

Federal Republic of Nigeria

Value Chain Development Programme (VCDP)

Supervision report

Main report and appendices

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Abbreviations and acronyms

AWPB	Annual Workplan and Budget
ADP	Agricultural development project
BP	Business Plan
CADA	Commodity Apex Development Association
CAF	Commodity alliance forum
CBN	Central Bank of Nigeria
CBNRMP	Community Based Natural Resource Management Programme
CORY	Creating opportunity for rural youth
CSO	Civil Society Organisation
CBARDP	Community Based Agricultural and Rural Development Programme
ESMP	Environmental and social management plan
FGN	Federal Government of Nigeria
FMARD	Federal Ministry of Agriculture and Rural Development
FO	Farmers' Organisation
ICO	IFAD Country Office
IFDC	International Fertilizer Development Center
JICA	Japan International Cooperation Agency
KM/C	Knowledge Management/Communication
LoP	Life of the programme
NANT	National Association of Nigerian Traders
NCAM	Nigeria Centre for Agricultural Mechanization
NPMU	National Programme Management Unit
M&E	Monitoring and Evaluation
MIS	Management Information System
MT	Metric tons
MoU	Memorandum of understanding
PO	Producer Organisation
RIDYMO	Rural Institutions Gender Youth Management Officer
RIMS	Results and Impact Management
SBST	Single bitumen surface treatment
SDP	Strategic development plan
SPO	State Procurement Officers
SECAP	Social, Environmental and Climate Assessment Procedures
SoE	Statement of expenditure
SPMU	State programme management unit
TSA	Treasury Single Account
VCAP	Value chain action plans
VCDP	Value Chain Development Programme
WA	Withdrawal application

A. Introduction¹

1. IFAD and the Federal Government of Nigeria (FGN) fielded a supervision mission to the Value Chain Development Programme (VCDP) from 05 to 25 June 2015 to review progress of programme implementation since effectiveness in January 2015, with emphasis on assessing the adequacy of implementation, identifying administrative and technical challenges and potential risks that could affect the achievement of programme objectives, as well as identifying exit and sustainability strategies and the potential for scaling up programme achievements.
2. The mission visited the six participating states and interacted with beneficiaries and stakeholders in selected sites. The mission was divided into two sub-teams after a joint visit to Niger State to establish a common framework to guide the two sub-teams in the other states. The sub-teams converged in Ogun State and jointly visited some programme sites in the state. The joint visit in Ogun, the last state, was to allow for a reflection on all the field visits by mission members and to use the state as the base for report preparation. Courtesy calls were paid to the Executive Governors of Benue, Ebonyi and Ogun states. The draft aide memoire, which defined the content of the missions report was discussed with the programme staff, government officials and leaders of some farmer groups at a wrap-up meeting in Abeokuta on 24 June 2016.
3. The mission highly appreciates the support and courtesies extended to it by the National Programme Management Unit (NPMU), the state programme management units (SPMUs), senior officials of the states and local government authorities (LGAs), and the members of the value chain clusters and farmer organizations (FOs) visited. The mission took particular note of: (i) the commitment made by the Executive Governor of Benue State to expedite the release of the approved N166 million counterpart fund held up in a commercial bank; (ii) the payment of N87.1 million for 2015 counterpart by the Executive Governor of Ebonyi State; and (iii) the approval of N83 million for 2016 counterpart fund by the Executive Governor of Ogun State.

B. Overall assessment of programme implementation

4. Given that we are almost 3 years into implementation the programme is behind schedule. However the mission notes that the implementation in the past 1.5 years has made good progress in achieving the objective of sustainably enhancing the incomes and food security of poor rural households engaged in the production, processing and marketing of rice and cassava. Specifically VCDP has: (a) established a good value chain structure and business models with private sector involvement and demand-driven process, (b) caused a co-funding of some activities by major off-takers like Olam and Onyx, (c) demonstrated a strong state government involvement and ownership in the provision of counterpart funds, (d) established commodity alliance and business transaction forums for farmers and major service providers including the off-takers who currently drive the forum, and (e) been involved in good communication and knowledge sharing events, which have earned it a high visibility in Nigeria. A strong M&E system has been established to support evidenced-based implementation.. The few shortcomings in implementation so far include the over-specification of feeder roads, which generated high unit cost, lack of environmental and social management plan for infrastructure projects, weak farmer groups, absence of administration officer in NPMU and each SPMU, and lack of counterpart fund from the federal government to pay for the salaries of NPMU staff .
5. Overall, the programme has achieved 28.1% of its 2015 and 2016 physical targets and 27.3% of its financial targets, reflecting some level of prudence in the overall utilization of resources.

¹ Mission composition: from IFAD: Patrick Nugawela (Value Chain and Institutions Development), Jones Lemchi (Economist), Paul Schoen (M&E, Communication and Knowledge Management), Chitima Mawira (Irrigation and Rural Infrastructure), Anja Rabezanahary (Targeting and Gender), Davis Atugonza (Financial Management), Mikael Andersson (Finance Officer), Masa Kishi (Procurement), Ben Odoemena (Country Programme Officer), Samuel Eremie, Mission Leader (Programme Management), and Atsuko Toda (Country Programme Manager). From the Government of Nigeria are: Salisu Ahmed (FMARD), Tolulope Jaji (FMF), Prof G. Lombin (Policy and Management), and Benson Odaman (Deputy Director, FMF). From the VCDP NPMU are: Onoja Ameh (National Programme Coordinator), Vera Onyilo, (Central Communication Unit), Sanni Abiodun (Procurement), Nurudeen Moh'd Lawal (M&E), Musa Dalang (Gender), Kennedy Esinulo (Market and Enterprise Development), Chyka Unamma (Agricultural Production), and Usman M. Damatar (Financial Controller).

The programme has been implemented for close to one and a half years as at the time of this mission. Apart from the initial lag from the time it entered into force (14 Oct 2013) to the first disbursement date (19 Sept 2014), the mission concludes that VCDP implementation is on track to achieve its development objectives, based on available evidence in the field.. The programme has established the key implementation structures and mobilized and profiled 999 producer organizations (POs) with a total of 15,240 farmers (11,227 for rice and 4,013 for cassava) against a LoP target of 2,250 producer organizations and 270,000 farmers. The farmers have been assisted to put 18,530ha under cultivation (12,521.7ha for rice and 6,009ha for cassava). In keeping with its value chain approach, the programme has established partnerships with major buyers of farmers' produce and facilitated a linkage between them and the farmer groups. It has facilitated the preparation of business plans (BPs) and value chain action plans (VCAPs) for the participating farmers, which are a major input into the preparation of the programme annual work plan and budget (AWPB). The farmer organizations (producer groups and processor groups), through the mentorship of the programme, are now following a business approach, negotiating and transacting business with other service providers. Although, the FOs have been enlisted and profiled, they are yet to be classified according to their level of maturity and strength to inform the specific capacity building interventions for each group. The mission learnt that the exercise has been slated for the last quarter of 2016, during the lean cropping season. VCDP has also produced designs and specifications for some infrastructure investments, and executed some infrastructure activities.

6. A good monitoring and evaluation (M&E)/management information system (MIS) has been established and the programme has also started to lay the foundation for sustainability and scaling up through the establishment of the commodity alliance forum (CAF), use of farmer groups, and apex group leadership, involvement of LGA staff, partnership with large processors of farmers produce who are co-funding extension services, and use of private sector extension providers for quality services and new ideas. Innovations such as the use of location specific farmer friendly weather forecast equipment, CAF of all key stakeholders, and dry-season rice farming have emerged.
7. There is an acceptable level of communication and knowledge sharing in the programme as most field activities are either aired or published in national television channels and print media, respectively. Although some improvement is needed in the implementation of some market infrastructure activities, especially, keeping to the appraisal guidelines/specifications on rural roads, as well as preparing the environmental and social management plan (ESMP) for the infrastructure, the programme has constructed and rehabilitated some feeder roads to ensure that the evacuation of produce to identified market outlets is not hindered at the time of harvest. But some of the road were provided with high specification, which consequently led to high cost. Expect for the introduction and training of farmers on the use of false-bottom drum rice parboiling technology (a technology from JICA intervention in Nigeria), no appreciable level of work has been done in smallholder processing improvement as well as post-harvesting technologies. However, as at the time of this mission, scoping analysis and feasibility study of processing clusters were on-going to improve the smallholder processors activities. VCDP is working with some Anambra State Government to develop a master plan for smallholder processing. The outcome will be adopted either in part or whole in other participating states.
8. A number of policy outcomes are emerging from the high level of engagement of VCDP with the state governments. The support to the programme by the state governments has improved substantially due to tangible results from the field and the fact that VCDP fits squarely into the development agenda of the government. For instance, Ebonyi State Government has embarked on a sizeable tractorization programme to facilitate land preparation for farmers. In Anambra State, the Department of Cooperatives has established desk offices in the Ministry of Agriculture to facilitate the registration of POs. All the states, except Niger, are up to date with 2015 counterpart funds. Benue and Taraba states have released the 2016 counterpart funds while Ogun and Anambra states approved the 2016 counterpart funds. Considering that all the state governments are going through financial stress, the ability of some states to meet their counterpart fund obligations is a clear indication of the strong ownership of the programme by the states, and a reflection of the confidence reposed on VCDP as a good model to achieve self-sufficiency in rice, as expressed by the Ogun and Ebonyi State Governors.

9. Similarly, the programme has generated high participation from the POs (999 against 2250 LoP target), service providers and off-takers. Following the good performance by VCDP in farmers' mobilization and provision of infrastructure and matching grant facility, off-takers such as Olam and Onyx are committing financial resources to support extension delivery. During the mission, the Governors of Benue, Ebonyi and Ogun states, indicated their intention to adopt the VCDP market-led template in their states. The parties consider VCDP to be faithful in meeting their part of the bargain in farmers' mobilization, input provision, market access, land development, and mechanization services, which have become an opportunity for job creation for the youth in the states.
10. Empirically: (i) the rice sector showed higher performance in all interventions from group formation to VCAP development with (a) 62% of the 1,566 FOs (567 processor organizations and 999 producers organization), (b) 56% of the 32 off-takers identified, (c) 59% of the 1,519 BPs established, and (d) 59% of the 135 VCAPs prepared; (ii) 253 agribusiness clusters have been formed, with 84% in primary production, 16% in processing, and none in marketing; and (iii) 300 MoUs against a LoP target of 60 MoU have been signed between POs and processors, and 59 partnerships established between farmers and inputs suppliers.
11. Table 1 summarizes the physical performance of the two technical components of the programme against the life of the programme (LoP) targets.

Table 1: Overall VCDP achievements in Components 1 and 2 against life of programme targets

Components	Average % achievement
Component 1: Agricultural Market Development	23.1
• Subcomponent 1.1 Support to value addition	24.0
• Subcomponent 1.2. Support to market infrastructure	20.8
Component 2: Smallholder Productivity Enhancement	28.2
• Subcomponent 2.1 .Support to farmer organizations	36.3
• Subcomponent 2.2. Support to smallholder Production	24.7

12. As farmer organization is still weak in terms of governance structure and service provision to their members, and partnership limited to off-takers and input dealers, VCDP plans to start strengthening the FOs, as well as expand the range of partnerships with civil society organizations (CSOs), and begin collaboration with the Central Bank of Nigeria (CBN) Anchor Programme for smallholder farmers in , in the coming months..
13. Overall, the programme is following a market-led, demand-driven approach, which has endeared it to the leadership of the participating states as an acceptable template for commodity development. The mission observed that the **strength** of VCDP lies in its ability to: (a) establish value chain structures and institutions, (b) follow a market-led approach and work with large private sector off-takers, and (c) engage in land development and market infrastructure project. The observed **weaknesses** which are not insurmountable are: (i) weak FOs which is a risk to sustainability, (ii) provision of market access road beyond programme design specifications, which has resulted in high unit cost of infrastructure, (iii) non-conduct of ESMP prior to establishing various infrastructure, and (iv) absence of an administration officer in both NPMU and SPMU which tends to affect service delivery. *The mission recommends: strengthening of the FOs; major improvements in the establishment of irrigation and market infrastructure, including the conduct of ESMP; and the engagement of one administration officer each for NPMU and SPMU to improve on internal logistics management.*

Agreed action	Responsibility	Agreed date	
Complete the currently committed road contracts and implement the remainder based on revised specifications	SPMUs	At completion of current contracts	
Ensure that infrastructural development investments are backed with detailed surveys and designs and approved environmental and social management frameworks	NPMU/SPMUs	Immediately	
Recruit a dedicated Rural Infrastructure Engineer, with experience in irrigation development at NPMU, and an irrigation specialist with experience in participatory irrigation development at each SPMU, to lead the irrigation development and flood control projects	NPMU/SPMUs	30 September 2016	
Prepare a proforma Administration Manual and recruit an Administrative Officer at the NPMU and each SPMU	NPC/SPCs	30 September 2016	
Delink the knowledge management and communication (KM/C) functions from the M&E functions at the SPMU level and place the KM/C function in the office of the State Programme Coordinator	NPC/SPCs	31 July 2016	
Increase to a maximum of USD 400,000 in Naira equivalent the advance (imprest) ceiling for each SPMU in order to improve liquidity at the state level	IFAD	30 September 2016	

C. Outputs and outcomes

14. **Component 1: Agricultural Market Development.** This component is expected to meet two key outcomes, namely: *Outcome 1.1: Increased value addition and access to markets realized by beneficiary smallholder farmers as well as small and medium-scale processors; and Outcome 1.2: Demand-driven infrastructure investments for improved access to markets realized and sustainably managed by the beneficiary organisations.*
15. **Subcomponent 1.1. Support to value addition and market linkages.** The programme has done very well in developing market linkages between farmer groups and major off-takers. To ensure sustainability, the programme has established in each state, one commodity alliance and transaction forums (representing 100% of LoP target) between farmers, off-takers (buyers), input dealers and financial institutions to facilitate commodity supply. As at the time of the mission, 300 MoUs against 60 MoUs LoP target have been signed and made functional between POs and Off-takers, 59 active partnerships established with seed and inputs suppliers and market leaders, 36 contractual arrangements formalized between FOs and processors, 504 processors trained in rice parboiling false-bottom drum rice technology, which has reduced post-harvest losses more than 20% against a LoP target of 65%, and 8 service providers against a LoP target of 25 have been trained on market linkages. In effect, VCDP is making good effort to improve farmers' access to output market outlets.
16. The over 9,083 metric tons (MT) of rice produced by farmers in 2015 was sold to off-takers for an estimated revenue of USD 5.45 million (N1.09 billion) at N120,000/MT for N200/USD. No complaint of market surplus was recorded during the 2015 production year due to the fact that farmers, through VCDP guidance, produced the off-takers preferred varieties and the off-takers kept to their engagement obligations. The team noted that more than 90% of the 9,083 metric tons (MT) dry season rice were all marketed, against the LoP target of 75%. For 2016, over 2,000 farmers have been linked to Olam in Benue State, 3,000 farmers to Onyx in Niger State, 1,500 farmers to Nigeria Starch Mill in Anambra, and 2,000 farmers to Popular Farms in Taraba, through MOUs facilitated by VCDP.
17. One activity that has not taken off so far under Support to Market Development is the development of a market information system. The programme informed the mission that a contract would soon be awarded for this activity. Overall the programme has achieved 24% of the LoP targets under the Support to Value Addition and Market Linkages subcomponent.
18. **Subcomponent 1.2. Support to market infrastructure.** The programme targeted: (i) improvement of 300km feeder roads and construction of 120 bridges and 210 culverts, (ii) construction/improvement of 80 market stalls, 80 processing facilities and storage facilities; and (iii) improvement of water supply for agro-processing and community drinking water.
19. **Improvement of feeder roads.** The mission commends the strong emphasis of the programme in upgrading roads to facilitate access to market by farmers. As at the time of this mission, contracts valued at N2.76 billion (average cost of N20.37 million/km), have been or are about to

be awarded for the construction of a total 135.5km of road in the six states representing 45%, as summarized in Table 2. Work on the roads is at different stages of completion.

Table 1: Length of access roads under construction

State	Length of road (km)	Contracted Cost (Naira)	Average cost (N/km)
Anambra	21	501,487,446	23,880,355
Benue	35	637,404,357	18,475,489
Niger	20	453,380,407	22,669,020
Ogun	20	288,048,541	14,402,427
Taraba	20	357,437,810	17,871,891
Ebonyi	20	522,323,757	26,116,188
Grand Total	135.5	2,760,082,318	20,369,611

20. The mission made three key observations on the road interventions. First, the average cost per kilometre for road construction/rehabilitation is about three times² the anticipated cost during programme design of approximately N7.5 million/km. The mission observed that the high cost stemmed from the high grade specifications provided by VCDP, viz, a double lane of 6 meters carriageway finished with single bitumen surface treatment (SBST) as against a single lane of 4 meters without the SBST. At the current average cost of N20.37 million/km, the balance of the LoP target of 164.5km will require an additional N3.36 billion. The programme submitted that the decision to go for a higher design standard was based on the need to: ensure road durability under a poor maintenance regime of the LGA authorities and communities; comply with the national and state standard for feeder roads; as well as conform to the standard used by other projects such as the World Bank-assisted Fadama Project in Nigeria. Despite these explanations, the mission regards this specification as not appropriate for farm feeder roads.
21. Second, the justification for the selection of specific candidate roads is not usually very clear. While most roads qualify for feeder roads, a few others are classified as community roads which are only indirectly connected to production farms. With the limited financial resources and high demand for improved access in the targeted production areas, the programme ought to prioritize areas with no or limited access by providing basic access roads with the capacity to carry the anticipated load from increased production. The justification for farm access road ought to be in terms of current condition of access, direct link to major farm areas, the number of producers to be reached, anticipated level of production and volume of produce to be marketed, and cost effectiveness of constructing the road. All identified roads ought to be clearly mapped to indicate the target communities, production areas for the two crops and link to the main off-takers. For example, in Obafemi Owode LGA of Ogun State, 10 clusters were identified, out of which three had no road access. It is not clear how the road to the Sowunmi cluster was identified for upgrade ahead of the other clusters with no access. Thirdly, no ESMPs were prepared before construction, despite the construction of some roads through forests and economic swamps.
22. **Improvement of market, processing and storage facilities.** The programme has introduced the use of false bottom drum rice parboiling technology to improve the quality of the rice from smallholder processors. Although evidence of improved quality and enhanced price was demonstrated by beneficiaries in all the sites visited, there was limited consideration by VCDP of the scale of investment that would enable the women-dominated processing groups to come out of poverty. However, the programme is undertaking a comprehensive mapping and feasibility studies to establish the bases and parameters for selecting and upgrading the processing clusters, as well as identify appropriate (simple, efficient, available, affordable and durable) technologies that will help the smallholder processors to achieve value addition. A draft report has been submitted to the IFAD Country Office (ICO) for review. Based on the report, the programme plans to construct a processing house, with borehole water supply, market stalls, warehouse and sanitary facilities for one cluster in each of the participating 30 LGAs, at an estimated cost of N742 million without equipment. The design work for the infrastructure has commenced, and commendably, it provides for energy generation from produce waste or the reuse of rice husks, which are normally dumped and burnt on site. The husks will be used to

² Inflation and weakening of the exchange rate of the Naira against the dollar could be partly responsible for the higher costs.

make briquettes. If viable, VCDP is considering it as another job generation opportunity that will be supported in the coming years. The cost-benefit analysis in the draft reports for infrastructure facilities is inadequate for viable investment decisions and this area needs to be strengthened.

23. Overall, the physical implementation of the Support to market infrastructure subcomponent is 20.8%, with a 30% achievement for access road development.

