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Report No: PAD5294

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 371.2 MILLION

(US\$500.0 MILLION EQUIVALENT)

TO THE

FEDERAL REPUBLIC OF NIGERIA

FOR A

NIGERIA FOR WOMEN PROGRAM SCALE-UP PROJECT

May 31, 2023

Social Sustainability and Inclusion Global Practice
Western and Central Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2023)

Currency Unit =		Nigerian Naira (NGN); Special Drawing Rights (SDR)
US\$1	=	NGN461.5
US\$1	=	SDR0.74238499

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AWPB	Annual Work Plan and Budget
BCC	Behavior Change Communication
BMGF	Bill and Melinda Gates Foundation
BPP	Bureau of Public Procurement
BVN	Bank Verification Number
CBN	Central Bank of Nigeria
CIF	Community Investment Fund
CIG	Common Interest Group
CLF	Cluster-Level Federation
CPF	Country Partnership Framework
CQS	Consultant Qualification-Based Selection
CRP	Community Resource Person
CSA	Climate Smart Agriculture
CSO	Civil Society Organization
DA	Designated Account
E&S	Environmental and Social
EFinA	Enhancing Financial Innovation and Access
ERGP	Economic Recovery and Growth Plan
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
FA	Farmers Association
FCV	Fragility, Conflict, and Violence
FFS	Farmer Field School
FIF	Financial Intermediation Fund
FM	Financial Management
FMWA	Federal Ministry of Women Affairs
FMWR	Federal Ministry of Water Resources
FPCU	Federal Project Coordination Unit
PPFMD	Federal Project Financial Management Department
FPM	Financial Procedures Manual
FSC	Federal Steering Committee
FSP	Financial Service Provider
FX	Foreign Exchange
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GEEP	Government Enterprise and Empowerment Program
GHG	Greenhouse Gas
GIL	Gender Innovation Lab
GIZ	German Agency for International Cooperation (<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>)
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
IBM	Iterative Beneficiary Monitoring

IDA	International Development Association
IFC	International Finance Corporation
IFR	Interim Financial Report
IMF	International Monetary Fund
KPIs	Key Performance Indicators
KYC	Know Your Customer
LC	Livelihoods Collective
LGA	Local Government Area
LPIU	Local Government Project Implementing Unit
M&E	Monitoring and Evaluation
MCS	Multisectoral Coordination Structure
MIGA	Multilateral Investment Guarantee Agency
MIP	Micro Investment Plan
MIS	Management Information System
NAFEX	Nigerian Autonomous Foreign Exchange Rate Fixing
NAWEF	National Women Empowerment Fund
NDC	Nationally Determined Contribution
NFWP	Nigeria for Women Project
NFWP-SU	Nigeria for Women Program Scale-Up
NGF	Nigeria Governors Forum
NGO	Non-Governmental Organization
NIMC	National Identity Management Commission
NIN	National Identification Number
NPRGS	National Poverty Reduction with Growth Strategy
NRLM	National Rural Livelihoods Mission
OHS	Occupational Health and Safety
PAD	Project Appraisal Document
PC	Producer Cooperative
PCRA	Participatory Climate Risk Assessment
PDO	Project Development Objective
PFMU	Project Financial Management Unit
PG	Producer Group
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PMIS	Project Management Information System
PPSD	Project Procurement Strategy for Development
PRA	Participatory Rural Appraisal
RMNCH-N	Reproductive, Maternal, Newborn and Child Health and Nutrition
RPF	Resettlement Policy Framework
SAWPB	State Annual Work Plan and Budget
SBCC	Social and Behavior Change Communication
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
SANEF	Shared Agent Network Expansion Facility
SMWA	State Ministry for Women Affairs
SNE	Social Norms Exploration

SORT	Systematic Operations Risk-Rating Tool
SPCU	State Project Coordination Unit
SPFMU	State Project Financial Management Unit
SRA	Security Risk Assessment
STC	State Technical Committee
STD	Sexually Transmitted Disease
STEP	Systematic Tracking and Exchanges in Procurement
SU	Scale Up
TA	Technical Assistance
TIMP	Technologies, Innovations, and Management Practice
TOR	Terms of Reference
TTL	Task Team Leader
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VO	Village Organization
WAG	Women Affinity Group
WASH	Water Supply, Sanitation, and Hygiene
WEE	Women's Economic Empowerment
WF	Ward Facilitator
WHO	World Health Organization



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Nigeria	Nigeria for Women Program Scale Up Project	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P179447	Investment Project Financing	Moderate

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
22-Jun-2023	31-Dec-2028

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To institutionalize Women Affinity Groups (WAGs) and other platforms for women’s economic empowerment and enhance the economic opportunities of unbanked women.



Components

Component Name	Cost (US\$, millions)
Component 1: Building Community Institutions	168.00
Component 2: Livelihood Program	312.00
Component 3: Project Management, Monitoring and Evaluation, and Learning	50.00
Unallocated	10.00

Organizations

Borrower: Federal Republic of Nigeria
 Implementing Agency: Federal Ministry of Women Affairs

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	540.00
Total Financing	540.00
of which IBRD/IDA	500.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	500.00
IDA Credit	500.00

Non-World Bank Group Financing



Counterpart Funding	40.00
Borrower/Recipient	40.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
Nigeria	500.00	0.00	0.00	0.00	500.00
National Performance-Based Allocations (PBA)	500.00	0.00	0.00	0.00	500.00
Total	500.00	0.00	0.00	0.00	500.00

Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2023	2024	2025	2026	2027	2028	2029
Annual	0.00	25.00	60.00	110.00	150.00	150.00	5.00
Cumulative	0.00	25.00	85.00	195.00	345.00	495.00	500.00

INSTITUTIONAL DATA

Practice Area (Lead)

Social Sustainability and Inclusion

Contributing Practice Areas

Agriculture and Food, Finance, Competitiveness and Innovation, Health, Nutrition & Population, Water

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks



SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Substantial
7. Environment and Social	● Moderate
8. Stakeholders	● Moderate
9. Other	● Moderate
10. Overall	● Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Financing Agreement, Schedule 2, Section I.A.1 (a): The Recipient, through FMWA, shall reconstitute and thereafter maintain, throughout the implementation of the Project, the Federal Steering Committee, with functions, composition and resources satisfactory to the Association and as elaborated in the Project Implementation Manual (PIM), to provide strategic guidance on the Project and promote experience sharing.



Sections and Description

Financing Agreement, Schedule 2, Section I.A.1 (b): The Recipient, through FMWA, shall establish and thereafter maintain, throughout the implementation of the Project, a Project technical committee at the federal level (“Federal Technical Committee”), with functions, composition and resources satisfactory to the Association and as elaborated in the PIM.

Sections and Description

Financing Agreement, Schedule 2, Section I.A.1 (c)(i): The Recipient, through FMWA, shall reconstitute and thereafter maintain, throughout the implementation of the Project, the Federal Project Coordination Unit (“FPCU”) and reconfirm its roles and responsibilities for the Project satisfactory to the Association, with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association, as elaborated in the PIM.

Sections and Description

Financing Agreement, Schedule 2, Section I.A.2 (a): The Recipient, through FMWA, shall cause each Participating State, to establish, no later than six (6) months after the Effective Date, and thereafter maintain, throughout the implementation of the Project in said state, a multisectoral coordination structure (“Multisectoral Coordination Structure”), with functions, composition and resources satisfactory to the Association and as elaborated in the PIM.

Sections and Description

Financing Agreement, Schedule 2, Section I.A.2 (b): The Recipient, through FMWA, shall cause each Participating State, to establish, no later than six (6) months after the Effective Date, and thereafter maintain, throughout the implementation of the Project in said state, a technical committee (“State Technical Committee”), with functions, composition and resources satisfactory to the Association and as elaborated in the PIM.

Sections and Description

Financing Agreement, Schedule 2, Section I.A.2 (c)(i): The Recipient, through FMWA, shall cause each Participating State, to establish, no later than three (3) months after the Effective Date, and thereafter maintain, throughout the implementation of the Project in said state, a Project coordination unit (“State Project Coordination Unit” or “SPCU”), with functions and resources satisfactory to the Association, with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association, as elaborated in the PIM.

Sections and Description

ESCP: The Grievance Mechanism to be prepared three months after effectiveness.



Sections and Description

ESCP: Establishing out grievance arrangements for Project workers three months after effectiveness.

Sections and Description

ESCP: Occupational, Health, and Safety (OHS) measures to be prepared three months after effectiveness.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	Financing Agreement, Article IV, Section 4.01 (a), Additional Effectiveness Condition: The Recipient has updated and adopted the Project Implementation Manual, the procurement manual, and the human resources manual, and has prepared and adopted the Community Operations Manual.

Type	Financing source	Description
Effectiveness	IBRD/IDA	Financing Agreement, Article IV, Section 4.01 (b), Additional Effectiveness Condition: Subsidiary Agreements acceptable to the Association have been executed on behalf of the Recipient and at least five (5) Participating States.

Type	Financing source	Description
Effectiveness	IBRD/IDA	Financing Agreement, Article IV, Section 4.01 (c), Additional Effectiveness Condition: The Recipient has reconstituted the Federal Steering Committee in form and substance satisfactory to the Association.



I. STRATEGIC CONTEXT

A. Country Context

- 1. Nigeria is the most populous country and the largest economy in Sub-Saharan Africa – with over 200 million people¹ and an estimated Gross Domestic Product (GDP) of US\$477.4 billion in 2022** The country is a multi-ethnic and diverse federation of 36 autonomous states, with an abundance of resources, a young and entrepreneurial population, and a dynamic private sector.
- 2. After several years of rapid growth, Nigeria’s development progress has slowed since 2015.** Between 2001 and 2014, Nigeria was a rising star in West Africa, with an average economic growth rate of 7 percent per year, making it one of the 15 fastest-growing economies in the world. However, growth declined to an average of 1.4 percent between 2015 and 2022, due to several factors, including (a) a decline in oil prices; (b) insecurity; and (c) the adverse effects of multiple shocks including the COVID-19 pandemic and Russia’s invasion of Ukraine. The slow economic growth, coupled with a rapid increase in population (2.6 percent per year, one of the highest rates in the region), has widened the gap in real GDP per capita between Nigeria and its peers.²
- 3. In 2021-22, the economy recovered from the recession induced by the COVID-19 pandemic and lower oil prices. Real GDP growth exceeded population growth for the first time since 2015, but welfare has continued to deteriorate.** Following a contraction of 1.8 percent in 2020, the Nigerian economy grew by 3.6 percent in 2021 and was projected to grow by 3.2 percent in 2022. However, this recovery was not enough to cover the per capita income losses of the past six years. By the end of 2022, the average Nigerian had the same income as in 2011, and it will take about a decade to return to the same level of GDP per capita seen in 2014. Moreover, high inflation since 2020 has pushed an estimated additional 12 million Nigerians into poverty.³
- 4. For the first time in Nigeria’s history, rising oil prices are worsening the country’s net fiscal position.** Nigeria’s fiscal position has typically improved during episodes of high oil prices thanks to higher oil revenues transferred to the Federation. Since 2021, however, the increase in oil revenues has been outweighed by the increase in Nigeria’s petrol subsidy as the cost of the petrol subsidy is enormous. Moreover, crude oil output declined by 8.3 percent in 2021 and by 19.2 percent in 2022, reaching a three-decade low because of technical and security challenges as well as aging infrastructure.⁴
- 5. Nigeria’s current exchange rate management approach hinders its economic development and merits being a top reform priority for the incoming administration.** The current regime consists of a highly managed official rate and a foreign exchange (FX) market lacking in clear and predictable price discovery, including due to the use of multiple FX windows to serve multiple purposes. This limits FX supply at the

¹ World Bank, *Nigeria Country Economic Memorandum* (Washington, DC: World Bank, 2022).

² World Bank, *Nigeria Country Economic Memorandum* (Washington, DC: World Bank, 2022).

³ World Bank, *The Continuing Urgency of Business Unusual*, Nigeria Development Update (Washington, DC: World Bank, June 2022).

⁴ World Bank. Macro, Trade, and Investment analysis.



official rate, pushes economic agents into a parallel market to meet their FX requirements, and generates potential arbitrage and rent-seeking opportunities. Aiming to reduce FX demand and preserve reserves whilst maintaining the stabilized official rate, the Central Bank of Nigeria (CBN) has also imposed administrative controls, including banning the use of FX for importing about 45 products since 2015, and has reduced the size of its FX supply interventions since 2020. Overall, the FX market distortions associated with the current policies have increased in recent years, and the official rate has become significantly overvalued: the benchmark exchange rate, the Nigerian Autonomous Foreign Exchange Rate Fixing (NAFEX) rate stood at 461 naira per US dollar in Q1 2023, whilst the parallel market rate was 755 naira per US dollar, a 64 percent premium over the NAFEX rate.

- 6. Nigeria's FX market over the last decade has been characterized by several distortions as well as sporadic reforms to correct some of these distortions.** For example, following the 2015-16 recession, Nigeria established more than ten FX windows in an effort to control FX demand pressures and ration the supply of FX. Further, as the exchange rate premium in the parallel market rose sharply in early 2017, the CBN established the Investors and Exporters Foreign Exchange (IEFX) window, which consolidated most of the private market transactions, and the official rate was effectively devalued, which reduced the parallel market premium and was associated with a welcome period of disinflation. In August 2021, the CBN took a step towards exchange rate unification by aligning the official rate for government transactions within 2 percent of the more market reflective NAFEX. However, the multiple windows remain in place and the parallel market rate premium over the official rate widened from 35 percent in Q3 2021 to 64 percent in Q1 2023.
- 7. The World Bank has consistently advocated moving towards a unified, market-responsive exchange rate, and the president-elect has publicly recognized the need for exchange rate reform.** Private investment and production are being affected, with firms reporting limited FX availability for their imports and to repatriate earnings, making it challenging to meet their external commitments. Allowing a more market-responsive rate would reduce the parallel market premium and increase FX supply. Amongst the many positive, expected results from exchange rate policy reform to address the overvaluation of the official exchange rate would be to boost the naira value of US dollar-denominated World Bank financing for federal and sub-national governments, thus increasing the development impact of a given amount of concessional dollar financing (at present, there is an implicit FX loss to the Federation in terms of the NGN financing it receives for development programs).
- 8. The outlook for Nigeria's growth is uncertain and dependent on external factors and the government's policy response to longstanding issues.** Nigeria's growth is expected to remain above population growth in 2023-2024, averaging 2.9 percent. The projected recovery is threatened by: (a) heightened global uncertainty, higher prices of imported food and inputs for fertilizers, lower global growth, and volatile oil prices; (b) lower-than-expected oil production due to technical inefficiencies; (c) insecurity; and (d) worsening fiscal risks related to the Premium Motor Spirit subsidy. Even in the most favorable global context, the policy response of Nigeria's authorities will be crucial for a robust recovery. The authorities can boost growth by: (a) adopting a more flexible and transparent foreign exchange management regime; (b) accelerating revenue-based fiscal consolidation; (c) strengthening expenditure and debt management; and (d) improving the business enabling environment.



9. **Nigeria’s vulnerability to climate shocks has increased due to political and geographic factors.** These climate-related shocks, manifesting in the form of natural hazards such as floods, epidemics, storms, ocean surges, etc., impact the economy and peoples’ livelihoods. Disproportionally affecting populations already living in poverty, climate-shock risks vary by region. States in the Niger Delta and coastal areas face considerable risks from storm surges, inland flooding and wildfires. In the northern part of Nigeria, where aridity and a changing climate are causing significant disruption, extreme land degradation is exacerbating severe cases of drought and speeding desertification. The central and eastern parts of the country are also expected to experience increased aridity and drought. These climate-related risks can result in increased food insecurity, health impacts, famine, population displacement, conflicts and biodiversity loss. Climate change negatively impacts the Water Supply, Sanitation, and Hygiene (WASH) sector, with droughts and floods inhibiting access to, and contaminating, water resources; both negatively impacting good sanitation and hygiene practices. Increasingly heavy rainfall patterns also intensify vector-borne diseases.⁵ Climate inaction could cost Nigeria between 6 and 30 percent of GDP by 2050, equivalent to a loss of US\$100–460 billion.⁶
10. **There is a direct relationship between climate change and gender equality.⁷ Women are disproportionately more vulnerable than men to the impacts of climate change, not least because they represent the majority of the world’s poor.** Their livelihoods and responsibilities tend also to depend more directly on natural resources or be situated within sectors that are particularly sensitive to climate change, such as household food production, and family health and nutrition. Women also have limited access to resources, information and technical support for coping and adaptation, such as agricultural extension services or climate-smart agriculture technologies. Climate change also worsens existing gender inequalities, posing unique threats to women’s livelihoods, health and safety. Underlying reasons for the disparate effects of climate change on men and women include societal norms, values and behaviors built on the gender-based division of roles, which result in women’s overall lower access to assets, services, rights and decision-making.⁸ Climate change can also have knock-on effects on the health, education and social capital of women and girls by increasing the burden of their time and labor, as well as exacerbating the effects of discriminatory customs and the incidence of gender-based violence (GBV).⁹ As climate change increasingly

⁵ United Nations Children’s Fund (UNICEF), “Why Water, Sanitation and Hygiene Must Be Top of Your Climate Agenda,” <https://wcmprod.unicef.org/media/109481/file/WASH%20Climate%20Paper.pdf>.

⁶ World Bank, *Climate Risk Country Profile*; World Bank, International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIGA), *Country Partnership Framework for the Federal Republic of Nigeria for the Period FY21–FY25* (Washington, DC: World Bank, 2020), <https://openknowledge.worldbank.org/handle/10986/35098>.

⁷ United Nations Development Programme (UNDP), “Overview of Linkages between Gender and Climate Change,” Policy Brief 1, Gender and Climate Change Africa, UNDP, New York, 2012, https://www.undp.org/sites/g/files/zskgke326/files/publications/PB1_Africa_Overview-Gender-Climate-Change.pdf.

⁸ See, for example, Balgis Osman-Elasha, “Women . . . In the Shadow of Climate Change,” *UN Chronicle* 46, no. 4 (2012): 54–55, <https://www.un.org/en/chronicle/article/women-in-shadow-climate-change>; World Bank, “Gender and Climate Change: Three Things You Should Know,” World Bank, Washington, DC, 2011,

<https://openknowledge.worldbank.org/handle/10986/27356>; and Chidiebere J. Onwutuebe, “Patriarchy and Women Vulnerability to Adverse Climate Change in Nigeria,” *SAGE Open* 9, no. 1, https://genderandsecurity.org/sites/default/files/Onwutuebe_-_Patriarchy_W_Vulty_to_Adverse_Climate_Change.pdf.

⁹ Sónia M. M. Caridade, Diogo G. Vidal, and Maria A. P. Dinis, “Climate Change and Gender-Based Violence: Outcomes, Challenges and Future Perspectives,” in *Sustainable Policies and Practices in Energy, Environment and Health Research*, eds. W. Leal Filho, D. G. Vidal, M. A. P. Dinis, and R. C. Dias (New York: Springer Cham, 2021), 167–76, https://link.springer.com/chapter/10.1007/978-3-030-86304-3_10.



shifts ecosystems and weather patterns, women are bearing the brunt of their households' efforts to cope with, and adapt to climate change, further preventing women from achieving their full potential and aggravating risks to their security.

- 11. Women's empowerment is essential to their ability to build resilience to climate change and, by extension, the resilience of their households and communities.** To reduce the impact of climate change on livelihoods and household well-being, it is critical to enhance women's control over, and access to, assets, services and economic opportunities. Social capital, secure land rights, livestock and technology can enhance women's ability to adapt to, and cope with, climate shocks.¹⁰ Women also possess unique, context-specific and traditional knowledge, perspectives and capabilities, given their central role in household food and water security and the management of natural resources. This know-how is critical to developing strategies to manage the impacts of climate-related shocks and stressors on their livelihoods and the natural resources on which they depend. Strengthening the voice and agency of women, as well as their engagement and meaningful participation in planning, decision making and implementation processes at all levels and within the private and public spheres is, therefore, essential for effective climate change action.

B. Sectoral and Institutional Context

- 12. When climate-related and economic shocks occur, women's jobs are more at risk than men's, as seen during the COVID-19 pandemic in Nigeria.** The pandemic pushed more women out of jobs than men, and job losses were concentrated among women in urban areas. Job losses were higher among women caring for preschoolers than those with school-age children and fewer childcare demands. Women have also seen lower reemployment rates than men since the COVID-19 lockdowns, suggesting a need to continue supporting women's livelihoods and resilience.
- 13. Women are most vulnerable to poverty during their reproductive years (ages 20–44), particularly when they are heads of households.** According to the latest Nigeria Poverty Assessment,¹¹ women's economic opportunities are most limited during their reproductive years, when they bear the greatest burden of childcare and domestic responsibilities. In accordance with social norms, many married women depend on their husbands as breadwinners. Those who find themselves suddenly as heads of their households, with limited economic resources or assets, are at risk of falling below the poverty line. Prioritizing a structured institution and mechanisms to provide social, economic, and financial insurance to women and women-led households and enterprises is key to building women's economic empowerment (WEE) in Nigeria.
- 14. Investments in improving the livelihoods of women in Nigeria have the potential to boost the country's macroeconomic outcomes.** There is growing global evidence that ensuring economic opportunities for women is an important entry point for addressing gender inequality; guaranteeing better education, health and nutrition outcomes for families; and building women's and communities' resilience to climate change.

¹⁰ Alex O. Awiti, "Climate Change and Gender in Africa," *Frontiers in Climate*, June 30, 2022, <https://www.frontiersin.org/articles/10.3389/fclim.2022.895950/full#:~:text=Gender%2DSensitive%20Legal%20and%20Institutional%20Framework&text=Secure%20rights%20to%20land%20and,et%20al.%2C%202021>.

¹¹ World Bank, *Nigeria Poverty Assessment 2022: A Better Future for All Nigerians* (Washington, DC: World Bank, 2022).



Gender equality has been linked to more equal income distribution,¹² greater diversification of output and export products,¹³ greater profitability of firms,¹⁴ healthier financial assets¹⁵ and low-carbon economic growth.¹⁶ The ratio of female-to-male labor force participation in Nigeria is on the rise. The International Labour Organization estimates that in 2021, almost three women participated in the labor force for every four men, up from just about two in the 1990s.

15. **As Nigeria faces the immediate challenge of stimulating economic recovery amid climate-related crises and COVID-related economic shocks, the Government has the opportunity to address the sizable gender gaps that undermine WEE and hinder inclusive, low-carbon and resilient economic growth.** Gender disparities in earnings not only hold back the Nigerian economy, but also represent an opportunity: closing the gender gap in key economic sectors could yield gains of between US\$9.3 billion and US\$22.9 billion.¹⁷ The International Monetary Fund estimates that growth in Nigeria could rise by more than 1.25 percentage points annually, on average, if gender inequality were decreased to the levels of countries at similar levels of development in the region.¹⁸
16. **Four main institutional and market failures largely explain the gender gaps in economic activities across Nigeria:** (a) discriminatory social norms; (b) lack of access to quality inputs, and asymmetries in information and knowledge; (c) noncompetitive markets; and (d) women’s inadequate financial inclusion.
17. **Social norms and cultural, economic and institutional forces present entrenched barriers to WEE. In general, Nigeria is a highly patriarchal society, where men dominate all spheres of women’s lives.**¹⁹ The rigid norms of men as breadwinners and women as homemakers limit the development of women’s energies and talents and restrict the potential growth of their entrepreneurial activities. Throughout Nigeria, households, especially low-income households, prioritize educational investments in boys over

¹² Christian Gonzales, Sonali Jain-Chandra, Kalpana Kochhar, Monique Newiak, and Tlek Zeinullayev, “Catalyst for Change: Empowering Women and Tackling Income Inequality,” International Monetary Fund (IMF) Staff Discussion Note SDN/15/20, International Monetary Fund, Washington, DC, October 2015.

¹³ Romina Kazandjian, Lisa Kolovich, Kalpana Kochhar, and Monique Newiak, “Gender Equality and Economic Diversification,” IMF Working Paper WP/16/140, International Monetary Fund, Washington, DC, July 2016.

¹⁴ Lone Christiansen, Huidan Lin, Joana Pereira, Petia Topalova, and Rima Turk, “Gender Diversity in Senior Positions and Firm Performance: Evidence from Europe,” IMF Working Paper WP/16/50, International Monetary Fund, Washington, DC, March 2016.

¹⁵ IMF, *Nigeria: Selected Issues*, IMF Country Report No. 17/81 (Washington, DC: International Monetary Fund, 2017).

¹⁶ Julius Alexander McGee, Patrick Trent Greiner, Mackenzie Christensen, Christina Ergas, and Matthew Thomas Clement, “Gender Inequality, Reproductive Justice, and Decoupling Economic Growth and Emissions: A Panel Analysis of the Moderating Association of Gender Equality on the Relationship between Economic Growth and CO2 Emissions,” *Environmental Sociology* 6, no. 3 (2020): 254–67, <https://www.tandfonline.com/doi/abs/10.1080/23251042.2020.1736364>.

¹⁷ World Bank, *Closing Gaps, Increasing Opportunities: A Diagnostic on Women’s Economic Empowerment in Nigeria* (Washington, DC: World Bank, 2022).

¹⁸ Monique Newiak, “Gender Inequality in Nigeria: Macroeconomic Costs and Future Opportunities,” Draft Policy Note, IMF, Washington, DC, 2018.

¹⁹ Uchendu Eugene Chigbu, “Masculinity, Men and Patriarchal Issues Aside: How Do Women’s Actions Impede Women’s Access to Land? Matters Arising from a Peri-Rural Community in Nigeria,” *Land Use Policy* 81 (February 2019): 39–48, <https://www.sciencedirect.com/science/article/abs/pii/S0264837718306264#>.



to networks, information-sharing, and role models; and concentration in less-profitable parts of value chains. Noncompetitive markets in Nigeria severely constrain women's economic outcomes and ability to earn a sustained income. As small producers and asset holders, Nigerian women have difficulty reaching economies of scale. There is good potential for female producers who are poor or extremely poor to sell their goods on local, regional, and national markets. Yet, due to poor product quality, insufficient market intelligence, ineffective producer organizations, and limited market access, it is difficult for women to access these markets with better prices. Due to these limitations, producers are forced to sell their goods more frequently to middlemen at the farm gate and at less attractive prices. This limits their competitiveness and their bargaining power with suppliers and buyers, further hampering their ability to earn profits and grow their businesses.

- 20. There is widespread evidence that enhancing women's financial inclusion would generate significant economic and societal benefits.** By building assets, women can better respond to family needs, and mitigate risks and the effects of climate and other shocks on livelihoods. When a woman has access to and, just as important, control of formal financial products, she contributes to not only her own well-being but also the well-being of her family. When a woman saves in a safe place, she saves for her children's education, her family's health, and their better housing—building both security and prosperity. With greater security and prosperity, she gains greater economic empowerment,²⁷ with ripple effects across communities and, eventually, societies. One key step is to improve women's access to digitized banking, which can minimize the risk of severe financial or asset loss due to unforeseen climate-related shocks.²⁸
- 21. Structural and operational limitations in the financial sector prevent women's sustained access to finance, and there is a persistent gender gap in account ownership.** To address this gap, the Government launched its National Financial Inclusion Strategy in 2012 and refreshed it in 2018. Further, the CBN has recently set a target of reaching 95 percent of adults with formal financial services by 2024. As per the Global Findex database, 45 percent of adults had access to a transactional account at a formal financial institution or mobile money provider in 2021, a slight increase from 40 percent in 2017. The headline Findex figures are consistent with Nigeria's Enhancing Financial Innovation and Access (EFInA) survey on access to finance, which found that 45 percent of adults were banked in 2020. According to Findex data (2021), although women's account ownership had increased over time (from 27 percent in 2017 to 35 percent in 2021), there was still a persistent and substantial gender gap, with 35 percent of women having an account, compared to 55 percent of men. In 2020, only 19 percent of female farmers had a formal bank account.²⁹
- 22. There is little incentive for financial institutions to expand their services beyond select urban areas, and women in rural areas also prefer alternatives to formal financial services.** The financial sector is quite polarized, having a missing middle, as the banking sector is made up of highly capitalized banks at one

²⁷ CBN, *Framework for Advancing Women's Financial Inclusion in Nigeria* (Abuja, Nigeria: CBN, 2020), https://www.cbn.gov.ng/out/2020/dfd/framework%20for%20advancing%20women's%20financial%20inclusion%20in%20nigeria_final_5mb.pdf.

²⁸ Stephane Hallegatte, Mook Bangalore, Laura Bonzanigo, Marianne Fay, Tamaro Kane, Ulf Narloch, Julie Rozenberg, David Treguer, and Adrien Vogt-Schilb, *Shockwaves: Managing the Impact of Climate Change on Poverty* (Washington, DC: World Bank, 2016).

²⁹ Access to Financial Services in Nigeria 2020 survey.



extreme and microfinance institutions with limited capitalization at the other.³⁰ The large banks avoid sectors such as agriculture, livestock, fisheries and horticulture (among others), and cater to the commercial sector, especially oil companies. Meanwhile, microfinance institutions are too few and too poorly capitalized to make a transformative impact on micro, small, and medium enterprises.³¹ The high operational and transactional costs of dealing with many small clients in rural areas leave little incentive for financial institutions to expand their services beyond select urban areas. At the same time, women in rural areas tend to prefer family, friends and community saving schemes over commercial and microfinance banks. This preference is due in part to their perception of these as dependable, thus low-risk sources of finance, and in part to the difficulty of producing the collateral or documentation often required to access finance from financial service providers.

- 23. The CBN in 2020 outlined a framework for advancing financial inclusion, organized around eight themes:** (a) measures to support the opening of accounts; (b) financial and digital literacy; (c) delivery channels to serve women customers close to home; (d) systems for gender-disaggregated data collection; (e) an enabling environment to advance the Government of Nigeria’s financial inclusion agenda; (f) financially sustainable products and delivery systems; (g) digital financial services and financial technology solutions; and (h) women’s leadership and staffing in financial institutions and other key agencies.³² Further, in 2022, the CBN³³ rolled out Strategies for Leveraging Agent Networks to drive women’s Financial Inclusion and updated the National Financial Inclusion Strategy with a view to inclusively address demand, supply, and policy and regulations constraints impeding financial inclusion and women’s empowerment in the financial system in Nigeria.
- 24. The ongoing NFWP has addressed many of the issue above and is on track to achieve or exceed its targets by its closing date of March 2024.** It has been implemented in six states and provides support to over 417,587 WAG members through the formation and strengthening of 19,932 WAGs. In about two years, these WAGs have saved about NGN3.5 billion (US\$7.8 million equivalent³⁴) with a significant percentage of these funds in circulation as loans at any given time. NFWP has also disbursed 235,003 individual livelihood grants in five states, ranging from NGN30,000 to NGN60,000 (US\$68 to US\$135 equivalent) per grant, totaling over NGN9 billion naira (over US\$20 million equivalent). To date, NFWP has formed 183 livelihood collectives (LCs) (comprised of 33,965 WAG members), all of whom will be eligible to receive up to the US\$50,000 equivalent in support in the coming months based on approved business plans. Approximately US\$76.05 million of the total project funds (US\$100 million) has been disbursed benefiting 702,724 community members of which 417,587 are women in WAGs across the six states.

³⁰ Anayo Nkamnebe, “Women and Micro Credit Financing in Nigeria: Implications for Poverty Alleviation and Fight against Vulnerability,” Nnamdi Azikiwe University, Nigeria, 2008, https://www.researchgate.net/publication/228547609_Women_and_Micro_Credit_Financing_in_Nigeria_Implications_for_Poverty_Alleviation_and_Fight_Against_Vulnerability.

³¹ World Bank, *Nigeria’s Microfinance Bank Sector: Review and Recommendations* (Washington, DC: World Bank, 2017).

³² CBN, *Framework for Advancing Women’s Financial Inclusion in Nigeria*.

