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<th>Group</th>
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<tr>
<td>Ranga Rajan</td>
<td>Clay Wescott</td>
<td>Jennifer L. Keller</td>
<td>IEGEC (Unit 1)</td>
</tr>
<tr>
<td>Krishnamani</td>
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2. Project Objectives and Components

a. Objectives
   The Project Development Objectives (PDOs) as stated in the Financing Agreement dated April 16, 2013 (page 5) and in the Project Appraisal Document (PAD, page vii):

   "To enhance opportunities for employment and access to socio-economic services, whilst improving public expenditure management systems in the participating states."

   This review is based on the two PDOs stated below:

   1. Enhancing opportunities for employment and access to socio-economic services in the participating states.
   2. Improving the public expenditure management systems in the participating states.

   The PDOs were unchanged, although the Bank expanded the project scope with the Additional Financing (AF) for the project approved in March 2016.

b. Were the project objectives/key associated outcome targets revised during implementation?
   No

c. Will a split evaluation be undertaken?
   No

d. Components
   There were three components (PAD, pages 7 - 10).

   1. **Youth employment and access to socio-economic services.** The estimated cost at appraisal was US$126.84 million. However, the actual cost was US$187.83 million. This component financed activities for promoting employment and access to socio-economic services in the participating states. There were three subcomponents:
a. promoting employment for youth in urban areas through small public works (road and drainage maintenance, maintenance of public space, and disposal and sorting of refuse), and conducting study tours to the staff of selected ministries, departments and agencies (MDAs) and committee members to observe similar youth employment schemes;

b. providing grants to existing technical, vocational and agricultural schools for: (i) acquiring instructional materials; (ii) rehabilitating selected technical and vocational training (TVT) institutions; (iii) national accreditation of courses taught at the TVTs; (iv) conducting technical education fairs; (v) developing strategies for skill development programs, and information and communication technology for teaching; (vi) expanding the remedial courses for teachers; (vii) partnering with the private sector for job placements and industrial attachments for providing jobs to people with vocational skills; (viii) expand the entrepreneurship development programs through starter packs for TVT post graduates (a way to assist the TVTs post graduates commence their chosen trades; (ix) capacity building of the state ministries of education and agriculture;

The outputs described above would improve the quality of skills acquired by graduates of TVTs, and increase the supply of people with improved vocational skills.

c. providing grants for the Fadama (a Hausa word for low-land agricultural projects) community associations and community and social development agencies for developing community infrastructure projects (such as, rehabilitating feeder roads, primary schools, health centers, water points, rural markets, and small scale irrigation and drainage systems).

The outputs of activities described above would increase the number of people with access to essential services, and increase the demand for youth with improved vocational skills trained under the project in the participating states.

The Bank expanded the scope of this component with the AF for the project, to explore further mechanisms for ensuring continuity of employment for youths currently employed under this scheme.

2. Public Financial Management (PFM) Reforms. The estimated cost at appraisal was US$49.61 million. However, the actual cost was US$57.68 million. This component financed technical assistance (TA) activities for PFM reforms to be implemented by the states based on their PFM reform action plans.

Activities in this component included: (i) review of existing financial management legislation/regulations, drafting new legislation/regulations, and organizing public finance seminars; (ii) strengthening budget execution and instituting multi-year budget frameworks; (iii) modernizing the financial reporting system; (iv) restructuring the office of the state auditor-general and capacity building of members of the public accounts committee of the state legislature; (v) implementing State Integrated Financial Management Information Systems (SIFMIS); (vi) strengthening the public procurement processes; and (vii) strengthening the tax administration of states.

The outputs of activities were expected to reduce the deviation between annual expenditure and budgeted spending. Adopting new procurement laws and establishing a specialized procurement cadre would enable the adoption of standard bidding procedures and an increased percentage of public contracts above a threshold awarded through a competitive process.
The Bank expanded the scope of this component to include TA activities in the area of PFM reforms in states such as: (i) migrating to the newly adopted Federal Account Allocation Committee budget classification that complied with the 2001 Government Finance Statistics (GFS); (ii) improving cash management and introducing a Treasury Single Account; (iii) transitioning to the International Public Sector Accounting Standards; and (iv) strengthening the budgeting framework.