	Agreed actions on market infrastructure	Responsibility	Agreed date
1	Complete awarded and on-going road contracts (for about 135.5km). Ensure that new roads comply with lower specifications for rural feeder roads.	NPMU/SPMU	Completion of awarded contracts
2	Clearly justify the selection of all roads to be developed, taking into account direct connection to bulk farm or farm clusters, anticipated production and cost effectiveness (N/km/ha or N/km/beneficiary).	NPMU/SPMU	
3	Especially for processing infrastructure, ensure the 'greening' of infrastructure by incorporating: (a) use of natural light where possible, (b) use of solar energy where cost effective, and (c) rainwater harvesting and waste recovery and reuse, among others.	NPMU/SPMU	Integrate requirements into design
4	Undertake environmental and social impact assessment for all processing facilities that will produce solid and liquid waste, to provide measures for their safe reuse or disposal, and for road and land development projects.	NPMU/SPMU	Prior to establishment
5	Prepare an environmental and social management framework for the programme for approval by state and federal environmental authorities (may not be necessary since the programme is in category B).	SPMU/consultant	

24. **Component 2: Smallholder Productivity Enhancement.** This component is expected to achieve two key outcomes, namely: *Outcome 2.1: FOs effectively service their members*; and *Outcome 2.2: Production and productivity of smallholder rice and cassava farmers in the programme areas increased*. The expected outputs are 2,250 FOs strengthened and access to fertilizers, agro-chemicals, improved technologies and extension services facilitated; at least 40 % of supported FOs are strong by PY 5 (good record keeping, strong business plans, generating profit, linked to finance, etc.); rice productivity increases from average 2.5/ha to at least 4 tonnes/ha for non-irrigated and 6 tonnes/ha for irrigated, cassava productivity increases from 15 tonnes/ha to 25tonnes/ha; 70% of target POs meet their annual input needs requirement; 9 000 youth of target farmers trained in spraying techniques; and 50% of target POs receive VCDP supported extension services; 100% of the target POs legally registered with the Department of Cooperatives; and 6,750 group leaders (3 executives per group) trained.
25. **Subcomponent 2.1. Strengthening FOs.** The programme has attained appreciable milestones regarding the key performance indicators of this subcomponent, namely: (i) group leaders trained in good governance issues (record keeping, preparation of BPs, bulk input procurement, generating profit, linkage to finance, etc.), and (ii) FOs legally registered with the Department of Cooperatives.
26. One of the business models of VCDP is the use of FOs to facilitate service delivery. The strategy includes identification/mapping, profiling/validation, sensitization of the farmers, networking of the profiled farmers and strengthening their capacity to serve their members. As at the time of this mission, a total of 999 POs out of the LoP target of 2,250, representing 44% have been profiled/validated and networked. This figure represents 15,240 individual farmers (59% male and 41% female), who are presently receiving various extension and inputs services to increase their production and productivity against the LoP targets of 270,000 individuals or 45,000 households. The primary commodity groups have also been organized into apex groups, Value Chain Cluster Groups, in line with the principles of the Commodity Apex Development Association (CADA) of the closed IFAD-assisted Community Based Natural Resource Management Programme (CBNRMP) to prepare their business plan/value chain action plan and the basis of that planning instrument leverage common services and engage in knowledge sharing. The programme has commenced strengthening of the commodity groups and their apexes with focused trainings on the preparation of BPs and VCAPs, record keeping at the individual and group levels, and business transactions with off-takers and input dealers. Limited assistance on financial linkage has also been provided to farmers through a cashless credit arrangement with off-takers. For the 2016 planting season, all the participating groups have prepared their BPs and VCAPs, which provided inputs to the 2016 AWPB for VCDP. A

- total of 912 group leaders, representing 13.5% of the 6,750 LoP target have been trained. All the 999 POs, representing 100% in line with LoP target have been registered with the Department of Cooperatives. Registration of a FO (producer organization and processor organization) is a prerequisite for it to benefit from VCDP.
27. The mission observed appreciable performance in internal governance among the POs in terms of leadership structure, meeting regime (monthly), election of members/tenure of office, record keeping and internal saving mobilization. The use of BPs by participating POs indicates that some of the farmers have imbibed a new business orientation. However, the POs are yet to be fully strengthened to effectively set a long-term strategic vision, develop an exit strategy from the matching grant, and effectively provide access to technical services and production inputs to their members. As achievement in training is only about 36.3%, and considering that this later observation has a direct relationship on the sustainability of the programme, the mission encourages VCDP to prioritize it during the lean cropping season.
 28. **Subcomponent 2.2. Support to smallholder farmer production.** The performance indicators for this subcomponent relate to: (i) increase in yields, (ii) increase in production, and (iii) access to improved technologies and extension promoted by the programme. The achievements under this subcomponent are rather low except for access to input, which has been facilitated under the matching grants scheme. Overall, the programme achieved 24.7% of the subcomponent targets.
 29. **Production and productivity increase.** VCDP has gone through only one full production circle (2015), during which period, it introduced an innovative dry season rice production, including the training of farmers on best agronomic practices. At least 1,000 farmers participated in dry season rice production in Benue, Anambra and Niger states, with average paddy yield of 4MT/ha and 3MT/ha, representing 100% and 90% of LoP target in Niger and Benue states, respectively. Cassava farmers are yet to harvest their roots to enable VCDP establish the productivity level. For the 2016 planting season, VCDP has adopted a number of strategies to increase rice and cassava production, including: (i) mobilization of a large number of youth in production; (ii) investment in land development to increase farmers' access to production land; (iii) engagement with tractor hiring companies and government mechanization agencies to facilitate farmers access to machineries, and establishment of youth agripreneurs to provide mechanization services to farmers; (iv) investment in irrigation and flood control to support all-season rice production and adaptation to climate change; (v) use of innovative e-wallet warehouse system to provide inputs (fertilizers, improved seeds, agro-chemicals) to farmers; and (vi) use of public-private extension providers to provide quality extension services and strengthen the government system. As at the time of mission, 60 youth out of a LoP target of 9,000 have been trained in mechanization business but no training has taken place for spraying of agrochemicals.
 30. **Land development for improved access to land.** Significant progress has been made in land development (bush clearing, stumping, levelling and parcelling) for both rice and cassava cultivation. A total of 908ha is either under development or has been completed (143ha) as indicated in the table below. An additional 100ha is under study and design in Taraba State.

Table 2: Area under land development

	Area (ha)	Development Cost (N)	Average cost per ha (N/ha)
Survey and design			
Taraba	100	53,900,000	539,000.00
Subtotal	100	53,900,000	539,000.00
Implementation			
Anambra	200	73,409,963	367,049.81
Benue	165	55,409,035	335,304.30
Niger	200	65,484,758	327,423.79
Ogun	200	41,591,899	207,959.49
Subtotal	765	235,895,654	308,260
Operational			
Benue	143	50,804,565	355,276.68
Subtotal	143	50,804,565	355,276.68
Grand Total	1,008	340,600,219	337,813.267

31. The programme needs to pay attention to three issues regarding land development: (i) *potential social conflicts among beneficiaries should be resolved. They include issues on land access such as duration of lease, cost of lease, management during lease period, and parcelling of the land should be resolved before land development starts;* (ii) *land development should be done after a proper design that contains farm plot layouts, farm roads and paths;* and (iii) *there is a need to develop an ESMP for any site to be developed, which should be approved by the relevant State Authority before the works begin.*
32. **Irrigation and water control.** The programme targets to develop about 2,500ha of irrigation works of which about 70ha was used as pilot in 2015 and 1,295ha representing 52% is already in the development pipeline of the 2016 AWPB, as shown in Table 3.

Table 3: Area and estimated cost for identified irrigation sites

State	Area (ha)	Estimated Cost (N)
Identification		
Benue	50	140,000,000
Sub-total	50	140,000,000
Feasibility study		
Anambra	200	560,000,000
Benue	430	1,204,000,000
Niger	150	420,000,000
Ogun	250	700,000,000
Ebonyi	200	560,000,000
Sub-total	1,230	3,444,000,000
Operational		
Anambra	15	42,000,000
Sub-total	15	42,000,000
Total	1,295	3,626,000,000

33. The mission reviewed the studies and engineering designs done for about 1,230ha that will be under irrigation, and visited some of the targeted sites in Anambra, Ebonyi, Taraba and Ogun states. The level of studies done to date does not have sufficient detail to proceed to construction of the schemes. The studies fell short in providing details of water availability, environmental and social assessments, and detailed engineering designs for each site. In addition to the big irrigation sites, the programme is developing smaller sites using pumps to draw water from rivers and tube wells, an approach that has been very successful in the *fadama* areas of Nigeria. The mission recommends that the programme takes advantage of any potential to develop these micro-scale irrigation sites as a way to promote dry-season rice cultivation. Work on flood control has not yet started, but the mission visited sites at Dooshima cluster in Benue State and Sowunmi Cluster in Ogun State where there is potential for flood control works to be effective.
34. The mission makes the following recommendations regarding irrigation and water control: (i) *detailed feasibility studies and environmental impact assessments for each irrigation site should be undertaken before detailed engineering studies are done;* and (ii) *the NPMU should increase its capacity for irrigation and other infrastructure development by recruiting a dedicated Rural Infrastructure Engineer, with experience in irrigation development, while the SPMUs should recruit irrigation specialists with experience in participatory irrigation development to lead the irrigation development and flood control projects.*

	Agreed actions on land development and irrigation infrastructure	Responsibility	Agreed date
1	Undertake land development only after: (a) a proper design of the farmers' fields, with clear field layouts that include farm roads and paths, and (b) the development and approval of an ESMP for the site.	SPMU (checked by NPMU during screening)	In tandem with on-going land development
2	Prepare an environmental and social management framework for the programme for approval by state and federal environmental authorities.	SPMU/consultant	30 September 2016
3	Undertake detailed feasibility studies and detailed designs for prioritised irrigation schemes in each state.	NPMU/SPMU	30 September 2016
4	Recruit: (a) a Rural Infrastructure Engineer, with experience in	NPMU/SPMU	31 October 2016

irrigation development at NPMU, and (b) an irrigation specialist with experience in participatory irrigation development at each SPMU, to lead the irrigation development and flood control projects		
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35. **Access to inputs/technologies and extension services.** VCDP strongly emphasizes farmers' access to improved technologies (seeds, fertilizers, agrochemicals and machineries) and extension delivery to boost production, and meet the demand of the off-takers under the commodity alliance. Regarding **inputs**, as at the time of this mission, a total of 114 POs (96 for rice and 48 for cassava) were supported with 2,760 bags of fertilizers, at the rate of two bags/ha in 2015. This was matched with an additional two bags/ha by each farmer to cultivate a total of 2,874ha. About 3,378 farmers (7.5% of the LoP target of 45,000 farmers) received support on seeds, agrochemicals and fertilizers. For the 2016 cropping season, VCDP has engaged the International Fertilizer Development Center (IFDC) and Cellulant Company to manage the input distribution and ensure transparent delivery by dealers, using the innovative e-wallet and warehouse receipt system of the Federal Ministry of Agriculture and Rural Development (FMARD) and the matching grant scheme of VCDP. It is expected that barring any constraints by farmers to meet their equity contribution, up to 60% of the farmers against a LoP target 70% of will access six bags of fertilizers, 50kg of improved rice seeds (or 50 bundles of improved cassava cuttings), and agrochemicals for one hectare of rice. About 59 partnerships against 24 LoP target have been established with seeds and inputs suppliers and market leaders.
36. All the 999 POs representing 100% are receiving **extension services** through VCDP. The mission was impressed with the level of LGA participation in extension services – part of the exit strategy and sustainability arrangement. Each LGA has seconded two liaison officers and two extension agents from the agricultural development project (ADP) to VCDP. For quality extension delivery, and to ensure high productivity and high return on investment by farmers, VCDP has started engaging private extension providers to complement the work of the SPMUs. Up to 20 private extension consultants, representing 56% of the LoP target, have been trained in effective extension delivery. *The mission recommends that VCDP should articulate an actionable strategy in the form of a knowledge product to detail its extension approach to value chain development. This could include the on-going private-public extension arrangement, use of farmer business school, farmer-managed demo farms, occasional spot technical assistance, use of FOs to provide extension services to members, use of the apex value chain cluster groups to share knowledge on extension, adoption of community seed production to facilitate farmers' access to affordable seeds, and proper linkage with research institutes/sources of foundation seeds.*
37. **Improved access to mechanization.** VCDP is collaborating with the Nigeria Centre for Agricultural Mechanization (NCAM) to demonstrate and facilitate the use of simple power tillers, ridge makers and cassava planters. For the 2016 planting season, the programme is piloting a youth agripreneurs scheme, which involves the ownership/operation of simple mechanization equipment and provision of mechanization services (land preparation, reaper harvesting, farm-level threshing and winnowing, produce evacuation and delivery to homes/markets, etc) to farmers – which also serves as a job creation opportunity for the youth. The following process for supporting the youth under the scheme has been laid out: (i) interested youth enterprise groups submit an application to the SPMU through the apex cluster farmer group, which conducts an initial eligibility check before a recommendation is made to the SPMU with the application attached; (ii) the selected groups are trained by creating opportunity for rural youth (CORY) master trainers using the business curriculum prepared by VCDP; and (iii) upon the submission of a satisfactory BP containing costs, projected revenues, operations and maintenance procedures among others, VCDP provides 60% of the equipment cost as matching grant on a recovery basis through the cluster apex group. The first set of 60 youth, three to five persons per enterprise group from the six participating states have been supported. To sustain and upscale the CORY initiative, VCDP plans to invest in developing more MASTER Trainer of CORY module from reliable NGOs and proven youth champions before the end of 2016 as the gran nears completion. In Ebonyi, following the engagement of SPMU with the state government, the government has procured and distributed tractors to all the LGAs for land preparation. The tractors are to be operated by selected entrepreneurs on cost recovery basis, using the VCDP model. VCDP plans to partner with the operators, to make

the services available to its farmers, using the concept of 50% matching grant contribution. No training has been provided to youth on agrochemical handling and save use.

38. Overall achievement under smallholder productivity enhancement is 24.7% as current yields have not yet attained the LoP targets of 5MT/ha for rice and 25MT/ha for cassava. It was also obvious that irrigation and flood control is yet to start fully. Table 4 summarizes the overall achievements of the VCDP in Components 1 and 2.

Table 4: Overall VCDP achievements in Components 1 and 2 against LoP targets

Components	Average % achievement
Component 1: Agricultural Market Development	23.1
• Subcomponent 1.1 Support to value addition	24.0
• Subcomponent 1.2. Support to market infrastructure	20.8
Component 2: Smallholder Productivity Enhancement	28.2
• Subcomponent 2.1 .Support to farmer organizations	36.3
• Subcomponent 2.2. Support to smallholder production	24.7

D. Programme implementation progress

39. **Programme management performance.** The Value Chain Steering Committee at the federal level has had two meetings so far to approve the AWPBs and procurement plans and provide policy guidance to programme implementation. Qualified support staff has been appointed to assist the key staff at the NPMU and the SPMUs, and management meetings are held monthly by all the units. There has also been an impressive change in attitude of the management staff on the use of service providers. However, the teams had faced challenges arising from absence of administration support staff, no vehicles, and the FGN Treasury Single Account (TSA) policy. With the distribution of motorcycles and office equipment to the SPMUs, planned distribution of the recent procurement of vehicles, and the report of a break-in to the office and stealing of valuable equipment in one of the SPMUs, the need for an administration office has come out clearly and highly recommended. The officer will deal with day-to-day administration (logistics, supplies, personnel and security issues). *The mission recommends that the NPMU should also develop an Administration Manual to guide the officers in the discharge of his or her duty.*
40. VCDP management has established a well-defined structure for rice and cassava value chain development, laid out a clear strategy for production and productivity increase, defined a market access strategy, and achieved a commendable government buy-in and policy influence across the states stemming from the demonstrated programme results in infrastructure development, farmer networking, engagement of off-takers, engagement with government and effective communication. However, the following **challenges** were mentioned by the management units as militating against effective management performance: (i) compliance with all IFAD procedures and processes, such as, the non-development of irrigation facilities until all the detailed designs and feasibility studies have been done, which may lead to the loss of one full year in implementation, when the state governments are keen to have dry season farming started in 2016; (ii) realignment of programme implementation with government policy and political realities, such as, the lower programme specifications for feeder roads versus the higher specifications requested by state governments, with implications for much higher unit cost; (iii) low disbursement rates because of the cumbersome processes referred to above; (iv) inability or reluctance of POs to pay upfront the 50% counterpart contribution required for the matching grants, coupled with initiatives by some state governments to address the constraint through separate producer/off-taker arrangements for recovery of the 50% advance to be made to the farmers, requiring the farmers' produce to be sold to a specified government-nominated off-taker; (v) inadequate federal and state (in few states) counterpart funding, resulting in staff salaries and allowances being in arrears for several months; (vi) lack of spending thresholds for the SPMUs, which make it mandatory for even small expenditure items to be approved by the NPMU; and (vii) persistent farmer-pastoralist conflicts in some states, such as Benue, that lead to displacement of programme beneficiaries, destruction of facilities and even loss of lives.
41. *The mission provided guidance for tackling these challenges. For instance, the financial constraints being experienced by smallholders to meet their 50% equity contribution for the matching grant could be tackled by integrating the savings and credit mobilization approach of RUFIN in VCDP. This will require planned knowledge exchange with RUFIN team to acquire the*

skill and ability to handle rural financial inclusion for small poor farmers. It may require the engagement of a financial inclusion expert from RUFIN to begin the process and/or lay the ground for full integration during the mid-term review. The political pressure on the SPMUs could be diffused through greater interaction with the ICO for appropriate intervention, while planning ahead and diligent execution of the initial study and design steps for infrastructure development could hasten such development. A proposal was also made by the mission to increase the advance (imprest) to each SPMU to a maximum of USD 400,000 in Naira equivalent. Other challenges such as the inability of the government parties to pay their counterpart funds and the farmer-pastoralist conflicts are associated with the prevailing national economic and security situations. However, in liaison with IFAD, a more sustainable conflict management strategy should be developed for the programme.

42. **Monitoring and evaluation (M&E).** A good M&E structure has been established in VCDP with appointed staff at the national and state levels, and designated Monitoring Officers/Liaison Officers at the LGA level. All M&E staff have contracts but there is still need to ensure that job descriptions, particularly for support staff at both the NPMU and SPMU levels are in place. This will help clarify roles and responsibilities of all staff within M&E. The report of the baseline study commissioned in 2015 has been finalized and submitted to IFAD. The comments made during the VCDP training and support mission in late 2015 have been incorporated by the baseline study team into a new version. With greater clarity in the study linking the baseline data with the programme and the Results and Impact Management System (RIMS) indicators, as well as the definition of key terms, the baseline study meets the requirements of the programme.
43. VCDP has also adopted and rolled out to the states a new tailored **management information system (MIS)** based on IFAD project structures. All M&E officers in NPMU, the SPMUs and LGAs have been trained (by the international consultant) in what the system does and its functions. A system for data collection, and uploading using Dropbox as a vehicle for sharing documents and verifying their validity has been set up. Although there have been some small teething problems, the VCDP MIS is one of the best systems seen and it will amply respond to meeting the obligations of the M&E responsibilities. It responds to activity, output and outcome tracking and can generate the reports on progress and performance. Whilst the MIS itself is perfectly suited to the tasks it has been designed for, the quality of data must still be ensured. On the basis of the excellent data verification process already established, there is confidence that data quality can be ensured as long as the correct protocol for checking and signing off on the data by Component Heads and SPCs is maintained. No data should be loaded into the system unless this protocol is carried out.
44. One limitation of the M&E system is that it is not electronically linked to the Financial System (called "Flexible Accounting") which means that the budget and expenditure data has to be manually loaded onto the MIS platform. This poses only a little challenge to the M&E team so long as the Finance Department submits the financial information on time. *The mission recommends that, to enhance the use of the system: (i) a process flow chart should be developed detailing step-wise activities of data collection, verification and data loading on the MIS and through to report generation; and (ii) a formal protocol of using the MIS be prepared detailing how the system is used and who has access rights etc. This must be shared with all the staff of the programme.* A system upgrade recommended in April 2016 has not been met, despite the fact that the SPMUs received approval from the NPMU since May to procure and install the software. There is also the challenge of LGA monitoring officers having many other assignments apart from data collection. *The mission recommends that one officer out of the four LGA staff be dedicated to data collection.* It was also observed that the state M&E officers are not involved in the quality assurance of the MoUs signed between the FOs and various off-takers to ensure that they are in compliance to the performance indicators. The situation should be revised to put the M&E in the loop of all performance-based MoUs.
45. No **thematic study** has been undertaken by the programme to guide decision-making. Although not quite due, the mission reminds the programme about *a number of studies to assess its performance some thematic areas for proper decision making on appropriate use of resource. They include, the effectiveness of market linkages between "off-takers" and FOs; assessment of the effect of matching grants on farm enterprises; and, an assessment of the strategy for youth inclusiveness.* The mission also supports the annual survey of farmer

productivity and processor performance proposed by the programme but cautions that the sample size should be within statistical recommendations.

	Agreed actions on monitoring and evaluation	Responsibility	Agreed date
1	Develop an MIS system protocol and process flow chart for clarity on the steps for data loading and system access rights.	MIS Administrator/ M&E Head	30 June 2016
2	Develop an MIS system protocol and process flow chart for clarity on the steps for data loading and system access rights.	M&E Head and State M&E Officers	31 July 2016
3	Develop job descriptions where these are lacking for M&E Officers, Systems Administrator and M&E Assistants.	M&E Head and State M&E Officers	31 July 2016

46. **Knowledge Management and Communication (KM/C).** Through the work of the IFAD KM/C Advisor, a number of key documents and news stories have been produced for VCDP on KM/C. These have positioned the programme well with respect to strategy, product listing and communication. A work plan for the implementation and development of KM products is also in place and some cases are already available. Two major observations were made on the implementation of the KM/C function. First is the structural organisation for the KM/C work, which appears to work against the best possible outcome of this task. Currently, the IFAD KM/C Advisor leads the KM/C responsibilities and communicates with the M&E officers at state level who oversee KM/C duties. This has caused some difficulties in terms of resource use as well as lines of reporting between the Head of M&E and the KM/C Advisor. Another shortcoming in KM/C is the absence of sensitization materials (flyers, factsheets and info-graph, radio jingles, etc), to standardize information and messages going out to the public. Second, a large number of M&E staff, though enthusiastic, do not possess the skills or experience to engage with the subject of KM/C itself and therefore may not be able to fully support the work required. This challenge needs to be resolved so that M&E officers can perform their duties whilst the KM/C needs can be met. *The mission recommends, therefore, that the KM/C assistant position in the states be delinked from the office of the M&E Expert and placed under the office of the SPC and that the KM/C assistants at the state level report technically to the KM/C Advisor at the NPMU and administratively/technically to the SPC. While this may address the issue, it will also be important that selected VCDP staff, including the Head of M&E, have the opportunity to attend short courses on KM/C to enhance their appreciation of the subject.*

A KM/C Strategy exists, but a procedure as to how KM products are developed, with a protocol on implementation, screening, editing, storage and release to the identified audiences need to be developed. A KM/C system (separate from the M&E/MIS) should be rectified.

