FIDA
Invertir en la población rural

Junta Ejecutiva
142.º período de sesiones
Roma, 18 y 19 de septiembre de 2024

Informe del Presidente
Propuesta de préstamo
República Federal de Nigeria
Programa de Desarrollo de las Cadenas de Valor en el Norte de Nigeria

N.º de identificación del proyecto: 2000003909

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Para aprobación

Medida: Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 57.

Preguntas técnicas:

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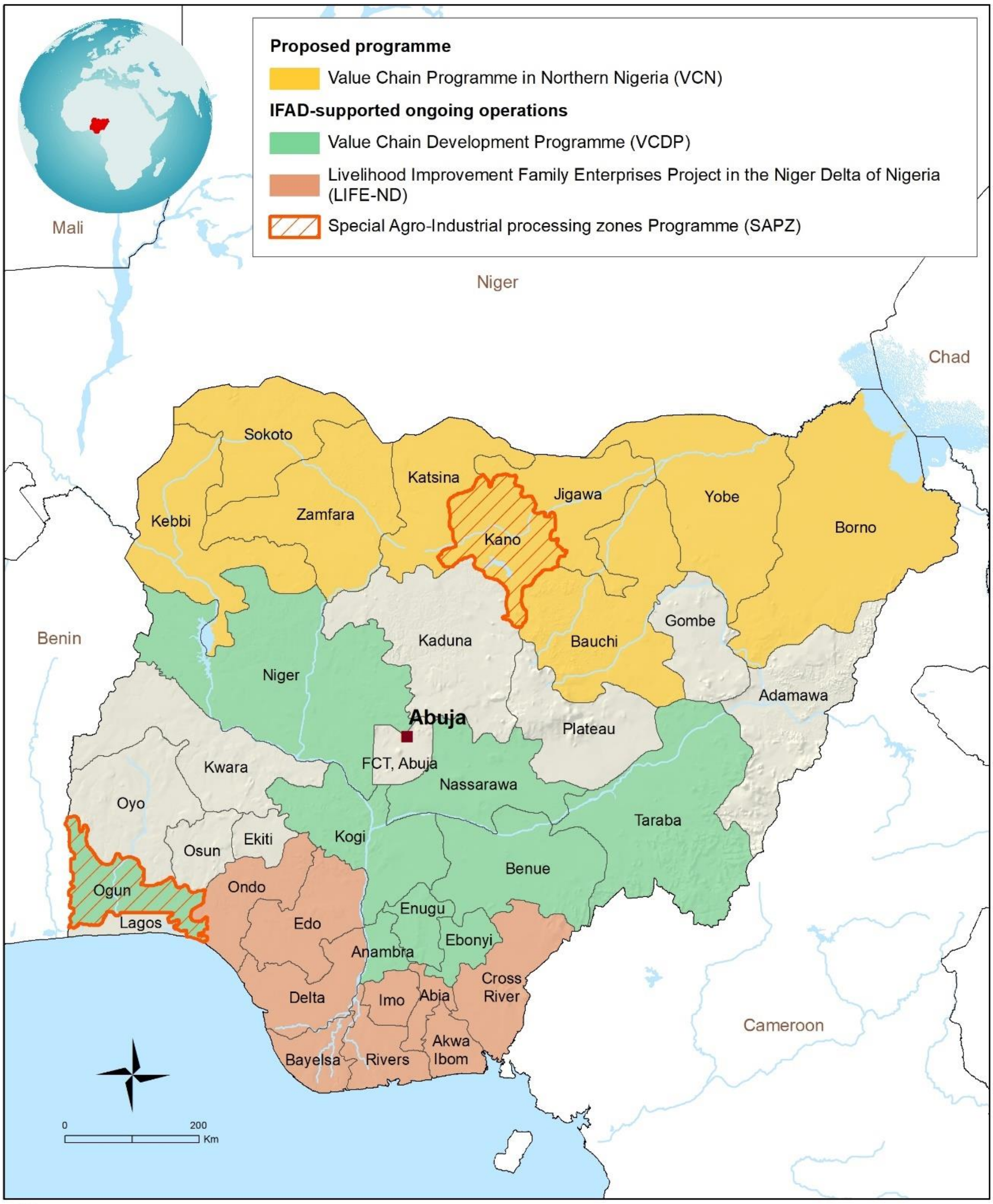
Mapa de la zona del programa



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

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Mapa elaborado por el FIDA | 19-6-2024

Resumen de la financiación

Institución iniciadora:	FIDA
Prestatario/receptor:	República Federal de Nigeria
Organismo de ejecución:	Ministerio Federal de Agricultura y Seguridad Alimentaria
Costo total del programa:	USD 158,15 millones
Monto del primer préstamo del FIDA con arreglo al Sistema de Asignación de Recursos basado en los Resultados (PBAS):	USD 56,70 millones
Condiciones del primer préstamo del FIDA:	Combinadas: plazo de vencimiento de 25 años, incluido un período de gracia de 5 años, con un cargo por servicios del 0,75 % y una tasa de interés del 1,25 % anual en derechos especiales de giro (ajustes para préstamos en una sola moneda)
Monto del segundo préstamo del FIDA con arreglo al Mecanismo de Acceso a Recursos Ajenos (BRAM):	USD 30,00 millones
Condiciones del segundo préstamo del FIDA:	Ordinarias: plazo de vencimiento de 35 años, con un período de gracia de hasta 10 años, un plazo medio máximo de reembolso de 20 años y sujeto a un interés equivalente a la tasa de interés de referencia del FIDA, incluido un diferencial variable
Cofinanciador:	Agencia Francesa de Desarrollo (AFD)
Monto de la cofinanciación:	USD 50,80 millones
Condiciones de la cofinanciación:	Cofinanciación paralela de todos los componentes
Contribución del prestatario:	USD 12,00 millones
Contribución de los beneficiarios:	USD 8,60 millones
Monto de la financiación del FIDA para el clima:	USD 37,70 millones
Institución cooperante:	Supervisado directamente por el FIDA

I. Contexto

A. Contexto nacional y justificación de la actuación del FIDA

1. A pesar de las posibilidades que ofrece el país, desde 2015 la economía de Nigeria viene experimentando tasas de crecimiento bajas debido a numerosas perturbaciones, como la COVID-19, las inundaciones ocurridas en 2022, la guerra en Ucrania[1] y la elevada inflación. Más del 40 % de los 218,5 millones de nigerianos que habitan en el país viven en situación de pobreza extrema[2]. De ellos, el 85 % reside en zonas rurales y se dedica a un sector agrícola poco productivo, que supone el 23 % del producto interno bruto (PIB).

2. En 2023, Nigeria fue uno de los 37 países que se clasificaron como Estados frágiles[3]. La fragilidad es más notoria en el norte de Nigeria —donde se ejecutará el Programa de Desarrollo de las Cadenas de Valor en el Norte de Nigeria— debido a los efectos del cambio climático[4], la inseguridad y la violencia imperantes (incluido el bandidaje y los conflictos entre agricultores y ganaderos)[5], el desempleo y la pobreza, la inseguridad alimentaria y la malnutrición[6], y la exclusión social de las mujeres pobres y otros grupos vulnerables[7]. Estas dificultades han provocado un deterioro considerable de los medios de vida, la pérdida de vidas humanas y el desplazamiento de la población[8].

3. El programa se ajusta a la Agenda de Esperanza Renovada[9], la Declaración del estado de emergencia en materia de seguridad alimentaria, la Política Nacional de Tecnología e Innovación Agrícolas[10], las Vías para la Transformación de los Sistemas Alimentarios[11] y las políticas transversales sobre género, juventud, nutrición y cambio climático[12].

Aspectos específicos relativos a las esferas transversales prioritarias del FIDA

4. En consonancia con los compromisos transversales asumidos por el FIDA, el programa ha recibido las clasificaciones que se detallan a continuación:

☒ Abarca la financiación para el clima

☒ Tiene en cuenta la capacidad de adaptación

☒ Incluye una perspectiva transformadora de género

☒ Es sensible a la nutrición

☒ Tiene en cuenta a la juventud

5. El programa aborda los cuatro temas transversales del Fondo, a saber, el medio ambiente y el clima, el género, la nutrición y la juventud.

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[1] https://www.worldbank.org/en/country/nigeria/overview.
[2] https://www.statista.com/statistics/1287811/number-of-people-living-in-extreme-poverty-in-nigeria-by-area
[3] https://thedocs.worldbank.org/en/doc/a91e714e0a53291b569c4a41981aa2c5-0090082023/original/FCSList-FY06toFY23.pdf
[4] https://www.undp.org/sites/g/files/zskgke326/files/migration/ng/Assessing-the-Impact-of-Conflict-on-Development-in-NE-Nigeria---The-Report.pdf
[5] FIDA (2024): Informe sobre el diseño del programa, anexo 13.11. Nota técnica sobre la evaluación y las estrategias para promover la igualdad de género.
[6] https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/ch/Fiche_Com_CH_Nov2023.pdf
[7] https://africa.unwomen.org/sites/default/files/Field%20Office%20Africa/Images/Publications/2020/NE%20Nigeria%20RGA%20digital_compressed.pdf
[8] Oficina del Alto Comisionado de las Naciones Unidas para los Refugiados, *Nigeria: All Population Snapshot*. Noviembre de 2023.
[9] https://media.premiumtimesng.com/wp-content/files/2023/02/RENEWED-HOPE_compressed.pdf
[10] https://agriculture.gov.ng/wp-content/uploads/2024/06/National-Agricultural-Technology-and-Innovation-Policy-NATIP-2022-2027.pdf
[11] https://nationalplanning.gov.ng/wp-content/uploads/2023/09/Pathway-for-Food-A-Call-to-Action.pdf
[12] https://climatechange.gov.ng/wp-content/uploads/2021/08/NCCP_NIGERIA_REVISED_2-JUNE-2021.pdf

Razones que justifican la intervención del FIDA

6. El programa responde a la solicitud del Gobierno Federal de Nigeria de que el FIDA diseñe un programa orientado a ampliar el impacto del Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios (CASP), así como a aumentar la resiliencia de las comunidades rurales ante los retos vinculados a la fragilidad. El programa complementa al Programa de Creación de Zonas Especiales de Procesamiento Agroindustrial y al Proyecto de Acceso Rural y Comercialización Agrícola, ejecutados en los estados de Kano y Bauchi, respectivamente.

7. La ventaja comparativa del FIDA en Nigeria radica en i) las enseñanzas adquiridas en el marco del Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios sobre la manera de abordar la fragilidad, entre otros medios, a través de las asociaciones de desarrollo comunitario y las asociaciones de servicios financieros, el modelo de asociaciones entre el sector público, el sector privado y los productores (modelo 4P) (como el Foro de Alianzas relativas a los Productos Básicos del Programa de Desarrollo de las Cadenas de Valor), el modelo de emprendimiento juvenil del Proyecto de Empresas Familiares para la Mejora de los Medios de Vida en el Delta del Níger y el proyecto de centros agrícolas, las experiencias positivas en lo que respecta a las cadenas de valor inclusivas, resilientes al clima y que tienen en cuenta la nutrición, y las asociaciones con el Gobierno, el sector privado (Babban Gona) y las instituciones de investigación, y ii) la experiencia a la hora de promover políticas agrícolas y sacar el máximo partido a las mejores prácticas internacionales en el ámbito de la transformación de los sistemas alimentarios.

B. Enseñanzas extraídas

8. **Es posible crear cadenas de valor que tengan en cuenta la nutrición y beneficien a la población pobre que reside en entornos frágiles.** Algunas de las enseñanzas extraídas del Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios y el Programa de Desarrollo de las Cadenas de Valor a este respecto son: i) las asociaciones estratégicas que se crearon a través del Foro de Alianzas relativas a los Productos Básicos propiciaron que el Programa de Desarrollo de las Cadenas de Valor contribuyera de manera sustancial a la seguridad alimentaria en Nigeria; ii) es posible aprovechar las asociaciones de desarrollo comunitario y de servicios financieros para crear cadenas de valor; iii) es posible mejorar la nutrición y la diversidad alimentaria de la población a través de distintas vías, y iv) el aumento de la productividad y los ingresos requiere una mayor inversión en el acceso de los beneficiarios a los mercados[13], tal y como se observó en las labores de investigación y evaluación del impacto que llevó a cabo el FIDA en el marco del Programa de Desarrollo de las Cadenas de Valor.

9. **Es preciso dar prioridad a la transformación de las relaciones de género y a la selección de cadenas de valor que tengan en cuenta las cuestiones vinculadas al género y la juventud,** de conformidad con las enseñanzas extraídas del Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios y el Programa de Desarrollo de las Cadenas de Valor. Una focalización adecuada, la metodología del Sistema de Aprendizaje Activo de Género (GALS) y los grupos compuestos exclusivamente por mujeres ayudan a generar un impacto positivo en las esferas de la juventud y del empoderamiento de las mujeres en contextos de fragilidad.

10. **Las soluciones digitales para la ampliación de escala y las tecnologías pertinentes aumentan la resiliencia al cambio climático,** como demuestra la experiencia del Programa de Adaptación al Cambio Climático y Apoyo a los

[13] FIDA (2021): informe de evaluación del impacto del Programa de Desarrollo de las Cadenas de Valor en la República Federal de Nigeria, pág. 45.

Agronegocios con la información y los servicios climáticos, el asesoramiento agronómico digital, la creación de capacidad de los pequeños agricultores en el ámbito de las tecnologías simples de ordenación sostenible de las tierras y resilientes al clima.

11. **La experiencia del Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios con las asociaciones de servicios financieros demuestra el potencial de estas últimas para prestar servicios financieros sostenibles a los productores a nivel comunitario.** El programa reforzará este tipo de asociaciones y estrechará sus vínculos con las instituciones financieras que favorezcan la agricultura.

12. **Para avanzar en materia de políticas y sostenibilidad, es fundamental ajustarse a las prioridades del Gobierno.** Al menos tres autoridades estatales establecieron disposiciones institucionales y presupuestarias para mantener una serie de asociaciones de desarrollo comunitario tras la conclusión del Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios.

13. **Es necesario mejorar considerablemente las funciones de seguimiento y evaluación (SyE) y gestión de los conocimientos de los proyectos del FIDA para aumentar su eficacia.** El programa incentivará a los encargados de la ejecución y a las comunidades para que contribuyan a los sistemas participativos de SyE y de gestión de los conocimientos.

II. Descripción del programa

A. Objetivos, zona geográfica de intervención y grupos objetivo

Objetivo general y objetivo de desarrollo

14. El objetivo general del Programa de Desarrollo de las Cadenas de Valor en el Norte de Nigeria radica en contribuir de manera sostenible a la reducción de la pobreza, la mejora de la nutrición y el aumento de la resiliencia de las poblaciones rurales en los estados del norte de Nigeria. El objetivo de desarrollo del programa es mejorar la seguridad alimentaria y nutricional, así como los ingresos de los hogares rurales en el norte de Nigeria, a través de la creación de cadenas de valor inclusivas y sostenibles, pues se trata de elementos que facilitan la transformación rural.

Zona geográfica

15. La zona del programa abarca nueve estados del norte de Nigeria, a saber, los estados comprendidos anteriormente por el Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios (Sokoto, Kebbi, Zamfara, Katsina, Jigawa, Borno y Yobe) y los estados de Kano y Bauchi.

Grupos objetivo

16. Los grupos objetivo del programa son: i) los productores de subsistencia y semisubsistencia (hogares pobres y muy pobres), que constituyen el 40 % de los beneficiarios; ii) los productores orientados al mercado (personas pobres y hogares vulnerables a la pobreza), que representan el 30 % de los beneficiarios, y iii) los emprendedores (personas pobres y muy pobres y hogares vulnerables a la pobreza), en particular las mujeres y las personas jóvenes, que suponen el 30 % de los beneficiarios. Del total de beneficiarios, un 40 % serán mujeres; un 30 %, jóvenes, y un 45 %, hombres. Además, en esos grupos, el 10 % serán personas con discapacidad y el 5 %, personas que hayan regresado a sus lugares de origen (previamente considerados desplazados internos).

B. Componentes, efectos directos y actividades

17. El Programa de Desarrollo de las Cadenas de Valor en el Norte de Nigeria cuenta con dos componentes programáticos. Todas las actividades realizadas en su marco se basan en las cuestiones transversales ligadas al género, la juventud, la nutrición y el cambio climático, y se incorporarán de manera sistemática en todo el programa tecnologías de la información y las comunicaciones para el desarrollo (TIC para el desarrollo) y medidas de mitigación de la fragilidad.

18. **Componente 1: Impulsar la agricultura resiliente al clima que tiene en cuenta la nutrición.** Este componente tiene por objeto: i) aumentar la productividad, la capacidad de adaptación al clima y la resiliencia de los pequeños productores que conforman las cadenas de valor objetivo; ii) mejorar la calidad de la alimentación y la sensibilización en materia de nutrición de los hogares objetivo, y iii) reforzar la cohesión, las políticas y las instituciones.

19. **Subcomponente 1.1: Promover los sistemas agrícolas sostenibles, las tecnologías mejoradas y las prácticas agrícolas resilientes al clima.** Este subcomponente tiene por objeto mejorar la productividad, la resiliencia y la capacidad de adaptación de los pequeños productores mediante las medidas siguientes: i) la provisión de insumos de calidad; ii) la impartición de capacitación sobre buenas prácticas agrícolas; iii) la inversión en prácticas relacionadas con los sistemas de riego, la preparación de las tierras y el uso eficiente del agua; iv) la provisión de abrevaderos; v) la incorporación sistemática de las cuestiones relacionadas con el medio ambiente y el clima; vi) la provisión de apoyo a las personas con discapacidad y a las que hayan regresado a sus lugares de origen, en el marco de las actividades pertinentes, y vii) la implantación de soluciones digitales como un registro de los productores, servicios de asesoramiento electrónico y un sistema de vales electrónicos.

20. **Subcomponente 1.2: Promover la sensibilización sobre las cuestiones relativas al género y la nutrición, así como las prácticas conexas.** Este subcomponente promoverá: i) la selección en cada estado de los cultivos con mayor valor nutricional, respaldada con enfoques orientados al mercado y que tengan en cuenta la nutrición y el uso de semillas bioenriquecidas; ii) las actividades de comunicación sensibles a la dimensión de género que estén orientadas a generar un cambio social y de comportamiento y las actividades de educación en materia de nutrición, así como la utilización de las herramientas del GALS que tengan en cuenta la nutrición, y iii) la producción doméstica de alimentos ricos en nutrientes y apropiados a cada contexto, así como los paquetes de iniciación a la cría de ganado menor dirigidos a las mujeres muy pobres.

21. **Subcomponente 1.3: Promover la cohesión social y un marco institucional y de políticas propicio.** Este subcomponente tiene el objetivo de i) impulsar una planificación participativa a nivel comunitario, que involucre a las partes interesadas como los productores y los ganaderos, las mujeres, las personas jóvenes, el sector privado y los grupos religiosos y tradicionales; ii) reforzar las capacidades de los grupos objetivo en lo que respecta al diálogo y el asesoramiento sobre políticas con las correspondientes partes gubernamentales, tradicionales y del sector privado, y iii) facilitar espacios de diálogo territoriales para gestionar los conflictos y las situaciones de fragilidad, en especial las controversias entre los pequeños productores y los pastores, y crear y reforzar los comités comunitarios de resolución de conflictos.

22. **Componente 2: Mejorar la integración inclusiva y rentable de los grupos objetivo en las cadenas de valor que reciben apoyo.** Este componente tiene por objeto: i) mejorar la manipulación después de la cosecha, la adición de valor y el acceso a los mercados; ii) aumentar las oportunidades empresariales para los jóvenes y las mujeres en las cadenas de valor, y iii) mejorar el acceso de los beneficiarios a los servicios financieros.

23. **Subcomponente 2.1: Mejorar la adición de valor después de la cosecha, los vínculos comerciales y las asociaciones con los actores que participan en las cadenas de valor.** Este subcomponente tiene por objeto: i) respaldar infraestructuras y equipo poscosecha resilientes al clima, construir y rehabilitar la infraestructura comercial —incluidas las carreteras de acceso con miras a reducir las pérdidas poscosecha— y reforzar la capacidad de las organizaciones de productores; ii) promover la planificación participativa con múltiples interesados y ampliar la escala de las plataformas digitales para la prestación de servicios relacionados con las cadenas de valor y la mitigación de la fragilidad, y iii) sacar el máximo partido a la plataforma de asociaciones 4P en el ámbito de las cadenas de valor.

24. **Subcomponente 2.2: Promover el emprendimiento entre las mujeres y los jóvenes.** Este subcomponente ayudará a crear puestos de trabajo para los jóvenes y las mujeres de las zonas rurales que no forman parte de organizaciones de productores y tienen un acceso limitado a las tierras, a través de actividades de creación de capacidad, paquetes para la creación y puesta en marcha de iniciativas empresariales, y la mejora del acceso a los mercados.

25. **Subcomponente 2.3: Mejorar el acceso a los servicios financieros.** Este subcomponente tiene el objetivo de reforzar el acceso de los beneficiarios a los servicios financieros, movilizando los fondos de las donaciones de contrapartida a favor de los jóvenes, las mujeres y otros grupos vulnerables, mediante: i) el fomento de la capacidad de los proveedores de servicios financieros rurales para reforzar sus vínculos con los pequeños productores, y ii) el fomento de la capacidad de las asociaciones de servicios financieros y el fortalecimiento de los vínculos con las instituciones financieras, y iii) la reducción de los riesgos asociados a la concesión de préstamos a los productores mediante un seguro basado en índices meteorológicos y el fomento de la capacidad de las asociaciones de servicios financieros y de desarrollo comunitario.

26. **Componente 3: Coordinación y gestión del programa.** Este componente tiene por objeto velar por el cumplimiento en el programa de las políticas y directrices pertinentes, también en lo que respecta a las actividades de SyE y gestión de los conocimientos. Para ello, aprovechará las enseñanzas extraídas en situaciones de fragilidad en el marco del Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios, y sacará el máximo partido al enfoque de participación comunitaria y a las soluciones digitales, a fin de garantizar la transparencia, la eficacia, la eficiencia, la rendición de cuentas y la sostenibilidad del programa. El mecanismo de respuesta ante emergencias y desastres se ha incluido como plan de contingencia para reducir al mínimo las perturbaciones en las zonas de intervención del programa en situaciones de emergencia. Este mecanismo se pondrá en marcha en caso de darse las condiciones establecidas en el informe de diseño, previa aprobación del FIDA.

C. Teoría del cambio

27. El Programa de Desarrollo de las Cadenas de Valor en el Norte de Nigeria aborda los elevados niveles de fragilidad, pobreza, inseguridad alimentaria y nutricional, perturbaciones climáticas y dificultades en materia de inclusión social y financiera que afrontan los pequeños productores, las mujeres, los jóvenes y los grupos vulnerables en los estados septentrionales de Nigeria. Para ello, se utilizan tres vías de impacto interrelacionadas, a saber: i) la promoción de un marco institucional y de políticas propicio, así como de mecanismos que favorezcan la cohesión social y la gestión de conflictos en el plano local; ii) el fomento de una producción resiliente al clima que tenga en cuenta la nutrición, y iii) el aumento de la inclusión en las cadenas de valor rentables.

D. Armonización, sentido de apropiación y asociaciones

28. El programa está en consonancia con los objetivos estratégicos del Programa sobre Oportunidades Estratégicas Nacionales relativo a Nigeria, que consisten en i) incrementar las capacidades productivas de la población rural, y ii) reforzar los marcos institucionales y de políticas y la colaboración con el sector privado para crear cadenas de valor agroempresariales inclusivas y resilientes, lo que a su vez se ajusta a los objetivos estratégicos del FIDA relativos a la capacidad productiva, la participación en el mercado, la sostenibilidad ambiental y la resiliencia al clima. El programa también está en consonancia con los Objetivos de Desarrollo Sostenible (ODS) 1 (Fin de la pobreza), 2 (Hambre cero), 5 (Igualdad de género), 12 (Producción y consumo responsables), 13 (Acción por el clima) y 15 (Vida de ecosistemas terrestres).

29. El sentido de apropiación del programa por parte de las partes interesadas se sustenta en su armonización con las políticas nacionales, la supervisión del programa por parte de las autoridades federales y estatales, el liderazgo de las organizaciones comunitarias y de productores y la ejecución de actividades a cargo de las comunidades objetivo y los asociados del sector privado. El programa fomenta las asociaciones con i) otros proyectos en curso del FIDA, incluidas las operaciones sin garantía soberana, y el Proyecto de Acceso Rural y Comercialización Agrícola; ii) los asociados para el desarrollo; iii) las entidades públicas encargadas de la ejecución de proyectos; iv) los actores del sector privado y las cadenas de valor, y v) las organizaciones de la sociedad civil y centros de investigación.

E. Costos, beneficios y financiación

Costos del programa

30. El costo total estimado del Programa de Desarrollo de las Cadenas de Valor en el Norte de Nigeria para el período de ejecución de ocho años es de USD 158,15 millones. Los costos de inversión ascienden a USD 142,7 millones (el 90 % del costo total), y los gastos recurrentes, a USD 15,3 millones (el 10 % del costo total).

31. El costo por componente se distribuye de la siguiente manera: USD 59,5 millones (el 38 % del costo total del programa) destinados al componente 1; USD 74,8 millones (el 47 %), al componente 2, y USD 23,7 millones (el 15 %), al componente 3. De conformidad con las metodologías que emplean los bancos multilaterales de desarrollo en el seguimiento de la financiación para la adaptación al cambio climático y la mitigación de sus efectos, se calcula que el monto total de la financiación para el clima concedida por el FIDA a este programa es de **USD 37,7 millones (el 43,5 % de la financiación total aportada por el FIDA)**.

Cuadro 1
Costos del programa desglosados por componente y subcomponente y entidad financiadora
(en miles de dólares de los Estados Unidos)

	Préstamo del FIDA con arreglo al PBAS		*Préstamo del FIDA con arreglo al BRAM*		*AFD*		*Gobierno*		*Beneficiarios*		*Total*	
Componente/subcomponente	*Monto*	*%*	*Monto*	*%*	*Monto*	*%*	*En efectivo/ en especie*	*%*	*En especie*	*%*	*Monto*	*%*
1. Impulsar la agricultura resiliente al clima que tiene en cuenta la nutrición												
1.1. Promover los sistemas agrícolas sostenibles, las tecnologías mejoradas y las prácticas agrícolas resilientes al clima	18 518	55	2 694	8	10 672	31	622	2	1 434	4	33 940	22
1.2. Promover la sensibilización sobre las cuestiones relativas al género y la nutrición, así como las prácticas conexas	8 502	40	5 901	28	6 778	32	-		-		21 182	13
1.3. Promover la cohesión social y un marco institucional y de políticas propicio	1 136	26	1 897	43	1 427	32	-		-		4 461	3
2. Mejorar la integración inclusiva y rentable de los grupos objetivo en las cadenas de valor												
2.1. Mejorar la adición de valor después de la cosecha, los vínculos comerciales y las asociaciones con los actores que participan en las cadenas de valor	15 369	32	9 854	21	16 298	34	1 695	4	4 182	9	47 398	30
2.2. Promover el emprendimiento entre las mujeres y los jóvenes	2 335	23	4 038	40	3 210	32	-		448	5	10 031	6
2.3. Mejorar el acceso a los servicios financieros	4 476	26	4 793	28	5 582	32	-		2 593	15	17 444	11
3. Coordinación y gestión del programa												
3.1. Coordinación y gestión del programa	6 364	27	822	4	6 833	29	9 683	41	-		23 703	15
3.2. Respuesta ante emergencias y desastres	-	-	-	-	-	-	-		-		-	-
Total	**56 700**	**36**	**30 000**	**19**	**50 800**	**32**	**12 000**	**8**	**8 656**	**6**	**158 157**	**100**

Cuadro 2
Costos del programa desglosados por categoría de gastos y entidad financiadora
(en miles de dólares de los Estados Unidos)

