



Investing in rural people

## Executive Board

---

### President's memorandum

### Proposed additional financing to

### Federal Republic of Nigeria

### Livelihood Improvement Family Enterprises Project in the Niger Delta (LIFE-ND)

Project ID: 2000001043

---

Document: EB 2024/LOT/P.22

Date: 6 November 2024

Distribution: Public

Original: English

#### **FOR: APPROVAL**

**Action:** The Executive Board is invited to approve the recommendation for the proposed additional financing contained in paragraph 58.

---

---

#### **Technical questions:**

**Bernard Hien**

Regional Director

West and Central Africa Division

e-mail: [b.hien@ifad.org](mailto:b.hien@ifad.org)

**Dede Ekoue**

Country Director

West and Central Africa Division

e-mail: [d.ekoue@ifad.org](mailto:d.ekoue@ifad.org)

---

## Contents

<b>Financing summary</b>	<b>i</b>
<b>I. Background and project description</b>	<b>1</b>
A. Background	1
B. Original project description	1
<b>II. Rationale for additional financing</b>	<b>1</b>
A. Rationale	1
B. Description of geographical area and target groups	3
C. Components, outcomes and activities	4
D. Costs, benefits, and financing	5
<b>III. Risk Management</b>	<b>8</b>
<b>IV. Implementation</b>	<b>9</b>
A. Compliance with IFAD policies	9
B. Organizational framework	9
C. Monitoring and evaluation, learning, knowledge management and strategic communication	11
D. Proposed amendments to the financing agreement	11
<b>V. Legal instruments and authority</b>	<b>11</b>
<b>VI. Recommendation</b>	<b>11</b>

## Appendices

- I. Updated logical framework incorporating the additional financing
- II. Updated summary of the economic and financial analysis

---

<b>Project delivery team</b>	
Regional Director:	Bernard Hien
Country Director/Country Project Manager:	Dede Ekoue
Technical Lead:	Abdoulaye Gonde
Finance Officer:	Austin Tatah
Climate and Environment Specialist:	Brou Yao Bernard
Legal Officer:	Sherine Sherif

---

## Financing summary

<b>Initiating institution:</b>	IFAD
<b>Borrower/recipient:</b>	Federal Republic of Nigeria
<b>Executing agency:</b>	Federal Ministry of Agriculture and Food Security
<b>Total project cost:</b>	US\$130 million <sup>1</sup>
<b>Amount of original IFAD loan under the performance-based allocation system):</b>	SDR 42.4 million (equivalent to approximately US\$60 million)
<b>Terms of original IFAD financing:</b>	Blend: Maturity period of 25 years, including a grace period of 5 years, with interest at a fixed rate equal to 1.25 per cent plus a service charge of 0.75 per cent per annum
<b>Amount of additional IFAD financing (Borrowed Resource Access Mechanism [BRAM]):</b>	US\$32 million
<b>Terms of additional IFAD financing (BRAM):</b>	Ordinary: Maturity period of 35 years, including a grace period of 10 years. Interest rate = IFAD market reference rate + Variable spread + Maturity premium determined quarterly and applied over market-based rate  Fixed repayments of principal per annum, once grace period elapses
<b>Cofinancier(s):</b>	Niger Delta Development Commission (NDDC)
<b>Amount of cofinancing:</b>	US\$30 million <sup>2</sup>
<b>Terms of cofinancing:</b>	N/A
<b>Contribution of borrower/recipient:</b>	Federal Government: US\$3.1 million; State governments: US\$4.9 million
<b>Contribution of beneficiaries:</b>	In-kind contribution
<b>Amount of original IFAD climate finance:</b>	N/A
<b>Amount of additional IFAD climate finance:</b>	US\$2.7 million
<b>Cooperating institution:</b>	IFAD

---

<sup>1</sup> Of the initial \$30 million from NDDC to cover three additional states not covered by IFAD, \$2.5 million has been disbursed to the project, and a written commitment has been made by NDDC to provide at least \$5 million per year.

<sup>2</sup> Ibid.

## **I. Background and project description**

### **A. Background**

1. The Livelihood Improvement Family Enterprises Project in the Niger Delta (LIFE-ND), approved by the IFAD Executive Board on 11 December 2017 and entered into force on 21 February 2019, aims to improve livelihoods, enhance food security and facilitate job creation for rural women and youth through sustainable agroentrepreneurship in six states across the Niger Delta. The project was approved for two phases, with the first phase running from March 2017 to March 2025 with funding comprising a US\$60 million IFAD loan, US\$8 million in federal and state government contributions and parallel financing of US\$30 million from the Niger Delta Development Commission (NDDC). The LIFE-ND financing gap will be filled by a US\$32 million IFAD loan for the second phase.
2. In its letter dated 3 May 2024, the Federal Government of Nigeria requested US\$32 million from the Borrowed Resource Access Mechanism (BRAM) to fill the financing gap.
3. The project goal, objectives and components, including the implementation and financial arrangements, remain unchanged from the original design. The additional funding aims to extend LIFE-N's achievements in economic development and wealth creation by further supporting agribusiness enterprise development in a sustainable manner, with a successful and seamless transition from the first to the second phase without a break in the implementation of this performing project.

### **B. Original project description**

4. By original design, LIFE-ND is a 12-year innovative agri-enterprise project with a 6-year first phase, called the pilot phase. This phase ends on 31 March 2025 and is to be followed by a second phase programmed at design, to be implemented by filling the financing gap to support its implementation.
5. The overarching goal of LIFE-ND is to produce a transformed rural economy in which the rural population can prosper and equally benefit. The project development objective is to increase income, food security and job creation for rural youth and women through sustainable agri-enterprise development in the Niger Delta region of Nigeria.

## **II. Rationale for additional financing**

### **A. Rationale**

6. The 10 June 2023 midterm review (MTR) of LIFE-ND underscored the need for additional funding for phase 2 to build on the successes and lessons from phase 1. The US\$32 million in additional financing, planned at design, will cover the period from March 2025 to March 2028 instead of the 6 years initially planned, considering the average annual budget of US\$12 million implemented during the first phase. This funding is critical for increasing sustainability, resilience and climate-smart practices within the project, with a particular focus on gender, persons with disabilities, youth, climate change and nutrition, and for leveraging digital solutions for greater efficiency and scale.

#### **Key lessons from phase 1 that inform the need for additional financing**

7. **The enterprise incubation model** has proven to significantly improve agricultural and business management skills among youth and women, leading to stable incomes and sustainable livelihoods. Additional funds will help scale this model, enhance partnerships across sectors and promote both new and existing enterprises through digitalization.
8. **Community engagement and ownership.** Strong local participation has been critical, resulting in significant land allocation and greater community responsibility.

Further investment will intensify this approach, particularly increasing participation of persons with disabilities.

9. **Partnerships for sustainability.** Effective collaboration between community organizations and the public and private sectors has built essential social capital, improved market access and facilitated more favourable business conditions. Continued funding will strengthen these partnerships and extend their benefits in a sustainable manner.
10. **Gender equality.** Integrating the Gender Action Learning System (GALS) has empowered women within communities and increased their access to critical resources. Phase 2 funding will focus on reinforcing specific gender initiatives to further enhance women's leadership and participation in economic activities.
11. These elements highlight the importance of targeted financial investments to ensure the project's continued success and expansion, heightening the impact on the project's beneficiaries and the broader community.

#### **Key project achievements by June 2023 at the midterm review**

12. **Inclusive enterprise development and job creation.** The project successfully increased its agribusiness incubation models by strengthening more than 57 per cent of rural institutions, promoting profitable youth-based agribusinesses and mobilizing more than 130 per cent of the life-of-project targets of 600 enterprise incubators who foster mentorship and practical training for emerging entrepreneurs. As a result, at midterm, LIFE-ND had created 6,035 new enterprise jobs for youth and women, meeting 24 per cent of its life-of-project target.
13. **Sustainable and resilient agribusiness development.** The project has contributed to higher agricultural production and productivity, as well as enhanced processing and marketing through 345 commodity apex development associations (CADAs) and 21 processing clusters for priority commodities (rice, cassava, plantain, oil palm, cocoa, poultry and fish).<sup>3</sup>
14. **Food and nutrition security.** Improved production and enhanced processing and marketing have resulted in a combination of greater income for beneficiaries and successful adoption of nutrition best practices among target groups, especially women and youth. Project interventions have led to a 52 per cent reduction in the number of direct beneficiaries experiencing food insecurity (7,361 households), and 86 per cent (6,087 households) reporting improved dietary quality.
15. The additional financing will bridge the initial funding gap at design to increase income, food security and job creation for rural youth and women through sustainable agri-enterprise development in Nigeria's Niger Delta region. It will support the creation of an additional 13,050 jobs and strengthen the existing agroentrepreneurs supported during the first phase. The additional financing will help increase support for climate-resilient and nutrition-sensitive agriculture and improve access to markets, post-harvest processes and entrepreneurship opportunities. The additional financing will also help pursue policy support for an inclusive and conducive environment for youth and women's empowerment within the targeted value chains. It will also help implement a strategy for integrating information and communications technologies for development (ICT4D) to fast-track project implementation and achieve the desired project outreach.