3. Project Coordination and Implementation Support. The estimated cost at appraisal was US$16.00 million. However, the actual cost was US$19.54 million. This component financed technical and logistical support for project coordination. Activities in this component included:

(i) supporting coordination at the federal level including training the staff of the National Project Coordinating Unit in the Ministry of Budget and National Planning; (ii) supporting state-level coordination and training staff of the state coordinating units on fiduciary management, Monitoring & Evaluation (M&E), and environmental and social safeguards; (iii) supporting the Ministry of Niger Delta Affairs (MNDA) in two areas: (i) developing a public investment strategy for Niger Delta Region; and (ii) strengthening their M&E system.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost. The estimated cost at appraisal was US$200.00 million. The actual cost was US$265.05 million.

Project financing. An IDA Credit of US$200.00 million financed the project. By the time the project closed, it had disbursed US$174.26 million of this credit. The European Union approved a grant of US$86.84 million in March 2016, that became additional financing administered by the Bank. With this, the total funding for the project was US$286.84 million. The total amount disbursed was US$246.94 million. US$4.99 million was undisbursed. The difference between the IDA loan and the amount spent was mainly due to exchange rate changes during implementation. These amounts were provided to IEG by the project team.

Recipient contribution. The government had not planned at appraisal to contribute. However, according to the information provided by the team, most states provided accommodation for housing the project implementation units in government premises, and Bayelsa State provided about the equivalent of US$2.00 million over the lifetime of the project. The team also clarified to IEG that the communities in the four states provided 10% of the project cost.

Dates. The Bank approved the project on March 6, 2012, and the project became effective on July 30, 2013, with a planned closing date of June 30, 2017. However, the project closed fifteen months behind schedule on September 30, 2020.

Other changes. The AF supported the following changes for the project in March 2016.

- expansion of the project scope (discussed in Section 2d), and
- coverage of the cost overruns of component two activities.

The project was restructured twice (Level 2 restructurings) during implementation.
The first restructuring on March 29, 2017 supported the following changes.

- modifying the results framework, and increasing outcome targets to reflect the scaled-up project activities.
- reallocating funds between disbursement categories.
- changing the project closing date from June 30, 2017, to September 30, 2019.

The second restructuring on September 20, 2019 supported the following changes.

- reallocating funds between categories.
- reallocating savings realized due to exchange rate changes to scale up components one and two.
- extending the closing date from September 30, 2019 to September 30, 2020.

### 3. Relevance of Objectives

**Rationale**

**Country sector context.** Nigeria is a federation of 36 states and a federal capital territory. Under the constitution, the states have significant autonomy, and are responsible for delivering critical public services. Despite high and sustained growth in the years before the appraisal, over half of Nigeria's population was poor, and unemployment was a serious problem across all age groups. The overall unemployment rate was around 21% (with youth unemployment around 25%). Nigeria's poor economic situation stemmed from poor governance and poor public resource management. The Bank designed this project following the Niger Delta Amnesty Program for militants in 2007 and the return of relative peace to the region.

This project addressed two distinct development challenges facing the Nigerian economy: youth employment and the need to improve public services in war-torn communities visibly. Small public works could deliver short term-results in employing youth and improving essential services to support the amnesty program.

The project design addressed the supply and demand issues for youth employment that were important in the country context. One, the project activities aimed at increasing the supply of qualified youth who could work in community infrastructure projects. and two, the project activities aimed to strengthen the capacity of civil society organizations to design community infrastructure projects, which in turn would increase the demand for workers trained under the project. The team clarified this project focused on youth unemployment, as this was the primary cause of unrest in the Niger Delta region. The team also pointed out many other government initiatives on skills development and support to small and medium-size enterprises addressed the structural issues contributing to unemployment across all age groups. Furthermore, addressing PFM issues would provide the foundation for better allocation of public resources in the medium to long run.