	Préstamo del FIDA con arreglo al PBAS		*Préstamo del FIDA con arreglo al BRAM*		*AFD*		*Gobierno*		*Beneficiarios*		*Total*	
Categoría de gastos	*Monto*	*%*	*Monto*	*%*	*Monto*	*%*	*En efectivo/ en especie*	*%*	*En especie*	*%*	*Monto*	*%*
Costos de inversión												
1. Consultorías	5 595	59	854	9	3 050	32	9	0,1	-	-	9 509	6
2. Obras	14 083	38	6 860	19	11 620	32	2 317	6	1 771	5	36 650	23
3. Equipos y materiales	1 873	48	744	19	1 232	32	59	2	-	-	3 907	3
4. Bienes, servicios e insumos	14 697	46	7 125	22	10 269	32	35	0,1	-	-	32 127	20
5. Donación de contrapartida	10 510	27	8 060	21	13 509	35	-		6 886	18	38 965	25
6. Capacitación y talleres	8 850	42	5 533	26	6 769	32	-		-	-	21 152	13
7. Vehículos	300	63	-	-	141	30	36	8	-	-	478	0,3
Total de costos de inversión	**55 908**	**39**	**29 178**	**20**	**46 590**	**33**	**2 456**	**2**	**8 656**	**6**	**142 788**	**90**
Gastos recurrentes												
1. Operaciones y mantenimiento	171	8	177	9	548	27	1 151	56	-	-	2 047	1
2. Salarios y prestaciones	622	5	645	5	3 663	28	8 392	63	-	-	13 322	8
Total de gastos recurrentes	**792**	**5**	**822**	**5**	**4 211**	**27**	**9 544**	**62**	**-**	**-**	15 369	**10**
Total	**56 700**	**36**	**30 000**	**19**	**50 800**	**32**	**12 000**	**8**	**8 656**	**6**	**158 157**	**100**

Cuadro 3
Costos del programa desglosados por componente y subcomponente y año del programa
(en miles de dólares de los Estados Unidos)

	Primer año	*Segundo año*	*Tercer año*	*Cuarto año*	*Quinto año*	*Sexto año*	*Séptimo año*	*Octavo año*	*Total*
Componente/subcomponente	*Monto*	*Monto*	*Monto*	*Monto*	*Monto*	*Monto*	*Monto*	*Monto*	*Monto*
1. Impulsar la agricultura resiliente al clima que tiene en cuenta la nutrición									
1.1. Promover los sistemas agrícolas sostenibles, las tecnologías mejoradas y las prácticas agrícolas resilientes al clima	2 586	3 958	5 147	5 650	6 660	5 894	2 622	1 423	33 940
1.2. Promover la sensibilización sobre las cuestiones relativas al género y la nutrición, así como las prácticas conexas	1 469	2 870	2 894	2 920	2 779	2 807	2 835	2 609	21 182
1.3. Promover la cohesión social y un marco institucional y de políticas propicio	284	690	696	702	709	489	494	395	4 461
2. Mejorar la integración inclusiva y rentable de los grupos objetivo en las cadenas de valor									
2.1. Mejorar la adición de valor después de la cosecha, los vínculos comerciales y las asociaciones con los actores que participan en las cadenas de valor	4 097	6 061	6 685	7 976	8 918	6 441	4 496	2 725	47 398
2.2. Promover el emprendimiento entre las mujeres y los jóvenes	1 216	1 225	1 235	1 246	1 258	1 271	1 283	1 296	10 031
2.3. Mejorar el acceso a los servicios financieros	1 773	2 223	2 227	2 233	2 238	2 244	2 250	2 256	17 444
3. Coordinación y gestión del programa									
3.1. Coordinación y gestión del programa	4 083	2 443	2 949	2 621	2 858	2 841	2 892	3 014	23 703
3.2. Respuesta ante emergencias y desastres	-	-	-	-	-	-	-	-	-
Total	**15 508**	**19 470**	**21 833**	**23 247**	**25 421**	**21 987**	**16 873**	**13 718**	**158 157**

Estrategia y plan de financiación y cofinanciación

32. La financiación del programa está compuesta por los siguientes elementos: i) un préstamo del FIDA con arreglo al PBAS por valor de USD 56,7 millones (el 36 % del costo total); ii) un préstamo del FIDA con arreglo al BRAM valorado en USD 30 millones (el 19 %); iii) un préstamo de cofinanciación paralela concedido por la AFD por valor de USD 50,8 millones (el 32 %), que se repartirán entre todos los subcomponentes, y iv) la cofinanciación nacional, tanto en efectivo como en forma de contribuciones en especie, aportada por el Gobierno Federal y las autoridades estatales de Nigeria y los beneficiarios valorada en USD 20,6 millones (USD 12 millones y USD 8,6 millones, respectivamente).

Desembolsos

33. Se abrirá en el Banco Central de Nigeria una cuenta designada separada para cada fuente de financiación del FIDA —esto es, el PBAS y el BRAM—, que estarán denominadas en dólares de los Estados Unidos. Estas cuentas designadas serán subcuentas de la cuenta única del tesoro del Gobierno de Nigeria. Los fondos se transferirán de dichas cuentas a las cuentas operacionales del programa (habrá una cuenta distinta para retirar los fondos de cada fuente de financiación), que estarán denominadas en naira y serán responsabilidad de la Oficina Nacional de Coordinación del Programa. Los fondos de contrapartida del Gobierno de Nigeria se depositarán en una cuenta federal separada de fondos de contrapartida. Los mecanismos para operar con las cuentas bancarias del programa se describirán en la carta sobre la gestión financiera del programa y las disposiciones relativas al control financiero.

34. El FIDA y la AFD gestionarán sus respectivas actividades de adquisiciones y contrataciones y el desembolso de los fondos respecto de todos los componentes, de conformidad con sus propias políticas y procedimientos. Ambas partes firmarán un memorando de entendimiento relacionado con el intercambio de información, la coordinación del programa y la presentación y supervisión de la información financiera.

Resumen de los beneficios y análisis económico

35. La tasa interna de rendimiento económico del programa es del 27 %, y la relación costo-beneficio es de 10,7. El análisis de sensibilidad señala que, por lo general, los modelos de empresa y el programa son justificables tanto en el aspecto financiero como en el económico, incluso en la mayoría de situaciones de riesgo adversas.

Estrategia de salida y sostenibilidad

36. **Sostenibilidad.** La sostenibilidad del Programa de Desarrollo de las Cadenas de Valor en el Norte de Nigeria depende de su eficacia a la hora de dar respuesta a los problemas de fragilidad en el norte del país. El programa garantizará: i) la adhesión a los documentos de salvaguardias de los Procedimientos del FIDA para la Evaluación Social, Ambiental y Climática (PESAC); ii) la nutrición y la inclusión social; iii) el desarrollo de cadenas de valor con gran potencial de mercado y que tengan en cuenta la nutrición; iv) el refuerzo de la participación del sector privado, los vínculos comerciales y el acceso a la financiación; v) el fomento de la capacidad de las comunidades, las asociaciones de desarrollo comunitario, las asociaciones de servicios financieros y otros proveedores de servicios financieros para que continúen prestando sus servicios, incluido el mantenimiento de las infraestructuras, tras la finalización del programa, y vi) el aprovechamiento de soluciones digitales para favorecer la resiliencia al clima, la cohesión social, el fomento de la capacidad de las instituciones rurales, el apoyo en materia de diálogo sobre políticas y la colaboración con las autoridades gubernamentales.

37. La estrategia de salida del programa se fundamenta en los siguientes pilares: i) sentido de apropiación de las comunidades, las autoridades estatales y las instituciones comunitarias reforzadas; ii) vínculos comerciales permanentes con el sector privado, y iii) el aprovechamiento de las soluciones relacionadas con las TIC para el desarrollo con miras a gestionar la fragilidad y la inseguridad.

III. Gestión de riesgos

A. Riesgos y medidas de mitigación

38. En términos generales, el contexto nacional entraña un riesgo elevado. Los riesgos vinculados a la gobernanza y la gestión financiera también son elevados y, para mitigarlos, el FIDA deberá prestar un apoyo considerable en materia de supervisión y creación de capacidad. El riesgo macroeconómico es elevado debido a la excesiva dependencia petrolera de la economía nacional, las altas tasas de desempleo e inflación y la importante presión fiscal de los Gobiernos, tanto a nivel federal como estatal, para satisfacer los compromisos de contribución de contrapartida que han asumido. El riesgo inherente y residual del programa se estima considerable en lo que respecta al medio ambiente y el clima (empeoramiento de las previsiones relativas al escenario climático), el alcance del programa (inseguridad y dificultad para acceder a las zonas de intervención), las adquisiciones y contrataciones en el marco del programa (rendición de cuentas y transparencia limitadas, así como escasa capacidad de las instituciones públicas en este ámbito) y las partes interesadas (poca cohesión social). El riesgo ligado a la capacidad institucional de ejecución también se considera elevado debido a la limitada capacidad del personal del Programa de Adaptación al Cambio Climático y Apoyo a los Agronegocios en algunas esferas y a la disminución de esa capacidad, de por sí modesta, desde la conclusión del programa hace dos años. En el marco del Programa de Desarrollo de las Cadenas de Valor en el Norte de Nigeria se invertirán sumas considerables en fomentar la capacidad de las instituciones comunitarias con miras a mitigar este riesgo. En todas las categorías en las que el riesgo sea considerable o elevado, se supervisarán y aplicarán de manera rigurosa las medidas de mitigación del riesgo que se describen en el diseño del programa.

Cuadro 4
Calificación general de los riesgos

Tipo de riesgo	*Calificación del riesgo inherente*	*Calificación del riesgo residual*
Contexto nacional	Elevado	Elevado
Estrategias y políticas sectoriales	Considerable	Considerable
Medio ambiente y clima	Considerable	Considerable
Alcance del programa	Considerable	Considerable
Capacidad institucional de ejecución y sostenibilidad	Elevado	Elevado
Gestión financiera	Elevado	Elevado
Adquisiciones y contrataciones en el marco del programa	Considerable	Considerable
Impacto ambiental, social y climático	Considerable	Considerable
Partes interesadas	Considerable	Considerable
General	**Considerable**	**Considerable**

B. Categoría ambiental y social

39. El riesgo relativo a la categoría ambiental y social del programa es considerable, habida cuenta de la intensificación agrícola y la creación, en el marco del programa, de centros de agroprocesamiento de mediano tamaño que dependen de los combustibles fósiles. Se han elaborado un plan y un marco de gestión ambiental, social y climática para mitigar estos riesgos y se necesitará además un plan de gestión ambiental y social específico para cada subprograma en lo que respecta al desarrollo territorial y la construcción de infraestructuras comerciales. El riesgo social es considerable debido a la posible insurgencia, el bandidaje, los secuestros y los conflictos por los recursos (sobre todo entre agricultores y pastores). Se han elaborado un conjunto de documentos de salvaguardias junto con el informe sobre el diseño y se han preparado una serie de directrices para formular un plan de gestión integrada de plagas y un plan de gestión y evaluación laboral en las primeras fases de la ejecución del programa. La AFD también presentará su marco de gobernanza ambiental y social, que se ajusta a los PESAC.

C. Clasificación del riesgo climático

40. El riesgo climático del programa se ha clasificado como considerable, sobre la base de los peligros derivados de las altas temperaturas y el calor extremo, las sequías y las inundaciones (tanto por las precipitaciones como por el desborde de los ríos), así como por la insostenibilidad de las prácticas de uso y gestión de las tierras en las zonas en las que se ejecuta el programa. Las medidas de los PESAC junto con las estrategias de adaptación al clima específicas se detallan en la nota analítica de los PESAC y sus anexos.

D. Sostenibilidad de la deuda

41. Según el informe de la Consulta del Artículo IV del Fondo Monetario Internacional de mayo de 2024[14], está previsto que la relación entre la deuda y el PIB en Nigeria aumente del 46,3 % en 2023 al 46,6 % en 2024 y que se estabilice posteriormente, en el mediano plazo. La elevada carga del servicio de la deuda sigue siendo un motivo de gran preocupación, pues consume cerca del 56 % de los ingresos tributarios. A raíz del endurecimiento monetario y el incremento del endeudamiento para financiar proyectos de infraestructura, programas sociales y medidas para mitigar las repercusiones económicas derivadas de las perturbaciones externas, los gastos por intereses han aumentado. Para hacer frente a esta situación, Nigeria está intentando incrementar la emisión de eurobonos y títulos a mediano plazo, aumentar al máximo el apoyo multilateral y bilateral y sacar el máximo partido a su programa de movilización de ingresos a fin de seguir mejorando la sostenibilidad de la deuda. En general, la relación entre la deuda pública y el PIB se mantiene en una franja razonable, pero para conservar la estabilidad financiera y promover un crecimiento económico sostenible, será fundamental llevar a cabo un seguimiento continuo y una gestión fiscal prudente.

IV. Ejecución

A. Marco organizativo

Gestión y coordinación del programa

42. En su calidad de organismo principal del programa, el Ministerio Federal de Agricultura y Seguridad Alimentaria establecerá un comité directivo nacional con representantes del Ministerio Federal de Finanzas y el Ministerio de Planificación Presupuestaria y Económica, entre otros ministerios, y del Banco Central de Nigeria, así como con representantes de los grupos de productores, con el objetivo de supervisar la ejecución del programa y aprobar el plan operacional anual y presupuesto conexo. En el ámbito de los estados, supervisará las actividades del programa un comité directivo estatal presidido por el Comisario de Agricultura.

[14] https://www.elibrary.imf.org/view/journals/002/2024/102/article-A001-en.xm

43. La Oficina Nacional de Coordinación del Programa, ubicada en Abuya, y las oficinas estatales de coordinación del programa se encargarán de la ejecución y la coordinación del programa en los planos federal y estatal, respectivamente. Además, velarán por presentar al FIDA, la AFD y el Ministerio Federal de Agricultura y Seguridad Alimentaria los informes pertinentes acerca de los resultados y los avances en materia de ejecución. El programa respaldará una oficina de gobierno local ubicada en el Departamento de Agricultura en los estados participantes. En el plano comunitario, las asociaciones de desarrollo comunitario y de servicios financieros ayudarán a aumentar el impacto del programa entre los pequeños productores.