---

<sup>3</sup> This has resulted in the following successes at midterm:

- (a) 82.8 per cent (11,772 rural agroentrepreneurs) reporting the adoption of new and improved technologies or practices.
- (b) 74 per cent (10,475) supported rural agroentrepreneurs reporting an increase in the volume produced and marketed.
- (c) 74 per cent (10,475) of supported rural enterprises reporting having a stable income, leading to greater food security and sustainable livelihoods.

### Special aspects relating to IFAD's corporate mainstreaming priorities

16. In line with IFAD's mainstreaming commitments, the project has been validated as:
- Including climate finance
17. The LIFE-ND initiative focuses on increasing agricultural opportunities and addressing the vulnerabilities of youth, women and persons with disabilities in Nigeria's Niger Delta. Key areas of intervention include:
- (i) **Youth engagement.** With over 60 per cent of Nigerian youth unemployed or underemployed, agriculture is seen as a vital sector for job creation. Despite youth viewing agriculture as an unrewarding low-prestige activity, policies are seeking to renew interest and increase involvement in this sector to drive economic diversification and increase food security.
  - (ii) **Gender inequality.** Women, who make up 60 per cent of the farming workforce, face significant disparities in access to resources such as credit and land and have limited decision-making power. The gender gap costs the agriculture sector billions in lost earnings annually. LIFE-ND aims to increase women's economic independence and decision-making capacity through targeted interventions such as the GALS, which facilitates equitable participation and resource access.
  - (iii) **Nutrition and food security.** Malnutrition and food insecurity are major concerns in the Niger Delta, with significant<sup>4</sup> percentages of children and women affected. LIFE-ND seeks to increase dietary diversity and food safety, aiming to address malnutrition through enhanced policy implementation and community-based initiatives.
  - (iv) **Climate resilience.** Climate change is exacerbating environmental degradation in the Niger Delta, adversely affecting agriculture, food security and living conditions through excessive rainfall, soil erosion and flooding. LIFE-ND will integrate climate resilience strategies into agricultural practices to mitigate these impacts.
  - (v) **Environmental and socioeconomic challenges.** The region faces a complex crisis caused by oil spills, deforestation and biodiversity loss, combined with weak governance and infrastructure deficits, all of which hinder food distribution and agricultural productivity. LIFE-ND is focused on multifaceted solutions that include environmental restoration, economic empowerment and robust governance to heighten the region's stability and food security.
18. LIFE-ND addresses these critical issues through capacity-building, greater market participation and infrastructure improvements, thereby fostering a sustainable and inclusive agriculture sector.

## B. Description of geographical area and target groups

19. **Geographical area of intervention.** The geographical area remains the same as at design. LIFE-ND additional financing (AF) will be implemented in six IFAD-funded states (Abia, Bayelsa, Cross River, Delta, Edo and Ondo). LIFE-ND will cover 60 local government areas and 600 communities across the six states.
20. **Target group.** In the six states, the AF will provide apprenticeships for 13,050 youth and women beneficiaries, who will graduate from the incubation system with profitable enterprises and decent jobs and serve as incubators themselves. It will also target 150 established and potential enterprise incubators as a pathway for job creation and economic empowerment among the beneficiaries. These latter will

<sup>4</sup> The percentage of household population experiencing food insecurity in the six target states ranges from 37.8 to 56.8 per cent (UNICEF, 2021). [https://www.unicef.org/nigeria/media/6316/file/2021\\_per\\_cent20MICS\\_per\\_cent20full\\_per\\_cent20report\\_per\\_cent20.pdf](https://www.unicef.org/nigeria/media/6316/file/2021_per_cent20MICS_per_cent20full_per_cent20report_per_cent20.pdf).

be young people aged 18-29 and female heads of household with children under the age of 15. The additional financing will provide business development services to 26,775 graduated youth and women incubatees to help grow their enterprises and boost job creation in the agrifood system. Most targets are increased in proportion to the funding. Meanwhile, some have increased significantly due to successful approaches. For example: the increase in overall outreach has been from 26,100 households to 90,925 (and the inclusion of 1,926 persons with disabilities), with a total of 363,700 members (average household size of 4), and the number of supported rural enterprises reporting an increase in profit has risen from 22,186 to 72,740.

### C. Components, outcomes and activities

21. **Component 1: Improvement of economic opportunities for rural youth and women**, by assisting beneficiaries in setting up and expanding profitable agribusinesses. This is supported by four mutually reinforcing subcomponents.
- (a) **Subcomponent 1.1: Rural agribusiness incubation** will generate about 13,050 new agribusinesses and provide business development services to 63,018 youth, women and persons with disabilities who have graduated from the first phase of LIFE-ND. Digital extension services and digital e-voucher facility will be provided to 8,925 beneficiaries.
  - (b) **Subcomponent 1.2: Production and marketing infrastructure** will support the demand-driven development of 6,000 hectares of land, a variety of production and processing facilities and the construction/rehabilitation of farm roads and small bridges to facilitate market access.
  - (c) **Subcomponent 1.3: Financial services for rural agribusiness** will support enterprise development.
  - (d) **Subcomponent 1.4: Institutional strengthening** will support capacity-building for rural institutions, including CADAs, and technical assistance to state-level agriculture development projects (ADPs) for inclusive pluralistic extension delivery services, scaling up the Value Chain Development Programme commodity alliance forum.
22. **Component 2: Project management and coordination.** This component remains the same but will be enhanced through stronger participation by farmers' organizations and the scaled-up use of digital solutions for project management, with communication and knowledge management integrated in all aspects of operations.
23. The table below summarizes the expected outcomes from the two components of LIFE-ND AF.

<i>Component</i>	<i>Outcome</i>
1. Improvement of economic opportunities for rural youth and women	<ul style="list-style-type: none"> <li>• Establishment of sustainable economic enterprises.</li> <li>• Agribusiness-driven infrastructure for better access to markets, sustainably managed by beneficiaries is realized.</li> <li>• Greater access to financial services for beneficiaries and their organizations.</li> <li>• Rural institutions are able to identify and address infrastructure, policy and regulatory challenges</li> </ul>
2. Project management and coordination	<ul style="list-style-type: none"> <li>• Efficiently and effectively managed project, achieving results with communication and knowledge management integrated in all aspects of operations</li> </ul>

## D. Costs, benefits and financing

### Project costs

24. The combined LIFE-ND incremental investment and recurrent costs for both original and additional financing are estimated at US\$130 million. The original approved IFAD loan was US\$60 million. The additional BRAM financing of US\$32 million will cover a financing gap that was anticipated at design, bringing the IFAD loan amount to US\$92 million (71 per cent of the total project financing).
25. As a result of additional financing, the COSTABs have been restructured to take the MTR recommendations into account, and the allocation of the additional IFAD loan across components is as follows: component 1 (improvement of economic opportunities for rural youth) has been allocated US\$24.2 million of the additional financing (76 per cent); and component 2 (project management and coordination) has been allocated the balance of US\$7.7 million (24 per cent) to cover management costs and end-line surveys. The recurrent cost ratio for the project has been kept at approximately 8 per cent, below the IFAD benchmark of 15 per cent, as per the IFAD guidelines for recurrent costs.
26. The total amount for climate change mitigation under subcomponent 1.2 (production and marketing infrastructure support to agribusiness) is estimated at US\$2.7 million for both the original and additional IFAD financing; gender, youth, women and persons with disabilities at US\$1.4 million; and nutrition at US\$0.94 million.