**Government strategy.** The PDOs are well-aligned at appraisal with the government strategies articulated in: (i) the Niger Delta Development Plan of 2009, which provided a development blueprint for states in the
Niger Delta; (ii) Nigeria’s vision 20:2020; (iii) the seven-point agenda which focused on issues in the Niger Delta Region; and (iii) the transformation agenda launched in for 2011 - 2015, which prioritized job creation and infrastructure development. In addition, the PDO’s were in line with the new government’s agenda - "Our Vision for a New Nigeria". This agenda identified the following as priorities: threat to national security caused by militancy of youth, good governance and better public financial management, human capital development and economic development.

**Bank strategy.** At appraisal, the PDO’s were well-aligned with the three pillars of the Bank’s Country Partnership Strategy (CPS) for 2010 - 2013: governance, maintaining non-oil growth and promoting human development. In addition, the PDOs continue to be relevant to the three pillars of the current Country Partnership Framework (CPF) (2021-2025) for Nigeria: Strengthening the foundations of the public sector, investing in human capital through improving service delivery of critical services and promoting jobs and economic diversification (CPF, page 30).

**Prior Bank experience.** The Bank has financed several multi-state and multi-sector projects in Nigeria (e.g. the FADAMA project and the Community and Social Development Project). Four of the nine states of the Niger Delta region (Bayelsa, River, Delta and Edo) implemented the project. These were some of the oil-producing states in the region with the highest environmental degradation, persistent unemployment and severe law and order issues. This project was built based on the experiences from the previous Bank-financed projects described above. An important lesson incorporated in the design of this project was strengthening demand-side governance at the sub-national level in general, and working with civil society organizations in particular, for designing community infrastructure projects, that would in turn increase the demand for workers trained under this project (PAD, paragraph 36). The analytical underpinnings for the PFM reforms came from the Public Expenditure Management and Financial Accountability Reviews undertaken in the four participating states. Given that demonstrating short-term results was significant in the wake of the amnesty, and reforms aimed at addressing PFM management issues were essential for improving service delivery in the medium to long run, the project activities were appropriate.

The relevance of PDO is however assessed as substantial, as the employment objective is a short-run objective, and the problem of unemployment across all age groups (including youth) is a longer-term development issue.

**Rating**

Substantial

### 4. Achievement of Objectives (Efficacy)

**OBJECTIVE 1**

**Objective**

Enhancing opportunities for employment and access to socio-economic services in the participating states.
Rationale

Theory of change. The outputs such as, acquiring training materials, rehabilitating selected TVT schools, national level accreditation of courses taught at the TVTs, conducting training sessions, and developing strategies for skill development programs, and starter packs for graduates for TVTs, were expected to improve the vocational skills of people in general, and youth in particular. These outputs would increase the supply of skilled workers with vocational skills. The outputs such as, strengthening the capacity of the civil society organizations at the subnational level to design community infrastructure projects, would increase the demand for the skilled workers trained under the project. In addition, the results of activities associated with building community infrastructure, were expected to lead to improved access to socio-economic services. The causal links between project activities, outputs and outcomes were clear. The intended results were monitorable.

Outputs.

- A total of 29,366 youths were trained with vocational and training skills in the four states, far exceeding the target of 14,629. This total included: 3,460 in Bayelsa State (target 3,314); 14,959 in Delta (target 2,159); 18,680 in Edo (target 7,466); and 21,770 (target 10,845). The ICR (page 24) notes that the significant achievements in Delta state were due to the Youth Agricultural Entrepreneurs Program and Skills Entrepreneurship Program of the Delta State Creation Office program. This project was a part of this broader program.
- The National Board for Technical Education (NBTE) accredited 117 courses taught at the TVT centers in the states by December 31, 2019, far exceeding the target of 67. In addition, the NBTE granted accreditation to: (i) 35 and 32 courses to TVTs in the Delta and Edo States; (ii) 29 trades in TVT schools; (iii) courses run by the craft training institutions in Bayelsa State; and (iv) five technical courses at the Government Technical and Science Colleges.
- 64,015 people were trained in Life Planning and Entrepreneurship skills, far exceeding the target of 29,254.
- The project team told IEG that Edo and Bayelsa States had completed all their Community Development Plans: the status of plans in Rivers and Delta States is not known.
- Bayelsa and Rivers States provided starter packs to graduates of TVTs. The content of the packs was determined independently by each school, but common to all - was providing cash for either covering rental for one to three years, or working capital. According to the team, Bayelsa State continues to give starter packs to graduates.