Gestión financiera, adquisiciones y contrataciones, y gobernanza

44. Las disposiciones de gestión financiera del programa utilizarán en la medida de lo posible el sistema nacional, sujeto al cumplimiento de los requisitos mínimos establecidos por el FIDA para las situaciones de fragilidad y conflicto que imperan en el norte de Nigeria. Se realizarán evaluaciones periódicas de los riesgos para determinar el método de desembolso que habrá de utilizarse en los informes financieros provisionales trimestrales que analizan tales riesgos. Se ayudará a la Oficina Nacional de Coordinación del Programa y a las oficinas estatales de coordinación del programa a establecer controles internos rigurosos, sustentados en los manuales de contabilidad y gestión financiera. El programa registrará y valorará todas las fuentes de cofinanciación en especie procedentes del Gobierno Federal y las autoridades de los estados de Nigeria, los beneficiarios o el sector privado (los impuestos no percibidos, el uso de edificios y tierras, la mano de obra, etc.) y todas las contribuciones en efectivo aportadas por los beneficiarios (al margen de las cuentas bancarias del programa). La Oficina del Auditor General de la Federación llevará a cabo la auditoría reglamentaria del programa. Los estados financieros anuales auditados se presentarán al FIDA dentro de los 180 días posteriores al cierre de cada ejercicio económico.

45. **Adquisiciones y contrataciones.** El FIDA supervisará las adquisiciones y contrataciones realizadas en el marco del programa, incluidas la revisión y aprobación del plan anual de adquisiciones y contrataciones. En el informe sobre el diseño se incluye un manual relativo a las adquisiciones y contrataciones en el ámbito del programa, que servirá como guía en estos procesos. Todas las adquisiciones y contrataciones se regirán por las directrices para la adquisición de bienes y la contratación de obras y servicios en el ámbito de los proyectos y el Manual sobre la adquisición de bienes y la contratación de obras y servicios del FIDA. En el caso de los estados que atraviesen situaciones de fragilidad, podrán aplicarse los procedimientos simplificados para las adquisiciones y contrataciones en situaciones de fragilidad y conflicto, según se establezca en la carta sobre las disposiciones relativas a las adquisiciones y contrataciones del programa.

46. **Gobernanza.** Las entidades contratantes se verán beneficiadas por actividades de fomento de la capacidad durante la puesta en marcha, que harán hincapié en la poscalificación. Se proporcionará capacitación en todos los niveles según sea necesario mediante el programa BUILDPROC. Los procedimientos para la presentación de información y reclamaciones en relación con las actividades de adquisiciones y contrataciones se fundamentarán en los procedimientos descritos en el Manual sobre la adquisición de bienes y la contratación de obras y servicios del FIDA.

Participación y observaciones del grupo objetivo y resolución de reclamaciones

47. **Participación y observaciones del grupo objetivo.** Las zonas de gobierno local y los beneficiarios se seleccionarán con arreglo a los criterios que se definen en el manual de ejecución del programa. El programa colaborará con todos los grupos objetivo por conducto de sus representantes. La información difundida por

el programa y los acuerdos alcanzados con las comunidades se publicarán, durante un período de tres meses, en las oficinas de las zonas de gobierno local y las instituciones que representen los intereses de todos los grupos objetivo.

48. **Resolución de reclamaciones.** El mecanismo de resolución de reclamaciones, que se describe en el anexo V del informe sobre el diseño, permitirá que los denunciantes afectados resuelvan sus problemas de manera justa y oportuna a través de un procedimiento independiente. La Oficina Nacional de Coordinación del Programa, las oficinas estatales de coordinación del programa y el FIDA se comprometerán a i) garantizar la eficacia y la capacidad de respuesta del procedimiento de denuncia, y ii) llevar un registro de todas las denuncias y consiguientes resoluciones, así como a prestar especial atención (de conformidad con las directrices del FIDA) a los casos de acoso sexual y explotación y abusos sexuales.

B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación

Planificación, seguimiento y evaluación

49. La preparación del plan operacional anual y presupuesto conexo comenzará a nivel comunitario, sobre la base de las actividades necesarias para cumplir la teoría del cambio y los objetivos del programa. Antes de consolidar y validar el plan, se recopilarán los planes de carácter comunitario de cada Gobierno a nivel local y estatal, que se someterán a la aprobación del Ministerio Federal de Agricultura y Seguridad Alimentaria y estarán sujetos a la declaración de conformidad de las entidades financiadoras. El sistema de SyE del programa aprovechará los enfoques participativos y las soluciones digitales para aportar datos de calidad y mejorar la adopción de decisiones basada en datos empíricos, en especial en lo referido a la gestión de la fragilidad.

Innovación y ampliación de escala

50. Se ampliará la escala de una serie de innovaciones, a saber: i) los mecanismos de las asociaciones de desarrollo comunitario y de servicios financieros con miras a aumentar la cantidad de beneficiarios que pueden acceder a los recursos productivos y los servicios financieros; ii) el modelo 4P, sobre la base de los buenos resultados obtenidos por el Foro de Alianzas relativas a los Productos Básicos y la colaboración con Babban Gona para ampliar los vínculos comerciales; iii) el uso de vales electrónicos para la distribución de los insumos; iv) la utilización de los datos recopilados para que más productores puedan acceder al crédito sin necesidad de avales, y v) la reducción de los riesgos asociados a la concesión de préstamos a los productores de las zonas rurales remotas.

C. Planes para la ejecución

Preparación para la ejecución y planes para la puesta en marcha

51. A fin de reducir el riesgo de retrasos en la puesta en marcha, en el convenio de financiación se dispondrá la provisión de un pago anticipado de puesta en marcha por valor de USD 500 000, con objeto de facilitar que el programa cumpla las condiciones previas al primer desembolso. Además, la AFD y el FIDA llevarán a cabo estudios de viabilidad antes de que comiencen las actividades del programa. Está previsto que el préstamo de la AFD se apruebe en diciembre de 2024.

Supervisión, examen de mitad de período y planes de finalización

52. **Supervisión.** La supervisión directa del programa correrá a cargo del FIDA, en consuno con la AFD, el Ministerio Federal de Agricultura y Seguridad Alimentaria y el Ministerio Federal de Finanzas. Se organizarán misiones anuales de supervisión y apoyo a la ejecución con el objetivo de evaluar los avances y mejorar los resultados. Estas misiones se complementarán con la constante colaboración estratégica de la oficina del FIDA en el país.

53. **Mitad de período y finalización.** En el cuarto año del programa se llevará a cabo un examen a mitad de período y, al concluir el programa, se organizará una misión de finalización.

V. Instrumentos jurídicos y facultades

54. Un convenio de financiación entre la República Federal de Nigeria y el FIDA constituye el instrumento jurídico para la concesión de la financiación propuesta al prestatario/receptor. Se adjunta una copia del convenio de financiación negociado como apéndice I.

55. La República Federal de Nigeria está facultada por su legislación para recibir financiación del FIDA.

56. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

VI. Recomendación

57. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta de acuerdo con los términos de la resolución siguiente:

RESUELVE: que el Fondo conceda un préstamo en condiciones combinadas a la República Federal de Nigeria por un monto de cincuenta y seis millones setecientos mil dólares de los Estados Unidos (USD 56 700 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

RESUELVE ADEMÁS: que el Fondo conceda un préstamo en condiciones ordinarias a la República Federal de Nigeria por un monto de treinta millones de dólares de los Estados Unidos (USD 30 000 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Álvaro Lario
Presidente

Negotiated financing agreement

Loan No: __________
Grant No: __________

Programme name: Value Chain Programme in Northern Nigeria ("VCN"/"the Project"/"the Programme")

The Federal Republic of Nigeria, represented by the Federal Ministry of Finance (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower has requested a loan from the Fund for the purpose of financing the Programme described in Schedule 1 to this Agreement;

WHEREAS, the Fund has agreed to provide financing for the Programme;

WHEREAS, the Programme is expected to receive co-financing from the Agence Française de Développement (AFD).

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide two Loans (the "Financing") to the Borrower, which the Borrower shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of the Loan eligible to blend terms is fifty six million and seven hundred thousand United States Dollars (USD 56 700 000) ("Loan 1").

2. The amount of the Loan eligible to ordinary terms is thirty million United States Dollars (USD 30 000 000) ("Loan 2").

3. The Loan 1 granted on blend terms shall be subject to interest on the principal amount outstanding and a service charge as determined by the Fund at the date of approval of the Loan 1 by the Fund's Executive Board. The interest rate and service charge determined will be fixed for the life cycle of the loan and payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty five (25) years, including a grace period of five (5) years starting from the date of approval of the Loan 1 by the Fund's Executive Board

4. The principal of the Loan 1 will be repaid in equal instalments.

5. The Loan 2 granted on Ordinary terms shall be subject to interest on the principal amount outstanding of the Loan at a rate equal to the IFAD Reference Interest Rate including a variable spread, payable semi-annually in the Loan Service Payment Currency, and have a maturity period of twenty-nine (29) years, including a grace period of ten (10) years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.

6. The Loan Service Payment Currency shall be in USD.

7. The first day of the applicable Fiscal Year shall be 1 January.

8. There shall be two segregated Designated Accounts denominated in USD for the exclusive use of the Programme, which is to be opened at the Central Bank of Nigeria (CBN), to receive the proceeds of the Financing. The Borrower shall inform the Fund of the officials authorized to operate the Designated Accounts.

9. The Borrower shall open and thereafter maintain a two draw down accounts in Naira to receive Financing from the respective Designated Accounts. The draw down accounts at Federal Government level will be opened in the Central Bank of Nigeria. The National Programme Coordinator will be authorized to manage both the designated and draw down accounts. Each state will operate three accounts in Naira: (i) two state programme accounts to receive the Financing from the respective draw down Accounts; (ii) and a state counterpart funds account to receive state counterpart funds. Each State Programme Coordinator will be authorized to manage the Programme Account and the state counterpart funds account.

10. The Borrower shall provide counterpart financing for the Programme, in-cash and/or in-kind, in the amount of Twelve million United States Dollars (USD 12 000 000) mainly for taxes and duties, Participating States' contribution, as well as to cover costs relating to Programme activities.

11. The Borrower shall open a segregated Project Account for the purposes of depositing the counterpart financing

Section C

1. The Lead Programme Agency shall be the Federal Ministry of Agriculture and Food Security (FMAFS).

2. Additional Project Parties are described in Schedule 1, Section II of this Agreement.

3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Programme.

4. The Programme Completion Date shall be the eight (8th) anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be six (6) months later, or such other date as the Fund may designate by notice to the Borrower. The Financing Closing Date will be established as specified in the General Conditions

5. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.

Section D

1. The Fund will administer the Financing and the Programme will be jointly supervised with AFD.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:

(a) The Programme Implementation Manual (the "PIM") and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Programme.

(b) The Programme Manager or other key Programme staff have been removed from the Programme without prior consultation with the Fund.

2. The following is designated as an additional ground for cancellation of this Agreement:

(a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least twelve (12) consecutive months without justification subsequent to the first eighteen (18) months from the Effective Date.

3. The following are designated as additional conditions precedent to withdrawal:

(a) Refund of any outstanding balances of closed projects, and any ineligible expenditures.

(b) The IFAD no objection to the PIM shall have been obtained.

(c) The IFAD no objection on the financial management and accounting manual.

(d) Key Programme staff have been recruited competitively as per Schedule 3 of this Agreement.

(e) A suitable Programme financial management information system shall have been acquired and installed by the National Programme Coordination Office (NPCO) to meet Programme requirements.

(f) Subsidiary loan agreements shall have been duly executed between the Federal Government of Nigeria and at least one of the Participating States[15] and a legal opinion issued by the Attorney General of the Federation of Nigeria.

For the avoidance of doubt, a first disbursement to a Participating State can only be effected if there is in place, a duly executed subsidiary loan agreement between the Federal Government of Nigeria and such Participating State and a legal opinion issued by the Attorney General of the Federation of Nigeria.

4. This Agreement is subject to ratification by the Borrower.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Minister of Finance and Coordinating Minister of the Economy,
Federal Ministry of Finance,
Ahmadu Bello Way, Central Business District,
P.M.B 14 Garki Abuja,
Nigeria.

For the Fund:

The President
International Fund for Agricultural Development Via Paolo di Dono 44
00142 Rome, Italy

Copy to: The Country Director, Nigeria

If applicable, the Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement dated _____, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

FEDERAL REPUBLIC OF NIGERIA

____
[Authorized Representative]

Date: ____________

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

____
Alvaro Lario Hervas
President

[15] Kebbi, Sokoto, Zamfara, Katsina, Jigawa, Yobe, Borno, Kano, Bauchi

Date: _______________

Schedule 1

Programme Description and Implementation Arrangements

1. *Target Population*. The Programme shall directly benefit a total of 456,000 rural Households (HHs) receiving services promoted or supported by VCN.

2. *Programme area. The Programme will* cover nine states in northern Nigeria, including: states previously covered by CASP (Sokoto, Kebbi, Zamfara, Katsina, Jigawa, Borno, Yobe), Kano and Bauchi States *(the "Programme Area").*

3. *Goal. The goal of the Programme is* to contribute sustainably to poverty reduction, enhanced nutrition, and better resilience of rural populations in the northern states of Nigeria.

4. *Objectives. The objective of the Programme is* to improve food and nutrition security and income of households HHs in northern Nigeria through inclusive and sustainable VC development as an enabler for rural transformation.

5. *Components*. The Programme shall consist of the following Components:

5.1 Component 1: Foster climate resilient and nutrition sensitive production. This component aims to: (i) improve productivity, climate adaptive capacity and resilience of the smallholder farming systems in the target Value Chains (VCs); (ii) improve diet quality and nutrition awareness of the target rural HHs; and (iii) improve social cohesion and policy/institutional frameworks.