Table 1

#### Project costs: Original and additional financing summary

(Thousands of United States dollars)

	<i>Original financing<sup>a</sup></i>	<i>Additional financing BRAM</i>	<i>Total</i>
IFAD loan	60 000	32 000	92 000
NDDC <sup>b</sup>	30 000	-	30 000
Beneficiaries	-	-	-
Borrower/recipient	-	-	-
Federal Government	3 115	-	3 115
State Government	4 900	-	4 900
Financing gap <sup>c</sup>	32 000	-	-
<b>Total</b>	<b>130 015</b>	<b>32 000</b>	<b>130 015</b>

<sup>a</sup> See tables 1 and 2 in document EB 2017/122/R.8/Rev.1 for detailed breakdown.<sup>b</sup> Of the initial US\$30 million from NDDC to cover three additional states not covered by IFAD, US\$2.5 million has been disbursed to the project and a written commitment has been made by NDDC to provide at least US\$5 million per year.<sup>c</sup> See IFAD loan additional financing US\$32 million in column 2.

Table 2

#### Additional financing: Project costs by component (and subcomponent) and financier

(Thousands of United States dollars)

<i>Components/subcomponents</i>	<i>Additional IFAD loan (BRAM)</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<b>1. Improvement of economic opportunities for rural youth</b>				
1.1 Rural agribusiness incubation	14 363	100	14 363	45
1.2 Production and marketing infrastructure	7 119	100	7 119	22
1.3 Financial services for rural agribusiness	940	100	940	3
1.4 Institutional strengthening	1 791	100	1 791	6
<b>2. Project management and coordination</b>	7 787	100	7 787	24
<b>Total</b>	<b>32 000</b>	<b>100</b>	<b>32 000</b>	<b>100</b>



Table 3

**Additional financing: Project costs by expenditure category and financier**

(Thousands of United States dollars)

	<i>Additional IFAD loan (BRAM)</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<b>Investment costs</b>				
1. Civil works	5 867	100	5 867	22
2. Consultancies	4 519	100	4 519	16
3. Credit and subsidies	11 688	100	11 688	43
4. Training and workshops	5 057	100	5 057	19
<b>Total investment costs</b>	<b>27 132</b>	<b>85</b>	<b>27 132</b>	<b>85</b>
<b>Recurrent costs</b>				
1. Salaries and allowances	3 719	100	3 719	76
2. Operating costs	1 149	100	1 149	24
<b>Total recurrent costs</b>	<b>4 868</b>	<b>15</b>	<b>4 868</b>	<b>15</b>
<b>Total</b>	<b>32 000</b>	<b>100</b>	<b>32 000</b>	<b>100</b>

Table 4

**Project costs by component and project year (original and additional financing)**

(Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>PY1</i>	<i>PY2</i>	<i>PY3</i>	<i>PY4</i>	<i>PY5</i>	<i>PY6</i>	<i>PY7</i>	<i>PY8</i>	<i>PY9</i>	<i>Total</i>
	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
<b>1. Improvement of economic opportunities for rural youth</b>										
1.1 Rural agribusiness incubation	1 471	3 357	3 692	3 488	4 514	5 310	11 156	10 241	5 462	48 690
1.2 Production and marketing infrastructure	468	5 256	5 662	3 845	303	2 650	8 122	6 053	4 064	36 424
1.3 Financial services for rural agribusiness	24	446	511	504	504	422	850	843	843	4 946
1.4 Institutional strengthening	269	639	533	559	597	510	1 212	1 128	1 106	6 609
<b>2. Project management and coordination</b>	5 266	2 455	3 593	3 407	2 957	2 850	4 508	4 545	3 764	33 347
<b>Total</b>	<b>7 499</b>	<b>12 455</b>	<b>14 047</b>	<b>11 804</b>	<b>8 875</b>	<b>11 742</b>	<b>25 848</b>	<b>22 809</b>	<b>15 240</b>	<b>130 015</b>

**Financing and cofinancing strategy and plan**

27. The financing plan for LIFE-ND is as follows: IFAD financing is estimated at US\$92 million. This is comprised of the original loan allocation of US\$60 million and the additional financing of US\$32 million. The additional financing will cover a financing gap that was foreseen at project design for the remaining project implementation period (31 March 2025 – 31 March 2028).
28. Parallel cofinancing from NDDC remains at US\$30 million; however, this financing has not yet significantly materialized. As a positive indicator of improving counterpart contributions, the project received the first disbursement of \$2.5 million from NDDC in July 2024. Domestic cofinancing from the Federal Government of Nigeria and participating state governments has also remained the same, as anticipated at design: US\$3.1 million and US\$4.9 million, respectively. As of June 2024, government (Federal and state) has contributed approximately 62 per cent of the country's counterpart funding.

**Disbursement**

29. The disbursement arrangements will be updated to include the opening of a USD-designated account and Nigerian Naira (NGN) drawdown and operational accounts. IFAD financing shall be disbursed against duly certified withdrawal applications in keeping with IFAD disbursement procedure.

### **Summary of benefits and economic analysis**

30. The anticipated economic and financial analysis (EFA) benefits remain unchanged as per the original project goal and development objectives. They include the following:
- Increase in yield for the supported value chains;
  - Improved food security;
  - Improved household incomes;
  - Increased employment opportunities.
31. The EFA has been updated to reflect: (i) current market prices for both inputs and outputs; (ii) changes in farm yields since inception; (iii) actual costs already incurred by the project and expected costs for the remaining implementation period; and (iv) the incorporation of incremental benefits as a result of additional financing and other changes/recommendations as per the MTR mission. The EFA has also been updated to reflect the actual logical framework indicators and what is projected to be achieved by completion.
32. The results of the updated EFA indicate that the project is still financially and economically viable, as it is yielding a baseline economic internal rate of return of 25 per cent, with a positive net present value of US\$73.2 million (NGN 30.3 billion).<sup>5</sup> Despite the positive results of the EFA, this is slightly lower than the projection at design, largely due to delayed project implementation, which resulted in no/very low results in terms of outreach in the initial project years. A sensitivity analysis has also been conducted to test the robustness of the project in the face of unforeseen factors, the results of which are presented in appendix II of this report.

### **Exit strategy and sustainability**

33. The additional financing will be implemented in line with the sustainability and exit strategy defined during the original design. During the implementation of phase 2, the additional financing will support the project in the partnership with the state-level ADPs, a strong and diversified base of trained and committed incubators, the CADAs and the newly created Youth Trainees and Entrepreneurs Network. The project works closely with these key stakeholders and builds their capacity in the long term to support youth and women entrepreneurs in business development, strengthening their business operations and training them in best practices, in cooperation with state and local government actors and other development partners. Moreover, project implementation modalities are fully embedded in government ministries and institutions that will outlive the LIFE-ND timeframe and thus ensure sustainability. Furthermore, the multiplier effect of incubatees who graduate and become incubators for other youth is a key factor for sustainability.
34. To boost implementation of the LIFE-ND exit and sustainability strategy, the additional financing will help:
- (i) Pursue intensive advocacy with respect to the impact of youth and women's entrepreneurship on food systems transformation, as well as food and nutrition security.
  - (ii) Build the capacity of farmers' organizations, including youth and women entrepreneurs, to have a voice in policy dialogue and link them to offtakers through CADAs.

---

<sup>5</sup> 1 United States dollar = 415 Naira.

- (iii) Build partnerships with the private sector to mobilize funding and expand resource action to entrepreneurship skills for youth and women entrepreneurs.
- (iv) Build partnerships with other institutions such as the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture, the Small and Medium Enterprises Development Agency of Nigeria and international development partners that support youth and women’s entrepreneurship.

#### **Potential for scaling up**

35. The project’s outcome data at MTR indicates 10 per cent poverty reduction, a lower level of food insecurity among project beneficiaries and 56 per cent achievement in outreach. These data show that the project is having a positive impact on the ground. There is high potential for scaling up this impact through several levers:

- The commitment and capacity of incubators;
- Graduate incubatees becoming incubators for other youth;
- Strong market linkages to sustain the profits and business continuity of the agroentrepreneurs beyond the timeframe of LIFE-ND;
- Youth networks and rural women’s platforms as multipliers of project results through knowledge exchange and the development of social capital;
- The involvement of CADAs in supporting youth and women entrepreneurs in partnership with LIFE-ND;
- The use of digital solutions as an accelerator for scaling up results while boosting efficiency;
- Synergies with other development partners, such as ADPs, scaling up LIFE-ND best practices;
- Policy advocacy with local, state and federal governments in support of youth and rural women entrepreneurs.

