PROJECT IMPLEMENTATION MANUAL
(2009-2014)

Prepared by: National Coordinating Office of National Food Reserve Agency

Address: Plot 223D Cadastral Zone B6
Mabushi, Abuja, FCT
Fax: 234-9-8821033
Tel: 08037860764

January 26, 2009
ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>Analytical Advisory Activity</td>
</tr>
<tr>
<td>ABU</td>
<td>Ahmadu Bello University, Zaria</td>
</tr>
<tr>
<td>ACESC</td>
<td>Abuja Commodity Exchange and Securities Commission</td>
</tr>
<tr>
<td>ACMDC</td>
<td>Arable Crops Marketing and Development Company</td>
</tr>
<tr>
<td>ADP</td>
<td>Agriculture Development Project</td>
</tr>
<tr>
<td>ADPECC</td>
<td>Agricultural Development Project Executive Committee</td>
</tr>
<tr>
<td>AfDB</td>
<td>Africa Development Bank</td>
</tr>
<tr>
<td>AFS</td>
<td>Annual Financial Statements</td>
</tr>
<tr>
<td>AMTA</td>
<td>Agricultural Management Training for Africa</td>
</tr>
<tr>
<td>APCON</td>
<td>Advertising Practitioners Council of Nigeria</td>
</tr>
<tr>
<td>APL</td>
<td>Adaptable Program Lending</td>
</tr>
<tr>
<td>ARMTI</td>
<td>Agricultural and Rural Management Training Institute</td>
</tr>
<tr>
<td>AWPB</td>
<td>Annual Work Plan Budget</td>
</tr>
<tr>
<td>BDS</td>
<td>Business Development Services</td>
</tr>
<tr>
<td>BDS</td>
<td>Bid Data Sheet</td>
</tr>
<tr>
<td>BMPIU</td>
<td>Budget Monitoring &amp; Price Intelligence Unit</td>
</tr>
<tr>
<td>BOT</td>
<td>Build Operate and Transfer</td>
</tr>
<tr>
<td>BPP</td>
<td>Bureau of Public Procurement</td>
</tr>
<tr>
<td>CADA</td>
<td>Commercial Agriculture Development Association</td>
</tr>
<tr>
<td>CADP</td>
<td>Commercial Agriculture Development Project</td>
</tr>
<tr>
<td>CADPlan</td>
<td>Commercial Agriculture Development Plan</td>
</tr>
<tr>
<td>CAS</td>
<td>Country Assistance Strategy</td>
</tr>
<tr>
<td>CBDO</td>
<td>Community Based Organization</td>
</tr>
<tr>
<td>CDD</td>
<td>Community Driven Development</td>
</tr>
<tr>
<td>CEDI</td>
<td>Centre for Economic Development and Institutions</td>
</tr>
<tr>
<td>CFAA</td>
<td>Country Financial Accountability Assessment</td>
</tr>
<tr>
<td>CGPs</td>
<td>Competitive Grant Programs</td>
</tr>
<tr>
<td>CIF</td>
<td>Cost Insurance and Freight</td>
</tr>
<tr>
<td>CIG</td>
<td>Commodity Interest Group</td>
</tr>
<tr>
<td>CIP</td>
<td>Carriage and Insurance Paid</td>
</tr>
<tr>
<td>CMD</td>
<td>Centre for Management Development</td>
</tr>
<tr>
<td>CP</td>
<td>Commercial Practice</td>
</tr>
<tr>
<td>CPAR</td>
<td>Country Procurement Assessment Report</td>
</tr>
<tr>
<td>CPS</td>
<td>Country Partnership Strategy</td>
</tr>
<tr>
<td>CQ</td>
<td>Consultant Qualifications</td>
</tr>
<tr>
<td>CRIN</td>
<td>Cocoa Research Institute of Nigeria</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
</tr>
<tr>
<td>DCA</td>
<td>Development Credit Authority</td>
</tr>
<tr>
<td>DDP</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DFRRI</td>
<td>Directorate for Food Roads and Rural Infrastructure</td>
</tr>
<tr>
<td>DIER</td>
<td>Department of International Economic Relations</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>EIG</td>
<td>Economic Interest Group</td>
</tr>
<tr>
<td>EIRR</td>
<td>Economic Internal Rate of Return</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>EMCAP</td>
<td>Economic Management Capacity Building Project</td>
</tr>
<tr>
<td>EMIS</td>
<td>Environmental Management Information System</td>
</tr>
<tr>
<td>EMP</td>
<td>Environmental Management Plan</td>
</tr>
<tr>
<td>ERGP</td>
<td>Economic Reform and Governance Project</td>
</tr>
<tr>
<td>ERR</td>
<td>Economic Rate of Return</td>
</tr>
<tr>
<td>ESAMI</td>
<td>Eastern and Southern Africa Management Institute</td>
</tr>
<tr>
<td>ESMF</td>
<td>Environmental and Social Management Framework</td>
</tr>
<tr>
<td>ESW</td>
<td>Economic Sector Work</td>
</tr>
<tr>
<td>EXW</td>
<td>Ex-factory, Ex-works, Ex-showroom, Off-the-shelf</td>
</tr>
<tr>
<td>FA</td>
<td>Financing Agreement</td>
</tr>
<tr>
<td>FADAMA</td>
<td></td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FAS</td>
<td></td>
</tr>
<tr>
<td>FGN</td>
<td>Federal Government of Nigeria</td>
</tr>
<tr>
<td>FIIRO</td>
<td>Federal Institute for Industrial Research, Oshodi</td>
</tr>
<tr>
<td>FIRR</td>
<td>Financial Internal Rate of Return</td>
</tr>
<tr>
<td>FM</td>
<td>Financial Management</td>
</tr>
<tr>
<td>FMAWR</td>
<td>Federal Ministry of Agriculture and Water Resources</td>
</tr>
<tr>
<td>FMoF</td>
<td>Federal Ministry of Finance</td>
</tr>
<tr>
<td>FMR</td>
<td>Financial Management Report</td>
</tr>
<tr>
<td>FMS</td>
<td>Financial Management System</td>
</tr>
<tr>
<td>FOB</td>
<td>Free on Board</td>
</tr>
<tr>
<td>FPM</td>
<td>Financial Procedures Manual</td>
</tr>
<tr>
<td>FRR</td>
<td>Financial Rates of Return</td>
</tr>
<tr>
<td>GCC</td>
<td>General Conditions of Contract</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GEMS</td>
<td>Growth Enterprises and Markets Project</td>
</tr>
<tr>
<td>GIMPA</td>
<td>Ghana Institute of Management and Public Administration</td>
</tr>
<tr>
<td>GITA</td>
<td>General Information to Applicants</td>
</tr>
<tr>
<td>GPN</td>
<td>General Procurement Notice</td>
</tr>
<tr>
<td>HVCs</td>
<td>High Value Crops</td>
</tr>
<tr>
<td>IAR</td>
<td>Institute of Agricultural Research</td>
</tr>
<tr>
<td>IAR&amp;T</td>
<td>Institute of Agricultural Research and Training</td>
</tr>
<tr>
<td>IAU</td>
<td>Internal Audit Unit</td>
</tr>
<tr>
<td>IC</td>
<td>Individual Consultant</td>
</tr>
<tr>
<td>ICB</td>
<td>International Competitive Bidding</td>
</tr>
<tr>
<td>ICR</td>
<td>Implementation Completion Report</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IDF</td>
<td>International Development Fund</td>
</tr>
<tr>
<td>IFAC</td>
<td>International Federation of Accountants</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>IFB</td>
<td>Invitation for Bids</td>
</tr>
<tr>
<td>IFP</td>
<td>Invitation for Pre-qualification</td>
</tr>
<tr>
<td>IFR</td>
<td>Interim Financial Reporting</td>
</tr>
<tr>
<td>IFR</td>
<td>Interim Financial Reporting</td>
</tr>
<tr>
<td>IITA</td>
<td>International Institute of Tropical Agriculture</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>IPM</td>
<td>Integrated Pest Management</td>
</tr>
<tr>
<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
</tr>
<tr>
<td>IS</td>
<td>International Shopping</td>
</tr>
<tr>
<td>ISA</td>
<td>International Standards on Auditing</td>
</tr>
<tr>
<td>ISDS</td>
<td>Integrated Safeguards Data Sheet</td>
</tr>
<tr>
<td>ISR</td>
<td>Implementation Status Report</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>ITB</td>
<td>Instructions to Bidders</td>
</tr>
<tr>
<td>JAI</td>
<td>Joint Venture Agreement</td>
</tr>
<tr>
<td>LCS</td>
<td>Least Cost Selection</td>
</tr>
<tr>
<td>LEEMP</td>
<td>Local Empowerment and Environmental Management Project</td>
</tr>
<tr>
<td>LFMDC</td>
<td>Livestock and Fisheries Marketing and Development Company</td>
</tr>
<tr>
<td>LGA</td>
<td>Local Government Area</td>
</tr>
<tr>
<td>LGC</td>
<td>Local Government Council</td>
</tr>
<tr>
<td>LIB</td>
<td>Limited International Bidding</td>
</tr>
<tr>
<td>LIL</td>
<td>Learning Innovation Loans</td>
</tr>
<tr>
<td>LPO</td>
<td>Local Purchase Order</td>
</tr>
<tr>
<td>LS</td>
<td>Local Shopping</td>
</tr>
<tr>
<td>LSFAA</td>
<td>Lagos State Financial Accountability Assessment Report</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MARKETS</td>
<td>Maximizing Agricultural Revenue and Key Enterprises in Targeted States</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>MOA</td>
<td>Ministry of Agriculture</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MOUA</td>
<td>Michael Okpara University of Agriculture, Umudike</td>
</tr>
<tr>
<td>MPP</td>
<td>Micro Projects Programme</td>
</tr>
<tr>
<td>MSME</td>
<td>Micro, Small and Medium Enterprise</td>
</tr>
<tr>
<td>MTR</td>
<td>Mid-Term Review</td>
</tr>
<tr>
<td>NACCIMA</td>
<td>National Association of Chambers of Commerce, Industry, Mines and Agriculture</td>
</tr>
<tr>
<td>NAFDAC</td>
<td>National Agency for Foods, Drugs Administration and Control</td>
</tr>
<tr>
<td>NAP</td>
<td>New Agricultural Policy</td>
</tr>
<tr>
<td>NAPRI</td>
<td>National Animal Production Research Institute</td>
</tr>
<tr>
<td>NASC</td>
<td>National Agricultural Seed Council</td>
</tr>
<tr>
<td>NCAM</td>
<td>National Centre for Agricultural Mechanization</td>
</tr>
<tr>
<td>NCB</td>
<td>National Competitive Bidding</td>
</tr>
<tr>
<td>NCO</td>
<td>National Coordinating Office</td>
</tr>
<tr>
<td>NCRI</td>
<td>National Cereals Research Institute</td>
</tr>
<tr>
<td>NEEDS</td>
<td>National Economic Empowerment and Development Strategy</td>
</tr>
<tr>
<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
</tr>
<tr>
<td>NEPC</td>
<td>Nigerian Export Promotion Council</td>
</tr>
<tr>
<td>NEXIM</td>
<td>Nigerian Export and Import Bank</td>
</tr>
<tr>
<td>NFRA</td>
<td>National Food Reserve Agency</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>NIFFR</td>
<td>Nigerian Institute for Freshwater Fisheries Research</td>
</tr>
<tr>
<td>NIFOR</td>
<td>Nigerian Institute for Oil Palm Research</td>
</tr>
<tr>
<td>NIHORT</td>
<td>National Institute for Horticulture Research</td>
</tr>
<tr>
<td>NIOMR</td>
<td>Nigerian Institute of Oceanography and Marine Research</td>
</tr>
<tr>
<td>NIPC</td>
<td>National Investment Promotion Council</td>
</tr>
<tr>
<td>NPV</td>
<td>Net Present Value</td>
</tr>
<tr>
<td>NS</td>
<td>National Shopping</td>
</tr>
<tr>
<td>NSC</td>
<td>National Steering Committee</td>
</tr>
<tr>
<td>NSPRI</td>
<td>Nigerian Stored Product Research Institute</td>
</tr>
<tr>
<td>OPRC</td>
<td>Output and Performance Road Contract</td>
</tr>
<tr>
<td>PAD</td>
<td>Project Appraisal Document</td>
</tr>
<tr>
<td>PCN</td>
<td>Project Concept Note</td>
</tr>
<tr>
<td>PDO</td>
<td>Project Development Objectives</td>
</tr>
<tr>
<td>PEM</td>
<td>Public Expenditure Management</td>
</tr>
<tr>
<td>PEMFAR</td>
<td>Public Expenditure Management and Financial Accountability Review</td>
</tr>
<tr>
<td>PFM</td>
<td>Project Financial Management</td>
</tr>
<tr>
<td>PFMU</td>
<td>Project Financial Management Unit</td>
</tr>
<tr>
<td>PHCN</td>
<td>Power Holdings Company of Nigeria</td>
</tr>
<tr>
<td>PHRD</td>
<td>Policy and Human Resources Development Fund</td>
</tr>
<tr>
<td>PIM</td>
<td>Project Implementation Manual</td>
</tr>
<tr>
<td>PITA</td>
<td>Particular Information to Applicants</td>
</tr>
<tr>
<td>PIU</td>
<td>Project Implementation Unit</td>
</tr>
<tr>
<td>PIW</td>
<td>Project Implementation Workshop</td>
</tr>
<tr>
<td>PM</td>
<td>Programme Manager</td>
</tr>
<tr>
<td>PMP</td>
<td>Pest Management Plan</td>
</tr>
<tr>
<td>PMR</td>
<td>Procurement Management Report</td>
</tr>
<tr>
<td>PMU</td>
<td>Project Management Unit</td>
</tr>
<tr>
<td>PO</td>
<td>Procurement Officer</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnership</td>
</tr>
<tr>
<td>PRA</td>
<td>Participatory Rural Appraisal</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Papers</td>
</tr>
<tr>
<td>QBS</td>
<td>Quality Based Selection</td>
</tr>
<tr>
<td>QCBS</td>
<td>Quality and Cost Based Selection</td>
</tr>
<tr>
<td>QER</td>
<td>Quality Enhancement Review</td>
</tr>
<tr>
<td>RAMP</td>
<td>Rural Access and Mobility Project</td>
</tr>
<tr>
<td>RAPs</td>
<td>Resettlement Action Plans</td>
</tr>
<tr>
<td>REI</td>
<td>Request for Expression of Interest</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for Proposal</td>
</tr>
<tr>
<td>RPF</td>
<td>Resettlement Policy Framework</td>
</tr>
<tr>
<td>RSS</td>
<td>Rural Sector Strategy</td>
</tr>
<tr>
<td>RUFIN</td>
<td>Rural Finance Institutions Building Programme</td>
</tr>
<tr>
<td>SBCO</td>
<td>Selection Based on Consultants’ Qualification</td>
</tr>
<tr>
<td>SBD</td>
<td>Standard Bidding Document</td>
</tr>
<tr>
<td>SCADO</td>
<td>State Commercial Agricultural Development Office</td>
</tr>
<tr>
<td>SCC</td>
<td>Special Conditions of Contracts</td>
</tr>
<tr>
<td>SDRF</td>
<td></td>
</tr>
<tr>
<td>SEEDS</td>
<td>State Economic Empowerment and Development Strategy</td>
</tr>
<tr>
<td>SFB</td>
<td>Selection Under a Fixed Budget</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>SGCBP</td>
<td>State Governance and Capacity Building Project</td>
</tr>
<tr>
<td>SIL</td>
<td>Specific Investment Loan</td>
</tr>
<tr>
<td>SIV</td>
<td>Stores Issue Voucher</td>
</tr>
<tr>
<td>SMANR</td>
<td>State Ministry of Agriculture and Natural Resources</td>
</tr>
<tr>
<td>SMOA</td>
<td>State Ministry of Agriculture</td>
</tr>
<tr>
<td>SMOF</td>
<td>State Ministry of Finance</td>
</tr>
<tr>
<td>SOE</td>
<td>Statement of Expenses</td>
</tr>
<tr>
<td>SON</td>
<td>Standards Organization of Nigeria</td>
</tr>
<tr>
<td>SP</td>
<td>Service Providers</td>
</tr>
<tr>
<td>SPA</td>
<td>Sub-project Agreements</td>
</tr>
<tr>
<td>SPC</td>
<td></td>
</tr>
<tr>
<td>SPN</td>
<td>Specific Procurement Notice</td>
</tr>
<tr>
<td>SRFP</td>
<td>Standard Request for Proposal</td>
</tr>
<tr>
<td>SRN</td>
<td>Stores Requisition Note</td>
</tr>
<tr>
<td>SRV</td>
<td>Stores Receipt Voucher</td>
</tr>
<tr>
<td>SSC</td>
<td>State Steering Committee</td>
</tr>
<tr>
<td>SSI</td>
<td>Semi-Structured Interview</td>
</tr>
<tr>
<td>SSS</td>
<td>Single Source Selection</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>TTL</td>
<td>Task Team Leader</td>
</tr>
<tr>
<td>UNAAB</td>
<td>University of Agriculture, Abeokuta</td>
</tr>
<tr>
<td>UNCITRAL</td>
<td>United Nations Commission on International Trade Law</td>
</tr>
<tr>
<td>UNDB</td>
<td>United Nations Development Business</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WTO</td>
<td></td>
</tr>
</tbody>
</table>
ABBREVIATIONS AND ACRONYMS ........................................................................................................ ii

1.0 PROJECT DESCRIPTION .................................................................................................................. 3
  1.1 Preamble ........................................................................................................................................ 3
  1.2 Project Justification and Design Principles .................................................................................. 3
  1.3 Project Development Objectives .................................................................................................. 3
  1.4 Key Performance Indicators .......................................................................................................... 4

2.0 The Project ....................................................................................................................................... 4
  2.1 Project Scope .................................................................................................................................. 4
  2.2 Project Components ....................................................................................................................... 5
  2.3 Project Costs and Funding .............................................................................................................. 23

3.0 Institutional Arrangement .................................................................................................................. 23
  3.1 Introduction .................................................................................................................................... 23
  3.2 Project Coordination ....................................................................................................................... 24
  3.3 Project Implementation .................................................................................................................. 24
  3.4 Project Implementation Cycle ....................................................................................................... 29
  3.5 Project Oversight ............................................................................................................................ 33
  3.6 Project Linkages ............................................................................................................................. 36

4.0 SAFEGUARD POLICY ISSUES ....................................................................................................... 36
  4.1 Potential Long-Term Impacts ......................................................................................................... 36
  4.2 Project Location and Salient Physical Characteristics Relevant to the Safeguard Analysis ............ 37
  4.3 Measures Taken by the Borrower to Address Safeguard Issues .................................................... 37

5.0 FINANCIAL ARRANGEMENT .......................................................................................................... 38
  5.1 Introduction ..................................................................................................................................... 38
  5.2 Objectives of Financial Management System .............................................................................. 38
  5.3 Planning and Budgeting ................................................................................................................. 42
  5.4 Fund Flows and Disbursement Arrangements .............................................................................. 44
  5.5 Disbursement Methods .................................................................................................................. 46
  5.6 Counterpart Funding ....................................................................................................................... 48
  5.7 Internal Control and Auditing ....................................................................................................... 52
  5.8 Financial Reporting ......................................................................................................................... 53
6.0 Procurement Arrangement ..................................................................................................................55

6.1 Introduction ........................................................................................................................................55
6.2 Procurement Guidelines .....................................................................................................................55
6.3 Procurement of Works .......................................................................................................................55
6.4 Procurement of Goods .......................................................................................................................56
6.5 Selection of Consultants ....................................................................................................................56
6.6 Operating Costs ..................................................................................................................................57
6.7 Assessment of the agency’s capacity to implement procurement .....................................................57
6.8 Procurement Plan ..............................................................................................................................59

ANNEX 1: FACILITATION GUIDE ...........................................................................................................62
ANNEX 2: TRAINING NEEDS ...................................................................................................................82
ANNEX 3: 18 MONTHS PROCUREMENT PLAN .......................................................................................87
ANNEX 4: TERMS OF REFERENCE FOR KEY PERSONNEL .................................................................94
ANNEX 5: WORKPLAN TEMPLATE AND RESULT MATRIX ....................................................................101
ANNEX 6: PROCUREMENT PROCEDURE MANUAL ...............................................................................111
1.0 PROJECT DESCRIPTION

1.1 Preamble

1. The aim of this Project Implementation Manual (PIM) is to guide the National Coordinating Office (NCO), State Commercial Agriculture Development Offices (SCADOs) and National Food Reserve Agency (NFRA) in executing the Commercial Agriculture Development Project (CADP). It is designed to assist the project and all stakeholders to undertake project-related activities at the level of Commercial Agriculture Development Associations (CADAs) and other beneficiary groups (such as Commodity Interest Groups (CIGs)).

2. CADP is a comprehensive five-year project developed by the Federal Ministry of Agriculture and Water Resources (FMAWR) in collaboration with the World Bank and other stakeholders. It will help participating small and medium scale commercial farmers to access improved technology, infrastructure, finance and output markets. The project is timely as the interest in commercial agriculture in Nigeria is growing.

1.2 Project Justification and Design Principles

3. The basic strategy of this project is to improve the business environment for agriculture to become more successful by gradually shifting from subsistence to commercial agriculture. The Project will strive to sustainably boost the incomes of target beneficiaries, through a value chain approach with strong emphasis on stakeholder participation, especially at the CIGs and CADAs levels.