5.1.1 *Sub-Component 1.1 - Promote sustainable agricultural systems, improved technology, and climate-resilient agricultural practices*. This aims to strengthen the productivity of Small Holder Farmers (SHFs) through the provision of quality inputs; training on Good Agricultural Practices (GAP); investment in irrigation, land preparation and water-smart practices; waterpoints for livestock; environment and climate mainstreaming to build the resilience and the adaptive capacity of SHFs; and support to Persons with Disabilities (PWDs) and Internally Displaced Person (IDP) returnees in appropriate VC activities. Digital solutions such as farmer registry, e-advisory services, and e-voucher system will help mitigate fragility.

5.1.2 *Subcomponent 1.2 - Promote nutrition and gender awareness and practices*. This will promote: nutrition-sensitive VC crops through the selection of the crops with the highest nutrition advantage for each state, backed by market- oriented nutrition sensitive approaches, and bio-fortified seeds; gender- sensitive Social Behaviour Change Communication (SBCC) and nutrition education, and application of nutrition-sensitive Gender Action Learning System (GALS) tools to strengthen the role of gender dynamics at HH level; and context appropriate homestead nutrient-rich food production, and support small livestock starter packages targeting very poor women.

5.1.3 Subcomponent 1.3 - Promote social cohesion and an enabling policy, and institutional framework. This aims to: foster community participatory planning involving stakeholders such as farmer-herder, women, youth, private sector and religious/traditional authorities; strengthen capacities of target groups for policy dialogue and advocacy with relevant government, private sector and traditional authorities; facilitate territorial dialogue spaces for fragility and conflict management; specifically, for disputes between SHFs and pastoralists, establishment and strengthening of community-based conflict resolution committees, and local peace/conflict resolution committees.

5.2 Component 2: Enhance inclusive and profitable integration of target groups in the VCs aims to: (i) improve post-harvest handling, value addition, and access to markets in supported VCs; (ii) increase entrepreneurial opportunities for youth and women along the target VCs; and (iii) enhancing beneficiaries' access to financial services.

5.2.1 *Subcomponent 2.1 - Improving post-harvest, value addition, market linkages and partnerships with VC actors. This aims to*: support acquisition of post-harvest infrastructure and equipment, construct/rehabilitate market infrastructure, including access roads to reduce post-harvest losses, and strengthen capacity of Farmer Organisations (FOs); promote multi-stakeholder participatory planning, scale up digital platforms to provide VC services; and leverage VC Public-Private-Producer Partnership (4Ps) platform. Fragility will be mitigated through the development of climate-resilient infrastructure, and the use of digital platforms.

5.2.2 *Subcomponent 2.2 - Promoting entrepreneurship for women and youth will help* create jobs among rural women and youth who are not integrated in FOs and whose access to land is limited, through training, advisory, start- up/business package, access to market.

5.2.3 *Subcomponent 2.3 - Improving access to financial services* aims to enhance beneficiaries' access to financial services, in combination with programme Matching Grant (MG) funds for youth, women and other vulnerable groups, through: capacity building of the demand for rural financial services linkage of SHFs with Financial Institutions (FIs); capacity strengthening of the Financial Service Associations (FSAs) and linkage to financial institutions, developing financial products including for de-risking lending to farmers. Fragility of access to financial services will be mitigated through promotion of weather-based index insurance and FSAs and Community Development Associations (CDA) capacity building.

5.3 *The Component 3 - Programme coordination and management* aim to ensure programme compliance with relevant policies and guidelines, effective and efficient implementation, and Monitoring and Evaluation (M&E) and Knowledge Management (KM). It will leverage the best practices and lessons learned in fragile situations under CASP and capitalise on community participatory approach and digital solutions to ensure transparency, effectiveness, efficiency, accountability, and sustainability of the Programme. This component includes a Response to Emergency and Disaster (RED) mechanism, a disaster response contingency to minimize disruption of activities in the programme areas. RED will be activated by triggers identified in the design report and approval by IFAD.

II. Implementation Arrangements

6. *Lead Programme Agency*. The Federal Ministry of Agriculture and Food Security (FMAFS) is the lead programme agency.

7. *Programme Oversight Committee*. The National Steering Committee with representatives of the Federal Ministry of Finance, Federal Ministry of Budget and Econmic Planning (FMBEP), and other ministries, the Central Bank of Nigeria (CBN), and a representative of Youth and Women Groups, will provide oversight to the implementation of VCN and approve the Annual Work-Plan and Budget (AWPB). At the state level, a State Programme Steering Committee chaired by the Commissioner of Agriculture will provide oversight to the VCN activities.

8. *Programme Management Unit*. The National Programme Coordination Office (NPCO) based in Abuja and State Programme Coordination Office (SPCOs) will be responsible for the planning, monitoring, evaluating, coordinating, and supervising programme activities at the federal and state levels respectively while supporting

knowledge management, partnership building and policy dialogue. The key Programme personnel include the following: a National Programme Coordinator, a Financial Controller, Senior Internal Auditor, a Procurement Officer, a Monitoring and Evaluation Officer, an Infrastructure Engineer, an Environmental and Climate Change Safeguards Officer, a Knowledge Management and Communication Officer, an Agricultural Productivity Officer, Social Safeguards/Gender Officer, and a Rural Institutions Development Officer. In addition, for disbursement at state level, all the key positions (State Programme Coordinator, a State Financial Controller, a State Accountant, State Procurement Officer, a State Monitoring and Evaluation Officer, a State Infrastructure Engineer, a State Environmental and Climate Change safeguards officer, a State Development Communication Officer, a state Agricultural Productivity Officer, a Social Safeguards/Gender Officer, and a Rural Institutions Development Officer) must be filled competitively through an open market method of procurement.

9. *Implementing partners*. The VCN approach and activities are also designed to foster partnerships with public sector agencies (government projects in the participating states and relevant national agencies), private sector industry, value chain actors, and service providers including ICT4D firms, civil society organizations, farmer organisations, community development associations, development partners, academic and research organizations. VCN will foster partnerships with AFD RAAMP project and ongoing IFAD projects including Non Sovereign Operations (NSO). VCN will also create synergies with other programmes that pursue a business-oriented agriculture and aim at agricultural transformation through a value chain approach while facilitating an inclusive dialogue spaces for fragility and conflict management; specifically, for addressing disputes between SHFs and pastoralists, including the World Bank- Livestock Productivity and Resilience Support Project - LPRES (World Bank) for improving policy/institutional frameworks for inclusive and sustainable VC development.

10. *Monitoring and Evaluation*. The VCN M&E system will: (i) better inform the Federal and State Governments, NSC, NPCO, and implementing partners on the progress in implementation; (ii) provide reports of results-based evidence in assessing the Programme development effectiveness through routine monitoring of outputs and outcomes that are attributed to the Theory of Change; and (iii) ultimately, inform decision making. The M&E system will leverage on the key national agenda that aims to develop efficient and integrated digitalized systems of development interventions. With guidance from IFAD and the IFAD ICT4D team, VCN will develop an MIS-based system that will be used for data storage, analysis and reporting.

11. *Knowledge Management*. VCN Knowledge Management and Communication (KMC) Strategy will provide tools to ensure the dissemination of information about the Programme, visibility of Programme interventions and achievement, knowledge transfer, and participation of key stakeholders and Programme beneficiaries. The strategy would elaborate on the following KM areas: (i) provide Programme beneficiaries with the necessary material to sustain the technical knowledge acquired with the support of VCN through production of training materials and communication platforms for sensitization, and continuously assess their adoption; (ii) generate evidence-based knowledge acquired from the experience of the VCN in various fields based on the information collected as part of the monitoring of results or thematic studies to inform decision making at implementation and evaluate the Theory of Change; and (iii) share this knowledge in the form of tailored KM products with the technical departments of the FMAFS, IFAD, AFD, other donors, and implementing partners.

12. *Programme Implementation Manual*. A Programme Implementation Manual will be developed at Programme inception, which shall include, inter alia:

I. Implementation responsibilities of the NPCO and SPCO as well as the terms of reference of Project staff, consultants, service providers and other parties involved in implementation of the Project, as well as a framework agreement for engagement of service providers.

II. Eligibility criteria and selection procedure with respect to Project beneficiaries and activities to be financed under the project and

III. Detailed procedures for Project implementation, including a financial administration manual covering financial management, audit, and flow of funds arrangement.

Through the FMAFS, the NPCO shall forward the draft PIM to the Fund for its comments no later than ninety (90) days after the entry into force of this Agreement. The Lead Project Agency shall adopt the PIM substantially in the form approved by the Fund and shall promptly provide copy thereof to the Fund.

Schedule 2

Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Financing and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Category	Loan 1 Amount Allocated (expressed in USD)	Loan 2 Amount Allocated (expressed in USD)	Percentage
I. Works	12.000 000	6 460 000	100% net of: taxes, Federal and State Government contribution and beneficiary contribution
II. Consultancies, Training and Workshops	11 820 000	3 550 000	100% net of: taxes, Federal and State Government contribution and beneficiary contribution
III. Equipment	15 340 000	2 660 000	100% net of: taxes, Federal and State Government contribution and beneficiary contribution
IV. Matching Grant	9 130 000	11 290 000	100% net of: taxes, Federal and State Government contribution and beneficiary contribution
V. Recurrent Cost	2 710 000	3 020 000	
Unallocated	5 700 000	3 020 000	
TOTAL	56 700 000	30 000 000	

(b) The terms used in the Table above are defined as follows:

(i) Category III includes Equipment and Materials, Goods, Services, and Inputs, and
Vehicles

(ii) Category V includes operation and maintenance, and Salaries and Allowances

2. *Disbursement arrangements*

(a) *Start-up Costs*. Withdrawals in respect of expenditures for start-up costs (in Category(ies)) incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 500 000. Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

The start-up funds will include inter alia: (i) establishment of the NPMU, SPMU and salaries of key staff; (ii) Elaboration of the Programme Implementation Manual including the financial procedures, accounting and procurement manual; (iii) preparation of the first AWPB and procurement plan; (iv) organization of a start-up workshop; (v) establishment of financial management information, and M&E systems; (vi) finalization of the agreement/MoU templates to be used with the States and other implementing partners including the subsidiary loan agreement with states.

Schedule 3

Special Covenants

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Programme:

1. Within 6 months of entry into force of the Financing Agreement, the Programme will procure and install a customize accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.

2. Within six (6) months of entry into force of the Financing Agreement, the Programme will enter into Memorandum of Understandings (MoU) with implementing partners that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.

3. Transfer of the Proceeds of the Financing to the Programme States. The Borrower shall ensure that the proceeds of the Financing are not transferred to any Participating State until each such State shall have: (i) opened its State Designated Account; (ii) Programme Account B; (iii) entered into a subsidiary loan agreement with the Borrower, in form and substance acceptable to the Fund, setting forth the scope of the work to be undertaken, expected targets, estimated budget for specific activities, clearly defined target indicators, as well as proposed flow of funds arrangements; and (iv) set up acceptable financial management arrangements to the Fund including adopting financial procedures manual, and hiring of the State Programme Accountant, Internal Auditor and state finance officer.

4. *Planning, Monitoring and Evaluation*. The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.

5. *Audit*. The Borrower shall ensure that the VCN shall appoint, based on terms of reference approved by the Fund, an independent auditor acceptable to the Fund to audit the consolidated financial statements of the entire Programme on an annual basis, in accordance with international auditing standards and IFAD guidelines on programme audits. An audited annual financial statement for the entire Programme at Federal and State levels, together with a management letter on audit observations on internal controls, shall be submitted to the Fund within six (6) months of the fiscal year end.

6. *Anticorruption Measures*. The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.

7. *Sexual Harassment, Sexual Exploitation and Abuse*. The Borrower and the Project Parties shall ensure that the Programme is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time

8. *Use of Programme Vehicles and Other Equipment*. The Borrower shall ensure that:

(a) all vehicles and other equipment procured under the Programme are allocated for Programme implementation;

(b) The types of vehicles and other equipment procured under the Programme are appropriate to the needs of the Programme; and

(c) All vehicles and other equipment transferred to or procured under the Programme are dedicated solely to Programme use.

9. IFAD Client Portal (ICP) Contract Monitoring Tool. The Borrower shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the contract data is updated on a quarterly basis during the implementation of the Programme.

10. The Key Programme Personnel are: Programme Coordinator, Financial Controller, Senior Internal Auditor, Officer for Monitoring and Evaluation, Knowledge Management Officer, Procurement Officer, Infrastructure Engineer, Agriculture Productivity Officer, Rural Institution Development officer, Social Inclusion and Gender Specialist, Environment and Climate Assessment Specialist, State Programme Coordinator, a State Financial Controller, a State Accountant, State Procurement Officer, a State Monitoring and Evaluation Officer, a State Infrastructure Engineer, a State Environmental and Climate Change safeguards officer, a State Development Communication Officer, a state Agricultural Productivity Officer, a Social Safeguards/Gender Officer, and a State Rural Institutions Development Officer. In order to assist in the implementation of the Project, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be competitively recruited on the market. The recruitment of Key Programme Personnel is subject to IFAD's prior review and No Objection. Key Programme Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance and IFAD no objection. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the VCN's circumstances.

II. SECAP Provisions

1. For projects/programmes presenting high or substantial social, environmental and climate risks, the Borrower shall carry out the implementation of the Programme in accordance with the measures and requirements set forth in the Environmental and Social Impact Assessments (ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and/or Resettlement Action Plans/Frameworks (RAPs/Fs) and Environmental, Social and Climate Management Plans (ESCMPs) for high risk projects and Abbreviated ESIAs and/or Abbreviated RAP/F and ESCMPs for substantial risk projects and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans] (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).

