



States Fiscal Transparency, Accountability and Sustainability PforR (P162009)

AFRICA WEST | Nigeria | Governance Global Practice | Requesting Unit: AWCW2 | Responsible Unit: EAWG2
IBRD/IDA | Program-for-Results Financing | FY 2018 | Team Leader(s): Yue Man Lee, Saeeda Sabah Rashid, Samer Naji Matta

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Program Development Objectives

Program Development Objective (from Program Appraisal Document)

The Program Development Objective (PDO) is to strengthen the fiscal transparency, accountability and sustainability in the participating states.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Satisfactory

Implementation Status and Key Decisions

The overall progress towards achievement of the Program Development Objective (PDO) is rated as Satisfactory. The PforR component has demonstrated strong results to date with the overall program targets for disbursements exceeded. SFTAS has become a national program with all 36 States having achieved results and received performance-based grants. A total disbursement of US\$692.71 million has been made to date for the 2018 and 2019 disbursement-linked results (DLRs) of the original disbursement-linked indicators (DLIs) and for the 2020 DLRs of the new COVID-19 responsive DLIs added to the Program through the second Program Restructuring (October 2020). States have improved their performance during the Program, for example, the 24 eligible States achieved on average 5 results in the 2018 annual performance assessment (APA), while the 32 eligible States achieved on average 8 results each in the 2019 APA. For the 2020 APA, 36 States have achieved the 2020 Eligibility Criteria (EC) having published online IPSAS-compliant FY19 audited financial statement by 31 August 2020 and having domesticated the National Chart of Accounts for their FY21 annual budgets published online by 31 January 2021. We expect States to continue to perform well in 2021 - the last performance year - due to the continued high level of ownership and engagement from States. All 36 States published online FY20 AFS by 31 July 2021 as part of the 2021 EC.

Implementation Progress is rated overall as Satisfactory based on the progress in the implementation of the TA component and the successful, rapid implementation of changes introduced through the major Program Restructuring in response to COVID-19, which enabled the successful preparation and approval of the Additional Financing. While there are several areas for strengthening, overall, the TA component is able to support the strong performance on the PforR component with timely technical assistance activities to States and verification of results. Implementation progress of the TA component has strengthened across the different implementing agencies and partners since the last ISR (July 2020):

- The Program Coordination Unit (PCU) has established oversight and coordination structures and is now fully resourced. The PCU effectively interfaces with the States, providing updates, monitoring States' progress towards DLI and EC deadlines to drive performance, and ensuring a smooth flow of grants from FMFBNP to States. PCU has made progress on the Program Action Plan including E&S actions and the piloting of climate change budget tagging. The backlog in the TA procurement plan has been reduced, but the procurement function still needs further strengthening so that procurement delays do not impacting Program implementation.
- The OAuGF as the IVA has completed the 2019 APA and verification of the three 2020 DLRs of the new COVID-19 responsive DLIs and the 2020 Eligibility Criteria.
- The NGF has continued to deliver a comprehensive program of toolkits, workshops, just-in-time advisory services and peer learning events and exchange visits to support States on the original and new DLIs using a mixture of virtual and physical platforms.
- The DMO has been delivering TA activities to States since September 2020 on debt-related DLIs, including on State debt laws, the State debt sustainability analysis (S-DSA) and S-MTDS toolkits, developed in collaboration with the World Bank.
- The OGP SFTAS team has been delivering capacity building activities to States on DLI 2 to strengthen citizens engagement on budgets.
- The PSIN is working with an external firm and a draft curriculum has been developed.



Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P162009	IDA-62960	Effective	USD	750.00	750.00	0.00	706.83	32.43	96%
P162009	IDA-68100	Not Effective	USD	750.00	750.00	0.00	0.00	752.44	0%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P162009	IDA-62960	Effective	27-Jun-2018	12-Feb-2019	03-May-2019	30-Dec-2022	30-Dec-2022
P162009	IDA-68100	Not Effective	14-Dec-2020	10-Jul-2021	--	30-Dec-2022	30-Dec-2022

Program Action Plan

Action Description	Fiduciary staff of the implementing agencies are trained in Bank FM procedures and Disbursement Guidelines				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Fiduciary Systems	DLI 6	All Implementing Agencies	Recurrent	Semi-Annually	In Progress
Completion Measurement	Staff for FM engaged in each implementing agency, trained by Bank team and fulfilling requirements for financial reports and maintenance of records.				
Comments	This is a recurrent action and is reviewed for compliance in each mission. All agencies currently fulfill the completion measurement.				

