



Investing in rural people  
Investir dans les populations rurales  
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الاستثمار في السكان الريفيين

## Federal Republic of Nigeria

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### Value Chain Development Programme

### Implementation Support Mission Report

Main report and appendices

Mission Dates: 12 – 23 October 2015  
Document Date: **Select date**  
Project No. **[Insert project number]**  
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West and Central Africa Division  
Programme Management Department

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## Aide memoire

### Federal Republic of Nigeria

#### Value Chain Development Programme

Implementation Support Mission: 12-22 October 2015

### A. Introduction<sup>1</sup>

1. IFAD and Federal Government of Nigeria (FGN) jointly fielded an implementation support mission to the Value Chain Development Programme (VCDP) from 12 to 23 October 2015 to expedite programme implementation and provide implementation support. The mission made field visits in Ogun, Taraba and Benue states and payed courtesy calls to the Executive Governors of Benue and Ogun states, and the Deputy Governor of Taraba state. The draft report of the findings and aide memoire with the NPMU and the SPMUs were discussed in a wrap up held on 22 October 2015.
2. The main objectives of the mission were to develop the AWP&B 2016 based on a review of progress since programme start up, identify the priorities for the upcoming year, and visit the states where the VCDP has not received adequate support from State Governments. The mission reviewed physical and financial progress from the time of first disbursement in March 2015 till date, the adequacy of the implementation structures, templates and management tools established by the programme since the last mission in April 2015, and identified challenges and potential risks that could affect achieving development objectives.
3. The enthusiasm of the NPMU/SPMUs is palpable and the strong teamwork at all levels is highly commendable, setting the right environment for achieving results. The mission expresses specific appreciation to the SPMUs and State officials for their hospitality and arrangements for the mission. In addition, the mission recognises in particular and deeply appreciates the Executive Governors of Ogun and Benue states and the Deputy Governor of Taraba state for their commitment and for the counterpart financing committed for the implementation of VCDP .

### B. Overall assessment of Programme implementation

4. Since VCDP became effective, a total amount of approx. USD 4.01 million (equivalent to N803,897,442) has been received from IFAD and Government. IFAD provided USD 3.35 million (equivalent N670,545,922) while FGN and the States have provided USD 1.7 million (equivalent to N 340.3 million). The total expenditure within the period stood at USD 2.58 million (equivalent to N515,800,730). NPMU/SPMUs would need to focus its energies on completion of

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<sup>1</sup> Mission composition: Rab Nawaz, Team Leader (Programme Management Expert) IFAD, Samuel Eremie, (Agri-Enterprise and Value Chain Specialist) IFAD, Anthony Onyekweli (Procurement Specialist) IFAD, Olukayode Ogboye (Financial, Expenditure Management) IFAD and Richard Mark (Communication and Knowledge Management Specialist) IFAD. The IFAD Country Team consisting of Ms. Atsuko Toda, CPM and Ms. Thoko Newman, Associate Professional Officer also joined the mission in field visits and meetings at Abuja and the states. Dr. O.O. Oyebanji, Representative of the Director of FDRD of the FMARD also joined the mission in its work in Abuja, Ogun, Taraba and Benue states. The Representatives of the Federal Ministry of Finance, Mrs. Aisha Omar, Deputy Director of IERD, and Mrs. Aisha Ndayako-Mohamed, Assistant Director for Agriculture of IERD, also joined the start up and wrap up missions.

pending procurements in the next three months to improve delivery and front load any non-process driven activities in the 2016 AWP&B to improve programme disbursements.

5. **Initial advance:** Upon review of the infrastructure and land development schemes that are envisaged in Q4 of 2015 and Q1 of 2016, the mission assesses that the current amount of the initial advance is inadequate for maintaining adequate liquidity in programme account and therefore recommends that it is to be enhanced to US\$ 3.5 million.
6. **Counterpart funding:** Availability of agreed counterpart funding at the federal and state level remains a challenge but there has been improvements, thanks to the immediate efforts of the Executive Governors of Benue and Ogun states. FGN has so far paid N30.0 million only and no counterpart payment has been made for year 2015 yet. It was made clear on the part of the FGN that due to the budget crisis, there is little likelihood of federal counterpart financing being made available for the first half of 2016.
7. Anambra State paid N15.0 million only, with no counterpart payment for year 2015 yet. Benue State recently paid N87.0 million. Ebonyi paid N37.0 million, with no counterpart payment for year 2015 yet. Niger State paid 10 million, with no counterpart payment for year 2015 yet. Ogun State paid N 124.3 million during mission, i.e. Government counterpart funds for the State for 2014 and 2015 was fully committed. Taraba State paid its counterpart for 2014 of N37.0 million. A comparative statement of planned/committed and actual delivery of counterpart funds is reflected in following table:

	Planned/ Committed	Actual Amounts Disbursed
Federal	250 million per annum	30 million
Anambra	124.3 million	15 million
Benue	124.3 million	87 million
Ebonyi	124.3 million	37 million
Niger	124.3 million	10 million
Ogun	124.3 million	124.3 million <sup>2</sup>
Taraba	124.3 million	37 million

8. To mitigate the impact on VCDP's performance, on an exceptional and temporary basis, IFAD agreed to finance Programme allowances and salaries for all direct hired staff seconded to the implementation of the Programme at Federal and State levels incurred or to be incurred from January to December 2015 but not paid by Government. The December 2015 time limit may need to be extended specifically for the NPMU staff given the lack of availability of Federal Government funds. At the end of the period, the financed amount will be quantified and reimbursed by Government to IFAD. Government and IFAD agree to reassess the situation for the following Programme Implementation Year as early as possible and in no case later than the 1st Supervision Mission of 2016. Meanwhile, IFAD urges Government to meet its counterpart commitments and ensure timely provision in order not to compromise the implementation and the development targets of the programme.
9. Based on the last mission's recommendations and agreement with the FMF, salaries and allowances have been covered by the IFAD from January to September at NPMU, January to March in Niger SPMU, and January to June in Ogun SPMU, January to September in Benue

<sup>2</sup> 2014-2015 full amount was released by the Executive Governor Amosun of Ogun State during the mission.

- SPMU. Ebonyi, Anambra and Taraba states released their counterpart financing for 2014 and payment of salaries and allowances has not been an issue in these states.
10. **Progress against last Mission recommendations:** The period since the last implementation support mission in April was utilised mainly for setting up the office arrangements, training of programme staff, development of templates, manuals and guidelines (including the Procurement Manual and Matching Grant Manual), identification of FOs and the development of business plans. Market opportunities assessments were carried out in all the states. MoUs have been signed between off-takers and producers, except in Ogun and Ebonyi states. Training has been carried out for the establishment of Innovation Platforms. FO and Processor/off-taker profile templates and VCAP templates have been developed and shared with all the states during the last mission but their adoption remains uneven and varied
  11. **VCAP:** While many activities have been carried out thus far in 2015, there is inadequate understanding at the State and Local Government level of the VCAP logic, templates and process resulting in different formats and approaches and varying quality of implementation.
  12. The process and templates suggested by the last supervision mission (Technical Paper 1) appear to be inadequately discussed and disseminated within the Programme. There are still definitional confusions regarding FO, cluster, LGA levels, difference between a group business plan and a VCAP etc. The current plans shared with the mission are largely input driven based on an indicative menu of interventions available in the PDR and AWPB. None of the plans demonstrates any strategic vision or target for the Cluster and LGA level. There is as yet no logical integration of activities at producer, processor and off-taker level. During the upcoming period, VCDP will need to considerably improve the understanding of a value chain approach with adoption of uniform templates and steps with an open demand driven and outcome based approach as opposed to the current input driven approach. The practical use of templates in a full day training session, combined with interactive mission sessions with the NPMU and States' staff on development of consensus definitions of institutions and processes is expected to help the States in improved quality of VCAPs and Business plans in coming months. The output of states in this regard need to be monitored over the next two months to address any remaining conceptual and operational challenges.
  13. **Meetings and Trainings:** Keeping in view the distances involved, NPMU needs to be strategic in inviting state level officers for HQ meetings and training programmes. There should be quarterly planning and review meetings and trainings should be planned during the periods when field activities are in lean phase due to seasonal factors. In-between each quarterly meeting, NPMU should reach out for field level coordination and support rather than unplanned ad-hoc meetings requiring states to come to the HQ.
  14. **Revisions in the PIM:** A concern was expressed to the Mission that the existing PIM does not provide clear guidelines for the formulation of VCAPs. The Mission would like to underline that PIM is a living document that needs to be regularly updated based on field experience and would further encourage NPMU to elaborate relevant sections of PIM, on the basis of VCAP and Business Plan templates and process, developed and agreed during the current mission, and issue an updated/amended version of the PIM. There is also need to include the agreed and revised criteria for selection of roads, land development, asset/machines for processing and agriculture machinery for FOs including O&M arrangements. In addition, the procurement thresholds for variant procurement methods as well as prior/post review limits would be revised (please see section on procurement).
  15. **Revised Logframe Targets:** During the M&E training held in September 2015, the target of the programme development objectives was revised upwards to 45,000 (from the initial 15,000) rural poor households engaged in production, processing and marketing of rice and cassava in the targeted LGAs of the 6 states whose incomes and food security are to be enhanced on a sustainable basis. This is equivalent to 1,500 households per annum per state. Furthermore it was agreed that the proposed figures would be established as minimum targets and all the

states would be allowed to further increase the number of households based on performance. Also it was agreed that instead of 3 LGAs per state, all states would be enabled to work in 4 LGAs in 2016.

Agreed action	Responsibility	Agreed date
Discuss with the Executive Governors of Niger, Ebonyi, Anambra and Taraba states to secure 2015 counterpart financing.	NPC, SPCs and ICO	By end of December 2015
Assess availability of Federal Government counterpart financing and needs to cover salaries and allowances and follow up with Federal Government	NPMU and ICO	By end of November 2015
Complete pending vehicle and equipment procurements by end of year and front load any incomplete procurements in 2016 AWP&B	NPMU, Procurement Officer	By end of 2015
Increase initial advance to USD 3.5. million as agreed upon in an IFAD FM implementation support mission carried out in July 2015.	FC and ICO	By end of October 2015
Carry out quarterly planning and review meetings with the State Programme Coordinators (SPCs), State Programme Accountants (SPAs), State Procurement Officers (SPOs), State Programme Monitoring and Evaluation Officers (SPMEs)	NPMU	Quarterly at end of each quarter, starting with end of December
Endorse new targets in the programme logframe as minimum targets, as set in Appendix 2 of this aide-memoire.	FMF	Upon counter-signing of this aide memoire
Officially notify ICO of the 4 <sup>th</sup> local government, through justification of selection. NPMU to collate list of local governments for update	Chief M&E Officer, NPC, SPCs	By end of October 2015
Update the current version of PIM, including clear guidelines for VCAP and business plan formulation and selection criteria related to roads, land development, processing assets, agriculture machinery etc.	NPMU	By mid-November 2015

## C. Outputs and outcomes

16. **Component 1: Agricultural Market Development.** The aim of this component is to enhance the profitability of smallholder farmers and small/medium-scale agro-processors by improving their access to markets and their capacity to add value to locally produced raw materials. In this respect, a number of outputs were achieved.
17. **Innovation platforms** are being established in collaboration with WAAPP and relevant/experienced implementing partners from Abia State for cassava and Jigawa State for rice. Each SPMU is expected to replicate the innovation platform before the end of December, 2015.
18. **Market opportunities assessments** were carried out in all the 6 states to support FOs to explore new markets. However, some of the FOs met by the mission complained of the lack of market and poor prices in the current markets. There was little organic linkage between the findings of the market opportunities assessments and the contents of the cluster VCAPs and the Production Business Plans (PBP) of the FOs. This is primarily due to existing limited

understanding about VCAP principles and process and how to prepare an integrated plan covering all actors and bases towards a shared goal and vision.

19. Nineteen (19) **MoUs** were signed across the six states as shown below. The MOUs were essentially to start the building of a relationship between FOs and off-takers. Since these MOUs are not legally enforceable, the programme was advised to add contract agreements as attachments to the MOUs when actual transactions are involved. The mission shared sample templates for such agreements for adaptation by the programme. Further, in the absence of an integrated VCAP, it is not very clear how these MOUs would contribute to the overall VCAPs, when finalized, and outcome targets.

State	Organisations with MoUs signed
Anambra	Nigerian Starch Mills Ihiala, Pokobros Group, Joeritas MCS and Stine Rice
Benue	Mikap Nig. Ltd and Apex Cassava Flour Mill.
Ebonyi	The signing of MoUs is in progress
Niger	Onyx Rice, Bmazim Tawali Gwada,, Zumata Dagba Women Rice Processors, Kwakuti Agudu farm Ltd Gboko, Mikap Nig. Ltd, Qurran Rice, Ilorin Kwara State
Ogun	The signing of MoUs is in progress
Taraba	Popular Farms, Kano and FTK Commercial Enterprise

20. A training on **marketing strategy and processing** demonstration was held at the National Centre for Agricultural Mechanization (NCAM). Initial attempts to foster linkages to financial institutions and NAIC, has been carried out.
21. The output areas with little achievement include: improving understanding of the needs and ways to solve the lack of quality norms, grades and standards, use of an Agricultural Market Information System (AMIS) for decision making/market planning, and promoting value addition technology (post-harvest handling, processing, storage, packaging).
22. The implementation of **market or productive infrastructure support** was NOT carried out during the period under review. However, the required surveys and designs have been completed and the procurement is on-going. The mission expects that two irrigation sites and 20 km of road per state are completed before the end of Quarter 2 of 2016. There is a need for the development of guidelines for management and O&M of the infrastructure and ownership structures. O&M systems need to be instituted from the beginning for all assets (equipment as well as infrastructure) and these should be part of the agreements with beneficiaries.
23. The mission visited one proposed road in Koppi village, Taraba State which lies in a major rice production area of the LGA. The mission would still like to emphasise that every selected road must clearly demonstrate its need in terms of value chain development including supportive data covering total production in the catchment area that would be facilitated, potential savings in transport cost, savings in time, potential traffic volumes, social benefits etc.
24. There appears to be confusion about the standard specifications of the type of farm to market roads being funded under VCDP. Reportedly, standard specifications for the roads is based on templates used in the WB-supported FADAMA and RAMP. Meanwhile, NPMU needs to check and notify appropriate specifications and indicative per km costs for VCDP funded roads.
25. The responsibility of the NPMU is contained in the PIM. The NPMU is to engage the services of a firm to provide technical services on the conduct of feasibility study, survey, design and development of the Bill of Engineering, Measurement and Estimate. This is solely to ensure standards, uniformity and bridge the capacity gap, which is also in line with FADAMA and RAMP. Meanwhile, when the mission visited Taraba State, state officials expressed their concerns to the possibility of inappropriate design specifications, possible over-designing and high costs, and lack of state, and by extension, beneficiary ownership for quality and O&M. The

SPMUs should ensure that at the level of Steering Committees, the relevant State Ministries understand the VCDP approach.