### **III. Risk management**

#### **A. Risks and mitigation measures**

36. The key implementation risks assessed at project design and their corresponding mitigation measures are presented in table 5 below:

Table 5  
**Project risks and mitigation measures**

<i>Risks</i>	<i>Risk rating</i>		<i>Mitigation measures</i>
	<i>Inherent</i>	<i>Residual</i>	
Political commitment and counterparts	Substantial	Substantial	Strategic engagement at the federal and state level. Increase the voice and influence of rural youth and women entrepreneurs’ organizations. Ensure proper valuation of currently underestimated in-kind counterparts.
Governance/ corruption	High	High	Support enhanced local participation in governance and improved local resource management and accountability pursuant to project management rules. Continue to leverage expertise of the Country Programme Advisory Team and digitalization to increase transparency, fiduciary compliance and monitoring and evaluation (M&E).
Fragility	Substantial	Substantial	Set up conflict early warning committees and promote regular dialogue with/involvement of youth and women’s groups. Promote access to land for youth and women entrepreneurs, inclusion through GALS and targeted strategies for persons with disabilities. Use digital solutions to maintain services during restive periods.
Fiduciary - financial management	Substantial	Substantial	Continue strategic advocacy for counterpart fund contribution. Strengthen knowledge about and implementation of IFAD’s Policy on Preventing Fraud and Corruption in its Activities and Operations.

Risks	Risk rating		Mitigation measures
	Inherent	Residual	
Fiduciary procurement	Substantial	Moderate	Provide more in-depth training for procurement staff and strengthen review.
Environment and climate	Substantial	Moderate	Scale up climate-resilient technologies and practices, nutrition and mainstreaming of social inclusion.

## B. Environment and social risk category

37. The LIFE-ND is rated as a “B” project for the environment and social risk category, pursuant to the IFAD guidelines on the Social, Environmental and Climate Assessment Procedures (SECAP). It is a natural resources-based value chain development programme that includes crop production and aquaculture, the development of agroprocessing facilities and ancillary market infrastructure, including the rehabilitation of rural feeder roads, landing jetties and land development. The environmental impacts are substantially place-based and commodity-specific across enterprise clusters and communities. They are also readily remedied by appropriate preventive actions and/or the mitigation measures already proposed. MTR rated LIFE-ND as moderately satisfactory (4) in terms of the management of environment and natural resource management risks. The activities financed by the AF will not have a further impact on the environmental and social risk.

## C. Climate risk classification

38. LIFE-ND is equally rated “moderate” for climate risk, based on the SECAP guidelines. The major climate risks identified are the expected increase in rainfall and its concomitant flood impacts, as well as expected temperature increase (with its likely impact on crop health and growing periods) and the possibility of rice paddy clusters and forest removals contributing to greenhouse gas emissions. The impacts were programmed to be substantially place-based and enterprise-specific across the project area. So far, LIFE-ND has effectively managed the likely climate impacts. Climate change awareness and response capacity have increased, especially among project beneficiaries. The activities financed by the AF are not likely to exacerbate climate risk beyond the moderate level planned at design.

## IV. Implementation

### A. Compliance with IFAD policies

39. There will be no alterations in the original design of LIFE-ND. LIFE-ND AF will still be aligned with the Government’s strategic vision for growth and development, expressed in its key policies and programmes, especially the Presidential State of Emergency Declaration on Nigeria’s Food Security,<sup>6</sup> the National Pathways to Food Systems Transformation, the National Agricultural Technology and Innovation Policy (2022-2027) mandate, mission and vision, and Sustainable Development Goals 1, 2, 5, 6, 8, 10, 13 and 17.
40. LIFE-ND AF is consistent with both the IFAD Strategic Framework 2016-2025 and IFAD’s Strategy and Action Plan on Environment and Climate Change 2019-2025. The overall country strategic opportunities programme (COSOP) 2024-2029 goal of promoting inclusive and resilient growth of the rural economy through market-driven agrifood systems transformation for food and nutrition security is met through LIFE-ND AF.

### B. Organizational framework Management and coordination

<sup>6</sup> <https://www.vanguardngr.com/2023/07/president-tinubus-declaration-of-state-of-emergency-on-food-security-marks-vital-step-forward>.

41. The Federal Ministry of Agriculture and Food Security, the lead implementation agency, is responsible for overall project coordination and supervision, while the actual field implementation is coordinated and supervised by the state ministry of agriculture in each of the six participating states.
42. LIFE-ND AF activities at the field/community level will be implemented pursuant to the institutional arrangement at design.

**Financial management, procurement and governance**

43. The project financial management risk is “substantial,” and the quality of financial management was assessed as moderately satisfactory during the June 2023 MTR, with high potential for attaining a satisfactory rating. The project funds are managed in accordance with national and IFAD financial and operational management procedures. The Ministry of Agriculture and Food Security will maintain an oversight structure to coordinate the project.
44. The financing agreement will be amended to consider the additional financing resources (BRAM). Schedule 2 will present the expenditure categories of the original and additional financings, which will be reflected in IFAD systems as such.
45. **Flow of funds and disbursement.** Additional financing will be channelled through designated accounts opened at the Central Bank of Nigeria (CBN). A second designated account (USD) and drawdown accounts (NGN) will be opened in CBN.
46. **Budgeting.** The annual workplan and budget (AWPB) will be revised to incorporate the activities funded under the additional financing. This will also facilitate the preparation of quarterly cashflow forecasts. The national steering committee will continue to approve AWPBs and project reports and offer overall policy and strategic guidance at the national level.
47. **Internal control, accounting and financial reporting.** The finance and administrative manual of procedures and the accounting system have been updated to integrate the additional financing. The framework for accounting and the preparation of financial statements will continue to be the International Public Sector Accounting Standards cash basis, which is acceptable to IFAD. Interim financial report preparation, which is currently automated in the Flexible Accounting 2000+ software, will also be updated. The financial management and financial control letter will be updated and sent to the borrower to provide more guidance and instructions related to the additional financing.
48. IFAD will use a risk-based approach, including ex ante and ex post reviews, and supervision and support missions. IFAD’s Policy on Preventing Fraud and Corruption in its Activities and Operations is included in contracts with third parties and outlined in the finance and administrative procedures manual.
49. The country systems currently used include treasury and external audit. The Office of the Auditor General for the Federation will continue to perform the annual audit of the project’s financial statements.
50. The project’s procurement units, at both the national and state level, adhere to the IFAD procurement framework. The National Procurement Office serves as a supervisory body, reviewing and approving documentation and processes from the state offices before their submission to IFAD for review. The processes and procedures applied have resulted in only minor deficiencies, which have not impacted project implementation and performance.
51. The national office procurement unit consists of a national procurement officer who supervises a procurement assistant. Together, they possess sufficient experience in project procurement to effectively manage the project’s procurement process. These two staff members also oversee the activities of six state procurement officers, a practice recommended to be maintained.

52. One area that could be improved is the method of distributing requests for quotations (RFQs) to bidders. It is essential that bidders confirm receipt of the RFQs without being able to see the names of the other bidders. This measure is critical for reducing the risk of collusion and corruption.

### **C. Monitoring and evaluation, learning, knowledge management and strategic communication**

53. To support effective implementation of M&E arrangements at design, the AF will strengthen: (i) geographic information system survey; (ii) M&E planning and updating; (iii) linkages between M&E, knowledge management learning, policy engagement and strategic communication; and (iv) integrated digital solutions. New output indicators will be integrated to better monitor results (i.e. environment and climate indicators, inclusion of persons with disabilities, monitoring of graduates).

### **D. Proposed amendments to the financing agreement**

54. The original financing agreement between the Federal Republic of Nigeria and IFAD will be amended to reflect the additional financing and the extension to the second phase.

