

Nigeria

Value Chain Development Programme

Supervision Report

Mission Dates: 20/09/2021-25/10/2021

Document Date: 25/11/2021

Project No. 1100001594

Report No. 5914-NG

West and Central Africa Division
Programme Management Department

Abbreviations and Acronyms

| | |
|-----------------|--|
| AWBP | Annual Work Plan and Budget |
| ATIC | Agricultural Transformation Implementation Council |
| ADP | Agricultural Development Project |
| BCR | Benefit Cost Ratio |
| BP | Business Plan |
| CAF | Commodity Alliance Forum |
| CASP | Climate Change Adaptation and Agribusiness Support Programme |
| COP | Conference of Parties |
| COSOP | Country Strategic Opportunities Programme |
| GALS | Gender Action Learning System |
| GHG | Green House Gases |
| ESMP | Environmental and Social Management Plan |
| FGN | Federal Government of Nigeria |
| FFB/BS | Farmer Field/Business School |
| FMARD | Federal Ministry of Agriculture and Rural development |
| FO | Farmer Organization |
| GAP | Good Agricultural Practice |
| GPS | Global Positioning System |
| GIS | Geographic Information System |
| IITA | International Institute of Tropical Agriculture |
| IRR | Internal Rate of Return |
| LGA | Local Government Area |
| LOP | Life of Programme |
| MG | Matching Grant |
| MIS | Management Information System |
| MTR | Mid-term Review |
| M&E | Monitoring and Evaluation |
| Mt | Metric tons |
| MoU | Memorandum of Understanding |
| NAIC | National Agricultural Insurance Corporation |
| NAN | News Agency of Nigeria |
| NCAM | National Centre for Agricultural Mechanization |
| NIMET | Nigerian Meteorological Agency |
| NPMU | National Programme Management Unit |
| NRCRI | National Root and Crop Research Institute |
| O&M | Operations and Maintenance |
| PO | Producer Organization |
| PPPP/4Ps | Public-Private-Producer Partnership |
| RUFIN | Rural Finance Institution Building |
| RIMS | Results and Impact Measurement System |
| SECAP | Social, Environmental, Climate Assessment Procedure |
| SOE | Statement of Expenditure |
| SON | Standard Organization of Nigeria |
| SPMU | State Programme Management Unit |
| TOHFAN | Tractor Owners Hiring and Finance Association of Nigeria |
| ToT | Training-of-Trainers |
| USAID | United State Agency for International Development |

| | |
|---------------|---|
| UNFCCC | United Nations Framework Convention on Climate Change |
| VCAP | Value Chain Action Plan |
| VCDP | Value Chain Development Programme |
| VCSC | Value Chain Steering Committee |
| WA | Withdrawal Application |

A. Project Overview

| | | | |
|-------------------|------------------------------------|------------------------------------|---|
| Region: | West and Central Africa Division | Project at Risk Status: | Not at risk |
| Country: | Nigeria | Environmental and Social Category: | Moderate |
| Project Name: | Value Chain Development Programme | Climate Risk Classification: | Moderate |
| Project ID: | 1100001594 | Executing Institution: | Ministry of Agriculture and Rural Development |
| Project Type: | Agricultural Development | Implementing Institutions: | not available yet |
| CPM: | Mariatu Kamara | | |
| Project Director: | Ameh Onoja - Programme Coordinator | | |
| Project Area: | not available yet | | |

| | | | |
|----------------------------------|-------------------|---------------------------|------------|
| Approval Date: | 03/04/2012 | Last audit receipt: | 30/06/2021 |
| Signing Date: | 23/08/2012 | Date of Last SIS Mission: | 25/10/2021 |
| Entry into Force Date: | 14/10/2013 | Number of SIS Missions: | 12 |
| Available for Disbursement Date: | 14/10/2013 | Number of extensions: | 2 |
| First Disbursement Date: | 19/09/2014 | Effectiveness lag: | 18 months |
| MTR Date: | 12/05/2018 | | |
| Original Completion Date: | 31/12/2019 | | |
| Current Completion Date: | 31/12/2024 | | |
| Financial Closure: | not available yet | | |

Project total financing

| | | |
|-------------------------------------|------------------------------------|----------------------|
| IFAD Financing breakdown | IFAD | \$50,000,000 |
| | West and Central Africa Division | \$471,788 |
| | IFAD | \$74,380,562 |
| | IFAD | \$89,097,000 |
| Domestic Financing breakdown | National Government | \$15,600,041 |
| | Private sector local | \$18,520,000 |
| | Beneficiaries additional financing | \$11,696,000 |
| | Beneficiaries additional financing | \$1,200,000 |
| | National Government (add) | \$10,784,000 |
| | National Government (add) | \$27,800,000 |
| | Beneficiaries | \$8,068,690 |
| | Private sector local | \$15,000,000 |
| Co-financing breakdown, | Rural Poor Stimulus Facility | \$1,105,916 |
| | Co-financiers | \$6,800,000 |
| Project total financing: | | \$330,523,997 |

Current Mission

| | |
|--------------------|-----------------------|
| Mission Dates: | 20/09/2021-25/10/2021 |
| Days in the field: | 9 days |

Mission composition: Mariatu Kamara (IFAD Mission Lead/Programme Officer); Jonathan Agwe (IFAD Project Technical Lead); Yumi Sakata (IFAD Programme Analyst); Adebayo Ogunnyi (IFAD Country Programme Analyst); Paul Picot (Lead Consultant/ Economic Inclusion expert); Francis Nwilene (Production and Productivity Enhancement consultant); Ifeyinwa Achike (Gender and Social Inclusion expert); Christian Chege (Nutrition expert); King'ori Wathobio (Rural Infrastructure Expert); Fasona Mayowa (Environment and Climate Change Expert); Franklin Ibemessie (Procurement expert); Ndawazhile Wathobio (Monitoring and Evaluation expert), David Atugonza (Financial Management expert); Garba Bala (VCDP National Project Coordinator); Bright Wategire (Director PCU, Federal Ministry of Agriculture); Peter k Kush (Deputy Director PCU; Federal Ministry of Agriculture); Maruf Ajenifuja (Assistant Director, Federal Ministry of Agriculture); Mustapha Mohammed (Assistant Director, Federal Ministry of Agriculture); Abdulsalam Jamilu (CEO PCU, Federal Ministry of Agriculture); Aminu Saidu (Assistant Chief Animal Husbandry Officer, Federal Ministry of Agriculture); Abbas Muhammed Nazir (Deputy Director, Federal Ministry of Finance); David Effih (Senior Finance Officer, Federal Ministry of Finance); Aso Vaksoporaye (Director, Federal Ministry of Finance); Shola Mshelia (Principal Planning Officer, Federal Ministry of Finance)

Field sites visited: Kogi and Ogun states: Kogi State Government, Gaskiya Rice Processing Centre, Cassava Demo plot, Farm of Youth Entrepreneur, New Gaskiya processing centre, Ogun State Government, Eredo Youth Cluster, New Mini-Cassava Processing Centre with Creche

B. Overall Assessment

| Key SIS Indicator #1 | Ø | Rating | Key SIS Indicator #2 | Ø | Rating |
|---|---|--------|--|---|--------|
| Likelihood of Achieving the Development Objective | | 4.73 | Assessment of the Overall Implementation Performance | | 3.92 |

| | | | |
|--|----------|---|----------|
| Effectiveness and Developmental Focus | 5 | Project Management | 4 |
| Effectiveness | 5 | Quality of Project Management | 4 |
| Targeting and Outreach | 5 | Knowledge Management | 4 |
| Gender equality & women's participation | 5 | Value for Money | 4 |
| Agricultural Productivity | 5 | Coherence between AWPB and Implementation | 4 |
| Nutrition | 4 | Performance of M&E System | 4 |
| Adaptation to Climate Change | 4 | Social, Environment, and Climate Standards requirements | 4 |

| | | | |
|---|----------|---|----------|
| Sustainability and Scaling-up | 5 | Financial Management and Execution | 4 |
| Institutions and Policy Engagement | 5 | Acceptable Disbursement Rate | 4 |
| Partnership-building | 6 | Quality of Financial Management | 4 |
| Human and Social Capital and Empowerment | 5 | Quality and Timeliness of Audit | 4 |
| Quality of Project Target Group Engagement and Feedback | 5 | Counterparts Funds | 3 |
| Responsiveness of Service Providers | 4 | Compliance with Loan Covenants | 4 |
| Environment and Natural Resource Management | 4 | Procurement | 4 |
| Exit Strategy | 5 | | |
| Potential for Scaling-up | 5 | | |

| | |
|------------------|----------|
| Relevance | 6 |
|------------------|----------|

C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

1. **VCDP Development objective.** The Value Chain Development Programme was designed to support the Government of Nigeria in tackling two major challenges: (i) meet domestic food requirements, and (ii) address the issue of low productivity by modernizing an input system and farming model that is largely inefficient. VCDP's objective is to enhance the incomes and food security of poor rural households engaged in the production, processing, and marketing of rice and cassava in targeted states on a sustainable basis. Rice and cassava are both high priority in the National Agricultural Investment Plan (NAIP) with the potential to enhance the income of smallholder farmers and significantly contribute to poverty reduction and food security. While Nigeria is one of the largest producers of rice in Africa, it is also one of the largest rice importers in the world. The country is also the largest producer of cassava in the world. Most of the cassava produced in Nigeria is consumed domestically with little or no value addition. Nigeria's inability to effectively tap into the rice and cassava market reduces the opportunity for smallholder farmers – and in particular rural women – to expand their income base and improve their livelihood. It also reduces the opportunity to provide services that translate to decent jobs for the youth.
2. **Project area.** VCDP is implemented in nine states: Anambra, Benue, Ebonyi, Enugu, Kogi, Nasarawa, Niger, Ogun, and Taraba. The primary target groups for the programme are rural smallholder households engaged in cassava and rice value chains. This includes asset-poor farmers owning or cultivating up to 5 ha of land, small-scale processors, traders, and local dwellers engaging in the provision of services required by the three key stakeholders (producers, processors, and traders). Given the VCDP market approach, it specifically targets poor rural households with the potential for surplus production and market linkages. The entry point for VCDP is through the farmer groups. It aims to strengthen their production and market knowledge as well as link the farmers to sustainable market outlets to sell their produce.
3. **Target groups.** The primary target groups for the programme remain rural smallholder households engaged in the cassava and rice value chains. This includes asset-poor farmers owning or cultivating up to 5 ha of land, small-scale processors, traders, and local dwellers engaging in the provision of services required by the three key stakeholders (producers, processors, and traders). Women and rural youth are core target groups for VCDP. The programme originally targeted 100,000 beneficiaries comprising 91,000 producers, 8,000 processors, and 1,000 traders. With AF 2019, the number of direct beneficiaries increased from 100,000 to 135,000 by 2024 (121,000 producers and 14,000 processors and traders). Out of its total number of target beneficiaries, VCDP will aim to reach 69,000 men (51 per cent) and improving gender outreach to 66,000 women (49 per cent). Youths will represent at least 45 per cent of the direct beneficiaries.
4. The project is structured around three main components:
 - Component 1: Agricultural market development, 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 raw materials. The component is divided into two sub-components, i.e. (i) Support to value addition and market linkages, and (ii) Support to value chain infrastructure.
 - Component 2: Smallholder Productivity Enhancement, to enhance smallholder farmer productivity on an economically and environmentally sustainable basis to increase incomes and employment, improve food security and reduce poverty. The component has two subcomponents: (i) strengthening of Farmers Organizations (FOs); and (ii) support to smallholder production.
 - Component 3: Programme coordination and management.
5. **Project cost.** At the original design, the total project cost estimate was US\$101.6 million, including a loan of US\$74.4 and a grant of US\$0.5 million from IFAD. In 2018, IFAD approved additional financing of US\$89 million raising the total project costs to US\$238.5 million including additional leveraged counterpart funds. With the 2019 AF, VCDP will have a total cost of US\$329.5 million.
6. **Project key dates.** VCDP is in its eight's year of effectiveness. VCDP's original loan came to completion on 31 December 2019 with closure on 30 June 2020. VCDP AF1 was effective since 4 March 2019 with a completion date of 31 December 2022 and a closure date of 30 June 2023. In December 2019, IFAD approved second additional financing of USD50 million to VCDP (AF2), bringing IFAD's new financing to VCDP to a total of USD 140 million with an extension of the completion date to 31 December 2024 and closure date to 30 June 2025.
7. **Rural Poor Stimulus Facilities (RPSF II).** Against backdrop of COVID-19 pandemic, IFAD extended the second allocation to the government of Nigeria targeting the worst affected smallholders in the Middle Belt regions for the delivery of an agricultural stimulus and resilience input package. The objective of RPSF II is to help the worst affected smallholders in VCDP communities to bridge this time of crisis, maintain production during the 2021/2022 farming seasons and to ensure that they can benefit from VCDP services going forward. RPSF II with a grant of USD 1.1 million will be implemented from July 2021 to June 2022. Following IFAD's decision to provide RPSF II through VCDP, Project's amended financing agreement was agreed and signed by the Federal Minister of Finance, Budget, and National Planning on 20 August 2021.
8. **Mission Objectives**
9. The 9th joint Federal Government of Nigeria (FGN) and International Fund for Agricultural Development (IFAD) supervision mission of the Value Chain Development Programme (VCDP) was conducted from 20 September to 25 October 2021.
10. Following restrictions of movement by IFAD and the Federal Government to mitigate the spread of COVID-19, part of the joint supervision mission was conducted remotely. The joint mission reviewed progress report and related documents submitted by the National Project Coordination Office (NPCO). The joint mission also held working sessions with Government officials at

Federal and State levels, National and State Project Coordinating Offices (N/SPCO) and service providers to discuss the status of implementation. Discussions were held with representatives of the partner state governments including Kogi and Ogun states. Meetings were also held with implementing partners.

11. Lead Agencies of the Government of Nigeria also complemented the joint mission with a field visit from 21 to 29 September 2021 with the objective to assess project implementation progress, provide implementation support and verify key achievements through interaction with the management staff of the project. The wrap up was held on the 25th October 2021 and was chaired by a representative of the Federal Ministry of Agriculture and Rural Development Mr Bassey .
12. The joint mission would like to express its appreciation to the FGN and the N/SPMU staff for the collaboration, logistic support and contributions extended during the Mission.
13. **The objectives of the joint mission** were to (i) assess the implementation progress and achievement of outputs by component and outcome indicators as per the Log-frame revised for VCDP 2019 Additional financing (AF2); (ii) assess the status of implementation of the VCDP 2018 Additional Financing (AF1) since last supervision mission (April 2020 – August 2021^[1]) and of the AWPB 2021: (iii) identify implementation bottlenecks and challenges in the implementation of the original and additional financing and provide a solution to resolving them; (iv) discuss and agree on a set of actions to be implemented in the short-term.
14. ^[1] The 8th supervision mission assessed implementation until 31st March 2020, latest data available at the time of the mission.

Key Mission Agreements and Conclusions

15. As of 31 August 2021, 94,457 individuals (48% women, 37% youth) are receiving services from the Programme, which represents 70% of AF2 LoP target, which is a significant progress since 31 March 2020 (63,088 beneficiaries, 36% women, 49% youth), except for the percentage of youths. Performance in the 9 States as measured by the level of achievements of AF2 LoP targets, achievement of targets for the period under review and achievement of AWPB target is assessed as overall moderately satisfactory (see details in the section Programme progress by subcomponents), VCDP is on track to achieve most of its AF2 LoP targets. The mission however noted inconsistencies in the data reported between data provided by the M&E officer and data provided by the sub components heads, together with some cases of obvious inaccuracy, which calls for specific and urgent action to improve the quality of the data collection and analysis. The mission was informed that the achievements could have been better were it not for delays attributed to the late approval of AWPB for 2021 and inaccessibility of some sites due to flooding and insecurity, as well as impact of COVID 19, although restrictions on movements were lifted in March 2021.
16. With AF2 focusing on (i) increasing the number of beneficiaries to 135,000, (ii) Making VCDP gender transformative and increasing women participation to 49%, (iii) Reinforcing mainstreaming actions on financial inclusion, nutrition and climate change, and (iv) Addressing the issue of low performance of the cassava value chain in terms of access to markets, the mission noted good performance in terms of outreach and women participation (with a total of 94,457 beneficiaries accessing services, out of which 48% of women), and positive actions taken to increase the performance of the cassava value chain, which are expected to bring results in the short term. Performance for mainstreaming areas however remains to be significantly improved, through design and implementation of adapted strategies, recruitment of specialized staff at NPMU and SPMU levels, and through advisory support from the CPAT, which is not yet operational and still in the process of recruiting its specialists.
17. The mission noted serious delays in mobilization of the counterpart funding by the FGN and the states. The mission was informed that VCDP's staff salary is affected by these delays, the counterpart fund covering 100% of state staff salary. The mission also noted a request by the Project to increase staff salary and allowance in line with similar projects, the risk being resignation of staff to join other projects, as recently observed.
18. The level of implementation of the recommendations of the last supervision mission was assessed by the mission as satisfactory.
19. The key recommendations of the mission are:
20. a) Fast track the recruitment for the vacant positions. The Project needs however to confirm relevance of full time mainstreaming and financial inclusion specialists, considering operationalization of the CPAT. The mission recommends that the full recruitment plan which includes the recruitment timing and cost, should be attached to the 2022 AWPB. For the positions not included in the FA, the Project should ensure the submission of Request for No-Objection to the ICO before 30 November 2021.
21. b) Improve the strategies and develop detailed work plans for the mainstreaming areas (by December 2021) to achieve objectives of AF2.
22. c) Ensure that the National and State steering committees meet at least twice a year as per financial agreement and fully play their role in terms of oversight and guidance to the NPMU and SPMU.
23. d) Improve the reliability of the Project data. IFAD should provide as soon as possible implementation support to train the relevant staff at NPMU and SPMU on the M&E framework, including clear and common understanding of the indicators and modalities of collection and verification of the data. Following this support, the project should "clean up" the data and submit revised logframe and project specific indicators status latest by December 2021. Recommendations of the mission regarding revision of some indicators and specification of data to be collected (especially for financial inclusion) should be taken into account during this exercise.
24. e) With the project getting closer to its completion date, it is recommended to update the exit strategy and develop a midterm action plan for approval by the steering committees and IFAD.
25. f) As recommended in the previous supervision missions, efforts should be made by the FGN and the States to mobilize

counterpart funding in arrears and timely release the counterpart funding in the future. The mission recommends that the Project continues to have dialogues with the PCU, State Governments, and Steering Committees for the timely release of counterpart funding. Revisions in the salary and allowances scale which the Project has requested during the mission should be referred to the Federal Government of Nigeria for discussion with IFAD.

26. g) Considering the key advisory role that the CPAT will provide to VCDP, especially regarding mainstreaming areas, the mission recommends that the CPAT, as soon as fully operational, should organize a workshop with VCDP and other supported projects to present CPAT objectives and modalities of support to the projects. VCDP team should then confirm recruitment needs with CPAT for mainstreaming areas.
27. h) The NPC should monitor at least quarterly the status of implementation of the last supervision mission recommendations and provide adequate recommendation to the project staff for timely implementation.

D. Overview and Project Progress

Overview and Project Progress^[1]

28. VCDP is in its 7th year of implementation with 99.9% disbursement for the original financing. As per IFAD records, disbursement for AF1 as at 31st March 2020 stood at 6.73%. This is as a result of the Initial Deposit (Advance) made to the project of USD 6 million to ensure liquidity for start-up of AF1. There was an overlap in the implementation of the original financing and AF1 from March 2019 to Dec 2019. During this period, VCDP focused on implementation readiness for activities under AF1 with the implementation of some appreciable level of activities, including farmers identification and profiling, sensitization, formation of groups in line with VCDP requirements, provision of trainings to reorient the groups on VCDP, amongst others.
29. VCDP has developed efficient approaches to mitigate impact of the COVID19, mostly using digital tools, including use of social media platforms to pass information to staff and beneficiaries. Many farmers also relied on the Agricultural Market Information System (AMIS) platform to access market information. The members of the CAF were used as agents to facilitate awareness creation regarding the mitigation measures of COVID-19 (for adoption of WHO and NDC guidelines on control of COVID19 and use of Personal Protective Equipment (PPE). VCDP's has repurposed its activities as reflected in the 2020 AWPB with priority activities to respond to the FMARD COVID19 strategic plan of short-term and medium-term measures. These priority activities include new activities or approach to address COVID19 impact like provision of PPE/Hand wash/Sanitizers at Processing centers/markets/meeting places, fumigation of processing centers/markets/aggregation centers, storage support, deployment of digital technologies, awareness creation on the COVID-19 prevention measures & Issuance of ID/ PASS to profiled VCDP Smallholder Farmers/Processors/Marketers and provision of production inputs with reduction of matching grant ratio for the beneficiaries^[1].
30. **Targeting and outreach:** As of 31 March 2020, 63,088 individuals are receiving services, which represents 63% of AF1 LOP target, (36% women, 49% youths), including 14,153 new beneficiaries under AF1 since March 2019 (36% women, 67% youth). During this period, VCDP also profiled 46,075 members in 2,732 FOs for 2019 and 2020 planting season. A total of 31,021 youth has been reached (9,521 under AF1, 124% of AF1 LoP target). A Youth and Gender Strategy was developed in 2019 but needs to be strengthened to provide inactive activities and outcomes from various actions.
31. **Disbursement status.** VCDP's disbursement under the 2021 AWPB stands at US\$ 8.84 million as of 31 August 2021 which represents 55% of the budgeted amount. Traditionally implementation takes off during the last quarter of the year therefore there are indications that VCDP will fully utilize its budget for 2021.

| Component/ Subcomponent | Disbursement 2021 (Jan-August) | |
|---|------------------------------------|----|
| | Amount | % |
| | (USD '000) | |
| Support to value chain and Market linkages(1.1) | 0.5 | 6 |
| Support to market infrastructure (1.2) | 2.98 | 34 |
| Support to Farmer Organization(2.1) | 0.2 | 2 |

| | | |
|--|-------------|------------|
| Support to smallholder productivity(2.2) | 2.49 | 28 |
| Management and coordination (3) | 2.67 | 30 |
| TOTAL | 8.84 | 100 |

32. The original loan disbursement stands at 99.9%. AF1 disbursement stands at 30% (balance of US\$ 62.7 million). AF2 disbursement is at 0% (USD 50.0 million undisbursed). With a total of over USD 113.9 million still available, and with a completion date of 31 December 2024. The projects were given disbursements caps in 2019, 2020 and 2021, therefore there is an uphill task to fully absorb the available balances of VCDP. This would mean disbursing this entire amount in less than about three years from now. However, this is not supported by the current year disbursement trend. For instance, out of a budget of US\$ 16.0 million amount for 2021, only 55% (US\$ 8.8 million) had been disbursed by August 2021, and only US\$ 14.4 million and US\$ 11.6 million were respectively disbursed in 2019 & 2020 by year end because of the disbursement caps. Given the effect of the disbursement cap trends and Covid 19 effects on implementation, the project needs to request for the extension of completion date and closure dates by two years (31st December 2026 and 30th June 2027 respectively).
33. Below is the summarized status of implementation and main recommendations per subcomponent and mainstreaming areas:
34. **Component 1: Agricultural Market Development**
35. **Subcomponent 1.1: Support to Value Addition and Market Linkages**
36. Overall the mission noted good progress in implementation of this sub component, with in particular impressive achievements in linking farmers to off takers, although performance remains better for rice than cassava, the key role played by the CAF as a forum facilitating business transactions (especially between FOs and off takers), knowledge sharing, conflict resolution and policy dialogue, involving farmers and private and public relevant stakeholders, and access to the target groups to the AMIs, for which the project has developed a web based platform named Evam is for better access, monitoring and tracking of the data and transactions than with Whatsapp, currently used.
37. *The mission recommends to (i) Implement the step-down training for E Vamis and monitor its usage and impact, (ii) Upscale market studies and engagement with large cassava off takers / processors to secure markets for producers, (iii) Define specific business models for the different cassava products identified and assess possibility to develop tripartite contracts FOs – Small processors (for pre-processing)– Large off takers, (iv) provide light TA to small / medium off takers for improvement and development of their services to farmers,(v) Review MoU between farmers / off takers and transform them when possible into contract as already done with some big off takers, for better compliance and enforcement,(vi) Better monitor linkages with off takers: ensure that accurate data is provided for number of FOs and farmers formally linked with off takers, disaggregated for cassava and rice (and for type of product for cassava), monitor whether MoUs and contracts previously signed are renewed and the cause for non renewal, engage with Ebonyi State Government to facilitate engagement of private off takers, (vii) Scale up training on recommended technologies for the small scale processors to achieve AWPB target, (viii) Document CAF governance, organization, business model and activities for harmonization of best practices and develop an action plan and capacity building plan for the executive leaders as part of the exit strategy to prepare CAF for VCDP exit, (viii) Follow up recommendation of the National CAF workshop that FGN should review cassava policy, and (ix) Review the logframe indicator to account for CAF at State, LGAs and Clusters levels.*
38. **Subcomponent 1.2: Support to Value Chain Infrastructure**
39. Implementation of activities during the period under review (April 2020 – August 2021) witnessed varied achievement of targets across the various output indicators during the period under review: (i) construction of 119 km of roads out of which none was constructed because no budget was allocated; (ii) construction of 33 bridges with 6 (18%) achieved; (iii) 77 culverts out of which 40 were (52) achieved; (iv) 70 markets with 44 (63%) achieved; (v) 54 agro-processing facilities of which 35 (65%) were constructed; and, (vi) 9 aggregation/bulking stores out of which 5 (55%) were constructed. The achievements could have been better were it not for delays attributed to the late approval of budgets and inaccessibility of some sites due to flooding and insecurity.
40. Overall performance of the sub component on the slow side with the achievements of the 17 months target for the period under review being far below 100% for many indicators. The median achievement rate of the indicator of this subcomponent remain in 60% against the 18 months target. Late approval of budgets, inaccessibility of some sites due to flooding and insecurity in some instances were cited as some of the causes in delays. However, reports from the states indicate that work is in progress for all the targets, except for road construction, which was not funded.
41. The mission noted that the private based model recommended in AF2 PDR for the processing facilities is not yet implemented by VCDP, and the poor quality of the bookkeeping of the processing facilities. A key recommendation from the 8th supervision mission was that a Road Maintenance Strategy be developed and it was done. However, the Strategy has not adequately addressed the issue of funding for road maintenance activities. It assigns that responsibility to the communities, which should not be the case as this responsibility belongs to the government/LGAs.
42. *The mission recommends to (i) review the Road Management Strategy that had been developed to have the responsibility of*

funding road maintenance activities taken up by State and local governments. The SPMUs should ensure that the LGAs commit to that funding by allocating the maintenance funds in their AWPBs, (ii) consider increasing the contingency provision to 10% in the new contracts due to rising costs of construction material, (iii) Ensure that the private based management models as recommended in the PDR for AF2 are implemented, at least for the new processing facilities to be established, (iv) Improve bookkeeping and financial reporting of the processing facilities in consultation with the sub component 2.1.