4. Value chain approach\(^1\) will be used for the implementation of the project. A typical chain will include producers, assemblers/traders, processors, distributors, retailers and finally consumers.

5. Project facilitators will help to organize the CIGs and CADAs and guide them through an intensive process of group formation and decision-making using a range of participatory techniques, resulting in the development of Commercial Agriculture Development Plans (CADPlans).

6. The strategic thrust of the project is: (i) to support access to productivity-enhancing technologies, (ii) to improve market access, (iii) to build and improve capacity in areas of need and (iv) to improve access to rural infrastructure (i.e. network of roads and electricity).

1.3 Project Development Objectives

7. The Project Development Objective (PDO) of the Project is to strengthen agricultural production systems and facilitate access to market for targeted value chains among small and

---

\(^1\) Value Chains are chains that incorporate all activities and services that are undertaken along a commodity system from the primary producer to the final consumer. As products move from one stage to another, additional value is created.
medium scale commercial farmers in the five participating states. The value chains are oil palm, cocoa, fruit trees, poultry, aquaculture and dairy, with maize and rice as staples.

1.4 Key Performance Indicators

8. The key performance indicators for this CADP are:

(i) 25% Increase in total production and processing of targeted value chains among participating small and medium scale commercial farmers (disaggregated by rice, oil palm, cocoa, fruits trees, poultry, aquaculture, dairy and maize).

(ii) 30% Increase in total sales of agricultural products under the targeted value chains among participating small and medium scale commercial farmers (disaggregated by rice, oil palm, cocoa, fruits trees, poultry, aquaculture, dairy and maize).

2.0 THE PROJECT

2.1 Project Scope

9. The project is to be implemented in five States of the Federation, namely, Cross Rivers, Enugu, Kaduna, Kano and Lagos along eight value chains. The total number of direct project beneficiaries is estimated at 50,000 (i.e. 10,000 beneficiaries per state) over a period of five years. Small and medium commercial farms will benefit directly while many households will benefit indirectly through access to farm roads, energy and market opportunities. The beneficiaries are already in business in the selected value chains with annual earnings of between ₦300,000 and ₦5,000,000. The beneficiaries are already aggregated into informal Commodity Interest Groups (CIGs).

10. The project will support three value chains per state. These are Cross River (Oil Palm, Cocoa, and Rice), Enugu (Fruit Trees, Poultry, and Maize), Kaduna (Fruits Trees, Dairy, and Maize), Kano (Rice, Dairy, and Maize) and Lagos (Poultry, Aquaculture, and Rice). The value chains chosen by each of the participating states were based on the respective comparative advantage and their contribution to agricultural growth. Based on an evaluation of market equivalents during appraisal, the value chains selected are expected to have high demand and markets have the capacities to absorb the additional production. The small and medium-scale farms are heterogeneous with respect to households’ assets, human capital, income generating potentials, and livelihood strategies requiring differentiated strategies for their value chains.

11. The number of direct beneficiaries is modest relative to the overall size of the project, and will correspond to an investment per beneficiary of approximately US$3,700. Clearly, an investment of this magnitude will be difficult to justify if the benefits were restricted to those directly participating. However, in addition to the direct beneficiaries, others will gain from the improved roads and power made possible under the project.

12. The eligibility criteria for beneficiary participation are (i) having been engaged in farming business for at least three years; (ii) being involved in one or more activities along the selected the value chain; (iii) having revenue of at least ₦300,000 a year; (iv) belonging to
relevant CIG; (v) being located in a participating state; and (vi) availability of funds for own contribution to the matching grants.

2.2 **Project Components**

13. The project has two components namely:

   (i) Agricultural Production and Commercialization;
   (ii) Rural Infrastructure

14. In addition, the project will support Project Management, Monitoring, Evaluation and Studies.

15. The project components are described below:

2.2.1 **Component 1: Agricultural Production and Commercialization (US$84.4M of which International Development Association (IDA) will finance US$69.4M).**

16. The objective of this component is to improve the adoption of existing and new agricultural technologies by commercial farmers and processors along the selected value chains. The component has four sub-components:

a. **Technology Demonstration and Adoption (US$21.6M):** This sub-component will finance:

   (i) **Demonstration and dissemination of technologies (US$6.6 M):** A mixture of existing potential service providers from the public (i.e. research institutes and Agricultural Development Projects (ADPs)) and private sectors will provide demonstration and dissemination of technologies in the selected value chains. A value chain approach and Matching Grants will be used for the implementation of this sub-component using the structure of the CIGs/CADAs.

17. This sub-component will finance a variety of packages identified by the stakeholders:

   • propagation and use of improved seedlings, high yielding crop varieties and pest and disease resistant varieties,
   • improved agronomic practices (water management, spacing, pruning, grafting etc),
   • cocoa beans drying and palm oil and kernel oil extraction,
   • hatchery development for fingerlings,
   • feed compounding using local materials to produce floating feeds,
   • fingerling stocking density,
   • fish health and disease management,
   • waste water management and water quality management for aquaculture (sustainable removal of pollutants from fish ponds and water recirculation and flow through technology),
   • technologies for egg and bird transportation,
   • poultry management,
   • artificial insemination,
   • milk hygiene and cold chain.
(ii) **Matching Grant (US$15.0M):** The project will provide matching grants to finance activities on sub-components (a) and (b). For adoption of new technologies, the formula for the matching grant will be 50% to 20% contribution from IDA on a sliding scale basis at the association level. In the case of the staples it will be a ratio of 50% IDA and 50% contribution by the beneficiaries (CIGs/CADAs) on activities that do not have public goods element. The total amount for grant is US$15.00M out of which US$8.00M will be in grants to support public goods elements under staples.

18. This is a one-time Capital Grant for investments needed for adoption of existing and new technologies by participating commercial farmers. The matching grant is to support the adoption of known and superior technologies and build capacity of small and medium-scale commercial agriculture farmers. This will enable them to take advantage of market opportunities for their produce. The grant will serve as a catalyst to spur investments in commercial agriculture. Therefore, the overarching majority of the activities’ financing has to be from own/non-grant sources, mobilized through either savings or loans.

19. The matching grant is open to all qualified/eligible members of Commodity Interest Groups (CIGs) and/or Commercial Agriculture Development Associations (CADAs). Three sets of criteria will guide the selection of proposals, and these are Viable technology, Public goods element, and Economic and Financial viability.

20. Investment proposals to be supported with matching grants will range from 50% to 80% contributions from the beneficiaries. The mechanism for determining the level of the matching grant aims at ensuring that the recipient CIGs/individual members invest in viable businesses and activities, whether jointly in a single enterprise or in sub-groups in several activities. Efforts will be made to ensure that the grant has an impact on a wider society than the immediate recipient farmers and demonstrate clear long-term economic and financial viability. The matching grants will also be based on a formula as stipulated in Table 2.1 below. Investments above N5.0M (about US$42,000 equivalent) are considered large and excluded from support grant. It is expected therefore, that the grant will be less attractive and thereby minimize elite capture.

### Table 2.1: Formula for the Matching Grant

<table>
<thead>
<tr>
<th>Cost of Activities (₦)</th>
<th>Beneficiary Contribution (%)</th>
<th>Matching Grant (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 250,000</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>250,001-500,000</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td>500,001-1,000,000</td>
<td>70</td>
<td>30</td>
</tr>
<tr>
<td>1,000,001-5,000,000</td>
<td>80</td>
<td>20</td>
</tr>
</tbody>
</table>

21. **Beneficiary Selection Criteria.** The matching grant is open to all qualified/eligible members of Commodity Interest Groups (CIGs) and/or Commercial Agriculture Development Associations (CADAs). The entities should be financially sustainable with capacity to initiate and implement acceptable/viable proposals. Commodity Interest Groups (CIGs) must belong to Commercial Agriculture Development Associations (CADAs) and must show evidence of funds
(including own funds or other sources) to match the grant. The eligible beneficiaries should have the following attributes:

- The farmer/beneficiary should be engaged in commercial agriculture production,
- Should be member of a Commodity Interest Groups (CIG) for at least 6 months, and
- The CIGs should be members of the Commercial Agriculture Development Associations (CADAs).

22. The individual farmers and the CIGs will collectively identify specific investments that will improve their operations. Subsequently, each individual farmer produces a simple proposal showing (a) the total cost of proposed investment and (b) documentation showing details of sources of own funds (i.e., total cost of proposed investment less matching grant). The individual plans are of varying sizes both in terms of size of investments and the level of matching grant. The CIG aggregates them, and checks each item against a list of possible technologies eligible for support (see Table 2.2). The CIG application then goes forward to the CADA. Another round of aggregation takes place at the CADA level. The CADA checks the submissions of the CIGs to be sure that all are complete, approves and then submits them to the project (SCADO) for clearance and payment consideration. In addition, spot audits ex-post will be undertaken by CADAs and SCADO to confirm that the grants are utilized for the intended purpose.

23. The approved business proposals are sent to the Project Financial Management Unit (PFMU) through SCADO with an instruction to make payments directly to the Service Providers (SP). The Service Provider supplies the technology needs of the CIG once the eligible CIG meets its financial obligations. The same process will also be followed if the needs of the CIG are capacity building for accessing technology or to take advantage of market opportunities. The flow of funds for the grant scheme is presented in Figure 2.1 below:

Figure 2.1: The Flow of Funds under the Grant

![Flow of Funds Diagram]

SCADO: STATE COMMERCIAL AGRICULTURE DEVELOPMENT OFFICE
PFMU: PROJECT FINANCIAL MANAGEMENT UNIT
TT: TECHNICAL TEAM
CADAs: COMMERCIAL AGRICULTURE DEVELOPMENT ASSOCIATIONS
24. Below are the detailed operational modalities of the Matching Grant Scheme, including its management and disbursement arrangements:

- The project will maintain a register of approved Service Providers (SPs).
- SCADO enters into an agreement with the registered SP and prepare an MOU on specific services/goods to be delivered to the beneficiaries.
- The beneficiary pays his/her own contribution for the procurement of the goods/services to the identified Service Provider after sub-project approval.
- The Service Provider confirms to SCADO that the beneficiary has made such payments.
- SCADO instructs the Service Provider to provide the service/works/goods to the beneficiary.
- Beneficiary and Service Provider confirm to SCADO the service/works/goods have been provided.
- SCADO processes for payment of IDA contribution directly to the Service Provider through the PFMU.
<table>
<thead>
<tr>
<th>N</th>
<th>Commodity</th>
<th>Technologies</th>
<th>Where available</th>
<th>Beneficiary awareness about technology.</th>
<th>Who is responsible for Testing?</th>
<th>Who provides advice?</th>
<th>Who decides on type of advice?</th>
<th>Capital Grant Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>In-country</td>
<td>Imported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Aquaculture</td>
<td>Fingerling production (Hatchery Development):</td>
<td>In-country</td>
<td></td>
<td>Yes, but require capacity building</td>
<td>Farmers</td>
<td>Small Medium Scale fisheries</td>
<td>Farmers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Purchase of Brood stock</td>
<td>In-country</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Collection of eggs and purchase of hormones</td>
<td>In-country</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fish feed production</td>
<td>Yes available in country</td>
<td>-</td>
<td>Yes</td>
<td>Service Providers in aquaculture</td>
<td>Service provider</td>
<td>Demand Driven</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fish feed extrusion technology</td>
<td>-</td>
<td></td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hybridization in Catfish/ Heterobranchus</td>
<td>Yes</td>
<td>-</td>
<td>Yes</td>
<td>Agricultural Development Programs/Research Institutes</td>
<td>Agricultural Development Program, Nigerian Institute for Oceanography and Marine Research, National Institute for Fresh Water Research Institute</td>
<td>Commercial Agriculture Development Association/ Farmer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Smoke–drying and packing</td>
<td>Yes</td>
<td>-</td>
<td>Yes</td>
<td>Agricultural Development Program</td>
<td>Agricultural Development Program, Nigerian Institute for Oceanography and Marine Research, National Institute for Fresh Water Research Institute</td>
<td>Commercial Agriculture Development Association/ Beneficiaries</td>
</tr>
<tr>
<td>2.</td>
<td>Rice Production and Processing</td>
<td>High quality seed, animal traction implements,</td>
<td>In-country</td>
<td>National Seeds Service, National Cereals Research Institute, Seed Companies</td>
<td>-</td>
<td>Yes</td>
<td>Agricultural Development Programs (tests of viability) Research Institutes</td>
<td>Agricultural Development Programs and Research Institutes, Local Service Providers, National Seed Service, National Cereals Research Institute, Seed Companies</td>
</tr>
<tr>
<td>N</td>
<td>Commodity</td>
<td>Technologies</td>
<td>Where available</td>
<td>Beneficiary awareness about technology</td>
<td>Who is responsible for Testing?</td>
<td>Who provides advice?</td>
<td>Who decides on type of advice?</td>
<td>Capital Grant Needed</td>
</tr>
<tr>
<td>----</td>
<td>--------------------</td>
<td>--------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
<td>-------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>3.</td>
<td>Parboiling</td>
<td>Available at National Cereal Reserve Institute, Badeggi and Henigha, Kaduna</td>
<td>In-country</td>
<td>Yes</td>
<td>Agricultural Development Programs/Farmers</td>
<td>National Cereals Research Institute/ Agricultural Development Program</td>
<td>Farmers and Farmers Associations, Par boilers’ Association</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Mechanical Flash rice dryer</td>
<td>In-country</td>
<td>Imported</td>
<td>Yes</td>
<td>Agricultural Development Programs/ National Centre for Agricultural Mechanization, Centre for Economic Development and Institutions</td>
<td>National Centre for Agricultural Mechanization, Centre for Economic Development and Institutions</td>
<td>Demand Driven</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Dairy</td>
<td>Artificial insemination</td>
<td>Imported from Holland and other countries</td>
<td>Yes but no capacity on utilization</td>
<td>Land-O’lake in America, National Animal Production Research Institute/ Agricultural Development Program/Farmers</td>
<td>Land-O’lake in America, National Animal Production Research Institute/ADPs/Farmers</td>
<td>Commercial Agriculture Development Association Farmers</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Purchase of semen</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Milking and other equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Purchase of Exotic bull for cross breeding</td>
<td>Import</td>
<td>Yes, limited capacity</td>
<td>Maizube farms, Minna Niyya Farm, Kaduna, Farm fresh, Jos</td>
<td>Maizube farms, Minna Niyya Farm, Kaduna, Farm fresh, Jos</td>
<td>Commercial Agriculture Development Project</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Standard milking parlor and machines</td>
<td>Imported from India, Holland and China</td>
<td>Some are aware but require capacity building</td>
<td>National Animal Production research Institute, Fan Milk, Agricultural Development Programs, Commercial Agriculture Development Association</td>
<td>National Animal Production Research Institute, Fan Milk</td>
<td>Commercial Agriculture Development Project</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Milk processing</td>
<td>- fresh milk, - yogurt</td>
<td>Local</td>
<td>Yes</td>
<td>Maizube Niyya farms</td>
<td>Fan Milk</td>
<td>Commercial Agriculture Development Project</td>
<td>Yes</td>
</tr>
<tr>
<td>5.</td>
<td>Fruit production and processing</td>
<td>Fruit juice production packaging</td>
<td>Locally</td>
<td>-</td>
<td>Maizube Niyya farms</td>
<td>National Agency for Food, Drug Administration and Control, Federal Institute for Industrial Research, National Horticulture Research Institute, Standards Organization of Nigeria, Sheda Science and Technology Complex</td>
<td>Service Provider/ Agricultural Development Programs</td>
<td>Commercial Agriculture Development Project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quality Control</td>
<td></td>
<td></td>
<td></td>
<td>Service Provider/ Agricultural Development Programs</td>
<td>Commercial Agriculture Development Project</td>
<td>Yes</td>
</tr>
<tr>
<td>6.</td>
<td>Oil-palm</td>
<td>Palm Kernel oil extraction</td>
<td>Locally</td>
<td>-</td>
<td>National Institute for Oil Palm Research, Agricultural Development Program</td>
<td>Service Provider, National Institute for Oil Palm Research, Okomu Oil</td>
<td>Commercial Agriculture Development Project Farmers</td>
<td>Yes</td>
</tr>
<tr>
<td>7.</td>
<td>Cocoa and fruit trees</td>
<td>Drying racks, Grafting technology, Appropriate Pruning</td>
<td>Locally</td>
<td>-</td>
<td>Cocoa Research Institute of Nigeria, National Horticulture</td>
<td>Cocoa Research Institute of Nigeria, National Horticulture, Agricultural Development Programs, Cocoa</td>
<td>Agricultural Development Programs</td>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
<td>Commodity</td>
<td>Technologies</td>
<td>Where available</td>
<td>Beneficiary awareness about technology</td>
<td>Who is responsible for Testing?</td>
<td>Who provides advice?</td>
<td>Who decides on type of advice?</td>
<td>Capital Grant Needed</td>
</tr>
<tr>
<td>----</td>
<td>-----------</td>
<td>--------------</td>
<td>-----------------</td>
<td>----------------------------------------</td>
<td>-------------------------------</td>
<td>----------------------</td>
<td>-------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>7.</td>
<td>Diseases and Pest control Marketing</td>
<td>National Horticulture Research Institute Linkage to processing plants</td>
<td></td>
<td>Research Institute</td>
<td>Research Institute of Nigeria, National Horticulture Research Institute, Processing Companies (Spectra, Foods Agege Lagos, Olam, Lagos, Marx International)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Poultry</td>
<td>Disease control and linkage</td>
<td>Yes</td>
<td>Yes, develop linkage with existing organization</td>
<td>National Veterinary Research Institute, Vom</td>
<td>Demand Driven</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Hatchery Incubation Tech.</td>
<td>Yes</td>
<td>-</td>
<td>Yes</td>
<td>Procurement of hatchery for Enugu State</td>
<td>Farmers</td>
<td>Farmers, CIGs/CADAs</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>- Processing, packaging, Quality Control</td>
<td>Yes</td>
<td>Package for Export</td>
<td>Yes</td>
<td>National Agency for Food Drug Administration and Control, National Animal Production Research Institute, Fast Food biz</td>
<td>National Veterinary Research Institute, Vom, National Animal Production Research Institute Veterinary Departments of Universities</td>
<td>Farmer (Demand Driven)</td>
<td>Yes</td>
</tr>
<tr>
<td>9.</td>
<td>Maize production and processing</td>
<td>Seed Multiplication/Prod technologies, Seed Packaging QC Tech Branding Technology</td>
<td>Yes</td>
<td>Yes</td>
<td>National Agricultural Seed Council, Institute of Agriculture Research, ADP</td>
<td>Service Providers Agricultural Development Programs</td>
<td>Farmers, CIGs/CADAs</td>
<td>Yes</td>
</tr>
</tbody>
</table>
b. Support to Staple Crop Production Systems (US$50.0M):

25. The combined factors of climate change and the recent fluctuation in crude oil prices have been associated with global soaring of food prices. The impacts are being felt in Nigeria as in many other countries. However, to compound the situation in Nigeria, the 2007 rainy season in the northern states, which are the food basket of the country, ended prematurely in early September and resulted in poor harvest and low yield. The Federal Government of Nigeria has responded to the food crisis through measures that are expected to increase the supply of food staples and arrest or at least reduce the rise in food prices. Some of these measures include the release of stocks from the Strategic Grains Reserves, which several State Governments are also doing under their buffer stock programmes.

26. The Federal Government has relaxed the tariffs and temporarily suspended import duties on rice. In addition, the Federal Government has requested its donor partners to support its initiatives on combating the rising food prices in Nigeria. It is in response to the explicit Government request that this project is used to support the on-going initiative to address the issue of rising food prices.

27. The project will provide US$50.00M out of the total project Credit of US$150.0M to support the production of maize and rice as basic staple crops. The design of this sub-component is consistent with the main thrusts of the instruments of Bank support under the Global Food Crisis Response Programme Framework, particularly on enhancing domestic food production and marketing response. Using the approach stipulated in a(ii) above, this sub-component will support mainly small-scale commercial farmers to rapidly increase their staple crop production through the adoption of improved technology, based on intensification and expansion of their rice and maize land holdings.

28. The sub-component will finance development/preparation of existing land holdings for staples, seed multiplication to increase the availability of improved rice and maize seeds, dedicated extension/advisory services for rice and maize farmers, soil and water management, animal traction and cultivators, and primary processing technologies. The sub-component will also finance post-harvest handling centres and on-farm storage to reduce high post-harvest losses among small-scale commercial farmers. These centres will be located in high production areas and will be operated under public-private partnership arrangements where the centres are financed by the project but their day-to-day management will be handled by the CADAs.

29. The matching grants to be applied on 50:50 contributions by IDA and beneficiaries (CIGs/CADAs) will only cover land development, production system, and on-farm primary processing.

30. The sub-component will finance:

(i) Land development (US$12.5 million):- This sub-component will support small-scale commercial farmers to increase the area under cultivation on existing land holdings. The CIGs/CADAs have tenure on their land. It is estimated that additional 10,000ha (i.e. 2,000ha per state, which translate to 400h/year/state) will be brought under cultivation under existing holdings. This estimate is modest and could be exceeded by the project. The project will provide Matching Grants to the CIGs/CADAs on a 50:50 contribution by IDA and beneficiaries under this sub-component. In addition, special attention will be given to women farmers to expand the area under-cultivation on their holdings; and this support will be closely monitored during project implementation.