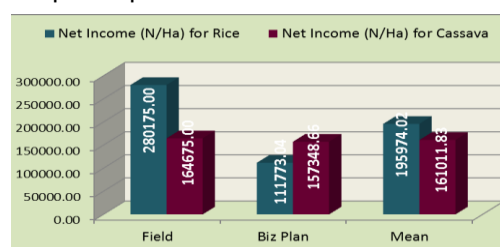
	Agreed actions on CKM	Responsibility	Agreed date
1	Organize training for KM/C assistants and M&E staff	KMC Advisor	Programmed by 30 September 2016
2	Develop a ToR for KM/C duties at state level, and share at all levels within VCDP states and with the NPC/Component Heads	KM/C Advisor	31 August 2016
3	Develop and share KM/C system and protocol with all VCDP staff, outlining roles and responsibilities of staff, the process for KM product development and uploading and other processes	KM/C Advisor	31 August 2016
4	Sensitize all programme staff on the KM/C strategy and development templates for knowledge capitalization	KM/C Advisor, NPC, SPCs	31 July 2016
5	Delink the work of the M&E officers, with the KM/C assistants to report to the KM/C Advisor and placed under the SPC at the states.	NPC/SPCs	31 July 2016

s in targeting. The choice of the initial 18 participating LGAs was guided by a set of criteria including production volume, availability of processors, the existence of complementary value chain projects, and demonstrated commitment by the LGA. These criteria have also been

applied in selecting two additional LGAs per state, bringing the total number of LGAs to 30. The programme is effectively reaching out to poor rural women and men using existing farmer groups and in a few places forming new groups. Each state has a target of 8,913 beneficiaries to be networked, comprising 7,500 farmers, 1,280 processors, and 133 marketers. The activities implemented by the programme fully correspond to the needs and interests of the beneficiaries, but follow a value chain approach. The POs are linked to produce off-takers of their choice after a critical analysis of the opportunities, strength and weakness of the off-taker. Needs assessment will be undertaken to develop training modules for strengthening POs, especially with respect to group dynamics, governance, enterprise skills (such as recording keeping, business transactions with buyers) and use of the matching grant and exit from it. Farmers having less than 1ha to 5ha of land are supported with capacity building and input. But support for input provision does not exceed 1ha each and two planting cycles including dry season farming. Though there are a few deviations, the targeting of access roads has generally met the farmers' requirement of connecting the farms to the market. There are, however, no clear criteria for support to farmers on land development.

48. *The mission recommends that: (i) a clear criteria/strategy for support to farmer groups on land development should be developed. This will include, the size of land that qualifies for development, number of farmers that have expressed interest to use the land, existence of a lease agreement between the land owners and the farmer groups stating the condition for the release and lease tenure which will be up to 10 years, and evidence (signature) of the local/village/community chief to witness the release of the land, among others; and (ii) in order to increase the reach of feeder roads to the target groups, the programme should resolve the issue of road specifications which are above the IFAD design requirement before the establishment of more access roads.*
49. **Gender focus.** As at May 2016, VCDP has reached out to 6,118 women and 9,240 men involved in the rice and cassava value chains. A total of 1,566 FOs (567 processor organizations and 999 producers organization), were profiled, of which 12,824 are female farmers and 170 FOs are women-only groups. The number of women in leadership position in the FOs is still very low and most of them occupy the Treasurer position. Social, religious and cultural beliefs are impeding the participation of some stakeholders in VCDP, disallowing women to speak in gatherings where men are present. *The programme needs to work hard in this area using a **proven gender strategy** as was done by the closed IFAD-assisted Community Based Agricultural and Rural Development Programme (CBARDP) in northern Nigeria.* While 35% of the matching grant is earmarked for women, the women are not yet proficient in the use of the grant. Intra-household decision-making, lack of control over resources, polygamous families and heavy workloads still hinder women from operating profitable businesses. The mission commends the appointment of a Rural Institutions Gender Youth Management Officer (RIGYMO) at NPMU and the on-going gender/youth analysis. The report will be shared in July-August and will serve as the basis for an updated VCDP **targeting, gender and youth strategy**. *The mission recommends a full commitment of RIGYMO at NPMU in the next three months to: (i) develop the gender/youth strategy to guide all programme staff on gender/youth targeting, (ii) build the capacity of all the state RIGYMOs, and (iii) share relevant knowledge at national level with the Rural Finance Institutions Building Programme (RUFIN) gender team who has a mastery of the Gender Action Learning System (GALS) as a proven gender inclusion strategy, and at the regional level (IFAD West and Central Africa and Senegal).*
50. **Youth focus.** As at May 2016, VCDP had reached out to 11,477 youths out of which 4,584 are young women. The mission noted the high level of youth participation in programme activities, such as tractor hiring, multiplication of rice seeds and cassava cuttings, harvesting, and transporting produce to aggregation centres for onward transportation to markets, etc., all establishing the prerequisites for a new generation of farmers. The gender and youth targeting strategy should be developed to drive the youth and women inclusion in the programme. *The mission also recommends: (i) a focus on equitable participation of young women and men in the youth strategy; (ii) organizing the first Youth Forum in 2016; and (iii) start of partnering with the National Association of Nigerian Traders (NANTS) to replicate good practices for youth in agriculture.*

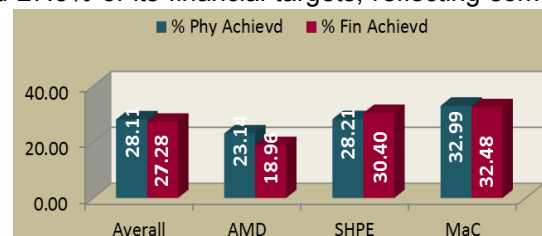
51. **Empowerment.** A market-led focus on the part of the farmers has started to emerge with the first batch of BPs and VCAPs, following continuous sensitization and a one-week training for farmer groups on how to prepare a viable farming business plan. Most farmers can now prepare their BPs and the VCAP has also become an instrument of engagement between the farmers and the LGAs. Following from this arrangement, it is expected that the LGAs will reflect the needs of the FOs in their annual budgets during the coming years. The establishment of the commodity alliance and transaction forum has empowered farmers to sit together with other key stakeholders (off-takers, bankers and agro-dealers) to discuss their business. Youth are receiving business empowerment from creating opportunity for rural youth (CORY), through agribusiness training to start and own businesses. VCDP is partnering with CORY to make this happen.
52. **Poverty focus.** VCDP completed its baseline survey in April 2016, showing that: (i) average land size for rice and cassava is around 2ha; (ii) farmers/entrepreneurs belong to five categories of income levels; (iii) a majority of the farmers encounter 2-3 months of hungry season and some can go up to 5-8 months per year; (iv) stunting (28%) as well as underweight children under five (16%) are prevalent in all the states; and (v) the most frequent shocks are flood, drought and insecurity. Intervention so far has been geared toward increasing productivity, sales and income, provision of access road the farms, provision of inputs and extension services to improve yield, linkage to reliable market to access output market, etc. The baseline results and programme response confirm that VCDP is on the right track in its poverty focus, in line with the development objective of “sustainably enhance the incomes and food security of poor rural households engaged in the production, processing and marketing of rice and cassava” in the participating states. The programme design rightly focused on activities that will promote sustainable income inflow into the pockets of the rural dwellers, to improve their wellbeing and curtail poverty.
53. **Poverty focus and economic outcomes.** Through a combined profitability analyses of the enterprises visited as well as data from a sample of the BPs, the mission gained an impression of the viability of the enterprises promoted by VCDP. For rice production, average **net income** is N195,974/ha, and for cassava production, N161,012/ha (see Figure), indicating that both enterprises are profitable. The value addition interventions are also profitable, with a mean annual net income of N277,471. The **average daily net income** per beneficiary, based on the exchange rate of N284/USD 1 prevailing during the mission, was USD 1.92 for rice production and USD 1.57 for cassava production. These amounts are below the global threshold of USD 2/capita/day for coming out of poverty. To improve the per capita income of the beneficiaries, VCDP has rightly adopted a combination of intensive pathway (for productivity) and extensive pathway (scale increase) by investing in land development and flood control. The strategy includes improved access to high yielding agro-inputs, use of credible input supply chain managers (IFDC and Cellulant) to ensure transparent delivery to farmers, use of a combination of private and public extension for timely extension and inputs delivery, support to dry-season rice farming to double production, and partnership with the private sector to provide farmers with information on preferred varieties for premium produce.
54. **Partnerships.** Three different partnerships have operational in the programme. they include: (a) partnership with off-takers; (b) partnership with input dealers including equipment dealers; and (c) partnership with media with knowledge sharing in all the states.
55. For the off-takers, VCDP is partnering with Olam in Benue State, Onyx in Niger State, Nigeria Starch Mill in Anambra State, Harvest-feed Nig. Ltd in Ogun State, and Popular Food ltd in Adamawa State. Presently up to 300 MoUs have been developed and signed between the farmer groups and large produce buyers across the 6 participating states. Tangible partnership results include: (i) in Benue State, Olam is supporting about 2,000 farmers with a minimum of 1ha each, to access inputs, extension and credit services. Olam is also participating in farmer mobilization, validation, profiling and training, bringing in their experience in out-growers schemes. Olam has out-posted extension agents to ensure that farmers meet the productivity



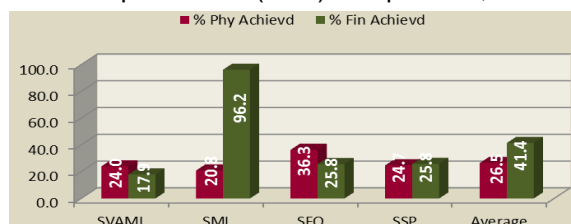
- potentials of the preferred rice varieties; (ii) in Niger State, Onyx is supporting about 3,000 farmers. In 2015, the Onyx/VCDP/farmers partnership in Niger State had worked on 50ha of rice with an average yield of 4MT/ha from a base figure of less than 2MT/ha. In 2016, Onyx requested VCDP to join its CBN Anchor Programme which has an additional 3,000 farmers. VCDP will train and jointly monitor the farmers in the application of best agronomic practices, while Onyx will provide inputs and credit on cost recovery basis; (iii) in Anambra State, the Nigeria Starch Mill, with installed capacity of 200,000MT, is supporting over 1,000 cassava growers; (iv) in Taraba State, Popular Food is supporting up to 2,000 farmers; and (v) in Ogun State, Harvest-feed Nig. Ltd is supporting cassava farmers with 600 bundles of stem-cuttings of TMS 418 variety. Ogun State VCDP is also collaborating with the African Agricultural Technology Foundation to provide chemical, mechanical, biological, biotechnology and process-based solutions to the constraints of the farmers. Among the on-going partnerships, the Olam and Onyx model needs to be up-scaled in the other states. Through the Partnership Unit of IFAD in Rome, VCDP intends to pilot this model with Psaltry International Company Ltd, Nigeria Brewery Plc, and Rockefeller Foundation in Ogun State. In total, the programme has established about 34 partnerships in the rice value chain for markets access and seeds supply, and 25 partnerships in the cassava value chain, across the six states.
56. As a partnership strategy with off-takers, VCDP undertook mapping of potential off-takers and an opportunity assessment of potential partners. Based on the outcome of the assessment, the programme develops a result-oriented MoU between the off-taker, POs and VCDP. The MoU states the obligations of each partner and ensures that IFAD performance indicators are well accounted for. In some cases other participating stakeholders like financial institutions join in the MoU but from the platform of the off-takers. Each partnership arrangement has a duration of one year. Extension or renewal of it depends on satisfactory performance.
 57. There are also other performing partnerships between VCDP and agro-equipment dealers in mechanization and land development, such as with the National Centre for Agricultural Mechanization (NCAM), but no MoU (or similar formal instrument of association) has been established in this area to guide the parties. There is also an impressive partnership between VCDP and the media through the central communication platform of IFAD programmes in Nigeria. This has given the activities of VCDP wide and quality publicity.
 58. What is presently lacking in VCDP is the involvement of the CSOs and non-governmental organizations (NGOs), collaboration with research institutes, insurance companies, and other development projects, and the development of a partnership strategy as knowledge product. *The mission recommends: (i) a good independent but supportive policy advocacy with CSOs to enhance visibility, replication and sustainability; (ii) the deepening of the CAF to include the State Ministry of Agriculture, the leadership of the participating LGAs, CSOs and NGOs, to sustain the innovative linkage initiative; (iii) as a lead value chain programme in Nigeria today, VCDP should collaborate with other development projects, including RUFIN from which it can learn a lot regarding access to finance to effectively exit from the matching grant; (iv) the articulation of a partnership strategy along the following key pillars: (a) implementing partners, (b) collaborating partners, (c) co-funding partners, (d) service providers, and (e) policy, KM and advocacy partners; and (v) the inclusion of partnership development as one of the key exit strategies for the matching grant, which lasts for two years for each set of beneficiaries.*
 59. **Policy focus.** VCDP is essentially a pilot scheme designed to transform the nation's agricultural landscape and pull millions of farmers out of poverty. About 1.5 years into implementation, VCDP has played some critical role in influencing government decisions to improve the functions of the government system and business environment. For instance the Ogun State Government, in responding to the operational challenges confronting the implementation of VCDP in the state, has set in motion a policy review aimed at consolidating the numerous mini-level rice processing centres to promote economy of scale and facilitate market access for small rice growers. The Benue State Government has accepted, as a matter of policy, to promote dry season irrigated rice farming, a practice that was hitherto unknown in the area. The Ebonyi State Government has also up-scaled the mechanization initiative of VCDP by procuring 40 tractors and engaging 80 youth to commence land mechanization for all smallholder farmers in the state. In Anambra State, the experience gained in FO formation and registration by VCDP caused the state executive council, the highest policy arm of the government, to review and fast-track the procedures for the registration of farmer cooperatives,

following a motion brought to it by the Commissioner of Agriculture to this effect. As a policy outcome, the executive council approved an affordable levy for cooperative registration by small farmers, a maximum of two weeks for the registration process, and directed the establishment of desk offices in the Ministry of Agriculture for easy access by farmers.

60. Also, the Anambra State Government has adopted the VCDP initiative to restructure and upgrade the processing sites to enhance quality, efficiency and competitiveness at the smallholder processing level. The government is partnering with VCDP to develop a master plan for upgrading the processing sites in the state. With guidance from the master plan, the government intends to develop mini-bulk processing sites/zones or industrial estates within the rice processing LGAs and pull the processors together to provoke a dynamic rural agricultural economy, consistent with the LIFE (Livelihood Improvement Family Enterprise) initiative of the FMARD aimed at supporting the rural agricultural sector. At the household level, farmers are changing their attitude of selling rice in bags of varying weights to adopt a standard weight and measure, so as to reduce conflict between the buyers and sellers.
61. However, some of progress made by VCDP in influencing government policy appears to have been by default rather than through a concerted or deliberate effort by the SPMU to influence government decision. *The mission recommends that VCDP should develop a policy strategy to strengthen its policy influence and carry it through to the federal level.* For instance, the NPMU will need to enlist the support of the LGAs in the maintenance of the supporting infrastructure such as farm and market access roads, management of the rice irrigation facilities, and ownership of the processing clusters. *The SPMUs will need to make the CAF more inclusive of other stakeholders, nuance the forum to become a private sector-led platform to enhance private sector participation in agricultural development in each state.*
62. **Coherence between AWPB and implementation.** Cumulatively, the programme achieved 28.1% of its 2015 and 2016 physical targets and 27.3% of its financial targets, reflecting some level of prudence in the overall utilization of resources (see Figure). The Agricultural Marketing Development (AMD) component recorded a greater level of physical performance (23%) over financial receipts (19%), while the Smallholder Productivity Enhancement (SHPE) component recorded a higher percentage of financial receipts (30%) than physical achievements (28%). Late receipt of funds resulted in lower level of implementation of farm-level activities under Component 2. The physical and financial achievement levels were almost equal for Programme Management and Coordination (MaC) component.



63. Across the technical subcomponents, the programme achieved between 20.8% and 35.3% of its physical targets, and between 17.9% and 96.2% of its financial targets/receipts (see Figure). While higher physical achievements than financial receipts were recorded on the support to value addition and market linkages (SVAML) and strengthening FO (SFO) subcomponents, the programme recorded higher financial receipts than physical performance on the support to market infrastructure (SMI) and support to smallholder production (SSP) components, with the support to market infrastructure subcomponent achieving 96.2% of its financial targets and only 20.8% of its physical targets. This may be partly explained by the high cost per unit associated with the higher specifications for road construction.



E. Fiduciary aspects

64. **Financial management.** Overall, the mission notes that the quality of the programme financial management is adequate and commends the efforts of the Financial

Controller in coordinating the work of the SPMUs and consolidating the financial data. The mission however stresses the importance of implementing the recommendations outlined below to further improve the quality of the programme's financial management and to reduce the risk of incurring ineligible expenditures.

65. **Accounting.** The NPMU and SPMUs maintain their accounting records in accordance with the cash basis of accounting, using a uniform chart of account and recording their respective transactions in the accounting software *Flexible Accounting*. The NPMU collects the statements of expenditure (SOEs) generated by the system and the original supporting documentation from the SPMUs, reviews them and prepares consolidated withdrawal applications (WAs) which are submitted to IFAD. The software is able to generate most reports and withdrawal application forms as required by IFAD. *However, the following gaps noted in the accounting system should be rectified. The reports coming from the flexible accounting system (sources and uses of funds component-wise and category-wise) have been found to be grossly misstated: (i) reported unspent balances carried forward do not reconcile to cash book balances which is odd under cash basis of accounting (reports showed unspent balance of USD 5.2 million yet the initial advance from IFAD is only USD 3.5 million); (ii) expenditure reports from the accounting system are materially lower (by over USD 1.5 million) than those claimed in withdrawal applications; (iii) the trial balance does not relate to the key financial reporting reflecting inconsistencies to accounts mapping and posting errors; (iv) from the above it is evident that management accounting will need to be improved upon as such misstatements can be detected during presentation of monthly management financials to management; (v) commitment control using the system is lacking; (vi) auto consolidated reports do not tally to the summation of the reports from the seven cost centres; (vii) the posted counterpart contributions appear to be overstated suggesting again account mapping errors in the configuration of the system; (viii) budget controls are not strong. The AWPB is not posted in the accounting software and as a result the variance reports are not available; (ix) the SOE form does not display the contract or invoice number which is one of the key requirements under the extended SOE approach; and (x) currently PVs are manually generated instead of auto generating these from the system for real time update of the accounting system. Agreed action:* The Financial Controller should work with the flexible accounting software supplier to correct the identified accounting gaps.
66. **NPMU staff salaries.** The programme at NPMU presently has strength of 20 staff comprising, 10 Management Staff, 10 Technical Support and proposes to have 10 Administration Support staff for ease of service delivery. Given the serious shortage of counterpart financing at the federal level, and the limited salary expenditures at the NPMU, approximately N60 million (USD 300,000) a year, *the mission recommends that the NPMU salaries for the time being be charged fully against the salaries category under the IFAD loan in order to ensure efficient implementation of the programme. However, IFAD should only pay the NPMU salaries as clearly specified (including name, function and amount) in the AWPB approved by IFAD. Similarly the staff names and titles should be disclosed in the WAs submitted to IFAD. This arrangement will be reviewed annually in order to: (i) ensure efficient use of IFAD financing; (ii) avoid overdraft of the respective category; and (iii) ensure the FGN counterpart contribution target will be reached. Agreed action:* NPMU salaries will be paid from IFAD financing to the extent that they are clearly included in the approved AWPBs.
67. **Fixed asset management.** The mission notes that the NPMU maintains a fixed asset register (FAR) in excel and in the accounting software, all assets are tagged and the last inventory exercise was carried out in December 2015. The mission also notes that the FAR was part of the 2015 audited financial statements.
68. **Implication of the Treasury Single Account.** The programme operates a USD designated account in a commercial bank but a new FGN policy has directed all project accounts to be moved under the TSA maintained in the Central Bank of Nigeria (CBN). During the mission it was clarified with the Office of the Accountant General of the Federation that under the TSA, a bank statement for the Designated Account will be provided as necessary, no excess donor funds will be mopped up at the end of the fiscal year, and the NPMU will continue to operate the accounts. *However, the mission notes that the opening of the USD accounts in the CBN has been delayed and stresses the importance of formalizing the Programme's new TSA bank accounts as soon as possible by liaising with: (i) the Office of the Accountant General to open the USD account in the CBN, and (ii) the Federal Ministry of Finance (FMF) to inform IFAD of*

the new account details, including the persons authorized to operate these accounts. Until the USD account is duly opened in the CBN, the programme faces the risk of having its funds mopped up by FGN which would harm the implementation of the programme activities.