### **V. Legal instruments and authority**

55. An amendment to the original financing agreement between the Federal Republic of Nigeria and IFAD will constitute the legal instrument for extending the proposed additional financing to the borrower/recipient. The signed financing agreement will be amended following approval of the additional financing.
56. The Federal Republic of Nigeria is empowered under its laws to receive financing from IFAD.
57. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

### **VI. Recommendation**

58. I recommend that the Executive Board approve additional financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on ordinary terms to the Federal Republic of Nigeria in an amount of thirty-two million United States dollars (US\$32,000,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario  
President

**LIFE-ND: Updated logical framework incorporating the additional financing**

Results hierarchy	Indicators					Means of verification			Assumptions/notes				
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility					
<b>Outreach</b>	<b>1.b Estimated corresponding total number of households members</b>					Progress Reports, Impact Assessment Studies	Annually	PCOs FMARD	Project implementation is not delayed effective M&E system is in place.  Please note: out of the total 90,925 persons receiving services, 39,150 are beneficiaries supported in the incubation process and 51,775 are already established new rural enterprises, especially women and youth that will be supported only in business development services as part of the additional financing.				
	Household members - Number of people									0	52200	104400	363,700
	<b>1.a Corresponding number of households reached</b>												
	Women-headed households - Households									0	1305	2610	9092
	Non-women-headed households - Households									0	11745	23490	81833
	Households – Households									0	13050	26100	90,925
	<b>1.c. Persons receiving services promoted or supported by the project</b>												
	Males – Males									0	6525	13050	45463
	Females – Females									0	6525	13050	45462
	Young - Young people									0	11745	23490	81833
	Total Persons with Disabilities (PWDs)									0	0	0	1926
	Males - PWD									0	0	0	963
	Females - PWD									0	0	0	963
Total number of persons receiving services - Number of people						13050	26100	90,925					
<b>Project Goal</b> Transformation of the rural economy in which all the rural population can derive prosperity and equal benefit.	<b>per cent reduction in rural households living below the poverty line in the targeted village areas</b>					Progress Reports, Impact Assessment Studies National Statistics	End of Project	PCOs FMARD	<ul style="list-style-type: none"> <li>• Militancy allows implementation</li> <li>• Up to 900 incubation centres are established and willing to mentor apprentices/incubates</li> <li>• Youth are willing to effectively participate in LIFE-ND</li> <li>• Institutions are strengthened</li> <li>• Government policy supports land acquisition, feeder roads, and private sector inclusion.</li> </ul>				
	Males - Percentage ( per cent)									0	25	50	50
	Females - Percentage ( per cent)									0	25	50	50
	Young - Percentage ( per cent)									0	25	50	50
	<b>Improved household assets ownership</b>												
										11,6	10	20	20
<b>Development Objective</b> Income, food security and job creation for rural youth and women through agribusiness development are	<b>Reduction of the number of households experiencing food insecurity in participating village area</b>					Progress Reports, Impact Assessment Studies National Statistics	End of Project	PCOs FMARD					
	Households - Percentage ( per cent)									28,7	30	60	60

Results hierarchy	Indicators					Means of verification			Assumptions/notes	
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility		
enhanced on a sustainable basis.										
Outcome Establishment of sustainable economic enterprises	<b>2.2.2 Supported rural enterprises reporting an increase in profit</b>					Progress Reports, COI surveys	Annually, baseline, midline, endline	PCOs, PCU	As of the Additional Financing, the total number of enterprises measured to report increase in profit will include the targeted registered rural enterprises that will be supported only in access to business development services.	
	Number of enterprises - Enterprises		11220	22186	72740					
	Percentage of enterprises - Percentage ( per cent)	0	44	85	85					
	<b>1.2.2 Households reporting adoption of new/improved inputs, technologies or practices</b>					Progress Reports, COI surveys	Annually, baseline, midline, endline	PCOs, PCU		
	Total number of household members - Number of people		44880	88740	133112					
	Households - Percentage ( per cent)	81,3 per cent	44	85	85					
	Households - Households		11220	22186	33278					Beneficiary households who will be surveyed will report that: (a) they are fully satisfied with the inputs, practices or techniques promoted; and (b) they are now using those inputs, practices and technologies instead of previous ones.
	<b>1.2.4 Households reporting an increase in production</b>					Progress Reports, COI surveys	Annually, baseline, midline, endline	PCOs, PCU		
	Total number of household members - Number of people		44880	88740	133112					
	Households - Percentage ( per cent)	0	44	85	85					
Households - Households		11220	22186	33278				Beneficiary households interviewed (e.g. rain-fed and irrigated farms, livestock owners, fishers) who claim that project-supported activities (e.g. training, input provision) have helped them increase the quantity of key crops harvested as a result of better yields (i.e. quantity of crop harvested per unit of land area) or an increase in cropped area, compared to the pre-project situation. For cereals, grain and legumes, production is normally measured in metric tons or kilograms.		



Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
									May also refer to an increase in livestock production (, reduced animal mortality, improved fertility), or in the volume of fish catches as compared to the pre-project situation.
	<b>1.2.8 Women reporting minimum dietary diversity (MDDW)</b>					Progress Reports, COI surveys	Annually, baseline, midline, endline	PCOs, PCU	With specific planned nutrition targeted interventions, the MDDW scores will increase and households will be able to report this accordingly in the COI surveys.
	Women ( per cent) - Percentage ( per cent)	0	30	50	50				
	Women (number) - Females		15300	25500	38252				
	Households ( per cent) - Percentage ( per cent)	0,7	30	50	50				
	Households (number) - Households		3825	6375	9563				
	<b>2.2.1 Persons with new jobs/employment opportunities</b>					Progress Reports	Annually	PCOs	Number of new full-time or recurrent seasonal on-farm and off-farm jobs created thanks to project activities since project start-up, either as independent individuals (self-employed) or as employees of micro, small and medium-sized enterprises. Jobs created within farmers' organizations that received project support are also included, but temporary jobs created for a limited period (e.g. for road construction) shall be excluded.
	Males - Males		6375	12750	19125				
	Females - Females		6375	12750	19125				
	Young - Young people		11475	22950	34425				
	Total Persons with Disabilities (PWDs)		0	0	1735				
	Total number of persons with new jobs/employment opportunities - Number of people		12750	25500	38250				
<b>Output</b> Rural agribusiness incubation networked and supported.	<b>1.1.5 Persons in rural areas accessing financial services</b>					Progress Reports	Annually	PCOs	This refers to the number of individuals who have accessed a financial product or service specifically promoted/supported by the project and its partner
	Women in rural areas accessing financial services - savings - Females		6375	12750	19125				
	Young people in rural areas accessing financial services - savings - young people		11475	22950	34425				
	Men in rural areas accessing financial services - savings - Males		6375	12750	19125				

Results hierarchy	Indicators					Means of verification			Assumptions/notes	
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility		
	Men in rural areas accessing financial services - credit - Males		6375	12750	19125				financial service provider (FSP), at least once during the considered period (annual reporting). Such services include loans and micro-loans, saving funds, micro-insurance/insurance, remittances, and membership of a community-based financial organization (e.g. savings and loan group). Note: When rural enterprises access financial services promoted/supported by the project, only owners and co-owners of enterprises receiving financial services are counted as persons accessing services.	
	Women in rural areas accessing financial services - credit - Females		6375	12750	19125					
	Young people in rural areas accessing financial services - credit - young people		11475	22950	34425					
	Total persons accessing financial services - savings - Number of people		12750	25500	38250					
	Total persons accessing financial services - credit - Number of people		12750	25500	38250					
	Total persons accessing financial services - insurance - Number of people		12750	25500	38250					
	Total persons accessing financial services - remittances - Number of people		12750	25500	38250					
	Men in rural areas accessing financial services - insurance - Males		6375	12750	19125					
	Women in rural areas accessing financial services - insurance - Females		6375	12750	19125					
	Young people in rural areas accessing financial services - insurance - young people		11475	22950	34425					
	Enterprises - Enterprises		12750	25500	38250					
	Active Borrowers (Enterprises) - Enterprises		12750	25500	38250					
	Total Persons with Disabilities (PWDs)		0	0	1926					
	<b>1.1.4 Persons trained in production practices and/or technologies</b>									Number of persons who have been trained at least once in improved or innovative production practices and technologies during the considered period (annual reporting). Training and capacity development may be provided in a variety of forms: participation in community mapping of natural resources, participation in a farmers' field school, field demonstrations, training in livestock immunization,
	Total number of persons trained by the project - Number of people		8926	17850	26775					
	Men trained in crop - Males		1913	3825	4018					
	Women trained in crop - Females		1912	3825	4015					
	Young people trained in crop - young people		3442	6885	7232					
	Men trained in fishery - Males		957	1913	4196					
	Women trained in fishery - Females		957	1913	4194					
	Young people trained in fishery - young people		1722	3444	7551					
	Total persons trained in crop - Number of people		3825	7650	8032					
	Total persons trained in livestock - Number of people		3187	6374	10711					
	Total persons trained in fishery - Number of people		1914	3826	8032					
	Males trained at least once by the project - Males		4463	8925	13389					
	Females trained at least once by the project - Females		4463	8925	13386					
	Total Persons with Disabilities (PWDs)		0	0	1348					