(ii) Input support system (US$11.6 million):- One of the constraints to staple crop production is the issue of non-availability of high quality foundation seeds. This sub-component will finance on a
contractual basis, the production of quality foundation seeds of maize (hybrid and open pollinated) and rice (i.e. SUWAN1, ACR-97 NERICA1and2, WITA4, FARO44, TOX 4004, SIPI692033, etc) by some Research institutes in Nigeria (i.e. International Institute of Tropical Agriculture, National Cereals Research Institute, Institute for Agricultural Research, and Institute for Agricultural Research and Training). These foundation seeds will be made available to seed companies to multiply. The National Agricultural Seed Council (NASC) will certify the seeds produced by the seed companies before they are sold to farmers at market prices. There will be a three-party Memorandum of Understanding between the project, research institutes and the seed companies that the seeds produced will be sold to participating commercial farmers. The need of the CIGs/CADAs will first be met before surplus seeds are sold to others. It is estimated that about 108,000 kilograms of maize and 300,000 kilograms of rice seeds are expected to be produced at the end of the project life.

(iii) *Production systems (US$13.8M):* In order to substantially intensify production of staples, support will be provided for animal traction and power tillers. This sub-component will finance mainly power tillers and animal traction using locally manufactured implements and simple cultivators. The support under this sub-component will be provided through the structure of the CIGs/CADAs. This model is similar to International Fund for Agricultural Development (IFAD)-Community Based Agricultural and Rural Development Project in Nigeria. The project will provide Matching Grants to the CIGs/CADAs on a 50:50 contribution by IDA and beneficiaries for this sub-component.

(iv) *On-farm primary processing (US$5.8M):* The project will finance on-farm primary processing and storage to minimize post-harvest losses by providing threshing/milling machines and storage bins of various capacities to CIGs/CADAs on Matching Grant basis. The Matching Grants to the CIGs/CADAs will be on a 50:50 contribution by IDA and beneficiaries for this sub-component. The CADAs will manage the investment and charge fees for the provision of threshing, milling and storage services.

(v) *Post-harvest handling centres (US$6.3M):* The CADA Post-harvest losses account for about 30 percent of production costs because of poor post-harvest handling of produce. The project will support the establishment of post-harvest handling centers that will be equipped with appropriate facilities and machineries to promote value addition to various products in the targeted value chains and managed by the CADAs. The centers will also provide services to farmers and clients at a fee to support the operations and management of the centers by the state CADAs.

The project will support the creation of one-stop multi-purpose post-harvest handling centers in major areas of staple production in the states. The centers will be run by CADAs and provide value-addition services for stakeholders through their CIGs on commercial basis. Each state will identify suitable centers which will be rehabilitated and/or upgraded and equipped to serve this purpose. These centers will provide facilities for weighing, cleaning, drying, preservation, fortification, milling, packaging, sorting and grading, quality control, and training halls for the farmers. It is envisaged that each state will have ten of such centers which will be strategically located to meet the needs of beneficiaries and other stakeholders. The post-handling centers will create job opportunities and contribute to increased income and economic activities. To guarantee year-round utilization of the centers, off-season activities will be encouraged, such as using the centers for the training of farmers.

c. *Market Facilitation (US$7.9M):*

This sub-component aims at the creation of domestic and export markets, which will support market development, awareness and knowledge sharing for commercial farmers. It will finance market information system, including market price surveys, website and information kiosks, market/financial...
linkages (such as promotion of products for supply chain financing and use of crops as collateral), quality control measures and standards; food safety, exchange programs, agricultural trade fairs and shows, local and international study tours. Details of activities to be carried out under this sub-component are as follows:

**TABLE 2.3: Activities to be Carried Out Under Market Facilitation**

<table>
<thead>
<tr>
<th>S/N</th>
<th>ACTIVITY</th>
<th>BY WHOM</th>
<th>WHEN</th>
<th>HOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Selection of Products to be supported e.g. milk, egg, fish, palm-oil, meat, mango, etc</td>
<td>CIGs with support of Facility Marketing and CBDO</td>
<td>Within the 1st Month of project take-off</td>
<td>Through Meetings, Consultations</td>
</tr>
<tr>
<td>2.</td>
<td>Development of product specific Marketing Strategy</td>
<td>CIGs with support of Facility Market and CBDO</td>
<td>Immediately after 1 above</td>
<td>Use of Service Providers</td>
</tr>
<tr>
<td>3.</td>
<td>Census of Product End-Users/Consumers/Up-takers</td>
<td>SP</td>
<td>Continuous</td>
<td>Consultancy</td>
</tr>
<tr>
<td>4.</td>
<td>Development of Web-site as a platform for information sharing</td>
<td>SP with input from all stake holders</td>
<td>End of 1st Year of Project life</td>
<td>Consultancy</td>
</tr>
<tr>
<td>5.</td>
<td>Creation of Market Information Kiosks</td>
<td>SP with inputs from Facility And CIGs</td>
<td>End of 1st Year of project life</td>
<td>Service Provider</td>
</tr>
<tr>
<td>6.</td>
<td>Development of capacity building schedule in product handling, packaging, adverts.</td>
<td>Service Provider</td>
<td>Continuous</td>
<td>Training, Workshop, Seminars, Conferences</td>
</tr>
<tr>
<td>7.</td>
<td>Development of collaboration arrangement/MOU with relevant organizations, Banks, NEPC, NIPC, APCON, SON, NAFDAC, NEXIM Multi Commodity Market and Development Companies and Abuja Commodity Exchange and Securities Commission (ACESC), NGOs that Support Market Development. (USAID-MARKETS, PropCom)</td>
<td>SCADO</td>
<td>1st Year of Project Implementation</td>
<td>Meetings, Consultations</td>
</tr>
<tr>
<td>8.</td>
<td>Organization of Study Tours and Exchange visits</td>
<td>SCADO in collaboration with CADA</td>
<td>Continuous</td>
<td>Travel and Tours</td>
</tr>
<tr>
<td>9.</td>
<td>Facilitation of active participation in Local, Regional and International fairs, field days and exhibitions</td>
<td>SCADO</td>
<td>Continuous</td>
<td>Visits, Travels and Tour</td>
</tr>
<tr>
<td>10.</td>
<td>Development of Strategy to bring one product/state to export level</td>
<td>Service Providers</td>
<td>2nd Year of project</td>
<td>Consultancy</td>
</tr>
<tr>
<td>11.</td>
<td>Regular publication of Bulletins and media airing of market information programmes e.g. media chats, jingles, interviews, discussions etc.</td>
<td>CIG, CADA, SCADO, SP</td>
<td>Continuous</td>
<td>Visits, Interviews, Consultancies</td>
</tr>
<tr>
<td>12.</td>
<td>Collaboration with GSM and other communication service providers to expand reach to stakeholders</td>
<td>SCADO, SP</td>
<td>Continuous</td>
<td>Consultancy</td>
</tr>
</tbody>
</table>

d. **Capacity Building (US$4.9M):**

33. This sub-component will focus on the training of commercial farmers, organized producer/commodity associations/apex organization of Commercial Agriculture Development Associations (CADAs) that will play a coordinating role in the project. The sub-component will assist to
develop the capacities of the CADAs to plan and execute their projects. The training will also include gender and social impacts. This sub-component will finance the following activities: interactive sessions, discussions with experts, group dynamics, investment plans, food safety, grading and quality control and standards, exhibitions, production techniques and marketing strategies for the selected value chains in the states and maintenance of machines and equipment. Some of the specific aspects of the capacity building to be financed are shown in the Table 2.4 below.

Table 2.4 Capacity Building Activities

<table>
<thead>
<tr>
<th>S/N</th>
<th>Skills Required</th>
<th>Type of Training to fill the gap</th>
<th>Target Beneficiary</th>
<th>Training Organization and Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Hatchery Development and Hybridization of Catfish/ Heterobranchus</td>
<td>On-the-Job</td>
<td>Farmers Associations, Agriculture Development Project, Subject Matter Specialists and Project Officers</td>
<td>National Institute for Fresh Water Fisheries Research, Nigerian Institute for Oceanography and Marine Research and Service providers</td>
</tr>
<tr>
<td>2.</td>
<td>Artificial Insemination and Improvement of Local Breeds</td>
<td>Formal, On-the-Job</td>
<td>Farmers, Project Officers, Service Providers and Subject Matter Specialists of Agricultural Development Programs</td>
<td>Overseas National Animal Production Research Institute and Service providers</td>
</tr>
<tr>
<td>3.</td>
<td>Pests and Diseases Control in Crops and Livestock</td>
<td>Formal, On-the-Job</td>
<td>Farmers, Project Officers, Service Providers and Subject Matter Specialists of Agricultural Development Programs</td>
<td>National Animal Production Research Institute e.g. National Animal Production Research Institute, National Veterinary Research Institute, International Institute of Tropical Agriculture, etc</td>
</tr>
<tr>
<td>4.</td>
<td>Product Quality Control and Packaging e.g. Fruit Juice, Fresh Milk, etc</td>
<td>Formal, On-the-Job</td>
<td>Farmers, Processors, Project Officers and Service Providers</td>
<td>National Institute for Horticultural Research, National Agency for Food Drug Administration and Control, Fan Milk, others</td>
</tr>
<tr>
<td>5.</td>
<td>Market Development and Strategies</td>
<td>Formal, On-the-Job</td>
<td>Farmers and Associations, Project Officers and Service Providers</td>
<td>Training Consultant</td>
</tr>
<tr>
<td>6.</td>
<td>Information Technology and Services</td>
<td>On-the-Job</td>
<td>Farmers Associations and Project Officers</td>
<td>Agricultural and Rural Management Training Institute, Training Consultant</td>
</tr>
<tr>
<td>7.</td>
<td>Group Dynamics</td>
<td>On-the-Job</td>
<td>Farmers Associations and Project Officers</td>
<td>Agricultural Development Programs, Training Consultant</td>
</tr>
<tr>
<td>8.</td>
<td>Environment Improvement; including: - Safety Standards - Assessment Procedures/ Screening</td>
<td>Formal, On-the-Job</td>
<td>Farmers, Associations and Project Officers</td>
<td>Training Consultant</td>
</tr>
<tr>
<td>9.</td>
<td>Inputs Sourcing, Management and Utilization</td>
<td>Formal, On-the-Job</td>
<td>Farmers, Association and Project Officers</td>
<td>Centre for Management Development and Service Providers</td>
</tr>
<tr>
<td>12.</td>
<td>Pre Start-up Work plan Development and Budgeting</td>
<td>On-the-Job</td>
<td>Farmers, Associations and Project Staff</td>
<td>National Food Reserve Agency, World Bank and service providers</td>
</tr>
<tr>
<td>S/N</td>
<td>Skills Required</td>
<td>Type of Training to fill the gap</td>
<td>Target Beneficiary</td>
<td>Training Organization and Location</td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------------------</td>
<td>----------------------------------</td>
<td>---------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>13</td>
<td>Rice par-boiling and drying technology</td>
<td>On-the-Job</td>
<td>Farmers and Rice Processors</td>
<td>National Cereal Research Institute, Agricultural Development Programs and Service providers</td>
</tr>
<tr>
<td>14</td>
<td>Aquaculture best practices training</td>
<td>On-the-Job</td>
<td>Farmers and Project Officers</td>
<td>Service Providers</td>
</tr>
<tr>
<td>15</td>
<td>Improved rice and Maize Seed Production</td>
<td>On-the-Job</td>
<td>Farmers and Project Officers</td>
<td>Institute of Agricultural Research, Institute of Agricultural Research and Training, International Institute of Tropical Agriculture, Seed Companies</td>
</tr>
<tr>
<td>16</td>
<td>Reducing Post-Harvest Losses in Maize</td>
<td>On-the-Job</td>
<td>Farmers and Project Officers</td>
<td>Nigeria Stored Products’ Research Institute, International Institute of Tropical Agriculture</td>
</tr>
<tr>
<td>17</td>
<td>Value-Addition to Maize</td>
<td>On-the-Job</td>
<td>Farmers and Project Officers</td>
<td>Nigeria Stored Products’ Research Institute, International Institute of Tropical Agriculture</td>
</tr>
<tr>
<td>18</td>
<td>Quality Control/Standards</td>
<td>Formal, On-the Job</td>
<td>National Agency for Food, Drug Administration and Control/Standards Organisation of Nigeria Officials/Farmers and Project Officers</td>
<td>University of Agriculture Abeokuta, International Institute of Tropical Agriculture</td>
</tr>
</tbody>
</table>

Access to IDA resources under the three sub-components will be through the preparation of Commercial Agriculture Development Plans by CADAs.

### 2.2.2 Component 2: Rural Infrastructure (US$80.0M of which IDA will finance US$68.0M)

34. The project will assist to close the infrastructure gaps to enhance agricultural commercialization by providing resources for the construction, rehabilitation and maintenance of network of selected farm access roads using the Output and Performance Based Road Contracts (OPRC) concept and connecting commercial farms to rural electrification. This component covers two sub-components: (i) Network of Farm Access Roads and (ii) Rural Energy.

(a) **Sub-Component: Networks of Farm Access Roads. (US$50.0M):**

35. Substantial evidence exists that investments in roads and road connectivity have positive effects on agricultural productivity and output. Better road connectivity increases crop production, reduces transport costs of goods and services, and raises producer prices of crops. This sub-component will link feeder roads to State and Federal roads through Outputs and Performance Based Road Contracts. Investments will address construction, rehabilitation and maintenance of farm access roads concentrated in areas where a critical mass of project participants will benefit. This sub-component will be closely coordinated with the Rural Access and Mobility Project. The guiding principles for the design of farm access roads for CADP are technical feasibility, financial viability, complementarity with Rural Access and Mobility Project (RAMP), and should support the needs of the target group.

36. The objectives are to enhance the profitability of agricultural activities in recipient rural communities by increasing productivity, ensuring better processing and marketing for small and medium-scale farmers and agro-processors. The project will link farm access roads to state and federal roads.
Financial considerations and assumptions for the network of road interventions include, (a) $1.8m is estimated for feasibility, design and supervision and other related studies per state; (b) the unit cost of construction and rehabilitation of roads was estimated at $120,000 per kilometre for sealed roads and $52,000 per kilometre for gravel/laterite roads (based on RAMP unit costs), (c) the maintenance cost per year per kilometre was estimated at $2,500 or $7,500 for three years using various forms of performance based contracting approach, (d) two-thirds of the roads will be constructed to gravel/laterite standards, and (e) the average unit cost of construction and maintenance over three years will be $82,500 per kilometre. It is expected that the maximum number of roads under the project will be about 500 or 100 kilometres per state.

38. In each state, there will be two groups of roads, the normal relatively long roads forming part of the existing network and connecting communities and farms, and the short (up to 2 kilometres) roads linking specific farm activities to existing roads. In Kaduna, where RAMP is assisting with the latter type of roads, it is expected that CADP will concentrate mainly on the short agricultural activity-specific roads. For planning purposes, it is expected that in the other states, the average proportions of the normal to short roads will be 2:1 and on this basis, the following distribution of the resources is anticipated.

Table 2.5: Summary of Network of Farm Access Roads

<table>
<thead>
<tr>
<th>Road Type</th>
<th>Road Group</th>
<th>Kano</th>
<th>Kaduna</th>
<th>Enugu</th>
<th>Cross River</th>
<th>Lagos</th>
<th>Sub Totals</th>
<th>C/R and M Unit cost $/kilometre</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paved</td>
<td>Normal</td>
<td>22</td>
<td>10</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>98</td>
<td>82,500</td>
<td>8,085,000</td>
</tr>
<tr>
<td></td>
<td>Short</td>
<td>11</td>
<td>23</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>67</td>
<td>82,500</td>
<td>5,527,500</td>
</tr>
<tr>
<td>Gravel/Laterite</td>
<td>Normal</td>
<td>45</td>
<td>34</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>214</td>
<td>82,500</td>
<td>17,655,000</td>
</tr>
<tr>
<td></td>
<td>Short</td>
<td>22</td>
<td>33</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>121</td>
<td>82,500</td>
<td>9,982,500</td>
</tr>
<tr>
<td>Sub-totals</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>500</td>
<td>82,500</td>
<td>41,250,000</td>
</tr>
</tbody>
</table>

39. All the roads will not be identified prior to commencement of the project but the initial set of roads in each state including the start and end points are as follows:
Table 2.6  Network of Farm Access Roads by States

<table>
<thead>
<tr>
<th>Road Type</th>
<th>Road Group</th>
<th>Name</th>
<th>Length (kilometres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paved</td>
<td>Normal</td>
<td>Tamburawa - Challawa Road</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shanono - Tsau雷 Road</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kura - Azo雷 (Bakin Kogi) Road</td>
<td>9.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tamnurawa - Karfi - Gundutse Road</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>Short</td>
<td>Diggol – Tsallaka</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bye pass - Yanshana Road</td>
<td>5.0</td>
</tr>
<tr>
<td>Gravel/Laterite</td>
<td>Normal</td>
<td>Dorawar Sallau - Kadawa - Farm Centre Road</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Short</td>
<td>Watari Main Canal central Road</td>
<td>13.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Garko - Garun Alli Road</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Watari Kiyawa (Zagon Shekauru) Road</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tiga Junction - Sata Road</td>
<td>2.5</td>
</tr>
<tr>
<td>Sub-Totals</td>
<td></td>
<td></td>
<td><strong>83.0</strong></td>
</tr>
<tr>
<td>Paved</td>
<td>Normal</td>
<td>Laduga Main Road</td>
<td>23.0</td>
</tr>
<tr>
<td>Gravel/Laterite</td>
<td>Normal</td>
<td>Fada Farm Road</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Laduga Lateral Road 1</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Laduga Lateral Road 2</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Laduga Lateral Road 3</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>Short</td>
<td>Alheri Vine Road</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quin Tills Road</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mai Doki Road</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ingawa Farm Road</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kargi Farm Road</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alfa Farm Road</td>
<td>2.0</td>
</tr>
<tr>
<td>Sub-Totals</td>
<td></td>
<td></td>
<td><strong>81.0</strong></td>
</tr>
<tr>
<td>Paved</td>
<td>Normal</td>
<td>Agwu-Imeama-Enyimba Amoli Road</td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Akor Mke-Demako Farm Roads</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amalla-Umritodo-obollo-Eke Road</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oji-Ogbua克pulu-Obinofia Ndiaku Road</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ngwo-Phinomar Farm Road</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ngwo-Effif-Ozokwor Farm Road</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Edem-Amaeniu Edem Road</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Short</td>
<td>Udi Native Authority-Ngo-Owo Farm</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ette Community Farm Road</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Orie Emene-Ugwuomu Farm Road</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Umuno-Agu ukehe Farm Road</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Onuogba Nike-Muna Poultry farm</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ehamufu-Amede Farm Road</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Akpuoga-Nike-Niger Farm</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Okufu-Ibagwe-Agu Road</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Eha-Alumona-Mbu-Akari Road</td>
<td>1.8</td>
</tr>
<tr>
<td>Road Type</td>
<td>Road Group</td>
<td>Name</td>
<td>Length (kilometres)</td>
</tr>
<tr>
<td>-----------</td>
<td>------------</td>
<td>------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Paved</td>
<td>Short</td>
<td>Adani-Ihekaniga farm Road</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ugwuogo Nike-Ogbeke Poultry farm Road</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ikem Umuaram-Ebia Road</td>
<td>2.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oghe-cashew farm Road</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Eziani-Trof Over Poultry Farm</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td></td>
<td><strong>68</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Short</td>
<td>Africa Independent Television Road linking Kollington</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tee Ess Farm Road, Igando</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BT Fish Farm Alakuko</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Egan Oriomi–Ese Ofin Road</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ajarra Farm Settlement</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ibeshe Farming Community</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ipara–Pota Road</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ayedoto Fobb Cams–Ojo</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bama Farm Road Afero</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oke–Osho Road–Epe</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oguntimehin Farm and others– Igboye</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Araga Farm Settlement–Epe</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Okun Ajah–Igbo–Effon Road</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Big Fish Farm Road Ab Ltd– Sangotedo</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oshoroko Poultry Farm Road</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Westfam Road Ayeteju, Ibeju-Lekki</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coaster Road, off Eleko–Lekki</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ebute Ota Road–Alhaji Akanni Farm</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>King Farm Road, off Agbowa</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creative Farms and Agura/Gberigbe</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Imota Farm Settlement</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Odogunyan Farm Settlement– Ikorodu</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>View Valley/Rhyss Farm Road Ikorodu</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Eyita Ojo Koro Road–Ikorodu</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oke–Eletu/Gberigbe–Link</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A.O Delight Farm Road Igbegho</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agbede Road, Ikorodu</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taiwo Farms, Yeguda Road, Epe</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td></td>
<td><strong>72.1</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Short</td>
<td>Akwa-Ibami (Uyangha)</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ibie–Small Idoma</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Iboogo-Iko-Esai</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Efrraya-Agbokim-Mgbabor</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ejago-Kura-Ekimkon</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Akparbong-ikanatchang</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Okondi-Etomi</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Abu-Ekpu (Idum Mbube)</td>
<td>4.0</td>
</tr>
<tr>
<td>Gravel/Laterite</td>
<td>Short</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>-------</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>CROSS RIVER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ikaptang (Ishibori)-Nkinkul</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nyanga-Akwa-Ibami</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ehom-Ekpiriko</td>
<td>5.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assiga Old Town-Onyenekpende-Ofodua</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anong-Ekori</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ochon-Ogamba-Oberenyi</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ofodua-Obuben-Ahaha</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arobom-Iyamitet-Okamurotet</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ogbudu-Bunyia-Esho Enya</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Okongbe-Borum</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beteriku-Beebo</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bendeghe-Etomi</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Okuni-Omonbeach</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abachor-Okpotudu</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idikuitega Okpudu – Okpudo</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Olachor-Adiero-Udaga</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alege-New Jerusalem</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bedia-Ibong Okoshie</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sub-Total 100.0

Grand Total (Five States) 404.1

40. The needs of the target groups will be assessed and bid packages will be prepared with consideration for sustainability, ownership and maintenance beyond the project life circle.