26. As of date, there have been no outputs on **land development**. Given the varied nature of land ownership and titling practices in different areas, there is need for very clear and transparent criteria for land development and a clear demonstration of how it would contribute to the value chain development. The other important consideration would be questions of targeting and equity. While criteria has been developed, during the mission, further elaboration of the criteria was agreed upon:
- Land mapping is carried out for land development to identify the ownership and interest of each household;
  - The target group should be farmers owning 1 ha or less of land, of which 50% are women and youth;
  - Longer term entitlement should be given to the target group, i.e. legal claim for a minimum of 10 years (use example of Benue State);
  - Economic cost of land development should be identified (maximum cost);
  - Land should be community or government land with a minimum of total area of 50 ha of land per Local Government. Wherever possible, this land should be contiguous;
  - Land should not be primary forest;
  - The development should directly contribute to production/productivity of the selected value chain and its final outcomes
27. **Component 2: Smallholder Productivity Enhancement.** The main objective of this component is to enhance smallholder farmer productivity on an economically and environmentally sustainable basis. The design document states that the outcomes from Component 2, in the form of increased volume and quality of marketable produce, feed directly into Component 1. The linkage between the two components, however, needs to be better understood by state level staff. Also there needs to be an understanding by all programme staff of the definitions and organic linkage between VCAPs, PBP and MoUs.
28. **Definitional standardization for uniform implementation strategy and approach:** The mission noted that there are different interpretations of terms in various states regarding the FO, cluster, VCAP, PBP etc. To develop commonly understood and agreed definitions for the institutions, processes and inputs across the Programme as well as a standard strategy for planning and implementation, the mission organized a reflection session during the wrap-up activities in Makurdi to guide the programme staff on the objectives and principles of the VCAP and the PBP. The following agreement was reached on the definition of: (a) the FO, as comprising 10-25 members each with 1-5 ha under the specific value chain crop, and who would prepare a PBP for their participation in the Programme; and (b) the cluster, as comprising all the production, processing and marketing groups in a given geographical area, who will develop a Cluster VCAP, implying that an LGA could have a number of clusters. Subsequently, these cluster VCAPs will be combined to have a LGA level VCAP that can be further supported through LGA and other sources.<sup>3</sup>
29. Following the shared understanding of the operational principles, the session agreed that: (a) each state form a syndicate group during the mission in Makurdi to apply the new

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<sup>3</sup> Definitions are as follows:

1. VCAP is prepared at the cluster level and a combination of more than one clusters' action plan will be compiled at that local government. It should have local government authority stake. It is a living documents that is updated by the local government from time to time. The VCDP will ensure that its assistance in the local government does not fall outside that frame. It may not pick all the activities in the VCAP in one year.
2. Clusters Value Chain Action Plan. It is commodity specific and includes value chain infrastructure of the clusters choice. It is a combination of value chain action plan from more than one commodity groups
3. FO Business Plan: This is groups specific and an organic content of the commodity choices, activities, proposed actions, timeline and cost estimates in priority. It's a prioritized list of value chain activities by that group. This implies that VCDP may not be involved in all the activities, but VCDP assistance to the group will not be out of that list.

understanding through preparation of a dummy VCAP and PBP. The outcome of the syndicate discussions were shared in a plenary and further guidance given by the mission as appropriate; (b) on return to their home base, each state would prepare a real VCAP and PBP as a prototype; and (c) the NPMU would organize an experience sharing session in one of the states, facilitated by an expert, to enable full ownership of the template and preparation process of these key plans.

30. **Farmer organization profiling:** All the states have carried out profiling of the FOs but the resultant products are of varied quality. Better quality FO profiling would be helpful in leading to the development of proper FO level PBPs and Cluster/LGA level VCAPs, effective monitoring and control. The currently profiled FOs per state and their membership is reflected in the following table:

S/N	State	Total No of Farmer Organisations	Total of Farmers	Total Male Farmers	Total of Female Farmers
1	Anambra	93	1,317	686	622
2	Benue	173	1,708	910	791
3	Ebonyi	70	1,126	666	449
4	Niger	123	2,427	1,875	546
5	Ogun	105	1,539	973	559
6	Taraba	111	1,368	1,368	825
	<b>TOTAL</b>	<b>675</b>	<b>9,485</b>	<b>5,935</b>	<b>3,489</b>

31. Following discussions on the preparation of better quality PBPs, it was agreed that states which had done their FO profiling on the basis of 1 ha per farmer in the FO would need to revise the profiling. This would be done during this last quarter of 2015.
32. **Value chain action plans (VCAPs):** VCAP templates have been completed for a number of clusters. Following observations are noted about the VCAPs prepared so far: (a) the principles of VCAP and the programme objectives that should drive the VCAP process are not well understood by majority of staff at national and state level. Different states have used different templates and most of the templates are not user-friendly; it is not very clear the extent to which the suggested template of the last supervision mission was followed and adopted; (b) there are definitional confusions about key elements like FO structure, membership and anchoring (one per village or more), cluster (only farmers or combination of farmers, processors and off-takers), difference between a VCAP and a business plan etc. (c) the original programme design expected that VCAPs will be developed at the LGA level not at cluster level whereas the current VCAPs are being prepared for the cluster level and there is no uniform structure and membership for current clusters in various states; and (d) there was little emphasis on the use of a good Participatory Needs Assessments, analysis and prioritization of activities, a Gender Action Learning System (GALS) at LGA level, and state level Value Chain Analysis (VCA) to guide the preparation of the cluster VCAPs. Data collection and proper profiling of groups is also missing in most cases. Knowledge and use of tried and tested participatory tools in basic social organization, situational analysis and data gathering also appears to be limited.
33. Key challenges in the preparation of the VCAPs include the quality and use of the market opportunities assessment and the list of key off-takers to guide the FOs to diversify their

4. Processor Business plan: This will apply to only groups that are doing/transacting business collectively (like processors groups). It will also apply to individual entrepreneur such as farmer, processor, marketer, input dealer, etc.
5. MoU: This should be between two or three institutions (market-maker and producers). And for tripartite MoU it may involve market-maker + producer groups + banks) under VCDP witness.

- products and tap into new market opportunities. The members of the FOs seem to continue to produce for existing markets using crop varieties that are low yielding and bring little profit. At present, the plans are mostly input driven, based on indicative activity targets in the AWP&B and not vision, outcome and results driven.
34. Being a demand and market driven programme, going forward, the existing indicative list of activities and inputs is not an absolute straight-jacket. Activities outside the current list can be considered and financed if the overall VCAP logic and equity and targeting considerations support it.
  35. **Production business plans (PBPs).** A total of 118 PBPs of FOs were received from the six states. Out of the 2,429 hectares derived from these business plans, 1,885 hectares were each supported with two bags of fertilizers under the matching grants. This translated to 3,770 bags of fertilizer for a total sum of USD 113,000 (equivalent to N22.6 million). Meanwhile, extension services need to be provided for the effective utilisation of inputs. Similar to the case of the VCAPs, the template for the business plans need to be improved and be more user-friendly.
  36. **Matching Grant:** Following the development of the Matching Grant Manual, the NPMU had planned to have a training on the manual for the relevant SMPU staff. However, this did not happen before this mission and there was a clear demonstration of lack of understanding of the content of the manual among the SPMU and LGA staff. A few states implemented some aspects of the matching grant facility, notably the agro inputs. Most of the FOs are not fully aware of the support available to them and when, and some FOs in one of the states felt disappointed that the Programme did not release the promised contribution after the FOs had made their own contributions towards land clearing. Although the mission had an interactive session on the matching grant with all the staff, it was agreed that the NPMU would still organize the proposed training for the staff on the matching grant facility.
  37. **Support to the ADP.** Capacity building of ADP Agronomists and ADP-Master-trainers and relevant VCDP Staff on Good Agronomic Practices (GAP) for cassava production was carried out, followed by step-down training in all the six states. Support was provided to the ADPs of approximately USD 130 000 (equivalent to N26.1 million) for the establishment of demonstration plots for rice (3 hectares/state) and cassava (3 hectares/state), inputs for cassava foundation materials (4 ha per state); inputs for rice foundation seed (4 ha per state), conduct of Research Extension Farmer Inputs Linkage System (REFILS), conduct of Quarterly Technical Review Meetings (QTRMs), conduct of pre-season training, and ADP's Nutrition Activities especially in the establishment of 1 ha Vitamin A bio-fortified cassava farm. Going forward, it would be necessary to create a linkage between the ADP extension activities for the FOs identified.
  38. **Rice Demonstrations:** While the mission saw an impressive demonstration plot of rice production in Taraba State, it was noted that there is still little appreciation among the extension staff and farmers of the necessity of land levelling for optimal rice production as uneven fields

do not give the required impact and efficiencies of water and fertilizer usage and mechanized planting and harvesting. This needs to be an important area of focus in future demonstrations.

Agreed action	Responsibility	Agreed date
<b>Component 1: Agricultural Market Development</b>		
Replicate Innovation Platforms in all states, with the participation of representatives of the Fos, key off-takers, value chain stakeholders to develop and validate the requests in the VCAPs	APAs and RIGYMOs	By end of December 2015
Review the market opportunities assessments and list of off-takers to ensure their utility  Share the market opportunities assessments and list of off-takers with the Fos as a basis for VCAPs and PBP	MEDA and BMDOs	By end of November 2015
Develop standard agreed definitions for key institutions and processes covered in a VCAP and PBP	NPMU	By mid-Nov 2015
Land preparation should also focus on the need for land levelling for improved water and input efficiencies in rice crop	SPMUs	On-going
In line with the PBPs, carry out training of FOs on quality norms, grades and standards, use of an Agricultural Market Information System (AMIS) for decision making/market planning.	APQEOs	By end of February 2016
Develop clear criteria and thresholds for selection of the 6 processing clusters per state, carry out needs assessment of water supply, storage and processing facilities, ensuring linkages to the Fos.  Create list of licensed equipment providers including NCAM  In line with the VCAPs, carry out detailed design, bidding and contract of these cluster schemes	Procurement Officer and State Value Chain Officers (SVCIOs)	By end of January 2016
Notify standard road specifications for VCDP funded roads along with indicative per km cost	NPMU	By end October 2015
VCDP should adopt a standard "Road Feasibility Report Format" covering supporting justification in terms of beneficiary population/clusters, volume of produce to be benefitted, transport cost and time savings, etc.	NPMU	By end October 2015
Develop clear criteria and thresholds for selection of infrastructure schemes.  Develop O&M infrastructure arrangements in all 6 States for ongoing infrastructure.	Procurement Officer and SVCIOs	By end of November 2015  By end of January 2016
In line with the VCAPs, carry out the surveys, detailed design, bidding and contract for the key infrastructure sites in all 6 States.	Procurement Officer and SVCIOs	By end of January 2016
In line with the VCAPs, carry out land development (100 ha) per state with the criteria as mentioned in para 15.	Procurement Officer and SVCIOs	By end of March 2016?
<b>Component 2: Smallholder Productivity Enhancement</b>		

Review the draft Matching Grant Manual.	NPMU	By mid-December 2015
Build the capacity of LGA officers on the matching grant modalities through step down training	SPMUs	
Following the reflection on PBPs and VCAPs at the wrap-up meeting, review the VCAPs and PBPs and simplify into a visual and user friendly tool for LGA officers and FOs.	Institutions Consultant	By end of November 2015
Carry out a pilot VCAP in each state under expert guidance for all states and NPMU	SPCs and State RIGYMO	By mid-November 2015
During a workshop in one of the states organized by NPMU, review experience in preparing an actual VCAP/PBP, selection criteria for matching grants and develop user-friendly tools for application by FOs and processing cluster to improve competencies and adoption of one standard process and template.	SPMUs and LGAs  NPMU and RIGYMO at State level	My mid-November 2015  By mid-December 2015
Conduct exposure visits for the LGA Officers and State RIGYMOs	NPMU	January 2016
Ensure that the service providers that have been selected for training on sustainable agronomic practices in rice and cassava in each state are trained along with the agro-inputs that have been provided.	APA and State APOs	By end of Feb 2016
In line with the PBPs, FFS to be carried out to promote sustainable agricultural practices for adoption of certified varieties of rice and improved varieties of cassava, sustainable fertility soil management practices (compost and manure), rotations including legume crops and importance of land levelling for optimal rice production and mechanized farming.	APA and State APOs	By end of Feb 2016

## D. Programme implementation progress

39. **Project management performance.** The Value Chain Steering Committee at the Federal level was held and the AWP&B 2015 and procurement plan approved. Meanwhile, qualified support staff have not yet been appointed through a screening process and are needed to carry out the workload at the NPMU, particularly for procurement, M&E, knowledge management and financial management. The Federal Ministry of Agriculture and Rural Development has mentioned that due to budget crisis, support staff are to be chosen from people that are in service, have had similar programme experience, whom can be seconded. At the State level, the State Value Chain Steering Committees have held meetings in Anambra, Benue, Ebonyi, Taraba. The Steering Committees have not yet had meetings in Ogun and Niger States. The State Steering Committees are also important to engage participating Local Governments. An exemplary case was the level of commitment of the Local Government Executive Chairmen in the states and their promised support to their Farmers Organisations (FOs) demonstrated in Gwer East Local Government – Aliade cluster in Benue state. Support staff at the state level have been selected in most states and are being vetted by the NPMU. Service providers that are selected to carry out trainings and consultancies will have to undergo regular assessment.
40. **Monitoring and evaluation.** The monitoring and evaluation (M&E) teams have revised the logframe at the national level and corresponding state levels (See revised in attached Appendix 2) during a training carried out in September 2015. The M&E Unit has yet to update its PMP with the Revised Key Results Framework and KPIs and simplified data acquisition and

- consolidation templates and link this to an MIS. 5 service providers have been identified for development of the MIS. Importantly there is a need to assign the responsibilities according to a Responsibilities Matrix particularly as it pertains to the data acquisition (What, Who, When, How) to ensure high quality data. State level M&E needs to be significantly improved. For example in Taraba, the mission found that there were no files for review, copies of trainings conducted – training attendees and training feedback reports. The M&E templates collected from the September training were shared with the VCLOs, follow up is required as soon as possible.
41. The draft Baseline Study was made ready during the mission, meanwhile the validation of the report is pending for action after the mission. The M&E team has been proactive in developing and revising the AWPB for 2015. Going forward, for the AWPB to be Results-Based, the M&E team would need to ensure that each activity item is linked to an indicator and to support the NPMU to monitor progress on a quarterly basis.
42. **Gender and Youth focus.** It was expected that VCDP would reach women's equality through
- Matching grants, of which 35 % earmarked for women.
  - Implementation of the GALS methodology improving women's access to and control over productive resources.
  - Strengthening the management, leadership and technical capacity of women-only groups
  - Active participation in the Local Government Value Chain Advisory Committee (LGVCAC), amongst others
  - Land developed under the land development activities need to prioritise access for women and youth
43. **Knowledge management.** The Knowledge Management strategy is being operationalized. The programme website ([www.vcdpnigeria.org](http://www.vcdpnigeria.org)) has been developed and is being populated with contents. Official email accounts have been created for programme staff. However, programme staff are yet to adapt to using the new email accounts.
44. A brochure with key programme information for sensitization of stakeholders was developed. Although this is good, it is not apt for sensitization of programme beneficiaries. There is the need to develop a flyer preferably in pictorial format for sensitization campaigns at the LGA level. The programme needs to engage in knowledge exchange visits and knowledge sharing platforms to strengthen staff capacity and enhance knowledge on best practices. At this stage of programme implementation, there is need to invest in knowledge sharing opportunities to learn practices on rice and cassava value chains.
45. At the NPMU level, media strategy has been developed for VCDP to partner with the mass media to increase visibility in the public domain especially at the states' level, build awareness on VCDP interventions and demonstrate programme successes among key stakeholders and the general public. It is expected that stories would be developed highlighting impact from the communities where VCDP works. Meanwhile, the state of knowledge management is fairly weak at the State levels and there needs to be more emphasis on its importance. There should be continuous mentoring and capacity building for the States KMOs from the Central Communication Unit.
46. **Partnerships.** Important partnerships have been formed with WB-supported National Fadama Development Project (Fadama III) and West Africa Agriculture Productivity Programme (WAAPP), Commercial Agriculture Development Project (CADP), ADB-supported Agricultural Transformation Agenda Support Programme (ATASP), USAID-funded MARKETS II, JICA-supported RIPMAPP, GIZ/Gates Foundation-supported Competitive African Rice Initiative (CARI). Lessons learned from these interventions will help the NPMU and SPMU to optimize

the impact and sustainability of VCDP. VCDP should further explore the possibility of partnership with CBN's Anchor Programme in Niger, Anambra and Ebonyi States.