43. Component 2: Smallholder Productivity Enhancement

44. Subcomponent 2.1: Strengthening of farmers' organizations

45. Overall, the sub component is on track to achieve AF2 LoP targets, more FOs having been profiled and registered than the LoP target, under condition that adequate focus is given to quality support to the FOs. As of 31 August 2021, 3,126 FOs were reported as reporting improved services to their members, which represents 57% of the AF2 LoP target. This however represents only 67% of the total number of FOs supported by VCDP (4,662), significantly below the AF2 LoP targeted percentage of 90%, and there is need for the project to verify this data and / or to better understand the cause for this low percentage. The mission notes that following sensitization of the project, 7,585 FOs have been registered with the department of cooperatives, far exceeding the AF2 LoP target of 6 050 FOs.
46. The mission was informed about the poor quality of the bookkeeping and records for the FOs, sometimes deliberately as observed by the project. This may affect their sustainability and confidence of their members. The Apex Value Chain Groups (AVCG) are key actors for the exit strategy as their mandate is to provide services to the FOs and play an intermediary role with private and public partners and service providers. Their roles should be well defined and documented and they need to be capacitated for their effectiveness post VCDP.
47. *The mission recommends to (i) Re-engage the well performing SPs without going for a fresh advert for the same services to avoid waste of time and resources through a special dispensation request to the ICO, this however should follow the procurement guidelines. (ii) Strengthen capacity building of FOs in terms of bookkeeping and records and develop a cost effective controlling system with adequate sanctions / measures in case of mismanagement, (iii) Document the mandate and functions of the AVCG and develop a capacity building plan for their executive leaders, (iv) to allocate adequate human resources and budget to ensure adequate capacity building of the FOs and AVCG, as well as on site coaching and supervision (by SP, SPMU and NPMU).*

48. Subcomponent 2.2: Support to smallholder production

49. Overall, the programme has made noticeable progress by providing extension support on good agronomic practices to 31,339 Farmer Field Business School (FFBS) farmers in 2020 and 2021. The programme reports increase in crop yields by 125% in rain fed lowland rice, 190% in irrigated lowland rice, and 180% in cassava because of (i) the recruitment of experienced private sector extension service providers engaged to provide extension service delivery to FFBS farmers on good agricultural practices, (ii) the cultivation of improved planting materials (rice seed + cassava stem cuttings), and (iii) the use of lead farmers to step down extension service delivery to other farmers. The programme created a total of 1,717 jobs directly linked to production activities between 2020 and 2021. The programme also contributed 118,108 MT of rainfed rice and 318,534 MT of cassava to the domestic food basket. VCDP also contributed to Nigeria's economy from sales of rice paddy at USD 45.87 million, and from sales of cassava at USD 27.06 million.
50. The mission recommends that VCDP (i) fast track procurement and budget approval processes by the Federal Government of Nigeria and IFAD's no objection to ease the commencement of input provision and distribution to farmers early enough in the planting season, (ii) reduces or go back to the previous modalities of 50 – 50% for the 2 cycles supported by matching grant for inputs, and (iii) mainstreams visible and tangible climate change adaptation and mitigation, and nutrition activities into agricultural production.
51. Concerning the Rural Poor Stimulus Facility (RPSF) grant, VCDP is currently validating 2,775 vulnerable rice farmers enlisted to participate and benefit from the Federal Government of Nigeria's COVID-19 Agricultural Mitigation and Sustainability Plan to minimize the impact of COVID-19 crisis and flood devastation on vulnerable smallholders' farming activities by supporting their timely access to agricultural inputs. VCDP is also partnering with PAD (Precision Agriculture for Development) on digital extension training of farmers to strengthen existing FFS training of farmers through text messages on good agricultural practices.

52. Component 3: Programme management and coordination

53. VCDP management continued to demonstrate commitment in delivering result-focused implementation. The frequent management meetings as well as National and State Steering Committees discuss issues and challenges the Project faces. However, coordination with the SPMUs and the responsibilities at the National and Steering Committees should be improved. The Project completed the recruitment of key staff for the three SPMUs as well as the three officers at the NPMU. The Project should develop a comprehensive recruitment plan and attach to the 2022 AWPB. The CPAT should be operational without further delay and provide advisory services to VCDP. CPAT should also confirm recruitment needs for VCDP for mainstreaming areas. The issue of data quality should be addressed urgently.
54. *The mission recommends to (i) Ensure that steering committees are held twice a year, and that discussion points at the steering committees should be summarised and relevant issues/recommendations shared among the VCDP staff and partners/services providers, (ii) Prepare the staff recruitment plan for 2022. (iii) Improve analysis of outcomes and submit progress reports at least on a half yearly basis, including lessons learnt, challenges, and recommendations in a timely and accurate manner, (iv) Improve internal communication tools, (v) Clarify and document criteria and consultative processes to prioritize AWPB activities considering budget limitations, (vi) Submit to ICO RPSF's AWPB and fast track the implementation, (vii) Update the exit strategy and develop a midterm action plan for implementation for approval by steering committees and IFAD.*

55. Mainstreaming areas

56. Gender equality and women's participation

57. VCDP gives priority to women's participation. The cumulative total number of women reached has increased from 22,602 in the 8th (last) mission supervision report to 45,339 women, representing 48% of all beneficiaries reached to date and 67.7% achievement of the AF2 target. In response to the recommendation of the previous report to increase focus on women, it is important to note that, Niger, Kogi and Enugu have far more female than male beneficiaries with Niger recording 98.8% women as against 1.2% men. The female beneficiaries in Niger had hitherto been low due to cultural and religious factors that constrain women. Evidently, the improved women participation is credited to the gender transformation strategies employed, which attempts to address issues of gender inequality by actively scrutinizing, querying and modifying rigid gender norms. However, despite these positive achievements, the issue of land allocation to women and youth still persists, necessitating the need to strengthen the strategy with targeted collaboration and core expert involvements.

58. *The mission recommends the prioritisation of land allocation to landless women and youth in the programme and (ii) using of Civil Society Organizations (CSOs) and Gender Experts in tertiary academic/research institutions for specialized advocacies to men and traditional gate keepers and involving them in the sustained implementation of GALs training and gender mainstreaming as part of VCDP exit strategy.*

59. Climate change and environment mainstreaming

60. The mission notes that activities designed to improve adaptation to climate change, improve environment and natural resources management and strengthen the resilience of smallholder agricultural value chain actors are on course through resilience-enhancing activities spread across subcomponents and SECAP-triggered activities and strategic recommendations. VCDP is installing infrastructure for integrated waste management and resource efficiency and climate information services, promoting awareness and capacity building for health and hygiene, deepening conflict resolution mechanisms and sign-on to climate risk-based insurance, conducting technical studies, and building partnerships. However, there is no documentation on the ownership/management structure and O&M strategies, lessons learnt and challenges for redesign and upscaling for SECAP-triggered climate and environment mitigation infrastructure – biodigester, cassava peel converter, rice husk briquettes, rice husk burning steam parboilers, solar driers, and mini-weather stations. Some of the technical studies conducted are deficient and require technical backstopping.

61. *The mission recommends to (i) develop a detail report of the ownership/management model, performance, O&M strategies, lesson learned, and challenges of installed climate change related infrastructure – biodigester, cassava peel converter, rice husk briquettes, rice husk burning steam parboilers, solar driers, and mini-weather stations, and (ii) ensure input of an Expert (CPAT Climate Change Specialist) in TORs and review of final reports of climate and environment related technical studies reports.*

62. Nutrition mainstreaming

63. Nutrition activities are mainstreamed in the cassava and rice value chains to ensure the program activities are actually leading to improved nutrition of target beneficiaries. VCDP has provided *substantial* support to producers and processors in rice and cassava value chains to improve nutrition of the beneficiaries. The program has been supporting production and processing of pro-vitamin A bio-fortified cassava, training cassava producers on intercropping with legumes (cowpeas and soybeans), cassava and rice processing, supporting home gardens for women, women empowerment, nutrition education, and provision of clean and safe drinking water to communities. In terms of the AF2 LoP nutrition target for the output level indicator (*CI.1.1.8: Number of Households provided with targeted support to improve nutrition*), the achievement to date is low at 5.17%. Lack of dedicated nutrition experts in the program and a weak nutrition strategy is affecting implementation of nutrition activities in the program.

64. *The key mission recommendations are:*

65. *- Hire dedicated nutrition experts within the program at NPMU (one) and SPMU (one per state) to ensure nutrition is mainstreamed in the program appropriately.*

66. *- Strengthening the program's strategy for mainstreaming nutrition. The program has a nutrition strategy, but it needs to be strengthened to show a clear theory of change, the action plan, implementation arrangements and different pathways of improving nutrition in the program and specific nutrition activities that will be implemented to achieve the nutrition outcome. The strategy should have a strong behaviour change communication component considering that the program heavily relies on production and income pathways for improving nutrition.*

67. *- Fast tracks hiring of the CPAT nutrition expert as recommended during the 8th supervision mission, to give high technical nutrition support to the program;*

68. *- Include nutrition indicators as KPIs for annual reporting in the project to track implementation progress*

69. Financial inclusion mainstreaming

70. The project reported good progress in terms of number of beneficiaries accessing formal financial services (from financial institutions and intra value financing from offtakers for input credit) and trained in financial literacy. The data is however not accurately disaggregated for the different types of financial services, for the different types of service providers, for women and youth and for cassava and rice. Performance of the loan repayment is also not properly informed. Data provided by the project is however not comprehensive and is sometimes obviously not accurate, which raises doubts about the data integrity.

71. As recommend by the last supervision mission, a financial inclusion strategy has been developed, which is of good quality. The

mission noted the good partnership with GIZ / Agfin project on various areas (financial literacy training and studies) and that the project has started identifying and engaging with financial institutions for formal partnership.

72. RFOs have been recruited in the 3 new states. This should also be done for the old states, considering importance financial inclusion for sustainability of the outcomes of the project.
73. *The mission recommends (i) to prioritize activities in the financial inclusion strategy based on available budget and to design a detailed action plan accordingly, (ii) to recruit RFOs in the 6 old states, (iii) that the CPAT financial inclusion specialist review the M&E framework, and train VCDP staff (RFO at National and State level) on understanding of indicators and collection of data, (iii) to Review the MoUs with FIs to include minimal targets and to specify technical assistance to be provided. Role of VCDP should also be clarified to avoid substitution for activities that should be conducted by the FIs as part of their core business, and (iv) to select a limited number of partner FIs, with priority to FIs that have a wide geographic coverage, convincing strategy and experience in agricultural finance, and capacity to mobilize funds and guarantees.*

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

| Effectiveness | Rating: 5 | Previous rating: 5 |
|---------------|-----------|--------------------|
|---------------|-----------|--------------------|

Justification of rating

74. The project has reported to have reached 94,457 direct beneficiaries receiving project services as at end of August 2021. This translates to achievement of 69% under the AF2 LoP target of 135,000 beneficiaries. To date, the project has provided results of some of programme development objectives that aim to increase incomes and food security, as of August 2021. For example, the programme has reported 63,226 (63%) producers reporting an increase in profit and 58% of rural farmers and processors accessing formal financial services. The mission was pleased that the programme is reporting outcome-level indicators at this stage.

Log-Frame Analysis & Main Issues of Effectiveness

75. **Outreach.** As of the mission, VCDP has reported to have reached approximately 69% of their revised end target of 135,000 beneficiaries. Under the AF1 target of 100,000 beneficiaries, this translates to 94% achievement. In the reporting financial as of August 2021, the programme reported 24,363 (203%) achieved out of the annual target of 11,985 beneficiaries.
76. **Programme Development Objectives.** Through an updated logframe, the NPMU has provided results on outcome indicators regarding access to financial services. VCDP has reported a cumulative of 63,226 (58% of the revised AF end target) rural farmers and processors accessing formal financial services as of August 2021. Another development objective indicator reported is the percentage of persons/households reporting adoption of environmentally sustainable and climate-resilient technologies. VCDP has reported 78,114 (men - 44,525 - 67%, women 33,589 -43%; and youth - 29,683 – 38%). This achievement represents 82% of the AF2 LoP targets.
77. **Outcome 1.1.** This outcome measures the increased value addition and access to markets realized by men and women beneficiary smallholder farmers as well as small and medium-scale processors. Additionally, the programme has reported a cumulative of 63,226 (63% of the revised target of rural men and women-led enterprises reporting an increase in profit. Another core outcome indicator measured is the percentage of rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities. VCDP has reported achievement of 3,126 rural producers (74% of the AF2 LoP).
78. **Outcome 1.2.** This outcome measures demand-driven infrastructure investment for access to markets realized and management by beneficiary organizations. The outcome indicator is the percentage of persons/households reporting improved physical access to markets, processing, and storage facilities - CORE 2.2.6. The project has reported 56,674 beneficiaries achieved (60% of AF2 LoP targets).
Outcome 2.1. This outcome measures the targeted FOs in effectively serving their members. The outcome indicator is: Total number of producer organizations members reporting new or improved services provided by their organization. The programme has reported 3,126 producer organizations, out of an AF2 LoP target of 5,445 organizations (57%).
79. **Outcome 2.2.** This outcome measures the production and productivity (in MT) of men and women smallholder rice and cassava farmers in targeted areas. The programme has cumulatively reported an increase in yields of 4 MT (100% of AF2 LoP target) of rainfed fed rice. Furthermore, 4.5 MT (75% of AF2 LoP target) of irrigated fed rice has been achieved. Regarding cassava yields, the programme has reported an increase of 28 MT (93% of AF2 LoP target) achieved.
80. It should be stated that the mission found data inconsistencies where different reports and tables reported by the project were providing different data. This is an area the project will need to work on as it affects effectiveness analysis and creates some questions regarding outcome achievements. As the project is in AF2, they should take the opportunity to improve data reporting of the outcomes and development objectives. The mission did try to provide some capacity and guidance over the mission period. However, there is further required capacity building in IFAD reporting requirements.

81. Achievement of the nutrition AF2 LoP targets at output level (CI.1.1.8: Number of Households provided with targeted support to improve nutrition) is low at 5.17% to date. A similar trend is observed in the achievement over 17 months' target (15.5%) and the 2021 AWPB target achievement by August 31st, which is at 34.7% with only a third of year remaining. The low performance of the nutrition achievements could be attributed to a lack of dedicated nutrition experts in the whole program as well as the lack of a strong nutrition strategy that would act as a guide for the implementation of nutrition activities and interventions.

Development Focus

Targeting and Outreach

Rating: 5

Previous rating: 5

Justification of rating

82. The objective to scale up activities under the programme to reach 135,000 in AF2 in 65 LGAs located in 9 States is very well on course. A total of 94,457 people, out of which have been reached since inception (31,369 in reporting period – 23% of AF2 target). Cumulatively, youth beneficiaries marginally increased to 34,909 (139.6% of AF2 target). The program also reached 1,011 people living with disabilities and 270 groups of people living with disabilities. However, youth and women continue having limited access to cash for the matching contributions they need to access VCDP support for income-generating activities. And high post-harvest handling problems of cassava tubers, leading to higher risks and low turnover attract relatively fewer beneficiaries in the cassava value chain.

Main issues

83. AF2 increases direct beneficiary outreach to 135,000 for 9 States (65 LGAs). In terms of youth, 25% of all matching grants (25,000) are to be allocated to youth (LoP target AF2). All the recommendations of the 8th mission report on youth were met except the one on reclassifying youth age in line with Nigeria's youth policy of 29years cut-off point.
84. Status of implementation
85. A cumulative total of 34,909 youth (139.6% of AF1 and 57.2% of AF2 target) and a cumulative total of 94,457 beneficiaries (94.5% of AF1 and 70% of AF2 target) have been reached since inception. The rate of achievement for the youth and the aggregate is impressive and shows that at this rate, the overall target may be attained before AF2 deadline.
86. As of August 2021, the number of new jobs created reached 5,373, (39.8% of AF2 target), persons trained in income-generating activity reached 36,798 (100.2% of AF2 target), persons trained in production practices and/or technologies reached 75,223 (62.2% of AF2 target) and persons trained in post-production, processing and marketing reached 11466 (81.9% of AF2 target). Out of the 1859ha land that was developed, only 1,799 was allocated (43.85% men, 24.9% women and 30.7% youth) because Kogi and Enugu had not allocated their own as at the time of reporting. The program notes that this represents an improvement in access to land by women and youth, especially considering the fact that most women and youth don't own land in most Nigerian cultures.
87. The project is being carried out in the 9 states that were selected based on several criteria. The selection criteria of the states targeted households that are primarily poor rural households and small-scale processors with priority for women and youth which validates the self-targeting and direct-targeting conditions of IFAD and VCDP uses sex-disaggregated data in most cases, for analyses and monitors same in its report. However, there exists no disaggregated data by gender for AWPB's target and achievements, which should be given priority.
88. Implementing partners and staff were diligently selected in line with the relevance and sustainability of the project. The programme was staffed with a Gender and Youth Coordinator at the PSO level as well as Gender and Youth Officers in each participating state and Gender and Youth Agents in the LGAs to lead the VCDP gender and youth strategy.
89. The methodology employed to select the candidates for the first phase of youth enterprise skill development program ensures that beneficiaries were based on merits. However, without a quota for vulnerable groups and strict measures for gender/age proportions, inclusivity may be a problem.
90. Lessons Learned
1. GALS training methodology enhances targeting/training/support of more women and youth FOs.
 2. Conscious use of modern tools and methods improved the competencies and skills of youth in different enterprises, thereby enhancing their participation.
91. Challenges
92. The key challenge is that youth and women continue having limited access to cash for the matching contributions they need to access VCDP support for income-generating activities. Amongst other factors, the economic implications of the still ongoing COVID-19 pandemic has contributed to the difficulties encountered by youth in accessing funding to cover their matching contributions. High post-harvest handling problems of cassava tubers, long gestation period and drudgery persists in the cassava value chain leading to higher risks, less turn-over, and relatively fewer beneficiaries than cassava value chain.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Develop strategies to increase beneficiaries in the Cassava Value Chain Sensitise cassava farmers on innovative ways to improve handling of post-harvest products. If possible, advocate for a ban on the importation of cassava derivatives as is the case with rice. Mechanization of more cassava processing activities like peeling which is mainly done by women can reduce drudgery in the value chain and attract more persons to the enterprise | NPMU | 12/2021 |
| Data disaggregation Disaggregate data by gender and youth for AWPB's target and achievements. | NPMU/ SPMU | 12/2021 |
| Reserve a quota for vulnerable groups Reserve a quota for vulnerable groups in the skill acquisition programme and any other related programs that currently select beneficiaries only on merits. | NPMU / SPMU | 12/2021 |
| Access to financial services Develop more workable and accessible collaborations with financial institutions to improve credit access especially for women and youth | NPMU/ CPAT | 03/2022 |

Gender equality & women's participation

Rating: 5

Previous rating: 5

Justification of rating

93. The report retains a rating of 5 for gender equality and women's participation. There has been an impressive cumulative increase of women to 45,339 women reached (129.5% of AF1 and 67.7% AF2 target) including 22,737 new beneficiaries since March 2020. As of August 2021, 43.9% of total new jobs were created for females, 54.8% of all those trained in income-generating activities were females and 23(42.6%) of the 54 cumulative staff trained were females. However, land access for women remains very low – 24.9% allocated to women as against 43.9% for men. And access to credit for women and youth is still reported as relatively limited. The total number of persons targeted with GALS' messages in the states as of 31st August 2021 showed a representation of 42.8% females.

Main issues

94. There has been systematic and consistent knowledge generation/capitalization by the programme to promote women as custodians of seed knowledge via the gender transformation strategy. Of all the previous recommendations stated, only that of classifying women based on their marital status or responsibility was not followed.

95. Status of implementation

96. VCDP reached 22,737 women between April 2020 and August 2021, bringing the total to 45,339 women reached as of August 2021.

| Project indicator and activities | LoP target AF2 | 17 months target April 2020 - Aug 2021 | 2021 AWPB Target | LoP AF2 Achievement (No) | 17 months Achievement (No) April 2020-Aug-21 | 2021 Achievement Jan- Aug 2021 (No) | LoP AF2 Target Achievement (%) | 17 months target Achievement (%) | AWPB target achievement (%) |
|--|-----------------------|---|-------------------------|---------------------------------|---|--|---------------------------------------|---|------------------------------------|
| Total Number of females receiving programme services | 67,000 | 5,873 | Not available | 45,339 | 22,737 | Not available | 68 | 387 | Not available |

97. The programme allocates 35% matching funds to women and women enterprise groups to upgrade their technologies and capacities. The programme also strengthened women institutions in order to make them participate in project-related decision making bodies and give them a voice in their affairs by: sensitization and training of FOs on group dynamics and group cohesion, creating/strengthening apex organizations including women farmers as well as making sure that at least 30% of group leaders in implementation committees are women, at least 30% of all VCDP groups are women-only groups and that membership of production and enterprise groups comprise at least 25% women. These are evident in available data, progress reports and membership list of given groups.
98. The GALS methodology addresses unequal decision making within the household and communities and uneven access to and control over resources. The GALS methodology records success in increasing overall collaboration and harmony within households and especially increasing joint decision making within households, including joint decisions regarding investments or where to sell their produce. Consequently, women's workload has reduced significantly, and women are able to engage in other economically productive activities. This diversifies family incomes and increases the family's resilience to external shocks. There is however need to take the sensitisation campaign a step further to enhance the role of female decision making at community levels.
99. Lessons learned
100. The use of diagrams, dramas, songs, dances, and symbols as teaching tools, are a good learning tool for non-literate farmers, thus increasing their participation in programme activities. The programme also notes that change is more difficult without involving the broader community and so engaging with peers and norm holders as well as the community as a whole to address gender inequalities, enables women and men to move away from traditional roles and norms, and live their lives happily in their different spaces.
101. Challenges
102. The programme records a shortage of facilitation skills, especially among women who are meant to be priority staff in the program. The reluctance to change traditional/cultural beliefs by extended family members or known associates greatly hinders the progress of gender equality. For example, the GALS methodology introduces new ideologies such as women and youth rights to land access and other rights that are slow to admit/permit.
103. Also, Covid 19 continues to negatively affect the economy, making it more difficult for female beneficiaries to meet labour costs due to scarcity of labour during the lockdown and rising costs. Despite the training on financial literacy for women, there is yet no evidence that their access to credit has improved significantly.

| Agreed Action | Responsibility | Agreed Date |
|--|--|--------------------|
| Transformative training and skills strengthening Six months allocation for transformative trainings of FOs and skill strengthening by service providers may need to be extended especially as available empirical evidence shows that behavioural changes (outcomes) especially culture-based changes take time (many years) to happen | NPMU | 11/2021 |
| Participatory facilitation skills An investment in training and mentoring of experienced project staff is required to overcome the shortage of people with participatory facilitation skills. Linkages with local universities may increase the number of women with relevant facilitation skills. | Technical component coordinators with Gender and Youth Officer | 01/2022 |
| GALS implementation and land allocation Enhance the implementation of GALS and develop other strategies that make more land available for youth and women. Increase sensitization and prioritise land only to landless women and youth in need. Particularly pay advocacy visits to traditional rulers and increase sensitization of men to see the need to allocate land to women and youth | Technical component coordinators with Gender and Youth Officer | 01/2022 |
| Women only groups Strengthen management, leadership and technical capacity of women-only groups to retain control over produce, technology and income | NPMU | 01/2022 |
| Collaboration with CSOs and gender experts Plan collaboration with CSOs and Gender Experts in tertiary academic or research institutions of learning for specialized advocacies (eg to men and traditional gatekeepers) and sustained continuation of GALs training and gender mainstreaming as part of exit strategy | Technical component coordinators with Gender and Youth Officer | 01/2022 |

Agricultural Productivity

Rating: 5

Previous rating: 5

Justification of rating

104. The productivity subcomponent is on track to achieve or exceed most of its AF2 LoP targets, due to adequate provision of inputs to farmers through matching grant and advisory extension services, involving the use of FFBS approach to train farmers on GAP. The high performance in productivity is attributed to the use of qualified PESPs. In this regard, VCDP supported farmers increase their rice yields from 2 to 4.5 t/ha, irrigated rice from 2 to 5.8 t/ha, and cassava yields from 10 to 28 t/ha. VCDP has created 1,717 production jobs for youth. In 2021, VCDP has contributed 118,108 MT of rainfed rice and 318,534 MT of cassava to the domestic food basket. VCDP has also contributed to Nigeria's economy from sales of rice paddy at USD 45.87 million and sales of cassava at USD 27.06 million.

Main issues

105. Status of implementation: 31,339 beneficiaries (20,997 rice farmers and 10,342 cassava farmers) resulting in an 83% achievement of the AF2 LoP target have adopted at least one technology promoted by the programme as well as sustainable and climate-resilient practices. The boost in agricultural productivity of rainfed rice from 2.0 to 4.5 t/ha, irrigated rice from 2 to 5.8 t/ha, and cassava from 10 t/ha to 28 t/ha was attributed to the number of farmer organizations (1,187) that received VCDP supported extension services for the period under review, and the use of improved planting materials.

| Indicators | End Target (Original Loan) | End Target with AF 2019 | Status of as of 31 March 2020 | Status as of 31 August 2021 | Achievement (%) as of 31 August 2021 |
|---|-----------------------------------|--------------------------------|--------------------------------------|------------------------------------|---|
| Yield for rainfed rice produced by targeted smallholders (t/ha) | 4 | 4 | 4.5 | 4.5 | 113 |
| Yield for irrigated rice produced by targeted smallholders (t/ha) | 5 | 6 | 5.8 | 5.8 | 97 |

| | | | | | |
|---|----|--------|--------|--------|----|
| Yield for cassava produced by targeted smallholders (t/ha) | 20 | 30 | 25 | 28 | 93 |
| No. of beneficiaries adopting sustainable and climate resilient practices | NA | 94,500 | 46,775 | 78,114 | 83 |

106. Other issues and challenges

- The delayed commencement of input support to farmers every cropping season is a recurring challenge due to the procurement and budget approval processes.
- COVID-19 pandemic in 2020 affected the implementation of some planned production activities such as on-farm training of farmers on good agricultural practices.
- Insecurity remains a challenge in the VCDP states of Benue, Niger, Ogun, Ebonyi, and Taraba. Currently, rice and cassava farmers in Guma, Logo & Agatu LGAs of Benue State; Shiroro and Kotangora LGAs in Niger State, Bali and Donga LGAs in Taraba State, Izzi in Ebonyi State, Yewa North in Ogun State can hardly cultivate their farms due to insecurity challenges.
- Flooding of farmlands because of increased rainfall intensity across the AF1 states continues to be a challenge. VCDP needs to provide simple weather forecasts/readers by farmer groups with assistance from the Nigerian Meteorological Agency (NIMET) and establish close linkage with the Nigeria Agricultural Insurance Corporation (NAIC) for weather-index insurance coverage of their farmers.
- The lack of capacity for all-year-round production systems remains a challenge to boost production in the VCDP states.
- Access to land and security of tenure system, especially for youth, remains a challenge across VCDP states. VCDP will continue to support access to land for youth by strengthening youth's groups to acquire land on leaseholds.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Delay in procurement and budget approval processes for input support to farmers - Fast track the procurement and budget approval processes by training procurement staff on the use of IFAD NOTUS system - Use the same service provider well known to the programme in the supply of inputs to avoid unnecessary delay in advertising and bidding processes. | NPMU | 03/2022 |
| • Matching grant and matching contributions for agricultural input support to farmers - Reduce or go back to the previous modalities of 50 – 50% for the 2 cycles supported by matching grant for inputs | NPMU/ SPMU | 05/2022 |
| Cassava shelf life - Promote and disseminate improved cassava varieties (e.g. Obasanjo-2 and game changer) with high and stable starch content - Use farm-gate marketing approach to encourage off-takers to buy cassava tubers directly from the farms to the factories | NPMU/ SPMU | 06/2022 |
| Digital advisory extension services to farmers - Use digital advisory extension services to strengthen existing FFS training of farmers through text messages on GAPs by partnering with PxD | SPMU | 06/2022 |

Nutrition

Rating: 4

Previous rating: 4

Justification of rating

107. The program is making slow progress on nutrition mainstreaming. As per the AF2 LoP output indicator targets, the achievement is low at 5.17%. There is need to do more towards nutrition mainstreaming to achieve the set LoP targets. The rating remains at 4 as it was in the previous mission because nutrition mainstreaming is ongoing in the program especially on promotion of pro-vitamin A rich cassava, intercropping cassava with legumes, home gardens, nutrition education, value addition and women empowerment, which are all important activities for improving nutrition of the beneficiaries. If the key challenges highlighted in this mission are addressed, especially on lack of dedicated nutrition experts and strengthening nutrition strategy, the program can achieve the set AF2 LoP targets.