(b) **Sub-Component: Rural Energy: (US$30.0M):**

41. This sub-component will finance the rehabilitation and maintenance of rural energy, including provision of transformers and extension of lines from the main transmission lines to commercial farmers and agro-processing facilities in collaboration with the Power Sector Reform Project. The key issues for rural energy will be, identification of investment needs in rural energy in the participating states, the specific item/activities to be financed by the states and the locations, who should be responsible for decision (private or government), responsibility for maintenance, the flow of funds and disbursement mechanisms, linkage and synergy to be developed between the project and the Energy Reform Project, and cost estimates of the interventions.

42. Access to IDA resources under the three sub-components will be through the preparation of Commercial Agriculture Development Plans by the beneficiaries.

2.2.3 **Component 3: Project Management, Monitoring and Evaluation and Studies (US$19.6M of which IDA will finance US$11.6M)**

(a) **Project Management (US$8.8M).** This component will finance Project Management and Monitoring and Evaluation, including the Management Information System, impact evaluation and beneficiary assessment, Mid-Term Review, and final evaluation.

(b) **Monitoring and Evaluation (US$2.8M).** This sub-component will support Management Information System, Impact Evaluation and Beneficiary Assessment and Monitoring of Environmental Management Plans.
Description of Activities under Monitoring and Evaluation

43. The NFRA, through the NCO will provide oversight support and coordination of M&E while the SCADO will have overall responsibility for monitoring and evaluation, working in close collaboration with the M&E officers at the state levels. These decentralized units will feed project-related data from the states and Local Government Areas (LGAs) directly to the NCO central M&E system, which will consolidate the monitoring and evaluation reports and include them in the semi-annual and annual progress reports. In addition, the NCO will provide feedback to the decentralized levels. The system consists of self-monitoring at the Federal/State levels, input-output monitoring/Management Information Systems (MIS), process monitoring system, outcomes, efficiency, and impact evaluation, particularly on who benefited (small or medium farms, agro-processors, women), which value chains received support and how, what has been the comparative cost effectiveness, to what gains can they be attributed and to what extent have external factors (such as weather events) contributed to the final outcomes. The outcome indicators will be disaggregated to capture farm categories, gender, value chains and states. Performance indicators are provided in Annex 3 of the Project Appraisal Document (PAD). The indicators are linked directly to the results-based CPS goals. The outcome indicators will be used to assess progress in achieving the project development objectives. At the Federal level, NCO will assemble and consolidate data on overall project implementation from the participating states, organize and coordinate the Mid-Term Review (MTR). At the State level, the SCADO will collect data on the sub-projects and maintain a database from which information on a quarterly basis is forwarded to NCO. In addition to this, impact evaluation studies will also be conducted by external entities at mid-term and project completion stage.

44. The project Monitoring and Evaluation (M&E) will be based on (a) a survey; (b) building on the findings of the baseline survey; and (c) monitoring at the State level.

45. The National Coordinating Office of the project housed at the National Food Reserve Agency (NFRA), of the Federal Ministry of Agriculture and Water Resources (FMAWR) will have overall responsibility for consolidating reports from the states and sending them to the Bank. The NCO will select external consultants for the Mid-Term Review/Impact assessment at the close of the project, organize the various studies for the project, and work in close collaboration with M&E units at the States levels.

46. Input/Output Monitoring: The SCADO will be responsible for input/output monitoring at all levels through a computerized MIS. A firm will be competitively contracted to develop the MIS software, implement the program and provide operation and maintenance services. The MIS will include (i) profiles and inclusion of quantitative variables relating to the small and medium scale commercial farms, including agro-processors, with the aim of improving the capacity to evaluate project impact; (ii) inclusion of quantitative variable concerning sub-projects with indicators for impact monitoring; (iii) complete on-line connection with state offices (State Commercial Agriculture Development Offices-SCADO) to strengthen decentralized supervision and improve efficiency through field entry at the data collection point; (iv) extend MIS to allow comparison of planned versus actual performance (i.e. physical and financial) in a format that can also be used in reports to be presented to government and the Bank; (v) integrate Financial Management System (FMS); (vi) insert new cells for analysis and decision-making functions; and (vii) launch the MIS on the internet for public access, with the aim of promoting transparency. Through periodic processing of the database information, combined with field visits and inputs from project supervision missions, and project contracted studies and audits, the NCO/SCADO will monitor project trends and performance, identify implementation challenges/problems and accomplishments and undertake appropriate actions to improve project implementation.
47. Process Monitoring: The NCO and SCADO will contract with independent agencies, supervised by SCADO to carry out process monitoring. Based on the MIS and using Participatory Rural Appraisal (PRA) techniques, the independent assessments will judge the quality of project implementation, particularly in institutional development at the State level, investment levels, beneficiary satisfaction with project inputs, and mechanisms to ensure inclusiveness and participation. Monitoring will assess the extent to which gender issues are included in the process of project selection, design, and implementation at the association levels, focusing on the integrity and effectiveness of the CADAs’ tool and process. The approach to process monitoring will encourage self-assessment by the Commercial Agriculture Development Associations (CADAs) and the implementation coordination teams. Semi-annual reports will be submitted to the government and the Bank for review and appropriate action. The findings will be reflected in the biannual progress reports.

48. Impact evaluation will be carried out by an independent agency. A baseline survey has already been completed to assess pre-project conditions in the participating states and project areas. A Mid-Term Review will be undertaken during the project implementation period.

49. Reporting and Mid-Term Review: The NCO will submit quarterly reports, a bi-annual progress report and an annual report to the World Bank, FMAWR and the participating states. The quarterly reports will consist of progress achieved and implementation constraints for each quarter. The bi-annual reports will consist of (a) physical and financial expenditure data; (b) performance indicators; (c) successes and problems encountered with possible remedial actions; (d) socioeconomic and environmental impacts; (e) progress toward the Project Development Objective (PDO) achievement, and (f) documentation on beneficiaries. The annual report will cover all quantitative and qualitative aspects of implementation progress, including implementation plans for the following year. An MTR will be held during the implementation of the project, which will be an in-depth assessment of progress and an opportunity to change course if and when appropriate. To prepare for the MTR, the NCO will engage consultants to prepare a detailed progress report covering the entire period that the Project has been effective. The report will include a comprehensive review of the implementation performance of all the components of the project as well as assess impact on the ground, based on the findings of the monitoring and evaluation studies and other sources of information. This report will also highlight the progress made with respect to performance indicators.

50. A final evaluation/review at the end of the project will be carried out and an Implementation Completion Report (ICR) will be prepared. The Project will support a stakeholder ICR and validation process. No later than four months after the Credit closing date, NFRA and NCO will prepare and provide to International Development Association (IDA) a report on the execution of the project, its costs and current and future benefits to be derived from it, to be attached to the Bank’s ICR in accordance with IDA guidelines.

(c) Support to relevant Federal and State Institutions (US$5.0M). The project will support some Federal Institutions (Federal Ministry of Agriculture and Water Resources, National Food Reserve Agency and Federal Ministry of Finance and other relevant institutions) in respect of capacity building, project monitoring and other activities. At the state level, the project will support the States Ministries of Agriculture, Agricultural Development Projects (ADPs), the Project Financial Management Unit (PFMU) and other relevant institutions such as Veterinary and Animal Health, Cooperatives and Agriculture Insurance, Produce Inspection and Standards Organization of Nigeria in the areas of capacity building and project monitoring.
(d) **Strategy and case studies on Commercial Agriculture (US$3.0M).** The Government has requested resources under this component to develop a strategy for development of commercial agriculture. Case studies, such as the experience with the Kwara State partnership with the Zimbabwe farmers, will be reviewed, along with other lessons, including those that emerge from implementation of the project. In addition, this sub-component will finance Technical Assistance/Pilots/Studies on Irrigation Sub-Sector.

51. Access to IDA resources under the two sub-components will be through the preparation of Annual Work Plan and Budget (AWPB) by the implementing agencies at the Federal and State levels.

### 2.3 Project Costs and Funding

The total project cost is US$185.00 million over the period of five years. The indicative project cost is in Table 2.7.

#### Table 2.7: Project Cost by Component (In US$ M)

<table>
<thead>
<tr>
<th>Component</th>
<th>Indicative Costs</th>
<th>% of Total</th>
<th>Bank Financing</th>
<th>% of Bank Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agricultural Production and Commercialization</td>
<td>84.4</td>
<td>45.62</td>
<td>69.4</td>
<td>46.27</td>
</tr>
<tr>
<td>2. Rural Infrastructure</td>
<td>80.0</td>
<td>43.24</td>
<td>68.0</td>
<td>45.33</td>
</tr>
<tr>
<td>3. Project Management, Monitoring and Evaluation, strengthening of relevant institutions at Federal and State levels and Studies</td>
<td>19.6</td>
<td>10.60</td>
<td>11.6</td>
<td>7.73</td>
</tr>
<tr>
<td>4. Project Preparation Facility</td>
<td>1.0</td>
<td>0.54</td>
<td>1.0</td>
<td>0.67</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>185.0</strong></td>
<td><strong>100.00</strong></td>
<td><strong>150.0</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Note. The Project also benefited from a Policy and Human Resources Development (PHRD) Grant of US$800,000.

### 3.0 INSTITUTIONAL ARRANGEMENT

#### 3.1 Introduction

52. The CADP will utilize the existing institutional structure of the Federal Ministry of Agriculture and Water Resources (FMAWR), its federal and state level coordination offices and those of the States’ Ministries of Agriculture. In addition, the Federal Ministry of Finance has oversight function on credit facilities through its Department of International Economic Relations (DIER). The DIER will undertake joint monitoring and coordination with the Federal and State Implementation Agencies to ensure efficient an effective utilization of funds for intended purposes. The implementation arrangements include:

(i) overall coordination of project implementation entrusted to FMAWR to be carried out through NFRA;

(ii) establishment and maintenance of NSC, NCO, SSC and SCADO throughout the implementation of the project with experienced and qualified staff in adequate numbers, all satisfactory to the IDA;
(iii) empowerment of farmers and other participants to enable them to establish their CIGs and CADAs as vehicles to foster the sustainable development of commercial agriculture in the Participating States; and
(iv) terms and conditions for distribution of matching grants as detailed in Chapter 2 above.

The detailed Coordination, Implementation and Oversight Arrangements are as follows:

3.2  Project Coordination

3.2.1  National-Level Project Coordination

53. At the federal level, there will be a National Steering Committee (NSC) with 10 members as proposed by government. These are, Permanent Secretary, FMAWR (Chairman); Director of Agriculture; Representatives of the Ministry of Finance; Ministry of Commerce and Industry, Ministry of Women Affairs; National Planning Commission; CADA – Apex CADA; National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), and the Executive Director, NFRA. The NSC will meet twice a year. The NCO will serve as the secretariat.

3.2.2  State-Level Project Coordination

54. Project coordination will be carried out by the State Commercial Agriculture Development Office (SCADO) of the participating states while the oversight, policy and strategic orientation functions will be performed by the State Steering Committee (SSC). The State Steering Committee will comprise of 12 members as proposed by government, which are, Permanent Secretary Ministry of Agriculture (Chairman); Directors of relevant value chains in the Ministries of Agriculture (2), Representatives of Ministries of Finance, Planning/Budget, Trade and Commerce, Women Affairs, Rural Development/Energy Commission, Works, Chamber of Commerce and Industry, Commercial Agriculture Development Associations; Project Manager (PM) of ADPs. The Vice Chairman will come from the CADA and SCADO will be the Secretariat.

The TORs of the key staff are in Annex 4.

3.2.3 Beneficiary-level Project Coordination and Sub-Project Approval

55. Critical decisions will take place within the CADAs and the various Commodity Interest Groups (CIGs) which should be legally registered. The Commercial Agriculture Development Associations (CADAs) are apex organizations of Commodity Interest Groups, which have a common interest in agricultural commercialization. The CADAs are already in existence. They will be responsible for the coordination of the activities of the CIGs, including the management of the post-harvest handling centres under the Public-Private Partnership (PPP) arrangements. The CADAs may facilitate co-financing of the sub-projects through commercial banks.

3.3  Project Implementation

3.3.1  Project Implementation Period and Overview

56. The Project will be implemented over a five-year period, starting from April 16, 2009. The Project will close on December 31, 2014.
57. The Federal Ministry of Agriculture and Water Resources (FMAWR) will have overall responsibility for execution of the Project through the National Food Reserve Agency (NFRA). The NFRA is the agency entrusted with responsibility for coordinating the implementation of all donor supported agricultural sector projects in the country. The NFRA, through the National Coordinating Office, will coordinate project activities on behalf of the FMAWR. Most of the Project’s administrative, financial and implementation arrangements will be decentralized at the state levels. The beneficiaries, especially the Commercial Agricultural Development Associations (CADAs) and the various Commodity Interest Groups (CIGs) will be active in the project. Since no new co-ordination structure will be created under this project, the NFRA will delegate the functions and responsibilities of day-to-day implementation and coordination to a semi-autonomous National Coordinating Office, which will now be called the NCO.

58. Overall implementation of the project will be done according to procedures defined in this PIM. There is a direct relationship with the project and the existing ministerial structures both at the National and State levels. The NCO is within the framework of the NFRA while the SCADOs are within the framework of the states’ ADPs. Project Implementation Units (PIUs) will be set up for the NCO and SCADOs respectively.

3.3.2 Federal-Level Project Implementation

59. The day-to-day implementation of the project at the National level will be the responsibility of the National Coordinating Office. The staff complements of the NCO as proposed by the Federal Government are National Project Coordinator, Project Operations Officer, M&E Officer, Project Accountant and Procurement Officer. Support Staff include Internal Auditor, Account Officer, Administrative Officer and Rural Infrastructure Officer.

3.3.3 State-Level Project Implementation

60. The day to day implementation of the project will be the responsibility of the State Commercial Agriculture Development Office of which staff complements will be, State Project Coordinator, Procurement Officer, M&E Officer, Project Accountant, Agric Productivity and Advisory Services Officer, Commercialization and Business Development Officer, Rural Infrastructure Officer, and Support Staff will include Internal Auditor, Cashier, Secretaries, Administrative Officer, Environmental Officer and Project Office Assistant. In addition, SCADO will have facilitators in the subject matter areas of (a) Technology adoption in each selected value chain; (b) Market facilitation and business development; (c) Road; (d) Energy; (e) Management Information System (MIS)/Information Communication Technology (ICT); (f) Training; (g) Communication and (h) Staple crops (maize and rice).

61. The SCADO will function as a semi-autonomous unit. All correspondence and reports to the office of the Honourable Commissioner, NFRA and the World Bank (WB) should be copied to the PM (ADP).

3.3.4 Beneficiary-level Project Implementation

62. The CIGs will have responsibility for sub-projects implementation. Beneficiaries should belong to commodity associations that support the value chain of their interest. SCADO should have a directory of Service Providers that will provide services to the project beneficiaries. The Service Providers will be screened by SCADO and their services will be certified by beneficiary and SCADO officer/agent before
full payment. Service Providers will be public and private sectors operators and there should be a level playing field.

3.3.5 Beneficiary-level Project Implementation: Commercial Agriculture Development Associations (CADAs)

63. Once sub-projects are reviewed and approved by SCADO, CADAs can access a share of the costs for design and implementation, in accordance with the guidelines stipulated in this PIM. In order to be eligible to receive funding under the project, beneficiaries must belong to registered Commodity Associations. Disbursements to the service producers selected by CADAs will occur through the preparation of Commercial Agricultural Development Plans and Sub-Project Agreements (SPAs), as described in this Project Implementation Manual (PIM).

3.3.6 Beneficiary-level Project Implementation: Commodity Interest Groups (CIGs):

64. The beneficiaries will be responsible for the identification, preparation and execution of their sub-projects. The beneficiaries, especially the CIG members, will be assisted on need basis by advisers/facilitators in producing a simple investment plan that will show the total cost of the sub-projects; the level of grants they are applying for and documentation/evidence of ability to provide own contribution. The CIG will check the plans against the list of eligibility criteria and aggregate them at the CIG level. The CIG application including the procurement plan then goes to CADAs, which aggregates the plans and checks them for completeness before submitting them for approval.

3.3.7 Sub-project cycle

65. The sub-project cycle is organized as follows:

- A state-wide information campaign, to be implemented with effect from the project preparation phase, will increase awareness as well as improve attitude and behaviour change about the Project and its potential benefits and facilitate comprehension of the criterion which will be used in the selection of beneficiaries;

- Organized Commercial Agriculture Development Associations (CADAs) will undertake a Needs Assessment of their CIGs and use this to collectively decide on their local investment priorities, based on their own choices and information provided concerning the state’s development objectives and priorities as defined in the Project Appraisal Document (PAD) or relevant document;

- CIGs prepare sub-projects proposals assisted by the Facilitators and local consultants for activities to be funded under the various project components and sub-components;

- Sub-projects’ proposals from CIGs are submitted to CADAs where they undergo initial screening against an agreed checklist to determine completeness of the documentation.

- The screened sub-project proposals are then submitted to the SCADO, where the proposed sub-projects are prioritized and approved, based on the associated indicative resource envelopes;
• Sub-projects will comply with the environmental guidelines established in the Project Implementation Manual (PIM);

• Sub-projects Agreements (SPAs) are signed between the CADAs and the SCADOs. These agreements spell out the terms and conditions for the funding, execution, ownership, operation and maintenance of the approved sub-projects, including agreement that the beneficiaries' associations will contribute to sub-project costs, either in cash or in kind (i.e., labour and/or materials). The minimum level of contributions will be specified in the respective sub-projects;

• Resources, equivalent to the Project’s share of the cost of the design and implementation of the sub-projects are then transferred directly from the Project to the Service Providers’ bank account. The transfer will be payment against contracts. Documentation supporting such transfers is as indicated in the Financial Procedures Manual (FPM) under invoice related payments. These documents will include the approved Commercial Agricultural Development Plan, SPAs, service provider’s invoice and document/report by the beneficiary and SCADO officer/agent certifying the service of the service provider.

• SCADOs are responsible for contracting goods, works and Technical Assistance for sub-project execution. The CADAs may be required to provide an insurance performance bond or guarantee to be eligible for the disbursement. Beneficiary associations also bear responsibility for operation and maintenance of all sub-project investments; and may request Technical Assistance to improve their capability to manage these investments;

• Sub-project irregularities: When fraud or irregularities are committed, the project will enforce sanctions varying from suspension of disbursements, recovery of the disbursed funds and prosecution.

66. Disbursements to the project will occur through the preparation of Commercial Agriculture Development Plans and Sub-project Agreements (SPAs) and each sub-project cost will not exceed $100,000. The total number of beneficiaries expected for the project is estimated at 50,000 small and medium commercial farms and agro-processors (i.e. 10,000 per state). These beneficiaries will be selected to reflect the priority commodities or value chain identified by each state. The eligibility criteria for selecting beneficiaries into the project are attached in Annex 4 of the PAD. The interactions among all stakeholders in the process of project implementation are reflected in figure 3.1.
Figure 3.1: Implementation Arrangements for the Project

Review & approve annual work programs & budgets of NFRA / NCO

SCADO/CADPS: Review & approval of Sub-project

NFRA/NCO/SA

IDA

OSAG

PFMU/SA

NFRA/NCO/SA

M&E

Contracting

Facilitators/Consultants

Advisory Service Providers

Commercial Agriculture Development Associations

SCADP

SCADO

SCAD

CADPS

Sub-projects

Contracting

M&E

Review & approve annual work programs & budgets of SCADPO/Review and approval of Sub-projects.

Note: Dotted lines represent flow of funds

CADAs: Commercial Agriculture Development Associations
NCO: National Coordinating Office
CADPs: Commercial Agriculture Development Plans
OSAG: Office of the State Accountant General
CADPs: Commercial Agriculture Development Plans
NFRA: National Food Reserve Agency, Federal
Ministry of Agriculture
PMFU: Project Financial Management Unit
SA: Special Account
SSC: State Steering Committee
SCADO: State Commercial Agriculture Development Office
3.4 PROJECT IMPLEMENTATION CYCLE

3.4.1 The implementation of the CADP at the state’s level will follow the prescribed project life cycle to facilitate focus and enable effective monitoring. The project components will be implemented simultaneously with intensive monitoring exercise being carried along.

