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# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 28-Apr-2025 | Report No: PIDIA00631

Public Disclosure Authorized

## BASIC INFORMATION

### A. Basic Project Data

| Project Beneficiary(ies) | Region | Operation ID | Operation Name |
|---|---|---|---|
| Nigeria | WESTERN AND CENTRAL AFRICA | P181248 | Solutions for the Internally Displaced and Host Communities Project |
| **Financing Instrument** | **Estimated Appraisal Date** | **Estimated Approval Date** | **Practice Area (Lead)** |
| Investment Project Financing (IPF) | 14-Apr-2025 | 15-Jul-2025 | Urban, Resilience and Land |
| **Borrower(s)** | **Implementing Agency** | | |
| Federal Ministry of Finance | The Federal Ministry of Budget and Economic Planning | | |

Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve access to basic services, and economic opportunities for internally displaced persons (IDPs) and host communities in target LGAs in Northern Nigeria.

**Components**

Investments in Climate-Resilient Infrastructure and Services for IDPs and Host Communities
Livelihoods Support and Community Integration
Project Management and Support for the Implementation of the National Policy
Contingency Emergency Response Component

## PROJECT FINANCING DATA (US$, Millions)

### Maximizing Finance for Development

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

### SUMMARY

| | |
|---|---|
| **Total Operation Cost** | **300.00** |
| **Total Financing** | **300.00** |
| **of which IBRD/IDA** | **300.00** |

| | |
|---|---|
| **Financing Gap** | **0.00** |

**DETAILS**

**World Bank Group Financing**

| | |
|---|---|
| International Development Association (IDA) | 300.00 |
| IDA Credit | 300.00 |

Environmental And Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

## B. Introduction and Context

Project Strategic Context

**1. The proposed Solutions for the Internally Displaced and Host Communities Project (SOLID) aims to improve access to resilient and inclusive basic services and economic opportunities for internally displaced persons (IDPs) and host communities in displacement-affected Local Government Areas (LGAs) of Northern Nigeria.** This operation is crucial for addressing the protracted displacement crisis in the region, where communities have been severely impacted by insecurity, rapid population growth, unplanned physical development, and limited economic opportunities. SOLID shifts from a short-term emergency response approach to displacement, focused on humanitarian assistance, to a long-term development approach focused on system changes (physical infrastructure and governance) and local capacity building to foster resilient and inclusive development and to improve livelihoods in displacement-affected communities.

**2. The development relevance of the proposed project is underscored by the significant number of IDPs in Northern Nigeria—over 3.5 million—one of the largest and fastest-growing displaced populations globally.** Insecurity, driven by conflict, violence, and climate-induced disasters, has fueled large waves of internal displacement across the North-East (NE), North-West (NW), and North-Central (NC) regions.[1] Nigeria, Africa's second largest

[1] Over 65 percent of IDPs in Northern Nigeria are in the NE region (approximately 2.3 million IDPs as of June 2023) and 95 percent of them are in Borno, Adamawa and Yobe (the 'BAY states'), according to International Organization on Migration (IOM) data. Borno,

economy, also has the world's second-largest population of people living in extreme poverty. Since 2018/19, an additional 44 million people have fallen into poverty, making more than half of all Nigerians (55 percent) estimated to live in poverty by 2024, based on World Bank projections. The poverty rate in Northern Nigeria (covering the NE, NW, and NC regions) is projected to be even higher at 73 percent in 2024. Establishing direct causal links between conflict, displacement, and poverty is complex, but there are areas in Nigeria where these factors clearly intersect, especially in Sokoto in the NW and Taraba in the NE, two states affected by displacement that show the highest levels of poverty in the country (over 90 percent). Due to Nigeria's size and role in Africa, addressing development challenges in Northern Nigeria supports the World Bank's mission to reduce poverty. The proposed project is consistent with Nigeria's broader development objectives by encouraging inclusive growth and stability through a strategic framework aimed at providing sustainable solutions for IDPs and host communities.

## Sectoral and Institutional Context

**3. Northern Nigeria faces four significant development challenges that hinder durable solutions for IDPs and host communities; the first challenge, which is a major driver of the other three challenges, is spatial—**IDP inflows have reshaped state capital cities - such as Maiduguri (Borno), Yola (Adamawa), and Makurdi (Benue) - and other towns (centers of other LGAs within the states), contributing to urban sprawl,[2] poor access to services, and increased vulnerability to natural disasters. Unplanned spatial growth has exacerbated disaster risks associated with climate change, such as increased flooding, especially in IDP settlements constructed near rivers and communities where sufficient drainage and waste management systems are lacking. Absent or inadequate waste collection and treatment in these communities leads to dumped waste clogging drains which is exacerbating flood risk. Analyses of Maiduguri and Yola indicate significant proportions of infrastructure, built up areas and population are exposed to river and rainwater flooding, with IDPs susceptible to repeated displacement due to their location in flood-prone areas. Unplanned spatial growth has also increased heat-induced risks associated, particularly in dense and poor urban communities due to the lack of green spaces, which is driving the urban heat island (UHI) effect.

**4. The second challenge is physical—IDP inflows have placed pressure on already strained infrastructure in host communities.** For example, in Maiduguri and other Borno LGAs,[3] residents lack access to basic services like water and solid waste management (SWM). In Adamawa, insufficient water supply systems have resulted in IDPs having to travel 10 minutes or more to access drinking water, relying mainly on handpumps.[4] Spatial mapping reveals limited access to toilets and garbage disposal at the LGA level in Adamawa. While access to school and healthcare facilities is adequate within LGAs in Borno and Adamawa, the quality of education and health services remains a concern.[5] The

which has been the epicenter of fighting involving Boko Haram since 2014, hosts the highest number of IDPs, with nearly 1.7 million IDPs, representing over one-quarter of the state's total population and almost half of total IDPs in the North. The NW and NC regions have experienced rapid displacement in recent years, with the number of IDPs almost doubling from approximately 575,000 to nearly 1.2 million in 2020-2022.

[2] For example, an analysis on Maiduguri revealed that the inflow of IDPs has contributed to both sprawl and densification while the subsequent closure of camps and the return process have led to further spatial changes of the city.

[3] According to a study conducted under the World Bank Urban Durable Solutions ASA (P179506) and a 2022 Multi-Service Needs Assessment by IOM, in Maiduguri less than 50 percent of the population has access to the public water supply and less than 40 percent have access to waste disposal services. Across Borno LGAs, less than 60 percent have access to a pit latrine.

[4] World Bank, CRP. 2023. Yola study, based on IOM Displacement Tracking Matrix (DTM 29 – 40) data.

[5] The assessments on Borno and Adamawa found adequate access to education and healthcare facilities, though according to the GIZ-led Community Development Plan: Maiduguri Metropolitan Council (2019-2024), residents in Maiduguri identified education and healthcare facilities as two priority needs, perhaps reflecting needed improvements in quality of services.

limited access to these basic services in northern LGAs has been exacerbated by the rapid inflow of IDPs. This significant population increase has not been accompanied by corresponding improvements in service provision. Additionally, field visits have pointed to a general lack of communal spaces and facilities for collective social activities and gatherings within host communities, which are essential for supporting community building and stabilization efforts. Under future climate change scenarios, highly variable and erratic but incrementally decreasing precipitation and increasing temperatures are predicted within Northern Nigeria. Climate-induced droughts combined with limited water availability or scarcity is another challenge faced by IDPs and host communities which is driving the need for increased water supply capacity and a transition to climate-resilient water management systems.

5. **The third challenge is weak institutional capacity to deliver services in host communities.** LGAs face overlapping governance structures that complicate service delivery and planning.[6] Local governments lack financial and staffing autonomy, limiting their ability to implement long-term development strategies.[7] Decision-making is highly centralized at the state level, and local development plans are outdated,[8] with insufficient representation from local communities and IDPs in planning processes.[9] This lack of inclusion weakens governance effectiveness to deliver services that address the specific needs of each community.

6. **The fourth challenge relates to socio-economic impacts.** The rapid and large-scale inflow of IDPs into host communities due to conflicts related to the Boko Haram insurgency, farmer-herder conflicts, and banditry has strained social cohesion[10] within communities and heightened competition for limited resources and economic opportunities. Both IDPs and residents face livelihoods struggles, with many relying on subsistence farming and having limited access to land, equipment, and training.[11] Livelihood struggles are compounded by climate change, prompting the need for farmers to adapt (for example, through modern climate-smart agricultural practices) and diversify livelihood activities, and address security risks. Women and youth confront additional socio-economic barriers as cultural norms in some communities dissuade women from engaging in economic activities and present greater risks gender-based violence (GBV), and some unemployed youth turning to violence. Citizen organizations to support enhancing livelihoods, such as cooperatives, exist within some host communities and have included IDPs.[12] However, cooperatives face significant challenges with providing benefits to their members, such as skills training, finance for operations and expansion, and the ability to provide links and access to markets. The gap between public services and community needs threatens social stability and exacerbates conflict risks.

[6] For instance, the Borno State Urban Planning and Development Board is responsible for the initiation and actualization of physical development programs in Maiduguri, but multiple agencies carry out similar functions in the city.

[7] Across host communities, local governments face significant gaps in financial resources and management, which also has negative impacts on the provision of services.

[8] For instance, the Maiduguri Development Plan (1977-1987) has not been reviewed after its expiration and the law governing the Borno State Urban Planning and Development Board has not been fully implemented.

[9] This was evident during site visits in Adamawa, Yobe, and Benue states in which the project team observed almost no representation by IDPs in local government institutions. The team observed that IDP communities instead had their own governance structures that interacted in some ways with official local government agencies and institutions.

[10] Social cohesion is defined as a sense of shared purpose, trust and willingness to cooperate among members of a given group, between members of different groups, and between people and the state (Barron et. Al, 2023). When considering social cohesion in the project area, the term refers to the challenges to maintaining harmony within host communities where large numbers of IDPs have settled due to conflicts and which can lead to straining already limited resources, tensions and social divisions.

[11] In a World Bank Working paper published on IDPs in Northern Nigeria (Ludolph, et al, 2022), the research found that with the displacement shock, the presence of IDPs in host communities has negative impact on economic welfare and inequality. Further, the conflict onset between IDPs and host communities typically was brought on by competition of limited economic opportunities.

[12] Federal and state governments in Nigeria have begun to facilitate access to markets for IDP member cooperatives through the national Renewed Hope agenda and UN Durable Solutions program.

**7. The Federal Government of Nigeria (FGN), in collaboration with international partners, has provided support to IDPs in Northern Nigeria for over the past decade, focusing primarily on humanitarian relief, emergency shelter, and access to basic services.**[13] International organizations such as the UN system, International Committee of the Red Cross, and various foreign governments have played a critical role in delivering these interventions. Additionally, the NE states of Borno, Adamawa, and Yobe (the 'BAY' states) have contributed to emergency recovery in their states through their state budgets, including through the IDA financing towards the Multi-Sectoral Crisis Recovery Project (MCRP). While these efforts have provided critical short-term support, they have not addressed the long-term development challenges faced by states and LGAs managing protracted displacement, where IDPs have been living in a host community for four or more years. Recognizing the need for a transition from humanitarian aid to sustainable solutions, the FGN adopted the 2021 National Policy on Internally Displaced Persons (National IDP Policy herein),[14] which outlines policy goals[15] to address internal displacement in Nigeria, and established the National Commission for Refugees, Migrants, and Internally Displaced Persons (NCFRMI) to implement it. These initiatives provide a foundation for long-term interventions but require further institutional and financial capacity at the state and local levels to be effectively operationalized.[16]

**8. The proposed SOLID project shall provide support over and above on-going programs, as an incremental effort to address internal displacement in Nigeria.** The proposed project aims to address the development challenges associated with protracted displacement and provide long-term sustainable solutions for IDPS and host communities that go beyond the life of the project. Sustainable solutions include: i) climate-resilient and well-maintained infrastructure; ii) social cohesion and community resilience through community participation - in development planning processes and economic cooperatives - and integration of IDPs; iii) livelihoods support that allows both IDPs and local residents to start new economic activities and sustain them over time; and iv) strengthened institutions to respond to demographic shocks resulting from forced displacement. The proposed SOLID project's integrated development approach will ensure that IDPs and host communities can transition from dependency on humanitarian assistance to self-reliance and resilience, aligning with the National IDP Policy and the FGN's long-term development vision.