Results hierarchy	Indicators					Means of verification			Assumptions/notes etc.; and for various durations (a full day's training conducted outside the trainees' community, training of extension officers in a district centre; shorter sessions conducted within the trainees' community/village, regular short classroom training, or on-the-job or in-field training. Training topics may concern crop production (e.g. cultivation practices, participatory varietal selections, use of improved seeds, soil fertility practices and technology, efficient water use, micro-irrigation, agroforestry practices, proper plant protection, or enhancing produce quality); livestock production (e.g. milking and milk handling, slaughtering, animal nutrition, disease prevention and veterinary practices, animal husbandry); or fish production (e.g. fish capture techniques, management of fish sanctuaries, fish farming). Training in the management of natural resources and climate-related risks (such as technologies and practices for environmental protection, combating deforestation
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	

Results hierarchy	Indicators					Means of verification			Assumptions/notes and desertification, or promoting soil/water conservation initiatives) shall not be considered here.
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
	<b>Number of persons accessing digital extension services to increase production and productivity</b>								
	Males - Number		0	0	4463				
	Females - Number		0	0	4462				
	Young - Number		0	0	8032				
	Total persons accessing digital extension services - Number of people		<b>0</b>	0	8925				
	<b>Number of farmers accessing digital e-voucher for production inputs</b>								
	Males - Number		0	0	4463				
	Females - Number		0	0	4462				
	Young - Number		0	0	8032				
	Total persons accessing digital extension services - Number of people		<b>0</b>	0	8925				
	<b>2.1.1 Number of rural enterprises accessing business development services</b>								
	Enterprises – Number		<b>0</b>	0	63,018	Progress Reports	Annually	PCOs	Graduated Rural enterprises and newly targeted registered rural enterprises will have accessed business development services promoted by the project during the considered period after graduation to ensure business growth maturity. Contextually to LIFE-ND, these will be graduated registered rural enterprises supported in phase 1 and are targeting already existing rural enterprises that did not go through the incubation process for the AF phase only for BDS support.
	<b>Number of persons trained in environmentally sustainable Income Generating Activities</b>					Progress Reports	Annually	PCOs	Beneficiaries will be trained in environmentally

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
	Males - Number		1275	2550	3825				sustainable IGAs defined and outlined in the environment and climate change component.
	Females - Number		1275	2550	3825				
	Young - Number		2290	4590	6885				
	Total persons participating - Number of people		2550	5100	7650				
<b>Output</b>	<b>1.1.8 Households provided with targeted support to improve their nutrition</b>					Progress Reports	Annually	PCOs	Targeted beneficiaries will directly participate in project-supported activities designed to help improve nutrition during the period. specifically, the nutrition-sensitive activities from the Project will not be generic but will be tailored to address context-based nutrition problems in the Country.
Improved access to diverse and quality foods	Total persons participating - Number of people		3187	6735	9563				
	Males - Males		0	0	0				
	Females - Females		3187	6735	9563				
	Total Persons with Disabilities (PWDs)		0	0	482				
	Households - Households		3187	6735	9563				
	Household members benefitted - Number of people		12750	25500	38250				
	Young - Young people		9984	19967	27629				
<b>Outcome</b>	<b>2.2.6 Households reporting improved physical access to markets, processing and storage facilities</b>					Progress Reports	Annually	PCOs	- Bulk lands are available and owners are willing to lease them to the beneficiaries Adequate operation and maintenance of infrastructure is ensured by users.  Household members will be trained in environmentally-sustainable and climate-resilient practices.
Agribusiness-driven infrastructure for improved access to market and sustainably managed by beneficiary is realized	Households reporting improved physical access to markets - Percentage ( per cent)	0	44	85	85				
	Households reporting improved physical access to processing facilities - Percentage ( per cent)	0	44	85	85				
	Households reporting improved physical access to storage facilities - Percentage ( per cent)	0	44	85	85				
	Households reporting improved physical access to markets - Households		11200	22186	33278				
	Households reporting improved physical access to processing facilities - Households		3366	6655	9984				
	Households reporting improved physical access to storage facilities - Households		11220	22186	33278				
	<b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>								
	Total number of household members - Number of people		30600	51000	76500				
	Households - Percentage ( per cent)	30,8	30	50	50				
	Women-headed households - Households		765	1275	1912				
	Households - Households		7650	12750	19125				
<b>Output</b>	<b>2.1.5 Roads constructed, rehabilitated or upgraded</b>					Progress Reports	Annually	PCOs	

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
Establishment and improvement of feeder roads	Length of roads - Km		90	180	180				
<b>Output</b> Land development for agricultural production	<b>Land under climate-resilient practices</b>					Progress Reports	Annually	PCOs	
	Land area - Area (ha)		3000	6000	6000				
	<b>3.1.2 Persons provided with climate information services</b>					Progress Reports	Annually	PCOs	Individuals will be reached by weather, climate or seasonal forecasts and/or disaster early-warning information during the considered additional financing period, according to the procedures agreed upon by government and other data providers. These will include individuals registered in message recipient lists that are regularly contacted, or those using the service. Households that have received advice in the considered period (annual reporting) regarding expected climate impacts on crops, livestock and fisheries, to enable better decision-making as to the type, timing and location of agricultural practices and to prevent, reduce and/or manage risks will be included.
	Females - Number		0	0	4463				
	Males - Number		0	0	4462				
	Young – Number		0	0	11475				
	PWDs – Number		0	0	1348				
<b>Output</b> Construction/ Rehabilitation of production facilities	<b>2.1.6 Market, processing or storage facilities constructed or rehabilitated</b>					Progress Reports	Annually	PCOs	The construction and rehabilitation of market facilities, processing facilities and storage facilities will result in beneficiaries reporting improved access to facilities.
	Total number of facilities - Facilities		57	115	230				
	Market facilities constructed/rehabilitated - Facilities		12	25	50				
	Processing facilities constructed/rehabilitated - Facilities		25	50	200				
	Storage facilities constructed/rehabilitated - Facilities		20	40	50				
<b>Outcome</b>	<b>1.2.5 Households reporting using rural financial services</b>							PCOs, PCU	

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
Enhanced access to financial services for beneficiaries and their organizations	Total number of household members - Number of people		44880	86700	133112	Progress Reports, COI surveys	Annually, baseline, midline, endline		Beneficiary households interviewed who state that they are fully satisfied with and are using the financial products and services facilitated by the project, in order to invest in a productive or income-generating activity (i.e. as opposed to being used for consumption or other non-productive purposes).
	Households - Percentage ( per cent)		44	85	85				
	Households - Households		11220	21675	33278				
<b>Output</b> Increased savings and internal capital accumulation among individual and groups in the project area.	<b>1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services</b>					Progress Reports	Annually	PCOs	Refers to the individuals in rural areas who received capacity-building from the project, during the considered period, enabling them to acquire the knowledge, skills and confidence to make responsible financial decisions or handle household economics and investments more effectively. Financial literacy programmes usually cover topics such as basic numeracy training, budgeting, saving or credit management.
	Males - Males		5419	10838	19576				
	Females - Females		5419	10838	19574				
	Young - Young people		9754	17557	35234				
	Persons in rural areas trained in FL and/or use of FProd and Services (total) - Number of people		10838	21676	39150				
<b>Outcome</b> Rural institutions are able to identify and address infrastructure, policy and regulatory challenges	<b>2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities</b>					Progress Reports, COI surveys	Annually, baseline, midline, endline	PCOs, PCU	Rural producers' organizations (FOs, CAFs) will establish contractual or other types of arrangements with other value chain stakeholders and/or public entities, with project support. These will include upstream and
	Number of POs - Organizations		264	510	765				
	Percentage of POs - Percentage ( per cent)	37,4	44	85	85				
	Women in leadership position - Females		79	153	228				
	Number of POs - crop - Organizations		108	210	295				
	Number of POs - livestock - Organizations		90	180	266				
	Number of POs - fisheries - Organizations		66	120	204				

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
									downstream arrangements (e.g. input provision or selling arrangements) and partnerships with public and/or private entities.
	<b>Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</b>					Progress Reports, COI surveys	Annually, baseline, midline, endline	PCOs, PCU	Through KM activities, the Project will be able to formally influence policy in the value-chain sector through evidence-based policy products and initiatives that promote gender inclusiveness and better nutrition.
	Number - Number				3				
<b>Output</b> Capacity building of rural institutions	<b>2.1.3 Rural producers' organizations supported</b>					Progress Reports	Annually	PCOs	First-level groups of farmers or other rural producers, whether formally registered or not, that have been newly formed or created, or strengthened with project support during the considered period, in order to enhance agricultural, processing or marketing, and provide services to their members. These rural producers' organizations should be distinguished from groups formed to manage natural resources (natural resource
	Total size of POs - Organizations		10838	21676	32511				
	Rural POs supported - Organizations		300	600	900				
	Males - Males		5419	10838	16255				
	Females - Females		5419	10838	16255				
	Young - Young people		9754	19508	29260				