Action Description	Provision of templates and guidelines to States for DLI#7: <ul style="list-style-type: none"> State quarterly debt report Debt Sustainability Analysis Medium-term debt management strategy 				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Technical	DLI 7	DMO	Due Date	09-Aug-2021	Completed
Completion Measurement	Templates and guidelines to States for DLI#7 prepared and disseminated with training (debt report, SDSA, SMTDS)				
Comments	The documents have been prepared with technical assistance from the Bank and workshops held for training and dissemination.				

Action Description	Provision of guidelines and workshops for the new DLIs added through the Program restructuring.				
Source	DLI#	Responsibility	Timing	Timing Value	Status



Technical		NGF with inputs from other agencies	Due Date	30-Jul-2021	Completed
Completion Measurement	Guidance provided to all States for new results added to the Program through restructuring in 2020.				
Comments	Guidelines for the new DLIS were prepared and disseminated to the States by April 30, 2021, Series of workshops held to cover each area and technical support remains ongoing.				

Action Description	In compliance with PforR core principles, include environmental and social management rules in the operation.				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Environmental and Social Systems		PCU	Due Date	15-Oct-2021	In Progress
Completion Measurement	GRM manual for the operation in place and training conducted for all States on implementation.				
Comments	GRM manual has been prepared and cleared by the Bank. Outreach and training workshops for all States regarding implementation of the mechanism and awareness of social and environmental issues to be conducted during September 2021.				

Action Description	Create awareness for the use of the States' ombudsman to protect basic human rights of people potentially affected by the SFTAS				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Environmental and Social Systems		States SFTAS focal person	Due Date	15-Oct-2021	In Progress
Completion Measurement	Outreach and training covering all States conducted.				
Comments	This will be completed through the outreach and training to States on the GRM to be conducted in September 2021.				

Action Description	Introduction of climate change budget tagging in the FY2021 and FY2022 Annual State Budgets				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Other	DLI 2	PCU with support of NGF	Other	April 2021 for FY2021 and April 2022 for FY2022 State budgets	In Progress
Completion Measurement	Climate change budget tagging and subsequent reporting and presentation in quarterly BERs and citizens' budgets completed by - 6 States for FY2021; 18 States for FY2022.				
Comments	Seven States were provided intensive support as pilot for 2021; six were able to successfully include CCBT in published Citizens' Budget 2021. An implementation plan has been prepared for engaging with all States and also awareness session with CSOs.				

Action Description	Introduction of risk-based internal audit function outside the expenditure processing cycle n Pilot MDAs in selected states				
Source	DLI#	Responsibility	Timing	Timing Value	Status



Fiduciary Systems		States Accountant General	Due Date	30-Mar-2022	Revised Date
Completion Measurement	Report by the PCU detailing the implementation of the action in selected States.				
Comments	A training session for nominees from each State was held with the Institute of Internal Auditors. The identification of focus States is ongoing. The specific form of regulatory framework to fulfil the action will be agreed with each focus State.				

Action Description	Conduct of an independent procurement audit on random sample of at least 5 percent of state government capital procurement transactions for States achieving DLI#6				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Technical	DLI 6	FMoF HFD/PCU will hire the audit firm	Due Date	31-Dec-2021	Delayed
Completion Measurement	Report of an independent procurement audit on random sample covering at least 5% of state government capital procurement transactions for States achieving DLI#6.				
Comments	This action is no longer applicable as the implementation of e-procurement systems under DLI#6 has been delayed by 2 years. during upcoming restructuring, the action is to be reviewed for reformulation to pursue an alternative methodology or dropped.				

Action Description	Reporting of complaints and allegations for fraud and corruption related to the Program by all States				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Fiduciary Systems		PCU, State CoF & Attorney-General	Recurrent	Semi-Annually	In Progress
Completion Measurement	PCU to include in semi-annual progress report the positive confirmation from all States regarding reporting of complaints and allegations and actions taken as per agreed format.				
Comments	This is a recurrent action and is reviewed in each mission. Semi-annual reports are being requested and received from all States and no report of filing of complaint or allegation has been made so far.				

Action Description	States submit audited financial statements with the necessary information required for the SFTAS Program Audit no later than nine months after end of the fiscal year.				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Fiduciary Systems		States Accountant General	Recurrent	Yearly	In Progress
Completion Measurement	Receipt and acceptance of Audited Financial Statements of participating States with disclosure of PEF expenditures.				
Comments	Compliance to be reviewed annually. To date the AFS for all participating States have been received and for 2018 and 2019 the actual expenditures against the PEF were assured separately as these were not incorporated in the published State AFS.				