69. **Advances to SPMUs.** *In order to improve liquidity at the state level, it was agreed that the advance (imprest) ceiling to the SPMUs will be increased to a maximum amount of USD 400,000 in Naira equivalent subject to their financial management capacity and their needs. In addition, specific thresholds will be established for the states to send payments to the NPMU for direct payment. The advance and direct payment thresholds are to be formalized in the updated Financial Procedures Manual.*
70. **Financial reporting.** *The mission commends the NPMU's reporting capacity and efforts in submitting consolidated financial reports to IFAD. In the future, the mission recommends that the accounting basis should be fully disclosed (IPSAS cash basis) in the reports. The mission also reiterates IFAD's requirement of receiving quarterly interim financial statements no later than six weeks after the end of the reporting period.*
71. **Disbursement.** *To date IFAD has disbursed eight WAs under the IFAD loan for a total amount of USD 8 million (SDR 5.7 million) yielding a **disbursement rate** of 12%. The mission noted that the programme expects to spend approximately USD 10 million³ in the next six months and as a result the current **authorized allocation** of USD 3.5 million is inadequate. The mission was also informed that it had taken IFAD five weeks to review WA 8 from the date of submission, and the NPMU expressed a wish that WAs are reviewed within three weeks. The mission regretted the delay, and assured that IFAD's target is to review WAs within two weeks after the receipt. **Agreed action:** Increase the authorized allocation to USD 6 million which will be disbursed by IFAD upon receipt of a WA requesting for an additional USD 2.5 million together with an expenditure forecast for the next six months.*
72. **Reconciliation of the designated account.** *The advance so far is reconciled as shown in the table below. However, the mission has noted that the state balances are kept as constants at the amounts originally advanced by the NPMU (N260 million) instead of using actual cashbook balances as reconciled to bank statements. The accounting system is not properly tracking balances withdrawn by the state governments and not yet replenished. **Agreed action:** (i) include actual cash book balances on the designated account reconciliation; and (ii) cascade to the states the initial advance/imprest reconciliation approach as shown below in order to better manage liquidity.*

Designated Account Reconciliation as at 31 May 2016

Item	Description	Value (USD)	
1	Outstanding initial advance		3,500,000
2	Balance in the Designated Account	12,828	
3	Balance in the Programme Account	296,144	
4	States balances	1,306,534	
5	Proceeds of Pending WA 008	1,868,608	
6	Expenditure pending WA submission	15,886	
	Total		3,500,000

73. **Use of SOE and adequacy of supporting documentation.** *The mission examined on a sample basis expenditures claimed using SOEs under WAs 8 and 9, noting the following: (i) all PVs are duly authorized and entered into the accounting system, (ii) supporting documentation is generally available, and (iii) the filing system is adequate. However, the mission noted some exceptions for which follow-up is required and reminded the NPMU that internal memos do not replace the need of supporting documentation such as contracts, invoices, certification of delivery, travel related invoices and reports (ticket, hotel, BTOR etc) as applicable. These must always be part of the supporting documentation retained by the programme or the expenditure may be determined ineligible for IFAD financing. The mission also noted that filing for some states requires improvement.*
74. **Status of funds.** *The mission reviewed the status of funds as at June 2016 and noted that all expenditure categories show moderate disbursement rates with the exception of civil works*

³ Mainly rural roads, land development, approved matching grants, IFDC contracted for distribution of agro inputs, contracted extension service providers, commencement of construction of agro-processing centers.

and matching grant category which are still lagging behind with disbursement rate of around one percent. The mission was informed that the civil works category is expected to be completely utilized by June 2017 due to a higher than expected unit cost. A reallocation of funds among categories is likely. *The mission recommends that during the next mission the status of funds is revisited and the need for a reallocation carefully evaluated.*

75. **Counterpart financing.** The FGN has contributed N35.28 million cumulatively against a cumulative budget of N435 million (N30 million was paid out of the N250 million budgeted in 2015, and N5.28 million was paid out of the N185 million budgeted in 2016). This yields an execution rate of 8% while the states have cumulatively contributed N573.4 million compared to budgeted amounts of N203 million and 225 million in 2015 and 2016 respectively, indicating an execution rate of 134% which is highly commendable. In addition, the programme will requisition for tax exemption regarding VAT. *The mission recommends that the FGN make the counterpart contribution available in a timely manner in order not to harm programme implementation and affect negatively the development targets.* The mission notes that the in-kind contribution by the beneficiaries has not been tracked by the programme.
76. **Financial progress compared to the AWPB.** In 2015 the programme spent N962 million against the budgeted amount of N2.4 billion, yielding an execution rate of 36%. In the first five months of 2016, the programme has spent N820 million against the planned N4.4 billion of the 2016 AWPB, yielding an execution rate of 19%. The programme experienced some challenges related to the operation of the TSA in the first quarter of the year. The programme is not keeping track of hard commitments as noted above.
77. **Compliance with loan covenants.** With the exception of the new programme account in the CBN not officially communicated to IFAD by FMF and the unpaid government contribution at the federal level, the programme has largely complied with the loan covenants.
78. **Internal audit.** The NPMU is in the process of recruiting an internal audit firm based on ToRs and a work plan cleared by IFAD. *The mission recommends that the internal audit is to include compliance and financial audit checks as well as operational audit checks through field visits focusing on Qthe identification of project activities, quality of the delivered trainings, matching grants etc. The Internal Auditor is to issue quarterly reports which are to be shared with NPMU management for responses before being shared with IFAD.*
79. **External audit.** The programme's first external audit covering the fiscal years 2014 and 2015 was undertaken by PKF in accordance with International Standards on Auditing and ToRs cleared by IFAD. The audit report was shared with the mission and contained an unqualified opinion on the programme financial statement, the designated account, counterpart funds and the use of SOE. The management letter contained some internal control issues which are being followed up on by the programme. IFAD will undertake a formal review as soon as the report is officially received.

	Agreed action	Responsibility	Agreed date
1	Improve programme liquidity by submitting a WA to IFAD requesting an additional advance of USD 2.5 million and increase the advance threshold to SPMU and formalize them in the Financial Procedures Manual.	NPMU	30 June 2016
2	Update the AWPB to include all the staff positions and the amounts to be financed by IFAD for NPMU salaries	NPMU/IFAD	31 July 2016
3	Formalization of the Treasury Single Account. NPMU to engage with: (i) the Accountant General to open the accounts, and (ii) the FMoF to inform IFAD of the new accounts details including the persons authorized to operate these accounts.	Financial Controller/ FMoF	Immediately
4	Accounting software. Work with the software provider to correct the financial data and resubmit the report to the auditor to ensure an unqualified opinion.	Financial Controller	30 June 2016

80. **Procurement.** The mission observed with a serious concern that the **procurement plan** (PP) has not been updated at the NPMU and SPMU levels since its creation and no-objection granted in March 2016. The mission reiterates that the PP is not an itemized list of procurement items of the year, but a monitoring tool to enable all the stakeholders, especially the procurement officers themselves, to be aware of the most updated status of respective

procurement items and to enable procurement actions to be taken in a timely manner. *The mission recommends that procurement officers (both at NPMU and SPMUs) should constantly update the PP, at least every other day.* Also, many items are pending procurement action, simply because of the lack of ToRs, even though it was decided at the beginning of 2016 that all the procurement actions would be initiated in February. *The mission recommends that, procurement officers both at NPMU and the SPMUs should initiate discussions with the user departments to ensure earlier ToR production, utilizing the QPTP as necessary.*

81. **Contractual documents.** A complete set of contractual documents, including all the annexes, is not produced (printed) before getting the signatures of both parties. *The mission recommends that a complete set of all the contractual documents including all the annexes be printed and ready before signature by the two parties.* On **procurement filing**, the mission was informed that the complete set of all the unsuccessful bids are stored separately, as the main file physically cannot contain all the documents due to their volume. *The mission recommends that all the files at NPMU and SPMUs should have File # 2 containing unsuccessful bids.*
82. **Community procurement.** Community procurement is not carried out in a consistent manner across the states. Even though the State Procurement Officers (SPOs) are not responsible for carrying out procurement actions under community procurement, they are accountable to making sure that the procurement principles, such as fairness, transparency and value for money, are achieved by reviewing the procurement documents and giving no-objection to the community which is carrying out procurement. *The mission recommends that the SPOs be fully involved in community procurement to achieve procurement principles.*
83. **Consultants Qualification Selection (CQ).** The Mission observed that CQ is applied to high value consultancy service procurement. Even though it is true that under the revised threshold for prior review both “CQ and QCBS are applicable on case by case basis”, CQ can be applied only when technical merit outweighs the financial merit. *The mission recommends that, even when in need of a fast-track procurement, the abridged QCBS be applied and require financial proposals be submitted by all the invitees.*

Agreed action	Responsibility	Agreed date
1 Update the procurement plan both at NPMU and the SPMUs constantly, at least every other day.	National and State Procurement Officers	Immediately
2 Initiate discussions with the user departments to ensure earlier ToR production, utilizing the QPTP as necessary.	National and State Procurement Officers	Immediately
3 Print and make ready a complete set of all the contractual documents including all the annexes before signature by the both parties.	National and State Procurement Officers	Immediately
4 Ensure that all the files have File # 2 containing unsuccessful bids.	National and State Procurement Officers	Immediately
5 Be fully involved in community procurement to achieve procurement principles.	State Procurement Officers	Immediately
6 Even when in need of a fast-track procurement, apply the abridged QCBS and require financial proposals be submitted by all the bidders shortlisted from the DatCon.	National and State Procurement Officers	Immediately

F. Sustainability

84. **Institutional sustainability.** Presently VCDP is using three institutional strategies to ensure sustainability of the interventions after completion. First is the adoption and scaling up of the **modified CDD approach** used by the closed CBNRMP. In this context, VCDP is strengthening commodity FOs to provide services to their members and form apex cluster groups comprising leadership of primary commodity groups. The apex value chain cluster groups are the umbrella commodity primary groups, and provides strategic functions to the commodity groups such as advocacy, knowledge sharing, as well as facilitate market linkages. The apex cluster groups will link up with the Department of Agriculture in the LGA to integrate the farmers VCAP into the LGA's AWPB. With this process, the LGA is expected to develop the culture of a participatory budget system, where the priority needs of value chain cluster groups are reflected in the government system. Going forward, VCDP will strengthen the apex cluster groups to have strategic development plans (SDPs) to enable the commodity groups have a medium and long-term vision for the development of business agriculture. The SDP will contain the group's plans

for future production and marketing, institutional access to inputs and credit, maintenance of agricultural infrastructure, social services to members, internal governance, relationship with government and policy advocacy functions, among others.

85. Second, VCDP has established in each state an innovative **commodity alliance forum**, which meets quarterly to review the performance of the rice and cassava subsectors in the state. The forum comprises key partners of VCDP including lead farmers, off-takers, credible inputs dealers, participating financial institutions, VCDP management, and LGAs, but presently driven by off-takers to ensure sustainable business transaction relationship with farmers. Going forward, VCDP should deepen the membership of the forum to include the leadership of the State Ministry of Agriculture, other important line ministries in agricultural development, NGOs, CBOs, and other CSOs operating in the state, to provide feedback to the policy makers about the performance of the two subsectors. Presently, the forum is facilitated by VCDP as the secretariat, but chaired by a strong CSO with a credible off-taker as co-chair. As VCDP winds down, the facilitation role will be taken up by a strong CSO member. This forum is expected to live beyond the VCDP to continue to perform that function. The third institutional strategy is envisaged to come from the organization of youth. As the youth get increasingly involved in the programme, they will be encouraged to form **youth in agriculture network** for knowledge sharing about best practices and for advocacy with the government.
86. **Environmental sustainability.** VCDP has included recycling of waste products to energy generation from rice husk in the design of the processing sites. There is also an embedded extension at input distribution points by input supply chain managers to educate farmers on the safe and appropriate use of agrochemicals. However, the programme has not prepared the required environmental and social impact management plan (ESIMP) for market infrastructure and land development projects, which have commenced . *It is recommended that the programme should prepare an ESIMP for each investment in land, processing facilities and markets project, as required by the Environmental Act 86 of 1992 and IFAD's SECAP.*
87. **Exit strategy.** Although VCDP is yet to articulate its exit strategy, the CAF has emerged as a reliable exit window for the programme at the farmer-off-taker level. For instance, through the commodity alliance arrangement, Olam and Onyx, are presently providing improved seeds and up to 50% of farmers inputs requirement is recoverable at the point of harvest, similar to the VCDP input provision through the matching grant. The value chain cluster group is also being nurtured to assume an exit strategy as implementation progresses. The project is also putting an operations and maintenance (O&M) committee for feeder roads, which will have features of an exit strategy similar to the closed IFAD-funded CBARDP and CBNRMP.

G. Conclusion

88. Within one and a half years of implementation of the VCDP, the programme is on track towards achieving the objective of sustainably enhancing the incomes and food security of poor rural households engaged in the production, processing and marketing of rice and cassava. Specifically VCDP has: (a) established a good value chain structure and business models with private sector involvement and demand-driven process, (b) caused a co-funding of some activities by major off-takers like Olam and Onyx, (c) demonstrated a strong state government involvement and ownership in the provision of counterpart funds, (d) established commodity alliance and business transaction forums for farmers and major service providers including the off-takers who currently drive the forum, and (e) been involved in good communication and knowledge sharing events, which have earned it a high visibility in Nigeria. A strong M&E system has been established to support evidenced-based implementation. More implementation results are expected after the completion of the studies, designs and specifications for various infrastructure development activities. The few shortcomings in implementation so far include the over-specification of feeder roads, which generated high unit cost, lack of environmental and social management plan for infrastructure projects, weak farmer groups, and absence of gender and youth inclusion strategy.

89. For improved results in the implementation of VCDP, the mission makes the following key recommendations:

- Mobilize counterpart financing from FGN and from states that are still owing for 2015 (Niger) and 2016 (Anambra, Ebonyi, Niger) and from the FGN.
- On exceptional basis, NPMU salaries will be paid from the IFAD loan for the year 2016 in order to ensure efficient implementation of the programme. This arrangement will be reviewed annually in order to: (i) ensure efficient use of IFAD financing; (ii) avoid overdraft of the respective category; and (iii) ensure the FGN counterpart contribution target will be reached.
- Formalise the Treasury Single Account. FMF to inform IFAD of the new accounts details including the persons authorized to operate these accounts.
- Recruit an Administration Officer to improve on internal logistics management at the NPMU and each SPMU, respectively.
- Recruit a Rural Infrastructure Engineer, with experience in irrigation development at NPMU, and an irrigation specialist with experience in participatory irrigation development at each SPMU, to lead the irrigation development and flood control projects
- For infrastructure development, prepare an environmental and social management plan for each proposed infrastructure scheme, and undertake detailed feasibility studies and detailed designs before execution.
- Programme financial data should be corrected in the accounting software to ensure that the programme financial reports give a true picture of its financial position.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Nigeria			Project ID	1594	Loan/DSF Grant No.	868
Project	Value Chain Development Programme					Top-up Loan/DSF Grant	
Date of Update	23 October 2015						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	2	No. of Implementation Support/Follow-up missions	2				
Last Supervision	25/6/2016	Last Implementation Support/Follow-up mission	23/10/2015				

USD million Disb. rate %						
Approval	03-Apr-2012			Total financing	104.73	
Agreement	23-Aug-2012	Effectiveness lag	18.6	IFAD Total	74.85	16
Entry into force	14-Oct-2013	PAR value	-----	IFAD loan	74.38	0
First disbursement	19-Sept-2014			DSF grant		0
MTR		Last amendment		IFAD grant	0.47	0.00
Original completion	31-Dec-2019	Last audit		Domestic Total	23.67	
Current completion	31-Dec-2019			Beneficiaries	8.07	0
Original closing	30-Jun-2020			Government (National)	15.60	10
Current closing	30-Jun-2020			External Cofinancing Total	6.21	
No. of extensions	0			To be determined	6.21	0

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	2	2	2. Performance of M&E	3	4
3. Counterpart funds	2	3	3. Coherence between AWPB & implementation	3	2
4. Compliance with financing covenants	4	4	4. Gender focus	4	3
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Agricultural Market Development	2	3	1. Institution building (organizations, etc.)	4	4
2. Smallholder Productivity Enhancement	3	4	2. Empowerment	4	4
			3. Quality of beneficiary participation	4	4
			4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	4

B.5 Justification of ratings

Disbursement speed is picking up, date IFAD has disbursed eight WAs under the IFAD loan for a total amount of USD 8 million (SDR 5.7 million) yielding a **disbursement rate** of 12%. The FGN has contributed 8% of its commitments in 2015-16, while the states have cumulatively contributed 134% which is highly commendable. Cumulatively, the programme achieved 28.1% of its 2015 and 2016 physical targets and 27.3% of its financial targets,. The programme experienced some challenges related to the operation of the TSA in the first quarter of the year. The number of women in leadership position in the FOs is still very low and most of them occupy the Treasurer position. Social, religious and cultural beliefs are impeding the participation of some stakeholders in VCDP, disallowing women to speak in gatherings where men are present.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	4	4
C.2 Food security	4.	4.
C.3 Quality of natural asset improvement and climate resilience	4	4
C.4 Overall implementation progress (Sections B1 and B2)	4	4

Rationale for implementation progress rating:

Overall, the mission noted that the quality of the financial management is adequate. While the accounting software is able to generate most reports and withdrawal application forms as required by IFAD, there are serious shortcomings that have been identified and need to be addressed. Disbursement and counterpart funds are as mentioned in B.5 above. With the exception of the Treasury Single Account in the CBN not officially communicated to IFAD by FMF and the unpaid government contribution at the federal level, the programme has largely complied with the loan covenants. In general, procurement is carried out diligently, however, VCDP needs to update the procurement plan, complete its procurement filing and put in place community procurement processes. The programme's first external audit covering the fiscal years 2014 and 2015 was undertaken in accordance with International Standards on Auditing and ToRs cleared by IFAD. IFAD will undertake a formal review as soon as the report is officially received.

VCDP management has established a well-defined structure for rice and cassava value chain development, laid out a clear strategy for production and productivity increase, defined a market access strategy, and achieved a commendable government buy-in and policy influence across the states stemming from the demonstrated programme results in infrastructure development, farmer networking, engagement of off-takers, and effective communication and engagement with government. There has also been an impressive change in attitude of the management staff to the engagement of service providers. Progress of the M&E system is good and a new tailored **management information system** (MIS) has been put in place. All M&E officers in NPMU, the SPMUs and LGAs have been trained (by the international consultant) in what the system does and its functions. Coherence with AWPB and gender targeting is mentioned in B.5 above. VCDP is on the right track in its poverty focus, in line with the development objectives. Targeting has been good, (i) a majority of the farmers encounter 2-3 months of hungry season and some can go up to 5-8 months per year; (ii) stunting (28%) as well as underweight children under five (16%) are prevalent in all the states; and (iii) the most frequent shocks are flood, drought and insecurity. Meanwhile, there needs to be a stronger focus on women and youth.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
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Rationale for development objectives rating

Under Component 1 Agricultural Market Development, The programme has done very well in developing market linkages between farmer groups and major off-takers. To ensure sustainability, the programme has established in each state, a commodity alliance and transaction forum between farmers, off-takers (buyers), input dealers and financial institutions to facilitate commodity supply. As at the time of the mission, 300 memorandum of understanding (MoUs) have been signed and made functional between FOs and processors, 59 active partnerships established with seed and inputs suppliers and market leaders, 36 contractual arrangements formalized between FOs and processors, 504 processors trained in recommended technologies, and eight service providers trained on market linkages. Under Component 2,a total of 999 FOs, representing 44% of the LoP target of 2,250 registered FOs, have been profiled/validated and networked. This figure represents 15,240 individual farmers (59% male and 39% female), who are presently receiving various extension and inputs services to increase their production and productivity. The primary commodity groups have also been organized into apex groups, Value Chain Cluster Groups. Most farmers can now prepare their Business Plans and the Value Chain Action Plan has also become an instrument of engagement between the farmers and the LGAs. The establishment of the commodity alliance and transaction forum has empowered farmers to sit together with other key stakeholders (off-takers, bankers and agro-dealers) to discuss their business.

