for increased competitiveness and sustained growth.** Growth in agriculture and manufacturing exceeds 8 percent per annum. There are recorded improvements in the business environment, especially in trade facilitation and business registration. The telecommunication sector continues to demonstrate unprecedented growth and the Government has also focused on promoting growth in the mining sector, with moderate progress to date. The unbundling of the main public utility (NEPA), the increase in collections and the decrease in technical losses were significant achievements, but the power sector remains in crisis, and strong Federal leadership is required if further progress is to be made.

**14. In the area of Governance significant achievement was made at the federal level but states are lagging behind.** The Procurement, NEITI and Fiscal Responsibility Bills have been signed into Federal Law. At the federal level, budget prioritization and formulation based on MTSS (Medium-term Sector Strategies) improved the quality of the budget process. However, at the state level the institutional and legal framework for improved fiscal management is yet to be realized across the board. Some tangible improvements in Cross River, Kaduna, Kano and Lagos have been noticed and were used as one of the criteria for their selection as Lead States (See Box 1). At the same time, there are still visible institutional and capacity weaknesses of civil service at federal, state and local level, which hampers the government's ability to deliver all services effectively, and delays the implementation of Bank-funded projects.

**15. All partners are increasing their programs in Lead States, while continuing to implement projects and programs in all 36 States, thus addressing concerns about equity across states and the importance of all states for meeting the MDGs.** Projects under design in both the WB and DFID will significantly concentrate project activities and financial resources in the Lead States. USAID is implementing its economic growth and governance program in Cross River, Kano and Kaduna, and is also increasingly focusing resources on Kano and Kaduna in particular. Implementation of the Lead State approach has contributed to greater coordination of partner activities in these states. This coordination is leading to increased synergies and focus on results. It is also helping to strengthen the role of the State Planning Commissions in developing monitoring and evaluation frameworks and in demanding development partners to focus on priority issues. In addition, some non-Lead States have begun to invest in improved institutions to enable them to become Lead States in the future (See Annex 4).

**16. Over the period of the CPS, an increasing proportion of the new lending has been taken up by projects designed at the State level (See Table 1 below and Annex 2 on the World Bank Investment at Federal and State Level).** This reflects the effort to increase focus and strengthen implementation effectiveness by tailoring assistance to States' specific needs and capacities.

**Table 1. Breakdown of World Bank Projects with State/Federal Focus (FY03-09), US\$ 000**

	Projects in Portfolio (FY03)	Projects in Portfolio (FY07)	Proposed projects, FY08-09
Federal projects	283 (31%)	1028.7 (40%)	330 (30%) Federal Roads
State projects – centrally designed for rollout to all States	528.3 (58%)	930.3 (36%)	550 (49%) (Fadama III, Health and Polio Additional Financing, Community Social Development)
State project – tailored to the needs of specific States	100 (11%)	633.1 (24%)	240 (21%) (RAMP 1; Commercial Agriculture, Growth Pole)

**Box 1. Selection of Lead States**

The 5 Lead States (Cross River, Kaduna, Kano, Lagos and Enugu) were selected using the following criteria: quality of governance and commitment to reform; number of poor people; potential for becoming regional growth poles; the experience of existing development partner programs; and internal geopolitical balance. The Government’s SEEDS benchmarking exercise was the basis for assessment of governance and commitment for reform and a vital input into the selection process. The Lead States were selected in early 2006.

The Lead States selected, and agreed with the National Planning Commission and the Ministry of Finance, were all grouped in the ‘better performing’ category of the 2005 SEEDS benchmarking exercise, and represent 5 of the 6 geopolitical zones in Nigeria. Kano and Lagos are the two largest cities in Nigeria, accounting for around 1 in 7 of Nigeria’s population. Kano, Kaduna and Lagos are potential growth poles for all of Nigeria, and in the case of Lagos, the wider West-African region. There are major development challenges in all 5 States, particularly on health and education in Kano and Kaduna.

**17. The partnership between WB and DFID has been most effective at the highest strategic policy level, including in joint World Bank and DFID Economic and Sector work, with some success in coordination on the ground, but something of a ‘missing middle’ in terms of joint design of interventions.** The effectiveness of the partnership between DFID and the World Bank (and with USAID and other development partners) has varied across sectors, and at different levels of coordination (See Annex 5). The effectiveness of the partnership at the policy level is reflected in the agreement of 24 policy papers as the basis of introductory discussions with the incoming administration in 2007 and the signing of Principles of Partnership agreements with the Lead States. Excellent joint diagnostic and analysis included the jointly

authored Country Economic Memorandum, the Education Public Expenditure Review and the Investment Climate Program, which will inform design of DFID and WB interventions to support growth and private sector development at the State level. Good partnership has been demonstrated in the coordination of governance and HIV/AIDS projects; the move towards joint programming in health; the joint design of growth interventions by DFID and the World Bank; and the coordination of DFID and USAID support for immunization in Northern Nigeria. Joint design across the board has been hampered by pressing conflicting internal processing timetables. Teams will need to build on the good examples and extend them across sectors and programs. Government partners, particularly at State level, have welcomed the greater coordination on policy, but are pushing for more joint programs in practice.

**18. The partnership is extending to include USAID, and to different degrees, Nigeria's other major development partners.** Since the CPS was signed in 2005, USAID has increasingly participated within the CPS, both at the strategic level (USAID signed on the policy notes, is a part of the agreements for partnership with Lead States and the USAID Mission Director is attending all Joint Management Team meetings) and implementation (USAID is framing its interventions within the CPS objectives - focusing new projects in Lead States and reorienting existing projects). UNDP and the EC have engaged with the CPS, and have participated in efforts to improve the coordination of activities on the ground, particularly on governance. The AfDB works jointly with the WB on several projects, but has not been able to participate more fully in the partnership due to a limited presence in Nigeria up until now.

**19. The World Bank delivered a strong program of IDA lending and analytical work over FY05-07 (a total of 10 projects and 4 additional financing projects totaling to \$1.5 bn and several major AAA pieces<sup>3</sup> - see Annex 2 and Annex 10 for details).** The Nigerian portfolio is the largest in the Africa Region and it has doubled since 2004 both in terms of the number of projects (22) and commitments (now about US\$2.6 billion). Analytical and advisory activities have had a strong impact on policy achievements of the government. A strong program of economic and sector work and technical assistance have contributed to progress in improving governance and fighting corruption. The World Bank public expenditure management reviews and anti-corruption TA informed the development of fiscal and procurement legislation, and the establishment of the Bureau for Public Procurement and the TUGAR (Technical Unit on Governance and Anti-Corruption Reforms). World Bank technical assistance was instrumental in the institutionalization of the NEITI, and the establishment of the EITI Secretariat. The Bank's finance team has been intensively involved in supporting the development of the Financial Sector Strategy 2020. The IFC's outstanding portfolio is USD\$553 million in private sector investments. MIGA has six projects in Nigeria in support of the manufacturing and services sectors, with a gross exposure of USD110million.

**20. The portfolio performance improved significantly over the last few years.** The relatively low disbursement ratio at the end of FY04 of 12.8% improved to 24.5% in 2007. The percentage of the portfolio at risk has dropped from 66.4% in FY04 to 22.5% in Feb FY08. The community driven development projects (Community Based Poverty Reduction, Local Empowerment and Environmental Management and Fadama II) have already demonstrated an impact on poverty and improved livelihoods. The Lagos Urban Transport Project has contributed

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<sup>3</sup> The Competitiveness and Growth Study; Agriculture Financing Study; Agriculture Strategy; Public Expenditure Management and Financial Accountability Review; Education Public Expenditure Review; Study on Science and Technical Education; the Country Health Statement; and the Country Environmental Assessment

to improved quality of roads, improved access and a 30% decrease in transportation costs. The HIV/AIDS project has contributed to the multisectoral response to HIV/AIDS epidemic in Nigeria (See Annex 3 and 6). This improvement has been achieved through: increased procurement thresholds for prior reviews; restructuring of problem projects; removal of the requirement for counterpart funding; and building stronger project ownership through greater engagement with all stakeholders.

21. **Despite success in portfolio performance, concerns remain: the challenges of managing an increased portfolio; slow implementation start-up; weak capacity at the state level and inadequate M&E systems.** In mid-February 2008 the disbursement ratio of 11.3% is below the disbursement ratio for the same period of FY07, reflecting the slow implementation start up of the new projects in the portfolio. Project preparation at the state level will take into account weak capacity and will aim at ensuring strong ownership, defining clear implementation arrangements and strengthening capacity at project level before proceeding to Board. Retrofitting M&E framework and training M&E project staff continues to be a priority for the old projects, while baseline assessment and adequate M&E frameworks will be a pre-requisite for processing of new projects.

### III. Looking forward

22. **The objectives and approaches of the Country Partnership Strategy are still relevant to, and well aligned with, government priorities.** Adjustments are needed to more fully respond to the new Administration's emphasis on power, the Niger Delta and reforms at the State level. A renewed effort on capacity building is also a part of mid-term adjustments. The partners will continue to focus efforts and resources on the Lead States and seek to expand the partnership to include other development partners.

23. **Support to the energy sector will be scaled up in four areas, and DFID will become more closely involved.** Firstly, joint Bank and DFID analytical and advisory work will center on helping the Government in defining strategic options for institutional reforms, improving governance in the sector and ensuring its sustainability and capacity to deliver reliable energy. Secondly, in the short to medium term, the partners will help identify quick wins and by engaging with the IFC and MIGA help attract private sector investment in existing or new infrastructure. Thirdly, the Bank will continue to assist the government to improve energy transmission and the broader management performance of enterprises in the power sector, building on the gains of recent years. Lastly, DFID will increase its assistance to the power sector, focusing on technical assistance to improve governance.

24. **To help address the issue of the Niger Delta, the partners will step up dialogue with Federal and State Governments, seek opportunities to help states increase transparency and improve resource management for better development impact. The partners will also continue to work with civil society and communities to strengthen demand for accountability and better service provision.** CPS partners will participate in the Niger Delta Consultative Group to be convened by the Government, to share progress, and discuss the possibilities for successful interventions. The World Bank, DFID and USAID will continue to work with civil society and community foundations in the Delta to build demand for improved governance and deliver basic services, and through the Community Driven Development approach (see Annex 6) providing support to community-based organizations in partnership with

Local Governments (Local Environmental and Economic Empowerment and Community-Based Poverty Reduction). Partners stand ready to assist State Governments improve resource management and the wider policy environment through technical assistance and capacity building, possibly including: State level EITIs; Public Expenditure Management and Financial Accountability Reviews; assistance for preparation and implementation of Fiscal Responsibility and Procurement laws and Investment Climate improvement work.

**25. The CPS will strengthen assistance to states to improve governance and service delivery through: (i) support to Federal initiatives to provide incentives to States for better performance; (ii) capacity building and support to reform programs in Lead States; and (iii) building the capacity of civil society to hold government to account in both Lead and non-Lead states.** The SEEDS benchmarking exercise, the proposed MDG Unit performance fund, and the Executive Council Agreement that States would enact Fiscal Responsibility and Procurement Legislation as part of the agreement for access to the ECA, are examples of how Federal incentives might be provided for reform at State level. The World Bank, DFID and USAID will seek to support these initiatives, including through a World Bank Fiscal Federalism review to provide an empirical and analytical basis for government initiatives, and possible contribution to a performance- related conditional grant mechanism. Partners will build the capacity of State governments to manage investments efficiently, including project screening and cost-benefit analyses. Partners will also support Federal government efforts to build the capacity of States to manage debt. DFID will support Lead State Governments to develop a plan to build the capacity of local governments, and World Bank CDD projects currently under way are increasingly engaging in strengthening capacity of Local Government to better allocate resources and deliver quality services. A new USAID local governance program will focus in Plateau, Bauchi and Cross River States.

**26. The validity of the CPS approach to focus resources on a limited number of better performing states in order to increase impact has been confirmed and this will be maintained for the remaining years of implementation.** The Lead State approach increases the likely impact of operations by: securing a ‘critical mass’ of support for selected States; ensuring more intensive monitoring and implementation support with the objective of helping states become models of development and growth to be followed by other states. Selecting Lead States with greater commitment to reform is beginning to work as an incentive for other States to reform and improve governance. To further strengthen this process the partners will assist states and Federal government to draw lessons and disseminate experience of Lead States. The CPS Lead state approach will continue to align closely with Federal initiatives to improve performance at the State level (such as the SEEDS benchmarking, conditional grants, and support to budget management).

**27. In Lead States partners’ engagement will be on a larger scale. Resources will be invested to achieve a critical mass of support for non-oil growth and institutional reform across sectors for stronger development results.** WB will invest in non-oil growth (transport, urban development, power) and governance, while support for education and health sector reform programs will likely be within SWAP-type operations. DFID will work through an interlocking set of governance and sectoral programs, focused on sustainable institutional reform. USAID will continue to allocate budgeted resources to Lead States to the degree possible within its strategic framework.

28. **At the same time, partners will continue to work in non-Lead States. In these states partners will focus investment in support of public goods provision, basic service delivery and building the demand for good governance, including through support to civil society organizations.** The World Bank will invest in community and social infrastructure, including through the community-driven development approach, work on basic education and health services and tackle HIV/AIDS and malaria. DFID will work on girls' education, immunization, malaria reduction and HIV/AIDS. USAID will continue to work within its strategic framework, on governance and democracy, growth and human development.

29. **Partners will explore ways of expanding the set of Lead States in 2009.** Experience in implementing the Lead State approach (see Annex 4) demonstrated the importance of analyzing and understanding the governance in a State before scaling up engagement. Partners will therefore use their projects and activities in non-Lead States to learn more about the political and institutional context, and the depth of commitment and capacity to reform in those States, and on this basis propose any potential additions to the number of Lead States in 2009. To become (and remain) a Lead State, States will need to demonstrate commitment to a set of key principles (including due process, effective financial management and accountability, and responsiveness to citizen demand).

30. **To improve the relevance and sustainability of capacity development work, the partners will focus on institutional strengthening at Federal and State Level.** The Bank will help to develop a coherent approach to capacity building, focusing on putting in place a *process* for capacity development that relies on the country's relatively strong training institutes, think tanks, and civil society organizations. Capacity building will increasingly be delivered as part of wider institutional reform programs, most notably in the governance and public finance management areas (See paragraphs 25-26). At the same time, partners will continue to mainstream capacity building activities at micro/project level with clearly defined outcomes. This work will be carried out in close collaboration with the Africa Region CDMAP, and will be coordinated with the work of other donors. Opportunities will also be explored for involving the Nigerian Diaspora in capacity building.

31. **Strengthening partnerships for development effectiveness will continue to be a core approach of the CPS.** The partnership will be expanded and its effectiveness improved. USAID is committed to formally associating itself with the partnership, through a memorandum of understanding (MoU). The AfDB, UNDP and the EC have all committed to engage more fully with the CPS. Henceforward, they will participate in those Joint Management Team meetings of wider strategic importance, with the aim associating with the 2009 CPS. CPS partners will address the 'missing middle' of joint design and monitoring by clarifying and strengthening the roles of the Lead State Coordinators, and emphasizing the importance of joint design to country Program staff.