³³ CBN – Updates Financial Inclusion Strategies - <https://www.cbn.gov.ng/fininc/>

³⁴ NGN -USD exchange rate at January 3, 2023



C. Other Barriers to Women's Economic Empowerment

- 25. WEE and capital accumulation are also impeded by deficiencies in the health sector, which contribute to a large maternal and child death burden.** The country has the fourth-highest number of maternal deaths and second-highest number of neonatal deaths in the world. Under-five mortality is still high, at a rate of 117 children under five for every 1,000 live births and maternal mortality rate at 512/100,000 live births. These high rates are a consequence of both supply- and demand- side challenges in the primary health care system. To address the supply-side problems, the Government has recently prioritized improvements in the supply and quality of services at the primary health care level.³⁵ However, demand-side barriers such as access to and costs of transport, user fees at service delivery points, and social norms and behaviors continue to limit utilization.
- 26. Women are the primary caregivers in the household and poor maternal, newborn and child health, MNCH can have a significant impact on WEE, as women's ability to work and participate in the economy is often hindered by poor health outcomes related to pregnancy and childbirth.** Poor MNCH can lead to increased healthcare costs, which can be a significant financial burden for families, particularly those living in poverty. When families are faced with the high costs of healthcare, they may be forced to choose between seeking medical care and meeting other basic needs, such as food and shelter. This can limit women's economic opportunities by reducing their ability to invest in education or start a business.
- 27. Nigeria's low rates of access to basic and sustainable WASH disproportionately affect women and girls, and these inequalities are exacerbated by climate change.** Nigeria is among the nations in the world with the highest number of people practicing open defecation, estimated at over 46 million people.³⁶ The country loses about 1.3 percent (NGN455 billion) of GDP annually due to poor sanitation. More than 100,000 children under the age of five die each year because of water- and sanitation-related diseases. Climate impacts, including extreme weather events such as droughts, flooding and erratic rainfall, pose significant risks to WASH infrastructure and the sustainability of WASH services; and impacts on water availability can increase the WASH-related workloads and burdens of girls and women.³⁷ Poor WASH conditions can lead to illness and disease, which can impact women's ability to work and earn money. For example, if women have to spend time and money seeking medical treatment, they may not be able to work or pursue other economic opportunities. In addition, it can also make women and girls more vulnerable to sexual harassment and assault. For example, if there are no private toilets or bathing facilities, women may be forced to bathe or defecate in public spaces, which can expose them to harassment and violence.
- 28. The Government of Nigeria has demonstrated the political will to address WASH-related challenges.** In November 2018, the Nigerian president declared a state of emergency in the WASH sector, and launched

³⁵ Under the Basic Health Care Provision Fund, the National Primary Health Care Development Gateway is implementing quality assurance strategies among primary health care providers to improve the quality of services provided.

³⁶ Federal Ministry of Water Resources (FMWR), Government of Nigeria, NBS (National Bureau of Statistics), and UNICEF (United Nations Children's Fund), *Water, Sanitation and Hygiene: National Outcome Routine Mapping (WASH NORM) 2019: A Report of Findings* (FCT Abuja, Nigeria: FMWR and UNICEF, 2020), <https://www.unicef.org/nigeria/media/3576/file/WASH%20NORM%20Report%202019.pdf>.

³⁷ <https://wcmprod.unicef.org/media/109481/file/WASH%20Climate%20Paper.pdf>



a national campaign tagged “Clean Nigeria: Use the Toilet” to jump-start the country’s journey toward becoming “open defecation free” by 2025. The ambitious aim of the hygiene behavior change campaign is to get 46 million Nigerians to use toilets and stop open defecation.

29. In the social sector, the prevalence of GBV significantly constrains women’s autonomy and quality of life.

The 2018 Nigeria Demographic and Health Survey found that 31 percent of women between the ages of 15 and 49 experience some form of physical violence, 9 percent experience sexual violence, and 6 percent experience physical violence during pregnancy. More than half (55 percent) of women who experience violence never seek help or tell anyone about the violence. In addition to interpersonal and sexual violence, child marriage and female genital mutilation are prevalent across Nigeria.³⁸ Conflict in the northeast has further contributed to a steep rise in violence targeted against women and children. The impact of climate change is also known to increase the risk of violence against women. In the aftermath of disasters or periods of prolonged drought, for instance, women and girls make more frequent and longer journeys to obtain food or water, during which they are at greater risk of sexual assault. When Men are also affected by poor harvests, livestock loss, lower earnings and food insecurity, which put pressure on their traditional role as providers; some might turn to alcohol to cope and become more violent, especially in disagreements with their wives.³⁹ GBV can significantly impact WEE in Nigeria by limiting their access to education and training, causing a loss of income, and hindering their ability to start or grow businesses. Addressing GBV is essential to ensure that women can fully participate in the economy and achieve economic empowerment.

30. Over the past four decades, the Government of Nigeria’s commitment to support the social and economic empowerment of women and foster gender equality has grown demonstrably.

In 1985, Nigeria ratified the United Nations Convention on the Elimination of All Forms of Discrimination Against Women. In 1995, the Federal Ministry of Women’s Affairs (FMWA) was established as an institutional home for addressing women’s issues. In 1999, the Constitution of the Federal Republic of Nigeria was amended to prohibit discrimination based on gender, religion, ethnicity, age or circumstance of birth (Chapter IV, sections 42.1 [a & b], 42.2 and 42.3). And in 2004, Nigeria ratified the Women’s Rights Protocol of the African Charter.

31. In addition, the Government has put in place key programs and strategies aimed at improving the lives of women and has increased budget allocations to the ministries responsible for health and education programs aimed at girls and young women.

Critical strategies, such as the Buhari Plan for Rebuilding the North East, have paid particular attention to the specific needs of women. Further, the Government created the National Women Empowerment Fund (NAWEF) in 2016 and Government Enterprise and Empowerment Program (GEEP 2.0) in 2022; both initiatives aim to increase women’s participation in economic activities.⁴⁰ In addition, the flagship Nigeria for Women Project (NFWP)—the scale-up of which is being proposed in this Project Appraisal Document (PAD)—has successfully developed and tested a model for the formation and strengthening of Women Affinity Groups (WAGs). These are community-based,

³⁸ GBV analysis commissioned by the Nigeria for Women Project task team.

³⁹ Anik Gevers, Tina Musuya, and Paul Bukuluki, “Why Climate Change Fuels Violence against Women,” <https://www.undp.org/blog/why-climate-change-fuels-violence-against-women>.

⁴⁰ GEEP is one of the five federal government social investment programs aiming to provide productive loans to young men and women in eight states. NAWEF is a social intervention fund to empower women-owned enterprises in less populated areas. For more information, see <http://www.boi.ng/marketreg/>.



women-only groups in which members come together to address their common problems, participate in saving circles and support one another's entrepreneurial activities. Recognizing that WAGs offer members benefits beyond economic empowerment and serve as a platform for reaching women and their households with multiple development interventions, the Government of Nigeria has adopted the WAG model as a platform for addressing interconnected development challenges such as access to health insurance; reproductive, maternal, newborn and child health and nutrition (RMNCH-N); WASH services; GBV; and food security challenges. The Government, in 2020, also adopted a National Action Plan on Gender and Climate Change for Nigeria, focusing on the integration of gender considerations into the implementation of national climate change initiatives, including the Paris Agreement and Nigeria's Nationally Determined Contributions. The Action Plan presents milestones for ensuring that in building climate resilience, the critical roles of women, youth and other vulnerable groups are taken into account.⁴¹ All of these programmatic initiatives are part of a comprehensive package of legislative and institutional reforms aimed at improving the lives of women in the country.

- 32. The proposed scale-up of the Nigeria for Women Project supports the Government's key programs aimed at improving women's well-being.** It responds to several priorities highlighted in the Framework for Advancing Women's Financial Inclusion in Nigeria (2020), and in Nigeria's National Gender Policy (2022). These priorities include: (a) promoting the empowerment of women and integrating gender aspects in the areas of agriculture/rural development, environment/natural resources, health and reproductive health/rights, education/training and labor/employment; (b) addressing demand-side barriers, including social norms, a lack of trust in financial service providers and lack of an effective system of national identification numbers;⁴² (c) sensitizing the population, especially men, to gender stereotypes and changing gender roles; and (d) improving women's access to critical resources such as education, capital and entrepreneurial skills training, and control over their time and labor. The proposed Project will also align with the objectives of the National Action Plan on Gender and Climate Change for Nigeria, including (a) increasing the understanding of climate change impact among women, youth and other vulnerable groups; and (b) supporting the implementation of gender-responsive and sustainable adaptation and mitigation initiatives that will minimize risks associated with climate change while maximizing opportunities for women, youth and other vulnerable groups, as well as for men.⁴³

D. Relevance to Higher-Level Objectives

- 33. The Nigeria for Women Program Scale-Up (NFWP-SU) will directly contribute to the World Bank Group's twin goals of ending extreme poverty and boosting shared prosperity in a sustainable manner.** The central rationale for the Project is that the World Bank Group cannot effectively achieve these goals without engaging more intensively and creatively to address the complex development challenge of women's economic well-being. Acknowledging the need for a sustained engagement to address Nigeria's

⁴¹ Federal Ministry of Environment, Federal Republic of Nigeria, *National Action Plan on Gender and Climate Change for Nigeria* (Abuja, Nigeria: Federal Ministry of Environment, 2020), https://genderclimatetracker.org/sites/default/files/Resources/climate-change-and-gender-action-plan_nigeria.pdf.

⁴² Nigeria's National Identification Number consists of 11 numerals randomly chosen and assigned to an individual upon enrollment in the National Identity Database.

⁴³ Federal Ministry of Environment, *National Action Plan*.



significant gender gaps, the Project uses WEE as an entry point to address these gaps. It is, therefore, aligned with major World Bank Group and Government initiatives in Nigeria, as detailed below.

34. **It is aligned with the World Bank Group’s Nigeria Country Partnership Framework (CPF) for FY21–FY25 (Report No. 153873-NG).**⁴⁴ The CPF reflects Nigeria’s aspiration for faster, more inclusive, and sustained economic growth, and supports its goal of lifting 100 million people out of poverty over the next decade. This Project directly supports the CPF’s second pillar, “Investing in Human Capital,” and its third pillar, “Promoting jobs and economic transformation and diversification.” The Project is also aligned with the CPF’s core objective of enhancing climate resilience through climate-smart interventions and knowledge building. Further, the Project addresses the most binding constraints to progress faced by Nigerian girls and women, as outlined in the 2019 Systematic Country Diagnostic⁴⁵.
35. **The Project is also aligned with the World Bank’s priorities for the Western and Central Africa Region(2021–25)⁴⁶ and the World Bank Group’s Gender Strategy (2016–23).**⁴⁷ In particular, it supports the Gender Strategy’s four objectives of (a) improving human endowments; (b) removing constraints to more and better jobs; (c) removing barriers to women’s ownership and control of assets; and (d) enhancing women’s voice and participation, and engaging men and boys. The Project also aligns with the Western and Central Africa Region Gender Action Plan (2023-2027) and the World Bank Group’s Climate Change Action Plan FY21–25 by boosting financing in support of adaptation and resilience, and the World Bank Action Plan on Adaptation and Resilience (June 2021) and its focus on social resilience.
36. **The Project is well aligned with the World Bank Group’s Fragility, Conflict, and Violence (FCV) strategy (2020–25),**⁴⁸ which recognizes the need to do more to assist Nigeria in (a) closing gender gaps in education, economic opportunities and access to labor markets; (b) increasing access to finance for women-owned businesses; (c) providing more employment opportunities for at-risk female youth; (d) preventing and responding to GBV; (e) enhancing women’s participation in all levels of governance; and (f) addressing the impacts of climate shocks that may lead to conflict and violence.⁴⁹
37. **The Project is aligned with the World Bank Group’s Global Crisis Response Framework**⁵⁰. The Project components will contribute to Pillar 1, *Responding to Food Insecurity*, by supporting agricultural

⁴⁴ World Bank, IFC, and MIGA, *Country Partnership Framework for the Federal Republic of Nigeria for the Period FY21-25*.

⁴⁵ World Bank. 2020. Nigeria on the Move: A Journey to Inclusive Growth. Systematic Country Diagnostic

⁴⁶ World Bank, *Supporting a Resilient Recovery: The World Bank’s Western and Central Africa Region Priorities 2021–2025* (Washington, DC: World Bank, 2021), <https://documents1.worldbank.org/curated/en/978911621917765713/pdf/Supporting-A-Resilient-Recovery-The-World-Bank-s-Western-and-Central-Africa-Region-Priorities-2021-2025.pdf>.

⁴⁷ World Bank Group, *World Bank Group Gender Strategy (FY16–23): Gender Equality, Poverty Reduction, and Inclusive Growth* (Washington, DC: World Bank, 2015), <https://documents1.worldbank.org/curated/en/820851467992505410/pdf/102114-REVISED-PUBLIC-WBG-Gender-Strategy.pdf>.

⁴⁸ World Bank Group, *World Bank Group Strategy for Fragility, Conflict, and Violence 2020–2025* (Washington, DC: World Bank, 2020), <http://documents.worldbank.org/curated/en/844591582815510521/World-Bank-Group-Strategy-for-Fragility-Conflict-and-Violence-2020-2025>.

⁴⁹ Nigeria has long suffered conflicts sparked by competition over resources between farmers and herders during severe droughts. In 2018, 1,300 Nigerians died amid clashes between farmers and herders.

⁵⁰ Subcomponents 1.1 and 1.2 contribute to Pillar 2, Subcomponents 1.3, 2.1 and 2.3 contribute to Pillar 3, and Subcomponent 2.2 contribute to Pillar 1.



production, productivity enhancement and marketing; Pillar 2, *Protecting People and Preserving Jobs* and Pillar 3, *Strengthening Resilience* by directly supporting beneficiaries who want to engage in productivity-enhancing agricultural practices.

- 38. Further, the proposed Project is aligned with the 2021 National Poverty Reduction with Growth Strategy (NPRGS),⁵¹ which aims to lift 100 million people out of poverty within ten years through economic growth, social protection programs and improved service delivery.** The Project also aligns with the Government's related National Development Plan⁵² 2021–25, which aims to unlock the potential of all economic sectors to foster sustainable, holistic and inclusive national development.
- 39. The Project is fully aligned with the country's climate commitments,** as follows: (a) Nigeria's Nationally Determined Contribution (NDC, 2021)⁵³ emphasizes priorities for adaptation (e.g., nature-based solutions), mitigation (e.g., in the energy sector), as well as gender mainstreaming across all sectors. The Project is directly aligned with these priorities, by supporting climate-smart activities (e.g., agroforestry), promoting energy-efficient sources, and placing women at the heart of all project activities; (b) Nigeria Climate Change Act (2021)⁵⁴, which provides a framework for climate actions at the national level. The Project is aligned with the act by raising awareness of current and future climate risks, expanding access to climate-resilient livelihoods, and building institutional capacity on the gender dimensions of climate change; (c) Nigeria's National Adaptation Plan Framework (2020)⁵⁵ clarifies the country's vision for climate change adaptation and emphasizes that the upcoming National Action Plan will be gender-responsive and will adopt community-based approaches. This Project addresses these issues by creating community-based institutions centered on women, to help them improve their resilience to climate change and diversify their knowledge and livelihoods; and (d) 2050 Long-Term Vision for Nigeria (LTV-2050)⁵⁶ articulates the national vision of achieving a low-carbon and climate-resilient economy in a gender-responsive manner across all sectors. The Project is strongly aligned with this vision by supporting the improvement of women's livelihoods through actions that promote carbon emissions reduction and climate resilience.

II. PROJECT DESCRIPTION

A. Project Strategy

- 40. The proposed Project builds on the successful NFWP (P161364), which is currently being implemented in six states⁵⁷ across Nigeria.** The original project tested the WAG model as a platform for addressing key

⁵¹ Presidential Economic Advisory Council, *The National Poverty Reduction with Growth Strategy* (Abuja, Nigeria: Presidential Economic Advisory Council, 2021), https://nationalplanning.gov.ng/wp-content/uploads/2021/08/NPRGS-Final_23April-2021.pdf.

⁵² Federal Ministry of Finance, Budget and National Planning, *National Development Plan 2021–2025: Volume 1* (Abuja, Nigeria: Federal Ministry of Finance, Budget and National Planning, 2021), https://nationalplanning.gov.ng/wp-content/uploads/2021/12/NDP-2021-2025_AA_FINAL_PRINTING.pdf.

⁵³ <https://unfccc.int/documents/497790>

⁵⁴ <https://www.iucn.org/news/commission-environmental-economic-and-social-policy/202203/a-review-nigerias-2021-climate-change-act-potential-increased-climate-litigation>

⁵⁵ <https://napglobalnetwork.org/wp-content/uploads/2021/06/napgn-en-2020-Nigeria-National-Adaptation-Plan-NAP-Framework.pdf>

⁵⁶ <https://unfccc.int/documents/386681>

⁵⁷ Abia, Akwa Ibom, Ogun, Niger, Kebbi, and Taraba States.



constraints to women's social and economic empowerment at the household and community levels. The proposed scale-up will integrate lessons learned under the original NFWP. The NFWP-SU is structured around three components. The first focuses on building community institutions by creating WAGs at the community level and federating these at higher (village and local government area) levels to take advantage of economies of scale in leveraging access to markets and finance. The second component supports improvement of livelihood opportunities for WAG members through Community Investment Funds (CIFs) and LC grants. The third component covers project management, monitoring and evaluation (M&E), and adaptive learning.

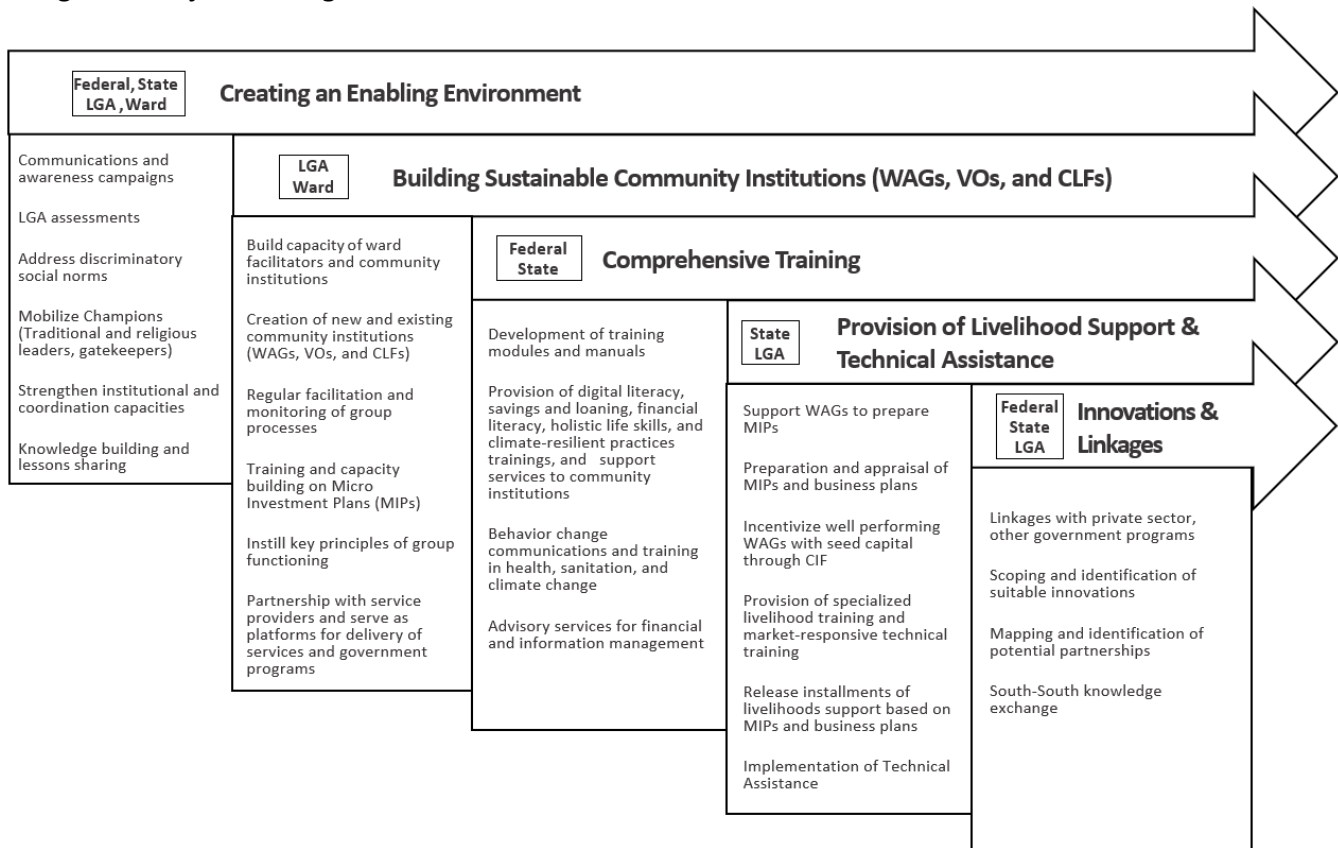
- 41. The core strategy of the Project is to build vibrant and bankable women-led community institutions in the form of WAGs and their federations.** Following initial grant support to well-performing WAGs through the Project, these groups are expected to become self-sustaining organizations through member savings, lending, and timely repayments, with proceeds used to support asset creation. The federation of WAGs into village organizations (VOs) and cluster-level federations (CLFs) will allow them to partner with service providers and also function as (a) agents in their members' interactions with financial institutions and insurance companies; (b) procurement franchises for private sector corporations; and (c) delivery mechanisms for a variety of Government programs. The extensive membership base of these community institutions will be used to advance behavior change related to social norms, health, and sanitation practices, and to support climate adaptation to advance women's sustainable economic empowerment.
- 42. The Project is based on a multi-tiered, self-sustaining structure of community institutions that will manage their development processes.** The Project strategy is phased to first horizontally build up a large number of WAGs across several states, using an inclusive social mobilization approach. Thereafter, well-performing WAGs will receive support through a CIF grant.
- 43. The CIF, along with WAGs' savings, will be used to finance the preparation of micro investment plans (MIPs) at the member level.** The MIPs will then be consolidated at the WAG level as livelihood enhancement plans. There will be a prioritization process with the groups to select which WAG members receive the first round of CIF-supported loans. After repayment by the first set of beneficiaries, the repaid funds will be revolved as investment support to the next set of prioritized members. The CIF will thus serve as a revolving fund at the WAG level.
- 44. The NFWP-SU will focus its efforts on increasing financial inclusion of Project beneficiaries at the WAG level by undertaking the following concrete activities:** (a) making financial literacy and financial planning a core aspect of institution building; (b) increasing emphasis on savings and savings mobilization; and (c) dedicating investments to build partnerships with financial service providers to enhance financial inclusion.
- 45. To build up community institutions, primary-level WAGs will be federated to form VOs and CLFs.** Each VO will consist of representatives from participating WAGs in the VO's area of operation. The Project will provide the VOs with training and capacity building to enable them to carry out social mobilization and behavior change communication (BCC) activities among their member WAGs. The VOs themselves will be formed into CLFs at the local government area (LGA) level. The CLFs will be responsible for institutional development, training and service coordination for the different types of women's livelihood groups (WAGs, VOs, Producer Groups [PGs], Famers Associations [FAs]) in their area of operation. Eligible women's



groups are defined as those that work with productive assets such as dairy, fisheries, livestock, poultry, agriculture at the household level, as well as those engaged in household-level nonfarm enterprises.

- 46. **The Project will provide all necessary TA and support services to the WAGs to ensure that the livelihood activities financed through the MIPs are productive, generate income and support resilience to climate change.** Members practicing the same livelihood activities will be aggregated as livelihood collectives along selected value chains.
- 47. **TA and support have been included as a dedicated subcomponent to ensure that the productive assets of WAG members are generating income, and that their assets and investments continue to perform on a sustainable basis.** Technical service providers will provide inputs on institutional development, productivity enhancement and forward linkages. A sequential and interlinked project design (Figure 1), phased over the entire Project period, will create an institutional mechanism that is controlled by women and fosters their empowerment and sustainable development.

Figure 1. Project Phasing





B. Project Development Objective (PDO)

48. **The project development objective is to institutionalize Women’s Affinity Groups and other platforms for women’s economic empowerment and to enhance the economic opportunities of unbanked women**⁵⁸. The Project will be implemented across the country. The choice of nation-wide coverage was based on the Government’s strong interest in maximizing the coverage of the project’s investment across the country and building a platform for addressing interconnected development challenges.
49. **The Project defines the term “institutionalize” as establishing structures, processes, and systems that help WAGs and other platforms to operate with good quality standards and become self-sustaining.** The process includes training and capacity building, developing policies and procedures, defining roles and responsibilities for various positions within WAGs and other platforms, and setting up systems for communication and decision making. The goal is to create a stable and predictable environment in which WAGs and other platforms can function smoothly, achieve economic empowerment, and respond to financial inclusion and livelihoods opportunities.
50. **“Other platforms” are WAGs federated into higher-level community institutions** such as the VOs and CLFs, which take advantage of economies of scale to enhance linkages to markets and access to finance. These platforms will receive TA and be linked to service providers, financial institutions, insurance companies and private sector actors. They will also serve as delivery mechanisms for government programs.
51. **“Economic empowerment” is defined as having both the resources to advance economically and the power to make and act on economic decisions.** Economic empowerment starts with fair and equitable access to markets and institutions. Further, women also need agency and control over resources to ensure that they benefit from their economic activities. Economic empowerment also encompasses financial inclusion, which increases women’s access to products and services essential for their livelihood activities. In this project, membership in WAGs is a complete economic empowerment package. The WAGs are economic empowerment platforms for women to boost their livelihoods and ownership of assets through savings, access to loans, and access to markets, training on financial inclusion, livelihoods, and life skills, and access to capital through the revolving fund. Economic empowerment is proxied in the RF through the PDO indicator on increased productive assets.
52. **“Economic opportunities” are defined as access to training, guidance, income-generating activities, business opportunities and financial services,** based on the implicit theory of change that such access leads to the achievement of improved economic security and independence. Economic opportunities are proxied in the RF increased productive assets, access to bank accounts or mobile wallets, and access to credit.
53. **“Unbanked women” are defined as women who do not have a bank account or mobile wallet before becoming project beneficiaries.** According to Findex data, only 35 percent of women have an account compared to 55 percent of men. The majority of unbanked women have access to, or use, only informal services and products. Joining a WAG provides unbanked women with access to formal financial services,

⁵⁸ Unbanked women refer to poor and vulnerable women who are unbanked before becoming project beneficiaries.



which enables them to build assets, manage risk, plan for the future and build resilience against financial shocks, thereby increasing their financial independence.

54. PDO level indicators are as follows:

- (a) Women who are members of WAGs (disaggregated by state) (Number)
- (b) WAGs in operation that have achieved good quality standards based on an agreed rating system (Number)
- (c) VOs and CLFs in operation that have achieved good quality standards based on an agreed rating system (Number)
- (d) Policies and programs at the state-level to support the functioning of WAGs and Federations (Number)
- (e) Savings mobilized by WAGs per year before disbursement (*valued in Naira*)
- (f) Women without a bank account or mobile wallet⁵⁹ (Number)
- (g) Increase in productive assets of WAG members (Percentage)⁶⁰

C. Project Components

Component 1: Building Community Institutions (IDA US\$168 million equivalent)

55. Activities under this component will support the creation of WAGs that will build on mutual help practices and leverage the WAGs as an institutional platform to support access to finance; enhance women’s voice, agency, and resilience to climate change impacts; and drive behavior change. Several additions and changes have been made to the original NFWP design, as outlined in the subcomponent descriptions. Annex 5: progress under NFWP and key changes to the design in the scale up.

Subcomponent 1.1: Influencing Social Norms (IDA US\$14.9 million equivalent)

56. As in the NFWP, this subcomponent will finance operational communications as well as activities to facilitate positive shifts in norms, behaviors, and attitudes; reduce gender stereotypes detrimental to women’s socioeconomic engagement; and promote women’s decision making and resilience to climate change. The operational communications will disseminate information on Project activities and benefits. This will include raising awareness on climate-related risks in the project area and how the Project intends to manage these and take advantage of any opportunities. This will enhance program buy-in and facilitate the identification of Project “champions” at the federal, state, LGA, and community levels. In addition, the Project will finance (a) foundational social and behavior change communication (SBCC) approaches to support an enabling environment for WAGs and related activities in all Project areas; and (b) targeted pilots

⁵⁹ This indicator measures the Project’s impact on the overall number of unbanked women in Nigeria (this is defined as women without bank accounts or mobile wallets, as measured in the Global Findex). The Project expects to open accounts or wallets for about 3.1 million women, which would bring down the number of unbanked women in Nigeria from approximately 37 million to 34 million.

⁶⁰ This indicator covers both PDO objectives but is only listed once under the second objective in the Results Framework.



to explore opportunities for structural change in community-based social norms, in support of WAG activities and improve resilience to climate.

- 57. For the SBCC approaches, this subcomponent will finance formative research, implementation of SBCC campaigns and staff capacity building across all participating states.** The State Project Coordination Units (SPCUs) will carry out a Social Norms Exploration (SNE)⁶¹ research assessment in new states to identify negative and positive norms influencing women’s socioeconomic engagement and household decision making, as well as norms affecting women’s vulnerability, resilience and capacity to adapt to climate change impacts (50 percent of the cost of the SBCC approaches), such as social norms dictating that women and girls are primarily responsible for managing domestic water supplies and sanitation. The findings will inform the design of SBCC campaigns at the federal, state, and LGA levels. At federal and state levels, the Federal Project Coordination Unit (FPCU) and SPCUs will target SBCC campaigns at policymakers, development partners and others in the WEE space. At the community level, SBCC campaigns will be implemented by ward facilitators (WFs)—community volunteers who support the formation and mentoring of WAGs; these facilitators will lead community and household dialogues⁶² using the prepared messaging. The SBCC campaigns will be implemented in all LGAs except those covered by the pilots for structural community-based social norms activities (see next paragraph). This subcomponent will also finance capacity building for the federal and state teams engaged in implementing SBCC activities.
- 58. This subcomponent will also fund pilots of community-based social norms activities, which is a new addition to the NFWP’s original design.** The objective is to strengthen women’s agency and voice, improve their social and economic empowerment, and enable their access to climate resilience training and participation in climate risk management committees. In particular, given women’s high vulnerability to climate change impacts in Nigeria, about one third (33 percent) of the funds allocated to pilots will be specifically directed to enabling women’s climate-related training and participation to the climate risk management committees. The models being explored include Tostan’s Community Empowerment Program⁶³ and Raising Voices’ SASA! methodology. Identification of the models to be tested is being funded by a grant supporting the ongoing NFWP. The grant is financing formative research to identify the potential models, facilitate the costing of these models and develop a strategy for piloting. The grant will also support piloting of the chosen model(s) in some of the original NFWP states ahead of the NFWP-SU implementation. Lessons learned will inform the NFWP-SU’s pilots in selected states. In addition, the grant is financing the development of a minimum basic package of SBCC messages, based on the SNE research assessment carried out in the original five NFWP states. The SBCC messages for the scale-up can be updated as needed. This subcomponent will finance training and implementation of the chosen social norm models

⁶¹ SNEs were carried out in the states of the NFWP to identify the key social norms that needed to be targeted. These can differ by state and even between and within communities; therefore, formative research is essential to understanding the particular context of the state and developing strategies and messages to target the specific context.

⁶² Dialogue at household and community levels will also focus on climate change solutions, strengthening local community resilience to climate shocks and climate-related weather events, as well as to climate change impacts on community members, particularly women.

⁶³ Tostan’s Community Empower Program directly supports the scaling of community well-being through a local-facilitator-led three-year holistic curriculum developed with human rights as the cornerstone of its approach. It covers many facets of community well-being, including women’s empowerment and gender equality, health knowledge and practices, literacy and numeracy, good governance, putting an end to harmful practices like female genital mutilation and child marriage, and economic empowerment.



in six to twelve new NFWP states. The SNE assessment will explore how social norms and structural differences between women and men based on their gender roles in social, economic and domestic life influence the degree of vulnerability and adaptive capacity of women. The project will prioritize some models targeted at shifting restrictive norms around appropriate work for women that could increase participation of girls and young women in more lucrative, male-dominated sectors either by exposure to economically empowered WAGs members or through role models and mentors. The assessment will inform messaging in the SBCC campaigns, as well as pilots for community-based social norms approaches around the gender dimensions of climate change and women's roles in supporting household and community resilience.

Subcomponent 1.2: Women Affinity Groups and Federations (IDA US\$144.4 million equivalent)

- 59. This subcomponent is the core investment of the Project, focused on developing and strengthening community institutions (WAGs, VOs, and CLFs) with the main objective of addressing women's vulnerability to climate change and strengthening their role in the decision making related to challenges they face from climate change adaptation and mitigation.** It will be implemented in phases.
- 60.** As in the original project, this subcomponent will focus on the formation, development, and strengthening of self-managed WAGs at the community level in the first phase. Key activities will include (a) LGA-wide participatory rural appraisals (PRAs). As part of the PRA process, participatory climate risk assessments (PCRA)⁶⁴, informed by climate science, and involving sharing of traditional knowledge and experiences about climate change, response strategies, and priorities for improving climate resilience of livelihoods; (b) social mobilization of women (18 years and older) particularly those most vulnerable to climate change and economically active, into WAGs consisting of 15–25 members;⁶⁵ and (c) training and capacity building in the development of MIPs,⁶⁶ which form the basis for accessing CIFs. A core focus of the CIF-MIP process is a training module on climate change. This training would focus on current and future climate risks, household- and community-level strategies, options for coping with shocks and stressors and adapting to the impacts of climate change, with a focus on building livelihood resilience and diversifying livelihood options. WAGs would also be trained in the prioritization of climate-informed CIF Plans. This subcomponent will train the WAGs in digital literacy, savings and lending, financial literacy and planning, enterprise or livelihood enhancement, as well as holistic life skills and personal initiative training which have proven positive effects on women's livelihood and strategies for building resilience to climate-related shocks and stressors and adapting to changing climatic conditions. Over the course of the first year and first savings cycle, as WAGs become more confident in their operations and WFs become less directly

⁶⁴ These PCRA will help to inform activities and investments financed under Sub-components 1.3 and Component 2, as well as support community institutions (VOs and CLFs) to produce community-based local adaptation plans.