47. **Sustainability.** FOs/Clusters and processor associations/groups are the key institutions in delivery of VCDP investments. Their sustainability is linked to group formation and strengthening, profit analysis, record keeping and viability of the linkages with the off-takers and markets to bring more income to them. The appropriateness and financial viability of VCAP and investments identified in the business plan is critical. Ultimately, the long term viability of these institutions would depend on win-win relationships between the producers and buyers under-pinned by enforceable contracts covering quantity, quality and price.

Agreed action	Responsibility	Agreed date
Identify qualified support staff through a screening process of existing staff of similar investments programmes and screen, with No Objection from the ICO	NPMU screening committee	By end of November 2015
Carry out service provider assessments at the NPMU and SPMU levels, all service providers are to be recruited based on performance based contracts.	Chief Procurement Officer with SPOs	Continuous
Update the PMP with new Key Results Framework, develop a corresponding MIS	Chief M&E Officer	By end of December 2015
Carry out step down training to the State level M&E officers and relevant data collectors at the Local Government level		By end of December 2015
Carry out gender and youth assessment and Gender transformative strategy/ action plan	Gender Consultant	By end of December 2015
Focus on KM/media strategy at the State level and carry out knowledge management training for the decentralization of the NPMU KM strategies	KM Officer at the CCU	Continuous
Organise a knowledge sharing event and officially launch VCDP	KM Officer at the CCU and ICO	By end of Q1 2016
Develop pictorial flyers for sensitization of target beneficiaries	KM Officer at the CCU	November 2015
Identify relevant opportunities, exchange visits/ study tours for knowledge sharing on best practices	NPMU	By end of December 2015

## E. Fiduciary aspects

48. **Financial management.** *Planning and Budgeting:* Preparation of Annual Work Plan and Budget in the Programme is yet to adequately incorporate strategic planning that will ensure setting of realistic targets for the preparation of the VCAPs and Business Plans using the logical framework and cost tables. The level of performance of the 2015 AWPB revised from N3.12bn (\$15.70m) to N2.35bn (\$11.82m) is such that only N515.88m (\$2.59m) or 21.94% has been achieved. However, it should be noted that this AWPB covers the period till March 2016.
49. The computerized accounting system is yet to be fully operational as a result of some challenges in the accounting software. VCDP has not achieved uniformity in the operation of the accounting system and should follow the financial procedures manual. One key aspect of the accounting system this mission feels should be emphasized is in the area of accounting for the disbursement on grant with special attention to contribution from beneficiaries. Production of financial reports is yet to be perfected as the accounting software procured for that purpose

is still being developed to fully incorporate all items of reporting financial transactions of the project in accordance with the formats and contents recommended by IFAD.

50. **Internal Control:** Internal control has improved over the previous period across the states. All payment vouchers are signed by relevant authorities and provision of adequate documentation for eligible expenditures has equally improved. All reviewed expenditures also received the NO objection from the CPM. There is proper segregation of duties with the recruitment of assistant project accountants in the states and at the NPMU. Internal auditor in the project not yet available as project is still in process of engaging one at the time of the mission.
51. **Disbursement.** Disbursement is observed to be slow. Only 3 replenishment requests have been made by the NPMU to IFAD since the initial deposit was received over six months ago. Replenishment requests from the states to the NPMU are also not adequate. Anambra, Benue and Niger States have sent 3 SOEs while Taraba and Ogun have sent 2 and Ebonyi only 1 SOE to the NPMU for reimbursements within the same period. At the time of this report, the percentage of disbursement of IFAD Funds is 4.49%. It was however observed that only SOEs and some forms are sent to the NPMU by the States during requests for reimbursement into the drawdown account. Subsequent requests for reimbursement by the SPMUs should be accompanied by the SOE sheets and those other documentation and all the original payment vouchers with full supporting documentation (all original as much as possible). A set of Photostat copies of all these documents shall be made by the SPMU. The NPMU shall review these documents for completeness and accuracy before reimbursements are made into the accounts of the requesting SPMU. The set of the Photostat copies shall be stamped 'Certified True Copy' by the NPMU and then returned to the SPMU
52. **Counterpart funds:** FGN has so far paid N30.0 million since 2014 and no counterpart payment has been made for year 2015 yet. It was made clear on the part of the FGN that due to the budget crisis, there is little likelihood of federal counterpart financing being made available for the first half of 2016. This situation would need to be reassessed by the next mission. Anambra State paid N15.0 million only, with no counterpart payment for year 2015 yet. Benue State recently paid N87.0 million. Ebonyi paid N37.0 million, with no counterpart payment for year 2015 yet. Niger State paid 10 million, with no counterpart payment for year 2015 yet. Ogun State paid N 124.3 million during mission, i.e. Government counterpart funds for the State for 2014 and 2015 was fully committed. Taraba State paid its counterpart for 2014 of N37.0 million.
53. **Compliance with loan covenants.** VCDP has complied with relevant covenants in the Financing Agreement. Details are in Appendix 6 below.
54. **Audit:** The process of the engagement of external auditors in fulfilment of financial covenants has almost been completed as the contract award letter for the selected firm of chartered accountants is been prepared at the time of the mission.
55. **Procurement.** The NPMU displays strong procurement capacity, meanwhile state level capacity remains weak. Most states did not carry out many procurement activities except for procurement of office furniture and fittings, engagement of consultants for capacity building. Trainings, workshops and sensitization activities were mostly uniform across states. The mission reviewed found that most procurement activities by the states were not consistent with what was contained in the procurement plan. Contracts are not standardized. Training and workshop activities are contained in the procurement plan, but does not undergo procurement process during implementation. procurement officers from Anambra and Taraba displayed good

understanding of the process and procedures. Meanwhile, Benue, Niger and Ogun have new procurement officers who needs to be trained on IFAD procurement procedures.

<b>Agreed action</b>	<b>Responsibility</b>	<b>Agreed date</b>
Incorporate strategic planning into the Annual Work Plan and Budget preparation process and provide direction as to level and amounts achievable in each programme year for NPMU, SPMUs, LGAs and Beneficiaries	NPC/SPCs/FC/M&EO	December 31, 2015
Harmonize chart of accounts and AWPB line items and provide uniform coding system to allow adequate budget monitoring and good financial reporting in the programme	FC/M&EO	Immediately
Restructure the chart of accounts to make it possible to post all items of financial transactions in the programme at all levels. All requests for payment should provide guide to the appropriate codes to be used.	FC/PO/SPAs	December 31, 2015
Revisit the contract for the computerization of the programme accounts and ensure full implementation of adequate & timely financial reporting by NPMU and the States as well as consolidation of reports, timely preparation of withdrawal applications from the software by the NPMU and web-based ease of access to States' financial records by the FC	FC/PO	Immediately
Submission of SOEs by States to the NPMU shall henceforth be accompanied by the original payment vouchers and all the relevant documentation.  NPMU shall within 2 working days review these documents and if found okay shall stamp the photocopies 'certified true copy' which shall be retained by the SPMU	SPCs/SPAs	Subsequently
Engage staff at the NPMU solely for the purposes of review of the SOEs and supporting documentation	FC/PO	Immediately
Ensure adequate documentation of eligible expenditures immediately payments are made. All relevant documents should be attached to the payment vouchers which shall be signed by both the PC and FC/PA before payment is released	FC/SPAs	Subsequently
Complete the process for the engagement of both the internal and external auditors	PO	Immediately
<b>Procurement</b>		
Revise procurement plan 2015 to reflect the present realities.  Training and workshop should undergo appropriate procurement process where required.	Chief Procurement Officer with SPOs	By end of November 2015
In consideration of roll out of procurement on infrastructure by the end of Quarter 1 of 2016, train procurement officers.	Chief Procurement Officer with SPOs	By end of November 2015
Upward revise the procurement thresholds for works and for services and get clearance from ICO	Chief Procurement Officer	By end of October 2015

## **F. Conclusion**

56. The programme is on the right track to achieving its development objectives and the continued excellent coordination, teamwork, commitment of staff at the NPMU and SPMUs remains critical to VCDP's success. The key challenges include obtaining federal and state level counterpart financing, frontloading key infrastructure schemes in late 2015/early 2016, ensuring IFAD funds are available in a timely manner, linking VCAPs and business plans to new market

opportunities, providing agro-inputs and related extension and capacity building according to the crop calendar.

57. For improved results and further implementation progress under VCDP, the mission makes the following recommendations:

- Mobilise counterpart financing from the States for 2015, as has been already done in Benue and Ogun states,
- Ensure that salaries and allowances are paid to NPMU, SPMU and local government level staff,
- Enable sufficient liquidity to allow for the infrastructure schemes at the state level to be implemented and increase initial advance to USD 3.5 million,
- Review and revise AWPB 2016 tied to results and feasible timelines for implementation,
- Train comprehensively the local government value chain officers and extension agents on group formation, business plan development and VCAPs, as they are the interface with the communities,
- For land development, Longer term entitlement should be given to the target group, i.e. legal claim for a minimum of 10 years, with a specific emphasis on women and youth,
- Ensure the organic relationship of activities between FO strengthening by RIGYMO, production increases by APA, upgrading, processing and linkages to markets by MEDA and APQEO,
- Ensure at the federal and state levels, necessary steering committees are carried out, e.g. Value Chain Steering Committee, matching grant committees, and the procurement evaluation committees,
- Engage the key stakeholders at the state, particularly the State Ministries of Agriculture and ADPs and key into the agricultural agenda of each respective state,
- Establish a strong collaboration between the VCDP and the local government offices to get support for implementation, budget and maintenance arrangements in place,
- Ensure due diligence on the use of loan and counterpart funds and put proper FM systems in place through use of the accounting software,
- Place emphasis on contract management so that procurements are carried out in a timely and transparent manner, and
- Update the current version of PIM, including clear guidelines for VCAP and business plan formulation and selection criteria related to roads, land development, processing assets, agriculture machinery etc.

58. IFAD and the Government of Nigeria endorse the findings of the implementation support mission.

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Atsuko Toda  
Country Programme Manager

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Mohammed Haruna  
Director, IERD

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Date

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Date

## Appendix 1: Summary of project status and ratings

### Value Chain Development Programme: Summary of project status and ratings

#### Basic Facts

Country	Nigeria		Project ID	1594	Loan/DSF Grant No.	868
Project	Value Chain Development Programme				Top-up Loan/DSF Grant	
Date of Update	08 May 2015					
Supervising Inst.	IFAD/IFAD					
No. of Supervisions	0	No. of Implementation Support/Follow-up missions	2			
Last Supervision	08/05/15	Last Implementation Support/Follow-up mission				

				USD million Disb. rate %		
Approval	03-Apr-2012			Total financing	104.73	
Agreement	23-Aug-2012	Effectiveness lag	18.6	IFAD Total	74.85	
Entry into force	14-Oct-2013	PAR value	-----	IFAD loan	74.38	0
First disbursement				DSF grant		
MTR		Last amendment		IFAD grant	0.47	0
Original completion	31-Dec-2019	Last audit		Domestic Total	23.67	
Current completion	31-Dec-2019			Beneficiaries	8.07	0
Original closing	30-Jun-2020			Government (National)	15.60	0
Current closing	30-Jun-2020			External Cofinancing Total	6.21	
No. of extensions	0			To be determined	6.21	0

#### Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	3	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	2	2	2. Performance of M&E	3	3
3. Counterpart funds	2	3	3. Coherence between AWPB & implementation	3	3
4. Compliance with financing covenants	3	4	4. Gender focus	4	4
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Agricultural Market Development	2	3	1. Institution building (organizations, etc.)	4	4
2. Smallholder Productivity Enhancement	3	3	2. Empowerment	4	4
3. Programme Coordination & Management	4	4	3. Quality of beneficiary participation	4	4
			4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	4

#### B.5 Justification of ratings

59. The accounting software is not yet fully functional with all the required reports being automatically generated. Disbursement rates have not yet picked up as major procurement items in infrastructure have not yet started yet. Counterpart funds have been collected from Benue and Ogun for 2015 but there will need to be full support from the other states. The PMP has not yet been updated and data collection has not yet started. AWPB 2015 despite revisions made in September remains ambitious and it is highly unlikely that year end targets will be met. Meanwhile, it should be noted that AWPB 2015 covers the period upto March 2016. Should the VCDP be able to complete its infrastructure activities and dry season agriculture activities by end of Q1 of 2016, then it would be fully on track.

## Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	N.A.	N.A.
C.2 Food security	N.A.	N.A.
C.3 Quality of natural asset improvement and climate resilience	4	4
C.4 Overall <b>implementation progress</b> (Sections B1 and B2)	4	4

**Rationale for implementation progress rating:**

Efforts have been made by the FM team, meanwhile, the computerized accounting system is yet to be fully operational as a result of some challenges in the accounting software. Disbursement is observed to be slow but should improve with the completion of the infrastructure schemes. VCDP has complied with relevant covenants in the Financing Agreement. The contract award letter for the selected firm for the external audit has been prepared. NPMU displays strong procurement capacity, meanwhile state level capacity remains weak.

The quality of programme performance is underpinned by the strong commitment to achieve results within the NPMU and SPMU teams. AWPB 2015 was highly ambitious but targets could be met should the procurement process for identified roads, irrigation sites and land development be carried out in Quarter 4 of 2015 and completed by Quarter 1 of 2016. The PMP has yet to be updated and data collection has not yet started and the MIS needs to be developed. AWPB was highly ambitious but there is still time to meet some of the targets. Gender promotion was stronger in some states than others, strong women's participation in Taraba state. A gender and youth strategy is to be developed. Innovation platforms are being established in all states. The mission spent a lot of time ensuring understanding of the Value Chain Action Plan (VCAP) and business plans with staff, as the tools to strengthen the FOs are the key to sustainability. The environment focus is being strengthened through environmental safeguards.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
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**Rationale for development objectives rating**

Under Component 1 Agricultural Market Development, market opportunities assessments were carried out and lists of off-takers were created in each State. The findings were to be linked with the VCAP and business plans of Farmers Organisations (FOs). However, this was not yet well reflected in the implementation of the tools thus far. Strengthening market information availability and ensuring standards to meet market demands are required. Market infrastructure has been designed and is soon to take off in each of the states. Under Component 2, Smallholder Productivity Enhancement, a total of 675 Farmers Organisations (FOs) were identified in all states. The mission found that the database of these FOs needs to be strengthened. Given that the Value Chain Action Plans (VCAPs) and business plans developed by the FOs and Processor Organisations are the first step for identification of VCDP interventions, further deepening of the understanding of the VCAP and business plan process by programme staff is critical. Efforts are required to make FOs sustainable through capacity building in record keeping, profit analysis and group formation. More importantly, while 19 MOUs have been signed with off-takers, the linkage with FOs has not yet been established. Service providers will need to be regularly assessed of performance. As counterpart financing has been made available by Benue and Ogun States for 2015, if the VCDP is able to prove results in 2016, there is large potential for scaling up.