67. The project implementation team will operate at three levels according to the diagram below:

Figure 3.2: Organogram of PIU

Five (5) Outstanding Extension Officers

68. The activities of the Frontline Facilitators will be coordinated by the Officers as indicated in the diagram while activities of the Officers will be coordinated by the State Project Coordinator. Typical project life cycle will consist of the steps in Table 3.1 next page:
Table 3.1: **Typical Project Life Cycle**

<table>
<thead>
<tr>
<th>S/N</th>
<th>ACTIVITY*</th>
<th>BY WHOM</th>
<th>WHEN</th>
<th>HOW</th>
<th>INDICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Sensitization</td>
<td>Ext Agents, Facilitators Officers, SPCs</td>
<td>At Project Inception</td>
<td>Print &amp; electronic media, Advocacy visits</td>
<td>Awareness creation state-wide</td>
</tr>
<tr>
<td>2.</td>
<td>Mobilization</td>
<td>Ext Agents, Facilitators</td>
<td>Continuously</td>
<td>Visits, registration</td>
<td>10,000 Direct Beneficiaries per State</td>
</tr>
<tr>
<td>3.</td>
<td>Sub-project Identification</td>
<td>Facilitators and Commodity Interest Groups</td>
<td>Continuously</td>
<td>Meetings, Consultations</td>
<td>Sub-project/Targets</td>
</tr>
<tr>
<td>4.</td>
<td>Action Plan Development</td>
<td>Facilitators and CIGs and CADAs.</td>
<td>Continuously</td>
<td>Meetings, Service Providers</td>
<td>Fundable sub-projects</td>
</tr>
<tr>
<td>5.</td>
<td>Execution</td>
<td>CIGs, State Project Coordinator</td>
<td>Continuously</td>
<td>Based on Terms of Reference</td>
<td>Successful sub-project implementation</td>
</tr>
<tr>
<td>6.</td>
<td>Post Implementation impact</td>
<td>Monitoring/ Evaluation and Consultants</td>
<td>Continuously</td>
<td>Based on Terms of Reference</td>
<td>% increase in food, % increase in</td>
</tr>
</tbody>
</table>

*All activities will be subjected to continuous monitoring and evaluation as well as procurement standards.

3.4.2 Project will be implemented in synergy with other existing projects, through the development of relevant Memorandum of Understanding. Bilateral discussion will be held with such relevant projects for example RAMP and Power Holdings Company of Nigeria (PHCN) for Roads and Electricity sub-projects respectively. The implementation modalities of how CADP and the other projects and agencies will complement each other will follow these guiding principles (see PAD page 8):

1. To ensure that areas of intervention of the different projects do not overlap.
2. Project teams from CADP and other projects share project information to level the information playing field.
3. Effective joint project supervision between CADP and other similar projects to ensure compliance with existing standards.

69. These guiding principles will form the basis of Memorandum of Understanding between the State Commercial Agriculture Development Office and the other specific projects.

70. The project life cycle will involve 5 steps, namely:

**Step 1: Sensitization:** The very first exercise by the SCADO is to carry out an intensive state-wide sensitization campaign on the CADP. This will be done using both the print and electronic media, as well as conduction of advocacy visits to farmers groups, attending farmers meetings and other functions. The aim is to ensure that by the end of the first month of project commencement, sufficient awareness is created on the project. The intensity of this step will decline as implementation progresses. All staff of SCADO will be involved in this exercise particularly the Communication Facilitator and State Project Coordinator.
71. Tools for achieving the activities in step 1 will include but not limited to:

- Printing of leaflet, handbills and posters;
- Radio and television announcements, interviews, Jingles and documentaries; and
- Advocacy visits to members of the State Executive Council, House of Assembly, and Farmers Groups, etc.

**Step 2: Mobilization:** This step commences immediately after the beginning of sensitization campaign and will run as long as the 10,000 target beneficiaries per state have not been achieved. This will involve the registration of beneficiaries, formation of CIGs and consolidation of CADA.

72. Reliable and functional database will be maintained for the following:

- Commercial Agriculture Development Association.
- Commodity Interest Group (CIG).
- Individual Farmers.

**Step 3: Sub-project Identification:** Sub-project identification is entirely based on felt needs of the individual beneficiaries within the CIG in each value chain. Support to staple crops production systems will be limited to the following areas:

- Land Development.
- Inputs Supply.
- On-Farm Storage.
- Processing Centres

73. Sub-project identification is carried out by the respective Facilitators with the active involvement of the CIGs.

74. A catalogue of sub-projects identified is developed at the SCADO and this will be a continuous exercise until the needs of the target 10,000 beneficiaries per state have been captured.

**Step 4: Action Plan Development:** Development of a realistic business plan is a pre-requisite to project execution. The facilitators working with respective CIGs will develop a business plan (Commercial Agricultural Development Plan) in respect of activities that require funding. All development plans must reflect the following:

- Project title.
- Justification for the activity.
- Detailed project description, components, etc.
- Compliance with the Environmental safety guidelines.
- Expected output.
- Implementation Arrangement.
- Cost Benefit Analysis.
- Availability of required inputs.
75. With an approved development plan, a Sub-Project Agreement (SPA) is drawn with the following features (see PAD page 14):

- Timeline of sub-project implementation
- Financing plan
- Implementation Milestones
- Contribution of project towards achievement of Project Development Objectives
- Evidence of ability to provide counterpart fund in cash or kind
- List of direct beneficiaries and the anticipated number of indirect beneficiaries
- Commitment to ensure compliance with SCADO’s guidelines with respect to specific sub-project.

76. Each of the interventions has a specified minimum level of beneficiary’s contribution, which are detailed in Table 3.2 below (see PAD page 70).

**Table 3.2: Percentage Minimum levels of beneficiary contribution to sub-projects**

<table>
<thead>
<tr>
<th>S/N</th>
<th>SUB-COMPONENT</th>
<th>% CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Demonstration and dissemination of technologies</td>
<td>0 – 80</td>
</tr>
<tr>
<td>2.</td>
<td>Matching grant</td>
<td>20 – 80</td>
</tr>
<tr>
<td>3.</td>
<td>Market facilitation</td>
<td>0</td>
</tr>
<tr>
<td>4.</td>
<td>Support to staple crop production systems (land development, production systems, on-farm primary processing)</td>
<td>50</td>
</tr>
<tr>
<td>5.</td>
<td>Capacity building</td>
<td>0</td>
</tr>
<tr>
<td>6.</td>
<td>Rural infrastructure</td>
<td>0</td>
</tr>
</tbody>
</table>

**Steps 5: Sub-Project Execution:** After identification and development of a realistic business plan/budget, sub-projects are considered by CADA for screening based on priorities and available funding. Sub-projects selected for identification will follow laid down procurement procedures for execution.

77. Selection of service providers to handle specific sub-projects will be based on the following criteria (see PAD page 23):

- Demonstrated technical capability to handle specified sub-project
- Possession of relevant experience and skills
- Payment of specified taxes
- Ability to meet specified procurement conditions for the sub-project
- Evidence of legal business registration.
- For roads and related projects, evidence of possession of required equipment

78. Service Providers are assessed and scored based on these criteria and those with the highest scores are considered.
3.4.3 Market Facilitation

79. The main focus of Market Facilitation sub-component is to remove the marketing problems and constraints. This is to be achieved through designing and implementation of specific activities such as:

- Establishment of market information Kiosks
- Organize trade fairs
- Development of Website/Platform for market information exchange
- Establish standards in liaison with SON, NAFDAC and NEPC.
- Support packaging
- Promote one (1) commodity/product to export level

80. The facilitation guide and training needs are in Annexes 1 and 2.

3.5 Project Oversight

81. For effective project monitoring and supervision, provision has been made for oversight activities at the Federal, State and beneficiary levels. This does not exclude periodic supervision from the World Bank and Federal Government Agencies.

3.5.1 National-Level Project Oversight

82. The functions of the NSC are oversight functions over the project at the federal level, approve Annual Work Plan and Budget (AWPB) at the National Coordinating Office level, review progress of project implementation across the participating states, encourage collaboration among similar projects at the federal level and harmonization of Federal and State Governments Policies on economic development and growth as it relates to commercialization of agriculture

3.5.2 State-Level Project Oversight

83. The SSC will perform small oversight functions over the project at the state level, approve Annual Work Plan and Budget of the SCADO, review progress of project implementation, guide as well as facilitate project implementation.

3.5.3 MEMBERSHIP OF OVERSIGHT COMMITTEES

**National Steering Committee** (Membership – 10)

- Permanent Secretary, FMAWR – Chairman (Federal)
- Ministry of Finance (Public)
- Ministry of Agriculture – Director (Public)
- Ministry of Commerce and Industry (Public)
- National Planning Commission (Public)
- CADA - Apex – (Private)
- NACCIMA (Private)
- Ministry of Women Affairs
- Executive Director, NFRA – Member
- National Coordinating Office - Secretary
The Permanent Secretary, FMAWR, will be the Chair while the Vice Chairman will come from private sector and the NCO will be the Secretariat.

**Functions of National Steering Committee**
- Oversight functions over the project through the National Co-ordinating Office
- Approve Annual Work Plan and Budget
- Review progress of project implementation
- Advisory Support to project implementation based on project design
- Meet twice a year and when needed
- Encourage collaboration among similar projects
- Harmonize Federal and State Governments Policies on economic development and growth

**Frequency of Meetings**
- Twice a year

**National Project Team (National Coordinating Office)**
- Project Coordinator
- Project Operations Officer
- M&E Officer
- Project Accountant
- Procurement Officer
- Support Staff:
  - Internal Auditor
  - Account Officer
  - Administrative Officer
  - Rural Infrastructure Officer
  - Environmental Officer
  - Training Officer
  - Communication Officer

**State Steering Committee  (Membership = 12)**
- Permanent Secretary, Ministry of Agriculture – Chairman
- Directors of relevant value chains in the Ministry of Agriculture (2)
- Ministry of Finance
- Planning/Budget
- Ministry of Trade and Commerce
- Ministry of Women Affairs
- Rural Development/Energy Commission
- Ministry of Works
- Chamber of Commerce and Industry
- CADA (1)
- Project Manager of ADP
- SCADO – Secretary
Permanent Secretary, State Ministry of Agriculture and Natural Resources (SMANR) to Chair while the Vice Chairman will come from the private sector and SCADO as Secretariat and invitations to stakeholders (commercial banks etc) will be on need basis.

Functions of Steering Committee
- Oversight functions over the project
- Approve Annual Work Plan and Budget
- Review progress of project implementation
- Guide and facilitate project implementation based on project design
- Periodic monitoring across the State
- Encourage collaboration among similar projects

Frequency of Meetings
- The SSC meeting will hold quarterly, which each meeting held for two days with the first day dedicated for field visit

State Commercial Agriculture Development Office (SCADO)
- Project Coordinator
- Procurement Officer
- M&E Officer
- Project Accountant
- Agricultural Productivity and Advisory Services Officer
- Commercialization and Business Development Officer
- Rural Infrastructure Officer
- Support Staff:
  - Internal Auditor
  - Cashier
  - Administrative Officer
  - Project Office Assistant

Eight Facilitators in the following subject matter areas
- Technology Adoption in value chain one
- Technology Adoption in value chain two
- Technology Adoption in value chain three
- Market facilitation and Business Development
- Roads
- Energy
- MIS/ICT
- Training
- Communication

Status of SCADO
- SCADO will function as a semi-autonomous unit.
- All correspondence and Reports to the office of the Executive Director, NFRA and the World Bank should be copied to the ADP PM.
3.6 Project Linkages

84. For effective implementation of the CADP, strong linkages will be established with identified Institutions and Projects that have bearing on the success of commercialization of agriculture. Some of the expected project linkages will be in the following areas:

- RAMP - Roads
- PHCN - Energy
- SON - Processing/Packaging
- NAFDAC - Product Safety
- NIOMR - Aquaculture
- IAR&T - Poultry/Rice/Capacity Building
- UNAAB - Capacity Building
- ABU - Capacity Building/Dairy
- NAPRI - Dairy
- NCRI - Rice/Maize
- NIHORT - Fruit Trees
- MOUAU - Capacity Building
- NIFOR - Oil Palm/Capacity Building
- NEPC - Export Promotion

85. States will develop MOUs with relevant organizations in their catchment areas to address specific activities based on their needs.

4.0 SAFEGUARD POLICY ISSUES

4.1 Potential Long-Term Impacts

86. This project falls into Environmental Category B as no adverse long term impacts are anticipated. No long-term adverse impacts were identified in the prepared safeguards instruments, Environmental and Social Management Framework (ESMF); Resettlement Policy Framework (RPF); and Pest Management Plan (PMP). This project will not fund activities that will cause an adverse effect on the environment or any form of land acquisition or restriction of access to sources of livelihoods.

87. The proposed project development objective is to strengthen agricultural production systems and facilitate access to market for targeted value chains among small and medium scale commercial farmers in the five participating states. These value chains are oil palm, cocoa, fruit trees, poultry, aquaculture and dairy, with maize and rice as staples.

88. The project has two components, namely, (i) Agricultural Production and Commercialization and (ii) Rural Infrastructure.

89. The ESMF, PMP and RPF carried out during project preparation have provided mechanisms to identify impacts beyond the generic ones for which standard mitigation measures are built and to be applied during the implementation phase. The safeguards impacts identified are not expected to have any long-term or cumulative impacts. The potential environmental concerns as identified in the Environmental and Social Management Framework (ESMF) are those associated with (i) rehabilitation and maintenance of rural roads and energy, including provision of transformers and extension of power lines to connect commercial farmers and agro-processing facilities and (ii) agricultural development and...
commercialization which will lead to increased production volumes and value-added processing and marketing capacity of agribusiness involved in commodity chains. Environmental protection clauses will be included in the contract documents for small-scale infrastructure like rehabilitation and/or construction of rural access roads. The rural access roads rehabilitation and maintenance are expected to have a limited negative environmental impact since the works will follow the existing alignments.

4.2 Project Location and Salient Physical Characteristics Relevant to the Safeguard Analysis

90. It is expected that the project operations will be in five states: Lagos, Kano, Kaduna, Enugu and Cross River. However, a repeater project is planned to expand to other states after the closure of this operation.

4.3 Measures Taken by the Borrower to Address Safeguard Issues

91. Since the locations and potential negative localized impacts of the future sub-projects were not known at appraisal, the Borrower has prepared an Environmental and Social Management Framework (ESMF), a Pest Management Plan (PMP), and a Resettlement Policy Framework (RPF) for the purpose of identifying and mitigating potential negative environmental and social impacts at the sub-project planning stage.

92. In order to avoid or minimize impacts associated with activities to be funded under the proposed project, mitigation measures will be implemented as part of sub-project construction and operation to ensure compliance with national and international environmental and social guidelines and standards. The ESMF outlines the environmental and social screening process for sub-projects and proposes capacity-building measures, including cost estimates. The ESMF includes (i) an Environmental Management Plan; (ii) Environmental Guidelines for Contractors; and (iii) Environmental and Social Checklists for sub-projects screening.

93. The RPF outlines the policies and procedures to be followed in the event that sub-projects require land acquisition. The RPF was prepared to minimize and mitigate the potential negative impacts resulting from project investments. Experience shows that the environmental and social impacts of infrastructure rehabilitation and maintenance projects are considerably lower than that of new construction. The RPF provides the overarching framework by which potential resettlement issues will be addressed. The PMP shows the procedures and steps to be undertaken to address pest management concerns including capacity building in Integrated Pest Management (IPM).

94. The three instruments of ESMF, PMP and RPF were discussed in-country on January 12, 2008 and at the Info shop on January 22, 2008 (see PAD page 70)

95. The State Commercial and Agriculture Development Office (SCADO) will be responsible for the implementation of the ESMF, PMP and RPF. Consultants will be engaged to prepare Resettlement Action Plans (RAPs) and Environmental Management Plans (EMPs) or Environmental Impact Assessments (EIAs) as and when necessary. The SCADO will have in place an Environmental Officer. This specialist will be responsible for implementing the recommendations contained in these safeguards instruments, and he/she will be complemented with short-term national social/environmental safeguards consultants as and when the need arises.
5. FINANCIAL ARRANGEMENT

5.1 Introduction

96. Participating states will use the Financial Management Plan of the PFMU, which is a robust multi-donor and multi-project Financial Management (FM) platform. This was established in 2002 through the joint efforts of the World Bank and the government in all states and forms an integral part of the FM country systems at State level. These PFMU features strong and robust systems and controls that are not possible in individual ring-fenced project FM. They were assessed by the Bank and found to be acceptable for the implementation of Bank-assisted projects. The most recent reviews showed that these FM arrangements are adequate for the implementation of this Project at the federal and state levels. The FM assessment of the federal component indicates that FM risk is moderate. The overall FM risk for the Project is rated as substantial. However, this will be mitigated by the strong PFMU arrangement, timely implementation of the FM action plan, and inclusion of a technical review in the Project as well as substantial follow-up and implementation support.

5.2 Objectives of Financial Management System

97. The objective of the financial management system is to support the project-implementing unit in allocating project resources to produce the required results. Specifically, the FM system will ensure (i) that funds are being used only for the purposes intended in an efficient and economic way; (ii) the preparation of accurate, reliable and timely periodic financial reports; and (iii) safeguarding of the entity's assets.

TABLE 5.1: Risk Assessment and Mitigation

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Rate</th>
<th>Risk Mitigating Measures Incorporated into Project Design</th>
<th>Condition for Negotiation, Board or Effectiveness</th>
<th>Residual Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inherent Risks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Level: Funds may not be used in an efficient, accountable and transparent way.</td>
<td>H</td>
<td>The Country Partnership Strategy (CPS) that supports Nigeria’s NEEDS aims to achieve improved transparency and accountability for better governance which minimize opportunity for corrupt practices. This has translated into various projects at the federal and state levels respectively, focusing on improving accountability, good governance, transparency and fighting fraud and corruption. Reforms in budgeting, FM systems, procurement and auditing are being supported. Robust financial management arrangements have been established at the federal and state levels for the project and these were designed to mitigate the Country level risk.</td>
<td>None</td>
<td>S</td>
</tr>
<tr>
<td>Risk</td>
<td>Risk Rate</td>
<td>Risk Mitigating Measures Incorporated into Project Design</td>
<td>Condition for Negotiation, Board or Effectiveness</td>
<td>Residual Risk Rating</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td><strong>Inherent Risks</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Entity Level:</strong> Weak institutional capacity to implement the Project components and to effectively monitor progress and embrace full accountability for results.</td>
<td>S</td>
<td>The project will be implemented in the selected states by the SCADO in the State Ministry of Agriculture (SMOA). The SSC will perform oversight, policy and strategic orientation functions. At the Federal level, NCO in FMAWR will coordinate project activities and NSC will perform oversight function over the project, approve Annual Work Plan and Budget at NCO and review progress of project implementation across the participating states.</td>
<td>None</td>
<td>M</td>
</tr>
<tr>
<td><strong>Project Level:</strong> This CADP is the first (of its kind) type of agriculture project by the Bank in Nigeria, no previous experience in project implementation.</td>
<td>H</td>
<td>Beneficiaries must meet the eligibility criteria for participation and should be legally registered. Disbursement will occur through the preparation of CADPs and SPAs. NSC will review progress of project implementation across the participating states. SSC will conduct periodic monitoring within the State. CADAs will undertake spot audits ex-post to confirm that matching grants are utilized for the intended purpose. Adequate training of FM staff at the federal and state levels. SCADO should have a directory of Service Providers that will provide services to the project beneficiaries. The service providers will be screened by SCADO and their services will be certified by beneficiary and SCADO officer/agent before full payment.</td>
<td>Disbursement condition</td>
<td>S</td>
</tr>
<tr>
<td><strong>Budgeting:</strong> Failure to properly prepare comprehensive budget and effectively monitor</td>
<td>M</td>
<td>Project budgeting to be synchronized carefully with government’s own budget, time-wise, taking into account the CADPs from the CADAs participating in the Project.</td>
<td>Un-audited quarterly Interim Financial Report (IFR) arrangements</td>
<td>L</td>
</tr>
</tbody>
</table>
## Inherent Risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Risk Rate</th>
<th>Risk Mitigating Measures Incorporated into Project Design</th>
<th>Condition for Negotiation, Board or Effectiveness</th>
<th>Residual Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>the budget.</td>
<td></td>
<td>Budget execution to be monitored through quarterly Interim Financial Reporting (IFRs).</td>
<td>and formats to be agreed during project negotiations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Computerized accounting system at the federal and state levels includes budget modules.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting: Failure to account for Project funds adequately and provide full supporting documentation.</td>
<td>M</td>
<td>Robust FM arrangements at the federal and state levels, including the use of PFMUs to manage project funds.</td>
<td>None</td>
<td>L</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Accounting and internal control procedures established and documented in project Financial Procedures Manual (FPM).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Independent and effective internal audit function that is focused on risk management approaches.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Control: Inadequate documentation of transactions, ineligible expenditures and non-retirement of advances.</td>
<td>M</td>
<td>Internal control is strengthened by using the PFMU arrangement at the state level – the arrangement features strong controls.</td>
<td>None</td>
<td>L</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Robust FPM and staff are familiar with this FPM.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Independent and effective internal audit that will focus on risk in its audit plan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Adequate follow-up by Bank FM team on supervision mission findings as well as provision of further training for project staff.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds Flow: a. Delays in release of funds</td>
<td>L</td>
<td>Funds flow procedures are fully documented in the FPM and staff are familiar with these procedures.</td>
<td>None</td>
<td>L</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Adequately qualified and competent FM staffs are available in the PFMUs and NCO.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Delays/non release of</td>
<td></td>
<td>Adequate appropriation in government yearly budget and cash backed.</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>Risk</td>
<td>Risk Rate</td>
<td>Risk Mitigating Measures Incorporated into Project Design</td>
<td>Condition for Negotiation, Board or Effectiveness</td>
<td>Residual Risk Rating</td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
<td>----------------------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Inherent Risks</td>
<td>S</td>
<td>Project reporting guidelines included in FPM. Implementation to be monitored by NSC. Use of computerized FMS to generate financial reports (IFRs) and account for project activities at the federal and state levels. PFMU and NCO staff have adequate experience in Bank reporting requirements.</td>
<td>None</td>
<td>L</td>
</tr>
<tr>
<td>Financial Reporting: Delayed preparation and submissions of quarterly IFRs and annual audited financial statements</td>
<td>M</td>
<td>Auditors General will be encouraged to allow use of private sector accounting firms which will be hired as external auditors to carry out an independent audit of the project financial statements based on TOR acceptable to IDA. FMS will ensure external auditor is acceptable to the Bank.</td>
<td>None</td>
<td>L</td>
</tr>
<tr>
<td>Auditing: Delay in the submission of audit report and inadequate audit reports.</td>
<td>M</td>
<td>The overall gross risk exposure is considered substantial for this project. This will be mitigated by measures described above, thus reducing the risk rating to moderate.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall FM Risk Rating</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**H-High**  **S-Substantial**  **M-Moderate**  **L-Low**