## C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

**9.** The Project Development Objective (PDO) is to improve access to basic services and economic opportunities for internally displaced persons (IDPs) and host communities in target LGAs in Northern Nigeria.

[13] Such as health; nutrition; water, sanitation, and hygiene (WASH) services; and child protection assistance

[14] The FGN previously signed and ratified the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa (that is, the Kampala Convention or the Convention) in 2012.

[15] Some of the policy goals that the proposed SOLID project would help achieve include ensure the establishment of a comprehensive and gender-responsive framework for national responsibility, coordination and collaboration with respect to assistance related to internal displacement; provide for the respective roles and responsibilities of various government institutions of government and non-state actors including communities, civil society organizations (CSOs), and international partners with respect to IDP assistance; and promote the fundamental human rights of IDPs and returnees and ensure their participation in processes that have direct impact on their wellbeing.

[16] Effective operationalization of the National IDP Policy is also constrained by limited leadership and coordination of stakeholders (e.g., development partners, UN agencies, CSOs and displacement-affected communities), and limited availability of displacement data.

Key Results

**10.** The following key indicators will be used to track progress toward the PDO:

a. People in host communities supported with accessing and utilizing services and livelihoods disaggregated by youth[17] and women (Number of people) (CRI)
b. Internally displaced persons supported with accessing and utilizing services and livelihoods disaggregated by youth and women (Number of people) (CRI)
c. Increase in trade volumes for selected cooperatives (Percentage)
d. Climate-resilient land use plans prepared through participatory process and approved by the relevant approval entities (Number)

## D. Project Description

| Legal Operational Policies | Triggered? |
|---|---|
| Projects on International Waterways OP 7.50 | Yes |
| Projects in Disputed Area OP 7.60 | No |

Summary of Screening of Environmental and Social Risks and Impacts

## A. Project Development Objective

**7.** The Project Development Objective (PDO) is to improve access to basic services and economic opportunities for internally displaced persons (IDPs) and host communities in target LGAs in Northern Nigeria.

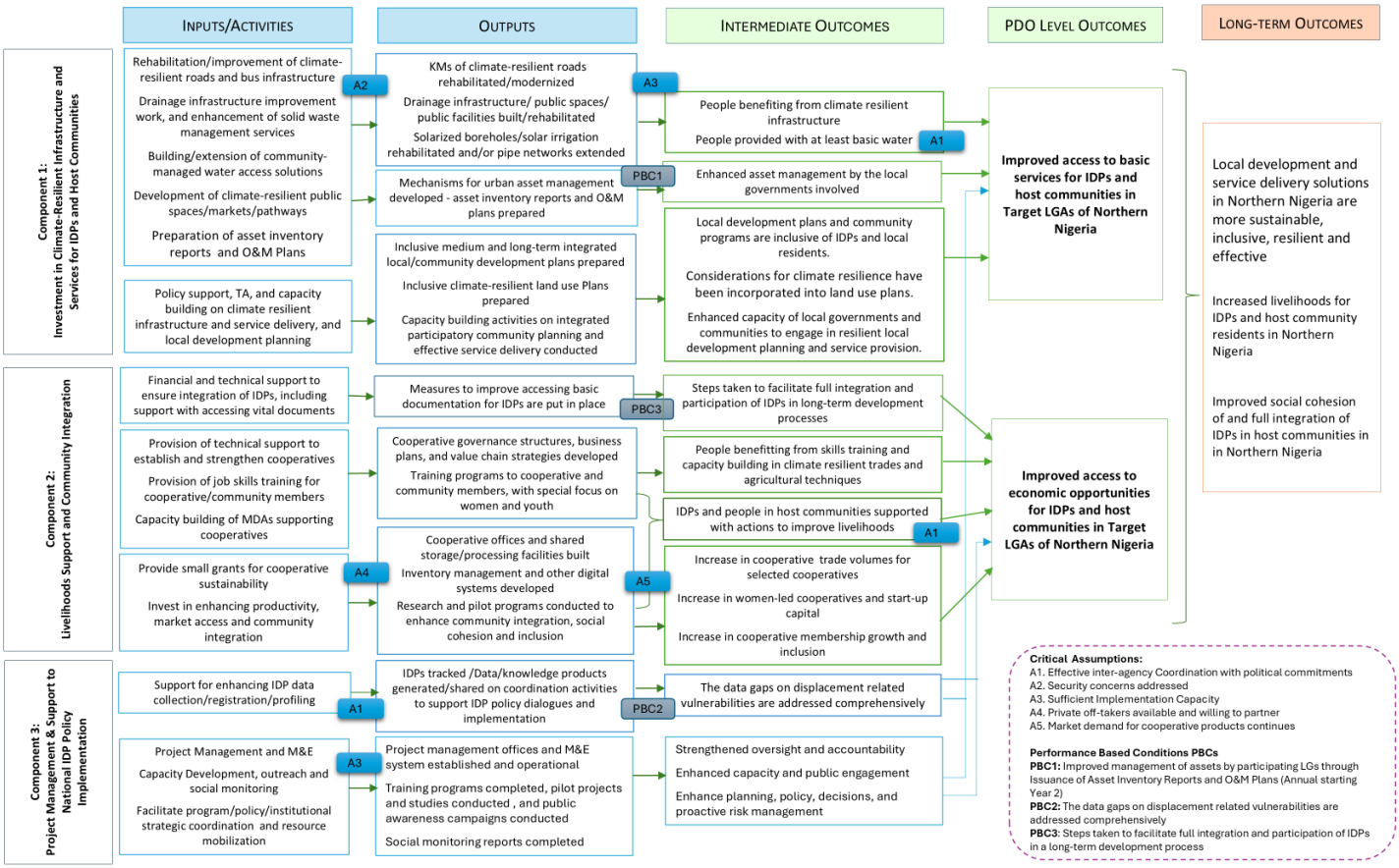
## B. Theory of Change and PDO Indicators