C.6 Risks Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Fiduciary aspects: RUFIN operates a USD designated account in a commercial bank but a new FGN policy has directed all project accounts to be moved under the TSA maintained in the Central Bank of Nigeria (CBN). Opening of the USD accounts in the CBN has been delayed. Until the USD account is duly opened in the CBN, the programme faces the risk

of having its funds mopped up by FGN which would harm the implementation of the programme activities.

Project implementation progress: . The following **challenges** are hampering implementation progress: (i) inability or reluctance of FOs to pay upfront the 50% counterpart contribution required for the matching grants; (ii) inadequate federal and state (in the case of Niger) counterpart funding, resulting in staff salaries and allowances being in arrears for several months; and (iii) persistent farmer-pastoralist conflicts in some states, such as Benue, that lead to displacement of programme beneficiaries, destruction of facilities and even loss of lives.

Outputs and outcomes: The **average daily net income** per beneficiary, based on the exchange rate of N284/USD 1 prevailing during the mission, was USD 1.92 for rice production and USD 1.57 for cassava production. These amounts are below the global threshold of USD 2/capita/day for coming out of poverty. VCDP needs to: (i) pay special attention to the equitable distribution of developed land among the different income groups in a cluster, and (ii) encourage higher-value products such as cassava bread, chips and cakes, which involve more young women, attack nutrition issues and provide incomes to the poorer segments of the community.

Sustainability: FOs are yet to be fully strengthened to effectively set a long-term strategic vision and an exit strategy from the matching grant, as well as effectively provide access to technical services and production inputs to their members. At the Local Government level, it is expected that the Local Government Areas will reflect the needs of the FOs in their annual budgets during the coming years.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Gender and Youth	Full commitment of RIGYMO at NPMU to: (i) develop the gender/youth strategy to guide all programme staff on gender/youth targeting, (ii) build the capacity of all the state RIGYMOs, and (iii) share relevant knowledge at national level with the Rural Finance Institutions Building Programme (RUFIN) gender team who has a mastery of the Gender Action Learning System (GALS).	Immediately	Ongoing
Selection of roads	Clearly justify the selection of all roads to be developed, taking into account direct connection to bulk farm or farm clusters, anticipated production and cost effectiveness (N/km/ha or N/km/beneficiary).	Effective immediately	Ongoing
Appropriate specifications and environmental safeguards for infrastructure	Ensure that infrastructural development investments are backed with detailed surveys and designs and approved environmental and social management plans (ESMP)	Effective immediately	Ongoing
Administrative challenges and internal service delivery	Develop an Administration Manual and recruit an Administrative Officer at the NPMU and each SPMU	By end of October 2016	Ongoing
Treasury Single Account	Formalization of the Treasury Single Account. NPMU to engage with: (i) the Accountant General to open the accounts, and (ii) the FMoF to inform IFAD of the new accounts details including the persons authorized to operate these accounts	Immediately	Ongoing
Accounting software.	Work with the software provider to correct the financial data and resubmit the report to the auditor to ensure an unqualified opinion.	Immediately	Ongoing

Additional observations

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Goal:			
<i>Rural poverty reduced, food security increased and accelerated economic growth achieved on a sustainable basis"</i>	<ul style="list-style-type: none"> Percentage reduction in households below the poverty line (International Poverty Line of USD 2 /day) by 15% in target LGAs. Percentage reduction in no. of people under-nourished by 25% in target LGAs. Real agricultural GDP growth rate increased by 5% in target LGAs. 	<ul style="list-style-type: none"> Baseline plus midterm and end-line survey (control and treatment) UNICEF Reports ADP Reports 	
Project Development Objective:			
<i>Incomes and food security of poor rural households engaged in production, processing and marketing of rice and cassava in the targeted LGAs of the 6 targeted states enhanced on a sustainable basis.</i>	<ul style="list-style-type: none"> VCDP supported beneficiaries (smallholder farmers, processors and marketers) (by sex and age) have increased their real agricultural income by at least 25% average in the programme areas. Increase in number of household asset index of 10% by PY6 in programme area. 25% reduction in the prevalence of child malnutrition in the programme LGAs. 25% increase in households food security in target LGA. 	<ul style="list-style-type: none"> Baseline and impact assessment. Annual results assessment with household survey. UNICEF Statistics. 	Socio economic stability in the country.
Outcome 1.1: <i>Increased value addition and access to markets realized by beneficiary smallholder farmers as well as small and medium-scale processors.</i>	<ul style="list-style-type: none"> At least 75% of surplus production of cassava and rice is being sold to markets by smallholder farmers and their farmer organisations. At least 50% of the cassava and rice produced by smallholders is processed and sold at an agreed standard by the buyer. At least 36 contractual arrangements are formalized and is being upheld between targeted producers and processors. 	<ul style="list-style-type: none"> Published yield and price data. Agro-industry & market surveys. Rural household surveys. 	<ul style="list-style-type: none"> Government policy supports/favours the emergence of strong value chains professional organisations. Market prices remain above 2006 levels. Access to finance for FOs and VC operators progressively grows.
Outputs:			
1.1.1 <i>Improved market linkage and increased market information.</i>	<ul style="list-style-type: none"> 1 national trade promotion and 6 state trade promotion activity organized per year (1No. Achieved to date) 6 State Innovation Platforms formed and 12 meetings organised per annum by 2016 (5 No. achieved to date) 60% of the target smallholders use some market information generated by an Agricultural Market Information System by PY5. 60 MoUs signed between FOs and processors (298 MOUs signed to date). 	<ul style="list-style-type: none"> Contractual agreements. Farmer Survey. Agricultural Market Information System. 	
1.1.2 <i>Value addition technology promoted.</i>	<ul style="list-style-type: none"> 7680 processors trained in recommended technologies (504 processors trained to date). 50% of target smallholders (45 000) adopt improved processing and storage technique. 24 service providers (consultants and firms) for market linkages trained (8 staff of service providers trained to date). 	<ul style="list-style-type: none"> Programme M&E/ progress reports. Mid Term Review. Supervision mission, mid-term review and completion reports. 	<ul style="list-style-type: none"> LGCs and State Government provide adequate funds and mechanisms for infrastructure repair and maintenance. Effective FO management arrangements for infrastructure are sustained.
Outcome 1.2: <i>Demand-driven infrastructure investments for improved access to markets realized and sustainably managed by the beneficiary organisations.</i>	<ul style="list-style-type: none"> At least 60% of targeted processing clusters (108 total) have been supported with at least one piece of equipment. Arrangements for the operation and maintenance (O&M) of 		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	<p>market infrastructure/equipment is developed and operational for 3 years after provision for at least 70 % of programme-financed infrastructure.</p> <ul style="list-style-type: none"> At least 65% and 50% reduction in post-harvest losses for rice and cassava, respectively, are achieved. 		
<p>Outputs:</p> <p>1.2.1 Access to roads and water supply.</p> <p>1.2.2 Market, processing and storage facilities improved.</p>	<ul style="list-style-type: none"> 300 km of roads constructed/rehabilitated by PY 3 (154.5 KM of rural feeder roads at various stages of completion). 108 new water supply schemes linked to cassava and rice VC constructed by PY 3 8 100 people in programme communities have adequate access to safe and sustainable drinking water. 120 Bridges and 210 Culverts by PY 3 (1 No. Bridge & 52 No. Culverts constructed). 60 Market with 300 Stalls by PY 3. 108 processing units with stores constructed by PY 3. 450 FOs' commodity stores/village bulking centres constructed by PY 3. 	<ul style="list-style-type: none"> Contractor reports. Beneficiary perception surveys. 	
<p>Outcome 2.1: <i>Farmers' organizations (FOs) in programme areas effectively serve their members.</i></p>	<ul style="list-style-type: none"> All FOs strengthened by programme (target 2 250) use bulk purchase method to procure their input. At least 40 % of supported FOs are strong by PY 5 (good record keeping, strong business plans, generating profit, linked to finance, etc.). 	<ul style="list-style-type: none"> Programme M&E/ progress reports. FO financial records. State MoA/Commerce and Cooperatives reports. 	<ul style="list-style-type: none"> FOs are recognized as legitimate interlocutors by the various stakeholders. Avoidance of political interference in FOs.
<p>Outputs:</p> <p>2.1.1 <i>Capacity of FOs strengthened.</i></p>	<ul style="list-style-type: none"> 100% of the target FOs legally registered with the Department of Cooperatives (1481 FO formally registered to date). 6,750 group leaders (3 executives per group) trained in good governance issues by PY5 (912 farmer organisation group leaders trained). 	<ul style="list-style-type: none"> Service providers/operators reports. 	
<p>Outcome 2.2 <i>Production and productivity of smallholder rice and cassava farmers in the programme areas increased.</i></p>	<ul style="list-style-type: none"> % increase in yields for rice (target from average 2.5/ha to at least 4 tonnes/ha for non-irrigated and 6 tonnes/ha for irrigated) and cassava (target 20 tonnes/ha) produced by the target smallholder farmers (by sex and age). 50% increase in rice and cassava produced by the target smallholder farmers (by sex and age). At least 70% of smallholder farmers have adopted at least one technology promoted by the Programme by midterm (by sex and age). 	<ul style="list-style-type: none"> Programme M&E/ progress reports. National agriculture production surveys. State Ministry of Agriculture reports. NIRSAL reports. 	<ul style="list-style-type: none"> Favourable climatic conditions.
<p>Outputs:</p> <p>2.2.1 <i>Access to fertilizers and agro-chemicals facilitated.</i></p>	<ul style="list-style-type: none"> Recommended utilisation rate of seeds, fertilizer and agrochemicals per Ha. 70% of target farmer organisations satisfy their annual input needs (3,378 farmers supported with inputs through matching grants valued at N77.42 M). 		

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Outputs: 2.2.2 <i>Access to improved production techniques facilitated.</i>	<ul style="list-style-type: none"> 9 000 youth of target farmers trained in spraying techniques (disaggregate by gender and youth) – 30 No. Male Youths trained to date. 50% of target farmer organisations receive VCDP supported extension services (disaggregate by gender and youth) – 653 Farmers received VCDP supported Extension services. 480 Farmer Field/Business Schools established. 36 service provider (consultants and firms) for production trained. 3 000 Ha of irrigation (51 Ha cultivated during the dry season to date). 30,000 small scale farmers protected from seasonal flooding (
Outcome 3: Improved Programme Management and Coordination.	<ul style="list-style-type: none"> 100% Physical performance on AWPB. 100% Financial performance on AWPB. 100% Report rendition bi-annually and quarterly from implementing partners and bi-annually progress reporting and monthly financial reporting to IFAD Country Office. 	<ul style="list-style-type: none"> Programme progress reports. 	<ul style="list-style-type: none"> Withdrawal application meet IFAD standard and is approved without delay. Approved withdrawal application is credited to programme account without delay.
Outputs: 3.1 <i>Programme effectively managed to achieve programme results.</i>	<ul style="list-style-type: none"> 420 Management Meetings per annum (NPMU & SPMUs) – 94 No. management meetings achieved to date. 140 Stakeholder Meetings per annum (NPMU & SPMUs) – 23 No. Stakeholder / Steering Committee Meetings achieved to date. 		

Appendix 3: Summary of key actions to be taken within agreed timeframes

Action Area	Action Agreed	Date	Whom	Progress
Project Implementation				
(a) Staffing	Identify qualified support staff through a screening process of existing staff of similar programmes and screen, with no-objection from ICO	30 November 2015	NPMU Screening Committee	Support staff at NPMU and SPMU levels screened in December 2015. List was approved by ICO.
(b) Service provider assessments	Carry out service provider assessments at NPMU and SPMU levels, all service providers are to be recruited based on performance-based contracts	Continuous	Procurement Officer, SPCs	Done by all the states.
(c) Additional participating LGAs	Officially notify ICO of the additional LGAs, through justification of selection. NPMU to collate the list of LGAs for update	31 October 2015	NPC, SPCs	All states have selected additional two LGAs except Ogun which has confirmed only one, as follows: (a) Anambra – Awka North, Orumba North; (b) Benue – Gum, Ogbadibo; (c) Ebonyi – Ohoazara, Ishielu; (d) Niger – Kontagora, Shiroro were; (e) Ogun – Ifo; (f) Taraba – Ardo Kola, Takum.
(d) Programme implementation manual	Update the current version of PIM, including clear guidelines for VCAP and business plan formulation and selection criteria related to roads, land development, processing assets, agricultural machinery etc	Mid-November 2015	NPMU	Clear and simplified guidelines on VCAPs were prepared by consultants and shared widely with the SPMUs. Niger State has translated the guidelines into two local languages – Nupe and Hausa – to make it more user-friendly for the beneficiaries.
(e) Annual work plan and budget (AWPB)	Incorporate strategic planning into the AWPB preparation process and provide direction as to the level and amounts achievable in each programme year ny NPMU, SPMUs, LGAs and beneficiaries	31 December 2015	NPC, SPCs, FC, M&EO	NPMU provided oversight and guidance in the preparation of the 2016 AWPB through participatory planning meetings at all levels. Budget targets and costs were provided as guide to all levels.
(f) Quarterly planning and review meetings	Carry out quarterly planning and review meetings with the State Programme Coordinators (SPCs), State Programme Accountants (SPAs), State Procurement Officers (SPOs), State Programme M&E Officers (SPMEs)	Quarterly, at the end of each quarter, starting end of December 2015	NPMU	Three planning meetings held with SPCs in March, April and May 2016.
(g) Programme logframe targets	Endorse new targets in the programme logframe as minimum targets, as set in Appendix 2 of the report	Upon countersigning of the aide memoire	FMF	FMF, representing the Borrower, endorsed the revised logframe in October 2015.
	Update the PMP with new key results framework	31 December 2015	M&E Officer	PMP updated in Oct. 2015 with the support of a consultant and ICO. PME/MIS was set up in April 2016 by a consultant and the key M&E staff at the NPMU/SPMU/LGA trained. The 2016 AWPB has been inputted into the system by the NPMU and SPMUs.
(h) Gender and youth	Carry out step-down training to state level M&E officers and relevant data collectors at LGA level	31 December 2015	Gender consultant	Step-down training was conducted for LGA liaison officers and EAs by all the states in Jan-Feb. 2016.
	Carry out gender and youth assessment and Gender Transformative Strategy/Action Plan			NPMU has commissioned gender consultant. Report is expected to be submitted 31 July 2016.
(i) Knowledge management	Focus on KM/media strategy at the state level and	Continuous	KMC Advisor	KM strategies are being decentralized. M&E/KMC officers have

Action Area	Action Agreed	Date	Whom	Progress
and communication (KMC)	carry out KM training for the decentralization of the NPMU KM strategies		at the CCU	begun documenting programme activities to be packaged into relevant knowledge products. A review/strategic planning meeting was held in April 2016, and activities for Q2/3 of 2016 agreed upon. KMC Advisor and all M&E/KMC officers attended KM training organized under an IFAD grant at Accra, Ghana 1-6 May 2016.
	Organize a knowledge sharing event and officially launch VCDP	31 March 2016	KMC Advisor at the CCU and ICO	Activity not implemented. NPMU and ICO need to agree if an official launch of VCDP is still needed after long commencement of implementation.
	Develop pictorial flyers for sensitization of target beneficiaries	30 November 2015	KMC Advisor at the CCU	Pictorial roll-up posters developed by NPMU. Proposal to develop more sensitization flyers awaiting approval.
	Identify relevant opportunities, exchange visits/study tours for knowledge sharing on best practices	31 December 2015	NPMU	- Visit on rice production to Thailand conducted in Jan. 2016 for 5 participants (APA from NPMU and staff of Ebonyi SPMU) - Joint NPMU/SPMU study tour to Vietnam on irrigation best practices conducted Mar. 2016 with 36 participants. Only Ebonyi State did not participate.
Outputs				
Component 1 – Agricultural Market Development				
(a) Innovation platform	Replicate innovation platforms in all states, with the participation of representatives of the FOs, key off-takers, value chain stakeholders to develop and validate the requests in the VCAPs	31 December 2015	APAs, RIGYMOs	Innovation platforms have been replicated in five states, executive committees formed, and step-down training conducted in all the LGAs in the states between December 2015 and January 2016. Taraba State has now received no-objection to step-down training. Benue is promoting dry season rice production as an innovation.
(b) Market opportunities assessment	Review the market opportunities assessments and list of off-takers to ensure their utility Share the market opportunities assessment and list of off-takers with the FOs as a basis for VCAPs and BPs	30 November 2015	MEDA, BMDOs	The assessments were shared in all the participating LGAs. 18 off-takers for rice and 6 for cassava made the list from the 6 states, and the list was shared among the FOs. Following this, partnership/alliance and business transaction linkage meetings were held between off-takers and FOs, with several MOUs signed.
(c) BP and VCAP concepts	Develop standard agreed definitions for key institutions and processes covered in a BP and VCAP	Mid-November 2015	NPMU	Workshops facilitated by a consultant in four venues for all the six states during 18 January to 4 February defined the basic concepts for BPs and VCAPs.
(d) Training on quality and market information system	In line with the BPs, carry out training of FOs on quality norms, grades and standards, use of agricultural market information system (AMIS) for decision making/market planning	29 February 2016	APQEAs	NPMU is yet to adopt a national AMIS and train the state officers. Anambra and Benue – await no-objection to conduct trainings; Niger – conducted 2-day training for a women cooperative on rice processing and standards, and for a cassava cooperative on processing quality gari and chips.
(e) Processing clusters	Develop clear criteria and thresholds for selection of the six processing clusters per state, carry out needs assessment of water supply, storage and processing facilities, ensuring linkages to the FOs Create list of licensed equipment providers including NCAM In line with the VCAPs, carry out detailed design,	31 January 2016	Procurement Officer, State Value Chain Infrastructure Officer	NPMU provided the states the criteria who undertook the following activities: (a) Anambra – compilation of service providers, training on equipment fabrication; (b) Benue – selection of six sites, evaluation of the size/existing structures, designs and BOQ; (c) Ebonyi – design of cluster schemes; (d) Niger – scoping of six processing clusters in April 2016; (e) Ogun – developing designs for processing clusters; (f) Taraba – developing selection criteria.

Action Area	Action Agreed	Date	Whom	Progress
	bidding and contract of these cluster schemes			Five states (except Ebonyi) submitted list of licensed equipment providers.
(f) Access road development	Notify standard road specifications for VCDP-funded roads along with indicative per km cost VCDP should adopt a standard "Road Feasibility Report Format" covering supporting justification in terms of beneficiary population/cluster, volume of produce, transport cost, time savings etc In line with the VCAPs, carry out the surveys, detailed design, bidding and contract for the key infrastructure sites in all six states	31 October 2015 31 January 2016	NPMU Procurement Officer, SVCIOs	Standard specifications shared with SPMUs, with indicative cost of N15m/km covering pavements, surface dressing with side drains. Report of assessment team from NPMU used as basis for selection of roads. Report indicated a standard template and criteria for selection. Benue – designs completed Dec. 2015 for Guma (12km), Logo (15km), Gwer-East (5km), Okpokwu (2.5km), work in progress; Niger – 3 contractors for access roads are on site; Ogun – contracts awarded April 2016; Taraba – bidding completed for 3 LGAs, started for 2 new LGAs.
(g) Infrastructure schemes	Develop clear criteria and thresholds for selection of infrastructure schemes Develop O&M infrastructure arrangements in all states for on-going infrastructure	30 November 2015 31 January 2016	Procurement Officer, SVCIOs	O&M Manual developed and circulated to the states
Component 2 – Smallholder Productivity Enhancement				
(a) Matching grant (MG)	Review the draft MG Manual Build capacity of LGA officers on the MG modalities through step-down training	Mid-December 2015	NPMU SPMUs	NPMU reviewed the MG Manual and conducted training for SPMU members and some NPMU staff. SPMUs trained LGA officers plus 60 FO representatives, and conducted further step-down training of FOs.
(b) BPs and VCAPs	Develop standard agreed definitions for key institutions and processes covered in a BP and VCAP Following the reflection on BPs and VCAPs at the wrap-up meeting, review the BPs and VCAPs and simplify into a visual and user-friendly tool for LGA officers and FOs Carry out a pilot VCAP in each state under expert guidance for all states and NPMU During a workshop in one of the states organized by NPMU, review experience in preparing an actual BP/VCAP, selection criteria for MG and develop user-friendly tools for application by FOs and processing cluster to improve competencies and adoption of one standard process and template	Mid-November 2015 30 November 2015 Mid-November 2015 Mid-November 2015 Mid-December 2015	NPMU Institutions consultant SPCs, State RIGYMO SPMUs, LGAs NPMU, RIGYMO at state level	Workshops facilitated by a consultant in four venues for all the six states during 18 January to 4 February 2016 defined the basic concepts for BPs and VCAPs. Consultant conducted training for representatives of NPMU/SPMU, FOs, LGA officers at end of which the simplified BP and VCAP formats were adopted. Niger State went further to develop farmer-friendly BP and VCAP templates in Nupe and Hausa. Done by all the states as a training activity between December 2015 and March 2016 Following the training conducted by the consultant, Jan-Feb. 2016, competencies of FOs and staff improved. The revised templates were used for preparing 2016 BPs/VCAPs. Benue – hosted training for Benue and Taraba. Ebonyi – hosted training for Anambra and Ebonyi. Niger and Ogun hosted their individual workshops.
(c) Learning visits	Conduct exposure visits for the LGA officers and state RIGYMOs	31 January 2016	NPMU	
(d) Training of service providers	Ensure that the service providers selected for training on sustainable agronomic practices in rice and cassava are trained along with the agro-inputs provided	29 February 2016	APA, APOs	Service providers have just been engaged by NPMU. The plan is to select trainees for the FFBS after the service providers submit the list of their extensionists.