2. The Borrower shall not, and shall cause the Lead Programme Agency, all its contractors, its sub-contractors, and suppliers] not to commence implementation of any works, unless all Programme affected persons have been compensated and/or resettled in

accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

3. The Borrower shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Programme stakeholders and interested parties in an accessible place in the Programme-affected area, in a form and language understandable to Programme-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

4. The Borrower shall ensure or cause the Lead Programme Agency and Implementing Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Programme with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. This section applies to any event which occurs in relation to serious Environmental, Social, Health & Safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Programme implementation that, with respect to the relevant IFAD Programme:

(i) has direct or potential material adverse effect;

(ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or

(iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Programme-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Programme-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Borrower activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Programme workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. The Borrower shall ensure or cause the Lead Programme Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Programme and propose remedial measures. The Borrower will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach[16] VCN	1 Persons receiving services promoted or supported by the project				Programme M&E System	Quarterly/ Annual	Coordination Unit & IFAD	Average HH 6.82 persons/H. It is considered that VCN will account for one (max.) beneficiary per household. One HH member per household is a direct beneficiary. Maintain existing CASP beneficiaries and identification of new VCN beneficiaries in the new and old targeted states.
	Total number of persons		364800	456000				
	1.a Corresponding number of households reached				Programme M&E System	Quarterly /Annual	Coordination Unit & IFAD	
	Number of Households		25536	68400				
	1.b Estimated corresponding total number of households members				Programme M&E System	Quarterly /Annual	Coordination Unit & IFAD	
	Total household members		2487936	3109920				
	Persons receiving services promoted or supported by the project				Project M&E System	Annually	National Programme Coordination Office (NPCO)	
	Women Headed Households		31920	68400				
Project Goal Contribute sustainably to poverty reduction, enhanced nutrition, and better resilience of rural populations in the northern states of Nigeria.	Percentage contribution in prevalence of severe food insecurity in the targeted population during the Project years				IFAD, FAO, UN -The State of Food Security and Nutrition in the World Reports	Baseline/Midterm/Endline	National Programme Coordination Office (NPCO), IFAD	Acceptable level of major economic, social, health and climate shocks that have a drastic impact on the country especially on the VCN targeted area.
	Reduction - Percentage (%)	21.3	20	18				
Development Objective Improve food and nutrition security and income of households in northern Nigeria through inclusive and sustainable value chains development as an enabler for rural transformation	1.2.8 Women reporting minimum dietary diversity (MDDW)				COI Survey	Baseline/Midterm/Endline	NPCO	Beneficiaries will have consistent and sufficient access and use of resources including adopting climate-resilient inputs/supplies/ technologies for improved livelihoods Youth and women are granted access to assets; Effective conflict resolution mechanisms are in place.
	Total household members		945416	2332440				
	Households reporting increased income				Project M&E System	Baseline/Midterm/Endline	NPCO	
	Total household members		1243968	2487936				
	IE.2.1 Individuals demonstrating an improvement in empowerment				COI Survey	Baseline/Midterm/Endline	PMU in consultation with IFAD	
	Total number of people		80000	200000				
	SF.2.1 Households satisfied with project-supported services				COI Survey	Baseline/Midterm/Endline	PMU in consultation with IFAD	
	Total household members		1243968	2798928				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI Survey	Baseline/Midterm/Endline	PMU in consultation with IFAD	
	Total household members		621984	1865952				
Outcome Outcome 1 Improved productivity, climate-adaptive capacity and resilience of farming systems in target value chains	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices				COI survey /Thematic studies	Baseline/Midterm /Endline	NPCO and IFAD	Beneficiaries will have consistent and sufficient access and use of resources including adopting climate-resilient inputs/supplies/ technologies for improved livelihoods Youth and women are granted access to assets; Effective conflict resolution mechanisms are in place.
	Total household members		1243968	1865952				
	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				COI survey /Thematic studies	Baseline/Midterm /Endline	NPCO and IFAD	
	Total household members		995174	2176944				
	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				COI survey /Thematic studies	Baseline/Midterm /Endline	NPCO and IFAD	
	Number - Number		1	3				
Output Output 1.1 Increased land brought under climate/water resilient	3.1.2 Persons provided with climate information services				M&E system	Annual	NPCO	Digital solutions supported by offline capabilities in areas of limited connectivity
	Number of people		223440	410400				

[16] VCN targets 60% men, 40% women (including 15% women headed households), and 30% youth. It also targets 10% Internally Displaced Persons (IDPs) and 10% Persons with Disability (PwD).

management and good agricultural practices , including Improved access to agricultural inputs and advisory services	3.1.4 Land brought under climate-resilient practices				M&E System and Progress reports	Quarterly Annual	PMU	Digital content production in local languages is done Beneficiaries are responsive to climate interventions and try new tools and technologies
	Hectares of land - Area (ha)		7000	17500				
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated				M&E system	Annual	NPCO	
	Hectares of land - Area (ha)		4892	7756				
	1.1.3 Rural producers accessing production inputs and/or technological packages				Project M&E system	Annually	NPCO	
	Number of people		364800	456000				
	Number of persons accessing digital extension services to increase production and productivity				M&E system	Annual	NPCO	
	Number of people		364800	456000				
Output Output 1.2 Increased targeted action to improve nutrition diet diversity and gender transformative approaches	1.1.8 Households provided with targeted support to improve their nutrition				M&E system Progress Reports	Quarterly Annual	PMU	Youth and women are granted access to participate in nutrition and gender equality learning activities. Beneficiaries show interest in diversifying food consumption
	Number of people		1088472	2176944				
	Households reached in the Gender Action Learning System (GALS) methodology				M&E system	Annual	NPCO	
	Total number of household members		248794	1243968				
Output Output 1.3 Dialogue spaces supported at territorial level	Policy 2 Functioning multi-stakeholder platforms supported				Progress Reports / M&E system	Annual	NPCO	Effective participation and involvement of key stakeholders in community
	Number - Platforms		1	3				
Outcome Outcome 2 Improved post harvest handling and value addition, and inclusive policies that support access to markets and entrepreneurial opportunities for youth and women along the target value chains.	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities				COI survey /Thematic studies	Baseline/Midterm /Endline	PMU in consultation with IFAD	The social and agricultural policies (at federal and state level) continue to prioritise the most vulnerable rural population; Community buy-in and willingness to formalise business processes/systems. Proper uses and maintenance of climate resilient of infrastructure
	Number of POs		4590	5400				
	Women in leadership position		30	40				
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities				COI survey /Thematic studies	Baseline/Midterm /Endline	PMU in consultation with IFAD	
	Total household members		746381	2176944				
	2.2.1 Persons with new jobs/employment opportunities				COI survey	Baseline/MidTerm /Endline	PMU in liaison with IFAD	
	Total number of persons		9000	30000				
	Number of PwD		450	3000				
Output Output 2.1 Improved access to market infrastructure and post-harvest practices and facilities (storage, processing, food safety)	2.1.6 Market, processing or storage facilities constructed or rehabilitated				M&E system Progress Reports	Quarterly Annual	PMU	Community buy-in and support for the construction and rehabilitation of market infrastructure
	Total number of facilities		87	217				
Output Output 2.2 POs, Youth, and women trained and supported with business packages for entrepreneurship and professional partnership	2.1.2 Persons trained in Income-Generating Activities (IGA) or Business Management				M&E system	Annual	NPCO	Youth and women are granted access to IGA training activities and business start-up packages.
	Number of people		3555	9000				
	Number of PwD		322	715				
	2.1.3 Rural producers' organizations supported				M&E system Progress Reports	Quarterly Annual	PMU	
	Total size of POs		363920	456000				
Output Output 2.3 Improved uptake of agri-finance and digital services	1.1.5 Persons in rural areas accessing financial services				M&E system	Annual	NPCO	Financial Services Associations strengthened institutionally and financially, linked with financial institutions, and empowered with digital solutions to scale up delivery of to SHFs, FOs and rural
	Persons accessing savings		120000	240000				
	Persons accessing credit		29840	60000				
	Farmers accessing digital e-voucher for production inputs				M&E system	Annual	NPCO	
	Households members		182400	456000				
	Total household members		1243968	3109920				

Integrated programme risk matrix

Risk Categories and Subcategories	Inherent	Residual
Country Context	**High**	**High**
Political Commitment	Substantial	Substantial
Risk: Under the Renewed Hope Agenda, the new Federal Government declared an emergency on Nigeria's food security situation and developed Nigeria's Agricultural Transformation Engagement Strategy and an Agribusiness Transformation Engagement Strategy. The VCN is in line with the Renewed Hope Agenda and support the Presidential Deceleration on Food Emergency. (i)However, the new administration at the federal and state level having to deal with socioeconomics crisis there is a risk that government focus will be more on food security and other emergency actions than on transformative strategies. This could lead to delay in decision making and implementation of policies and projects in the agri-food sector. (ii)The socioeconomic crisis having an impact on fiscal space could affect decision making and capacities of governments to pay counterpart funding and limit their investment capacities in the agri-food system transformation. (iii) This crisis can also affect the process of signature of Subsidiary Loan Agreement (SLA) between the Federal Government and States Government. All the aforementioned risks are likely to affect start-up and implementation of VCN.		
Mitigations: (i)VCN will support national food and nutrition security priorities while investing in inclusive sustainable food systems transformation. (ii) IFAD to advocate with FMF and FMAFS for intensifying dialogue with state governments for timely negotiation of the signature of Subsidiary Agreement as required by the Federal Government. (iii) limiting the counterpart funding requirement by state governments to payment of seconded staff salaries and in-kind contribution such as accommodation for the programme office, in line with the recommendations of the IFAD country programme review and the practices of other development partners operating in Nigeria. (iv) strengthen policy engagements with the national and state governments for scaling up private sector investment in food system transformation.		
Governance	High	High

Risk Categories and Subcategories	Inherent	Residual
Risk: In 2023 Transparency International ranked Nigeria 145 out of 180 on the Corruption Perception Index with a score of 25. In view of this rating, new government may introduce measure that could result in delayed disbursement for projects. Corruption could affect the effectiveness and efficiency of project management as well as increase the risk of undue political interference on project. In addition, low capacities, and lack of transparency in financial management, procurement, audit, and M&E also poses high risk to the VCN.		
Mitigations: (i) IFAD ICO will further broaden its oversight mechanisms by exploring relationships with the Office of the Auditor General of the Federation to strengthen compliance to rules of borrowing and projects implementation. (ii)IFAD will work with the Federal Government to promote understanding of rules of project management by high level government decision maker at both Federal and State Level. (iii)IFAD and FGN would work together to ensure transparent recruitment of staff the open market, applying appropriate salary structure and enforcing accountability mechanism including through objective evaluation of performance and strengthened internal audit function. (iv) VCN will also leverage the CPAT expertise to strengthen the NPCO's capacities in financial management, procurement, audit and M&E to reinforce compliance.		
Macroeconomic	High	High
Risk: There is high vulnerability of the economy and public finances to: oil price shocks, insufficient jobs creation for the large number of young Nigerians going into the labour force every year, as well as exchange rate fluctuations and rising inflation caused by the removal of petrol subsidies. The VCN also faces the risk of government inability at the national and state levels to mobilize counterpart funding to leverage the contributions of IFAD and AFD for full impact on VC development with the target groups.		
Mitigations: VCN will: tap into the great potential in the young workforce to boost economic growth through the development of their digital and entrepreneurship skills; leverage partnerships with the private sector and other development partners to enhance the access of youth to financial resources, youth-led enterprises, and digitalization; work with the programme states and LGAs that demonstrate commitment on delivering impact to women and youth farmers; and consider basing unit cost of VCN support to beneficiaries on the USD equivalent to cushion the effect of inflation.		

Risk Categories and Subcategories	**Inherent**	**Residual**
Fragility and security	High	High
Risk: The high fragility and security risks in northern Nigeria are attributable mainly to: insurgency in the northeast, banditry and kidnapping crisis in the northwest, the high impact of climate change, and pockets of communal clashes. These problems usually wipe off project investments when farmers are forced to abandon their fields, constrain effectiveness of programme management, and ultimately undermine the achievement of the VCN objective.		
Mitigations: The proposed mitigation measures include: (i) support dialogue and policy dialogue to strengthen policy implementation and institutional service delivery to VCN beneficiaries and others, including the herders; (ii) avoid intervening in the areas characterized by high level of insurgency, insecurity, conflict.; (iii) deepen the use of ICT4D and digital tools deliver services in risky areas without putting at risk project staff; (iv) strengthen activities that promote social inclusion and shared benefits to reduce conflicts (v) integrate conflict and insecurity management committee within community development associations and CAFs; (vi) promote integration of herders in conflict resolution and committee (vii) strengthen the dialogue between FOs and local security committee (viii) involve herders and farmers in community planning process and (ix) integrate a Response to Emergency and Disaster (RED) component to increase VCN's responsiveness to potential natural disasters.		
Sector Strategies and Policies	Substantial	Substantial
Policy alignment	Moderate	Moderate
Risk: The Renewed Hope Agenda of the current Federal Government places a premium on the agricultural sector to drive job creation for youth and improve the food security situation in the country. However, considering the higher level of fragility, conflict and resulting food insecurities in Northern Nigeria, there is the risk that the state authorities will prioritize emergency actions over long term development strategies and policies for food systems (especially with regards to rural and agricultural sector development, and governance of natural resources). In addition, considering difficult economic situation, investments may not be sufficiently pro-poor and/or aligned with IFAD priority themes and target groups (e.g., on land, environment, climate, gender, nutrition, youth, private sector engagement, etc). In addition, high poverty. This has the potential to undermine project implementation and the achievement of project development objectives.		