Action Description	Designate Financial Management Specialist/Project Account, Project Internal Auditor and support accounting technicians in each implementing agency				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Fiduciary Systems		All implementing agencies	Due Date	31-Mar-2021	Completed
Completion Measurement	Staffing for FM in place for each implementing agency.				
Comments	Reviewed during each mission. Each agency has provided names and contact details for Project Accountant, Project Internal Auditor and any additional staff / consultants to the Bank team. FM staff in each agency is complete.				

Action Description	Develop state SFTAS annual action plans achievement of the Eligibility Criteria and DLRs, including capacity building activities				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Technical		States' Ministries of Finance	Recurrent	Yearly	Completed
Completion Measurement	Action plans prepared by all participating states to ensure focus on achievement of DLIs and EC.				
Comments	Recurrent action reviewed in each mission. NGF reviewed States action plans and institutional arrangements and organized a peer learning review in April 2021. CY2021 is the last performance year of the Program.				

Action Description	Provision of templates and guidelines to States for DLI#2 to increase citizens' engagement in the budget process: <ul style="list-style-type: none"> • Citizens Budget • Citizens Accountability Report 				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Technical	DLI 2	Nigeria OGP Secretariat; FMOF as HFD/PCU	Due Date	30-Jul-2021	Completed
Completion Measurement	Templates developed and training provided to States for adoption and use.				
Comments	Templates have been developed and disseminated for both Citizens' budget and Citizens' Accountability Report. Training workshops were arranged by the SFTAS-OGP team and technical support is ongoing.				

Action Description	Ensure PCU is adequately staffed throughout the program duration with a program manager, FM specialist, Procurement specialist, Capacity Building specialist, Communications and Outreach specialist, and M&E specialist				
Source	DLI#	Responsibility	Timing	Timing Value	Status
Other		FMOF HFD /PCU	Recurrent	Yearly	Completed
Completion Measurement	All key positions filled and selected consultants performing as per TORs.				
Comments	The capacity building specialist was initially engaged and the position has now been abolished given that all agencies are now implementing their capacity building activities with overall coordination by PCU.				



Risks

Systematic Operations Risk-rating Tool

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

Comments

The risk assessment for the Institutional Capacity for implementation and Sustainability will be reviewed for lowering to Moderate after the current round of verification is completed.

Capacity of the States to implement and sustain results has greatly improved as can be seen in the results of 2019 APA as compared to 2018 and also the performance on new COVID -19 response results. The pace and effectiveness of the implementation of the TA component has also shown marked progress since last year with the PCU now fully staffed and the NPC playing an active role in managing and addressing issues. The quality of contributions made in the discussion on sustainability during the last mission clearly demonstrate the enhanced capacity and understanding of the implementation and sustainability nuances. However due to continuing concerns on the ability of the PCU and IVA to ensure adherence to timelines for the current round of verification, the risk assessment is maintained.

Results

PDO Indicators by Objectives / Outcomes

Increased Fiscal Transparency and Accountability				
► State Budget Transparency Survey score between 2018 and 2021 – improvement in aggregated score for States participating in the PforR (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Median aggregate score for all : 28/100 Average for Tier 1: 43/100 Average for Tier 2: 13/100	Not measured yet. To be measured in 2021 through State Budget Transparency Survey.	Not measured yet. To be measured in 2021 through State Budget Transparency Survey.	Improvement in average 2021 score compared to 2018: Tier 1 States by 20% and Tier 2 States by 50% of their aggregated score.



Date	27-Jun-2018	14-Aug-2020	14-Aug-2020	30-Dec-2021
Comments				
Strengthened Domestic Revenue Mobilization				
▶ States that increased internally generated revenue collection by more than 20 percent annually (in nominal terms) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15.00	7.00	17.00	22.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments	The average number of states with 20% annual nominal IGR increase over the program duration (average over 4 years of the Program) as described in Program Operations Manual.			
Strengthened Efficiency in Public Expenditure				
▶ Average citizens access to procurement information in States publishing contract award data online in OCDS format (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	To be measured for 2020 in procurement survey	Not measured yet.	Not measured yet.	More than 15 percent increase
Date	30-Jun-2020	14-Aug-2020	15-Sep-2021	30-Dec-2022
Comments	The indicator was designed to measure results related to the roll-out of e-procurement systems in States. The implementation of e-procurement has been delayed by more than two years leaving a very short time to observe meaningful results. The conduct of the survey was impacted by the COVID-19 related lockdown and movement restrictions enforced in March 2020. As a result this PDO indicator will require revision and an appropriate substitute will be included in the upcoming restructuring of the Program.			
Strengthened Debt Sustainability				
▶ States with total debt stock as a share of total revenue for the preceding 12 months being less than 100 percent (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	18.00	19.00	16.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments				
▶ States with published approved credible COVID-19 responsive amended 2020 budgets which have realistic revenue projections and identified financing sources to fully finance the budget deficit (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	36.00	36.00	30.00
Date	01-Jul-2020	14-Aug-2020	14-Aug-2020	30-Sep-2020
Comments	Detailed description is contained in the SFTAS Verification Protocols latest version for which was issued in July 2020.			

Intermediate Results Indicators by Results Areas



Increased Fiscal Transparency and Accountability				
► States preparing annual state budgets using the national Chart of Accounts (GFS compliant) and publishing online by end January of that FY (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	13.00	35.00	36.00	30.00
Date	27-Jun-2018	14-Aug-2020	30-Jun-2021	30-Dec-2022
Comments				
► States preparing annual audited financial statements in accordance with IPSAS (cash or accrual) and publishing online by July of the following FY (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	9.00	31.00	36.00	30.00
Date	27-Jun-2018	14-Aug-2020	30-Oct-2020	30-Dec-2022
Comments				
► States publishing in-year quarterly budget implementation reports online within four weeks from quarter-end (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	12.00	25.00
Date	25-Feb-2019	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments	The States have action plans in place for ensuring timely efforts to achieve the DLI. Actual results for 2020 are yet to be verified but are expected to improve further from 2019.			
► States with expenditure outturn deviation (from original approved budget) less than 15 percent (PEFA threshold) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.00	4.00	10.00	12.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments				
► Female participation in the budget consultation process (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	20.00	20.00	40.00
Date	27-Jun-2018	14-Aug-2020	01-Sep-2021	30-Dec-2022
Comments	Specific actions were not been taken in previous years for increasing female participation as it was not considered a major barrier. Largely the focus was on ensuring that States follow through on commitments to carry out budget consultations in a truly inclusive manner. During the current year as more States have			



	made systematic efforts to conduct wider consultation, the OGP team has also emphasized the aspect of encouraging and measuring female participation.			
	► States with citizens' budget, based on the States' approved annual budget, published online by April of that FY and with functional online feedback mechanisms (Number, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	5.00	5.00	20.00
Date	27-Jun-2018	14-Aug-2020	14-Aug-2020	30-Dec-2022
Comments	The States have action plans in place for ensuring timely efforts to achieve the DLI. Actual results for 2020 are yet to be verified but are expected to improve further from 2019.			
	► States that have published audited financial statements of all local governments in their state for FY18 and for FY19,FY20 including state-local government joint account allocation committee transfers (Number, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	01-Sep-2020	14-Aug-2020	14-Aug-2020	31-Dec-2020
Comments	Active engagement has been underway with the State and Local Government Auditors General to ensure that appropriate and focused advocacy efforts are in place with the support of NGF. Verification is yet to be conducted but it is anticipated, based on initial review of websites, that more than half of the states have achieved this target.			
	► States that have implemented operational and financial autonomy for the Offices of Auditors-General at the State and Local Government Levels in the State (Number, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	10.00	10.00	30.00
Date	31-Jul-2020	14-Aug-2020	14-Aug-2020	30-Jun-2021
Comments	Active engagement has been underway with the State and Local Government Auditors General to ensure that appropriate and focused advocacy efforts are in place with the support of NGF. A series of workshops is being carried out on implementation during September 2021. Verification is yet to be conducted but it is anticipated, based on the direct technical assistance and reports from the Auditors General, that up to 30 states have been able to achieve this target.			
	► States that have published COVID-19 response and recovery expenditures and audit reports (Number, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	01-Sep-2020	14-Aug-2020	14-Aug-2020	30-Jun-2021
Comments	Outreach was made to all State Accountants General using their forum headed by the Accountant-General of the Federation. The NGF has been facilitating interaction with the GIFMIS team and the Bank has presented multiple times to this forum. While verification is yet to be conducted, it is anticipated, based on a review of the websites, that up to half the states published the reports regularly for the period required.			
	► Number of States using climate change budget tagging in State budgets (Number, Custom)			
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	18.00
Date	09-Nov-2020	09-Nov-2020	09-Nov-2020	28-Feb-2023
Comments	Introduction of climate change budget tagging in State budgets to then also be reflected in Citizens' Budget and reported upon in quarterly Budget Execution Reports. For 2021, six (6) States published a CCBT annex as part of their Citizens' Budget and an implementation plan is in place to extend TA to all States during Sep-Oct 2021 for the 2022 budget so as to increase uptake.			