The grants were provided for two major categories of CDD operations:

1. Economic - using the FADAMA approach. This approach provided productive grants in rural areas for designing community infrastructure projects. In terms of interventions under this approach, authorities developed 238 local development plans and completed 77%. In addition 15% are ongoing and the remaining 8% did not take off.
2. Social - using the community and social development approach. This approach addressed the provision of social services and natural resource management in rural and peri-urban communities. The project supported 359 community-driven projects. Of these, communities completed 91% and had nearly completed the remaining 10% when the project closed. According to the information provided
by the team, Edo and Bayelsa States have completed all their community-driven projects and the team awaits feedback from the Rivers and Delta States.

Outcomes.

The outputs of activities should have led to increasing youth employment and the number of people with access to socio-economic services in the four states.

- A total of 67,650 youths were employed in the four states during the project execution period, far exceeding the target 33,674. This total included: 17,685 in Bayelsa State (target 6,626); 9,515 in Delta (target 7,466); and 21,770 in Rivers (target 10,845).
- 2,617,617 people in principle had access to socioeconomic services in the four states exceeding the target of 453,863. This total included: 521,846 in Bayelsa (target 121,500); 1,457,210 in Delta (target 129,646); 186,142 in Edo (target 150,347); and 469,918 in Rivers (target 52,370).

1,870,827 people benefitted from project activities in the four states, far exceeding the target of 340,000. The project beneficiaries included youth who were unemployed, people seeking to be trained in vocational and training schools and technical and vocational training institutions, the teachers who were recruited or trained, students benefitting from direct interventions to enhance learning, and people who were provided with access to social services (such as water and sanitation services). This total included:

- 525,512 in Bayelsa State (target 85,000). 57% of the beneficiaries were females (target 30%);
- 1,466,725 in Delta State (target 79,000). 56% of the beneficiaries were females (target 30%);
- 163,880 in Edo State (target 81,000). 57% of the beneficiaries were females (target 30%);
- 484,237 in Rivers State (target 95,000). 52% of the beneficiaries were females (target 30%).

While it is difficult to ascertain the extent to which the outcomes were attributable to the project, given that the participating states had similar government schemes for increasing employment, it is reasonable to conclude that the project contributed to realizing the PDO.

Rating
Substantial

OBJECTIVE 2
Objective
Improving the public expenditure management systems in the participating states.

Rationale
Theory of change. The causal links between the project activities, outputs and outcomes were logical. The participating states had undertaken Public Expenditure Management (PEM) and Financial Accountability Reviews and prepared reform action plans. This project intended to assist the states in achieving some of the recommended PEM and financial management plans. The outputs of activities such as submitting the public finance legislation to the State House of Assembly, developing a medium-term expenditure plan and publishing the annual budget, were expected to reduce the deviation between annual expenditure and
budgeted spending. Adopting new procurement laws and establishing a specialized procurement cadre would enable the adoption of standard bidding procedures and an increased percentage of public contracts above a threshold awarded through a competitive process. The outputs of activities associated with establishing a taxpayer database would increase internally generated revenue. These outcomes would contribute to the medium and long-term result of improving the PFM of the four states.