#### **IV. Planned Program**

32. **The World Bank will continue to deliver a robust program of IDA funded projects and analytical and advisory services with a strong focus on infrastructure in FY08-09** (see Annexes 9 and 10 for details). As Nigeria's CPIA and IDA performance rating are improving, the indicative annual IDA allocation is expected to increase. In the next two years the IDA

credits will have a strong focus on infrastructure with almost half of the resources assigned to Federal Roads Project and a State project on Rural Access and Mobility. Improved infrastructure will be the central plank of a growth project in Lead States. The IFC will work towards establishing a PPP framework to attract private sector participation in infrastructure, such as roads, while IFC financing could be channeled directly to private sector projects, or through Federal or State government projects. IFC is also exploring opportunities for helping private sector investments in health and education. MIGA also expects to underwrite two additional investments in the power and services sectors. Projects tailored to the needs of Lead States will be delivered in health, education, governance and growth (Commercial Agriculture and Growth Pole). The successful CDD projects will be scaled up, with an increased focus on linkages to local governments to ensure sustainability (See Annex 6). Support to Federal initiatives to increase immunization, and make visible progress towards the MDGs will continue.

**33. The program of AAA will focus on specific analytical and policy pieces and State level analysis.** With the core diagnostic ESW already carried out, the program of AAA will focus on specific analytical and policy areas, which will provide the government with concrete recommendations and policy choices on employment generation and growth, fiscal federalism, child and maternal health, energy tariffs, governance and corruption monitoring and judicial reform. More focus will be placed on state level analytical and policy work with an increasing number of state level public expenditure reviews and economic analysis. MIGA will continue to explore the development of a sub-national investment promotion program. The IFC will work on the key constraints to attracting private sector investment. DFID and the World Bank will continue to roll out their joint Investment Climate Program nationwide, which will identify specific constraints to private sector investment in each of Nigeria's 36 States. Capacity building to improve governance at the Federal level will continue, and support for an institutionalized approach towards civil society monitoring of government program and policy implementation will be strengthened.

**34. The World Bank will assist Nigeria to play a leading role in regional integration.** The Bank has already significant agenda in regional integration, including working on Niger River Basin, Aviation Safety and West Africa Gas Pipeline. Going forward the partners will help the Government define the benefits of opening markets and trade for Nigeria; support Nigeria's cooperation in financial and banking sectors and its efforts to become a Regional financial center. The Bank will also be working with Nigeria and the other countries in the Region to support regional educational and research centers of excellence.

**35. The World Bank will expedite project preparation and implementation by scaling up existing successful projects and focusing new projects on fewer States.** Existing successful projects such as HSDP, Polio and Fadama will be scaled up quickly with additional financing. Designing new projects for a smaller number of States (especially in Lead States) will allow more attention and resources to be focused on building capacity and ownership, to ensure a fast start-up and high-quality implementation and supervision. The strong effort on monitoring and evaluation of portfolio performance will continue with the ongoing practice of the bi-annual CPPR, organized jointly with the government and development partners at federal and state levels, and quarterly reviews of projects at risk. To further enhance synergies among projects and strengthen impact, project teams will work in clusters, especially in Lead States, meaning that Task Team Leaders for projects that could be mutually reinforcing (e.g. Commercial Agriculture,



Rural Roads and the Growth Poles Project) jointly design and plan their interventions for maximum impact.

**36. DFID and USAID programs will continue to contribute to the achievement of CPS outcomes.** The centerpiece of DFID's work will be an interlocking set of education, health, governance and growth programs, implemented in the Lead States. DFID will continue to support federally managed initiatives to improve health and education, and tackle HIV/AIDS. Work will also continue to support progress towards the MDGs in those States where the need is greatest. DFID will also seek to build coalitions to lobby for change throughout Nigeria, deepen its work on security and justice, as well as develop further its work on political governance including support (jointly with USAID) to the National Assembly and reforms of the electoral process. The bulk of USAID investments overall will continue to be in HIV/AIDS and the health, population and nutrition sectors. USAID will continue to support democratic governance at both the national and sub-national levels. At the national level, support will be provided to strengthen the National Assembly, and at sub-national level, implementation of the new local governance program and continues support for civil society partnerships with government.

## **V. Risks**

**37. Going forward the main risk will be the fragility of the reforms: to sustain achievements, reforms at federal level need to be institutionalized and states will need to follow Federal efforts.** The new Administration is showing strong commitment to sustaining the reform program, as evidenced by enacting critical reform legislation. The President has also launched a productive consultation process with states, and all 36 states have confirmed their commitment to the reforms, as indicated in their willingness to pass Fiscal Responsibility and Public Procurement Acts. Partners will continue to engage with Government, the Legislature and Civil Society to help keep the reform momentum. Partners will also support Federal efforts to put incentive systems in place, and are concentrating efforts on building capacity for reforms at State level. Progress will be monitored closely and implications considered for the next CPS.

**38. In the short term, access of states to increased allocations from the ECA could pose a risk to macro-economic stability.** Government is cognizant of the possible negative effects of injecting a sizable amount of funds into the economy and has been working intensively with the States to identify and agree on ways of minimizing the risk, such as phased release of the funds and spending additional funds on priority import-intensive projects. The partners are working with the Ministry of Finance and states to support fiscal responsibility and procurement reforms, as well as helping build Federal and State capacity to scope projects fully, including rigorous cost/benefit analysis, so that funds are wisely invested.

**39. The risk that weak institutions and poor governance undermine development progress remains high.** The government's anti-corruption stance is solid, it is based on ensuring due process and the rule of law and places a strong emphasis on institutional reforms. CPS partners will continue their support to the Government's effort to strengthen major anti-corruption agencies, such as the EFCC and TUGAR, and will focus on support for the implementation of key legislation in procurement, NEITI and Fiscal Responsibility at Federal and State level.

40. **The risk that ethnic and religious diversity will jeopardize development effort is moderate. Although conflict in the Delta Region has escalated in the run up and the immediate aftermath of the elections in April 2007, it has not yet spread beyond the Region and is likely to remain contained.** The CPS partners will continue to monitor the possible revenue loss and its impact on the economy. Also, the partners will continue to support development at the grassroots level with its emphasis on community development. In addition, the CPS will engage in dialogue led by the government to identify opportunities to make progress in the Niger Delta, and continue providing support to NGOs and community foundations in the States of the Niger Delta region.

## Nigeria: Results Matrix

Country Development Goals	End CPS period Outcomes	Milestones for end 2007	Progress Towards CPS Period Outcomes and Milestones	Bank/DFID/ USAID activities to Achieve Outcomes
<b>I. IMPROVED SERVICE DELIVERY FOR HUMAN DEVELOPMENT. NEEDS Pillar: Empowering People</b>				
<p>Substantial reduction in infant and maternal mortality:</p> <ul style="list-style-type: none"> <li>Child mortality under 5 reduced by two thirds</li> <li>Maternal mortality rate reduced by 75%</li> <li>Wild Polio Virus interrupted nationally</li> </ul>	<ul style="list-style-type: none"> <li>OPV immunization coverage of children under 5 years to reach 80% nation-wide by 2009</li> <li>DPT3 immunization coverage of children under 5 years to reach 50% by 2009</li> <li>Utilization of EOC in participating states</li> </ul>	<p>Timely release of funds to buy the stock of vaccines, syringes, cold chain equipment at the Federal level.</p>	<ul style="list-style-type: none"> <li>Timely release of funds to buy the stock of vaccines, syringes, cold chain equipment permitted good progress towards 80% coverage.</li> <li>Routine and Polio Immunization have increased dramatically (Polio Type 1 halved during 2nd half of 06);</li> <li>DPT1 coverage up from 38% Dec 05 - 73% Dec 06.</li> </ul>	<ul style="list-style-type: none"> <li>Polio Eradication (FY03)</li> <li>Polio Supplement (FY05)</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>PATHS</li> <li>Malaria</li> <li>Routine Immunization</li> <li>Health MDGs (with UN)</li> <li>HERFON</li> </ul> <p><b>AAA:</b></p> <ul style="list-style-type: none"> <li>Poverty Assessment (FY06, FY09)</li> <li>Health Country Status Report (FY06)</li> </ul> <p><b>USAID:</b></p> <ul style="list-style-type: none"> <li>COMPASS (Kano, Bauchi, Lagos, Nassarawa, FCT)</li> <li>SFH/IRHIN</li> <li>ENHANSE</li> <li>Immunization BASICS</li> <li>ACCESS</li> <li>Fistula Care</li> </ul>
<p>Significant improvement in control of malaria:</p> <ul style="list-style-type: none"> <li>Malaria prevalence reduced</li> </ul>	<ul style="list-style-type: none"> <li>% of children &lt; 5 years who slept under an ITN the night preceding survey increased from 3.6% to 30%</li> <li>% of children &lt; 5 years with fever treated with an effective anti-malaria within 24 hours from onset of symptoms increased from 3.7% to 30%</li> </ul>	<ul style="list-style-type: none"> <li>National policy and protocols for ACT-based malaria treatment approved and implemented</li> </ul>	<ul style="list-style-type: none"> <li>National policy and protocols for ACT-based malaria treatment approved and implemented</li> <li>3.5 million ITNS sold FY 2007 (USAID)</li> </ul>	<p>Malaria Booster (FY07)</p> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>Malaria</li> </ul> <p><b>USAID:</b></p> <ul style="list-style-type: none"> <li>COMPASS</li> <li>NetMark</li> <li>ENHANSE</li> <li>PSI/SFH</li> </ul>
<p>Combat HIV/AIDS as measured by</p> <ul style="list-style-type: none"> <li>Change at risk behavior – 95% of general population make appropriate behavior changes by 2009.</li> <li>HIV/AIDS prevalence rate reduced by 25% (2009).</li> </ul>	<ul style="list-style-type: none"> <li>NACA and SACAs strengthened to implement ‘Three Ones’: ie a) coordinated multisectoral response, b) effective operational frameworks and c) monitoring and evaluation systems.</li> <li>Monitoring and evaluation system implemented in 15 states by 2007.</li> <li>Increased access to prevention, VCT, care and support services. 15% of 15-49 year olds received VCT by</li> <li>Implemented Family Life and</li> </ul>	<ul style="list-style-type: none"> <li>National 2005-2009 HIV and AIDS strategic framework in place.</li> <li>Family Life and HIV/AIDS Education curriculum implemented in 5000 schools.</li> <li>VCT and comprehensive treatment services implemented in 75 health facilities</li> <li>National Behavioral Change communication strategy implemented, with specific focus on high risk groups (behavior and attitude changes measured through DHS).</li> </ul>	<ul style="list-style-type: none"> <li>National 2005-2009 HIV and AIDS strategic framework in place, though M&amp; E needs strengthening.</li> <li>Family Life and HIV/AIDS Education curriculum implemented in 26 states in junior secondary schools</li> <li>By end April 2007 USAID was implementing counseling and testing according to national and international standards in 131 service outlets</li> <li>Communication strategy implemented, though there is over-reliance on high visibility posters, and insufficient focus on high-risk groups. NARHS survey shows the following behavior changes between 2003-</li> </ul>	<ul style="list-style-type: none"> <li>HIV/AIDS (FY02)</li> <li>Health MDGs</li> <li>“IFC against AIDS”</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>HIV SNR</li> <li>PSRHH</li> <li>HIV BBC (media)</li> </ul> <p><b>USAID:</b></p> <ul style="list-style-type: none"> <li>GHAIN</li> <li>ENHANSE</li> <li>Catholic Relief Services</li> <li>Population Council</li> <li>Winrock/AIM</li> </ul>

	HIV/AIDS curriculum in 50% of schools in 8 states by 2009		2005: <ul style="list-style-type: none"> <li>▪ Increase in condom use in non-marital sex for men and women by 25%</li> <li>▪ Increase in abstinence for the age group of 15-19 years old by 5%.</li> </ul>	CEDPA Christian Aid Hope Worldwide Safe Blood for Africa SFH CIHPAC
Improved Educational Outcomes <ul style="list-style-type: none"> <li>• All children complete a course of primary education of adequate quality and relevance (baseline of 2004 Nigeria DHS Education Data Survey: 60% national; 70% urban and 56% rural).</li> <li>• Basic education completion rates increased</li> <li>• Improved quality and equity of service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Nationwide M&amp;E system in place to evaluate quality of education sector in participating states</li> <li>• 10% increase in girls' primary and secondary enrolment in at least 2 selected states</li> <li>• At least 75% of participating states having an approved EFA plan under implementation - state-level indicator</li> </ul>	<ul style="list-style-type: none"> <li>• National Education For All (EFA) plan for basic education agreed with all stakeholders and disseminated</li> <li>• Effective Monitoring and Evaluation System is piloted at the Federal level and baseline data and targets for the federal and state levels established and agreed with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• EFA National plan produced but it is not yet fully costed;</li> <li>• Implementation by stakeholders encounters problem due to inefficient management of resources and weak capacity at State and LGA levels.</li> <li>• There are still key problems in data collection (reliability and validity of data and analysis). The SESP1 project (for three States) is addressing this, but weak capacity prevents quick solutions;</li> <li>• Science and Technology Education in Post-Basic (STEPB) project approved. Expected to be effective in February 2008. STEPB project is piloting competitive Grant funding, but S&amp;T is only a subset of Post-Basic education</li> </ul>	<ul style="list-style-type: none"> <li>• UBE (FY03), with DFID closed</li> <li>• SESP (FY07)</li> <li>• STEPB (FY07)</li> <li>• AAA:</li> <li>• Education Report (FY06); HD CSR (FY08)</li> <li>• <b>DFID:</b></li> <li>• Girls' Education (with UNICEF)</li> <li>• <b>USAID</b> basic education program in three states (Kano, Lagos, Nassarawa) will expand to Sokoto, Zamfara and Katsina in early FY 2008</li> </ul>
Improved Access to Safe Drinking Water <ul style="list-style-type: none"> <li>• Increased access to safe water to 70% by 2011</li> <li>• Significant improvement in water supply service and of living conditions in urban areas (including slums)</li> <li>• Rural Communities Access to safe water</li> </ul>	Improved Water & Sanitation Services as measured by: <ul style="list-style-type: none"> <li>• Increased access to reliable piped water to more than 3 million people in 8 targeted cities</li> <li>• 500 rural schools provided with water supply and sanitation facilities</li> </ul>	<ul style="list-style-type: none"> <li>• # of water micro-projects implemented</li> <li>• Selected WATSAN institutions strengthened</li> </ul>	<ul style="list-style-type: none"> <li>• National policy implemented and role of private sector clarified.</li> <li>• Rehabilitation work in 4 cities has commenced. PPP road map has been developed. Public awareness on PPP in Urban Water Sector has increased</li> <li>• Increased water production serves 0.3 million people in the 8 targeted urban centers</li> <li>• No. of 1,000 m3 of water production restored at WTPs</li> <li>• USAID provided water supply and/or sanitation to 59 schools in 2007 through PTA subgrants</li> </ul>	<ul style="list-style-type: none"> <li>• National Urban Water (FY04), National Urban Water 2 (FY06)</li> <li>• <b>DFID:</b></li> <li>• WES (with UNICEF)</li> <li>• Jigawa Small Towns Water (JUWASS)</li> <li>• WaterAid</li> <li>• <b>USAID</b></li> <li>• COMPASS</li> </ul>
Enhanced community participation	Improved access to MDG-related HD infrastructure and services based on CDD approaches, as measured by increases in the following indicators: <ul style="list-style-type: none"> <li>• 2000 communities and volume of resources for basic services managed at community level.</li> <li>• 2000 of community implemented social service plans (e.g. schools rehabilitated, PHC clinics rehabilitated and</li> </ul>	<ul style="list-style-type: none"> <li>• 1000 communities participating in CDD program, developing community HD &amp; growth plans and submitting projects for funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Significant Progress. More than 4000 communities with social infrastructures related to MDGs (e.g. Health Centres, primary and secondary schools classrooms, water supply systems, rural roads etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Community-based poverty reduction project (FY01)</li> <li>• Community-based urban development (FY02)</li> <li>• HSDP (FY02)</li> <li>• UBE (FY03) closed</li> <li>• CDD Social (FY07, FY09)</li> <li>• <b>USAID:</b></li> <li>• COMPASS</li> </ul>