**C.6 Risks** *Short description of major risks for each section and their impact on achievement of development objectives and sustainability*

**Fiduciary aspects:** The accounting software is not fully functional as of yet some aspects of the FM system (Fixed asset register, SoEs, Was and some interim FM statements still depends on manual input.

60. **Project implementation progress:** The proposed infrastructure schemes need to be completed by end of Q1 2016. Opportunities for dry season agriculture should be captured in some states. The VCAPs and business plans need to be carried out well before the season for the next round of agro-inputs and training to be capitalised upon.

61. **Outputs and outcomes:** Local Government officers need to be fully sensitised to VCAP and FO business plan preparation. Fundamental understanding of VCAP and business plans as tools that work towards mobilising a community towards profit motives linking them to markets has to be carried out at the State and Local Government level.

62. **Sustainability:** FOs/Clusters and processor associations/groups are the key institutions in delivery of programme investments. Their sustainability is linked to appropriateness and financial viability of VCAP and investments identified within that plan. Further, the long term viability of these institutions would depend on win-win relationships between the producers and buyers under-pinned by enforceable contracts covering quantity, quality and price.

## Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
1. Counterpart Financing Availability	Discuss with the Executive Governors of Niger, Ebonyi, Anambra and Taraba states to secure 2015 counterpart financing.	By end of December 2015	Ongoing
	Assess availability of Federal Government counterpart financing and needs to cover salaries and allowances and follow up with Federal Government	By end of November 2015	Ongoing
2. Liquidity of programme	Increase initial advance to USD 3.5. million as agreed upon in an IFAD FM implementation support mission carried out in July 2015.	By end of October 2015	Ongoing
3. Management and coordination by results	Carry out quarterly planning and review meetings with the State Programme Coordinators (SPCs), State Programme Accountants (SPAs), State Procurement Officers (SPOs), State Programme Monitoring and Evaluation Officers (SPMEs)	Quarterly at end of each quarter, starting with end of December	Ongoing
4. Programme targets	Endorse new targets in the programme logframe as minimum targets, as set in Appendix 2 of this aide-memoire.	Upon counter-signing of this aide memoire	Ongoing
5. PIM update	Update the current version of PIM, including clear guidelines for VCAP and business plan formulation and selection criteria related to roads, land development, processing assets, agriculture machinery etc.	By mid-November 2015	Ongoing

**Additional observations**

## Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

REVISED in October 2015

<b>Current Targets</b>	<b>REVISED Targets Global</b>	<b>REVISED Targets State</b>
- 15,000 smallholder households	- 45,000 smallholder households	- 7,500 smallholder households = 1 500 farmers per state annually
- 1 680 processors	- 7 680 processors	- 1 280 processors = 256 processors per state annually
- 800 traders	- 800 marketers	- 133 marketers = 27 per state marketers annually
Total Direct Target Group 17,480 households *	Total Direct Target Group 53 480 households *	Total Direct Target Group 53 480 households *
Total Indirect Target Group approximately 22,000 households **	Total Indirect Target Group approximately 66,000 households **	Total Indirect Target Group approximately 11,000 households **
600 farmer organisations	2 250 farmer organizations	375 farmer organizations = 75 FOs per state annually
440 agro-processor enterprises	108 processing clusters for 3 years only	18 processing clusters = 6 per state annually for 3 years only
80 Trader Organisations	(delete)	(delete)

\*Direct - Trained individuals, groups funded under the business plan

\*\*Indirect - Users of infrastructure, members of other groups that are benefiting indirectly

NARRATIVE SUMMARY	VERIFIABLE INDICATORS (*RIMS indicator)	MEANS OF VERIFICATION	ASSUMPTIONS
<p><b>OVERALL GOAL</b> <i>Contribute to NAIP goal " Rural poverty reduced, food security increased and accelerated economic growth achieved on a sustainable basis"</i></p>	<ul style="list-style-type: none"> <li>- Percentage reduction in households below the poverty line (<b>International Poverty Line of USD 2 /day</b>) by 15% in target LGAs.</li> <li>- Percentage reduction in no. of people under-nourished by 25% in target LGAs.</li> <li>- Real agricultural GDP growth rate increased by 5% in target LGAs.</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Baseline plus midterm and end-line survey (control and treatment)</b></li> <li>- <b>UNICEF</b></li> <li>- <b>ADP</b></li> </ul>	
<p><b>PROGRAMME DEVELOPMENT OBJECTIVE</b> <i>Incomes and food security of poor rural households engaged in production, processing and marketing of rice and cassava in the targeted LGAs of the 6 targeted states enhanced on a sustainable basis</i></p>	<ul style="list-style-type: none"> <li>- <b>VCDP supported beneficiaries (smallholder farmers, processors and marketers)</b> (by sex and age) have increased their real agricultural income by at least 25% <b>average</b> in the programme areas*. (KPI)</li> <li>- Increase in <b>number of</b> household asset index * of 10% by PY6 in programme area.</li> <li>- 25% reduction in the prevalence of child malnutrition in the programme LGAs*.</li> <li>- 25% increase in households food security in target LGAs *</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Baseline</b> and impact assessment</li> <li>- <b>Annual results assessment with household survey</b></li> <li>- UNICEF statistics.</li> </ul>	<ul style="list-style-type: none"> <li>- Socio economic stability in the county</li> </ul>
<b>Component 1: Agricultural Market Development</b>			
<p><b>Sub-component 1.1: Support to Value Addition and Market Linkages</b> <b>Outcome 1.1:</b> <i>Increased value addition and access to markets realized by beneficiary smallholder farmers as well as small and medium-scale processors</i></p> <p><i>Output 1.1.1: Improved market linkage and increased market information</i></p> <p><i>Output 1.1.2: Value addition technology promoted</i></p>	<ul style="list-style-type: none"> <li>- At least <b>75%</b> of <b>surplus production of cassava and rice is being sold to markets</b> by smallholder farmers and their <b>farmer</b> organisations.</li> <li>- At least 50% of the cassava and rice produced by smallholders is processed <b>and sold at an agreed standard by the buyer*</b>.</li> <li>- At least <b>36</b> contractual arrangements are formalized and <b>is being upheld</b> between targeted producers and processors*.</li> <li>- <b>1 national trade promotion and 6 state trade promotion activity organized per year</b></li> <li>- <b>6 State Innovation Platforms formed and 12 meetings organised per annum by 2016</b></li> <li>- <b>60%</b> of the target smallholders use <b>some market</b> information generated by an Agricultural Market Information System by PY5.</li> <li>- <b>60 MoUs signed between FOs and processors *</b></li> <li>- 7680 <b>processors</b> trained in recommended technologies*</li> <li>- 50% of <b>target</b> smallholders (<b>45 000</b>) adopt improved processing and storage technique*</li> <li>- <b>24 service providers (consultants and firms) for market linkages trained</b></li> </ul>	<ul style="list-style-type: none"> <li>- Published yield and price data.</li> <li>- Agro-industry &amp; market surveys.</li> <li>- Rural household surveys.</li> <li>- <b>Contractual agreements</b></li> <li>- <b>Farmer Survey</b></li> <li>- <b>Agricultural Market Information System</b></li> </ul>	<ul style="list-style-type: none"> <li>- Government policy supports/favours the emergence of strong value chains professional organisations.</li> <li>- Market prices remain above 2006 levels</li> <li>- Access to finance for FOs and VC operators progressively grows.</li> </ul>

<p><b>Sub-component 1.2: Support to Market Infrastructure</b> <b>Outcome 1.2:</b> Demand-driven infrastructure investments for improved access to markets realized and sustainably managed by the beneficiary organisations</p> <p>Output 1.2.1: Access to roads and water supply</p> <p>Output 1.2.2: Market, processing and storage facilities improved</p>	<ul style="list-style-type: none"> <li>- At least 60% of <b>targeted processing clusters (108 total) have been supported with</b> at least one piece of equipment.</li> <li>- Arrangements for the operation and maintenance (O&amp;M) of market. infrastructure/equipment is developed and operational <b>for 3 years after provision</b> for at least 70 % of programme-financed infrastructure*.</li> <li>- At least 65% and 50% reduction in post-harvest losses for rice and cassava, respectively, are achieved*.</li> <li>- <b>300 km</b> of roads constructed/rehabilitated <b>by PY 3*</b></li> <li>- <b>108</b> new water supply schemes linked to cassava and rice VC constructed <b>by PY 3</b></li> <li>- <b>8 100 people</b> in programme communities have adequate access to safe and sustainable drinking water.*</li> <li>- <b>120 Bridges and 210 Culverts</b> by PY 3</li> <li>- <b>60 Market with 300 Stalls</b> by PY 3</li> <li>- <b>108</b> processing units with stores constructed <b>by PY 3*</b></li> <li>- <b>450</b> FOs' commodity stores/village bulking centres constructed <b>by PY 3*</b></li> </ul>	<ul style="list-style-type: none"> <li>- Programme M&amp;E/ progress reports.</li> <li>- Mid Term Review</li> <li>- Supervision mission, mid-term review and completion reports.</li> <li>- Contractor reports.</li> <li>- Beneficiary perception surveys.</li> </ul>	<ul style="list-style-type: none"> <li>- LGCs and State Government provide adequate funds and mechanisms for infrastructure repair and maintenance</li> <li>- Effective FO management arrangements for infrastructure are sustained</li> </ul>
<p><b>Component 2: Smallholder Productivity Enhancement</b></p>			
<p><b>Sub-component 2.1: Support to Farmers' Organizations</b> <b>Outcome 2.1:</b> Farmers' organizations (FOs) in programme areas effectively serve their members</p> <p>Output 2.1.1: Capacity of FOs strengthened</p>	<ul style="list-style-type: none"> <li>- <b>All FOs</b> strengthened by programme (<b>target 2 250</b>) use bulk purchase method to procure their input.</li> <li>- At least 40 % of supported FOs <b>are strong</b> by PY 5 (<b>good record keeping, strong business plans, generating profit, linked to finance, etc.</b>)</li> <li>- <b>100%</b> of the target FOs legally registered with the Department of Cooperatives.</li> <li>- <b>6,750</b> group leaders (<b>3 executives per group</b>) trained in good governance issues by PY5*</li> </ul>	<ul style="list-style-type: none"> <li>- Programme M&amp;E/ progress reports.</li> <li>- FO financial records</li> <li>- State MoA/Commerce and Cooperatives reports.</li> <li>- Service providers/operators reports</li> </ul>	<ul style="list-style-type: none"> <li>- FOs are recognized as legitimate interlocutors by the various stakeholders</li> <li>- Avoidance of political interference in FOs</li> </ul>
<p><b>Sub-component 2.2: Support to Smallholder Production</b> <b>Outcome 2.2:</b> Production and productivity of smallholder rice and cassava farmers in the programme areas increased</p> <p>Output 2.2.1: Access to fertilizers and agro-chemicals facilitated</p> <p>Output 2.2.2 Access to improved production techniques facilitated</p>	<ul style="list-style-type: none"> <li>- <b>% increase in yields for rice (target from average 2.5/ha to at least 4 tonnes/ha for non-irrigated and 6 tonnes/ha for irrigated)</b> and <b>cassava (target 20 tonnes/ha)</b> produced by the target smallholder farmers (by sex and age)*.</li> <li>- 50% increase in rice and cassava produced by <b>the target</b> smallholder farmers (by sex and age)*.</li> <li>- At least 70% of smallholder farmers have adopted at least one technology promoted by the Programme <b>by midterm</b> ( by sex and age)*.</li> <li>- <b>Recommended utilisation rate of seeds, fertilizer and agrochemicals per ha</b></li> <li>- <b>70%</b> of target <b>farmer organisations</b> satisfy their annual input needs</li> <li>- <b>9 000 youth of target</b> farmers trained in spraying techniques (<b>disaggregate by gender and youth</b>)</li> <li>- 50% of target <b>farmer organisations</b> receive <b>VCDP supported</b> extension services (<b>disaggregate by gender and youth</b>)</li> <li>- <b>480</b> Farmer Field/Business Schools established</li> <li>- <b>36 service provider (consultants and firms)</b> for production trained</li> <li>- <b>3 000 ha</b> of irrigation</li> <li>- <b>30,000 small scale farmers</b> protected from seasonal flooding</li> </ul>	<ul style="list-style-type: none"> <li>- Programme M&amp;E/ progress reports.</li> <li>- National agriculture production surveys.</li> <li>- State Ministry of Agriculture reports.</li> <li>- NIRSAL reports.</li> </ul>	<ul style="list-style-type: none"> <li>- Favourable climatic conditions.</li> </ul>
<p><b>- Component 3 – Project Coordination and Management</b></p>			

<p><b>Outcome 3.0 Improved Programme Management and Coordination</b> <i>Programme effectively managed to achieve programme results</i></p>	<ul style="list-style-type: none"> <li>• 100% Physical performance on AWPB</li> <li>• 100% Financial performance on AWPB</li> <li>• 100% Report rendition bi-annually and quarterly from implementing partners and bi-annually progress reporting and monthly financial reporting to IFAD Country Office</li> <li>• 12 Management Meetings per annum</li> <li>• 4 Stakeholder Meetings per annum</li> </ul> <p><b>Outreach indicators</b> RM (1.8.2) Number of households receiving programme services</p>	<p>- Programme progress reports</p>	<p>- Withdrawal application meet IFAD standard and is approved without delay - -Approved withdrawal application is credited to programme account without delay</p>
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## **Appendix 3: Summary of key actions to be taken within agreed timeframes**

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	Recommended Action	Who	When	Achievement/Status
1	<b>All States to carry out Market Opportunities Assessment - Identify processors and off-takers demarcate clusters (producers, transporters marketers), prioritize their needs in the VCAP and develop MoUs/ Contracts.</b>	MEDA in the NPMU and State BMDOs	By end of June, 2015	<p>Market opportunities Assessment have been carried out in all the States leading to the signing of 19 MoUs.</p> <p><b>ANAMBRA SPMU:</b> Conducted market opportunity assessment on rice and cassava and this has led to signing of 3Nos. MOUs.</p> <p><b>BENUE SPMU:</b> Market opportunities assessment carried out. This has resulted in the identification of the various actors and their needs prioritize in the VCAPs. The following have been identified in the state:                      Producer/Processor/Marketing FOs: 128                      Off Takers : 4</p> <p><b>EBONYI SPMU:</b> Market Opportunity Assessment at state level, carried out in Ebonyi as agreed on 23rd-25th February, 2015.</p> <p><b>NIGER SPMU:</b> Market Opportunity Assessment at state level, carried out as agreed on 20<sup>th</sup> August, 2015.</p> <p><b>OGUN SPMU:</b> Market opportunities assessment carried out. This has resulted in the identification of the various actors and their needs prioritized in the VCAPs. The following have so far been identified in the State - Producer FOs: 75, Processor FOs: 24Marketer FOs :3 and Off Takers : 6.</p> <p><b>TARABA SPMU:</b> A Market Opportunities Assessment was carried out in the state dated Tuesday 30 June, 2015 to Saturday 4th July, 2015</p>
2	<b>Create Value Chain Innovation Platforms respectively for rice and cassava at State Level (bringing together producers, processors, off-takers, marketers, transporters, extensionists and financial institutions) to meet once a year.</b>	NPC and SPCs	By the end of June, 2015	NPMU has successfully facilitated the conduct of a ToT 27 <sup>th</sup> – 30 <sup>th</sup> September 2015 in Minna, Niger State, on the establishment of innovation platforms in collaboration with WAAPP and other relevant/experienced IPs from Abia State (for Cassava) and Jigawa (for Rice). Each SPMU is expected to replicate the same before the end of December, 2015. Step down trainings have already been earmarked for October for all the states.

