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Federal Republic of Nigeria

Special Agro-Industrial Processing Zones (SAPZ) Programme

Addendum

Executive Board — 134th Session
Rome, 13-16 December 2021

For: Approval

Federal Republic of Nigeria

Special Agro-Industrial Processing Zones (SAPZ) Programme

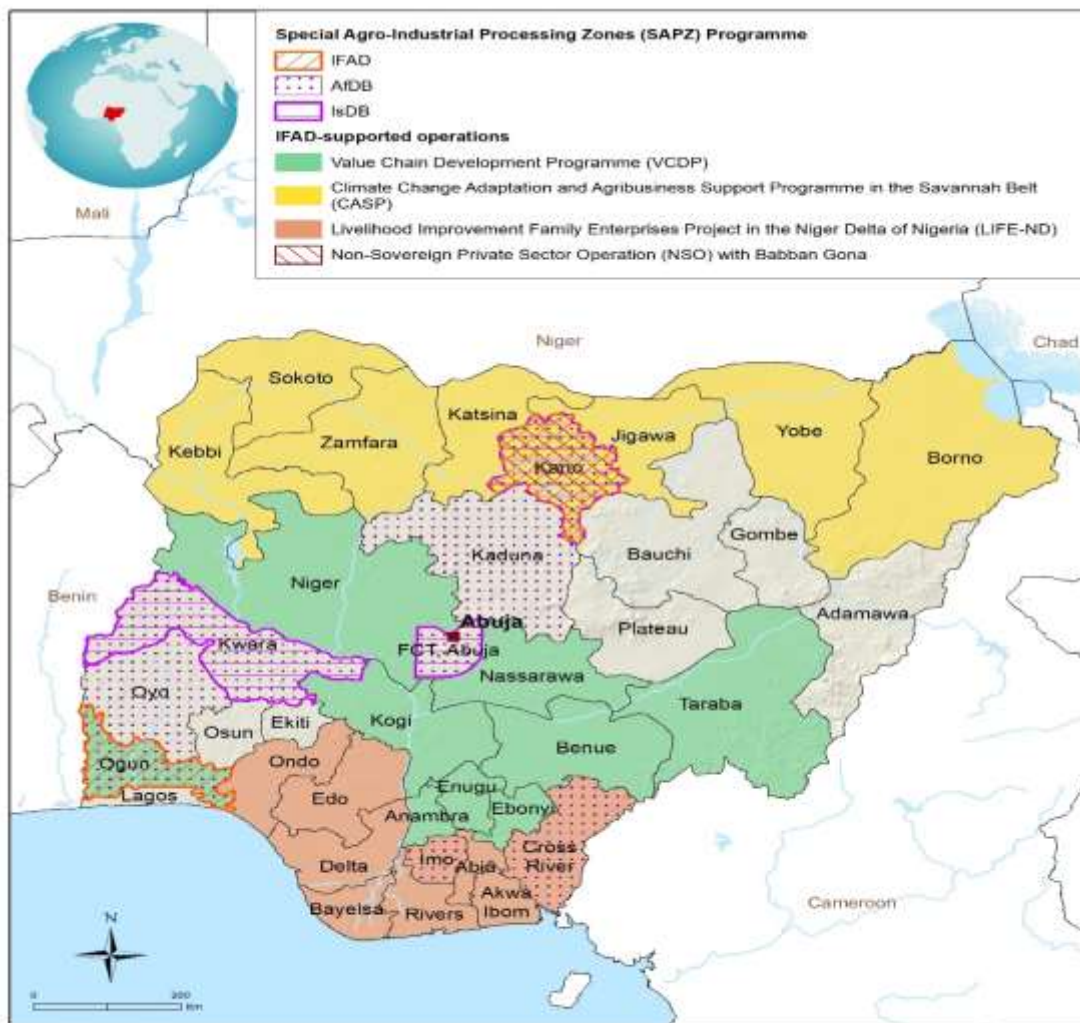
Addendum


The attention of the Executive Board is drawn to the following addenda and modifications to the President’s report on the Special Agro-Industrial Processing Zones (SAPZ) Programme, Federal Republic of Nigeria (EB 2021/134/R.46). For ease of reference, the new text is shown in boldface, while strikethrough indicates deleted text.

All changes in the document are being introduced as per the request of the Federal Government of Nigeria during the loan negotiations.

Page iii: Map of the programme area

The map of the programme area is updated to reflect the operational areas of the Islamic Development Bank (IsDB): Kwara State, Kano State and **the** Federal Capital Territory (FCT).