	operational)			
Improve service delivery at state level	<p><b>LEAD STATES</b></p> <p>At least 5 state-level HD platforms under implementation, and measurable improvements in the following in at least 5 states (illustrative only):</p> <p>1. Increased access to preventive and curative services provided by public and private agents measured by:</p> <ul style="list-style-type: none"> <li>• Full immunization coverage (DPT3, OPV3, BCG &amp; measles) of children under 1, and under 2 increased by 50%</li> <li>• Utilization of EOC is at least 25% of estimated need by 2008.</li> <li>• 20% of pregnant women and children under 5 sleeping under ITNs by 2008</li> </ul>	<ul style="list-style-type: none"> <li>• SEEDS human development strategy prepared</li> <li>• Results framework for lead state platforms developed and agreed</li> </ul>	<ul style="list-style-type: none"> <li>• SEEDS HD strategy prepared, though will be refined in SEEDS 2</li> <li>• RF for lead states developed and agreed in all Lead States bar Enugu</li> </ul>	<ul style="list-style-type: none"> <li>• HSDP (FY02)</li> </ul> <p>AAA:</p> <ul style="list-style-type: none"> <li>• Health and Nutrition Study (FY08/09)</li> </ul> <p>DFID:</p> <ul style="list-style-type: none"> <li>• PATHS</li> <li>• Health Commodities</li> <li>• State performance programme (FY06)</li> </ul> <p>USAID:</p> <p>COMPASS ENHANSE SFH-IRHIN Immunization BASICS ACCESS Fistula Care</p>
	<p>Increased access to improved (buildings, certified teachers, textbooks) education services in 3 States measured by:</p> <ul style="list-style-type: none"> <li>• Increased basic education enrollment and completion rates by at least 10% for boys and girls based on the Government's baseline of 2004.</li> <li>• Improved quality of education as measured through local sample-based surveys of basic skills at the end of the primary and junior secondary cycles</li> <li>• 75% of schools with community/parents participation in management</li> </ul>	<ul style="list-style-type: none"> <li>• % of state budget allocated and spent on basic education increased</li> <li>• Half of the teachers trained, textbooks distributed in target states</li> </ul>	<p>State PEM too weak to accurately judge expenditures on education. UBE project cancelled in 2005 due to lack of disbursement and ownership. SESPI (signed and awaiting final approval from the FGN) aims to train at least 50% of teachers in selected LGAs in 3 States. Textbooks will also be distributed in those selected LGAs</p>	<ul style="list-style-type: none"> <li>• UBE (FY03) closed</li> <li>• SESP (FY07, FY09)</li> <li>• Community-based poverty reduction project (FY01)</li> </ul>
	<p>Conditional cash transfer program piloted in at least 2 states.</p>	<ul style="list-style-type: none"> <li>• Conditional cash transfer program designed and agreed</li> </ul>	<ul style="list-style-type: none"> <li>• NAPEP with funds from the MDG office is currently designing a CCT in partnership with selected States in view of an allocation of about N2billion naira of the Debt relief fund to the program in the 2007 budget.</li> <li>• Concept Note called overall framework is designed and ready for approval by President at a formal Launch on Dec. 11, 2007</li> <li>• Selected States are to prepare detailed Project Implementation Manuals – based on the concept note for approval of NAPEP and MDG for commencement of pilot phase</li> </ul>	<p>WB Country Task Team and WBI providing technical assistance to NAPEP and State Team using ESSD trust fund.</p>

<b>II. IMPROVED ENVIRONMENT AND SERVICES FOR NON-OIL GROWTH. NEEDS Pillar: Promoting Private Enterprise</b>				
<p>Improved power availability and service delivery as measured by:</p> <ul style="list-style-type: none"> <li>Increased generation capacity to 10,000 MW by 2011</li> <li>Improved financial sustainability of power sector</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of a revised national energy sector strategy underway (Action Plan prepared in early 2008 and implemented)</li> <li>Improved efficiency as measured by reduction of system losses in targeted areas from 45% to 25%</li> <li>Increased metering in selected areas from 40% to 75%</li> </ul>	<ul style="list-style-type: none"> <li>Power Bill implemented</li> <li>Gas legislation and regulatory framework established and operational</li> <li>Appropriate framework established for increased PS participation in electricity &amp; gas</li> <li>Financing commitment for Gas pipeline confirmed and implementation plan agreed</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of EPSR Act underway. NERC, REA, NELMCO established;</li> <li>Electricity and Gas policy Noted have taken stock of progress and informed Government's sector strategy review;</li> <li>2000 MW of generation capacity added through two private sector plants (Shell and Agip) and three public sector plants</li> <li>Transmission &amp; Distribution investments improved supply quality in selected clusters: system losses reduced from 45% to 34%; metering increased from 40% to 67%; tail and voltage improved to 220 V</li> <li>Carbon credit mechanisms established in Transmission and Distribution. Emission reduction Purchase agreement concluded for SF6 gas reduction in the Transmission sector (this is the first such ERPA for SF6 in any country)</li> <li>Gas legislation and regulatory framework in final stages</li> </ul>	<ul style="list-style-type: none"> <li>PSP (FY01)/BPE support (DFID)</li> <li>Transmission Development Project (FY02)</li> <li>National Energy Project (FY06)</li> <li>IFC off grid electricity projects</li> <li>Infrastructure Advisory Facility (DFID) FY07</li> <li>Niger River Basin Regional Project (FY08) USAID: REFORMS technical assistance to NERC and REA</li> </ul>
	<p>Increased access to improved/sustainable transport systems to facilitate trade, flow of goods, access to markets:</p> <ul style="list-style-type: none"> <li>1500 kms of federal highways under performance based management.</li> <li>Performance based rural road management introduced in at least one state</li> <li>Concession of 16 port terminals.</li> <li>Concession of at least one rail operation.</li> <li>Aviation regulator (NCAA) become more autonomous</li> <li>Formal private sector involvement in provision of public transport in Lagos</li> <li>Percentage of Federal Roads in good condition &gt;15</li> </ul>	<ul style="list-style-type: none"> <li>Transport sector regulatory framework drafted</li> <li>National Transport Policy developed.</li> <li>Ten-year prioritized road investment program developed.</li> <li>Ports Bill Drafted.</li> <li>Rail Bill drafted</li> <li>Public Transport Regulatory framework enacted in Lagos</li> <li>Reduction in Container Berth Waiting time in Lagos Ports to below 7 days</li> </ul>	<ul style="list-style-type: none"> <li>Transport Commission Bill referred to the Ministry of Justice, to be resent to the President for forwarding to the National Assembly;</li> <li>10-year road sector investment plan and transport master plan yet to be finalized;</li> <li>Ports Bill with the National Assembly, scheduled for passage in the third quarter 2007</li> <li>New public transport regulatory framework for Lagos part of LAMATA Law</li> <li>BPE has sent comments on the Railway bill to the consultant</li> <li>Lagos State enacted public transport regulatory framework</li> </ul>	<ul style="list-style-type: none"> <li>PSP (FY01)/BPE support (DFID)</li> <li>Transport Sector Project/Federal Roads (FY08- /RAMP(FY08)</li> <li>Lagos Urban Transport Project (FY03, FY07)</li> </ul>
	<p>Increased access to improved communications-rural &amp; urban:</p> <ul style="list-style-type: none"> <li>Increased tele-density to 6%, and increased percentage of population covered by mobile footprint to 70% from 45%</li> </ul>	<ul style="list-style-type: none"> <li>Improved regulation of current license holders (against ITU-based standards)</li> <li>Actual selling of a substantial share of NITEL to a private entity.</li> </ul>	<ul style="list-style-type: none"> <li>Tele-density at 25 percent by beginning 2007.</li> <li>Regulator NCC is established as an independent regulator, fully operational and providing leadership in the sector.</li> <li>NITEL has been privatized.</li> </ul>	<ul style="list-style-type: none"> <li>IFC Financing Support to Mobile Telecoms</li> <li>IFC Advisory Services to the Privatization of NITEL</li> </ul>
<p>Increase manufacturing sector contribution to GDP to 10%</p>	<p>Improved Enabling Environment for Business:</p> <ul style="list-style-type: none"> <li>Modern system to measure cost of doing business operational</li> <li>Common External Tariff</li> </ul>	<ul style="list-style-type: none"> <li>Investment climate assessment studies completed on costs of doing business (e.g. labor, CDR, etc) at the national and sub-national levels</li> </ul>	<ul style="list-style-type: none"> <li>Business registration; customs clearance and other trade facilitation improved</li> <li>Common External Tariff led to a decline of the effective tariff rate;</li> <li>Broader customs reform and tax policy reform</li> </ul>	<ul style="list-style-type: none"> <li>Economic Reform and Governance Project (FY05)</li> <li>MSME (FY04)</li> <li>IFC support for Private</li> </ul>

<p>Provide a business climate conducive to manufacturers by lowering infrastructure, regulatory and other costs by 45% by 2009</p> <p>Reduce Customs clearance</p> <p>Stable and competitive exchange rate</p>	<p>(ECOWAS) implemented</p> <ul style="list-style-type: none"> <li>• Increase in the number of effective land registries across the country</li> <li>• Increase in ADR mechanisms used to resolve commercial disputes from none in 2005</li> <li>• Increased access to financial services: (i) Private Sector Credit as % of GDP &gt;18%, and (ii) M2 (bank deposits etc.) as % of GDP &gt;20%</li> <li>• Improved legal and institutional framework for financial intermediation in place as measured by (i) # of private credit bureaus licensed &gt;2; (ii) % of private bureau coverage &gt;5%</li> <li>• 3-5 private operators engaged in exploration mining activities by 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• Business regulations streamlined</li> <li>• Customs Reform Strategy developed and adopted</li> <li>• National tax policy reform strategy formulated</li> <li>• Land registration system developed</li> <li>• ADR model developed and tested</li> <li>• Financial System Strategy (FSS2020) developed and under implementation</li> <li>• Mineral Act and its regulations adopted by Parliament</li> </ul>	<p>strategy lagging behind;</p> <ul style="list-style-type: none"> <li>• Land registration system is being developed at state level</li> <li>• ADR model (Fast-track court) implemented successfully in Lagos;</li> <li>• Financial System Strategy 2020 formulated and adopted by Government; implementation design and Action Plan developed. Implementation Agency set-up and M&amp;E framework developed, detailed sector baseline diagnostic finalized</li> <li>• Increased access: Private sector credit as % of GDP=14%, and M2 as % of GDP=18%</li> <li>• Intermediation framework: Private sector bureaus have been set-up; review/drafting of licensing requirements and regulation underway, private bureau coverage = 0.0</li> <li>• Mineral Act and its regulations adopted by Parliament</li> <li>• Transparent world-class Mining Cadastre open and operating under new procedures</li> </ul>	<p>Sector Participation</p> <ul style="list-style-type: none"> <li>• IFC financing and TA in manufacturing and services</li> <li>• Sustainable Management of Mining Resources (FY05)</li> <li>• CDD Fadama (FY04, FY07, FY08)</li> </ul> <p><b>AAA (with DFID):</b></p> <ul style="list-style-type: none"> <li>• CEM (FY06)</li> <li>• Business Environment Assessment (FY06 - FY09)</li> <li>• Poverty Assessment/PSIA (FY06, FY09)</li> <li>• Employment and Growth Study (FY09)</li> <li>• Financial Sector Policy Dialogue (FY07)</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>• Sub-national Business Environment Assessment (FY06)</li> <li>• Security, Justice and Growth</li> <li>• Shared Growth Programme (FY06)</li> <li>• Policy &amp; Knowledge Facility</li> </ul> <p><b>USAID:</b></p> <p><b>REFORMS</b></p> <p>Trade capacity program beginning in FY 2008</p> <p>Development Credit Authority partial loan guarantees</p> <p>Technical assistance to Debt Management Office</p>
<p>Diversified economy and employment generation:</p> <ul style="list-style-type: none"> <li>• Growth in agricultural sector of 7% per annum</li> </ul>	<p>Enhanced productivity among non-oil producers and SMEs (esp. agric-related), through CDD generated infrastructure, and use of new technologies (Illustrative only):</p> <ul style="list-style-type: none"> <li>• # of small community irrigation systems operational</li> <li>• # of farm to market roads expanded</li> <li>• Producers report improvements in agric-related services</li> <li>• Small scale artisanal mining measured by the # of operations benefiting from financing and business assistance</li> </ul>	<ul style="list-style-type: none"> <li>• # user groups signing up to become Fadama Community Associations and utilizing advisory services.</li> <li>• # community associations participating, establishing development plans &amp; #/\$ volume grant funding disbursed.</li> <li>• At least 2 MFIs operational and at least 3 commercial banks established MSME downscaling program.</li> <li>• # producers &amp; processor associations organized to demand extensions and research services/products.</li> </ul>	<ul style="list-style-type: none"> <li>• 11,800 user groups have been formed across the 12 states</li> <li>• 1800 local development plans containing 20 000 subprojects have been prepared, out of which 18000 subprojects have been completed. Producer organizations established who can draw on Bank-supported advisory services</li> <li>• Target for MFI's has been exceeded (5 vs. 2)</li> <li>• MSME downscaling yet to start.</li> <li>• Artisanal and small-scale mining assessment (baseline study) completed December 2007. Implementation to start in 2008.</li> </ul>	<ul style="list-style-type: none"> <li>• CDD Fadama (FY04, FY07, FY08)</li> <li>• MSME (FY04)</li> <li>• Sustainable Management of Mineral Resources (FY05)</li> <li>• IFC Financing Support to Mobile Telecoms</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>• PrOpCom</li> <li>• Ekiti Rural Access Program</li> <li>• Joint Water &amp; Livelihoods</li> </ul> <p><b>USAID:</b></p> <p><b>MARKETS</b></p>