3	<p><b>Develop a format for an MoU that will create mutually beneficial partnerships between off-taker/processor and FOs. All the MoUs should be signed by the respective actors in the partnership.</b></p>	<p>MEDA in the NPMU and State BMDOs</p>	<p>By end of June 2015</p>	<p>Standardized MoU format has been developed at the NPMU and sent to the States.</p> <p><b>ANAMBRA SPMU:</b> Three MoUs have so far been signed.  <b>BENUE SPMU:</b> Five MoUs (4 on Rice and 1 on Cassava) have been signed in the State with two major Off-takers (MIKAP NIG. Ltd &amp; APEX Nig. Ltd). The signing of additional 15 MoUs are still under consideration due largely to the apprehension of some of the off takers because of their past experience with farmers  <b>EBONYI SPMU:</b> Format sent  <b>NIGER SPMU:</b> A total of Six MoUs for Rice and two MoUs have been signed for rice and Cassava respectively. (For Rice: – Onyx Rice Mill, Zaworo Rice Mill, Quarra Rice, Mikap Rice, ZumuntaDagbaWomen Rice Processors. As for Cassava: – AguduFarms Ltd, BmazhinTawaliGwada).  <b>OGUN SPMU:</b> Format sent  <b>TARABA SPMU:</b> One MoU on rice was signed on 30<sup>th</sup> July, 2015 between representatives of Farmers Groups and Paddy off-taker-Popular Farms, Kano; whilst a second MoU on Cassava was signed on 5<sup>th</sup> October, 2015, between Cassava Producers and FTK Commercial Enterprise, a major Cassava Processor in the State based in Wukari.</p>
4	<p><b>As from January 2015, IFAD agrees to pay the salaries and allowances of all staff directly hired for programme implementation at Federal and State levels. The total amount incurred is to be assessed and government will reimburse IFAD.</b></p>	<p>IFAD Country Office and Federal Ministry of Finance</p>	<p>Upon countersigning of aide-memoires</p>	<p>Salaries and allowances paid up to September at NPMU.</p> <p><b>EBONYI SPMU:</b> This does not apply to Ebonyi where Programme allowance is still being paid from its 2014 counterpart funds.  <b>NIGER SPMU:</b> Allowances for three (3) months (January – March 2015 have so far been paid to the SPMU. March to June is being processed  <b>TARABA SPMU:</b> For the moment, Taraba is not affected by this arrangement.  OGUN paid up to June  <b>ANAMBRA SPMU:</b> paid up to date from state counterpart fund  <b>BENUE SPMU:</b> paid up to September.</p>
<p><b>Component 1: Agricultural Market Development</b></p>				

5	<b>Market opportunities assessment to:</b> <b>(i) identify VC operators,</b> <b>(ii) assess VC operators' business management capacity and needs,</b> <b>(iii) assess needs assessment of storage and processing facilities,</b> <b>(iv) identify backward linkages with FOs</b> <b>(v) identify PRIORITY rice and cassava clusters</b>	MEDA at NPMU and State BMDOs to identify service providers	By July 2015 for each year	This activity is at various stages of implementation in the programme states:  In Anambra and Taraba, market opportunities assessments have been carried out, whilst in Benue and Ogun States, priority rice and cassava clusters have also been identified. In Ebonyi, VC Operators have been identified and farmers profiled. The business capacity of the three Government mills has been assessed against that of small mills as well as their needs in the area of storage and processing facilities. Both rice and Cassava clusters needs have also been identified during VCAP. VC Operators have been identified in Niger and their business capacity assessed as very low with no storage and processing facilities. The needs of the Rice and Cassava clusters were also identified during VCAP exercise.
6	<b>Develop comprehensive guidelines and templates for VCAP and share same with the States</b>	APA and MEDA in the NPMU	15 June 2015	VCAP Templates have been developed and shared with all States and is being put to use. Ebonyi has developed 15 VCAP for rice clusters; whilst Taraba is using the guidelines to facilitate the preparation of business plans.
7	<b>Develop criteria and guidelines for land development and irrigation development investments</b>	APA/PO in the NPMU	End of June 2015	Terms of Reference (TOR) has been developed and sent to the Country Office for clearance for Land Development.  Potential Irrigation sites have been identified at the six states.
8	<b>Develop Guidelines for selection and criteria (including cut-off limits) for rural infrastructure and markets</b>	Procurement Officer in the NPMU	31 <sup>st</sup> May 2015	This activity has been carried out by the Procurement Officer and communicated to States on the 19 <sup>TH</sup> of June, 2015 during a Management meeting at Abuja.
9	<b>Select Service Providers and conduct cluster VCAPs for at least 10 priority clusters in each State</b>	Ag. Processing Officer at the SPMUs	By end of June 2015 for each year	Guidelines for the selection of service providers have been developed by the NPMU and sent to SPMUs.  <b>ANAMBRA SPMU:</b> Selection of service providers is on-going. Two (2) service providers were selected and engaged on best agronomic practices in rice and cassava. <b>BENUE SPMU:</b> Service providers selected and Cluster VCAPs ready for three of the identified 12 priority clusters. <b>EBONYI SPMU:</b> Service providers selected and 15 VCAPs developed <b>OGUN SPMU:</b> Service provider selected and Cluster VCAPs ready for seven of the identified 10 priority clusters. <b>TARABA SPMU:</b> Eight (8Nos) VCAPs produced.

[Click here and choose appropriate title from the list.](#) Mission dates: [click here and insert mission dates](#)

10	<b>Using the cluster VCAP, carry out needs assessment of storage and processing facilities for the rice and cassava clusters; carry out detailed design, bidding and contract of these cluster schemes.</b>	Ag. Processing Officer SPMU, contractors and PO at NPMU	By November 2015	18no processing clusters have been identified and assessed for upgrading. Average of 3no per state for Rice and Cassava.
11	<b>Form the cluster VCAP, take inventories of:</b> <b>(i) feeder roads</b> <b>(ii) bridges/culverts</b> <b>(iii) market places</b> <b>(iv) water supply systems. Develop plans, surveys, designs, bidding and contract for the prioritized plans.</b>  <b>Following the cluster VCAP carry out inventories of irrigation sites as part VCAP. Develop plans, surveys, designs, bidding and contract for the prioritized plans.</b>	Procurement Officer in the NPMU, VC Infrastructure. Officer at the State level and contractors	By August 2015 for each year	i. 20km of aggregated roads (including culverts) per state were identified totaling 120km. Engineering Designs and estimates of the 120km of roads has been completed. No Objection has been given for advertisement - a step in NCB procurement process. ii. A total of 1,150 hectares of irrigation land area spanning 20 sites across all the six states have been identified with varying potential schemes. Procurement of the engineering design and estimate for irrigation is yet to be concluded. iii. A total of 1,275 hectares of land are to be developed with 35 sites identified across the six states.
12	<b>Develop O&amp;M Guidelines for each type of investments (individual and group, public and private good)</b>	Procurement Officer in NPMU	End of July 2015	Consultants have already submitted a draft report to the NPMU and it is being studied.
<b>Component 2: Smallholder Productivity Enhancement</b>				
13	<b>Develop comprehensive guidelines for farmers' organizations and clusters, including Templates/Guidelines for reporting by LG level officers.</b>	Appointed officer for RIGYMO in the NPMU	15 June 2015	Templates developed and are being put to use. Farmers' profiling now derive from the database developed for profiling of farmers. A similar arrangement is on going to develop a software-based Profiling of Processors and marketers.

1 4	<p><b>Train LG officers for mobilization and agree on a simple template for FOs profiling and share FOs' business plans with the LG officers.</b></p>	<p>Appointed Rural Institutions, Gender and Youth Officer at the NPMU and State RIGYMO</p>	<p>By July 2015</p>	<p>Templates prepared for FO profiling, Processors / Marketers Organizations and VCAP and Training to LG Officers on the use of Templates is scheduled for the period 23<sup>rd</sup> – 26<sup>th</sup> October, 2015 (after careful selection of the designated LGVCO has been completed by the SPMUs). States-specific targets for the year 2015 have been achieved.</p> <p><b>BENUE SPMU:</b> Templates for FO profiling agreed upon and used for the profiling of FOs in the State. A total of 173 FOs have been profiled. FO business plans have been shared with the LG Officers for mobilization and development. 103no business plans have been developed out of which three have been approved for implementation. The rest will be ready for 2016 implementation. The exercise is still on-going.</p> <p><b>EBONYI SPMU:</b> 70 FOs profiled with 1,126 farmers as members, Business Plans and Training of LG Officers completed.</p> <p><b>NIGER SPMU:</b> 123 FOs had been profiled, Business Plans and Training of LG Officers completed.</p> <p><b>OGUN SPMU:</b> Templates for FO profiling agreed upon and used for the profiling of FOs in the State. 105 FOs have so far been profiled</p> <p><b>TARABA SPMU:</b> To date a total of 1,368 farmers from 111 FOs have been profiled.</p>
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1 5	<p><b>Select between 1 -3 service providers for training on best agronomic practices in rice and cassava in each state. Conduct training and provide inputs to the participants.</b></p>	<p>Ag Production Officer/PO at the SPMUs</p>	<p>15<sup>th</sup> June 2015</p>	<p><b>RFNO in respect of the activity was reviewed at NPMU and cleared by the CPM accordingly.</b>  <b>ANAMBRA SPMU:</b> Two (2) service providers were selected and engaged on good agronomic practices in rice and cassava.  <b>BENUE SPMU:</b> Service provider identified and TOR for the activity developed. RFNO has been sent for the engagement of a service provider.  <b>EBONYI SPMU: Two service providers -</b> Dr Paul Ilonna of IITA and Prof. Mrs. Happiness Oselebe - were selected based on their personal qualification criteria for cassava and Rice respectively. Training On-going.  <b>NIGER SPMU:</b> DEVASS AGRO CONSULT for Cassava &amp; Global Integrated Ltd for Rice were engaged. Training completed.  <b>OGUN SPMU:</b> Service provider selected and TOR for the activity developed.  <b>TARABASPMU:</b> The request for the approval of two Service Providers out of the 3 was sent on 10<sup>th</sup> Aug., 2015 and the No Objection Letter received on 12<sup>th</sup> of same month; the training was conducted in September.</p>
1 6	<p><b>Carry out land use mapping and measurement before land clearing exercises.</b></p>	<p>Ag production Officer at the NPMU and State APOs</p>	<p>By end of June 2015</p>	<p>The Procurement Officer &amp; APA at the NPMU are to develop and finalize TOR before the end of October, 2015. For this reason, this activity is yet to commence in all the States.</p>
<p><b>Programme Management</b></p>				

1 7	<p><b>Management to develop standard programme management practices as follows:</b></p> <p>(i) Performance targets for all Components (ii) Monthly meetings between NPMU and SPMU (iii) Networks for all components (Bi-monthly meetings of the different components) (iv) Federal Level Value Chain Steering Committee meetings (v) State Value Chain Steering Committee Meetings for effective coordination between different projects/programmes (vi) Support staff should be selected based on competence, qualification and need. The final CVs are to be sent to IFAD office for final No Objection before recruitment.</p>	NPC and SPCs	Monthly and bi-monthly meetings	<p>Two Joint NPMU/SPMU Meetings have been held. The inaugural meeting of the Federal Level Value Chain Steering Committee has been held and the screening/selection of support staff at the State level has been completed in four States (Benue, Niger, Ogun and Taraba) while Anambra, Ebonyi and that of NPMU will follow after the Mission.</p> <p><b>ANAMBRA SPMU:</b> Focal persons at LGA levels were appointed. Conducted 3Nos joint SPMU and LGA staff (EAs and Liaison Officers) meetings. <b>The VCSC meeting was conducted in August 2015 and approved the 2015 AWPB along with the 18months Procurement Plan.</b> <b>BENUE SPMU:</b> The SPC attends the monthly meetings between the NPMU and SPMU. The State steering committee has been inaugurated .Six (6) support staff have been engaged based on need. <b>EBONYI SPMU:</b> Ditto <b>OGUN SPMU:</b> The SPC attends the monthly meeting between the NPMU and SPMU .The State steering committee is yet to be inaugurated due to the delay in re-constitution the State Executive Council. Only three support staffs have so far been engaged based on need and due to the nonpayment of counterpart fund. <b>TARABA SPMU:</b> Monthly Meetings between NPMU and SPMU were held and attended adequately. State Level Value Chain Steering Committee met once. Support staff have been selected through a competitive process.</p>
1 8	<p><b>In its bid to provide conducive working environment, IFAD agrees to cover the Office Rent of the NPMU.</b></p>	FMF and IFAD Country Office	Immediately	Office accommodation for the NPMU has been secured in Maitama District of Abuja.
<b>Monitoring and Evaluation</b>				
1 9	<p><b>Finalize the PMP document including formats/templates for data collection and management for use as well as procure relevant M&amp;E software.</b></p>	M&E Officer at the NPMU sand State MEOs.	By July 2015	The PMP Document, Formats /Templates were finalized between 11 <sup>th</sup> – 14 <sup>th</sup> September, 2015 jointly by ICO, M&E Consultant (Mr. Paul Schoen) and VCDP M&E Team at the NPMU and all the six SPMUs. The Templates/Formats have been circulated to all NPMU and SPMU staff for immediate use in data collection and management as the Data Acquisition schedule clearly stated. However, the outcome of this activity that will lead to the development of M&E/MIS Software is to be carried out before the end of December, 2015.