**Outputs.**

- The states started publishing the annual budget estimates on their websites as expected.
- 77 Ministries, Departments and Agencies (MDAs) developed medium expenditure plans from the State Medium Term Expenditure Framework (MTEF) in the four states. This total showed variations between states: 28 MDAs in Bayelsa (target 8); Five in Delta (target 8); 43 in Edo (target 8); and one in Rivers (target 8).
- The states adopted new and modern budget classification.
- The number of months to submit annual audited financials of the state to the State House of the Assembly declined from 12 at the baseline in February 2012 to six months in Rivers, and five months in Delta and Edo States as targeted. In Bayelsa it decreased to six months, short of the target of five months.
- The states enacted new Public Procurement Laws. As a result, two states (Edo and Rivers) started using standard bidding documents (SBDs) for 100% of contracts over the threshold limits. The other states (Delta and Bayelsa) are still in the process of developing SBDs.
- Only one state (Rivers) had automated its tax system (PIVTAMIS) when the project closed. However, according to information provided by the Bank team, the automated tax system is now also fully operational in Edo State.
- The State Integrated Financial Management Information System (SIFMIS) was operational in all the states when the project closed.

**Outcomes.**

The PFM reforms were expected to lead to two outcomes: reducing the deviation between actual and budgeted expenditure and increasing the percentage of public contracts above a threshold awarded through competitive bidding.

The performance of the states is as follows;

- Bayelsa State reduced the deviation between actual and budgeted expenditure from 16% at the baseline in February 2012 to 15%, short of the target of 10%.
- The deviation decreased from 24% at the baseline to 23% (target 10%) in Delta State.
- The deviation decreased from 36% at the baseline to 15% (target 10%) in Edo State.
- The deviation decreased from 32% at the baseline to 16% (target 10%) in Rivers State.

The percentage of public contracts awarded through a competitive process in the states is as follows:
- In Delta State, the percentage of public contracts awarded through a competitive process, increased from 20% at the baseline to 100%, surpassing the target of 60%.
- In Bayelsa State, it increased from 20% at the baseline in February to 54% (slightly short of the target of 60%).
- In Edo State, it increased from 20% at the baseline to 55% (short of the target of 85%).
- In Rivers State, it increased from 25% at the baseline to 40% (short of the target of 60%).

There was progress towards improving public financial management, although there was variation in the level of progress across the participating states.

Rating
Substantial

### OVERALL EFFICACY

**Rationale**
Overall efficacy was substantial, with some shortcomings. The project almost entirely achieved its development objectives in youth employment and access to socio-economic services. Progress was made in improving public financial management, although with variations across the four participating states.

**Overall Efficacy Rating**
Substantial

### 5. Efficiency

There was no formal economic analysis of project activities either at appraisal or at closure. When the project closed, the team clarified that they did not calculate the Economic Internal Rate of Return (EIRR) (such as in the water and health micro projects). There was also no EIRR of the Public Financial Management plans.

The project completed all activities without any cost overruns. In addition, savings realized due to exchange rate changes were utilized for scaling up project activities.

**Value for money.** The project demonstrated good value for money supporting the employment of trained youth in community infrastructure projects that were created by the civil society organizations under this project. 67,650 youth were employed in the four states in community infrastructure projects when the project closed, more than double the target of 33,674. In addition, 117 TVETs were accredited, almost double the target of 63. A total of 1,870,827 people benefitted from project activities, far exceeding the target of 340,000 (discussed in section four).
Cost-effectiveness considerations. The unit cost of several CDD projects was lower than the cost of similar micro-projects executed by government agencies. For instance, the ICR (page 91) notes that the average cost of micro-projects of the water and health sectors in this project, were 24% and 38% lower than the costs of similar projects executed by government agencies. Likewise, the State Integrated Financial Management System’s (SIFMS) implementation cost was favorable when compared with the global experience that reviewed 134 projects (Lessons from Reforming Financial Management Information Systems, World Bank Policy Paper 2018).

Operational and administrative issues during implementation. The project became effective 16 months after approval, due to the suspension of project activities by the World Bank because of non-compliance with environmental and social safeguards. This caused the project to close 16 months behind schedule.

In sum, efficiency was substantial.