Action Area	Action Agreed	Date	Whom	Progress
(e) Farmer field school (FSS)	In line with the BPs, FFS to be carried out to promote sustainable agricultural practices for adoption of certified varieties of rice and improved varieties of cassava, sustainable soil fertility management practices (compost, manure, rotations, including legume crops), and importance of land levelling for optimal rice production and mechanized farming	29 February 2016	APA, APOs	State Still awaiting the list of extensionists from the service providers for approval.
(f) Land preparation	Land preparation should also focus on the need for land levelling for improved water and input efficiencies in rice crop	On-going	SPMUs	Anambra – E-Force (tractor services) engaged. Have commenced land preparation including ploughing, double harrowing to level; Benue – During pilot dry season irrigated rice, 14ha land prepared in Feb. 2016. Two experts taught 5 FOs (77 members) land levelling and bund construction. Land preparation and levelling using power tillers demonstrated by NCAM at Iye-Guma in April 2016 for 36 farmers from Benue, Niger and Taraba; Ebonyi – FOs and service providers sensitized on need for proper land levelling. Land preparation just commenced with 39 tractors provided by State Government through service providers; Niger – VCDP supported land preparation for FOs with more than 5ha of land; Ogun – Farmers sensitized on need for land levelling. 10 youths participated in demonstration of power tillers and levelling in Anambra; Taraba – Training conducted on land levelling. Practice adopted by farmers.
(g) Land development	In line with the VCAPs, carry out the surveys, detailed design, bidding and contract for the key infrastructure sites in all six states	31 January 2016	Procurement Officer, SVCIOs	Anambra – sites awarded to 3 contractors 11 May 2016. 25ha already being developed; Benue – designs completed Dec. 2015 for Guma (143.5ha), Logo (80.3ha), Okpokwu (45.65ha). Work in progress; Ebonyi – evaluation of bids in progress; Niger – land clearing 95% completed Ogun -
	In line with the VCAPs, carry out land development (100ha per state) with determined criteria	31 March 2016	Procurement Officer, SVCIOs	Anambra – 80ha; Benue – 308ha; Ebonyi – contract awarded; Niger – 200ha; Ogun – 8ha; Taraba – await clearance of award recommendation.
(h) Irrigation development	In line with the VCAPs, carry out the surveys, detailed design, bidding and contract for the key infrastructure sites in all six states	31 January 2016	Procurement Officer, SVCIOs	Benue – designs concluded Jan. 2016.
Fiduciary Aspects				
(a) Counterpart financing	Discuss with the Executive Governors of Niger, Ebonyi, Anambra and Taraba states to secure 2015 counterpart financing	31 December 2015	NPC, SPCs, ICO	A total of N521.4m. was paid by four states: (a) Anambra – N79.4m. for 2015; (b) Benue – N166m. for arrears of 2014 and 2015, and up to 2016; (c) Ogun – N124m. for 2014 and 2015; (d) Taraba – N152m. for arrears of 2014 and 2015, and up to 2016; (e) Niger – N87.1m. approved for 2015 but not yet released.
	Assess availability of FGN counterpart financing and	30 November	NPMU, ICO	FGN has contributed N35.28m, 8% of the cumulative budget of

Action Area	Action Agreed	Date	Whom	Progress
	needs to cover salaries and allowances and follow up with FGN	2015		N435m. (N30m. paid out of N250m. budgeted in 2015, and N5.28m. paid out of N185m. budgeted in 2016).
(b) Initial advance	Increase initial advance to USD 3.5m. as agreed upon at an IFAD FM implementation support mission carried out in July 2015	31 October 2015	NPMU Financial Controller, ICO	IFAD has increased the initial advance to USD 3.5m.
(c) Chart of accounts	Harmonize chart of accounts and AWPB line items and provide uniform coding system to allow adequate budget monitoring and good financial reporting	Immediately	FC, M&EO	All account codes have been harmonized for both the Finance and PME/MIS software. States have adopted the single code chart.
	Restructure the chart of accounts to make it possible to post all items of financial transactions in the programme at all levels. All requests for payment should provide guide to the appropriate codes to use	31 December 2015	FC, Procurement Officer, SPAs	Chart of accounts restructured in October 2015 with the software developers to enable adequate posting of all expenditures. SPAs also doing the same.
(d) Computerization contract	Review the contract for the computerization of the programme accounts and ensure full implementation of adequate and timely financial reporting by NPMU/SPMUs as well as consolidation of reports, timely preparation of withdrawal applications from the software by NPMU and web-based ease of access to states' financial records by the FC	Immediately	FC, Procurement Officer	The service provider has upgraded the software to ensure consolidation. However, the software is yet to be migrated to a web-based version and discussions have commenced with the service provider for this to be implemented by 31 Aug. 2016.
(e) SOEs	Submission of SPEs by states to NPMU shall henceforth be accompanied by the original payment vouchers and the relevant documentation NPMU shall within two working days review these documents and if found okay shall stamp the photocopies "certified true copy" which shall be retained by the SPMU	Subsequently	SPCs/SPAs	Fully complied by all the states. SOEs are accompanied by original payment vouchers and all relevant documentation.
	Engage staff at NPMU solely for reviewing SOEs and supporting documents	Immediately	FC, Procurement Officer	Two support staff engaged at NPMU, an Assistant Procurement Officer and a Finance Support staff.
(f) Documentation of expenditures	Ensure adequate documentation of eligible expenditures immediately payments are made. All relevant documents should be attached to the payment vouchers which shall be signed by both the PC and FC/PA before payment is released	Subsequently	FC/SPAs	Fully complied with at NPMU and SPMUs.
(g) Auditors	Complete the process for the engagement of both the internal and external auditors	Immediately	Procurement Officer	Internal auditors are in place in 5 states. The CV of the candidate for Taraba has been forwarded to NPMU for assessment.
(h) Procurement	Complete pending vehicle and equipment procurements by end of year and front load any incomplete procurements in 2016 AWPB	31 December 2015	NPMU, Procurement Officer	Motorcycles and printers have been procured and contract for vehicles awarded. Delivery of vehicles expected by 30 June 2016.
	Revise 2015 procurement plan to reflect the present realities Training and workshop should undergo appropriate	30 November 2015	Procurement Officers at NPMU/SPMUs	2015 procurement plan revised at a procurement training workshop in Abakaliki. Accordingly, all infrastructure projects moved to 2016 AWPB.

Action Area	Action Agreed	Date	Whom	Progress
	procurement process where required In consideration of roll out of procurement on infrastructure by end of Q1 of 2016, train procurement officers	30 November 2015	Procurement Officers at NPMU/SPMUs	Procurement officers trained in Owerri along with other programme staff. ICO also organized training for procurement staff. Community procurement training has been cleared IFAD.
	Upward revise the procurement thresholds for works and services and get clearance from ICO	31 October 2015	Procurement Officer	Procurement thresholds revised on 30 October and ICO no-objection obtained.
Sustainability				
Other				

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Component/ Sub-component or Output	Indicator	Unit	Period: 01-01-2015 to 31-05-2016			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Component 1								
Sub-component 1.1(Support to Value Addition & Market linkage)								
	National trade promotion activities organized.	Nos.	1	1	50	1	6	16.66
	State trade promotion activities organized.	Nos.	6	5	83.33	5	30	16.66
	Consultative meetings of innovation platform	Nos.	12	9	75	9	48	18.75
	MoUs signed between FOs and Processors.	Nos.	12	298	2483	298	60	496
	Contractual arrangements formalized between FOs and Processors.	Nos.	6	36	600	36	36	100
	Processors trained in recommended technologies.	Nos.	1536	504	3.51	504	7680	6.56
	Service providers(consultants and firms) for market linkages trained.	Nos.	6	8	133	8	24	33.33
Sub-component 1.2 (Support to Market Infrastructure)								
				154.5	128.75	154.5	300	51.5
				1	8.33	1	120	0.83
				52	162.5	52	210	24.46
				0	0	0	108	0
				0	0	0	8100	0
				0	0	0	60	0
				0	0	0	108	0
				0	0	0	450	0
				0	0	0	108	0

			0	0	0	450	0
			0	0	0	1,080,000,000	0

Component 2

Sub-component

2.1(Strengthening of Farmer Organizations)

Group leaders trained in good governance issues.	Nos.	2250	912	40.53	912	6750	13.51
FOs legally registered with the Department of Cooperatives.	Nos.	450	1481	329.11	1481	2250	65.82

Sub-component 2.2 (Support to Smallholder Production)

Matching grants for production inputs.	Naira	340,000,000	77,425,400	22.77	77,425,400	1,920,000,000	4.03
Farmers provided with recommended rate of seeds, fertilizers and agrochemicals.	Nos.	9,000	3378	37.53	3378	45000	7.51
Youth farmers trained in spraying techniques.	Nos.	1800	30	1.66	30	9000	0.33
Service providers (Consultants and Firms) for production trained.	Nos.	12	0	0	0	36	0
Farmers trained in improved production technologies.	Nos.	6300	3491	55.41	3491	31500	11.08
Land area under irrigation production.	Ha	600	59	9.833	59	3000	1.97
Matching grants for agricultural equipment.	Naira	360,000,000	30,000,000	8.33	30,000,000	1,080,000,000	2.77
Farmer Field Schools/Business Schools established.	Nos.	96	0	0	0	480	0
	Nos.	6000	0	0	0	30000	0
Small Scale farmers protected from seasonal flooding.	Nos.	225	653	290.22	653	1125	5.84
Farmer organizations that receive VCDP supported Extension services.							

Component 3

Sub-component 3.1(Programme effectively managed to achieve programme results).

Management Meetings per annum.	Nos.	72	24	33.33	94	420	22.38
Stakeholder Meetings per annum.	Nos.	28	8	28.57	23	140	16.42

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier as at 30 May 2016

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	74,400	8,004	11%
IFAD grant	500	-	0%
FGN	9,900	177	2%
State Governments	10,400	2,278	22%
Local Governments	4,300	-	0%
Beneficiaries	2,100	-	0%
Complementary finance	2,800	-	0%
Total	104,400	10,459	10%

Table 5B: Financial performance by financier by component (USD '000) as at 31 May 2016

Component	IFAD loan			IFAD grant			FGN			State Governments			Local Governments			Beneficiaries			Complimentary Finance			Total		
	App-raisal	Act-ual	%	App-raisal	Act-ual	%	App-raisal	Act-ual	%	App-raisal	Act-ual	%	App-raisa-l	Act-ual	%	App-raisal	Act-ual	%	App-raisal	Act-ual	%	App-raisal	Act-ual	%
1.Agricultural Market Development	42,300	567	1	-	-	0	3,400	11	0.3	2,900	459	16	3,500	-	0	1200	-	0	1,500	-	-	54,800	1,037	2
2.Smallholder Productivity Enhancement	26,500	1,301	5	400	-	0	3,100	-	0.0	2,100	457	22	600	-	0	900	-	0	1,300	-	-	34,900	1,758	5
3.Programme Management and Coordination	5,600	5,464	98	100	-	0	3,400	166	4.9	5,400	1,362	25	200	-	0	0	0	0	0	-	-	14,700	6,992	48
Total	74,400	7,332	10	500	-	0	9,900	177	1.8	10,400	2,278	22	4,300	-	0	2,100	-	0	2,800	-	0	104,400	9,787	9

Table 5C: IFAD loan disbursements (SDR, as at 30 April 2016)

Cat.	Category description	Original Allocation	Revised Allocation	Disbursement at WA 008		Pending expenditure WA 09 & 10		Projected loan Utilisation	Projected Loan Balance	Loan Utilisation
		SDR'000	SDR'000	SDR'000	SDR'000	USD	SDR'000	SDR'000	SDR'000	%age
I	Civil Works	13,540	13,540	19	0%	576	414.39	434	13,106	3%
II	Vehicles and Equipment, Material & Agric Inputs	4,490	4,490	596	13%	1,075.00	773.38	1,369	3,121	30%
III	Training, Technical Assistance, Service Providers, Studies and Workshops	15,020	15,020	2,163	14%	962	692.09	2,855	12,165	19%
IV	Matching Grant Fund	4,840	4,840	56	1%	-	-	56	4,784	1%
V	Salaries & Allowances	3,420	3,420	170	5%	50	-	170	3,250	5%
VI	Office equipment and Maintenance Expenses	1,030	1,030	216	21%	164	117.99	334	696	32%
	Unallocated	5,510	5,510	-	0%			-	5,510	0%
	Subtotal	47,850	47,850	3,221	7%	2,827	1,998	5,219	42,631	11%
	Initial deposit			2,512	100%			2,512		
Total		47,850	47,850	5,732	12%			7,730		16%

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

Appendix 6: 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	The FGN policy on Treasury Single Account (TSA) requires the programme to open the accounts in the Central Bank of Nigeria, which it has started processing
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	
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			
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		Initial deposit of N30m (\$150,000) was made by the FGN in compliance with this covenant	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
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 schedule 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	

Appendix 7: Knowledge management: Learning and Innovation

Learning

Some of the major best practices and lessons emerging from VCDP are presented below:

Strong government ownership of the programme: Strong advocacy efforts by the ICO as well as the NPMU and SPMU have enabled political buy-in from the governors of VCDP participating states. The state and local governments have demonstrated massive ownership of the programme through payment of counterpart funds. Aside from paying counterpart contributions, the state governments are adopting VCDP templates to improve agricultural value chains in their states. This commitment by the states no doubt is a good sustainability outcome. This, however, puts a high expectation on the programme staff to demonstrate results and continue advocacy efforts to ensure yearly payment of counterpart funds by the states and federal government.

Community Driven Development approach: Building on the experience of IFAD- assisted CBNRMP, VCDP has adopted and planned to upscale the Community Driven Development (CDD) approach. In this context, the programme has invested in the use of commodity groups and apex value chain cluster groups to facilitate services for and among benefiting farmers. The commodity FOs are being strengthened by VCDP to provide services to members, while it is also strengthening the apex cluster groups as an umbrella commodity groups to function as advocacy and knowledge sharing platform, as well as facilitate market linkage for commodity groups. The apex cluster groups will link up with the department of agriculture in the local government system to integrate the farmers' value chain action plan into the local government annual work plan and budget. With this process, local government is expected to develop the culture of participatory budget system, where the priority needs of value chain cluster groups are reflected in the government system. This process is expected to continue after VCDP. VCDP will strengthen the apex cluster groups to have strategic development plan similar to CBNRMP's founded commodity apex development association (CADA) to enable the commodity groups have medium and long-term vision for their agribusiness .

Robust partnerships and collaboration: VCDP established various levels of partnerships and linkages with relevant institutions and private sector which enabled strong collaboration especially in the areas of market linkage, capacity building for farmers, knowledge sharing, leveraging of resources and scaling up results. The mission observed massive partnership engagement although still unfolding with producers and off-takers, seed companies and input dealers resulting in increasing interests by the private sector to partner with VCDP. The partnerships are principally to provide reliable market to farmers for their produce, facilitate access to inputs (improved seeds, agrochemicals and credit) and provide technical assistance in the best use and application of those inputs. Some of the partners have taken strong commitment to provide additional service in the form of co-funding (cashless credit) to farmers. For instance, in Benue State, VCDP is partnering with Olam Nigeria to provide reliable market to rice farmers. Other partners include Stallion Rice Plc, Nigeria Starch Mills Plc, Onyx Ltd , DATCO, Popular, Stine Rice, AATF, NCAM, IFDC just to mention a few. In addition, VCDP is set to partner with Nigeria Brewery Plc and Rockefeller Foundation in Ogun State on Cassava out grower scheme. With these strong collaborations in place, the VCDP will leverage more resources for up scaling programme initiatives.

Stakeholders' sensitization: The mission observed the need for continuous sensitization of the FOs and stakeholders on the programme goal and objectives. Strong participatory groups' initiatives need consistent message on the role of VC actors and continuous sensitization on the concept of value chain as the groups build their capacity, learn new production techniques, and market linkages.

Appendix 8: Performance of VCDP on Infrastructure

Sub-component 1.2: Support to Market Infrastructure

The programme is investing in “demand-driven infrastructure for improved access to markets realized and sustainably managed by the beneficiary communities”, through i) improvement of 400km feeder roads and construction of 100 bridges and 200 culverts, ii) Construction/improvement of 80 market stalls, 80 processing facilities and storage facilities and iii) improvement of water supply for agro-processing and drinking water needs for communities.

Land development: The programme has made significant progress to advance land development for both rice and cassava cultivation. A total of 908ha is either under development or has been completed (143ha). An additional 100ha in Taraba is under study and design. Whilst progress under the land development is the land development programme is progressing well.

Table 4: Area under land development

	Area (ha)	Development Cost (N)	Average cost per ha (N/ha)
Survey and design			
Taraba	100	53,900,000	539,000
Sub-total	100	53,900,000	
Implementation			
Anambra	200	73,409,963	367,049.81
Benue	165	55,409,035	335,304.30
Niger	200	65,484,758	327,423.79
Ogun	200	41,591,899	207,959.49
Sub-total	765	235,895,654	308,260
Operational			
Benue	143	50,804,565	355,276.68
Sub-total	143	50,804,565	
Grand Total	1,008	340,600,219	337,813.26

The mission is pleased with progress with land development. There are three issues that the programme needs to pay attention to. First main issues to be considered by the programme is around potential social conflicts among potential beneficiaries with regard to access to land. It is advised that the land development should start before any social issues are resolved. Second, the land development should be done after a proper design of the farmers fields, with clear field layouts that include farm roads and paths. Third, there is need for environmental and social management plans (ESMP) for any site to be developed. The ESMP should be developed and approved by State authorities before the works begin.

Improvement of feeder roads: The programme has been very active in the upgrading of access roads to identified communities. Contracts, valued at N2,760,082,318 (average N20,369,611/km), have been or are about to be awarded for the construction of a total 135.5km.

Table 5: Length of roads under construction

State	Length of road (km)	Contracted Cost (Naira)	Average cost (N/km)
Construction			
Anambra	21	501,487,446	23,880,355

Benue	35	637,404,357	18,475,489
Niger	20	453,380,407	22,669,020
Ogun	20	288,048,541	14,402,427
Taraba	20	357,437,810	17,871,891
Ebonyi	20	522,323,757	26,116,188
Grand Total	135.5	2,760,082,318	20,369,611

The average cost per kilometre for road construction is about 3 times the anticipated costs during project design (app. N7.5 million) for either rehabilitation or new roads. At this development cost per kilometre, an additional N5.3 billion to achieve the 400km programme target.

The main reason for the high development cost is the specification used for the roads. The selected roads under construction are being upgraded to have a double lane, 6m carriage way and will include a single bitumen surface treatment (SBST). The project has justified the high design standard for road durability under a poor maintenance regime from Local Government Area authorities and communities. The mission regards this specification as not appropriate for farm feeder roads. The programme is recommended that the programme reviews the road specifications and align to the intended purpose of improving access to as many production areas as possible. A reduction in specifications will result in more farm access roads to be developed.

The mission is of the view that, with limited financial resources and high demand for improved access in targeted producer areas, the programme should prioritise areas with no or limited access by providing basic access roads with the capacity to carry the anticipated load from increased production. This justification should be in terms of current condition of access, rice and cassava producers to be reached, anticipated projected area of production and volume of produce to be marketed and cost effectiveness of constructing the road. All identified roads should be clearly mapped, to indicate the target communities, production areas for the two crops and link to the main off-takers. For example, in Obafemi Owonde LG, 10 clusters were identified, out of which three had no road access. The it is not clear how the road to the Sowunmi cluster was identified for upgrade ahead of clusters with no access.

The mission observed that no environmental and social management plans were prepared before the construction of the roads, despite the construction of some roads through community fields, forests and swamps.

Recommendations:

- The selection of all roads to be developed should be clearly justified taking into account anticipated production and volumes to be sold to the market and cost effectiveness (N/km/ha of N/km/beneficiary).
- The programme should review the on-going construction contracts to determine how to change the design specifications to gravel roads or engineered natural surface where there is already access, depending on the local situation. For new roads, the project should adopt a basic access approach to road rehabilitation, that prioritises improved all year round access to most roads and full upgrade to selected roads. If contractual arrangements are such that the amendments will not be easily accomplished, the project should negotiate with the State government for counterpart funding for the contracts.
- The project should prepare environmental and social management plans for the roads programme and seek clearance of the plans from the State Ministry of Environment.