**8.** The Theory of Change for the proposed project (figure 2) is based on addressing the development challenges of displacement-affected states, LGAs, and communities in Northern Nigeria through: (a) investing in climate-resilient infrastructure and strengthening the institutional capacity of state and local governments and communities to improve service delivery; and (b) providing livelihood support and strengthening community integration for IDPs and local residents. The proposed project adopts a three-pronged approach combining a whole-of-government strategy, people-in-place methods, and community engagement for tailored solutions. This approach ensures coordination between national, state, and local governments to implement solutions for IDPs and host communities. It integrates the needs of displaced people and the impacts on the place where they settle while fostering active and inclusive community participation, including vulnerable groups such as women and youth. The proposed project also addresses climate vulnerabilities by reducing climate risks (for example, drainage and waste issues) and building adaptive capacities (for

[17] Youth are defined as being age 15 to 25.

example, climate-resilient infrastructure and adaptive livelihoods). Gender dimensions and citizen engagement are also integrated, as discussed in the next sections.

*Figure 2. Theory of Change*




## C. Project Beneficiaries

**9.** The proposed project will target selected participating Northern states with the highest number of IDPs. Within the states, investments will target selected displacement-affected communities at the LGA and ward levels.[18] Project beneficiaries will be inclusive of IDPs and local residents, with special attention paid to women and youth. The IOM-Displacement Tracking Matrix (DTM) data will be considered to select the target LGAs, wards, and communities.[19] As

[18] It is not the intent of the proposed project to expand to additional areas within the selected states in a later phase.

[19] The IOM-DTM represents the largest source of primary data on internal displacement in the world. For Nigeria, the DTM provides data on the number of IDPs at the state, LGA, ward and location level, their shelter type, the period of displacement, areas of origin for IDPs and areas of last displacement for returnees. IOM-DTM data are estimates obtained through key informant interviews, direct observation and direct interviews. To ensure the accuracy and reliability of the estimates, data collection is performed at the lowest administrative level: the site or the host community. Comprehensive displacement data collection is limited by several factors, including insecurity, which limits the field teams' access to some locations with returnees and IDPs, transportation of remote and hard-to-reach areas, restricted accessibility of some locations due to heavy rains and flooding, and reluctance from IDPs to cooperate with the surveys as data is collected regularly and assistance is limited.

such, IOM-DTM data will be the base for the identification of project beneficiaries. The proposed project is expected to benefit a total of up to 7,400,500 individuals, of which up to 1,318,701 individuals are identified as IDPs.

### D. Project Components

**5. The proposed SOLID project is structured as an Investment Project Financing (IPF).** It consists of four interlinked investment and technical assistance (TA) components (Table 1).

| Project Component | World Bank Financing (US$, millions) |
|---|---|
| **Component 1: Climate-Resilient Infrastructure and Services** | **200** |
| Subcomponent 1.1: Strategic Investments for Improved Livability and Economic Development | 185 |
| Subcomponent 1.2: Strengthening State, Local Government and Community Institutions for Improved Service Delivery | 15 |
| **Component 2: Livelihoods Support and Community Integration** | **80** |
| Subcomponent 2.1: Technical Support for Livelihoods Development and IDP Integration | 15 |
| Subcomponent 2.2: Financial Support and Investments for Sustainable Livelihoods | 65 |
| **Component 3: Project Management and Support for the Implementation of the National Policy** | **20** |
| **Component 4: Contingency Emergency Response** | **0** |
| **TOTAL COSTS** | **300** |

**10. The proposed project incorporates three Performance-Based Conditions (PBCs) with clearly defined results that include budget allocation at the state level.** An IPF-PBC operation aims to encourage institutional reforms, create enabling policies, and build long-term capacity. The three PBCs will support and incentivize the achievement of desired project outputs/outcomes: (i) Improved management of assets by participating local government units (LGUs) through issuance of asset inventory reports and operation and maintenance (O&M) plans; (ii) The data gaps on displacement-related vulnerabilities are addressed comprehensively; and (iii) Steps taken to facilitate full integration and participation of IDPs in long-term development processes. Two factors have been considered in the allocations for the individual PBCs: (i) the relative importance of the indicator in the entire set of indicators; and (ii) the need to match disbursements with cash outflows on project activities. The relevant state MDAs will be responsible for the achievement of the PBCs.

**11. The proposed project will adopt a two-tiered approach for targeting investments.** States will be selected and grouped into two tiers based on the absolute number of IDPs and the percentage share of IDPs towards the total state population, with target communities being selected based on more refined criteria. Tier 1 states are eligible for both physical investments and TA under Components 1 and 2, targeting selected communities at the LGA and ward levels. Tier 2 states are eligible solely for TA under Component 1.2 and as project implementation progresses, they might fully enter the program.[20]

### Component 1: Climate-Resilient Infrastructure and Services (US$200 million)

**12.** This component will finance infrastructure investments at the local and community levels and technical capacity building activities with the aim of improving livability and increasing economic and climate resilience for IDPs and host

[20] Based on funding availability and the results of the IDP survey which will be conducted under Component 3.

communities. The selection of intervention areas will be informed by a climate risk screening to identify wards most exposed to flooding, drought, and heat. It will also assess the needs for climate-resilient infrastructure in the selected communities and thus inform investment selection. Activities under Component 1 will be implemented under two subcomponents.

**13. Subcomponent 1.1: Strategic Investments for Improved Livability and Economic Development (US$185 million).** The subcomponent will finance subprojects, including (a) *Roads and Transport*: upgrading inter- and intra-LGA roads to climate-resilient standards;[21] constructing roadside greening, grey and green drainage systems, erosion control infrastructure, bus terminals, bus stops, lighting, and other allied bus transport infrastructure in an energy-efficient manner;[22] (b) *Drainage and Flood Control:* one-time LGA-level drainage cleaning and rehabilitation of community drainage infrastructure to manage rain, flood water and sewage and build resilience to annual flooding;[23] (c) *Solid Waste Management:* enhancing collection, segregation, resource recovery and disposal at the community level to prevent drain blockages and mitigate flood risks;[24] (d) *Water Access:* upgrading community-managed solarized boreholes, solar irrigation, and pipe networks at the community level (small-scale investments) to improve water security in drought-prone and water-stressed areas; (e) *Climate-Resilient Public Spaces, Markets, and Community Facilities:* developing childcare facilities, parks, green spaces, outdoor sports facilities, and markets with nature-based solutions (NbS) such as tree planting and vegetation expansion to mitigate urban heat and improve soil infiltration capacities in flood-prone areas. Public toilets and community facilities will integrate energy-efficient and climate-resilient designs (with EDGE 1 certification post-construction);[25] and (f) *Pedestrian and Street Improvements:* paving streets with stone/bricks, adding side drains, and installing energy-efficient or solarized streetlights to improve community mobility and reduce flooding. The selected target communities, in collaboration with state and local governments and community development organizations like FADAMA,[26] will prioritize subprojects based on existing state and local development plans and through newly formulated Local Area Development Plans and/or Community Development Plans under Subcomponent 1.2. Investments will undergo thorough technical design work and financial and institutional analyses undertaken in Subcomponent 1.2 to support the long-term sustainability of investments. Tier 1 participating states are eligible for investments finance under this subcomponent.

[21] For a detailed description, see climate change Annex. Due to nonexistent or inadequate drainage systems in many LGAs, urban roads become disrupted during rainy seasons, exacerbating flooding in adjacent communities by channeling rainwater into low-lying areas. (Intra-LGA) road segments selected for extension will create redundancy in the network, ensuring that communities can access main markets and services, even during climate-induced events such as flooding, and serve as evacuation routes during the occurrence of such extreme events.

[22] Climate-informed flood risk modelling will be incorporated in road design, and drainage and culverts will be wide enough to accommodate projections for increased intensity of rainfall events.

[23] Incorporating a combination of traditional stand-alone “grey” infrastructure with sustainable urban drainage elements, the approach is to expand capacity of the drainage network while encouraging water retention, storage and infiltration to attenuate flood peaks, increase groundwater recharge and reduce erosion.

[24] Investments will promote climate resilience of flood-prone areas within the selected targeted communities, preventing waste from clogging drains, thereby reducing flood risk. Increased source segregation, material reuse and recycling will also have climate mitigation benefits by reducing the carbon footprint from waste in dumps.

[25] For example, energy-efficiency upgrades in new buildings will aim to achieve EDGE 1 standards or a comparable nationally accepted standard and the project will seek to obtain the final EDGE 1 certification post-construction. In addition, flood and heat resilience measures will be incorporated in the design (e.g., proper drainage, improved natural ventilation and cooling, energy efficient equipment and cooling, renewable energy, etc.).

[26] The World Bank FADAMA I, which started in 1992, was a pilot agricultural project, designed to offer basic irrigation and other support to farmers in selected states. In 2003, FADAMA II introduced a groundbreaking community-driven development (CDD) model and helped institutionalize local stakeholder engagement in community decision making. In FADAMA III, the project expanded geographically and became a well-known, national brand of local agricultural development.

**14. A key requirement for investments will be an O&M plan with standardized asset inventory format and allocation for O&M of the investments in the state and/or local government budget.** Measures to improve asset management by participating local governments will be financed under this subcomponent. The improved management of assets by participating LGUs through issuance of asset inventory reports and O&M plans is designed as a PBC. The allocation of US$9 million out of the US$180 million allocation under Subcomponent 1.1 is linked to the achievement of the PBC.

**15. Subcomponent 1.2: Strengthening State, Local Government, and Community Institutions for Improved Service Delivery (US$ 15 million)**. This subcomponent seeks to strengthen state and local government institutions and empower communities to actively and effectively engage in the decision-making processes to establish a cohesive whole-of-government approach for the improved delivery of climate-resilient services financed under Components 1 and 2. The subcomponent will finance limited TA[27] where there are institutional gaps to support: (a) the development of climate-resilient Local Area Development Plans at the LGA level and Community Development Plans at the ward level, including physical investment programs, relevant information systems, engineering and services standards, and market and value chain analyses; (b) facilitation of the community participatory planning processes, including (i) technical support to map and identify modern and/or traditional structures and associations, community representatives and leaders, and representatives and leaders of vulnerable groups including IDPs, women, and youth; (ii) stationing community facilitators to engage IDPs, women, and youth throughout the planning and development process, and (iii) conducting workshops, holding forums and establishing advisory committees to engage IDPs, women and youth into leadership and decision-making roles; (c) technical capacity-building programs for state MDAs and local governments to improve the delivery of services and implement development controls in strategic areas (including flood plains, wetlands and riparian areas, key economic and transport areas, and non-built areas) for the reduction of greenhouse gas emissions and climate adaptation; and (d) updating of the land use plans for the most flood-prone cities in both Tier 1 and Tier 2 states, to promote risk-informed and climate-resilient development (one city per state).[28] Both Tier 1 and Tier 2 participating states are eligible for the TA financed under this subcomponent.

## Component 2: Livelihoods Support and Community Integration (US$80 million)

**16.** This component aims to enhance livelihoods of IDPs and local residents in selected target communities[29] by focusing on strengthening cooperatives using the 'productive alliances' and FADAMA approaches,[30] which have successfully boosted commodity value chains, particularly in agriculture in rural areas. Previous work focused on strengthening cooperatives in Nigeria has had positive results.[31] Support will help both cooperative and community members (including IDPs) access services and investments across the value chain in partnership with the private sector and existing institutions where possible. Strengthening cooperatives, both agricultural and non-agricultural, can yield

[27] TA activities will be implemented by state project coordination units (PCUs).
[28] Activity (d) under Subcomponent 1.2 will be contingent on funding availability after funds are allocated for activities (a), (b), and (c).
[29] To ensure maximum aggregated impact of the proposed operation, investments under Component 2 will aim to spatially align as much as possible with selected target communities as under Component 1. This thus implies a focus on climate-vulnerable communities and beneficiaries.
[30] World Bank. 2016. "Linking Farmers to Markets through Productive Alliances: An Assessment of the World Bank Experience in Latin America." Available at: https://openknowledge.worldbank.org/entities/publication/49611822-2516-5468-97f2-2b040cff6c12.
[31] A 2022 study of tomato farmers in Nigeria has shown positive results associated with cooperatives, especially with respect to increasing farmer productivity and farmer incomes. Source: Akinola, A. et. al. 2023. "Impact of membership in agricultural cooperatives on yield of smallholder tomato farmers in Nigeria." Journal of Environmental and Sustainability Indicators, Vol 20.

significant positive results on a larger scale than individual support, helping both IDPs and local residents enhance incomes, productivity, and access to markets and land in a climate-resilient manner while enhancing social capital and cohesion, strengthening bonds among and between IDPs and local residents through shared economic interests and community integration. Joint participation of IDPs and local residents in cooperatives, however, will not be forced, to avoid unwanted friction. Existing cooperatives will be selected for support through the community development planning process under Subcomponent 1.2. based on job creation and economic potential. Activities under Component 2 will be implemented under two subcomponents.

**17. Subcomponent 2.1: Technical Support for Livelihoods Development and IDP Integration ($15 million).** This subcomponent aims to strengthen existing agricultural and non-agricultural cooperatives, establish a limited number of new cooperatives,[32] and provide skills training for IDPs and local residents in the selected target communities, offering support to extension services and other existing training programs or developing programs where none exist. The state project coordination units (PCUs) will partner with community and social development agencies like FADAMA to implement. The subcomponent will finance four key activities: (a) technical support to strengthen cooperatives with governance structures, business plans,[33] and market links, while promoting women- and youth-led initiatives. Cooperative members may also receive training in business accounting, finance and management that is sensitive to gender differences and norms; (b) broad job skills training in climate-smart agricultural techniques, trade skills (for example, food preparation, carpentry, and tailoring), and linking vulnerable groups, including IDPs, women, youth, and persons with disabilities, to existing skills/apprenticeship programs; (c) technical capacity building of relevant state MDAs, including extension workers of the Ministry of Agriculture and other relevant MDAs, to support cooperatives and job training efforts, in collaboration with the private sector where possible; and (d) technical support to facilitate IDP integration by assisting with vital documents (for example, birth, marriage, death, and educational certificates, local residence IDs, travel documents, business and driving licenses, etc.), land ownership, and registration.[34] Ensuring integration of IDPs is designed as a PBC. The allocation of US$12 million out of the US$65 million allocation under sup-component 2.2 is linked to the achievement of the PBC.

**18. Subcomponent 2.2: Financial Support and Investments for Sustainable Livelihoods ($65 million).** This subcomponent aims to enhance the sustainability, productivity, and market access of the cooperatives supported under Subcomponent 2.1 and promote social integration in the selected target communities through two key activities:[35] (a) *Small grants mechanism ($25 million):* provides start-up and operational capital to eligible cooperatives.[36] Grant funds may be used for cooperative equipment[37] (for example, tillers, organic fertilizers, micro-irrigation,[38] sewing machines, carpentry tools), cooperative facilities (for example, field offices, digital and processing equipment), marketing, packaging, and legal/regulatory support. Special emphasis is placed on climate-resilience for cooperatives in flood-prone

[32] Support for the formation of new cooperatives will follow a more stringent competitive process. The rules defining the competitive process will be defined through the community participation process described in Subcomponent 1.2.
[33] Business plans would be based on up-to-date market and supply chain assessments conducted under Subcomponent 1.2.
[34] This activity will be largely financed by the states through budget allocation, while the project provides technical support.
[35] Activities will be conditional based on private sector partnerships established under Subcomponent 2.1.
[36] State PCUs in collaboration with relevant state MDAs like the Ministry of Agriculture, the Ministry of Women Affairs, and the Ministry of Youth and Sports, will develop the grant mechanism. State PCUs will explore working with investment promotion agencies to manage the grant mechanism, distribute funds and provide general support. A special focus of the targeting mechanism will be the climate vulnerability of cooperatives and their members.
[37] Ensuring energy-efficiency or renewable energy sources for the operation of non-agricultural cooperatives as much as possible as well as climate-smart interventions for agriculture cooperatives
[38] Including surface and subsurface drip and micro-sprinkler systems to support local farmers.

areas.[39] Eligibility is milestone-based,[40] with cooperative membership and leadership verified by community and state PCUs to prevent elite capture. Women- and youth-led cooperatives will receive additional support that is sensitive to their specific needs and weighted application consideration; and (b) *Small Investments ($40 million):* focuses on improving productivity and market access and creating linkages to off-takers identified in the Local Area Development Plans and/or Community Development Plans developed under Subcomponent 1.2, and community integration. The investments[41] may include: (i) shared storage spaces (dry and cold) and processing facilities, (ii) digital inventory and other infrastructure systems, (iii) packaging and labelling equipment; (iv) financial and technical support for cooperative training centers; and (v) research grants and pilot programs on social integration within IDP hosting communities (such as, for example, socio-economic integration of IDPs and local residents or the inclusion of IDPs, women, and youth in community leadership and decision-making roles), in partnership with local universities and NGOs as a continuation of work conducted during MCRP.

## Component 3: Project Management and Support for the Implementation of the National Policy (US$ 20 million)

**19. This component will support the implementation of all activities in accordance with the World Bank's policies and guidelines.** This will include the following: (a) project management, including technical planning, financial management (FM) and augmented auditing, procurement, environment and social (E&S) risk management, implementation of a GBV, sexual exploitation and abuse and sexual harassment (SEA/SH) action plan, security analyses and response plans, and communication plans; (b) project monitoring which includes a Geo-Enabled Monitoring System (GEMS) and beneficiary feedback/grievance redress mechanism (GRM), including a specialized GRM for cases of SEA/SH; (c) impact evaluation; (d) continuous conflict analyses; (e) just-in-time studies as and when needs arise; (f) financing for third-party monitoring as required by the security conditions; and (g) Federal Project Management Unit (FPMU) operating costs. The detailed steps and procedures entailed under project management will be elaborated in the PIM.