<i>Results hierarchy</i>	<i>Indicators</i>					<i>Means of verification</i>			<i>Assumptions/notes management groups are reported only under IFAD SO3).</i>
	<i>Name</i>	<i>Baseline</i>	<i>Midterm</i>	<i>Original target</i>	<i>End target</i>	<i>Source</i>	<i>Frequency</i>	<i>Responsibility</i>	
	Total Persons with Disabilities (PWDs)		0	1083	1626				

## Updated summary of the economic and financial analysis

Table A  
Financial cash flow models

Project Year	Farm models' net incremental benefits (In Naira)									
	Cocoa Prod. Model	Banana Pro. Model	Oil Palm	Cassava Pro. Model	Rice Prod. Model	Layer Pro. Model	Earth Pond Aquaculture	Dry Fish Processing	Palm Oil Processing	Rice Processing
PY1	(811,734)	(824,503)	(1,052,449)	(520,533)	(534,076)	(1,050,490)	(610,023)	(444,550)	(2,627,483)	(1,048,190)
PY2	3,910	3,910	119,458	194,245	114,086	621,039	285,742	521,442	523,951	557,045
PY3	6,516	391,317	141,177	194,245	114,086	621,039	335,421	625,730	795,700	845,341
PY4	7,819	391,317	1,486,576	194,245	114,086	621,039	491,673	625,730	1,067,450	1,133,638
PY5	589,344	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY6	1,198,236	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY7	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY8	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY9	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY10	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY11	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY12	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY13	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY14	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,610,948	1,133,638
PY15	2,010,091	1,350,001	2,373,372	194,245	114,086	665,388	491,673	625,730	1,600,948	1,133,638
PY16	2,010,091	1,350,001	2,373,372	194,245	114,086	665,389	491,673	625,730	1,610,948	1,133,638
PY17	2,010,091	1,350,001	2,373,372	194,245	114,086	665,390	491,673	625,730	1,610,948	1,133,638
PY18	2,010,091	1,350,001	2,373,372	194,245	114,086	665,391	491,673	625,730	1,610,948	1,133,638
PY19	2,010,091	1,350,001	2,373,372	194,245	114,086	665,392	491,673	625,730	1,610,948	1,133,638
PY20	2,010,091	1,350,001	2,373,372	194,245	114,086	665,393	491,673	625,730	1,600,948	1,080,362
IRR	50%	59%	72%	37%	21%	60%	62%	128%	40%	77%
NPV Naira (@14%)	5,648,495	5,120,523	9,540,872	708,031	215,543	2,977,691	2,148,912	3,281,508	5,622,771	5,235,387

Table B  
Programme costs and log-frame targets.

PROGRAMME COSTS AND INDICATORS FOR LOGFRAME		
TOTAL PROGRAMME COSTS (in million USD )		
Number of Individual Beneficiaries	363,700	people
Cost per individual beneficiary	357	US\$ x person
Number of Households	90,925	Househols
Cost per Household	1,430	US\$ x Household
Components and Cost (USD million)		
A. Enhancement of Economic Opportunities for Rural Youth	94.7	US\$ million
B. Project Management and Coordination	35.3	US\$ million
<b>Total</b>	<b>130.0</b>	US\$ million

Provides information on total project costs (broken down by component) and beneficiaries (broken down by category). This table also includes logframe targets as per the EFA.

Table C: Main assumptions and shadow prices

MAIN ASSUMPTIONS & SHADOW PRICES					
FINANCIAL	Model	Unit of measure	Yields (Annually) Kg		Price (Naira)
			WOP	WP	
	Cocoa Prod. Model	Kgs	1,050	2,000	1,000
	Banana Pro. Model	Kgs	-	7,842	200
	Oil Palm	Litres	-	24,033	294
	Cassava Pro. Model	Kgs	12,500	14,700	20
	Rice Prod. Model	Kgs	5,837	5,837	120
	Layer Pro. Model	No.	25	250	1,000
	Earth Pond Aquaculture	No.	-	600	550
	Dry Fish Processing	Tonnes	-	17	105,196
Palm Oil Processing	Tonnes	-	250	294	
Rice Processing	Tonnes	-	40	120	

Table D  
Beneficiary adoption rates and phasing

Household Phasing	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
HH Phasing by Year	90,925	-	1,405	851	5,899	7,750	4,350	28,268	28,268	14,134	-
Cumulative Number of HHs	-	1,405	2,256	8,155	15,905	20,255	48,523	76,791	90,925	-	-
Adoption Rate (LG indicator 1.2.2)	85%										
Beneficiary Aggregation											
Beneficiaries in Y1	-	1,194	723	5,014	6,588	3,698	24,028	24,028	12,014	-	-
Beneficiaries in Y2	-	-	1,194	723	5,014	6,588	3,698	24,028	24,028	12,014	-
Beneficiaries in Y3	-	-	-	1,194	723	5,014	6,588	3,698	24,028	24,028	12,014
Beneficiaries in Y4	-	-	-	-	1,194	723	5,014	6,588	3,698	24,028	12,014
Beneficiaries in Y5	-	-	-	-	-	1,194	723	5,014	6,588	3,698	24,028
Beneficiaries in Y6	-	-	-	-	-	-	1,194	723	5,014	6,588	3,698
Beneficiaries in Y7	-	-	-	-	-	-	-	1,194	723	5,014	6,588
Beneficiaries in Y8	-	-	-	-	-	-	-	-	1,194	723	5,014
Beneficiaries in Y9	-	-	-	-	-	-	-	-	-	1,194	723
Beneficiaries in Y10	-	-	-	-	-	-	-	-	-	-	1,194
Total Beneficiaries	-	1,194	1,918	6,932	13,519	17,217	41,245	65,272	77,286	77,286	-

Table E  
Economic cash flow

Project year	Incremental Fam Benefits (Naira million)	Economic Project Costs (Naira million)			Cash-flow
		Investment Costs	Recurrent Costs	Total Economic Costs	
PY1	-	2,271	588	2,859	(2,859)
PY2	(1,118)	4,131	588	4,719	(5,838)
PY3	(309)	5,232	588	5,820	(6,129)
PY4	(3,949)	3,920	610	4,530	(8,479)
PY5	(3,560)	2,186	610	2,796	(6,355)
PY6	2,364	256	790	1,046	1,318
PY7	4,910	1,065	768	1,833	3,077
PY8	9,792	3,014	768	3,783	6,009
PY9	17,035	8,661	558	9,219	7,816
PY10	23,161	8,405	740	9,145	14,016
PY11	26,437	6,776	740	7,516	18,921
PY12	28,847	237	453	690	28,158
PY13	30,139		68	68	30,071
PY14	30,576		68	68	30,508
PY15	30,746		68	68	30,678
PY16	30,743		68	68	30,675
PY17	30,743		68	68	30,675
PY18	30,749		68	68	30,681
PY19	30,756		68	68	30,688
PY20	30,757		68	68	30,689
NPV (Naira @14%)					30,385.7
NPV(US\$ @14%)					73.219
EIRR					25%
BCR	348,819			54,500	6.4

