

Environment and Social Review Summary – NSO Babban Gona - Nigeria

The objective of the ESRS is to support the mainstreaming of social, environmental and climate dimensions into IFAD's Private Sector Non Sovereign Operation (NSO) Great Farm - Babban Gona – Nigeria. This will help to mitigate and reduce the potential negative effects and amplify the positive effects induced by the project. The ESRS is based on the SECAP of this IFAD private sector operation which identifies the main environmental, social and climate risks associated with the project implementation and proposes key steps, mitigation measures and tools needed to better manage and improve development outcomes. It was produced from a literature review combined with stakeholder consultations.

I. Categorization of the investment and rationale

The project is categorized as a **Category B** in accordance with IFAD's Social, Environmental and Climate Assessment Procedures (SECAP). The project will provide training, financial credit, agricultural inputs, harvesting and marketing services to smallholder farmers increasing their productivity and profitability in maize and rice. The project will include agricultural intensification and/or expansion of crop production in non-sensitive areas as well as the development of medium-sized agro-processing centres. The potential environmental impact posed by the programme are limited, site-specific and constrained to production (including land development and agrochemical management issues), agro-processing facilities (including the use of firewood, waste and effluent management, unhealthy working environment, etc.). Appropriate mitigation plans will enable the remedy and/or considerable reduction of potential risks. The project will not have any severe negative impacts on the livelihoods of other peoples including involuntary taking or restriction on the use of land resulting in physical or economic displacement. It is not envisaged to negatively affect indigenous peoples or sites of historic, religious or cultural significance. The project will not support the opening of lands in virgin forests, sensitive areas (including forest reserves and important bird areas), and/ or new clearing of contiguous areas of above 100 ha in a single location. The mitigation options proposed for environmental concerns provide opportunities to mainstream environment and climate-resilient production and processing systems and creating additional value chains (such as making use of waste) within the existing system without extensive additional costs. The social risk is **high** in some of the states (especially the North-East states) due to land resource conflicts (especially between farmers and pastoralists) and related threats to human security. This project is deepening conflict resolution mechanisms and supporting mechanism to compensate farmers and processing centres for conflict-related damages. Tenure security and access to land by women also pose a challenge. This programme will prioritize women in project-secured lands, and support policy dialogue on land reform as a mitigation strategy for both land access for women and conflict management.

II. Description of main Environmental & Social Risks

The main social and environmental risks identified through the SECAP include:

- **Resource conflicts especially farmers-pastoralists clashes:** This is a high-level risk resulting in the destruction of farms by herder's animals and ultimately, clashes and reprisal attacks between farmers and pastoralists. In some cases, farmers and herders have lost their lives. IDP camps have cropped up with women and youth mostly effected. In recent years, this heightened human insecurity and loss of production and processing investments across all states.
- **Gender inequality, land tenure and land access issues for women:** This is a high-level risk – and has prevented CASP and VCDP from attaining the targeted 50% women participation. Individual land ownership is primarily patriarchal across the states and makes access to land, especially for poor women difficult.
- **Unsafe and non-healthy working conditions and health challenges under the COVID-19:** This is a high risk level – including poor hygiene at production sites, poor

ventilation of production sites, improper clothing at production and processing sites, unregulated use of pesticides and preservatives, etc. This has an impact on individual and public health as well as market access and penetration. The project will promote, particularly in the COVID-19 context, safe labour practices, better access and use of more protective equipment such as masks and gloves and transports and dissemination of health protection information. The project will avoid or minimize such risks and impacts, with particular attention to people who, because of their particular circumstances, may be vulnerable.

- **Labour and Working Conditions.** Sound worker-management relationships and enhance the development benefits of the project by treating workers in the project fairly and providing safe and healthy working conditions. The project will emphasise its focus on younger cohorts of 18-25 who are further constrained in accessing productive and financial resources. In particular, the project must pay particular attention to avoid the use of child labor and prohibiting children access to production sites where conditions are hazardous.
- **Cultural Heritage** recognizes that cultural heritage provides continuity in tangible and intangible forms between the past, present and future. The SECAP recommends measures designed to protect cultural heritage throughout the project life cycle.
- **Biodiversity Conservation and Sustainable Management of Living Natural.** The project may impact the terrestrial biodiversity and it is crucial that the NSO promote the protecting and conserving biodiversity and sustainably managing living natural resources, ecological functions of habitats, including forests, and the biodiversity they support. The SECAP should address sustainable management of primary production and harvesting of living natural resources, and recognizes the need to consider the livelihood of project-affected parties, whose access to, or use of, biodiversity or living natural resources may be affected by a project.
- **Resource Efficiency and Pollution Prevention and Management** recognizes that economic activity often generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. This SECAP sets out the requirements to address resource efficiency and pollution prevention and management throughout the project life cycle.
- **Stakeholder Engagement and Information Disclosure** recognizes the importance of open and transparent engagement between the BG and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.
- **Waste management and agrochemical pollution** represent a **medium risk**, likely from smallholder agricultural production and processing. Waste from both rice and Maize production can contaminate the environment. They, however, present a significant resource for green and environment friendly-production system. Improper application of agrochemicals for production and storage as well as unhygienic processing stages also pose the risk of polluting the environment as well as constituting a public health risk through food contamination.
- **Deforestation and land degradation** represent a **medium risk** – which is very likely from the use of fuelwood for smallholder agricultural processing. This is very common across all states and poses the risk of further opening the lands for flooding and erosion. In addition, unsustainable land development leading to the total removal of all trees exposes the land to excessive weather elements leading to land degradation. In addition, construction of roads through forests and sensitive environment poses a significant risk of land degradation.