Main issues

108. Mainstreaming of nutrition in VCDP is affected by lack of dedicated nutrition experts in the program and lack of a strong nutrition

strategy with clear guidelines on what needs to be done, how, by who, when, and a clear theory of change. Several actions are required to ensure nutrition is appropriately mainstreamed in the program. First, CPAT should fast track hiring of the nutrition expert to ensure appropriate guidance on nutrition mainstreaming within the program at the high level. The immediate task for the expert will be ensuring the program's nutrition strategy is strengthened and reviewing the baseline MDD-W indicator generated during the supplementary baseline survey to ensure the MDD-W indicator is correctly calculated to attain the correct MDD-W baseline status. Second, dedicated nutrition experts, one at NPMU level and one officer in each state (SPMU) should be hired within the VCDP program to ensure appropriate nutrition mainstreaming and implementation of nutrition-sensitive activities in the program. Under the guidance and support of the CPAT nutrition expert, the program nutrition experts' immediate actions will be revising and strengthening the program's nutrition strategy (explained below) and reviewing the baseline MDD-W indicator generated during the supplementary baseline survey to ensure the MDD-W indicator is correctly calculated to attain the correct MDD-W baseline figures. Third, the VCDP nutrition strategy should be strengthened to include an action plan for implementing nutrition activities, implementation arrangement, timeline, and target beneficiaries with the nutrition activities (type and number). The strategy should also strongly incorporate behaviour change communication interventions for producers and processors. The strategy should show a clear theory of change and impact pathways through which the different program activities at the production, storage, processing, marketing, and consumption levels in rice and cassava value chains can lead to positive nutrition outcomes, and indicate nutrition activities that should be implemented to ensure the intended nutrition outcomes are achieved. Finally, the nutrition output indicator should be included as a KPI for annual reporting.

| Agreed Action | Responsibility | Agreed Date |
|---|--|--------------------|
| Hiring of nutrition expert at CPAT CPAT to fast track hiring of the nutrition expert as recommended in the 8th supervision mission. | CPAT | 12/2021 |
| Including nutrition output indicator as a KPI for annual reporting The nutrition output indicator is currently not among the program's KPIs. It is important to include this indicator as a KPI for annual reporting to ensure progress on nutrition activities is tracked continuously | NPMU | 12/2021 |
| Strengthening of the program's nutrition strategy The program's nutrition strategy should be revised and strengthened to ensure it offers appropriate guidance on the implementation of nutrition activities to achieve the required program nutrition outcomes and targets | Incoming nutrition experts (CPAT/NPMU) | 01/2022 |
| Hiring of nutrition experts at national and state levels within VCDP program VCDP should hire nutrition experts (one at NPMU and one in each state-SPMU level) to ensure appropriate mainstreaming of nutrition and implementation of nutrition-sensitive activities in the program. | NPMU | 02/2022 |

Adaptation to Climate Change

Rating: 4

Previous rating: 3

Justification of rating

109. Climate adaptation activities including rehabilitation of climate-vulnerable market-connected farms roads, water infrastructure, training in good agronomic and climate resilient practices and provision of small irrigation structures to deepen dry season production are mainstreamed and being implemented across subcomponents. In addition, climate mitigation activities including conversion of cassava waste to livestock feed and cassava effluent to biogas and production of briquettes from rice husks to reduce reliance on fuelwood recommended in the SECAP and ESMF are reflected and being implemented in the 2021 AWPB. However, some of these strategic activities are largely standalone, ad-hoc, and at the pilot stage, and with no clear targets.

Main issues

110. VCDP is rated **high risk** in terms of climate risk. Climate change mainstreaming in VCDP aims to strengthening adaptive capacity and improving the resilience of smallholder value chain actors. Climate resilience-enhancing activities with clear targets are mainstreamed across SC 1.2 and 2.2 and implemented in the 2021 AWPB. Resource efficiency is a key climate mitigation strategy triggered by the SECAP and ESMF, and includes conversion of cassava waste to livestock feed, installation of bio-digester to convert cassava effluents to biogas, and production of briquettes from rice husks to reduce reliance on fuelwood. These are reflected as strategic recommendations for implementation in the 2021 AWPB.

111. **Status of implementation:** The logframe indicators achievements suggest that activities designed to strengthen resilience are on course. As of August 2021, 78,114 persons/households (82.7% of the LOP target of 94,500, representing 33.2% increase over the 46,775 persons/households as of March 2020) consisting of men:44,525 (67%), women:33,589 (43%) and youth:29,683 (38%) are reporting adoption of environmentally sustainable and climate-resilient technologies and practices (CI 3.2.2). 10,215 persons were provided with climate information services in 2021 when the activity started (CI 3.1.2), and 94,028 hectares of land have been brought under climate-resilient management (CI 3.1.4).

112.4 Nos. facilities to pilot conversion of cassava peels into animal feeds, 6 No. biogas digesters, 6 Nos. solar driers, 4 Nos. rice

husk briquetting machines and 8 Nos. rice husk burning steam parboilers were installed in the period under review (April 2020 to August 2021). 30 Nos. youth were trained on the conversion of rice husk to briquettes and 25 No. youths trained on the conversion of cassava peels to livestock feeds. During the period, 255 SWD +135 Info boards and 22 rain gauges were installed. The MOU with NIMET was signed and analysis of seasonal climate prediction data, development of cropping calendar, and training of farmers and processors on the use of SCP were conducted. 100 farmers and processors benefited from the SCP training through TOT and 1270 through step-down training.

113. **Lessons learned:** The core environment and climate change activities recommended by the SECAP and ESMF continue to be ad-hoc and standalone with no clear targets. This is expected to change with the AF2 with activities with clear targets directly mainstreamed in the subcomponents. A more coordinated approach to implementation is expected in the 2022 AWPB.
114. **Challenges:** There is no documentation of the ownership/management model, O&M strategies, challenges to full utilization, and lessons learned for installed climate mitigation infrastructure. These are critical for redesign and upscaling in readiness for AF2.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Document management models and Lesson learned from Climate mitigation Infrastructure Provide a report on the Ownership/management model, performance, O&M strategies, lesson learned and challenges of installed climate mitigation infrastructure | NPMU | 03/2022 |

b. Sustainability and Scaling up

| | | |
|---|------------------|---------------------------|
| Institutions and Policy Engagement | Rating: 5 | Previous rating: 5 |
|---|------------------|---------------------------|

Justification of rating

115. VCDP is using FOs as the entry point for its interventions. One of the subcomponents of the Project is to institutionally strengthen FOs so that they can provide adequate and sustainable services to their members. The project is also promoting Apex Value Chain Groups, to provide services to the FOs at the cluster level and play an intermediary role with partners and service providers. Another key organization to sustain outcomes of the project is the CAF, a 4Ps forum to facilitate the business transaction, knowledge sharing, and conflict resolution, and policy dialogue at State, LGA, and cluster levels. This constitutes a good and innovative sustainability framework but there is still need to further strengthen all these institutions before project completion as a key element of the exit strategy.

Main issues

116. The mission was informed about the poor quality of the bookkeeping and records of the FOs. This may affect the sustainability and confidence of their members. There is an urgent need to strengthen their capacities through training and on-site coaching and to develop a cost-effective controlling system.
117. The AVCG are key actors to achieve sustainable outcomes as their mandate is to provide of services to the FOs and play an intermediary role with private and public partners and service providers. Their roles should be well defined and documented and they need to be capacitated for their effectiveness. A capacity-building plan should be developed as part of the exit strategy (negotiation skills, recordkeeping, FO and processing units monitoring, policy dialogue, etc).
118. CAF continue to prove their relevance and overall impressive performance as a forum facilitating business transactions (especially between FOs and off-takers), knowledge sharing, conflict resolution and policy dialogue, involving farmers and private and public relevant stakeholders. CAFs are registered with the Corporate Affairs Commission and are increasingly deemed by VCDP target groups and value chain stakeholders as an effective way to sustain and scale up outcomes of VCDP.
119. The fact that CAF are registered with the Corporate Affairs Commission is an important step towards their institutionalization.
120. In terms of policy engagement, VCDP facilitated during the period under review a National CAF workshop entitled "Enhancing Productivity and Market Opportunities for Cassava Value Chain Development". One of the recommendations was that the FGN should review the cassava policy, and implementation of this recommendation should be closely monitored by VCDP since it could address some of the key challenges affecting the cassava value chain performance, as is demonstrated by a conducive rice policy.
121. VCDP has continued to support government policy through the promotion of standard weight and measures. This has led some State governments to issue executive advice to farmers to adopt the use of standard weights and measures in commodity marketing.
122. VCDP has not yet managed to engage with the LGAs to provide budget for road maintenance activities. A recommendation from the 8th supervision mission was that a Road Maintenance Strategy be developed and it was done. However, the Strategy has not adequately addressed the issue of funding for road maintenance. It assigns that responsibility to the communities, which should not be the case as this responsibility belongs to the government/LGAs.
123. The NPMU has an MOU with NIMET and opened communication with the Department of Climate Change of the Federal Ministry of Environment and the National Emergency Management Agency. If pursued, these collaborations will lead towards tracking VCDP's GHG emission savings and contribution to Nigeria's NDC; and engagements toward developing disaster risk reduction

and climate, environmental, and social risk induced disaster compensation framework for the smallholder farmers.

124. VCDP supported the Federal Ministry of Agric Extension Department for the development and promotion of an extension policy.

125. Regarding gender and youth, intuitions and proper policy engagements and collaborations can go a long way in addressing the challenge of limited access to capital and resources – especially land. For example, it is only in 2014 that the supreme court invalidated the Igbo customary law that denied female descendants the right to inherit. Such long-term behavioural and culturally driven practices require structural re-orientation of the policy framework backed by relevant institutions such as the judiciary, development actors, government and law enforcement agencies, and civil society. VCDP may therefore engage/involve appropriate advocacies and gender experts in relevant CSOs and research institutions in part of the design, planning, and implementation of its gender transformation strategy.

Partnership-building

Rating: 6

Previous rating: 6

Justification of rating

126. One of the strengths of VCDP continues to lie in its ability to engage in various result-oriented and stable partnerships to facilitate services to smallholder farmers. Accordingly, VCDP has developed effective partnerships with various local, national, and international/multinational public and private sector stakeholders for various services needed by the beneficiaries. Through the CAF, VCDP has maintained and developed its business relationship with private players in offtake/processing, input supply, and financial services industry.

Main issues

127. The table below lists the main partners of VCDP, with the key objectives of the partnerships. All the partnerships are effective, except the ones with the Department of Climate Change (Federal Ministry of Environment) and the Benue State University which are on course for operationalization. The partnership with the Tractor Owners and Hiring Facilities Association of Nigeria (TOHFAN) was only effective for one year.

| Institution/Organisation | Key objectives of the partnership |
|---|--|
| Major Off-takers / processors (around 20) | To offtake, farmers produce and provide other services under formal arrangements (access inputs, extension, and credit services) under the 4P model |
| African Rice | To train youth on rice seed production. |
| National Root Crop Research Institution (NCRI) | To train youth on cassava stem multiplication/provision of parent materials of recommended cassava varieties for multiplication of cassava cuttings. |
| Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) | To mainstream nutrition-sensitive interventions in VCDP. |
| National Centre for Agricultural Mechanisation (NCAM) | To train youth on operation and maintenance of farm equipment. |
| International Fertilizer Development Center (IFDC) | Supply chain management of agro-inputs distribution to farmers through a voucher system |
| Cellulant | Supply chain management of agro-inputs distribution to farmers (innovative e-platform) |
| Nigerian Meteorological Agency (NiMET) | To provide metrological services for climate-smart agriculture. The farmers receive weekly weather predictions from NiMET |
| Agricultural Development Programme (ADP) | Support for seed production and extension services delivery. Through the ADP, 6 seed laboratories were established in VCDP states |
| Federal Ministry of Agric Extension Department | Support for development and promotion of extension policy |

| | |
|--|--|
| Federal Ministry of Youth and Sports -Citizen and Leadership Centre | To train leaders of FOs on leadership and good governance |
| Nigerian Agricultural Insurance Corporation (NAIC) | To provide insurance for farmers against risks and uncertainties associated with weather and climate change. |
| GIZ/Agfin Program | Financial literacy training, capacity building of Agri SMEs on agribusiness and investment, and linkage to agricultural finance institutions. |
| Tractor Owners and Hiring Facilities Association of Nigeria (TOHFAN) | To provide mechanisation services. |
| National Agricultural Seed Council (NASC) | To certify farmers seeds and quality. VCDP seed entrepreneurs registered with National Agricultural seed Council and seeds from their farms received quality certification and quality assurance |
| Standards Organization of Nigeria (SON) | Provision of grading and standards for the products of cassava, rice and vegetables. VCDP established quality control, grading and standardization systems through collaboration with SON |
| National Agency for Food, Drug Administration and Control (NAFDAC) | Certification of product quality. |
| Commercial/Financial Services Institutions (4 MoUs were recently signed) | Access to adapted financial services to VCDP target groups |
| Harvest Plus | To Train women on production of recipes from Pro vitamin A cassava |
| Agriculture and Food Production Initiative (AFPI) | To Train women on production of recipes from brown rice. |
| Nigeria Emergency Management Agency (NEMA) | To provide emergency response/intervention on disaster and hazards to farmers. |

128. The program has made partnerships with private sector for cassava and rice processing. However, there is need to strengthen nutrition partnerships at the national and State levels beyond private sector engagement for processing to enhance coordination and synergies in implementing nutrition –sensitive activities in the target states. Partnerships should be sought with the government ministries of health and education, Scaling up Nutrition (SUN) network, nutrition departments in various organizations, e.g. universities, research organizations working on nutrition-sensitive agriculture, and development organizations implementing nutrition-sensitive activities. The partnerships especially with the government ministries and private sector will also ensure continuity of nutrition activities after the end of the VCDP program.

129. Partnership with Financial institutions needs to be developed to cover all the 9 States. VCDP has already engaged with several in all the states. The mission is of the view that VCDP should select a limited number of partner FIs, with priority to FIs that have wide geographic coverage, convincing strategy and experience in agricultural finance, and capacity to mobilize funds and guarantees. Specific attention should also be given to development of adapted products for women and youths.

Human and Social Capital and Empowerment

Rating: 5

Previous rating: 5

Justification of rating

130. VCDP has improved human capital by training staff and beneficiaries involved in the project. Overall, 5,704 group leaders have been trained on leadership and good governance, wherein 40.5% were females. The entry procedure into most VCDP activities is through groups, which improves social capital by enhancing synergy within groups for knowledge and experience sharing. All VCDP beneficiaries are exposed to several capacity building measures which include: organising people and grouping them with peers, providing intensive training on technical issues, business management, financial literacy, among others, as well as facilitating linkages with other players, all contribute towards increasing human and social capital of rural dwellers targeted. Raising income enhances beneficiary self-confidence, autonomy, and empowerment.

Main issues

131. The VCDP uses FOs as its prime to reach out to programme beneficiaries and channel a comprehensive package of support to them to address all of the minimal conditions for them to succeed in transforming their own lives. Support packages include training on hard and soft skills meant to ultimately improve beneficiaries' human and social capital. The hard skills include training on rice seed production, mechanized rice harvesting, and threshing, destoning and packaging of milled rice, rice flour production and packaging, improved cassava stem production, quality cassava flour/gari production, production of livestock feeds from cassava peels, business plan development, financial literacy, farm spraying, land preparation using power tiller and production of nutrient-dense products from brown rice amongst others. Development of soft skills includes: training on leadership and good governance skills, nutrition and hygiene counseling for women and children, improving self-confidence in women via GALS, advocating inclusiveness in decision making on households' nutrition, and ultimately, VCDP improves teamwork, communication, work ethic and problem-solving abilities, etc.

132. Status of implementation

133. VCDP employed the GALS approach which uses diagrams, dramas, songs, dances and symbols as its teaching tools. These are renowned and practical good learning tool for non-literate farmers, thus increasing their participation in programme activities. This is evident in the GALS outcome especially in the empowerment of women's social status in the household as well as the community. The program led men to see the need for social inclusion and involvement of women in household decision making thus giving them a voice in their family affairs. Eventually, the methodology was used to mend and restore/reconcile broken homes and promote peaceful coexistence between spouses and community members. VCDP has greatly improved inequality in access to land between men and women, though much more needs to be done.

134. The GALS methodology was not only successful in improving human and social capital in terms of the content of the trainings, but also in the manner in which the trainings were administered. The practice of sitting at equal levels with no high tables during trainings, bringing out the timid members and encouraging them to talk in public, giving respect to everyone and applauding anyone who speaks and the use of peer sharing in all workshops to enhance participatory learning did not only introduce new settings especially in communities with huge social class/gender difference, it generally improved communication and good work space among the beneficiaries.

135. The Financial literacy training is enhancing the knowledge, skills and confidence of the Project beneficiaries to manage their enterprise and personal finances wisely for their enterprise and household benefits. The program teaches insurance and risk management, investment, financial service providers, loan request guidance, maintaining healthy business relationships, and economic implications of bad loans/investments and corresponding solutions.

136. CAF empowers smallholder farmers in their business relations with off-takers, inputs suppliers and financial institutions and leaders are on communication, leadership, business ethics, price negotiation strategy, and team building. The ESMF has provided resources (about USD375,000) and additional support of USD 313,889 for sensitization, dialogue and capacity building for conflict resolution and grievance management, land reform, and sustainable land management amongst others.

137. The capacity building for O&M for infrastructure is quite empowering. The capacity building gives the FOs organisational and management skills that they use, not only for the O&M, but also in other aspects of their lives.

138. VCDP is improving the human and social capital formation and empowerment in climate change and environment, especially through waste valorization. Although data on the number of jobs created through waste valorization was not disaggregated from the total jobs created, field reports from the states show that several jobs have been created in waste valorization especially in conversion of rice husks to briquettes and sales of rice husks.

139. There is a need to employ qualitative and quantitative assessments on the level of impact and outcome of the trainings, in an effort to ascertain to what extent there has been human and social capital development.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Assessment of impact and outcomes of the training Need to employ qualitative and quantitative assessments on the level of impact and outcome of the trainings, in an effort to ascertain to what extent there has been human and social capital development. | NPMU/SPMU | 01/2022 |

**Quality of Project Target Group
Engagement and Feedback**

Rating: 5

Previous rating: 5

Justification of rating

140. The VCDP entry point is through FOs. These groups in most cases are already existing groups of farmers that are made up of persons from different income groups, gender and otherwise. VCDP inquires about the preference of income-generating activities from would-be beneficiaries to support them and provides comprehensive training, key infrastructure, and facilitates commercial linkages, among others. Beneficiaries are reported by the NPMU and service providers to have contributed and participated throughout all steps of development of all infrastructure facilities targeted by the Programme, including identification, survey/design, implementation/supervision. Project outcomes are evaluated, but there is no feedback system on complaints or reports of wrongdoing.

Main issues

141. VCDP service providers, as well as the NPMU, posit that beneficiaries have contributed and participated throughout all steps of

development of all infrastructure facilities targeted by the Programme, including identification, survey/design, as well as implementation and supervision.

142. Baseline surveys are equally done periodically to assess household demographics and socio-economics status so as to design project activities that are tailored to target specific needs. The baseline is comprehensive and employs desk review, and survey data analysis using qualitative and quantitative skills. In terms of project outcomes, the baseline obtains feedback on: the percentage of women reporting improved quality of their diet, persons/households reporting using rural financial services, persons/households reporting adoption of environmentally sustainable and climate-resilient technologies and practices, persons/households reporting adoption of environmentally sustainable and climate-resilient technologies and practices, individuals demonstrating an improvement in empowerment and percentage of individuals demonstrating an improvement in empowerment
143. Furthermore, field reports show to a large extent that the execution of the projects has been beneficial to the communities. Beneficiaries from GALS have particularly expressed more joy in their homes; stating that the sensitisation on social inclusion in home decision making has mended broken homes and strengthened many others. However, there is no evidence that target groups can voice complaints or report wrongdoing, with timely resolution of negative impacts arising in connection with an IFAD-supported project.
144. VCDP involves state and local government authorities in the project as they select the groups that will be reached. These groups have leaderships that are also trained in good leadership and communication skills. This, therefore, achieves 3 key results. First, it gives the opportunity for all beneficiary groups and members of these groups who may not be 'village notables' to have access to information, training, and access to government. Secondly, these groups have become the first point of call and are involved in decision making on matters that directly relate to them. Lastly, the groups via their FOs, serve as a valid platform for an effective and efficient feedback system since it brings together the key stakeholders that contribute to the rice and cassava value chains.
145. The entry strategy of using groups improves the chances for them to continue working together as the group generates benefits for all participants in accessing inputs, technical assistance and markets. The cohesion of groups has been seen to even result in the mobilization of savings among members for investments as well as the sharing of knowledge and indigenous solutions to relatable problems.
146. Concerning climate change and environment mainstreaming, VCDP has strong buy-in at local levels and beneficiaries are providing feedbacks. In Ogun State, the feedback received on health and hygiene (especially on heat circulation and high thermal discomfort during operation) from cassava processors at the Baara site has led to improvement in the design of the new processing facility at Alapako. Feedbacks also show that the daily biogas production capacity of the currently installed biodigester does not significantly support the amount of daily required energy for production. This will be vital for design in upscaling the installation of biodigesters at other processing sites.

| Agreed Action | Responsibility | Agreed Date |
|---|-----------------------------------|--------------------|
| Develop Feedback mechanism on complains and reports of wrong doings from the beneficiaries Develop a responsive feedback system that allows beneficiaries to complain or submit reports of wrong doings about the project implementation without necessarily going through the FOs. | Gender and Youth Officer and NPMU | 03/2022 |

Responsiveness of Service Providers

Rating: 4

Previous rating: 4

Justification of rating

147. For efficiency and quality, most VCDP field-level operations are through service providers (SP). VCDP engages extension service providers to strengthen extension service delivery through FFS training of farmers on GAPs and capacity strengthening of FOs in the areas of business skill, private sector input providers to improve access to inputs, mechanization SPs to facilitate access to machinery for land preparation and harvesting operations, off-takers / processors to facilitate linkage to markets, financial institutions for access to financial services and road constructors to enhance market access. The mission was not able to conduct a comprehensive assessment of the quality of the services of the SP, but no case of bad performance was mentioned by VCDP or identified by the mission.

Main issues

148. The mission reiterates the importance for VCDP to do close monitoring and supervision of the SPs with a focus on the quality of services and achievement of outcomes. VCDP stated during the mission that this is being done by the relevant NPMU Heads of Components for quality assurance in compliance to the ToR of the SPs.
149. The recommendation of the last mission to re-engage the well-performing SPs without going for a fresh advert for the same services to avoid waste of time and resources has not been implemented, and this recommendation is still valid.
150. The recommendation to tie payment of SPs to attestation of good performance in the following ratios: 40% first tranche, 30% second tranche, and 30% third tranche is expected to be implemented for all future engagements as stated by VCDP.
151. The main service providers for infrastructure are consultants and contractors. The reports indicate that their service provision is timely and satisfactory.

152. The climate and environment mainstreaming infrastructure including briquetting machines, cassava peel converters, biodigesters, rice husks-powered parboilers, etc. were fabricated locally, and this has strengthened the local capacity to produce such machines. However, a few O&M issues have been identified. These issues as well as lessons learnt need to be properly catalogued/documentated to guide their upscaling. Field interview with farmers suggests that insurance service providers against flooding, in particular, has been efficient and responsive.
153. The mission notes that there still exists a shortage of women engaged in the facilitation of GALs due to the limited professional skills required. It is worth noting that women are meant to be priority staff in the program, providing service for GALs as well as all other activities ran by VCDP.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Recruitment of Service Providers Re-engage the well performing SPs without going for a fresh advert for the same services to avoid waste of time and resources | NPMU/ SPMU | 03/2022 |
| Payment of SPs Tie payment of SPs to attestation of good performance in the following ratios: 40% first tranche, 30% second tranche and 30% third tranche | NPMU/ SPMU | 03/2022 |

Environment and Natural Resource Management

Rating: 4

Previous rating: 4

Justification of rating

154. VCDP is rated as a category B with medium environmental and social risks. Environmental mainstreaming in VCDP aims to improve the management of environment and natural resources and strengthen production and processing health and hygiene. Training on good agronomic practices, good practices in fertilizers and agrochemicals management, use of improved cultivars and seedlings, and improved technology training through extension/FFS services are mainstreamed through SC 2.2. However, reliance on fuelwood for processing remains high and alternative energy provision from biogas and briquettes are yet to make a significant impact on the rural energy mix.

Main issues

155. Environment and NRM issues in VCDP include hygiene, waste, and sustainable land management which cut across components. Strategic environmental and NRM mainstreaming focus in the 2021 AWPB include: awareness campaign on improved food hygiene, health, environment and safety, training of youth and women in waste valorization, effluent discharge, extension services and training in good agricultural practices, fertilizer and agrochemical applications, use of improved seeds and cultivars, tree replacement around production and processing sites, and provision of PPE, solar dryers and modern drying slabs to improve processing hygiene.

156. **Status of implementation:** 94,028 hectares of land have been brought under climate-resilient management (CI 3.1.4). The status of implementation of some environment, natural resources, health, and safety activities in the 2021 AWPB is shown in the Table below.

| Project activities | Target | Cumulative Achievement | Achieved in AF (July 2020 to date) | Total number of beneficiaries | % Achieved |
|---|--------------------------|-----------------------------------|---|--|-------------------|
| Waste management and Resource efficiency | 3 Solar driers installed | 12 No. solar drier/solar houses | 6 No. solar driers installed | 6 No. groups consisting of 25 persons each i.e., 150 people. | 200 |
| | | 7 No effluent discharge structure | 7 No effluent discharge structure | 7 No. groups consisting of 24 persons i.e., 168 persons. | |
| | 6 Roadshows held | 4 Roadshows held | 4 Roadshows held | | 66% |
| | | | | | |

| | | | | | |
|------------------------|---|--|--|---------------------------------------|-------|
| Health and Hygiene | 60 PPEs distributed | 1,220 PPEs distributed | 1,220 PPEs distributed | | 2033% |
| | 60 Demos carried out | 17 demos | 17 demos | | 28% |
| | 3420 Farmers sensitized | 5,730 farmers sensitized | 5,730 farmers sensitized | | 167% |
| Awareness and Training | 150 people in target group sensitized and trained | 1,676 people sensitized | 1,676 people sensitized | 1,676 persons | |
| | | Pre-season training conducted to farmers on GAP, Sustainable land and Water management, weather index insurance etc. | Pre-season TOT delivered to 126 Farmers | 126 persons + 720 persons (step down) | |

157. In the period under review (April 2020 to August 2021), 1,150 assorted seedlings of economic trees were planted around processing and production sites. 52 ha of rice fields were protected from erosion with bunding, and 1,002 farmers (17% of the 6000 AWPB target) and cumulatively, 15,962 (53% of the 30,000 AF2 LoP target) were protected from seasonal flooding. A rural 'green energy' appraisal was conducted which shows firewood (60.2%) as the dominant rural energy source. VCDP is strengthening partnership for environment and climate change. Discussion has been opened for partnership with the Department of Climate Change on MRV of GHG emission reduction and environmental savings.

158. **Lessons learned:** Activities designed to improve environment and natural resources management and strengthen resilience of value chain actors to environmental shocks are on course. Seasonal flooding continues to be a big environmental risk to production and processing.

159. **Challenges:** The climate change and environment strategy and the green energy study prepared by service providers missed out on important expected outputs with respect to key risks and priorities and likelihood of a viable value chain in briquettes and biogas to reduce reliance on fuelwood.

| Agreed Action | Responsibility | Agreed Date |
|---|----------------|-------------|
| Promote awareness on briquettes and biogas Promote awareness about the viability of briquettes and biogas as alternative energy to fuelwood in processing | NPMU | |
| Technical Backstopping for Climate Change and Environment Reports Ensure Expert input (CPAT Climate Change Specialist) in the TORs and review of reports submitted for climate change and environment related studies | NPMU | |

Exit Strategy

Rating: 5

Previous rating: 6

Justification of rating

160. VCDP exit strategy builds primarily on the establishment and sustainability of FOs, AVCG, O&M committees, enterprises promoted by the project like youth enterprises and processing facilities and of the CAF as a forum to establish and sustain business relations and partnerships between VCDP target groups and private and public VC stakeholders. The fact that CAF are registered with the Corporate Affairs Commission is an important step towards their institutionalization, and they are increasingly deemed by VCDP target groups and VC stakeholders as an effective way to sustain and scale up outcomes of VCDP. With the project getting closer to its completion date, it is recommended to update the exit strategy and develop a midterm action plan for approval by the steering committees and IFAD.

Main issues

161. The Programme documented an exit strategy at MTR in 2018, but this document needs to be updated and a midterm action plan should be developed for approval by the steering committees and IFAD. This should include a detailed capacity building plan for the key institutions that need to be strengthened to become autonomous and sustainable by Project completion.