⁶⁵ In forming WAGs, women are encouraged to keep certain principles of WAGs in mind: (a) self-selection, meaning that they should come together with other women they relate with, trust, or with whom they share a common economic, social or cultural challenge; (b) inclusion, meaning that WAGs should remain open to women from different ethnic, religious, cultural, livelihoods, and social backgrounds; (c) transparent governance, or a commitment to adhering to good group principles, elections, a group constitution, etc.; (d) peer learning and sharing across domains (e.g., business, household management, relationships, managing climatic-related shocks and stressors); and (e) social support to other members in times of need.

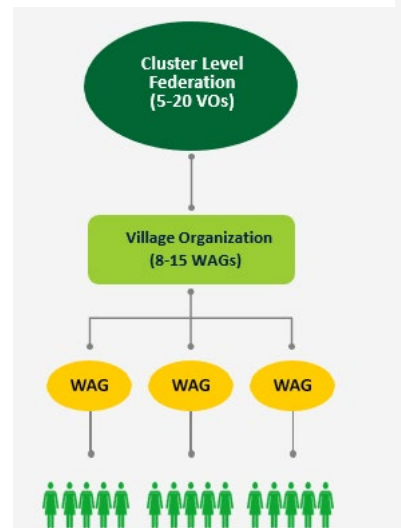
⁶⁶ The MIP is a WAG member's investment plan that determines her household's financial position and capacity to borrow for a proposed investment from the CIF.



involved, WAGs should learn to independently manage their meetings without facilitation support on standby. Going into their second and subsequent savings cycles, WAGs should manage all their activities independently. The Project will continue to provide support that will serve as a soft incentive to continue engaging in savings and loan cycles (see Subcomponent 2.1).

61. **A further addition to the NFWP design is support for women-managed, sustainable institutional platforms for financial inclusion.** Activities under this subcomponent aim to enable WAGs to manage finances, including their own savings, interest accrual, and the CIF provided by the Project. These activities include (a) opening bank accounts for WAGs and WAG members, which enable vulnerable populations to build resilience to the economic shocks of climate change; and (b) developing and institutionalizing robust digital financial systems in WAGs through digital applications, which support mitigation by avoiding car travel and by reducing the use of paper document. Other activities include helping WAGs develop and adopt quality monitoring protocols such as the rating of community institutions, to (a) enhance the confidence of external potential partner institutions and provide inputs to capacity building activities; and (b) enable the generation of demand-side data on WAGs and WAG members that could be used by financial services providers to determine creditworthiness. Improving women’s access to digitized banking will also support climate resilience by minimizing the risk of severe financial or asset loss due to unforeseen climate-related shocks. In addition, this subcomponent will facilitate peer-to-peer communication among WAG members on issues affecting social and economic activities of interest to women, as well as issues related to resilience and adaptation to climate-related shocks and stressors.
62. **A new addition to the NFWP design entails piloting a second phase of federating these primary-level WAGs to form VOs made up of 8-15 WAGs; and then, in a third phase, supporting VOs to aggregate as CLFs of 5-20 VOs at the LGA level.** These cluster-level federations will receive capacity building support to enable them to provide WAGs with a range of services such as institutional development, livelihoods and business development services, and social intermediation. Other additions to the NFWP design to be funded by this subcomponent include providing community institutions with skills and tools to develop social accountability mechanisms for transparency and good governance and building effective service delivery partnerships with local governments.
63. **With the introduction of federations in this scale up, the Project will support strengthening the organizational capabilities of the VOs and CLFs in the promotion of livelihoods through low carbon and climate resilient activities (e.g., agro-forestry), climate risk management, developing linkages with public and private service providers to mobilize resources, knowledge and innovation to address climate change, and building a knowledge base and skills at the grassroots level by developing a cadre of high-quality community resource persons (CRPs).** These CRPs include community-managed bookkeepers, livelihood associates, and other VO- and CLF-level functionaries. Support for the federation building will include the development of standard operating procedures and training, skill building of office bearers and staff, development of accounting and records management systems, and implementation of institutional

Figure 2. WAG and Federation Structure





processes such as regular elections, executive committee and general body meetings, and facilitation of linkages. Federations will also receive advisory services from TA firms, under Subcomponent 2.3, to empower them to provide training and support to WAGs on issues related to financial and information management.

64. As part of the scale up, Government of Nigeria would like to pilot the graduating mature beneficiaries of the government’s cash transfer program to the NFWP WAGs so as to offer the beneficiaries an opportunity to develop skills, access resources, and engage in income-generating activities.

Subcomponent 1.3: Platforms for Behavior Change in Health, WASH, and Climate Adaptation (IDA US\$8.7 million equivalent)

65. **This subcomponent, a new addition to the NFWP design, will finance the mobilization of mature WAGs, VO, and CLFs as platforms for improving behaviors related to health, WASH and climate adaptation.** A comprehensive information, education and communication curriculum which is context-specific will be delivered⁶⁷ to community institutions with the goal of preventing or reducing infant, child, and maternal mortality and morbidity associated with adverse health outcomes (e.g., miscarriage, low birth weight, malnutrition) caused by exposure to climate stressors, such as high temperatures, lack of clean water due to high evapotranspiration, and food insecurity due to weather hazards. To do this, the curriculum will focus on improving RMNCH-N services, dietary and care practices, and care-seeking behaviors, with suggestions on ways to adapt practices and behaviors taking into account the expected impacts of climate change and unpredictable weather events (e.g., floods, droughts). The climate adaptation curriculum will focus on creating awareness among WAG members of current and future climate change risks, drivers of vulnerability, and the measures they can take to proactively respond to climate-related shocks and stressors and adapt to climate change. The WASH curriculum will aim to prevent or reduce premature mortality and morbidity associated with increased water-borne diseases that could otherwise be exacerbated by climate change factors, such as: higher temperatures – leading to decreased water quality, and extreme floods – leading to the damage of sanitation facilities and contamination of water supply. To achieve this, the curriculum will focus on community-based water resources management, the linkages between WASH, climate-change-induced diseases and endemics, and hygiene and health. By practicing better hygiene habits, WAG members and their households would lessen their exposure to WASH-related diseases whose prevalence could be exacerbated by climate change. Community members are better able to handle the effects of climate change if they are less susceptible to sickness. As community institutions continue to mature, they will begin to implement behavioral change strategies in these key areas in their communities. This may include raising awareness of climate change risks through community training that includes climate-smart practices and strategies, with resources to support disaster risk management such as preparedness and responses to climate-related shocks. These additional training opportunities and responsibilities also provide a soft incentive for community institutions to continue meeting beyond the life of the program.⁶⁸

⁶⁷ This subcomponent will also benefit from a grant to adapt curricula and modules for training WAG members as frontline health champions and developing a “training of trainers” approach, all of which can be used in the NFWP-SU. The grant will first test and pilot the approach of layering health interventions on to WAGs in some of the original NFWP states to provide key lessons for scaling the approach under the NFWP-SU. Therefore, this subcomponent will not need to finance development of curricula, etc.

⁶⁸ The more cycles that WAGs and their federations engage in, the more likely it is that the institutions will endure beyond the life of the Project.



Component 2: Livelihood Program (Total US\$312 million equivalent of which IDA US\$292 million equivalent and Counterpart Funding US\$20 million equivalent)

66. This component aims to facilitate improvement in WAG members' livelihood opportunities through CIFs and Livelihood Collectives. The WAGs would benefit directly from the CIFs, while the LCs would extend the benefits of collective action to PGs, commodity interest groups (CIGs), FAs and producer cooperatives (PCs). Specifically, Component 2 aims to diversify and enhance the income and livelihoods of beneficiaries by providing (a) WAGs with financing on a demand-driven basis through the CIF; and (b) LCs with low-carbon, climate-resilient production enhancement services and market linkages across farm and nonfarm activities. This component will also finance the formation or identification of LCs that include WAG members and provide grants for them to engage in the aggregation and establishment of LCs in selected climate-smart value chains. This component will consist of three subcomponents: (a) Community Investment Fund; (b) Support to Livelihood Collectives; and (c) Technical Assistance and Innovations for Livelihood Programs. Several additions and changes have been made to the original NFWP design, as outlined in the subcomponent descriptions Annex 5: Progress under NFWP and Key Changes to the Design in the Scale Up.

Subcomponent 2.1: Community Investment Fund (Total US\$190.2 million equivalent of which IDA US\$176.2 million equivalent and Counterpart Funding US\$14 million equivalent)

67. The NFWP-SU has moved away from the original project's design of disbursing individual livelihood grants to WAG members, as this proved to be costly to implement and not sustainable in the long term without continued development financing. Instead, the NFWP-SU will implement the CIF as a revolving fund for WAGs to provide loans to their members.

68. A CIF is a grant to WAGs that will support climate resilience and adaptation among WAG members by helping them invest in productive assets for low-carbon, climate-resilient livelihood activities at the individual or household level, based on MIPs. CIF grant financing will be allocated to support the livelihood and income-generating activities of WAG members. The MIPs will be informed by the results of the PCRA undertaken under Subcomponent 1.2 and by the climate-sensitive market assessment and value chain analysis prepared under Subcomponent 2.3. Moreover, under the present Subcomponent 2.1, it should be noted that: (a) the MIPs activities will be screened⁶⁹ from a climate risk and resource and energy-efficiency perspective before funding, and only plans that build resilience and support adaptation and/or mitigation to climate change will be financed; and (b) up to 12 percent of the CIF given to a WAG can be used to support its social fund, which is utilized by WAG members to address emergency needs and shocks (including climate shocks), among other challenges. As a result, 88 percent of this subcomponent funds will be specifically devoted to climate resilient livelihoods and to energy efficient measures in natural resource use.

69. The CIF will be transferred to WAGs as a grant to supplement their existing loan fund, and each WAG is expected to use this resource as a revolving fund to finance various WAG members' MIPs. The WAG will be free to fix terms and conditions under which the resource will be disbursed to WAG members, following an agreed-upon WAG constitution. This revolving fund, combined with the savings of the WAG, is expected

⁶⁹ This climate screening will look at climate risks, adaptation and mitigation measures, sustainability, and energy efficiency to ensure that all investments are energy efficient and sustainable in the long run.



to multiply the resources available to WAGs, thus increasing overall fund availability for WAG members. The experiences gained by WAGs in using these funds will increase the creditworthiness of WAG members and open opportunities to leverage greater investment from other financial institutions. The CIF will support climate-resilient and low-carbon activities that focus on: (a) consolidation of existing livelihoods by improving production, productivity, and resilience to shocks and climate change risks—for example, by introducing heat- and drought-tolerant varieties, of crops using conservation agriculture to reduce soil disturbance, and applying irrigation technologies that reduce water use (e.g. drip irrigation), improving manure management; (b) value addition and leveraging value chain opportunities and reaching bigger markets—for example, by rehabilitating storage facilities to increase resilience to climate risks, implementing waste reduction measures and improving packaging; and (c) exploration of new economic opportunities that use climate-friendly practices which promote ecosystem balance and protect habitats—for example, production, processing and marketing of climate-resilient seeds. Currently, there are no plans for the Project to provide financial intermediation through financial institutions to federations, WAGs, or LCs. In the future, if it is considered necessary for the Project’s design to be changed to include financial intermediation using Project funds, a Financial Intermediation Fund (FIF) review, and management approval would be required before such use of funds could commence.

Subcomponent 2.2: Support to Livelihood Collectives (Total US\$105 million equivalent of which IDA US\$99 million equivalent and Counterpart Funding US\$6 million equivalent)

70. The aim of this subcomponent is to leverage economies of scale and enhance the bargaining power of WAG members and their households in a climate-smart manner. The focus will be on supporting climate resilience and adaptation by (a) facilitating access to quality inputs and production practices of crop species and varieties that are adapted to the expected impacts of climate change; (b) assessing and scaling up low-carbon, climate-resilient livelihood activities of WAG members around selected commodities; and (c) promoting innovation and new technologies for climate-smart interventions. One hundred percent of the sub-component financing will be allocated to climate-resilient business plans, which will be informed by the gender and climate-sensitive market assessment and value chain analysis of commodities prepared under Subcomponent 2.3, and by the outcomes of PCRA undertaken under Subcomponent 1.2. All business plans will be aimed at building climate resilience and supporting adaptation and/or mitigation. In addition to the criteria of supporting climate resilience and adaptation, each business plan will undergo climate risk screening, to assess current and future climate risks, ensure activities are not maladaptive over longer timeframes and that resource and energy efficiency measures are implemented. This would also help ensure that all investments are energy efficient and sustainable in the long run (e.g., use of solar photovoltaic energy for heating and cold storage, use of solar lighting and solar charging).

71. As in the original project, this subcomponent will support the formation and strengthening of LCs and provide them with livelihood grants based on approved business plans. The grants will be complemented by TA support under Subcomponent 2.3. The subcomponent will support LCs whose WAG members are engaged in specific commodities across agriculture, livestock, poultry, fisheries, horticulture, and nonfarm subsectors. In scaling up the production of these commodities, a value chain approach will be adopted.



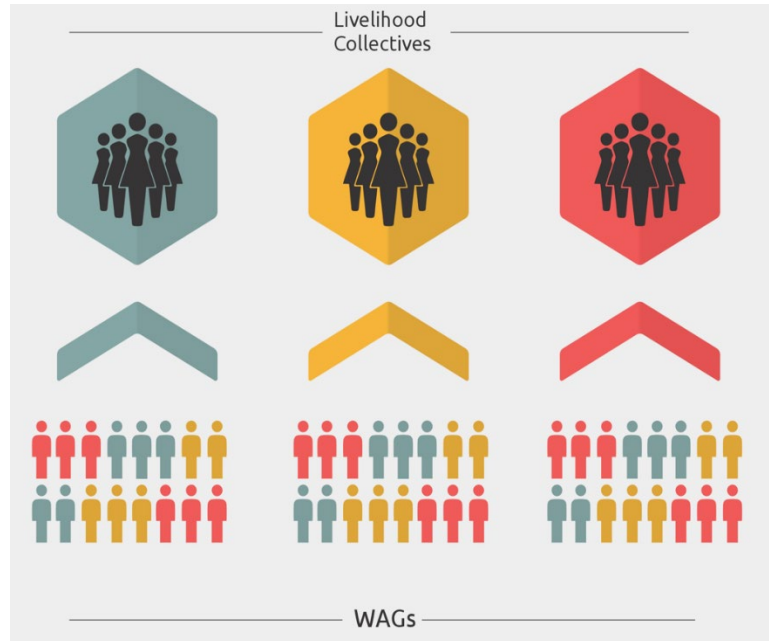
Activities that include climate-smart interventions will be proactively encouraged and given priority. by the Project.

72. **As in the original project, the grants to finance LC business plans can be utilized to purchase inputs and small-scale equipment, build common economic assets or infrastructure,⁷⁰ adopt modern technology,⁷¹ reduce the risk of entry or enable small producers to move along the value chain to achieve greater gains.** A new addition to the design will be the requirement that all infrastructure investments incorporate climate-resilient building standards. Infrastructure investments will also include energy and resource efficiency measures as well as features to support

adaptation. LC business plans will be eligible for investment in two broad categories: (a) start-up activities, which include training and exposure visits, enterprise incorporation, office setup and the coverage of some initial operational costs; and (b) business promotion investments to directly enhance collective members' livelihoods.

73. **The Project shall lay emphasis on ventures/plans that contribute to climate adaptation and environment conservation. Measures that contribute to climate adaptation include water conservation through mulching; intercropping with legumes;** weather-based crop advisories; sustainable land use and land management; use of climate-adapted crop varieties where available (e.g., heat-tolerant, submergence tolerant, early maturing); storage and packaging facilities to reduce postharvest losses; and use of climate-smart seeds, livestock breeds and fish stocks. Measures to support mitigation include improved livestock and grazing management practices to improve the carbon sequestration potential of soil; rainwater harvesting; construction of renewable energy systems (e.g., solar photovoltaic energy for heating, cold storage, drying, and pumping; small wind turbines; biogas digesters); retrofitting processing facilities with energy-saving appliances (e.g., solar lighting, solar charging, efficient cook stoves); and use of briquettes to slow or reverse deforestation.

Figure 3. Livelihoods Collectives Formation



⁷⁰ Such as drying floors, pack houses, milk testing equipment, bulk milk coolers, weighing machines, moisture meters, as well as small-scale primary processing equipment and facilities for cleaning, grading, sorting, and cold storage.

⁷¹ Including those that support lower emissions, such as solar panels, rainwater collection, graywater and blackwater reuse at the building and local level, and climate-resilient agricultural inputs, technologies, and processes for relevant collective activities.



Subcomponent 2.3: Technical Assistance and Innovations for Livelihoods Programs (IDA US\$16.8 million equivalent)

74. This new subcomponent will provide improved support and technical assistance for community institutions and LCs in the areas of institution building, financial management and services, climate and disaster risk management and livelihood enhancement. Key activities involving this subcomponent will include:

- (a) **Climate Smart Agriculture (CSA) and Technology Innovation and Management Practices (TIMPs).** The development, validation, adaptation and dissemination of context-specific CSA and TIMPs will ensure a supply of CSA technology options for beneficiaries engaged in farm-based livelihoods.
- (b) **Farmer Field School (FFS).** This subcomponent will finance the use of TA firms and agencies to support the development of FFS curricula for each of Nigeria's six distinct agro-ecological zones.⁷² The curricula will be used by FFS facilitators and extension workers to train WAGs, CLFs and livelihood collectives on CSA techniques and practices. The FFSs will serve as a learning platform to test and select new methods and crop varieties that are most appropriate for their climate context. It will also be a space for learning and sharing information, with links to local agricultural research and a variety of trials utilizing both scientific and indigenous knowledge of farming techniques to help reduce the impacts of climate change.
- (c) **Capacity building.** This subcomponent will also support key institutions (the project implementation units, relevant ministries and agencies, partner universities and research institutions), LGAs' agricultural and social services departments and the Government's Agricultural Development Program to deliver climate-smart agriculture and TIMP. These arrangements will ensure that beneficiaries in farm-based livelihoods have access to the best technologies and information through climate-smart extension services.
- (d) **Innovations.** The subcomponent will identify, support and pilot innovation models⁷³ and products aimed at (i) transforming women's social and livelihood outcomes; and (ii) improving project delivery and overall impact. For the NFWP-SU, innovation is defined as "a cost-effective, context-relevant, resourceful or opportunistic solution that will allow women to reduce barriers to their socio-economic empowerment and their access to productive livelihoods and entrepreneurship development."
- (e) **Strategic partnerships to enhance women's financial inclusion.** These partnerships will be aimed at promoting women's financial inclusion by addressing barriers such as the lack of products and services that address women's needs and promoting solutions that would enable the development of credit profiles for women, WAGs and other collective entities. (See Annex 7 for more details on the approach to financial inclusion).
- (f) **A gendered and climate-sensitive market assessment and value chain analysis** will be undertaken in the implementing states to explore key climate risks and impacts, identify opportunities to strengthen women's resilience to climate shocks and support their adaptation to changing climatic conditions. The assessment will inform the menu of climate-sensitive/smart, women-led livelihood investments to be supported under Subcomponents 2.1 and 2.2 of the Project. This will be the initial step in improving

⁷² Nigeria has six distinct agroecological zones transiting in a south-north direction from the Atlantic coast to the arid savanna of Sahel. These are the mangrove swamp, rainforest, derived savanna, Guinea savanna, Sudan savanna, and Sahel savanna zones.

⁷³ Including climate-responsive and energy-efficient innovations for WAGs and LCs.



target areas' adaptation processes and promoting women's voice and agency in community efforts to strengthen local resilience.

- (g) **Business support services** will be based on the gendered and climate-sensitive market assessment and value chain analysis, and the challenges and priorities identified through the PCRA. These services support the creation of market linkages among collectives, aggregators, exporters, traders, agribusiness firms and small and medium-sized enterprises.
- (h) **Advisory services and incubation support** will be offered to build the capacity of community institutions and LCs; and to develop training modules and learning materials for community cadres and LC office staff under other subcomponents.

Component 3: Project Management, Monitoring and Evaluation, and Learning (Total US\$50 million equivalent of which IDA US\$30 million equivalent and Counterpart Funding US\$20 million equivalent)

- 75. As in the original project, this component will finance project management, monitoring, evaluation, and learning at the federal and state levels, and will build Government capacity to facilitate the implementation of Project activities and ensure their sustainability.**
- 76. Project management and coordination at the federal and state levels will include procurement, financial management (FM), security management, environmental and social risk management and a grievance redress mechanism (GRM).**⁷⁴ In addition, the component will include TA to the FPCU to enable it to support implementing states in managing inputs and requests from the large number of expected SPCUs, to ensure the consistency of the NFWP model across the states. Under project coordination, the FMWA and states' ministries of women affairs (SMWAs) will be strengthened and encouraged to work with key partners (multisectoral institutions and agencies, development partners, the CBN, financial institutions) to effectively implement the project.
- 77. To support the management of GBV risks associated with Project activities, this component will continue to finance the mapping of GBV service providers and the development of referral pathways in new target states to address GBV and SEA/SH issues and complaints.** This mapping and referral pathways support, implemented under the original project in the six states and several other World Bank-financed projects⁷⁵ contributed to mapping in other states. The GBV service provider mapping and referral pathways are critical to support the Project's GRM and its social norms interventions.
- 78. This component will finance the Project's existing M&E and learning system and Project Management Information System (PMIS), as well as knowledge management.** The Government will strengthen the existing M&E system to assess progress toward higher-level objectives while also responding to the realities of collecting regular monitoring data through government systems. The Project will place a strong emphasis on measuring results accurately and reliably at specified intervals. Investments will also include

⁷⁴ The Project will continue to implement a robust GRM based on that of the original project, which allows beneficiaries and other stakeholders to provide feedback and share concerns via multiple channels, including in person, by toll-free hotline, and in writing. The GRM was also designed to intake GBV and sexual exploitation and abuse/sexual harassment (SEA/SH) complaints and properly channel these through the GBV referral pathways developed under the original project.

⁷⁵ To date, this cross-project initiative in Nigeria has led to the mapping of some or all of the LGAs in about 12 states.



an off-the-shelf digital savings application that will be integrated into the existing NFWP Management Information System (MIS). This digital savings app will be utilized by WAGs to track their savings and loan records digitally under Component 1. This Project will also receive support from an M&E grant (P177941⁷⁶) to facilitate a thorough review of the existing NFWP M&E system and PMIS, and to develop new functional specifications that can inform investments under this Project. This component will also eventually take over the implementation and financing of the Iterative Beneficiary Monitoring (IBM) system and the Responsive Feedback Mechanism being rolled out under the M&E grant, which closes in December 2024. Nimble impact evaluations will be integrated into the core of the M&E system, with support from the World Bank Nigeria Gender Innovation Lab (GIL). The impact evaluation proposes rigorous testing of a few innovative interventions based on A/B testing and focuses on generating quick lessons using the Project's administrative data. Working with the FPCU and SPCUs, the Nigeria GIL team will explore and prioritize key areas where piloting and testing of versions or intensities of interventions will be important for finding the most effective delivery methods. These could include, for example, the most effective ways of coupling social norms interventions with behavioral change messaging on women's earning potential, enhancing women's participation in high-earning economic activities and improving the climate resilience of livelihood activities.

- 79. Component 3 will also use South–South knowledge exchange and partnerships as tools for capacity building.** An India-Nigeria Learning Platform will be established to enable the Government of Nigeria to learn directly from the Government of India's experience mobilizing 35 million women through an institutional platform, with evidence of livelihood enhancement and financial inclusion outcomes, as part of its National Rural Livelihoods Mission (NRLM; Annex 3). A Memorandum of Understanding between the NRLM and NFWP will establish a formal learning and knowledge-sharing system whereby policymakers, implementers, and all other direct stakeholders (including community members) can participate in curated learning programs in India.
- 80. Strengthening institutional capacity on gender and climate change in the federal and state ministries of women affairs** and other relevant ministries, departments and agencies will support gender-responsiveness in building climate resilience and supporting adaptation and mitigation. In addition, FPCU and SPCU staff training will include sessions on national climate change policies and the gender dimensions of climate change.

D. Project Cost and Financing

- 81. The total project cost is US\$540 million. The GoN's share is US\$40 million. IDA Credit of US\$500 million will cover the remainder of the project costs (Table 1a).**
- 82. Reflecting the operation's expenditure framework, the overvalued exchange rate reduces the naira-denominated resources for the project by about one third (or about US\$133 million) relative to the**

⁷⁶ The PAD for this M&E grant project is: World Bank, *International Bank for Reconstruction and Development and/or International Development Association Project Paper on a Proposed Grant in the Amount of US\$2.34 Million to Diadem Consult Ltd. for M&E Support for NFWP* (Washington, DC: World Bank, 2022), <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099125110142215863/p1779410027d9d0509ff509edefb26956c>



current parallel market. The Project is being financed mainly through World Bank resources to meet mainly naira-denominated expenses. The total project cost is US\$540 million. Government of Nigeria’s share is US\$40 million (see Table 1b). An IDA Credit of US\$500 million will cover the remainder of the project costs. About 20 percent of the expenditures that the operation will finance are expected to be incurred in US dollars (US\$101.5 million) and about 80 percent will be incurred in naira (US\$398.5 million).

Table 1a. Project Costing by Component (US\$540 million)

Component	Proposed Allocation (US\$)		
	IDA	GON	Percentage
1: Building Community Institutions	168,000,000	0	31
<i>Subcomponent 1.1: Influencing Social Norms</i>	<i>14,900,000</i>	<i>0</i>	<i>3</i>
<i>Subcomponent 1.2: Women Affinity Groups and Federations</i>	<i>144,400,000</i>	<i>0</i>	<i>27</i>
<i>Subcomponent 1.3: Platforms for Behavior Change in Health, WASH, and Climate</i>	<i>8,700,000</i>	<i>0</i>	<i>2</i>
2: Livelihoods Program	292,000,000	20,000,000	58
<i>Subcomponent 2.1: Community Investment Fund</i>	<i>176,200,000</i>	<i>14,000,000</i>	<i>35</i>
<i>Subcomponent 2.2: Livelihood Collectives</i>	<i>99,000,000</i>	<i>6,000,000</i>	<i>20</i>
<i>Subcomponent 2.3: Technical Assistance and Innovations for Livelihoods Programs</i>	<i>16,800,000</i>	<i>0</i>	<i>3</i>
3: Project Management, Monitoring and Evaluation and Learning	30,000,000	20,000,000	9
4: Unallocated	10,000,000	0	2
TOTAL	500,000,000	40,000,000	100%

Table 1b: NFW SU Proposed Allocation (US\$ million)

Component	Proposed Allocation				Percentage of total disbursements
	Total	IDA		Government contribution	
		Of which to be spent in Naira	Of which to be spent in USD		
1: Building Community Institutions	168.0	157.1	10.9	0.0	31
2: Livelihoods Program	292.0	204.4	87.6	20.0	58
3: Project Management, Monitoring and Evaluation and Learning	30.0	27.0	3.0	20.0	9
4: Unallocated	10.0	10.0	0.0	0.0	2
TOTAL	500.0	398.5	101.5	40.0	100%

E. Project Beneficiaries

83. The core beneficiaries of the Project are poor and vulnerable women and their community institutions. The primary targets are economically active women above 18 years old residing in participating states who are currently underserved by other development programs, public services and the private sector. This particularly includes unbanked women engaged in informal and small-scale livelihood activities. Within this



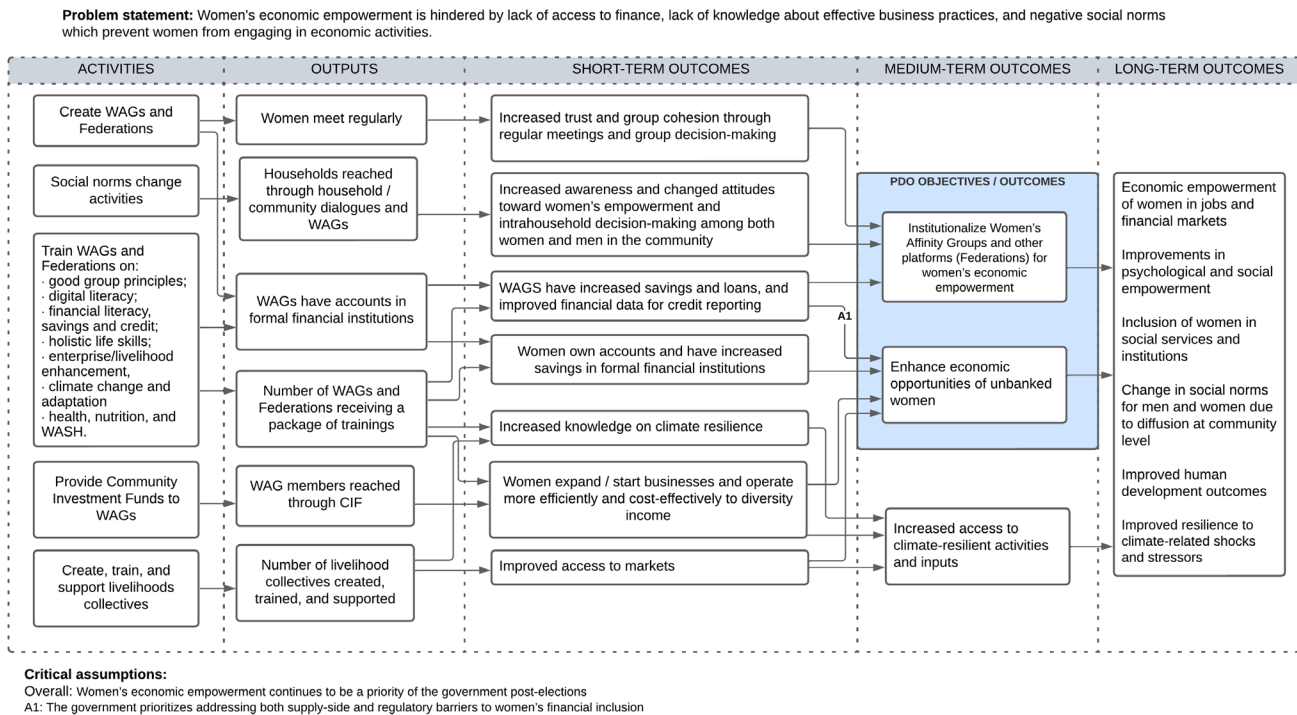
target population, the Project will seek the inclusion of marginalized and vulnerable groups, including displaced women and those with disabilities. It is estimated that about 3.9 million WAG members and their households would benefit from Project support.

- 84. **The indirect beneficiaries include other household members (men and children) and broader communities** that will benefit from social norms interventions, livelihood enhancement interventions, community sensitization and training.

F. Results Chain

- 85. **The Project aims to mobilize poor and vulnerable women into different institutions and, using these institutional platforms, link them to markets as well as financial and non-financial services.** Through participation in WAGs, project beneficiaries build social capital that can then be leveraged to access financial, political, and economic capital—thus leading to both social and economic empowerment. The Theory of Change is presented in Figure 4.

Figure 4. Theory of Change for the NFWP-SU



G. Rationale for World Bank Involvement and Role of Partners

- 86. **The rationale for World Bank engagement in this Project is to support the Government of Nigeria and local administrations in improving livelihood opportunities for women and enhancing their capacity to adapt to climate change.** The Project aims to strengthen the capacities of the different local administrations for policymaking related to community empowerment and demographic issues.