III. Description of the main environmental and social risks and impacts of the project and mitigation measures.

Nigeria has a large base of young population- more than 54 percent of all males and more than 51 percent of all females are younger than 20 years of age where youth

unemployment rates remain high at 14.1 percentage¹. The target outreach of the project caters to this younger cohort of rural smallholder households engaged in maize and rice production. This includes asset-poor farmers owning or cultivating up to 0.7 ha of land. Youth smallholder farmers have additional challenges in contrast to their adult counterparts, which include: (i) smaller farm sizes, (ii) limited access to labour and; (iii) limited savings/investment capacity. The project will emphasise its focus on younger cohorts of 18-25 who are further constrained in accessing productive and financial resources. The project will be working with existing communities in the Central-North Nigeria (Katsina, Kano, Jigawa, Bauchi, Plateau and Kaduna) where social conflicts have declined considerably. The project is not expected to have any severe negative impacts on the livelihoods of other peoples including involuntary taking or restriction on the use of land resulting in physical or economic displacement. Neither is it envisaged to negatively affect indigenous peoples or sites of historic, religious or cultural significance. For the main agricultural value chains (rice and corn), the target group of the sub-project is substantially dependent on climate-sensitive natural resources especially rainwater-fed agricultural plots. Babban Gona is cognizant of these issues and various initiatives are included to offset climate risks through training modules for beneficiaries.

The identified environmental and social risks and impacts associated with the Trust Groups (TGs) are typically low but are addressed through training modules developed by Babban Gona. The gender dimension exacerbates this challenge, in particular young women's access to land that is considered high risk since individual land ownership is primarily patriarchal across the states and makes access to land, especially for poor women difficult². To this end, Babban Gona has already developed a Women Economic Development Initiative (WEDI)³ through which they support rural women in establishing businesses and overcoming such social and cultural constraints with respect to access to land and training, financing, and inputs.

Babban Gona currently does not have a detailed Environmental and Social Management System (ESMS) in place, but are currently in the midst of formalising and codifying their existing environmental and social risk management procedures that account for relevant and applicable international laws, IFC standards, IFC exclusion lists along with national laws. Babban Gona does not have a dedicated Environment and Social staff; however, the entity's Human Development Unit has been responsible for training all staff and sensitizing them through learning modules around environmental and social issues.

Mitigation measures: IFAD will support the design and development of an Environmental and Social Management System (ESMS) to manage identified risks and to meet IFAD SECAP requirements. The ESMS will clearly articulate roles and responsibilities in the implementation of the ESMS. During implementation of the project, Babban Gona will recruit or nominate an assigned staff a dedicated environmental and social inclusion officer and; provide environmental and social risk management training to ensure implementation staff have the requisite knowledge to adequately implement the ESMS. The project will also apply the IFAD grievance mechanisms whenever required(See link IFAD grievance mechanism: <https://www.ifad.org/en/accountability-and-complaints-procedures>). BG has taken steps to develop its own grievance mechanism, which will be complementary to the IFAD grievance mechanism.

The environmental and social risks and impacts associated with the Trust Groups (TGs) are typically low but are addressed through training modules developed by Babban Gona. A social risk analysis should be conducted to examine the social groups vulnerability to stress and shocks and the underlying factors that contribute to this vulnerability.

¹ As of 2019, the total youth unemployment has risen dramatically since 2015 (7.8%) to 14.1%, World Bank Data portal

² 2020 IFAD SECAP note, VCDP

³ Babban Gona Investment memorandum

As mentioned, there remains a high social risk over resource conflicts. Mainstreaming conflict resolution and land management into programme offers several advantages for reducing resource conflicts. The VCDP has piloted this by integrating members of the pastoralist social groups into the Commodity Alliance Forum (CAF). To the extent possible, BG will borrow from this approach and incorporate it into its ESMS. In addition, the programme will continue to support conflict resolution dialogue and the building of mutual understanding and confidence between the two social groups – farmers and pastoralists. This will be achieved through expanded community security and a traditional committee that includes representatives from the farmers and pastoralists. However, mitigation measures are critically important, including avoiding farming on grazing routes, making sure farms and surroundings are clear of weeds, and fencing of farms with crops that are unattractive to grazing livestock. “No regrets options” as an adaption strategy is currently missing. The programme would engage and support mechanism to compensate farmers and processing centres for conflict-related damages.

As part of the project’s stakeholder consultations, target groups will be properly sensitized in addressing child labor risks and project activities for safeguard issues. As part of the project’s stakeholder consultations, properly inform those targeted by the project about child labor risks and project activities to get their feedback on project design and safeguard issues. In addition, to ease the institutional encumbrances hampering access to markets, and real-time delivery of farm produce to processing and marketing sites, the programme will deepen the existing stakeholder forum to include all relevant stakeholders including security, transport union, regulatory agencies (including NAFDAC) and others.