**Strengths**

98. The use of existing PFMUs in all the participating states is a significant FM strength in the project that has been identified. The PFMUs are experienced in the implementation of IDA assisted projects, the staff are trained in Bank fiduciary requirements, they are professionally qualified and the PFMUs are equipped with computerized FM systems and FPMs. At the Federal level, staffs of the NCO/NFRA are equally experienced in the implementation of IDA-assisted projects. The NSC will be responsible for project-oversight function, approve Annual Work Plan and Budget at the Federal level, and review progress of project implementation across the participating states. SSC will exercise similar oversight functions as NSC at the state level.
### Table 5.2: Action Plan to Address the Weak Areas

<table>
<thead>
<tr>
<th>Ref No.</th>
<th>Action</th>
<th>Date due by</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>Extension and expansion of contract/Terms of Reference of external auditors to cover Commercial Agriculture Development Project.</td>
<td>Within 90 days after Effectiveness.</td>
<td>State Commercial Agriculture Development Office in the participating states and National Coordinating Office</td>
</tr>
<tr>
<td>5.</td>
<td>Agreement on Memorandum of financial services and service standards between Project Financial Management Units and the Agencies.</td>
<td>Negotiations.</td>
<td>State Commercial Agriculture Development Office/Project financial Management Units</td>
</tr>
</tbody>
</table>

### Planning and Budgeting

Cash budget preparation will follow the government procedures. Financial projections or forecasts for the life of the Project (analyzed by year) will be prepared. On an annual basis, the Project Accountant in NCO and PFMUs (in consultation with key members of the implementing unit) will prepare the cash budget for the coming period based on the work program. The cash budget should include the figures for the year, which is analyzed by quarter. The cash budget for each quarter will reflect the detailed
specifications for project activities, schedules (including procurement plan), and expenditure on project activities scheduled respectively for the quarter. All annual cash budgets will be sent to the Task Team Leader (TTL) at least two months before the beginning of the project fiscal year.

5.3.1 Budgeting and Budgetary Controls

5.3.2 Budgeting

101. Project cost tables are included in all World Bank project appraisal documents. These tables, which are prepared using the Bank’s software (COSTAB), typically show expenditure by components and activities, the nature of the expenditure, expenditure timing, source of funding, and type of procurement. However, in some cases, Project activities are not determined much beyond the first year apart from broad areas or themes. Therefore, the lack of a detailed budget at the start of the project could be problematic and it is important that simple budgeting procedures are determined and put in place prior to project effectiveness.

102. Each SCADO will submit to the SSC annual work plan and budget derived from their Project components not later than first of September each year in accordance with the Project Implementation Manual (PIM). These will be consolidated into individual Project Annual Work Plan, which will be forwarded to the World Bank for review and no-objection.

103. The Work Plan will use the trends and assumptions in the PIM and the PAD, and in particular the Project Cost Table, to set out the PIU’s specific objectives, targets, performance measures and financial plan for the forthcoming financial year, and the way in which those will be met. The agreed Work Plan for the year shall be the basis for developing an annual budget and a financing plan for each of the Projects of which finances are being managed and integrated by the State PFMU, which shall cover both recurrent operational and investment/development costs of the respective PIU. The Financial Plan will lay emphasis on funds requirements as well as the timing.

104. The State PFMU will submit its detailed budget and the associated financial plan to the State Accountant General. Each Project’s Annual Budget and the related Financial Plan shall be presented to the PIU concerned for review and confirmation before they are submitted to the Accountant General and the Bank. The Accountant General will have the ultimate responsibility for ensuring that the budget forms part of the overall State budget for Bank-assisted Projects and is approved by the legislature, and that the related counterpart funds are released on a timely basis. A copy of the annual budget should be sent by the Head of the PIU to the World Bank at least 30 days before the beginning of the applicable financial year.

105. Once the Annual Budget is approved, the necessary budgetary control machinery shall be put in place to ensure effective monitoring of the activities under the various components of the Projects. The State PFMU shall maintain separate Vote Control Book for each of the Projects and Expenditures will be collated to update the Vote Control Books and monitor allocations. No expenditure or Local Purchase Order (LPO) commitment will be authorized by the respective Heads of PIU except in accordance with the approved budget.

106. The annual Budget will include for each Project, forecast balance sheet, income and expenditure statement, sources and uses of fund, and the planned capital expenditure, usually broken down by category and by components.
5.3.3 Budgetary Control

107. The Budget shall provide a mechanism for ensuring that adequate controls are maintained over expenditure and revenue using the Vote Control Books. The PFMU will carry out the following activities:

- PFMU will make reference to the appropriate Vote Control Book to ensure that requests for funds are within the budget limit
- PFMU will advise against payment where allocated amounts have been exhausted
- PFMU will ensure that all qualifying requests for funds are backed up by relevant documents and are in line with the annual work plan.

108. At the end of every quarter, before the 15th of the month following the quarter, the PFMU shall prepare Financial Monitoring Report for each PIU which will include a Budget Report. The Budget Report shall comprise of the expenditure for the quarter as well as the accumulated figures, the latter figures being further compared with the corresponding budget figures and deviations between budgeted amounts and actual expenditure stated, in both amount and percentage.

109. Significant variances shall be investigated and explained. This report shall be sent to the Head of the PIU concerned, the Bank, the Debt Management Office and the Federal Ministry of Finance (Multilateral Department). The process of informing the PIU management about the level of actual expenditure as compared to budget limits will be part of the project monitoring system.

5.4 Fund Flows and Disbursement Arrangements

5.4.1 Bank and IDA Accounts

110. The overall project funding will consist of IDA credit, counterpart funds from the Federal and State governments and contributions from beneficiaries. IDA will disburse the credit proceeds through a US$ Designated Account (DA) consisting of (a) one DA for the federal component managed by NCO (Account A) and (b) one DA for each participating state which will be managed by the PFMUs (Account B). This process is reflected in figure 5.1 below while figure 2.1 on page 7 describes the flow of funds under the grant scheme.

111. Specific funding, banking and accounting arrangements are as follows:

- A US$ domiciliary account will be opened in a reputable commercial bank acceptable to IDA to which the initial deposit and replenishments from IDA funds will be lodged;
- A Current (US$ Interest) Account with a reputable commercial bank acceptable to IDA to which interest on the DA will be credited;
- A Current (Drawdown) Account in Naira with bank X to which draw-downs from the DA will be credited once or twice per month in respect of incurred eligible expenditures, maintaining balances on this account as close to zero as possible after payments;
- A Current (Project) account in Naira with bank X to which Counterpart Funds will be deposited;
A Current (Naira Interest) Account in Naira with bank X to which interest on Counterpart Funds will be credited.

112. All bank accounts will be reconciled with bank statements on a monthly basis by the NCO and PFMUs. A copy of each bank reconciliation statement together with a copy of the relevant bank statement will be reviewed monthly by the Project Accountant who will expeditiously investigate identified differences. Detailed banking arrangements, including control procedures over all bank transactions (e.g., check signatories, transfers, etc.) will be documented in the FPM.

113. Additionally, they will each maintain an IDA Ledger Loan Account in US Dollars/Naira/SDRs to keep track of withdrawals from the IDA credit. The account will show (i) deposits made by IDA, (ii) direct payments by IDA, and (iii) opening and closing balances.

114. NCO and PFMUs will maintain a cumulative record of drawdowns from the IDA credit that will be reconciled monthly with the Disbursement Summary provided by the Bank.

115. The contributions of the beneficiaries for component 1, sub-component (a) (Technology Demonstration and Adoption) will be defined in the sub-project agreement between SCADOs and CADAs. The contribution will be regarded as part of the counterpart contribution for the project. Simple records will be maintained by the CADA Management Committee to record contributions in cash, materials and labour and will be subject to both internal and external audit. The format will be documented in the PIM.

116. The NCO and PFMUs will be responsible for preparing and submitting consolidated applications for withdrawal to the Bank as appropriate. Appropriate procedures and controls, which will be documented in the FPM, will be instituted to ensure disbursements and flow of funds are carried out in an efficient and effective manner.
Figure 5.1: Funds Flow Diagram

IDA

Designated Account (A) ($ NCO
Drawdown (Zero Balance) Naira A/C
NCO Expenditures

Designated Account (B) ($ SCADO
Drawdown (Zero Balance) Naira A/C
Matching Grants to CIGs
Other DA Expenditures

Government Budget

Project (Naira Counterpart Funds) A/C
Counterpart Fund A/C Expenditure
5.5 Disbursement Methods

117. Disbursement arrangements and use of funds: Proceeds of the financing will follow the standard Bank procedures for Investment Lending for use by the Borrower for eligible expenditures as defined in financing agreement. Disbursement arrangements have been designed in consultation with the Borrower after taking into consideration the assessments of Borrower’s financial management and procurement arrangements, the procurement plan, cash flow needs of the operation and the Borrower’s prior disbursement experience. Additional instructions for disbursements have been provided in a Disbursement Letter issued for this project.

118. Disbursement methods: This Credit will be disbursed through various disbursement methods, including advances, reimbursements, direct payments and special commitments. Advances will be disbursed into a multiple Designated Account(s) (DAs), one each for the project management agency at the National Coordination Office (NCO), Federal Ministry of Agriculture and Water Resources and each Participating State (PFMU). Direct payments are authorized for payments to larger value contracts, including all Output and Performance based Roads Contracts (OPRC).

119. Designated of Accounts: Accounts will be designated in US Dollars and will be segregated from other financing partners. Considering the cash flow requirements and project design, a flexible ceiling will be determined for the DAs for the operation, based on 50% of expenditure forecast as provided in Annual Work Plans and Budgets as approved by IDA, separately for federal implementing agency (FMAWR) and each Participating State. The first Application from each Participating State should include as an attachment, a copy of the Subsidiary Agreement duly executed between the Recipient and the Participating State, in form and substance satisfactory to the Association.

120. Reporting on use of Funds: Supporting documentation will be requested along with withdrawal Applications as specified in the Disbursement Letter. This will comprise Statements of Expenditure (SOE) for payments made by Borrower from the amounts advanced to the Designated Accounts and requests for reimbursements for eligible expenditure. Copies of original documents or records shall be requested only for certain categories of expenditures above financial thresholds specified in the Disbursement Letter. The following additional information will be requested in the Statement of Expenditure:

- For disbursement of matching Grants to communities, information on the identity of the Beneficiary, the identity of the Commodity Interest Group (CIG) and/or the Commercial Agricultural Development Association (CADA) with the date of its legal registration and the date of the Grant Agreement with the beneficiary.

- For all payments made to Commercial Agricultural Development Association (CADA) at Participating States, the reference number/date of Sub-Project agreement between the SCADO and the CADA.

- In case of ‘matching grants’ that are co-financed by beneficiaries and eligible expenditures that are co-financed by Federal or State Government agencies, the SOE shall indicate for each expenditure item reported with the Application (a) the total amount of expenditure, (b) the amount that has been financed by sources other than IDA, such as Beneficiaries and counterpart funding from Federal or State Governments, and (c) the balance that is eligible for IDA financing in accordance with the financing agreement.
• **For requests for Direct Payment:** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices, and documentary evidence of delivery/completion of contracted goods or service. For payments under all Output and Performance based Roads Contracts (OPRC), an independent verification report of the outputs shall also be provided with each Application.

121. Copies of Bank statements and reconciliation statements shall be requested with each Withdrawal Application.

### 5.6 Counterpart Funding

122. The Government must make all necessary arrangements to ensure the timely mobilization of the counterpart funds needed for project implementation.

**Monthly Replenishment Applications**

123. The DAs will be replenished through the submission of Withdrawal Applications on a monthly basis by the PFMUs and NCO and will include reconciled bank statements and other documents as may be required until the Borrower chooses to convert to report-based disbursement.

**Disbursements by Category**

124. Table 5.3 below shows the expenditure categories and percentages to be financed out of the Credit. Allocations to disbursement categories have been made based on the project's work plans. Disbursements will be based on the work plans agreed annually with the Bank. In order to provide maximum flexibility and disbursement based on implementation performance, about 9.46 percent of project funds will remain in the unallocated category until the mid-term review when they can be allocated as needed to each category under the project.

**Table 5.3: Disbursement Categories**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works</td>
<td>29,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods and equipment</td>
<td>35,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training and workshops</td>
<td>4,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Consultant services</td>
<td>9,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Grants</td>
<td>10,000,000</td>
<td>100% of amounts disbursed to the Beneficiaries</td>
</tr>
<tr>
<td>(6) Operating Costs</td>
<td>2,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Refund of Preparation Advance</td>
<td>700,000</td>
<td>Amount payable pursuant to Section</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Credit Allocated (expressed in SDR)</td>
<td>Percentage of Expenditures to be Financed</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.07 of the General Conditions</td>
</tr>
<tr>
<td>(8) Unallocated</td>
<td>9,000,000</td>
<td></td>
</tr>
<tr>
<td>Total Amount</td>
<td>100,700,000</td>
<td></td>
</tr>
</tbody>
</table>
Table 5.4: Drawdown and Counterpart Contribution for Project.

<table>
<thead>
<tr>
<th>S/N</th>
<th>COMPONENT</th>
<th>IDA Counterpart contribution</th>
<th>Total</th>
<th>FGN</th>
<th>Cross Rivers</th>
<th>Enugu</th>
<th>Kaduna</th>
<th>Kano</th>
<th>Lagos</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Technical Demonstration &amp; Advisory Services</td>
<td>11.60</td>
<td>10.00</td>
<td>21.60</td>
<td>2.32</td>
<td>2.00</td>
<td>2.32</td>
<td>2.00</td>
<td>2.32</td>
</tr>
<tr>
<td>b</td>
<td>Support to Staple</td>
<td>50.00</td>
<td>50.00</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>c</td>
<td>Market Facilitation</td>
<td>4.90</td>
<td>3.00</td>
<td>7.90</td>
<td>0.98</td>
<td>0.60</td>
<td>0.98</td>
<td>0.60</td>
<td>0.98</td>
</tr>
<tr>
<td>d</td>
<td>Capacity Building</td>
<td>2.90</td>
<td>2.00</td>
<td>4.90</td>
<td>1.00</td>
<td>0.38</td>
<td>0.38</td>
<td>0.38</td>
<td>0.40</td>
</tr>
<tr>
<td></td>
<td>Sub total</td>
<td>69.40</td>
<td>15.00</td>
<td>84.40</td>
<td>1.00</td>
<td>1.00</td>
<td>13.68</td>
<td>2.80</td>
<td>13.68</td>
</tr>
<tr>
<td>2a</td>
<td>Network of Rural Roads</td>
<td>42.00</td>
<td>8.00</td>
<td>50.00</td>
<td>8.40</td>
<td>1.60</td>
<td>8.40</td>
<td>1.60</td>
<td>8.40</td>
</tr>
<tr>
<td>b</td>
<td>Rural Energy</td>
<td>26.00</td>
<td>4.00</td>
<td>30.00</td>
<td>5.20</td>
<td>0.80</td>
<td>5.20</td>
<td>0.80</td>
<td>5.20</td>
</tr>
<tr>
<td></td>
<td>Sub total</td>
<td>68.00</td>
<td>12.00</td>
<td>80.00</td>
<td>0.00</td>
<td>0.00</td>
<td>13.60</td>
<td>2.40</td>
<td>13.60</td>
</tr>
<tr>
<td>3a</td>
<td>Project Management</td>
<td>5.30</td>
<td>3.50</td>
<td>8.80</td>
<td>1.50</td>
<td>1.50</td>
<td>0.76</td>
<td>0.40</td>
<td>0.76</td>
</tr>
<tr>
<td>b</td>
<td>Monitoring &amp; Evaluation</td>
<td>2.00</td>
<td>0.80</td>
<td>2.80</td>
<td>0.50</td>
<td>0.50</td>
<td>0.30</td>
<td>0.06</td>
<td>0.30</td>
</tr>
<tr>
<td>c</td>
<td>Strengthening of relevant institutions</td>
<td>2.50</td>
<td>2.50</td>
<td>5.00</td>
<td>1.00</td>
<td>1.00</td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
</tr>
<tr>
<td>d</td>
<td>Studies</td>
<td>1.80</td>
<td>1.20</td>
<td>3.00</td>
<td>1.60</td>
<td>1.00</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>Sub total</td>
<td>11.60</td>
<td>8.00</td>
<td>19.60</td>
<td>4.60</td>
<td>4.00</td>
<td>1.40</td>
<td>0.80</td>
<td>1.40</td>
</tr>
<tr>
<td>4</td>
<td>Project Preparatory Fund</td>
<td>1.00</td>
<td>0.00</td>
<td>1.00</td>
<td>5.60</td>
<td>5.00</td>
<td>28.68</td>
<td>6.00</td>
<td>28.68</td>
</tr>
</tbody>
</table>
Table 5.5: Guide to State Level Fund Disbursement by Category

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>ALLOCATION</th>
<th>2009 (20%)</th>
<th>2010 (30%)</th>
<th>2011 (20%)</th>
<th>2012 (20%)</th>
<th>2013 (10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DD CC TT</td>
<td>DD CC TT</td>
<td>DD CC TT</td>
<td>DD CC TT</td>
<td>DD CC TT</td>
<td>DD CC TT</td>
</tr>
<tr>
<td>1 Technical Demonstration &amp; Advisory Services</td>
<td>2.32 0.40 0.86</td>
<td>0.70 0.60 1.30</td>
<td>0.46 0.40 0.86</td>
<td>0.46 0.40 0.86</td>
<td>0.23 0.20 0.43</td>
<td></td>
</tr>
<tr>
<td>b. Support to Staple</td>
<td>10.00 2.00 2.00</td>
<td>2.00 0.00 3.00</td>
<td>2.00 0.00 2.00</td>
<td>2.00 0.00 2.00</td>
<td>1.00 0.00 1.00</td>
<td></td>
</tr>
<tr>
<td>c. Market Facilitation</td>
<td>0.98 0.12 0.32</td>
<td>0.29 0.18 0.47</td>
<td>0.20 0.12 0.32</td>
<td>0.20 0.12 0.32</td>
<td>0.10 0.06 0.16</td>
<td></td>
</tr>
<tr>
<td>d. Capacity Building</td>
<td>0.38 0.08 0.12</td>
<td>0.11 0.06 0.17</td>
<td>0.08 0.04 0.12</td>
<td>0.08 0.04 0.12</td>
<td>0.04 0.02 0.06</td>
<td></td>
</tr>
<tr>
<td>Sub total</td>
<td>13.68 2.80 3.30</td>
<td>4.10 0.84 4.94</td>
<td>2.74 0.56 3.30</td>
<td>2.74 0.56 3.30</td>
<td>1.37 0.28 1.65</td>
<td></td>
</tr>
<tr>
<td>2a Network of Rural Roads</td>
<td>8.40 1.60 2.00</td>
<td>1.68 0.32 2.00</td>
<td>1.68 0.32 2.00</td>
<td>1.68 0.32 2.00</td>
<td>0.84 0.16 1.00</td>
<td></td>
</tr>
<tr>
<td>b. Rural Energy</td>
<td>5.20 0.80 1.20</td>
<td>1.04 0.16 1.20</td>
<td>1.04 0.16 1.20</td>
<td>1.04 0.16 1.20</td>
<td>0.52 0.08 0.60</td>
<td></td>
</tr>
<tr>
<td>Sub total</td>
<td>13.60 2.40 3.20</td>
<td>2.08 0.48 4.80</td>
<td>2.08 0.48 4.80</td>
<td>2.08 0.48 4.80</td>
<td>1.36 0.24 1.60</td>
<td></td>
</tr>
<tr>
<td>3a Project Management</td>
<td>0.76 0.15 0.35</td>
<td>0.15 0.08 0.23</td>
<td>0.15 0.08 0.23</td>
<td>0.15 0.08 0.23</td>
<td>0.08 0.04 0.12</td>
<td></td>
</tr>
<tr>
<td>b. Monitoring &amp; Evaluation</td>
<td>0.30 0.06 0.09</td>
<td>0.06 0.02 0.11</td>
<td>0.06 0.01 0.07</td>
<td>0.06 0.01 0.07</td>
<td>0.03 0.01 0.04</td>
<td></td>
</tr>
<tr>
<td>c. Strengthening of relevant institutions</td>
<td>0.30 0.06 0.12</td>
<td>0.06 0.09 0.18</td>
<td>0.06 0.06 0.12</td>
<td>0.06 0.06 0.12</td>
<td>0.03 0.03 0.06</td>
<td></td>
</tr>
<tr>
<td>d. Studies</td>
<td>0.04 0.04 0.24</td>
<td>0.01 0.01 0.02</td>
<td>0.01 0.01 0.02</td>
<td>0.01 0.01 0.02</td>
<td>0.00 0.00 0.01</td>
<td></td>
</tr>
<tr>
<td>Sub total</td>
<td>1.40 0.28 0.44</td>
<td>0.42 0.24 0.66</td>
<td>0.28 0.16 0.44</td>
<td>0.28 0.16 0.44</td>
<td>0.14 0.08 0.22</td>
<td></td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>28.68 5.74 6.94</td>
<td>8.60 1.80 10.40</td>
<td>5.74 1.20 6.94</td>
<td>5.74 1.20 6.94</td>
<td>2.87 0.60 3.47</td>
<td></td>
</tr>
</tbody>
</table>
5.7 **Internal Control and Auditing**

125. Internal control comprises the whole systems of the control framework, financial or otherwise, established by the NCO and SCADO in order to (i) carry out the project activities in an orderly and efficient manner; (ii) ensure adherence to policies and procedures; (iii) safeguard the assets of the project; and (iv) secure the completeness and accuracy of the financial and other records.