- 87. The Project will also incentivize** Financial Service Providers (FSPs) to increase the availability of their financial resources to WAGs, livelihood collectives and their members.
- 88. The World Bank has incorporated into the design of the NFWP Scale-up its considerable experience supporting WEE across the world**, including the ongoing NFWP and similar World Bank–financed projects, such as the Ethiopian Women Entrepreneurship Development Project (P122764), Zambia Girls’ Education and Women’s Empowerment and Livelihood Project (P169975), India National Rural Livelihoods Mission Project (P104164), and the Afghanistan WEE Rural Development Project (P164443).
- 89. The World Bank has the convening power to strengthen donor coordination and collaboration around the Government’s WEE agenda, while bringing together the knowledge and resources of development partners and nongovernmental organizations** that are working toward the common goal of lifting 100 million Nigerians out of poverty by 2030. Key partners identified during preparation include:
- (a) **Women’s World Banking:** A nonprofit organization dedicated to economic empowerment by designing and investing in financial solutions, institutions, and policy environments in emerging markets to create greater economic stability and prosperity for women, their families, and their communities.
 - (b) **EFinA:** A financial sector-deepening organization that promotes inclusive finance in Nigeria and is renowned for providing thought leadership toward achieving financial inclusion and championing the unbanked.
 - (c) **Sterling Bank Plc.:** A full-service national commercial bank that has a bespoke financial offering for women that serves as a one-stop shop for all its offerings, catering to various needs of women to drive sustainable economic development and growth. Sterling Bank is partnering with the original NFWP and also has an ongoing partnership with the Mastercard Foundation on the Sterling Women and Youth Agric Finance product, SWAY AgFin—a single-digit facility specifically designed for women and youth aged 18 to 35 years to drive an increase in production in Nigeria’s agriculture sector.
 - (d) **Nongovernmental organizations (NGOs):** NGOs working on savings groups and livelihoods in Nigeria include Concerned Universal, Plan International, Women for Women International, Mercy Corps, CARE International, and Oxfam International.
- 90. Partners have supported the Project’s design in several ways.** The Bill and Melinda Gates Foundation (BMGF) supported the original NFWP through a US\$12 million trust fund grant. The World Bank will continue to engage the BMGF under the NFWP-SU. The World Bank will also engage with other Development Partners through Nigeria’s Development Partners Group on Gender.
- 91. The NFWP-SU will work with development partners to promote synergies.** Wherever there is overlap with existing bilateral donor programs,⁷⁷ the World Bank will prioritize integration with existing groups over the development of new WAGs and LCs.

⁷⁷ For example, USAID’s Rural Resilience Activity and Feed the Future program; the EU-funded Spotlight Initiative; the PrOpCom Plus project supported by the UK’s Foreign, Commonwealth and Development Office; and the Pro-Poor Growth and Promotion



H. Lessons Learned and Reflected in the Project Design

92. **The NFWP-SU is based on lessons learned from the NFWP and experiences worldwide (Annex 5).** Key lessons from the implementation of the NFWP include:

Enabling Environment

93. **Strong ownership by the federal and state governments has proven critical to the timely and effective implementation of the WAG model.** As part of the Scale-Up preparation, new states have had to meet certain demonstrated commitment criteria to ensure that strong ownership is in place.
94. **The NFWP, like most community and local development projects, requires time to carry out community mobilization** and other preparatory activities, which are low cost but necessary to lay the foundation for building community institutions. Hence, disbursement during the first 24 months of Project implementation tends to be low.
95. **Similarly, based on global evidence and the NFWP experience, livelihood interventions take time to show an effect on a woman's social and economic empowerment.** Thus, the Project lifespan has been increased from five to seven years in the Scale-Up to allow for sufficient time for effects to materialize.

Influencing Social Norms

96. **Through the NFWP's BCC activities, community and household dialogues have helped to address harmful social norms** that limit women's choice of economic activities. Community-level activities have been especially critical to avoid backlash and potential increase in violence against women stemming from the introduction of the WAG model.

WAG Formation and Strengthening

97. **There is great demand among women to join WAGs, and the NFWP has succeeded in reaching a number of them.** However, when the demand for WAGs exceeds the Project's capacity to form and support such groups, vulnerable and marginalized women may get left behind. Thus, under the Scale-Up, it will be important that community mobilization and targeting activities are continuously strengthened, with an eye toward the identification and inclusion of marginalized women in Project communities.
98. **NFWP parent project demonstrated that women's social and economic empowerment is enabled through regular meetings and the promotion of savings and lending.** In building financial capital, women can, over time, potentially become clients of formal financial institutions, able to access credit and financial services. A key to realizing this linkage under the Scale-Up is to ensure that women have access to digital

of Employment in Nigeria -SEDIN project supported by the German Agency for International Cooperation (*Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ*).



bank accounts and mobile wallets. The digitization of WAGs' records and enabling mobile deposits will also help protect WAGs from the risk that cash on hand could be stolen or misappropriated.

- 99. Under the parent project, WAG members acquired new skills in bookkeeping, financial management, livelihood enhancement and accessing market information.** These skills have expanded their livelihood opportunities and helped them become entrepreneurs or avail themselves of job opportunities in rural and peri urban areas. As a result, there is evidence that their families are becoming more socially and economically mobile. Continuing and expanding on this skills training in the Scale-Up will be critical to the continued success of the WAG model.
- 100. The higher-level federations (CLF and VOs) included in the Scale-Up** will provide the long-term support, training and monitoring of the WAGs that will help to ensure their sustainability beyond the life of the Project.
- 101. As the WAGs mature, members may require additional credit beyond what can be mobilized at the group level.** Private sector financial institutions such as Sterling Bank of Nigeria have expressed interest in providing accounts, credit and other financial services to WAGs on a continuous basis. To further lay the groundwork for private sector financial services, the Scale-Up will develop a credit rating system for WAGs and their members based on savings, loan and repayment data.

Livelihoods Support

- 102. Under NFWP, individual livelihood grants proved to be challenging to administer and not sustainable in the long term without continued development financing.** During the Mid-Term Review, it was agreed that a revolving fund such as a CIF would be a more sustainable way to use limited financing. At the time, changing course on the individual livelihoods grants was not feasible, since all original five states had already disbursed individual grants. The CIF is, therefore, being implemented under the Scale Up.
- 103. The NFWP saw an overwhelming demand by WAG members to join livelihood collectives, which were organized largely around agricultural value chains such as rice and cassava.** This also showed that it is important to prioritize support for certain value chains, such as those that reuse waste from income-generating activities (e.g., utilization of rice waste to make briquettes).

Implementation Arrangements

- 104. The main implementation constraints under parent project included capacity challenges at the FPCU** to provide technical expertise and support to the state implementation units, and delays in approvals for activities at the state level. These challenges will be addressed under the Scale-Up through TA to the FPCU for project management. At the state level, the Project will work through Multi-Sectoral Coordination Structures to ensure that state leadership understands the aims and activities of the Project and approves expenditures in a timely fashion.
- 105. The separate federal-led innovations and partnerships component under parent project proved not a viable way of identifying and implementing key innovations and partnerships.** Rather, the state-led identification of innovations and partnerships proved to be more successful and has informed the design of Subcomponent 2.3. In addition, the IBM system put in place under the NFWP proved to be an effective



method for increasing Project impact and will be continued under Scale-Up. The IBM findings and corrective actions aided in the development of trust among Project beneficiaries and improved Project implementation, increasing beneficiary satisfaction and engagement.

WAGs as Platforms for Behavior Change

- 106. When women are empowered, particularly through membership in WAGs, they gain access to critical services and their households gain a voice in local governance.** This access and voice, in turn, increases the demand for improvements in health, nutrition, sanitation, and financial services. NFWP linked WAG members to state health insurance and increased their access to important health services. The use of WAGs as a platform for behavior change will continue under NFWP-SU, with a focus on behaviors related to health, WASH, and climate adaptation and mitigation.
- 107. Recognizing that WAGs serve as a platform for reaching women and their households with multiple development interventions,** the Government has signaled wholesale adoption of the WAG model as a platform for addressing complementary development challenges such as access to health insurance, RMNCH-N, and WASH services, among others.
- 108. The NFWP-SU also draws on lessons learned through the World Bank's two decades of support and technical engagement with similar projects in other countries.**⁷⁸ Key lessons include:
- 109.** Livelihood collectives such as PGs, CIGs, farmers FAs and PCs require significant technical support and investment in extension services, financial services and technology to build linkages with market actors. This approach helps small farmers and producers by creating the conditions for consistent high-quality production and reliable delivery; and helps to ensure that buyers receive a consistent supply of high-quality goods. To foster such mutually beneficial producer-buyer relationships, the NFWP-SU includes a dedicated subcomponent to provide significant TA to small producers.
- (a) A transparent, simple and systematic process for community mobilization, sensitization and beneficiary targeting helps to ensure fairness in the selection of beneficiaries and increases community buy-in of the Project. These principles will continue to guide the community entry process under the Scale-Up, as they have done under the NFWP.
 - (b) Capacity building of Project staff is most effective if done through learning by doing, exposure visits and experiential learning. The NFWP-SU will prioritize this approach by institutionalizing a South-South learning exchange.
 - (c) The promotion of female entrepreneurship requires specialized approaches. Based on global stocktaking, it is clear that women and men face different challenges to enterprise development, and in a sociocultural context such as Nigeria, women will require specific confidence-building and gender-sensitive approaches. Therefore, the Project has incorporated into its design specific strategies to ensure capacity development, access to business development services, networking and mentoring, access to CIFs and to address the challenges of lack of collateral and start-up capital.

⁷⁸ Such as Sri Lanka's Community Development and Livelihood Improvement Project; India's JEEViKA I and II, National Rural Livelihoods Project, and Tamil Nadu Transformational Project; and Afghanistan's Women's Economic Empowerment Rural Development Project.



III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

Strategic Oversight, Policy, Advocacy, and Ministerial Coordination

- 110. Implementation arrangements for the NFWP-SU will be fully mainstreamed into existing government structures at the federal, state, and local levels.** Project implementation will be the joint responsibility of the FMWA and the participating SMWAs in accordance with the country's federal governance system. The FMWA will provide overall Project oversight and coordination and lead the execution of Project activities at the national level, as well as those where coordination and collaboration between states are preconditions for success. Participating states will be responsible for the implementation of the Project in their individual States. At both federal and state levels, the implementation of Project activities will be mainstreamed into relevant departments⁷⁹ within the ministry of Women Affairs.
- 111. The roles and responsibilities of the FMWA include:** (a) fulfilling the NFWP-SU effectiveness conditions; (b) approving the terms and conditions for engagement of FPCU and SPCU staff; (c) ensuring federal government contributions to the FPCU, as determined from the approved consolidated annual work plans and budgets (AWPBs); and (d) endorsing annual audit reports.
- 112. To provide strategic guidance for the Project and promote cross-state experience sharing, the Federal Steering Committee (FSC) for the original project will be reconstituted.** Recognizing that the Project requires expertise normally not available in a single ministry or the public sector, the FSC will be expanded to comprise the Ministers of Finance and Women Affairs as chairpersons and will also include the Ministers of Water Resources, Health, Education, Environment, Communication and Digital Economy, and Trade and Investment. It will also include the CBN Governor and the Directors General of the National Agency for Food and Drug Administration and Control, Small and Medium Enterprises Development Agency, an agribusiness private sector representative, and EFINA, a Financial Sector Deepening organization in Nigeria. The Permanent Secretary of the FMWA will serve as member of the FSC and the FPCU will act as its Secretariat.
- 113. The FSC will meet twice a year and:** (a) set overall policy guidelines and direction for the Project; (b) ensure support from all stakeholders and relevant constituencies; (c) approve the Project's periodic work plans and budgets; (d) review and approve proposed major changes in Project activities/components and budgets; (e) monitor the Project's progress, including procurement and FM performance and achievement of overall objectives; (f) facilitate and promote coordination among the various agencies involved in Project implementation; and (g) approve amendments to the Project Implementation Manual (PIM) in consultation with the Bank. The FSC will also serve as a platform for ensuring synergies between Project

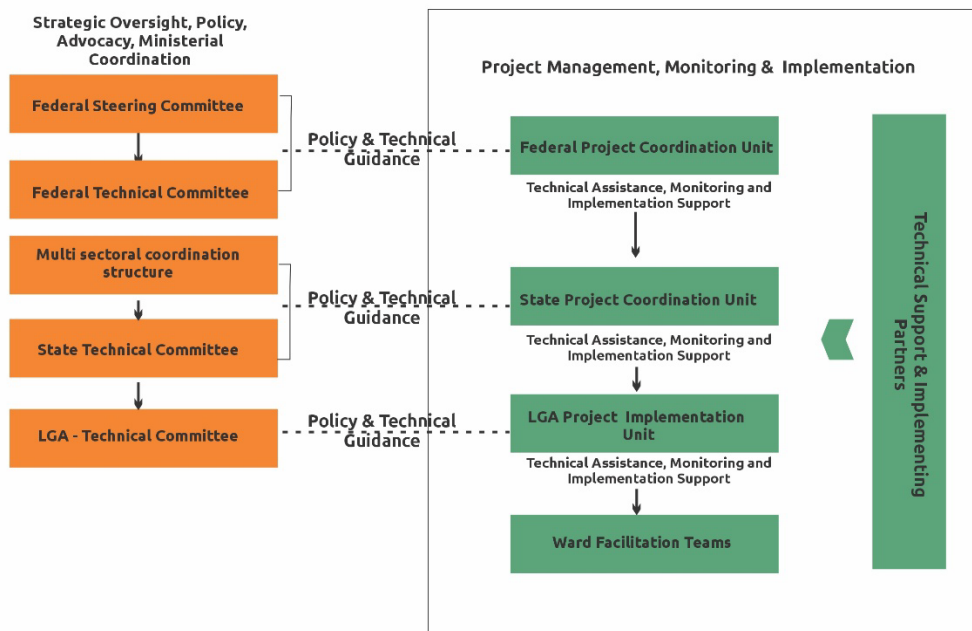
⁷⁹ FMWA departments that will be fully involved in implementation include the Department of Economic Services and Department of Women Development.



activities and similar initiatives funded by the Government or development partners and will have the right to invite other agencies/bodies to meetings as needed.

114. Like the FSC, the Federal Technical Committee (FTC) of the original Project will be reconstituted and be responsible for providing technical guidance for implementation. It will be chaired by the Permanent Secretary of FMWA. Membership of the FTC will comprise representatives from the technical departments of the Federal Ministries of Women Affairs, Agriculture and Rural Development, Health, Environment, Education and Water Resources, as well as the head of the CBN’s Financial Inclusion Secretariat.

Figure 5. Institutional and Implementation Arrangements



115. At the state level, there will continue to be two layers of oversight: the Multisectoral Coordination Structure (MCS) and STC. The MCS will be led by the Commission of Women Affairs and membership will be drawn from the State Ministries of Women’s Affairs, Health, Education, Agriculture, Finance and Budget, and Water and Sanitation. Members should be senior government officials, not less than a commissioner or cabinet-level adviser to the governor. The STC consisting of permanent secretaries/directors from relevant ministries, will provide technical expertise and inputs into the progress and annual reports, while the NFWP-SU SPCU will serve as the STC Secretariat.

116. The Multisectoral Coordination Structure will approve the annual work plans and budgets prepared by the respective SPCUs, provide oversight of Implementation Progress Reports, and facilitate a forum for collaboration among other agencies with similar activities in the states. The MCS will have the right to allow additional stakeholders at the state level to contribute to Project implementation and facilitate the shared use of available facilities, capacities, and resources.



- 117. In addition, the MCS will:** (a) support the operationalization of WAGs as platforms for the delivery of development activities; (b) ensure that each ministry and sector identifies its priority actions with respect to the state's commitment to WEE and WAGs, and has an agreed action plan for implementing these actions; (c) ensure that adequate attention is paid to WEE in the state's development strategies, framework and budgeting processes; and (d) review annual plans and progress reports from the different ministries/sectors in the MCS, and make appropriate recommendations on areas that require extra attention.⁸⁰
- 118. The STCs will meet quarterly and provide technical backup to the SPCUs as needed.** The STCs will be headed by the Permanent Secretary, SMWA in each state and will comprise directors from relevant livelihood sectors in the ministries of Agriculture, Finance and Budget, Trade and Commerce, Women Affairs and Water Resources. The STCs will also include representatives from the state Chambers of Commerce and Industry and priority value chain associations (one from each value chain); managers of agricultural development projects; state commissioners of police; and an SPCU member/secretary. The vice chairperson will come from the private sector, while the SPCU will serve as the Secretariat for the STC.
- 119. The STCs will be responsible for ensuring the alignment of Project activities with state development programs, especially those related to gender and agricultural development.** The STCs will review the annual work and budget plans prepared by the SPCUs and will clear them for approval by the MCSs. The STCs will be responsible for closely monitoring and facilitating the timely and efficient utilization of Project funding, and for reviewing technical, monitoring and other reports and ensure that the Project is implemented according to the state's AWPB as approved by the MCS. The STCs will also ensure that actions agreed on with the MCSs, the World Bank implementation support mission reports, and other observations made by external assessment (such as audit services) are implemented promptly.
- 120. At the LGA level, a technical committee will oversee each LGA Project Implementation Unit (PIU).** The LGA Technical Committee will be responsible for reviewing and appraising the livelihood proposals of WAG members and provide TA for the selected proposals. The LGA Technical Committee will be chaired either by the Women Development Officer (where available) or other representative of the SMWA, with other relevant representatives from the LGA as members. This committee will also have representation from civil society organizations (CSOs) and community-based organizations operational at the LGA level. The Technical Committee will serve as the clearing house for LGA activities.

Implementation

- 121. At the national level, the FPCU will coordinate Project activities on behalf of the FMWA and will implement cross-cutting activities such as capacity building and technical assistance that benefit participating states.** The FPCU will coordinate Project implementation and performance monitoring in accordance with the PIM and will be responsible for communication with the World Bank and other partners. The FPCU will be responsible for managing procurement at the federal level, setting up and

⁸⁰ If the MCS meets every quarter, most of the reports will simply be on progress of activities. However, each year, every sector would produce an annual report that not only details what the sector/ministry has achieved but also the possible effect of these activities on WEE. The annual and quarterly progress reports are critical because they provide the primary mechanism by which the committee can hold sectors and ministries accountable on the agreed action plans.



administering the M&E system, coordinating the work of different agencies at the federal level, preparing periodic reports, and providing support to the SPCUs. The FPCU will also be responsible for coordinating and consolidating the preparation of the Project's annual work plans and budgets for approval by the Federal Steering Committee. Further, the FPCU will be responsible for consolidating project monitoring and implementation progress reports received from SPCUs, which will become part of the FPCU's quarterly and annual progress reports. The FPCU will coordinate the work of SPCUs, providing technical support to SPCUs in the implementation of Project activities at the state level. The FPCU will have a reporting responsibility to both the FSC and the World Bank. To ensure that FPCU discharges its duties on time and efficiently, the entity will be staffed with the required experts, as elaborated in the PIM.

- 122. The FPCU will be headed by a full-time National Project Coordinator and have a multidisciplinary team of staff and technical consultants.** The Project Coordinator, responsible for overall coordination, will provide leadership in Project implementation.
- 123. At the state level, the SPCUs will supervise the Project on a daily basis, be led by a full-time State Project Coordinator and have a multidisciplinary team of staff and technical consultants.** The SPCUs will coordinate and facilitate Project implementation in their respective states and be responsible for preparing monitoring reports, annual work plans and budgets; supporting activities of the WAGs and CLFs at the LGA level; and providing periodic reports to the MCS, the STCs, and the FPCU. The SPCUs will be responsible for all aspects of Project execution except those relating to FM and will report to the State Project Coordinator. They will also be responsible for implementing the Project through the LGAs' PIUs, with guidance from the FPCU on all technical and policy matters.
- 124. FM will be the responsibility of existing Project Financial Management Units (PFMUs) in each participating state.** Specifically, the PFMUs will be responsible for: (a) preparing activity budgets, monthly project bank account reconciliation statements, statements of expenditures and withdrawal schedules, semiannual Interim Financial Reports (IFRs) and annual Project financial statements, Documentation of the designated accounts; and for (b) ensuring that the Project's FM arrangements are acceptable to the Government and the World Bank.
- 125. Each LGA, with support from the SPCU, will establish an LGA PIU headed by an LGA field supervisor.** The field supervisor, with support from WAG support officers, will be responsible for implementing Project activities at the ward level as well as for creating linkages. The LGA PIU will work under the close supervision and technical guidance of the SPCU.
- 126. At the ward level, there will be two to three WFs, as needed, to work closely with champions for women's empowerment at the community level.** The WFs will be responsible for sensitizing and mobilizing potential beneficiaries, disseminating information, forming WAGs, supporting business plan preparation, monitoring the functioning and strengthening of WAGs and responding to their emergent needs. The WFs will receive thematic and technical guidance and support from the state and LGA teams.
- 127. The Project will enter into partnerships with a range of technical service providers,** nongovernmental organizations and academic institutions for technical support in such areas as the development of training of trainers for extension services. CSOs, after assessment of their credentials and capacity, could support



field-level implementation in specific thematic and geographical areas. Partnerships will be forged with carefully selected agencies to help design and implement models for livelihood collectives to markets.

128. Project staff at all levels will be hired through a transparent and open process in line with the processes, procedures and the terms of reference detailed in the Project's Human Resources Manual. The performance of staff will also be managed according to the processes outlined in the HR manual.

B. Arrangements for Monitoring and Evaluating Results

129. The M&E system will build on the NFWP's existing M&E system and upgraded to reflect the need to generate continuous data and evidence to inform ongoing Project implementation. The M&E system will be led by the FPCU. Technical and institutional partners will be engaged to establish a new M&E system based on a robust digital and interactive MIS. The new system will have the capacity to (a) monitor progress on Project activities, outputs, intermediate outcomes and beneficiary satisfaction based on key performance indicators (KPIs) defined in the Results Framework⁸¹; (b) produce end-of-project and impact evaluations; (c) provide real-time access to Project tracking information and business analytics; and (d) provide data needed for thematic studies and case studies.

Monitoring

130. The Project M&E team will lead the monitoring activities in the field in accordance with the requirements of the M&E matrix.⁸² The team will use robust digital tools for collecting data. Different levels of monitoring will be undertaken during the Project and will be designed to feed into the MIS. These levels include the following:

- (a) **Progress monitoring (activities and outputs).** The objective will be to track and measure the delivery of Project activities and the achievement of results both before and after the Project's intervention, based on predefined yearly targets. Monitoring activities will be carried out periodically and also on a demand basis, according to the requirements of Project activities. Annual beneficiary surveys will provide data for several results indicators, while the remainder will come from administrative data housed in the PMIS and other sources.
- (b) **Intermediate results monitoring.** The objective will be to track progress against intermediate outcomes in the Results Framework, and the measure the performance of institutions and investments against intermediate-level results indicators. Requisite data will be collected through the annual beneficiary survey and qualitative and quantitative surveys of targeted beneficiaries. The surveys will use consistent indicators and methodologies year over year to enable comparison of results. The Project will prepare terms of reference for the surveys in line with the Results Framework, which will specify methodology, sampling frame and sample size.

⁸¹ Measurement of key indicators will be based on annual beneficiary surveys conducted by the FPCU and the SPCUs.

⁸² The M&E matrix is a critical reference sheet for the measurement of results indicators. It provides detailed descriptions of (a) all key Project indicators (KPIs), especially those from the Results Framework, and additional KPIs from the Government and other interests; (b) how to calculate the indicators; and (c) the data source.



Evaluation

131. The Project M&E team, with support provided by the separate M&E grant project (P177941; M&E Support for NFWP; small Recipient-Executed Trust Fund) and the World Bank, will facilitate routine community-based concurrent monitoring, social audits and community evaluations of all activities. Process evaluations, and agile impact evaluations will test key innovative delivery methods. In addition, social audits, community scorecards, phone surveys and opinion polls, currently being developed for the Poverty and Conflict Monitoring System in northeast Nigeria, will facilitate assessments of implementation quality and allow for real-time decision making. A team of qualitative researchers will periodically visit a rotating random sample of Project areas to evaluate implementation quality in line with the Results Framework and to note any issues of importance. The findings will be discussed with Project staff to improve implementation and make course corrections.

C. Sustainability

132. The Government of Nigeria has shown strong ownership of, and commitment to, the Project's approach and core model, including the use of participatory rural appraisals to involve the community in planning and decision making. The ongoing national-level policy dialogue on WEE will help ensure the sustainability of Project gains as well as continuing federal and state support to community institutions. The Project will help align activities and strengthen synergies among development partners, minimize duplication of programs in the same region and reduce transaction costs accruing to the Government.

133. The technical and institutional sustainability of the Project can be achieved given the Government's commitment to support activities that will be institutionalized moving forward. The Project builds on the experiences and learning from the original NFWP as well as several projects and programs within the country and globally. The sustainability of community institutions promoted under the Project is the key determinant of the success of the NFWP-SU. All community institutions will be monitored and assisted until they become self-managed, self-reliant, and able to meet their operating expenses from their own revenues. Intensive capacity building will be provided to community institutions throughout the Project period at all levels—WAG, Vos, and CLF—to ensure they develop the skills and resources for self-management. WFs will play a central role in this process. Over the Project period, community institutions and their resource persons will gradually take on roles and functions of ward-level NFWP staff. The community institutions will increase their sustainability and support the development of individual and collective enterprises through linkages and partnerships with mainstream public and private institutions.

134. Financial sustainability. The Government has shown a strong commitment to improve the living conditions of Nigerian women through increased budgetary allocations to ministries and programs that have direct bearing on the lives of women, and by creating critical Government strategies aimed at improving women's economic participation and access to finance. Building on the requirement that states allocate not less than 8 percent of the IDA allocation the state as counterpart funding to Project implementation and the Multisectoral Coordination Structure will ensure that WEE is given adequate attention in state development strategies and annual budgeting processes. The Project intends to serve as a large-scale implementation platform to which other partners could progressively align. This alignment will reduce



inefficiencies, encourage further collaboration among Development Partners and enhance the overall impact of the Project beyond its lifetime.

135. Sustainability of results. There is a strong emphasis on ensuring that an ever-widening group of Project champions are engaged to advocate for increased domestic resource mobilization for WEE as a development priority. The increasing amount of results data generated by the Project will help to widen the group of champions and deepen their engagement. Regular M&E will aid in identifying areas for improvement and help ensure that the Project meets its objectives. An impact evaluation will be integrated into the core M&E system to support informed, evidence-based decision making.

IV. PROJECT APPRAISAL SUMMARY

A. Economic and Financial Analysis

136. Benefits from investments to promote WEE are expected to be Substantial. Benefits will come through eight main channels: (a) increased lifetime income for the women participating in WAGs and LCs supported under the Project; (b) increased savings, with the amounts saved allowing the smoothing of consumption in the event of adverse shocks, including climate change impacts; (c) reduced borrowing costs; (d) improved children's health, nutritional status and educational attainment; (e) improved physical and psychosocial health and an improved overall sense of well-being of the women participating in the WAGs; (f) increased social capital; (g) reduced risk of loss of financial assets due to increased use of digitized financial services; and (h) strengthened resilience to climate change. Existing data allow only for calculating the net present value and internal rate of return of projected increases in lifetime income. Other benefits will be described qualitatively.

137. Increased lifetime income for the women participating in the WAGs and LCs is expected. Some 3.9 million women are expected to participate in the WAGs to be established and supported under the Project scale-up. The women will receive training in business and life skills, get access to capital to start new or expand existing businesses, and receive support to create linkages with formal financial institutions. Early results from the impact evaluation of the parent NFWP show that women in WAGs within project-supported communities were more likely to save, more likely to take loans, and had significantly bigger savings than those in comparable communities. An impact evaluation of Uganda's Youth Opportunity Program—which supports livelihood groups similar to those to be supported under the NFWP-SU—shows that people who benefited from the livelihood interventions had 38 percent higher incomes than those who did not.⁸³ Other studies have shown that beneficiaries of similar interventions had a 10 to 40 percent increase in their

⁸³ Christopher Blattman, Nathan Fiala, and Sebastian Martinez, "Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda," *Quarterly Journal of Economics* 129, no. 2 (2014): 697–752.



incomes.⁸⁴ Another impact evaluation found that the positive effects on income persist over time.⁸⁵ A net present value and an internal rate of return have been calculated for the WAGs and LCs using the following assumptions: (a) WAGs and LCs are formed during the first two years of the Project; (b) grants are disbursed during years three–five⁸⁶; (c) beneficiaries have an average annual income of US\$315 before the Project’s start;⁸⁷ and (d) the beneficiaries’ income increases by 15 percent within four years of receiving the grant, and it persists for 20 years.

Table 2. Economic Analysis of the Benefits of Investments in Resilient Livelihoods

	Base Case (15% increase in earnings)	Scenario 1 (12% increase in earnings)	Scenario 2 (9% increase in earnings)	Scenario 3 (6% increase in earnings)
Net present value (US\$)	1.5 billion	1.1 billion	695 million	278 million
Internal rate of return (%)	27	22	16	10

Note: A discount rate of 5 percent was used in the calculations.

138. According to the sensitivity analysis, the benefits exceed the costs of capital even if increases in income are less than 15 percent. The significant benefits are driven by the large number of expected beneficiaries, who are reached at a cost of only US\$126 per beneficiary. The Project is viable using the current exchange rates.

139. Increased savings will smooth consumption in the face of adverse shocks and speed up the recovery of economic activities. Several studies have shown that participants in livelihood groups such as the WAGs are likely to accumulate savings, which they can use to smooth income during droughts and other climate disasters.⁸⁸ Having access to savings also allows households to recover more rapidly from adverse shocks, reducing their time out of productive activity and lessening the chances of falling into poverty. For example,

⁸⁴ Christopher Blattman, Eric P. Green, Julian C. Jamison, M. Christian Lehmann, and Jeannie Annan, “The Returns to Microenterprise Support among the Ultra Poor: A Field Experiment in Postwar Uganda,” *American Economic Journal: Applied Economics* 8, no. 2 (2016): 35–64; Abhijit Banerjee, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Pariente, Jeremy Shapiro, Bram Thuysbaert, and Christopher Udry, “A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries,” *Science* 348, no. 6236 (May 2015): 1260799.

⁸⁵ Abhijit Banerjee, Esther Duflo, and Garima Sharma, “Long-Term Effects of the Targeting the Ultra Poor Program,” *American Economic Review: Insights* 3, no. 2021): 471–86.

⁸⁶ The Project is expected to provide US\$270 million in grants to fund the establishment or expansion of women-led businesses, LCs and innovative livelihood programs. An additional US\$160 million will be used to mobilize community members into the groups and to build their capacity to operate effectively and sustainably.

⁸⁷ The average annual per capita income of the poorest 40 percent of Nigerians was US\$315 in 2019, according to the “2019 Poverty and Inequality in Nigeria” report presented by the National Bureau of Statistics in May 2020.

<https://taxaide.com.ng/2020/05/28/2019-poverty-and-inequality-report-in-nigeria/>

⁸⁸ SomReP (Somalia Resilience Program), *Positive Deviance in Somalia: Why Are Some Households More Resilient than Others?* (Nairobi: World Vision Somalia, 2018), https://wvusstatic.com/2018/SomReP_Positive_Deviance_Study_Report.pdf; C. Cabot Venton, S. A. Prillaman, and J. Kim, *Building Resilience through Self Help Groups: Evidence Review* (Washington, DC: The Resilience Evaluation, Analysis, and Learning [REAL] Award, 2021); IPA (Innovations for Poverty Action), *Impact Assessment of Savings Groups: Findings from Three Randomized Evaluations of CARE Village Savings and Loan Associations Programs in Ghana, Malawi and Uganda* (New Haven, CT: IPA, 2012); Upamanyu Datta, “Socio-Economic Impacts of JEEViKA: A Large-Scale Self-Help Group Project in Bihar, India,” *World Development* 68 (April 2015): 1–18.



households use savings to purchase livestock, agricultural inputs, tools, equipment and other goods and services needed to restart their livelihoods. Finally, increased savings lead to greater food security and livelihood diversification.

- 140. Reduced borrowing costs will accrue to members of livelihood groups from linkages to formal financial institutions.** A study on the effects of the World Bank–financed Bihar Rural Livelihoods Project (locally known as JEEViKA) found a significant decline in the use of informal credit among self-help groups that gain access to formal credit.⁸⁹ Interest rates on loans from informal lenders also declined. Overall, interest rates on loans in Project areas was 13 percent lower than those in other areas. Access to lower-cost credit is expected to allow the accumulation of productive assets, improve food security, increase household consumption, and increase economic well-being over time.
- 141. Women spend their increased income on improving children’s health, nutritional status and educational attainment.**⁹⁰ For example, an evaluation of a large microfinance program in East India (sponsored by PRADAN) found that the enrollment of students ages 12–17 in post-primary schools was 40 percent higher in villages within the Project area than in other villages. The primary reason was not the availability of credit but the social interactions that take place in self-help groups, with members encouraging other members to allow their children to remain in school. The higher educational attainment of the children living in the Project areas is expected to, in turn, lead to them attaining even higher educational levels, and, subsequently, to higher lifetime earnings and greater contribution to society.
- 142. Higher incomes and income diversification improve physical and psychosocial health and well-being.** Higher incomes and income diversification lead to improved physical and mental health of the people participating in programs that provide capital grants to help start or expand businesses.⁹¹ Improved health leads to lower spending on medical services and more time spent on income-generating activities. In addition, women benefiting from programs that involve several types of livelihood support (training, finance, and mentoring) experience higher success rates than those in less comprehensive programs. They also report improved mental health, happiness, and reduced stress due to improved status in the community and have a stronger voice to demand better public services such as health, WASH, and education.
- 143. Participating in a livelihood group strengthens members’ social capital.** In South Asia, households that belong to self-help groups are more food secure, have better-quality shelter, and are better able to recover from shocks through investment in productive assets.⁹² In Somalia, livelihood groups provide platforms for exchanging ideas and expertise, and are places to share and relieve psychological stress.