162. For climate change and environmental mainstreaming, collaboration with NIMET (which has the mandate to provide smallholder farmers with agrometeorological information) has been consummated. Environmental and climate change risk awareness and linkage with NAIC for risk transfer is being deepened. Adoption of good agronomic practices is improving. Creation of additional business/livelihood links in the value chain through waste valorizations and agrochemicals management is being strengthened. These are sure exit strategy for VCDP.
163. Collaborations with similarly focused CSOs and Gender experts will positively and sustainably improve the mindsets of men and traditional beliefs on women's land access, thereby increasing the already recorded achievement of VCDP while sustaining its implications. Sharing the goals of VCDP, methodology and lessons learned during or after the collaboration will add value beyond the work done during VCDP. In addition, regular updating of the teaching tools, advocacy packages and methodology of GALS in particular will make VCDP to stand the test of time, sustainably improve its exit strategy as well as enhance the possibility of uptake of these good attributes by other CSOs and development agencies doing similar work in the same or other climes.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Exit strategy Update the exit strategy and develop a midterm action plan for implementation for approval by steering committees and IFAD | NPMU / SPMU | 12/2021 |

Potential for Scaling-up

Rating: 5

Previous rating: 5

Justification of rating

164. The potential for scaling up of VCDP approach continues to remain high, as demonstrated by scaling up of the VCDP model for the SAPZ project, to be cofinanced by AfDB, IDB and IFAD, partnership with big agribusiness like Olam which has replicated VCDP approach in Plateau state, as well as adoption of VCDP off-taker model in other commodities and locations in Niger and Benue State, adoption of CAF by other states including through CASP in the North and Government's buy-in in the use of weight and measures in other commodities.

Main issues

165. The key features of the VCDP model that have demonstrated their potential for scaling up in the Nigerian context as well as in other countries with similar level of development of the agricultural sector are (i) The private and market led off-taker – farmers model, (ii) the CAF as a 4P forum to facilitate business transactions, knowledge sharing and policy dialogue, (iii) The matching grant approach to facilitate inclusion of the smallholder farmers in the commercial agricultural value chains, (iv) the promotion of youth enterprises for provision of different services along the value chains, and (v) the use of private sector extension service providers and lead farmers for extension service delivery.
166. VCDP's nutrition interventions have also a potential for scaling up. Production and processing of vitamin A bio-fortified cassava which is currently happening at small scale has potential for scaling up for uptake by the local community as well as institutions such as schools and hospitals. Cassava-legume inter-cropping and mixed home gardens which have been piloted in small scale have also showed positive results and have potential for scaling-up. In the long-run, these interventions have potential for scaling outside VCDP States.
167. There is also potential for the scale-up of GALS which evidently shows that its training methodology enhances targeting/training/support of more women and youth.

c. Project Management

Quality of Project Management

Rating: 4

Previous rating: 4

Justification of rating

168. VCDP management continued to demonstrate commitment in delivering result-focused implementation. The frequent management meetings as well as National and State Steering Committees discuss issues and challenges the Project faces. However, coordination with the SPMUs and the responsibilities at the National and Steering Committees should be improved. The Project completed the recruitment of key staff for the three SPMUs as well as the three officers at the NPMU. The Project should develop a comprehensive recruitment plan and attach to the 2022 AWPB. The CPAT should be operational without further delay and provide advisory services to VCDP. CPAT should also confirm recruitment needs for VCDP for mainstreaming area and financial inclusion.

Main issues

169. Steering Committees

170. VCDP held steering committees at both National and State levels at least once during the time under review. The committees raised important issues and challenges but the mission observed that mitigation measures were not fully discussed. The mission recommends that the steering committees fully play their role of guidance to the project and ensure that key challenges and issues are discussed and remedial actions taken or proposed. NPMU and SPMU should ensure taking responsibility to improve the frequency and record-keeping of the committees. The discussion at the steering committees should be summarised and relevant issues/recommendations shared among the VCDP staff and partners/services providers to improve implementation and

solve challenges.

171. Staffing

172. As recommended by the last supervision mission, the Project completed the recruitment of key staff for the new States (Enugu/Nasarawa/Kogi) and the three officers at NPMU: Market and Enterprise Development Advisor, the second Market Development Officer, and Procurement Officer. According to the NPMU, however, the project still needs urgent recruitment for 65 positions. For the above 65 vacant positions, the Project needs to confirm the relevance of full-time mainstreaming and financial inclusion specialists, considering operationalization of the CPAT. The mission recommends that a full recruitment plan which includes the recruitment timing and cost, should be attached to the 2022 AWPB. For the positions not included in the FA, the Project should ensure the submission of Request for No-Objection to the ICO before 30 November 2021.

173. Staff salary and allowances

174. The mission notes that VCDP's staff salary is affected by the serious delay in the release of state counterpart funding which covers 100% of state staff salary. The mission recommends the Project to continue having dialogues with the PCU, State Governments, and Steering Committees for the timely release of counterpart funding and any revisions in the salary and allowances scale which the Project requests.

175. Project coordination

176. The last mission recommended improving analysis of outcomes and lessons learnt, at least on a half-yearly basis. While the Project submitted the progress reports twice during the period under review, there is still improvement to be made in qualitative reporting such as lessons learnt, challenges, and recommendations in a timely and accurate manner.

177. Considering the increasing number of online meetings since the COVID-19 pandemic, the project should improve communication tools to foster smooth communication within the team and the ICO. The IT officer should prepare operational mailing lists for efficient coordination and communication among NPMU, SPMU and between NPMU and SPMU.

178. Country Programme Advisory Team (CPAT)

179. CPAT's AWPB which covers July-December 2021 with the total amount of NGN157,568,640.00/ USD 414,654.32 has not been approved by the FMARD as of September 2021. Upon approval of the AWPB by the FMARD, CPAT should organize a workshop with VCDP and other supported projects to present CPAT objectives and modalities of support to the projects. This workshop should provide a full understanding of the role of CPAT and buy-in by the projects. This workshop should allow to confirm recruitment needs for VCDP for mainstreaming area and financial inclusion, based on understanding on the support to be provided by the CPAT on mainstreaming areas and financial inclusion.

180. AWPB

181. For the preparation of 2022 AWPB, the mission recommends the Project to clarify and document criteria and consultative processes to prioritize activities considering budget limitations. The project should submit ICO RPSF's AWPB to fast-track the support through the RPSF grant.

| Agreed Action | Responsibility | Agreed Date |
|---|--|--------------------|
| Finalize AWPB for RPSF - Submit ICO RPSF's AWPB and fast track the implementation. | National Project Coordinator and Senior Agricultural Officer | 10/2021 |
| Ensure NPMU and SPMU taking secretariat roles of National and State Steering Committees - Improve frequency of the committees: the committees should be held at least twice a year) - Ensure State AWPBs are approved at the State Steering Committee before Project's AWPB is discussed at the National level. - Discussion points at the steering committees should be summarised and relevant issues/recommendations shared among the VCDP staff and partners/services providers to improve implementation and solve challenges. | | 11/2021 |
| Prepare recruitment plan for 2022 - A full recruitment plan which includes the recruitment timing and cost, should be attached to the 2022 AWPB. - For the positions not included in the FA, the Project should ensure the submission of Request for No-Objection to the ICO before 30 November 2021. - Confirm relevance of full-time mainstreaming and financial inclusion specialists, considering operationalization of the CPAT. | National and State Project Coordinator | 11/2021 |
| Improve communication tools - The IT officers should prepare operational mailing lists for efficient coordination and communication among NPMU, SPMU and between NPMU and SPMU. - The IT officers should improve internet connection facility to ensure smooth communication for virtual meetings. | IT officers at NPMU and SPMU | 11/2021 |
| Operationalize CPAT advisory services National Project Coordinator should liaise with CPAT for the below actions. - CPAT's Annual Work Plan and Budget (AWPB) should be approved by the FMARD. - CPAT should organize a workshop with VCDP and other supported projects to present CPAT objectives and modalities of support to the projects. - VCDP team should confirm recruitment needs with CPAT for mainstreaming area and financial inclusion. | National Project Coordinator | 11/2021 |
| Preparation of 2022 AWPB - Clarify and document criteria and consultative processes to prioritize activities considering budget limitations. | National Project Coordinator and all the staff at NPMU and SPMUs | 11/2021 |
| Improve quality of documents produced by the Project - Improve analysis of outcomes and submit progress reports at least on a half yearly basis, including lessons learnt, challenges, and recommendations in a timely and accurate manner. | National and State Project Coordinator | 12/2021 |

Knowledge Management

Rating: 4

Previous rating: 4

Justification of rating

182. The mission found that VCDP uses its KM Strategy to guide the programme team in KM activities. This strategy clearly illustrates the people, processes, and technology that are evident in their produced KM products to date. In addition, the mission also found that the programme also has a Media Engagement Strategy that is used to promote its capacities and achievements through the dissemination of case studies, stories of impact, lessons learned, and best practices. The programme had 4 agreed actions to implement in the reporting year. To date, VCDP has fully completed 3/4 recommendations. The outstanding recommendation pertains to redesigning and populating the VCDP website and regularly updating social media platforms: this has been partially implemented and not finalized.

Main issues

183. The five objectives of VCDP KMC Strategy are to (i) Facilitate knowledge sharing between all stakeholders at national, state, and community levels to enhance learning; (ii) Document, produce and disseminate knowledge products on programme impact, approaches and lessons to influence scaling up of programme interventions; (iii) Promote improved coordination and cooperation with a supportive knowledge-sharing and learning infrastructure; (iv) Foster partnerships for broader knowledge-sharing and learning; and (v) Increase VCDP visibility and its achievements in rice and cassava agricultural value chain development in Nigeria.

184.

The programme is using these objectives to guide KM activities as seen in the KM products provided to the mission. Between the period of July 2020 – July 2021, the programme has reported the following KM products and knowledge sharing events in the targeted states: (i) Anambra – 3 products on success stories and knowledge sharing; (ii) Benue – 16 products that include success stories, brochures, and banners; (iii) Enugu – 12 products that include training manuals, banners, and fliers; (iv) Nassarawa – 2 products that include a document on enhancing dissemination in both English and local language; (v) Niger – 7 products that include a guide on improving nutrition, practices of good safety and hygiene, and newsletters; (vi) Ogun – 6 products that include covid-19 awareness flyers, training manual on financial literacy; (vii) Kogi 5 products that include a concept document on CAF establishment; (viii) Taraba – 7 products. In addition, the programme has also produced the following short videos: (i) implementation and impact on poor rural households in Kogi state; (ii) success story on rice; (iii) youth success story on rice production; and (iv) success of a cassava farmer in northern Nigeria. However, the mission found no follow up assessment conducted from the programme on the quality and relevance of the KM products such as training manuals.

185.

The mission found that there were also agreed actions in the last supervision mission where the project has reported progress. The following is the update: (i) The programme was to organize intra/inter knowledge sharing events on policy dialogue at state and national levels. On this action, VCDP has reported that 12 knowledge events were conducted across the six states. In addition, a national workshop involving donor projects regarding the launch of Nigeria's Agricultural Gender Network as a learning platform was facilitated by VCDP. A second National CAF workshop/policy dialogue was organized and provided the opportunity for stakeholders in the cassava value chain to discuss issues affecting the performance of the value chain. At this stage of implementation, it is expected for the programme to use all these policy dialogue events to produce evidence that will allow it to create high-level knowledge products such as policy briefs and influence policy improvements benefiting project target groups. This area has been lacking from the VCDP team. It is therefore recommended for the programme to gather some evidence in the past and future policy dialogues to create some thematic policy briefs and strategic documents. (ii) the programme was to redesign their online platform and social media platforms. As of the mission, VCDP has developed the technical specification for the platform redesign. However, they have not finalized the contracting of a service provider. It is recommended that the programme finalizes this action. (iii) Build capacity of KM officers at NPMU and State on video production, photography, and use of new media tools. VCDP has reported to have trained all KM Officers and assistants at NPMU in camera handling and TV production conducted at the NTA TV College Jos in December 2020.

| Agreed Action | Responsibility | Agreed Date |
|---|-----------------------|--------------------|
| Complete Online Platform Redesign Ensure the completion of updating the online platform | NPMU/ KMO | 01/2022 |
| Leverage policy dialogue workshops to create policy briefs Use the evidence and knowledge gained in past and future workshops to produce relevant evidence-based policies of programme impact | NPMU/ KMO | 07/2022 |

Value for Money

Rating: 4

Previous rating: 4

Justification of rating

186. The actual cost per beneficiary stands at USD 200 which appears reasonable. However, linking financial data at least up to output and outcome levels is still not possible.

Main issues

187. In terms of outreach, the cumulative number of beneficiaries reached was 74,540 households (447, 240 people) in 2020, yielding a cost per beneficiary of USD 200 as follows:

| Indicators | Project Yr 6 (2020) |
|--|----------------------------|
| Name | Cumulative |
| Persons receiving services promoted or supported by the project- CORE1 | |

| | |
|--|-------------------|
| Females – Number | 28,213 |
| Males – Number | 46,327 |
| Young – Number | 14,102 |
| Total number of persons receiving services - Number of people | 74,540 |
| Corresponding number of households reached- CORE1a. | |
| Women-headed households - Number | 28,213 |
| Non-women-headed households – Number | 46,327 |
| Households – Number | 74,540 |
| Estimated corresponding total number of households members- CORE1b. | |
| Household members - Number of people | 447,240 |
| Original Loan | 66,839,002 |
| Additional Financing 1 | 22,539,097 |
| | |
| Total amount disbursed | 89,378,101 |
| Cost per beneficiary (UD\$) | 200 |

188. Using 2019 figures (comprehensive data for 2020 and 2021 is not available), overall, the programme has made noticeable progress by providing extension support on good agronomic practices to 17,118 Farmer Field Business School (FFBS) farmers. The programme reports an increase in crop yields by 117.5% in rice and 170% in cassava because of (i) the recruitment of experienced private sector extension service providers engaged to provide extension service delivery to FFBS farmers on good agricultural practices, (ii) the cultivation of improved planting materials (rice seed + cassava stem cuttings), and (iii) the use of lead farmers to step down extension service delivery to other farmers. The programme created a total of 1,717 jobs directly linked to production activities. The programme also contributes 62,362.69 MT of rice (495,720 MT in 2019) and 167,775.3 MT of cassava (653,843 MT in 2019) to the domestic food basket. VCDP also contributes to Nigeria's economy from sales of rice paddy at USD 24.22 million (USD 243.90 million in 2019), and from sales of cassava at USD 14.25 million (USD 46.20 million in 2019).

189. On output level, USD 31 million has been disbursed on Civil Works category and the following has been achieved;

| Results Hierarchy | Indicator name | Baseline | End Target (Original Loan) | End Target with AF 2 | Status at March 2020 | Status at August 2021 | % of Status of targets as of August 2021 (Original loan & AF1) |
|---|--|----------|----------------------------|----------------------|----------------------|-----------------------|--|
| Output 1.2.1: Access to roads and water supply | Roads constructed, rehabilitated or upgraded- CORE 2.1.5 (KM) | - | 300 | 420 | 246 | 250 | 60% |
| Output 1.2.2: Market, processing and storage facilities improved | No. of market, processing and storage facilities constructed, rehabilitated or upgraded- CORE 2.1.6 (Numbers) | - | 618 | 21,155 | 391 | 511 | 2% |

190. However, on the disbursement side, this category under the original loan and AF1 is virtually 100% expended yet the achievements as shown in the table above range from 2% to 60% which may be a rough indicator of Value for money unless another issue can be identified.

191. The mission also notes that the matching fund allocated to women and youth have been well utilised and showcases good value for money.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Reconcile Financial progress and physical progress. | FC and M&E officers | 03/2022 |
| Compute representative gross margin models for a sample of beneficiaries to be able to report on some outputs and outcomes based on field evidence. | M&E officer | 03/2022 |

Coherence between AWPB and Implementation

Rating: 4

Previous rating: 4

Justification of rating

192. Following the recommendations of the last VCDP 8th supervision mission, the programme has successfully incorporated the designed AWPB guidelines into the Performance Monitoring Plan. The overall performance of physical performance in the provided AWPB from the period of January 2021 to August 2021 is approximately 61%. It is seen that the project improved implementation and overall physical performance, as compared to the last mission report. However, some areas still need improvement. Late approval of the budget by the Federal Government was cited as one reason for delayed implementation by the Project, together with lack of nutrition expert in the program.

AWPB Inputs and Outputs Review and Implementation Progress

193. In the reporting financial period of the 2021 AWPB, from January 2021 to August 2021, the project has reported to have approximately achieved the following physical progress: Component 1 – 38.6%; Component 2 – 69.9%; and Component 3 – 54.6%. It was analysed that several activity overachievements contributed to the high progress in Component 2. Activities such as (i) 1,440 out of an annual target of 376 Farmer Organizations legally registered with the Department of Cooperatives; (ii) 953 out of an annual target of 291 Farmer Organisations that received VCDP supported extension services. In reviewing the AWPB implementation in question, the mission found some activities that had significant underachievement. One key observed is the construction of Farmer Organization commodity stores/village bulking centres. The programme achieved 0% in these indicators, to date.

194. The new AWPB guidelines aim to give a summary of processes involved in the preparation, implementation, review, and approval process /procedure of the AWPB. In addition, the programme has also reported to have prepared rigorous quarterly physical and financial achievements reporting tools. Indeed, the programme has mentioned some improvements in reporting and produced AWPB guidelines, however, the mission team still had challenges in obtaining uniform data of physical achievements across the reporting tools from M&E and Components.

195. SECAP and ESMF triggered activities identified as strategic recommendations for implementations in the 2021 AWPB were reflected in the implementation status.

196. Achievement of the AWPB targets for the nutrition output level indicator (CI.1.1.8: Number of Households provided with targeted support to improve nutrition) is 34.7% which is a low achievement considering only a third of the year is remaining. Implementation of nutrition activities has been delayed mainly by the lack of a nutrition expert in the program and to a lesser extent the Covid-19 pandemic.

Justification of rating

197. The mission found VCDP has updated its Performance Monitoring Plan with incorporated the AWPB guidelines which support the capturing of output data on implementation activities. In relation to the discussions in the last supervision mission, the programme has completed the AF baseline survey. It was notable to find that VCDP NPMU and SPMUs have also attended an IFAD online training on the mandatory Core Indicator guidelines. Moreover, an agreed action to revise logframe targets was conducted where the logframe was retrofitted in IFAD ORMS format. Indeed, the programme has shown commitment to improving on the M&E reporting. However, the mission observed more capacity building is required in measuring and reporting core indicators and further training in data quality and accuracy is required.

M&E System Review

198. VCDP had 2 recommended actions in the last supervision missions. These were: (i) Review logframe targets. Identify relevant COIs to track emerging results particularly in the mainstreaming areas (for example, gender): - The mission found that this action has been fully implemented, even though it may need to require some more work. (ii) Trainings on the measurement of IFAD and project-specific outcome indications. The project should take advantage of the training offered by IFAD's WCA COI team: - The mission found that this was fully implemented. However, with the results of the mission, the VCDP team may need further training in M&E. This challenge in capacity has resulted in low quality and accuracy of reported data. Even though the programme has an elaborate M&E plan and provides M&E reports, systematic data inconsistencies were still evident during the mission.

199. **Updated Logframe.** In the reporting period, VCDP reported an updated logframe. It was observed that this logframe has reported data on outcome indicators, which include IFAD include IFAD core outcome indicators relevant to programme interventions. Under the revised AF PDR, it was found that the logframe designed only had mostly core outcome indicators and omitted some of the corresponding core output indicators to the core outcomes. Granted, the NPMU mentioned that the output indicators are tracked in their separate programme M&E database. However, regarding to coherent reporting on IFAD guidelines, it would be recommended to incorporate the corresponding core output indicators in the IFAD revised AF2 logframe. An additional challenge this brings concerns outputs not being attributed to the outcome results that is being reported.

200. **Mainstreaming Indicators.** Again, the mission was pleased that VCDP NPMU and SPMUs have been capacitated with training on measuring and understanding IFAD core mainstreaming indicators as agreed in the last mission. It was still evident that there is a need for all NPMU staff to thoroughly familiarize themselves by getting more practical training on the COI guidelines. Specifically, support is required in gender, targeting, and nutrition indicators, as well as financial inclusion indicators. This will also help the programme in conducting mandatory COI surveys in the future.

201. **Programme level reporting.** The mission acknowledges that the project has improved in project-level reporting on progress by producing more comprehensive quarterly reporting on indicators. However, as observed throughout the mission, there were recognizable data inconsistencies amongst the M&E progress and component reports. The mission reiterated improved coordination between M&E and Components to strengthen the quality and timeliness of data reporting. Going forward, it would be beneficial for the programme to clean and validate reporting data. This will require ensuring that data across all reporting tools are consistent.

| Agreed Action | Responsibility | Agreed Date |
|---|-----------------------|--------------------|
| Update of AF logframe With IFAD approval, consider adding the outstanding corresponding core output indicators to the core outcome indicators in the logframe | NPMU/ M&E | 11/2021 |
| Additional Capacity Building in IFAD COIs and Programme level reporting Conduct a more practical and comprehensive training on IFAD COIs guidelines and data consistency reporting at project level | IFAD/ NPMU | 12/2021 |

Justification of rating

202. The SECAP and ESMF to guide climate, environmental, and social mainstreaming are being implemented. A climate change and environment strategy were produced, and a 'green energy' study/rural energy appraisal was conducted. The partnership is being strengthened for the environment and climate change with MOU with NIMET signed, and discussion window opened for possible collaboration with the Department of Climate Change on monitoring, reporting and verification of GHGs, environmental savings and contributions to the NDC; and National Emergency Management Agency for improving the adaptive capacity of smallholder farmers through compensation for climate, environmental and social conflict-induced losses. Implementation of key SECAP and ESMF mainstreaming activities remain ad-hoc.

SECAP Review

203. The climate and environmental safeguard documents - SECAP and ESMF- and gender strategy have been prepared and are being implemented. VCDP is strong on gender and women empowerment and the AF2 is targeted to further strengthen the

mainstreaming areas. SECAP and ESMF-triggered activities have been properly mainstreamed under subcomponents in AF2 with clear targets and budgets in the cost tables. AF2 also provided cost for site-specific screening and EMP for market infrastructure, research and baseline studies, and support for stakeholders' dialogue on resource conflict and land reform.

204. Status of implementation: In the period between programme inception and August 2021, 78,114 persons/households (82.7% of the LOP target of 94,500) - 33.2% increase over the 46,775 persons/households as of March 2020- are reporting adoption of environmentally sustainable and climate-resilient technologies and practices (CI. 3.2.2). Activities to mainstream gender and strengthen resilience are on course. As of August 2021, VCDP has reached 94,457 people (70% of the AF2 LOP Target of 135,000) consisting of 49,218 male (52%) and 45,339 female (48%), moving towards the 50-50 male/female ratio expected at the end of AF2. 2,025 people in the programme communities (37.5% of AWPB target of 5,400) have adequate access to safe and sustainable drinking water, and 6,162 smallholder farmers (78% of 7,875 AWPB targets) have adopted at least one technology promoted by the programme in 2021 AWPB period. VCDP prepared a reporting template to track the implementation of environment and climate change activities across the subcomponents and produced a Climate Change and Environment Strategy. These are very appropriate especially with full mainstreaming of environment and climate change activities in AF2 expected in the 2022 AWPB. A 'green energy' study/rural energy appraisal was conducted. A discussion window has been opened for possible collaboration with the Department of Climate Change of the Federal Ministry of Environment and the National Emergency Management Agency to institute GHG emissions reduction and environmental savings reporting and improves the adaptive capacity of smallholder farmers to climate, environmental and social conflict-induced losses. CAF has continued to deepen conflict resolution and grievance redress, and VCDP's land acquisition model continues to deepen social inclusion and access to land by women and youth.

205. Lessons learned: The absence of climate and environment specialists in many of the states limits the coordination of SECAP-triggered activities.

206. Challenges: The number of jobs created through SECAP/ESMF mainstreaming activities and the number of small-holder farmers and processors signing onto insurance against climate and environmental risks are not well documented at NPMU. VCDP lacks a simple GIS database for spatial tracking and visualization of activities and results.

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Follow-up on Last Supervision Agreed Actions (a) Fast track the engagement of climate and environment specialists at SPMU (b) Work with farmers (both rice and cassava) and processors to deepen insurance of assets against climate risks | NPMU/ SPMU | 10/2021 |
| Strengthen Partnership Work on partnership with the Department of Climate Change for tracking VCDP emissions savings and NEMA to deepen disaster risk reduction and compensation for climate, environmental and social conflict-induced losses | NPMU | 12/2021 |

d. Financial Management & Execution

| | | |
|-------------------------------------|--------------------|---------------------------|
| Acceptable Disbursement Rate | Rating: 4.0 | Previous rating: 5 |
|-------------------------------------|--------------------|---------------------------|

Justification of rating

207. The original loan disbursement stands at 99.9%. AF 1 disbursement stands at 30% with available balance of US\$ 62.7 million. AF 2 disbursement is at 0% with the entire allocated amount of USD 50.0 million undisbursed. The system auto rating is 3 after discounting the penalty imposed for the additional financing and project extension. It is noted that the project extension was not for poor performance but for scaling up. However, with AWPB execution rate for 2020 was slightly above 100% and 2021 year to September already standing at 77%, a case for increasing the rating from 3 to 4 is justified.

Main issues

208. With a total of over USD 113.9 million still available, and with a completion date of 31 December 2024, there is an uphill task to fully absorb the available balances. This would mean disbursing this entire amount in less than about three years from now. However, this is not supported by the current year disbursement trend. For instance, out of a budget of US\$ 16.0 million amount for 2021, only 55% (US\$ 8.8 million) had been disbursed by August 2021 compared to the previous years; 2019 & 2020 where only US\$ 14.4 million and US\$ 11.6 million was disbursed respectively by year end.

209. This drop in the disbursement trend over the last three years requires reorientation of the continuing staff in planning for better implementation of the project activities and transactions to restore the much-upheld VCDP past disbursement standard. The authorized allocation of USD 6 million is sufficient, but for some performing states subject to NPMU consideration of their fiduciary risk, the operating imprest can be increased as one way of increasing the disbursement rates for the remaining implementation period. The distribution of the working imprest of US\$ 6.0 million may need to be reviewed across the implementing centres. As summarized below, out of US\$ 6.0 million, only US\$ 1.2 million was with the real implementers (The states).

210. As noted above, AF 2 (loan number 325400) is at 0% disbursement. The mission emphasizes that disbursement of AF 2 should not wait for full disbursement of AF 1. This is because AF 2 covers specific activities that are a complementary to AF 1 and should be disbursed simultaneously. This means the structure of AWPB and the coding of the flexible accounting system will have to be fine-tuned to reflect the remaining paperwork between IFAD and the government because the first disbursement under AF2 should be expedited.
211. Category-wise, all expenditures categories still have significant balances AF1 and AF2. The request by the project to have a reasonable salary adjustment can be comfortably accommodated and will not distort the recurrent to investment cost ratio. Request to hire additional essential driver and finance officer can also be covered. It is recommended that VCDP through the NPMU perform the review and present to IFAD for No Objection.
212. The Designated Account reconciliation (DA) for the sampled WAs' always end up in a surplus. Like the summary above shows a surplus/discrepancy of US\$ 322,059. This is an indicator of either wrong application FIFO exchange principal or comingling of funds or duplicated replenishment. This should be properly checked and reconciled. The precise cause could not be fully established during the analysis. But whatever cause, the solution is to include credit note in the next WA and going forward for the FC to ensure the DA reconciliation always balances.

| Agreed Action | Responsibility | Agreed Date |
|---|---|--------------------|
| Distribution of the authorized allocation. Consider increasing working Imprest to the States | National Programme Coordinator and Financial Controller | 11/2021 |
| Improve Funds flow. Engage CBN to improve funds flow efficiency. | National Programme Coordinator and Financial Controller | 11/2021 |
| Designated account discrepancies. The DA reconciliation should always square out to the outstanding authorized allocation which is currently US\$ 6.0 million. Any discrepancy whether surplus or short fall should always be properly explained including under form 104 of the WAs. | Financial Controller | 11/2021 |
| Resolve DA discrepancies Include credit note in the next WA so that the DA reconciliation is fully cleaned up going forward. | Financial Controller | 11/2021 |
| Disbursement under AF 2 simultaneously with AF 1. Fast track any paper work and coding needed including structure of AWPB to be able to disburse AF1 and AF2 simultaneously given their complementarity. | Financial Controller | 12/2021 |
| Project personnel motivation and filling of existing gaps. The project working with ICO should finalize the recruitment of two finance officer and driver. VCDP should through the NPMU perform the review and present to IFAD for No Objection. | National Programme Coordinator | 12/2021 |

Fiduciary aspects

Quality of Financial Management

Rating: 4

Previous rating: 3

Justification of rating

213. Given that the audit reports were un qualified, actions are being taken on internal audits reports, payment vouchers are generally in order, an improvement in rating is well justified. However, the reports coming out of the Flexible Accounting System have significant material discrepancies. Like earlier missions noted, this Flexible software is more of a database than a double entry accounting software which explains the always recurring discrepancies. The project has to always fire-fight these discrepancies by calling the software supplier which is obviously costly. The staffing gap in the finance department has also been a recurring issue mission after mission with management always pledging to fill up the positions.