Strengthened Domestic Revenue Mobilization				
► States with functional Treasury Single Account (TSA) system based on a formally approved cash management strategy, and covering a minimum of 80 percent of state government finances (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	6.00	2.00	7.00	25.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments	Focused technical assistance has been provided by NGF to enable a larger number of states to achieve this result. Due to specific aspects of the criteria not being fully met, a number of states were not able to demonstrate achievement. It is anticipated that actual results will improve greatly in the next round of verification.			
► States with approved and published consolidated and updated revenue code covering all local and state IGR sources (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	19.00	12.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments				
► States with announced and implemented tax compliance relief program for individual taxpayers and businesses to mitigate impact of COVID-19 (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	35.00	30.00
Date	31-Jul-2020	31-Jul-2020	11-Dec-2020	30-Sep-2020
Comments	As per SFTAS Verification protocols issued July 2020.			
► States that have strengthened the foundation for state property taxation by updating property records of at least 50% of all properties in urban areas (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	2.00	2.00	24.00
Date	01-Sep-2020	14-Aug-2020	14-Aug-2020	30-Sep-2021
Comments	The target date is proposed to be extended to December 2021 considering that the TA which was to be provided through engagement of a firm to make spatial data available to States has been delayed substantially. The procurement process is now near completion with the final step of contract signing			



awaited. Data is now being gathered on the progress achieved by States in the interim so that focused TA can be extended to enable maximum States to be equipped to meet the DLI.

Strengthened Efficiency in Public Expenditure

► States that have completed biometric capture of at least 90 percent of current civil servants and pensioners and used the biometrics data to identify and remove ghost workers off the payroll (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	11.00	24.00	20.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022

Comments

► States with approved and adequate Public Procurement Law and established regulatory agency (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7.00	21.00	12.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022

Comments

► States that have implemented e-procurement in at least four MDAs, including health, education and public works (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15.00
Date	27-Jun-2018	08-Apr-2020	08-Apr-2020	30-Dec-2022

Comments
After continuous efforts, the signing of a framework agreement for procurement of e-Procurement system by Kaduna State in June 2020 is the culmination of years of engagement through ASA, projects and collaboration with DPs. Each State has the option to take advantage of this framework agreement to enter into its own contract thereby reducing transactional cost and turnaround time if the States must process standalone procurement process and enter separate contracts. Up to 16 States have now signed contracts and implementation has started but is slow. At the outset, it was anticipated that the framework agreement would be executed within 2019.

► Strengthened procurement function for COVID-19 and other emergency situations and facilitated participation of SMEs in public procurement (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	28.00	30.00
Date	01-Sep-2020	14-Aug-2020	11-Dec-2020	30-Sep-2021

Comments
As per SFTAS Verification Protocols issued July 2020.

Strengthened Debt Sustainability

► States with approved state-level public debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and de (Number, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	6.00	10.00	23.00	15.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments	<p>► States with quarterly debt reports accepted by the Debt Management Office (DMO) on average two months after the end of the quarter (Number, Custom)</p>			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	19.00	31.00	25.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments	<p>► States with domestic arrears reported in a publicly available database with verification process in place (Number, Custom)</p>			
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	7.00	15.00
Date	27-Jun-2018	08-Apr-2020	11-Dec-2020	30-Dec-2022
Comments	<p>Progress on this action has been slow as it depends greatly on the capacity of the relevant staff in State AG offices and the quality and completeness of data routinely captured. In several instances, this data was simply not captured historically and it has taken time and effort to establish the necessary framework. NGF is providing TA and States are moving forward in putting in place a data base.</p>			

Disbursement Linked Indicators

► DLI 1 Improved financial reporting and budget reliability (Intermediate Outcome, 75,300,000.00, 18%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	In-year quarterly budget reports not published online, or published > 4 weeks after quarter end in many States. Deviation for total expenditure is 30-55% across States	Four (4) States published online > 6 weeks after quarter end and twelve (12) reported budget deviation < 30%	In CY2019, twelve (12) States published online < 6 weeks after quarter end and ten (10) reported budget deviation < 25%	1.1 FY2021 quarterly budget implementation reports published on average within 4 weeks of quarter end to enable timely budget management 1.2 FY2021 deviation for total budget expenditure is < 15%
Date	--	08-Apr-2020	11-Dec-2020	--
Comments	Actual (Current) is based on the verification report for CY2019 (the 2019 APA) submitted by the Borrower in December, 2020.			