**20. The component will also allocate $2 million to finance activities that support the FGN's efforts to operationalize the National IDP Policy, including:** (a) TA to facilitate overall programmatic and policy coordination between federal, state, and local governments, (b) financial and technical support to address the data gaps concerning IDPs, including women, persons with disabilities and other vulnerable groups, and (c) financial and technical support to carry out a registration and profiling process of IDPs including conducting the displacement surveys elaborated in the PIM and building a spatial database for IDPs in all northern states that identify IDPs as one of their key development challenges. States will finance the state level work while the project will finance the coordination of the states' efforts and the development of a national database. Addressing the data gap on displacement-related vulnerabilities in the

[39] Measures may include diversification from flood prone locations and agriculture areas, improving drainage in cooperative's location (through Subcomponent 1.1) and support for energy efficient equipment or solar panels/renewable energy use in the cooperative's operation.

[40] Examples of milestones include completed technical trainings, developed governance structures with accountability mechanisms and business plans, and established off-taker relationships. Further refinement of these milestones will be tailored during the community development planning process under Subcomponent 1.2. The small grant mechanism will be developed and managed by state PCUs in collaboration with relevant state MDAs like the Ministry of Agriculture, the Ministry of Women Affairs, and the Ministry of Youth and Sports, who will consult with existing cooperatives to develop and refine the eligibility criteria.

[41] Climate resilience will be integrated in the investment design and operation as much as possible, for example in the design of storage facilities (e.g., areas not affected by flooding or integration of proper drainage, designs supporting natural cooling and ventilation, energy-efficiency in operation or integration of renewable energy), and energy-efficiency in design and equipment for refurbished market stalls.

states comprehensively is designed as a PBC. The allocation of US$12 million out of the US$185 million allocations under Component 1.1 is linked to the achievement of the PBC.

### Component 4: Contingency Emergency Response Component (CERC) (US$0)

**21.** A CERC is included in the project in accordance with the Investment Project Financing (IPF) Policy, paragraphs 12 and 13, for Situations of Urgent Need of Assistance and Capacity Constraints. This will allow for rapid reallocation of uncommitted loan funds in the event of an eligible emergency. To meet CERC activation requirements, the Federal Project Management Unit (FPMU) will prepare a CERC Manual, submit an Emergency Action Plan (EAP) for each specific eligible event, and meet the environmental and social requirements as agreed in the EAP and the Environmental and Social Commitment Plan (ESCP).

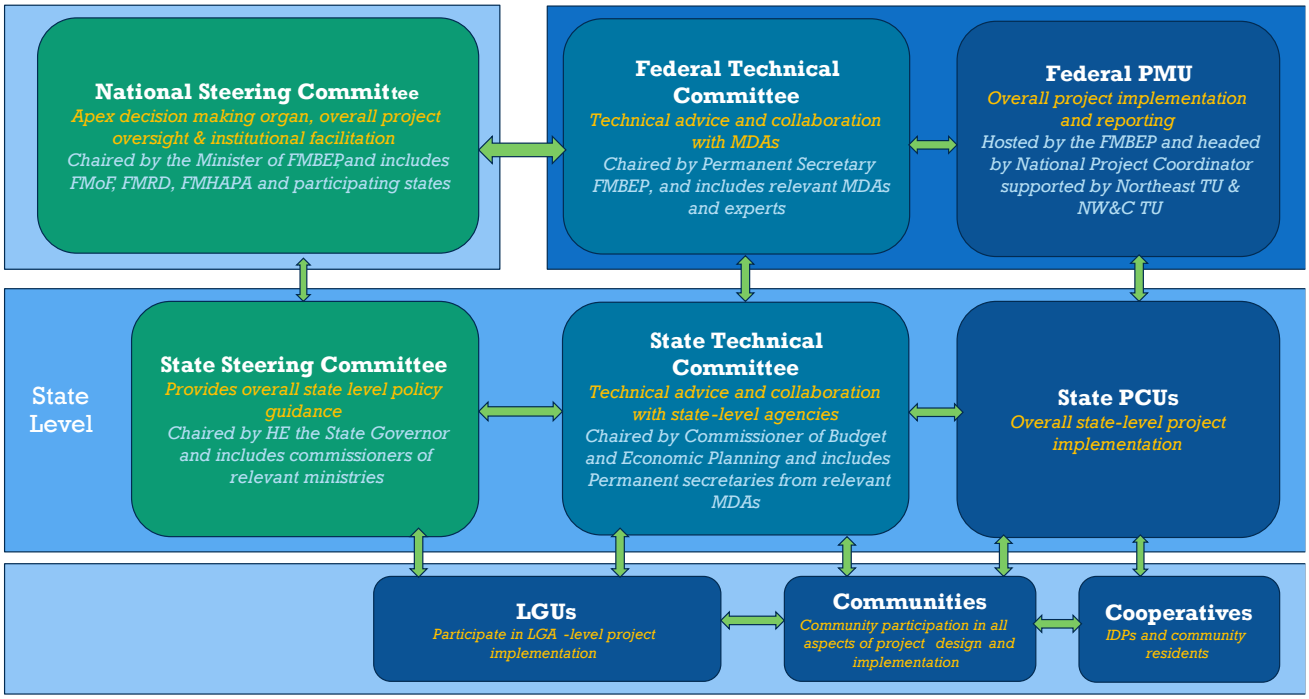
## E. Implementation

Institutional and Implementation Arrangements

**22. At the national level, the Federal Ministry of Budget and Economic Planning (FMBEP) will establish a Federal Project Management Unit (FPMU) for overall project implementation, coordination, fiduciary responsibilities (financial management and procurement), monitoring and evaluation (M&E), and E&S management.** The FPMU will be headed by a National Project Coordinator and supported by regional technical units (TUs) from the NEDC and NCFRMI, with roles outlined in MOUs between the FMBEP, and responsibilities of the FPMU and the TUs detailed in the Project Implementation Manual (PIM). Leveraging the technical expertise of other federal MDAs, the FPMU will oversee a single Designated (Special) Account for project funds and ensure the required FM infrastructure is in place. A National Steering Committee (NSC), chaired by the Minister of the FMBEP, will provide overall project oversight and institutional coordination, with representation from key federal ministries, state commissioners of budget and economic planning, and humanitarian agencies like IOM/UNHCR. The NSC will be mandated to meet at least biannually. A Federal Technical Committee (FTC), chaired by the Permanent Secretary of the FMBEP, will provide technical advice and include relevant directors from participating federal MDAs, including development commissions in addition to technical experts.