Main issues

214. Review by the mission of reports coming out from the flexible accounting software has revealed the following.
215. Opening balance (balance brought forward) Naira 20.7 billion which is equivalent over UD\$ 50 million. Given that the project operates on cash basis of accounting, it is obviously impossible that over UD\$ 65 million is a reasonable balance brought forward

in the statement of sources and uses of funds.

216. In the statement of sources and use of funds included in the expenditure is a line advances/other creditors amounting to Naira 20.7 billion equivalent to over US\$ 50 million. This point to serious reconciliation discrepancies given the magnitude of this amount.

- Inconsistence between component and category expenditure trend reports. These two tables are supposed to equal in aggregate/total. For instance, the SUF consolidated report for August 2021 shows balance carried down of Naira 2.4 billion for IFAD only in income less expenditure totals between components and category as shown in the summary table below.

217. In order to solve such anomalies, in-house management reviews should always be done on a monthly basis and the system cleaned up way before supervision missions. Where there's need to engage the software supplier, this will be done well in time. Therefore, the FC should on a monthly basis present detailed project monthly management accounts to the management team. In addition, the internal auditor and external auditors should include the audit of on and around the computer (meaning auditing the fairness and reliability of the data in Flexible Accounting System)

218. The above discrepancies not only point to the deficiency of the Flexible Accounting system being more a database than an accounting software, but also indicate a laxity in the review of monthly Management Accounts. If in depth monthly management accounts had been reviewed, such discrepancies would have come to surface and would have been resolved by management.

219. The internal audits are being done consistently and shared with IFAD on a quarterly basis which is good.

220. Actions are being taken on Internal Auditors recommendations.

221. The recurring internal audit query which directly touches on financial management is the late approvals of AWPBs. This is an indicator of weak budget control because expenditure can be incurred outside approved budget.

222. Another internal auditor's observation is the instances of low activities in comparison with the budget which could touch on treasury management in terms of the timeliness and adequacy of the release of funds to the implementers.

| Agreed Action | Responsibility | Agreed Date |
|--|---|--------------------|
| In depth review of monthly management accounts. The FC should on a monthly basis present detailed project monthly management accounts to the management team. | Financial Controller | 11/2021 |
| Complete the staffing in the NPMU FM Unit Complete recruitment of 2 Finance Officers at the NPMU. | National Programme Coordinator | 12/2021 |
| Complete staffing in the NPMU FM Unit Complete recruitment of two Finance Officers at the NPMU | H/R Admin Advisor | 01/2022 |
| Document Internal Audit Follow-up Actions Provide written responses to internal audit findings and document follow-up actions taken on the issues raised. | NPC/SPC | |
| Signing of Contracts and Agreements Contracts and Agreements to be co-signed by Financial Controller and State Accountants | NPC/SPC | |
| Prepare and sign Bank Reconciliations Bank reconciliations for Draw Down Accounts and Counterpart Fund Accounts should be prepared and signed by the three responsible staff by 5th working day of the following month | Financial Controller/States Accountants | |
| Submit Quarterly Financial Management Reports to IFAD Prepare and submit quarterly financial management reports to IFAD 45 days after end of quarter | Financial Controller | |

Quality and Timeliness of Audit

Rating: 4

Previous rating: 4

Justification of rating

The audit report was submitted timely. Majority of the mandatory reports and notes were included in the submission.

223. The audit report was submitted timely. Majority of the mandatory reports and notes were included in the submission. Improvements are required to the reports as there were inconsistencies in the financial statement preventing reconciliation and triangulation of the various components.

Main issues

224. The audit report and the financial statements are rated moderately satisfactory. Although some of the mandatory required financial statements under IPSAS cash basis are provided, the following deficiencies were noted:
225. There was no variance analysis or budget to actual comparison. This is a mandatory report which was expected to be in the Financial Statement. The audit reports did not provide a reason for the omission,
226. The designated account reconciliation provided does not have sufficient details and is not compliant with the IFAD recommended template for the reconciliation. For instance, this does not show enough details to enable a check on the accuracy of reconciliation.
227. The designated account reconciliation does not reflect project cash balances held in other accounts and on hand. The total amount of cash was shown in the statement of receipts and payments.
228. Additionally, the withdrawal application amounts shown in the statements are not complete and accurate when compared to the amounts per IFAD disbursement records. There is a variance of \$23,570,278
229. There is no statement of fixed assets as required by IFAD guidelines. There was no follow up on the previous year recommendations.
230. Additionally various issues were reported by the auditors in the management letter which are listed hereafter :
- i) Weak controls around payments
 - ii) Delays in remittance of statutory deductions
 - iii) Inadequate fixed asset register
 - iv) Poor execution of construction work

| Agreed Action | Responsibility | Agreed Date |
|---|---|--------------------|
| Regularize the construction of septic tank in Ardo Kola Local Government The SPC is required to ensure that the contractor installs the septic tank as provided in the Bill of Quantities, failing which the sum of N204,200.00 should be refunded to the VCDP account. | National Programme Coordinator and Financial Controller | |
| Update fixed asset register We recommended that Fixed asset register should be updated accordingly. | National Programme Coordinator and Financial Controller | |
| Promptly remit statutory tax deductions to relevant tax authorities NPMU and States Provide explanation for the delay remittance of the tax deductions . Ensure prompt remittance of deducted statutory taxes from contractor's fees | National Programme Coordinator and Financial Controller | |
| Include internal control check stamp and date NPMU and States We recommend that the Internal auditor should have an audit stamp indicating date of checking, and signature for proper controlling purposes - | National Project Coordinator and Financial Controller | |
| Recover N470,250 from De Surviche and remit to the tax authorities It was observed as detailed on the payment voucher- PV/2020/AN/0001206 with a sum N9,405,000.00 awarded and payment made to De Surviche Nig Ltd for the purchase of rain gauge and climate equipment . No deduction of taxes were effected on the sum paid to him , which would have amounted to over payment to the supplier and loss of tax fund to the Government. The Tax liable on the contract of supply is the WHT of 5%. Making it an over payment and Tax revenue loss of N470,250. This is a flagrant violation of statutory deductions. The Anambra SPMU is required to recover the N470,250 overpayment to the vendor and refund same to the tax authorities. | National Project Coordinator and Financial Controller | |
| Recover N470,250 from De Surviche and remit to the tax authorities It was observed as detailed on the payment voucher- PV/2020/AN/0001206 with a sum N9,405,000.00 awarded and payment made to De Surviche Nig Ltd for the purchase of rain gauge and climate equipment . No deduction of taxes were effected on the sum paid to him , which would have amounted to over payment to the supplier and loss of tax fund to the Government. The Tax liable on the contract of supply is the WHT of 5%. Making it an over payment and Tax revenue loss of N470,250. This is a flagrant violation of statutory deductions. The Anambra SPMU is required to recover the N470,250 overpayment to the vendor and refund same to the tax authorities. | National Project Coordinator and Financial Controller | |

Counterparts Funds

Rating: 3

Previous rating: 3

Justification of rating

231. The recurring Internal Audit observation is that counterpart funding was not received. According to the project appraisal, the counterpart funding was targeted to be US\$ 18.8 million. However, the amount of US\$ 5.0 million (26.7%) was remitted. At state level, this is starting to affect implementation. This is because staff at State level are paid from counterpart funds. Therefore, in some states, some staff have got their salaries others have not got their salaries which is not in order and a de-motivating factor. The latest available extract from the Flexible Accounting System shows that cumulatively FGN and the states have contributed US\$ 5.0 million compared to appraisal target of 18.8 million which reflects a yield of 26.7%.

Main issues

232. Some vouchers captured in the SOE spot check indicate that there is tax exemption. However, this is not being captured in the Flexible Accounting System. The project should review their books and the accounts for all tax exemptions. In addition, rigorous follow-up for counterpart funds cannot be over emphasized

| Agreed Action | Responsibility | Agreed Date |
|---|---|--------------------|
| FGN/States should meet their counterpart obligations This action has already been recommended in the previous SM (June 2020). | National Programme Coordinator and State Programme Coordinators | 12/2021 |
| Revise books of account to record tax exemptions. Revise books of account to record tax exemptions. | Financial Controller and State Programme Accountants | 12/2021 |
| Monitor Counterpart funds Budget to ensure adherence to the AWPB Utilization of counterpart funds should be monitored to avoid misuse. | Internal Auditor | |
| States should meet their counterpart Obligations States should continue to pressurize states / LGAs authorities of their obligations | SPC | |
| FGN should meet their counterpart obligation VCDP management should pressurize the Federal Government to provide more counterpart fund to the programme through adequate provision in the National Budget | NPC | |

Compliance with Loan Covenants

Rating: 4

Previous rating: 4

Justification of rating

233. The issues around counterpart funds are also loan covenants. The staffing gaps especially under finance also touch loan covenants.

Main issues

234. Counterpart funding remains a recurring issue with minimal contributions from the FGN and States to complement the IFAD Loan.

Procurement

Procurement

Rating: 4

Previous rating: 4

Justification of rating

235. The Programme shows some shortcomings in its handling of the procurement plan format and formulae, and in the updating of the plan. For the bidding and evaluation processes, there has been some notable improvements. The bidding processes and documentation are properly done and effective with a few gaps and inconsistencies, and the evaluation process and reporting meet the requirements in almost all the documents reviewed.

Procurement Review

236. Staffing

237. Procurement is managed by the National Project Management Unit (NPMU) and carried out by the National Procurement Officer (NPO) who is assisted by a National Procurement Assistant both of whom have sufficient public procurement experience. For the States, each State Project Management Unit (SPMU) has a Procurement Officer and a Procurement Assistant. This suffices for the number of procurements they undertake. Three new states have been incorporated into VCDP under AF1: Enugu, Kogi, and Nasarawa. At the time of this report, there is no information on the qualifications and capacity of the SPOs for these states. Based on the documents provided by these states - except for Kogi where there is evidence to support misprocurement activity in the form of false competition - the capacity of the SPOs in these states is equitable to the others, working under the assumption that these documents were done by them.

238. Procurement Planning

239. The Project uses the new IFAD Procurement Plan template and does effectively splits this into the NPMU and all SPMU plans. While they do use the proper template, the grids, format, and sometimes the formulae have all been tampered with, not to mention the use of more than one date format across the document. In addition, about half of the procurements which have been initiated have not been updated (or updated properly) for actuals.

240. The Programme is assessed as unsatisfactory for this criterion.

241. Bidding Processes

242. The bidding documents are mostly written well. The Requests for Quotations (RFQs, for small value goods and works), Requests for Proposal (RFPs, for large value consulting services), Requests for Consultants Qualifications (RCQs, for small value consulting services) and Request for Bids (RFBs, for large value goods and works) all use the proper IFAD format. In addition, the terms of references (consulting services), technical specifications (goods) and material specifications (works) are all done properly. There is evidence to show that all bidders who are invited to participate receive the bidding documents, and opportunity is provided for bidders to seek clarifications. There is more knowledge and experience in the handling of goods and works than consulting services procurements for the states.

243. It is of note that of all the procurements reviewed, in 2 of them (shopping procurements for Supply of Tricycles and Supply of Office Equipment respectively), both from Kogi state, the quotations submitted in each procurement likely emanated from a single source.

244. The Programme is assessed as moderately satisfactory for this criterion.

245. Evaluation and Contract Award

246. There has been a marked improvement in the evaluation processes and reporting. All of the evaluation reports reviewed use the proper IFAD format, shows the bids that were submitted by the deadline, the preliminary examination review, the technical evaluation portrayed in clear tabular terms, the financial arithmetic calculation, and evaluation and award. In all of the procurements reviewed (with the exception of the 2 aforementioned Kogi cases for obvious reasons), the award was made to the correct lowest evaluated bidders.

247. The Programme is assessed as satisfactory for this criterion.

248. Contract Management and Administration

249. The Programme could not be fully evaluated for contract management and administration processes as the supervision mission was remotely carried out. The electronic procurement records submitted however show all the documents required from review, numbered chronologically, from the request for approval, the bidding documents, the evaluation documents, and the contract.

250. The Programme is assessed as satisfactory for this criterion.

251. Record Retention

252. The Programme could not be fully evaluated for records retention as the supervision mission was remotely carried out. The Programme provided the majority of the documents requested, however.

253. The Programme is assessed as moderately satisfactory for this criterion.

| Agreed Action | Responsibility | Agreed Date |
|---|-----------------------|--------------------|
| Embedded mentoring of SPMU procurement staff (especially staff from 3 new states) on procurement processes for consulting services | NPMU | 03/2022 |

e. Key SIS Indicators

| | | |
|---|---------------------|-----------------------------|
| Likelihood of Achieving the Development Objective | Rating: 4.73 | Previous rating: 5.0 |
| Assessment of the Overall Implementation Performance | Rating: 3.92 | Previous rating: 4.0 |

F. Agreed Actions

| Agreed Action | Responsibility | Agreed Date |
|--|-----------------------|--------------------|
| Development Effectiveness | | |
| Transformative training and skills strengthening Six months allocation for transformative trainings of FOs and skill strengthening by service providers may need to be extended especially as available empirical evidence shows that behavioural changes (outcomes) especially culture-based changes take time (many years) to happen | NPMU | 11/2021 |

| | | |
|--|--|---------|
| Develop strategies to increase beneficiaries in the Cassava Value Chain Sensitise cassava farmers on innovative ways to improve handling of post-harvest products. If possible, advocate for a ban on the importation of cassava derivatives as is the case with rice. Mechanization of more cassava processing activities like peeling which is mainly done by women can reduce drudgery in the value chain and attract more persons to the enterprise | NPMU | 12/2021 |
| Data disaggregation Disaggregate data by gender and youth for AWPB's target and achievements. | NPMU/ SPMU | 12/2021 |
| Reserve a quota for vulnerable groups Reserve a quota for vulnerable groups in the skill acquisition programme and any other related programs that currently select beneficiaries only on merits. | NPMU / SPMU | 12/2021 |
| Hiring of nutrition expert at CPAT CPAT to fast track hiring of the nutrition expert as recommended in the 8th supervision mission. | CPAT | 12/2021 |
| Including nutrition output indicator as a KPI for annual reporting The nutrition output indicator is currently not among the program's KPIs. It is important to include this indicator as a KPI for annual reporting to ensure progress on nutrition activities is tracked continuously | NPMU | 12/2021 |
| Participatory facilitation skills An investment in training and mentoring of experienced project staff is required to overcome the shortage of people with participatory facilitation skills. Linkages with local universities may increase the number of women with relevant facilitation skills. | Technical component coordinators with Gender and Youth Officer | 01/2022 |
| GALS implementation and land allocation Enhance the implementation of GALS and develop other strategies that make more land available for youth and women. Increase sensitization and prioritise land only to landless women and youth in need. Particularly pay advocacy visits to traditional rulers and increase sensitization of men to see the need to allocate land to women and youth | Technical component coordinators with Gender and Youth Officer | 01/2022 |
| Women only groups Strengthen management, leadership and technical capacity of women-only groups to retain control over produce, technology and income | NPMU | 01/2022 |
| Collaboration with CSOs and gender experts Plan collaboration with CSOs and Gender Experts in tertiary academic or research institutions of learning for specialized advocacies (eg to men and traditional gatekeepers) and sustained continuation of GALs training and gender mainstreaming as part of exit strategy | Technical component coordinators with Gender and Youth Officer | 01/2022 |
| Strengthening of the program's nutrition strategy The program's nutrition strategy should be revised and strengthened to ensure it offers appropriate guidance on the implementation of nutrition activities to achieve the required program nutrition outcomes and targets | Incoming nutrition experts (CPAT/NPMU) | 01/2022 |
| Hiring of nutrition experts at national and state levels within VCDP program VCDP should hire nutrition experts (one at NPMU and one in each state-SPMU level) to ensure appropriate mainstreaming of nutrition and implementation of nutrition-sensitive activities in the program. | NPMU | 02/2022 |

| | | |
|--|-----------------------------------|---------|
| Access to financial services Develop more workable and accessible collaborations with financial institutions to improve credit access especially for women and youth | NPMU/ CPAT | 03/2022 |
| Delay in procurement and budget approval processes for input support to farmers - Fast track the procurement and budget approval processes by training procurement staff on the use of IFAD NOTUS system - Use the same service provider well known to the programme in the supply of inputs to avoid unnecessary delay in advertising and bidding processes. | NPMU | 03/2022 |
| Document management models and Lesson learned from Climate mitigation Infrastructure Provide a report on the Ownership/management model, performance, O&M strategies, lesson learned and challenges of installed climate mitigation infrastructure | NPMU | 03/2022 |
| • Matching grant and matching contributions for agricultural input support to farmers - Reduce or go back to the previous modalities of 50 – 50% for the 2 cycles supported by matching grant for inputs | NPMU/ SPMU | 05/2022 |
| Cassava shelf life - Promote and disseminate improved cassava varieties (e.g. Obasanjo-2 and game changer) with high and stable starch content - Use farm-gate marketing approach to encourage off-takers to buy cassava tubers directly from the farms to the factories | NPMU/ SPMU | 06/2022 |
| Digital advisory extension services to farmers - Use digital advisory extension services to strengthen existing FFS training of farmers through text messages on GAPs by partnering with PxD | SPMU | 06/2022 |
| Sustainability and Scaling up | | |
| Exit strategy Update the exit strategy and develop a midterm action plan for implementation for approval by steering committees and IFAD | NPMU / SPMU | 12/2021 |
| Assessment of impact and outcomes of the training Need to employ qualitative and quantitative assessments on the level of impact and outcome of the trainings, in an effort to ascertain to what extent there has been human and social capital development. | NPMU/SPMU | 01/2022 |
| Develop Feedback mechanism on complains and reports of wrong doings from the beneficiaries Develop a responsive feedback system that allows beneficiaries to complain or submit reports of wrong doings about the project implementation without necessarily going through the FOs. | Gender and Youth Officer and NPMU | 03/2022 |
| Recruitment of Service Providers Re-engage the well performing SPs without going for a fresh advert for the same services to avoid waste of time and resources | NPMU/ SPMU | 03/2022 |

| | | |
|---|--|---------|
| Payment of SPs Tie payment of SPs to attestation of good performance in the following ratios: 40% first tranche, 30% second tranche and 30% third tranche | NPMU/ SPMU | 03/2022 |
| Promote awareness on briquettes and biogas Promote awareness about the viability of briquettes and biogas as alternative energy to fuelwood in processing | NPMU | |
| Technical Backstopping for Climate Change and Environment Reports Ensure Expert input (CPAT Climate Change Specialist) in the TORs and review of reports submitted for climate change and environment related studies | NPMU | |
| Project Management | | |
| Partnership with Government Strengthen Partnership Ministry of Environment Strengthen Partnership with the Climate Change Department of the Federal Ministry of Environment to track contributions to national GHG emission reductions and NDC | NPMU/SPMU | 02/2020 |
| Reporting Climate Change and Environmental mainstreaming Indicators to track Progress towards SECAP and ESMF Work with ICO to develop acceptable indicators for reporting and tracking of climate and environmental mainstreaming activities | NPMU | 12/2020 |
| Climate Change Action Plan Action Plan for 2020 Develop a climate and environment Action Plan for execution until full mainstreaming activities come on-stream in AF2 in 2021 | NPMU | 12/2020 |
| Finalize AWPB for RPSF - Submit ICO RPSF's AWPB and fast track the implementation. | National Project Coordinator and Senior Agricultural Officer | 10/2021 |
| Follow-up on Last Supervision Agreed Actions (a) Fast track the engagement of climate and environment specialists at SPMU (b) Work with farmers (both rice and cassava) and processors to deepen insurance of assets against climate risks | NPMU/ SPMU | 10/2021 |
| Update of AF logframe With IFAD approval, consider adding the outstanding corresponding core output indicators to the core outcome indicators in the logframe | NPMU/ M&E | 11/2021 |
| Ensure NPMU and SPMU taking secretariat roles of National and State Steering Committees - Improve frequency of the committees: the committees should be held at least twice a year) - Ensure State AWPBs are approved at the State Steering Committee before Project's AWPB is discussed at the National level. - Discussion points at the steering committees should be summarised and relevant issues/recommendations shared among the VCDP staff and partners/services providers to improve implementation and solve challenges. | | 11/2021 |

| | | |
|--|--|---------|
| Prepare recruitment plan for 2022 <ul style="list-style-type: none"> - A full recruitment plan which includes the recruitment timing and cost, should be attached to the 2022 AWPB. - For the positions not included in the FA, the Project should ensure the submission of Request for No-Objection to the ICO before 30 November 2021. - Confirm relevance of full-time mainstreaming and financial inclusion specialists, considering operationalization of the CPAT. | National and State Project Coordinator | 11/2021 |
| Improve communication tools <ul style="list-style-type: none"> - The IT officers should prepare operational mailing lists for efficient coordination and communication among NPMU, SPMU and between NPMU and SPMU. - The IT officers should improve internet connection facility to ensure smooth communication for virtual meetings. | IT officers at NPMU and SPMU | 11/2021 |
| Operationalize CPAT advisory services National Project Coordinator should liaise with CPAT for the below actions. <ul style="list-style-type: none"> - CPAT's Annual Work Plan and Budget (AWPB) should be approved by the FMARD. - CPAT should organize a workshop with VCDP and other supported projects to present CPAT objectives and modalities of support to the projects. - VCDP team should confirm recruitment needs with CPAT for mainstreaming area and financial inclusion. | National Project Coordinator | 11/2021 |
| Preparation of 2022 AWPB <ul style="list-style-type: none"> - Clarify and document criteria and consultative processes to prioritize activities considering budget limitations. | National Project Coordinator and all the staff at NPMU and SPMUs | 11/2021 |
| Additional Capacity Building in IFAD COIs and Programme level reporting Conduct a more practical and comprehensive training on IFAD COIs guidelines and data consistency reporting at project level | IFAD/ NPMU | 12/2021 |
| Improve quality of documents produced by the Project <ul style="list-style-type: none"> - Improve analysis of outcomes and submit progress reports at least on a half yearly basis, including lessons learnt, challenges, and recommendations in a timely and accurate manner. | National and State Project Coordinator | 12/2021 |
| Strengthen Partnership Work on partnership with the Department of Climate Change for tracking VCDP emissions savings and NEMA to deepen disaster risk reduction and compensation for climate, environmental and social conflict-induced losses | NPMU | 12/2021 |
| Complete Online Platform Redesign Ensure the completion of updating the online platform | NPMU/ KMO | 01/2022 |
| Reconcile Financial progress and physical progress. | FC and M&E officers | 03/2022 |
| Compute representative gross margin models for a sample of beneficiaries to be able to report on some outputs and outcomes based on field evidence. | M&E officer | 03/2022 |
| Leverage policy dialogue workshops to create policy briefs Use the evidence and knowledge gained in past and future workshops to produce relevant evidence-based policies of programme impact | NPMU/ KMO | 07/2022 |
| Financial Management & Execution | | |

| | | |
|---|---|---------|
| Distribution of the authorized allocation. Consider increasing working Imprest to the States | National Programme Coordinator and Financial Controller | 11/2021 |
| Improve Funds flow. Engage CBN to improve funds flow efficiency. | National Programme Coordinator and Financial Controller | 11/2021 |
| Designated account discrepancies. The DA reconciliation should always square out to the outstanding authorized allocation which is currently US\$ 6.0 million. Any discrepancy whether surplus or short fall should always be properly explained including under form 104 of the WAs. | Financial Controller | 11/2021 |
| Resolve DA discrepancies Include credit note in the next WA so that the DA reconciliation is fully cleaned up going forward. | Financial Controller | 11/2021 |
| In depth review of monthly management accounts. The FC should on a monthly basis present detailed project monthly management accounts to the management team. | Financial Controller | 11/2021 |
| Disbursement under AF 2 simultaneously with AF 1. Fast track any paper work and coding needed including structure of AWPB to be able to disburse AF1 and AF2 simultaneously given their complementarity. | Financial Controller | 12/2021 |
| Project personnel motivation and filling of existing gaps. The project working with ICO should finalize the recruitment of two finance officer and driver. VCDP should through the NPMU perform the review and present to IFAD for No Objection. | National Programme Coordinator | 12/2021 |
| FGN/States should meet their counterpart obligations This action has already been recommended in the previous SM (June 2020). | National Programme Coordinator and State Programme Coordinators | 12/2021 |
| Revise books of account to record tax exemptions. Revise books of account to record tax exemptions. | Financial Controller and State Programme Accountants | 12/2021 |
| Complete the staffing in the NPMU FM Unit Complete recruitment of 2 Finance Officers at the NPMU. | National Programme Coordinator | 12/2021 |
| Complete staffing in the NPMU FM Unit Complete recruitment of two Finance Officers at the NPMU | H/R Admin Advisor | 01/2022 |
| Embedded mentoring of SPMU procurement staff (especially staff from 3 new states) on procurement processes for consulting services | NPMU | 03/2022 |
| Monitor Counterpart funds Budget to ensure adherence to the AWPB Utilization of counterpart funds should be monitored to avoid misuse. | Internal Auditor | |

| | | |
|---|---|--|
| States should meet their counterpart Obligations States should continue to pressurize states / LGAs authorities of their obligations | SPC | |
| FGN should meet their counterpart obligation VCDP management should pressurize the Federal Government to provide more counterpart fund to the programme through adequate provision in the National Budget | NPC | |
| Document Internal Audit Follow-up Actions Provide written responses to internal audit findings and document follow-up actions taken on the issues raised. | NPC/SPC | |
| Signing of Contracts and Agreements Contracts and Agreements to be co-signed by Financial Controller and State Accountants | NPC/SPC | |
| Prepare and sign Bank Reconciliations Bank reconciliations for Draw Down Accounts and Counterpart Fund Accounts should be prepared and signed by the three responsible staff by 5th working day of the following month | Financial Controller/States Accountants | |
| Submit Quarterly Financial Management Reports to IFAD Prepare and submit quarterly financial management reports to IFAD 45 days after end of quarter | Financial Controller | |
| Regularize the construction of septic tank in Ardo Kola Local Government The SPC is required to ensure that the contractor installs the septic tank as provided in the Bill of Quantities, failing which the sum of N204,200.00 should be refunded to the VCDP account. | National Programme Coordinator and Financial Controller | |
| Update fixed asset register We recommended that Fixed asset register should be updated accordingly. | National Programme Coordinator and Financial Controller | |
| Promptly remit statutory tax deductions to relevant tax authorities NPMU and States Provide explanation for the delay remittance of the tax deductions . Ensure prompt remittance of deducted statutory taxes from contractor's fees | National Programme Coordinator and Financial Controller | |
| Include internal control check stamp and date NPMU and States We recommend that the Internal auditor should have an audit stamp indicating date of checking, and signature for proper controlling purposes - | National Project Coordinator and Financial Controller | |

| | | |
|--|--|--|
| <p>Recover N470,250 from De Surviche and remit to the tax authorities</p> <p>It was observed as detailed on the payment voucher- PV/2020/AN/0001206 with a sum N9,405,000.00 awarded and payment made to De Surviche Nig Ltd for the purchase of rain gauge and climate equipment . No deduction of taxes were effected on the sum paid to him , which would have amounted to over payment to the supplier and loss of tax fund to the Government. The Tax liable on the contract of supply is the WHT of 5%. Making it an over payment and Tax revenue loss of N470,250. This is a flagrant violation of statutory deductions.</p> <p>The Anambra SPMU is required to recover the N470,250 overpayment to the vendor and refund same to the tax authorities.</p> | <p>National Project Coordinator and Financial Controller</p> | |
| <p>Recover N470,250 from De Surviche and remit to the tax authorities</p> <p>It was observed as detailed on the payment voucher- PV/2020/AN/0001206 with a sum N9,405,000.00 awarded and payment made to De Surviche Nig Ltd for the purchase of rain gauge and climate equipment . No deduction of taxes were effected on the sum paid to him , which would have amounted to over payment to the supplier and loss of tax fund to the Government. The Tax liable on the contract of supply is the WHT of 5%. Making it an over payment and Tax revenue loss of N470,250. This is a flagrant violation of statutory deductions.</p> <p>The Anambra SPMU is required to recover the N470,250 overpayment to the vendor and refund same to the tax authorities.</p> | <p>National Project Coordinator and Financial Controller</p> | |