The key elements to ensure a sound internal control system will include:

- Internal control environment;
- Risk assessment;
- Control activities;
- Information and communication; and,
- Monitoring.

126. Project activities will be periodically reviewed by the Internal Audit Unit (IAU) of the PFMUs and NCO. The Head of IAU in the PFMU will report to the Project Manager whilst the Head of IAU in NCO will report to the Director NFRA and at a minimum they will (i) carry out periodic reviews of project activities, records, accounts and systems; (ii) ensure effectiveness of financial and accounting policies and procedures, as well as compliance with internal control mechanisms; (iii) review SOEs; (iv) physically verify purchases and assets; and (v) carry out other functions as stated in their approved charter. The internal auditors in the PFMU and at NCO are accountants. They will undergo training in the Bank’s financial management and disbursement procedures, as well as training on risk-based auditing.

**5.7.1 External Audit**

127. The TOR for External Auditor requires the submission of Consolidated Audited Project Financial Statements within six months after year-end to IDA.

128. NCO and PFMUs will each appoint qualified external auditors on Terms of Reference acceptable to the Bank. Besides expressing an opinion on the Project Financial Statements in accordance with International Standards on Auditing (ISAs), the auditors will be required to include a separate opinion paragraph on the accuracy and propriety of expenditures made under the Statements of Expenditures (SOE) procedures and the extent to which these can be relied upon as a basis for fund disbursements. Regarding each DA, the auditors will also be expected to form an opinion on the degree of compliance with IDA procedures and the balance at the year-end for each DA.

129. In addition to the audit report, the external auditors will be expected to prepare Management Letters giving observations and comments, and providing recommendations for improvements in accounting records, systems, controls and compliance with financial covenants in the IDA agreement.

**5.7.2 Accounting**

130. IDA and Counterpart Funds will be accounted for by the Project on a cash basis, augmented with appropriate records and procedures to track commitments and to safeguard assets. Accounting records will be maintained in dual currencies (that is, Naira and Dollar).
131. The Chart of Accounts will facilitate the preparation of relevant monthly, quarterly and annual financial statements, including information on the following:

- Total project expenditures;
- Total financial contribution from each financier;
- Total expenditure on each project component/activity; and
- Analysis of total expenditure into civil works, various categories of goods, training, consultants and other procurement and disbursement categories.

132. Annual financial statements will be prepared in accordance with relevant International Public Sector Accounting Standards (IPSAS).

133. All accounting and control procedures will be documented in the FPM and regularly updated by the Project Accountants and approved by the SCADO and NCO and shared with IDA and the Government.

5.8 Financial Reporting

134. Within the NCO and SCADO, the project coordinator will ensure that the project accountant prepares **Interim Financial Reports** (IFRs) i.e. monthly and quarterly and **Annual Financial Statements**, on a timely basis to be submitted by the NCO and PFMU. In compliance with government reporting requirements, monthly returns will be made to the Federal and States Accountants General for incorporation in the governments accounts, as described in the FPM. These reports and financial statements are outlined below. Quarterly and Annual reports are to be submitted respectively to (i) NSC, NCO, SCADO, SSC, State Ministry of Finance (SMOF), SMOA, FMAWR and Federal Ministry of Finance (FMOF); and (ii) IDA – for the purpose of monitoring project implementation.

5.8.1 Monthly Reports: On a monthly basis, the accountant in the NCO and PFMUs will prepare and submit the following reports to the Project Coordinators:

- A Bank Reconciliation Statement for each bank account
- A Monthly Statement of Cash Position for project funds from all sources, taking into consideration significant reconciling items
- A Monthly Statement of Expenditures classified by project components, disbursement categories, and comparison with budgets, or a variance analysis; and
- A Statement of Sources and Uses of funds (by Credit Category/Activity showing IDA and Counterpart Funds separately).

5.8.2 Quarterly Reports: The following interim financial report will be prepared by the NCO and PFMUs (i.e. each state separately) on a quarterly basis and submitted to IDA and the Project coordinators:

- Financial Reports, which include a statement showing for the period and cumulatively (project life or year to date), inflows by sources and outflows by main expenditure classifications, opening and closing cash balances of the project and supporting schedules comparing actual and budgeted expenditures. The reports will also include
cash forecasts for the following two quarters as well as analysis of disbursements against contracts.

- SOE withdrawal schedule, listing individual withdrawal applications relating to disbursements by the SOE method, by reference number, date and amount; and
- Designated account statement reconciliation, showing deposits and replenishments received, payments supported by withdrawal applications, interest earned on the account and the balance at the end of the reporting period.

135. Each PFMU will submit a copy of the quarterly Project Interim Financial Report to the SCADO.

136. Indicative formats for the reports are available in a Bank guideline called “Financial Monitoring Reports: Guidelines to Borrowers”. The format of IFRs has been agreed at negotiations.

5.8.3 Annual Financial Statements: The annual Project Financial Statements, which will be prepared by the NCO and PFMUs, (i.e. each state separately) will include the following:

- A Statement of Sources and Uses of funds (by Credit Category and Activity showing IDA and Parallel Funds separately);
- A Statement of Cash Position for Project Funds from all sources;
- Statements reconciling the balances on the various bank accounts (including IDA Designated Account) to the bank balances shown on the Statement of Sources and Uses of Funds;
- SOE Withdrawal Schedules listing individual withdrawal applications relating to disbursements by the SOE Method, by reference number, date and amount;
- Notes to the Financial Statements. Each PFMU will submit a copy of the Project Financial statements to the SSC. Also, it will forward a copy to NCO. NCO will submit the financial statements to NSC.

5.8.4 Auditing

137. The IDA Financing Agreement will require the submission of audited Annual Financial Statements for the project, within six months after year end.

138. Relevantly qualified, experienced and independent external auditor appointed for the PFMU and NCO will audit the project activities based on TOR acceptable to IDA.

139. The auditor will express an opinion on the Annual Financial Statements in compliance with International Standards on Auditing (ISAs). In addition to the audit report, the external auditors will prepare a Management Letter giving observations and comments, and providing recommendations for improvements in accounting records, systems, controls and compliance with financial covenants in the Financing Agreement.

5.8.5 Financial Management Supervision Plan

140. The financial management arrangements will be reviewed periodically as part of project and/or PFMU and NCO supervision missions. The first FM review will be carried out after 6 months of project implementation. This detailed review will cover all aspects of FM, internal control systems,
reviewing the overall fiduciary control environment and tracing transactions from the bidding process to disbursements as well as SOE review. The supervision intensity will be based on risk, initially on the PAD FM risk rating and subsequently on the updated FM risk rating during implementation. Reviews will be, FM supervision visits based on risk; review of quarterly IFRs; review of audited Annual Financial Statements and management letter as well as timely follow up of issues arising; annual SOE review which will be jointly done with the post audit review by the procurement unit; participation in project supervision missions as appropriate; and updating the financial management rating in the Implementation Status Report (ISR). The World Bank’s project team will play a key role in monitoring the timely implementation of the action plan.

6.0 PROCUREMENT ARRANGEMENT

6.1 Introduction

141. The Public Procurement Act was promulgated in Nigeria in June 2007 with a view to further sanitize public procurement system, which has often been the subject of abuse and corruption. This will further bring significant improvement in the existing procurement system in the public service and enhance transparency. The Act adheres to the principles of the UNCITRAL model law, and outlines the principles of open competition, transparent procurement procedures, clear evaluation criteria, award of contract to the lowest evaluated tender, and contract signature. The legislative framework is applicable to all procurement categories (suppliers, contractors, consultants) and must be applied for all public funds regardless of value. The Act has provisions for exceptions to competitive tendering, which are the exception rather than the rule. In addition, Government has already prepared relevant implementation Regulations, Standard Bidding Documents (SBD) and Manuals for the Procurement of Goods, Works and Consulting Services, which describes the minimum contents of the tender and proposal documents. The essential elements are in line with internationally acceptable procurement standards. The Procurement Act also presents for complaints and appeals mechanism to be established to enhance accountability.

6.2 Procurement Guidelines

142. Procurement for the proposed Project will be carried out in accordance with the World Bank’s "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004; and revised in October, 2006; "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, and revised in October, 2006; and the provisions stipulated in the Legal Agreement. The various items under different expenditure categories are described in general below. For each contract to be financed by the Loan/Credit, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame has been agreed between the Borrower and the Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The 18 months procurement plan is in Annex 3.

6.3 Procurement of Works

143. Major works procurement under this project will take place at each SCADO. The works procured will include rural network of feeder roads, power lines, transformers, poles and accessories, etc. Procurement will be carried out using the Bank’s Standard Bidding Documents (SBD) for all International Competitive Bidding (ICB) contracts and National SBD agreed with or satisfactory to the Bank. By applying Output and Performance-based Contracting (OPRC), the procurement will differ
from traditional works contracts. While in a traditional contract, the scope of works is clearly defined and payments are made in accordance with the measured amount of works. OPRC pays the contractor as long as he performs, i.e. complies with the Level of Service requirements. Contract periods of five years are envisaged, combining initial rehabilitation and maintenance. The procurement will be done based on the Bank’s Sample Bidding Document for OPRC under International Competitive Bidding (ICB) procedures satisfactory to the Bank. An experienced consulting firm will assist each State with the design and preparation of bidding documents and will further assist in the evaluation of bids. Contractors for the road packages will be pre-qualified.

144. However, minor civil works estimated to cost less than US$50,000 equivalent per contract, which are labour intensive, spread over time, and which do not lend themselves to grouping are unlikely to attract foreign bidders. Such works may be procured under shopping procedures as detailed in paragraph 3.5 of the “Guidelines: Procurement under IBRD Loans and IDA Credits” May, 2004 and June 9, 2000 and the Memorandum “Guidance on shopping” issued by the Bank.

6.4 Procurement of Goods

145. Goods procured under this Project will include furniture, Environmental Management Information System (EMIS), project vehicles, computers and accessories, software, communication and office equipment, etc. Goods procurement will be done using the Bank’s SBD for all ICB and National SBD designed on the basis of Bank Standard Bidding Documents. Procurement for readily available off-the-shelf goods that cannot be grouped, or standard specification commodities for individual contracts of less than US$50,000 equivalent, may be procured under shopping procedures as detailed in paragraph 3.5 of the "Guidelines: Procurement under IBRD Loans and IDA Credits" May, 2004, and the “Guidance on Shopping Memorandum” issued by IDA, June 9, 2000. Such contracts will be awarded on the basis of written quotation obtained from at least three qualified suppliers in response to a written invitation. The invitation will include a detailed description of the goods, including basic specifications, quantities, quotation submission deadlines, completion dates, a basic form of agreement, and any other relevant information. The Procurement Plan details out where such method will be applicable. In addition, minor civil works may be implemented by the CIGs using procedures based on the Africa Region’s Guidelines - Simplified Procurement and Disbursement Procedures for Community-Based Investments.

6.5 Selection of Consultants

146. Consultancy services among others will be, (i) Technical Assistance, (ii) Technical support for implementation of project management, (iii) Financial Management and Procurement, and (iv) Prioritization of OPRC intervention areas and Feasibility, design and preparation of OPRC bidding documents. Consultants will be selected using Request for Expressions of Interest, short-lists and the Bank’s Standard Requests for Proposal, where required by the Bank’s Guidelines. Short-lists of consultants for services estimated to cost less than US$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraphs 2.7 through 2.8 of the Consultant Guidelines. Research Institutes, public training institutions and NGOs may be hired to carry out specific researches, training, distribution and monitoring services in accordance with paragraph 1.11 (b – d) and 3.16 of the Consultant Guidelines.
6.6 Operating Costs

147. The operating costs shall include staff travel expenditures and other travel-related allowances with prior clearance from IDA; equipment rental and maintenance, vehicle operation, maintenance and repair, office rental and maintenance, materials and supplies, utilities and communication expenses and bank charges. Operating Costs financed by the project will be procured using the implementing agency’s administrative procedures, which is acceptable to the Bank.

6.6.1 Trainings, Workshops, Seminars and Conferences

148. Training, workshops, seminars, conferences attendance, and study tours will be carried out based on approved annual programs that will identify the general framework for training and similar activities for the year, including the nature of training/study tours/workshops, the number of participants, and cost estimates. The participants and beneficiaries of such programs will, in general, be required to file a report within a stipulated period upon resumption of duty.

6.7 Assessment of the agency’s capacity to implement procurement

149. An assessment of the capacity of the Implementing Agency to implement procurement actions for the project was carried out in accordance with Procurement Services Policy Group (OCSPR) guidelines dated August 11, 1998. The assessment reviewed the organizational structure for implementing the project and the roles of the key actors in project implementation. The detailed assessment is in the project files.

150. The assessment revealed that the Agricultural Sector at both the Federal and State levels has a long history of implementing various Bank-financed projects, which date back to 1974. Lagos State, which is one of the participating States in this project, is currently implementing Fadama II, while all the five States will also participate in the recently approved Fadama III project. During the assessment, it was observed that some of the teams that implemented previous Bank-financed projects have been seconded to work on other programs, therefore creating gaps in such state’s procurement capacity. Recently conducted Post-Procurement review identified insufficient knowledge of procedures for selection and employment of consultant, poor documentation, i.e. inadequate record keeping, non-adherence to procurement scheduling and insufficient contract management skills as major procurement weaknesses in the Agriculture sector in the participating states. For instance, the latter resulted into non-payment for some contracts executed since 1996 under the Cross Rivers Agricultural Development Programme. Capacity building initiatives under the CADP will focus attention on these lapses. Therefore, Sector Specific contract management workshop will be organized for project teams not later than six months of project implementation. To further strengthen the efficient and effective utilization of Credit fund, the following action plans were agreed with Government during project appraisal.
<table>
<thead>
<tr>
<th></th>
<th>Action</th>
<th>Responsibility</th>
<th>Due Date</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strengthening of NCO capacity to manage and coordinate Bank financed projects.</td>
<td>Bank and NCO</td>
<td>On a continuous basis</td>
<td>Experienced Procurement Specialist to be engaged to strengthen NCO.</td>
</tr>
<tr>
<td>2</td>
<td>Procurement Plan for the first 18 months prepared and agreed with the Bank</td>
<td>NCO and participating states</td>
<td>By Appraisal</td>
<td>Completed.</td>
</tr>
<tr>
<td>4</td>
<td>Adoption of the Bank Standard Bidding Documents for use under NCB in lieu of lack of National Standard Bidding Document</td>
<td>NCO and Bank</td>
<td>By Appraisal</td>
<td>Completed.</td>
</tr>
<tr>
<td>5</td>
<td>Training of SCADO on contracting and monitoring arrangement to promote accountability and transparency.</td>
<td>Bank and NCO</td>
<td>Not later than 2-3 months of project implementation.</td>
<td>Training to be repeated by NCO and SCADO in each participating states periodically.</td>
</tr>
<tr>
<td>6</td>
<td>Hold periodic meetings with business communities within the project environment and organize open meetings with NCO and SCADO.</td>
<td>NCO and SCADOs</td>
<td>Not later than 3 months of project implementation.</td>
<td>On a continuous basis.</td>
</tr>
<tr>
<td>7</td>
<td>Establish a central complaint database/website/internet and/or hot-lines</td>
<td>NCO and SCADOs</td>
<td>Not later than 2 months after project implementation.</td>
<td>To reduce the risk of misuse of project funds.</td>
</tr>
<tr>
<td>8</td>
<td>Establish proper procurement filling system and develop procurement tracking system.</td>
<td>NCO and each SCADOs</td>
<td>During project implementation period.</td>
<td>To ensure easy retrieval of information/data and enhance accountability.</td>
</tr>
<tr>
<td>Action</td>
<td>Responsibility</td>
<td>Due Date</td>
<td>Remarks</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>----------------</td>
<td>------------------------------</td>
<td>------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Publication of Contract awards and list of beneficiaries</td>
<td>NCO and SCADOs</td>
<td>on quarterly basis</td>
<td>On a continuous basis.</td>
<td></td>
</tr>
<tr>
<td>Conduct Independent Technical Audit (separate from annual external financial audit)</td>
<td>Bank</td>
<td>Annually</td>
<td>To reduce the risk of misuse of project funds.</td>
<td></td>
</tr>
<tr>
<td>Organize specific Sector Contract Management training for project teams of participating States</td>
<td>NCO/Bank</td>
<td>First at the beginning of project implementation and 2nd run at MTR.</td>
<td>To improve project staff cont. mgt. skills.</td>
<td></td>
</tr>
</tbody>
</table>

6.8 Procurement Plan

151. The Borrower has prepared procurement plan for project implementation, which will provide the basis for the procurement methods for each participating State. This plan was reviewed and agreed between the Bank and the Project Team at appraisal and negotiations respectively, and was made available to the participating States Ministries of Agriculture. It is also available in the Project’s database and in the Bank’s external website. The Procurement Plan will be updated in agreement with the Project Team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity using the work plan template and procedures manual in Annexes 5 and 6.

6.8.1 Frequency of Procurement Supervision

152. In addition to prior review supervision to be carried-out from Bank offices, the capacity assessment of the Implementing Agency has recommended at least two supervision missions to visit the field to carry out post-procurement review every year. An Independent Procurement Audit will be conducted to contribute to the mid-term review exercise.

6.8.2 Publication of Results and Debriefing

153. On-line (DG Market, UN Development Business, and/or Client Connection) publication of contract awards will be required for all ICB, NCB, Direct Contracting and the Selection of Consultants for contracts exceeding a value of US$200,000. In addition, where pre-qualification has taken place, the list of pre-qualified bidders will be published. With regard to ICB, and large-value consulting contracts, the Borrower will be required to assure publication of contract awards as soon as IDA has issued its ‘no objection’ notice to the recommended award. With regard to Direct Contracting and NCB, publication of contract awards could be in aggregate form on a quarterly basis and in local newspapers. All consultants competing for an assignment involving the submission of separate technical and financial proposals, irrespective of its estimated contract value, should be informed of the result of the technical evaluation (number of points that each firm received), before the opening of the financial proposals. The PSU will be required to offer debriefings to unsuccessful bidders and consultants, should the individual firms request such a debriefing. All approved CIGs sub-projects details shall also be published widely in public media and on a quarterly basis at the NCO web site and each State Agency web site where one exists.
### 6.8.3 Details of the Procurement Arrangements Involving International Competition on Goods, Works, and Non-Consulting Services

**Table 6.2: List of Contract Packages to be Procured Following ICB and Direct Contracting**

<table>
<thead>
<tr>
<th>Ref. No.</th>
<th>Contract (Description)</th>
<th>Estimated Cost “000”</th>
<th>Procurement Method</th>
<th>P-Q</th>
<th>Domestic Preference (yes/no)</th>
<th>Review by Bank (Prior/Post)</th>
<th>Expected Bid-Opening Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4x4</td>
<td>4x4 WD Jeep’s, 4x4 WD DC Pick-Ups &amp; Mini-Buses</td>
<td>1,215.00</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>MARCH 05, 2009</td>
<td></td>
</tr>
<tr>
<td>6.25</td>
<td>Post Harvest Processing Equipment</td>
<td>6,250.00</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>MAY 21, 2009</td>
<td></td>
</tr>
<tr>
<td>2,912.50</td>
<td>Foundation Seedlings I &amp; II, Certified Seeds, Fertilizers, Agro-chemical etc.</td>
<td>2,912.50</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>APRIL 16, 2009</td>
<td></td>
</tr>
<tr>
<td>9,852.50</td>
<td>Production Equipment</td>
<td>9,852.50</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>JULY 28, 2009</td>
<td></td>
</tr>
<tr>
<td>3,244.30</td>
<td>Processing Equipment</td>
<td>3,244.30</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>AUGUST 27, 2009</td>
<td></td>
</tr>
<tr>
<td>20,000.00</td>
<td>Construction of Rural Access Roads/Rehabilitation of Rural Roads/Road Maintenance</td>
<td>20,000.00</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>FEBRUARY 26, 2009</td>
<td>For the 5 Participating States</td>
</tr>
<tr>
<td>6,250.00</td>
<td>Land Development</td>
<td>6,250.00</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>APRIL 07, 2009</td>
<td>For the 5 Participating States</td>
</tr>
</tbody>
</table>

ICB contracts estimated to cost above US$500,000 per contract and all direct contracting will be subject to prior review by the Bank.
6.8.4 Consulting Services

Table 6.3: List of consulting assignments with short-list of international firms.