 The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
 IFAD Map compiled by IFAD | 02-12-2021

Page 2, paragraph 8 should read:

"The Federal Government of Nigeria requested the support of the African Development Bank (AfDB), **Islamic Development Bank (IsDB)** and IFAD to set up inclusive special agro-industrial processing zones (SAPZs) in the country. AfDB **and IsDB** will support the Government in setting up enabling fiscal policies, incentives, and infrastructure for private sector engagement in the zones. IFAD will leverage its know-how to help Nigerian smallholders and small operators, youth and women to take advantage of the SAPZ market outlets and overcome key challenges such as low marketing capacity, poor yields, limited value addition and deficits in access to infrastructure, inputs and financial backing."

Page 3, paragraph 16 should read:

"AfDB **and IsDB** will support the Government in setting up SAPZs in selected high-potential areas/states. Each SAPZ will comprise an agricultural industrial hub (AIH) and agricultural transformation centre (ATCs), strategically located within the production area to aggregate products from the community, transfer them to AIHs for value addition and supply centres for distribution and retail to consumers. This AfDB **and IsDB**-led component is fully developed in their **respective** programme appraisal reports."

Page 4, paragraph 18 should read:

"AfDB **and IsDB** will support the Government and target states in setting up enabling policies, legislation and regulation for SAPZs to create a conducive business environment for private sector investment and address inefficiencies in agricultural value chains. Through the set-up of commodity alliance forums, IFAD will focus on: (i) facilitating local policy dialogue and influencing local investments for inclusive and conducive market linkages; (ii) strengthening quality control, grading and standardization systems; and (iii) strengthening community conflict management mechanisms. IGREENFIN funding will also promote policy dialogue for an adequate policy framework for green agriculture projects."

Page 10, paragraph 39 should read:

"The programme will establish a common implementation management framework involving all cofinanciers. The Federal Ministry of Finance, Budget and National Planning (**FMFBNP**) (~~FMF~~) is the designated representative of the borrower and will ensure compliance with the loan covenants. FMARD is the lead implementation agency working with state Ministries of Agriculture. **Oversight and sStrategic inter-ministerial collaboration for direction for implementation of the SAPZ programme will be provided by an Inter-Agency Steering Committee. co-chaired by the Federal Ministry of Industry, Trade and Investment and FMARD. Oversight for the implementation of the programme at the national level will be the responsibility of a Federal Inter-Ministerial Technical Committee chaired by the Federal Minister of Agriculture. In each participating state, an iInter-ministerial technical committeeAgency Technical Committees will be established at the national level and in each participating state for review of progress implementation and approval of the annual workplan and budget AWP/B.** The implementation of the programme is delegated by the lead agency to a Federal Programme Coordination Unit (FPCU) managing AfDB, IFAD, ~~and~~ **IsDB and government counterpart** funds. In line with Nigeria's federal structure, the FPCU will establish ~~pParticipating sStates iImplementation uUnits~~ **Participating sStates iImplementation uUnits** (PSIUs) in each target state."

Page 10, paragraph 41 should read:

"The programme will be implemented by jointly funded programme management

units. Cofinanciers will use the available country systems to the extent possible, while ensuring that financial management risks are minimized. IFAD will directly disburse funds **to the FPCU** ~~only~~ through the treasury single account of the **Federal Government and to the PSIUs through the acceptable private commercial banks. IFAD will use** ~~and utilize~~ the Office of the Auditor General for the Federation (OAuGF) for the annual programme audit. AfDB will disburse both through the treasury single account and through private commercial banks and will explore the use of the OAuGF at the federal level and in IFAD.”

Page 10, paragraph 42 should read:

“Dedicated finance teams at FPCU and PSIU level will be ~~recruited competitively~~ **appointed or seconded through competitive process.** ~~The Office of the Accountant General will actively participate in the recruitment of financial management staff for the programme.~~ **IFAD’s no objection will be required before their engagement, as well as to any change in status of key programme staff.”**

Page 11, paragraph 48 should read:

“Planning. The FPCU will develop a standardized format for the AWP/B. Each PSIU will prepare its AWP/B accordingly, planning the activities and investments in its state in a participatory manner involving all stakeholders. The FPCU will prepare the consolidated AWP/B for the programme based on states’ submissions, to be submitted to the ~~National Steering Committee~~ **Inter-Agency Technical Committee** for approval and to AfDB, **IsDB** and IFAD for no objection.”

Page 12, paragraph 53 should read:

“Two joint supervision missions (AfDB, **IsDB**, IFAD and Government) will be undertaken annually to review progress and improve programme implementation. The FMFBNP, FMARD, AfDB, **IsDB** and IFAD will jointly carry out a midterm review of programme implementation based on terms of reference prepared by FMARD and approved by AfDB, **IsDB** and IFAD. At programme completion, the ~~FMF~~ **Government** will provide IFAD, **IsDB** and AfDB with a report on the overall implementation of the programme.”