		<ul style="list-style-type: none"> <li>• # enterprises strengthened around selected agric commodities</li> <li>• Safe and productive mining methods piloted in 3 states</li> </ul>		Cassava Enterprise Development REFORMS
	<p>Informed public debate on the links between Nigeria's economic management and growth of the non-oil sector</p> <ul style="list-style-type: none"> <li>• Policy &amp; financing decisions influenced by agric sector policy analysis &amp; dialogue</li> <li>• Public/private policy analysis, research and advocacy developed and used in public debate.</li> <li>• Range of communications media, formal &amp; informal, being used to influence public policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Mechanisms for agric sector policy &amp; analysis dialogue established</li> <li>• Dissemination of key economic management data to key decisions makers and stakeholders</li> <li>• Better informed public/private dialogue on non-oil growth policies and regulations</li> </ul>	Government has agreed to work with WB to develop country's agricultural strategy. Also FGN requested Agricultural PER and Rural Finance with potential for project development. CEM on competitiveness and growth has been presented to stakeholders at several seminars	<p><b>AAA:</b></p> <ul style="list-style-type: none"> <li>• Agriculture Sector Review (FY06)</li> <li>• Communication Advice/Dialogue (FY06)</li> <li>• Information, Governance and the Media (WBI) (FY06)</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>• Agric Policy Support Facility (with CIDA)</li> <li>• PAK Shared Growth</li> </ul> <p>USAID: REFORMS Trade capacity</p>
	<p><b>LEAD STATES</b> Improved investment climate indicators and productivity in at least 5 lead states through: (illustrative only):</p> <ul style="list-style-type: none"> <li>• Access to productive infrastructure: e.g. power, roads, irrigation etc.</li> <li>• Improved business environment (e.g. tax administration, CDR, land registry, etc)</li> <li>• Access to improved agricultural technology and farm inputs (seeds, fertilizers, machinery)</li> <li>• Improved access to financial services</li> </ul>	<ul style="list-style-type: none"> <li>• SEEDS growth strategies prepared</li> <li>• Result framework for lead state platforms developed and agreed</li> <li>• Sub-national competitiveness and costs of doing business assessment systems established in at least 2 states</li> <li>• Land tenure &amp; ownership law and policy reform program developed and implemented (DFID)</li> </ul>	<ul style="list-style-type: none"> <li>• Climate work commencing in lead states, plus Abia state covering Rice, Palm Oil and Tourism value chains and with investment climate focus on multiple taxes, licenses and customs reform</li> <li>• Pilot state-level value chain and Investment. Diagnostic and pilot work taking place under the MSME project and the investment climate trust fund with a view to identifying the elements of a World Bank/DFID growth pole project</li> </ul>	<ul style="list-style-type: none"> <li>• Growth Pole Project (FY09), with DFID</li> <li>• RAMP (FY08)</li> <li>• Advisory services on PSP / privatization projects (IFC) (FY06)</li> </ul> <p><b>AAA (with DFID):</b> <b>DFID:</b></p> <ul style="list-style-type: none"> <li>• Shared Growth</li> <li>• PrOpCom</li> <li>• Sub-national business environment survey</li> <li>• State performance programme</li> </ul> <p>USAID: MARKETS Cassava Enterprise Development</p>



<b>III. ENHANCED TRANSPARENCY &amp; ACCOUNTABILITY FOR BETTER GOVERNANCE. NEEDS Pillar: Changing the Way Government Works</b>				
<p>Government working effectively and in partnership with civil society and the private sector as measured by:</p> <ul style="list-style-type: none"> <li>• Maintenance of sustainable public debt</li> <li>• Strengthened planning and budget process</li> <li>• Fiscal balance below 3% of GDP</li> </ul>	<p>Strengthened and More Transparent Public Expenditures Management Policies and Systems</p> <ul style="list-style-type: none"> <li>• Annual budgets are aligned with NEEDS priorities, prepared with a medium term horizon, using clear economic and functional classification and presented to the National Assembly by 1 October</li> <li>• Timely audit and presentation of public accounts to the PAC</li> <li>• Increased % of total value of public contracts procured competitively</li> <li>• Oil Revenue Accounts (regularly) audited and disseminated</li> </ul>	<ul style="list-style-type: none"> <li>• Budget Process Bill and Fiscal Responsibility Bill implemented at Federal level</li> <li>• Procurement Bill, EITI Bill and Audit Laws presented to the National Assembly for approval</li> <li>• Public procurement commission operational and National public procurement data bank established</li> <li>• Adoption &amp; implementation of international accounting standards in FG</li> <li>• Medium Term Expenditure Framework based on NEEDS developed.</li> <li>• TRRS successfully rolled out across government.</li> <li>• Government wide GFMIS team created and time-bound work plan for implementation agreed.</li> <li>• Modernization and automation of public finance management processes and systems implemented</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Significant progress with key PFM legislation. Fiscal Responsibility Bill, Procurement and NETTI bills passed and signed into laws. Budget process Bill in the National Assembly.</i></li> <li>• <i>Much better budget formulation and prioritization, based on MTSS. Early submission and approval of 2007 annual budget. Full MTEF developed as part of 2007 budget cycle</i></li> <li>• <i>Significant progress with TRRS</i></li> <li>• <i>Progress with preparation of 2002-2004 annual accounts, but not submitted to the PACs yet</i></li> <li>• <i>Information on spending and balances for the Oil Crude Revenue Account regularly presented to parliament and broadly disclosed, but no audit results</i></li> <li>• <i>Delays with establishing of Public procurement commission</i></li> <li>• <i>Increased share of competitive federal contracting, but no official statistics</i></li> </ul>	<ul style="list-style-type: none"> <li>• EMCAP (FY00)</li> <li>• Economic Reform and Governance Project (FY05) (+DFID)</li> <li>• Sustainable Management of Mineral Resources (FY05)</li> </ul> <p><b>AAA:</b></p> <ul style="list-style-type: none"> <li>• <i>Governance &amp; Corruption Risk Assessment (FY08-09)</i></li> <li>• <i>PEMFA (including fiscal decentralization) (FY06)</i></li> <li>• <i>CPAR/CFAA (FY09)</i></li> <li>• <i>EITI / Gas &amp; Oil Policy</i></li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>• Public Service Reform</li> <li>• Policy and knowledge facility</li> <li>• EITI</li> <li>• SLGP (support to CBI)</li> <li>• Debt management</li> <li>• SLGP (limited federal engagement)</li> </ul> <p><b>USAID:</b> ADVANCE Local government program Legislative strengthening program</p>
	<p>Strengthened and More Efficient Public Administration and Service Delivery Systems</p> <ul style="list-style-type: none"> <li>• Public service reform program to promote efficiency and effectiveness in public service delivery implemented (e.g. computerized HR systems, ghost workers eliminated etc.) in at least 4 federal agencies</li> <li>• Community policing pilots lead to demonstrable police service delivery improvements in 6 state commands</li> <li>• SEEDS benchmarking process and incentive framework internalized in government processes</li> </ul>	<ul style="list-style-type: none"> <li>• Functional and efficiency reviews in targeted federal agencies finalized and recommendations agreed</li> <li>• Community policing initiated in 6 pilot states by end 2005, and national rollout in the life of the CPS</li> <li>• Annual SEEDS benchmarking, with same number or more states</li> </ul>	<ul style="list-style-type: none"> <li>• Good progress with ERGP is supporting modernisation of HR/Payroll system. Installation of IPPIS in 6 pilot MDAs completed and used in paying salaries from May 07. Substantial cleaning of pay roll along with retrenchments leading to significant savings. Of the over 45,000 staff identified, over 30,000 have been issued with severance letters as at Dec. 2006 and offered pre-retrenchment training.</li> <li>• Community Policing now extended to a total of 18 states.</li> <li>• Benchmarking was repeated in 2006, and results have just been released. Selected service delivery improvement in some MDAs (e.g. FCT and immigration).</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Reform and Governance Project (FY05) (+DFID)</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>• <i>Public Service Reform</i></li> <li>• <i>Service Delivery</i></li> <li>• <i>State performance program</i></li> <li>• <i>Security, Justice &amp; Growth</i></li> <li>• <i>SLGP</i></li> </ul> <p><b>USAID:</b> Technical assistance to Accountant General Rule of Law program</p>
	<ul style="list-style-type: none"> <li>• Improved Accountability and Oversight</li> <li>• Improve performance of</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Laws strengthening independence of Auditor General's Office presented for</li> </ul>	<ul style="list-style-type: none"> <li>• Over the last two years National Assembly has played much more constructive role in the budget processes, which helped to discipline the budget</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Reform and Governance Project (FY05) (+DFID)</li> </ul>

	<p><b>Auditor General's Office</b></p> <ul style="list-style-type: none"> <li>Improved professionalism in legislative oversight: e.g. revised standards used in review of accounts and audit reports of public expenditures</li> <li>Anti-corruption agency strengthened and effectively investigating and prosecuting cases of corruption.</li> </ul>	<p>approval</p> <ul style="list-style-type: none"> <li>Audit training plan prepared and implemented.</li> <li>National Assembly Budget Research Office established, staffed with key professionals and engaged with NEEDS and other budget-related oversight tasks of the National Assembly.</li> <li>Action Plan for effective role of key stakeholders in 2007 elections agreed/Electoral reform Bill presented to National Assembly</li> </ul>	<p>cycle and improve quality of the approved budget. National Assembly Budget Research Office established, staffed with key professionals and engaged with NEEDS and other budget-related oversight tasks of the National Assembly.</p> <ul style="list-style-type: none"> <li>The Audit Law has been refreshed by the Office of the Auditor General and is to be re-submitted to both chambers of the National Assembly in January 2008.</li> <li>EFCC has been quite effective in investigating cases of high level corruption but concerns over political manipulation prior to 2007 elections may put future public support at risk.</li> <li>Electoral Act was passed, but the eventual conduct of the 2007 election left a good deal to be desired</li> </ul>	<ul style="list-style-type: none"> <li>Supporting NEEDS implementation (WBI FY06)</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>Elections 2007</li> <li>Support to National Assembly (DFID with USAID; WBI)</li> <li>Census</li> <li>State performance program</li> </ul> <p>USAID: Legislative strengthening Auditor General</p>
	<ul style="list-style-type: none"> <li>Demand for change &amp; public participation in decision making strengthened</li> <li>Nigerian coalitions formed around key development policy issues</li> <li>Capacity of media to understand and report on economic and social development issues strengthened</li> <li>Increased number of effective fora for civil society and private sector to interact with legislature and government agencies</li> <li># of local development programs agreed and under implementation</li> <li>Contract award process public in # of communities</li> <li>Community oversight of contract implemented in # of communities.</li> </ul>	<ul style="list-style-type: none"> <li>Communication strategy for reforms designed by government and implemented</li> <li>Media Training Plan prepared and implemented</li> <li>Mechanisms for local CSO participation in place</li> <li>Standard community procurement manuals prepared and used in targeted communities</li> <li>States maintain participation in annual SEEDS benchmarking exercises</li> </ul>	<ul style="list-style-type: none"> <li>Milestones on Communication strategy and media training are behind schedule. Efforts are on the way to achieve them by 2008. Final outcomes will be affected as a consequence.</li> <li>Participation in 2006 benchmarking almost as high as 2005 (33 States plus FCTA, compared to 35+FCTA in 2005)</li> </ul>	<ul style="list-style-type: none"> <li>CPRP (FY01)</li> <li>LEEMP (FY04)</li> <li>Community-based urban development (FY02)</li> <li>CDD Fadama (FY04, FY07, FY08)</li> <li>Social CDD (FY07, FY09)</li> </ul> <p><b>AAA:</b></p> <ul style="list-style-type: none"> <li>Communication Advice / Dialogue (FY06)</li> <li>Information, Governance, and the Media (WBI) (FY06)</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>Elections 2007</li> <li>VOICES (media)</li> <li>Social Dialogue</li> <li>Coalitions for change</li> <li>State performance program</li> <li>Understanding civil society from a faith perspective</li> <li>SLGP</li> </ul> <p>USAID: Elections program ADVANCE Local governance</p>
	<p><b>LEAD STATES</b> Strengthened and More Transparent Public Expenditures Management Policies and Systems in at least 2 states:</p> <ul style="list-style-type: none"> <li>Annual budgets are aligned with SEEDS priorities, prepared with a medium term horizon, using clear economic</li> </ul>	<ul style="list-style-type: none"> <li>Modern organic Finance Laws and for Fiscal Responsibility are presented for state Assembly approval.</li> <li>Chart of Accounts and budget classification similar to federal level adopted</li> <li>Procurement regulatory agency established and functional</li> </ul>	<ul style="list-style-type: none"> <li>Fiscal Responsibility Bills at state level not approved yet, but governors made commitments</li> <li>State budgets reflect core elements of SEEDS. The budgets were prepared with full participations of all stakeholders to reflect priorities in line with SEEDS.</li> <li>Kano has made good progress with a new chart of accounts compatible with the Federal level model, Enugu has piloted it in one Ministry, and Kaduna is just starting on the process.</li> </ul>	<ul style="list-style-type: none"> <li>State Governance Project (FY05), with DFID</li> </ul> <p><b>AAA:</b></p> <ul style="list-style-type: none"> <li>PEMFA (FY06)</li> <li>Governance and corruption risk assessment (FY06-09)</li> <li>Lead State Analytical and Advisory Facility (FY06-</li> </ul>

	<p>and functional classification and presented to the State Assembly by 1 October</p> <ul style="list-style-type: none"> <li>• Procurement Bills enshrining open and competitive procurement presented to State Assembly</li> <li>• Increased % of total value of public contracts procured competitively</li> <li>• Modernization and automation of public resource management processes and systems implemented</li> </ul>	<ul style="list-style-type: none"> <li>• Simplified Multi-year budgeting framework for (MYBF) based on SEEDS implemented.</li> </ul>	<ul style="list-style-type: none"> <li>• Recent benchmarking results indicated that no States have a full MTEF yet, and only eight (Kano alone from the CPS Lead States) cost capital programmes for more than one year.</li> <li>• Enugu and Kano have modern payroll/HR MIS systems. Kaduna has computerised the payroll. Lagos has a fully-integrated FMIS system which includes payroll modules, but establishment records are still being updated</li> <li>• Kaduna, Lagos and Cross- Rivers have established procurement regulatory agencies – Due Process units. But the units are not yet adequately functional</li> </ul>	<p>09) <b>DFID:</b></p> <ul style="list-style-type: none"> <li>• SLGP</li> <li>• State performance programme</li> <li>• Security, Justice &amp; Growth</li> </ul> <p>USAID: Local governance ADVANCE</p>
	<p>Improved Accountability and Oversight</p> <ul style="list-style-type: none"> <li>• Improve performance of Auditor General's Office</li> <li>• Improved professionalism in legislative oversight: e.g. revised standards used in review of accounts and audit reports of public expenditures (DFID)</li> </ul>	<ul style="list-style-type: none"> <li>• IFMIS installed and training provided to staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Most lead states are up to date with audited accounts. Cross River and Kaduna publish annual audited accounts within 6 months after the end of the financial year</li> <li>• SGCB Project is supporting the office of Auditor General of the State. External Audit component is strengthening the OAuG of state for its oversight function</li> </ul>	<ul style="list-style-type: none"> <li>• State Governance Project (FY05), with DFID</li> </ul> <p><b>AAA:</b></p> <ul style="list-style-type: none"> <li>• PEMFA (FY06)</li> <li>• Governance and corruption risk assessment (FY06-09)</li> <li>• Lead State Analytical and Advisory Facility (FY06-09)</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>• SLGP</li> <li>• State performance programme</li> <li>• Security, Justice &amp; Growth</li> </ul> <p>USAID: Legislative strengthening</p>
	<p>Strengthened and More Efficient Public Administration and Service Delivery Systems in at least 2 states</p> <ul style="list-style-type: none"> <li>• Civil services restructuring piloted in line with service delivery priorities</li> <li>• Effective mechanisms for monitoring quality and reach of service delivery piloted</li> </ul>	<ul style="list-style-type: none"> <li>• Modern HR management information system installed</li> </ul>	<ul style="list-style-type: none"> <li>• Not much work done to restructure the civil service in any Lead State, apart from some cleaning of nominal and payrolls in some states.</li> <li>• Recent recruitment into the Civil Service were based on need, especially in the critical areas such as medicine, engineering and other science fields</li> <li>• SGCB is supporting the renovation of the MDI in Calabar and CABS Azare Bauchi. The states are in process of recruiting HR Consultants. SGCBP in Cross River state organized a workshop on 'effective service delivery for 150 officers on Grade level 14-16, in July 07 with resource persons from SERVICOM</li> </ul>	<ul style="list-style-type: none"> <li>• State Governance Project (FY05), with DFID</li> </ul> <p><b>AAA:</b></p> <ul style="list-style-type: none"> <li>• PEMFA (FY06)</li> <li>• Governance and corruption risk assessment (FY08-09)</li> <li>• Lead State Analytical and Advisory Facility (FY06-09)</li> </ul> <p><b>DFID:</b></p> <ul style="list-style-type: none"> <li>• SLGP</li> <li>• State performance programme</li> <li>• Security, Justice &amp; Growth</li> </ul> <p>USAID: Local governance (begins in FY 08)</p>

