
President's memorandum
Proposed additional financing to
Federal Republic of Nigeria
Special Agro-Industrial Processing Zones (SAPZ)
Programme

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Action: The Executive Board is invited to approve the recommendation for the proposed additional financing contained in paragraph 52.

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Financing summary

Initiating institution:	IFAD
Borrower/recipient:	Federal Republic of Nigeria
Executing agency:	Federal Ministry of Agriculture and Food Security
Total programme cost:	US\$541.21 million
Amount of original IFAD loan (performance-based allocation system [PBAS]):	US\$49.97 million
Terms of original IFAD financing:	Blend: 25 years, including a grace period of 5 years, with a service charge of 0.75 per cent and interest rate of 1.25 per cent per annum in special drawing rights (adjustments for single-currency loans)
Amount of additional IFAD loan (PBAS):	US\$50 million
Terms of additional IFAD financing:	Blend: 25 years, including a grace period of 5 years, with a service charge of 0.75 per cent and interest rate of 1.25 per cent per annum in special drawing rights (adjustments for single-currency loans)
Cofinancier(s):	African Development Bank (AfDB) Islamic Development Bank (IsDB) Africa Growing Together Fund (AGTF) Green Climate Fund (GCF)/Inclusive Green Financing Initiative (IGREENFIN 2)
Amount of cofinancing:	AfDB US\$160 million (29.6 per cent) IsDB US\$150 million (27.7 per cent) AGTF US\$50 million (9.2 per cent) GCF/IGREENFIN 2 US\$60 million (11.1 per cent)
Terms of cofinancing:	AfDB: loan IsDB: loan GCF: loan and grant AGTF: loan
Contribution of borrower/recipient:	US\$18.32 million ¹
Contribution of programme participants:	US\$2.89 million
Financing gap:	US\$0.03 million
Amount of original IFAD climate finance:²	US\$16.35 million
Amount of additional IFAD climate finance:³	US\$22.176 million

¹ Based on estimated government (federal and states) contributions.

² Based on the original financing of US\$49.97 million.

³ Based on the additional financing of US\$50 million.

I. Background and programme description

A. Background

1. The Special Agro-Industrial Processing Zones (SAPZ) programme was originally approved by IFAD's Executive Board⁴ in December 2021. The financing agreement between IFAD and the Federal Government of Nigeria came into effect on 19 September 2022, and it is scheduled for completion on 30 September 2029 with financial closure on 31 March 2030.
2. The total SAPZ programme cost is US\$541.21 million. This includes: (i) the total IFAD loan of US\$100 million that also addresses a financing gap of US\$50.03 million at design, initially scheduled to be filled with the resource allocation from the Twelfth Replenishment of IFAD's Resources (IFAD12); (ii) US\$60 million to be mobilized through the second phase of the Green Climate Fund's (GCF) Green Financing Initiative (IGREENFIN 2); (iii) US\$160 million provided by the African Development Bank (AfDB); (iv) US\$50 million to be mobilized through the Africa Growing Together Fund (AGTF); (v) US\$150 million provided by the Islamic Development Bank (IsDB); (vi) US\$18.32 million provided by the Government of Nigeria; and (vii) US\$2.89 million provided as contributions from programme participants.
3. To address the financing gap anticipated during the original programme design, the Government, through a letter dated 30 June 2025, requested an IFAD loan of US\$50 million under the performance-based allocation system (PBAS) of IFAD13 to partially fill the financing gap. In line with the request of the Government, no extension of the programme completion date is envisaged.

B. Original programme description

4. The SAPZ programme follows a two-phase approach. Under phase I (2022–2029), the Government and AfDB are setting up enabling infrastructure and investment policies in targeted states over a period of five years. IFAD funding covers a period of seven years, and this slightly longer period allows IFAD to empower smallholders to take advantage of the special agro-industrial processing zones (SAPZs) once they are fully operational.
5. The overall development objective of the SAPZ programme is twofold: (i) to support the development of SAPZs in high food production areas to supply the domestic food market and create exportable surpluses; and (ii) to empower smallholder farmers and small-scale operators, including women and youth, to take advantage of the market created by the SAPZs to sustainably enhance their income and access to employment, household food security and nutrition, and resilience to climate change.
6. To achieve the development objectives, the SAPZ programme was designed with three operational components: (i) infrastructure development and management for agro-industrial hubs (led by AfDB and IsDB); (ii) agricultural productivity, production, market linkages and value addition in SAPZ catchment areas (led by IFAD); and (iii) policy and institutional development support. The SAPZ programme targets the Federal Capital Territory and seven states, namely Kano, Kaduna, Oyo, Kwara, Ogun, Imo and Cross River. Component 4 is on programme management and coordination. To leverage complementarity with ongoing programmes, IFAD is targeting 100,000 smallholder producers in Kano and Ogun with the aim of improving their production/productivity and capacity to add value; enhancing their access to markets; and building their resilience and adaptation to climate change.

⁴ EB 2021/134/R.46/Rev.1.

II. Rationale for additional financing

A. Rationale

7. The SAPZ original programme design report indicates IFAD financing of US\$100 million, of which US\$49.97 million was committed during IFAD11. The remaining US\$50.03 million was foreseen to be filled through subsequent IFAD resource allocations.
8. IFAD's funding of the SAPZ programme is mainly dedicated to implementing component 2, which deals with: (i) agricultural market linkages and value addition; (ii) smallholder production/productivity enhancement; and (iii) access to finance and financial inclusion. These aspects are substantially dependent on the infrastructure development of agricultural industrial hubs (AIHs) and agricultural transformation centres (ATCs) being implemented in component 1 by AfDB and IsDB.
9. To date, the SAPZ programme has made notable progress, as confirmed by the 2024 SAPZ supervision mission report. It received a moderately satisfactory assessment of overall implementation performance. Furthermore, the quality of programme management is satisfactory, as are the quality and timeliness of audit. On the other hand, the disbursement rate as per the supervision mission is moderately unsatisfactory.
10. During the construction of AIHs and ATCs in component 1, the SAPZ programme and IFAD also strategically launched implementation of all the IFAD operational components, resulting in the achievement of the following milestones: (i) best practices developed for empowering farmers to meet the quality standards of agro-industries, and for enhancing their productivity and market competitiveness; (ii) best practices developed for the implementation of innovative and inclusive agro-industrialization approaches, and familiarization of key stakeholders with these approaches before the intensive scaling up phase; (iii) operationalization of the multi-stakeholder agribusiness forum, which is a platform to leverage the commodity alliance forum (CAF) model of the Value Chain Development Programme (VCDP) to link small-scale farmers with agro-industries through contractual agreements that establish win-win relationships for sustainable access to market and value chain financing; (iv) smallholder farmers trained in improved production techniques and dietary diversity including promotion of home gardens; and (v) best practices developed for peer learning. Training-of-trainers approaches and training visits proved to be powerful accelerators of technology adoption and institutional strengthening.
11. Through these milestones, the SAPZ programme has succeeded in laying the foundations for implementation at scale in Ogun and Kano, leveraging now existing agro-industries in anticipation of responding to the demand of new agro-industrial zones that are being set up by AfDB and IsDB. In addition, these milestones have played a significant role in boosting the confidence of financiers such as AfDB, the West African Development Bank and the Japan International Cooperation Agency, who are among the institutions cited for the substantial funding of phase II of the SAPZ programme. This is in response to the Government's call for financing for the SAPZ programme, which is becoming a national agro-industrialization cornerstone expected to be scaled up to other states that are not covered by phase I.
12. Addressing the financing gap of US\$50.03 million is essential to achieve the programme's development objective, particularly with regard to rural and market infrastructure, and for scaling up farmers' productivity and access to markets. About 72.4 per cent of the additional financing will cover construction and rehabilitation of infrastructure to improve access to markets, and processing and aggregation centres, in complementarity with the AIHs and ATCs being constructed by AfDB and IsDB. The remaining 27.6 per cent will be used to improve farmers' access to market information services and financial literacy support, and empower women and youth

to capitalize on entrepreneurship opportunities through processing centres and value chain service providers for mechanization.

Special aspects relating to IFAD's corporate mainstreaming priorities

13. In line with IFAD's mainstreaming commitments, the programme has been validated as:
 - ☒ Including climate finance
 - ☒ Nutrition-sensitive
 - ☒ Youth-sensitive
14. **Gender and social inclusion.** The SAPZ programme is guided by IFAD's gender equality and social inclusion strategy and Nigeria's National Gender Policy in Agriculture. These set a clear target of 50 per cent participation by women across all programme activities, including agribusiness services, processing hubs, capacity-building and institutional platforms. The programme also prioritizes inclusion of youth, persons with disabilities and internally displaced persons, particularly in conflict-affected or resource-scarce areas. To operationalize and accelerate these commitments, the SAPZ programme integrates a gender action plan and social inclusion strategy that seeks to remove structural barriers and expand economic opportunities for women and vulnerable populations. These efforts not only promote economic empowerment but also address gender-based nutritional gaps at household level.
15. **Youth.** The SAPZ programme places youth at the centre of its rural transformation plan by promoting inclusive agro-industrial development. It targets at least 40 per cent participation by youth in programme-supported activities, particularly in value addition, primary processing, logistics and enterprise development. Youth-specific interventions include: (i) access to agribusiness incubation centres and technology hubs; (ii) training in climate-smart agriculture, digital tools and business skills; (iii) linkages to finance through youth-friendly financial products; (iv) support for youth cooperatives and start-ups through the public-private-producer partnerships model; and (v) importantly, specific integration of internally displaced youth into the programme's targeting framework.
16. **Food security and nutrition.** The programme's nutrition-sensitive approach focuses on developing value chains for nutrient-dense crops such as fruits, vegetables and legumes, and promoting nutrition education and behavioural change communications to improve household consumption practices. SAPZ prioritizes women as key actors in the production, processing and distribution of nutritious foods, given their central role in household nutrition decision-making. By aligning with the National Policy on Food and Nutrition and drawing on IFAD's framework for nutrition-sensitive agriculture, the programme ensures that agro-industrial investments are not only economically viable but also supportive of healthier diets and improved nutritional outcomes for rural populations.
17. **Climate resilience and vulnerability context.** Increased climatic variability is already affecting dry-season agricultural production and reducing water availability for both household use and irrigation, despite the presence of considerable surface and groundwater resources. Therefore, the SAPZ programme promotes smallholder farmers' resilience to climate change and supports them in adopting and implementing climate change adaptation and mitigation best practices and solutions.

B. Description of geographical area and target groups

18. The SAPZ programme targets the Federal Capital Territory and seven states, namely Kano, Kaduna, Oyo, Kwara, Ogun, Imo and Cross River. To leverage its ongoing programmes, IFAD is targeting Kano and Ogun with the aim of improving smallholder farmers' production, productivity and capacity to add value; enhancing their access to markets; and building their resilience and adaptation to climate

change. Furthermore, IFAD will cover 16 and 8 local government areas in Kano and Ogun, respectively. The overall target group for all the funding partners is approximately 1.5 million households, including private sector agribusinesses, agroprocessors, agroentrepreneurs and agro-dealers, and smallholder producers, the majority of whom rely on agriculture for their livelihoods.

19. IFAD investments, including resources from GCF, will directly reach an estimated 100,000 people, including 50 per cent women and 40 per cent youth. Of these, 75,000 will be engaged in Kano and Ogun states, where 90 per cent of the target group will be producers and 10 per cent will be processors, traders or community-based service providers. In addition, the programme will support another 25,000 smallholders and operators currently active under VCDP in Ogun. This underscores the complementarity between VCDP and the SAPZ programme, leveraging market linkages and processing infrastructure created under SAPZ.
20. The programme prioritizes rural women, youth (particularly landless youth), persons with disabilities and internally displaced persons, aligning with IFAD's guidance on social inclusion.

C. Components, outcomes, and activities

21. The SAPZ programme has three operational components, as set forth below. In line with the financing agreement, IFAD is focusing primarily on the implementation of components 2 and 3, while component 1 is covered by AfDB and IsDB. Component 4 concerns programme management and coordination.

Component 1: Infrastructure development and management for agro-industrial hubs

22. The outcomes of component 1 include improved access to market and reduction of post-harvest losses, which are achieved through setting up special agro-industrial processing zones in selected high potential areas/states. Each zone will be composed of an agricultural industrial hub and an agricultural transformation centre, strategically located within production areas. The ATCs will aggregate products from local communities and transfer them to an AIH for value addition, before they are distributed to supply centres and consumers.

Component 2: Agricultural productivity, production, market linkages and value addition in SAPZ catchment areas

23. Regarding the IFAD-led component 2, key outcomes include improved production and productivity, adoption of environmentally sustainable and climate-resilient technologies and practices, improved dietary diversity and enhanced access to markets and finance. These outcomes are achieved by: (i) building smallholder farmers' capacity in good agricultural practices, in the use of improved inputs/technologies and in value addition, and strengthening their resilience and adaptation to climate change; (ii) linking smallholder farmers to the additional market outlets offered by the AIHs, with off-takers who operate in the target area supplying the local and national market; and (iii) facilitating access to finance, including climate finance through advocacy and public-private-producer partnerships, etc.

Component 3: Policy and institutional development support

24. The outcomes include: (i) establishment of a regulatory institution/special regulatory regime (independently or within an existing institution); (ii) development or revision of laws, regulations, policies or strategies proposed to policymakers for approval; (iii) completion of policy-relevant knowledge products; and (iv) capacity-building of CAFs to strengthen advocacy for a more conducive business environment, and address inefficiencies and market failures in agricultural value chains. While AfDB will support the development of enabling policies and the regulatory framework for agro-industrial zones, IFAD will focus on: (i) facilitating local policy dialogue for conducive and inclusive market linkages; (ii) strengthening quality control, and grading and

standardization systems; and (iii) establishing and strengthening conflict management mechanisms.

25. These three operational components are jointly implemented by the national programme management unit and the Ogun and Kano states programme management units. The lead implementing agency is the Federal Ministry of Agriculture and Food Security, and the borrower's representative is the Federal Ministry of Finance.

D. Costs, benefits and financing

Programme costs

26. The total cost of the SAPZ programme, including all contingencies, is US\$541 million, for its implementation from 2022 to 2029. The total IFAD loan amounts to US\$100 million (18.5 per cent), composed of US\$49.97 million provided during IFAD11 and a US\$50.03 million financing gap at design. In addition, a total of US\$60 million (11.1 per cent) will be mobilized through the GCF's IGREENFIN 2 programme. AfDB has provided a total loan of US\$160 million (29.6 per cent), and AGTF has provided a loan of US\$50 million (9.2 per cent). Cofinancing from IsDB amounts to US\$150 million (27.7 per cent), while domestic cofinancing amounts to US\$21.21 million (3.9 per cent).
27. Component 1 amounts to US\$247.58 million, representing 45.7 per cent of total baseline costs, mainly due to the heavy infrastructure to be established. Component 2 amounts to US\$236.47 million, representing 43.7 per cent of total baseline costs. Component 3 amounts to US\$8.83 million, representing 1.6 per cent of total baseline costs. Component 4 amounts to US\$48.31 million, representing 8.9 per cent of total baseline costs.
28. As per the original design, subcomponent 2.2, which focuses on smallholder production/productivity enhancement, was fully counted as climate finance. Therefore, in line with the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate finance for this programme was estimated at US\$16.35 million. The total amount of additional IFAD climate finance for the additional financing of US\$50 million is estimated at US\$22.176 million.

Table 1

Original and additional financing summary

(Thousands of United States dollars)

	<i>Original financing*</i>	<i>Additional financing</i>	<i>Total</i>
IFAD loan	49 970	50 000	99 970
Financing gap	50 030	(50 000)	30
AfDB	160 000	-	160 000
IsDB	150 000	-	150 000
AGTF	50 000	-	50 000
GCF/IGREENFIN 2	60 000	-	60 000
Government counterpart	18 323	-	18 323
Programme participants	2 891	-	2 891
Total	541 214	50 000	541 214

* See tables 1, 2, and 3 in document EB 2021/134/R.46/Rev.1 for detailed breakdown.

Table 2

Additional financing: programme costs by component, subcomponent and financier
 (Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>Additional IFAD loan</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>
1. Infrastructure development and management for agro-industrial hubs	-	-	-
2. Agricultural productivity, production, market linkages and value addition in SAPZ catchment areas			
2.1. Agricultural market linkages and value addition	-	-	-
2.2. Smallholder production/productivity enhancement	48 511	96.96	48 511
2.3. Access to finance and financial inclusion	-	-	-
Subtotal	48 511	96.96	48 511
3. Policy and institutional development support	690	1.38	690
4. Programme coordination and management	799	1.60	799
Total	50 000	99.94	50 000

Table 3

Additional financing: programme costs by expenditure category and financier
 (Thousands of United States dollars)

<i>Expenditure category</i>	<i>IFAD additional loan</i>		<i>Financing gap</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>
Investment costs					
A. Civil works					
Construction and rehabilitation	36 152	72.26	30	0.06	36 182
B. Services					
Training	7 341	14.67	-	-	7 341
Studies	1 956	3.91	-	-	1 956
Contractual services	280	0.56	-	-	280
Goods, services and inputs	3 237	6.47	-	-	3 237
Services – subtotal	12 814	25.61	-	-	12 814
Total investment costs	48 966	97.87	30	0.06	48 996
Recurrent costs					
Personnel	1 034	2.07	-	-	1 034
Total recurrent costs	1 034	2.07	-	-	1 034
Total	50 000	99.94	30	0.06	50 030

Table 4

Programme costs by component, subcomponent and programme year
 (Thousands of United States dollars)

<i>Component/ subcomponent</i>	<i>2022</i>		<i>2023</i>		<i>2024</i>		<i>2025</i>		<i>2026</i>		<i>2027</i>		<i>2028</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>
1. Infrastructure development and management for agro-industrial hubs	22 326	9.0	62 397	25.3	68 680	27.7	70 094	28.3	24 092	9.7	-	-	-	-	247 589
2. Agricultural productivity, production, market linkages and value addition in SAPZ catchment areas															
2.1. Agricultural market linkages and value addition	-	-	17 218	42.5	14 640	36.1	4 932	12.2	3 744	9.2	-	-	-	-	40 534
2.2. Smallholder production/productivity enhancement	14 139	10.4	23 291	17.1	25 740	18.9	34 185	25.2	28 658	21.1	7 027	5.2	2 902	2.1	135 944
2.3. Access to finance and financial inclusion	678	1.1	55 797	93.0	1 312	2.2	1 033	1.7	749	1.25	430	0.7	-	-	60 000
Subtotal	14 818	6.3	96 307	40.7	41 692	17.6	40 150	16.9	33 151	14.0	7 457	3.2	2 902	1.2	236 478
3. Policy and institutional development support	4 663	52.8	877	9.9	891	10.1	1 128	12.8	920	10.4	59	0.7	293	3.3	8 832
4. Programme coordination and management	12 835	26.5	8 695	18.0	8 643	17.9	8 798	18.2	8 884	18.4	228	0.5	233	0.5	48 316
Total	54 642	10.1	168 276	31.1	119 906	22.2	120 169	22.2	67 047	12.4	7 745	1.4	3 428	0.6	541 214

Financing and cofinancing strategy and plan

29. The financing plan for SAPZ is as follows: with the additional financing, IFAD's total financing is estimated at US\$99.97 million (18.5 per cent of total programme costs), composed of US\$49.97 million from the original loan and US\$50 million from the additional financing. The total IFAD financing covers the implementation period from 19 September 2022 to 19 September 2029. In addition, IFAD will mobilize US\$60 million (11.1 per cent) of the IGREENFIN 2 financing from GCF.
30. The cofinancing strategy and plan to complement IFAD's US\$100 million investment and the additional GCF/IGREENFIN 2 funding of US\$60 million (amounting to the total programme cost of US\$541.21 million) is as follows: parallel cofinancing from AfDB amounts to US\$160 million (29.6 per cent); IsDB's cofinancing amounts to US\$150 million (27.7 per cent); AGTF financing amounts to US\$50 million (9.2 per cent); and domestic cofinancing amounts to US\$21.2 million (3.9 per cent).

Disbursement

31. The disbursement arrangements will be updated to include the opening of a United States dollars designated account, and the Nigerian Naira (NGN) drawdown and operational accounts. IFAD financing, including the original and additional financing, shall be disbursed against duly certified withdrawal applications in line with IFAD disbursement procedures.

Summary of benefits and economic analysis

32. The anticipated economic and financial benefits remain unchanged as per the original programme goal and development objectives. The additional financing does not generate new benefits as these were already factored in during the original design.
33. **Results of economic analysis.** The analysis shows that the SAPZ programme has the capacity to generate an economic internal rate of return (EIRR) of 23 per cent. The estimated economic net present value (ENPV) at a 12 per cent discount rate is US\$47 million, over a seven-year period of implementation. The benefit cost ratio of 3.2 indicates a return of US\$2.38 for every dollar invested. These results indicate that the programme is a sound investment that yields a positive rate of return, as the EIRR is greater than the hurdle rate (12 per cent) and the ENPV is greater than zero.

Exit strategy and sustainability

34. The additional financing will be implemented in line with the sustainability and exit strategy of the original design. The SAPZ's exit strategy is anchored in supporting smallholder value chain actors to build profitable business ventures around production, processing and aggregation, to feed the AIHs and ATCs. Leveraging the success of VCDP, the SAPZ programme will develop and promote the adoption of market-oriented and resilience-building approaches driven by the multi-stakeholder agribusiness forum to crowd in private sector finance, in order to enhance access to finance for smallholder farmers.
35. To enhance the effective implementation of the exit and sustainability strategy of SAPZ, the additional financing will help to: (i) contribute to the construction and rehabilitation of critical infrastructure, including processing centres, storage facilities, market-to-farm feeder roads, bridges and culverts, to facilitate access to AIHs and ATCs financed by other cofinanciers; (ii) build the capacity of smallholder farmers and their organizations to adopt climate resilience agriculture inputs/technologies, including technical training of youth for operations and maintenance of machinery and infrastructure; and (iii) advocate for local policy dialogue facilitated at the multi-stakeholder agribusiness forum level to identify key policy and regulatory issues affecting the activities and businesses of the programme participants. This will contribute to an enabling policy environment that

ensures that IFAD's target groups obtain maximum benefits from the opportunities created by the programme.

III. Risk management

A. Risks and mitigation measures

36. The SAPZ programme's key implementation risks and recommended mitigation measures at design and during the latest supervision mission remain valid and are summarized in table 5 below.

Table 5
Overall risk summary

Risks categories	Risk description	Risk rating		Mitigation measures
		Inherent	Residual	
Fragility and security	Violence/conflicts (e.g. herder-farmer clashes, insurgency and kidnapping) in SAPZ states.	High	Substantial	Conflict resolution platforms (e.g. CAF), community engagement, targeted youth employment, stakeholder dialogue and land access advocacy.
Operational	Delays in fund mobilization, limited interest of financial institutions and limited access to land for women, youth, persons with disabilities and internally displaced persons.	Substantial	Moderate	Close supervision, pro-poor and inclusive programme design, land-clearing support for vulnerable groups and use of advocacy in local government areas/states.
Institutional	Political interference and inadequate capacity of programme staff and coordination units.	Substantial	Moderate	Technical assistance, structured oversight and monitoring and evaluation, recruitment standards and coordination strengthening.
Fiduciary – financial and procurement management	Weak internal controls, large scope with multiple financiers, fraud risks, low capacity of financial management staff and inability of Government to meet counterpart obligations.	High	High	Stringent adherence to procedures, set up of a central IFAD programmes support team, oversight and regular review of programmes and financial management processes, regular reporting and quality assurance, and training and capacity-building.
Greenhouse gas emissions	Increased emissions due to tree removal, biomass burning and unsustainable environmental practices.	High	Moderate	Promote resource efficiency, adopt low-emission agriculture, awareness campaigns and support IGREENFIN 2 integration.

B. Environment and social category

37. The environment and social risk of the programme is assessed as substantial, which corresponds to risks such as deforestation, poor waste management and pollution in production and processing, non-eco-friendly land development, land degradation, unsustainable land management, and conflict related to land and resource access. In response, the programme promotes green energy (e.g. briquettes, biogas); invests in eco-friendly land development that includes solid/liquid waste systems; and promotes and advocates for land access for women and youth, and investment in solar dryers and hygiene infrastructure.
38. The additional financing of the SAPZ programme requires no changes to the original design, and remains compliant with Social, Environmental and Climate Assessment Procedures.

C. Climate risk classification

39. The programme's climate risk is high due to the potential for flooding, dry spells, droughts, etc. The programme focuses on climate-smart production practices, irrigation systems, linkages with the Nigerian Agricultural Insurance Corporation and the Nigerian Incentive-Based Risk Sharing System for Agricultural Lending, farmer access to weather information via the Nigerian Meteorological Agency, and digital platforms.

IV. Implementation

A. Compliance with IFAD policies

40. The additional financing is aligned with the Government's strategic vision for growth and development expressed in the key policies and programmes, especially: (i) the Presidential Emergency Declaration on Nigeria's Food Security;⁵ (ii) National Pathways to Food Systems Transformation; (iii) the National Agricultural Technology and Innovation Policy (NATIP) 2022–2027 mandate, mission and vision;⁶ (iv) Sustainable Development Goals 1, 2, 5, 6, 8, 10, 13 and 17; (v) the Kampala Declaration of the Comprehensive Africa Agriculture Development Programme on building resilient and sustainable agrifood systems in Africa; and (vi) the Nigeria country strategic opportunities programme (COSOP) 2024–2029.⁷ The SAPZ programme will directly contribute to IFAD's cross-cutting mainstreaming priorities by promoting a gender-transformative and social inclusion approach (which includes youth, women and persons with disabilities), as well as a nutrition-sensitive, climate finance and public-private sector approach, while leveraging the Federal Government of Nigeria/IFAD Cooperation Digital Innovation Action Plan.

B. Organizational framework

Management and coordination

41. The Federal Ministry of Agriculture and Food Security is the implementing agency responsible for overall programme coordination and supervision, while field implementation is being coordinated and supervised by the ministries of agriculture in each of the seven participating states. The Federal Ministry of Finance is the designated representative of the borrower and ensures compliance with the loan covenants.
42. The national programme management unit directly manages programme implementation in collaboration with the state programme implementation units. This is in line with the institutional arrangements made at the design stage, as provided in the programme design report (PDR) and the programme implementation manual (PIM).

Financial management, procurement and governance

43. The implementation arrangements for the additional financing will remain unchanged, with financial and procurement management following the financing agreement and updated programme procurement arrangements. The programme funds, including the additional financing, will continue to be managed in accordance with national and IFAD procedures on financial and operational management. The Federal Ministry of Agriculture and Food Security will continue to maintain an oversight responsibility to coordinate the programme. The national steering committee will continue to approve annual workplans and budgets, and programme reports, and offer overall policy and strategic guidance at the national level.
44. The financial management procedures are detailed in the programme's financial and accounting management document, ensuring IFAD's fiduciary objective of efficient fund utilization to achieve the programme development objectives. IFAD

⁵ Central to the implementation plan roadmap of the Presidential Emergency Declaration on Nigeria's Food Security by the Government are: (i) enhancing agricultural productivity; (ii) strengthening value chains and market systems; (iii) investing in rural Infrastructure and resilience; (iv) empowering smallholder farmers and communities; and (v) strengthening policy and governance.

⁶ NATIP's mandate: "Ensuring food security in the crop, livestock, and fisheries, generating agricultural employment and services, promoting the production and supply of raw materials to agro-industries, providing markets for the products of the industrial sector, generating foreign exchange and promoting rural socioeconomic development". NATIP's vision: "Growing Nigeria's agriculture sector, driving income growth, accelerating food and nutrition security, generating employment, and transforming Nigeria into a leading global food market with wealth for farmers".

⁷ To achieve its goals, the COSOP (2024–2029) will address the root causes of fragility and will pursue two strategic objectives: (i) sustainably increase rural people's productive capacities; and (ii) strengthen organizational and policy frameworks for inclusive, nutrition-sensitive and resilient agricultural value chains.

will use a risk-based approach that includes prior and post reviews, supervision and support missions. IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations is incorporated into contracts with third parties, and outlined in the financial and administrative procedures manual with links to the IFAD system.

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

45. Under the additional financing, the SAPZ programme will enhance the monitoring and evaluation (M&E) and knowledge management systems, as outlined in the PDR and PIM. Since the financing gap was already anticipated in the original PDR, the logical framework indicators and end targets remain unchanged, providing a consistent results framework for measuring outcomes across both the initial and the additional financing phases.
46. The additional financing will support the completion and full operationalization of the management information system (MIS). The MIS provides real-time data capture, enhances data quality, and improves evidence-based reporting and decision-making. The SAPZ programme has developed a detailed M&E plan, which includes data collection protocols, indicator definitions, quality assurance measures and reporting timelines. This will guide implementation and ensure consistency and accountability across all targeted areas of the programme.
47. For knowledge management, the additional financing will step up efforts to capture, package and disseminate lessons and innovations from both the initial and the scaled-up interventions, as guided by the SAPZ knowledge management and communication strategy. Planned activities include case studies, policy briefs, multimedia content, and learning events at state and federal levels. The MIS will serve as a central repository for all knowledge products, ensuring data accessibility and supporting evidence-based policy influence and scaling up.

D. Proposed amendments to the financing agreement

48. An amendment to the original financing agreement between the Federal Republic of Nigeria and IFAD will be made to reflect the additional financing of US\$50 million from IFAD, in line with the request of the Government.

V. Legal instruments and authority

49. A financing agreement between the Federal Republic of Nigeria and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. The signed financing agreement will be amended following approval of the additional financing.
50. The Federal Republic of Nigeria is empowered under its laws to receive financing from IFAD.
51. 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

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

RESOLVED: That the Fund shall provide a loan on blend terms to the Federal Republic of Nigeria in an amount of fifty million United States dollars (US\$50,000,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario
President

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	
Outreach 1. Persons receiving services promoted or supported by the project	1 Persons receiving services promoted or supported by the project					M&E Report, Project Progress reports, Beneficiaries database	Semi Annually	IFAD-NPMU	Farmer Organizations are functional and have proper data management system
	Males - Males	0	25000	50000	50000				
	Females - Females	0	25000	50000	50000				
	Young - Young people	0	20000	40000	40000				
	Total number of persons receiving services - Number of people	0	50000	100000	100000				
	1.a Corresponding number of households reached								
	Households - Households	0	50000	100000	100000				
	1.b Estimated corresponding total number of households members								
	Household members - Number of people	0	250000	500000	500000				
	Project Goal Rural poverty and unemployment reduction resulting in accelerated economic growth achieved by integrated value chain development for key commodities from production to manufacturing	Proportion of the population living below USD 1.90 per day							
Population - Percentage (%)		53.5	50	45	45				
Reduction in Unemployment rate									
Total Reduction - Percentage (%)		23,1	20	18	18				
Youth Reduction - Percentage (%)		29,1	24	15	15				
SF 2.1 Households satisfied with project-supported services					COI Completion survey	Completion	IFAD-NPMU		
Households - Percentage (%)				70					70
SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers					COI Completion survey	Completion	IFAD-NPMU		
Households - Percentage (%)				70					70
Development Objective Support the development of Special Agro processing zones in high food production areas to supply the domestic food market and create export surplus		Percentage reduction of the number of households experiencing food insecurity					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU
	Reduction - Percentage (%)		20	50	50				
	1.2.8 Women reporting minimum dietary diversity (MDDW)					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU	
	Women (%) - Percentage (%)		35	60	60				
	Women (number) - Females		9702	16632	16632				
	Households (%) - Percentage (%)		35	60	60				

Results hierarchy	Indicators					Means of verification			Assumptions/notes	
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility		
	Households (number) - Households		9702	16632	16632	Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU		Government policies are stable and there are no global economic shocks affecting oil and commodity prices
	Household members - Number of people		48510	83160	83160					
	Percentage of beneficiaries reporting an increase in real income									
	Females - Percentage (%)		17,5	40	40					
	Males - Percentage (%)		17,5	40	40					
	Young - Percentage (%)		14	32	32					
Total - Percentage (%)		35	80	80						
Outcome 2 Increased private sector capacity in Agro-Industrial management and value chain development	1.2.4 Households reporting an increase in production					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU	Government policies are stable and there are no global economic shocks affecting oil and commodity prices	
	Total number of household members - Number of people		148750	340000	340000					
	Households - Percentage (%)		35	80	80					
	Households - Households		29750	68000	68000					
	Total number of household members - Number of people		148750	340000	340000					
	2.2.4 Supported rural producers' organizations providing new or improved services to their members					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU		
	Number of POs - Organizations									
	Total number of POs members - Number of people		29750	68000	29750					
	Males POs members - Males									
	Females POs members - Females									
	Young POs members - Young people									
	2.2.2 Supported rural enterprises reporting an increase in profit					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU	Government policies are stable and there are no global economic shocks affecting oil and commodity prices	
	Number of enterprises - Enterprises				1925					
	Percentage of enterprises - Percentage (%)				70					
		3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices					Baseline study, Impact Assessment Surveys, Midterm		IFAD-NPMU	

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
	Total number of household members - Number of people				297500	Reports, CORE outcome Surveys	Baseline, Midterm & End term		
	Households - Percentage (%)		30	70	70				
	Households - Households		25500	59500	59500				
	2.2.1 Persons with new jobs/employment opportunities					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU	Government policies are stable and there are no global economic shocks affecting oil and commodity prices
	Males - Males		12500	25000	25000				
	Females - Females		12500	25000	25000				
	Young - Young people		12500	25000	25000				
	Total number of persons with new jobs/employment opportunities - Number of people		25000	50000	50000				
	1.2.5 Households reporting using rural financial services					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU	
	Total number of household members - Number of people	0	127500	297500	297500				
	Households - Percentage (%)	0	30	80	80				
	Households - Households	0	25500	59500	59500				
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU	
	Households reporting improved physical access to markets - Percentage (%)	0	30	70	70				
	Households reporting improved physical access to processing facilities - Percentage (%)	0	30	70	70				
	Households reporting improved physical access to storage facilities - Percentage (%)	0	30	70	70				
	Households reporting improved physical access to markets - Households	0	25500	59500	59500				
	Households reporting improved physical	0	25500	59500	59500				

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
	access to processing facilities - Households					Baseline study, Impact Assessment Surveys, Midterm Reports, CORE outcome Surveys	Baseline, Midterm & End term	IFAD-NPMU	Government policies are stable and there are no global economic shocks affecting oil and commodity prices
	Households reporting improved physical access to storage facilities - Households	0	25500	59500	59500				
	Percentage increase in yields for commodities produced by targeted smallholder farmers (in Ogun and Kano)								
	Rainfed Rice - Percentage (%)			100	100				
	Irrigated Rice - Percentage (%)			200	200				
	Tomato - Percentage (%)			50	50				
	Sesame - Percentage (%)			100	100				
	Ground nut - Percentage (%)			100	100				
	Cassava - Percentage (%)			100	100				
	Output 2.1 Enabling economic infrastructure provided for value chain development	Number of boreholes, bridges and culverts constructed rehabilitated/extended							
Boreholes - Number			40	72	72				
Small Bridges - Number			40	72	72				
Culverts - Number			79	144	144				
2.1.6 Market, processing or storage facilities constructed or rehabilitated					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually, and Annually	IFAD-NPMU		
Total number of facilities - Facilities			264	480					480
Market facilities constructed/rehabilitated - Facilities									
Processing facilities constructed/rehabilitated - Facilities									
Storage facilities constructed/rehabilitated - Facilities			264	480					480
Number of Farmer Organizations (FOs) Commodity Stores Established					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually, and Annually	IFAD-NPMU	Government policies are stable and there are no global economic shocks affecting oil and commodity prices	
Commodity Stores - Number			20	48					48
Number of ACs constructed					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually, and Annually	IFAD-NPMU		
ACs - Number			13	24					24

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
							and Annually		
Output 2.2 Farm level infrastructure developed	2.1.5 Roads constructed, rehabilitated or upgraded					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually, and Annually	IFAD-NPMU	Government policies are stable and there are no global economic shocks affecting oil and commodity prices
	Length of roads - Km		165	300	300				
	3.1.4 Land brought under climate-resilient practices					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually, and Annually	IFAD-NPMU	
	Hectares of land - Area (ha)		2500	5692	5692				
Output 2.3 Certified inputs provided to farmers	Quantity of improved inputs provided to farmers in the Agro-Industrial production zones					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	Government policies are stable and there are no global economic shocks affecting oil and commodity prices
	Certified Seeds - Tons			80000	80000				
Output 2.4 Skills of value chain actors developed	3.1.2 Persons provided with climate information services					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	
	Males - Males		30000	50000	50000				
	Females - Females		30000	50000	50000				
	Young - Young people		24000	40000	40000				
	Persons provided with climate information services - Number of people		60000	100000	100000				
	1.1.4 Persons trained in production practices and/or technologies					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	
	Total number of persons trained by the project - Number of people		38250	85000	85000				
	Men trained in crop - Males		19125	42500	42500				
	Women trained in crop - Females		19125	42500	42500				
	Young people trained in crop - young people		15300	34000	34000				
	Total persons trained in crop - Number of people		38250	85000	85000				
	2.1.2 Persons trained in income-generating activities or business management					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	
	Males - Males		19125	42500	42500				
	Females - Females		19125	42500	42500				
	Young - Young people		15300	34000	34000				

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
	Persons trained in IGAs or BM (total) - Number of people		38250	85000	85000				
	1.1.8 Households provided with targeted support to improve their nutrition					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	
	Total persons participating - Number of people		10206	34020	34020				
	Males - Males		1890	6300	6300				
	Females - Females		8316	27720	27720				
	Households - Households		10206	34020	34020				
	Household members benefitted - Number of people		52920	170100	170100				
	Young - Young people		2835	9450	9450				
	1.1.5 Persons in rural areas accessing financial services					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	
	Men in rural areas accessing financial services - credit - Males		19125	42500	42500				
	Women in rural areas accessing financial services - credit - Females		19125	42500	42500				
	Young people in rural areas accessing financial services - credit - Young people		15300	34000	34000				
	Total persons accessing financial services - credit - Number of people		38250	85000	85000				
	Total persons accessing financial services - insurance - Number of people								
	Men in rural areas accessing financial services - insurance - Males								
	Women in rural areas accessing financial services - insurance - Females								

Results hierarchy	Indicators					Means of verification			Assumptions/notes
	Name	Baseline	Midterm	Original target	End target	Source	Frequency	Responsibility	
	Young people in rural areas accessing financial services - insurance - Young people								
	2.1.1 Rural enterprises accessing business development services					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	
	Rural enterprises - Enterprises		1650	2750	2750				
	Persons accessing market information services in Ogun and Kano								
	Persons - Number		42500	85000	85000	Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	Government supports import substitution policy Interest of off-takers to engage with farmers. A conducive policy and business environment for VC actors
	Number men and women farmers, processors/traders and community-based service providers trained in financial literacy in Ogun and Kano								
	Total - Number	0		90000	90000				
	Output 2.5 Development of a Value Chain Support System	Number of Commodity Alliance Forums (CAFs) Established in Ogun and Kano					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU
CAFs - Number			26	48	48				
Number of Farmer Organizations (FOs) Established									
FOs - Number				2750	2750				
2.1.3 Rural producers' organizations supported									
Total size of POs - Organizations									
Rural POs supported - Organizations									
Males - Males									
Females - Females									
Outcome 3: (i) Enabling policies and regulatory framework for Agro-Industrial Zones are developed	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	
	Number - Number	0		2	2				
Output 3.1 Development/strengthening of enabling Policy, Legislation and Regulation for SAPZs	Policy 1 Policy-relevant knowledge products completed					Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually	IFAD-NPMU	Government supports import substitution policy Interest of off-takers to engage with farmers. A conducive policy and business environment for VC actors
	Number - Knowledge Products		1	2	2				
	Existing policy document reviewed, updated, and approved by the Federal and State Governments (AfDB Indicator)								
	Policy Documents - Number	0	1	1	1				
	Regulatory institution/special regulatory regime established (independently or within existing institution) (AfDB Indicator)								
	Institution - Number	0	1	1	1				
	CAFs capacitated in advocacy for improved business environment							IFAD-NPMU	

<i>Results hierarchy</i> Output 3.2 Provide technical assistance and capacity building for staff of relevant public institutions	<i>Indicators</i>					<i>Means of verification</i>			<i>Assumptions/notes</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>	
	CAFs - Number		10	24	24	Semi-annually and annually Progress Reports, M&E Reports	Quarterly, Semi-annually and Annually		
	Number of studies on CAFs business environment conducted								
	Studies - Number								

Updated summary of the economic and financial analysis

Table A

Financial cash flow models

		Farm models' net incremental benefits (in Naira 000)							
		Cereals/On farm Agriculture				poultry			Horticulture
		Cassava Model	Ground Nuts	Sesame	Rice Model	Layers	Broilers	Local Chicke	Tomato
	PY1	(258)	20	(177)	(151)	(260)	(80)	(70)	(184)
	PY2	50	84	69	113	222	40	32	39
	PY3	110	122	114	111	222	40	62	87
	PY4	110	122	114	111	222	40	36	87
	PY5	110	122	114	111	222	40	62	87
	PY6	110	122	114	111	222	40	62	87
	PY7	110	122	114	111	222	40	36	87
	PY8	110	122	114	111	222	40	62	87
	PY9	110	122	114	111	222	40	62	87
	PY10	110	122	114	111	222	40	36	87
IRR/**		34%	N/A	55%	74%	85%	49%	64%	37%
NPV (Naira'000)		244	569	348	396	824	120	172	210

** ERR does not compute in models without negative cashflow

Table B

Project costs and logframe targets

PROGRAMME COSTS AND INDICATORS FOR LOGFRAME						
TOTAL PROGRAMME COSTS (in million USD)						
Beneficiaries		500,000	people	160		
Cost per beneficiary		320	USD x	100,000	Household	
Components and Cost (USD million)					1,600	USD
			Average increase in Rural income		WOP	WP
A. INFRASTRUCTURE DEVELOPMENT AND MANAGEMENT FOR AGRO-INDUSTRIAL HUBS			247.58	Average increase in income per HH per		-
B. AGRICULTURAL PRODUCTIVITY AND PRODUCTION			237.47			109
C. POLICY & INSTITUTIONAL DEVELOPMENT SUPPORT			8.83			
D. PROJECT COORDINATION AND MANAGEMENT			48.31			

Table C

Main assumptions and shadow prices

MAIN ASSUMPTIONS & SHADOW PRICES ¹						
C)	Output	land Size	Yields (Annually)		Price (Naira)	
			WOP	WP		
FINANCIAL	Cassava Model	1 ha	500	1,200	250	
	Ground Nuts	1 ha	400	1,000	250	
	Sesame	1 ha	600	1,250	200	
	Rice Model	1 ha	600	1,200	300	
	Layers		100	300	2,000	
	Broilers		100	100	1,200	
	Local Chicken		100	300	2,000	
	Tomato	1 ha	500	1000	300	
Economic	Official Exchange rate (OER)	100	Disc. Rate (opp. Cost of capital)			12%
	Shadow exchange rate (SER)	85	Discount rate on saving/deposit accounts			12.3%
	Labour Conversion factor \3	0.92	Standard Conversion Factor (SCF)			0.85

Table D

Beneficiary adoption rates and phasing

HH	PY1	PY2	PY3	PY4	PY5	PY6	PY7
Producers		10,000	14,444	23,077	12,857	14,622	15,000
Processors/traders/ community-based service providers	-	1,111	2,000	2,000	2,000	1,460	1,429
TOTAL	-	11,111	16,444	25,077	14,857	16,083	16,429
Cumulative		11,111	27,555	52,632	67,489	83,571	100,000
Adoption rate		0.75					
Beneficiaries in their Year 1	-	8,333	20,666	39,474	50,617	62,679	75,000
Beneficiaries in their Year 2	-	-	8,333	20,666	39,474	50,617	62,679
Beneficiaries in their Year 3	-	-	-	8,333	20,666	39,474	50,617
Beneficiaries in their Year 4	-	-	-	-	8,333	20,666	39,474
Beneficiaries in their Year 5	-	-	-	-	-	8,333	20,666
Beneficiaries in their Year 6	-	-	-	-	-	-	8,333
Beneficiaries in their Year 7	-	-	-	-	-	-	-
Total	-	8,333	28,999	68,473	119,090	181,768	256,768

Table E

Economic cash flow

Project year	BENEFITS			COSTS			CASH FLOW
	Incremental Benefit from on-farm agriculture, poultry and horticulture	Infrastructure Investment Efficiency	Total Net Inc. Benefits (millions)	Project Economic Costs	Recurrent Costs	Total Incremental Costs	
PY1	-	-	-	3,379		3,379	(3,379)
PY2	(1,208)	604	(604)	5,208		5,208	(5,812)
PY3	(2,319)	1,812	(507)	8,447		8,447	(8,954)
PY4	(3,140)	3,323	183	6,853		6,853	(6,670)
PY5	(986)	4,833	3,847	3,315		3,315	532
PY6	2,456	4,833	7,288	1,041		1,041	6,247
PY7	7,143	4,833	11,976	1,041		1,041	10,935
PY8	7,143	4,833	11,976		1,041	1,041	10,935
PY9	7,143	4,833	11,976		1,041	1,041	10,935
PY10	7,143	4,833	11,976		1,041	1,041	10,935
PY11	7,143	4,833	11,976		1,041	1,041	10,935
PY12	7,143	4,833	11,976		1,041	1,041	10,935
PY13	7,143	4,833	11,976		1,041	1,041	10,935
PY14	7,143	4,833	11,976		1,041	1,041	10,935
PY15	7,143	4,833	11,976		1,041	1,041	10,935
PY16	7,143	4,833	11,976		1,041	1,041	10,935
PY17	7,143	4,833	11,976		1,041	1,041	10,935
PY18	7,143	4,833	11,976		1,041	1,041	10,935
PY19	7,143	4,833	11,976		1,041	1,041	10,935
PY20	7,143	4,833	11,976		1,041	1,041	10,935
NPV@ 12% (Naira Millions)							19,584
NPV@ 12 % ('000 USD)							47,002
EIRR							23%

Table F

Sensitivity analysis

Sensitivity analysis				
		IRR	NPV (Naira M)	Link with risk analysis
Base Scenario		23%	19,584	
Decrease of Project benefits	-10%	23%	19,684	Continous climate shocks such as drought & floods. Nigeria has experienced flooding for the past many years until today, and this is can be a key risk which can lead to decrease of project benefits.
	-20%	22%	17,945	
	-30%	20%	14,445	
Delay of benefits	1 year	20%	15,151	Possible delay in replenishment and disbursement of funds in one source of funds to different procurement teams is a key risk tha can highly impact on the delay of project benefits.
	2 year	19%	12,407	Political interference in the programme management units at national and state levels and inadequate capacity of staff recruited
Adoption rates	90%	22%	16,613	Low uptake of good practices
	80%	20%	12,187	
	70%	19%	10,255	
Cost Increase	10%	22%	18,717	High inflation/Macroeconomic fundamentals
	20%	20%	16,395	
	30%	19%	15,073	
Increase of benefits	10%	26%	17,767	
	20%	19%	29,891	