20	<b>Train staff on the use of VCDP M&amp;E templates and formats</b>	M&E Officer at NPMU	By August 2015	<p>A preparatory training of key NPMU and SPMU Staff on M&amp;E Templates and Formats was conducted in Kaduna from 9<sup>th</sup> – 11<sup>th</sup> June, 2015. All SPMUs are expected to carry put a step – down training.</p> <p>Finalization of the PMP, Formats / Templates was completed on 11<sup>th</sup> – 14<sup>th</sup> June, 2015; whilst an M&amp;E Consultant is expected to further train the M&amp;E Team at the NPMU, SPMU and LGAs from 23<sup>rd</sup> – 26<sup>th</sup> October, 2015.</p> <p><b>BENUE SPMU:</b> The Step down training on the PMP and M&amp;E templates was conducted for SPMU/LO/EOs members and the LGA officers on July 30<sup>th</sup> 2015.</p> <p><b>OGUN SPMU:</b> The Step down training on the PMP and M&amp;E templates conducted for SPMU members and the LGA officers on July 30<sup>th</sup> 2015.</p> <p><b>TARABA SPMU:</b> A step down Training Carried out on the 30<sup>th</sup> of July, 2015.</p>
21	Complete Baseline Survey	M&E Officer at the NPMU	immediately	The data analysis has been completed and a draft report is expected by 15 <sup>th</sup> October, 2015 ready for validation. The exercise is to be completed by the First week of November, 2015.
<b>Gender and Youth</b>				
22	<p>Ensure the inclusion of at least 4 gender KPI in the programme M&amp;E system, e.g.:</p> <ul style="list-style-type: none"> <li>• % of targeted farmers increased adoption of soil and water conservation practices</li> <li>• No of women experiencing improved livelihoods</li> <li>• No of women and men with access to income-earning opportunities over baseline</li> <li>• No of households having increased income over baseline</li> </ul>	M&E Officer at the NPMU	Immediately	<p>The revised VCDP Log frame has incorporated the Key Performance Indicators (KPIs) under Components 1 and 2.</p> <p>For example in Component 1: KPI 5 (volume of processed produce), KPI 7 (number of processors and marketers), KPIs 8 &amp; 9 (jobs created).</p> <p>For example in Component 2: KPI 1 (number of youth groups networked), KPI 8 &amp; 9 (jobs created).</p>

2 3	Gender strategy guidelines and sensitization be completed at all levels of programme implementation. Also, Youth engagement strategy as value chain service providers be developed as a distinct part of Value Chain Development Strategy.	Appointed Rural Institutions, Gender and Youth Officer at the NPMU and State RIGYMO	End of June 2015	This activity is yet to be carried out, largely due to the non-recruitment of a Gender Specialist as this position was not provided for in the VCDP document at inception. The appointed RIGYMO at NPMU will be empowered to carry out this activity after the Mission. In addition, the TOR for Engagement of a service provider to support the implementation of the sub component has been cleared by the ICO.  <b>BENUESPMU:</b> Sensitization carried out at State and LGA levels. <b>EBONYI SPMU:</b> Support Staff for RIGYMO (as Assistant RIGYMO at State Level). <b>OGUN SPMU:</b> Sensitization carried out at State and LGA levels.
2 4	<b>Conduct gender analysis to track information on the best gender involving paid enterprises, gender limitations/challenges and gender preferred activities, among other useful information to guide decision making</b>	Appointed Rural Institutions, Gender and Youth Officer at the NPMU and State RIGYMO	By September 2015	To be carried out after the Mission. <b>BENUE SPMU:</b> Yet to be carried out. <b>OGUN SPMU:</b> Not yet conducted.
<b>Knowledge Management</b>				
2 5	<b>Launch the programme website immediately so as to create POP3 email accounts for all programme staff</b>	KM Officer at the NPMU	End of May 2015	The Programme website has been developed (www.vcdpnigeria.org) and is being populated with content. Official email accounts have been created for programme staff. Programme staffs are yet to adapt to using the new email accounts and require training on MS outlook on which the POP3 email accounts were created.
2 6	<b>Convene a meeting with the SPMUs to discuss and agree on the format for signage and branding across the programme states as well as crafting appropriate messages for sensitization so that programme staff at both levels will be reading from the same script.</b>	KM Officer at the NPMU	May 2015	Branding format and style was discussed and agreed upon with the SPCs during NPMU-SPMU management meeting held on 19 June, 2015. Branding guidelines and logos was circulated to the SPCs and is being used in branding VCDP vehicles and intervention sites. A programme brochure was developed with key programme information for sensitization purposes.
2 7	<b>Conduct a knowledge Audit prior to implementation of the programme's Knowledge Management Strategy</b>	KM Officer at the NPMU	May 2015	Concept note for a Knowledge Management Audit has been developed and awaiting No Objection from the Country Office.
2 8	<b>Recruit at least two key staff to support the KM Advisor and propel the IFAD Communication platform, especially in the implementation of its communication and knowledge management strategy.</b>	NPC	End of June 2015	This has not been carried out due to non-payment of counterpart funds from which staff salaries are paid.
<b>Partnerships</b>				

29	<b>Ensure regular and effective agenda-based conduct of Quarterly Steering Committees meetings at National and State levels.</b>	NPC/SPCs	On-going	Arrangements are continuously being worked out with strategic partners and already JICA, IITA, USAID MARKETS II, WAAPP have come onboard
30	<b>Map national, state and donor investments in VCDP operational areas to clearly identify areas of collaboration and synergy development.</b>	NPMU and SPMU	June 2015	This activity has been given priority by the NPMU and is ongoing with other donor programmes. States are also encouraged to accord it the same priority. <b>NIGER SPMU:</b> Has networked with sister donor programmes (RIPMAP, MARKETS II, GIZ- CARI, FADAMA III – AF and ATASP – I). The networking /partnership is on rice value chain in the State.
<b>Financial Management</b>				
31	<b>Put in place a computerized accounting system that will meet the accounting and reporting needs of the programme and train State Programme Accountants (SPAs) on the use of the system.</b>	NPC, FC, Procurement Officer at the NPMU	30 <sup>th</sup> June 2015	An appropriate Accounting Software has been developed & installed at NPMU and all the SPMUs. A training for the SPAs and the Procurement Officers was conducted by the service provider in Kaduna in August, 2015 and accounting data up to 31 <sup>st</sup> August, 2015 has been posted on the system.
32	<b>Constitute a budget sub-committee for monitoring and reporting the work-plans and budgets</b>	NPC, M&E Officer, FC at the NPMU  SPCs, M&EO, SPAs at the SPMU	31 <sup>st</sup> May 2015	A budget sub –committee has been constituted at the NPMU comprising the NPC, M&E and SPCs. A mid-year review was conducted by a Consultant and also an AWPB review for 2015 has been carried out on 14 <sup>th</sup> – 15 <sup>th</sup> September, 2015. <b>ANAMBRA SPMU:</b> Constituted a budget sub-committee (SPC, PME&KMCO, SPA/SPO) for monitoring and reporting the work plan and budget. <b>BENUE SPMU:</b> Constituted the sub-committee and held two (2) meetings so far <b>NIGERSPMU:</b> Adopted <b>OGUN SPMU:</b> Constituted the budget committee and two (2 No.) meetings held.
33	<b>Share expenditure format from Benue for adoption so as to unify expenditure submission from states; Train SPAs to provide timely and adequate SOEs.</b>	FC, SPAs	Immediate	<b>The format has been shared with the states.</b> <b>ANAMBRA SPMU:</b> State Programme Accountant benefitted from training on timely and adequate submission of SOEs. <b>BENUE SPMU:</b> SPAs already trained on provision of timely and adequate SOEs <b>EBONYISPMU:</b> Adopted. <b>NIGER SPMU:</b> Adopted <b>OGUN SPMU:</b> SPAs already trained on provision of timely and adequate SOEs.

3 4	<b>Involve state government agencies in internal audit for the project.</b>	SPCs	30 <sup>th</sup> June 2015	<b>ANAMBRA SPMU:</b> Arrangement is ongoing for the engagement of ADP Internal Auditor to support the Value Chain Development Programme (VCDP). <b>BENUE SPMU:</b> On –going. <b>EBONYI SPMU:</b> Not yet complied. <b>NIGER SPMU:</b> Not yet complied. <b>OGUN SPMU:</b> On-going.
3 5	Designate specific officer for the daily/weekly follow up of disbursement- immediate coordination and collation of eligible expenditures from all levels.	FC	On-going	FC is doing this presently pending the recruitment of support after release of FGN Counterpart funding.
<b>Procurement</b>				
3 6	Ensure early finalization of the VCDP Procurement Manual and Constitution of procurement committee in all the participating states (SPCs, Procurement Officers and Accountant as core members).	SPCs and State Procurement Officers	By end of May 2015	The Procurement manual has been prepared and circulated by the NPMU and States have taken steps in constituting their procurement committees. <b>ANAMBRA SPMU:</b> Constituted a procurement committee (SPC, SPO, and SPA). <b>BENUE SPMU:</b> Procurement committee at the state level constituted. <b>EBONYI SPMU:</b> Achieved. <b>NIGER SPMU:</b> The committee is put in place. <b>OGUN SPMU:</b> Procurement committee at the state level constituted.
3 7	<b>Capacity building on procurement process and procedures for the SPCs and SPAs to ensure all the relevant actors in procurement are familiar with the requirements.</b>	Procurement Officer at the NPMU and State Procurement Officer	End June 2015	A Programme level training on Procurement conducted for all NPMU and SPMU Staff at Owerri between 3 <sup>rd</sup> – 6 <sup>th</sup> August, 2015.
3 8	<b>Pending requests for No Objection are to be collated every Friday and listed for approval by the IFAD Country Office by the following Monday. Should there has been no specific notification sent, VCDP should proceed.</b>	NPC and CPM	To start immediately	CPM is WORKING HARD TO TREAT REQUESTS WITHIN 5 DAYS.

3 9	<b>Prepare Quarterly Procurement Priority items and send them to the NPMU for review.</b>	Procurement Officer at the NPMU and State Procurement Officer	End June 2015	<b>NPMU:</b> The Procurement Officer is following UP with the States.
<b>Sustainability</b>				
4 0	<b>Conduct Rapid survey to identify suitability of equipment and machinery delivered to processors and farmers in other programmes</b>	Ag Processing Officers at the SPMUs	July 2015	The state officers have attended workshops at IITA Ibadan and NCAM Ilorin to identify suitable Equipment and fabricators. Also, VCDP is in partnership with JICA on suitable Equipment for rice processing and have carried out demonstrations at NASSARAWA/NIGER for our processors/officers. <b>BENUE SPMU:</b> RFNO sent, reply is been awaited. <b>EBONYI SPMU:</b> Achieved. <b>NIGER SPMU:</b> Achieved. <b>OGUN SPMU:</b> The reconnaissance survey has been carried out. <b>TARABASPMU:</b> In July 2015, a Rapid Survey was carried out in six LGAs of Taraba State.
4 1	<b>Include in VCDP messages sensitization on occupational health hazards ordinance on the use of personal protective wears and prevention of health hazards at places of work.</b>	APO at the NPMU and State APOs.	Immediate	States have commenced training on GAPs and safe use of agrochemicals. Anambra State in particular has sent a group of youth to IITA for training. <b>BENUE SPMU:</b> On – going. <b>EBONYISPMU:</b> Cassava and Rice Agronomic Training provided and achieved. <b>NIGER SPMU:</b> Cassava and Rice Agronomic Training conducted. <b>OGUN SPMU:</b> on going
4 2	<b>Hydrological testing prior to approval of any sub-surface water pumping investments.</b>	VCIOs at the SPMUs		This will be done after the Geo-physical survey of Water points in the selected clusters across the states.



## Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Component/ Sub-component or Output	Indicator	Unit	Period: 01/01/2015 to 30/09/2015			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
<b>Component 1</b>								
Sub-component 1.1 Support to value addition & market linkages.	KPI 5,7,8,9&13	Nos.	229	10	4.36	10	1,423	0.70
Sub-component 1.2 Support to Market Infrastructure.	KPI 4 & 6							
	Road.	KM	105	0	0	0	300	0
	Water Schemes.	Nos.	12	0	0	0	108	0
	Markets (with Stalls).	Nos.	7	0	0	0	60	0
	Processing Units ( with Stores / Warehouse).	Nos.	4	0	0	0	108	0
	Bridges.	Nos.	2	0	0	0	120	0
	Culverts.	Nos.	16	0	0	0	210	0
<b>Component 2</b>								
Sub-component 2.1 Strengthening of Farmers Organisations	KPI 1	Nos.	77	32	41.58	32	2,250	1.42
Sub-component 2.2 Support to Smallholder Production	KPI 2, 3,9 & 13							
<b>Component 3</b> <b>Improved Programme Management and Coordination</b>	Support to Smallholder Farmers.	Nos.	9,000	1,854	20.60	1,854	45,000	4.12
	Training of Youths.	Nos.	321	150	46.73	150	9,000	1.66
	Farmer Field Business School (FFBS).	Nos.	31	12	38.70	12	480	2.50
	Irrigation Development.	Ha	100	0	0	0	3,000	0
	KPI 14,15	Nos.	7	7	100	7	35	20

## Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

**Table 5A: Financial performance by financier**

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	74.40	3.02	4.49
FAD grant	0.51	0.00	0.00
FGN	9.90	0.15	1.51
State Governments	10.4	0.52	5.00
Local Governments	4.3	0	0
Beneficiaries	2.1	0	0
Complimentary Financing	2.8	0	0
<b>Total</b>	<b>104.4</b>	<b>3.69</b>	<b>3.53</b>

**Table 5B: Financial performance by financier by component (USD 'm)**

Component	IFAD loan			IFAD grant			Federal Government			State Governments			Local Governments			Beneficiaries			Complimentary			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%			
Agricultural Market Development	42.3	0.09	0				3.4	0	0	2.9	0.02		3.4	0	0	1.2	0	0	1.5			54.7	0.11	
Smallholder Productivity Enhancement	26.5	0.33	0	0.4	0	0	3.1	0	0	2.1	0.05		0.6	0		0.9	0	0	1.3	0		34.9	0.38	
Programme Management & Coordination	5.6	1.42	29	0.1	0	0	3.4	0.15	0.4	5.4	0.53		0.2	0		0.9	0					14.8	2.1	
	74.4	1.84	2.5	0.5	0	0	9.9	0.15	0	10.4	0.60		4.3	0		2.1	0		2.8	0		104.4	2.59	2.48

**Table 5C: IFAD loan disbursements (SDR, as at September 30, 2015)**

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Civil Works	13,540,000		0.00		13,540,000.00	0.00
II	Vehicles, Equipt, Materials & Agric Inputs	4,490,000		425,675.74		4,064,324.26	9.48
III	Training, Technical Assistance, Service Providers, Studies & Workshops	15,020,000		646,686.43		14,373,313.57	4.31
IV	Matching Grant	4,840,000		0.00		4,840,000.00	0.00
V	Salaries and Allowances	3,420,000		0.00		3,420,000.00	0.00
VI	Office Equipment and Maintenance Expenses	1,030,000		75,322.22		954,677.78	7.31
	Unallocated	5,510,000		5,510,000.00		5,510,000.00	0.00
	Initial deposit			1,001,925.13		-1,001,925.13	
	Other			531.83		-531.83	
	Total	47,850,000		2,150,141.35			4.49

**Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement**



## **Appendix 6: Compliance with legal covenants: Status of implementation**

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section B 6</b>	There shall be two (2) designated accounts (the “Designated Accounts”) denominated in USD and opened and maintained by the Borrower/Recipient in a bank acceptable to the Fund to receive the proceeds of the Loan and the Grant, respectively	At Loan effectiveness	Full compliance as both bank accounts (Programme Accounts A and B) were opened as scheduled	
<b>Section B 7</b>	There shall be three (3) programme accounts (the “Programme Accounts”) opened and maintained in a bank acceptable to the Fund by the Borrower/Recipient at each of the Federal and State levels. At each level, the first two accounts shall receive the proceeds of the Loan and the Grant respectively; the last one shall receive the counterpart funds as committed by the Borrower/Recipient in the subsequent paragraph, based on the Programme’s Annual Work Plans and Budgets (the “AWPB”)		All the accounts; Programme Account A for Loan, B for Grant and C for FGN/State counterpart funds are in operation at the NPMU and all the SPMUs	
<b>Section B 8</b>	A Memorandum of Understanding on the implementation of this Agreement between the Borrower/Recipient and the implementing States in the Programme Area as specified in Schedule 1 to this Agreement shall be executed			
<b>Section E 1(a)</b>	The National Programme Management Unit (the “NPMU”) shall have been duly established and key staff appointed		Duly established and all required staff present	
<b>Section E 1(b)</b>	The Borrower/Recipient shall have deposited in the Programme Accounts adequate counterpart funds for the first Project Year as specified in the AWPB		Initial deposit of N30m (\$150,000) was made by the FGN in compliance with this covenant	
<b>Section E 1(c)</b>	The Finance and Administration section of the Programme Implementation Manual (the “Finance and Administration Manual”) shall have been submitted to and approved by the Fund		The manual was submitted and approved by the Fund as schedule and in operation	
<b>Section E (2)</b>	The Matching Grant section of the Programme Implementation Manual (the “Matching Grant Manual”) shall have been submitted to and approved by the Fund		The Manual was submitted to and approved by the Fund as scheduled	

## Appendix 7: Knowledge management: Learning and Innovation

### Learning

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Below is a summary of some key lessons:

- Strong participatory groups' initiatives need consistent message on the role of VC actors and continuous sensitization on the concept of value chain as the groups build their capacity, learn new production techniques, and identify markets. Local Government officers are an important part of this process as they are the interface between communities and the VCDP and training them and providing adequate support is critical to achieve the objectives of this programme. Furthermore, the Local Government officials are a critical link to sustainability and support of schemes from the Local Government.
  - The inadequate understanding of the Value Chain Action Plans and Production Business Plans templates at the State and Local Government level resulting in different formats and approaches brought to the fore need for appropriate dissemination and guidance to SPMU. With capacity building and guidance of VC experts within the Mission team during the mission in Benue state, each state was able to prepare a demonstration VCAP/PBP and demonstrated a clear understanding of the principles of VCAPs/ PBPs. In order to ensure shared understanding of programme activities, NPMU needs to reach out more to the SPMU for field level coordination and technical support.
  - Availability of agreed counterpart fund at the Federal and State level remains a challenge but with the right level of sensitisation by the NPMU and ICO and media coverage, the commitment of the Executive is possible. This was seen in the advocacy visit to the Executive Governor of Ogun State during the mission, the State Government fully committed and paid counterpart fund for the State for 2014 and 2015. Learning includes the need for strong advocacy efforts throughout the life of the programme to improve yearly payment of counterpart funds by the states and the federal government. Similar advocacy visits to States that are yet to make counterpart payment will be carried out.
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### Innovation: Describe any interesting innovation noted during supervision

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- Innovation Platforms to promote best practices and innovation along the rice and cassava value chain are being established by VCDP in each of the states. The platforms are adaption from the World Bank supported WAAPP innovation platform model. VCDP collaboration and scaling up of the WAAPP model is an innovation.
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## Technical Annex 1: Report of the Follow-up of the Financial Management Supervision Mission to the IFAD/FGN Value Chain Development Project

### Financial Management

**Planning and Budgeting:** The approved Financial Procedures Manual under the section of Planning and Budgeting had emphasized strategic planning by the NPMU in the preparation of Annual Work Plan and Budgets (AWPB) during project implementation period. This involves setting realistic targets for the preparation of the VCAPs and Business Plans using the logical framework and cost tables. A review of the process currently in use by the project may not have adequately incorporated this in the preparation of the AWPB. The level of performance of the 2015 AWPB revised from N3.12bn (\$15.70m) to N2.35bn (\$11.82m) is such that only N515.88m (\$2.59m) or 21.94% has been achieved with just less than 3 months to the end of the year.

Review of the revised AWPB also threw up some fundamental issues that should be addressed immediately now before full implementation takes off to avoid the mistakes of other projects in this regard. Table 3 of the Cast Table on Disbursement Accounts by Financiers was very clear on who is contributing what amounts to certain components and categories of expenditures in the Programme. Certain amounts were allocated to States, Local Governments and Beneficiaries. This revised work plan seems not to have recognized this distribution as figures were only allocated to State Governments, none to Local Government Councils and Beneficiaries. This review is not unaware of the situations with Nigerian Governments at all levels on counterpart funds provision but then implementation realities should be clearly identified and well spelt out from the beginning and appropriate sections of Programme documents amended accordingly for all stakeholders to be aware of responsibilities from the onset.

The efforts of the FM unit in ensuring proper coding of the work plan should equally be fully recognized to ensure proper budget accounting and financial reporting in the Programme. In addition a budget calendar has been provided in the approved Financial Procedures Manual and it is advisable the Programme encourages harmonization of programme documents in the implementation process and especially in the planning and execution of approved work plan and budget.

A review of the 2015 AWPB and the template for the 2016 made available by the M&E had been carried out. There seems to be some divergence from the template that has been put together in the Programme Design Report which to this review is the best ever put together for programme implementation. For instance, component 3.3 in the PDR was very clear in ensuring that proper financial management and procurement **systems** are established and maintained throughout the duration of the project as shown in table A1 below. But an excerpt from the revised AWPB for the NPMU in table A2 below seems to have introduced other items such as procurement of goods and payment of taxes.

In addition, recording and reporting of programme transactions as well as budget monitoring can only be made simple if the budgeting system is harmonized between the M&E and FM with same coding

system in operation. The NPMU seem to have achieved this in the recent past but that is no longer visible.

Table A1, an extract from the PDR Vol 1

<b>3.3: Financial management, audit and procurement systems established</b>
<b>3.3.1: Prepare Financial Management and Procurement Manual (Part of PIM)</b>
<b>3.3.2: Establish and operate programme financial management system</b>
<b>3.3.3: Strengthen capacity on withdrawal application and procurement</b>
<b>3.3.4: Prepare procurement plans on the basis of annual budgets</b>
<b>3.3.5: Produce consolidated monthly financial statements and quarterly, semi-annual and annual financial reports for the programme</b>
<b>3.3.6: Carry out financial monitoring and prepare audit reports</b>

Table A2 – An extract from the 2015 Revised AWPB for the NPMU

<b>3.3 Finance Management Audit &amp; Procurement</b>
<b>3.3.1 Procurement</b>
Preparation of procurement manual
Standard designs of prototype agro processing and storage facilities
Develop a computerised data base for VCDP Service Providers through Consultancy
Engineering Design for Roads & Culverts
Engineering Design for Irrigation & Water Scheme
Technical meetings of engineers and POs
Preparation of the O&M manual on infrastructure / Training
Procurement training for staff
Develop data base for consultants, contractors and service providers
Procurement of 18 seater Bus
Procurement of 4 WD Jeep
Procurement 4 WD Double Cabin Pick -up
Procurement of Office Equipment
Procurement of Desktop Computer Sets
Procurement of Printers
Procurement of Laptops
Procurement of photocopier
Procurement of office furnitures
Procurement of GPS
Procurement of 60 KVA Generator / Installation
<b>Sub-Total (Procurement)</b>
<b>3.3.2 Finance, Accounts &amp; Audit</b>
External Audit
Staff Salaries & Allowances
Quarterly Finance Visit to States & LGAs
Provision of Taxes, Levies, Demurrage etc

Table A3 – Performance of the Government in the Revised 2015 AWPB

	Total N'000	Total USD'000	IFAD N'000	FGN/State N'000	FGN/State (Actual)	% Achievement
NPMU	816,579.00	4,103.41	584,579.00	232,000.00	30,000.00	12.93
Anambra	268,662.78	1,350.06	225,271.53	43,391.25	15,000.00	34.57
Benue	268,077.36	1,418.53	46,593.36	21,484.00	Nil	Nil***
Ebonyi	306,874.35	1,542.08	260,739.35	46,135.00	37,000.00	80.20
Niger	226,061.25	1,135.99	190,166.35	35,894.90	14,351.50	39.98
Ogun	191,674.44	1,183.18	160,509.44	31,165.00	Nil	Nil
Taraba	73,776.17	1,375.76	30,430.40	43,345.77	37,000.00	85.37
Total	2,351,705.35	12,109.01	1,898,289.43	453,415.92	133,351.50	29.41

\*\*\* Benue State Government contributed N87million and Ogun State Government contributed N124.3 million, this could not be reflected here as the payment is still not confirmed and again, the payment date is outside of the reporting period.

Chart A – Performance of Government

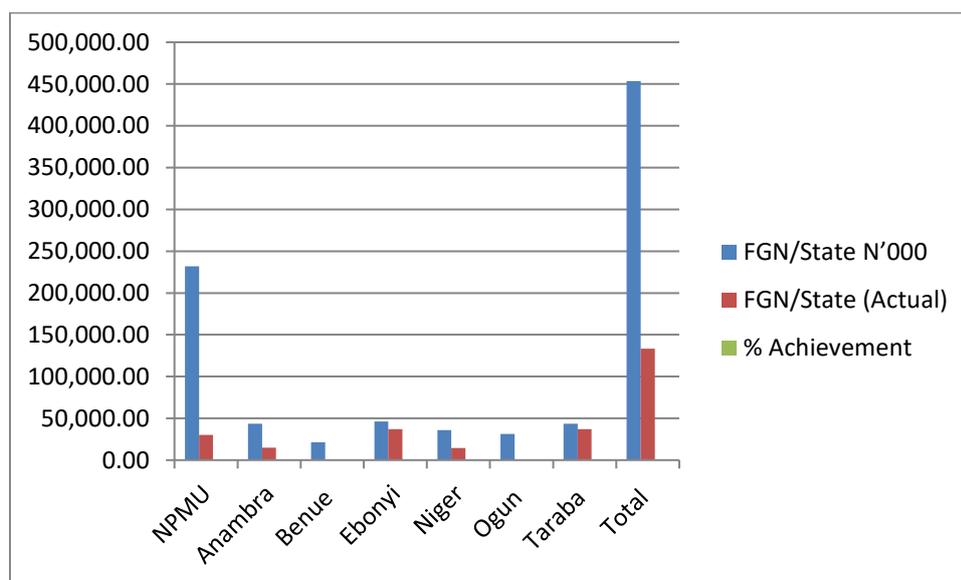


Table A4 – Budget versus Actual by Component

	IFAD (N'000)	GOVT. (N'000)	Total (N'000)	Actual (N'000)	% Achievement
COMPONENT 1: Agricultural Market Development	781,076.18	8,439.90	789,516.08	23,657.05	3.00
COMPONENT 2: Smallholder Production Enhancement	231,416.51	42,347.75	273,764.26	74,983.83	27.39
COMPONENT 3: Programme Management & Co-ordination	883,630.08	404,794.93	1,288,425.01	417,239.85	32.38
TOTAL	1,896,122.77	455,582.58	2,351,705.35	515,880.73	21.94

Chart B – Graphic Presentation of Budget versus Actual by Component

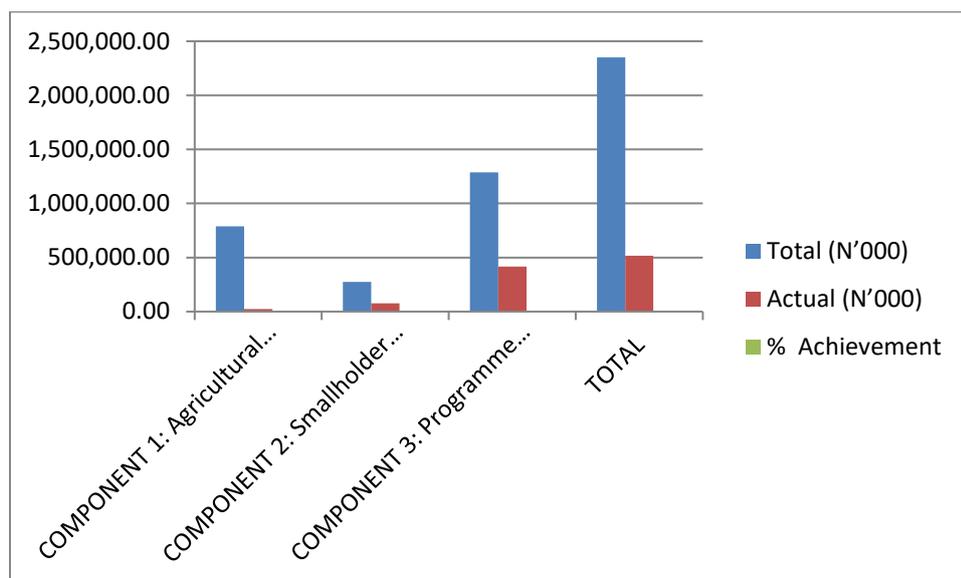


Table A5 – Level of IFAD financing

Category Description	Allocated	Disbursed	% Disbursed	Available Balance
	SDR	SDR		SDR
Civil Works	13,540,000.00	0.00	0.00	13,540,000.00
Vehicles, Equipment, Materials and Agric. Inputs	4,490,000.00	425,675.74	9.48	4,064,324.26
Training, Technical Assistance, Service Providers, Studies and Workshops	15,020,000.00	646,686.43	4.31	14,373,313.57
Matching Grant Fund	4,840,000.00	0.00	0.00	4,840,000.00
Salaries and Allowances	3,420,000.00	0.00	0.00	3,420,000.00
Office Equipment and Maintenance Expenses	1,030,000.00	75,322.22	7.31	954,677.78
Unallocated	5,510,000.00	0.00	0.00	5,510,000.00
Authorized Allocation		531.83	0.00	-531.83
Authorized Allocation 2		1,001,925.13	0.00	-1,001,925.13
<b>Total</b>	<b>47,850,000</b>	<b>2,150,141.35</b>	<b>4.49</b>	<b>45,699,858.65</b>

**Accounting System:** The computerized accounting system in the project is yet to be fully operational as a result of some challenges in the accounting software procured for that purpose. A review of the accounting system across the states however, showed satisfactory operation of the manual accounting system especially in almost all the states. Bank reconciliation statements for all bank accounts are prepared by all the states and the NPMU. Cash advance register is still not prepared but fixed assets registers are prepared by all the states though there is need for improvement in content and format. The fixed assets register are still being compiled by the NPMU at the time of the mission. The project has also not achieved uniformity in the operation of the accounting system as a result of the apparent refusal to use the financial procedures manual. One key aspect of the accounting system this review feels should be emphasized is in the area of accounting for the disbursement on grant with special attention to contribution from beneficiaries. The time for that is now and a specialized training for all concerned is particularly recommended.

**Internal Control:** Internal control in the project is observed to have improved over the previous period across the states. All payment vouchers are signed by relevant authorities and provision of adequate documentation for eligible expenditures has equally improved. All reviewed expenditures also received

the NO from the CPM. There is proper segregation of duties with the recruitment of assistant project accountants in the states and at the NPMU. Fixed assets registers are in place and assets are well safeguarded although the provision of adequate insurance covers for these assets seems not adequately documented. **Internal audit** in the project not yet available as project is still in process of engaging one at the time of the mission. A major issue of concern is the payment of allowances to project staff across the states observed not to be uniform from state to state. Details are provided below.

**Funds Flow:** Funds flow arrangement in the project is observed to be adequate. All the required bank accounts have been opened and the signatories to these accounts are in accordance with the requirement of the relevant project documents. The information on the operations of the accounts of the cluster groups, farmers' organizations and small scale processors are yet to be made available by the states. However, this review is of the opinion that the programme has to work seriously on improving the level of funds inflow into the programme. Three replenishment requests in over 6 months is considered too low, an average of one every month is highly desirable for project implementation to be on course. Efforts should also be made to ensure fulfilment of Loan covenants by Governments at all levels in the payment of counterpart funds.

**Financial reporting:** Production of financial reports by the project is yet to be perfected as the accounting software procured for that purpose is still being developed to fully incorporate all items of reporting financial transactions of the project in accordance with the formats and contents recommended by IFAD.

**Auditing:** The process of the engagement of external auditors in fulfilment of financial covenants by the project has almost been completed as the contract award letter for the selected firm of chartered accountants is been prepared at the time of the mission.

**Disbursement:** Disbursement in the project is observed to be slow. Only 3 replenishment requests have been made by the NPMU to IFAD since the initial deposit was received over six months ago. Replenishment requests from the states to the NPMU are also not adequate. Anambra, Benue and Niger States have sent 3 SOEs while Tara and Ogun have sent 2 and Ebonyi only 1 SOE to the NPMU for reimbursements within the same period. At the time of this report, the percentage of disbursement by the project is (awaiting CFS confirmation). It was however observed that only SOEs and some forms are sent to the NPMU by the States during requests for reimbursement into the drawdown account. Subsequent requests for reimbursement by the SPMUs should be accompanied by the SOE sheets and those other documentation and all the original payment vouchers with full supporting documentation (all original as much as possible). A set of Photostat copies of all these documents shall be made by the SPMU. The NPMU shall review these documents for completeness and accuracy before reimbursements are made into the accounts of the requesting SPMU. The set of the Photostat copies shall be stamped 'Certified True Copy' by the NPMU and then returned to the SPMU.