⁸⁹ Vivian Hoffmann, Vijayendra Rao, Vaishnavi Surendra, and Upamanyu Datta, “Relief from Usury: Impact of a Self-Help Group Lending Program in Rural India,” *Journal of Development Economics* 148 (January 2021): 102567.

⁹⁰ Datta, “Socio-Economic Impacts of JEEViKA”; Jean-Marie Baland, Timothée Demont, and Rohini Somanathan, “Child Labor and Schooling Decisions among Self-Help Group Members in Rural India,” *Economic Development and Cultural Change* 69, no. 1 (October 2020): 73–105.

⁹¹ Banerjee, Duflo, and Sharma, “Long-Term Effects of the Targeting the Ultra Poor Program.”

⁹² Cabot Venton, Prillaman, and Kim, *Building Resilience through Self Help Groups*.



- 144. The use of digitized financial services reduces the risk of loss.** The Project aims to increase the use of digitized financial services in part to increase the security of the financial assets held by the WAGs. Currently, many WAGs store cash in boxes, potentially exposing WAG members, especially treasurers and box holders, to the risk of theft and robbery. The Project's support for the digitization of financial records and opening accounts in formal financial institutions will help improve the security of their financial assets.
- 145. The Project will strengthen resilience to climate change** by increasing awareness of the livelihood implications of climate risks and supporting the development of climate-informed livelihood activities. In addition, by increasing savings; reducing the risk of loss of financial assets; and improving social capital and human development outcomes, the Project will enable women and their families and communities to recover more quickly from climate disasters.
- 146. Assessment and reduction of adaptation risks.** Components 1 and 3 are essentially soft activities aimed at capacity building, training, and project management, which do not include any investments in physical assets that may be affected by climate change. However, Component 2 supports investments in productive assets through grants aimed at improving WAGs' and LCs' productivity and value chain opportunities. The main climate risks that could affect this component include: storms and floods in the southern states, due to heavy rains and sea level rise; chronic drought and river flooding in the northern states; and aridity and droughts in the central and eastern parts of the country. The level of exposure and vulnerability to climate hazards of these activities can vary from low to medium, depending on the location of the specific target areas, which will be selected during project implementation. To keep any possible material impacts to an acceptable (low) level, the project design includes several risk reduction measures: (a) *technical assistance*, e.g., PCRA and climate risk screening of all activities proposed in the MIPs and LCs' business plans; new studies to develop context-specific CSA technology options and resilient crop varieties, and climate-sensitive market and value chain analyses; (b) *capacity building*, e.g., train the WAGs on current and future climate risks and options for coping with climate hazards, provide training to WAGs, VOs, and CLFs on options to reduce climate change impacts on health, and to adapt to other climate hazards; and (c) *livelihoods-related support* to WAGs, e.g., by introducing heat- and drought-tolerant varieties, using conservation agriculture to reduce soil disturbance, and applying irrigation technologies that reduce water use, and to LCs, through adaptation measures such as water conservation through mulching, and weather-based crop advisories.
- 147. Assessment and reduction of mitigation risks.** The project is expected to have low impact on greenhouse gas (GHG) emissions and to align with the country's transition to low GHG emissions pathways. Many of the Project activities, primarily related to building community institutions (Component 1) provide technical and capacity building for women's groups through soft activities that are expected to generate no GHG emissions, or carbon lock-in. Other project activities related to productive investments aimed at improving livelihoods (Component 2) are likely to generate GHG emissions, but these are low, and significantly less than without the project (i.e., there are no other means of achieving the PDO with lower GHG emissions). The most important risk reduction measures included in the project design are: (a) *technical assistance*—e.g., climate screening of MIPs and LCs' business plans—to ensure inclusion of energy efficiency measures before their financing; (b) *capacity building*,—e.g., train the WAGs in digital financial literacy and adopt digital applications—supporting mitigation by avoiding car travel and by reducing the use of paper documents; strengthen the institutional capacity of federal and state ministries on gender and climate



change, with a focus on supporting climate mitigation; and (c) *livelihoods-related support* to WAGs—e.g., through measures aimed at reducing GHG intensity, such as improving manure management; and to LCs—through mitigation measures such as introducing renewable energy sources (e.g., solar photovoltaic energy for heating, cold storage, drying, and pumping).

B. Fiduciary

Financial Management

- 148. The World Bank’s 2022 review of the Project’s FM arrangements and the financial performance of the original NFWP** found them to be Satisfactory. Under the NFWP’s original financing, the residual FM risk was initially assessed as Substantial at appraisal. However, with the application of relevant mitigating measures during Project implementation, the residual FM risk rating was lowered to Moderate, while FM performance was Satisfactory.
- 149. Under the original Project also, the SPCUs and the FPCU were adequately staffed**, all financial reports (including Interim Financial Reports and audited financial statements) were submitted promptly—there were no overdue audits or IFRs and no ineligible expenditures. On this basis, the FM arrangements will continue unchanged for the scale-up operation. The FM arrangements in the states will also continue to be centralized in the state-level PFMUs, as in the NFWP.
- 150. The responsibility for establishing and maintaining acceptable FM arrangements for the NFWP-SU will remain with the PFMUs in the 36 states and the Federal Capital Territory**, and with the Federal Project Financial Management Department (FPFMD) in the Office of the Accountant-General, as under the original Project. The Federal Treasury Circular of March 2010 established the FPFMD for the purpose of handling the FM responsibilities for funds provided by multiple donors for multiple projects. For the NFWP-SU, the FPFMD and each of the state PFMUs will designate a project accountant, a project internal auditor and other accounting personnel from the professional accountants’ pool in the states and the federal-level Office of the Accountant-General. As with the original financing, this arrangement will ensure the appropriate division of duties across all implementing agencies. As before, the FPFMD and the PFMUs will prepare and submit, within agreed timelines, annual audited financial statements and IFRs in the format agreed upon with the World Bank. A computerized accounting system will be used in each state and shall be configured in line with the formats of the IFR and the annual financial statements. The Project bank accounts at the FPCU and the SPCUs that were used in the original financing will be maintained for the scale-up operation, while designated and drawdown accounts for new participating states will be opened with reputable commercial banks acceptable to World Bank. Annual audits will be submitted under the Project separately at the federal and state levels within six months from the end of the fiscal year.
- 151. The overall initial FM risk for the NFWP-SU is assessed as Substantial, with the FM residual risk after mitigation measures assessed as Moderate.** Since the NFWP-SU will involve more project coordinating units, the number of designated accounts (DAs) operated under the Project will increase. As it is likely that most implementing agencies in the new participating states operate manual systems of accounting, the risk of inadequate reporting of financial transactions may be increased, as will the risk that these agencies may generate financial reports unacceptable to the World Bank. In addition, the scale-up will introduce a



wider network of fund transfers to the beneficiaries of CIF and livelihood collective grants, and this comes with higher risks associated with cash transfers. To manage the operations of the additional DAs, the World Bank will provide adequate training in its fund flow and disbursement procedures to designated FM staff. The World Bank will also ensure that computerized accounting systems are introduced at all additional implementing agencies. FM arrangements for the livelihood programs under Component 2 will include disbursing in tranches and FM supervision integrated with M&E to validate expenditures. Interventions will also be physically verified by Project auditors and through social accountability mechanisms, including community meetings. Project auditors will be adequately trained to conduct effective periodic audits of payments to the beneficiaries of livelihood grants. Although the PFMU was established as a platform in the Office of the Accountant-General to attend to the fiduciary responsibilities of projects at both federal and state levels, FM operations across new participating states could be challenged by inadequate technical capacity in the state PFMUs. This risk will be mitigated by continual training of newly introduced Project accountants and auditors, as well as periodic review of financial records to ensure satisfactory performance. With these mitigating measures, the FM residual risk is assessed as Moderate.

Procurement

- 152. The Procurement Capacity Assessment conducted by the World Bank in 2022** finds that the procurement system, capacity, and performance of the FPCU/SPCUs during the original Project provided reasonable assurance that the credit funds would be used effectively, efficiently and transparently for the intended purposes, subject to the implementation of a set of risk-mitigation measures. The inherent procurement risk for the NFWP-SU is considered Substantial, while the residual risk after implementation of the recommended mitigation measures is assessed as Moderate. More details on procurement arrangements are provided in Annex 1.
- 153. Procurement arrangements for the NFWP-SU will be the same as in the Parent project.** The FPCU/SPCUs will be responsible for procurement in accordance with (a) the World Bank Procurement Regulations for IPF Borrowers, dated November 2020; (b) the World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (Anti-Corruption Guidelines), dated October 15, 2006, and revised in January 2011 and as of July 1, 2016; and (c) the provisions of the Financing Agreement. In accordance with paragraph 5.9 of the Procurement Regulations, the World Bank's Systematic Tracking and Exchanges in Procurement (STEP) system will be used to prepare, clear and update procurement plans and conduct all procurement-related transactions for the Project.
- 154. The Borrower has prepared a Project Procurement Strategy for Development (PPSD) with support from the World Bank.** The PPSD finds that (a) none of the activities in the 18-month procurement plan prepared by the NFWP will require clearance by the accredited procurement manager or the operational procurement review committee; and (b) the Government of Nigeria is strengthening its public procurement institutions and systems through the development of e-procurement, the institutionalization of academic procurement training in Centers of Excellence, and the rolling out of a procurement professional certification program. Further, the PPSD proposes that (c) the major procurement activities include digital savings software, office equipment and operational vehicles, and consulting services for TA; and that (d) adequate mitigation measures be put in place to address the identified risks of political



interference, volatile exchange rates and high inflation. The PPSD and the final version of the procurement plan were agreed prior to negotiations.

155. State and federal-level procurement procedures under the Project will be similar to those of the original NFWP. Each state will be responsible for procuring its own activities and will submit them directly to the World Bank for review. Each state will deploy a qualified procurement officer, cleared by the World Bank, to the implementing agency to support the implementation of procurement activities. The World Bank will ensure that such officers possess the requisite academic and procurement professional experience. The procurement officers cleared by the World Bank will be retained as members of the SPCUs throughout Project implementation, to ensure continuity and enhance the capacity development of the procurement officers. Where the experience of the recommended procurement officer is considered inadequate, the project coordination units will be required to competitively hire an experienced procurement consultant to provide procurement support to the implementing agency and build the procurement officer’s capacity within the first year of Project implementation.

156. The procurement plan and all procurements shall be disclosed in accordance with the provision of the above World Bank Procurement Regulations.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

D. Environmental and Social

157. The Project will be implemented under the World Bank’s Environmental and Social Framework; its environmental and social (E&S) risks are rated Moderate. The proposed scale-up project activities are not expected to have major adverse environmental or adverse social effects. Six of the 10 environmental and social standards (ESSs) are relevant to the NFWP-SU: ESS1 (Assessment and Management of Environmental and Social Risks and Impacts); ESS2 (Labor and Working Conditions); ESS3 (Resource Efficiency and Pollution Prevention and Management); ESS4 (Community Health and Safety); ESS5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement); and ESS10 (Stakeholder Engagement and Information Disclosure).

158. Environmental risks. The Project aims to support women in the WAGs through the provision of grants and targeted skills training and TA, which will not have significant, direct effects on people and the environment since the activities will be limited in scale. The environmental risk of the Project is considered Moderate, based on occupational health and safety (OHS) risks from the livelihood-strengthening activities (which could result in small-scale civil works) under Component 2. The potential environmental risks and effects associated with the activities under Component 2 include noise, dust emission, solid waste, OHS risks



common to civil works, procurement of non-energy-efficient equipment, organic waste and wastewater discharges from the processing machinery, and the risk of communicable diseases, including COVID-19. These effects and risks will be minimal, site specific, temporary and readily manageable with the implementation of relevant mitigation measures.

- 159. Social risks.** On the social side, the Project will not finance major land acquisition activities and major activities that disrupt livelihoods. However, it may (a) require a modest amount of land for small infrastructure works to support higher-order economic assets, technology, machinery, and climate-smart investments; (b) have the unintended effect of excluding economically inactive women from Project benefits; (c) open possibilities for elite capture, whereby WAG leaders could unfairly benefit at the expense of other WAG members in the implementation of the livelihood-enhancement grant; and (d) entail risks due to poor working environments, improper handling of worker relations, misunderstanding of the rules of engagement for community workers, and use of child and forced labor by the primary supplier. While the likelihood of these risks is remote, the Project will assess site-specific effects and adopt proportionate social risk mitigation measures for each site. The Project will specifically ensure that persons with disabilities, marginalized groups, persons residing in internally displaced persons' camps, and ethnic minorities are not excluded from the intervention in the participating states.
- 160. Other potential social risks include** (a) inadequate stakeholder consultations/engagements; (b) nonfunctional grievance and complaint mechanism and committees; (c) the prevalence of project-induced forms of GBV, including intimate partner violence and risks of SEA/SH; and (d) contextual security risks that may affect the level of NFWP-SU implementation. The Project will mitigate these risks by (a) implementing social accountability mechanisms to minimize elite capture and enhance transparency and accountability; (b) implementing a stakeholder engagement plan (SEP) to ensure robust and ongoing stakeholder engagements throughout the Project cycle; (c) putting in place responsive, well-resourced and efficient GRMs at various levels; (d) updating the existing GBV Action Plan and the Accountability Response Framework prepared under the original NFWP to reflect the newly participating states and, thereafter, implement mitigation measures as required; and (e) implementing state-specific security management plans to address issues related to security risks. Other effects could include the risk of contracting COVID-19 in the event of a surge in COVID-19 infections. Considering these risks, the Project will mainstream attention to OHS by building on international good practices, especially those of the World Health Organization (WHO). The FPCU and SPCUs will follow WHO guidelines for social distancing and proactive community outreach during Project implementation as needed.
- 161. The SEA/SH risk within the Project's context is rated Moderate. The original project conducted significant work on SEA/GBV risks and mitigation measures,** and established mechanisms (project-level GRMs, the GBV Action Plan and Accountability and Response Framework, GBV assessments and citizen engagement) that will be integrated into the NFWP-SU, modified as appropriate to reflect lessons learned.
- 162. Further, to address the potential risks of GBV and sexually transmitted disease (STD), the Project will build in specific measures to effectively prevent and respond to GBV risks in a survivor-centered manner.** These measures will include (a) mapping of GBV service providers in the participating states as part of the LGA assessments before Project implementation begins; (b) reinforcing messages aimed at addressing negative social norms that perpetuate GBV as part of SBCC campaigns under Component 1; (c) using safe



spaces for meetings, trainings and other Project activities; (d) train Project implementers to effectively prevent and respond to GBV in a survivor-centered manner; (e) ensuring that Project contractors adhere to specific codes of conduct; (f) including specific protocols to monitor GBV risks in the Project GRM and the social accountability framework; (g) coordinating with the development partners and the GBV subsector working group working on the GBV agenda; and (h) working closely and establishing partnerships with the sexual assault and referral centers in the implementing states. The STD-related risk will be mitigated through proper sensitization and behavioral training.

163. The World Bank has prepared an assessment of the Project’s potential E&S risks, which was approved and disclosed before appraisal. In addition, the FPCU has prepared an Environmental and Social Commitment Plan (ESCP), which was reviewed and cleared by the World Bank and disclosed in-country on December 14, 2022, and on the World Bank’s external website on December 15, 2022.⁹³ The ESCP includes material measures and actions that the FPCU is committed to preparing and implementing, and the timeline for each. The implementation of any commitment included in the ESCP will be monitored and reported to the World Bank. The ESCP is a negotiated document and is legally binding. The key ESSs applicable to the Project are listed below.

164. ESS2 – Labor and working conditions. As part of the Environmental and Social Management Framework (ESMF), cleared by the World Bank and disclosed in country⁹⁴ and on the World Bank’s external website on December 15, 2022 the FPCU has prepared a Labor Management Procedure, which was reviewed and cleared by the World Bank and disclosed both in country and on the World Bank’s external website on December 14, 2022. The LMP sets out how Project workers will be managed, in accordance with the requirements of national laws and ESS2. While the type and the number of workers required under the Project are not yet clear, it is expected that they will include direct workers, contracted workers, primary supply workers and community workers.

165. ESS3 – Resource efficiency and pollution prevention and management. Given that activities to be financed under Components 2 and 3 are likely to be limited in scale, they are expected to have limited impacts on the efficient use of natural resources and generate limited waste.⁹⁵ Measures to address the risks and effects have been included in the ESMF. Energy-efficient machinery will be procured under the Project. During the operational phase, depending on the nature of support and the developed business plan, waste could be generated from the construction of small infrastructure and there could be discharges from the processing machinery. Adequate training and provision of waste-management procedures have been incorporated into the project ESMF. Waste-management plans will be developed as part of the Environmental and Social Management Plans to manage the likely waste from construction works and processing facilities.

166. ESS4 – Community health and safety. The small-scale civil works activities may likely attract migrant workers from other areas outside the implementing LGAs. This could expose communities to health and

⁹³ The ESCP was redisclosed on the World Bank’s external website on May 31, 2023.

⁹⁴ ESMF was disclosed in-country on December 14, 2022.

⁹⁵ Waste may be produced by processing machinery and the construction of small infrastructure such as a storage or drying facility.



social risks and adverse effects such as SEA/SH, STDs, and COVID-19. There is also a contextual security risk, although minimal. The Project will strictly adhere to COVID-19 national guidelines and WHO protocols as relevant. Also, in the event of a surge in COVID-19 infections, compliance with COVID-19 protocols will likely affect Project activities as the subprojects try to comply with relevant preventive measures provided by the Ministry of Health and WHO.

167. Security risk: While the contextual security risk in Nigeria is evident, the likelihood that this risk will materialize at the Project level is limited. However, the Project will conduct Security Risk Assessments (SRAs) in the participating states to develop a Security Management Framework within six months of Project effectiveness. Once specific Project LGAs are known, site-specific SRAs will be conducted. Based on the LGAs' SRA outcome, an LGA Security Management Plan proportionate to the risk will be put in place. The security situations of LGAs will be assessed and evaluated as frequently as possible and corrective action shall be taken as required. Under the NFWP, a security specialist was engaged at the federal level to (a) identify security risks and propose solutions to them; (b) advise project management on all safety- and security-related matters, ensuring the systemic application of safety- and security-management policies and procedures; and (c) train staff on security-related topics, while ensuring those policy guidelines are understood, adopted, and implemented across the Project states. The security specialist's role will be expanded to ensure coverage in the participating states.

168. ESS5—Land acquisition, restrictions on land use, and involuntary resettlement: These are relevant to the NFWP-SU and will apply to all subcomponents that are likely to involve construction works, regardless of their scale. Because of the small scale and the nature of construction activities, economic and physical displacements are very unlikely. Given that the locations of subprojects are not yet known at this stage of the Project preparation, the FPCU has prepared a Resettlement Policy Framework (RPF) which has been reviewed and cleared by the World Bank and was disclosed in-country⁹⁶ and on the World Bank's external website on December 15, 2022. The purpose of the RPF for the NFWP-SU is to clarify resettlement principles, organizational arrangements, and the design criteria to be applied to subprojects or project components to be prepared during Project implementation. Once the specific locations of subprojects are identified and the necessary planning information becomes available, the framework will be expanded into Resettlement Action Plan proportionate to potential risks and effects of the NFWP-SU. While the Project is not expected to entail major land acquisition and displacement, its activities, if any, that will cause physical and/or economic displacement will not commence until such specific plans have been finalized, approved by the World Bank, and prompt compensation and resettlement assistance payments are made to project-affected persons.

169. Citizen engagement will form an integral part of Project implementation to enable effective two-way interaction between citizens and the Government and other actors through the WAGs and their federations. Citizen engagement under the Project will build on the systems developed for the parent project. The citizen engagement approaches in this Project will work with WAGs and their federations to prioritize meaningful engagement of women, girls, men, and boys to create an environment that supports women's social and economic empowerment. They will include the Project GRM in additional annual consultations with CSOs and the social accountability mechanisms for community institutions built into Component 1.

⁹⁶ The RPF was disclosed in-country on December 14, 2022



170. ESS10 – Stakeholder engagement and information disclosure: The FPCU prepared an SEP (including GRM instrument), which has been reviewed and cleared by the World Bank and was disclosed in country on December 14, 2022, and on the World Bank’s external website on December 15, 2022. The SEP will be implemented and updated as required throughout the Project life cycle. The objective of the SEP is to promote and provide a means for the effective and inclusive engagement of stakeholders and beneficiaries throughout the Project life cycle. The SEP will ensure that appropriate Project information is disclosed to stakeholders in a timely, understandable, culturally accessible, and appropriate manner, free of manipulation, interference, coercion, discrimination, and intimidation. To ensure this, the FPCU would need to engage in meaningful consultations with all stakeholders.

V. GRIEVANCE REDRESS SERVICES

171. Grievance redress: Communities and individuals who believe they are adversely affected by a World Bank–supported project may submit complaints to existing project-level grievance mechanisms or the World Bank’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the World Bank’s independent Accountability Mechanism. The mechanism houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of the World Bank’s noncompliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the Accountability Mechanism at any time after concerns have been brought directly to the World Bank Management’s attention and after the Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank’s Accountability Mechanism, please visit <https://accountability.worldbank.org>.

VI. KEY RISKS

172. The overall risk rating for the Project is Substantial. Although the Government’s commitment to gender equality and WEE remains strong, political and governance, macroeconomic, technical design, and fiduciary risks are considered Substantial.

173. Political and governance risk is rated Substantial due to the recent change in administration which may lead to a period of reduced political commitments or policy stance changes at the state level. These impacts will be mitigated through continuous engagement with the Nigeria Governors’ Forum (an effective platform for policy dialogue with states) and with each state government. In addition, strong communications and citizen engagement in the Project will be fostered. WEE is likely to remain high on the priority list of the incoming administration and elected officials, given its critical role in inclusive and equitable economic growth.



- 174. Macroeconomic risk is rated as Substantial.** The current macroeconomic environment in Nigeria is challenging which directly affects the subnational governments, especially given the predominant role that federal transfers of fiscal revenues play in the fiscal equation of each tier of government. Nigeria's recovery from the recession and diversification away from oil remain slow, though efforts by the Federal Government to strengthen non-oil revenues are preventing worse out-turns. High inflation has not been adequately managed, pushing millions of more Nigerians into poverty. Petrol subsidies continue to exacerbate the fiscal situation. The wide gap between the official and parallel exchange rates continues to hinder private foreign and domestic investment and external reserves are declining despite relatively higher oil prices. Higher external uncertainty from a prolonged Russia's invasion of Ukraine and monetary policy tightening across advanced economies as well as the recent sovereign rating downgrade for Nigeria by a major rating agency are contributing to reduced capital inflows and increased sovereign risk and cost of borrowing.
- 175. The risk related to technical design of Project is rated Substantial,** primarily because of innovations in the design since the original project that have not yet been fully tested and the multisectoral nature of the interventions, some of which (such as health and WASH) fall outside the technical expertise of the key implementing entities and are new to the NFWP model. This risk is being mitigated by creating MCSs at the state level, which will ensure that each sector/ministry clearly identifies its priority actions regarding the state's commitment to WEE and has an agreed upon action plan for implementing them. Coordination of Project activities across several states will also be challenging. Another design risk relates to changes being proposed in the design, especially, the CIF to the WAGs (a departure from the original project, in which individuals received small livelihood grants). This risk will be mitigated by (a) drawing in several partners and technical support agencies to support implementation; (b) ensuring that all CIF grants will be disbursed to WAGs electronically; and (c) ensuring all WAG members have a national identity number (NIN) within six months after joining a WAG to prevent women joining multiple WAGs. The NFWP-SU will coordinate with appropriate World Bank-financed projects, such as the Rural Access and Agricultural Marketing Project (P163353), to ensure priority coverage of the LGAs targeted under the program. Also, it will coordinate with appropriate social protection programs to incorporate measures to ensure efficient delivery of financial capital, and with the Nigeria Digital Identification for Development Project to speed up the issuance of NINs and linkages to National Identity Management Commission (NIMC) for authentication purposes.
- 176. Sector strategy and policy risks are rated as Moderate,** primarily due to the federal government's favorable strategic thrust for the sector, as evidenced by its recent commitments as well as the ongoing policy dialogue on WEE. At the state level, participating states have implemented relevant laws and policies. Approximately one year ago, some of the states allocated financing to the Project, demonstrating their commitment even prior to the preparation of the PAD.
- 177. Environmental and social risks are both rated Moderate in the E&S section above.** As part of its contribution to climate adaptation, the Project will support poor women with processing facilities through energy-saving appliances (e.g., solar lighting, solar charging and efficient cook stoves) and promoting the use of briquettes to conserve deforestation. Accordingly, the Project will finance and facilitate input purchasing, post-production processing equipment or small-scale infrastructure, adoption of modern technology, building common economic assets or infrastructure, and reducing the risk of entry or enabling moving along the value chain to achieve higher gain.



- 178.** The use of solar panels is not at the core of this project. Nevertheless, to preclude and manage any child labor, forced labor and/or other labor and working condition-related issues, the project has developed robust mitigation measures, including the use of the ESMP, LMP, Code of Conduct, GBV prevention and response plan, and SEP including GRM, that will be used to protect project affected persons, and these mitigation measures are also captured in the ESCP.
- 179. Institutional risk related to capacities for implementation and sustainability is rated Moderate.** The Project will need to strengthen the technical skills required by new Project Coordination Units, PCUs. All new PCUs would need to ensure qualified staff from within the civil services are seconded and, where required, qualified consultants to support Project implementation..
- 180. The Project's fiduciary risk is rated Substantial.** Since the scale up will involve an increased number of implementing units, the number of DAs will be larger, in addition to the manual accounting system operated by most ministries, departments, and agencies. The program is exposed to the risk of the implementing units not providing adequate and timely financial reports. Although the PFMU is established as a platform in the Office of the Accountant-General to attend to the fiduciary responsibilities of projects at both federal and state levels, FM operations across most PFMUs are challenged by inadequate technical capacity. To address this will require handholding, continued training, and frequent review of financial records to achieve satisfactory performance during Project implementation. The enactment of the Public Procurement Act 2007 and the establishment of the Bureau of Public Procurement (BPP) by the federal government significantly improved the practice of public procurement in Nigeria. However, because Nigeria operates a federal system of government, this transformation was at first restricted to the federal government since it was not binding on the 36 state governments. Over time and with the various institutional and regulatory reforms supported by the World Bank, all 36 states now have their procurement laws, largely adapted from that of the federal. Despite these reforms, the practice of procurement in the country is still inundated with various challenges, including inadequate capacity, a weak sanction regime, and prevalent use of direct selection as the norm rather than exception in the public sector.
- 181. Other risks (GBV) are rated Moderate.** If not mitigated appropriately, entrenched gender-discriminatory social norms have the potential to put women who challenge these norms (by earning significant incomes or engaging in nontraditional employment sectors through Project support) at risk of experiencing GBV, especially intimate partner violence, at least in the short term. To address these risks, the Project will build on the following measures developed under the NFWP: (a) mapping of GBV service providers and development of referral pathways; (b) communication campaigns based on international good practices for behavior change and sensitization to address many drivers of violence and harassment; and (c) communication regarding the benefits of improved livelihoods for reducing conflict-inducing tensions such as poverty and scarcity of resources at home.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Nigeria

Nigeria for Women Program Scale Up Project

Project Development Objectives(s)

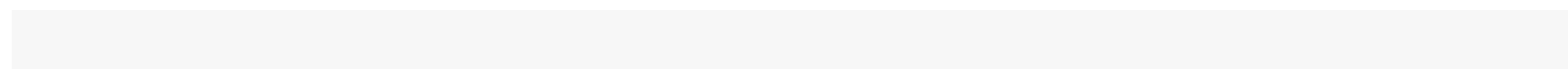
To institutionalize Women Affinity Groups (WAGs) and other platforms for women’s economic empowerment and enhance the economic opportunities of unbanked women.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Institutionalizing WAGs and other platforms for women's economic empowerment							
Women who are members of WAGs (disaggregated by States) (Number)		420,204.00	1,002,104.00	1,988,804.00	3,734,504.00	4,341,704.00	4,341,704.00
WAGs in operation that have achieved good quality standards based on an agreed rating system (Number)		8,300.00	8,300.00	27,275.00	59,450.00	116,375.00	136,175.00
Village Organizations and Cluster-Level Federations in		0.00	0.00	457.00	1,233.00	2,604.00	3,082.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
operation that have achieved good quality standards based on an agreed rating system (Number)							
Policies and programs at the state-level to support the functioning of WAGs and Federations (Number)		0.00	3.00	6.00	9.00	12.00	15.00
Enhance the economic opportunities of unbanked women							
Savings mobilized by WAGs per year before share out (Text)		NGN2,535,545,086	NGN2,277,000,000	NGN6,138,000,000	NGN12,969,000,000	NGN15,345,000,000	NGN15,345,000,000
Women without a bank account or mobile wallet (Number)		37,668,716.00	37,332,553.00	37,203,196.00	36,413,836.00	35,017,276.00	34,531,516.00
Increase in productive assets of WAG members (Percentage)		0.00	0.00	10.00	15.00	20.00	30.00



Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Component 1: Building Community Institutions							



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Champions enlisted to the project (Number)		387.00	583.00	977.00	1,371.00	1,567.00	1,764.00
Increase in percentage of women with decision-making power over household expenditures (Percentage)		0.00	0.00	2.00	5.00	10.00	15.00
Functional WAGs supported (disaggregated by existing groups and new groups) (Number)		19,493.00	42,263.00	80,873.00	149,183.00	172,943.00	172,943.00
WAGs trained on climate change and adaptation (Percentage)		0.00	70.00	80.00	90.00	95.00	95.00
Project participants receiving training that express satisfaction with the training (Percentage)		90.00	80.00	80.00	90.00	90.00	95.00
Average savings per WAG member (Text)		NGN7,662	NGN3,500	NGN5,500	NGN6,500	NGN7,500	NGN8,500
Proportion of non-performing loans (NPLs) (Percentage)		0.00	30.00	25.00	20.00	10.00	5.00
WAGs utilizing a digital application to record WAG transactions (Percentage)		0.00	25.00	30.00	40.00	45.00	50.00
Component 2: Livelihood Program							
WAGs that have prepared MIPs and received CIF (disaggregated by existing and		0.00	70.00	80.00	90.00	90.00	90.00



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
new WAGs) (Percentage)							
MIPs financed from CIF that have undergone climate screening (Percentage)		0.00	70.00	75.00	80.00	80.00	80.00
Livelihood collectives formed that receive demonstrations of climate-smart practices (Percentage)		0.00	0.00	50.00	60.00	80.00	90.00
Livelihoods collectives formed that have accessed grant support (Percentage)		0.00	0.00	50.00	60.00	80.00	90.00
Livelihood Collectives accessing bigger markets (Percentage)		0.00	0.00	0.00	10.00	15.00	20.00
Livelihoods collectives formed that are functional at project closure (Percentage)		0.00	0.00	50.00	60.00	80.00	90.00
Component 3: Project Management, Monitoring and Evaluation, and Learning							
Exposure visits to resource States (Number)		0.00	12.00	15.00	15.00	15.00	15.00
GBV service provider mapping and referral pathway completed for all NFWP States (Yes/No)		Yes	Yes	Yes	Yes	Yes	Yes
Grievances registered and satisfactorily resolved or referred within specified time frames (Percentage)		89.00	70.00	80.00	85.00	90.00	90.00
Annual consultations with		No	Yes	Yes	Yes	Yes	Yes



Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
CSOs for reporting of progress and receiving project feedback (Yes/No)							
Knowledge products produced by the project (Number)		57.00	67.00	77.00	87.00	97.00	107.00
Lesson learning events at State and Federal Levels (Number)		177.00	179.00	181.00	183.00	185.00	187.00