## WORLD BANK INVESTMENT AT FEDERAL AND STATE LEVEL

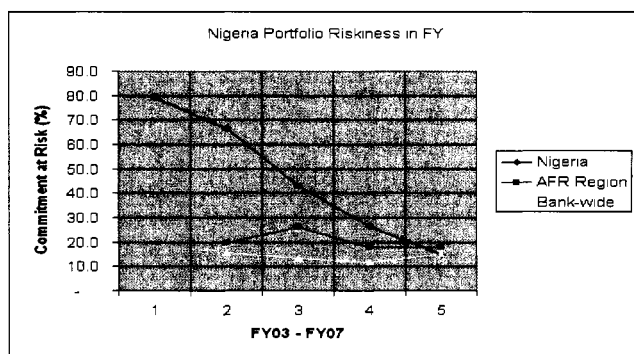
	FY03		FY05		FY07		Proposed Projects FY08-09	
	Projects	IDA Credit	Projects	IDA Credit	Projects	IDA Credit	Projects	IDA Credit
Federal Projects	EMCAP	20.0	EMCAP	20.0	EMCAP	20.0	Federal Roads	330.1
	HIV/AIDS	20.0	HIV/AIDS	20.0	HIV/AIDS	20.0		
	Privatization Support	114.3	Privatization Support	114.3	Privatization Support	114.3		
	Transmission Dev.	100.0	Transmission Dev	100.0	Transmission Dev.	100.0		
	Polio Eradication	28.7	Polio Eradication	80.4	Polio Eradication	80.4		
			Economic Reform & Governance	140.0	Economic Reform & Governance	140.0		
			MSME	32.0	MSME	32.0		
			Sustainable Mgt. of Min. Res.	120.0	Sustainable Mgt. of Min. Res.	120.0		
<b>Total</b>		<b>283.0</b>		<b>626.7</b>		<b>1028.7</b>	<b>330.1</b>	
<b>% of Total Portfolio</b>		<b>31.0</b>		<b>41.5</b>		<b>39.7</b>	<b>29.1</b>	
State programs: designed for rollout to all States	Community Based Poverty	60	Community Based Poverty	60	Community Based Poverty	85	Fadama III	25
	Community Based Urban	110	Community Based Urban	110	Community Based Urban	110	Community Social Development	20
	HIV/AIDS	70.3	HIV/AIDS	70.3	HIV/AIDS	120.3	HSDP Additional Fin.	50
	Second Health Systems	127	Second Health Systems	127	Second Health Systems	127	Polio Additional Fin.	50
	Small Towns Water	5	Local Empowerment	70	Local Empowerment	70		
	Second Primary Education	55	Local Empowerment (GEF)	8	Local Empowerment (GEF)	8		
	UBE	101	UBE	101	Malaria Control Booster	180		
			Fadama II	100.0	Urban Water	120.0		
					Fadama II	100.0		
					Fadama (GEF)	10.0		
<b>Total</b>		<b>528.3</b>		<b>646.3</b>		<b>930.3</b>	<b>55</b>	
<b>% of Total Portfolio</b>		<b>58</b>		<b>42.8</b>		<b>35.9</b>	<b>49</b>	
State programs: tailored to needs of Lead, and selected non-Lead, States	Lagos Urban Transport	100	Lagos Urban Transport	100	Lagos Urban Transport	150	RAMP 1	60
			State Governance	18.1	State Governance	18.1	Commercial Agriculture	100
			Urban Water	120.0	State Education	85.0	Growth Pole	80
					Second Urban Water	200.0		
					Lagos Metropolitan	200.0		
<b>Total</b>		<b>100</b>		<b>238.1</b>		<b>633.1</b>	<b>240.0</b>	
<b>% of total portfolio</b>		<b>11</b>		<b>15.8</b>		<b>24.4</b>	<b>21.4</b>	
<b>Total Portfolio</b>		<b>911.3</b>		<b>1511.1</b>		<b>2592.1</b>	<b>1120</b>	

## NIGERIA PORTFOLIO

### I. Nigeria Portfolio Growth and Performance

1. The Nigeria portfolio has continued to grow and improve during the CPS period. The portfolio volume has more than doubled from US\$1.2 billion in FY04 to US\$2.6 billion in FY07. During FY05-FY07, over US\$1.5 billion in IDA financing was approved (10 projects, 1 GEF project and additional financing for 4 projects).

2. While the portfolio expanded, the percentage of projects at risk by amount decreased from 66.4% in FY04 to 16.2% in FY07 (less than the Africa region's commitment at risk of 17.7%) see table blow. However, in FY08, the percentage of projects at risk by amount has gone up somewhat to 22.5%. The relatively low disbursement ratio for the portfolio size at the end of FY04 of 12.8% also improved to 24.5% in 2007 (above both Bank wide and Africa levels), but in mid-February 2008 the disbursement ratio of 11.3% is below the disbursement ratio for this same period in FY07.



### II. Portfolio Improvement Activities and Challenges Ahead over the CPS Period

3. At the end of FY 2004, the Nigeria portfolio had 8 projects at risk - 5 were problem projects, and the average project age was about 2 years. The World Bank's macroeconomic, policy and institutional ratings and previous performance track record meant that new projects in the portfolio were labeled as risky from the start. The Country Portfolio Performance Reviews in 2004/2005 had identified five main systemic factors that hampered project implementation:

(i) complex project design, project management and implementation procedures; (ii) premature launch of projects and underestimation of implementation capacity and effectiveness delays; (iii) inadequate/late counterpart funding; (iv) weak results management, often due to inadequate monitoring and evaluation systems and capacity; and (v) political interference, frequent changes of key project staff and task team leaders, and incentives issues and rigidities in applying performance-based principles. There were projects with areas of overlap and similar activities at the state level, and the CDD operations under implementation provided opportunities for harmonization.

Indicator	FY2004	FY2005	FY2006	FY2007	FY2008 (as of 2/20/08)
Number of IDA Projects	15	17	20	23	22
Average project age	2.2	2.6	3.1	3.5	4.2
% of Problem Projects by Number	33.3	35.3	10.0	4.2	4.5
% of Problem Projects by Amount	40.3	33.8	5.2	0.7	0.7
% of Projects at Risk by Number	53.3	41.2	40.0	29.2	36.4
% of Projects at Risk by Amount	66.4	43.1	26.5	16.2	22.5
Disbursement Ratio	12.8	15.7	24.0	24.5	11.3

4. **The intensive focus on the portfolio** by the Government of Nigeria and the World Bank, as well as the alignment of the portfolio with the CPS and NEEDs priorities over the last few years, have begun to address the above systemic issues and improve portfolio performance, and focus on outcomes and tangible results.

- **Greater engagement with States, stronger coordination of programs, integration of partners, and more efficient resource use.** In 2006 an in country Bi-annual CPPR was undertaken at the Federal and state level which reviewed for the first time together World Bank, DFID and USAID projects. The Ministry of Finance in September 2007 organized a CPPR to review World Bank, African Development Bank and Islamic Development Bank projects which provided the opportunity for state project teams in some instances for the first time to share experiences and best practices. State project teams at recent CPPRs have encouraged state governments to develop strategic plans around their key priorities, agenda and budgetary allocations to provide a framework for better coordination/synergies of donor financing and to achieve a greater development impact. The Federal Ministry of Finance has also indicated their intent to improve coordination between the Ministry and the state agencies responsible for portfolio monitoring.
- **Restructuring of projects.** 10 projects have been re-structured since the CPS was prepared/implemented (Privatization Support, Universal Basic Education, Second Health Systems, Community Based Urban Development, Community Based Poverty Reduction, HIV/AIDS, Lagos Urban Transport, Transmission Development, Local Empowerment and Environmental Management, and State Governance and Capacity Building). The restructurings have led to allocating more resources to states that perform well, more flexibility in use of state level resources, greater community participation in decision making on resource allocation and simplifying project design. The Universal Basic

Education Project was closed in FY06 as a poor performing project with resources spread too thinly among the states, and a new State Education Project was approved in FY07 which focuses on three states.

- ***More flexible and simplified World Bank procedures have been introduced.*** The procurement thresholds for prior reviews have been increased, and clinics and workshops are held periodically for Project Coordinating Units.
- ***Ensuring project readiness for implementation.*** Stakeholders are actively involved in the project design and participate in project review meetings to ensure ownership and commitment. A project readiness checklist is now followed. A project is considered ready for Board approval and implementation when bid packages are issued, baselines are in place, effectiveness conditions are minimized and the core project team is in place.
- ***Improved counterpart funding.*** With the country financing parameters, social sector and CDD projects may be now financed up to 100%. The Ministry of Finance has requested that all states properly budget for counterpart funds in their FY08 budgets. None of the projects in the portfolio have a risk flag for counterpart funding.
- ***More TTLs based in the Country office.*** To reduce the turnover of the Bank's TTLs, and allow a closer interaction with clients and other development partners, senior staff has been decentralized to the country office and many of the TTLs are based in Abuja which has improved project performance.

5. Challenges that are continuing to be addressed in the Nigeria portfolio include:

- ***Significant increase in the number and volume of new projects.*** The disbursement ratio as of mid-February 2008 is 11.3% and in comparison to the same period of FY07 overall disbursement has gone down. And there are other signs of weakening of strong performance with projects at risk increasing to 22.5%. This is due to the number and volume of new projects in the portfolio particularly during the end FY07-08, the new administration and related delays in implementation of new projects. However, efforts are being made to speed up implementation of new projects and improve overall disbursements.
- ***Project monitoring and evaluation results frameworks further strengthened.*** Some of the older projects have weak M&E systems (projects at that time were not required to have results frameworks) and lack baseline data. Retrofitting M&E frameworks and training M&E project staff continues to be a priority. In addition, strong attention continues to be placed on ensuring M&E baseline assessment and strengthening the M&E frameworks in projects entering the portfolio.
- ***Increasing share of CDD projects*** has called for development of an overall CDD policy framework and consolidation of operations. The share of CDD projects in the portfolio is increasing and CDD project teams are making a concerted effort to move towards further integration and consolidation, projects' sustainability and more efficient use of resources.

The Bank will continue to encourage more direct involvement of the local government in community projects to ensure sustainability. Development of the CDD policy framework at both federal and state levels is underway and is important to provide common underpinning for the projects and their sustainability.

- ***Project implementation start up at the State Level*** is likely to be slow due to weak capacity. Therefore, state project preparation should take into account weaker capacity and ensure strong ownership, clear implementation arrangements and trained project staff are in place before proceeding to Board.

### **III. Results on the Ground**

6. The community driven development projects (Community Based Poverty Reduction, Local Empowerment and Environmental Management and Fadama II) have already demonstrated an impact on poverty and improved livelihoods. For example, Fadama II increased on average net incomes of fadama users by about 60%. A similar assessment will be undertaken for the Community Based Poverty Reduction Project in 2008. The Lagos Urban Transport Project has contributed to improved quality of roads, improved access and a 30% decrease in transportation costs. The HIV/AIDS project has contributed to the multisectoral response to HIV/AIDS epidemic in Nigeria, and in 2006 the estimated prevalence among the adult general population is 4.4% after peaking at 5.2% in 2004.

### **IV. Portfolio Alignment with CPS Pillars and the Lead State Approach**

7. The CPS focuses on three pillars (human development, non-oil growth and governance) and concentrated resources in the 5 lead states is clearly reflected in the current portfolio dynamics over the last 2-3 years and pipeline structure. There are two noticeable trends in the re-allocation of IDA resources, namely: (i) a significant shift towards projects supporting non-oil growth with IDA credits in this area expected to double by the end of FY09 relative to end FY07, and (ii) a substantial increase in resources allocated to lead states with the highest total commitment to Lagos state (almost US\$ 460 million), followed by Cross River and Kaduna with US\$60 million and US\$54 million respectively. The non-oil growth part of the pipeline consists of projects aimed at improved infrastructure both at the federal and state levels. Work in lead states is complemented with considerable IDA allocations to non-lead states in the form of CDD-type operations that have proved to be successful and effective in delivering results in basic services and community empowerment.

### **V. Going Forward**

8. More work needs to be done to improve the Nigeria portfolio and there are still 8 projects at risk (1 problem project). Building on the initiatives outlined above and lessons learned, the Government and Country Team will continue to closely monitor the portfolio. In 2008, there will be two CPPRs in Nigeria with the Federal Ministry of Finance organizing one in June with an emphasis on state portfolio performance. The Bank will review the entire portfolio in November 2008. Quarterly reviews in January and March 2008 will review the problem and potential problem projects.



## IMPLEMENTATION OF LEAD STATE APPROACH

1. The process of selecting the Lead States, building relationships and aligning WB, DFID and USAID support to State priorities, took longer than initially envisaged. Furthermore, even in the better performing States selected, initial work was required to strengthen systems before engagement increased. As a consequence, major DFID and World Bank projects and programs of support to the Lead States are still being developed. Engagement with the Lead States, and greater understanding of the institutional context there, led to the preparation by the World Bank of many sectoral operations rather than the expected multi-sectoral interventions.
2. The development of the partnership in each of the Lead States is summarized below:
  - **Cross River**: A results matrix was agreed in 2006 between the Cross River State (CRS) government, and all the development partners. It included priorities and targets set out in Cross River's SEEDS and development partner inputs. This process enabled the CRS government to identify rural access as a priority area for African Development Bank engagement. A Statement of Partnership Principles was signed by the Governor of Cross River State and the three CPS Agency Heads (World Bank, DFID and USAID) in late 2006. Progress has been made in harmonizing governance and HIV/AIDS interventions by development partners.
  - **Kaduna**: A results matrix was agreed in 2006 between the Kaduna government, and all the development partners in Kaduna. It included priorities and targets set out in Kaduna's SEEDS and development partner inputs. A Statement of Partnership Principles was signed by the Governor of Kaduna State and the three CPS Agency Heads in 2006. Progress has been made in harmonizing governance and HIV/AIDS interventions by development partners. A Public Expenditure Management and Financial Accountability Review was also conducted in the state. All partners are working together to design harmonized support for the health sector in Kaduna. The World Bank and DFID are implementing joint support for basic education, and designing a joint program to remove the constraints to growth. DFID will implement interlocking programs in governance, education, health and growth, from 2008-2014. The World Bank is preparing a Commercial Agriculture Project (FY09).
  - **Kano**: A results matrix was agreed in 2006 between the Kano government, and all the development partners in Kano. It included priorities and targets set out in Kano's SEEDS and development partner inputs. A Statement of Partnership Principles was signed by the Governor of Kano State and the three CPS Agency Heads in 2006. Kano Government officially requested support from the World Bank in 2006, and the joint World Bank and providing support to growth through the Fadama Project, the Commercial Agriculture Project under design, and the Growth Pole Project to remove constraints to growth (designed jointly with DFID). DFID has undertaken a PEFA review alongside the government, will implement interlocking programs in governance, education, health and growth from 2008-14. DFID is also assisting the government to set up a system for coordinating donor assistance in the State.