### Efficiency Rating

Substantial

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* Refers to percent of total project cost for which ERR/FRR was calculated.

### 6. Outcome

The relevance of PDO is assessed as substantial, because as the employment objective is a short-run objective, and the problem of unemployment across all age groups (including youth) is a longer-term development issue. Efficiency is assessed as substantial. Overall efficacy was assessed as substantial. The project almost achieved its development objectives in youth employment and access to socio-economic services. Progress was made in improving public financial management, although the project did not achieve some of the PFM targets. Taking these shortcomings into account, overall outcome is assessed as satisfactory.

a. **Outcome Rating**

Satisfactory

### 7. Risk to Development Outcome
The ICR (paragraph 87) notes that the state governments had started mainstreaming project activities into their annual budgets. The state budgets of 2021 allocated funds for state project coordinating units for youth employment schemes and each state allocated funds for aspects of the organizational/support structure for SIFMIS. The ICR does not provide details whether the allocated budget is adequate for maintaining the youth employment scheme and maintaining the SIFMIS.

However there are some risks to development outcomes.

**Social risk.** There is a substantial social risk, given that the project only created temporary jobs and the project did not specifically address the structural reasons for unemployment across all groups.

**Technical risk.** There is the technical risk that there may not be adequate capacity in the country to operate the equipment and addressing technical issues including in the SIFMIS equipment.

**Financial risk.** There is the risk that the deterioration of the fiscal situation such as due to the COVID-19 crisis and shortfall in oil revenues could undermine funding for the employment program in the participating states.

**Political risk.** Given that commitment at the sub-national level is required for sustaining the CDD subprojects, there is the risk that inadequate sub-national commitment could compromise the development outcomes.

**Security risk.** Security concerns remain an issue in the Niger Delta.

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**8. Assessment of Bank Performance**

**a. Quality-at-Entry**

The Bank prepared this project based on the experiences from previous Bank-financed projects in Nigeria (e.g., the FADAMA and Community and Social Development Project). Lessons incorporated at design included: (i) Since the project included federal and state aspects, setting robust institutional arrangements for coordination and implementation (discussed below); (ii) The project responded to both the short term needs (jobs for youth) and the medium-term needs of the states in financial management (The project did not however specifically address the issues associated with employment for all working age citizens); (iii) strengthening demand-side governance through working with communities at the sub-national level, that would aid in designing community infrastructure projects, that would in turn increase the demand for workers trained under this project; and (iv) given the erosion of the training capacity within the participating state's civil services over the period, developing training policies for skills development in areas such as procurement, public sector budgeting and public expenditure management. The analytical underpinnings for the PFM came from the Public Expenditure Management and Financial Accountability Reviews undertaken in the four participating states (PAD, paragraph 21).
The implementation arrangements were appropriate. The National Project Coordinating Unit in the Ministry of Finance, Budget and National Planning was responsible for federal-level coordination. The State Project Coordinating Units were responsible for implementing project activities at the state level.

The Bank identified several risks at appraisal, including high risks associated with the weak implementation capacities of the participating states, governance risk, and security concerns in the Niger Delta region. Mitigation measures incorporated at design, included capacity building to the states in critical areas, regular engagement with government counterparts, and alternative implementation arrangements (such as inviting project teams to more secure locations outside the affected zones) if the security situation in the Niger Delta deteriorated. However, even with the mitigation measures, project risk was rated high at appraisal because of the multi-sector and multi-state nature of the project (PAD, paragraph 17). The arrangements made at appraisal for M&E, safeguards and fiduciary compliance were appropriate (discussed in sections nine and ten).