Nigeria

Value Chain Development Programme

Supervision Report

Logical Framework

Mission Dates: 20/09/2021-25/10/2021

Document Date: 25/11/2021

Project No. 1100001594

Report No. 5914-NG

West and Central Africa Division
Programme Management Department

Value Chain Development Programme

Logical Framework

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|--|--|----------|----------|------------|----------------------|--------------------------|----------------------------|---|--------------------|----------------|-------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| Outreach VCDP | 1.b Estimated corresponding total number of households members | | | | | | | | | | |
| | Household members | | | 320 880 | | 734 976 | 229.05 | | | | |
| | 1.a Corresponding number of households reached | | | | | | | RIMS | annual | PMU | |
| | Women-headed households | | | 53 480 | | 76 169 | 142.4 | | | | |
| | Non-women-headed households | | | | | 46 327 | | | | | |
| | Households | | | | | 122 496 | | | | | |
| | 1 Persons receiving services promoted or supported by the project | | | | | | | | | | |
| | Males | | | 32 088 | | 75 268 | 234.6 | | | | |
| | Females | | | 21 392 | | 47 228 | 220.8 | | | | |
| | Young | | | 13 370 | | 19 117 | 143 | | | | |
| | Indigenous people | | | | | 0 | | | | | |
| | Total number of persons receiving services | | | 53 480 | | 122 496 | 229.1 | | | | |
| | Groups receiving project services | | | | | | | RIMS | annual | PMU | |
| | Outreach groups | | | 2 674 | | | | | | | |
| Project Goal Rural poverty reduced, food security increased and accelerated economic growth achieved on a sustainable basis | HH below the poverty line (international poverty line of USD 2.00/day) in target LGA | | | | | | | Baseline plus mid-term and end -line survey (control and treatment) | 2 per project life | PMU | |
| | Households | | | 15 | | | | | | | |
| | reduction in number of people undernourished in target LGAs | | | | | | | UNICEF reports | 2 per project life | PMU | |
| | Undernourished | | | 25 | | | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|--|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|--------------------------------|-----------------------|---|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| | real agricultural GDP growth rate increased in target LGA | | | | | | | ADP Reports | 2 per project life | PMU | |
| | GDP growth | | | 5 | | | | | | | |
| | Child malnutrition: boys/girls | | | | | | | RIMS 3 | 2 per project life | PMU | |
| | RIMS 3: Height for age | 28.1 | | | | | | | | | |
| | RIMS 3: weight for age | 16.1 | | | | | | | | | |
| | RIMS 3: weight for height | 7.4 | | | | | | | | | |
| Development Objective Incomes and food security of poor rural HH engaged in production, processing and marketing of rice and cassava in the targeted LGAs of the 6 targeted states enhanced on a sustainable basis | VCDP supported beneficiaries (SH, farmers, processors and maketers) have increased their real agricultural income (by average 25 %) in the programme area | | | | | | | Baseline & impact assessment; annual results assessment with HH survey; | annual | PMU | Socio-economic stability in the country |
| | HH with increased real agricultural income | | | 50 | | | | | | | |
| | increase in number of HH asset index by PY 6 in the programme area | | | | | | | Baseline & impact assessment; annual results assessment with HH survey; | 2 per project life | PMU | |
| | HH asset | | | 10 | | | | | | | |
| | reduction in the prevalence of child malnutrition | | | | | | | UNICEF Statistics | 2 per project life | PMU | |
| | child malnutrition | | | 0 | | | | | | | |
| | increase in HH food security in target LGAs | | | | | | | Baseline & impact assessment; | 2 per project life | PMU | |
| | HH food security | | | 25 | | | | | | | |
| | Women's Empowerment in Agriculture Index (pro-WEAI) | | | | | | | COI, Pro WEAI | baseline, mid term, completion | PMU, service provider | |
| | Females | | | | | | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|--|--|----------|----------|------------|----------------------|--------------------------|----------------------------|--|--------------------|----------------|--|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| Outcome Increased value addition and access to markets realised by beneficiary SH farmers as well as small and medium-scale processors | surplus production of cassava and rice being sold to markets by SH farmers and their Farmer Organisations | | | | | | | Published yield and price data; agro-industry & market surveys; rural HH surveys | 2 per project life | PMU | Government policy supports/favours the emergence of strong VC professional organisations; market prices remain above 2006 levels; access to finance for Fos and VC operators progressively grows |
| | Surplus | | | 75 | | | | | | | |
| | cassava and rice produced by SH processed and sold at a agreed standard by a buyer | | | | | | | Published yield and price data; agro-industry & market surveys; rural HH surveys | 2 per project life | PMU | |
| | Produce with buyer | | | 50 | | | | | | | |
| | contractual arrangements formalized and is being upheld between targeted producers and processors | | | | | | | Published yield and price data; agro-industry & market surveys; rural HH surveys | 2 per project life | PMU | |
| | Contractual arrangements | | | 36 | | | | | | | |
| Output Improved market linkage and increased market information | national trade promotion organised (per year) | | | | | | | Farmer Survey | annual | PMU | |
| | Trade promotion | | | 1 | | | | | | | |
| | state trade activity organised (per year) | | | | | | | Farmer Survey | annual | PMU | |
| | Trade activity | | | 6 | | | | | | | |
| | state innovation platforms formed (per year) | | | | | | | Farmer Survey | annual | PMU | |
| | Innovation platform | | | 6 | | | | | | | |
| | meetings organised (per year) | | | | | | | Farmer Survey | annual | PMU | |
| | Meeting | | | 12 | | | | | | | |
| | target SH use some market information generated by an Agricultural Information System by PY 5 (60% of target SH) | | | | | | | Agricultural Marketing Information System | annual | PMU | |
| | Agricultural Information System | | | 32 080 | | | | | | | |
| | MoU signed between Fos and processors | | | | | | | Contractual agreements | annual | PMU | |
| | MoU | | | 60 | | | | | | | |
| | Enterprises accessing facilitated financial services | | | | | | | RIMS | annual | PMU | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | Assumptions |
|-------------------|--|----------|----------|------------|----------------------|--------------------------|----------------------------|-----------------------|-----------|----------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility |
| | Enterprises | | | 2 674 | | | | | | |
| | Marketing groups formed/strengthened | | | | | | | RIMS | annual | PMU |
| | Marketing groups | | | 40 | | | | | | |
| | Marketing groups formed/strengthened with women in leadership positions | | | | | | | RIMS | annual | PMU |
| | Female leadership | | | 10 | | | | | | |
| | People in marketing groups formed/strengthened | | | | | | | RIMS | annual | PMU |
| | Males | | | 480 | | | | | | |
| | Females | | | 320 | | | | | | |
| | 2.1.2 Persons trained in income-generating activities or business management | | | | | | | RIMS | annual | PMU |
| | Males | | | 9 590 | | 14 581 | 152 | | | |
| | Females | | | 7 890 | | 17 434 | 221 | | | |
| | Indigenous people | | | | | 0 | | | | |
| | Young | | | 9 000 | | 9 904 | 110 | | | |
| | Persons trained in IGAs or BM (total) | | | 17 480 | | 32 015 | 183.2 | | | |
| | People trained in post production, processing and marketing | | | | | | | RIMS | annual | PMU |
| | Total | | | 9 000 | | | | | | |
| | Males | | | 4 610 | | | | | | |
| | Females | | | 3 070 | | | | | | |
| | Staff of service providers trained | | | | | | | RIMS | annual | PMU |
| | Males | | | 12 | | | | | | |
| | Females | | | 12 | | | | | | |
| | 2.1.1 Rural enterprises accessing business development services | | | | | | | | | |
| | Rural enterprises | | | 874 | | 1 647 | 188.4 | | | |
| | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | Assumptions | |
|--|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|--------------------|----------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility |
| Output Value addition technology promoted | processors trained in recommended technologies | | | | | | | Programme ME/progress reports, supervision reports, MTR, completion reports | annual | PMU |
| | Processors | | | 7 680 | | | | | | |
| | target SH (50% of 45 000 SH) adopt improved processing & storage technique | | | | | | | Programme ME/progress reports, supervision reports, MTR, completion reports | annual | PMU |
| | HH | | | 22 500 | | | | | | |
| | service providers (consultants/firms) for market linkages trained | | | | | | | Programme ME/progress reports, supervision reports, MTR, completion reports | annual | PMU |
| | Service Providers | | | 24 | | | | | | |
| Outcome Demand-driven infrastructure investments for improved access to marketes realised and sustainably managed by the beneficiary organisations | targeted processing clusters (60% of a total of 108) have been supported with at least one piece of equipment | | | | | | | Programme ME/progress reports, supervision reports, MTR, completion reports | annual | PMU |
| | Cluster | | | 65 | | | | | | |
| | programme-financed infrastructure developed and operational for 3 years after provision (Arrangements for the operation and maintenance (O&M) of market infrastructure equipment) | | | | | | | Programme ME/progress reports, supervision reports, MTR, completion reports | annual | PMU |
| | Infrastructure | | | 70 | | | | | | |
| | reduction in post-harvest losses for rice, cassava achieved | | | | | | | Programme ME/progress reports, supervision reports, MTR, completion reports | annual | PMU |
| | Losses reduced | | | 65 | | | | | | |
| Output Access to roads and water supply | 2.1.5 Roads constructed, rehabilitated or upgraded | | | | | | | Contract reports, RIMS | Annual | PMU |
| | Length of roads | | | 300 | | 359 | 119.667 | | | |
| | new water supply schemes linked to cassava and rice VC constructed by PY 3 | | | | | | | contract reports, Beneficiary perception surveys | 2 per project life | PMU |
| | Water supply scheme | | | 108 | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|---|---|----------|----------|------------|----------------------|--------------------------|----------------------------|--------------------------------|--------------------|----------------|-------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| | people in programme communities have adequate access to safe and sustainable drinking water | | | | | | | Beneficiary perception surveys | 2 per project life | PMU | |
| | Drinking water | | | 8 100 | | | | | | | |
| | Bridges by PY 3 | | | | | | | Contract reports | annual | PMU | |
| | Bridge | | | 120 | | | | | | | |
| | Culverts by PY 3 | | | | | | | Contract reports | annual | PMU | |
| | Culvert | | | 210 | | | | | | | |
| | Markets by PY 3 | | | | | | | Contract reports | annual | PMU | |
| | Market | | | 60 | | | | | | | |
| | Stalls by PY 3 | | | | | | | Contract reports | annual | PMU | |
| | Stall | | | 300 | | | | | | | |
| | Drinking water systems constructed/rehabilitated | | | | | | | RIMS | annual | PMU | |
| | Water system | | | 108 | | | | | | | |
| Output Marketing, processing and storage facilities improved | 2.1.6 Market, processing or storage facilities constructed or rehabilitated | | | | | | | Contract reports, RIMS | annual | PMU | |
| | Total number of facilities | | | 618 | | 770 | 124.595 | | | | |
| | Market facilities constructed/rehabilitated | | | 60 | | 87 | 145 | | | | |
| | Processing facilities constructed/rehabilitated | | | 108 | | 75 | 69.444 | | | | |
| | Storage facilities constructed/rehabilitated | | | 450 | | 608 | 135.111 | | | | |
| | Groups managing productive infrastructure formed/strengthened | | | | | | | RIMS | annual | PMU | |
| | Groups | | | 30 | | | | | | | |
| | Groups managing productive infrastructure with women in leadership positions | | | | | | | RIMS | annual | PMU | |
| | Female leadership | | | 9 | | | | | | | |
| | People in groups managing productive infrastructure | | | | | | | RIMS | annual | PMU | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|---|---|----------|----------|------------|----------------------|--------------------------|----------------------------|--|--------------------|----------------|--|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| | Males | | | 300 | | | | RIMS | annual | PMU | |
| | Females | | | 150 | | | | | | | |
| | People trained in infrastructure management | | | | | | | | | | |
| | Males | | | 300 | | | | RIMS | Annual | PMU | |
| | Females | | | 150 | | | | | | | |
| | number of market processing or storage facilities constructed or rehabilitated (modified current RIMS 1.4.3. 1.4.7. 1.4.8.) | | | | | | | | | | |
| | Total | | | 618 | | | | | | | |
| Outcome Farmers' organisations (Fos) in programme areas effectively serve their members | target Fos legally registered with the Department of Cooperatives | | | | | | | Service providers/operators reports | annual | PMU | FOs are recognised as legitimate interlocutors by the various stakeholders; avoidance of political interference in Fos |
| | FO | | | 2 674 | | | | | | | |
| | supported FOs are strong by PY 5 (good record keeping, strong business plans, generating profit, linked to finance, etc.) | | | | | | | FO financial records, State MoA/Commerce and Cooperative reports | 2 per project life | PMU | |
| | FO | | | 40 | | | | | | | |
| Output Capacity of FOs strengthened | FOs strengthened by programme use bulk purchase method to procure their input | | | | | | | Programme M&E/progress reports | annual | PMU | |
| | FO | | | 2 250 | | | | | | | |
| | group leaders (3 executives per group) trained in good governance issues by PY 5 | | | | | | | Service providers/operators reports | annual | PMU | |
| | Leaders | | | 6 750 | | | | | | | |
| | 2.1.3 Rural producers' organizations supported | | | | | | | RIMS | annual | PMU | |
| | Total size of POs | | 15 000 | 45 000 | | 89 916 | 199.8 | | | | |
| | Rural POs supported | | | 2 250 | | 5 338 | 237.2 | | | | |
| | Males | | 9 000 | 27 000 | | 58 597 | 217 | | | | |
| | Females | | 6 000 | 18 000 | | 31 319 | 174 | | | | |
| | Young | | | | | 11 784 | | | | | |
| | Indigenous people | | | | | 0 | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|---|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|--------------------|----------------|--------------------------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| | 1.1.5 Persons in rural areas accessing financial services | | | | | | | | | | |
| | Total persons accessing financial services - savings | | | 53 480 | | 0 | 0 | | | | |
| | Total persons accessing financial services - credit | | | | | 0 | | | | | |
| | Total persons accessing financial services - insurance | | | | | 0 | | | | | |
| | Total persons accessing financial services - remittances | | | | | 0 | | | | | |
| Outcome Production and productivity of SH rice and cassava farmers in the programme areas increased | increase in yields for non-irrigated rice per ha | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | Favourable climatic conditions |
| | rice | 2.5 | | 4 | | | | | | | |
| | increase in yields for irrigated rice per ha | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | |
| | rice | 2.5 | | 6 | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|-------------------|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|--------------------|----------------|-------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| | increase in rice and cassava produced by the target SH farmers | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | |
| | Male | | | 50 | | | | | | | |
| | Females | | | 50 | | | | | | | |
| | Youth | | | 50 | | | | | | | |
| | target farmer organisations have adopted at least one technology promoted by the programme by Mid-Term | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | |
| | Male | | | 15 750 | | | | | | | |
| | Females | | | 15 750 | | | | | | | |
| | Youth | | | 7 875 | | | | | | | |
| | % (Number) of women reporting improved quality of their diets (Minimum Dietary Diversity for Women, MDDW) | | | | | | | VCDP Reports, SM mission report, Impact Survey. CR. | Annual | PMU | |
| | % of women | | | | | | | | | | |
| | 1.2.8 Women reporting minimum dietary diversity (MDDW) | | | | | | | VCDP Reports, SM mission report, Impact Survey. CR. | Annual | PMU | |
| | Women (%) | 2.6 | 0 | 50 | | | | | | | |
| | Women (number) | 480 | 0 | 18 100 | | | | | | | |
| | Households (%) | 2.6 | 0 | 50 | | | | | | | |
| | Households (number) | 480 | 0 | 18 100 | | | | | | | |
| | Household members | 2 880 | 0 | 108 600 | | | | | | | |
| | Indigenous | | | | | | | | | | |
| | Women-headed households | | | | | | | | | | |
| | Number of persons reporting improved knowledge, attitude and practices on nutrition | | | | | | | VCDP Reports, SM mission report, Impact Survey. CR. | Annual | PMU | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|---|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|--------------------|----------------|-------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| | Number of persons reporting improved knowledge, attitude and practices on nutrition | 516 | 0 | 50 000 | | | | | | | |
| Output Access to fertilisers and agro-chemicals facilitated | utilisation rate of seeds, fertilisers and agro-chemicals per ha | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | |
| | ha | | | 0 | | | | | | | |
| | target farmer organisations satisfy their annual input needs | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | |
| | FO | | | 2 250 | | | | | | | |
| Output Access to improved production techniques facilitated | youth of target farmers trained in spraying techniques | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | |
| | Males | | | 4 500 | | | | | | | |
| | Males | | | 4 500 | | | | | | | |
| | Young | | | 9 000 | | | | | | | |
| | target farmer organisations (members) receive VCDP supported extension services (50%) | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | |
| | Males | | | 13 500 | | | | | | | |
| | Females | | | 9 000 | | | | | | | |
| | Young | | | 5 625 | | | | | | | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|-------------------|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|--------------------|----------------|-------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| | Farmer Field /Business Schools established | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | 2 per project life | PMU | |
| | Schools | | | 480 | | | | | | | |
| | Matching grants for agricultural equipment | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | annual | PMU | |
| | Nigerian NAIRA | | | 922 406 | | | | | | | |
| | Small Scale Farmers protected from seasonal flooding | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports | annual | PMU | |
| | Farmers | | | 30 000 | | | | | | | |
| | 1.1.4 Persons trained in production practices and/or technologies | | | | | | | RIMS | annual | PMU | |
| | Men trained in crop | | | 27 000 | | 42 662 | 158 | | | | |
| | Women trained in crop | | | 18 000 | | 27 460 | 152.6 | | | | |
| | Young people trained in crop | | | | | 14 911 | | | | | |
| | Indigenous people trained in crop | | | | | 0 | | | | | |
| | Men trained in livestock | | | | | 0 | | | | | |
| | Women trained in livestock | | | | | 0 | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | | Assumptions |
|-------------------|--|----------|----------|------------|----------------------|--------------------------|----------------------------|-----------------------|-----------|----------------|-------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility | |
| | Young people trained in livestock | | | | | 0 | | | | | |
| | Indigenous people trained in livestock | | | | | 0 | | | | | |
| | Men trained in forestry | | | | | 0 | | | | | |
| | Women trained in forestry | | | | | 0 | | | | | |
| | Young people trained in forestry | | | | | 0 | | | | | |
| | Indigenous people trained in forestry | | | | | 0 | | | | | |
| | Men trained in fishery | | | | | 0 | | | | | |
| | Women trained in fishery | | | | | 0 | | | | | |
| | Young people trained in fishery | | | | | 0 | | | | | |
| | Indigenous people trained in fishery | | | | | 0 | | | | | |
| | Total persons trained in crop | | | 45 000 | | 70 122 | 155.8 | | | | |
| | Total persons trained in livestock | | | | | 0 | | | | | |
| | Total persons trained in forestry | | | | | 0 | | | | | |
| | Total persons trained in fishery | | | | | 0 | | | | | |
| | People accessing advisory services | | | | | | | RIMS | annual | PMU | |
| | Males | | | 13 500 | | | | | | | |
| | Females | | | 9 000 | | | | | | | |
| | staff of service providers trained | | | | | | | RIMS | annual | PMU | |
| | | | | | | | | | | | |

| Results Hierarchy | Indicators | | | | | | | Means of Verification | | Assumptions |
|-------------------|---|----------|----------|------------|----------------------|--------------------------|----------------------------|---|-----------|----------------|
| | Name | Baseline | Mid-Term | End Target | Annual Result (2021) | Cumulative Result (2021) | Cumulative Result % (2021) | Source | Frequency | Responsibility |
| | Males | | | 24 | | | | | | |
| | Females | | | 12 | | | | | | |
| | 1.1.2 Farmland under water-related infrastructure constructed/rehabilitated | | | | | | | | | |
| | Hectares of land | | | 3 000 | | 13 310 | 443.7 | | | |
| | 3.1.4 Land brought under climate-resilient practices | | | | | | | Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports, RIMS | Annual | PMU |
| | Hectares of land | | | 121 000 | | 116 047 | 95.9 | | | |
| | 1.1.8 Households provided with targeted support to improve their nutrition | | | | | | | M&E system | annually | PMU |
| | Total persons participating | | | | | 0 | | | | |
| | Males | | | | | 0 | | | | |
| | Females | | | | | 0 | | | | |
| | Households | | | | | 0 | | | | |
| | Household members benefitted | | | | | 0 | | | | |

Nigeria

Value Chain Development Programme

Supervision Report

Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 20/09/2021-25/10/2021

Document Date: 25/11/2021

Project No. 1100001594

Report No. 5914-NG

West and Central Africa Division
Programme Management Department

Appendix 1: Financial: actual financial performance by financier; by component and disbursements by category as of 31 August:

Table 2A: Financial performance by Financier:

| Financier | Appraisal (USD '000) | Disbursements (USD '000) | Percentage Disbursed |
|---------------|-------------------------|-----------------------------|-------------------------|
| IFAD Loan | 66,860.80 | 66,838.67 | 99.97 |
| IFAD Loan AF1 | 89,100.00 | 26,391.24 | |
| IFAD Grant | 1,535 | - | - |
| Co-financier | 21,800.00 | - | - |
| Beneficiary | 7,200.00 | - | - |
| Government | 18,805.00 | 5,037.33 | 26.79 |
| Total | 205,300.70 | 98,267.24 | 47.87 |

Table 2B: Financial Performance by financier by component (USD '000):

| Component | IFAD Loan | | | IFAD Loan AF1 | | | IFAD Grant | | | Co-financier | | | Government | | | Domestic 1 | | | Total | | |
|--|---------------|---------------|--------------|---------------|---------------|------------|--------------|------------|------------|---------------|----------|---|---------------|--------------|-------------|--------------|--------|---|----------------|---------------|-------------|
| | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % | Appraisal | Actual | % |
| Agriculture Market Development | 38,111 | 26,735 | 70.1 | 41,087 | 11,084 | 27% | 1,106 | - | 0% | 17,000 | - | | 3,463 | 970 | 28.0 | 7,200 | - | - | 107,967 | 38,790 | 35.9 |
| Agriculture Product and Productivity | 23,401 | 25,399 | 108.5 | 35,913 | 9,765 | 27% | 429 | 179 | 42% | 4,800 | - | | 11,510 | 477 | 4.1 | - | - | - | 76,053 | 35,819 | 47.1 |
| Management and coordination | 5,349 | 14,705 | 274.9 | 12,100 | 5,542 | 46% | - | - | - | - | - | | 3,832 | 3,591 | 93.7 | - | - | - | 21,281 | 23,837 | 112.0 |
| Total | 66,861 | 66,839 | 99.97 | 89,100 | 26,391 | 30% | 1,535 | 179 | 12% | 21,800 | - | | 18,805 | 5,037 | 26.7 | 7,200 | | | 205,301 | 98,446 | 47.9 |

Nigeria

Value Chain Development Programme

Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 20/09/2021-25/10/2021

Document Date: 25/11/2021

Project No. 1100001594

Report No. 5914-NG

West and Central Africa Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B (January – 31ST August 2021)

| Component/Sub-Component | Name of Indicator | Unit | AWP&B Target | Actual Achieved | % | Cumulative Actual (A2) | Appraisal Target (AF2 LoP) | % |
|---|--|---------|--------------|-----------------|------|------------------------|----------------------------|-------|
| Sub-component 1.1: Support to Value Addition and Market Linkages | National trade promotion activities organized | Number | 1 | 1 | 100 | 5 | 9 | 55 |
| | | | | | | | | |
| | State trade promotion activities organized | Number | 9 | 9 | 100 | 72 | 57 | 126 |
| | | | | | | | | |
| | State Innovation Platform formed | Number | 6 | 13 | 216 | 47 | 24 | 196 |
| | | | | | | | | |
| | Consultative meetings of innovation platform | Number | 18 | 18 | 100 | 70 | 48 | 146 |
| | | | | | | | | |
| | Number of Smallholders that use Agricultural market information generated from AMIS | Persons | 11,765 | 11,075 | 80 | 64,666 | 81,000 | 80 |
| | | | | | | | | |
| | MoUs signed between FOs and Processors | Number | 717 | 475 | 66 | 3,767 | 96 | 3,923 |
| | | | | | | | | |
| | Contractual arrangements formalized between FOs and processors | Number | 6 | 9 | 150 | 476 | 63 | 756 |
| | | | | | | | | |
| Sub-component 1.2: Support to Market Infrastructure | Processors trained in recommended technologies | Persons | 1,802 | 968 | 54 | 6,972 | 13,000 | 54 |
| | | | | | | | | |
| | Service providers (consultants and firms) for market linkages trained | Persons | 9 | 7 | 78 | 43 | 36 | 119 |
| | | | | | | | | |
| | Roads constructed/rehabilitated | KM | 0 | 0 | 0 | 250 | 420 | 60 |
| | | | | | | | | |
| | Bridges constructed/rehabilitated | Number | 40 | 1 | 2.5 | 43 | 120 | 36 |
| | | | | | | | | |
| | Culverts constructed/rehabilitated | Number | 58 | 10 | 17 | 319 | 210 | 152 |
| | | | | | | | | |
| | New water schemes linked to cassava and Rice VC constructed | Number | 72 | 27 | 37.5 | 146 | 436 | 33 |
| | | | | | | | | |
| | People in programme communities that have adequate access to safe and sustainable drinking water | Persons | 5,400 | 2,025 | 37.5 | 80,884 | 32,700 | 247 |
| | | | | | | | | |
| | Market constructed/rehabilitated | Number | 82 | 9 | 11 | 126 | 180 | 70 |
| | | | | | | | | |
| | Number of stalls in the market constructed/rehabilitated | Number | 410 | 108 | 26 | 1,178 | 600 | 196 |

| Component/Sub-Component | Name of Indicator | Unit | AWP&B Target | Actual Achieved | % | Cumulative Actual (A2) | Appraisal Target (AF2 LoP) | % |
|--|--|-------------|----------------|-----------------|-------|------------------------|----------------------------|-------|
| | | | | | | | | |
| | Processing unit with stores constructed/rehabilitated | Number | 82 | 6 | 7 | 68 | 195 | 35 |
| | | | | | | | | |
| | FO commodity stores/village bulking centres constructed/rehabilitated | Number | 18 | 0 | 0 | 16 | 90 | 18 |
| | | | | | | | | |
| | Number of stores in FO commodity stores/village bulking centres | Number | 360 | 0 | 0 | 317 | 1800 | 18 |
| | | | | | | | | |
| | Processing clusters that have been supported with at least one piece of equipment | Number | 17 | 6 | 35 | 171 | 148 | 116 |
| Sub-Component 2.1: Support to Farmers' Organizations | People trained in infrastructure management (markets, water supply, processing and storage facilities) | Persons | 650 | 680 | 105 | 2,141 | 675 | 317 |
| | Matching grants for processing facilities | Naira (NGN) | 736,287,4070 | 43,123,804.00 | 6 | 368,475,112.00 | 4,480,207,500.00 | 8 |
| | FO Strengthened by the programme that use bulk purchase method to procure their inputs | Number | 621 | 787 | 127 | 3,126 | 6,050 | 52 |
| | FOs legally registered with the Department of Cooperatives | Number | 376 | 1,440 | 383 | 7,585 | 6,750 | 112 |
| | Group leaders trained in good governance issues | Number | 757 | 725 | 96 | 11,014 | 18,150 | 61 |
| Sub-Component 2.2: Production and productivity of smallholder rice and cassava farmers | Smallholder farmers that have adopted at least one technology promoted by the programme | Persons | 7,875 | 6,162 | 78 | 75,902 | 84,700 | 90 |
| | Farmers provided with recommended rate of seeds fertilizers and agro chemicals | Persons | 11,250 | 7,416 | 66 | 93,246 | 121,000 | 77 |
| | Matching grants for production inputs | Naira (NGN) | 482,167,750.00 | 154,438,434.00 | 32 | 4,269,282,474.00 | 7,467,162,500.00 | 64 |
| | Youth farmers trained in spraying techniques/Other income generating enterprises | Persons | 1,688 | 535 | 32 | 11,581 | 18,200 | 64 |
| | Farmer organisation that received VCDP supported extension services | Number | 281 | 386 | 137 | 1,170 | 2,225 | 53 |
| | Farmer field schools/Business schools established | Number | 90 | 48 | 53 | 775 | 912 | 85 |
| | Service providers (consultant and firms) for production trained | Number | 12 | 7 | 58 | 138 | 45 | 307 |
| | Farmers trained in improved technologies | Persons | 6,300 | 4,389 | 70 | 75,902 | 72,600 | 104.5 |
| | Land area under irrigation production | Hectare | 600 | 705 | 117.5 | 14,910 | 4,400 | 339 |
| | Small scale farmers protected from seasonal flooding | Persons | 6,000 | 1,002 | 17 | 15,962 | 30,000 | 53 |
| | Matching grants for agricultural equipment | Naira (NGN) | 10,903,000.00 | 1,507,005.00 | 49 | 468,058,258.00 | 2,986,865,000 | 16 |
| | | | | | | | | |
| | Number of AWPB prepared produced | Number | 1 | 1 | 100 | 8 | 12 | 67 |

| Component/Sub-Component | Name of Indicator | Unit | AWP&B Target | Actual Achieved | % | Cumulative Actual (A2) | Appraisal Target (AF2 LoP) | % |
|--|---|--------|--------------|-----------------|----|------------------------|----------------------------|----|
| Component 3 – Programme Management and Management | Number of M&E Progress Report prepared produced | Number | 4 | 3 | 75 | 30 | 46 | 65 |
| | Number of Financial Progress Report prepared produced | Number | 4 | 3 | 75 | 30 | 46 | 65 |
| | Number of Management meetings per annum | Number | 12 | 9 | 75 | 90 | 132 | 68 |
| | Number of Stakeholder meetings per annum | Number | 2 | 1 | 50 | 37 | 190 | 19 |

Nigeria

Value Chain Development Programme

Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 20/09/2021-25/10/2021

Document Date: 25/11/2021

Project No. 1100001594

Report No. 5914-NG

West and Central Africa Division
Programme Management Department

Appendix 3: Compliance with legal covenants: status of implementation

| Section | Covenant | Target/Action Due Date | Compliance Status/Date |
|---------------------------------------|--|-----------------------------|---|
| Section 4.02 | PCU to open and maintain a Project Account (in USD) to make an initial deposit equivalent to USD 6 million | 01/03/19 | Done |
| Section 4.03 | Procurement of goods, works and services carried out in accordance with the procedures laid down in Schedule 3 | 01/03/19 | Done |
| Section 4.04 | Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice | 05/06/19 | Done |
| Section 4.05, section 11.10(b) | Audit report submitted to IFAD | 30/06/2021 | Was delivered on time and signed off by IFAD. |
| Section 4.06 | Progress reports to be submitted to IFAD on a quarterly basis | 15/09/19-15/12/19- 15/03/20 | Done |
| Schedule 4, para 7 | AWPB to be submitted to the Fund, for its review and comments | 30/10/20 | Done |
| Schedule 4, para 8(a) | A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD. | March 2022 | Not done |
| Schedule 4, para 16 | Project to be exempted from all import duties, excise taxes and value added tax (VAT) on investment expenditures | 31/06/19 | Not done |

Nigeria

Value Chain Development Programme

Supervision Report

Appendix 5: Mission preparation and planning, TORs, schedules, people met

Mission Dates: 20/09/2021-25/10/2021

Document Date: 25/11/2021

Project No. 1100001594

Report No. 5914-NG

West and Central Africa Division
Programme Management Department

Appendix 5: Mission preparation and planning, TORs, schedules, people met

Terms of Reference

A. Background

The Government of Nigeria and IFAD will undertake a joint remote supervision mission for Value Chain Development programme (VCDP). The VCDP, which started in 2014 supports two commodities (rice and cassava value chains) in nine states¹ of Nigeria. It focuses on enhancing the productivity and profitability of smallholder farmers and small/medium-scale agro-processors by enhancing their capacity to increase yields and improve their access to markets, as well as, add value to locally produced raw materials through improved processing and packaging.