- **Lagos:** A results matrix was agreed in 2006 between Lagos government, and all the development partners. It included priorities and targets set out in Lagos' SEEDS and development partner inputs. A Statement of Partnership Principles has been prepared and is ready for signature. The main focus of development partner support in Lagos is on governance and growth. The World Bank has large-scale investments in transport, urban infrastructure, governance and water, while DFID is providing technical assistance to improve revenue collection and the budget process. All donors are working together to improve coordination on HIV/AIDS
- **Enugu:** A joint DFID and World Bank Public Expenditure Management and Financial Accountability Review raised concerns about resource allocation, which were discussed at a high level. The decision was made to postpone additional investment in Enugu until there was evidence that resources were being allocated in line with budget priorities. The administration elected in 2007 is showing signs of improving governance, but more evidence will be needed before a decision is made to scale up support.

### **Progress in Concentrating Resources in Lead States**

3. By December 2007, the WB will have significantly concentrated project activities in Lead States: while the average number of projects in non-Lead States is fewer than two, Cross River, Kaduna and Lagos have six, and there will be four or five in Kano. There will also be significant concentration of the WB financial resources in Lead States. DFID is currently designing a set of interlocking governance, health, education and growth programs, to be implemented in Lead States from 2008-13. USAID is implementing its economic growth and governance program in Cross River, Kano and Kaduna, and is also increasingly focusing resources on Kano and Kaduna in particular.

4. The partners' commitment to concentrating efforts in Lead States did not prevent them from also implementing projects designed for Lead States in non-Lead States (e.g. DFID in Jigawa, and the WB with the State Education Project in Kwara and Rural Access Mobility Project in Osun). These decisions were taken in response to strong demand and commitment to sectoral reforms in those States, and this engagement is also considered valuable both as a 'control' for the assessment of the Lead State approach impact at the end of the CPS period, and as close engagement with non-Lead States is needed to ensure that the decision on expanding the number of Lead States is an informed one.

5. Though the World Bank does not have staff based in Lead States, the Bank works in cooperation with DFID's significant presence on the ground in Kano (from where the relationship with Kaduna is also managed) and more limited presence in Enugu (also covering Cross River) and Lagos.

**STRENGTH OF PARTNERSHIP AMONG CPS PARTNERS IN DIFFERENT SECTORS**

	<b>CPS Partners Active</b>	<b>Strategic Alignment (out of 5)</b>	<b>Joint/Coordinated Design (out of 5)</b>	<b>Coordination on the Ground (out of 5)</b>	<b>Total (%)</b>
Economic Governance/ Public Financial Management/ Public Service Reform	WB, DFID, USAID	<b>5</b> Strong shared analysis of challenges and priorities	3 Mutually supportive DFID/WB PER/ERGP projects at Federal level, little WB input into DFID design of new State governance programme	<b>4</b> Concerted efforts to reduce overlap and duplication at State level, involving wide range of donors.	<b>80</b>
Legal/Justice Sector	DFID, USAID, WB	<b>5</b> Strong shared analysis of challenges and priorities	<b>2</b> Little joint design of programs	<b>4</b> Donor coordination group meets regularly	<b>73</b>
Political Governance	DFID, USAID	<b>5</b> Strong shared analysis of challenges and priorities	<b>4</b> Next phase of support to the electoral process being jointly developed.	<b>5</b> Excellent (managed by the same contractor)	<b>93</b>
Financial Sector	WB, DFID	<b>5</b> Strong shared support for the FSS2020 agenda	<b>4</b> Close coordination in design of WB intervention	Not applicable	<b>90</b>
Power	WB (DFID/USAID tbd)	<b>4</b> Agreement at highest level on importance of governance and political economy, but only WB has expertise in-house	<b>3</b> No joint design of existing power projects, though collaboration planned (WB/DFID) on power ESW	Not applicable	<b>70</b>
Transport	WB	<b>3</b> Agreement this is a key constraint to growth in Nigeria, but only WB has expertise	Not applicable	Not applicable	<b>60</b>
Private Sector Development	WB, DFID, USAID	<b>4</b> WB and DFID share focus on Growth Poles	<b>5</b> GPP and RAISE designed as one project	Not applicable	<b>90</b>
Agriculture	WB, DFID, USAID	<b>3</b> Difference of views on how best to support agricultural development	<b>2</b> Some consultation around WB Commercial Agriculture project	<b>3</b> Some coordination WB/USAID on the ground	<b>55</b>
Water	WB, DFID (very limited)	<b>3</b> Historic difference of views on role of private sector (may change with new Ministers in DFID)	<b>1</b> Some discussion around possible DFID interventions	Not applicable	<b>40</b>
Health	WB, DFID, USAID	<b>5</b> Strong shared analysis of challenges and priorities, particularly need for SWAp in States	<b>4</b> Intent to design new WB and DFID State programmes together, but timing has put pressure on this	<b>2</b> Limited coordination between DFID PATHS and WB HSDP	<b>73</b>

	<b>CPS Partners Active</b>	<b>Strategic Alignment (out of 5)</b>	<b>Joint/Coordinated Design (out of 5)</b>	<b>Coordination on the ground (out of 5)</b>	<b>Total (%)</b>
Education	WB, DFID, USAID	4 Strong agreement on primary, only WB prioritizing post-basic	3 Commitment to joint design of SESP and ESSPIN more in rhetoric than reality. DFID TA project supporting WB SESP (views differ on how well).	3 Huge amount of effort going into coordination, but frequent conflict	67
HIV/AIDS	WB, DFID, USAID	4 Agreement on priorities and need to coordinate different activities (e.g. USAID)	4 Mutual input into design of WB MAP2 and DFID project. USAID informed, but focused on ART	3 Support to SACA to coordinate in States, though some duplication may still exist	73
Total (%)		80	64	69	

## NIGERIA COMMUNITY DRIVEN DEVELOPMENT PROGRAM

### I. Background

1. The Community Driven Development (CDD) approach in the Africa Region is defined as improving empowerment, service delivery and local governance through: (i) empowerment of communities; (ii) empowerment of local governments, hence decentralization; (iii) re-alignment of the sectors to improve service delivery given the increased roles of communities and local governments; (iv) accountability, transparency and communication at all levels; and (v) a learning by doing attitude, capacity building while implementing. The country context rather than a blue-printed approach prevails in the sequencing or implementation of these activities.

2. The current World Bank portfolio in Nigeria has 3 major projects which use the CDD approach in design and implementation: Community-based Poverty Reduction Project (CPRP); Local Empowerment and Environmental Management Project (LEEMP) and Fadama II. There are also some elements of community-led activities in the Community-based Urban Development Project, HIVAIDS and the Sustainable Management of Mineral Resources Project. The 3 projects (CPRP, LEEMP and FADAMA) have a common origin, operate largely in rural communities, and are similar in their approaches.

**Table 1 CDD Type Projects in Nigeria**

Project	Total Credit	Closing Date	Coverage
Community-based Poverty Reduction Project	\$60million + \$20million (additional financing)	Dec., 2008	Abia, Cross River, Ekiti, Kebbi, Kogi Yobe, Kwara and Ebonyi + Zamfara, Gombe, Edo, and Osun – supported by AfDB
Local Empowerment and Environmental Management Project	\$70million	June, 2009	Adamawa, Bayelsa, Bauchi, Benue, Katsina, Imo, Oyo, Niger, and Enugu
FADAMA II	\$100million	Dec., 2009	Adamawa, Bauchi, Gombe, Imo, Kaduna, Kebbi, Lagos, Niger, Ogun Oyo, Taraba and FCT Borno, Plateau, Katsina, Kogi, Kwara and Jigawa supported by AfDB.

### II. Implementation Performance

3. **More than USD250m is currently committed by the World Bank (and about USD100m by AfDB) to the three projects in 29 States which are spread across the country. Over 70% of these resources are disbursed to and controlled by the beneficiaries themselves at the community level, for welfare enhancing social and economic activities that they have identified and are implementing by themselves. The microprojects in Kebbi, Katsina, Bauchi, Niger, Yobe, Bayelsa, Cross River, Lagos, Ogun and Ekiti are examples of States with exemplary success on the CDD approach in CPRP, LEEMP and FADAMAII.**

4. These projects are contributing to: (i) **reduced maternal and child mortality** through the construction and equipment of primary health centers in about 400 communities; (ii) **improved educational outcomes** with the construction and equipment of primary and secondary school classrooms in over 800 communities; and (iii) **improved access to safe drinking water** through the construction and operation of boreholes and motorized water pumps in over 1000 communities across the country. There are other outputs and resultant outcomes in terms of rural/feeder roads, rural electrification, rural markets, natural resource management and community livelihood/economic micro-projects (e.g. crop processing, fishing and agro forestry).

5. The FADAMAII project has had the additional achievement of registering 1187 Fadama Community Associations (FCAs), which have 8,423 Fadama User Groups (FUGs). Membership of the FCAs stands at 217,210 individuals with 37.6% female. There are 1,236 Local Development Plans that are being implemented with 10,601 sub-projects as of May 2007. An impact assessment study of the project carried out by the International Food Policy Research Institute (IFPRI) showed that in its first year of operation, the Fadama II project has realized significant positive impacts on household access to markets, transport services, assets, and on household income and acquisition of assets. **Household incomes improved substantially more for Fadama II beneficiaries than non-participants. On average there was an increase in real income due to participation in the Fadama II project of about 60%**, well above the 20% goal that the project set to achieve in six years of implementation for 50% of the beneficiaries.

6. These CDD projects also ensure **beneficiary participation, empowered poor communities and provide a reorientation of governance** by sensitizing the lowest tier of government to the needs and priorities of the governed. They have also **ensured transparency and accountability while guaranteeing capacity building at all levels**. More specifically, the projects have been able to harness the abundant social capital (social structures networks and resources) in their respective areas of operation. The fostered participation of communities has ensured maintenance, utilization and sustainability of the projects. This is expected to lead to improved output, outcome and impact. The executed micro-projects have been shown to be cost effective when compared with publicly executed counterparts

### III. Harmonization Process and Achievements

7. At the 2004 Country Portfolio Performance Review, one of the agreements made was that the harmonization of CDD projects should be pursued – through tools and approaches in the short run and through the merging of operations, where possible in the long run. It was anticipated that harmonization of the projects would: (i) make the operations of the individual projects more efficient and effective by avoiding duplication of efforts and adoption of good and proven practices; and (ii) ensure common processes at the community level. The development of a CDD policy framework is underway.

### IV. Key Challenges and Policy and Program Options for the Future

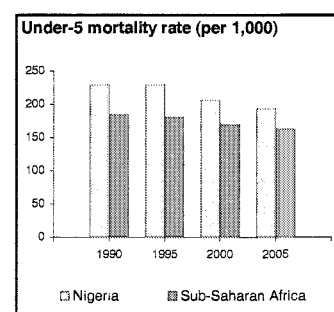
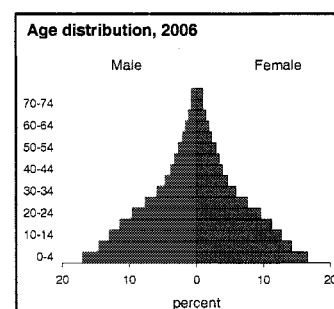
8. The key challenges and policy and program options for future CDD projects in Nigeria include:

- **Greater involvement of the Local Government in CDD:** Most CDD projects do not provide enough attention to Local Governments (LG). Where LGs are not involved there are difficulties in ensuring maintenance as well as appropriate staffing of micro-projects. When LGs are active there is solid evidence of complementarity. To ensure sustainability of the micro-projects established by community and user groups, it is important to ensure that Local Government Authorities (LGAs) are involved in the planning and approval of Community Development Plans and Local Development Plans so they can adequately budget for overhead, and recurrent or maintenance costs of the infrastructure. It will be important for the preparation of FADAMA III and Community Social Development Projects to include institutional arrangements that involve LGAs. Communities and User groups should also be supported only in LGAs where the appropriate support mechanism has been established.
  
- **Harmonize CDD activities and ensure an integrated approach:** There is a need to harmonize tools and approaches utilized in all CDD related projects in Nigeria. This will ensure operational efficiency and effectiveness of individual projects. It will also ensure common processes at the local government and community levels. Accordingly, the following actions are important in project implementation:
  - Synchronization of the various CDD projects in the Nigeria portfolio while avoiding duplication of efforts.
  - Adoption of best practices and quick responses to the priorities of the communities since all of the CDD projects are expected to be operating in the same way.
  - Active networking will be imperative to maximize the benefits of comparative advantage and synergy.