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Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Women who are members of WAGs (disaggregated by States)	Counts the number of women who have ever joined a WAG, disaggregated by State.	Quarterly	PMIS	Regular project M&E reporting	FPCU
WAGs in operation that have achieved good quality standards based on an agreed rating system	Counts the number of WAGs following the project good groups principles (group dynamics, financial capabilities and behavioral	Annually	PMIS	Regular project M&E reporting	FPCU and SPCUs



	discipline), achieving good quality grading based on regular meetings, regular savings, internal lending, regular repayment and bookkeeping and graded B and above.				
Village Organizations and Cluster-Level Federations in operation that have achieved good quality standards based on an agreed rating system	Counts the number of Village Organizations and Cluster-level Federations achieving good quality grading based on regular meetings, partnerships created, services linked to WAGs, training facilitated and book-keeping, and graded B and above.	Annually	PMIS	Regular project M&E reporting	FPCU & SPCUs
Policies and programs at the state-level to support the functioning of WAGs and Federations	Counts the number of policies and programs established at the State level that support the functioning of WAGs and Federations.	Annually	Official Memorandum	Annual progress report	FPCU & SPCUs
Savings mobilized by WAGs per year before share out	Counts the total member savings mobilized by WAG members per year before their annual cycle share out. Intermediate indicators are yearly targets and not	Quarterly	PMIS	Regular project M&E reporting	FPCU & SPCUs



	cumulative over time.				
Women without a bank account or mobile wallet	Counts the number of initially unbanked women who opened an account or mobile wallet as a result of joining a WAG. We estimate that approx. 3.1m women will open accounts as a result of joining a WAG. To arrive at the total number of unbanked women in Nigeria, the 2021 Global Findex indicator "Account, female (% age 15+)" is applied to the estimated 2021 population values from the WDI downloaded prior to the June 30, 2022 update. The Global Findex is released every three years, therefore updated results will only be available in 2025 and 2028.	Every three years (on the Global Findex schedule)	Global Findex database	Calculation based on Global Findex data and World Bank population data.	FPCU
Increase in productive assets of WAG members	Measures the percentage change in value of productive assets owned solely or jointly by WAGs members.	Annually	Beneficiary survey	A beneficiary survey will be carried out annually with a representative sample of WAG members.	FPCU



Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Champions enlisted to the project	Counts the numbers of champions and opinion makers enlisted/signed on to the project, disaggregated per state.	Twice yearly	PMIS	Regular project M&E reporting	FPCU & SPCUs
Increase in percentage of women with decision-making power over household expenditures	Measures the change in WAG members reporting increased decision-making power over household expenditures since joining a WAG. Numerator: Number of WAG members reporting increased decision-making power over household expenditures since joining a WAG Denominator: Total number of WAG members	Annually	Beneficiary Survey	A beneficiary survey will be carried out annually with a representative sample of WAG members.	FPCU
Functional WAGs supported (disaggregated by existing groups and new groups)	Measures number of WAGs formed that meet the definition of Functional	Quarterly	PMIS	Regular project M&E reporting	FPCU & SPCUs



	WAGs (defined as those with - (1) regular meetings; (2) regular savings; (3) at least 70% members attending all meetings). Disaggregated by groups that existed before becoming a WAG and new groups that formed as a WAG.				
WAGs trained on climate change and adaptation	Measures the proportion of WAGs that have received climate change and adaptation measures training curriculum as part of their basic training package. Numerator: Number of WAGs trained on climate change and adaptation Denominator: Total number of WAGs	Quarterly	PMIS	Regular project M&E reporting	FPCU & SPCUs
Project participants receiving training that express satisfaction with the training	Proportion of WAG members that complete all modules of training and find these useful and satisfactory. Numerator: Number of WAG members that report	Annually	Beneficiary Survey	A beneficiary survey will be carried out annually with a representative sample of WAG members.	FPCU



	satisfaction with the trainings Denominator: Total number of WAG members that have completed trainings				
Average savings per WAG member	Counts the average savings per WAG member. Numerator: Total WAG savings Denominator: Total number of WAG members	Quarterly	PMIS	Regular project M&E reporting	FPCU & SPCUs
Proportion of non-performing loans (NPLs)	Measures the percentage of non-performing loans across WAGs using PMIS data. A non-performing loan is defined as one where the WAG member has not made any scheduled payments of principal or interest within the specified time. Numerator: Total number of non-performing loans from all WAGs Denominator: Total number of loans from all WAGs	Twice yearly	PMIS	Regular project M&E reporting	FPCU & SPCUs
WAGs utilizing a digital application to record WAG transactions	Measures the proportion of WAGs that are recording	Twice yearly	PMIS	Regular project M&E reporting	FPCU & SPCUs



	<p>their savings and loan activity digitally, using the project-provided application.</p> <p>Numerator: Number of WAGs using digital saving app to record their savings and loans transactions Denominator: Total number of WAGs formed under NFWP-SU</p>				
WAGs that have prepared MIPs and received CIF (disaggregated by existing and new WAGs)	<p>Measures the percentage of WAGs that have prepared MIPs and received CIF. Numerator: Number of WAGs that have prepared their MIP and received their CIF Denominator: Total number of WAGs formed under this project</p>	Quarterly	PMIS	Regular project M&E reporting	SPCUs
MIPs financed from CIF that have undergone climate screening	<p>Measures the proportion of MIPs that have been funded by CIF that have undergone climate screening based on a screening tool provided by the project.</p>	Quarterly	PMIS	Regular project M&E reporting	SPCUs



	Numerator: Number of MIPs funded by CIF that have undergone climate screening Denominator: Total number of MIPs funded by CIF				
Livelihood collectives formed that receive demonstrations of climate-smart practices	Measures the proportion of LCs that receive at least one demonstration of climate-smart practices. Numerator: Number of LCs that receive at least one demonstration Denominator: Total number of LCs formed under this project	Twice yearly	PMIS	Regular project M&E reporting	SPCUs
Livelihoods collectives formed that have accessed grant support	Measures the percentage of the livelihoods collectives that have received grant support from the project. Numerator: Number of LCs that have accessed grant support Denominator: Total number of LCs under this project	Twice yearly	PMIS	Regular project M&E reporting	SPCUs
Livelihood Collectives accessing bigger markets	Measures the percentage of project supported Livelihood Collectives that	Annually	PMIS	Regular project M&E reporting	SPCUs



	have accessed bigger markets. Numerator: Number of LCs that have accessed bigger markets Denominator: Total number of LCs formed under this project				
Livelihoods collectives formed that are functional at project closure	Measures the percentage of LCs formed that are functional (e.g. active and providing input and marketing services to their members) at project closure. Numerator: Number of LCs formed that are functional at project closure Denominator: Total number of LCs formed under this project	Annually	PMIS	Regular project M&E reporting	SPCUs
Exposure visits to resource States	Measures the number of visits conducted by new NFWP States to resource states for learning about implementation of the WAG model.	Quarterly	M&E progress reports	Regular project M&E reporting	FPCU



<p>GBV service provider mapping and referral pathway completed for all NFWP States</p>	<p>Measures whether a GBV service provider mapping and referral pathways have been completed for all States. It is expected that the GBV mapping will be completed within the first year of a State joining NFWP SU.</p>	<p>Annually</p>	<p>GBV mapping database</p>	<p>GBV mapping reports and confirmation of data in GBV mapping database</p>	<p>FPCU</p>
<p>Grievances registered and satisfactorily resolved or referred within specified time frames</p>	<p>Measures the proportion of complaints received by the GRM that are registered and either satisfactorily resolved or referred (in the case of GBV complaints) within agreed time frames as stipulated in the GRM manual. Numerator: Number of satisfactorily resolved/referred grievances within specific timeframes Denominator: Total number of grievances registered</p>	<p>Quarterly</p>	<p>PMIS</p>	<p>Regular project M&E reporting</p>	<p>FPCU & SPCUs</p>
<p>Annual consultations with CSOs for reporting of progress and receiving project feedback</p>	<p>Measures the implementation of a consultation mechanism between the project and</p>	<p>Annually</p>	<p>Consultation reports</p>	<p>Consultation reports as part of project M&E reporting</p>	<p>FPCU & SPCUs</p>



	CSOs through annual meetings.				
Knowledge products produced by the project	Counts the number of knowledge products published by the project (including monitoring reports, thematic case studies, videos, publications, blogs, etc.)	Twice yearly	Knowledge management records	Regular project M&E reporting	FPCU & SPCUs
Lesson learning events at State and Federal Levels	Counts the number of lesson learning events held by the project at State and Federal Levels where a report of project findings is presented to key stakeholders.	Twice yearly	Learning event reports	Regular project M&E reporting	FPCU & SPCUs



ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Nigeria

Nigeria for Women Program Scale Up Project

- 1. Implementation arrangements for the NFWP-SU will be fully streamlined into the existing government structures at the federal, state, and local government levels.** Project implementation will be the joint responsibility of the FMWA and the participating SMWAs, following the country's federal governance system regarding jurisdictions and mandates of the FMWA and SMWAs. Beyond its responsibility for overall Project oversight and coordination, the FMWA will lead the execution of Project activities with national import as well as activities where coordination and collaboration between states are preconditions for success. Participating states will be responsible for implementing state-specific activities. At both federal and state levels, implementation of Project activities will be mainstreamed into relevant departments.⁹⁷ Details of the institutional arrangement have been discussed at length in the main text above.

Financial Management (FM)

- 2. The overall initial FM risk for the NFWP-SU project is assessed as Substantial, and, with the implementation of mitigation measures, the residual risk is assessed as Moderate.** Since the NFWP-SU will involve more implementing agencies, the number of designated accounts operated under the Project will increase. Most implementing agencies in the new participating states operate manual systems of accounting, which will increase the risk of inadequate reporting of financial transactions as well as the risk of generating financial reports that may be unacceptable to the World Bank. In addition, the scale-up will introduce a wider network of fund transfers to beneficiaries of livelihood grants, increasing risks associated with cash transfers. To manage the operations of additional designated accounts, the World Bank will provide adequate training for designated project FM staff in the World Bank fund flow and disbursement procedures. The World Bank will also ensure computerized accounting systems are introduced in all additional implementing agencies, which will be agreed upon during negotiations with the new participating states. FM arrangements for the livelihood programs under Component 2 will include disbursing in tranches and FM supervision integrated with M&E to validate expenditures and physical verification of site interventions by project internal auditors and social accountability mechanisms. Project internal auditors will be adequately trained to carry out effective periodic audits of payments to beneficiaries of livelihood grants. Although the PFMU is established as a platform in the Office of the Accountant-General to attend to the fiduciary responsibilities of projects at both federal and state levels, FM operations across new participating PFMUs could be challenged by weak technical capacity. This will require handholding and continued training of newly introduced project accountants and project internal auditors as well as periodic review of financial records to achieve satisfactory performance during Project implementation. With the implementation of the mitigating measures, the FM residual risk is assessed as Moderate.

⁹⁷ FMWA departments that will be fully involved in implementation include the Department of Economic Services and the Department of Women Development.



Table A1.1 Financial Management Risk

FM Risk	Risk Rating	Proposed Mitigation Measures	Residual Risk Rating
A. INHERENT RISK			
<p>Country level</p> <p>Potential that funds may not be used efficiently or in an accountable and transparent manner.</p>	High	<p>While the inherent risk in the country is High, based on the mitigation measures stated below the residual risk is rated as Substantial.</p> <p>The national Economic Recovery and Growth Plan (ERGP) 2017–20 was launched in 2017 by the federal government to restore macroeconomic stability in the short term. Governance is among the main pillars of the ERGP, which commits to transparency and anti-corruption, public service reform, intergovernmental coordination, and delivery.</p> <p>Reforms to improve project financial management have been supported by the World Bank under the State Employment and Expenditure for Results project (P121455), the State and Local Governance Reform (SLOGOR) project (P133045), and the Public Sector Governance Reform and Development Project (PSRGDP). Continuing support for project financial management reforms is being provided under the ongoing States Fiscal Transparency, Accountability, and Sustainability program (P162009) involving the participation of all 36 states.</p> <p>Robust FM arrangements (Federal Project Financial Management Department and Project Financial Management Units) designed to mitigate the country-level risk have also been established at the federal and state levels.</p> <p>In addition, Government Integrated Financial MIS is used by the Nigerian government to streamline and automate financial operations, enhance transparency, and promote accountability in public finance management.</p>	Substantial
<p>Entity level</p> <p>Inadequate institutional capacity to implement the Project’s components, monitor</p>	Substantial	<p>While the inherent risk at the level of the implementing entities is Substantial given that there will be many new, first-time SPCUs, with the below mitigating measures the residual risk is Moderate.</p>	Moderate



progress, and therefore be accountable for results		<p>The implementing agencies, the FPCU and SPCUs, have experience implementing World Bank-financed projects.</p> <p>An implementation team including expert advisors (foreign and local) in disciplines related to the NFWP-SU activities will be hired.</p> <p>A GRM is in place within the FPCU and SPCUs and implementation of the protocol for fraud and corruption is ongoing and will continue.</p>	
<p>Project Level</p> <p>Risk exposure of mapping CIF funds to multiple eligible WAGs due to manual data management systems in newly added project implementing agencies under the NFWP-SU</p>	High	<p>Newly added implementing agencies will be required to install project MIS for real time reporting of WAG formation and progress and all payments to WAGs will be done digitally. The MIS will also capture the unique identity of WAG members to ensure that WAGs do not receive multiple payments</p> <p>The project’s internal auditors will be trained to carry out periodic audits of disbursement to WAGs.</p> <p>The World Bank’s FM team will engage in periodic transaction reviews of payments to beneficiaries.</p> <p>Adequate training in the World Bank Fund flow and disbursement procedures will be provided for designated project FM staff.</p>	Substantial
OVERALL CONTROL RISK	High		Substantial
B. CONTROL RISK			
<p>Planning and budgeting</p> <p>Failure to properly prepare a comprehensive budget and effectively monitor its performance</p>	Moderate	Budget execution to be monitored through calendar semester unaudited IFRs.	Low
<p>Accounting policies</p> <p>Poor tracking of project transactions due to manual systems of accounting in newly added implementing agencies under the scale-up project</p>	Substantial	Computerized accounting systems to be introduced in all additional implementing agencies that operate manual accounting systems. Project accountants to be trained on how to use the installed accounting software.	Moderate
<p>Internal control</p> <p>Project management’s override of internal controls and internal audit function</p>	Substantial	<p>Independent and effective internal audit and risk management.</p> <p>Timely and effective follow-up to ensure internal audit’s findings are addressed and</p>	Moderate



		recommendations are implemented by the project management.	
Funds flow Risk involved in transfers of CIF grants to WAGs	High	Qualified and experienced WFs dedicated to supervising funds flow to beneficiaries. Quarterly audit of the beneficiaries' list and the payment to beneficiaries by the project internal auditors.	Substantial
Financial reporting Submission of financial reports that may be unacceptable to the World Bank	Moderate	Use of computerized accounting system to generate financial reports.	Low
External audit Delayed submission of audit reports Submission of audit reports that may be unacceptable to the World Bank	Moderate	An independent external auditor will conduct an external audit based on the terms of reference (TORs) acceptable to the World Bank. To ensure that the quality of the audit reports is acceptable to the World Bank, the external auditor will be selected from the firms listed by the World Bank as acceptable to audit the World Bank-financed projects in Nigeria.	Low
OVERALL CONTROL RISK	Substantial		Moderate
Overall project FM risk	Substantial		Moderate

3. **Planning and budgeting:** Annually, the Project Accountant and the Head of Operations working under the supervision of the Head of the FPFMD and the Head of the State Project Financial Management Unit (SPFMU) at the FPCU and SPCUs, in consultation with key members of the implementing unit, will prepare the AWPB for the fiscal year based on the approved work program. The AWPB will be submitted to the World Bank for the first year of project implementation, which shall be furnished no later than one month after the Project's effective date and then no later than November 30 of each year. Detailed roles, timelines, and procedures for planning and budgeting exist in the Financial Procedures Manual (FPM) for the NFWP's original financing.
4. **Accounting:** The IDA funds will be accounted for by the Project on an accrual basis. In the original financing, implementing entities use a computerized accounting system to report financial transactions. A computerized accounting system will be used by the implementing agencies in the scale-up operation as well. In addition, financial reporting will show segregated funding sources since funding will also be received from the participating state governments. Annual financial statements will be prepared in accordance with the relevant International Public Sector Accounting Standards. All accounting and control procedures are documented in the FPM, a living document that will be subject to review as appropriate.
5. **Internal control:** Adequate internal controls are in place at both SPFMUs and the FPFMD but will be strengthened further. The control features at both SPFMUs and the FPFMD include a framework FM procedures manual adapted for each project and qualified staff who are well trained in relevant World Bank procedures and requirements, including procurement. There would also be segregation of functions



or duties, and independent and well-trained internal auditors. At the peak of the COVID-19 pandemic, these internal auditors were relied upon to support FM supervision for the World Bank–financed projects. The FM staff are nominated by each state’s Accountant-General and the Accountant-General for the Federation, subject to clearance by the World Bank.

6. **The FPFMD and SPFMUs have independent and effective Internal Audit Units.** The work programs of the assigned internal auditors will include periodic reviews of the project activities. The Internal Audit Units will carry out the traditional compliance audit and the nonfinancial or operational internal audit without adopting the prepayment audit system. Measures to mitigate risks of fraud and corruption include having a GRM in place within the FPCU or relevant SPCU, and a social accountability mechanism at community levels that will emphasize transparency and accountability.
7. **Fund flow:** Project funding consists mainly of US\$500 million IDA credit and US\$40 million counterpart funding. The Project bank account at the FPCU and SPCUs used in the original financing will be maintained for the scale-up operation, while designated and drawdown accounts for new participating states will be opened with reputable commercial banks acceptable to the World Bank. The specific banking arrangements are as follows:

Federal PCU

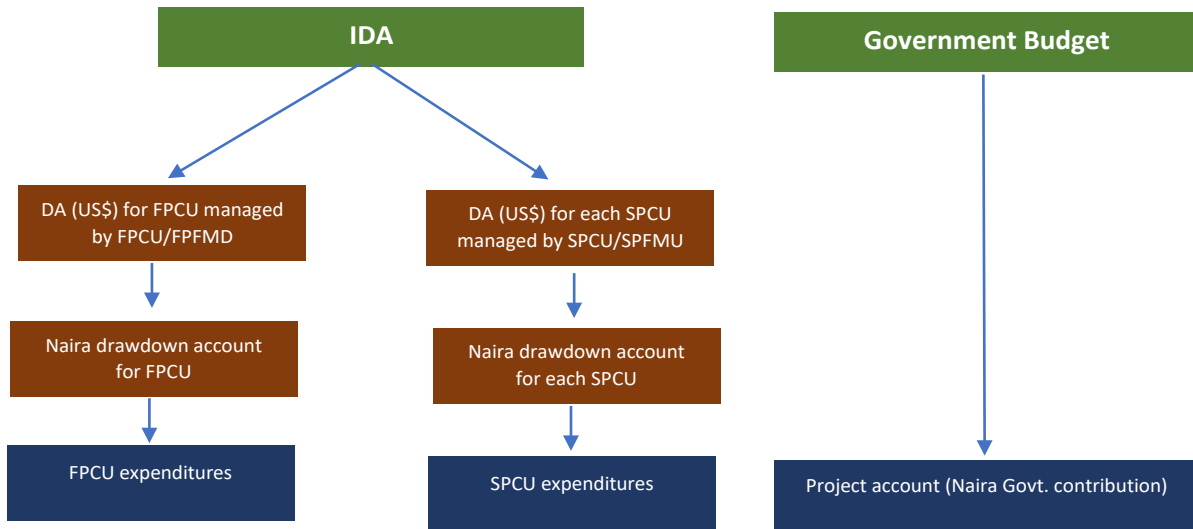
- One US\$ Designated Account for the FPCU, where the initial deposit and advances from IDA will be disbursed for activities to be executed at the federal level
- One Current (Drawdown) account in Naira, where drawdowns from the DA will be credited in respect of eligible expenditures

Participating State PCUs

- One US\$ DA, to which the initial deposit and advances from IDA will be disbursed
- One Current (Drawdown) account in Naira, to which drawdowns from the DA will be credited in respect of incurred eligible expenditures, maintaining balances on this account as close to zero as possible after payments
- One Current account in Naira, to which the state government’s contributions will be deposited



Figure A1.1 Fund Flow Arrangements



8. All bank account ledgers will be reconciled with bank statements monthly and expeditious investigation of identified differences conducted. Details of the bank reconciliation procedure are documented in the FPM. The FPCU and SPCUs will be responsible for preparing and submitting withdrawal applications to the World Bank. The withdrawal applications will be supported by bank statements and a reconciliation of the DA, including such other support documents as required.
9. **Financial reporting:** Calendar semester IFRs will be prepared by the FPCU and SPCUs and submitted to the IDA within 45 days of the end of the semester. Annual financial statements will be prepared and audited. The audited financial statements will be submitted to the IDA within six months of the end of the government fiscal year by the FPCU and SPCUs. Regular periodic returns will be made to the Accountant-General of the Federation and each state’s Accountant-General for consolidation in the Government accounts.
10. **External audit:** Each SPCU and the FPCU will prepare the Project’s financial statements and appoint its own external auditor. Independent external auditors appointed by the FPCU and the SPCUs will audit the annual financial statements based on TORs acceptable to the IDA. The auditors will express an opinion on the annual financial statements in compliance with the International Standards on Auditing. In addition to the audit report, the external auditors will prepare a Management Letter. Copies of the audited financial statements, along with the Management Letter, will be submitted to the World Bank no later than six months after the end of each financial year.

Table A1.2 Financial Management Action Plan

Action	Due Date	Responsible Entities
Agree on the format of Interim Financial Reports, the annual financial statements, and the external auditors’ TORs. The same format agreed for the original financing will be used for the scale-up	Effectiveness	FPFMD/FPCU and SPCU/PFMU with support and guidance from the World Bank



Action	Due Date	Responsible Entities
Train designated FPCU and SPCU staff in the World Bank’s financial management procedures and disbursement guidelines	Before effectiveness	FPFMD/FPCU and SPCU/PFMU
Appoint external auditors or expand the scope of the TORs of existing auditors to include the IDA credit for the scale-up	Within 90 days after effectiveness	FPFMD/FPCU and SPCU/PFMU in the states for the SU operation
Designate Project Accountant, Project Internal Auditor, and supporting accounting personnel as needed in the new states	Within 30 days after effectiveness	SPCU in the states for the SU operation
Agree on the memorandum of financial services and service standards between the FPCU and SPCU for the new states	Within 30 days after effectiveness	FPFMD/FPCU and SPCU/PFMU
Update the Chart of Accounts in the existing computerized accounting system for Nigeria for Women Program Scale Up activities	Within 30 days after effectiveness	FPFMD/FPCU and SPCU/PFMU
Update the Financial Procedures Manual for aspects relating to the scale-up operation as relevant	Within 30 days after effectiveness	FPFMD/FPCU and SPCU/PFMU

11. FM implementation support will be consistent with a risk-based approach. The implementation support frequency will be based initially on the assessed FM risk rating and, subsequently, on the updated FM risk rating during implementation. On-site reviews will cover all aspects of FM, including internal control systems, the overall fiduciary control environment, and tracing of transactions from the bidding process to disbursements, as well as a review of the Statement of Expenditures. Additional supervision activities will include a desk review of periodic IFRs, quarterly internal audit reports, audited annual financial statements, and management letters, as well as timely follow-up of issues that arise, and updating of the Project’s FM rating as appropriate.

Procurement

12. Summary of findings. The Procurement Capacity Assessment, conducted by the World Bank, finds that the procurement system, procurement capacity, and the performance of the NFWP can adequately provide reasonable assurance that the credit funds will be used for the intended purposes in an effective, efficient, and transparent manner, subject to the implementation of risk-mitigation measures. The inherent procurement risk is considered Substantial, while the residual risk after implementing the recommended mitigation measures is assessed as Moderate.

Procurement Arrangements

13. Procurement arrangements for the proposed NFWP-SU Project will be the same as in the NFWP. The FPCU and SPCUs will be responsible for procurement implementation. Procurement under the Project will be in accordance with (a) the World Bank Procurement Regulations for IPF Borrowers, dated November 2020; (b) the World Bank’s Anti-Corruption Guidelines, dated October 15, 2006, revised in January 2011 and as of July 1, 2016; and (c) the provisions of the Financing Agreement. For each contract to be financed by the Credit, the different procurement methods, or consultant selection methods, estimated costs, prior review requirements, and time frame will be agreed between the Borrower and the World Bank in the procurement plan.



- 14. Systematic Tracking and Exchanges in Procurement (STEP).** In accordance with paragraph 5.9 of the World Bank Procurement Regulations for IPF Borrowers (Procurement Regulations), the World Bank's STEP system will be used under the NFWP-SU to prepare, clear, and update procurement plans and conduct all procurement transactions, including prior and post review activities, as in the parent project.
- 15. The World Bank Standard Procurement Documents will be used for all International Competitive Bidding procurements, while the national standard bidding documents may be used for procurements that fall within the National Competitive Bidding thresholds.** For national open competitive procurement at the federal and state levels, the Federal Government standard national bidding documents may be used provided, the following are incorporated into the documents: (a) open advertising of the procurement opportunity at the national level; (b) the procurement is open to eligible firms from any country; (c) the request for bids/request for proposals document shall require that bidders/proposers submitting bids/proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation the World Bank's right to sanction and the World Bank's inspection and audit rights; (d) Procurement Documents include provisions, as agreed with the World Bank, intended to adequately mitigate against environmental, social (including SEA and GBV), health and safety risks and impacts; (e) publication of contract award information; (f) contracts with an appropriate allocation of responsibilities, risks, and liabilities; (g) rights for the World Bank to review procurement documentation and activities; (h) an effective complaints mechanism; and (i) maintenance of records of the Procurement Process. Other national procurement arrangements (other than national open competitive procurement), that may be applied for the project (such as limited/restrictive competitive bidding, request for quotations/shopping, direct contracting), shall be consistent with the requirements set out in paragraph 5.3 of the Procurement Regulations. Since the complaint mechanism as provided for under state laws are similar to that of the Federal law, the federal-level sanction procedures will apply under the project.
- 16. Project Procurement Strategy for Development (PPSD).** With support from the World Bank, the Borrower has prepared a PPSD. The PPSD's findings include (a) none of the activities in the 18-month procurement plan prepared by the NFWP require accredited procurement manager's or operational procurement review committee's clearance; (b) the Government of Nigeria is strengthening its public procurement institutions and systems through the development of e-procurement, the institutionalization of academic tracks in procurement, and the rolling out of a procurement professional certification program; (c) the market sounding revealed that many consulting firms are willing to express interest in activities to be funded under the NFWP-SU.
- 17. Procurement Assessment.** The procurement risk assessment of the NFWP included an assessment of the capacity of the agency to carry out the different phases of the procurement cycle. The assessment focused on the organizational aspects, the skills of the staff, quality, adequacy of supporting and control systems, and suitability of the laws, rules, and regulations applicable to the agencies. The main procurement risks and mitigation measures are as described in Table A1.3.



Table A1.3 Procurement Risks and Mitigation Measures

Risk	Mitigation Measures	Risk Owner
Lack of sustainable procurement capacity	Continuous engagement with relevant Government agencies to discourage arbitrary redeployment of procurement officers assigned to project. The World Bank to ensure that any procurement officer cleared to work on the project still has a minimum of five years to spend in service.	FMWA/SMWAs
Lack of procurement capacity on the New Procurement Framework	Conduct training on the New Procurement Framework before project effectiveness.	FMWA/World Bank
Lack of contract management capacity/STEP	Conduct training on contract management/STEP before project effectiveness.	FMWA/World Bank
Political interference	Continuous engagement with the political class and intervention of anti-corruption agencies such as the Economic and Financial Crimes Commission.	FMWA/NGF/World Bank
Inflation/Exchange rate volatility	Conduct well-researched market surveys and hedge against price fluctuations through the use of appropriate procurement and contract packages.	PIUs/World Bank

18. Legal aspects. Nigeria enacted the Public Procurement Act in 2007, which mirrors the United Nations Commission on International Trade Law Model Law. The BPP was established in 2007 and the country has since established the procurement professional cadre and deployed the national standard bidding documents and procurement manuals and regulations. The Public Procurement Act 2007 makes open competition the default method in public procurement. The FPCU, which serves as the implementing agency, is an agency of the FMWA and applies the Public Procurement Act in the procurement of goods and services.

19. Organizations and functions. The FPCU and SPCUs have a procurement unit that reports directly to the project coordinators. Reporting relationships and decision-making authority in the PCUs follow the project documents of the parent project, including the Project’s operations manual. The BPP has assigned a procurement officer to the NFWP FPCU, and he is supported by a seasoned procurement consultant to further strengthen the procurement capacity in the Project. However, with the proposed scaling up of financing and consequent increase in procurement activities, there will be a need to increase the number of procurement staff at the FPCU to provide the necessary support to the SPCUs.

20. Procurement plan implementation. All annual work plans and procurement plans for FMWA and participating states will be reviewed and cleared by the World Bank every year. However, the plans, being living documents, are amenable to revision when necessary. To the extent possible, the World Bank’s Standard Procurement Documents for works, goods, and non-consulting services and Standard Request for Proposals, as well as all standard evaluation forms, will be used throughout project implementation.



Table A1.4 18-month Procurement Plan

S/N	List of Contacts	Procurement Category	Original Estimate (US\$)	Procurement Arrangement
1	Consultancy services for gendered and climate-sensitive market assessment and value chain analysis across 23 States	Consultancy	600,000	CQS package
2	Consultancy service for technical assistance agencies to SPCUs on formation of groups	Consultancy	3,000,000	QCBS in three different packages
3	Advocacy with community, traditional, and religious leaders (3 zones/Tier 1 states)	Consultancy	130,000	CQS package
4	Communication strategy	Consultancy	60,000	CQS package
5	Consultancy services on market analysis and value chains—1 covering project states and LGAs (firms)	Consultancy	250,000	CQS package
6	Consultancy services to review information technology access, undertake financial/grant research, and innovation (firms)	Consultancy	130,000	CQS package
7	Consultancy services on pilot business support service operations including setup of business support hub	Consultancy	500,000	CQS package
8	Run pilot innovation/livelihood grant scheme	Consultancy	200,000	CQS package
9	Engagement of livelihood specialist	Consultancy	90,000	IC package
10	Consultancy services to develop and manage M&E plus knowledge management and enhancement systems (management information system)—activate and strengthen the FPCU and SPCUs	Consultancy	100,000	CQS package
11	Engagement of gender and social safeguards specialist	Consultancy	50,000	IC package
12	Engagement of M&E Specialist	Consultancy	50,000	IC package
13	Contract recruitment agency	Consultancy	40,000	CQS package
14	Engagement of climate change specialist	Consultancy	50,000	IC package
15	Engagement of agriculture specialist	Consultancy	50,000	IC package
16	Engagement of financial inclusion specialist	Consultancy	60,000	IC package
17	Engagement of procurement consultant	Consultancy	60,000	IC package
18	Engagement of administrative/ad hoc support staff	Consultancy	50,000	IC package

Note: CQS = consultant qualification-based selection; IC = individual consultant; QCBS = quality- and cost-based selection

21. Procurement post review. Most procurement activities at the FPCU and participating states’ level are below the prior review threshold and, as such, will be subject to the World Bank’s procurement post reviews to ensure that the procurement arrangements are consistent with the project design.



Table A1.5 Thresholds for Procurement Methods and Prior Review

No.	Expenditure Category	Contract Value Threshold ^a	Procurement Method	Contracts Subject to Prior Review ⁹⁸
1	Works	C ≥ US\$20,000,000	ICB	All contracts
		US\$200,000 < C < US\$20,000,000	NCB	Specified contracts as will be indicated in the procurement plans
		C < US\$200,000	Shopping	None
		All values	Direct contracting	All contracts
2	Goods and services (other than nonconsulting services)	C ≥ US\$5,000,000	ICB	All contracts
		US\$100,000 ≤ C < US\$5,000,000	NCB	Specified contracts as will be indicated in the procurement plans
		C < US\$100,000	Shopping	None
		All values	Direct contracting	All contracts
3	Consulting services	C ≥ US\$500,000 firms	QCBS	All contracts. For technical assistance that may require the engagement of a firm.
		C < US\$500,000	CQS	Only Terms of Reference.
		C ≥ US\$100,000 individuals	IC	All contracts
		All values	Single source selection	All contracts

Note: a. These thresholds are for the purposes of the initial procurement plan. The thresholds will be revised periodically based on the reassessment of risks. CQS = consultant qualification-based selection; IC = individual consultant; ICB = international competitive bidding; NCB = national competitive bidding; QCBS = quality- and cost-based selection.

Table A1.6 Procurement Action Plan

S/No	Action	Responsibility	Due Date	Remarks
1	Procurement plan for the first 18 months prepared and agreed with the World Bank	FPCU/SPCUs	Negotiations	Completed
2	Preparation of Project Implementation Manual, Procurement Manual, and Community Procurement Manual	FPCU/SPCUs	Before Project effectiveness	To be finalized before effectiveness
3	Training of communities on community procurement and monitoring arrangement to promote accountability and transparency	SPCUs and the World Bank	After Project effectiveness	Training to be conducted by SPCUs regularly
4	Organizing training on the use of STEP and the new procurement framework	FPCU, SPCUs, and the World Bank	Before Project effectiveness	Required for procurement efficiency

⁹⁸ The World Bank will prior review all procurements activities under Subcomponent 2.3, Technical Assistance and Innovations for Livelihoods Programs.