**23. At the state level, each participating Tier 1 state will establish a state PCU which will be responsible for state-level project implementation.** For the BAY states, the PCUs under the MCRP will transition to serve as the state PCUs for SOLID. Other participating states shall establish their own PCUs, learning from the BAY states' experience under the MCRP.[42] State Steering Committees (SSCs), chaired by respective governors or their delegates, will provide state-level policy guidance and coordinate with humanitarian agencies in Tier 1 states. The SSCs will include commissioners of relevant State MDAs. State Technical Committees (STCs), chaired by state commissioners of budget and economic planning and including the permanent secretaries of relevant state MDAs, will offer technical advice for state-level project implementation. Tier 2 states will assign a focal point rather than establish a PCU while the FPMU will support the implementation of TA with the concerned state MDAs.

[42] One of the lessons learned from the MCRP is that coordination between the PCUs and state agencies should start from the project's inception to ensure successful implementation of project activities.

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**24. Sector-specific activities will build on existing institutional capacity at the state level.** Component 1 activities will be implemented by the relevant sectoral/technical MDAs of each state. The proposed project will finance the operating costs of the respective project teams in these MDAs to ensure that existing capacity and organizational structures are used and enhanced where necessary. The staff working on the project will report to the respective line agency hierarchy daily for technical implementation and will report to the state PCU on a regular basis on overall project implementation progress. Component 2 activities will be implemented by the state PCUs, given the intersectoral nature of the component to support livelihoods and social cohesion which fall beyond the mandate of a single ministry. In this case, state PCUs will carry out technical functions of site identification, develop bidding documents to outsource activity implementation to specialized service providers (as few as possible to ensure consistency), and provide technical assurance and other necessary oversight.

**25. For local-level subproject planning, implementation, and O&M, state PCUs will provide overall coordination of state MDAs, LGUs, existing community structures, and representative bodies.** Additionally, state PCUs will rely on support from partner organizations like FADAMA to carry out community participation workshops and trainings. Community members will coordinate with LGUs and their respective state PCU to identify community infrastructure priorities (as part of community development planning activities under Component 1.2) and prepare subproject proposals following the operational guidelines. LGA-level implementation teams, headed by a focal point from the state government and including local government staff, consultants, and representatives from civil society organizations (CSOs) and cooperatives (as required), will facilitate LGA/community-level subproject preparation following established protocols and provide subproject oversight, including monitoring compliance with E&S safeguards and reporting on implementation progress and consolidated expenditures. Existing cooperatives, identified by the state PCUs and relevant MDAs in Subcomponent 1.2, will be integrated into the community structures and provide the opportunity to be included in project activities. LGUs will be primarily responsible for O&M of community infrastructure investments, with consultants providing training and technical support to LGUs to build their capacity.

**26.** The institutional and implementation arrangements are depicted in Figure 2. The roles and responsibilities of the FPMU, NSC, FTC, state PCUs, SSCs, STCs, and community structures (LGUs, LGA-level implementation teams, and cooperatives) will be detailed in the PIM.

**27. Given the current weak institutional capacity to deliver services in host communities, the institutional capacity risk is rated as Substantial.** Overlapping state and local governance structures have complicated service delivery and community planning and development. Community investment decision-making has been highly centralized at the state level, with limited representation of local communities in the planning process, while across host communities, LGUs have faced significant gaps in financial and technical capacity to implement long-term development strategies. The proposed SOLID project aims to build institutional capacity at both the state and local levels and to empower LGUs and communities to take an active role in the planning, implementation and O&M of investments.

**28. State participation follows strict eligibility criteria.** Based on defined technical eligibility criteria, states are categorized as either 'Tier 1' (eligible for investment finance and TA) or 'Tier 2' (eligible for TA under Subcomponent 1.2 only). A preliminary assessment identified 12 states as eligible to enter the proposed project either as Tier 1 or Tier 2. Six of the 12 states qualify for Tier 1 - Adamawa, Benue, Borno, Katsina, Yobe, and Zamfara[43] – and six states quality for Tier 2 - Kaduna, Taraba, Nasarawa, Sokoto, Plateau, and Gombe.[44] Tier 1 states must meet Demonstrated Commitment, Implementation Readiness and Disbursement Readiness criteria (together referred as 'Tier 1 eligibility criteria') with annual reviews of fulfillment of the criteria throughout the duration of the project to ensure compliance. A Tier 1 state's failure to fulfill the Tier 1 eligibility criteria will result in its exit from the project. Based on the results of the IDP survey conducted in Component 3, a Tier 2 state may be eligible to move to Tier 1 and/or a state that did not qualify for either tier at the beginning of the project may become eligible to enter the project. However, opportunities are limited considering the current number of IDPs in Tier 2 states (only one state has the chance of transitioning based on the new count of IDPs).[45]

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[43] All six states have submitted a letter expressing interest in joining SOLID and were invited to submit documentation illustrating their fulfillment of the Demonstrated Commitment Criteria. The FMBEP and World Bank will use the documentation to jointly assess each state's eligibility

[44] All six states attended the consultation workshop and expressed interest verbally. These states will be invited to submit a letter of expression of interest in receiving TA.

[45] There is only one state (Bauchi) that currently does not meet the threshold of having an IDP share of the total population at greater than 1% but is close (0.91% according to IOM data). The IDP survey in Component 3 will validate the number of IDPs in each state.

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