**Counterpart Funds:** The rate of counterpart funds payment by the States and Federal Governments is very slow as shown in the table above. Only Benue State is reported to have paid the sum N87m 2 days to the mission (the first since project inception) and which could not be reflected in the table above

as a result of the time frame covered in this report. The FGN has not paid anything after the initial N30m since 2014. Ogun State has not paid anything into the project to date.

**Review of SOEs:** The mission reviewed selected payment vouchers from SOEs and supporting documentation by the States and the NPMU. A summary of the results is presented below. Details will be provided later.

## NPMU

The NPMU has sent a total of five (5) withdrawal applications to IFAD. The first one was for the project preparation facility and the second was for request for initial deposit of \$1.4m while the other 3 are for replenishments into the Designated Account. The schedule is presented in the table below.

**Table A6 – Disbursement by NPMU and States by Categories**

Location	Cat 2 (\$)	Cat 3 (\$)	Cat 4 (\$)	Cat 5 (\$)	Cat 6 (\$)	Total (\$)
Advance by IFAD						1,400,000.00
NPMU	580,904.00	1,016,368.05	-	55,226.75	112,122.00	1,764,620.80
Anambra	9,365.48	90,928.15	-	-	11,078.85	111,372.48
Benue	-	84,972.61	-	28,543.91	9,667.30	123,183.82
Ebonyi	-	30,319.80	-	-	50.82	30,370.62
Niger	14,141.11	107,455.21	36,090.23	10,676.69	5,381.37	173,744.61
Ogun	-	45,707.05	-	23,879.09	1,893.55	71,479.69
Taraba	-	59,511.84	-	-	554.24	60,066.08
<b>Total</b>	<b>604,410.59</b>	<b>1,432,262.71</b>	<b>36,090.23</b>	<b>118,326.44</b>	<b>140,748.13</b>	<b>3,734,838.10</b>

During the review of documents provided by the NPMU and the states on SOE schedules and other reports made available, it was obvious that the FM unit in the programme is yet to fully understand proper classification of expenditures into their respective components and categories. It is therefore necessary that adequate capacity building be provided for all key officers that are responsible for these components. This review also strongly recommended that all officers requesting funds for their component should clearly specify line item(s) in the approved work plan that will be affected by the disbursement of funds from project accounts. This will help greatly in proper coding and hence correct classification of such expenses into the right components and categories.

The review will like to know how payment to a service provider for distribution of fertilizers to FOs should be classified under grant category.

## Anambra

Three (3) reimbursement requests totalling N28,773,370.00 have been sent to the NPMU. Documentation of eligible expenditures is moderately satisfactory. Payment vouchers from IFAD and counterpart funds not properly separated although the recording and accounting are correctly made. Only few inadequately supporting documentation observed were however rectified with the assistance of the procurement officer. The PA has been advised to ensure that all relevant supporting documentation is to be attached to the payment vouchers at the time of payment. No ineligible expenditures discovered during the review.

A review of payment of staff allowances showed per month payment of N130,000 to the SPC and N100,000 to other technical staff. These payments are however made from the counterpart funds provided by the State Government

## Benue

The State has sent three (3) reimbursement requests to the NPMU with a total amount of N23,513,730.50. Documentation of eligible expenditures has improved over the last period and is

considered moderately satisfactory. However, there is need to stop payment of huge sums to project staff for meeting, workshops and only limit such payments to tour advances and allowances. Payment should be made as much as possible to service providers. No ineligible expenditure was discovered during the review.

A review of payment of staff allowances showed that the SPC was paid a monthly allowance of N150,000 while other technical staff received N80,000. This payment was made from the Drawdown Account.

### **Ebonyi**

The State has sent only one (1) reimbursement request of N5,983,012 to the NPMU. This slow pace was explained by the SPA to be as a result of the new State Governor's directive that resulted in the freezing of project accounts for most part of the reporting period. A large portion of the SOE has been reviewed during the first mission in Abakaliki. No ineligible expenditure was discovered. There is need to improve on the documentation of eligible expenditures and to ensure proper disbursement to service providers and the separation of payment vouchers between IFAD funds and State Counterpart funds

A review of payment of allowances to project staff showed that the SPC is receiving monthly allowance of N120,000 and the other technical staff N90,000. These payments are made from the counterpart funds provided by the State.

### **Niger**

Niger State has sent three (3) SOEs totalling N34,446,940.50 to the NPMU. Documentation of eligible expenditure is less than satisfactory as most of the expenditures are not adequately documented. The State needs to improve on the documentation of eligible project expenditures especially the procurement related expenditures, workshops and tour advances. Payment vouchers for the IFAD and Government counterpart funds are also not well separated.

A review of payment of staff allowances showed that between October and December 2014, monthly payments were made to SPC of N160,000 and each technical staff N100, 000 paid from State Government Counterpart funds while from January to March 2015, N150,000 and N80,000 were respectively paid to SPC and technical staff each month from IFAD drawdown account.

### **Ogun**

The state has sent two (2) SOEs to the NPMU with total value of N14,153,449.69. Documentation of eligible expenditures is moderately satisfactory. There were no ineligible expenditures discovered. The state should improve on the documentation of expenditures and void paying huge sums to project staff, instead payment should be made as much as possible to service providers.

A review of payment of staff allowances showed that for July and August 2015, the SPC was paid the sum of N150,000 each month while other technical staff collected N80,000 for each month. These payments were made from IFAD drawdown account.

### **Taraba**

The state has sent two (2) SOEs to the NPMU with total value of N11,893,326.00. Documentation of eligible expenditure has improved over previous period and moderately satisfactory. No ineligible expenditure was discovered during the review. The state can do better in the provision of necessary

documentation to back eligible expenditures. Payment should be made as much as possible to service providers rather than project staff.

A review of payment of staff allowances to project staff showed that the is receiving N130,000 per month while other technical staff are collecting N100,000. These have been paid from the counterpart funds provided by the State Government.

**Table A7 – Schedule of SOEs Sent to NPMU by States at the time of Mission**

	Cat 1	Cat 2	Cat 3	Cat 4	Cat 5	Cat 6	Total
Anambra			25,331,659.00			3,441,711.00	28,773,370.00
Benue			16,815,700.00		5,680,000.00	1,018,030.50	23,513,730.50
Ebonyi			5,973,000.00			10,012.50	5,983,012.50
Niger		2,785,800.00	21,270,480.00	7,200,000.00	2,130,000.00	1,060,660.50	34,446,940.50
Ogun			9,036,190.00		4,740,000.00	377,259.69	14,153,449.69
Taraba			11,784,124.00			109,202.00	11,893,326.00
<b>Total</b>	-	<b>2,785,800.00</b>	<b>90,211,153.00</b>	<b>7,200,000.00</b>	<b>12,550,000.00</b>	<b>6,016,876.19</b>	<b>118,763,829.19</b>

Agreed action	Responsibility	Agreed date
<b>Financial management</b>		
i) Incorporate strategic planning into the Annual Work Plan and Budget preparation process and provide direction as to level and amounts achievable in each programme year for NPMU, SPMUs, LGAs and Beneficiaries	NPC/SPCs/FC/M&EO	December 31, 2015
ii) Ensure strict compliance with relevant programme documents in the preparation of the Annual Work Plan and Budget	NPC/SPCs/FC/M&EO	Going forward
iii) Harmonize chart of accounts and work plan and budget line items and provide uniform coding system to allow adequate budget monitoring and good financial reporting in the programme	NPC/SPCs/FC/M&EO	Immediately
iv) Restructure the chart of accounts to make it possible to post all items of financial transactions in the programme at all levels. All requests for payment should provide guide to the appropriate codes to be used.	NPC/FC/PO/SPAs	December 31, 2015
v) Revisit the contract for the computerization of the programme accounts and ensure full implementation of a. adequate & timely financial reporting by NPMU and the States as well as consolidation of reports, b. timely preparation of withdrawal applications from the software by the NPMU and c. web-based ease of access to States' financial records by the FC	NPC/FC/PO	Immediately
vi) Submission of SOEs by States to the NPMU shall henceforth be accompanied by the original payment vouchers and all the relevant documentation. The NPMU shall within 2 working days review these documents and if found okay shall stamp the photocopies 'certified true copy' which shall be retained by the SPMU	NPC/SPCs/SPAs	Subsequently
vii) Engage more staff at the NPMU solely for the review of the SOEs and supporting documentation	NPC/FC/PO	Immediately
viii) Ensure adequate documentation of eligible expenditures immediately payments are made. All relevant documents should be attached to the payment vouchers which shall be signed by both the PC and FC/PA before payment is released	FC/SPAs	Subsequently
ix) Complete the process for the engagement of both the internal and external auditors	NPC/FC/PO	Immediately

## Technical Annex 2: Farmer Organisation/Cluster Profiling for VCAP

Date:-----

Prepared by: -----

**LGA Liaison Staff Names:**

**LGA Extension Staff Names:**

1. **Basic Cluster Data:**
  - a. Cluster Name:
  - b. LGA Name:
  - c. State:
  - d. Total House Holds in Cluster:
  - e. Total Population:
  - f. Distance from State HQ:
  - g. Distance from LGA HQ:
  
2. **FO Profile:**
  - a. Name of FO:
  - b. Date Established:
  - c. Name of Office Bearers: President: Secretary:  
Treasurer:
  - d. Total Members: Male: Female:
  - e. Landholding Members: Landless Members:
  - f. Youth Members:
  - g. Total Land Area:
  - h. Total Cultivated Area:
    - i. Irrigated Area:
    - ii. Non-Irrigated/Rain-fed Area:
  - i. Additional Available Cultivable Area:
  - j. Source of Irrigation:
  - k. Average Household land-holding:
  - l. No of Landless Households:
  - m. Number of Women-headed Households:
  - n. Number of Youth (16 to 35 years):
  - o. Status of FO Registration:
  - p. Bank Account Details:
  
3. **Production, Processing and Marketing Data:**
  - a. **Production:**
    - i. Current Land Use Map (attach to Profile):
    - ii. Main crops produced with total production (Tons):
    - iii. Average yields of main crops (Ton per ha):
    - iv. Input use and availability: Fertilizer: Improved seeds:  
Mechanization:
    - v. Rain-fed production:
    - vi. Irrigated Production:
    - vii. Average sale price of main crops:

- viii. Average profit per/ha:
  - ix. Average annual income per household:
  
  - b. **Processing:**
    - i. Village based processing facilities:
      - 1. ----- 2.----- 3.-----4. None
    - ii. Processing facilities within 2 km radius:
    - iii. Processing facilities in 5 km radius
    - iv. Names of main processors currently engaged with FO
  - c. **Storage:**
    - i. Type of storage facility available: a. Household; b. Communal; c. None
    - ii. Total capacity of available storage:
    - iii. Current storage capacity gap (tons):
  - d. **Marketing:**
    - i. Name of Nearest Market and distance:
    - ii. Facilities available at market:
      - 1. Weighing
      - 2. Shed
      - 3. Water Supply/sanitation
      - 4. Others
    - iii. Average Quantity sold directly in market: by FO members:
    - iv. Average Quantity sold through middle-man:
4. **Production Challenges:**
- a. Inputs
  - b. Labour
  - c. Mechanization
  - d. Land
  - e. Water/Irrigation
  - f. Others
5. **Processing and Marketing Challenges:**
- a. Processing at household level:
  - b. Processing by a service provider:
  - c. Aggregation Challenges:
  - d. Storage Challenges:
  - e. Market infrastructure Challenges:
  - f. Quality Challenges:
  - g. Access/Communication/Road challenges:

h. Others:

6. **FO Priority Needs:**

a. Production

b. Processing

c. Marketing

d. Infrastructure

7. **Priority Interventions Identified for VCDP Support:**

a. **Production:**

b. **Processing:**

c. **Marketing:**

d. **Infrastructure:**

**B: PROCESSOR ASSOCIATION PROFILING**

1. **Name of Processor Association:**

2. **Names of Office bearers:**

3. **Registration No:**

4. **Bank Account No:**

5. **Address:**

6. **Name of Associated FO Cluster(s):**

7. **Name of crop dealing in and Type of processing:**

8. **Average quantity purchased each year:**

9. **Current Installed Capacity for processing:**

10. **Current capacity utilization (%):**

11. **Main issues and challenges:**

a. aa

b. bb

c. cc

d. dd

12. **Priority Needs/Assistance identified:**

13. **Main interventions from VCDP Agreed with names of beneficiary members and addresses:**

14. **Terms of Association with FO/Cluster:**

- a. Aa - quantities
- b. Bb pricing
- c. Cc quality
- d. Dd others

**B: VALUE CHAIN ACTION PLAN**

**NAME OF FO/Cluster:**

**NAME OF Community & LGA:**

**NAME OF LGA FOCAL PERSON:**

**Plan Prepared by:**

**Date:**

1. Priority interventions Identified in Village Profiling/PRA
  - a. Aa
  - b. Bb
  - c. Cc
  - d. Dd
  - e. Ee
  - f. Ff
  - g. Gg
  
2. Component 1 Interventions:  
Examples:
  - a. What? Irrigation Development for ?? farmers/?? Ha/
  - b. When – time frame for completion of all activities –survey & design, cost estimation – formation of water user groups and their training – agreement of scheme O&M with WUG – bidding and selection of contractor – implementation of construction activities – scheme handover and operation
  - c. Where – site/location of scheme including source of water and canal structures
  - d. Who – names and numbers of beneficiaries – Name of executing entity for the scheme - Responsibility for survey, design and cost estimates – bidding and contract management – other related activities responsibility – Water User Group formation and training
  - e. Responsibilities for each of identified main and supportive activities
  - f. Estimated cost
  
3. Intervention No. 2:
  - a. What? Farm to Market Road – From point A to Point B... Total length – type of road (compressed shingle/ Macadam/Black-top
  - b. Feasibility and justification – beneficiaries; production transported – social and economic benefits – cost reduction in transport etc.
  - c. When – time frame completion of main activities – survey & design and cost estimation – acquisition of right of way – bidding and award of work – construction –

- handover for community management – Training and establishment of management group
  - d. Where? Site/location map
  - e. Who? - names and numbers of beneficiaries – Name of executing entity for the scheme - Responsibility for survey, design and cost estimates – bidding and contract management – other related activities responsibility
  - f. Responsibilities for each of identified main and supportive activities
  - g. Estimated cost
4. Intervention No. 3 – Matching Grant Activities – For FOs and for Processors
- a. Purpose and rationale
  - b. Detail of beneficiary (ies)
  - c. Beneficiary contribution and basis of calculation
  - d. VCDP contribution
  - e. Implementation and procurement arrangements and timelines including responsibilities of various partners – terms and conditions paper and its signing between VCDP and beneficiary
  - f. Post handover Performance supervision methodology
  - g. Safeguards against misuse
5. Others:
6. **Component 2 Interventions:**
7. **Summary of FO/cluster and Processor wise interventions and estimated costs:** The costs are expected to be fair estimates that should provide a basis to State Programme Office about the total sums involved in each cluster to assess whether they are as per criteria and within permissible limits. Actual costs will be determined on the basis of detailed design by concerned technical agency/service provider.
8. **Summary of total beneficiaries, gender-wise for each proposed intervention.**