5	Establishment of a proper procurement filing system and development of a procurement tracking system	FPCU and SPCUs	Before Project effectiveness	Required for procurement efficiency
6	Publication of contract awards and a list of grant beneficiaries	SPCUs	On a quarterly basis	Throughout Project duration
7	Organizing contract management training for participating states' project staff and the Federal Ministry of Women Affairs	FPCU, SPCUs, and the World Bank	After Project effectiveness	To improve Project staff's contract management skills

Summary of PPSD

22. The procurement officers in the NPCU and the six states implementing the NFWP have received trainings in procurement under the World Bank–financed project. Trainings in Procurement Framework, STEP, and Contract Management will be organised for the procurement officers of the new States under the NFWP-SU before effectiveness. The gaps that were observed in the implementation of NFWP especially in contract management will be addressed under the NFWP-SU. The security challenges in the country especially in the northern states that will participate in the project may reduce the participation of foreign firms and firms from other parts of the country in the procurement process for the project. The current high inflation and exchange rate volatility in the country will affect the costing of the various procurement packages in the project. A sufficiently large numbers of firms are available locally and international for most of the procurement packages under the project, therefore competitive procurement can readily be used to achieve value for money during procurement implementation. None of the procurement packages falls within Regional Procurement Manager or Operational Procurement Review Committee approval, as shown in the 18-month Procurement Plan. The Project will partner with many of the locally and internationally based NGOs and established women organizations, as they will be willing to express interest in many of the advocacy and awareness programs. Both open international and national competition will be adopted to attract wide spectrum of players to express interest in many of the activities The PPSD will be regularly updated to reflect clearer pictures on the participating states and the procurement activities that will be implemented by the states and the FPCU.

23. To assure quality of project implementation, the Borrower will competitively hire qualified professionals following the World Bank’s procurement procedures. The Project procurement activities will be adopting STEP, so the procurement officer will possess sound knowledge of the use of computer applications.

Strategy and Approach for Implementation Support

24. The strategy for supporting Project implementation will focus on successfully mitigating the risks identified at various levels and supporting the risk management proposed in the Systematic Operations Risk-Rating Tool (SORT). It will consist of (a) implementation support missions and (b) technical assistance in areas of weaknesses and where innovations are introduced.

Implementation Support Plan and Resource Requirements

25. Implementation arrangements for the original project will be expanded and maintained during implementation support involving two country office–based Task Team Leaders (TTLs) and most of the team based in the Abuja office. This arrangement will continue close interactions with the FPCU and SPCUs



and progress monitoring. Two recipient-executed grants, P177941⁹⁹/P177940,¹⁰⁰ will provide technical assistance support to the NFWP-SU. In addition, the Association is also seeking a possible Trust Fund budget on top of its own budget to strengthen the implementation support activities.

26. The implementation support plan will comprise several critical review instruments to assess progress toward achieving the PDO and the overall implementation progress, and to effectively respond to issues and challenges as they arise. Such reviews will include (a) implementation support missions conducted semiannually; (b) two midterm reviews (years 2.5 and 5), which will include a comprehensive assessment of the progress achieved at the midpoint of Project implementation and will serve as a platform for revisiting project design issues where adjustments might be needed; (c) impact assessment; and (d) implementation completion, where an independent assessment of the Project will be undertaken and lessons will be drawn to inform future or similar operations.
27. The implementation support missions will specifically focus on reviewing the quality of implementation, finding solutions to implementation issues, assessing the likelihood of achieving the PDO, reviewing with the FPCU and SPCUs the actions and disbursement plans for the next six months, reviewing the Project's fiduciary aspects (including disbursement and procurement), verifying the compliance of Project activities with the Association's environmental and social safeguard policies, and reviewing the results against the Results Framework. The missions will combine some field visits and multistakeholder discussions.
28. At the technical level, the World Bank will assemble the appropriate technical skills and experience needed to support the implementation of this operation (Table A1.7). Fiduciary reviews will be conducted by the Association's FM and procurement specialists to ensure that fiduciary systems and capacities remain adequate during Project implementation in accordance with the World Bank's fiduciary requirements:
 - (a) **Financial management.** The World Bank will require quarterly IFRs and the annual external audit report to be submitted to it for review. The World Bank will also review other project-related information, such as the internal control systems report. The World Bank will also conduct annual on-site visits to review the FM system, including internal controls. Monitoring of actions taken on the issues highlighted in audit reports, auditors' management letters, internal audit, and other reports will be reviewed by the World Bank, including transaction reviews, as needed. FM training for FPCU and SPCU staff will be conducted with effectiveness. Additional FM training will be conducted during project implementation as needed.
 - (b) **Procurement.** The World Bank will undertake implementation support missions every six months.
 - (c) **Environmental and social risk management.** The World Bank's safeguard team will comprise social and environmental specialists, who will guide the Project team in applying the agreed safeguard instruments and reviewing compliance during implementation support missions.

⁹⁹ M&E Support for NFWP (Grant).

¹⁰⁰ Umbrella Organization to Support Nigeria for Women Project (Grant).

**Table A1.7 Implementation Team Composition**

Time	Focus	Skills Needed
First 12 months	<ul style="list-style-type: none"> • Project implementation start-up • Strengthening F/SPCUs and establishment of SPCUs for new states • Support to implementation activities: sensitization, community consultations and planning, institution building, and strengthening of implementation capacity, including M&E • Support on livelihood planning and business support services • Guidance on applying Environmental and Social Framework instruments • Development of impact evaluation methodology • Training of staff at all levels on procurement, FM, M&E, and safeguards 	<ul style="list-style-type: none"> • Task Team Leaders • Social development • Gender • Community institution building • Innovations and partnerships • Livelihoods • Institutional support • FM • Procurement • M&E • Environment • Management information system • Financial inclusion • Health • Sanitation and hygiene • Climate change
12–48 months	<ul style="list-style-type: none"> • Implementation support missions conducted to monitor implementation performance, including progress against the Results Framework’s targets • Review of community institutions’ development and strengthening, and livelihoods • Review of annual work plans and disbursement schedule • Review the quality of quarterly and annual reports • Review of audit reports and IFRs • Review the adequacy of the FM system and compliance • Midterm review undertaken (during year 2.5) 	Same as above
49–84 months	<ul style="list-style-type: none"> • Implementation support missions conducted to monitor implementation performance, including progress against the Results Framework’s targets • Review of community institutions’ development and strengthening, and livelihoods • Review of annual work plans and disbursement schedule 	Same as above



Time	Focus	Skills Needed
	<ul style="list-style-type: none"> Review the quality of quarterly and annual reports Review of audit reports and IFRs Review the adequacy of the FM system and compliance Midterm review undertaken (during year 5) Project completion 	

Skills Mix

29. Table A1.8 summarizes the proposed skill mix and the number of staff weeks during Project implementation. It is anticipated that this will change over time as demand increases.

Table A1.8 Team Skill Mix and Time for Year 1

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
TTL	35	Field trips as required	Country office based
Co-TTL, social development specialist	20	Field trips as required	Country office based
Community and livelihood specialist	12	3	Delhi office based
Social development specialist	20	Field trips as required	Country office based
Innovations and partnerships	8	3	Washington based
Behavioral change	8	Field trips as required	Country office based
Gender-based violence	8	Field trips as required	Country office based
Social risk management	3	Field trips as required	Country office based
Environment	2	Field trips as required	Country office based
Financial management	4	Field trips as required	Country office based
Procurement	4	Field trips as required	Country office based
Impact evaluation specialist	4	Field trips as required	Country office based
Financial sector	4	1	Washington based
Sector specialists from the health, agriculture, and water sectors	12	Field trips as required	Country office based
Climate change	2	Field trips as required	Region-based staff
Sanitation and hygiene	3	Field trips as required	Consultant
Agribusiness	6	Field trips as required	Consultant



ANNEX 2: Eligibility and Performance-Based Fund Allocation

1. Entering the Project—initial demonstrated commitment and readiness criteria for onboarding: To join the Project, interested states must submit documentation and data of their commitment to gender equality and WEE and their readiness for Project implementation as well as readiness to set aside a counterpart fund. Compliance with the criteria would have to be achieved no later than 12 months after Project effectiveness. By Appraisal, 17 states had already submitted these data to the FMWA. The FMWA and the World Bank will use these data to jointly assess states against demonstrated commitment criteria (Figure A2.1) to inform transparent decisions on state onboarding. For a state to be onboarded to NFWP, it needs to score at least 75 percent (Figure A2.2). All states are required to meet any outstanding commitment prior to disbursement of IDA resources. Fiduciary capacity data will be based on the World Bank’s assessments. The PIM will provide details on the screening process.

Figure A2.1 Overview of the Criteria to Join the Project

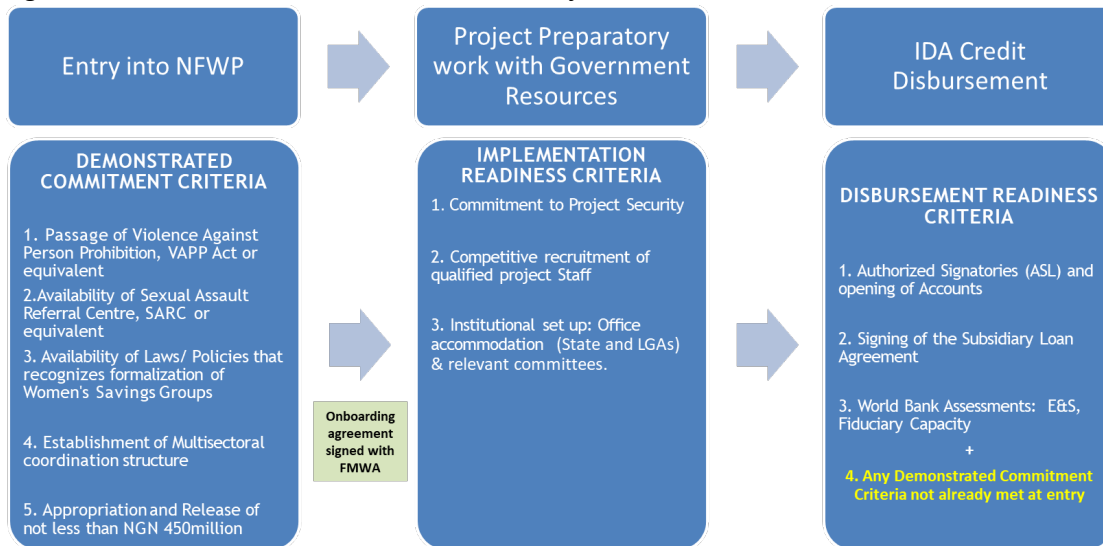




Figure A2.2 Scoring Methodology Based on Demonstrated Commitment Criteria

Commitment	Score
Passage of Violence Against Person Prohibition, VAPP Act or equivalent (Equal Opportunities Act/ Gender Equal Opportunity Law/Protection Against Domestic Violence Law (etc.)	15%
Availability of Sexual Assault Referral Centre, SARC or equivalent structures that provide crucial services for survivors of sexual and gender-based violence (SGBV)	15%
Availability of Laws/ Policies that recognizes formalization of Women's Savings Groups- i.e., Cooperative act etc.	10%
Establishment of Multisectoral coordination structure- To ensure effective cross sectoral and inter-ministerial coordination, there needs to be a mechanism of sufficient seniority to compel accelerated action of Women Economic Empowerment within and across sectors (e.g., Health, Water and Sanitation, Agriculture, Commerce and Education). If a similar structure already exists, for other purposes, Women Economic Empowerment multisectoral coordination can be added to the Terms of Reference	30%
Appropriation and Release of not less than NGN 450million to fund /take off project implementation activities in at least three Local Government Areas pending the availability of IDA resources.	30%

2. **Accessing Project funding— performance-based implementation staging and allocation of funds:** After having met the above initial criteria (Figure A2.1), states will access Project funds in stages. Initial advance of US\$1 million will be available up-front to states to engage in preparatory activities and studies (e.g., rapid assessments, planning, mobilization) as needed to be ready for on-the-ground Project implementation stages, following which well performing state can be expected to access investment funds in three stages, with minimum readiness criteria, or preconditions, applicable in each stage. Onboarded states must satisfy the preconditions to access funds for Stage 1 activities, using Project funds for preparatory tasks to that effect if needed. States may subsequently access funds for Stage 2, Stage 3, and Stage 4 activities by subcomponent, conditioned on required progress milestones. Achievement of milestones and compliance with preconditions for accessing further financing will be documented by the FPCU, based on input from the Nigeria Governors’ Forum (NGF), to inform FSC decisions on each state’s transition through the four stages. The NGF will serve as peer reviewer of results and achievements. Table A2.1 summarizes the proposed stages and the preconditions for access at each stage of funding. The maximum amount of financing accessible per state at each stage assumes that up to 23 states will be onboarded to the Project. Lagging states will be supported with TA from Subcomponent 2.3 to facilitate improved performance.

Table A2.1 Implementation Stage by Subcomponent, with Maximum Allocations and Preconditions for FPCU/SPCU¹⁰¹

Subcomponent (SC)	Stage 1	Stage 2	Stage 3	Stage 4
SC 1.2 WAGs and	Activity/expenditure	Activity/expenditure	Activity/expenditure	NIL

¹⁰¹ Each participating state has a notional allocation of US\$20 million per State.



Subcomponent (SC)	Stage 1	Stage 2	Stage 3	Stage 4
federations (up to 23 states)	<ul style="list-style-type: none"> WAG formation in the resource LGA¹⁰² Development of social and behavior change communication messaging and materials 	<ul style="list-style-type: none"> WAG formation in two other first-mover LGAs 	<ul style="list-style-type: none"> WAG formation in other LGAs in the state 	
	Maximum amount: <ul style="list-style-type: none"> US\$1 million/state US\$0.2 million federal 	Maximum amount: <ul style="list-style-type: none"> US\$2 million/state US\$0.4 million federal 	Maximum amount: <ul style="list-style-type: none"> US\$3.05 million/state US\$0.4 million federal 	
	Preconditions: <ul style="list-style-type: none"> Identification of three LGAs (one in each senatorial district) and selection of one resource LGA Development of a Community Operations Manual 	Precondition: <ul style="list-style-type: none"> LGA assessment for the two LGAs completed and cleared by the World Bank 	Precondition: <ul style="list-style-type: none"> LGA assessment for the two LGAs completed and cleared by the World Bank 	
SC 2.1 Community Investment Fund	Activity/expenditure <ul style="list-style-type: none"> Disbursement of CIF to mature WAGs in the resource LGA 	Activity/expenditure <ul style="list-style-type: none"> Disbursement of CIF to mature WAGs in LGAs 	Activity/expenditure <ul style="list-style-type: none"> Disbursement of CIF to mature WAGs in LGAs 	
	Maximum amount: <ul style="list-style-type: none"> US\$0.6 million/state 	Maximum amount: <ul style="list-style-type: none"> US\$2.8 million/state 	Maximum amount: <ul style="list-style-type: none"> US\$2.8 million/state 	
	Precondition: <ul style="list-style-type: none"> 60 percent of WAGs in the resource LGA have prepared microinvestment plans 	Precondition: <ul style="list-style-type: none"> 60 percent of WAGs in LGAs have prepared microinvestment plans 	Preconditions: <ul style="list-style-type: none"> 60 percent of WAGs in LGAs have prepared microinvestment plans 	

¹⁰² Each LGA should demonstrate the key elements of Project design by monitoring performance progress, as measured by (a) at least 60 percent of women from eligible households being mobilized into WAGs; (b) WAGs' self-savings over three months with verifiable records; and (c) 60 percent of WAGs having received the first tranche of the CIF.



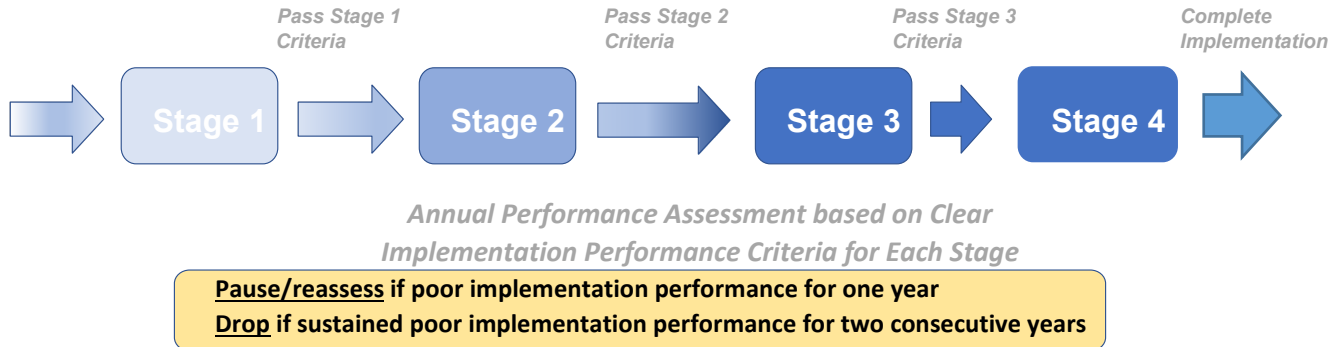
Subcomponent (SC)	Stage 1	Stage 2	Stage 3	Stage 4
			<ul style="list-style-type: none"> 80 percent of WAGs in Stages 1 and 2 proceed to the 2nd savings cycle 	
SC 2.2 Livelihood collectives		Activity/expenditure <ul style="list-style-type: none"> Technical assistance activities 	Activity/expenditure <ul style="list-style-type: none"> Technical assistance activities 	Activity/expenditure <ul style="list-style-type: none"> Technical assistance activities
		Maximum amount: <ul style="list-style-type: none"> US\$0.5 million/state 	Maximum amount: <ul style="list-style-type: none"> US\$1 million/state 	Maximum amount: <ul style="list-style-type: none"> US\$2.4 million/state
		Precondition: <ul style="list-style-type: none"> 60 percent of WAGs in first mover LGAs mobilized into VOs 	Preconditions: <ul style="list-style-type: none"> 60 percent of VOs in first mover LGAs mobilized into CLFs 	Preconditions: <ul style="list-style-type: none"> 80 percent of VOs in the second set of LGAs mobilized into CLFs
SC 2.3 Technical Assistance and Innovations for Livelihoods Programs	Activity/expenditure <ul style="list-style-type: none"> Value chain assessment Technical assistance activities 	Activity/expenditure <ul style="list-style-type: none"> Technical assistance activities 	Activity/expenditure <ul style="list-style-type: none"> Technical assistance activities 	
	Maximum amount: <ul style="list-style-type: none"> US\$0.15 million/state US\$3 million/federal 	Maximum amount: <ul style="list-style-type: none"> US\$0.15 million/state US\$3 million/federal 	Maximum amount: <ul style="list-style-type: none"> US\$3.9 million/federal 	
	Precondition: <ul style="list-style-type: none"> Technical assistance needs for states to alleviate pressure points prioritized, and agreed and cleared by the World Bank 	Precondition: <ul style="list-style-type: none"> Technical assistance needs for states to alleviate pressure points prioritized, and agreed and cleared by the World Bank 	Precondition: <ul style="list-style-type: none"> Technical assistance needs for states to alleviate pressure points prioritized, and agreed and cleared by the World Bank 	Precondition: <ul style="list-style-type: none"> Technical assistance needs for states to alleviate pressure points prioritized, and agreed and cleared by the World Bank

Note: The implementation stage review focuses on Subcomponents 1.2, 2.1, 2.2, and 2.3.

3. The basis for financing will be annual work plans detailing tasks and milestones through all stages of the planned Project activities. There will be regular reviews of states’ performance every six months or based on the recommendation of the FSC and the concurrence of the World Bank. In addition, states’ performance will be assessed annually to determine whether a state should continue in that stage, move to the next stage, or be dropped, as indicated in figure A2.3.



Figure A2.3 Progression of Stages for Financing



Responsibilities

4. **Monitoring.** Data on the states' performance, including the achievement of preconditions, will be collected, and monitored independently by the NGF with the support of the FPCU and SPCUs. The performance and preconditions information will be updated by the FPCU/FMWA twice a year on a public website and presented to all participating State Governors during a meeting of the NGF along with other key M&E indicators. The monitored implementation performance criteria will also include:
 - (a) The FPCU's implementation performance (related to overall project activity facilitation, and management of technical, fiduciary, and environmental, and social risks)
 - (b) States' investment implementation performance
5. **Stage access decisions.** The FSC, with the concurrence of the World Bank, will:
 - (a) Finalize and adjust criteria and preconditions, and potentially allowable activities for the states at various stages;
 - (b) Semiannually review the assessment of each state's performance to determine or adjust overall the state's stage;
 - (c) Annually review state and federal workplans, ensuring justification and consistency toward achieving current and subsequent stage tasks;
 - (d) Annually review states' implementation performance to determine the consequences of poor performance (pause/reassess or drop).



ANNEX 3: Strategic Knowledge Exchange: Nigeria-India Partnership

1. WEE, guided by a livelihood support approach, is essential for economic growth, poverty reduction, and shared prosperity in Nigeria. Thus, it has been the focus of policy and action in recent years. Of late, Nigeria has demonstrated greater willingness and intention to increase investment in WEE. A legacy of historic underinvestment in human resources, processes, and systems has constrained the Government's ability to design effective policies and programs and move the needle on WEE. While Nigeria still needs to significantly increase its investments and intensify its approach to WEE, it can leverage some of the existing innovations and experiences in India to truncate the long and resource-intensive gestation period that typically characterizes the WEE cycle.
2. India's success with women's savings groups (referred to as self-help groups under the National Rural Livelihoods Mission- P104164), and its experience and lessons learned thus far in pursuit of WEE, is highly relevant to Nigeria, due to similar socioeconomic aspects of the two countries. India's experience with savings groups promotion policies and program designs over the years provides valuable templates for Nigeria and lessons about what works and does not work in policy and program design.
3. It is proposed that NFWP-SU transition to a structured approach that systematically links Nigeria's WEE-related knowledge demands with Indian solutions. Under this approach, the World Bank in close collaboration with FMWA, would periodically identify specific requests for knowledge by the Nigerian counterparts, for which there could be potential Indian solutions. These requests would be assessed, prioritized, aggregated (where possible) and addressed based on resource availability.
4. The focus of Nigeria-Indian partnership will include the following activities, designed to be modular:
 - (a) **Knowledge exchange**, including policy, research, technology, practices and institutional arrangements;
 - (b) **Capacity building**, including the provision of priority short training courses and learning-exposure programs; the secondment of Indian experts to Nigeria for specified periods to build the capacity of counterparts; and staff and community exchanges, learning events and immersion programs for Nigerian Project staff at field locations across India;
 - (c) **Sharing of learning or resource materials**, including already developed guidelines, training and communication materials, MIS frameworks, digital solutions, evaluation designs, monitoring systems and evaluation reports.



ANNEX 4: Gender-Based Violence Prevention and Response Plan

1. **A GBV analysis**, conducted in preparation for the NFWP-SU, revealed that Project activities that aim to mobilize and enhance the participation and voice of women and improve their livelihoods are likely to exacerbate the GBV risks outlined below:
 - (a) **Intimate partner violence.** Potential changes in power dynamics at the household level are envisaged due to improved livelihood opportunities for women, increased mobility, participation in WAGs and public fora, and a demonstration of increased confidence and self-esteem. The authority of male figures and women matriarchs in the household (e.g., the mother-in-law or the first wife of the husband) could be challenged, leading to increased sanctions and verbal and physical abuse against women beneficiaries.
 - (b) **Increased vulnerability to sexual violence.** Women’s increased presence in public spaces—including commuting to or being present at meeting venues, training centers, processing centers, markets, and farms—could increase their vulnerability. In addition, sexual violence may be used as a tool to discourage women from taking on male-dominated economic activities and responsibilities.
 - (c) **Harassment of women.** This constitutes verbal and physical abuse, inappropriate language, and touching. The GBV analysis shows that women face these situations in marketplaces, churches, community meetings, on the streets, and in their workplaces due to food- and market-related taboos that restrict women’s full participation in critical sectors, especially male-dominated occupations.
 - (d) **Harmful widowhood practices.** Widows, who are more vulnerable and often the sole family providers, experience GBV in the form of derogatory widowhood rites and are forced to give up their money and assets. Widows benefitting from the NFWP-SU may experience backlash from community members who enforce these rites, leading to the ostracization and separation from their children.
2. **GBV Risk Mitigation Plan.** Based on lessons from the original Project, the following measures have been incorporated into NFWP-SU to prevent and respond to the GBV risks in a survivor-centered manner:
 - (a) **Mapping of GBV service providers in all states.** As part of the NFWP-SU implementation, a mapping of quality services for GBV survivors—including health services (first aid, post-exposure prophylaxis, emergency contraceptives, etc.), psychosocial services, legal aid, police, civil society organizations, and any other informal structures that could support survivors—will be conducted. NFWP-SU will also ensure that this information is collated, translated, and captured in a resource brief that will be disseminated to key stakeholders of the Project, especially ward-level implementers.
 - (b) **Behavior change communication (BCC).** BCC will focus on disseminating nuanced messages tailored to the contexts of different states and sub-cultures that address the negative social norms perpetuating GBV risks. These include:
 - (i) Investing in women to support the well-being of the household, linking an increase in women’s income and livelihoods to improved education, health and nutrition outcomes for the family, and the importance of the community, especially men, to enable the participating women to succeed.
 - (ii) To reduce a sense of insecurity and competition among men, the BCC will highlight entry points for men to participate in the Project, including as community facilitators, women’s empowerment advocates, business counselors, social audit committee members, etc.



- (iii) The BCC will focus on influencing and, where possible, changing the norms around domestic abuse being a “private affair”. It will promote the community’s responsibility to support GBV survivors and ensure their safety. It will also promote help-seeking behavior among the community, especially men and boys who are discouraged from reporting as they could be perceived as “weak” and less masculine.
 - (iv) The Project will develop state-specific resource guides to summarize what constitutes GBV (harassment, rape, verbal abuse, etc.) and identify channels for seeking help and support, which will be disseminated through various communication activities. Community facilitators and the LGA Project Implementation Unit will be trained to distribute the guides to illiterate women, including the use of pictures and graphics-based material.
 - (c) **Training for GBV service providers.** NFWP-SU will train all GBV service providers in implementing LGAs to ensure that all services provided are survivor-centered.
 - (d) **Training for project implementers to effectively prevent and respond to GBV using a survivor-centered approach.** Key NFWP implementers at state, LGA and ward levels will be trained on GBV risk monitoring and survivor-centered response. The training will aim to improve their overall understanding of GBV and its drivers, and their role in prevention and action. They will receive (i) a checklist to monitor GBV risks throughout project implementation; (ii) information on locally available referral services; and (iii) training on confidentiality and protocols to respect the survivors’ decision on taking follow-up actions (legal or otherwise).
 - (e) **Implementers, including contractors, to adhere to specific codes of conduct.** The codes of conduct will be included in their contracts, prohibiting them from engaging in any actions that could contribute to the SEA or SH of the beneficiaries they engage with. Implementers will be briefed by the trained Project staff about these codes of conduct and will be responsible for providing this information to all contractors they engage with.
 - (f) **Specific protocols in the Project’s GRM and Social Accountability Framework to monitor and respond to GBV risks.** The Project’s Social Accountability Framework will have specific provisions that will allow community members to monitor GBV risks, especially SH or transactional sex that Project stakeholders could perpetrate. The citizen engagement platforms will allow confidential reporting, especially through technological tools and other communications (radio, transparency board, etc.). The GRM will continue to implement protocols specifically for GBV complaints, which will allow confidential reporting and response mechanisms in line with the urgency of the complaint. Serious GBV cases will be escalated to the State Project Coordination Unit, the Federal Project Coordination Unit and the World Bank for real-time response.
- 3. Immediate Actions to Reduce GBV and SEA Risks** The key actions proposed by the NFWP to reduce GBV and SEA risks include:
- (a) **Enactment of GBV laws:** States desirous of participating in the NFWP-SU are required to enact legislation on GBV—such as the Violence Against Persons (Prohibition) Act or equivalent (Equal Opportunities Act/Gender Equal Opportunity Law/Protection Against Domestic Violence Law, etc.)—as part of their demonstrated commitment to being onboarded into the program.
 - (b) **Availability of GBV services:** States desirous of participating in the NFWP-SU are required to set up a quality Sexual Assault Referral Center or equivalent structures that provide crucial services for survivors of sexual- and gender-based violence.
-



ANNEX 5: Progress Under NFWP and Key Changes to the Design in the Scale Up

- 1. The NFWP-SU builds on the NFWP (P161364) WAG model, which has been implemented in six states¹⁰³ and provides support to over 417,587 WAG members through the formation and strengthening of 19,932 WAGs. In about two years, these WAGs have saved about NGN3.5 billion (US\$7.8 million equivalent) with a significant percentage of these funds in circulation as loans at any given time.** The NFWP has also disbursed 235,003 individual livelihood grants in five states, ranging from N30,000 to NGN60,000 (US\$68 to US\$135 equivalent) per grant and totaling over NGN9 billion (over US\$20 million equivalent). The sixth state (Akwa Ibom) is preparing to pilot a version of the CIF instead of issuing individual livelihood grants. To date, NFWP has formed 183 livelihood collectives (LCs) comprised of over 33,965 WAG members, all of whom will be eligible to receive up to the equivalent of US\$50,000 in support for purchasing necessary equipment or materials, setting up office space, etc. Approximately US\$76.05 million of the original project funds (US\$100 million) has been disbursed benefiting 702,724 community members of which 417,587 are women in WAGs across the six states.
- 2. Based on lessons learned from the implementation of NFWP, some key changes to the original design have been made in this scale up.** First, based on global evidence and the NFWP experience, livelihood interventions take time to show their impact on women's social and economic empowerment and resilience to climate-related shocks and stressors. Therefore, sufficient time needs to be built into the scale-up to accurately measure livelihoods impacts. Data to measure livelihoods impacts will be collected annually, but results are not expected before year four, given the timeline for implementation of LCs (beginning in year three). The Project's lifespan has therefore been increased to seven years. Further changes to components are outlined below.

Component 1: Building Community Institutions

Subcomponent 1.1: Influencing Social Norms

- 3. Social norms often constrain women's choice of economic activities, their participation in the labor force, and the benefits they gain.¹⁰⁴ As such, through the NFWP's BCC, community and household dialogues have helped to address harmful social norms and identify community champions.** NFWP showed that community-level activities are especially critical to avoid backlash and potential increases in violence against women due to the introduction of WAGs. However, a key lesson is that BCC activities are best managed at the state level rather than at the federal level by a federally procured communications firm. State-level staff who engage with communities and gatekeepers are best placed to understand how to communicate key messages in their particular contexts, which can vary widely across states and LGAs. Under the scale up, communication messages will be jointly developed by the FPCU and SPCUs and contextualized to respective local needs, based on the community-level implementation.

¹⁰³ Abia, Akwa Ibom, Kebbi, Niger, Ogun, and Taraba states.

¹⁰⁴ Nisha Singh, Anam Parvez Butt, and Claudia Canepa, "Shifting Social Norms in the Economy for Women's Economic Empowerment: Insights from a Practitioner Learning Group," SEEP Network, 2018, <https://seepnetwork.org/files/galleries/Shifting-Social-Norms-FINAL.pdf>.



4. Under the NFWP, exposure to other models of shifting social norms has also shown the potential promise of engaging in more intensive community-based social norms approaches. The scale-up will therefore expand beyond SBCC campaigns to pilot some of these models and compare their overall effectiveness and impact to inform further expansion under the NFWP-SU. The scale-up will also expand the SNE and SBCC campaigns to include an assessment of norms and related communications for behavior change in relation to climate resilience.

Subcomponent 1.2: Women Affinity Groups and Federations

5. The scale-up, like the NFWP, will continue to target the same women for membership in WAGs, with a renewed focus on ensuring that the most vulnerable are not left behind by improving outreach during community entry and sensitization processes.¹⁰⁵
6. While the original NFWP model did not require all groups to engage in savings and internal lending, a key lesson learned is that women's social and economic empowerment is enabled through regular meetings and the promotion of savings and internal lending. These activities give women a reason to attend weekly meetings and trainings, thus they are now a core part of the model and are required for all WAGs. By the time they have completed their first savings cycle, WAGs are well-cemented community groups that often go beyond savings and loans among members, carrying out community service projects such as using their Social Fund¹⁰⁶ to support community health centers or leading sanitation efforts in their LGAs. It is these mature WAGs that have the potential to serve as powerful platforms in leveraging behavior change to improve development outcomes at the household and community levels.
7. To date, WAG training has been well received, with members expressing high satisfaction. Therefore, training will largely remain the same with some updates and improvements to the existing curricula. To accommodate changes in the Component 2 design, the curriculum for business plan development will be revised to reflect the development of MIPs. The Project will also add a new curriculum on climate change to recognize the importance of equipping WAGs and their members with the capacity to adapt and mitigate the effects of climate change (see Annex 6).
8. Another key lesson from the original project is the need to implement higher-level federations for the long-term support, training, and monitoring of WAGs. Federations have proven to be critical institutions in other contexts. If organized at a higher level, WAGs have the potential to be transformative community institutions, but they require ongoing engagement, which is beyond the scope of the original NFWP Project. By establishing WAGs and federations and focusing additional support on cementing them as independent, self-governed community institutions, the Project will ensure their long-term sustainability.