Improvement of market, processing and storage facilities: The programme has initiated a process to evaluate the requirements of all identified clusters in each State, with respect to the possible marketing stalls, processing and storage facilities required to enable the producers in the cluster to access local and other off-takers. The team of experts carrying out the exercise has submitted reports for each State outlining the requirements for each cluster.

The programme plans to construct a processing house, with borehole water supply, market stalls, warehouse and sanitary facilities for one cluster in each of the participating 30 LGAs. The estimated cost for the processing facilities is about N742,500,000, without equipment.

The design work for the infrastructure has commenced. It is commendable that the designs for the facilities have including facilities for the recovery and reuse of rice husks, which are normally dumped and burnt on site. The husks will be used to make briquettes for sale. The briquette making opportunity, if viable, can be considered as a standalone business. This effort should be extended to make all the infrastructure 'green' by incorporating the following measures; use of natural light as possible, use of solar energy (where cost effective), rain water harvesting and waste recovery and reuse, among others if feasible.

Recommendation: To ensure viability and sustainability of the investments in the processing and market stalls to be constructed, a feasibility assessment should be undertaken that looks at the financial costs and benefits for the investment over a given period, say 10 years. The cost-benefit analysis in the submitted reports are not adequate for an investment decision. The feasibility analysis will also include consideration of an operation, management and maintenance model for each facility. Consideration should be given to developing partnerships between farmers and the private sector off-takers. An environmental and social impact assessment should be carried out for all processing facilities that will produce solid and liquid waste, to ensure that measures are put in place for their safe reuse or disposal.

Sub-component 2.2: Support to Smallholder Production

Irrigation and water control: The programme targets to develop about 2500haha of irrigation works of which about 1,295ha have are in the development pipeline, with a target of developing the irrigation sites during this AWP&B.

Table 6: Area and estimated cost for identified irrigation sites

State	Area (ha)	Estimated Cost (N)
Identification		
Benue	50	140,000,000
Sub-total	50	140,000,000
Feasibility study		
Anambra	200	560,000,000
Benue	430	1,204,000,000
Niger	150	420,000,000
Ogun	250	700,000,000
Ebonyi	200	560,000,000
Sub-total	1,230	3,444,000,000
Operational		
Anambra	15	42,000,000
Sub-total	15	42,000,000
Total	1,295	3,626,000,000

Studies and engineering designs have been done for 1,230ha. The mission reviewed the studies and engineering designs and visited some of the sites targeted for irrigation in Anambra, Ebonyi, Taraba and Ogun States. The level of studies carried out to date, do not have sufficient detail to proceed to construction of the schemes. The studies fell short in details of water availability, environmental and social assessments, and details engineering designs for each site.

There is a need to clarify the feasibility studies and detailed engineering designs approval process and the role of State and Federal agencies and farmers in this process. In addition to the big irrigation sites, the programme is developing smaller sites using pumps to draw water from rivers and tube-wells. This approach is a well known approach and has been very successful in the Fadama areas of Nigeria. The mission recommends that the project takes advantage of any potential to develop these microscale irrigation sites as a way to promote dry-season rice cultivation. Work on flood control has

not yet started, but the mission visited sites at Dooshima cluster in Benue State and Sowunmi Cluster in Ogun State where there is potential for flood control works to be effective. It is recommended that the programme carries out scoping studies to identify the potential for flood control in all the participating LGAs and proceed to further develop the most promising areas.

Recommendation- It is recommended that detailed feasibility studies and environmental and impact assessments for each irrigation site be undertaken before detailed engineering studies are done. For irrigation sites below 100ha, can be undertaken by consultants recruited at the SPMU level and or the River Basin Authority (where they have capacity), while for sites larger than 100ha will be undertaken by internationally recruited consultants, partnering with national consultants.

Each SPMU should select a site to be prioritised for study, design and construction by June 2017, while building pipeline of irrigation projects to be implemented over the duration of the programme. It is recommended that the NPMU should increase its capacity for irrigation and other infrastructure development by recruiting a dedicated Rural infrastructure engineer, with experience in irrigation development. It is also recommended that the SPMU, should also recruit irrigation specialists with experience in participatory irrigation development to lead the irrigation development and flood control programmes.

AGREED ACTIONS

	Agreed action	Responsibility	Agreed date
1	Review all road contracts to remove SBST and reduce carriage way size to 4m where still possible. If no longer possible, negotiate with State government to co finance the road construction	NPCMU/SPCMU	30/06/16
	Prepare an environmental and social management framework for the programme for approval by state and federal environmental authorities.	SPMU/consultant	
2	Recruit local and international consultants to undertake feasibility studies and detailed designs for prioritised irrigation schemes in each state.	NPCMU/SPCMU	30/09/16

Environmental sustainability: Understanding the impact of project activities on the environment and social fabric of the community is key to long term sustainability of benefits. Despite the work involving road construction, irrigation development, and land creating that includes forest clearing, water resources, access to land and environmental nuisance due to construction, the mission observed that the programme has not prepared an environmental and social impact plan as required by the Environmental Act 86 of 1992 and by IFAD SECAP policies. To ensure environmental sustainability, the programme should undertake systematic studies on all its interventions to identify all negative impacts and incorporate mitigation measures. The business plans for the groups have a section of environmental mitigation, which is very general and almost identical for all projects. Potential social issues may arise due to the taking away of land due to road construction or due to land deals that are not well negotiated. During the field visit at Adedayo, it appeared as if the owner of the field being developed was not having full information of the leasing arrangements between himself and the farmer organisation, and it was not clear how land users were compensated for loss of land due to road construction. The investments done on land with unclear land lease arrangements, put achieving the project objectives at risk, as conflicts may stop production after the land is developed.

Recommendation: The programme should prepare an environmental and social management plan for each investment under the programme in land, development and processing facilities and markets development, as required by the Environmental Act 86 of 1992 and IFAD's SECAP.

Appendix 9: Performance of VCDP on Gender Focus

Gender focus. As at May 2016, VCDP has reached out to 6,118 women and 9,240 men mainly involved in rice and cassava value chains.¹ 834 FOs were profiled comprising 26,615 farmers of which 12,824 are female farmers and 170 are women-only groups in the six States. Male members are often occupying secretary positions where women in leadership positions are still very low. Social, religious and cultural beliefs are impeding the participation of some stakeholders in VCDP, disallowing women to speak in gatherings where men are present. Women-only groups are first used to gather for social events such as ceremonies and not for business-oriented issues (investments in production/processing). When 35% of matching grants are earmarked for women (50/50 for production, 70/30 for processing and 90/10 for infrastructures), women's ability to use them is not yet proficient. Intra-household decision-making, lack of control over resources, polygamous families and heavy workloads still hinder women to make profitable businesses. The mission commend appointment of RIGYMO at NPMU and on-going gender/youth analysis. Results will be shared in July-August and will serve as basis for an updated VCDP targeting, gender and youth strategy. It will include specific measures and operational procedures for ensuring equal opportunities and empowerment of women, comprising adequate resources - human and financial. The strategy will clarify reporting and monitoring system on gender-differentiated participation, outcomes and benefits from the project. *The mission recommends a full commitment of RIGYMO/NPMU in the next three months to: develop the gender strategy, build capacity of all RIGYMOs and collect/harvest relevant knowledge at national(RUFIN) and regional levels (IFAD WCA/Senegal).*

Youth focus. As at May 2016, VCDP has reached out to 11,477 youths out of which 4,584 are young women, participating in project activities in production service provision such as tractor hiring services, sourcing and planting rice seeds and cassava cuttings, spraying techniques, harvesting and transporting produce to aggregation centres for onward transportation to markets, etc. The mission acknowledge the level of youth participation in project's activities. High involvement of youth has set the prerequisites for a new generation of farmers through mechanisation of agriculture and intensification. However there is more male participation than female as cultural and social barriers still prevail on the latter. Thus there is need to foster young women's involvement into processing and trading. Young women may face early marriages (15-18) and early pregnancy (17-18) with lower educational level. A gender and youth targeting strategy is needed for the programme to form youth and women groups in the new LGAs and to strengthen their participation in some States such as Ogun. PIM stated to undertake at least one Youth Forum of young agripreneurs per year at the state and interstate level and this has to be effective this year. Partnership opportunities with stakeholders such as NANTS (experience of collective production with youth and women) have to be identified for capacity building, knowledge sharing, innovation and replication. *The mission recommends: a focus on equitable participation of young women and men in the youth strategy, a first Youth Forum in 2016 and start partnering with NANTS to replicate good practices for youth in agriculture.*

Poverty focus. VCDP completed its baseline survey in April 2016, confirming relevance of poverty focus of the project. Average land size for rice and cassava is around 3 ha and farmers/entrepreneurs belong to five categories of income levels. A majority of them encounter 2-3 months of hungry season and some can go up to 5-8 months per year. The most frequent shocks are floods and drought, insecurity. Stunting is prevalent in all states (28%) and underweight (16%) of children under five. At design, poverty was found to vary according to the education of the household head and the size of the family. Larger families (with 20 or more persons) and households headed by persons little or no formal education tend to have the highest poverty incidence, depth and severity. *The mission recommends to review VCDP's targeting strategy for expansion of land area cultivation, land clearing and land distribution to bring poorer groups out of poverty, encourage higher-value products such as cassava bread, chips and cakes (involving more young women, attacking nutrition issues and providing incomes to these groups).*

Effectiveness in targeting. State target goals have been fixed at 8913 beneficiaries of which 7,500 farmers, 1,280 processors, 133 marketers and the main entry point to reach them is through FOs. The project is effectively reaching out to poor rural women and men at a pace that promises VCDP to

achieve intended target goals. Activities fully correspond to the needs and interests of beneficiaries, but there is a need to assess their technical and financial capacities. This results in low performance of matching grants and civil works. Targeting mechanisms and measures need updates and strengthening to ensure they are inclusive, risks of elite and male capture: group leadership and training model (step down training, peer learning, etc.). For instance, eligibility criteria has to be clearly established: size of the land, processing capacity, good governance, social inclusion and participation. Land leasing arrangements needs a community-based protocol and involve local chiefs for safeguarding. Training and capacity-building models need to include more FFSSs, community-peer learning as travelling is challenging for woman and young people. Access to information needs to be expanded to increase beneficiaries participation and publicize targeting-gender-youth strategy of VCDP. This latter will ensure M&E be related to targeting and outreach and targeting performance is monitored, using participatory poverty monitoring and a tracer study that allows tracking of the target groups. *The mission recommends to consolidate all these recommended measures when developing the targeting/gender/youth strategy and ensure they are communicated to beneficiaries and translated into the PIM for NPMU/SPMU.*

Empowerment. The market-led focus has started to emerge in its approach with first batch of cluster VCAPs and Business Plans. The building blocks for effective implementation will be empowerment of groups and their members to gain control over economic relations and institutions. In 2016 the programme continues to capacitate the beneficiaries in the institutionalization of value chain action plans (VCAPs) and business plans (BPs). Partnership and collaboration meetings were held between farmers, off-takers, bankers, insurance companies, agro-dealers and VCDP staff in the participating states. 176 MoUs were signed during the reporting period. However record keeping by groups is still weak and adult literacy training is highly required to stimulate active participation of poor farmers in organized groups and improve management capacity for sustainability of rural organizations. Capacity building for groups to emphasize group dynamics and record keeping is advisable to increase profitability. The Gender Action Learning System has to start at the earliest to overcome these challenges and ensure win-win and inclusive value chain governance (with men, women, youth), improve strategies of groups, set clear vision and build road maps for their businesses. *The mission recommend to launch the GALs with a training involving key partners (NANTS, IITA, CORY and local NGOs/associations) and VCDP staff to empower beneficiaries for sustainability.*

Quality of beneficiary participation. The major challenge for beneficiary participation is their ability to pay their contribution in form of grants. This tends to cause delays in the approval and implementation of Production Business Plans and affect farming calendar. The baseline indicates more than 80% of respondents do not have access to or get credit from formal or informal sectors. VCDP has to encourage savings mobilization among FOs for that purpose and to prepare the exit/sustainability strategy. Lessons learned and experience sharing from RUFIN can help quick-start on these areas. In-kind contribution for matching grants can be further developed to amplify participation. Furthermore, the targeting/gender/youth strategy will specify how the different target groups will contribute to influencing the choice and/or sequencing of project activities (e.g., their input into the AWPB); encourage demand driven activities that are tailored to their specific needs; their participation in project M&E; and their contribution (cash and in-kind) to project financing. *The mission recommends to: learn from RUFIN's best practices and experiences and continue consolidation of recommended measures into the targeting/gender/youth strategy. All recommendations can be summarized as follows:*

Agreed action	Responsibility	Agreed date
Organize exchange visit on VSCGs, savings mobilization, group dynamics, women's empowerment and gender equality with RUFIN	RIGYMO	August 2016
Initiate the Gender Action Learning System training with key partners Oxfam Novib, NANTS, CORY, IITA, VCDP staff and RUFIN GALS champions	RIGYMO	August 2016
Organize exchange visit with IFAD ICO Senegal on gender, youth and nutrition sensitive VCD for all RIGYMOs	RIGYMO, IFAD ICO Nigeria	September 2016
Update targeting, gender and youth strategy (baseline, appendix 2 of PDR, gender and youth study, recommendations from SPN) and translate it into the PIM	VCDP/RYGIMO NPMU	September 2016
Plan an inter-State Youth Forum to discuss and involve Youth in identification of challenges and solutions	RIGYMOs SPMU and NMPU	October 2016
Develop communication strategy using radio/TV on VCDP targeting/gender/youth strategy	NMPU/CCU	Continuous

Appendix 10: VCDP Performance on Partnership and Policy

Performance on Partnership: The Strategy: As a partnership strategy and in line with its market-driven principle, VCDP undertakes mapping of potential off-takers and opportunity assessment of the partners. Based on the outcome of the assessment, it establishes innovative commodity alliance platform with the chosen off-taker partner but also involving other key stakeholders such as financial institutions, input dealers, civil society organizations and government to monitor/review performance, influence policy/government decisions and upscale result. VCDP has established this platform in the 6 states. The partnership is further guided by a result-oriented MoU between the off-taker, farmers and VCDP. The MoU states the obligations of each partner and ensures that IFAD performance indicators are well accounted. In some cases other participating stakeholders like Banks join in the MoU.

Output and Outcome: In the midst of implementation difficulties experienced by VCDP during the early part of the year, the increasing interests by the private sector to partner with VCDP has assumed the key visible success factor identified by the mission in VCDP. The mission was highly impressed with the level of partnership established and still unfolding with credible produce off-takers, seed companies and input dealers. The partnerships are principally to provide reliable market to farmers for their produce, facilitate access to inputs (improved seeds, agrochemicals and credit) and provide technical assistance in the best use and application of those inputs. Some of the partners have taken strong commitment to provide additional service in the form of co-funding (cashless credit) to farmers. For instance, in Benue State, VCDP is partnering with Olam to provide reliable market to rice farmers. In the tripartite partnership arrangement (VCDP, Olam and farmers), VCD and Olam are supporting about 2000 farmers in a minimum of 1ha per farmer to access inputs, extension and credit services. Similar arrangement has been established in Niger State with Onyx for about 3,000 farmers. As at 2015, the Onyx/VCDP/farmers partnership in Niger State worked on 50ha of rice and recorded an average of 4mt/ha from a base figure of less than 2MT/ha.

Following the success recorded in its partnership with VCDP in 2015, Onyx has requested the programme to join its CBN Anchor programme which has additional 3000 farmers. VCDP will train and jointly monitor the farmers in the application of best agronomic practices, while Onyx will provide inputs and credit on recovery basis. Because the training is a pre-requisite for farmers to qualify in the CBN Anchor programme, Onyx enlisted VCDP as a reliable partner to handle it. In Anambra State, the programme is also into extensive partnership with Nigeria Starch Mill, which has an installed capacity of 200,000MT of cassava root per annum. The partnership is supporting over 1000 cassava growers. In Taraba State, VCDP is partnering with Popular Food to provide similar services to more than 2000 farmers. In Ogun State, the programme is partnering with Harvest-feed Nig. Ltd to support cassava farmers. Harvest-feed Nig. Ltd, has provided 600 bundles of cassava stem-cuttings of TMS 418 variety to the State beneficiaries to assist them with production. There are also other performing partnerships in mechanization and land development (such as with NCAM), but no evidence of an MoU (or similar formal instrument of association) has been established to guide the parties. In total, data from the programme indicates that VCDP has established about 34 partnerships in the rice value chain for Seeds supply and markets comprising 12 in Niger, 7 each in Taraba and Benue and 4 in each of Anambra and Ebonyi States. In Cassava, 25 partnerships have been formalized in the 6 states of which 6 each are in Niger, Benue and Taraba states, 2 each in Ogun and Anambra States and 3 in Ebonyi states. Ogun State VCDP is also collaborating with African Agricultural Technology Foundation (AATF) to provide mechanization and priority needs identified by farmers, which could include chemical, mechanical, biological, biotechnology and process-based solutions.

Among the ongoing partnerships, Olam and Onyx model needs to be up-scaled in other states. At present, Olam is joining the programme in farmer mobilization, validation, profiling and training events, bringing their experiences in out-growers scheme to bear. Olam also offered to co-fund extension services to ensure that farmers meet productivity potentials of the preferred rice varieties. This process is similar to the Onyx and VCDP partnership in Niger State. Through the partnership unit of IFAD in Rome, VCDP intends to pilot this model with Psaltry International Company Ltd, Nigeria Brewery Plc and Rockefeller Foundation in Ogun State. There is also impressive partnership between VCDP and media through the central communication platform of IFAD programmes in Nigeria. To a large extent the activities of VCDP has been given wide and quality publication.

Shortcoming and suggestion: What is presently lacking in VCDP is the involvement of the CSOs and NGOs, collaboration with research institutes, collaboration with insurance companies, collaboration with other development projects and development of a partnership strategy in a knowledge product form. As a recommendation, a good independent but supportive policy advocacy with CSOs is encouraged to enhance visibility, replication and sustainability. Second, to sustain the innovative linkage initiative, VCDP needs to deepen the commodity alliance forum to include the state ministry of agriculture, leadership of participating LGAs, CSOs and NGOs. Third, as a lead value chain programme in Nigeria today, VCDP should open the door of collaboration with other development programmes. It will learn a lot from IFAD-assisted RUFIN regarding access to finance to effectively exit from the matching grant. Fourth, VCDP has to articulate its strategy in a knowledge product form along the following key pillars: (a) implementing partners; (b) collaborating partners; (c) co-funding partners; (d) service providers; (e) policy, KM and advocacy partners. Fifth, the mission is of the view that this innovative process should form one of the key exit strategies for the matching grant, which ends after 2 years of beneficiary involvement in VCDP.

From the evidence in the field as articulated above, the mission was of the view that the formation of partnerships was very much on course. The mission rates programme performance satisfactory, or 5.

VCDP Performance on Policy

The Value-Chain Development Programme is essentially a pilot scheme designed to transform the nation's agricultural landscape and pull millions of farmers out of poverty. For the attainment of this objective, it is imperative that Governments at all levels key into it so as to facilitate the fashioning out of the appropriate national policy direction.

Two years into implementation, VCDP has played some critical role in influencing government decisions to improve the functions of the government system or business environment. For instance the Government of Ogun State, in responding to the operational challenges confronting VCDP implementation in the State, has set in motion a policy review aimed at consolidating the numerous mini-level rice processing centres to promote economy of scale and facilitate market access for small rice growers. In Benue, the State government, has accepted, as a matter of policy to promote irrigated rice farming to double production, a practice that was hitherto unknown in the area. Ebonyi State has also resolved to up-scale the mechanization initiative of VCDP by procuring 40 tractors and engaging 80 youth to commence land mechanization for smallholder farmers across the state, inclusive of non-VCDP farmers. In Anambra State, the experience gained in farmer-groups formation and registration by VCDP has caused the state executive council, the highest policy arm of the government, to review and fast-track the procedures for the registration of farmer cooperatives, following a motion brought to it by the Hon Commissioner of Agriculture to this effect. As a policy outcome, the executive council in one of the meetings, has reviewed the long administrative process of farmer group registration and approved an affordable levy for cooperative registration by small farmers, a maximum of 2 weeks for the registration process and directed the responsible ministry to establish desk offices in the ministry of agriculture for easy access by farmers.

