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Investing in rural people

Federal Republic of Nigeria

Livelihood Improvement Family Enterprises
Project in the Niger Delta

Addendum

Executive Board — 122nd Session
Rome, 11-12 December 2017

For: Approval

Livelihood Improvement Family Enterprises Project in the Niger Delta

Addendum

The attention of the Executive Board is drawn to the following addenda and modifications to the President's report on the Livelihood Improvement Family Enterprises Project in the Niger Delta (EB 2017/122/R.8). For ease of reference, the changes to the text of the report are shown in boldface, while underscore indicates deleted text.

Page ii, Abbreviations and acronyms

LNDCO

LIFE-ND Coordination Office

The LIFE-ND Coordination Office will take the place of the Regional Project Coordination Office. RPCO should be deleted from the acronym list.

Page iv, Financing summary

Amount of IFAD loan under the performance-based allocation system 2016-18:

SDR **42.4** million (equivalent to approximately US\$60.0 million)

Page 3, paragraph 8

The second sentence should read:

"There will be four tiers of management coordination: (i) a national project coordination office that liaises with FMARD's project coordination unit located in Abuja; (ii) a LIFE-ND Coordination Office____ (LNDCO ____) responsible for the overall management, coordination and supervision of LIFE-ND project activities for the Niger Delta region; (iii) state project coordination offices (SPCOs), located in each participating state, to coordinate and supervise LIFE-ND project activities in the respective states; and (iv) local government liaison offices located in the participating LGAs with responsibility for facilitating community involvement and for collecting data for dissemination to the state and regional offices."

Page 4, paragraph 13

The paragraph should read:

"A financial management assessment has been conducted as part of the project design process. The project's initial risk rating is "high". The financial management arrangements will largely follow the model already in place for ongoing IFAD projects. Accordingly, the LNDCO ____, acting through the SPCOs, will assume overall management of the project's fiduciary performance, including budgeting, accounting, financial reporting, submission of withdrawal applications to IFAD and hiring of the external auditor. Qualified financial staff will be recruited on a competitive basis in the LNDCO ____ and each of the SPCOs, including a financial controller, accountants and internal auditors. The LNDCO ____ and the SPCOs will record all project transactions using customized accounting software in accordance with the International Public Sector Accounting Standards and will prepare periodic financial reports in formats agreed upon with IFAD. The project's consolidated financial statements will be audited annually by an independent audit firm, in accordance with the Internationally Accepted Standards on Auditing and IFAD's Guidelines on Project Audits. The IFAD financing will be disbursed against duly

certified withdrawal applications pursuant to the Fund's disbursement procedures, to be specified further in the programme implementation manual and letter to the borrower."

Page 4, paragraph 14

The paragraph should read:

"With regard to the flow of funds, a separate designated account in United States dollars will be opened for the IFAD loan at the Central Bank of Nigeria. To enable the federal Government of Nigeria to monitor the inflow of funds, the designated account will be a subaccount under the Government's Treasury Single Account. The funds will flow from the designated account to a draw down account and the project loan account (project account A) in naira (₦), the local currency. The federal counterpart funds will be deposited in a separate account. The LNDCO ____ will be authorized to manage both the designated account and the federal counterpart fund account. Each state will open two accounts in naira: (i) a state project account (project account B) to receive IFAD loan funds from the draw down account ____; and (ii) a state counterpart fund account. Each SPCO will be authorized to manage the project account B and the state counterpart fund account."

Page 9, paragraph 44

The resolution should read:

"RESOLVED: that the Fund shall provide a loan on blend terms to the Federal Republic of Nigeria in an amount equivalent to forty-two million four hundred ____ thousand special drawing rights (SDR 42,400,000), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein."