

Nigeria

Value Chain Development Programme

Supervision Report

Main report and appendices

Mission Dates: 12 November 2018 to 30 January 2019
Document Date 05/06/2019
Project No. 1100001594
Report No. 5062-NG

West and Central Africa Division
Programme Management Department

Abbreviations and Acronyms

AWBP	Annual Work Plan and Budget
ATIC	Agricultural Transformation Implementation Council
ADP	Agricultural Development Project
BCR	Benefit Cost Ratio
BP	Business Plan
CAF	Commodity Alliance Forum
CASP	Climate Change Adaptation and Agribusiness Support Programme
COP	Conference of Parties
COSOP	Country Strategic Opportunities Programme
GALS	Gender Action Learning System
GHG	Green House Gases
ESMP	Environmental and Social Management Plan
FGN	Federal Government of Nigeria
FFB/BS	Farmer Field/Business School
FMARD	Federal Ministry of Agriculture and Rural development
FO	Farmer Organization
GAP	Good Agricultural Practice
GPS	Global Positioning System
GIS	Geographic Information System
IITA	International Institute of Tropical Agriculture
IRR	Internal Rate of Return
LGA	Local Government Area
LOP	Life of Programme
MG	Matching Grant
MIS	Management Information System
MTR	Mid-term Review
M&E	Monitoring and Evaluation
Mt	Metric tons
MoU	Memorandum of Understanding
NAIC	National Agricultural Insurance Corporation
NAN	News Agency of Nigeria
NCAM	National Centre for Agricultural Mechanization
NIMET	Nigerian Meteorological Agency
NPMU	National Programme Management Unit
NRCRI	National Root and Crop Research Institute
O&M	Operations and Maintenance
PO	Producer Organization
PPPP/4Ps	Public-Private-Producer Partnership
RUFIN	Rural Finance Institution Building
RIMS	Results and Impact Measurement System

SECAP	Social, Environmental, Climate Assessment Procedure
SOE	Statement of Expenditure
SON	Standard Organization of Nigeria
SPMU	State Programme Management Unit
TOHFAN	Tractor Owners Hiring and Finance Association of Nigeria
ToT	Training-of-Trainers
USAID	United State Agency for International Development
UNFCCC	United Nations Framework Convention on Climate Change
VCAP	Value Chain Action Plan
VCDP	Value Chain Development Programme
VCSC	Value Chain Steering Committee
WA	Withdrawal Application

A. Project Overview

Region:	West and Central Africa Division	Project at Risk Status:	Not at risk
Country:	Nigeria	Environmental and Social Category:	B
Project Name:	Value Chain Development Programme	Climate Risk Classification:	2
Project Id:	1100001594	Executing Institution:	Ministry of Agriculture and Rural Development
Project Type:	Agricultural Development	Implementing Institutions:	not available yet
CPM:	Nadine Gbossa		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date:	03/04/2012	Last audit receipt:	28/06/2018
Signing Date:	23/08/2012	Date of Last SIS mission:	30/04/2019
Entry into Force Date:	14/10/2013	Number of SIS Missions:	10
Available for Disbursement Date:	14/10/2013	Number of extensions:	1
First Disbursement Date:	19/09/2014	Effectiveness lag:	18 months
MTR Date:	12/05/2018		
Original Completion Date:	31/12/2019		
Current Completion Date:	31/12/2022		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	IFAD	\$89,097,000
	IFAD	\$87,465,926
	IFAD	\$74,380,562
	West and Central Africa Division	\$471,788
Domestic Financing breakdown	Beneficiaries	\$8,068,690
	National Government	\$15,600,041
	Beneficiaries additional financing	\$1,200,000
	Private sector local	\$15,000,000
	National Government (add)	\$27,800,000
Co-financing breakdown,	Co-financiers	\$6,800,000
Project total financing:		\$325,884,007

Current Mission

Mission Dates:	12 November 2018 to 30 January 2019
Days in the field:	13 to 21 Nov 2018 (8 days)

Mission composition: From IFAD: Nadine Gbossa- Country Representative, Ben Odoemena- Country Programme Officer, Mariatu Kamara-Programme Officer, Jones Lemchi- Economist/Value Chain/Poverty/Partnership, Adeline Muheebwa- Gender/ Youth/Nutrition, Guy Kemtsop- Infrastructure/Irrigation, Davis Atugonza- Financial Management, Paul Picot- Financial Inclusion, Ben Okpukpara- Institution/Group Development, Franklin Ibemessie- Procurement). From Government: Samuel Eremie-Lead Consultant, Programme Management, Samuel Negedu- Crop Production/ Extension, Oyesola Oyebanji- Crop Production/ Extension/Policy, Maiwada Zubairu- M&E, and Praise Uke- Environment/Climate; Ameh Onoja- VCDP National Programme Coordinator, Aisha Ndayako-Mohammed, Head, Projects Coordinating Unit, FMARD; Olusola Fasuba & David Efih- Federal Ministry of Finance as well as Representatives of Ministry of Budget and National Planning (MBNP), key off-takers and inputs suppliers of participating private sector firms in the programme.

Field sites visited: Anambra, Benue, Ebonyi, Niger, Ogun and Taraba States

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		6	Assessment of the Overall Implementation Performance		5

Effectiveness and Developmental Focus	4	Project Management	4
Effectiveness	5	Quality of Project Management	5
Targeting and Outreach	5	Knowledge Management	4
Gender equality & women's participation	5	Value for Money	4
Agricultural Productivity	5	Coherence between AWPB and Implementation	4
Nutrition	3	Performance of M&E System	4
Adaptation to Climate Change	3	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	3

Sustainability and Scaling-up	5	Financial Management and Execution	4
Institutions and Policy Engagement	5	Acceptable Disbursement Rate	5
Partnership-building	6	Quality of Financial Management	3
Human and Social Capital and Empowerment	5	Quality and Timeliness of Audit	5
Quality of Beneficiary Participation	4	Counterparts Funds	3
Responsiveness of Service Providers	4	Compliance with Loan Covenants	4
Environment and Natural Resource Management	3	Procurement	4
Exit Strategy	5		
Potential for Scaling-up	5		

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

This 6th joint Federal Government of Nigeria (FGN)/International Fund for Agricultural Development (IFAD) supervision mission of the Value Chain Development Programme (VCDP) was conducted from 12 to 26 Nov 2018 (field trip), in-situ working sessions and consultations with the project team in Abuja was held in February 2019 (after the Christmas holidays), while the wrap-up with the government took place in March 2019 (delays encountered because of the electoral process). The main objectives of the supervision mission were to: (i) review implementation progress and achievement of outputs and outcomes by component; (ii) identify implementation constraints and agree on actions to address them; and (iii) review the quality of programme management. Specific emphasis was on the: status of implementation against the log-frame and the 2018 annual work plan and budget (AWPB) targets; status of execution of actions agreed during the MTR; evidence on job/wealth creation and poverty reduction; effectiveness of targeting, and development results; quality of infrastructure and contract management; effectiveness of programme coordination, financial and procurement management; and continued relevance of the exit strategy and sustainability arrangements.

The mission, divided into three teams visited selected programme and partner operational sites in the six participating states from 12 Nov to 10 Dec 2018. The mission inception meeting held in Abuja on 12 November 2018, brought together VCDP staff at the national and state levels, officials from the Federal Ministry of Agriculture and Rural Development (FMARD), the Federal Ministry of Finance (FMF), Ministry of Budget and National Planning (MBNP), and the Projects Coordinating Unit (PCU) of the FMARD, as well as key officials of participating private sector firms in the programme, notably off-takers and inputs suppliers, to review the reports by the various parties and finalize the field visit schedule. The mission team met on 22 November to share the highlights of the experience from the field visit. A draft supervision report was shared with the staff of the National and State Programme Management Units at a technical meeting on 27 November for inputs. The report was reviewed by the IFAD WCA review team on 18 December 2017. The wrap with the Government was held on 12 March 2019.

Key Mission Agreements and Conclusions

Overall the mission notes that VCDP is on track towards achieving its development objectives. VCDP's data shows that the programme is successful enhancing the productivity of the farmers and the incomes of women and youth in production, processing and entrepreneurship interventions in seed multiplication activities: a) three years to completion, VCDP has contributed **450,000mt of rice** (N67.4 billion or **\$221.3 m**) and 750,150 metric tons of cassava (N15.0 billion or US\$49.2 million) to the national food security and N82.4 billion (US\$270.5 million) to the national economy, and some levels of import substitution. The value increases by 30% i.e. N81.2 billion (or US\$247.5 million) with value addition from milled rice and processed fresh cassava roots; (b) over 800 decent jobs have been created in ownership of various profitable agribusinesses by youth; (c) most youth entrepreneurs are keeping good records and banking their sales proceed; (d) the online bank transfer payment system for farmers produce was adopted by the off-takers, providing the small farmers the added opportunity of being financially included in the formal system; and (e) pyramids of rice paddy were seen at the various aggregation centres, an indication of a bumper harvest from the VCDP farmers and good return on their investments. The mission would like VCDP to further strengthen youth participation and step up investment in irrigation agriculture.

The VCDP public-private-producer partnerships (4Ps) established in the six participating states has gingered market-led smallholder farming and generated employment in targeted communities. The key success of the VCDP is the formation of 40 commodity alliance forum (CAF) which has promoted buy-in and transparency in smallholder agri-business, and provided a platform for knowledge sharing and policy discourse on commodity value chain (VC) development. Through the innovative 4Ps model, a total of 73,224 beneficiaries are participating in the programme comprising: 65,857 producers (146% of 45,000 life of programme (LoP) target); 5,391 processors (70% of 7,680 LoP target) and 1,976 marketers (247% of 800 LoP target). Thus, private sector participation remains the strength and exit window of VCDP.

The ten key high-level **agreements** reached between IFAD and FGN at this mission are:

1. VCDP and PCU to work with the Federal Ministry of Finance to make the AF financing effective before the end of March 2019 to avoid any gap between the first phase and the additional financing phase. VCDP should also ensure implementation readiness in the new states by signing subsidiary agreements, engaging programme staff at national and state level and establish offices by June 2019.
2. VCDP to complete all the engineering designs/drawings for selected dry season irrigation projects and agree on the funding arrangements with interested state governments before March 2019. VCDP should prioritize states interested in cost-sharing arrangements for engineered irrigation development.
3. VCDP to fast-track the development of the Financial Literacy strategy and make it operational to support beneficiaries' access to finance and agribusiness management for rural women and youth. VCDP should also build on its achievement in value chain financing to design a financial inclusion strategy for the smallholder farmers and youth to guide implementation during the AF period. VCDP should identify a competent financial inclusion consultant for this assignment before the start-up of the AF.
4. VCDP to engage qualified environment and climate change adaptation expertise to effective

mainstream environment and climate change adaptation in programme, as well as engage a nutrition expert to effective mainstream nutrition in the programme.

5. VCDP to develop a 3-months Action plan to spearhead progress in mainstreaming environment and climate adaptation. This 3 month-action plan should include measurable deliverables and proposed budget for approval by IFAD.
6. VCDP to avoid farmers/herdsmen conflict areas in Guma, Logo and Gwer East LGAs in Benue State and consolidate programme activities in the other two LGAs until the conflict is resolved. Out of the 26.7 ha rice supported in 2017/2018 in Guma, Logo and Gwer East LGAs, only 11.75 ha had a successful yield. Over 56% of the rice production was lost to cattle invasion and the displacement of people
7. Gender and youth participation should remain a priority area of focus for VCDP as IFAD and FGN engage on scaling up the Programme.
8. VCDP to fix the issues on the accounting software quickly. IFAD should commission an independent mission to review project staff remuneration and entitlements in line with project-funded practices in Nigeria to harmonize salaries of projects staff.
9. VCDP to continue to (a) support youths seed multiplication programme through capacity building in entrepreneurial and technical skills, (b) develop pro-rural youth and women inclusive business model to stimulate demand and effectively utilise the processing centres, (c) support AMIS as well as standard weight and measures use by farmers.
10. VCDP to review and standardize existing production record book in the states and establish standardized record books for the enterprises along the value chains. VCDP should also drop non performing service providers in extension and farmer organization for lack of performance.

D. Overview and Project Progress

Since the last mission, benefiting farmers reported substantial yield and income increases. The processors attested that farmers were able to meet their production and delivery obligations as agreed in the 4Ps meetings prior to the commencement of the season. Below is a summary of the performance recorded in various aspects of programme implementation. Several cluster level processing centres have been completed and put into use by the farmer organizations (FOs). The CAF, which was launched in October 2018 at the national level to facilitate upscaling of the model to other states of Nigeria, remains the key pillar of VCDP's successful 4Ps model, being a platform for farmers, government and private sector players to engage in business discussion, exchange market information, share knowledge and agree on policy support. Below is an overview of the VCDP's progress by component.

Market infrastructure. During the period under review, Around 4.2 km of roads was developed, and works are on-going for other roads against an AWPB target of 90km representing an achievement rate of 4.7%. Surface dressing and chemical stabilisation were adopted for the final layer. As of today the cumulative total of roads constructed/rehabilitated by VCDP is 138.7 km representing a 46% achievement rate against a LoP target of the 300 km. The short fall was justified by cost inflation, variation in designed specifications and the country standards as well as addition of complementary infrastructure for completeness. The overall quality of works is assessed as moderately satisfactory. The mission noted that Operation and maintenance (O&M) committees have been set up, trained and provided with light tools for road maintenance. The programme reported that completed roads are yet to be handed over to the recipient authority. VCDP is advised to quickly handover all completed road projects to the government to ensure sustainability *The mission recommends further improvement on the road works through the provision of drains, camber, and uniform surface dressing.* **Agricultural productivity.** The adoption of improved production technologies by farmers, timely provision of quality inputs through the matching grant arrangement, and use of mechanization services resulted in increased yields during the period. Some farmers reported yield of 28 MT/ha for cassava for the main season and up to 7.8 MT/ha of rice paddy during the 2017/2018 dry season. The batch of farmers that had benefited from two years of input support through the matching grants were weaned off in 2018 and new beneficiaries enrolled. Commendably, some of the graduated youth have offered to give quality seed without payment to the new entrants as social responsibility to their communities and payback to the programme. Overall, the programme has doubled the productivity of rice from less than 2 MT/ha baseline to 4.5 MT/ha and increased cassava productivity from 15 MT/ha baseline to 25 MT/ha.

Land and irrigation development. In this area, the mission was pleased to note that VCDP exceed programme targets. In 2018, a total of 1,947 ha of land were developed, comprising 1,151 ha for cassava and 796 ha for rice production. Additional 975 ha have been identified and surveyed for development. Apart from preparing land for cultivation, 73 km of new farm access road was created during land development. About 4,987 ha (260% of AWPB) was under irrigation using tube-wells and wash bores for dry season farming on land with high water tables. Overall 4,067 ha against a LoP of 3000 ha of land has been developed since programme inception, representing 135% of the 3,000 ha LoP target. Engineering designs have been done for 1,352.3 ha of new irrigation schemes. Overall, 218% of the LoP target of 3,000 ha has been achieved for irrigation development.

The mission noted tangible achievement in the provision of market and processing facilities, using prototypes for the new buildings with resultant lower construction costs: 14 markets (87% of AWPB); 168 stalls in markets (87%); 6 processing units with stores (46%) and; 50 FO commodity stores/village bulking centres (56%). Seven solar powered borehole water points (47% of AWPB), were constructed and all of them are functioning. Overall, for market and processing facilities, at the time of the mission, the achievement rate for market and processing facilities is of 75% on the AWPB target and 60% on the LoP target.

Farmers' organization strengthening. In this area again, VCDP's implementation exceeded targets. As of the time of the mission, about 1,610 FOs (301% of AWPB) were registered with the Department of Cooperatives, leading to a cumulative achievement of 4,636 (173% of the LoP target of 2,674). VCDP trained 2,764 group leaders (502% of AWPB), giving a cumulative achievement of 8,342 group leaders (124% of the 6,750 LoP target). In 2018, 717 FOs (159% of AWPB) used bulk purchase method to procure their inputs, against a cumulative achievement of 1,737 FOs (77% of the LoP target). About 11,032 farmers (122% of AWPB) were provided agro-inputs, for a total of 35,031 farmers (78% of LoP target). Some 1,520 youths (195% of AWPB) were trained in good agricultural practices (GAP) and other income generating enterprises, bringing the LoP achievement to 8,422 trained youths (94%). The service providers (SPs) engaged by VCDP facilitated FO strengthening for sustainability, and assisted in the development of apex value chain groups (AVCGs) for cassava and rice. Overall 4,112 FOs representing 365% of the LoP target of 1,125 have been strengthened.

Gender and youth participation. The mission noted the increasing participation of women and youths across the programme target value chains (VCs), exceeding again the programme's targets. To date women constitute 37% of beneficiaries (against a LoP target of 40%) and youth 43% (compared with LoP target of 40%) of the total outreach of 73,224. Post MTR, women-only groups accounted for 73% of the 903 FOs that received VCDP support, while youth-only groups accounted for 13%. Out of the 1,947 ha of land developed in 2018, 23% was allocated to women and 31% to youths, to increase their productivity and incomes and enhance their economic empowerment. Women participation rate is high in processing (72%), than in marketing (47%) and production (34%).

Women were involved in all stages of infrastructure development, are members of the O&M committees, and some are

very effective managers of processing and market facilities. The participation of women in FO leadership lower because of low literacy levels and socio-cultural beliefs that limit women's participation in development initiatives.

Gender and youth participation should remain a priority area of focus for VCDP as IFAD and FGN engage on scaling up the Programme.

Nutrition mainstreaming. Mainstreaming of nutrition activities commenced late in VCDP as they were not fully foreseen at time of design.

The International Centre for Tropical Agriculture (CIAT) is currently providing technical assistance to VCDP with the aim of mainstreaming nutrition in VCDP, including the development of a nutrition strategy to guide implementation. Accordingly, VCDP has supported the construction and equipping of cassava and rice processing centres for improved quality of post-harvest handling. A water borehole is provided to every processing centre and market stall as a complementary facility to promote quality/hygiene and as part of VCDP effort to improve the food system. However, the biggest challenge experienced at the local cassava processing centres is the low quality of processed products which fails to meet nutrition quality and food safety standards. In line with the dietary objectives of the National Agricultural Promotion Policy, during the period under review, VCDP received, through a regional grant, technical assistance to mainstream nutrition along the different stages of selected value chains. These include change communication campaigns: on nutritional value of different crops; at production stage the promotion of bio-fortified varieties with higher nutritional value, capacity building on aflatoxin control for production of safe foods; Post-harvest: sensitization of farmers on safe use of chemicals during storage, promotion of labour-saving processing technologies that free up women's time and reduce drudgery; Consumption: support behaviour changes on appropriate cooking methods, food combinations and recipes, good nutrition practices and nutrient requirements of different household members. The mission was pleased to note that the VCDP AF will support the pursuit of the mission noted that VCDP additional financing provides resources to strengthen the Mainstreaming of nutrition in the Programme support including the recruitment of specialized expertise in nutrition.

It is recommended that the PCU pays full attention to the recruitment of the nutrition expertise to ensure availability at AF start up and prioritize the development of a comprehensive nutrition strategy for the additional period of programme implementation.

Climate change and environment mainstreaming There is commendable commitment to improve the performance of VCDP in environment and climate change. For instance, VCDP has deployed more smart weather readers, partnered with insurance firms to insure a total of 4,460 ha of VCDP rice farmers against flood, and provided an artesian well in Taraba State to feed an irrigation demonstration plot and propagate *Axonopus compressus* to erosion on the roads. There is increased adoption of ridge planting for cassava production and in Benue State, starch chambers have been separated from the effluence tank. VCDP has also started to pilot briquetting technology in some states to reduce inference with forest for firewood by small-scale processors. All Social, Environmental and Climate Assessment Procedures (SECAP) related documents have been produced and the quality of the mitigation measures implemented post-MTR has improved. The mission was pleased to note that a SECAP Review Note and Environment and Social Management Framework (ESMF) have also been prepared as part of the AF to take care of the lapses at the initial design of VCDP. A more result-focused action plan is being developed to improve on VCDP performance in environment and climate change.

It is recommended that VCD develop a 3-months Action plan to spearhead progress in mainstreaming environment and climate adaptation in Programme management. This 3 month-action plan should include measurable deliverables and proposed budget for approval by IFAD.

Financial inclusion. At time of design, VCDP did not include a strategy for financial access by rural poor farmers. Going forward, VCDP will improve the capacity of VC actors for savings mobilization and link them to financial service providers hence results in this area are limited. .

As of 31 October 2018, VCDP has linked 2,668 FOs (57% of the total) to financial institutions (FIs). A total of 27,929 FO members have been linked to FIs (31% women), out of which 4,478 members (37% women) have accessed bank loans. In addition, farmers that are linked with large rice off-takers are benefiting from value chain financing involving provision of input on credit by off-takers and recovery of the cost during paddy supply by farmers. All the farmers that are linked to off-takers operate bank account, and by this process, VCDP is promoting financial inclusion. Some banks (Access Bank, FCMB) are financing farmers linked to off-takers, the main collateral being the contract between the off-takers and the farmers. The mission noted that the extended Programme period will provide an opportunity to mainstream financial inclusion in the Programme. Through partnerships with financial institutions, VCDP will seek to: (i) strengthen the capacity of farmers in financial literacy, (ii) develop farmers' capacity in savings mobilization to leverage financial credit, and (iii) work with financial institutions to develop products favourable to farmers.

It is recommended that VCDP will build on its achievement in value chain financing to design a financial inclusion strategy for the smallholder farmers and youth, which will guide implementation during the AF period. A qualified competent financial inclusion consultant should be identified with the support of IFAD ICO for this assignment towards completion before the start-up of the AF.

Programme coordination. The loan disbursement rate of 83% as at October 2018 is satisfactory. There is an

improvement in the oversight of VCDP with the Technical Review Committee chaired by the Minister of Agriculture meeting twice in 2018 to approve the AWPB and review implementation progress. The AWPB was however approved late (in May) leading to a delay in implementation of some activities. The quality of financial management is assessed as marginally satisfactory due largely to the issues of the flexible accounting software, not being able to enter and print the SOEs. Staff remuneration and entitlements in VCDP project teams remain a source of concern, reflected in the extremely limited drawdown in this category.

The mission advised the management of VCDP to fix the issues on the accounting software quickly. It is recommended that IFAD commissioned an independent mission to review project staff remuneration and entitlements in line with project-funded practices in Nigeria towards recommendations as required.

In view of the positive impact of VCDP the FGN has requested an AF from IFAD to support the scale up of the Programme.

The following issues should be given attention in the scaling up of VCDP: (a) weak capacity and business management skills of some FOs, especially at the processing centres, which pose a risk to sustainability of the processing investments (there is improvement in this areas for the producer groups, especially youth producers; (b) limited success in creating market linkages for cassava farmers; (c) a higher than anticipated demand for land development, with the inability of private sector service providers to meet this demand at a reasonable price; (d) farmer-herdsmen conflicts, especially in Benue and Taraba states, which resulted in the displacement of VCDP farmers and loss of farm produce.; And (e) poor counterpart funding by FGN. The mission noted that FGN is committed to releasing some counterpart to the programme before the end of 2018 and has also included the outstanding amount in the 2019 national budget.

The mission reiterates the few outstanding recommendations made by the MTR which include to: (a) enhance business management support to small farmers and processors, including for the youth enterprises, the processing centres and the waste conversion initiatives; (b) upscale the Olam, Popular Farms and Onyx value chain financing to cover more locations; (cc) refocus the cassava value chain activities to limited strategic operational sites.

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Business Management (a) enhance business management support to small farmers and processors, including for the youth enterprises, the processing centres and the waste conversion initiatives; (b) upscale the Olam, Popular Farms and Onyx value chain financing to cover more locations; (c) develop a financial literacy strategy for sustainable financing of the VC activities and in particular improve the performance of women in leadership positions; and (d) refocus the cassava value chain activities to limited strategic operational sites	NPMU and SPMUs	08/2019

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 5	Previous rating: 5

Justification of rating

VCDP has made positive progress towards achievement of the programme objectives of reducing rural poverty, enhancing food security, improving living standard, and creating gainful jobs. VCDP has exceeded the LoP target for outreach by 137% (73,224/53,480). The participation of women and youth is 37% and 43% of total beneficiaries respectively, compared with the LoP target of 40% for each group. A total of 211,727 MT of rice paddy and 462,226 MT of cassava tubers has been produced by VCDP farmers since inception, for a total revenue of N35.9 billion (USD 118.3 million). For 2018 alone, the revenue from sale of cassava tubers and rice paddy is estimated at N3.5 billion. With production cost of N0.5 billion, this represents a net injection into the domestic economy of N3 billion.

Log-Frame Analysis & Main Issues of Effectiveness

Log-Frame Analysis & Main Issues of Effectiveness

Analysis of data from the beneficiary impact assessment in Benue and Ebonyi states shows improvement in food security between 2016 and 2018. There was a 44% increase in access to food, with an increase in nutritional quality of 56% (consumption of milk/eggs/fruits/vegetables), and an increase of 27.5% in the number of meals/day given to children that contains nutritive food items. The programme is also achieving the key outcomes of production and productivity. Average farm size for benefitting rice and cassava farmers has increased by about 80.5%; average yield of rice by 115% with some farmers now reporting 7 MT/ha; and average yield of cassava by 72%, with some farmers getting 35 MT/ha. Total rice output (MT/farmer) increased by 242%, and cassava output by 180%. VCDP is also achieving its primary objective of poverty reduction among the beneficiaries. Average farm income (N/farmer) for rice increased by 218%, and that of cassava by 278%. Net farm income per day per beneficiary was USD 2.9/ day/capita, which exceeds the USD 2.0 World Bank poverty benchmark. Household assets are improving among the beneficiaries as shown by a survey in Benue State. The number of beneficiaries who live in cement block houses has increased by 64%, and those with improved roof by 40%, all facilitated by the incomes from the cassava and rice enterprises promoted by VCDP. There is also expansion in land cultivation and technology uptake by farmers, due to the jump in their production and income.

The data further shows that the proportion of total output sold by the benefitting farmers increased by 164% for rice farmers (3.6-9.5 MT), and 155% for cassava farmers (11.3-28.9 MT), a strong indication that VCDP has greatly strengthened the commercial orientation of the farmers, with most farmers producing for a guaranteed market that has been further stimulated and widened by VCDP. The absolute quantity of rice and cassava processed by the farmers increased by 210% (0.2-0.5 MT) and 131% (3.2-7.4 MT), respectively. However, the proportion of total output processed by the farmers declined against the appraisal estimates, rice by 30% (4.6-3.2%) and cassava by 43% (36-20.6%). This resulted from the increased specialization of the VC actors which VCDP has strongly promoted. Farmers are now concentrating on production and reducing the extent of their involvement in processing. Output loss through spoilage has greatly reduced among the farmers: by 50% for rice (0.06-0.03 MT) and 97% for cassava (0.66-0.02), while the proportion of total output lost declined significantly by 78% for rice (9.9-2.2%) and 98% for cassava (8.4-0.1%). The improved harvesting of rice using thresher technology has greatly reduced paddy loss incurred by farmers, while a ready market for cassava reduced the length of time the roots stayed in the ground after maturity and hence roots damage and loss. Table 1 to 9 in Appendix 4.1 provide an overview of the outcome and objective results achieved by VCDP in partnership with private sector producers.

VCDP had a lower performance in some market infrastructure, such as 138.7 km feeder roads (46% of target), 42 water points (36% of target), 35 markets (58% of the target), 24 processing centres (19% of target), 271 market stalls (90% of target), and 251 FO commodity stores (56% of the target). However, this is due to higher technical standards and specifications adopted for the road against the design as well as the high inflationary rate experienced by Nigeria in the past three years. O&M committees have been set up for roads, markets and processing centres for sustainable management. A total of 4,067 ha of land (135% of target) have been developed, to improve access to productive land by women and youth.

Development Focus		
Targeting and Outreach	Rating: 5	Previous rating: 5

Justification of rating

VCDP continues to support the strengthening of FOs, as well as increasing beneficiary incomes and investments in job creation opportunities. Since the MTR, VCDP has supported 903 farmer groups (376 for cassava and 527 for rice) with a membership of 14,618 (20% increase). Cumulatively, VCDP has supported 4,636 FOs (1,488 cassava and 3,148 rice) distributed as follows: production - 1,286 in cassava and 2,849 in rice; processing - 159 in cassava and 239 in rice; and marketing - 43 in cassava and 60 in. To date the programme has supported a total of 73,224 beneficiaries: 65,857 producers (achievement of 146%); 5,391 processors (achievement of 70%) and 1,976 marketers (achievement of 247%). Out of the 73,224 beneficiaries, 31,536 (43%) are youth.

Main issues

Main issues

A total of 120 youths (87 male and 33 female) have been trained as rice seed entrepreneurs by Africa Rice, and 90 youths (62 male and 28 female) as cassava stem multiplication entrepreneurs by National Root Crops Research Institute (NRCRI). The 90 youths[1] trained in rice seed multiplication have produced 286.8 MT of rice seeds and sold 141.38 MT (49%) to 1,437 farmers, while the youths trained in cassava stem multiplication have produced 24,129 cassava stem bundles and sold 12,671 (53%) bundles to 436 farmers. The seed multiplication activities provided farmers access to good viable seeds, as well as rural employment and income generation opportunities for women and youths. *Secondly*, while the producers and marketers have achieved over 100% of their targets, the small scale processors are at 70%. Women participation rate is higher in processing (72%), than in marketing (47%) and production (34%). With the rehabilitation/construction of the processing centres, a high business potential is envisaged for the processors, which will attract more youths' participation as aggregators, traders and providers of other services such as transport. Thirdly, VCDP has achieved a good gender balance in the implementation of programme activities, with an overall participation of 37% women and 43% youths in beneficiary groups post-MTR (increase by 1% and 2% respectively). As a self-targeting mechanism, equipment was provided to the youths on the basis of ecological peculiarity and comparative advantage of activities.

The mission recommends that VCDP continues to support the youths seed multiplication programme through capacity building in entrepreneurial and technical skills. Programme should continue the inclusion of women and youths as primary targets of the programme. The mission also recommends the development of a pro-rural youth and women inclusive business model that will stimulate demand and effectively utilise the processing centres, AMIS and standard weight and measures.

However, the mission notes the unforeseen crisis in Benue state between the herdsmen and crop farmers which has disrupted project implementation in Guma, Logo and Gwer East Local Government Areas (LGAs). Out of the 26.7 ha rice supported in 2017/2018, only 11.75 ha had a successful yield. Over 56% of the rice production was lost to cattle invasion of farms and the displacement of people as a result of the conflict. *The mission recommends a consolidation of the programme activities in the other two LGAs until the conflict is resolved.*

[1] 30 youths trained in rice seed multiplication who graduated in September 2018, have not yet started production.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Develop inclusive business models that focus on youths engagement along the VCs 1. Scale up a rural business model that incorporates the youths and women 2. Promote documentation on the impact of the model on youths and women's incomes and well-being.	NPMU, FMF and IFAD	08/2018
Support to the Youths Seed Multiplication Programme 1. Facilitate more learning for the youths through exchange visits for peer knowledge sharing and networking and trade shows.	NPMU and SPMUs	08/2019

Gender equality & women's participation

Rating: 5

Previous rating: 5

Justification of rating

The programme records a measurable participation of women and youths across the value chains, with women at 37% (26,986/73,224) and youth 43% (31,536/73,224). VCDP has facilitated youths and women's access to productive

resources, enhanced incomes and increased job opportunities. The youths have been equipped with simple farm machines through matching grant, for effective service delivery and reduction in farm drudgery. Post MTR, a total of 903 FOs have received support comprising: 61 women-only groups, 655 mixed groups, 66 men-only groups and 121 youth-only groups. VCDP is promoting the Gender Action Learning Systems (GALS) methodology and has recorded significant impacts within one year period of implementation, but the adoption is at the household level.

Main issues

Main issues

The lower participation of women in FO leadership is attributed to low literacy levels and socio-cultural factors, which limit women's participation in development and hinder them from access to opportunities. The women in the LGVCSCs are literate. Out of the 1,947 ha of land developed in 2018, 23% was allocated to women and 31% to youths, to increase their productivity and incomes and enhance their economic empowerment in terms of asset control and decision making on benefits from the land. Women were involved in all stages of infrastructure development, are members of the O&M committees, and some are very effective managers of processing and market facilities. The increased savings mobilization by women in FOs, support to value addition initiatives and access to market stalls, contributed to achieving 35% (out of 49,783) women access to matching grants against the LoP target of 35%. VCDP has achieved 30% (out of 2,643) women participation in learning visits and 26% (out of 9,589) women participation in entrepreneurship trainings. In governance, while 62% (out of 330) in LG Value Chain Steering Committees (LGVCSC) are women, only 8% (out of 22,824) are women in FO leadership.

The mission recommends that a pro-active approach towards GALS implementation be adopted beyond the household level.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Mainstreaming GALS in VCDP Develop a GALS strategy to guide implementation; Review FO training manuals for GALS integration; Build capacity of GALS champions for scaling up training; Enhance capacity of responsible staff in GALS – exposure visits; Support GALS capacity building for FOs and apex organization	RIYGMOS	06/2019
Enhance participation Support increased savings mobilization by women and youths; Conduct technical/entrepreneurial capacity building for value addition; Strengthen financing linkages for women enterprises; Promote peer learning through exchange visits and field days; Increase capacity building in governance of LGVCSCs and FOs	RIYGMOS	06/2019
Increase youths participation Promote briquette production as a business; Strengthen linkage with financial institutions to access credit; Strengthen market linkages for youths initiatives.	RIYGMOS	08/2019
Gender training for Staff and Participation Institutions Conduct gender training for all technical and administrative support staff; Develop a gender/youths guidelines to support gender mainstreaming; Conduct a gender impact study to identify gaps and opportunities for women and youth.	NPMU and SPMU	08/2019

Agricultural Productivity

Rating: 5

Previous rating: 4

Justification of rating

The result of VCDP in the area of agricultural productivity is remarkable. The adoption of improved production technologies by farmers resulted in increased yields, from less than 2 MT/ha to an average of 5 MT/ha for rice and 15 MT/ha to 28 MT/ha for cassava. Some farmers recorded a yield of 7.8 MT/ha during the 2017/2018 dry season rice production. The provision to FO members of: (a) timely and quality inputs through the matching grant arrangement; (b) mechanization services by youth entrepreneurs (using simple farm machinery such as power tillers and rice threshers); and (c) a reliable source of good quality seed/planting materials by youth trained and empowered by VCDP, have been major contributors to productivity enhancement, along with increased technology adoption through the demonstration plots established by private extension service providers.

Main issues

Irrigation infrastructure is currently an area of focus for the programme to make up for challenges. The expansion of land area under irrigation was delayed due to the higher than anticipated cost of the irrigation infrastructures design in some states (see above). *VCDP is seeking to foster cost sharing arrangement between the State Governments and the programme.* The Ebonyi State Government has agreed to such cost sharing arrangement because of the importance it attached to dry-season farming. Also the production record books provided by private extension service providers (PESPs) in some of the states are not always user-friendly to track crop yields on farmers' fields and actual production area by beneficiaries.

It is recommended that VCDP prioritize states interested in cost-sharing arrangements for engineered irrigation development. The mission strongly recommends that PESPs who have not done well should be dropped for lack of performance; the existing VCDP production record book should be reviewed and standardized across the participating states; and VCDP should establish standardized record books for all enterprises along the VCs.

Finally VCDP should intensify the promotion of simple farm machineries for production as recommended by MTR. Through savings mobilisation, the financial strength of FOs has improved. However, the level of linkage to financial institutions is very low. While the private sector involvement in VC financing is commendable, *additional financial products need to be developed for diversified enterprise options, including enterprises that have long gestation period, such as cassava production.* In order to improve financial access by the beneficiaries, the mission is pleased to note that VCDP AF will include mainstreaming of financial services

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Productivity and Production enhance Prioritize irrigation agriculture in the states whose state governments are willing to enter into cost-sharing arrangement with VCDP to establish engineered irrigation facilities Review the quality of SPs and drop the non-performing ones after the expiration of their current contracts, especially the SPs who have been unable to provide farmers with production record books that are user-friendly for tracking crop yields; and Establish a monitoring mechanism for all service providers under VCDP Intensify promotion of simple farm machineries for production and post-harvest handling in rice and cassava Liaise with FIs to develop financial products for VC enterprises that have long gestation period Undertake all activities relating to pre-season training and input supply in accordance with farming calendar to enhance productivity Expand institutional partnership with IFDC to include development of financial products for the FOs Upscale the use of weather smart equipment and display readings at strategic locations for farmers	SPMU	04/2019

Nutrition

Rating: 3

Previous rating: 3

Justification of rating

VCDP has started implementing a Nutrition sensitive food systems involving 3 approaches: (i) addition of nutrition to value chain products through bio-fortification, better storage systems and sanitations; (ii) reduction of nutrition losses during processing and transport; (iii) production and productivity increase and encouragement of the households to retain enough food for family consumption during lean periods. Following this approach, VCDP has trained 60 women on production of recipes from Vitamin A bio-fortified cassava, developed 19 nutrient rich rice and cassava products, and supported the

production of over 400ha of vitamin A cassava variety and the practice of intercropping soybean or cowpea in cassava farms in the six states. Copies of nutrition training manuals have been developed, 1,340 farmers (575 men and 765 women) have been trained in dietary in-take and improved water, sanitation and hygiene systems. The International Centre for Tropical Agriculture (CIAT) is currently providing technical assistance to the programme, with the aim of mainstreaming nutrition in VCDP. A nutrition strategy will be developed to guide implementation. The programme will continue to promote the production and utilization of Vitamin A bio-fortified cassava amongst vulnerable groups especially women and children under five years. However, market demand for Vitamin A bio-fortified cassava products is still marginal and remains a challenge for the cassava farmers. VCDP has supported the construction and equipping of cassava and rice processing centres for improved quality of post-harvest handling, expanded job creation and incomes.

Main issues

Main issues

The challenge with regards to nutrition experienced at the cassava processing centres is the low quality of processed products which falls short of nutrition quality and food safety standards. At the rice processing centres, the challenge is the high consumers' preference for white polished type of rice with low nutritional value against the brown type. The processing centres, demonstrate non-nutrition standards compliance, for example: children resting within the production area, non-compliance to workers' personal hygiene, environmental sanitation and work place safety standards, which may lead to high levels of food contamination. Despite VCDP's efforts to certify cassava and rice products with Standards Organization of Nigeria (SON) and National Agency for Food and Drug Administration and Control (NAFDAC) to meet market quality standards, their competitiveness in the market is still rated low falling short of consumers' desires.

The mission therefore recommends as follows: (i) popularise and operationalize the Nutrition Strategy developed by CIAT jointly with VCDP staff; (ii) strengthen on-going nutrition sensitive interventions; and (iii) strengthen Nutrition Forums/Platforms.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Popularise and operationalize the Nutrition strategy 1. Conduct dissemination workshops on the Nutrition Strategy for implementation. 2. Identify and select service providers to support implementation of the strategy 3. Develop knowledge products for increased learning	NPMU/SMPUs	
Strengthen on-going nutrition sensitive interventions from NSVC study 1. Scale up Vitamin A bio-fortified cassava through increased planting material multiplication 2. Conduct capacity building on utilization, especially of bio-fortified cassava and brown rice. 3. Promote nutrient sensitive agronomic practices for example intercropping of cassava with nutrient dense legumes to increase dietary diversity. 4. Build capacity of operators in processing centres on personal hygiene, environmental sanitation and work place safety. 5. Facilitate safe post-harvest handling and quality processing for compliance to standards. 6. Strengthen the use of moisture meters to improve quality of paddy and cassava chips at the aggregation centres 7. Facilitate the certification of nutrition products for mainstreaming into formal market system	NPMU and SPMU	
Strengthen Nutrition Forums / Platforms 1. Sponsor quarterly forum / platform meetings 2. Facilitate media support for forum events and dialogue 3. Participate in Nutrition exhibitions and campaigns	NPMU and SPMU	

Adaptation to Climate Change**Rating: 3****Previous rating: 2****Justification of rating**

VCDP is making efforts with the following knowledge sharing tools to enhance farmers resilience to climate change (CC): (a) Farmer Field School (FFS), for information sharing on CC among the farmers; (b) CAF, which periodically reviews the effect of CC on the farmers field and level of adaptation measures; and (c) NIMET, NAIC and NIRSAL who provide annual seasonal rainfall predictions and insurance facilities to the farmers. During the 2018 main cropping season, NAIC insured a total of 4,460 ha of VCDP rice farmers as follows: Taraba 1,297, Ebonyi 929, Niger 794, Anambra 613, Ogun 428 and Benue 399. VCDP has also responded to past supervision missions' recommendations and prepared the SECAP and ESMF as well as some specific projects-based ESMP in line with IFAD procedures to guide implementation; (d) daily weather reading and information display to the farmer groups on strategically located signboard

Main issues

As earlier indicated environmental, climate and social considerations were not fully considered when VCDP was designed in 2011. Notwithstanding the programme's efforts, responses to remedy environmental, and social externalities and impacts, and climate-induced effects were thus reactive and ad-hoc. To overcome this constraint, VCDP's Social and Climate Assessment Procedure (SECAP) was completed in the framework of the additional financing. This SECAP is complemented with a comprehensive Environment and Social Management Framework (ESMF), attached for your perusal. You will also find below an overview of the elements covered in the ESMF for ease of reference. To support the successful implementation of the ESMF provisions, VCDP Additional Financing has made provision of about US\$ 2, 9 million for human and financial resources, as well as capacity building of beneficiaries and programme staff. Hence our earlier feedback that the Additional Financing provides the framework and the resources to further environmental sustainability and mainstream adaptation to climate change into the programme.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Capacity building of programme staff Engage consultant to provide dedicated environment and climate change support to the programme team Develop 100 days action plan on environment and climate change adaptation mainstreaming	NPMU/SPMUs	02/2019
Promote alternative energy source to limit deforestation Roll out the briquetting technology by 2019	NPMU and SPMU	

b. Sustainability and Scaling up**Institutions and Policy Engagement****Rating: 5****Previous rating: 4****Justification of rating**

VCDP has reasonably engaged in institutions and policy development. It has established the innovative CAF which is a meeting of key stakeholders in agriculture comprising farmer groups, producers, processors, marketers, off-takers, inputs dealers, FIs, insurance providers and others, to discuss their needs and problems, and measures to solve their challenges. The CAF is a reliable instrument of sustainability pathway for replication and scale-up of best practices in commodity VC development. However, while a lot of policy influence has been recorded by VCDP, there is no well-defined policy engagement strategy that has articulated the areas, specific action and expected outcome. Until this is done, VCDP performance in policy dialogue seems opportunistic

Main issues**Main issues**

The CAF is being up-scaled by other states. There is huge participation of the private sector processors, as well as strong intake of the CAF business side by youth. There is also adoption of waste conversion technology by women for income, crop insurance, land development model, etc., part of which have become strong elements of sustainability in VCDP. Furthermore, the programme has influenced the following: (a) use of standard weight and measure in rice marketing; (b)

issuance of Executive Order by some State Governments to ensure the adoption of standard weight and measure for other commodities; (c) establishment of cooperative registration office in the Ministry of Agriculture in Anambra for better proximity to farmers; (c) removal of produce points in food producing communities; (d) adoption of VC approach for other commodities in Niger State; (e) government elimination of double taxation on agricultural produce; and (f) introduction of O&M at the LGA level for feeder road maintenance. VCDP is also participating in various VC committees of the state governments as well as a member of the conflict resolution committee established by the Anambra State Government to overcome the incessant conflict between farmers and herdsmen in the state. The committee meets monthly with the State Government to review the situations. There is also ongoing discussions between the programme and government to influence the adoption of: simple weather reader equipment by farmers from other rural communities; crop insurance; the CAF in all the states of the Federation; seed testing laboratories in other states that are not participating in VCDP; and policy support for irrigation agriculture in all the states

Partnership-building	Rating: 6	Previous rating: 5
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Justification of rating

The strength of VCDP lies in the innovative and robust 4Ps mode it developed. A significant part of VCDP's achievements has been through the innovative CAF, which is a policy and business transaction forum, through which farmers are engaging the government in policy discussions, with key agro-processing firms and private sector operators to provide market and inputs services. VCDP has: leveraged over USD 3 million from the private sector; enabled the farmers to produce premium paddy (free of impurities); facilitated VC financing for farmers; and enabled the farmers to sell over 70% of their produce to reliable market outlets. The CAF has become an instrument that assembles partners in agriculture in Nigeria. Through CAF, Nigeria is witnessing some direct investment inflows in the agricultural sector.

Main issues

Mian Issue

VCDP is partnering with some of the biggest multinational companies in the globe, such as Olam, Stallion Rice, Onyx Rice and Josan Rice to enhance the capacity of smallholder farmers and youth to improve production and productivity in order to enhance their income and livelihoods. Through this partnership, VCDP has developed an innovative CAF (a public-private-producer partnership arrangement) that brings all the key stakeholders including government, private sector and farmers to discuss and pursue their economic interests. Chaired by an off-taker with a lead farmer group member as co-chair, the private sector is the driving force of CAF which has become a reliable instrument for VCDP sustainability. Apart from serving as a forum for transactions, the CAF facilitates market inclusion, policy debate, knowledge sharing, and replication and scale-up of best practices in agricultural value chain development. Niger and Anambra states have legally up-scaled the CAF to the LGA level. The FMARD's interest to replicate the CAF in the remaining 30 states of Nigeria was demonstrated at the national launch of the CAF in October 2018, and another IFAD-assisted project, the Climate Change Adaptation and Agribusiness Support Programme (CASP), has adopted the CAF model. During the 2018 main cropping season, the CAF supported the production of 24,030 MT of paddy and 41,960 MT of cassava tubers valued at N3.5p billion. The off-takers also built the capacity of the farmers on the use of certified seed of improved varieties and agrochemicals, thus improving farm-level efficiency and return on investment for the small farmers. VCDP's engagement with the Ebonyi State Government to revisit the Ebonyi Rice World model, as recommended by the last supervision mission, has led to the company aligning itself with the CAF good practices in other states. VCDP's partnership with the Nigerian Meteorological Agency (NIMET) and the Nigerian Agricultural Insurance Corporation (NAIC) facilitated farmers' use of simple weather reader equipment and agricultural insurance, respectively. The National Agricultural Seeds Council (NASC) has issued quality certificates to some of the VCDP youth rice seed producers. Partnership with the National Agency for Food and Drug Administration and Control (NAFDAC) and Standards Organization of Nigeria (SON) has led to the certification of the rice and cassava products of women processing and utilization groups for improved nutrition. VCDP is encouraged to continue to promote these best practices for wider adoption by non-VCDP states. The News Agency of Nigeria (NAN) leads in the wide online publication of VCDP performance. *VCDP is encouraged to further work with relevant private sector bodies in collaboration with NAN to organize state and national fora to complement the effort of NAN in knowledge sharing.*

VCDP has partnered with the Nigerian Building, Roads and Rural Infrastructure Institute (NBRRI) to build the capacity of all O&M committees for managing the developed infrastructures in line with national standards. The O&M committee members are very aware of their roles and responsibilities. However, VCDP should formally engage the beneficiary LGAs to ensure ownership after loan closure. VCDP is linking farmers and FOs to formal financial institutions (MFIs, MFBs, banks), in particular through the organization of forums where FIs and farmers can interact.

Partnership with FIs needs to be strengthened for improved financial inclusion and as an exit strategy for VCDP, and with NAFDAC for the certification of the rice and cassava products from VCDP. (3,612). The mission is pleased to note that as mentioned above that the extended Programme period will provide an opportunity to mainstream financial inclusion in the Programme. Through partnerships with financial institutions, VCDP will seek to: (i) strengthen the capacity of farmers in financial literacy, (ii) develop farmers' capacity in savings mobilization to leverage financial credit, and (iii) work with financial institutions to develop products favourable to farmers.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling up		
Upscale CAF model Strengthen partnerships with NAIC (insurance), NIMET (climate change adaptation) and NAFDAC (product certification) and upscale the CAF as a proven instrument of achieving private sector inclusion in agriculture in Nigeria.	NPMU and SPMU	

Human and Social Capital and Empowerment

Rating: 5

Previous rating: 4

Justification of rating

As explained beyond building the production, marketing and processing capacity of FOs, VCDP has contributed to the development of strong institutions such as CAF, AVCGs, GALS, women groups, youth groups, and various enterprise groups, that have become a social capital to the participating communities. The CAF has become an instrument and pathway for providing a voice to women and youth to engage with government and large agribusiness enterprises to discuss their needs and negotiate the price of their produce. Most of the FOs and their members can now prepare business plans, keep good farm records, and define their businesses. The training of FOs on GALS has promoted the voice of women in agribusiness, while the AMIS has promoted the capacity of the FOs to access market information and strengthened cohesion among stakeholders in farming business. Youth are applying the skills acquired from entrepreneurship training to increase their income and create jobs.

Main issues

Main issues

Empirically, there is commendable level of savings mobilization among the FOs. Although a total of 2,668 FOs have saved N352 million which translates to about N132, 000 per FO and only N8, 800 per individual member, it has galvanized a sense of savings culture in the beneficiaries. While the cash amount may be insufficient to backup access to credit, some FOs have also evolved a savings mobilization strategy of using part of the produce to pay for the matching grant for inputs in their next cropping season. VCDP has linked 27,929 farmers to formal FIs and off-takers and 4,478 of them have accessed credit to the sum of N222 million, a relatively low amount. The low performance in credit access was due to the inability of the FIs to consider the gestation period of farm enterprises. There is however a need for financial literacy services to the farmers.

Farmers have developed the skill and capacity to engage in business transaction with large scale agribusiness enterprises like Olam, Onyx, Popular Farms, Joshan, and Hello Tractor operators to discuss their needs. The Agricultural Market Information System (AMIS) has promoted both the capacity of the farmers to access market information as well as acted as a strong cohesion among stakeholders in farming business. Training on GALS provided to lead FOs has also promoted the voice of women in agribusiness. VCDP has achieved most of the LoP empowerment targets except for FOs using bulk purchase method to procure their inputs, where achievement is 77%. Registration of FOs with the Department of Cooperatives is 173%; and training of group leaders in good governance issues, engagement with private sector players, preparation of annual business plans, execution of group projects, business and management records, knowledge sharing among the members etc. is 124%. The mission noted an improvement in the capacity of the FOs and CAF in the conduct of their activities, from the institution strengthening. The mission welcomed the commitment of the services providers in strengthening the capacity of FOs, but noted that the quality of service varied from state to state.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling up		
Strength capacity of FO 1. Conduct more capacity building for FO and CAF officials in areas of leadership, business management skills and entrepreneurship 2. Set up linkages among FOs and FIs: Establish institutional partnership with FIs to improve financial access by the beneficiaries 3. Establish a monitoring mechanism for all service providers for greater efficiency; Ensure uniformity in the messages coming from the services to FOs; And approval of payment to service providers to be based on adherence to the TOR 4. Conduct a learning route among VCDP states on institutionalizing CAF as an exit strategy, possibly using the Anambra State model.		

Quality of Beneficiary Participation

Rating: 4

Previous rating: 4

Justification of rating

The bottom-top approach of VCDP puts the FOs in the driver's seat in the identification of their needs and articulating these needs in a business plan. The Value Chain Action Plans (VCAPs) for the cluster are a synthesis of the FO business plans and are the building block of the AWPB that triggers VCDP fund and technical support to the beneficiaries. Farmers are active members of all the functional committees of the FO and cluster. The CAF is farmer-off-taker driven. Beneficiary contributions to the matching grant were, however lower than expected, and in some cases, the off-takers had to provide the FOs' 50% contribution to the matching grant for inputs, which is recovered at the time of sale of the commodities. FOs usually contributed labour and local materials for processing centres. Overall, quality of beneficiary participation has improved very well. The FOs have been part of the robust mechanisms to address disagreement between community leadership, off-takers, government and farmers. The CAF has also enhance the quality of beneficiary participation

Main issues

Main Issue

The provision of infrastructure facilities involved a participatory identification and selection process through the preparation of beneficiaries' business plan and VCAP. Through this process, beneficiaries were effectively consulted and participated in the execution and monitoring of their infrastructure. They supported the construction works through in-kind contributions (land, unskilled labour, fetching water, food, etc.). They also form the O&M committee to sustain the infrastructure. The unskilled labour employed by the contractors gained cash income, which is an injection into the rural economy. Some of the road O&M committees have already carried out light maintenance works (side clearing) at their own initiative.

It is recommended that *VCDP engages with the LGA (for social infrastructure) or leadership of processing groups (for storage and processing facilities) to consider a more systematic way to maintain them considering the limited resources and capacity of the O&M committees.*

Responsiveness of Service Providers

Rating: 4

Previous rating: 4

Justification of rating

VCDP has engaged service providers to enhance the quality of implementation in all the segments of the VC, to facilitate services, and enhance beneficiaries' performance. The programme is engaging with private sector input providers, market providers, and financial service providers, which has enhanced farmers access to inputs and market. Improved access to inputs has resulted to doubling of productivity. Over 80% of farmers' produce are delivered to a reliable market. Market operators are also providing VC financing to farmers. PESPs are providing extension services with complementary capacity building to FOs in the areas of business and institutions development.

Main issues

Main Issue

The mission observed some variations in the quality of services from the service providers and urged the programme to harmonize the quality standard and ensure proper monitoring. VCDP is also collaborating with relevant government agencies, such as the state level Agricultural Development Project (ADP), NAIC, NIMET, and research/training institutes,

to provide services to the beneficiaries. Most infrastructural projects were implemented within the contractual period by service providers. The performance of service providers overall is acceptable but could be improved with adequate and regular supervision by VCDP.

Environment and Natural Resource Management

Rating: 3

Previous rating: 2

Justification of rating

There has been an improvement in the environment and the natural resource base in the VCDP target area however these efforts need to be scaled up for measurable results and impact. The pressure on the natural resource base is on the decline with the construction of starch chambers and proper channelling of effluence in cassava processing. While VCDP has complied with not opening up more than 50 ha of land per location, they have also begun replanting trees to replace lost biodiversity. VCDP is also piloting the briquetting technology in two States (Nigeria and Benue) to limit forestland interference for firewood. VCDP has also adopted the use of spraying coats against chemical hazards for spray teams

Main issues

Main issue

As explained above, environmental, climate and social considerations were not fully considered when VCDP was designed in 2011. Notwithstanding the programme's efforts, responses to remedy environmental, and social externalities and impacts, and climate-induced effects were thus reactive and ad-hoc. To overcome this constraint, VCDP's Social and Climate Assessment Procedure (SECAP) was completed in the framework of the additional financing. This SECAP is complemented with a comprehensive Environment and Social Management Framework (ESMF), attached for your perusal. You will also find below an overview of the elements covered in the ESMF for ease of reference. To support the successful implementation of the ESMF provisions, VCDP Additional Financing has made provision of about US\$ 2, 9 million for human and financial resources, as well as capacity building of beneficiaries and programme staff. Hence our earlier feedback that the Additional Financing provides the framework and the resources to further environmental sustainability and mainstream adaptation to climate change into the programme.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Sustainability and Scaling up		
Capacity Building for staff and beneficiaries The staff and beneficiaries should be trained to observe the environmental safeguards within the core areas of implementation - rural road construction, processing centres and productivity enhancement Develop action plan to Fast-track the implementation of activities scheduled under the ESMF	NPMU and SPMUs	
Environmental and Social Management Plan (ESMP) ESMP documents should be disclosed to the relevant schedule officers within the SPMU to help them uphold the environmental safeguards	NPMU and SPMU	

Exit Strategy

Rating: 5

Previous rating: 4

Justification of rating

The participating private sector players, CAF, FOs, NAIC, Africa Rice and Youth Network, have been developed and recognized as the exit window of VCDP. VCDP anchored its exit strategy on the following pillars: (a) CAF as a reliable exit window at the farmer-off-taker level. Several off-takers are already contributing to the FOs counterpart funding for inputs, recoverable at the point of harvest; (b) engagement of five firms since 2017 to strengthen the FOs; (c) Youth Network Forum to facilitate youth involvement in profitable agriculture and seed production; (d) State Governments commitment to replicate the VCDP model in other locations and commodities; and (e) on-going effort of the FGN to extend the CAF to the remaining 30 states of Nigeria.

Main issues

Main issues

VCDP has developed a robust partnership with large private agro-processing firms operating in the country, comprising Olam, Stallion, Onyx, and Josan. The partnership with the large commodity market dealers has contributed to the injection of 450,000MT of rice and 750,150 MT of cassava in the national economy since the commencement of the programme. In particular, the CAF created by VCDP is an economic and social engagement arrangement that brings the farmers and the large commodity market players to define and pursue their needs sustainably. CAF is co-led by a major off-taker and a lead farmer. In some states, CAF has assumed a legal entity, influencing government decision. After VCDP, CAF would be able to engage with the other stakeholders including input dealers and government officials to meet farmers need. AfricaRice has revolutionized the rice seed business. Through the VCDP/AfricaRice partnership, youths are trained on seed production and provided breeder seed to produce foundation seed. Many of the trained youths make over a million naira from seed production and processing enterprise. However, some gaps exist in the draft exit strategy. Apart from VC financing, farmers need alternative source of financial services.

Potential for Scaling-up

Rating: 5

Previous rating: 4

Justification of rating

The potential for scaling up VCDP lies in: (a) the Leading ownership of VCDP achievements by the FGN and commitment to bring the approach to other FOs; (b) strong state government participation and with active VC committees in the states; (c) large engagement of the private sector to take off the production of VCDP's farmers and competition for their premium produce, (d) the adoption of the VCDP model in several state governments for other VCs, notably in the Niger State for cowpea, soybean and ginger; (e) the conducive policy environment and support as demonstrated in the FGN food import substitution policy and state Executive Order for farmers and processors to adopt the use of standard weight and measure in produce marketing; and last but not least (f) the income generated by participating farmers which has led to growing participation by women and youth in VCDP. While youth engagement in agriculture is a recurrent challenge in the region, about 80% of participating farmers in VCDP have turned to be the youth attracted by the profitability of the programme-supported business model. Overall, VCDP's innovative approaches are sources of high income for farmers, women and youth, as well as decent jobs, which have created huge enthusiasm among youth in rural communities. The business features and characteristics of those innovative have continued to attract more youth to imbibe the mode

Main issues

The VCDP has facilitated the development of a farming business model which delivers measurable benefits to farmers, the private sector, as well as the states and the FGN. The will of the FGN, state governments, off takers and farmers to scale up VCDP successes to other states and other VCs is forceful. Given the size of Nigeria's land mass, the number of states and farmers to reach out to, as well as the food production potential across many VCs, the challenge is the mobilization of an adequate level of financial and technical resources to support a creditable expansion which will preserve results and deepen impact. Scaling up will require the brokering of partnerships with larger development partners which have expressed interest in expanding the VCDP model resources, as well as policy and resources commitment by the FGN to bring up VCDP approach to a larger scale.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Sustainability and Scaling up		
Upscaling the value chain financing model Engage with Olam, Onyx, Popular Farm and Josan to upscale the value chain financing model which is already working in limited sites.	NPMU and SPMUs	12/2018
Demonstration of the paddy steaming technology Engage with Olam, Onyx, Popular Farm and Josan to upscale the value chain financing model which is already working in limited sites.	NPMU and SPMUs	

c. Project Management

Quality of Project Management

Rating: 5

Previous rating: 4

Justification of rating

The management of VCDP has demonstrated competence in delivering result-focused implementation – strong drive for result-based activities, effective draw-down and monitoring. It has a strong private sector drive and maintains strong

relationship with the government. There is appreciable delegation of functions and decentralized accountability to the states. However, the mission noted the need to improve on the staff-management including benefits and entitlements and gender inclusion at the programme level. The Value Chain Steering Committee (VCSC) has been established and meets timely to provide oversight to VCDP.

Main issues

Main issues

The mission recommends the review of the salaries of staff at both SMPU and NPMU based on sister IFAD programmes and other donor-funded programmes. Inadequate office accommodation for the Niger SPMU poses a challenge to staff performance. The mission recommends that state counterpart funds be applied to lease an appropriate office facility. Another area that needs improvement is the use of the same toilet facility by men and women, which portrays gender insensitiveness, despite the good performance in women and youth inclusion at the beneficiary level.

Finally, to avoid implementation delay for the AF, VCDP should urgently update the Programme Implementation Manual (PIM), facilitate staff recruitment at the three new states, undertake VC mapping using stakeholders' analysis, ensure that the Financial Manual is functional, and engage the services of an Environment/CC adaptation expert.

Agreed Action	Responsibility	Agreed Date
Project Management		
Continue Capacity building at SPMU and LGA levels to maintain quality Continue capacity building to be provided to SPMU and LGA as well as supervision to secure quality and consistency of outputs and fiduciary oversight till completion	NPMU	

Knowledge Management

Rating: 4

Previous rating: 4

Justification of rating

VCDP has a Knowledge Management and Communication (KMC) Strategy with appointed staff at the national and state levels. VCDP implements its KMC Strategy through three strategic objectives: (i) promote knowledge sharing between all stakeholders to enhance learning, sustainability and replication of programme innovations and best practices; (ii) document, produce and disseminate knowledge products on programme impact, approaches and lessons to influence scaling up of programme interventions; and (iii) increase VCDP visibility and results in rice and cassava agricultural value chain development in Nigeria. Substantial success stories are visible at the community level where VCDP mentored farmer groups have demonstrated strong adoption of agricultural technologies and technical innovations which have led to improved livelihood outcomes. The programme has capitalized knowledge through knowledge products such as compendium of programme success stories, infographics, newsletters, photo stories, documentaries, sensitization flyers and online platforms. VCDP facilitated a landmark national CAF workshop to create awareness, stimulate buy-in and provoke replication of best practices across the country.

Main issues

Main issues

The mission notes the efforts of the programme in showcasing these footprints of successes through the media. There is need to improve on the documentation of project results/lessons with adequate dissemination to stakeholders especially the Government to cause a country-level policy engagement and upscaling of the project successful initiatives. Media engagement by the programme has improved with enhanced visibility in the print and electronic media. The programme should deepen its relationship with the media; and strengthen its collaboration with the News Agency of Nigeria as a broad channel to disseminate programme results and impact.

The mission encourages the programme to engage in intra and interstate knowledge exchange visits and learning routes to strengthen staff capacity and enhance programme beneficiaries' knowledge for adoption of best practices.

Media engagement by the programme has improved with enhanced visibility in the print and electronic media. The programme should deepen its relationship with the media; and strengthen its collaboration with the News Agency of Nigeria as a broad channel to disseminate programme results and impact.

Agreed Action	Responsibility	Agreed Date
Project Management		
Improved documentation and dissemination of knowledge a. Facilitate knowledge exchange visit on CAF with non VCDP States/learning routes within the programme b. Organise state level dissemination events c. Undertake documentation of success stories and develop a range of knowledge products and disseminate widely to Government and other stakeholders	CCU NPMU	06/2018

Value for Money

Rating: 4

Previous rating: 4

Justification of rating

The BCR analysis assumes an average yield of 5 MT of rice/ha from the 4,806 ha planted and 20 MT/ha for 2,098 ha of cassava. VCDP also made significant intervention in value addition through capacity building of processors and the establishment of improved rice and cassava processing centres as well as the remodelling of old ones for improved performance. Unit cost of investment varies from state to state, while the cost per beneficiary is USD 1,032. There is efficiency in execution of planned activities with respect to timeliness of operations, cost per beneficiary and quality of services coming from service providers. There is also some level of effort to enhance the capacity of beneficiaries to be climate change resilient, especially in the use of high yielding planting materials, incorporation of gutters in roads and infrastructure projects, use of smart weather readers at the community level, etc.

Main issues

Main issue

The value of VCDP further lies in its ability to crowd-in the private sector in agriculture in Nigeria. Though there is room for improvement, VCDP made valuable attempt to integrate climate change in road and market infrastructure, introduced crop insurance in rural farming communities, and innovative conversion of cassava peels into animal feeds.

Coherence between AWPB and Implementation

Rating: 4

Previous rating: 4

Justification of rating

Overall performance on the 2018 AWPB is 76%, comprising 71% physical and 80% financial achievement. Performance across the components is as follows: In Component 1, the cumulative physical and financial performance by the states was 74%, comprising 76% physical performance and 72% financial achievement. In Component 2, overall physical achievement is 68% while financial achievement is 91%. Further details are given in Appendix 4.3. This difference underpricing in the AWPB and the general inflationary trend in Nigeria during the year. Most of the states achieved more of their physical targets than the financial targets in Component 1. For Component 2, the states achieved 91% of their financial targets, while physical achievement is 69%. This difference was attributed by programme management to underpricing in the AWPB and the general inflationary trend in Nigeria during the year. Further information is found on the Tables below:

AWPB Inputs and Outputs Review and Implementation Progress

Overall performance on the 2018 AWPB is 76%, comprising 71% physical and 80% financial achievement. Although reasonable, this performance is lower than that at MTR which was 91% physical and 105% financial, largely due to the late approval of the AWPB by the government. Most of the states achieved more of their physical targets than the financial targets in Component 1. For Component 2, the states achieved 91% of their financial targets, while physical achievement is 69%. This difference was attributed by programme management to underpricing in the AWPB and the general inflationary trend in Nigeria during the year. Further information is found on the Tables below:

Component	Achievement (%)	Financial receipts (N billion)
Physical	Financial	Combined

Component 1	76.28	71.57	73.93	2.06
Component 2	68.96	91.53	80.25	1.13
Component 3	69.15	77.92	73.54	1.68
All	71.46	80.34	75.90	4.87

Performance of M&E System

Rating: 4

Previous rating: 4

Justification of rating

VCDP has an elaborated monitoring and evaluation (M&E) structure from the LGA level (extension agents and LGA desk officers) that assist in collecting and cleaning of data, to the SPMU and NPMU that execute field activities and handle overall strategic direction, respectively. Programme data and reports on outputs and inputs are generally acceptable and are used at different levels to make operational decisions. VCDP operates a tailor-made MS Access based Management Information System (MIS) for data harvesting and analysis to aid planning and reporting. The Performance Monitoring Plan (PMP) has a results framework derived from the log-frame with well-defined targets and protocols, data acquisition, planning and reporting processes

M&E System Review

M&E system Review

The following issues in M&E implementation are noted. First, the PMP was last reviewed in 2015. Since then, a number of core and non-core indicators have been added. *There is therefore the need for further review so that the following can be succinctly captured:* (i) IFAD-VCDP theory of change, (ii) performance indicator profile that highlights the definition, disaggregation requirements and responsibility of collection from the beneficiary up, for core and none-core indicators in the log-frame. Values on the updated indicators as per the log-frame need to be updated, (iii) data collection instruments need to be reviewed so that data variables being captured speak to the indicators as contained in the revised log-frame, (iv) performance indicator tracking table (PITT), to capture the periodic trends on each key performance indicator at each level of the result chain, (v) M&E task schedule highlighting key M&E related programme tasks, and (vi) an evaluation plan that will be used to assess and present the outcome/impact of VCDP strategies and interventions implemented focusing on key evaluation questions that address relevance, effectiveness, impact, efficiency and sustainability. Second, capacity of M&E staff needs to be further developed at all levels, so that appropriate tools for measuring, analysing and reporting programme interventions especially at beneficiary levels along the key value chain actors (input suppliers, producers, processors and marketers) can be improved. Third, there is need to improve on working synergy between M&E staff and technical specialists so that better programme interventions data/information could be captured. Finally, the data quality assurance guide needs to be reviewed to ensure that the data/information collected as part of VCDP's monitoring and evaluation system adequately represents the programme's activities. The guide should contain full meanings and the methodology on how to ensure the adherence to the following data quality standards: (i) validity, (ii) integrity, (iii) precision, (iv) timeliness, and (v) reliability.

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

Rating: 3

Previous rating: 2

Justification of rating

SECAP related documents like the ESMP for the proposed irrigation projects, land development, rural road construction and processing centres have been produced and the quality of the mitigation measures implemented post-MTR has improved. A SECAP Review Note has also been prepared in the Additional Financing design to mainstream environment and climate change into the programme. The Environmental and Social Management Framework (ESMF) which comprises the ESMP and Environmental Monitoring Plan has also been prepared to ensure that issues of climate and environment are properly mainstreamed. The next phase of VCDP through the AF will see the implementation of the above-mentioned plan to continue to improve the performance of the programme in this area.

SECAP Review

Main Issues

absence of environment and climate change expert in the programme tends to cause a delay in fast-tracking implementation under this section. However, the programme would be engaging consultants to assist while competitive engagement of full-time staff is ongoing.

d. Financial Management & Execution

Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$8,068,690		
	National Government	\$15,600,041		
	Beneficiaries additional financing	\$1,200,000		
	Private sector local	\$15,000,000		
	National Government (add)	\$27,800,000		
Co-financing breakdown,	Co-financiers	\$6,800,000		

Acceptable Disbursement Rate

Rating: 5

Previous rating: 4

Justification of rating

The additional financing undermines the real disbursement rate. After almost 6 years of project implementation, disbursement is at 90%, with a balance of SDR 4.87 million (about 6.7 million) available at IFAD, which can be disbursed in the next 3-4 months, yielding 100% well before original planned completion date of 31 December 2019. By 31 March 2019, VCDP had successfully processed 38 WAs (USD 60.15 million). There has been an extension to accommodate the approved AF. The new completion and closure dates are 31 December 2022 and 30 June 2023 respectively. However, the IFAD grant has posted nil disbursement to-date. The 0% disbursement under the IFAD grant has slightly affected this rating. Budget execution rates are improving but still fall below the benchmark of at least 75%.

Main issues

Cumulatively, VCDP is performing well at 90% disbursement and having satisfied the requirements for Additional Financing (AF). With USD 6.7 million yet to be disbursed (this can cover only 3-4 months), it is important to fast track the disbursement under the AF. WA 39 in pipeline that is already in IFAD system amount to USD 1.2 million. The existing VCDP bank accounts will be used also for the AF. The accounting software has been fixed but requires to be extended to budget and commitment control. Although, the configuration of the flexible accounting system has been done, reconciliation of posting/ system errors emerging from the past years still not complete with almost USD 5 million that cannot be attributed to components/ sub-components. The 2019 AWPB and PIM are being adjusted to reflect the AF. There are no disbursement conditions stopping the immediate flow of AF funds. However, the current situation is that due to the ongoing recovery of the initial advance (Authorised Allocation) under the old loan without corresponding new advances under the AF, the project is running out of liquidity. Out of the USD 6 million, only USD 2.2 million can be vouched to bank accounts as at 28 February 2019. Obviously the liquidity situation now is much lower given some delay in processing WA 39 due to a small technicality. For all funds recovered or to be recovered under loan 868 NG, IFAD is requested to release new advance under AF in order to maintain the working float at USD 6 million as has been the case. The IFAD grant of USD 500,000 still remains at nil disbursement which is not proper. In 2018 AWPB execution was 60% by year end. Much as there was a considerable improvement over the past years that were recurring achieving budget execution rates in the region of 30-40%, at the same time a score below 75% is less than satisfactory. In 2019, by 31 March 2019, AWPB execution stood at 19% which appears satisfactory so far and should hit the benchmark of at least 75% if this momentum is maintained. Revision of the budget to specifically include or mention AF should be done in realistic manner to include achievable targets.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Initiate the withdrawal of funds under the IFAD grant.	PMU	06/2018
Initiate the process of a reallocation of funds under the IFAD loan. To provide the project with the necessary financial flexibility to implement its activities, the mission recommends that part of the Unallocated category of SDR 5.150 million and SDR 1 million from the Salaries and allowances category under the IFAD loan is reallocated as follows: i) to Category 1- SDR 4.2M, ii) Category 4 - SDR 1.7M, iii) Category 6- SDR 0.25M.	PMU, Federal Ministry of Finance and IFAD	06/2018
Recovery of the Authorised Allocation (AA)	NPMU and IFAD	12/2018
Improve on quality of budgeting and budget control Set achievable targets in AWPBs and involve finance teams to assure financial feasibility of budgets	NPMU	12/2018
Approve the reallocation of funds IFAD should implement the decision at MTR to reallocate funds across expenditure categories	IFAD	12/2018
Revise 2019 AWPB to include AF The 2019 AWPB should be revised to specifically identify the items under AF	NPMU	05/2019
IFAD grant disbursement Activate the bank accounts for the IFAD grant and apply for an advance of USD 200,000 from IFAD.	NPMU	05/2019
Disburse advance under the AF to restore VCDP liquidity to USD 6 million For every amount recovered under loan 868 NG there should be a corresponding disbursement under AF in order to maintain the working imprest of USD 6 million. The NPMU should submit a WA of the amount already recovered by IFAD under loan 868 NG. WAs can be submitted considering that the maximum available advance at project level cannot go beyond USD 6 Million	NPMU	05/2019

Fiduciary aspects

Quality of Financial Management

Rating: 3

Previous rating: 4

Justification of rating

There has been significant effort to fix issues around the flexible accounting system. Overall the flexible accounting challenges identified at the last mission have been fixed.

Main issues

Although now there are clear efforts towards using the flexible accounting system also as a budget control tool, the uploading of the approved budget onto the system still needs improvements. This is in terms of ensuring that indeed the uploaded budget reconciles well to the approved one at all sites. Commitment control/ encumbering of funds at the time of

entering contracts is not yet effective. The Finance teams still receive requests for payments which were entered into without prior verification as to whether there is still financial budget. Contract registers are still not readily accessible by the finance units. Contract monitoring forms are attached to payment requests but the finance teams generally do not check their accuracy. Contract management should be seen as a joint effort between technical staff, procurement and the finance departments/ units. Financial instruments such as performance guarantees are not generally enforced. Contract variations are sometimes not well documented. Retention monies are sometimes released without evidence of site visits to confirm there are no defects. At NPMU the finance team staffing level still lacks two accounts assistants to achieve the desired segregation of duties and spread of work load. This could partially explain the recurring complaints about work load levels and constraints to meeting key standards. Attracting staff to fill these positions has not been easy because of the apparent low pay levels. The salary adjustments provided for in AF need to be implemented to attract / and or maintain competent staff. Traceability in terms of flow of funds is satisfactory. The flexible accounting system has been designed to generate SOEs that are easy to vouch by systematic reference numbers to the underlying supporting documents. The reconciliation of the designated account (DA) has substantially improved but still disclosures of details of amounts withdrawn but not yet replenished are still not included as a note to DA reconciliations. For instance, the last WA 39 had USD 87,328.68 without any substantive details

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Complete staffing in the NPMU FM unit Two more finance officers should be employed at the NPMU given the work load	NPC	06/2018
NPMU Internal auditor to be trained to understand the system he is auditing Internal auditor should be trained to appreciate disbursement processes including details such as designated account reconciliations, smart SOEs. In this respect he should study the project FM manual and the IFAD E-learning course.	Internal Auditor and Financial controller	12/2018
Substantiate balancing figures on Designated Account (DA) Reconciliations Going forward any amounts on the DA reconciliation included as amounts withdrawn but not yet replenished must always be supported by a substantive breakdown schedule	FC	12/2018
Internal auditor should audit monthly FMRs vouching them to the flexible accounting system As part of monthly routine, the Internal Auditor must audit around the flexible accounting system. Vouching FMRs to ledgers.	FC	12/2018
Reconcile the flexible accounting software Clean-up the accounting software to remove internal inconsistencies. In the mean time as stop gap measure maintain off the system analysis of expenditures by component and category that reconcile to IFAD disbursement record	FC and Flexible accounting service provider	12/2018
Strengthen internal audit capacity Train internal auditor in IFAD disbursement processes and also in the mechanics of the flexible software.	Flexible software provider IFAD for disbursement training	01/2019
Recruit two more finance officers at NPMU As agreed at MTR the two vacant positions at NPMU should be filled	NPC	02/2019

Substantiate amounts withdrawn but not yet replenished/ claimed from IFAD (DA) Reconciliations (Repeated recommendation) Going forward any amounts on the DA reconciliation included as amounts withdrawn but not yet replenished must always be supported by a substantive breakdown schedule	FC	05/2019
Strengthen budget control at all cost centres within the flexible accounting software Upload into the accounting system well reconciling budgets at each cost centre and use the system to encumber funds at the point of signing contracts.	FC	05/2019
Resolve issues regarding opening balances in the flexible accounting system. Un-reconciled expenditure of about USD 5 million should be resolved. Also the mis-categorization under Project Management should be resolved (it cannot be at overrun of 230%)	FC	05/2019
Recruit two more finance officers at NPMU As agreed at MTR the two vacant positions at NPMU should be filled	NPC	06/2019
Introduce in-depth management accounting for informed decision and control The finance must move beyond being disbursement officers but provide in-depth management reports including budget vs actual variance analysis, key ratios, expenditure trends by component, category, financiers, etc.	Financial Controller	

Quality and Timeliness of Audit

Rating: 5

Previous rating: 5

Justification of rating

The audit was conducted by a private audit firm, PKF, in accordance with International Standards on Auditing (ISA). The audit report was received on time and the auditors visited some of the states as part of the audit. The auditors issued a consolidated audit report and a management letter. The auditors expressed an unqualified opinion on the PSF, SOE, the DA and the use of counterpart funds. In addition, the auditors issued separate reports with three separate unqualified opinions (PSF, SOE, and use of counterpart funds) for each state and the NPMU. The consolidated audit management letter included a follow-up on previous audit recommendations. However, the auditors did not comply with the ISA 701 as they did not communicate any key audit matters as part of their opinion.

Counterparts Funds

Rating: 3

Previous rating: 3

Justification of rating

Regarding FGN counterpart contribution, there has been no additional contribution way back since MTR. FGN cumulatively contributed Naira 62.3 million (USD 0.2 million out of USD 9.9 million pledged at design). This yields only 2%. With AF coming on board, the demand for counterpart funds will be even higher requiring an additional USD 5.8 million (total original plus AF will now be USD 15.7 million). However, the State and local Governments have contributed Naira 1.5 billion (the equivalent of USD 5.7 million out of USD 10.4 million pledged at design) yielding about 55% cumulatively

Main issues

FGN at 2% is too low. Overall, even the State contributions declined in 2018 relative to 2017 and in earlier years. In 2018, Benue, Ogun and FGN did not make any contributions. In 2019, there is so far no contribution from any State including FGN. With AF the funds to be leveraged, in form of counterparts, are even much higher as tabulated below. Mobilising

these funds and reporting on them in the finance and M&E systems is going to be a very uphill task. Systems to achieve this have to be put in place immediately as AF funds start to flow.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Process and Amendment of the financing agreement to increase IFAD share in NPMU salaries to 100% The FA should be amended to increase IFAD share in NPMU salaries to 100%. The remaining FGN contribution should be restricted to VAT and duties.	MOF to request IFAD for an amendment of the Financing agreement.	06/2018
States should meet their counterpart obligations All States should be not relax on the momentum they exhibited in the early years of VCDP towards counterpart contribution.	All States	12/2018
Process Amendment of the financing agreement to increase IFAD share in NPMU salaries to 100% The FA should be amended to increase IFAD share in NPMU salaries to 100%. The remaining FGN contribution should be restricted to taxes and duties.	MOF to request IFAD for an amendment of the Financing agreement.	12/2018
FGN/States should meet their counterpart obligations	All States / FGN	05/2019
Finance and M&E systems should be adapted to accurately record leveraged counterpart funds and beneficiary contributions Sufficient reporting on leveraged counterpart funds and beneficiary contribution is necessary	FC and M&E Officer	06/2019

Compliance with Loan Covenants

Rating: 4

Previous rating: 4

Justification of rating

With the exception of low FGN counterparts, VCDP is being implemented in compliance with the Financing Agreement. IFAD should implement the decision reached at MTR to officially take over salaries of NPMU which is in fact what is happening already. The Financing Agreement needs to be amended and the reallocation of funds as agreed at MTR should be formally processed

Main issues

With the exception of low FGN counterparts, VCDP is being implemented in compliance with the Financing Agreement. IFAD should implement the decision reached at MTR to officially take over salaries of NPMU which is in fact what is happening already. The Financing Agreement needs to be amended and the reallocation of funds as agreed at MTR should be formally processed

Procurement

Procurement

Rating: 4

Previous rating: 4

Justification of rating

While many of the transactions were handled well, there were errors made in the evaluation processes and/or reports. The errors suggest erroneous awards. Given the evidence available however, the procurement processes and activities (for a good number of cases) are consistent with the IFAD Procurement Guidelines, IFAD Procurement Handbook and the Nigeria Public Procurement Act 2007 and its procurement framework, as applicable

Procurement Review

The Procurement Plan (PP), the Contract Register and sixteen (16) procurement folios were analysed with the following observations:

Procurement capacity: The procurement function is carried out by a Project Procurement Officer with about 8 years' experience in public-sector procurement. From a human resources perspective, the procurement function is appropriately staffed.

Procurement planning and plan: While VCDP uses the PP format in the IFAD Handbook, the entries are not properly done, the date format is misleading, border alignment across the document is scattered and confusing, the totals per page are incorrect (while the cover page totals have not been used) and the document is generally not properly managed or updated in a legible format.

Bidding documents: The Request for Quotations, Request for Proposals (RFP) and Request for Bids (RFB) mostly follow the principles of IFAD procurement. Some of the consultancy services procurement do not show bidding documents, only TORs. In some that do have a Letter of Invitation (LOI), there is insufficient documentation (apart from the LOI and the TOR) to constitute a proper bidding document. In one LOI, VCDP was requesting that the bidders fill in the Standard Contract form in the RFP, which should be there for information purposes only and definitely not for the bidders to fill.

Evaluations: Evaluations and the manner in which they are reported appear to be the biggest challenge, especially with evaluation for consulting services. None of the consulting services evaluation reports was presented properly. Full evaluation criteria were for most cases not pre-disclosed (since as stated above sufficient documentation is not provided to bidders), and the bases on which the submissions were evaluated were either unclear or misleading. The mechanism used to average scores and address outliers was unclear, the strengths and weaknesses were not noted alongside the scores, and not consistently reported. For some of the procurements where CVs of individuals were evaluated, it was unclear if the procurement was for individual consultants or firms. Evaluation reports for goods and works were markedly better than those of consulting services but there were some non-conformities like firms being evaluated as non-compliant without sufficient justification provided, (and for items that were not noted in the Bid Opening), and cases where some financial capacity criteria stipulated in the RFB was not evaluated.

Contracting: Many of the contracts are properly done. There is also an updated Contract Register *For contracts for Goods under the Shopping method, VCDP should use a Purchase Order not the full contract that would be used for an NCB or ICB procurement, since the terms and conditions of these contracts are not pre-disclosed to bidders in a Shopping procurement.* Many of the contracts used for NCB procurements do not have the Special Conditions of Contract (SCC), only the General Conditions (GCC). In addition, the Notification of Award should not be used as the contract, only as a document that precedes the contract.

F. Lessons Learned

Effectiveness and efficiency of project delivery services depends on the strength of private public partnership.

Through the VCDP, targeted farmers developed a commodity alliance forum (CAF). The CAF model won IFAD Nigeria recognition by the UN ECOSOC New York as well as the 2018 best Development Partner of the Year in Nigeria. The CAF is an innovative public-private-producer partnership (4P) which serves as an engagement platform between producers, input dealers, credit suppliers and processors (off-takers). Through the CAF, value chain stakeholders meet periodically to exchange on market demand and rule of their engagement. Farmers' production is now driven by business plans they prepare to respond to market demand identified through the CAF.

Government policy can make or mar agricultural value chain development

A country's agricultural policy has a strong influence on agricultural value chain development for smallholder farmers

While the ban on importation of rice has promoted rice farming and attracted big investors such as Olam, Onyx and Joshan, the high importation of starch by the breweries has discouraged many cassava farmers. In Ebonyi State, the state government's ban on sale or exhibition of foreign rice in any store has promoted local rice farming. Previously, Olam in 2009 left the rice business because of unfavourable policies. Due to the current favourable policy, Olam resumed rice business in Benue State and even expanded business to Taraba State.

Performance and tangible result facilitate visibility, onwership and government buy-in

Good performance and tangible result encouraged greater participation of the rural poor and strong government buy-in. The major attraction of VCDP is the infrastructure provided in places of great need of the beneficiaries. The sites of rice mills, land development and constructed roads command much interest and made the marketing of the programme less cumbersome. This has also promoted good participation of state governments by fulfilling their obligation in the project. The recent mission saw clear union between the state governments and the farmers in their demand for more support for VCDP infrastructure support

Training, mechanization of operations and high income potentials attract youth into agriculture

The training opportunities in VCDP considerably increased the exposure and enhanced the networks and socialization of FO members. In particular, the skills training provided by AfricaRice for rice seed production, NRCRI for cassava stem multiplication, and NCAM for farm mechanization greatly motivated the youth who saw clear business opportunities considering the high demand for seeds and mechanization services among the VCDP and non-VCDP farmers in their respective communities. The introduction of simple mechanized equipment for land preparation (power tillers), cultivation (planters) and post-harvest operations (harvester, threshers) and the mechanical preparation of lane to make land more readily available, motivated the youth further to see agriculture as a profitable business, with increasing productivity and incomes. About 7247 youth out of 9000 LOP representing 81% are participating in the programme. out of this number 5514 are males and 1733 are females.

Ownership without a good governance structure does not guarantee sustainability

In the recently completed modern cluster processing centre for cassava, there was a very strong sense of ownership by the largely women processing groups. However, the low level of business management skills, including the lack of simple record keeping, strongly suggest that the information needed for sound management and operations of the facilities will remain unavailable. The low literacy level of the beneficiaries affects the full utilization of the facilities, the profitability of the operations and ultimately the sustainability of the benefits. A similar scenario plays out in most of the production and processing groups across the programme area. The mission recommended that young graduates could be recruited to do the record keeping and analysis for such groups.

G. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Business Management (a) enhance business management support to small farmers and processors, including for the youth enterprises, the processing centres and the waste conversion initiatives; (b) upscale the Olam, Popular Farms and Onyx value chain financing to cover more locations; (c) develop a financial literacy strategy for sustainable financing of the VC activities and in particular improve the performance of women in leadership positions; and (d) refocus the cassava value chain activities to limited strategic operational sites	NPMU and SPMUs	08/2019
Development Effectiveness		
Develop inclusive business models that focus on youths engagement along the VCs 1. Scale up a rural business model that incorporates the youths and women 2. Promote documentation on the impact of the model on youths and women's incomes and well-being.	NPMU, FMF and IFAD	08/2018
Capacity building of programme staff Engage consultant to provide dedicated environment and climate change support to the programme team Develop 100 days action plan on environment and climate change adaptation mainstreaming	NPMU/SPMUs	02/2019
Productivity and Production enhance Prioritize irrigation agriculture in the states whose state governments are willing to enter into cost-sharing arrangement with VCDP to establish engineered irrigation facilities Review the quality of SPs and drop the non-performing ones after the expiration of their current contracts, especially the SPs who have been unable to provide farmers with production record books that are user-friendly for tracking crop yields; and Establish a monitoring mechanism for all service providers under VCDP Intensify promotion of simple farm machineries for production and post-harvest handling in rice and cassava Liaise with FIs to develop financial products for VC enterprises that have long gestation period Undertake all activities relating to pre-season training and input supply in accordance with farming calendar to enhance productivity Expand institutional partnership with IFDC to include development of financial products for the FOs Upscale the use of weather smart equipment and display readings at strategic locations for farmers	SPMU	04/2019
Mainstreaming GALS in VCDP Develop a GALS strategy to guide implementation; Review FO training manuals for GALS integration; Build capacity of GALS champions for scaling up training; Enhance capacity of responsible staff in GALS – exposure visits; Support GALS capacity building for FOs and apex organization	RIYGMOs	06/2019

Enhance participation Support increased savings mobilization by women and youths; Conduct technical/entrepreneurial capacity building for value addition; Strengthen financing linkages for women enterprises; Promote peer learning through exchange visits and field days; Increase capacity building in governance of LGVCSCs and FOs	RIYGMOs	06/2019
Support to the Youths Seed Multiplication Programme 1. Facilitate more learning for the youths through exchange visits for peer knowledge sharing and networking and trade shows.	NPMU and SPMUs	08/2019
Increase youths participation Promote briquette production as a business; Strengthen linkage with financial institutions to access credit; Strengthen market linkages for youths initiatives.	RIYGMOs	08/2019
Gender training for Staff and Participation Institutions Conduct gender training for all technical and administrative support staff; Develop a gender/youths guidelines to support gender mainstreaming; Conduct a gender impact study to identify gaps and opportunities for women and youth.	NPMU and SPMU	08/2019
Popularise and operationalize the Nutrition strategy 1. Conduct dissemination workshops on the Nutrition Strategy for implementation. 2. Identify and select service providers to support implementation of the strategy 3. Develop knowledge products for increased learning	NPMU/SPMUs	
Strengthen on-going nutrition sensitive interventions from NSVC study 1. Scale up Vitamin A bio-fortified cassava through increased planting material multiplication 2. Conduct capacity building on utilization, especially of bio-fortified cassava and brown rice. 3. Promote nutrient sensitive agronomic practices for example intercropping of cassava with nutrient dense legumes to increase dietary diversity. 4. Build capacity of operators in processing centres on personal hygiene, environmental sanitation and work place safety. 5. Facilitate safe post-harvest handling and quality processing for compliance to standards. 6. Strengthen the use of moisture meters to improve quality of paddy and cassava chips at the aggregation centres 7. Facilitate the certification of nutrition products for mainstreaming into formal market system	NPMU and SPMU	
Strengthen Nutrition Forums / Platforms 1. Sponsor quarterly forum / platform meetings 2. Facilitate media support for forum events and dialogue 3. Participate in Nutrition exhibitions and campaigns	NPMU and SPMU	

Promote alternative energy source to limit deforestation Roll out the briquetting technology by 2019	NPMU and SPMU	
Sustainability and Scaling up		
Upscaling the value chain financing model Engage with Olam, Onyx, Popular Farm and Josan to upscale the value chain financing model which is already working in limited sites.	NPMU and SPMUs	12/2018
Upscale CAF model Strengthen partnerships with NAIC (insurance), NIMET (climate change adaptation) and NAFDAC (product certification) and upscale the CAF as a proven instrument of achieving private sector inclusion in agriculture in Nigeria.	NPMU and SPMU	
Capacity Building for staff and beneficiaries The staff and beneficiaries should be trained to observe the environmental safeguards within the core areas of implementation - rural road construction, processing centres and productivity enhancement Develop action plan to Fast-track the implementation of activities scheduled under the ESMF	NPMU and SPMUs	
Demonstration of the paddy steaming technology Engage with Olam, Onyx, Popular Farm and Josan to upscale the value chain financing model which is already working in limited sites.	NPMU and SPMUs	
Strengthen capacity of FO 1. Conduct more capacity building for FO and CAF officials in areas of leadership, business management skills and entrepreneurship 2. Set up linkages among FOs and FIs: Establish institutional partnership with FIs to improve financial access by the beneficiaries 3. Establish a monitoring mechanism for all service providers for greater efficiency; Ensure uniformity in the messages coming from the services to FOs; And approval of payment to service providers to be based on adherence to the TOR 4. Conduct a learning route among VCDP states on institutionalizing CAF as an exit strategy, possibly using the Anambra State model.		
Environmental and Social Management Plan (ESMP) ESMP documents should be disclosed to the relevant schedule officers within the SPMU to help them uphold the environmental safeguards	NPMU and SPMU	
Project Management		
Improved documentation and dissemination of knowledge a. Facilitate knowledge exchange visit on CAF with non VCDP States/learning routes within the programme b. Organise state level dissemination events c. Undertake documentation of success stories and develop a range of knowledge products and disseminate widely to Government and other stakeholders	CCU NPMU	06/2018

Continue Capacity building at SPMU and LGA levels to maintain quality Continue capacity building to be provided to SPMU and LGA as well as supervision to secure quality and consistency of outputs and fiduciary oversight till completion	NPMU	
Financial Management & Execution		
Process and Amendment of the financing agreement to increase IFAD share in NPMU salaries to 100% The FA should be amended to increase IFAD share in NPMU salaries to 100%. The remaining FGN contribution should be restricted to VAT and duties.	MOF to request IFAD for an amendment of the Financing agreement.	06/2018
Initiate the withdrawal of funds under the IFAD grant.	PMU	06/2018
Initiate the process of a reallocation of funds under the IFAD loan. To provide the project with the necessary financial flexibility to implement its activities, the mission recommends that part of the Unallocated category of SDR 5.150 million and SDR 1 million from the Salaries and allowances category under the IFAD loan is reallocated as follows: i) to Category 1- SDR 4.2M, ii) Category 4 - SDR 1.7M, iii) Category 6- SDR 0.25M.	PMU, Federal Ministry of Finance and IFAD	06/2018
Complete staffing in the NPMU FM unit Two more finance officers should be employed at the NPMU given the work load	NPC	06/2018
NPMU Internal auditor to be trained to understand the system he is auditing Internal auditor should be trained to appreciate disbursement processes including details such as designated account reconciliations, smart SOEs. In this respect he should study the project FM manual and the IFAD E-learning course.	Internal Auditor and Financial controller	12/2018
Recovery of the Authorised Allocation (AA)	NPMU and IFAD	12/2018
Improve on quality of budgeting and budget control Set achievable targets in AWPBs and involve finance teams to assure financial feasibility of budgets	NPMU	12/2018
Approve the reallocation of funds IFAD should implement the decision at MTR to reallocate funds across expenditure categories	IFAD	12/2018
States should meet their counterpart obligations All States should be not relax on the momentum they exhibited in the early years of VCDP towards counterpart contribution.	All States	12/2018

Process Amendment of the financing agreement to increase IFAD share in NPMU salaries to 100% The FA should be amended to increase IFAD share in NPMU salaries to 100%. The remaining FGN contribution should be restricted to taxes and duties.	MOF to request IFAD for an amendment of the Financing agreement.	12/2018
Substantiate balancing figures on Designated Account (DA) Reconciliations Going forward any amounts on the DA reconciliation included as amounts withdrawn but not yet replenished must always be supported by a substantive breakdown schedule	FC	12/2018
Internal auditor should audit monthly FMRs vouching them to the flexible accounting system As part of monthly routine, the Internal Auditor must audit around the flexible accounting system. Vouching FMRs to ledgers.	FC	12/2018
Reconcile the flexible accounting software Clean-up the accounting software to remove internal inconsistencies. In the mean time as stop gap measure maintain off the system analysis of expenditures by component and category that reconcile to IFAD disbursement record	FC and Flexible accounting service provider	12/2018
Strengthen internal audit capacity Train internal auditor in IFAD disbursement processes and also in the mechanics of the flexible software.	Flexible software provider IFAD for disbursement training	01/2019
Recruit two more finance officers at NPMU As agreed at MTR the two vacant positions at NPMU should be filled	NPC	02/2019
Substantiate amounts withdrawn but not yet replenished/ claimed from IFAD (DA) Reconciliations (Repeated recommendation) Going forward any amounts on the DA reconciliation included as amounts withdrawn but not yet replenished must always be supported by a substantive breakdown schedule	FC	05/2019
Strengthen budget control at all cost centres within the flexible accounting software Upload into the accounting system well reconciling budgets at each cost centre and use the system to encumber funds at the point of signing contracts.	FC	05/2019
Resolve issues regarding opening balances in the flexible accounting system. Un-reconciled expenditure of about USD 5 million should be resolved. Also the mis-categorization under Project Management should be resolved (it cannot be at overrun of 230%)	FC	05/2019
FGN/States should meet their counterpart obligations	All States / FGN	05/2019

Revise 2019 AWPB to include AF The 2019 AWPB should be revised to specifically identify the items under AF	NPMU	05/2019
IFAD grant disbursement Activate the bank accounts for the IFAD grant and apply for an advance of USD 200,000 from IFAD.	NPMU	05/2019
Disburse advance under the AF to restore VCDP liquidity to USD 6 million For every amount recovered under loan 868 NG there should be a corresponding disbursement under AF in order to maintain the working imprest of USD 6 million. The NPMU should submit a WA of the amount already recovered by IFAD under loan 868 NG. WAs can be submitted considering that the maximum available advance at project level cannot go beyond USD 6 Million	NPMU	05/2019
Recruit two more finance officers at NPMU As agreed at MTR the two vacant positions at NPMU should be filled	NPC	06/2019
Finance and M&E systems should be adapted to accurately record leveraged counterpart funds and beneficiary contributions Sufficient reporting on leveraged counterpart funds and beneficiary contribution is necessary	FC and M&E Officer	06/2019
Introduce in-depth management accounting for informed decision and control The finance must move beyond being disbursement officers but provide in-depth management reports including budget vs actual variance analysis, key ratios, expenditure trends by component, category, financiers, etc.	Financial Controller	
Additional Aspects		
Prapere Financial Literacy Startegy and Train Programme Satff and Beneficiaries on Financial Literacy Collect more detailed data on current financial linkages and VC financing by off-takers; characteristics of the financial products delivered by each FI; Use of the loans by the farmers and characteristics of the farmers that have accessed loans; Data and characteristics of loans accessed by FOs; and Modalities and conditions of financing of inputs by off-takers.	NPMU	08/2019

Value Chain Development Programme

Logical Framework

Results hierarchy	Indicators							Means_of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Outreach VCDP	1.b Estimated corresponding total number of households members										
	Household members			320 880	77 994	287 736	89.7				
	1.a Corresponding number of households reached							RIMS	annual	PMU	
	Non-women-headed households			53 480	12 999	47 956	89.7				
	Women-headed households										
	Households				12 999	47 956					
	1 Persons receiving services promoted or supported by the project										
	Males			32 088	7 799	28 941	90.2				
	Females			21 392	5 200	19 015	88.9				
	Young			13 370	3 250	5 015	37.5				
	Not Young										
	Indigenous people										
	Non-Indigenous people										
	Total number of persons receiving services			53 480	12 999	47 956	89.7				
	Groups receiving project services							RIMS	annual	PMU	
Outreach groups			2 674	650	2 398	89.7					

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Project Goal Rural poverty reduced, food security increased and accelerated economic growth achieved on a sustainable basis	HH below the poverty line (international poverty line of USD 2.00/day) in target LGA							Baseline plus mid-term and end -line survey (control and treatment)	2 per project life	PMU	
	Households			15							
	reduction in number of people undernourished in target LGAs							UNICEF reports	2 per project life	PMU	
	Undernourished			25							
	real agricultural GDP growth rate increased in target LGA							ADP Reports	2 per project life	PMU	
	GDP growth			5							
	Child malnutrition: boys/girls							RIMS 3	2 per project life	PMU	
	RIMS 3: Height for age	28.1									
	RIMS 3: weight for age	16.1									
	RIMS 3: weight for height	7.4									
Development Objective Incomes and food security of poor rural HH engaged in production, processing and marketing of rice and cassava in the targeted LGAs of the 6 targeted states enhanced on a sustainable basis	VCDP supported beneficiaries (SH, farmers, processors and maketers) have increased their real agricultural income (by average 25 %) in the programme area							Baseline & impact assessment; annual results assessment with HH survey;	annual	PMU	Socio-economic stability in the country
	HH with increased real agricultural income			50							
	increase in number of HH asset index by PY 6 in the programme area							Baseline & impact assessment; annual results assessment with HH survey;	2 per project life	PMU	
	HH asset			10							
	reduction in the prevalence of child malnutrition							UNICEF Statistics	2 per project life	PMU	
	child malnutrition			0							
	increase in HH food security in target LGAs							Baseline & impact assessment;	2 per project life	PMU	
	HH food security			25							

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Outcome Increased value addition and access to markets realised by beneficiary SH farmers as well as small and medium-scale processors	surplus production of cassava and rice being sold to markets by SH farmers and their Farmer Organisations							Published yield and price data; agro-industry & market surveys; rural HH surveys	2 per project life	PMU	Government policy supports/favours the emergence of strong VC professional organisations; market prices remain above 2006 levels; access to finance for Fos and VC operators progressively grows
	Surplus			75							
	cassava and rice produced by SH processed and sold at a agreed standard by a buyer							Published yield and price data; agro-industry & market surveys; rural HH surveys	2 per project life	PMU	
	Produce with buyer			50							
	contractual arrangements formalized and is being upheld between targeted producers and processors							Published yield and price data; agro-industry & market surveys; rural HH surveys	2 per project life	PMU	
	Contractual arrangements			36	66	467	1 297.2				
Output Improved market linkage and increased market information	national trade promotion organised (per year)							Farmer Survey	annual	PMU	
	Trade promotion			1	1	3	300				
	state trade activity organised (per year)							Farmer Survey	annual	PMU	
	Trade activity			6	4	19	316.7				
	state innovation platforms formed (per year)							Farmer Survey	annual	PMU	
	Innovation platform			6	8	37	616.7				
	meetings organised (per year)							Farmer Survey	annual	PMU	
	Meeting			12	9	48	400				
	target SH use some market information generated by an Agricultural Information System by PY 5 (60% of target SH)							Agricultural Marketing Information System	annual	PMU	
	Agricultural Information System			32 080	12 450	18 444	57.5				
	MoU signed between Fos and processors							Contractual agreements	annual	PMU	

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	MoU			60	1 567	3 292	5 486.7				
	Enterprises accessing facilitated financial services							RIMS	annual	PMU	
	Enterprises			2 674	0	3 060	114.4				
	Marketing groups formed/strengthened							RIMS	annual	PMU	
	Marketing groups			40	6	103	257.5				
	Marketing groups formed/strengthened with women in leadership positions							RIMS	annual	PMU	
	Female leadership			10	2	26	260				
	People in marketing groups formed/strengthened							RIMS	annual	PMU	
	Males			480	15	932	194.2				
	Females			320	48	1 044	326.3				
	2.1.2 Persons trained in income-generating activities or business management							RIMS	annual	PMU	
	Males			9 590	1 948	13 099	136.6				
	Females			7 890	1 195	15 210	192.8				
	Indigenous people										
	Non-Indigenous people										
	Young			9 000	1 175	8 422	93.6				
	Not Young										
	Persons trained in IGAs or BM (total)			17 480	3 143	28 309	162				
	People trained in post production, processing and marketing							RIMS	annual	PMU	
	Total			9 000	1 175	8 422	93.6				
Males			4 610	317	2 543	55.2					

Results hierarchy	Indicators							Means_of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Females			3 070	476	1 960	63.8				
	Staff of service providers trained							RIMS	annual	PMU	
	Males			12	6	21	175				
	Females			12	3	15	125				
	2.1.1 Rural enterprises accessing business development services										
	Rural enterprises			874	98	646	73.9				
Output Value addition technology promoted	processors trained in recommended technologies							Programme ME/progress reports, supervision reports, MTR, completion reports	annual	PMU	
	Processors			7 680	793	4 503	58.6				
	target SH (50% of 45 000 SH) adopt improved processing & storage technique							Programme ME/progress reports, supervision reports, MTR, completion reports	annual	PMU	
	HH			22 500	6 499	23 978	106.6				
	service providers (consultants/firms) for market linkages trained							Programme ME/progress reports, supervision reports, MTR, completion reports	annual	PMU	
	Service Providers			24	9	36	150				

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Outcome Demand-driven infrastructure investments for improved access to marketes realised and sustainably managed by the beneficiary organisations	targeted processing clusters (60% of a total of 108) have been supported with at least one piece of equipment							Programme ME/progress reports, supervision reports, MTR, completion reports	annual	PMU	LGCs and State Govt provide adequate funds and mechanisms for infrastructure repair and maintenance; effective FO management arrangements for infrastrucuture are sustained
	Cluster			65	16	65	100				
	programme-financed infrastructure developed and operational for 3 years after provision (Arrangements for the operation and maintenance (O&M) of market infrastructure equipment)							Programme ME/progress reports, supervision reports, MTR, completion reports	annual	PMU	
	Infrastructure			70	50	50	71.4				
	reduction in post-harvest losses for rice, cassava achieved							Programme ME/progress reports, supervision reports, MTR, completion reports	annual	PMU	
	Losses reduced			65							
Output Access to roads and water supply	2.1.5 Roads constructed, rehabilitated or upgraded							Contract reports, RIMS	annual	PMU	
	Length of roads			300	94	229	76.3				
	new water supply schemes linked to cassava and rice VC constructed by PY 3							contract reports, Beneficiary perception surveys	2 per project life	PMU	
	Water supply scheme			108	7	39	36.1				
	people in programme communities have adequate access to safe and sustainable drinking water							Beneficiary perception surveys	2 per project life	PMU	
	Drinking water			8 100	8 452	18 649	230.2				
	Bridges by PY 3							Contract reports	annual	PMU	
	Bridge			120	3	12	10				
	Culverts by PY 3							Contract reports	annual	PMU	
	Culvert			210	10	186	88.6				
	Markets by PY 3							Contract reports	annual	PMU	

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Market			60	16	35	58.3				
	Stalls by PY 3							Contract reports	annual	PMU	
	Stall			300	168	271	90.3				
	Drinking water systems constructed/rehabilitated							RIMS	annual	PMU	
	Water system			108	7	39	36.1				
Output Marketing, processing and storage facilities improved	2.1.6 Market, processing or storage facilities constructed or rehabilitated							Contract reports, RIMS	annual	PMU	
	Market facilities constructed/rehabilitated			60	16	35	58.3				
	Processing facilities constructed/rehabilitated			108	6	21	19.4				
	Storage facilities constructed/rehabilitated			450	50	251	55.8				
	Groups managing productive infrastructure formed/strengthened							RIMS	annual	PMU	
	Groups			30	4	18	60				
	Groups managing productive infrastructure with women in leadership positions							RIMS	annual	PMU	
	Female leadership			9	5	5	55.6				
	People in groups managing productive infrastructure							RIMS	annual	PMU	
	Males			300	47	213	71				
	Females			150	10	59	39.3				
	People trained in infrastructure management							RIMS	annual	PMU	
	Males			300	47	213	71				
	Females			150	10	59	39.3				

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	number of market processing or storage facilities constructed or rehabilitated (modified current RIMS 1.4.3. 1.4.7. 1.4.8.)							RIMS	Annual	PMU	
	Total			618	72	307	49.7				
Outcome Farmers' organisations (Fos) in programme areas effectively serve their members	target Fos legally registered with the Department of Cooperatives							Service providers/operators reports	annual	PMU	FOs are recognised as legitimate interlocutors by the various stakeholders; avoidance of political interference in Fos
	FO			2 674	1 610	4 636	173.4				
	supported FOs are strong by PY 5 (good record keeping, strong business plans, generating profit, linked to finance, etc.)							FO financial records, State MoA/Commerce and Cooperative reports	2 per project life	PMU	
	FO			40							
Output Capacity of FOs strengthened	FOs strengthened by programme use bulk purchase method to procure their input							Programme M&E/progress reports	annual	PMU	
	FO			2 250	717	1 751	77.8				
	group leaders (3 executives per group) trained in good governance issues by PY 5							Service providers/operators reports	annual	PMU	
	Leaders			6 750	2 764	8 342	123.6				
	2.1.3 Rural producers' organizations supported							RIMS	annual	PMU	
	Rural POs supported			2 250	839	4 135	183.8				
	Total size of POs										
	Males		9 000	27 000	12 633	43 680	161.8				
	Females		6 000	18 000	1 651	22 177	123.2				
	Young										
	Not Young										
	Indigenous people										
	Non-Indigenous people										

Results hierarchy	Indicators							Means_of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Women in leadership position			450	75	476	105.8				
	1.1.5 Persons in rural areas accessing financial services										
	Total persons accessing financial services - savings			53 480	10 612	27 929	52.2				
	Total persons accessing financial services - credit										
	Total persons accessing financial services - insurance										
	Total persons accessing financial services - remittances										
Outcome Production and productivity of SH rice and cassava farmers in the programme areas increased	increase in yields for non-irrigated rice per ha							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	Favourable climatic conditions
	rice	2.5		4							
	increase in yields for irrigated rice per ha							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	
	rice	2.5		6							

Results hierarchy	Indicators							Means_of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	increase in rice and cassava produced by the target SH farmers							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	
	Male			50							
	Females			50							
	Youth			50							
	target farmer organisations have adopted at least one technology promoted by the programme by Mid-Term							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	
	Male			15 750	6 754	16 489	104.7				
	Females			15 750	5 544	13 541	86				
	Youth			7 875	3 070	7 508	95.3				
Output Access to fertilisers and agro-chemicals facilitated	utilisation rate of seeds, fertilisers and agro-chemicals per ha							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	
	ha			0							
	target farmer organisations satisfy their annual input needs							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	
	FO			2 250	552	1 751	77.8				

Results hierarchy	Indicators							Means_of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Output Access to improved production techniques facilitated	youth of target farmers trained in spraying techniques							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	
	Males			4 500	811	6 325	140.6				
	Males			4 500	364	2 097	46.6				
	Young			9 000	1 175	8 422	93.6				
	target farmer organisations (members) receive VCDP supported extension services (50%)							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	
	Males			13 500	12 170	40 673	301.3				
	Females			9 000	2 175	21 177	235.3				
	Young			5 625	3 544	15 420	274.1				
	Farmer Field /Business Schools established							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	2 per project life	PMU	
	Schools			480	107	465	96.9				
	3.1.4 Land brought under climate-resilient practices							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports, RIMS	annual	PMU	
	Hectares of land			45 000	6 904	37 105	82.5				

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Matching grants for agricultural equipment							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	annual	PMU	
	Nigerian NAIRA			922 406	15 077 000	239 421 962	25 956.2				
	Small Scale Farmers protected from seasonal flooding							Programme M&E/progress reports, National agricultural production survey, State Ministry Agriculture Reports, NIRSAL reports	annual	PMU	
	Farmers			30 000	2 834	5 998	20				
	1.1.4 Persons trained in production practices and/or technologies							RIMS	annual	PMU	
	Men trained in crop			27 000	6 673	21 072	78				
	Women trained in crop			18 000	4 359	13 959	77.6				
	Young people trained in crop										
	Not young people trained in crop										
	Indigenous people trained in crop										
	Non indigenous people trained in crop										
	Men trained in livestock										

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Women trained in livestock										
	Young people trained in livestock										
	Not young people trained in livestock										
	Indigenous people trained in livestock										
	Non indigenous people trained in livestock										
	Men trained in forestry										
	Women trained in forestry										
	Young people trained in forestry										
	Not young people trained in forestry										
	Indigenous people trained in forestry										
	Non indigenous people trained in forestry										
	Men trained in fishery										
	Women trained in fishery										
	Young people trained in fishery										
	Not young people trained in fishery										

Results hierarchy	Indicators							Means_of verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility		
	Indigenous people trained in fishery											
	Non indigenous people trained in fishery											
	Total persons trained in crop			45 000	11 032	3 503 100	7 784.7					
	Total persons trained in livestock											
	Total persons trained in forestry											
	Total persons trained in fishery											
	People accessing advisory services							RIMS	annual	PMU		
	Males			13 500	6 583	20 982	155.4					
	Females			9 000	4 389	14 049	156.1					
	staff of service providers trained							RIMS	annual	PMU		
	Males			24	30	73	304.2					
	Females			12	5	14	116.7					
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated											
	Hectares of land			3 000	4 987	6 549	218.3					

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Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 12 November 2018 to 30 January 2019
Document Date 05/06/2019
Project No. 1100001594
Report No. 5062-NG

West and Central Africa Division
Programme Management Department

Appendix 1: Financial: Actual financial performance by financier;by component and disbursements by category

Table 1A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	74,400	55,604	75%
IFAD grant	500	-	0%
State Governments	10,400	5,709	55%
Federal Government	9,900	223	2%
Local Governments (LGAs)	4,300	-	0%
Beneficiaries	2,100	-	0%
Complimentary finance	2,800	-	0%
Total	104,400	61,536	59%

In SDR terms the Disbursement rate is high at 84% due to the depreciation of SDR: USD

Table 1B: Financial performance by financier by component (USD '000) cumulative to 31 October 2018

	Component	IFAD Loan			IFAD Grant			State Governments			Federal Government			Local Governments			Beneficiaries			Complementary finance			Total		
		Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1	Agricultural Market Development																								
1.1	Support to value addition and market linkages	14,600	2,314	16			-	1000	154	15	300		-	600		-	400		-	200		-	17,100	2,468	14
1.2	Support to market infrastructure	27,700	17,431	63			-	1900	590	31	3100		-	2900		-	800		-	1300		-	37,700	18,021	48
	Sub Total	42,300	19,745	47	-	-	-	2,900	744	26	3,400	-	-	3,500	-	-	1,200	-	-	1,500	-	-	54,800	20,489	37
2	Small Holder Productivity Enhancement						-																		
2.1	Support to farmer organization	2,600	1,737	67	400		-	1000	39	4	0		-	0		-	0		-	100		-	4,100	1,775	43
2.2	Support to smallholder production	23,900	18,936	79			-	1100	259	24	3100		-	600		-	900		-	1200		-	30,800	19,195	62
	Sub Total	26,500	20,673	78	400	-	-	2,100	297	14	3,100	-	-	600	-	-	900	-	-	1,300	-	-	34,900	20,970	60
3	Programme Management & Coordination	5,600	12,793	228	100	-	-	5400	3,537	65	3400	223	7	200		-	-	-	-	-	-	-	14,700	16,552	113
	Total	74,400	53,211	72	500	-	-	10,400	4,578	44	9,900	223	2	4,300	-	-	2,100	-	-	2,800	-	-	104,400	58,012	56
	Unspent balances in Bank accounts		2,394				-		1,131														3,524		
	Grant Total	74,400	55,604	75	500	-	-	10,400	5,709	55	9,900	223	2	4,300	-	-	2,100	-	-	2,800	-	-	104,400	61,536	59

Key notes:

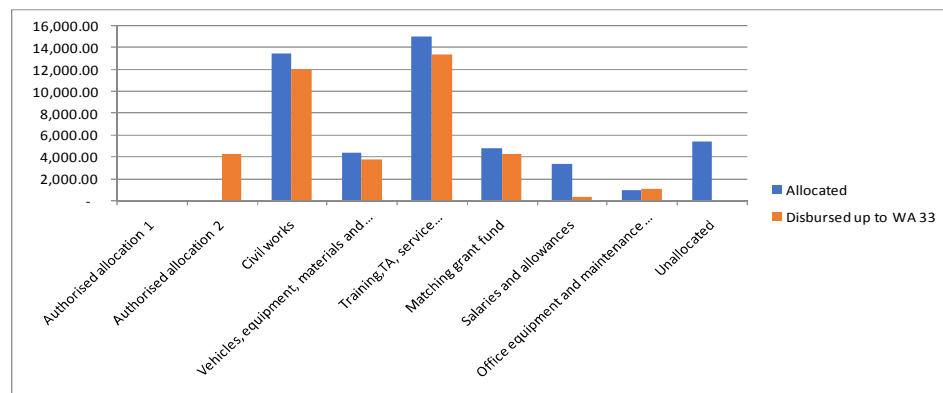
a/ As at 31 October 2018, the loan was 84% disbursed in SDR terms yet in dollar terms it is 75% because of the SDR/USD depreciation over the years. The actual dollar amount is reflected in this table

b/ The tables used in this appendix have been prepared off the flexible accounting system as discussed in the main report. There are serious data issues in VCDP as flexible accounting system is not properly reconciling.

Table 1C: IFAD loan disbursements (SDR'000, as at 31 October 2018)

Code	Category	Allocated	Disbursed up to WA 33	% disbursed at 30/10/2018	WA 34-36 in pipeline	Total after WA in pipeline	%	Available
270001	Authorised allocation 1	-	1	-	-	1	0%	(1)
270002	Authorised allocation 2	-	4,316	-	-	4,316	0%	(4,316)
121068	Civil works	13,540	12,102	89%	1,131.94	13,234	98%	306
121069	Vehicles, equipment, materials and agric. inputs	4,490	3,823	85%	85.28	3,908	87%	582
121070	Training, TA, service providers, studies and workshops	15,020	13,455	90%	1,079.63	14,535	97%	485
121071	Matching grant fund	4,840	4,386	91%	105.77	4,492	93%	348
121072	Salaries and allowances	3,420	460	13%	65.53	526	15%	2,894
121073	Office equipment and maintenance expenses	1,030	1,149	112%	25.08	1,174	114%	(144)
121074	Unallocated	5,510	-	0%	-	-	0%	5,510
		47,850	39,692	83%	2,493	42,185	88%	9,982

Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement (SDR



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Appendix 2: Physical progress measured against AWP&B

Mission Dates: 12 November 2018 to 30 January 2019
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West and Central Africa Division
Programme Management Department

Appendix 1: Physical progress measured against AWP&B

Component/Subcomponent			Period: 01-01-2018 to 31-10-2018			Cumulative Actual	Appraisal Target	%	
	Indicator	Unit	AWP&B	Actual	%				
Component 1									
Subcomponent 1.1 (Support to Value Addition & Market Linkage)	National trade promotion activities organized.	Nos.	1	1	100.0	3	6	50.0	
	State trade promotion activities organized.	Nos.	6	4	66.7	19	30	63.3	
	State Innovation Platform formed	Nos.	6	8	133.3	34	24	141.7	
	Consultative meetings of innovation platform	Nos	12	9	75.0	48	48	100.0	
	Number of Smallholders that use Agricultural market information generated from AMIS	Nos	13,500	12,450	92.2	18,444	32,080	57.5	
	MoUs signed between FOs and Processors	Nos	717	1,567	218.5	3,292	60	5486.7	
	Contractual arrangements formalized between FOs and processors	Nos	6	66	1100.0	467	36	1297.2	
	Processors trained in recommended technologies.	Nos	3,000	793	26.4	4,503	7,680	58.6	
	Service providers (consultants and firms) for market linkages trained	Nos	6	9	150.0	36	24	150.0	
	Subcomponent 1.2 (Support to Market Infrastructure)	Roads constructed/rehabilitated	Nos	90	4.2	4.7	138.70	300	46.2
		Bridges constructed/rehabilitated	Nos	18	3	16.7	12	120	10.0
		Culverts constructed/rehabilitated	Nos	60	10	16.7	186	210	88.6
		New water schemes linked to cassava and rice VC constructed	Nos	15	7	46.7	39	108	36.1
People in programme communities that have adequate access to safe and sustainable drinking water		Nos	1,125	8,452	751.3	18,649	8,100	230.2	
Market constructed/rehabilitated		Nos	16	14	87.5	35	60	58.3	
Number of stalls in the market constructed/rehabilitated		Nos	192	168	87.5	271	300	90.3	
Processing unit with stores constructed/rehabilitated		Nos	13	6	46.1	21	108	19.4	
FO commodity stores/village bulking centers constructed/rehabilitated		Nos	90	50	55.6	251	450	55.8	
Processing clusters that have been supported with at least one piece of equipment		Nos	66	16	24.2	70	108	64.8	
People trained in infrastructure management (roads, markets, water supply, processing and storage facilities)		Nos	90	57	63.3	272	450	60.4	
Matching grants for processing facilities		Nos	472,539,600	181,301.1	38.4	225,606.11	1,186,209.6	19.0	



Subcomponent 2.1 (Strengthening of Farmer Organizations)	FO strengthened by the programmes that use bulk purchase method to procure their inputs.	Nos	450	717	159.3	1,737	2,250	77.2
	FOs legally registered with the Department of Cooperatives	Nos	535	1,610	300.9	4,636	2,674	173.4
	Group leaders trained in good governance issues	Nos	550	2,764	502.5	8,342	6,750	123.6
Subcomponent 2.2 (Support to Smallholder Production)	Small holder farmers that have adopted at least one technology promoted by the programme	Nos	10,890	12,280	112.8	30,030	31,500	95.3
	Farmers provided with recommended rate of seeds fertilizers and agro-chemicals	Nos	9,009	11,032	122.5	35,031	45,000	77.8
	Matching grants for production inputs	Naira	922,406,0000	707,003,333	76.6	2,472,044,446	830,346,758	297.7
	Youth farmers trained in spraying techniques/Other income generating enterprises	Nos	780	1,520	194.9	8422	9,000	93.6
	Farmer organizations that received VCDP supported extension services	Nos	717	945	131.8	4,112	1,125	365.5
	Farmer field schools/Business schools established	Nos	60	107	178.3	465	480	96.9
	Service providers (consultant and firms) for production trained	Nos	8	35	437.5	87	36	241.7
	Farmers trained in improved technologies	Nos	10,890	10,897	100.1	34,896	31,500	110.8
	Land area under irrigation production	Ha	1,920	4,987	259.7	6,549.00	3,000	218.3
	Small scale farmers protected from seasonal flooding	Nos	20,730	2,834	13.7	5,776	30,000	19.2
	Matching grants for agricultural equipment	Naira	327,090,000	15,077,000	4.6	239,421,962	355,862,896	67.3
Component 3	Number of AWPB prepared & produced	Nos	7	7	100.0	35	42	83.3
	Number of M&E Progress Report prepared & produced	Nos	28	21	75.0	112	140	80.0
	Number of Financial Progress Report prepared & produced	Nos	28	21	75.0	112	140	80.0
	Number of Management meetings per annum.	Nos	72	48	66.7	221	420	52.6
	Number of Stakeholder meetings per annum.	Nos	65	23	35.4	73	140	52.1

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Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 12 November 2018 to 30 January 2019
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Report No. 5062-NG

West and Central Africa Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B 6	There shall be two (2) designated accounts (the "Designated Accounts") denominated in USD and opened and maintained by the Borrower/Recipient in a bank acceptable to the Fund to receive the proceeds of the Loan and the Grant, respectively	At Loan effectiveness	Full compliance as both bank accounts (Programme Accounts A and B) were opened as scheduled but have since been transferred to the Central Bank under the TSA arrangements	The one for the grant is no longer necessary and is already being regarded as "dormant" given the inactivity since it was opened.
Section B 7	There shall be three (3) programme accounts (the "Programme Accounts") opened and maintained in a bank acceptable to the Fund by the Borrower/Recipient at each of the Federal and State levels. At each level, the first two accounts shall receive the proceeds of the Loan and the Grant respectively; the last one shall receive the counterpart funds as committed by the Borrower/Recipient in the subsequent paragraph, based on the Programme's Annual Work Plans and Budgets (the "AWPB")		All the accounts; Programme Account A for Loan, B for Grant and C for FGN/State counterpart funds are in operation at the NPMU and all the SPMUs	As above
Section B 8	A Memorandum of Understanding on the implementation of this Agreement between the Borrower/Recipient and the implementing States in the Programme Area as specified in Schedule 1 to this Agreement shall be executed		Compliant	
Section E 1(a)	The National Programme Management Unit (the "NPMU") shall have been duly established and key staff appointed		Duly established and all required staff present	
Section E 1(b)	The Borrower/Recipient shall have deposited in the Programme Accounts adequate counterpart funds for the first Project Year as specified in the AWPB		FGN has cumulatively contributed Naira 62.3 million (USD 0.2 million out of USD 9.9 million pledged at design). This yields only 2%. State and local Governments have together contributed the equivalent of USD 5.7 million out of USD 10.4 million pledged (55%).	Originally, the Federal Government contribution was supposed to pay salaries at the federal level; however, the mission notes that current IFAD allocation is sufficient to cover these, as only 14% of the category has been used to date.
Section E 1(c)	The Finance and Administration section of the Programme Implementation Manual (the "Finance and Administration Manual") shall have been submitted to and approved by the Fund		The manual was submitted and approved by the Fund as scheduled and in operation	
Section E (2)	The Matching Grant section of the Programme Implementation Manual (the "Matching Grant Manual") shall have been submitted to and approved by the Fund		The Manual was submitted to and approved by the Fund as scheduled	