► DLI 2 Increased openness and citizens' engagement in the budget process (Intermediate Outcome, 58,800,000.00, 2%)				
---------------------------------------------------------------------------------------------------------------------	--	--	--	--



	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	While some States are consulting with citizens during the budget process, it is not a formal; systematic process and feedback to citizens is not assured. Less than 5 State publish citizens' budget or citizens accountability reports	Three (3) states published online the minutes of public consultation for 2019 budget	In CY2019: Citizens' inputs from formal public consultations are published online, along with the proposed FY20 budget - twenty six (26) states Citizens' budget based on approved FY19 state budget published online by end April 2019 - twenty four (24) states	2.1 Citizens' inputs from formal public consultations are published online, along with the proposed FY2022 budget AND Citizens' budget based on approved FY2021 state budget published online by end April 2021 with functional online feedback mechanisms. 2.2 Citizens accountability report based on audited financial statements/reports published online for FY2020 no later than Sept 2021.
Date	--	08-Apr-2020	11-Dec-2020	--
Comments	Actual (Current) is based on the verification report for CY2019 (the 2019 APA) submitted by the Borrower in December, 2020.			

► DLI 3 Improved cash management and reduced revenue leakages through implementation of State TSA (Outcome, 54,000,000.00, 11%)

	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	More than 50 percent of States report having implemented TSA but most TSA not anchored on a formal cash mgmt. strategy	Four States achieved coverage of > 60%	In CY2019, seven (7) states have TSA in place covering at least 60%.	TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances
Date	--	08-Apr-2020	11-Dec-2020	--
Comments	Allocation updated to incorporate Additional Financing. Based on verification for 2019, seven (7) states have TSA in place covering at least 60%. Actual (Current) is based on the verification report submitted by the Borrower in December, 2020.			

► DLI 4 States that increased internally generated revenue collection by more than 20 percent annually (in nominal terms) (Outcome, 114,000,000.00, 11%)

	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	Approx. 8 States have updated and consolidated IGR sources in a law. 2017/2016 IGR growth: 15	Based on verification of 2018 results, a total of seven (7) states	In CY2019, a total of seventeen (17) states achieved increase > 20% during 2019.	4.1 State implementing a consolidated state revenue code



	States achieved > 20% growth, of which 10 States achieved >40% growth	achieved increase > 20% during 2018.	covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published. (one-time payment for year in which DLR is first achieved, up to end of 2021); 4.2 2021-2020 annual nominal IGR growth rate meets target: - Basic target: 20%-39% -Stretch target: 40% or more	
Date	--	08-Apr-2020	11-Dec-2020	--
Comments	Based on verification for CY2019. Actual (Current) is based on the verification report submitted by the Borrower in December 2020.			

► DLI 5 Biometric registration and bank verification number (BVN) used to reduce payroll fraud (Outcome, 121,000,000.00, 13%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	An estimated 10-5 States have done biometric capture and linked to payroll to address payroll fraud	seventeen (17) states have completed biometric capture for at least 60% of civil servants and pensioners and fifteen (15) states have linked BVN for at least 60% of civil servants and pensioners	In CY2019: twenty-four (24) states have completed biometric capture for at least 60% of civil servants and pensioners and twenty-seven (27) states have linked BVN for at least 60% of civil servants and pensioners.	5.1 Biometric capture of at least 95 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll 5.2 Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll fraud addressed
Date	--	08-Apr-2020	11-Dec-2020	--
Comments	For CY2019: twenty-four (24) states have completed biometric capture for at least 60% of civil servants and pensioners and twenty-seven (27) states have linked BVN for at least 60% of civil servants and pensioners. Actual (Current) is based on the verification report submitted by the Borrower in December, 2020.			

► DLI 6 Improved procurement practices for increased transparency and value for money (Outcome, 87,000,000.00, 20%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021



Value	26 States have legal framework but 15 frameworks require strengthening. Procurement systems are performing sub-optimally, lacking efficiency and transparency	7 States have robust legal framework and 6 States are regularly publishing information.	Twenty-one (21) states have acceptable procurement legislation in place and sixteen (16) states are publishing information in CY2019.	6.1 Existence of a public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the state budget. (one-time payment for year in which DLR is first achieved); 6.2 Implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 4 MDAs AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation on a monthly basis in OCDS format on the state website or online portal if available.
Date	--	08-Apr-2020	11-Dec-2020	--
Comments	Based on verification for 2018 and 2019, twenty-one (21) states have an acceptable Procurement legislation in place and sixteen (16) states are publishing information in CY2019. Actual (Current) is based on the verification report submitted by the Borrower in December, 2020.			