Quality-at-Entry Rating
Satisfactory

b. Quality of supervision
The ICR (paragraph 85) notes four multi-disciplinary supervision missions during 2013 - 2014 and six during 2017 - 2020, complemented by technical missions to address specific issues. The Bank carried out the final supervision mission virtually due to the disruptions caused by COVID-19. The specialists had worked in environments similar to Nigeria, though not necessarily in Nigeria. In addition, the team proactively responded to the challenges during implementation. For instance, given the wide range of activities supported by the project, the kobo toolbox - an application used by the Bank for project monitoring, especially in Fragile, Conflict and Violence locations, and a third party monitoring system was introduced by the team (discussed in section 10b) to monitor progress and validate the outcomes. According to the information provided by the team, there were six Task Team Leaders during the project lifetime.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
The outcome indicators were appropriate for monitoring project performance. The number of people employed under the employment program and the number of people with access to socio-economic services, were suitable for monitoring component one activities. The percentage deviation of
actual aggregate expenditure from budgeted expenditure, and the percentage of public contracts awarded through the competitive process, were appropriate for monitoring activities associated with PDO Two. The team clarified that a critical focus of training related interventions was to get the state-level training institutions accredited by national bodies responsible for accrediting the state level training institutions (discussed in section four). The team also clarified that the national bodies continue monitoring the quality of state level training institutions, ensuring that these institutions continue delivering programs that met the accreditation standards.

The M&E framework at design was appropriate. The framework included the following: (i) developing an M&E development plan, based on a rapid readiness assessment conducted before effectiveness; (ii) allocating resources for an M&E system and training the state staff on data collection; (iii) identifying the data sources. Quarterly progress reports of the implementing agencies were to monitor youth employment, TVT, and CDD activities. In addition, the annual financial and audited accounts of the state accountant general, the budget statement and the budget performance reports were to be used to monitor the project's PFM component. The baseline data for the PFM component came from a Public Expenditure Management and Financial Accountability Review conducted in the four states.

b. M&E Implementation

The Bank conducted the Mid-Term Review on February 11, 2016. Following this, the team appropriately revised the indicators, to reflect the increased project scope with respect to the number of youth employed under the project. Youth employment programs, TVT and CDD activities were monitored through quarterly progress reports during implementation.

The ICR (page 44) notes that the project supported the implementation of around 1300 rural road and waste management and over 3,000 community projects in the four states. Given the wide range of project activities, the project used two innovative features for monitoring. The Bank used standard paper-based tools for tracking progress before this project. For this project, the Bank opted to use the Kobo toolbox - the Bank's standard application for project monitoring, especially in Fragile, Conflict and Violence locations. Between July to December 2019, the Bank digitized all project locations in a Geographic Information System database, with photographs, key beneficiary names and primary project data. The team had to return to the project locations if the data quality was not of the required standard, for ensuring quality control of the collected data. The data collected was in the public domain and available at www.kobotoolbox.com, and in addition the Bank established a mechanism for third-party monitoring to validate outcomes, through the Data Science Nigeria - a leading Non-Governmental Organization that specializes in the use of Artificial Intelligence for practical solutions.

c. M&E Utilization

The M&E data provided information for decision making, resource mobilization, accountability and planning to federal and state governments and other stakeholders of project performance during implementation. For example, the M&E information helped the project team and the implementing agencies to make design adjustments and improve technical support during implementation. This information was used at closure for monitoring project outcomes.
M&E is assessed as substantial.

**M&E Quality Rating**
Substantial

### 10. Other Issues

#### a. Safeguards

The project was classified as a Category B (partial assessment) project under the World Bank safeguard policies, triggering five safeguard policies at appraisal: Environmental Assessment (OP/BP 4.01); Pest Management (OP 4.09); Natural Habitats (OP/BP 4.01); Forests (OP/BP 4.36); and Involuntary Resettlement (OP/BP 4.12) (PAD page viii).

**Environmental assessment.** An Environmental and Social Management Plan (ESMP) was prepared and publicly-disclosed at appraisal to address the potential environmental effects. (PAD, paragraph 71).

**Pest management.** The design did not envision the procurement of pesticides or herbicides. However, given the possibility that the agricultural activities of the project could lead to increased use of pesticides, herbicides and inorganic fertilizers, an Integrated Pest Management Plan (IPMP) was prepared as part of the ESMP (PAD, paragraph 72).