Risk Categories and Subcategories	Inherent	Residual
Mitigations: Continued policy dialogue and engagement with the government to ensure consistency in policies implementation in line with the SDGs and pro-poor agriculture sector development, food systems best practices. IFAD will provide policy and technical advisory as well as investment funds through its country programme to support pro-poor policy implementation aligned with IFAD priorities (e.g., on land, environment, climate, gender, marginalized groups, nutrition, youth, private sector engagement, etc). Continuous advocacy and awareness building with decisions makers on importance to prioritize transformative pro-poor and cohesion enhancing investments to break the continuous cycle of food and insecurity emergencies.		
Policy Development and implementation	Substantial	Substantial
Risk: The substantial risk of this subcategory in northern Nigeria results from: (i) social isolation and discrimination of individuals and groups, which hinders community cohesiveness; (ii) economic inequality, contributing to social fragmentation, with vulnerable groups (youth, women, PWDs, IDPs) feeling disadvantaged in the community; (iii) political instability and insecurity, contributing to social unrest and division, and (iv) cultural barriers to gender equality, social inclusion and access to services and opportunities within the community.		
Mitigations: The policy and implementation risk will be mitigated by: promoting policy and regulatory framework fostering inclusivity, creating and/or strengthening spaces for open dialogue to strengthen social cohesion, addressing concerns and building connections; implementing programme activities that create opportunities for all community members, addressing poverty and unemployment; empowering community members to have a voice in decision-making processes and foster a sense of civic responsibility; promoting gender transformative approach through GALS methodology; ensuring that decision-making bodies and community leadership reflect the diversity of the population; and promoting strategies on equitable distribution of resources and opportunities among different cultural groups.		
Environment and Climate Context	Substantial	Substantial
Project vulnerability to environmental conditions	Substantial	Substantial

Risk Categories and Subcategories	Inherent	Residual
Risk: The value chain development approach of sustainable rainfed arable crop agriculture in a difficult semi-arid ecology with widespread degradation conditions. poses the risk of poor yield, loss of crops and land conflicts.		
Mitigations: The risk will be mitigation by: (i) developing SECAP safeguard documents (SRN, ESCMF, ESCMP) which will guide environment and climate mainstreaming and NRM; (ii) building on the achievement of CASP by integrating activities that deepen the capacity of farmers in SWC and LR to improve the environment and NRM; and (iii) supporting extension services to promote adoption of GAP.		
Project vulnerability to climate change impacts	Substantial	Substantial
Risk: The unpredictability of rainfall in terms of onset and cessation dates in the VCN programme area poses significant risks to small rainfed agricultural VCs. In recent years, water scarcity in the dry season, alternating with flooding during the short rainy season, have greatly affected farmers' investments in the region. These uncertainties are even projected to increase in the future as the short rainy season gets wetter and the dry season also gets drier.		
Mitigations: The mitigation measures for this risk will include: (i) promote climate-smart GAP practices; (ii) strengthen access to climate information services and climate risk insurance; (iii) support farmers with climate-tolerant and high yield seeds; (iv) promote clean and energy-efficient processing systems; (v) provide capacity building on SWC and LR techniques, and (vi) strengthen extension services to disseminate innovations and digital agriculture technologies that improve climate resilience.		
Project Scope	Substantial	Substantial
Project Relevance	Substantial	Substantial
Risk: The VCN is relevant to Nigeria's priorities and the rural beneficiary needs in northern Nigeria. It is also aligned with the priorities of IFAD and AFD to improve food and nutrition security, income, and resilience of smallholder farmers and other vulnerable segments of the rural population (women, youth, PWDs, IDPs), connecting them to markets and income-generating opportunities and addressing some of main fragility drivers. However, VCN is being implemented in an unpredictable and challenging context which is often associated with a wide range of risks (e.g. social conflict, insecurity, and		

Risk Categories and Subcategories	Inherent	Residual
vulnerability to climate change, food and nutrition insecurity), factors that may hamper the abilities of farmers to produce sustainably.		
Mitigations: VCN will continue to support engagements and dialogues, capacity building and risk management to de-escalate and reduce the current fragility drivers. The design includes actions at different levels to strengthen the beneficiaries capacity to cope with the different risks and challenges, it will adopt a demand-driven and participatory approach, thereby ensuring that interventions are relevant. VCN will promote climate resilient economic activities, partner with NiMET to provide early warning for disaster preparedness, with insurance companies to reduce the risk of complete loss, and with off-takers to provide a profitable market for farmers' produce.		
Technical Soundness	Substantial	Substantial
Risk: Although VCN is not expected to be an extension of CASP, limited institutional memory and quick understanding of the project objectives and technical details at the State levels due to retirement and redeployment of former experienced project staff may affect initial take-off. There may be limited institutional memory at the state level since many of the staff of the predecessor project, CASP which closed two years ago, had moved to other areas. A complete appraisal of the entire programme area was limited due to insecurity, which may underestimate the major technical opportunities and challenges at hand. There is also the risk of over-complexity of the design to address the high level of fragility in the region, all of which may undermine programme implementation and achievement of the development objectives.		
Mitigations: At design, the risk was mitigated by: (i) drawing on lessons learned from CASP and ongoing IFAD and AFD projects; (ii) consultation visits to five out of the nine states, and inviting stakeholders of the remaining four states to join in the consultations in nearby states to understand the needs, gaps and opportunities for VC development in the northern region; (iii) holding meetings with staff of the CASP sustainability projects in three states and with the AFD-assisted RAAMP in Kano, for lessons of implementation and guidance focal areas for VCN; (iv) leveraging the technical expertise and strong knowledge of the country context of CPAT to arrange the field visits to the five states and guide the interactions with the stakeholders at the state and national levels; and (v) identifying and executing complementary studies to fill in data gaps for finalizing the design report.		

Risk Categories and Subcategories	Inherent	Residual
Institutional Capacity for Implementation and Sustainability	High	High
Implementation Arrangements	Substantial	Substantial
Risks: (i) Capacity - there is the risk of a potential erosion of implementation capacity, due to the three years that would have elapsed between the completion of CASP and the start of VCN, the dismantling of the CASP headquarters in Katsina, and some states not sustaining the CASP arrangements and activities after the completion of CASP; (ii) VCN's lack of experience with AFD projects/procedures and lack of capacity to coordinate implementation arrangements that may involve several government agencies, different levels of government, non-government entities, and multiple donor agencies with different procedures and/or reporting requirements; (iii) For financial inclusion, the operational risks of lack of reliable off-takers and markets for farmers' produce and poor implementation of the socially inclusive gender transformative approach, the financing risk of lack of participation by financial institutions (FIs), and the credit risk of non-payment of loan; (iii) For ICT4D, capacity for farmer data management including inaccurate and incomplete data, insufficient financial investment in data infrastructure and management, cultural sensitivity issues on sharing data, poor sensitization or community engagement, funding and language barriers to disseminating weather information, poor adoption and infrastructure of digital extension advisory services, resistance to input distribution through digital e-vouchers, and risks to improving farmers' access to output markets including competition, data security.		
Mitigations: The risk will be mitigated by: (i) Capacity – consider giving some advantage points to applicants who had served successfully in CASP during the recruitment interviews, to bring in useful institutional memory for a quicker take-off of implementation, leverage the technical capacity of CPAT and PCU of the FMAFS to build implementation capacity for staff at the start of VCN, exploit the capacity of the private sector for private-public partnership and service provision in support of VC development activities, and locate the VCN headquarters in Abuja for closer proximity to the national technical support and oversight agencies, and for more effective air links with all the programme states in the face of risky interstate road travels due to banditry and terrorism; (ii) Financial inclusion - apply a market-driven approach where the type, quantity, and quality of production is determined by the off-takers in agreement with the producers, ratified by CAF, seek the buy-in of relevant stakeholders to allow a higher number of women, and youth, PWDs and displaced returnees to participate in the programme and access credit, target the involvement of diverse FIs such as the Development Financial Institutions (DFIs) e.g., Bank of		

Risk Categories and Subcategories	Inherent	Residual
Agriculture, the Deposit Money Banks (DMBs) and Micro Finance Banks (MFBs) and orient Fis and provide technical assistance, make loan disbursement mainly in kind to prevent loan diversion, make loan repayment by the smallholder farmers in kind through the delivery of harvested produce in the right quantity and quality to off-takers who are to remit cash to the loan accounts of farmers in satisfaction of loan repayment, facilitate part-guarantee on loans disbursed under VCN, and, provide agricultural insurance for the beneficiaries; (iii) ICT4D – implement robust data validation processes, conduct regular audits, provide training to data entry personnel, establish clear data collection protocols, conduct regular data quality checks, incentivize farmers for accurate information, allocate a dedicated budget for data management, explore public-private financing partnerships and external funding sources, implement community engagement programmes, respect cultural norms regarding data sharing, use multilingual communication channels, and leverage community networks for dissemination of weather information, collaborate with telecom companies for improved network services, conduct market analysis, robust data encryption, and comply with data protection regulations.		
Monitoring and Evaluation Arrangements	High	High
Risk: The risk rating is based on the lessons of CASP which showed several challenges in M&E implementation, including: (i) absence of field M&E staff to conduct routine monitoring of activities for about half of the project cycle, due to the conflict and fragility situation in the targeted areas; (ii) absence of an M&E coordinator at national level; and (iii) absence of a concise M&E plan, outlining standardized tools, roles and responsibilities.		
Mitigations: To mitigate these challenges, VCN will: (i) Ensure that an adequate budget for M&E, that considers issues of conflict and fragility, provided and clearly outlined in the COSTAB; and (ii) Provide a thorough M&E guidance in the implementation manual that will detail the flow of data from LGA to National level, contextualize the IFAD core indicator definitions as per the project and, provide a detailed framework of an M&E plan.		
Procurement	Substantial	Substantial
Legal and Regulatory Framework	Moderate	Moderate

Risk Categories and Subcategories	Inherent	Residual
Risks: Public procurement in Nigeria is governed by the Public Procurement Act (PPA) 2007, revised 2018; information on bidding opportunities is available on (Nigeria Open Contracting Portal (NOCOPO); there are Public Procurement Regulations (PPR) for Goods and Works and a separate one for Consulting Services, both 2007, and a Public Procurement Manual. There are 6 open and non-open methods for Procurement for Goods & Works, and 5 selection methods for consulting services. The risks are: (i) Though the Nigeria Bureau of Public Procurement (BPP) has a full cache of bidding documents (4 for Goods and Works, and 5 for Consulting Services), none of these documents have the self-certification forms and requirements, and the SECAP requirements; (ii) Standard contract exists in each bidding document. The contract template is fine but does not cover SECAP and some other IFAD requirements; (iii) Basic contract management in place but no strategic provisions for contract amendments; (iv) The last BPP Annual Report demonstrates that of 984 contracts, less than 2% of its procurement were done by open means and over 50% used direct selection methods without competition, and emergency procedures; and (v) No updated supplier databases to show how bidders are selected to receive invitations for non-open methods.		
Mitigations: (i) Adjustment of procurement thresholds; amendment of emergency procedures; (ii) Need to establish supplier databases (that are updated) to show how bidders are selected to receive invitations for non-open methods; and (iii) Have contract amendment provisions to ensure that critical high-value amendments are properly reviewed while small amendments are processed expeditiously.		
Accountability and Transparency	Substantial	Substantial
Risks: The corruption perception index score for 2023 is 25/100, with a ranking of 145/180.Nigeria is ranked 15th in the Fragile State Index for 2023, and among the ‘ALERT’ countries. The Procurement Plans posted on the BPP website have not been updated since 2017. Contract award information is absent. Procurement complaints have a 9-step procedure prescribed by law. The 1st level review is made by the procuring entity, and the 2nd level review by BPP instead of an independent body. Decisions by BPP are communicated to the complainant and the procuring entity. There is no sanctions system or procedure by BPP for miscreant bidders.		

Risk Categories and Subcategories	Inherent	Residual
Mitigations: VCN will have all procurement opportunities and contract awards above the applicable threshold advertised in at least 2 newspapers. No mitigation measures identified for the rest of the items.		
Accountability, Integrity and Transparency of the Public Procurement System	Substantial	Substantial
Risks: (i) Risk of procurement approvals leading to significant time wastages as prior review items may need to be cleared by both AFD and IFAD, so a complex government approval procedure for procurement items may negatively affect good time management; (ii) Risk that the required competence and experience on the procedures of international procurement standards and good practices may be lacking in the NPCO.		
Mitigations: (i) Apart from signature of contracts, all procurement approvals should stop with the programme coordinator; (ii) Ensure that Procurement Specialist pursues appropriate training sessions in IFAD procedures (BuildProc, OPEN-E2E), if he or she does not have sufficient experience in donor-funded procurement.		
Public Procurement Operations and Market Practices.	Substantial	Substantial
Risks: Part VI and VII of the PPA provides procurement methods for all categories fully consistent with IFAD's framework. All legal and regulatory framework documents are available at BPP website. Section 31 of the PPA specifies a minimum of 3 for the RFQ method, consistent with IFAD PPF. No minimum is established for other competitive methods. Standard Bidding Documents where available, are mostly consistent with IFAD standard solicitation documents, except for a few items. Not all contract formats are consistent with IFAD's. The minimum number of days for advertised procurement as provided for in the PPR, for Goods/Works and for Consulting Services, are consistent with IFAD's. However, public implementing entities do not usually do a focused market research before procurement planning. The Nigeria procurement framework does not cover SECAP requirements.		

Risk Categories and Subcategories	Inherent	Residual
Mitigations: VCN to: (i) use IFAD's Standard Solicitation Documents (SSDs) across the board for all advertised procurement. The SSDs cover SECAP requirements; (ii) use the IFAD Handbook which has detailed procedures in Module P for contract management, since the Nigeria procurement framework does not carry detailed contract management procedures (apart from Disposal for Goods); (iii) implement and strengthen the use of procurement plans as a planning tool in portfolio project management; (iv) forward a copy of the bid opening minutes to all bidders, without exception; (v) ensure that supplier invoices are processed in a timely manner and that payment is made within 60 days; and (vi) integrate the provisions of the SECAP standards for all stages of procurement, from REOI, RFP, ICB/NCB to contract and performance monitoring.		
Assessment of Project Complexity	Substantial	Substantial
Risks: The project, covering nine northern states in Nigeria and supported by IFAD and AFD, involves complex and high-value procurements across multiple categories, requires substantial procurement expertise, and faces significant environmental risks, although it does not incorporate new procurement methodologies or community participation in procurement processes.		
Mitigations: The Project has developed SECAP safeguard documents (SRN, ESCMF, ESCMP) which will guide environment and climate mainstreaming and natural resource management		
Assessment of Implementing Agency Capacity	Moderate	Moderate
The procurement methods detailed in Part VI and VII of the Nigeria Public Procurement Act 2007 align with IFAD's procurement policies, although updates and specific data such as contract award information are lacking on the BPP website since 2018. While Nigeria's standard bidding documents mostly adhere to IFAD's requirements, they do not integrate IFAD's environmental and climate provisions (SECAP), and there are no standard prequalification documents available online. Additionally, some bid evaluation criteria in the existing documents are not always measurable, and while the PPA supports administrative review of procurement complaints, detailed contract award data is notably missing from the BPP platform.		