## Nigeria at a glance

10/1/07

Key Development Indicators (2006)	Nigeria	Sub-Saharan Africa	Low income
Population, mid-year (millions)	144.7	770	2,403
Surface area (thousand sq. km)	924	24,265	29,215
Population growth (%)	2.4	2.3	1.8
Urban population (% of total population)	49	36	30
GNI (Atlas method, US\$ billions)	92.3	648	1,562
GNI per capita (Atlas method, US\$)	640	842	650
GNI per capita (PPP, international \$)	1,050	2,032	2,698
GDP growth (%)	5.2	5.6	8.0
GDP per capita growth (%)	2.7	3.2	6.1
<i>(most recent estimate, 2000–2006)</i>			
Poverty headcount ratio at \$1 a day (PPP, %)	71	41	..
Poverty headcount ratio at \$2 a day (PPP, %)	92	72	..
Life expectancy at birth (years)	44	47	59
Infant mortality (per 1,000 live births)	100	96	75
Child malnutrition (% of children under 5)	29	29	..
Adult literacy, male (% of ages 15 and older)	78	69	72
Adult literacy, female (% of ages 15 and older)	60	50	50
Gross primary enrollment, male (% of age group)	111	98	108
Gross primary enrollment, female (% of age group)	95	86	96
Access to an improved water source (% of population)	48	56	75
Access to improved sanitation facilities (% of population)	44	37	38

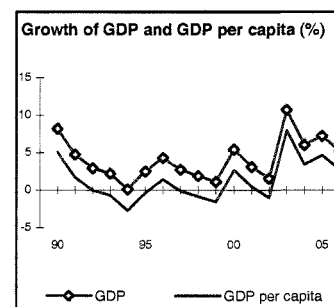


Net Aid Flows	1980	1990	2000	2006 <sup>a</sup>
<i>(US\$ millions)</i>				
Net ODA and official aid	34	255	174	6,437
<i>Top 3 donors (in 2005):</i>				
United Kingdom	5	25	23	2,201
France	5	6	4	1,436
Germany	2	18	11	1,181
Aid (% of GNI)	0.1	1.0	0.4	7.7
Aid per capita (US\$)	0	3	1	46

**Long-Term Economic Trends**

Consumer prices (annual % change)	10.0	7.4	6.9	8.2
GDP implicit deflator (annual % change)	12.4	7.2	29.0	7.9
Exchange rate (annual average, local per US\$)	0.8	9.2	101.7	127.4
Terms of trade index (2000 = 100)	165	87	100	177

Population, mid-year (millions)	71.1	94.5	124.8	144.7
GDP (US\$ millions)	64,202	28,472	45,984	115,338
<i>(% of GDP)</i>				
Agriculture	20.6	32.7	26.3	23.3
Industry	45.6	41.4	52.7	56.8
Manufacturing	8.4	5.5	3.7	4.0
Services	33.8	25.9	21.0	19.9
Household final consumption expenditure	56.5	55.5	36.7	39.6
General gov't final consumption expenditure	12.1	15.1	20.9	21.2
Gross capital formation	21.3	14.7	20.3	22.0
Exports of goods and services	29.4	43.4	54.3	56.3
Imports of goods and services	19.2	28.8	32.2	34.7
Gross savings	..	19.4	31.9	33.9



**1980–90 1990–2000 2000–06**  
*(average annual growth %)*

Population	2.8	2.8	2.5
GDP	1.6	2.5	6.0
Agriculture	3.3	3.4	5.8
Industry	-1.1	1.0	5.5
Manufacturing	0.7	1.1	8.8
Services	3.7	3.3	6.5
Household final consumption expenditure	-2.6	1.0	4.3
General gov't final consumption expenditure	-3.5	-1.8	3.3
Gross capital formation	-8.5	5.4	15.0
Exports of goods and services	-0.3	5.0	4.4
Imports of goods and services	-13.6	4.0	11.9

Note: Figures in italics are for years other than those specified. 2006 data are preliminary. .. indicates data are not available.  
a. Aid data are for 2005.

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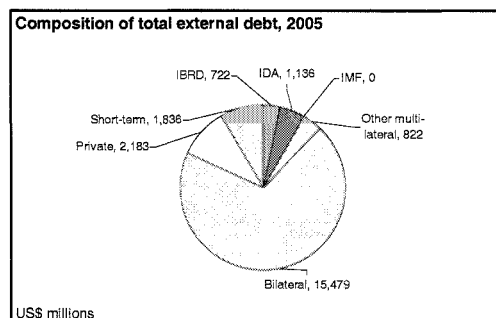


## Nigeria

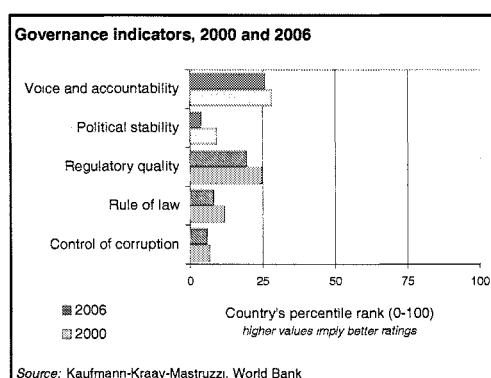
<b>Balance of Payments and Trade</b>	<b>2000</b>	<b>2006</b>
<i>(US\$ millions)</i>		
Total merchandise exports (fob)	23,761	61,600
Total merchandise imports (fob)	9,894	30,800
Net trade in goods and services	10,093	24,906
Workers' remittances and compensation of employees (receipts)	-	-
Current account balance as a % of GDP	5.353	13.600
	11.6	11.8
Reserves, including gold	10,099	42,735

<b>Consolidated Government Finance</b>		
<i>(% of GDP)</i>		
Current revenue (including grants)	42.5	43.4
Tax revenue	..	..
Current expenditure	34.2	26.1
Overall surplus/deficit	6.0	8.5
Highest marginal tax rate (%)		
Individual	25	..
Corporate	30	..

<b>External Debt and Resource Flows</b>		
<i>(US\$ millions)</i>		
Total debt outstanding and disbursed	31,355	22,178
Total debt service	1,845	8,881
Debt relief (HIPC, MDRI)	-	-
Total debt (% of GDP)	68.2	22.5
Total debt service (% of exports)	7.3	15.9
Foreign direct investment (net inflows)	1,236	9,100
Portfolio equity (net inflows)	-	-



<b>Private Sector Development</b>	<b>2000</b>	<b>2006</b>
Time required to start a business (days)	-	43
Cost to start a business (% of GNI per capita)	-	54.4
Time required to register property (days)	-	80
Ranked as a major constraint to business (% of managers surveyed who agreed)		
n.a.	..	..
n.a.	..	..
Stock market capitalization (% of GDP)	9.2	28.5
Bank capital to asset ratio (%)	7.4	9.9



<b>Technology and Infrastructure</b>	<b>2000</b>	<b>2005</b>
Paved roads (% of total)	30.9	15.0
Fixed line and mobile phone subscribers (per 1,000 people)	5	140
High technology exports (% of manufactured exports)	0.4	1.7

<b>Environment</b>		
Agricultural land (% of land area)	77	80
Forest area (% of land area)	14.4	12.2
Nationally protected areas (% of land area)	..	6.0
Freshwater resources per capita (cu. meters)	..	1,563
Freshwater withdrawal (% of internal resources)	3.6	..
CO2 emissions per capita (mt)	0.37	0.39
GDP per unit of energy use (2000 PPP \$ per kg of oil equivalent)	1.2	1.3
Energy use per capita (kg of oil equivalent)	715	717

<b>World Bank Group portfolio</b>	<b>2000</b>	<b>2006</b>
<i>(US\$ millions)</i>		
<b>IBRD</b>		
Total debt outstanding and disbursed	1,625	534
Disbursements	31	0
Principal repayments	273	211
Interest payments	103	33
<b>IDA</b>		
Total debt outstanding and disbursed	644	1,541
Disbursements	55	362
Total debt service	9	33
<b>IFC (fiscal year)</b>		
Total disbursed and outstanding portfolio of which IFC own account	16	351
Disbursements for IFC own account	4	115
Portfolio sales, prepayments and repayments for IFC own account	1	12
<b>MIGA</b>		
Gross exposure	0	132
New guarantees	0	126

Note: Figures in italics are for years other than those specified. 2006 data are preliminary.  
.. indicates data are not available. - indicates observation is not applicable.

10/1/07

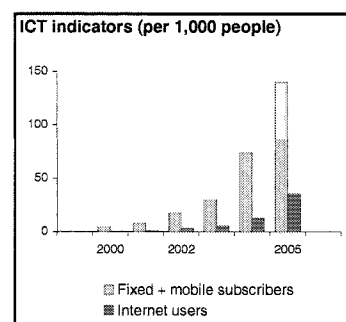
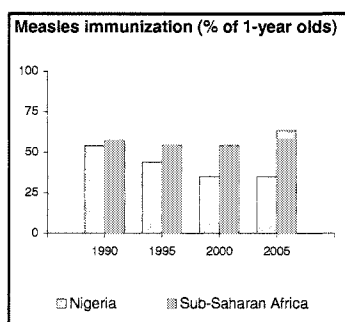
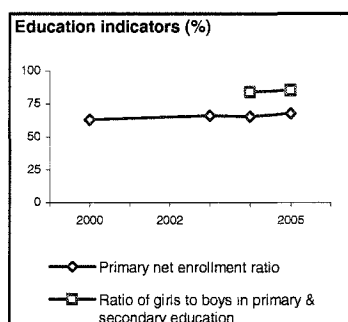
AFTP3

## Millennium Development Goals

Nigeria

With selected targets to achieve between 1990 and 2015  
(estimate closest to date shown, +/- 2 years)

	Nigeria			
	1990	1995	2000	2005
<b>Goal 1: halve the rates for \$1 a day poverty and malnutrition</b>				
Poverty headcount ratio at \$1 a day (PPP, % of population)	..	77.9	..	70.8
Poverty headcount ratio at national poverty line (% of population)	..	34.1	..	..
Share of income or consumption to the poorest quintile (%)	..	3.7	..	5.0
Prevalence of malnutrition (% of children under 5)	35.3	39.1	27.3	28.7
<b>Goal 2: ensure that children are able to complete primary schooling</b>				
Primary school enrollment (net, %)	58	..	63	68
Primary completion rate (% of relevant age group)	..	..	..	80
Secondary school enrollment (gross, %)	25	..	24	34
Youth literacy rate (% of people ages 15-24)	71	..	..	84
<b>Goal 3: eliminate gender disparity in education and empower women</b>				
Ratio of girls to boys in primary and secondary education (%)	79	..	83	85
Women employed in the nonagricultural sector (% of nonagricultural employment)	34	..	..	..
Proportion of seats held by women in national parliament (%)	..	..	3	6
<b>Goal 4: reduce under-5 mortality by two-thirds</b>				
Under-5 mortality rate (per 1,000)	230	230	207	194
Infant mortality rate (per 1,000 live births)	120	120	107	100
Measles immunization (proportion of one-year olds immunized, %)	54	44	35	35
<b>Goal 5: reduce maternal mortality by three-fourths</b>				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	800	..
Births attended by skilled health staff (% of total)	31	..	42	35
<b>Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases</b>				
Prevalence of HIV (% of population ages 15-49)	..	..	..	3.9
Contraceptive prevalence (% of women ages 15-49)	6	..	15	13
Incidence of tuberculosis (per 100,000 people)	105	185	253	283
Tuberculosis cases detected under DOTS (%)	..	11	13	22
<b>Goal 7: halve the proportion of people without sustainable access to basic needs</b>				
Access to an improved water source (% of population)	49	50	49	48
Access to improved sanitation facilities (% of population)	39	41	42	44
Forest area (% of total land area)	18.9	..	14.4	12.2
Nationally protected areas (% of total land area)	..	..	..	6.0
CO2 emissions (metric tons per capita)	0.5	0.3	0.4	0.4
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	1.1	1.1	1.2	1.3
<b>Goal 8: develop a global partnership for development</b>				
Fixed line and mobile phone subscribers (per 1,000 people)	3	4	5	140
Internet users (per 1,000 people)	0	0	1	35
Personal computers (per 1,000 people)	..	5	6	6
Youth unemployment (% of total labor force ages 15-24)	..	..	..	..



Note: Figures in italics are for years other than those specified. .. indicates data are not available.

10/1/07

AFTP3

**CAS Annex B2 - Nigeria**  
**Selected Indicators\* of Bank Portfolio Performance and Management**  
**As Of Date 02/21/2008**

Indicator	2005	2006	2007	2008
<b>Portfolio Assessment</b>				
Number of Projects Under Implementation <sup>a</sup>	17	20	24	22
Average Implementation Period (years) <sup>b</sup>	2.6	3.1	3.5	4.2
Percent of Problem Projects by Number <sup>a, c</sup>	35.3	10.0	4.2	4.5
Percent of Problem Projects by Amount <sup>a, c</sup>	33.8	5.2	0.7	0.7
Percent of Projects at Risk by Number <sup>a, d</sup>	41.2	40.0	29.2	36.4
Percent of Projects at Risk by Amount <sup>a, d</sup>	43.1	26.5	16.2	22.5
Disbursement Ratio (%) <sup>e</sup>	15.7	24.0	24.5	11.3
<b>Portfolio Management</b>				
CPFR during the year (yes/no)	yes	yes	yes	yes
Supervision Resources (total US\$000)	3,000	3,758	3,478	2,541
Average Supervision (US\$/project)	167	188	151	110

Memorandum Item	Since FY 80	Last Five FYs
Proj Eval by OED by Number	85	3
Proj Eval by OED by Amt (US\$ millions)	5,756.6	118.8
% of OED Projects Rated U or HU by Number	54.1	33.3
% of OED Projects Rated U or HU by Amt	53.0	48.7

- a. As shown in the Annual Report on Portfolio Performance (except for current FY).
- b. Average age of projects in the Bank's country portfolio.
- c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP).
- d. As defined under the Portfolio Improvement Program.
- e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only.
- \* All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects as well as projects which exited during the fiscal year.

## CAS Annex B3 - IBRD/IDA Program Summary - Nigeria

As Of Date 2/20/08

**Proposed IBRD/IDA Base-Case Lending Program <sup>a</sup>**

<i>Fiscal year</i>	<i>Proj ID</i>	<i>US\$(M)</i>	<i>Strategic Rewards b (H/M/L)</i>	<i>Implementation b Risks (H/M/L)</i>
<b>2008</b>	NG – Federal Roads	330.0	M	H
	NG – RAMP 1	60.0	M	H
	NG – Niger Basin Water Resources (Approved)	45.0	M	H
	NG – West and Central Africa Air Transport (Approved)	15.6	M	H
	<b>Result</b>	<b>450.6</b>		
<b>2009</b>	NG – Fadama 3 ( <i>FY08 Reserve</i> )	250.0	H	M
	NG – Community Social Development ( <i>FY08 Reserve</i> )	200.0	H	M
	NG – Health Systems Development Additional Financing	50.0	H	M
	NG – Polio Additional Financing	50.0	H	M
	NG – Commercial Agriculture	100.0	H	M
	NG – Growth Pole	80.0	M	H
	NG – Lagos Eko (SESP II) ( <i>FY09 Reserve</i> )	50.0	M	H
	<b>Result</b>	<b>780.0</b>		
<b>Overall Result</b>	<b>1,230.6</b>			

- a. This table presents the proposed program for the next two fiscal years.
- b. For each project, indicate whether the strategic rewards and implementation risks are expected to be high (H), moderate (M), or low (L).

## CAS Annex B4 - Summary of Nonlending Services - Nigeria

As of Date 2/12/2008

<i>Product</i>	<i>Completion FY</i>	<i>Cost (US\$000)</i>	<i>Audience<sup>a</sup></i>	<i>Objective<sup>b</sup></i>
<b>Recent completions</b>				
Country Partnership Strategy	FY05	586	G,D,B, PD	KG,PS
Country Gender Assessment	FY05	76	G,D,B	KG,PS
Forestry Review	FY05	140	G,D,B	KG,PS
Oil Revenues Management Lagos Strategy for Economic Development	FY05	309	G,D,B	PS
LSMS	FY05	475	G,D,B	KG,PS
Health CSR	FY05	116	G,D,B	KG,PS
Country Environment Assessment	FY05	332	G,D,B	KG,PS
Agriculture Sector Review	FY06	67	G,D,B	KG,PS
Poverty Assessment/PSIA	FY06	184	G,D,B	KG,PS
CDD Evaluation Policy Note	FY06	201	G,D,B	KG,PS
Diversification and Growth (CEM)	FY06	228	G,D,B	KG,PS
PEMFAR	FY07	682	G,D,B,PD	PS
Education Sector Review	FY07	591	G,D,B	KG,PS
Lagos State Analysis	FY07	46	G,D,B	KG,PS
Petroleum Pricing	FY07	171	G,D,B	KG,PS
	FY08	125	G,D,B	KG,PS
<b>Underway</b>				
CPS Progress Report	FY08	340	G,D,B, PD	KG,PS
Investment Climate	FY08	0	G,D,B	KG,PS
Fiscal Federalism Study	FY08	221	G,D,B	KG
PER Agriculture	FY08	105	G,D,B	KG,PS
Niger Delta Soc.and Conflict Analysis	FY08	94	G,D,B	KG,PS
Financing Agriculture	FY08	99	G,D,B	KG,PS
Energy Policy Notes	FY08	38	G,D,B	KG, PS
Health CSR2	FY08	78	G,D,B	KG,PS
Rural Finance	FY08	0	G,D,B	KG,PS
<b>Planned</b>				
Access to Justice	FY09	72	G,D,B	KG,PS
HD Strategy Note	FY09	97	G,D,B	KG,PS
Governance of Service Delivery	FY09	176	G,D,B	KG,PS
Employment and Growth	FY09	438	G,D,B	KG,PS
Transport and Economic Growth	FY09	0	G,D,B	KG,PS
Community Based Health and Nutrition	FY09	137	G,D,B	KG,PS
NEITI Report	FY09	418	G,D,B	KG,PS
Poverty Assessment	FY09	278	G,D,B	KG,PS

a. Government, donor, Bank, public dissemination.

b. Knowledge generation, public debate, problem-solving.