¹⁰⁵ Based on impact evaluation survey results of the parent project, about 44 percent of WAG members live below the national poverty line and about 20 percent live in extreme poverty (below the food poverty line). Additionally, about 44 percent of WAG members have at least some difficulties in one of the six functional domains for measuring disability status.

¹⁰⁶ Each WAG maintains a Social Fund based on small weekly contributions (NGN50 to NGN100) from members that can be used to support the community or the members with emergency expenses.



9. Opening bank accounts for WAG members was successfully piloted as part of implementation of the NFWP¹⁰⁷ where individual women were required to have an account to receive a livelihoods grant. Support for opening bank accounts will be expanded and continued in the NFWP-SU to open both group accounts for WAGs and individual accounts for members. Eventually, the aim is to have WAGs engage in their savings and loan transactions digitally, therefore minimizing cash transactions and theft risks associated with keeping cash in savings boxes.
10. As WAGs mature, their members will require additional credit beyond what can be mobilized at the group level to further improve their livelihoods. Private sector financial institutions, such as Sterling Bank, have already expressed interest in providing WAGs with access to accounts, credit, and other financial services. To further lay the groundwork, there is a need to develop a type of credit rating for WAGs and their members, based on their savings and loan data. Developing such a rating system has been built into the NFWP-SU to provide the necessary information for financial institutions to determine the viability of lending to WAGs and their members in the future. Outside of the scope of the Project, the Government is also partnering with EFInA¹⁰⁸ to explore other ways of inducing the supply side to extend financing to WAGs and their members in the future.

Subcomponent 1.3: Platforms for Behavior Change in Health, WASH, and Climate Adaptation

11. WAGs offer benefits to their members beyond economic empowerment and can serve as a platform for women to improve other areas of their lives. Therefore, the Federal Ministry of Women Affairs and the implementing states have adopted the WAG model as a platform to address complementary development issues such as access to health insurance; maternal, newborn and child health; sanitation, and hygiene; and nutrition, among others. Under the parent project, states successfully launched partnerships with their state health insurance agencies to offer health insurance coverage to WAG members and some of their dependents. Despite the costs being borne by WAG members themselves, demand has been higher than expected. This has led to the introduction of a subcomponent under the scale-up that focuses on continuing these partnerships in new states and addressing behavior change in health and other key areas, such as WASH and climate adaptation.

Component 2: Livelihood Program

Subcomponent 2.1: Community Investment Fund

12. Integrating revolving funds, such as the CIF, rather than individual livelihood grants was discussed during the Mid-Term Review of the NFWP as a more sustainable way to use limited financial resources. However, the feedback from the SPCUs at the time was that changing course was not feasible since all original five states had already started disbursing individual grants. It was agreed that this change would be

¹⁰⁷ Under the NFWP, women were largely able to open bank accounts to receive their grants. Where necessary, SPCUs partnered with banks at the LGA level to facilitate the opening of accounts for women and have also opened accounts for LCs. As well, with the availability of NINs at bank branches, one of the most onerous barriers to opening an account has improved. Nevertheless, experience under the NFWP has proven that continued engagement by SPCUs with banks in their States is required to help women and collectives resolve challenges with bank account opening. The NFWP-SU will pursue more intentional partnerships with banks to facilitate account opening.

¹⁰⁸ EFInA is a financial sector deepening organization that promotes inclusive finance in Nigeria.



implemented in as part of NFWP-SU. This has informed the design of the CIF to facilitate more sustainable financing for WAGs. A pilot of the CIF is being tested in Akwa Ibom, the sixth state to join NFWP.

Subcomponent 2.2: Support to Livelihood Collectives

13. LCs in NFWP are largely focused on priority agricultural value chains, such as rice and cassava. Strong demand and oversubscription occurred during the formation period, leading to initial complaints from WAG members unable to join collectives. In response, detailed discussions were held with WAG members on the selection process to help to mitigate disappointment. It is important for the NFWP-SU messaging to continue to be very clear on the priority value chains being targeted as only about 10 LCs will be formed per LGA. NFWP parent project has also demonstrated the importance of encouraging diversification of LCs to manage and find ways to reuse waste from income-generating activities (e.g., utilizing rice waste to make briquettes).

Subcomponent 2.3: Technical Assistance and Innovations for Livelihoods Programs

14. The original project found that a separate federal-led innovations and partnerships component was not a viable way of identifying and implementing key innovations and partnerships. Rather, state-led identification of innovations and partnerships proved more successful. Besides the partnerships with State Health Insurance Agencies, several states also identified other local innovations to implement with WAGs at their LGA levels, such as environmentally friendly briquetting. NFWP parent project also demonstrated that state-led innovations and partnerships work best for LCs. For example, a partnership was formed with the National Cereal Research Institute outstation to facilitate access to training and best practices in rice processing for LCs, including linkages to modern rice processing machinery. These lessons have informed a change in the scale-up, which has moved away from a separate federal-led component on innovations and partnerships and instead integrated livelihood-focused innovations and partnerships support into Subcomponent 2.3.¹⁰⁹

¹⁰⁹ Health-related partnerships are built into Subcomponent 1.3.



ANNEX 6: Gender and Climate Change Co-Benefits

- 1. Nigeria is highly vulnerable to climate change and climate variability and is ranked in the 2021 Notre Dame Global Adaptation Index as the 53rd most-vulnerable country and the 6th least-ready country in the world to adapt to climate change.** Today it faces a wide range of environmental challenges and natural hazards, some exacerbated by climate change, that negatively affect every sector, particularly agriculture, water resources, and infrastructure. Environmental challenges such as deforestation and de-vegetation result in biodiversity loss and land degradation. Others such as floods, erosion, drought, and desertification, especially in the semi-arid areas of the country are exacerbated by climate change.¹¹⁰
- 2. In terms of current natural hazards, extreme precipitation events cause annual flooding, with unprecedented flood events recorded in 2012 and 2022.** The 2012 flood resulted in loss and damages of more than US\$16 billion and affected more than 4 million people. Agriculture and commerce were the two most impacted sectors, accounting respectively for 18 and 14 percent of the total damage and loss. In 2022 the flood magnitude exceeded that of 2012, about 603 people were killed, 2,407 injured, and over 2.8 million displaced due to flooding incidents across Nigeria.¹¹¹ Analysis estimates that the total direct economic damages, based on currently reported statistics as of November 25, 2022, are in the range of US\$3.79 billion to US\$9.12 billion with the best (median) estimate at US\$6.68 billion.¹¹²
- 3. Temperatures across Nigeria are expected to increase by 2.9°C to as much as 5.7°C by end of the century with nighttime temperatures expected to increase by as much as 4.7°C.** Climate projections indicate an increase in the magnitude and frequency of extreme precipitation across all areas of Nigeria. Climate change is profoundly affecting Nigeria’s economy. It is estimated that 2–11 percent of GDP could be lost due to a decline in agricultural productivity and activities related to agriculture— a sector that contributes to 24 percent of Nigeria’s GDP.¹¹³ Furthermore, the NDC projection indicates a decline of 10 to 25 percent in agricultural productivity and 4.5 percent in GDP.¹¹⁴
- 4. While climate change affects everyone, women and girls suffer disproportionately.** Women compose the majority of the poor in rural communities, which are highly dependent on local natural resources for livelihoods. Women’s particular vulnerability to climate change is due to deep-rooted and persisting gender inequalities and discrimination. At the same time, the impacts of climate change threaten to aggravate the gender inequality women and girls already face, including socioeconomic, political, and cultural barriers to livelihoods, health, safety, and security. Women’s limited access to resources and

¹¹⁰ World Bank, *Climate Risk Country Profile: Nigeria*.

¹¹¹ UN Office for the Coordination of Humanitarian Affairs, “Nigeria Floods Response—How to Help,” <https://reliefweb.int/report/nigeria/nigeria-floods-response-how-help-october-2022>.

¹¹² GRADE Note on the June–November 2022 Nigeria Floods.

¹¹³ Statista, “Share of Gross Domestic Production (GDP) Generated by the Agricultural Sector in Nigeria as of 2021,” 2022, <https://www.statista.com/statistics/1207940/share-of-gdp-by-agricultural-sector-in-nigeria/#:~:text=In%202021%2C%20the%20agricultural%20sector,the%20country's%20economy%20after%20oil>.

¹¹⁴ Updated NDC, p. 10.



decision-making processes further increases their vulnerability to climate change.¹¹⁵ Thus, any efforts at climate change mitigation and adaptation need to have women at their center.

- 5. **Women have a strong body of knowledge and expertise that can contribute to climate solutions, including building resilience to disaster risks and supporting adaptation and mitigation.** Women’s responsibilities in households and communities as stewards of natural resources has positioned them well for livelihood strategies adapted to changing environmental realities.¹¹⁶ Also, women are usually first responders in community responses to natural disasters, leaders in disaster risk reduction, and contribute to recovery efforts by addressing the early recovery needs of their families and supporting community building.¹¹⁷
- 6. **One of the sectors most vulnerable to climate change is agriculture.** Rural women farmers play a vital role in food production and food security. They account for 70 percent of agricultural workers, 80 percent of food producers, and undertake from 60 to 90 percent of related marketing efforts.¹¹⁸ Climate-induced droughts have hindered development progress in a number of key areas, undercutting agricultural productivity and food security, pushing more people into poverty, and threatening health and nutrition.
- 7. As women remain at the core of climate-sensitive sectors, unlocking women’s agency in resilience and recovery efforts will be vital to build climate-resilient communities. This Project will ensure climate resilience is mainstreamed in the project design and implementation to ensure livelihood improvements targeted at women is resilient to present and future climate risk. This includes integrating climate change and adaptation, and where possible mitigation measures into project activities to address vulnerabilities to climate-related shocks and stresses, improve women’s access to climate-resilient livelihoods, amplify women’s voice, and strengthen their capacity to consider climate change in decision-making.

Component 1: Building Community Institutions (US\$168 million equivalent)
Integrated climate change activities under Subcomponent 1.1 (US\$14.9 million equivalent)
Under Subcomponent 1.1, climate change activities will be integrated under the following:
Household and community dialogues: Focus will be on facilitating dialogue at household and community levels on climate change solutions, strengthening local community resilience to climate shocks and climate-related weather events, as well as to climate change impacts on community members, particularly women.
Conducting foundational SBCC approaches to identify norms that affect women’s vulnerability, resilience, and capacity to adapt to climate change impacts (50 percent of the funds allocated to foundational SBCC activity).

¹¹⁵ 52nd Session of the Commission on the Status of Women, Interactive Expert Panel on Emerging Issues, Trends, and New Approaches to Issues Affecting the Situation of Women or Equality between Women and Men, “Gender Perspectives on Climate Change,”

<https://www.un.org/womenwatch/daw/csw/csw52/issuespapers/Gender%20and%20climate%20change%20paper%20final.pdf>

¹¹⁶ 52nd session of the Commission on the Status of Women, “Gender Perspectives on Climate Change.”

¹¹⁷ UNFCCC (United Nations Framework Convention on Climate Change), “5 Reasons Why Climate Action Needs Women,” <https://unfccc.int/news/5-reasons-why-climate-action-needs-women>.

¹¹⁸ Adams Oluwadamilola Kemi, “Nigeria Women in Agriculture: Challenges and Way Forward,” *IOSR Journal of Humanities and Social Science (IOSR-JHSS)* 22, no. 1, ver. 3 (January 2017): 102–06, <https://www.iosrjournals.org/iosr-jhss/papers/Vol.%2022%20Issue1/Version-3/P220103102106.pdf>.<http://wwrg/>



Setting up targeted pilots of community-based social norms approaches, aimed at enabling women’s access to climate resilience training and participation in climate risk management committees (33% of the funds allocated to pilots for community-based norms approaches activity).

Integrated climate change activities under Subcomponent 1.2 (US\$144.4 million equivalent)

The overall activities under this aim to address women’s vulnerability to climate change and strengthen their role in the decision making related to adaptation and mitigation. Specifically, the climate change activities will be integrated in the following phases:

WAGs formation, development and strengthening. Climate change activities covered in this phase are: (a) conducting LGA-wide PCRAs, informed by climate science, sharing of traditional knowledge and experiences about climate change, response strategies, and priorities for improving climate resilience of livelihoods; (b) social mobilization of women, particularly those most vulnerable to climate change and economically active, into WAGs; (c) training and capacity building, based on: a climate change module (which focuses on building the household capacity to cope with climate change impacts) and a module on the prioritization of climate-informed CIF plans (leveraging on the PCRAs, indigenous knowledge, and global best practices).

Sustainable institutional platforms for financial inclusion. The activities related to climate change include: (a) opening bank accounts for WAGs and WAG members, to enable vulnerable populations to build resilience to the economic shocks of climate change; and (b) developing and institutionalizing robust digital financial systems in WAGs through a digital savings application, which support mitigation by avoiding car travel and by reducing the use of paper documents.

Federating primary-level WAGs to form VOs and CLFs. The climate change-related activities captured in this phase include strengthening institutional capacity in the: promotion of livelihoods through low carbon and climate resilient activities (e.g., agro-forestry); climate risk management; and developing linkages with public and private service providers to mobilize resources, knowledge and innovation to address climate change (e.g., new initiatives to reduce energy and water use, to proliferate the use of solar power, etc.)

Integrated climate change activities under Subcomponent 1.3 (US\$8.7 million equivalent)

Under Subcomponent 1.3, climate change activities will be integrated under the following:

Health curriculum: Globally, there is strong evidence that climate-related hazards negatively affects maternal and newborn health¹¹⁹: for example, exposure of pregnant women to extreme heat has been associated to death, low birth weight, preterm birth, and miscarriage; similarly, food insecurity due to extreme events, such as floods and droughts, has been associated to food-related illnesses (e.g., listeria and toxoplasma) which increase the risk of miscarriage, stillbirth, or premature delivery¹²⁰. In this context, the health curriculum will aim to prevent or reduce infant, child, and maternal mortality and morbidity associated to adverse health outcomes (miscarriage, low birth weight, malnutrition) caused by exposure to climate stressors, such as high temperatures, lack of clean water due to evapotranspiration, and food insecurity due to weather hazards. To do this, the curriculum will

¹¹⁹ <https://www.wilsoncenter.org/event/impact-climate-change-maternal-and-newborn-health-outcomes#:~:text=Overview,%2C%20malnutrition%2C%20and%20respiratory%20disease>

¹²⁰ <https://www.epa.gov/climateimpacts/climate-change-and-health-pregnant-breastfeeding-and-postpartum-women#24foot>



focus on using communication to improve RMNCH-N , dietary and care practices, and care-seeking behaviors which are adaptable to expected climate changes and to unpredictable weather events (e.g., floods, droughts).

Climate adaptation curriculum: A climate adaptation curriculum will be developed for training community institutions. This will focus on creating awareness among WAG members of current and future climate change risks, drivers of vulnerability, and the measures they can take to proactively plan and respond to climate-related shocks and stressors in disaster prone areas.

WASH curriculum: It will aim to prevent or reduce premature mortality and morbidity associated to increased water-borne diseases, that would otherwise be induced by climate change factors, such as: higher temperatures, leading to decreased water quality; and extreme floods, leading to damages of sanitation facilities and contamination of water supply. The WASH curriculum will focus on community-based water resources management, and the linkages between climate-change-induced endemics and hygiene and health.

Component 2: Livelihood Program (US\$302 million equivalent)

Integrated climate change activities under Subcomponent 2.1 (US\$190.2 million equivalent)

Under Subcomponent 2.1, climate change activities will be integrated under the following.

CIF grants: Eighty-eight percent (88 percent) of the subcomponent funding will be geared towards supporting WAG members' climate-resilient livelihoods and energy-efficient measures in natural resource use. These activities, included in the MIPs, will be: (a) informed by the PCRA's conducted under the subcomponent 1.1 and by the climate-sensitive market assessment and value chain analysis prepared under subcomponent 2.3; (b) screened for climate risks and energy efficient perspective prior to funding. Only plans that build resilience, adaptation, and mitigation to climate change will be financed. The types of activities expected to be funded include:

- consolidation of existing livelihoods by improving production, productivity, and resilience to shocks and climate change risks, for example by introducing heat- and drought-tolerant varieties, using conservation agriculture to reduce soil disturbance, and applying irrigation technologies that reduce water use (e.g., drip irrigation), improving manure management;
- value addition and leveraging value chain opportunities and reaching larger markets, for example, by rehabilitating storage facilities to increase resilience to climate risks, implementing waste reduction measures, and improving packaging; and
- exploration of new economic opportunities that use climate-friendly practices which promote ecosystem balance and protect habitats (e.g., production, processing and marketing of climate-resilient seeds).

In addition, the remaining 12 percent of the CIF funding will be used to support WAGs' social fund, which will be utilized to address emergency needs, including climate shocks and damages from natural disasters.

Integrated climate change activities under Subcomponent 2.2 (US\$105 million equivalent)

Under Subcomponent 2.2, climate change activities will be integrated under the following.

Livelihood collective grants: One hundred percent (100 percent) of the support to livelihood collectives will be geared towards climate-resilient business plans, **with the main purpose of supporting climate resilience and adaptation.** Similar to the previous subcomponent, these business plans will be: (a) informed by the climate-sensitive market assessment and value chain analysis of agricultural and nonagricultural commodities prepared under Subcomponent 2.3; (b) screened for climate risks, and energy efficiency perspective prior to funding. Only plans that build resilience and adaptation to climate change and that avoid maladaptive activities will be financed.

Potential activities to be financed under this subcomponent include: the use of climate-adapted crop varieties where available (e.g., heat-tolerant, submergence tolerant); low-cost, high-efficiency systems where possible



(e.g. rainwater harvesting); renewable energy sources (e.g., solar photovoltaic energy for heating, cold storage, drying, and pumping; small wind turbines; biogas digesters); processing facilities with energy-saving appliances (e.g., solar lighting, solar charging, efficient cook stoves); storage and packaging facilities to reduce postharvest losses; and climate-smart seeds, livestock breeds, and fish stocks.

Integrated climate change activities under Subcomponent 2.3 (US\$16.8 million equivalent)

Under Subcomponent 2.3, climate change activities will be integrated under the following.

CSA and TIMPs: Development, validation, adaptation, and dissemination of context-specific CSA and agricultural TIMPs. This will ensure a supply of CSA technologies' options for beneficiaries engaged in farm-based livelihoods.

Farmer field schools (FFSs): Support the development of FFS curricula for each of the six distinct agro-ecological zones¹²¹ in Nigeria with technical assistance support from firms and agencies. The curricula will be used by FFS facilitators and extension workers to train WAGs, federations, and collectives in CSA techniques and practices. FFSs will serve as learning platforms to test and select new methods and crop varieties that are most appropriate for the climate context they are experiencing. It is also a space for learning and sharing information, with links to local agricultural research and variety trials with both scientific and indigenous knowledge of farming techniques to mitigate the impacts of climate change.

Energy efficient innovations: Provide technical assistance for climate-responsive and energy-efficient innovations, knowledge exchange for members of CIs, and livelihood collectives.

Capacity building: Support key institutions (FPCUs, SPCUs, Local Government Project Implementing Units [LPIUs], and relevant ministries and agencies such as the Agricultural Development Program, Ministry of Agriculture, partner universities and research institutes, LGA agricultural and social services departments etc.) to deliver CSA technologies, innovation, and management practices. This will ensure beneficiaries in farm-based livelihoods the best technologies and information through climate-smart extension services to enhance adoption of climate-resilient technologies.

Gendered and climate-sensitive market assessment and value chain analysis: To be conducted in implementing states to explore key climate risks and impacts and to identify opportunities, like climate-resilient livelihoods, to strengthen women's resilience to future climate shocks. This assessment will inform the menu of climate-sensitive and climate-smart women-led livelihood investments to be supported under Subcomponents 2.1 and 2.2 of the Project. This will be the initial step in improving target areas' adaptation processes and promoting women's voice and agency in community efforts to strengthen local resilience.

Integrated Climate Change Activities under Component 3 (US\$50 million equivalent)

Under Component 3, climate change activities will be integrated under capacity building and training activities: Building and strengthening institutional agencies' capacity for gender and climate change in federal and state ministries of women affairs, and in other ministries, departments, or agencies supporting program implementation (health, education, agriculture, finance, budget, and planning). This will enhance national and subnational capacity and collaboration in tackling climate threats. Staff training will include sessions on national climate change policies.

¹²¹ Nigeria has six distinct agroecological zones, from the Atlantic coast in the south to the arid Sahel savanna of the north. From south to north, these are the mangrove swamp, rainforest, derived savanna, Guinea savanna, Sudan savanna, and Sahel savanna zones.



ANNEX 7: NFWP Financial Inclusion Approach

- 1. Financial inclusion is a prerequisite for women’s economic emancipation. It enables women to increase their spending on both production and consumption, gives them more control over their incomes, and gives them access to previously unattainable economic opportunities.** Ensuring women’s financial inclusion can unlock the significant economic potential of rural areas, which is important for both poverty alleviation and the non-oil growth agenda. It is estimated that Nigeria’s GDP could grow by 23 percent (or US\$229 billion) by 2025 if women participated in the economy to the same extent as men.¹²²
- 2. Nigeria launched its first National Financial Inclusion strategy in 2012.** Since then, limited progress has been made as only 45.3 percent of people aged 15 years and above were financially included by the end of 2021.¹²³ The Global Findex survey in Nigeria 2021 revealed that 35 percent of women who reported having an account (by themselves or together with someone else) at a bank or another type of financial institution or used mobile money service in the past year compared to 55.5 percent of men, representing a relatively high gender gap of 20 percentage points of adult women who do not use formal financial services.
- 3. The trend in women’s financial inclusion remains challenging as the survey further showed that the formal financial inclusion gender gap increased from an average of 12.2 percent in 2008 to 13.6 percent in 2020.** This was driven by increases in the south and across all northern regions, particularly the northwest where the financial inclusion gender gap almost doubled. Furthermore, 45.7 percent of adult women business owners remained excluded from the formal financial system, compared to 40.5 percent of adult male business owners. Similarly, 73.8 percent of adult women farmers remained excluded from the formal financial system, out of 55.2 percent of the adult women population and 64.3 percent of adult male farmers. Women who live in rural areas, whose primary source of income is farming, who did not complete secondary school, and who do not have mobile phones are more likely to be unbanked; at least a quarter of excluded women rely solely on informal financial services.
- 4. There are 21.3 million financially excluded women in Nigeria. The NFWP WAGs present a significant opportunity to close this gap.** The NFWP original project has supported over 19,200 WAGs and 400,000 women. These WAGs have saved approximately NGN3.1 billion (US\$7.64 million equivalent¹²⁴) between February 2020 and November 2022, with a significant portion of these funds revolving as loans at any given time. In the same period, the NFWP has assisted approximately 300,000 rural women in opening and operating functional savings accounts as well as obtaining digital identification (a National Identity Number¹²⁵). They have also received financial literacy and business skills training.

¹²² Council on Foreign Relations, “2022, Growing Economies through Gender . https://www.cfr.org/womens-participation-in-global-economy/?utm_medium=direct&utm_source=postcards&utm_campaign=gender-parity-postcards

¹²³ Global Findex Database, <https://databank.worldbank.org/reports.aspx?source=1228>.

¹²⁴ US\$ to NGN Exchange rate on November 1, 2022.

¹²⁵ The NIN is the unique number which identifies you for life and is set to be used for all transactions in Nigeria requiring identity verification.



5. **Despite addressing some of these gaps**, the original project faced structural limitations in promoting the formal financial inclusion of low-income women. These limitations can be divided into three broad categories.
6. **Demand-side barriers.** A gender landscape study conducted by the CBN in conjunction with EFINA identified lack of income, lack of education and lack of trust in FSPs serve as the tripod stand upon which the gender financial inclusion gap stands. These factors also drive the gender gap in financial inclusion and are further exacerbated by gender-based norms which create time poverty and reduce ownership of productive assets and participation in economic activities amongst others, which contributes to the greater exclusion of women. This finding serves as a fulcrum to developing policies and framework on addressing the financial inclusion gender gap in Nigeria.
7. **Supply-side barriers.** About 23 percent of excluded women cite “banks are too far” and “it costs too much to reach a bank” (13 percent) as the reason for being unbanked. Two in five women are not aware of any formal access point close to where they live. Again, 70 percent of excluded women feel that information on formal financial services is not presented in a clear and easily understandable manner. Although formal financial systems have enormous potential for women’s financial inclusion and WEE, several unresolved ecosystem issues in Nigeria, make this potential unachievable, particularly for low-income earners, women, and microentrepreneurs.
8. **Digital infrastructure barriers.** Ten percent of excluded women cite “too much documentation involved/required” as the reason for being unbanked. The lack of harmonization of the Bank Verification Number (BVN), NIN, and National Communication Commission databases have made it difficult for women especially those in rural areas to access and use formal financial services. Thus, there is a need to further expedite the integration of the NIN and the BVN database.
9. **Learning from the lessons from the original project, the Government of Nigeria has expressed interest in utilizing the NFWP-SU as a platform to promote the financial inclusion of beneficiaries by addressing the address these demand and supply-side barriers.** The Government began preliminary discussions with Sterling Bank to solidify a potential partnership with the NFWP to co-create innovative and scalable models that will assist WAGs in accessing appropriate and affordable financial services. Some of the potential areas of collaboration include assistance with the provision of digital solutions for WAG saving activities, provision of agent banking to de-risk cash movement in boxes, and development of suitable financial products that meets the needs of WAG members and groups. Lastly provision of additional credit to WAG members/ federations at discretionary rate. Sterling Bank is ready to make about NGN1.2 billion (about US\$3 million) available to WAG members as additional credit to support their livelihood as well as increase internal lending capacity of the groups.
10. **The Financial Inclusion Unit of the CBN and the Federal Ministry of Women Affairs are in early discussions to discuss the potentials of the NFWP and NFWP-SU** in serving as a platform that can contribute significantly to CBN’s financial inclusion ambition. Various opportunities have been highlighted ranging from the Financial and Digital Literacy, the use of gender disaggregated data for the supply side, and collaboration with the Financial Inclusion Community of Practice. These activities will be closely



coordinated with appropriate engagements supported by the World Bank's Finance, Competitiveness, and Innovation Global Practice and the International Finance Corporation, IFC.

- 11. The Federal Ministry of Women Affairs is working with the CBN and EFINA to identify possible solutions as well as secure stakeholder buy-in for a concerted effort in tackling the underlying barriers discussed above.** A conveyance focused on discussing policy and innovative issues affecting women's financial inclusion in Nigeria particularly women's savings groups, opportunities to facilitate the development of solutions to the key underlying policy and innovation barriers, innovations, and creation of a working group for continued advocacy for low-income women is being planned.

Financial Inclusion Strategy for the NFWP-SU

- 12.** Based on the lessons learned from NFWP and similar projects, the WAGs and federations would be the entry points to improve the access of the poor to financial services in a sustainable and responsible manner. The savings and credit functions of these groups would help them to gain experience in small-scale investment, develop credit history for poor households and help change the risk perception by formal financial institutions.

13. Demand-side interventions:

- (a) **Promote a strong savings focus in WAGs:** The National Financial Inclusion Strategy 2021–24 acknowledges that “informal providers such as savings groups have also played a significant role in some countries to reduce overall exclusion, but this too has been lacking in Nigeria.”¹²⁶ Special emphasis will be placed on strengthening and institutionalizing the WAGs in terms of group governance, mobilization of savings, and safekeeping of their funds. Individual WAG members will be encouraged to set personal costed savings objectives, which will spur them to save more in their WAGs. The WAGs will augment their internally mobilized pool of savings with credit from banks using their track record of savings and lending as collateral.
- (b) **Financial literacy and business skills training:** The Project will support financial literacy and business education programs for WAG members. The content of the training will include topics such as the importance of savings and the gateway to financial inclusion, debt management, consumer protection, utilization of loans, and responsible borrowing.
- (c) **Digital literacy and digitization of WAGs:** The NFWP-SU will work toward institutionalizing robust digital financial systems in WAGs to help them manage their finances and keep electronic records through a digital savings application rather than paper-based passbooks. Digitization of WAGs allows group members to save, request loans, make loan repayments to the group, and easily calculate share-out at the end of the cycle. Digital records will gradually eliminate the need for physical lock boxes (especially per CBN's cashless policy); challenges associated with the storage of cash and improve the safety of their funds. Digitization also reduces the length of the groups' meetings, giving members precious time to engage in productive activities.
- (d) **Intensive livelihood support and value-chain development:** The WAGs will be supported to undertake livelihood support activities as collectives and last-mile service delivery of public service.

¹²⁶ National Financial Inclusion Strategy 2021–24.



Value chain development in dairy, agriculture, food distribution, and marketing will increase their household income as well as provide sources for additional capital injection into their businesses.

14. WAGs supported under the Project would be expected to charge an appropriate interest rate on loans provide to its members under the CIF. This is important to for the following reasons:

- (a) **Sustainability:** WAGs need to charge an interest rate that covers its operational costs and generates a surplus to ensure its sustainability. If a WAG does not charge an appropriate interest rate, it may not be able to continue its operations or provide financial services to its members in the long run as inflation can erode the value of money over time. By charging an interest rate that exceeds the inflation rate, WAGs can ensure that its members' savings maintain their value.
- (b) **Fairness:** Charging an appropriate interest rate ensures that the burden of financing the WAG's operations is shared fairly among its members. If the interest rate is too low, some members may be subsidizing the costs of others. It's important to note that the interest rate charged by a WAGs should be reasonable and affordable for its members. Charging an excessively high interest rate can lead to debt traps and financial hardship for borrowers, which defeats the purpose of WAGs.

Supply-side interventions

15. New financial product development: The Project will pilot financial products in coordination with partner financial institutions. These products with support from the Project would be co-created with NFWP-SU partner financial institutions to address the gender-based financial gaps that women face, including limited access to credit, financial education, and resources.

16. Under the original project, several banks expressed willingness to partner with the NFWP. Stirling Bank Nigeria has partnered with NFWP and to provide financial services to project beneficiaries including access to credit for WAGs and WAG member that have graduated from the project. NFWP-SU will partner with banks and other financial institutions to roll out the tailored financial products co-created and co-designed by the project to meet the specific needs of underserved populations. If necessary, a single retailer could be used in the pilot phase for proof of concept but would be expected to share the results in an industry-wide conference or seminar so that all other banks have the chance to get involved based on the pilot's results. However, no project funds will be used for financial intermediation in keeping with the requirements of the World Bank's financial intermediary financing policy and guidance.

17. Linkage with formal financial institutions: To deepen the financial inclusion of women, the NFWP-SU program will, where possible, facilitate bank linkage between WAGs and WAG Federations to formal financial institutions such as commercial and microfinance banks. The bank linkage will ensure the safety of their funds and create opportunities for the groups to access additional /bigger credits and other financial services and because WAG members are used to managing loan transactions, they are disciplined enough to make timely repayments. WAGs can also use their pool of savings as collateral for such large loans from banks. Members will also open savings accounts to enable them to take out personal loans from banks.

18. Alternative credit history models: The Project will support WAG members and groups to build a credit history by digitizing the saving, lending, and repayment behavior of each WAG member. At the group level, WAGs would be supported to maintain a digital history of accurate financial records. This includes



keeping track of income, expenses, and savings. It will help in understanding cash flows and demonstrating the group's financial responsibility. These records can be developed into alternative credit history to help build credibility and trust on the part of WAG member and the group with financial service providers.

- 19. Strengthen alternate delivery models for financial services.** In conjunction with ongoing efforts by the CBN and others, the Project will help to develop branchless banking initiatives wherein WAGs could act as banking correspondents/facilitators/customer service providers for financial institutions. CBN has established the Shared Agent Network Expansion Facility (SANEF) to promote the deployment of point-of-sale terminals in underserved areas. SANEF is a public-private partnership between the CBN, savings banks and licensed mobile money operators. SANEF aims to establish a network of 500,000 agents across the country, particularly in rural and remote areas.

Digital infrastructure interventions

- 20. Facilitate access to formal means of identification to fulfill Know Your Customer (KYC) requirements:** The NFWP-SU will coordinate with appropriate projects supported by the World Bank, such as the Nigeria Digital Identification for Development Project (P167183), to speed the issuance of NINs to WAG members and linkages to NIMC for authentication purposes.