Table F  
Sensitivity analysis

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
<b>Incremental Benefits</b>	-	(1,118)	(309)	(3,949)	(3,560)	2,364	4,910	9,792	17,035	23,161	26,437	28,847	30,139	30,576	30,746	30,743	30,743	30,749	30,756	30,757
benefits +10%	-	(1,230)	(340)	(4,344)	(3,916)	2,601	5,401	10,771	18,739	25,477	29,080	31,732	33,153	33,633	33,821	33,817	33,818	33,824	33,831	33,833
benefits +20%	-	(1,342)	(371)	(4,738)	(4,272)	2,837	5,892	11,750	20,442	27,793	31,724	34,617	36,166	36,691	36,895	36,892	36,892	36,899	36,907	36,909
Mild scenario	-	(1,006)	(278)	(3,554)	(3,204)	2,128	4,419	8,813	15,332	20,844	23,793	25,963	27,125	27,518	27,672	27,669	27,669	27,674	27,680	27,681
Medium scenario	-	(895)	(247)	(3,159)	(2,848)	1,891	3,928	7,834	13,628	18,528	21,149	23,078	24,111	24,460	24,597	24,595	24,595	24,599	24,605	24,606
High scenario	-	(783)	(216)	(2,764)	(2,492)	1,655	3,437	6,854	11,925	16,212	18,506	20,193	21,097	21,403	21,522	21,520	21,520	21,524	21,529	21,530
<b>Project Costs</b>	2,859	4,719	5,820	4,530	2,796	1,046	1,833	3,783	9,219	9,145	7,516	690	68	68	68	68	68	68	68	68
costs +10%	3,145	5,191	6,402	4,983	3,075	1,151	2,017	4,161	10,141	10,059	8,268	759	75	75	75	75	75	75	75	75
costs +20%	3,431	5,663	6,984	5,436	3,355	1,255	2,200	4,539	11,062	10,974	9,019	828	81	81	81	81	81	81	81	81
costs +30%	4,289	7,079	8,730	6,795	4,193	1,360	2,384	4,918	11,984	11,888	9,771	897	88	88	88	88	88	88	88	88
<b>Net cash flow</b>																				
base scenario	(2,859)	(5,838)	(6,129)	(8,479)	(6,355)	1,318	3,077	6,009	7,816	14,016	18,921	28,158	30,071	30,508	30,678	30,675	30,675	30,681	30,688	30,689
costs +10%	(3,145)	(6,309)	(6,711)	(8,932)	(6,635)	1,214	2,893	5,631	6,895	13,101	18,169	28,089	30,064	30,501	30,671	30,668	30,669	30,674	30,681	30,682
costs +20%	(3,431)	(6,781)	(7,293)	(9,385)	(6,914)	1,109	2,710	5,253	5,973	12,187	17,417	28,020	30,057	30,494	30,665	30,662	30,662	30,668	30,674	30,676
costs +30%	(4,289)	(8,197)	(9,039)	(10,744)	(7,753)	1,004	2,526	4,874	5,051	11,272	16,666	27,951	30,050	30,487	30,658	30,655	30,655	30,661	30,668	30,669
benefits +10%	(2,859)	(5,949)	(6,160)	(8,874)	(6,711)	1,555	3,568	6,988	9,520	16,332	21,564	31,042	33,085	33,565	33,753	33,750	33,750	33,756	33,764	33,765
benefits +20%	(2,859)	(6,061)	(6,191)	(9,269)	(7,067)	1,791	4,059	7,968	11,223	18,648	24,208	33,927	36,099	36,623	36,828	36,824	36,824	36,831	36,839	36,841
benefits -10%	(2,859)	(5,726)	(6,098)	(8,084)	(5,999)	1,082	2,586	5,030	6,113	11,700	16,277	25,273	27,057	27,450	27,604	27,601	27,601	27,606	27,612	27,614
benefits -20%	(2,859)	(5,614)	(6,068)	(7,689)	(5,643)	845	2,095	4,051	4,409	9,384	13,633	22,388	24,043	24,393	24,529	24,527	24,527	24,531	24,537	24,538
benefits -30%	(2,859)	(5,502)	(6,037)	(7,294)	(5,287)	609	1,604	3,072	2,706	7,068	10,990	19,503	21,029	21,335	21,454	21,452	21,452	21,456	21,461	21,462
benefits delayed 1 year	(2,859)	(4,719)	(6,938)	(4,839)	(6,744)	(4,606)	531	1,127	573	7,890	15,644	25,747	28,780	30,071	30,508	30,678	30,675	30,675	30,681	30,688
benefits delayed 2 years	(2,859)	(4,719)	(5,820)	(5,649)	(3,105)	(4,995)	(5,393)	- 1,419	- 4,309	647	9,519	22,471	26,369	28,780	30,071	30,508	30,678	30,675	30,675	30,681
<b>Discount rate</b>	<b>14.0%</b>																			
<b>Sensitivity Analysis</b>																				
<b>Sensitivity Analysis</b>	<b>Base case</b>	<b>Costs Increase</b>			<b>Increase of</b>		<b>Decrease of Benefits</b>			<b>Delay of Benefits</b>										
		<b>+10%</b>	<b>+20%</b>	<b>+50%</b>	<b>+10%</b>	<b>+20%</b>	<b>-10%</b>	<b>-20%</b>	<b>- 30%</b>	<b>1 year</b>	<b>2 years</b>									
<b>IRR</b>	<b>25.3%</b>	24.0%	22.8%	20.3%	26.6%	27.8%	23.9%	22.3%	20.4%	22.2%	19.5%									
<b>NPV (Naira) million</b>	<b>30,386</b>	27,983	25,580	20,337	35,827	41,268	24,944	19,503	14,062	21,740	14,157									
<b>NPV (USD) million</b>	<b>73.2</b>	67.4	61.6	49.0	86.3	99.4	60.1	47.0	33.9	52.4	34.1									

Demonstrates the sensitivity of project's profitability indicators to the risks identified in the project design document. For ease of reading, NPVs and EIRRs are colour coded. Sensitivity analysis should be used to identify critical values to be monitored during implementation (values in red).

**Table H: Original financing: Programme costs by component (and subcomponent) and financier**  
(Thousands of United States dollars)

Component	IFAD loan		Financing gap		NDDC		Federal Government		State Governments		Total Amount
	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	Amount	per cent	
1. Improvement of economic opportunities for rural youth and women											
1.1 Rural agribusiness incubation	27 874	50.5	14 339	26.0	12 496	22.6	522	0.9	-	-	55 230
1.2 Production and marketing infrastructure	17 201	41.6	9 686	23.4	10 462	25.3	1 544	3.7	2 458	5.9	41 351
1.3 Financial services for agribusiness	2 526	43.9	1 422	24.7	1 594	27.7	208	3.6	-	-	5 750
1.4 Institutional strengthening	2 784	45.1	1 569	25.4	1 594	25.8	229	3.7	-	-	6 176
<b>Subtotal</b>	<b>50 384</b>	<b>46.4</b>	<b>27 016</b>	<b>24.9</b>	<b>26 146</b>	<b>24.1</b>	<b>2 503</b>	<b>2.3</b>	<b>2 458</b>	<b>2.3</b>	<b>108 507</b>
2. Project management and coordination	9 616	44.7	5 066	23.6	3 854	17.9	553	2.6	2 419	11.2	21 508
<b>Total</b>	<b>60 000</b>	<b>46.1</b>	<b>32 081</b>	<b>24.7</b>	<b>30 000</b>	<b>23.1</b>	<b>3 057</b>	<b>2.4</b>	<b>4 877</b>	<b>3.8</b>	<b>130 015</b>

**Table I: Project risks and mitigation measures**

Risks <small>(For risk definition, please refer to hyperlink below)</small>	Risk rating		Mitigation measures
	Inherent	Residual	
Political commitment and counterparts	Substantial	Substantial	Strategic engagement at Federal and State level. Build voice and influence of rural youth and women entrepreneurs organisations.  Ensure proper valuation of in-kind counterparts currently underestimated.
Governance/Corruption	High	High	Supporting enhanced local participation in governance and improved local resource management and accountability to project management rules. Continue to leverage the CPAT expertise and digitalization to strengthen transparency, fiduciary compliance and M&E.
Macroeconomic	Substantial	substantial	Implement interventions to reduce transaction costs. Investment in rural infrastructure will enhance local productivity and resilience to shock.
Fragility	Substantial	Substantial	Setting up of conflict early warning committees and promote regular dialogue/involvement of youth and women groups. Promote land access for youth and women entrepreneurs, and inclusion through GALS and targeted strategies for PWDs. Use digital solutions to maintain services during restive periods.
Sector strategies and policies	Moderate	Moderate	Leverage CPAT expertise to strengthen implementation of national policies including Emergency Declaration on Food Security.
Institutional capacity	Moderate	Moderate	Strengthen capacity of key public institutions as well as networks of youth, women, PWDs, and incubators.
Fiduciary - financial management	Substantial	Substantial	Continue strategic advocacy for counterpart fund contribution. Strengthen knowledge and implementation of IFAD's Policy on Preventing Fraud and Corruption
Fiduciary procurement	Substantial	Moderate	Deepen training of procurement staff and strengthen review.
Environment and climate	Substantial	Moderate	Scale up climate-resilient technologies and practices nutrition mainstreaming social inclusion. .

<sup>7</sup> <https://orms.ifad.org/projects/2000001043/iprm>