Risk Categories and Subcategories	Inherent	Residual
IFAD advises using its Standard Shopping Documents (SSDs) for Quality and Cost-Based Selection (QCBS), National Competitive Bidding (NCB), and International Competitive Bidding (ICB) procurements to fully integrate SECAP considerations and emphasizes the importance of having strategically measurable terms of reference, specifications, and evaluation criteria as part of its due diligence process.		
Financial Management	High	High
Organization and staffing	High	High
Risks: Despite having one of the oldest accountancy bodies in the region, a 2022 report by the Chartered Institute of Public Finance and Accountancy (CIPFA) found that only 42% of Nigerian public finance professionals felt they had the necessary skills to effectively manage public funds highlighting prevalent institutional capacity issues. Capacity is unevenly distributed across the country. Government interference in the recruitment process is prevalent.		
Mitigations: The staff will be recruited through open competitive procedure. The TORs will be cleared and non-objected by IFAD. Staff will receive in depth training on IFAD financial management procedures, fraud and corruption, and ethics.		
Budgeting	Substantial	Substantial
Risks: (i) Weak capacity at the NPCO and implementing entities to prepare and submit accurate work program and budget; (ii) weak consolidation of budgets; and (iii) weak budgetary execution and control; (iv) cost overrun or under run and reasons not detected in a timely manner.		
Mitigations: (i) Early start of budget bottom-up consolidation; (ii) sharp scrutiny for realistic estimates and budget phasing by quarter for IFAD no-objection; (iii)effective budget-module installed at accounting software to monitor deviations; (iv) AWPB reviewed and approved by the steering committee. The project Financial Procedures Manual will define the arrangements for budgeting, budgetary control and the requirements for budgeting revisions. IFR will provide information on budgetary execution and analysis of variances between actual and budget.		
Funds flow/disbursement arrangements	High	High

Risk Categories and Subcategories	Inherent	Residual
Risks: (i) Risk of misuse of funds and delays in payment of invoices/expenditures of activities implemented by various actors; (ii) inadequate coordination between the NPCO and the states during cash flow forecasting leading to cash shortages to pay expenditures; (iii) inefficiencies in management of bank accounts leading to co-mingling of funds; (iv) challenging economic environment may delay the flow of FGN and states co-financing		
Mitigations: (i) Payment requests will be approved by the Coordinator prior to payment of funds to contractors or consultants and implementing entities. Reporting requirements will be included in all implementation conventions and disbursement will be based on deliverables; (ii) states will produce quarterly sources and uses of funds to be used as input for preparation of consolidated cash forecast; (iii) separate designated and operational accounts will be opened for different IFAD financing, AFD financing and counterpart funds.		
Internal controls	High	High
Risks: (i) Misuse of funds and inadequate documentation of incurred expenditures; (ii) Inadequate documentation of transactions and failure that funds are used for the intended purposes with economy and efficiency: (iii) FCS of the implementing states does not permit full compliance with acceptable FM requirements.		
Mitigations: (i) Incorporation of alternative internal control and assurance arrangements for FCS context; (ii) Robust Financial Procedures Manual (FPM) including checklist of support documents for incurred expenditures to be in place, and staff familiar with the FPM; (iii) Independent and effective internal audit and risk management function will be in place; (iv) Enhanced project accountability framework over soft expenditures will be implemented; (v) Biometric identification (fingerprints) of beneficiaries.		
Accounting and financial reporting	High	High
Risks: (i) Poor policies and procedures, lack of qualified accountant staff (capacity staff) and no familiarity with IPSAS accounting system, IFAD requirements, and Federal reporting requirements; (ii) Inaccuracy and delay in submission of IFR due to weak capacity of FM team; (iii) Lack of familiarity of NPCO team leading to some delays in recording of expenditures as well as preparation of periodic financial reports.		

Risk Categories and Subcategories	Inherent	Residual
Mitigations: (i) The project will adopt the IPSAS Cash basis of accounting and financial statements will be configured in the accounting system. Accounting procedures will be documented in the procedures manual; (ii)Training on IFAD FM procedures will be provided to the staff as needed; (iii)A computerized accounting system will be used; IFR and FS will be automated; (iv)IFR and financial statements formats will be agreed on at project negotiations; (v)FM team of the NPCO recruited on competitive basis and capacity building planned before project effectiveness.		
External audit	Substantial	Substantial
Risks: Delays in submission of audit report. The scope of the mission may not cover expenditures incurred by implementing entities.		
Mitigations: Auditor General engagement will be done at the start of the financial year. The project's institutional arrangements allow for the appointment of adequate external auditors and the ToRs (to be reviewed by IFAD) will include field visits and specific report on findings of physical controls of goods, services and works		
Environment, Social and Climate Impact	Substantial	Substantial
Biodiversity conservation	Low	Low
Risks: The VCN programme area harbours some protected areas, forest reserves, and delicate wetland areas (such as the Hadejia-Nguru wetlands) that also serve as important habitats for wintering birds. Desertification, land degradation and biodiversity losses are already serious issues in northern Nigeria because of unsustainable land management practices and significantly contribute to climate impacts and resource conflicts.		

Risk Categories and Subcategories	Inherent	Residual
Mitigations: VCN will: (i) conduct environmental screening for all subprojects to ensure minimal impact on the ecosystems and biodiversity and ensure no activities around protected areas, forest reserves and important wetland areas of conservation significance; and (ii) follow through the activities outlined in the SECAP safeguard documents to protect ecosystems and biodiversity (including agroforestry, SWC, LR, etc.). In addition, the land, soil and water management and sustainable agricultural practices (agro-ecology, agroforestry, inorganic fertilizers, reduced tillage, etc.) have positive impacts on biodiversity due to better air, soil and water conditions. For AFD this positive approach ("Nature+") can be accounted for, with "biodiversity co-benefits" (estimated at 40% of the project's budget, following the current tracking methodology).		
Resource efficiency and pollution prevention	Substantial	Substantial
Risks: The VCN is a natural resource-dependent project that may involve or lead to primary environmentally unsustainable production of living natural resources including arable cropping of value chain crops. Other inherent risks include waste proliferation from production and processing sites as well as excessive use of agrochemicals including inorganic fertilizers and pesticides and the release of pollutants to the environment due to routine or non-routine circumstances with the potential adverse impacts. The cluster farming to be adopted poses the risk of agrochemical pollution as well as massive groundwater drawdown around clusters through tubewell irrigation by several farmers. Adulteration and inappropriate application of agrochemicals could also be an issue		
Mitigations: (i) Resource efficiency and integrated waste management will be promoted and monitoring systems related to air quality (dust, CO2 emission etc) as well as health and safety on the project sites. This includes conversion of rice waste at processing sites to briquettes and biochar; (ii) Periodic monitoring of the groundwater around farm clusters will be conducted to ensure sustainability; (iii) As part of the GAP, farmers will be trained in the appropriate use of fertilizers and pesticides; (iv) Production of compost and farmyard manure will be promoted; and (v) Livelihood opportunities in waste valorization and training of youth in agrochemical application as an enterprise will be explored		
Cultural heritage	Low	Low

Risk Categories and Subcategories	**Inherent**	**Residual**
Risks: Some of the communities in the programme area have invaluable material and non-material cultural heritages (mountains, ruins and buried monuments), geodiversity and geo-heritage and long history of culture, traditions, values, and festivals that enrich their heritages. However, the chances that VCN will negatively impact cultural heritage of the people is low.		
Mitigations: VCN will: (i) activate the procedure for chance finds and other protection and handling of cultural heritage throughout all stages and activities of the programme; and (ii) discourage migrant-influx and ensure project beneficiaries are localized around their communities to reduce negative impact of alien culture diffusion into local culture to upset the traditional values.		
Indigenous people	Low	Low
Risks: There are no indigenous people according to the UN classification whose existence is threatened by VCN. However, there are several distinct tribes and cultures spread across the programme area. The risk of exclusion of marginalized and itinerant tribes (such as the nomadic Fulanis) and those with weak political representation is real.		
Mitigations: VCN will deepen social inclusion by considering all the social actors and mainstream inclusion and equity through the targeting, stakeholders' engagement and grievance redress strategies.		
Community health and safety	Moderate	Moderate
Risks: Productivity of the rural population is also hampered by ill-health, particularly HIV/AIDS, tuberculosis, malaria and the COVID pandemic. There is the risk of surface water pollution because of the programme activities that can impact the health of poor people that depend on surface water sources in the programme area. This includes risk of improper application of agrochemicals and water eutrophication. Lack of personal protective equipment (PPE) on farm poses the risk of exposure to schistosomiasis and other water-associated neglected tropical diseases (NTD). Child malnutrition is also high in northern Nigeria, and this poses the risk of increased childhood mortality.		

Risk Categories and Subcategories	Inherent	Residual
Mitigations: VCN will: (i) establish and maintain working relationships with the line ministries (such as health, gender, education) to build synergy in nutrition-sensitive interventions; (ii) create livelihood opportunities in agrochemicals and application and waste valorization by training youths to become experts in agrochemical applications; and (iii) promote the use of appropriate PPE among farmers to safeguard human health.		
Labour and working conditions	Moderate	Moderate
Risks: The total fertility rate, family size and number of children out of school is high in the programme area. Poverty is also very high and literacy level is low. VCN could operate in value chains that are characterized by working conditions that do not meet national labour laws or international commitments. it could also involve child labour. The Child Rights Act (2003) states that: No child shall be employed or work in any capacity except where he is employed by a member of his family on light work of an agricultural, horticultural, or domestic character… and … A young person under the age of fourteen years may be employed only:(a) on a daily wage;(b) on a day-to-day basis; and(c) so long as he returns each night to the place of residence of his parents or guardian, or a person approved by his parents or guardian. Thus, although the risk of forced labour is low, the risk of using child labourers on the farm is substantial. The risk of women carrying out unpaid labour in their husbands' farms is also substantial. This situation is heightened by the fragility situations across the programme area.		
Mitigation: VCN will: (i) promote the implementation of the GALS which supports collaboration and cooperation between men and women for common goals; VCN will promote a framework to encourage gender equality and inclusive participation and discourage child labour and unpaid women labour, sensitize on community health and safety, and establish an open and well publicized grievance reporting channel and redress mechanism. (ii) within Nigeria's labour law and Child Rights Act, sensitize the programme beneficiaries and stakeholders on the danger of using child labourers, while continually monitoring beneficiaries to ensure compliance.		
Physical and economic resettlement	Low	Low

Risk Categories and Subcategories	Inherent	Residual
Risks: The risk of physical and economic displacement is low as the VCN will not support enterprises on disputed lands. Banditry, the Boko Haram crisis and farmers-herders crisis have already precipitated significant physical and economic displacement.		
Mitigation: VCN will: (i) screen subprojects to ensure no physical and economic displacement; (ii) support the economic empowerment of IDPs and economically dislocated people within the programme area; (iii) advise farmers to avoid lands in designated grazing reserves and around known grazing routes; and (iv) promote compulsory agricultural insurance for producers and processors as a 'no regret' strategy and policy dialogue on land and resource conflicts.		
Greenhouse gas emissions	Moderate	Moderate
Risks: The likelihood of some activities (e.g., rice cropping) as well as unsustainable land management practices and operation of environmentally unfriendly processing machines leading to emission of GHGs is real. In addition, the reliance of processing facilities on fuelwood and charcoal as energy sources poses the risk of GHG emissions.		
Mitigations: VCN will promote climate-smart agriculture and the use of climate information to guide on- and off-farm activities. Safeguard guidelines developed to guide and promote sustainable agriculture will be followed through. Use of clean and renewable energy technology and use of climate information and advisory services will also be promoted.		
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Substantial
Risks: The VCN target group is substantially dependent on climate-sensitive natural resources especially rainfed agricultural plots. For example, Rice, one of the VCN value chain crops, is grown mainly in the FADAMA (inland wetlands) and the fertile alluvial plains of the major river systems. All parts of the programme area have been subjected to extreme flooding in the recent past. Projected future climatic changes suggest that the programme area will experience fluctuations in temperatures and precipitation due to increased climate variability, implying high likelihood of increased dry spells and high intensity rainfall leading to pluvial floods. These could affect the		

Risk Categories and Subcategories	Inherent	Residual
impacts, sustainability and return on investment of the sub-projects. These climate change impacts also heighten the risk of land degradation, desertification, and loss of biodiversity, further threatening the natural resource base upon which the programme interventions are built.		
Mitigations: Mitigation measures include: (i) capacity building of the target groups on climate-smart agricultural production strategies; (ii) strong collaboration with extension and weather/climate monitoring institutions for regular agro-climatic information and use of the climate-resilient seed varieties (early maturing and flood and drought tolerant varieties); (iii) investing in market infrastructure (including market-connected roads and small irrigation structures) to strengthen resilience of small-holder farmers; and (iv) pursuing partnerships with relevant agencies to enable farmers access market information and climate-risk insurance to cover losses to floods.		
Stakeholders	Substantial	Substantial
Stakeholder engagement/coordination	Substantial	Substantial
Risks:		
Socially inclusive stakeholder engagement could be resisted by powerholders. In light of potential conflict in communities where conflict has occurred in recent years, stakeholders hold animosities that prevent dialogue and coordination between players.		
Mitigations:		
Stakeholders will be engaged for conflict prevention and resolution as well as for grievance management, as needed, through common spaces such as the CAF and local community venues. VCN's stakeholder engagement plan (SEP) will consider relevant interventions over the course of the project cycle, from project launch, to mobilization, during implementation as part and parcel of activities and for M&E, learning and planning purposes.		
Stakeholder grievances	Moderate	Moderate
Risks: There is a risk that VCN has ineffective grievance/complaint redress processes (including with respect to allegations of non-compliance with IFAD's SECAP standards, fraud, corruption, or SEA), leading to unaddressed stakeholder complaints that may undermine programme implementation and achievement of the development objectives.		

Risk Categories and Subcategories	Inherent	Residual
Mitigations: VCN will: (i) maintain robust knowledge management, information dissemination and community engagements to keep everybody informed; (ii) implement a simple SEP with a clear complaint/grievances redress and dispute resolution framework, which is make known to all stakeholders. The Grievance Redress Mechanism (GRM) identifies potential issues that may necessitate grievance redress and mitigation, providing access to information on a regular basis to help prevent grievances from arising in the first place, or from escalating to a level that can potentially undermine project performance		