**Natural habitats and Forest safeguards.** Given the project activities on reforestation and that project activities may be in the vicinity of natural habitats, these safeguards were triggered. Mitigation measures used in the prior Bank-financed FADAMA 111 project and the Community and Social Development project were to be used to address issues relating to these safeguards (PAD, paragraph 75).

**Involuntary Resettlement.** A Resettlement Policy Framework (RPF) was prepared and publicly-disclosed at appraisal to address involuntary resettlement issues (PAD, paragraph 66).

The ICR (paragraph 76) reports that the project complied with all the environmental and social policies, with no adverse effects. However, the ICR notes that in 2014, civil works implementation took place without cleared ESMPs, which caused the temporary suspension of the project. The project also had a Grievance Redress Mechanism (GRM) in the four states to ensure that communities could give feedback concerning project activities. The ICR does not provide information on whether the GRM was used in the participating states.

#### b. Fiduciary Compliance

**Financial management.** The State Project Financial Management Units (SPFMUs) and the Federal Project Financial Management Division (FPFMD) were in charge of financial management. The SPFMUs and FPFMD had executed Bank-financed projects. The Bank conducted an assessment of the financial arrangements at appraisal. Although the Bank found these to be adequate, the Bank rated the financial risk as high, due to the inherent risks associated with CDD activities. Mitigation measures,
included preparation of a Financial Procedures Manual with a risk management strategy. With mitigation measures, the Bank rated the financial risk as substantial at appraisal (PAD, page 53).

The ICR (paragraph 79) notes progressive improvement in financial management over the project life. The Bank adequately resolved the flagged financial management issues except in one participating state (Delta). The ICR notes that the Bank received annual audit reports in a timely fashion.

**Procurement.** The National Project Coordinating Unit at the National Planning Commission, and the State Project Coordinating Units were responsible for managing procurement. The Bank conducted a procurement assessment at appraisal (PAD, page 62). In states with no experience in Bank's procurement procedures, the Unit hired procurement consultants with expertise in the Bank's policies in the first year of implementation to train procurement officers.

The ICR (paragraph 81) notes that while the overall performance concerning internal controls, record-keeping and implementation was adequate, there were significant issues in one participating state (Delta), that triggered an Integrity Vice Presidency review, that declared around US$1.8 million of IDA funds as ineligible.

c. Unintended impacts (Positive or Negative)
   None identified

d. Other
   None identified

### 11. Ratings

<table>
<thead>
<tr>
<th>Ratings</th>
<th>ICR</th>
<th>IEG</th>
<th>Reason for Disagreements/Comment</th>
</tr>
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<tr>
<td>Outcome</td>
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<tr>
<td>Bank Performance</td>
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<tr>
<td>Quality of M&amp;E</td>
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<td>Substantial</td>
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<tr>
<td>Quality of ICR</td>
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<td>Substantial</td>
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### 12. Lessons

IEG supports the following main lessons that the ICR draws from the experience of implementing this project, with some adaptation.
1. A youth employment strategy using small public works as a tool can be an appropriate strategy for quick results in disturbed areas like the Niger Delta. However, such a strategy does not address the broader challenge of providing remunerative, safe and dignified work for all working-age groups.

2. Innovative digital technology can be helpful for tracking project performance. For example a geographic-information system-based digital database and third-party can successfully track performance, even if the project activities cover a wide area.

3. Successfully implementing an Integrated Financial Information Management System requires competent human resource and good infrastructure. Capacity building of the relevant agencies needs to be assured in jurisdictions implementing the system, as is the case in, for example, Edo State, which is stably operating its system.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is clear. The ICR provided a clear description of the country context when the Bank prepared this project. The theory of change provided in the ICR shows the causal links between the project activities, their outputs and the intended outcomes. The theory of change makes a clear distinction of between the outcomes realized in the short term, and outcomes requiring a longer horizon for a clear demonstration of results. The ICR adheres to the guidelines. The ICR draws reasonably good lessons from the experience of implementing this project.

a. Quality of ICR Rating

Substantial