► DLI 7 Strengthened public debt management and fiscal responsibility framework (Output, 94,500,000.00, 31%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	22 States have FRL or a PDML, but some laws do not contain key provisions. All States submitting quarterly debt reports but	10 States have the legal framework while 19 States submitted quarterly debt reports.	Twenty-three (23) states have the required legal framework in place while thirty-one (31) states submitted timely,	7.1 State implementing state-level debt legislation, which stipulates: 1)



	many submit late. No state conducts DSA or develop MTDS		acceptable debt reports in CY2019.	responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits. (one-time payment for year in which DLR is first achieved); 7.2 Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and medium-term debt management strategy published by end of December 2021.
Date	--	08-Apr-2020	11-Dec-2020	--
Comments	Based on verification for 2018 and 2019, twenty-three (23) states have the required legal framework in place while thirty-one (31) states submitted timely, acceptable debt reports in CY2019. Actual (Current) is based on the verification report submitted by the Borrower in December, 2020.			

► DLI 8 Improved clearance/reduction of stock of domestic expenditure arrears (Outcome, 47,000,000.00, 2%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	In 2017, 14 States reduced their stock of arrears or maintained arrears of less than 5 billion naira. No state reports domestic arrears in a publicly-accessible database.	One (1) state established a framework	In CY2019: seven (7) states established an Arrears Clearance Framework and published information online and cleared domestic expenditure arrears.	Domestic arrears as of end 2020 and end 2021 reported in an online publicly-accessible database, with verification process in place. AND Percentage decline in the verified stock of domestic arrears at end of 2021 compared to end 2020 meets target and is consistent with the State's arrears clearance framework. a) Basic target: At least a 5 percent decline or maintain stock below 5 billion Naira; b) Stretch target: More than 20 percent decline.



Date	--	08-Apr-2020	11-Dec-2020	--
Comments	CY2019: seven (7) states established an Arrears Clearance Framework and published information online and cleared domestic expenditure arrears. Actual (Current) is based on the verification report submitted by the Borrower in December, 2020.			

► DLI 9 Improved debt sustainability (Outcome, 87,000,000.00, 28%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	All but 3-4 States are complying with the monthly debt service threshold per FSP. Total debt-to-revenue ratio for the median state was 172% end 2017. 15 States < 150%, 11 States < 125% and 5 States < 100%	18 States met the target including 12 that met the Stretch target	In CY2019: nineteen (19) states met at least the Basic target for the debt-to-revenue ratio.	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 AND Total debt stock at end Dec 2021 as a share of total revenue for FY 2021 meets target: a) Basic target: < 120% ; b) Stretch target: < 95%
Date	--	08-Apr-2020	11-Dec-2020	--
Comments	CY2019: nineteen (19) states met at least the Basic target for the debt-to-revenue ratio. Actual (Current) is based on the verification report submitted by the Borrower in December, 2020.			

► DLI 10 Enhanced transparency and accountability of funds in the COVID-19 response and resilient recovery phases (Intermediate Outcome, 161,400,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	1) LG AFS not published and information on SLGJAAC transfers not readily available. 2) At least 5 States have an Audit Law in place and an estimated 11 have draft Audit Bills at various stages of approval. However not all provide for full operational and financial autonomy of the State and LG Auditor General. 3) No identification and reporting of COVID-19 response and recovery expenditures planned or being incurred by state governments.	Same as for Baseline.	Same as for Baseline.	10.1 No later than September 30, 2021, the audited financial statements of all local governments (LGs) in the Participating State for FY 2020, including all allocations and actual receipts of state-local government joint account allocation committee (SLJAAC) transfers for each LG in the Participating State, have been published on a State official website. 10.2 The Participating State has published:



(a) on a monthly basis within one month after the end of each month, for five consecutive months starting August 2020, budget execution reports on budget allocations and actual expenditures incurred for COVID-19 response and recovery programs using the National Chart of Accounts (NCOA) on the Open Treasury Portal; and
(b) on a quarterly basis within two months of the end of each quarter, for three consecutive quarters starting with the third quarter of FY 2020, dedicated financial and compliance audit reports covering their COVID-19 response and recovery program expenditures.