## Annex B3

## Nigeria: IFC Investment Operations Program

	2005	2006	2007	2008*
<b>Commitments (US\$m)</b>				
Gross	161.89	265.49	592.34	334.11
Net**	161.89	265.49	512.34	334.11
<b>Net Commitments by Sector (%)</b>				
EQUITY	1.17		2.94	
GUARANTEE		63.27	61.53	94.01
LOAN	80.3	11.3	22.84	5.99
QUASI LOAN	18.53	25.43	12.69	
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Net Commitments by Investment Instrument (%)</b>				
Equity	1.17		2.94	
Guarantee		63.27	61.53	94.01
Loan	80.3	11.3	22.84	5.99
Quasi loan	18.53	25.43	12.69	
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* As of March 31, 2008

\*\* IFC's Own Account only

## MIGA Outstanding Exposure (Gross Exposure, \$ million)

	2005	2006	2007	2008 through 01/31/2008
As of end of fiscal year	101.8	149.2	102.9	103.1

## Nigeria - Key Economic Indicators

Indicator	Actual			Estimate			Projected		
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>National accounts (as % of GDP)</b>									
Gross domestic product <sup>a</sup>	100	100	100	100	100	100	100	100	100
Agriculture	43	34	33	32	33	31	33	33	33
Industry	37	42	44	42	39	40	37	35	33
Services	21	24	24	26	28	28	31	32	34
Exports (GNFS) <sup>b</sup>	43	44	47	43	39	39	35	34	33
Imports (GNFS)	40	31	31	28	30	27	26	25	25
<i>Memorandum items</i>									
Gross domestic product (US\$ million at current prices)	67656	87845	112249	146867	166601	211001	236498	259899	278701
GNI per capita (US\$, Atlas method)	360	400	520	640	..	..	..	..	..
Real annual growth rates (% , calculated from 90 prices)									
Gross domestic product at factor costs	10.2	10.5	6.5	6.0	6.3	9.0	8.3	7.0	7.0
Real annual per capita growth rates (% , calculated from 90 prices)									
Gross domestic product at market prices	7.6	7.9	2.9	3.7	3.9	6.5	5.8	4.5	4.5
<b>Balance of Payments (US\$ millions)</b>									
Exports (GNFS) <sup>b</sup>	28891	38609	52238	62600	64500	82000	83300	87400	91500
Merchandise FOB	27497	36853	50169	59100	61300	78900	80300	84100	87900
Imports (GNFS) <sup>b</sup>	27360	27282	34849	41000	49500	56000	62400	65900	70061
Merchandise FOB	20616	19389	25632	31100	38800	44300	49900	52700	55800
Resource balance	1531	11327	17388	21600	15000	26000	20900	21500	21439
Net current transfers	2086	2751	3399	3400	3400	3400	3500	3500	3600
Current account balance	-4042	4343	7959	13800	1300	10000	5700	7900	8139
Net private foreign direct investment	2891	4776	6544	9144	10320	11000	11380	11872	12507
Long-term loans (net)	-1291	-1286	-8554	-16577	-388	116	768	901	986
Other capital (net, incl. errors & omissions)	2229	1654	5375	7530	-946	-32	-8	14	-33
Change in reserves <sup>c</sup>	213	-9487	-11324	-13897	-10286	-21084	-17839	-20687	-21600
<i>Memorandum items</i>									
Resource balance (% of GDP)	2.3	12.9	15.5	14.7	9.0	12.3	8.8	8.3	7.7
Real annual growth rates ( YR90 prices)									
Merchandise exports (FOB)	32.4	1.6	-5.0	-0.4	-7.3	6.9	8.6	4.4	4.9
Merchandise imports (CIF)	10.8	-14.1	27.4	21.2	24.1	13.6	11.5	4.9	3.7

(Continued)

### Nigeria - Key Economic Indicators (Continued)

Indicator	Actual			Estimate			Projected		
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public finance (as % of GDP at market prices)<sup>d</sup></b>									
Current revenues	37.1	35.4	38.1	34.1	28.2	31.1	30.7	30.9	30.3
Current expenditures	32.9	24.1	23.2	20.6	20.0	17.5	17.4	17.8	18.5
Current account surplus (+) or deficit (-)	4.2	11.3	15.0	13.5	8.3	13.6	13.3	13.1	11.8
Capital expenditure	5.4	5.0	6.8	5.8	7.3	7.4	8.5	8.6	7.9
Foreign financing	-4.3	0.0	-5.9	-4.1	-0.2	0.1	0.3	0.3	0.4
<b>Monetary indicators</b>									
M2/GDP	22.7	19.4	17.8	19.6	22.6	23.3	..	..	..
Growth of M2 (%)	24.1	14.0	16.0	39.9	28.3	23.1	..	..	..
<b>Price indices( YR00 =100)</b>									
Merchandise export price index	102.4	135.1	193.5	229.0	256.1	308.4	289.1	290.2	289.0
Merchandise import price index	112.1	122.8	127.5	127.6	128.1	129.0	130.2	131.2	133.8
Merchandise terms of trade index	91.3	110.0	151.8	179.4	199.8	239.1	222.1	221.2	216.0
Consumer price index (% change)	14.0	15.0	17.8	8.3	5.4	7.3	8.5	8.5	8.5
GDP deflator (% change)	11.2	20.7	19.8	19.5	4.8	9.6	2.6	6.4	7.4

a. GDP at factor cost

b. "GNFS" denotes "goods and nonfactor services."

c. Includes use of IMF resources.

d. Consolidated government.



## Nigeria - Key Exposure Indicators

Indicator	Actual			Estimate	
	2003	2004	2005	2006	2007
Total debt outstanding and disbursed (TDO) (US\$m) <sup>a</sup>	34700	37883	22178	7693	3300
Net disbursements (US\$m) <sup>a</sup>	-1063	-242	-2998	-3721	-1600
Total debt service (TDS) (US\$m) <sup>a</sup>	1642	1731	8881	6805	1226
Debt and debt service indicators (%)					
TDO/XGS <sup>b</sup>	119.8	97.7	41.9	12.1	5.0
TDO/GDP	51.3	43.1	19.8	5.2	2.0
TDS/XGS	5.7	4.5	16.8	10.7	1.9
Concessional/TDO	44.6	46.3	48.6	25.9	..
IBRD exposure indicators (%)					
IBRD DS/public DS	16.3	15.5	3.0	3.6	..
Preferred creditor DS/public DS (%) <sup>c</sup>	29.9	28.3	5.5	6.9	..
IBRD DS/XGS	0.9	0.7	0.5	0.4	0.3
IBRD TDO (US\$m) <sup>d</sup>	1201	1027	722	534	381
Of which present value of guarantees (US\$m)					
Share of IBRD portfolio (%)	1	1	1	1	..
IDA TDO (US\$m) <sup>d</sup>	787	967	1136	1541	1929
IFC (US\$m)					
Loans					
Equity and quasi-equity /e					
MIGA					
MIGA guarantees (US\$m)					

- a. Includes public and publicly guaranteed debt, private nonguaranteed, use of IMF credits and net short-term capital.
- b. "XGS" denotes exports of goods and services, including income receipts.
- c. Preferred creditors are defined as IBRD, IDA, the regional multilateral development banks, the IMF, and the Bank for International Settlements.
- d. Includes present value of guarantees.
- e. Includes equity and quasi-equity types of both loan and equity instruments.

**CAS Annex B8 - Nigeria**  
**Operations Portfolio (IBRD/IDA and Grants)**  
 As Of Date 02/21/2008

**Closed Projects 102**

<b>IBRD/IDA *</b>	
Total Disbursed (Active)	1,090.07
of which has been repaid	0.00
Total Disbursed (Closed)	6,167.71
of which has been repaid	6,013.39
Total Disbursed (Active + Closed)	7,257.78
of which has been repaid	6,013.39
Total Undisbursed (Active)	1,671.45
Total Undisbursed (Closed)	0.75
Total Undisbursed (Active + Closed)	1,672.20

<u>Active Projects</u>		<u>Last PSR</u>		<u>Original Amount in US\$ Millions</u>					<u>Difference Between Expected and Actual Disbursements<sup>1/</sup></u>		
<u>Project ID</u>	<u>Project Name</u>	<u>Supervision Rating</u>		<u>Fiscal Year</u>	<u>IBRD</u>	<u>IDA</u>	<u>GRANT</u>	<u>Cancel.</u>	<u>Undisb.</u>	<u>Orig.</u>	<u>Frm Rev'd</u>
		<u>Development Objectives</u>	<u>Implementation Progress</u>								
P100122	Avian Influenza Emergency MS		MS	2006		50			27.01872	17.399954	
P083082	MSME MS		MS	2004		32			26.75991	17.123311	11.12331
P096151	NG - State Edu Sector Projec S		S	2007		65			68.29666		5.2
P097921	NG -Malaria Control Booste S		S	2007		180			169.8826	-3.214265	
P070290	NG- Health System Dev. II ( S		S	2002		127			15.93862	-9.161442	-9.161442
P069086	NG-Com Based Pov Reduc S		S	2001		85			9.841881	-24.13196	-24.13196
P069901	NG-Com Based Urb Dev (F MS		MS	2002		110			87.99253	58.741444	45.38479
P088150	NG-Econ Reform & Govern MS		MS	2005		140			105.4529	56.313878	31.49546
P063622	NG-Fadama SIL 2 (FY04) S		S	2004		100			13.80503	-4.532156	
P073686	NG-GEF Fadama 2 Crit Ecc S		S	2006			10.03		8.696972	4.7536387	
P071817	NG-GEF Loc Empowermen S		S	2004			8		2.948626	1.4486265	0.78196
P070291	NG-HIV/AIDS Prog Dev (FY S		S	2002		140.3			52.66411	-14.18279	-13.59124
P071340	NG-Lagos Metropolitan Dev S		S	2007		200			199.5766	1.5299572	
P074963	NG-Lagos Urb Trans SIL (F S		S	2003		150			70.82141	0.6601128	-11.12576
P069892	NG-Local Empowerment & IS		S	2004		70			19.1121	-14.51419	-18.87681
P086716	NG-Min Res Sustain Mgmt (S		S	2005		120			92.12287	44.148665	
P090104	NG-Natl Energy Dev SIL (F S		MS	2006		172			146.4648	86.310625	134.9773
P071391	NG-Natl Urb Water Sec Ref MS		MS	2006		200			186.9584	36.695684	
P080295	NG-Polio Eradication (FY03 S		S	2003		80.4			3.47829	-47.0106	12.72111
P070293	NG-Privatization Supt SIL (F S		MS	2001		114.29			59.15544	37.091648	13.97279
P074132	NG-S&T Educ in Post-Basic S		S	2007		180			189.9936		
P074447	NG-State Governance & Cp MU		MU	2005		18.1			16.89435	12.650828	2.036624
P072018	NG-Transmission Dev SIL (IS		S	2002		100			16.43681	-0.784034	-3.80681
P071075	NG-Urb Water Sec Reform MS		MS	2004		120			92.78297	73.325226	
Overall Result						2554.09	18.03		1683.096	335.86217	171.7993

## B8 (IFC) for Nigeria

**Nigeria**  
**Committed and Disbursed Outstanding Investment Portfolio**  
**As of 11/30/2007**  
**(In USD Millions)**

FY Approval	Company	Committed					Disbursed Outstanding				
		Loan	Equity	**Quasi Equity	*GT/RM	Partici pant	Loan	Equity	**Quasi Equity	*GT/RM	Partici pant
1994/94	Abuja intl	3.5	0	0	0	0	3.5	0	0	0	0
2005/05	Accion nigeria	0	3.78	0	0	0	0	1.14	0	0	0
2003/03	Adamac	23.12	0	0	0	13.88	23.12	0	0	0	13.88
1999/99	Aef global fabri	0.64	0	0	0	0	0.64	0	0	0	0
1999/99	Aef hercules	2.6	0	0	0	0	2.6	0	0	0	0
2007/07	Aef hygeia	6.58	0	0	0	0	4.05	0	0	0	0
2000/00	Aef safetycenter	0.6	0	0	0	0	0.6	0	0	0	0
1995/95	Aef vinfesen	0	0	2	0	0	0	0	2	0	0
2000/00	Cape fund	0	0.82	0	0	0	0	0	0	0	0
05/06/2005/06/08/08	Diamond bank	40	0	90	0	0	0	0	90	0	0
2007/07	Eleme	108.5	0	30	0	141.6	100.5	0	18	0	141.6
2000/00	Fsb	4.2	0	3	0	0	4.2	0	3	0	0
1992/92	Fsdh	0	1.72	0	0	0	0	1.72	0	0	0
04/04/2000/05/05/06/06	Gtb	142	0	0	0	0	127	0	0	0	0
2006/06	Gtfp access bank	0	0	30	0	0	0	0	30	0	0
2006/06	Ibtc	0	0	27.81	0	0	0	0	27.81	0	0
1981/81/88/88	Ikeja hotel	0	0.14	0	0	0	0	0.14	0	0	0
2007/07	Leadway	0	26.6	0	0	0	0	26.6	0	0	0
02/07/2002/07	Mtnn	0	33.5	0	0	0	0	32.62	0	0	0
2005/05	Occ	138.83	0	0	0	0	137.75	0	0	0	0
06/07/2006/07	Socketworks	8	0	4.3	0	0	5.6	0	4.3	0	0
2007/07	Star paper	20	0	0	0	0	20	0	0	0	0
2006/06	Uba	0	0	100	0	0	0	0	100	0	0
2007/07	Updc	80	0	0	0	0	50	0	0	0	0
2004/04	Updc hotels ltd.	20.42	0	0	0	0	20.42	0	0	0	0
<b>Total Portfolio:</b>		<b>598.99</b>	<b>66.56</b>	<b>287.11</b>	<b>0</b>	<b>155.48</b>	<b>499.98</b>	<b>62.22</b>	<b>275.11</b>	<b>0</b>	<b>155.48</b>

\* Denotes Guarantee and Risk Management Products.

\*\* Quasi Equity includes both loan and equity types.

MAP SECTION





SEPTEMBER 2004

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