Its primary goal is to reduce poverty and sustainably enhance accelerated economic growth; whilst the specific Programme Development Objective is to increase the incomes and enhance food security for rural poor households engaged in production; processing and marketing of rice and cassava in the targeted LGAs of the nine mandate states on a sustainable basis.

Due to the current COVID-19 pandemic, which has resulted in international and local movement restrictions, international consultants participate this supervision mission remotely.

B. Objective of the Mission

The objectives of this mission are:

- To assess the implementation progress and achievement of outputs by component and outcome indicators as per the Log-frame
- To assess the status of implementation of the VCDP 2018 Additional Financing (AF1)
- To identify implementation bottlenecks and challenges in the implementation of the original and additional financing and provide solution to resolving them
- To discuss and agree on a set of actions to be implemented in the short-term.

C. Outputs of the mission

The mission will produce the following documents following IFAD format:

- A concise aide memoire
- A detailed supervision report

D. Mission Composition (IFAD experts)

- | | |
|-----------------------|--|
| 1. Paul Picot | Mission Lead |
| 2. Francis Nwilene | Production and Productivity Enhancement expert |
| 3. King'ori Wathobio | Rural Infrastructure expert |
| 4. Mayowa Fasona | Environment and Climate change expert |
| 5. Ifeyinwa Achike | Gender and social inclusion expert |
| 6. Christine Chege | Nutrition expert |
| 7. Franklin Ibemessie | Procurement expert |
| 8. Ndawazhile Kaluwa | Monitoring and Evaluation expert |
| 9. Davis Atugonza | Financial Management |

¹ It started with 6 states of Anambra, Benue, Ebonyi, Niger, Ogun and Taraba in 2014. In 2018, IFAD provided additional financing and expanded the coverage to Enugu, Kogi and Nasarawa States.

E. Specific Terms of Reference

Paul Picot (Mission Lead)

- Receive inputs from mission members and consolidate the mission's report and aide memoire.
- Cover, Market linkages and financial inclusion, private sector engagement and related tasks on partnership building and market linkages.
- Work with the country team to cover Programme management.
- Organise and delegate responsibilities to mission members, ensure quality and consistency in mission's reports, including the working papers from mission members.
- Define and manage meetings with mission members, governments and key stakeholders relevant public institutions, private sector actors, farmer organisations, beneficiaries and other stakeholders by virtual aids.
- Be available to meet with IFAD Team as may arise from time to time until the end of the mission.
- Incorporate comments from IFAD, FMARD and finalise documents as required
- Any other tasks as required

Francis Nwilene (Production and Productivity Enhancement consultant)

- Cover activities relating to production and productivity enhancement in VCDP.
- Assess impact of the extension service support covered by PAD.
- Provide input on production and productivity in writing to the mission's report and aide memoire.
- Incorporate comments from IFAD, and FMARD and finalise documents as required
- Participate in all meetings as the lead consultant and/or IFAD may deem necessary.
- Any other tasks as required

King'ori Wathobio (Rural Infrastructure expert)

- Cover activities relating to market and production infrastructure in VCDP
- Participate in all meetings as the lead consultant and/or IFAD may deem necessary.
- Provide input on market and production infrastructure in writing to the mission's report and aide memoire
- Incorporate comments from IFAD, FMARD and finalise documents as required
- Any other tasks as required

Mayowa Fasona (Environment and Climate change specialist)

- Cover activities relating to Environment and Climate change in VCDP
- Participate in all meetings as the lead consultant and/or IFAD may deem necessary.
- Update IPRM through a detailed risk-based review of climate change and environment and identify actions and resources required to strengthen project's capacity over environment and climate context.
- Provide input on Environment and Climate change in writing to the mission's report and aide memoire.
- Incorporate comments from IFAD and FMARD and finalise documents as required.
- Any other tasks as required.

Ifeyinwa Achike (Gender and social inclusion expert)

- Cover activities relating to women, youth and people with disability in VCDP
- Participate in all meetings as the lead consultant and/or IFAD may deem necessary.

- Update IPRM through a detailed risk-based review of gender and social inclusion and identify actions and resources required to strengthen project's capacity over gender and social inclusion context.
- Provide input on Gender in writing to the mission's report and aide memoire.
- Incorporate comments from IFAD and FMARD and finalise documents as required
- Any other tasks as required

Christian Chege (Nutrition Expert)

- Cover activities relating to nutrition in VCDP.
- Participate in all meetings as the lead consultant and/or IFAD may deem necessary.
- Provide input on nutrition in writing to the mission's report and aide memoire.
- Incorporate comments from IFAD and FMARD and finalise documents as required
- Any other tasks as required

Ndawazhile Kaluwa (Monitoring & Evaluation)

- Collect and analyse relevant quantitative and qualitative data on VCDP.
- Elaborate the Logical Framework of VCDP, in collaboration with mission members taking into account the new IFAD enhanced operational approach to results-based management.
- Update IPRM through a detailed risk-based review of project monitoring and evaluation activities and identify actions and resources required to strengthen project's capacity over M&E.
- Provide input on quality of M&E to the mission's report and aide memoire.
- Incorporate comments from IFAD and FMARD and finalise documents as required.
- Any other tasks as required.

David Atugonza (Financial Management expert)

- Cover activities relating to FM including quality of audit in VCDP
- Participate in all meetings as the lead consultant and/or IFAD may deem necessary.
- Conduct a detailed risk-based review of project payments and supporting documentation to identify actions and resources required to strengthen the internal controls over payments and manage risk that funds are not used for intended purposes.
- Review procedures for the management of project assets and handling of vehicle and fuel and adequate insurance cover.
- Provide input on quality of financial management in writing to the mission's report and aide memoire
- Incorporate comments from IFAD and FMARD and finalise documents as required
- Any other tasks as required

Franklin Ibemessie (Procurement expert)

- Cover activities relating to procurement in VCDP
- Participate in all meetings as the lead consultant and/or IFAD may deem necessary.
- Review level of readiness to address recommendation of the last audit as it concerns procurement in the programme
- Conduct a detailed risk-based review of project procurement and supporting documentation to identify actions and resources required to strengthen the internal controls over procurement.
- Update PRM through a detailed risk-based review of project procurement and identify actions and resources required to strengthen project's capacity over procurement.

- Provide input on quality of procurement to the mission's report and aide memoire.
- Incorporate comments from IFAD and FMARD and finalise documents as required
- Any other tasks as required

Mission Schedule

| Date | Time (Abuja time: GMT+1 WAT) | Activity (virtual meetings) | Participants |
|----------------------------------|--|---|--|
| 20 Sep (Mon) | 10:00- 11:00 | Inception meeting: <ul style="list-style-type: none"> • Exchange between IFAD team and consultants | All Consultants IFAD |
| | 11:30- 12:30 | Mission inception meeting with Project <ul style="list-style-type: none"> • Planning of logistics | All Consultants IFAD VCDP team |
| | 14:30- 17:00 | Introductory session between joint mission (Government officials and IFAD) and project team <ul style="list-style-type: none"> • Organization of supervision mission • Presentation on status of VCDP implementation to date against targets (Project to make presentation) • Q&A | All Consultants IFAD VCDP team Government |
| 21 – 29 Sep (Tue - Wed) | In-country team Field trip/ Bilateral working sessions between Joint mission and project team | | |
| | All Day | <ul style="list-style-type: none"> • Bilateral working sessions and exchange of information by component, mainstreaming areas and RPSF • Field trip. | Consultants IFAD VCDP team |
| 30 Sep (Thu) | 09:00- 11:00 | Component 3 session | Consultants IFAD VCDP team |
| | 12:00- 13:00 | M&E session | |
| 1 Oct (Fri) | All day | Deskwork | |

| | | | |
|-------------------------|-----------------|---|-----------------------------|
| 4 Oct (Mon) | 09:00- 11:00 | Exchange session between consultants on draft contributions: preliminary findings <ul style="list-style-type: none"> • Team meeting to review and discuss preliminary findings from the field and bilateral sessions. • Consultants present midway findings with PPT | Consultants IFAD |
| 5 Oct (Tue) | 14:00- 16:00 | Exchange session with Consultants and Project on the mid-way findings. | Consultants IFAD VCDP |
| 6-7 Oct | | Desk work and report finalization | Consultants IFAD |
| 8 Oct (Fri) | 17:00 | Report submission Submit contribution to Lead consultant | |
| 15 Oct (Fri) | 17:00 | Final Report Submission to IFAD Report consolidation by lead consultant. Lead consultant submit the final report to ICO by 15 October. | Lead Consultant |

Field itinerary: FGN/IFAD - VCDP 9th Supervision Mission**Date: 21 September (Tue)- 29 September (Wed) 2021****Visiting states: Kogi (new state) and Ogun**

| Date | Time | Activity |
|--------------------|---|--|
| 21 September (Tue) | Departure for Kogi by road | |
| | 08:00 | Departure Abuja (VCDP NPCO) |
| | 11:00 | Arrival Kogi/ Hotel Check-in and Lunch (SAATOF Hotel) |
| | 12:00-13:00 | UNDSS security briefing |
| | 13:30 | Departure Hotel to Kogi SPCO |
| | 14:00 | Kogi SPCO presentation on their implementation progress (zoom connection) |
| | 17:00 | Return hotel |
| 22 September (Wed) | Activity in Kogi state | |
| | AM | Courtesy calls/ Kogi state government |
| | PM | Old Site (before intervention) of Gaskiya Rice Processing Centre Cassava Demo plot/ Farm of Youth Entrepreneur Visit to New Gaskiya processing centre and market stall |
| | 17:00 | Return hotel |
| 23 September (Thu) | Activity in Kogi state | |
| | AM | Visit to Rice processing centre |
| | 17:00 | Return to Hotel |
| 24 September (Fri) | Move from Kogi to Abuja, Abuja to Lagos (Flight number Air Peace 7443) | |
| | 07:00 | Departure for Abuja |
| | 13:45 | Departure Abuja for Lagos (Arrival Lagos 15:00) |
| 25 September (Sat) | No Activity, Stay in Lagos | |
| 26 September (Sun) | Departure for Abeokuta (Ogun) | |
| | AM | Move to Abeokuta and hotel check-in (Hotel: Park Inn by Radisson) |
| | PM | No activity |
| 27 September (Mon) | Activity in Ogun state | |
| | 08:00-09:00 | Security brief by UNDSS |
| | AM | Courtesy Calls |
| | PM | Visit Ogun SPCO, Presentation by SPCO. |
| | 17:00 | Return hotel |
| 28 September (Tue) | Field activity in Ogun state | |
| | AM | 1. Team travels for field visit to Eredo Youth Cluster: Obafemi – Owode LGA Team Engages the Youth on Cassava Farm: 2. Team travels to Harvest Field (Off-taker) + Tea break |
| | PM | Team travels to Alapako Cluster Team engages members of the Cluster - New Mini-Cassava Processing Centre with Creche - Vitamin A cassava garri processing |

| | | |
|-----------------------|---------------------|---|
| | 17:00 | Return hotel |
| 29 September (Wed) | Return Abuja | |
| | AM | Move to Lagos, then take a flight to Abuja |
| | 14:45 | Departure Lagos for Abuja (Abuja arrival time: 15:30) |

Nigeria

Value Chain Development Programme

Supervision Report

Appendix 6: Procurement

Mission Dates: 20/09/2021-25/10/2021























Document Date: 25/11/2021































Project No. 1100001594

Report No. 5914-NG



























West and Central Africa Division
Programme Management Department





IFAD Procurement Risk Matrix

| Division | | West and Central Africa (WCA) | | | | |
|-----------------------------|---|---|--|--|----------------------------|---|
| Country | | Nigeria | | | | |
| Project | | VCDP | | | | |
| Date | | 25-Oct-21 | | | NET RISK RATING | |
| INHERENT RISK RATING | |  2.11 | | | |  2.28 |
| # | Description of Risk Feature | Rating | Assessment Basis | Remarks | Recommendation /Mitigation | Rating |
| A | COUNTRY RISK ASSESSMENT |  1.70 | | | |  1.70 |
| 1 | Legal and Regulatory Framework |  1.80 | | | |  1.80 |
| a | Country procurement law, regulations and manual exist |  3 | 3 they all exist, 2 only two exist, 1 only one exist or none | | |  3 |
| b | Existence of Standard Bidding Documents for Goods, Works and Services |  3 | 3 all exist, 2 only for NCB & ICB, none for Shopping, 1 none exists | | |  3 |
| c | Procurement Monitoring |  1 | Use PEFA Framework, see worksheet for details | PEFA Report 2019 states that the website of the Bureau of Public Procurement (BPP) fails to regular update its information, and updates are pending from 2017. | None |  1 |
| d | Procurement Methods |  1 | Use PEFA Framework, see worksheet for details | PEFA Report 2019: The BPP annual report shows that only 1.52% of prior review procurements were processed through NCB or ICB as required, while 54.57% of those prior review procurements were done by sole source/direct contracting procurement. In addition, the Report did not include the value, procurement method and contractor name for every contract. | None |  1 |
| e | Public access to procurement information |  1 | Use PEFA Framework, see worksheet for details | PEFA Report 2019: This indicator has 6 criteria. Only 2 (legal and regulatory framework and data on resolution of procurement complaints) were met. | None |  1 |
| 2 | Accountability and Transparency |  1.60 | | | |  1.60 |
| a | Procurement Complaints Management |  1 | Use PEFA Framework, see worksheet for details | PEFA Report 2019: There is no independent review body responsible to address procurement complaints. The administrative reviews of challenged procurements were conducted by the procuring entities and BPP - who participated in award decisions - thus creating conflicts of interest | None |  1 |
| b | Country Corruption Perception Index score |  1 | The score is published on Transparency.org. 0 to 29 = 1, 30 to 60 = 2, 61 to 100 = 3 | Nigeria's score is 25/100, re-checked 25 Oct 2021 | None |  1 |

| | | | | | | |
|----------|--|---|---|---|--|---|
| c | 2-tiered system to handle complaints |  1 | 3 as stated, 2 only a single level system, 1 no system | There is no independent review body responsible to address procurement complaints. See 2a above | |  1 |
| d | Existence of a debarment system |  2 | 3 full existence, 2 existence of complaints body that is the authority, 1 does not exist | BPP is both the authority and the complaints | None |  2 |
| e | Existence of an independent and competent local authority responsible for investigating corruption allegations |  3 | 3 existence of independent Anti-Corruption agency, 2 existence of an office within a government ministry/agency that carries out some/all of these functions, 1 does not exist | EFCC and ICPC | |  3 |
| B | PROJECT INSTITUTIONAL RISK ASSESSMENT |  2.52 | | | |  2.86 |
| 1 | Capability in Public Procurement |  2.60 | | | |  3.00 |
| a | Existence of a Procurement Unit with at least 2 staff members (Design stage, reference is to govt agency) Existence of a Procurement Officer (Implementation) |  3 | 3 as stated, 2 one staff member, 1 does not exist (at Design stage) 3 as stated, 2 someone else doing Procurement, 1 procurement function not consistently handled by anyone | | |  3 |
| b | Staff member(s) have at least 7 years experience in donor-funded public procurement |  2 | 3 as stated, 2 for less than 7 years and/or experience in public procurement but not donor-funded, 1 for less than 3 years experience | The National Procurement Officer has the required experience, but none of the State Procurement Officers do | Develop and implement training programs for state procurement officers. |  3 |
| c | What is the general quality of documents produced by the procurement office? |  2 | 3 for very good bidding documents, evaluation reports and contracts, 2 for mediocre documents, 1 for documents with bad quality | Documents in NPMU is decent. Of the States, about half have good documents, the other half are bad | Mitigation measure above refers. Additionally, provision of budget for purchase of stationery items to improve record-keeping activities |  3 |
| d | Do procurement staff have immediate access to the legal and regulatory framework documents? |  3 | 3 for all, 2 for some, 1 for none | | |  3 |
| e | Are the procurement and financial management functions separated? |  3 | 3 for total separation, 2 for some separation, 1 for procurement being done by FM staff | | |  3 |
| 2 | Public Procurement Processes |  2.44 | | | |  2.73 |
| i | Procurement Methods |  2.75 | | | |  3.00 |
| a | Procurement methods for Goods consistent with IFAD Guidelines |  3 | 3 as stated, 2 for national or international, 1 for none | | |  3 |
| b | Procurement methods for Works consistent with IFAD Guidelines |  3 | 3 as stated, 2 for national or international, 1 for none | | |  3 |
| c | Procurement methods for Services consistent with IFAD Guidelines |  3 | 3 for large-value method for firms, small value method for firms and method for individual consultants; 2 for two of the above; 1 for only one or less | | |  3 |

| | | | | | | |
|-----|---|---|--|---|---|---|
| d | Easy access to bidding documents by foreign firms |  2 | 3 bidding documents are free and could be issued/sent electronically; 2 foreign bidders have to wire funds to Project to buy bidding docs; 1 bidding docs not practically available to foreign bidders | | Provision of electronic bidding documents in all ICB procurements |  3 |
| ii | Procurement Planning |  2.67 | | | |  2.67 |
| a | Are procurement plans prepared ahead of time and consistent with annual work plans/budgets? |  3 | 3 prepared ahead and consistent, 2 one of either, 1 none | | |  3 |
| b | Do procurement people participate in the annual work planning processes? |  3 | 3 if required by regulation and practised, 2 if required by regulation, 1 if none of above | Regulation requires that the planning process should be a coordinated exercise | |  3 |
| c | Are Procurement Plans done using an effective format with planned and actual rows across 3 different categories |  2 | 3 for all, 2 for some, 1 for none | Procurement Plans are done with proper format but not updated effectively | |  2 |
| iii | Procurement Processes |  2.43 | | | |  2 |
| a | Minimum number of quotations established by law |  3 | 3 for three or more; 2 for two, 1 if it does not state or less than two | | |  3 |
| b | Minimum number of days for advertised procurement under competitive bidding processes |  3 | 3 for minimum of 30 days; 2 for minimum of 20 days; 1 for less than 20 days or not stated | | |  3 |
| c | Is there enough time provided for bidders to ask questions and receive answers in the bidding process? |  3 | 3 if bidders have a minimum of 3 days for the RFQ method and 7 days for competitive methods to ask questions, 2 if less than less than 3 days for RFQ and less than 7 but more than 4 for competitive methods, 1 if not mentioned in RFQ and less than 4 days for competitive procurements | All documents reviewed provide for bidders to ask questions before submitting their bids | |  3 |
| d | Are clarifications provided to all bidders? |  2 | 3 for all, 2 for some, 1 for none | Not seen in any of the docs reviewed. Opportunity is provided, however | |  2 |
| e | Are bids received prior to the deadline securely stored? |  3 | 3 for all, 2 for some, 1 for none | | |  3 |
| f | Are procurement securities securely stored? |  2 | 3 for all, 2 for some, 1 for none | While some are stored securely, a number are found to be filed in the records, where only copies should be | |  2 |
| g | Are public bid openings conducted for advertised procurements, and within an hour of receipt of bids? |  3 | 3 for both, 2 for bid openings being conducted more than an hour after receipt, 1 for bid openings not being conducted | | |  3 |
| h | Are minutes of bid openings taken, and sent to bidders who submitted bids? |  2 | 3 for both, 2 for minutes being taken but not being sent, 1 for none | Minutes were seen. No evidence to suggest they were sent to bidders | |  2 |
| i | Are evaluations conducted by a suitably qualified ad-hoc evaluation committee? |  3 | 3 for both, 2 for qualified but not ad-hoc, 1 for ad-hoc or none | | |  3 |
| j | In evaluation, is responsiveness based on criteria requirements in the bidding documents? |  1 | 3 for all, 2 for some, 1 for none | In all of the cases seen yes. However there was evidence to suggest supposedly competitive bids being sent from one source, which is why the score is low | |  1 |
| k | Are evaluations completed within the bid validity period? |  2 | 3 for all, 2 for some, 1 for none | | |  2 |

| | | | | | | |
|----|--|---|--|---|--|---|
| l | Are conditions precedent to contract effectiveness clearly stipulated in the contract? (i.e., advance payment security, performance security, insurance, etc.) |  3 | 3 for all, 2 for some, 1 for none | | |  3 |
| m | Does the agency maintain a complete record of the process? This would include copies of all public advertisements, pre-qualification documents (if used, the pre-qualification evaluation report documenting any decisions not to pre-qualify certain potential bidders), the bidding documents and any addenda, a record of any pre-bid meetings, the bid opening minutes, the final bid evaluation report (including a detailed record of the reasons used to accept or reject each bid), appeals against procedures or award recommendations, a signed copy of the final contract and any performance and advance payment securities issued, etc. |  3 | 3 for all, 2 for some, 1 for none | | |  3 |
| n | Are all contracts awarded advertised publicly? |  1 | 3 for all, 2 for some, 1 for none | No records of contracts awarded being published | |  1 |
| iv | Contract Administration and Management |  1.91 | | | |  2.82 |
| a | Existence of authority levels in the contract management process |  2 | 3 for existence, 2 for some practice, 1 for none | There is practice that suggests who the contract manager is separate from who can sign contract and amendments | Contract Management manual needs to be commissioned with appropriate training programmes to turn this around |  3 |
| b | Existence of approval thresholds for contract amendments |  1 | 3 for existence, 2 for some practice, 1 for none | None seen. Nothing says which contract amendments are approved per threshold and who approves based on additional funds and/or time | Contract Management manual needs to be commissioned with appropriate training programmes to turn this around |  3 |
| c | Is there an effective contract monitoring system/framework in place? |  2 | 3 for all, 2 for some, 1 for none | Basic contract monitoring in place | Contract Management manual needs to be commissioned with appropriate training programmes to turn this around |  3 |
| d | Is there a process to monitor delivery of goods to verify quantity and quality? |  2 | 3 for all, 2 for some, 1 for none | Response above refers | Contract Management manual needs to be commissioned with appropriate training programmes to turn this around |  3 |
| e | Is there a framework for approval of deliverables and payment process for consulting services contract? |  2 | 3 for all, 2 for some, 1 for none | Response above refers | Contract Management manual needs to be commissioned with appropriate training programmes to turn this around |  3 |
| f | Is there a process for resolution of final payment and contract closure? |  2 | 3 for all, 2 for some, 1 for none | Response above refers | Contract Management manual needs to be commissioned with appropriate training programmes to turn this around |  3 |
| g | Are contract disputes handled in accordance with a formal complaints/arbitration system? |  2 | 3 for all, 2 for some, 1 for none | Response above refers | Contract Management manual needs to be commissioned with appropriate training programmes to turn this around |  3 |
| h | Are works contracts supervised by independent engineers or a named project manager? |  3 | 3 for all, 2 for some, 1 for none | | |  3 |
| i | Are contracts completed on schedule and within the approved/ contracted contract price? |  2 | 3 for all, 2 for some, 1 for none | Mostly yes, especially for price | Contract Management manual needs to be commissioned with appropriate training programmes to turn this around |  3 |

| | | | | | | |
|---|---|---|-----------------------------------|--|--|---|
| j | Does the organization have contract registers that register all contracts (with names, prices and dates), per procurement category? |  1 | 3 for all, 2 for some, 1 for none | The contract registers are not done properly. Each state seems to have a different template. The Contract Managament online tool must be used to generate contract registers | |  1 |
| k | Are adequate contract administration records maintained? (These would include contractual notices issued by the supplier, contractor, purchaser or employer; a detailed record of all changes or variation orders issued affecting the scope, qualities, timing or price of the contract; records of invoices and payments, progress reports, certificates of inspection, acceptance and completion; records of claim and dispute and their outcomes; etc.) |  2 | 3 for all, 2 for some, 1 for none | Signed contracts and payment vouchers are found in almost all contracts for goods. For services and works, most of the deliverables and stage reports are not filed. | Contract Management manual needs to be drafted to address this |  3 |

Risk Rating System

| | |
|----------|------------------------|
| 3 | L : Low Risk |
| 2 | M : Medium Risk |
| 1 | H : High Risk |



Franklin Ibemessie
Procurement Consultant
25 Oct 2021

Nigeria

Value Chain Development Programme

Supervision Report

Appendix 7: Integrated Project Risk Matrix (IPRM)