Also in Anambra State, the state government has adopted the VCDP initiative to restructure and upgrade the processing sites to enhance quality, efficiency and competitiveness at the smallholder processing level. In this line, the government is partnering with VCDP to develop a master plan for upgrading the processing sites in the state. With guidance from the master plan, the government intends to develop mini-bulk processing sites/zones or industrial estates within the rice processing LGAs and pull the processors together to provoke a dynamic rural agricultural economy, an initiative that is consistent with the LIFE (Livelihood Improvement Family Enterprise) policy of the federal ministry of agriculture and rural development. The Hon Ministry of Agriculture and Rural Development has particularly bought into the initiative as a key aspect of his LIFE policy to support the rural agricultural sector. At the micro/household level, farmers are changing their attitude of selling rice in bags to adopt a standard weight and measure in dealing with buyers of their produce. They are moving away from the unconventional method of selling their produce in bags of varying weights at the same price to adopt best practices and eliminate conflict that do arise amongst buyers and sellers of their produce.

However, while some progress have been made by VCDP in influencing government policy decision to improve the agricultural sector across the participating states, the mission noticed that those actions were more by default and not necessarily borne out of a concerted or deliberate effort by programme office to influence government decision. On the basis of that observation, the mission recommends that VCDP should develop a policy strategy to strengthen its policy influence and advocacy and carry it through to federal level. For instance, the programme management will need to enlist the support of the States and especially Local Governments, in the maintenance of the value-chain supporting infrastructure such as farm and market access roads, management of the rice irrigation facilities, and ownership of the processing clusters. The State programme offices should also up-scale the innovative commodity alliance forum to include leadership of the ministry of agriculture and local government, as well as CSOs, off-takers, produce aggregators, fertilizer/input dealers, farmer producers groups, processing groups, youths and women groups and nuance the forum to become a private sector-led policy platform for the private sector participation in agricultural development in each state. This is a body that is overdue in a country that wants to diversify its economy and to change the orientation of agriculture to agr-business with strong private sector and youth participation.

Appendix 11 : List of persons met and mission's programme

Name	Designation
Wrap-up meeting, Abeokuta, 24/06/2016	
Benson Odaman	Deputy Director, International Economic Relations Department, Federal Min. of Finance, Abuja
Salisu Ahmed	Deputy Director, M&E, Federal Min. of Agric. & Rural Development (FMARD), Abuja, and Supervision Mission Member
Ameh Onoja	National Programme Coordinator, VCDP NPMU, Abuja
Chyka V. Unamma	APA, “
Nurudeen M. Lawal	PMEA, “
M.D. Usman	Financial Controller, “
Musa Dalang	RIGYMO, “
Basil Ken Esinulo	MEDA, “
Ms. Vera Onyeaka-Onyilo	KMC, “
Duke Agbaiga	P.O. (Asst), “
Patrick Nugawela	Supervision Mission Member
Prof. Lemchi Jones	“
Prof. G.G. Lombin	“ (IFAD CPMT)
Davis Atugonza	“
Masa Kishi	“
Ben Odoemena	“ (Country Programme Officer, IFAD)
Samuel Eremie	Supervision Mission Leader
Anambra State	
E.N. Agwuncha	State Programme Coordinator (SPC), VCDP SPMU, Anambra, Awka
J.O. Mozie	SBMDO, “
E.N. Chukwukwelu	APO, “
Obi Chidozie	SVCIO, “
Ikechukwu Anyasie	RIGYMO, “
Ms. C.E. Obiemeka-Agwaramgbo	SPO, “
Ms. Debuyah Onyefulu	SPA, “
Michael A. Nwadihi	PMEO, “
Bonaventure Muochebe	APQEO, “
Benue State	
Emmanuel Igbaukum	SPC, VCDP SPMU, Benue, Makurdi
Ms. Lydia Ishuwa	SPA, “
Ms. Lydia Allagenyi	PMEO, “
Isaac Onah Okwu	SBMDO, “
Engr. M.O. Moro	SVCIO, “
James Ekoja	APO, “
Thomas Edeh	APQEO, “
Moses Gbamwuan	PO, “
Ms. Sandra Agber	RIGYMO, “
Ebonyi State	
Sunday M. Ituma	SPC, VCDP SPMU, Ebonyi, Abakaliki
Okoro Agwu	SMBDO, “
Darlington Ongele	APO, “
Innocent O. Obiya	SVCIO, “
Ms. Francisca C. Anya	RIGYMO, “
Nwankwo A. Iruka	PO, VCDP “
Boniface O. Eje	PMEO, “
Patrick Ogbunnya	APQEO, “
Cyprian N. Okiri	SPA, “
Engr. E.M. Uche	Director, Min. of Agric., Ebonyi State
Niger State	
Mathew Ahmed	SPC, VCDP SPMU, Niger, Minna
Usman Abubakar Bosso	PMEO, “
Lawal Mohammed	APO, “

Name	Designation
Shaba Loko Abubakar	SPO, “
Audu Usman	SPA, “
Ms. Hadisat Isah	APQEO, “
Philemon Salawu	APO, “
Ms. Maimuna Abubakar Ahmed	RIGYMO, “
Ms. Elizabeth Yisa	SMBDO, “
Engr. Yahaya Usman	SVCIO, “
Ogun State	
Dr. David O. Akinsola	State Director, FMARD, Abeokuta
Ms. A.O. Dada	Permanent Secretary, Min. of Finance, Ogun State
Richard O. Eloyowo	Director, PPS, Min. of Finance, Ogun State
Paul S. Ajayi	Min. of Finance, Ogun State
Pastor Dipo Odeyemi	Permanent Secretary, Min. of Agric., Ogun State
Adebimpe Adeosun	Press Officer, Min. of Agric., Ogun State
Engr. Mrs Y.F. Adejumo	Min. of Rural Development, Ogun State
Engr. W.O. Adesanya	Min. of Rural Development, Ogun State
O.A. Akinsola	State Project Coordinator, Fadama III, Ogun State
Ibikunle A. Onasanya	AgriQ Business Services, Abeokuta
Ms. Taiwo Olawwmi Ayansawo	Ag. Programme Manager, Ogun State Agric. Devt. Programme
Rotimi Oduniyi	Head Officer
Hon. Akinosi Olusola	Chairman, Yewa North LGA, Ogun State
S.H. Adewunmi	Dir. Agric. “
Hon. Adeola Akintonde	Chairman, Obafemi-Owode LGA, Ogun State
Soremi Ismail Abiola	Obafemi-Owode LGA, Ogun State
Lordbanjou Odeda	Chairman, Ijebu North-East LGA, Ogun State
Bidemi Bello	Channels TV
Gbenga Osinuga	Channels TV
Samuel B. Adeogun	SPC, VCDP SPMU, Ogun, Abeokuta
Ms. A. Adewole-Sobukola	RIGYMO, “
Yinka A. Amosun	APO1, “
Ms. Temitope A. Ajisafe	APO, “
J.O. Idowu	PO, “
Engr. Kunle R. Olaniran	SVCIO, “
A.A. Oyesanwen	SBMDO, “
D.O. Onigbinde	PMEO, “
Ms. Olufemi Olubukonla	SPA, “
Williams Akinwunmi	APQEO, “
Diyan Oluranti	ADMIN, “
Oladinsoye Akeem	Admin. Asst, “
M.O. Adenekan	Fin. Asst, “
Ms. O.M. Oduntan	“ “
Ms. Oluwatosin Salami	Proc. Asst, “
Ibikunle O. Faneye	KML Asst, “
Jimoh Oniwagbe	Driver “
Albert A. Owolabi	LGVCLLO
Adegoke Adewale	Youth Leader, Farmer Organization
Bode Fashina	Group Exec. Secr., United Farmers
Fasina Adebayo	Youth
Ilesanmi Jegede	“
Ms. Zainab Soneye	“
Fisayo Adeogun	“
Tosin Edun	Youth Leader
Saheed Soneye	Youth
Kehinde Ikupoliyi	“
Ambrose A. Ohonmele	“
Saliu Owolabi	“
Taraba State	
Irimiya S. Musa	SPC, VCDP SPMU, Taraba, Jalingo
Jonah Javale	APO, “

Name	Designation
Yusufu Joro	PO, “
Engr. Martins M. Ivah	SVCIO, “
Engr. A.M. Ezekiel	APQEO, “
Sirago Muh'd	PMEO, “
Ms. Altine James	RIGYMO, “
Phillips Sunsuwa	SPA, “
Bedu Wiza	SBMDO, “
Supervision team meeting with NPMU and SPMUs on management, Abeokuta, 22 June 2016	
Ameh Onoja	NPC, NPMU
Nurudeen M. Lawal	PMEA, “
Usman M. Damatar	FC, “
Engr. Sanni Abiodun	NPO, “
Ms. C.E. Obiemeka-Agwaramgbo	SPO, Anambra
Ms. Debuyah Onyefulu	SPA, Anambra
Emmanuel Igbaukum	SPC, Benue
Ms. Lydia Ishuwa	SPA, Benue
Moses Gbamwuan	SPO, Benue
Sunday M. Ituma	SPC, Ebonyi
Cyprain N. Okiri	SPA, Ebonyi
Nwankwo A. Iruku	SPO, Ebonyi
Mathew Ahmed	SPC, Niger
Audu Usman	SPA, Niger
Shaba Loko Abubakar	SPO, Niger
Samuel B. Adeogun	SPC, Ogun
Ms. Olufemi Olubukonla	SPA, Ogun
John O. Idowu	SPO, Ogun
Irimiya S. Musa	SPC, Taraba
Phillips Sunsuwa	SPA, Taraba
Yusufu Joro	PO, Taraba
Prof. G.G. Lombin	“ (IFAD CPMT)
Salisu G. Ahmed	“ (FMARD)
Masa Kishi	“
Davis Atugonza	“
Ms. Atsuko Toda	“
Ben Odoemena	“ (Country Programme Officer, IFAD)
Samuel Eremie	Supervision Mission Leader
Supervision team reflection meeting with NPMU, Abeokuta, 22 June 2016	
Ameh Onoja	NPC, NPMU
Chyka V. Unamma	APA, “
Nurudeen M. Lawal	PMEA, “
Usman M. Damatar	FC, “
Musa Dalang	RIGYMO, “
Basil Ken Esinulo	MEDA, “
Ms. Vera Onyeaka-Onyilo	KMC, “
Engr. Sanni Abiodun	NPO, “
Patrick Nugawela	Supervision Mission Member
Prof. Lemchi Jones	“
Prof. G.G. Lombin	“ (IFAD CPMT)
Masa Kishi	“
Davis Atugonza	“
Salisu G. Ahmed	“ (FMARD)
Ms. Atsuko Toda	“
Ben Odoemena	“ (Country Programme Officer, IFAD)
Samuel Eremie	Supervision Mission Leader
Supervision team meeting with PME/KMC Officers, Abeokuta, 21 June 2016	
Nurudeen M. Lawal	PMEA, NPMU

Name	Designation
Kayode A. Idode	M&E/ICT Asst., NPMU
Michael A. Nwadihi	PME/KMCO, Anambra
Ms. Lydia Allagenyi	“ Benue
Boniface O. Eje	“ Ebonyi
Usman Abubakar Bosso	“ Niger
David O. Onigbinde	“ Ogun
Samuel B. Adeogun	SPC, Ogun
Ms. Olufemi Olubukonla	SPA, Ogun
Prof. G.G. Lombin	Supervision Mission Member (IFAD CPMT)
Salisu G. Ahmed	“ (FMARD)
Ms. Atsuko Toda	“
Ben Odoemena	“ (Country Programme Officer, IFAD)
Samuel Eremie	Supervision Mission Leader
Field visit, Ogun State, 16-17 June 2016 (In addition to SPMU staff and LGA officials listed at the wrap-up meeting)	
Senator Ibikunle Amosun	His Excellency, Executive Governor, Ogun State
Mrs. Ronke Sokefun	Hon. Commissioner for Agric., Ogun State
Pastor Dipo Odeyemi	Permanent Secretary, Min. of Agric., Ogun State
Siraj Fashola	Director of Planning, Min. of Agric.
Barr Odufuwa	Special Adviser to Gov. on Agric.
Tosin Ademuyiwa	Special Assistant to Gov. on Agric.
Ms. Taiwo Olawwmi Ayansawo	Ag. Programme Manager, Ogun State Agric. Devt. Programme
Tunde Gbadebo	SPMU, VCDP
Nurudeen M. Lawal	NPMU, VCDP
Basil Ken Esinulo	“
Musa Dalang	“
Patrick Nugawela	Supervision Mission Member
Prof. Lemchi Jones	“
Prof. G.G. Lombin	“ (CPMT)
Mawira Chitima	“
Salisu G. Ahmed	“ (FMARD)
Tolulope Jaji	“ (FMF)
Ben Odoemena	“ (Country Programme Officer, IFAD)
Samuel Eremie	Supervision Mission Leader
Field visit, Anambra State, 13-14 June 2016 (In addition to SPMU staff listed for the wrap-up)	
Afam Mbanugo	Hon. Commissioner, Ministry of Agric., Anambra State
Emeka Iloghalu	SA to Gov. on Fisheries, Anambra SG
C.O. Oguebue	Programme Manager, Anambra ADP
Ifeyinwa Uzoka	Ag. Director Extension, Anambra ADP
Nse Inyang	Zonal Coordinator, RUFIN
Hon. Sir Somtochukwu Udeze	Member Anambra House of Assembly
Hon. Victor Jidefor Okoye	“ (Anambra-West)
Chinwe Ekwelie	Asst. PM&E, VCDP
Patrick Nzekwe	VCDP
Gabriel Onyeka Ogolo	“
Jane Ajaogbu	AO, VCDP
Humphrey Nzekwu	EA, VCDP
Vivian Ikeme	“
Virginia O. Emeribe	“
Ilouno Obinna	“
Matthew Okafor	“
Ngozi G. Nwankwo	“
Mirian N. Okafor	LO, VCDP
Ogochukwu Egbuna	“
Rufus S. Imoka	“
Chukwuka Chukwudi	“

Name	Designation
Grace Mojekwu	MTFFS, SPMU, VCDP
Engr. Sanni Abiodun	NPMU, VCDP
Chyka V. Unamma	"
Basil K. Esinulo	"
Patrick Nugawela	Supervision Mission Member
Prof. G.G. Lombin	"
Mawira Chitima	"
Salisu G. Ahmed	" (FMARD)
Field visit, Ebonyi State, 13-14 June 2016 (In addition to SPMU staff listed for the wrap-up)	
Chief David Umahi	His Excellency, Executive Governor, Ebonyi State
Hon. Barr. Orji Uchenna Orji	Hon. Commissioner, Ministry of Agric., Ebonyi State
Engr. E.M. Uche	Director, Min. of Agric., Ebonyi State
Emmanuel N. Chukwu	Desk Officer, ADP
Patrick O. Chukwu	M&E Asst., SPMU VCDP
Fidelis Odom Nwafor	BMD Asst., "
Cornelius Ekechi	APQE Asst., "
Nnachi N. Ukpai	RIGYM Asst., "
Okorie A. Ede	KMC Asst., "
Sunday N. Iziogo	As/PO, "
Joseph O. Eze	Finance Asst., "
James N. Alom	Internal Auditor, "
John Nweze	Media Officer, "
Sunday Itumo	EA, Ohaozara LGA, VCDP
Chidinma Nkama Ude	EA, "
Obini Kingsley Chukwu	LO, "
Marvelous C. Eke	LO, "
Francis Ukwu	EA, Izzi LGA, VCDP
Ms. Lilian C. Okoro	EA, "
Nwamban Iruka	LO, "
Stephen O. Nwukwu	EA, Ikwo LGA, VCDP
Alloysius Nnabo	EA, "
Anthony Alobu	LO, "
Fidelis Nwakpu	LO, "
Ms. Elizabeth Ojukwu	EA, Ishielu LGA, VCDP
Charles E. Eze	EA, "
Ms Rachel Ogechi Eze	LO, "
Eseni Egwu Idika	LO, Afikpo South LGA, VCDP
Okoro Oti Okoro	LO, "
Ms. Uzoma A. Ukpai	EA, "
Sabastine Oko	EA, "
Ms. Justina L. Nwibo	Support Staff, VCDP
Ms. Catherine R. Nwedu	"
Ijeoma M. Uzoaru	Corper
Sakirat A. Soewu	"
Nurudeen M. Lawal	NPMU, VCDP
Musa Dalang	"
Engr. Sanni Abiodun	"
Mawira Chitima	Supervision Mission Member
Prof. Lemchi Jones	"
Tolulope Jaji	" (FMF)
Ms Atsuko Toda	" (Country Programme Manager, IFAD)
Ben Odoemena	" (Country Programme Officer, IFAD)
Samuel Eremie	Supervision Mission Leader
Field visit, Benue State, 10-11 June 2016 (In addition to SPMU staff listed at the wrap-up meeting)	
Dr Samuel Ortom	His Excellency, Executive Governor, Benue State
Hon. Anbua H. James	Hon. Commissioner, Min. of Agric., Benue State

Name	Designation
Mrs Judith Hirnyam	Permanent Secretary, Min. of Agric.
James Ker	Programme Manager, BNARDA
Omega Adeyi Jr.	Secretary, SPMU, VCDP
Ameh Onoja	NPMU, VCDP
Engr. Sanni Abiodun	"
Nurudeen M. Lawal	"
Musa Dalang	"
Ms. Vera Onyeaka-Onyilo	"
Mawira Chitima	Supervision Mission Member
Prof. Lemchi Jones	"
Samuel Eremie	Supervision Mission Leader
Field visit, Taraba State, 10-11 June 2016 (In addition to SPMU staff listed at the wrap-up meeting)	
Basil K. Esinulo	NPMU, VCDP
Chyka V. Unamma	"
Patrick Nugawela	Supervision Mission Member
Prof. G.G. Lombin	" (CPMT)
Salisu G. Ahmed	" (FMARD)
Ben Odoemena	" (Country Programme Officer, IFAD)
Field visit, Niger State, 7-8 June 2016 (In addition to SPMU staff listed at the wrap-up meeting)	
Aliyu Abdullahi	Hon. Commissioner, Min. of Agric., Niger State
Nma Baba Tailor	Min. of Agric.
Alh. Aliyu Abdullahi	"
Joseph A. Daudu	"
Julius S. Karma	"
Adama Kuta Zakari	"
Dr Jonathan Wasa	"
Bulus Usman (JP)	"
Umar M. Kutigi	"
Musa Chado Moh'd	Min. of Finance
Ibrahim Nmadu	RAMP-2
Ibrahim Haruna Manta	ATASP-1
Obinna Unaeze	NAN
Opara Enyioha	Punch
Abubakar Galma	Liberty TV
Engr. Sanni Abiodun	NPMU, VCDP
Nurudeen M. Lawal	"
Basil K. Esinulo	"
Musa Dalang	"
Chyka V. Unamma	"
Patrick Nugawela	Supervision Mission Member
Mawira Chitima	"
Ms Anja Rabezanahary	"
Prof. Lemchi Jones	"
Salisu G. Ahmed	" (FMARD)
Tolulope Jaji	" (FMF)
Prof. G.G. Lombin	" (CPMT)
Ben Odoemena	" (Country Programme Officer, IFAD)
Samuel Eremie	Supervision Mission Leader
Mission start meeting, Abuja, 06 June 2016	
Benson Odanan	DD, FMF
Tolulope Jaji	SAO (Agric.), FMF

Name	Designation
Salisu G.Ahmed	DD (M&E), FMARD
Ameh Onoja	NPC, VCDP NPMU
Musa Dalang	Gender/Youth Sp., VCDP NPMU
Nurudeen Mohd. Lawal	PMEA, VCDP NPMU
Unamma Victor C.	APA, VCDP NPMU
Esinulo Basil Kennedy	MEDA, VCDP NPMU
Engr. Sanni Abiodun	NPO, VCDP NPMU
Ms. Vera Onyilo	KMCA, VCDP NPMU
Usman M.D.	FC, VCDP NPMU
Ezejofo Vivien Oge	RIGYMO-Asst., VCDP NPMU
Idode kayode	M&E Asst., VCDP NPMU
Kehinde Olamide Oduntan	KMC Asst., VCDP NPMU
Agbaiza Duke	PO Asst., VCDP NPMU
Idayat Yusuf Akande	MEDA Asst., VCDP NPMU
Olumide Joseph	Accountant, VCDP NPMU
Igbaukum Emmanuel	SPC, VCDP Benue
Mathew Ahmed	SPC, VCDP Niger
E.N.Agwuncha	SPC, VCDP Anambra
Ituma Sunday M.	SPC, VCDP Ebonyi
Adeogun S.B.	SPC, VCDP Ogun
Irimiya S.Musa	SPC, VCDP Taraba
Dr. Patrick Nugawela	Consultant, IFAD
Swandip Sinha	Consultant, IFAD
Prof Lemchi Jones	Consultant, IFAD
Dr. Samuel Eremie	Consultant, IFAD
Ms. Anja Rabezanahary	Technical Officer, IFAD
Mawira Chitima	Water & Rural Infra. Specialist, IFAD
Prof. G.G Lombin	CPMT, IFAD
Atsuko Toda	CPM, IFAD
Ben Odoemena	CPO, IFAD