10.3 No later than June 30, 2021, the implementation of operational and financial autonomy (per criteria set out in the Verification Protocol) for the Offices of State and Local Governments Auditors-General in the Participating State, pursuant to a strengthened legal framework (the "State Audit Law"); AND provision of resources for implementation of financial autonomy by inclusion of provisions in the FY 2021 budget for funding of the Offices of State and Local Governments Auditors-General; AND Instructions for



				implementing the operational autonomy provisions of the new or existing State Audit Law have been issued by the Head of Service or the Secretary to State Government of the Participating State.
Date	--	14-Aug-2020	14-Aug-2020	--
Comments				

► DLI 11 Provided structured tax relief in response to COVID-19 and strengthened tax administration (personal income tax and property taxation) to enhance non-oil tax collection in the resilient recovery phase (Intermediate Outcome, 188,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	<p>Several States have variously announced tax compliance relief programs which are to be reviewed and verified to determine if these fully meet the verification protocols.</p> <p>Several states have contracted out the service of assessing personal income tax to private sector agents leading to inefficiency.</p> <p>Very few states have systematically updated urban property records and the potential for property tax is hugely under utilized.</p>	Same as for baseline.	In CY2020: 35 States implemented structured tax compliance relief programs by end September 2020.	<p>11.2 No later than June 30, 2021, the Participating State has issued a regulation prohibiting, on a prospective basis, the contracting of private consultants for the assessment and collection of personal income tax, which is the sole responsibility of the state revenue agency; AND no such contracts have been entered into or renewed during the period starting on September 1, 2020 through the date of issuance of such regulation.</p> <p>11.3 No later than September 30, 2021, the property records for at least 50% of properties that have electricity connections in Urban Areas in the Participating State have been completed or updated per criteria set out in the Verification Protocol, stored in an electronic database, with said records to</p>



				be valid as on September 1, 2020 or later; AND the Participating State has established institutional arrangements per criteria set out in the Verification Protocol to use the property records to improve or start the collection of property tax.
Date	--	14-Aug-2020	11-Dec-2020	--
Comments	CY2020: 35 States implemented structured tax compliance relief programs by end September 2020. Actual (current) based on verification report submitted by the Borrower in December, 2020.			

► DLI 12 Strengthened procurement function for COVID-19 or emergency situation and facilitated participation of SMEs in public procurement in the resilient recovery phase (Intermediate Outcome, 132,000,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	Most states do not have specific emergency guidelines. Participation of SMEs generally low.	Most states do not have specific emergency guidelines. Participation of SMEs generally low.	In CY2020: 28 States issued emergency procurement guidelines and SME guidelines by end September 2020.	12.2. DLR 12.1 has been achieved; and No later than June 30, 2021, the PPA has published on its official website, a list of all contracts executed to support the Participating State's COVID-19 response in the fourth quarter of FY 2020 and the first quarter of FY 2021; AND No later than September 30, 2021, the Participating State has awarded at least 20 more contracts to SMEs in the period after September 30, 2020, as compared to the period January 1, 2020 to 30 September, 2020.
Date	--	14-Aug-2020	11-Dec-2020	--
Comments	CY2020: 28 States issued emergency procurement guidelines and SME guidelines by end September 2020. Actual (current) based on verification report submitted by the Borrower in December, 2020.			

► DLI 13 Established a fiscally sustainable response to COVID-19 through COVID-19 responsive budgets (Intermediate Outcome, 230,000,000.00, 0%)



	Baseline	Actual (Previous)	Actual (Current)	December 31, 2021
Value	Approved FY2020 State Budgets cannot be implemented as prepared due to substantive change in circumstances arising from COVID-19 health and economic crisis.	All States published Amended Budget for 2020 but this will require detailed verification to determine if the criteria as per verification protocols is fully met.	In CY2020: 36 States published amended COVID-19 responsive 2020 budgets by end July 2020.	13.3 The Participating State has executed at least 90 percent of the tagged COVID-19 response expenditures in their 2021 State Budget, per criteria set out in the Verification Protocol.
Date	--	14-Aug-2020	30-Oct-2020	--
Comments	Allocation updated to incorporate Additional Financing. Two new results added for level of implementation of the COVID-19 response tagged budget lines in FY2020 and FY2021 budgets. CY2020: All 36 States published amended COVID-19 responsive 2020 budgets by end July 2020. Actual (current) based on verification report submitted by the Borrower in October 2020.			