Mission Dates: 20/09/2021-25/10/2021

Document Date: 25/11/2021

Project No. 1100001594

Report No. 5914-NG

West and Central Africa Division
Programme Management Department

Overall Summary

| Risk Category / Subcategory | Inherent risk | Residual risk |
|--|--------------------|--------------------|
| Country Context | Substantial | Substantial |
| <i>Political Commitment</i> | <i>Substantial</i> | <i>Substantial</i> |
| <i>Governance</i> | <i>High</i> | <i>High</i> |
| <i>Macroeconomic</i> | <i>Substantial</i> | <i>Substantial</i> |
| <i>Fragility and Security</i> | <i>Substantial</i> | <i>Substantial</i> |
| Sector Strategies and Policies | Moderate | Moderate |
| <i>Policy alignment</i> | <i>Moderate</i> | <i>Moderate</i> |
| <i>Policy Development and Implementation</i> | <i>Moderate</i> | <i>Moderate</i> |
| Environment and Climate Context | Substantial | Moderate |
| <i>Project vulnerability to environmental conditions</i> | <i>Substantial</i> | <i>Moderate</i> |
| <i>Project vulnerability to climate change impacts</i> | <i>Substantial</i> | <i>Moderate</i> |
| Project Scope | Moderate | Moderate |
| <i>Project Relevance</i> | <i>Substantial</i> | <i>Moderate</i> |
| <i>Technical Soundness</i> | <i>Low</i> | <i>Low</i> |
| Institutional Capacity for Implementation and Sustainability | Substantial | Moderate |
| <i>Implementation Arrangements</i> | <i>Substantial</i> | <i>Moderate</i> |
| <i>Monitoring and Evaluation Arrangements</i> | <i>Moderate</i> | <i>Moderate</i> |
| Project Financial Management | Moderate | Low |
| <i>Project Organization and Staffing</i> | <i>Moderate</i> | <i>Low</i> |
| <i>Project Budgeting</i> | <i>Moderate</i> | <i>Low</i> |
| <i>Project Funds Flow/Disbursement Arrangements</i> | <i>Moderate</i> | <i>Low</i> |
| <i>Project Internal Controls</i> | <i>Moderate</i> | <i>Low</i> |
| <i>Project Accounting and Financial Reporting</i> | <i>High</i> | <i>Moderate</i> |
| <i>Project External Audit</i> | <i>Moderate</i> | <i>Low</i> |
| Project Procurement | Moderate | Moderate |
| <i>Legal and Regulatory Framework</i> | <i>Moderate</i> | <i>Moderate</i> |
| <i>Accountability and Transparency</i> | <i>Moderate</i> | <i>Moderate</i> |
| <i>Capability in Public Procurement</i> | <i>Substantial</i> | <i>Moderate</i> |
| <i>Public Procurement Processes</i> | <i>Moderate</i> | <i>Moderate</i> |
| Environment, Social and Climate Impact | Moderate | Moderate |
| <i>Biodiversity Conservation</i> | <i>Moderate</i> | <i>Moderate</i> |
| <i>Resource Efficiency and Pollution Prevention</i> | <i>Moderate</i> | <i>Moderate</i> |
| <i>Cultural Heritage</i> | <i>Low</i> | <i>Low</i> |
| <i>Indigenous People</i> | <i>Low</i> | <i>Low</i> |
| <i>Labour and Working Conditions</i> | <i>Substantial</i> | <i>Moderate</i> |
| <i>Community Health and Safety</i> | <i>Substantial</i> | <i>Moderate</i> |
| <i>Physical and Economic Resettlement</i> | <i>Substantial</i> | <i>Substantial</i> |
| <i>Greenhouse Gas Emissions</i> | <i>Substantial</i> | <i>Moderate</i> |
| <i>Vulnerability of target populations and ecosystems to climate variability and hazards</i> | <i>Moderate</i> | <i>Moderate</i> |

| Risk Category / Subcategory | Inherent risk | Residual risk |
|--|----------------------|----------------------|
| Stakeholders | Substantial | Substantial |
| <i>Stakeholder Engagement/Coordination</i> | <i>Substantial</i> | <i>Moderate</i> |
| <i>Stakeholder Grievances</i> | <i>Substantial</i> | <i>Substantial</i> |
| Overall | Moderate | Moderate |

| | | |
|---|--------------------|--------------------|
| Country Context | Substantial | Substantial |
| Political Commitment | Substantial | Substantial |
| Risk: <p>Key risks to implementation include poor governance and corruption which could increase programme costs and compromise attainment of the expected impact. There is also a risk of political interference in the Programme Management Units at National and State levels and inadequate capacity of staff recruited, which affect the efficiency and effectiveness of Programme deliveries.</p> | Substantial | Substantial |
| Mitigations: <p>Measures which have been put in place to mitigate these risks include: supporting enhanced local participation in governance and improved local resource management and accountability; recruiting of staff on competitive basis (emphasis on skills and experience required for each post).</p> | | |
| Governance | High | High |
| Risk: <p>Nigeria's score on the annual Corruption Perceptions Index as published by Transparency International for 2018 was 0.27, placing the country rank at 144 (out of 180 countries assessed), which is considered high-risk. In accordance with the 2017 Ibrahim Index of African Governance, Nigeria ranks 33 out of 54 countries in Africa with a deterioration of one position in respect of the previous evaluation.</p> | High | High |
| Mitigations: <p>IFAD will mitigate this risk by supporting enhanced local participation in governance with local resource management and accountability.</p> | | |
| Macroeconomic | Substantial | Substantial |
| Risk: <p>On April 28, 2020, the Executive Board of the International Monetary Fund (IMF) approved Nigeria's request for emergency financial assistance of SDR 2,454.5 million (US\$ 3.4 billion) under the Rapid Financing Instrument (RFI) to meet the urgent balance of payment needs stemming from the outbreak of the COVID-19 pandemic.</p> <p>According to the IMF, the near-term economic impact of COVID-19 is expected to be severe, while already high downside risks have increased. Even before the COVID-19 outbreak, Nigeria's economy was facing headwinds from rising external vulnerabilities and falling per capita GDP levels. The pandemic—along with the sharp fall in oil prices—has magnified the vulnerabilities, leading to a historic decline in growth and large financing needs.</p> <p>Economic crisis will result in increases in the cost of inputs and transportation. This will negatively affect profit margins along the value chains.</p> | Substantial | Substantial |

| | | |
|---|--------------------|--------------------|
| Mitigations: The IMF financial support will help limit the decline in international reserves and provide financing to the budget for targeted and temporary spending increases aimed at containing and mitigating the economic impact of the pandemic and of the sharp fall in international oil prices. The short-term focus will be on fiscal accommodation to allow for higher health spending and help alleviate the impact of the crisis on households and businesses. Increases in the cost of inputs and transportation will be partly mitigated by the Programme through interventions that will reduce transaction costs (resulting from, e.g., economies of scale, improved infrastructures and improved access to market information). | | |
| Fragility and Security | Substantial | Substantial |
| Risk: Since mid-october, Nigeria is going through a period of civil unrest, with protests against police brutality and abuses. Most protesters are young people and most protests are limited to urban centers, with the most important gatherings in Lagos. The UN Secretary-General and the UN High Commissioner for Human Rights have both condemned "the violent escalation on 20 October in Lagos which resulted in multiple deaths and caused many injuries". A curfew has been imposed on Lagos and other parts of Nigeria, with reports of continued tensions continue. Security cannot be maintained in participating communities (communities are insecure due to e.g. communal conflicts, armed robbery/banditry and kidnapping). This will restrict programme staff movement and prevent effective programme implementation. | Substantial | Substantial |
| Mitigations: Government promised to investigate the abuse. Difficult to forecast how long it will go on. The UN is monitoring the situation. A supplementary shortlist of alternative locations (State, LGAs and communities) will be identified and kept for standby. Any location that becomes significantly insecure (i.e. the safety of programme staff cannot be guaranteed), will be replaced with safer locations from the supplementary shortlist. | | |
| Sector Strategies and Policies | Moderate | Moderate |
| Policy alignment | Moderate | Moderate |
| Risk: There is a risk of Nigeria's agricultural and trade policies and economic environment being unsupportive to programme goals. The import and export policies on rice and cassava can negatively impact market prices and significantly reduce the profit margins along the Value Chains. | Moderate | Moderate |
| Mitigations: VCDP's specific objective is to help enhance the income and food security of poor rural households engaged in two priority value chains that represent main staple foods in Nigeria: rice and cassava. Rice and cassava are both high priority in the National Agricultural Investment Plan (NAIP) with the potential to enhance the income of smallholder farmers and significantly contribute to poverty reduction and food security. Advocacy through establishing public-private forums for policy dialogue in support of policy reforms relevant to the targeted value chains will help mitigating the risk. | | |
| Policy Development and Implementation | Moderate | Moderate |

| | | |
|--|---------------------------|------------------------|
| Risk: <p>The risk that the country's strategies and policies governing the rural and agricultural sector lack a sound evidence base, are not representative of rural peoples' organizations views, are not adequately resourced or supported by legal/regulatory frameworks, and/or are unsustainable, undermining project implementation and the achievement of project development objectives</p> | Moderate | Moderate |
| Mitigations: <p>The national policy environment is a determining factor for VCDP's success and expansion in Nigeria. The positive performance of the rice sub-sector in Nigeria is driven by the Government's strong political will to support production and processing of the commodity to meet increasing domestic demand. Policies are not as conducive for cassava. The programme activities include support to the Ministry of Agriculture to review and advocate for better policies on cassava products and import substitution.</p> | | |
| Environment and Climate Context | Substantial | Moderate |
| <i>Project vulnerability to environmental conditions</i> | <i>Substantial</i> | <i>Moderate</i> |
| Risk: <p>Exogenous shocks (e.g. floods, droughts, other natural disasters) and climate variability leads to crop failure and/or reduced return on investments will limit participation in the Programme by poor, and risk-averse households.</p> | Substantial | Moderate |
| Mitigations: <p>Investment in sustainable land/water management. Increased incomes will enable farmers to build assets, which in turn will reduce vulnerability to shocks.</p> | | |
| <i>Project vulnerability to climate change impacts</i> | <i>Substantial</i> | <i>Moderate</i> |
| Risk: <p>Environmental degradation also contributes to rural poverty as smallholder productivity is progressively declining because of poor agricultural practices, over-grazing, and deforestation (estimated at 3.5 per cent annually) for fuel wood as the main source of power for rural and peri-urban households. This situation is exacerbated by climate change and variability which affects the poor smallholders particularly women and youth. Productivity of the rural population is also hampered by conflicts between farmers and herdsman.</p> | Substantial | Moderate |
| Mitigations: <p>VCDP will promote sustainable land and water management practices as well as other activities for enhancing climate change resilience including climate smart agriculture and access to crop insurance for the farmers. A National Country Programme Advisory Team (CPAT) will provide services to VCDP. Based on lessons learned and identified needs, support services will cover financial management and procurement, as well as crosscutting areas, i.e. environment and climate change, gender and youth, monitoring and evaluation, knowledge management and communication.</p> | | |
| Project Scope | Moderate | Moderate |
| <i>Project Relevance</i> | <i>Substantial</i> | <i>Moderate</i> |
| Risk: <p>There is a risk of Nigeria's agricultural and trade policies and economic environment being unsupportive to programme goals. This will effect the import and export policies on rice and cassava can negatively impact market prices and significantly reduce the profit margins along the Value Chains.</p> | Substantial | Moderate |

| | | |
|--|--------------------|-----------------|
| Mitigations: VCDP's specific objective is to help enhance the income and food security of poor rural households engaged in two priority value chains that represent main staple foods in Nigeria: rice and cassava. Rice and cassava are both high priority in the National Agricultural Investment Plan (NAIP) with the potential to enhance the income of smallholder farmers and significantly contribute to poverty reduction and food security. Advocacy through establishing public-private forums for policy dialogue in support of policy reforms relevant to the targeted value chains will help mitigating the risk. | | |
| Technical Soundness | Low | Low |
| Risk: The risk that technical design factors, such as over-complexity, over/insufficient-ambition or innovativeness, inadequate incorporation of lessons learned and best practices, weak economic, social inclusion and environmental sustainability rationale, weak analytic underpinnings (including because such may not be available), or overly rigid design, may undermine project implementation and achievement of project development objectives. | Low | Low |
| Mitigations: The VCDP model won recognition by the UN Economic and Social Council (ECOSOC) in New York as well as the 2018 Best Development Partner of the Year award in Nigeria. VCDP has also been selected as a finalist for the 2019 P3 Impact Award, awarded by the US Department of State, Concordia Summit and the University of Virginia to the best performing Public-Private Partnership for development. | | |
| Institutional Capacity for Implementation and Sustainability | Substantial | Moderate |
| Implementation Arrangements | Substantial | Moderate |
| Risk: The risk that the project executing agency does not have adequate resources, processes and/or systems to manage the project effectively (in accordance with the Financing Agreement and all relevant IFAD basic legal documents) towards achievement of envisaged project development objectives. This includes the project executing agency's lack of experience with IFAD (or other multilateral development bank) projects/procedures and lack of capacity to coordinate/support implementation arrangements that may involve several government agencies, different levels of government (or non-government entities), or multiple donor/financing agencies with different procedures and/or reporting requirements. | Substantial | Moderate |
| Mitigations: IFAD loan covenants provide that project staff is recruited on a competitive basis with emphasis on skills and experience. This risk is mitigated through capacity building of staff, quarterly meetings to review implementation progress, and regular on-site monitoring missions by National Programme Management Team . | | |
| Monitoring and Evaluation Arrangements | Moderate | Moderate |
| Risk: The risk that the project executing agency's M&E processes and systems are weak or inefficient, resulting in a limited ability to monitor, validate, analyse and communicate results, capture lessons, and adjust implementation to seize opportunities and take corrective actions in a timely manner. | Moderate | Moderate |

| | | |
|---|-----------------|------------|
| Mitigations: Project has a Performance Monitoring Plan (PMP). The scope of the PMP would clarify the expected impact of the project and how it will be achieved; narrate how progress and impact will be assessed; gather and analyse the necessary information for tracking progress and impact; explain the reasons for success and failure, and could be used to analyse information to improve future actions. | | |
| Project Financial Management | Moderate | Low |
| Project Organization and Staffing | Moderate | Low |
| Risk: The project design makes provision for two finance officers to support the financial controller in the national office. Currently, the project has a temporary arrangement. The project does not have a performance-based evaluation system in place, and staff appraisals are not systematically conducted. A monthly lump sum is given to staff as medical benefit. There is no third-party Health insurance scheme. The Project Implementation Manual with Administration and Financial Management section needs to be updated to take into account the new updates in the country and within the finance system. • Staffs at national office are aware of IFAD's policy on anticorruption. There is a need to further disseminate the anti-corruption more widely. | Moderate | Low |
| Mitigations: Recruit two additional Finance Officers to support current team. Introduce staff performance appraisal system which should be tied to contract renewal. Update the PIM and the chart of accounts to accommodate the changes in the project including coding brought about by AF1 and AF2. | | |
| Project Budgeting | Moderate | Low |
| Risk: There are recurring delays in preparation and approval of AWPB. This points to weak budget controls because it means that there is a period when expenditure is incurred without approved AWPB. The question is, how does the Financial system allow this? That means that the Financial System is unable to block expenditure not in the budget. | Moderate | Low |
| Mitigations: AWPB to be submitted to IFAD by the end of 3rd quarter. Improve on budget controls. The project should be able to encumber funds at the point of entering a commitment. | | |
| Project Funds Flow/Disbursement Arrangements | Moderate | Low |
| Risk: The authorized allocation of USD 6 million is sufficient, but for some performing states subject to NPMU consideration of their fiduciary risk, the operating Imprest can be increased as one way of increasing the disbursement rates for the remaining implementation period. There's evidence from SOE spot check that tax exemptions for instance are not being properly captured in Accounting System. | Moderate | Low |

| | | |
|--|-----------------|-----------------|
| Mitigations: <p>The FC should ensure that the DA reconciliation should always square out to the outstanding authorized allocation which is currently US\$ 6.0 million. Any discrepancy whether surplus or short fall should always be properly explained including under form 104 of the WAs. Include credit note in the next WA so that the DA reconciliation is fully cleaned up going forward.</p> | | |
| Project Internal Controls | Moderate | Low |
| Risk: <p>The online payment platform that the project has embedded checks and balances (Not only person can click off a payment). However, the staffing gap within the finance unit obviously impairs some aspects related to the a complete desired segregation of duties.</p> | Moderate | Low |
| Mitigations: <p>Project personnel remuneration and filling of existing staffing gaps. VCDP through the NPMU should perform the personnel review and present to IFAD for No Objection. Once the financing team staffing compliment is complete roles in the accounting cycle are well defined such who follows up on payment approves, who sanctions payments, who enters data who checks accuracy and the true and fairness of the data being uploaded etc</p> | | |
| Project Accounting and Financial Reporting | High | Moderate |
| Risk: <p>There are serious issues regarding the whether the reports coming out of flexible accounting system reflect a true and fair view of the Project finances. Some actions required are: i) Opening balance (balance brought forward) Naira 20.7 billion which is equivalent over UD\$ 50 million. Given that the project operates on cash basis of accounting, it is obviously impossible that over UD\$ 65 million is a reasonable balance brought forward in the statement of sources and uses of funds. ii) In the statement of sources and use of funds included in the expenditure is a line advances/other creditors amounting to Naira 20.7 billion equivalent to over US\$ 50 million. This points to serious reconciliation discrepancies given the magnitude of this amount. iii) Inconsistence between component and category expenditure trend reports. These two tables are supposed to equal in aggregate/total. For instance, the SUF consolidated report for August 2021 shows balance carried down of Naira 2.4 billion for IFAD only in income less expenditure totals between components and category.</p> | High | Moderate |
| Mitigations: <p>Reconcile and clear all identified discrepancies in financial reports generated from the flexible accounting system. Properly reconciled financial statements generated directly from the flexible accounting system should be shared with ICO at least for the next 3 months to be able to make a decision on the way forward.</p> | | |
| Project External Audit | Moderate | Low |
| Risk: <p>IFAD review of the 2020- audit report found it moderately satisfactory. All the key checks were signed off by the IFAD Finance Officer reviewer. However, auditing around the computer (Flexible Accounting Software) is still a challenge. The auditors would have reasonably expected to detect the discrepancies in the reports emerging from the official accounting software (Flexible Accounting System).</p> | Moderate | Low |

| | | |
|--|-----------------|-----------------|
| Mitigations: The next ToRs for the external auditors should include a mandatory requirement to ensure a a corroboration of audited financial statements to the Flexible Accounting System. | | |
| Project Procurement | Moderate | Moderate |
| Legal and Regulatory Framework | Moderate | Moderate |
| Risk: The risk that the Borrower's regulatory and institutional capacity and practices (including compliance with the laws) are inadequate to conduct the procurement in a manner that optimizes value for money with integrity. | Moderate | Moderate |
| Mitigations: VCDP and all other projects/programmes under IFAD financing are required to have a Financial Management and Procurement Manual (FMPM). The internal audit function of each project will perform regular reviews of adherence to rules and procedures stipulated in the FMPM. Internal audit reports to management will include reference to the degree of adherence to procedures and propose improvements where necessary. | | |
| Accountability and Transparency | Moderate | Moderate |
| Risk: There are inadequate accountability and control mechanisms, including lack of separation of implementation from regulatory functions; involvement of political appointees in procurement decisions; lack of enforcement of sanctions and weak capacity of the judiciary to adjudicate on procurement infractions. There is presence of bidder cartels; corrupt and fraudulent practices in procurement processes. The existing complaints system has been reviewed to ensure that it set out clear specific conditions that provide for fairness, independent and due process, and the risk for its use in Bank-financed projects is rated at "Moderate" due to the following reasons: (a) the Federal High Courts are not dedicated to receive and discharge appeals on procurement complaint within specified periods. Litigation may unduly take long period. No independent administrative reviewing body; (b) there are no established procedure to conduct independent Administrative Review; and (c) there are no independent Administrative Review Body. The Regulatory body has been assessed to ensure that it is not responsible for direct procurement operations and is free from other possible conflicts of interest in procurement, and the risk for its use in Bank-financed projects is rated at "High" due to the fact that though the BPP monitors public procurement proceedings and deals with any identified irregularities, it is also required to provide certification on the procurement decisions of the PE for certain thresholds determined by the Council. Thus giving the Bureau a dual responsibility when handling complaints, which may put it in a potential conflicting position with its oversight role. The legal provisions, including the institutions in charge of dealing with prohibited practices (corruption, fraud, conflict of interest, and unethical behavior), which also define responsibilities, accountabilities and penalties for prohibited practices, has been reviewed and the risk is rated at "Low" due to the following provisions: (a) it is a punishable offence to conduct or attempt to conduct procurement fraud by means of fraudulent and corrupt acts, unlawful influence, undue interest, favor, agreement, bribery or corruption (PPA Art. 58 (3) b). A section on fraud and Corrupt practices covering Corrupt, Fraudulent, Collusive, Coercive and Obstructive Practices is included in the Bidding Documents; and (b) detailed Code of Conduct for Public Procurement is covered in Art. 57; and all offences relating to Public Procurement in Art. 58. | Moderate | Moderate |

| | | |
|---|--------------------|-----------------|
| Mitigations: An essential tool required for proper monitoring of the financial management function of projects is the preparation and submission of regular reports to project management and IFAD. Financial reports and internal audit reports must be prepared on a quarterly basis. Consolidated internal audit reports must be prepared in consultation with internal auditors at state level. All IFAD-supported programs/projects in Nigeria will submit quarterly reports to the FM unit of the Support Team to strengthen quality assurance. IFAD will review these reports and the quality assurance support provided by the FM unit of the Support Team during implementation support or supervision missions. | | |
| Capability in Public Procurement | Substantial | Moderate |
| Risk: The risk that the implementing agency does not have sound processes, procedures, systems and personnel in place for the administration, supervision and management of contracts resulting in adverse impacts to the development outcomes of the project. | Substantial | Moderate |
| Mitigations: Regular capacity building programmes for procurement staff - especially those in the states - will mitigate these risks. Procurement for VCDP is carried out in accordance with national procedures, to the extent that they are compatible with the Procurement Guidelines adopted by the IFAD Executive Board. The Procurement Officer will ensure that the procurement of goods and services is carried out in accordance with the established guidelines. Each procurement plan will specify, among other things, the method for each contract, the threshold and applicable preferences. A 12-month Procurement Plan will be prepared along with the AWPB, which will be approved, by the different steering committees and IFAD. | | |
| Public Procurement Processes | Moderate | Moderate |
| Risk: The risk that procurement processes and market structures (methods, planning, bidding, contract award and contract management) are inefficient and/or anti-competitive, resulting in the misuse of project funds or sub-optimal implementation of the project and achievement of its objectives. | Moderate | Moderate |
| Mitigations: Ensure that the Project exercise procurement through NOTUS. Carry out critical assessment of the implementation capacity of consultants and contractors through stringent procurement procedure. | | |
| Environment, Social and Climate Impact | Moderate | Moderate |
| Biodiversity Conservation | Moderate | Moderate |
| Risk: Fuelwood from indigenous hardwood trees, whether from forests or farmland, remains the dominant energy source with concomitant negative implications for the environment – namely for biodiversity and ecosystems. | Moderate | Moderate |
| Mitigations: To help establish a “green energy” supply, VCDP will support farmers to engage in fast maturing plantations as well as briquette making and biogas. | | |
| Resource Efficiency and Pollution Prevention | Moderate | Moderate |

| | | |
|---|--------------------|-----------------|
| Risk: The risk that the project may cause significant pollution to air, water, and land, and inefficient use of finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. The management of by-product waste from rice and cassava processing has become an issue. | Moderate | Moderate |
| Mitigations: VCDP is promoting clean and climate-efficient processing systems by piloting a value chain in briquette production from rice waste (husks) and biogas from cassava effluent. VCDP is taking action on the issue of plastic refuse collection by striving to promote a 'green value chain' model. | | |
| Cultural Heritage | Low | Low |
| Risk: The risk that the project may cause significant cultural or physical resource degradation, including threats to or the loss of resources of historical, religious or cultural significance. | Low | Low |
| Mitigations: The programme will not negatively affect indigenous peoples or sites of historic, religious or cultural significance. The programme will not support the opening of lands in virgin forests or sensitive areas (including forest reserves and important bird areas), and/or the clearing of contiguous areas of above 100 ha in a single location. | | |
| Indigenous People | Low | Low |
| Risk: The risk that the project may cause significant adverse physical, social, or economic impacts on indigenous peoples, or in threats to or the loss of resources of historical or cultural significance to them. | Low | Low |
| Mitigations: The programme will not negatively affect indigenous peoples or sites of historic, religious or cultural significance. The programme will not support the opening of lands in virgin forests or sensitive areas (including forest reserves and important bird areas), and/or the clearing of contiguous areas of above 100 ha in a single location. | | |
| Labour and Working Conditions | Substantial | Moderate |
| Risk: The risk that the project may cause exploitative labour practices (e.g. forced or child labour), gender based violence, discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the project, including third parties and primary suppliers. | Substantial | Moderate |
| Mitigations: VCDP contributes to reducing unemployment and poverty, particularly among women and the youth, thereby directly addressing some of the main underlying factors of conflict. Contributing to the mitigation of conflicts between herdsmen and farmers is now fully mainstreamed into the VCDP implementation strategy. | | |
| Community Health and Safety | Substantial | Moderate |

| | | |
|---|--------------------|--------------------|
| Risk: Unhealthy and unhygienic working conditions, poor and/or inappropriate application of agrochemicals and misuse of chemicals for storage of products remain a challenge. | Substantial | Moderate |
| Mitigations: VCDP is tackling some of these challenges by encouraging appropriate training and Field School learning for spraying teams. Advocacy and access to materials will be improved to overcome these constraints. | | |
| Physical and Economic Resettlement | Substantial | Substantial |
| Risk: Access to land and security of tenure, especially for women and youth, remains a challenge across VCDP states. | Substantial | Substantial |
| Mitigations: The VCDP will continue to support access for women and youth by strengthening women's groups to acquire land and leaseholds from communities. | | |
| Greenhouse Gas Emissions | Substantial | Moderate |
| Risk: Reduction of tree cover also has implications for climate change, by increasing greenhouse gas (GHG) emissions and lowering GHG sequestration potential, and by reducing system resilience. As agro-processing expands, so does the rate of deforestation in a business-as-usual scenario. | Substantial | Moderate |
| Mitigations: To help establish a "green energy" supply, VCDP will support farmers to engage in fast maturing plantations as well as briquette making and biogas. | | |
| Vulnerability of target populations and ecosystems to climate variability and hazards | Moderate | Moderate |
| Risk: The risk that the project may significantly increase the exposure or vulnerability of target populations' livelihoods, ecosystems, economic assets or infrastructure to climate variability and hazards. | Moderate | Moderate |
| Mitigations: The programme will not negatively affect indigenous peoples or sites of historic, religious or cultural significance. The programme will not support the opening of lands in virgin forests or sensitive areas (including forest reserves and important bird areas), and/or the clearing of contiguous areas of above 100 ha in a single location. | | |
| Stakeholders | Substantial | Substantial |
| Stakeholder Engagement/Coordination | Substantial | Moderate |
| Risk: Ineffective coordinating structures at National, State and Local Government levels leads to Poor implementation resulting from inadequate supervision and oversight. | Substantial | Moderate |

| | | |
|--|--------------------|--------------------|
| Mitigations: Inception workshop was organized to clarify the roles of coordinating structure to achieve Programme results. Capacity building of members of coordination structures. Quarterly meetings to review implementation progress. | | |
| Stakeholder Grievances | Substantial | Substantial |
| Risk: 1. Poor coordination between relevant government agencies dims the scope for public-private dialogue on cross-cutting business environment issues 2. Inadequate collaboration between agricultural and private sectors organization 3. Agricultural sector and private sector organisations do not have the desired levels of capacity to engage and dialogue with the government The above mentioned risks will lead to: 1) Public-private dialogue will not elicit the desired levels of participation and interest from both government and private sector organisations. 2) VC organisations continue to face structural and institutional bottlenecks in the business environment. | Substantial | Substantial |
| Mitigations: 1) The use of inter-governmental coordination organs such as the National Economic Council will reduce the coordination bottlenecks. 2) Advocacy training for national agricultural value chain organisations will prepare and equip them for the public-private dialogue. 3) The VCDP will sensitise Federal and State policy and regulatory authorities on enabling environment for VC development through regular high level consultations. | | |