<table>
<thead>
<tr>
<th>Ref. No.</th>
<th>Description of Assignment</th>
<th>Estimated Cost</th>
<th>Selection Method</th>
<th>Review by Bank (Prior/Post)</th>
<th>Expected Proposals Submission Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>CADP/CQ/BM/01</td>
<td>Development of Business Manuals for Small and Medium Commercial Farms.</td>
<td>375.00</td>
<td>QCBS</td>
<td>PRIOR</td>
<td>April 15, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/TA/01</td>
<td>Technical Assistance and Feasibility Study for testing and adoption of new technologies for the identified value chains.</td>
<td>375.00</td>
<td>QCBS</td>
<td>PRIOR</td>
<td>May 20, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/WPD/01</td>
<td>Web Portal Development &amp; Establishment of Commercial Agriculture Information Kiosks.</td>
<td>300.00</td>
<td>QCBS</td>
<td>PRIOR</td>
<td>April 20, 2009</td>
<td></td>
</tr>
</tbody>
</table>

(b) Consultancy services estimated to cost above US$200,000 per contract and single source selection of consultants (firms) for assignments estimated to cost above US$100,000 will be subject to prior review by the Bank.

(c) Short-lists composed entirely of national consultants: Short-lists of consultants for services estimated to cost less than US$200,000 per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.
1.1 BACKGROUND

1. Facilitation is an important element of the Project overall success. It is a dynamic tool that will represent the instrument of building from the base level of various CIGs. The Project approach is based on the participation of CIGs that gather to form CADAs in the definition of problems affecting their businesses and the planning of workable solutions.

2. The main purpose of facilitation is to contribute to the sustainability of CIGs and CADAs activities. In addition to purely technical aspects, facilitation should also provide managerial, administrative and organizational tools for increasing CADAs’ participation and improving the performance of self-management.

3. Facilitation activities will be provided through specialized technical staff that are duly certified and assigned according to the specific areas or subject matter of training generally requested. Staff at SCADOs should promote integrated facilitation learning processes aimed at solving concrete problems inherent to the projects, or processing actions that respond to the interests and concerns of CADAs.

4. The objectives are to:

- inform potential beneficiaries about the Project, opportunities, eligible Commodity interest groups/other prospective groups;
- enable CIGs and CADAs to get organized, prepare and submit good quality sub-projects;
- increase the participation level of the CIGs and CADAs in making decisions;
- promote managerial, administrative, financial and organizational process in partnership with local service providers;
- develop local capacities in order to solve problems encountered in a pragmatic manner;
- transfer of the abilities and skill needed in using logical and analytical business principles in problem solving on commercial farms either singly or in conjunction with others as CIGs or CADAs;
- stimulate local initiative to make commercial farmers self-reliant in the final analysis especially in transiting from small- to medium-scale commercial farms.

1.2 ROLE OF FACILITATOR

- to understand and follow the way of thinking, and the dynamics required of commercial farming so that he/she can follow the appropriate approach and principles for the facilitation process;
- to stimulate local initiatives, motivate the CIGs/CADAs to take charge of their own development agenda, transfer information and expertise;
- to use and promote group procedures in addressing and providing individual and collective solutions to problems;
to use a positive approach to encourage the members of the Commercial Agriculture Development Project as well as to motivate them;
• to help the CIGs and CADAs to decide for themselves; the facilitator should never try to substitute himself/herself for the beneficiary CADA-member but rather to facilitate their making decisions collectively;
• to ensure that the participation process can provide benefits to the entire group rather than individual members;
• the facilitator should interact and ask questions in order to help the CIG and CADA members develop a thinking process whereby they take all the relevant aspects of an issue into account before they arrive at a decision. Subsequently, mobilize consensus around priorities and the actions which needed to be taken to execute decisions reached;
• to keep respect for the individual commercial farmer, appropriate language, and dressing must be used at all times.

1.3 FACILITATION

5. The facilitation process does not have a specific duration but depends on the aspect of commercial agriculture requiring facilitation at any point in time. For example, a market facilitation sub-component involves the provision of support for market development, awareness and knowledge sharing for commercial farmers. For this intervention, the needed period for facilitation may be long or short depending upon the stage of development the market has attained before CADP begins in the environment. It is expected that this will vary from CADA to CADA and CIG to CIG.

6. The facilitation process has two different stages, i.e., the CADAs assessment and organization.

7. The objective of the CADAs assessment will be to achieve a thorough understanding of the members groups’ socio-economic environment/space, physical location, village/area map, needs, strengths, culture, history and mentalities. In that stage, the facilitator should try to understand the commodity interest groups needs and identify potential leaders. The appropriate thing here will be one-on-one interaction and interview with potential leaders.

The “one on one” interviews are short discussions with a large representative number of the commodity interest groups.

8. The facilitators enable the process of identification by the commodity interest groups of their potential leaders as well as the process of recognition of those leaders by the members themselves. Throughout this process, the facilitators transfer communication skills, listening skills and skills for organizing meetings using participatory techniques to commodity interest groups. The CIGs are empowered to assume more and more responsibilities. Leadership will emerge out of this process.
9. The characteristics to watch out for in a good leader are:

- Ability to inspire confidence
- Readiness to/take on responsibilities
- Optimism and problem-solving orientation
- Trustworthiness in self and group members
- Flexibility and reception of other suggestions and ideas.

10. The first stage is important for the future activities of the facilitator and of the associations. The facilitator is now accepted by the project members and may work with the associations through their recognized/elected leaders and the groups become aware of the Project objectives and of their needs.

11. In the second phase of the CADAs organization, the user groups will receive support and assistance to develop proposals and plans and to get organized in order to analyze their problems, come up with technical solutions, plan for the implementation and ask for financial support from the Project. Although there is always the risk that large commercial farmers will hijack the process, the relatively smaller members are more likely to be empowered if they are actively involved in the diagnostic and priority setting exercises, in the planning of the CADAs actions in a democratic fashion.

12. The facilitator works especially with the group leaders in order to transfer abilities, organisation and knowledge.

1.3.1 The tools to use at the CIG level include:

1.3.1.1 Diagnosis

13. There is no one single way to go about this. Facilitators working with the groups will have to discuss with the commercial farmers which tools may be the most suitable for addressing their problems. Field experience shows that the other tools are mapping, clustering, and transecting the semi-structured interviews.

1.3.1.2 Mapping

14. In this exercise, various economic interest groups among project farmers make a drawing of how they see their farm businesses. Groups decide for themselves what they want to represent on their map and how. Usually, this exercise generates much enthusiasm among participants. Since mapping is done separately by various enterprise groups, it enhances the voice of each, and fosters a dialogue between them.

1.3.1.3 Semi-structured Interviews

15. The Semi-Structured Interview (SSI) is an ideal tool to better understand a particular issue. It falls somewhere between a general discussion and an organized survey. To ensure free expression
by the weak and guarantee greater inclusiveness, the SSI is carried out in sub-groups. It throws light on the activities of the various socio-professional groups, as well as on the utilization of resources.

1.3.1.4 Identification of Priorities

16. In diagnostic exercises, prospective project beneficiaries usually identify a long list of problems confronting their businesses. Priorities must be set by the CIGs, with safeguards in order to ensure that the weaker members have an adequate voice. Various groups can use several well-known techniques to identify priority problems. These include pair-wise comparison, ranking, voting, etc. The very act of sorting out priorities helps people develop skills in consensus-building, weighing options (trade-off), appreciating the need for corporate interest to increase resources and expand the number of priorities that can be accommodated.

1.3.1.5 Problem and Solution Analysis

17. The priority problems identified by the CIG members are often many, complex, and sometimes difficult to handle or resolve. Their perceived complexity is one reason individuals were unable to address the problems. The solution simply requires intervention from outside. Technique of “problem tree” helps members analyze their priorities. The “problem tree” is a representation of the causes that lead to a problem (the “roots”) and its consequences (the “branches”). The construction of the “problem tree” raises awareness among the participants that problems, which at first may seem very large and difficult to address originate in several factors that can be influenced by the people themselves. Demystification through the elaboration of the “problem tree” is a powerful tool to improve user groups’ awareness of their capacity to actually influence their environment. Participants will then discuss the “solution tree”. Specific actions are discussed to address the causes of priority problem.

1.3.1.6 Action Plans

18. The actions identified through the “solution tree” now need to be fleshed out and translated into practical action plans. First, in mixed groups, people should discuss what specific actions are needed to attack each aspect of priority problems, and what resources and assistance these actions entail. The facilitators can now enrich and strengthen the action plans.

19. The challenge confronting facilitators is to avoid the prescription of solutions. It not only makes the project participants continuously dependent on facilitators for every solution but also robs them of ownership of solutions. All hands need to be on deck for this purpose including local experts and professionals. This process will also achieve the purpose of building capacity through participation. The product of this process is represented to the beneficiaries’ assembly for further deliberation, buy-in and eventual adoption.

1.3.1.7 Achieving Full Participation of Beneficiaries

20. Past experiences with group decision-making have shown that elite capture and social exclusion are real threats. To guard against the twin threat, traditionally vulnerable groups especially women and educationally challenged will be given opportunity to contribute opinions and such opinions debated. This will help ensure that the more privileged members are not only sensitive but also accommodating of other viewpoints as they are all supposed to be interested
stakeholders. In addition, the fact that some members are underprivileged does not make them unintelligent. Through this process, even idea is harnessed and processed before consensus is arrived at. To structure this approach, the diagnostic exercises can start with sub-groups within the CIGs, before taking their proposed ideas forward to larger groups for endorsement. This process is not only democratic but it equally prevents the `crowding out’ of good ideas that will otherwise have come from the less privileged and women beneficiaries.

1.3.2 Rules for Meetings:

- Organization of meetings is the CIG’s responsibility;
- Develop agenda that will be presented to all the members for discussion;
- Objective should be set for meetings;
- At meetings, facilitator should maintain a participative and open environment;
- Ensure every member present has equal rights;
- After meetings, participants should acknowledge responsibilities to be performed before next meeting;
- Every meeting will end with a minute including the attendance list.
- All meetings should hold in public, i.e. every member of the groups can attend and participate.

1.4 TECHNICAL ASSISTANCE IMPLEMENTATION PHASES

1.4.1 Constitution of a Data Bank

21. During this phase, NCO/SCADO will prepare a data bank of specialized public and private facilitators, consultants as well as of instructional instruments available to meet the principal technical assistance demands anticipated by the project. An evaluation will be made of using the accumulated experience, instructional instruments and resources, as well as the willingness to establish partnerships with the CADAs, particularly between and within CIGs.

1.4.2 Selection of Facilitators

22. During this phase, facilitators will be selected through a competitive bidding process and maps provided to delineate their area of responsibility to give an idea of the installed capacity of technical assistance throughout the States.

Legal status: legally authorized to contract under the laws and regulations of the Federal Republic of Nigeria

Professional experience: (i) accumulated experience in business development or support activities, (ii) year(s) of experience with donor(s) funded development projects, (iii) year(s) of experience of facilitation with groups, (iv) area(s) of expertise, etc.

1.4.3 Training

23. Once facilitators are selected, the NCO/SCADO will carry out training sessions for them with the objective of explaining participatory approaches, defining objectives, goals,
methodology, regulations and procedures, understanding of the Project Manuals (Implementation & Accounting), understanding the management model, especially defining the role of technicians in this participatory process and conflict management.

1.4.4 Operation of Technical Assistance

(a) Technical Assistance for CADAs.
(b) Institution responsible will be NCO/SCADO.
(c) Service Providers will include NGOs, public and private agencies, universities, individual consultants.
(d) Institutional mechanisms to be employed will vary from contracts to agreements (or formal accords).

1.5 INSTITUTIONAL INVOLVEMENT

1.5.1 Duties of Implementing Agencies

(a) Prepare a data bank of facilitators that can render technical assistant services, and structure a network of trainers in accordance with identified studies and problems;
(b) Coordinate the facilitators who will provide technical assistant services, promote the exchange of experiences and plan their activities;
(c) Monitor deployment at firm level, evaluate trainers’ performance and ask facilitators to adopt measures to correct possible flaws in the execution of technical assistant services;
(d) Monitor activities and carry out periodic evaluations aimed at determining the progress of technical assistant services, the degree of acceptance by CADAs and the extent of results through a feedback mechanism.

1.5.2 Duties of Facilitators

(a) Organise members into CIGs and CADAs;
(b) Provide training to CIGs and CADAs;
(c) Identify teaching instruments and develop essential curricula to train the CADAs on processes;
(c) Provide technical assistance in the areas of organization, groups’ formation, financial and business management of sub-projects.

1.5.3 Duties of CADAs

(a) Participate in the sensitization campaign;
(b) Advise CIGs on CADP’s objectives and availability of technical assistance for training;
(c) Ensure training of CIGs;
(d) Monitor, supervise and analyze facilitators’ activities;
1.6 TYPES OF TECHNICAL ASSISTANCE TRAINING

24. The project will provide technical assistance on training needs to the CIGs, CADAs and project staff. Potential facilitators will include NGOs, universities, public and private agencies, individual consultants, etc. SCADO will be responsible for preparing the lists of potential facilitators, which will be revised annually. The frequency and quality of assistance provided to commodity interest groups will be monitored and the accounting statements submitted by them will be carefully reviewed to ensure that funds under these components are being properly applied.

25. SCADO’s annual reports, as well as the mid-term review, will include specific analyses of these components.

1.6.1 Organization of CADAs

26. CADP will provide technical assistance to CADAs, so that they can fully benefit from investments. This support will include workshops to identify the CADAs’ priority needs, training for groups during the sensitization stage, implementation and guidance on the process of legalizing their associations.

1.6.2 Structuring of CADAs

27. Commodity Interest Groups will receive specific training particularly for productive projects, and specific assistance to improve the implementation, operation and maintenance of micro-projects. Training should be extremely pragmatic and highly practical to allow groups to apply recommendations directly in their micro-projects. CIGs can also contract specific support to strengthen its capacity and that of the members for monitoring, administration, accounting, and environmental assessment, among other issues. Facilitators will assist CIGs in preparing basic samples of contracts, including clauses of progress reports.

1.6.3 Study Tours

28. SCADOs will finance technical exchanges of ideas between the various economic interest groups.

1.7 Tools for Project Planning

29. There are many tools that can be used in carrying out project planning with beneficiaries. Few are selected for the purpose of harmonizing procedures to be used during CIG sub-project and individual micro-project preparation and are briefly described in this section as follows:

1.7.1 Tools for Preparation of the Group Meetings:

30. Meetings are used during the preparatory phase, where SCADOs and facilitators introduce the subject to the CIG’s assembly meetings as well as for other various purposes including facilitating information sharing, sensitization, communicating messages, educating and for common decision-making.
1.7.2 Baseline Data Collection:

31. During the preparatory phase when the SCADO and facilitators meet with the prospective beneficiaries, the team should also start to collect economic interest groups baseline data. Despite its importance in familiarizing the team members to the prospective group members, baseline data collection is also aimed at synthesizing available data on groups where diagnosis will take place. Baseline data to be collected will be that which to a great extent has relevance to the Project objectives. Such data could include population and its characteristics/organizations, social-economic features, soil characteristics, farming systems, processing technology, cropping calendars, availability of institutions/facilities supporting agricultural development, marketing and storage of crops, labor availability and seasonality, food situation, social and community infrastructure such as irrigation schemes, grains storage, etc.

1.7.3 Tools to be used at the Diagnosis stage

1.7.3.1 Focus Group Discussions/Interviews

32. In the process of undertaking group formation, various commercial farmers’ groups will be formed. Focus group discussions and interviews are the main tools to be used at this diagnostic phase. It is a form of guided interviewing and discussions where only some of the questions in a form of a checklist are used as a flexible guide to ensure that the discussion is focused. Topics/issues for focus group discussions are namely; general farming systems characteristics, types of enterprises (crops, livestock, etc.), status of soils sometimes reflected on the need for input, production levels, output marketing and infrastructure, availability of extension services, etc.

Focus Group Discussion/Interview Guide

- The interview team should preferably consist of two to three facilitators among whom one or two could preferably be a local/community facilitator. One person will be responsible for recording the summary of issues discussed;
- One or two representatives from economic interest group(s) who will in future possibly be local facilitators should join the Core Team members during the discussion/interview;
- Begin with greetings and introduction of facilitators and inform the focus group that the team wants to learn and facilitate discussion on issues of relevance to the development of commercial farming as a viable business;
- Undertake the interview informally and mix questions with discussions and always be interactive about the process;
- Avoid leading questions, which can be answered with ‘yes’ or ‘no’;
- Duration of focus group discussion/interview should preferably be no longer than two hours;
- Each facilitator should have a checklist with relevant questions to ensure that the discussion/interview is focused and that important issues are covered.
**Highlights of some common mistakes during focus group discussion/interview:**

- Asking leading questions
- Asking embarrassing questions
- Asking vague questions
- Repeating questions
- Helping group member (interviewee) to give an answer
- Failure to cross-check or probe given answers
- Believing everything said (failure to judge answers)
- Failure to listen closely
- Ignoring some of ideas from group members
- Giving too much weight to answers which have quantitative data
- Relying too much on what the rich, the educated, the elderly and the men have to say
- Incomplete note taking allowing an interview to go on for too long

**1.7.3.2 Historical profiles/timelines**

33. Historical profiles or timelines are used to reveal information that is vital in understanding the current situation in an environment and, hence, in the facilitation, improving and focusing of a checklist to guide group discussion/interviews. Timelines will provide a summary overview of the key historical events in a community/village and their importance for the current situation. A checklist with guiding questions should be used to ensure as much as possible that much time is used to deliberate upon issues of relevance to infrastructure investments, advisory services and income generating activities. A group constituted particularly of members from all economic interest groups is ideal for constructing historical profiles/timelines.

**1.7.3.3 Seasonal calendars**

34. Seasonal calendars will be drawn to foster understanding of the local livelihoods system. They show the monthly rainfall pattern, crop sequences, livestock fodder availability, income, labor demands, pests and diseases occurrence, soil and water conservation activities, prices and the like.

**1.7.3.4 Institutional Analysis/Diagramming**

35. Institutional analysis is done in the diagnosis phase. Venn diagrams are basically drawn to show the key formal and informal institutions existing in the environment. Analysis may include those institutions that may not be based in the environment, provided they offer services to the groups. Analysis entails four steps, listing of institutions; classifying them according to their importance as perceived by the prospective beneficiaries; their previous relationship with the beneficiaries and relationships amongst themselves.

36. In principle, institutional analysis should cover neither political parties nor religious denominations, though when doing initial listing such institutions could be listed. Members themselves should do this analysis; the role of facilitator is only to guide them.
The four steps of institutional analysis are:

(i) Identifying and listing of all institutions existing in the neighbourhood and external institutions providing service to the neighbourhood. Include both formal and informal institutions.

(ii) Classify identified institutions into the three following categories:
- Very important
- Moderately important
- Least important

Cards of different sizes could be used to indicate categories of institutions.

(iii) Relationship between Institutions and CIGs:
- Write the names of institutions on cards with one card per institution
- Draw a big circle (Venn diagram)
- Place cards either at the centre of the circle or outside the circle depending on the discussion of the group
- Institution (cards) at the Centre are those having good relationship with the groups
- Institutions (cards) placed far away from the Centre are those having a poor relationship with groups
- The distance a card is placed from the Centre corresponds with relationship with groups.

Group members should discuss and make comments or give reason to justify why a certain institution is placed at the Centre or outside the Centre or anywhere. Comments and reasons given should be written in the Location Criteria Matrix shown below.

(iv) Relationship between Institutions:
- Groups should discuss and identify degree of contact and overlap between them. Overlap occurs if one institution asks or tells another to do something or if they have to cooperate in some way. Furthermore, groups should give reasons for indicated relationships.

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate circle</td>
<td>No relationship</td>
</tr>
<tr>
<td>Touching circles</td>
<td>Information passed between institutions</td>
</tr>
<tr>
<td>Small overlap</td>
<td>Some Cooperation</td>
</tr>
<tr>
<td>Large overlap</td>
<td>Considerable cooperation</td>
</tr>
</tbody>
</table>

Venn diagram could be drawn, first in pencil, and then adjusted until accurate.
1.7.3.5 Observation and Visits

37. While focus group discussion/interview is the main tool used in the diagnosis phase, still facilitators are expected to do systematic direct observations during their visits to the groups. Systematic direct observation of objects, events, processes, relationships and recording of these observations is intended to facilitate crosschecking information provided by groups while using other tools. Moreover, observations will help in making checklists for focus group discussion/interview more appropriate.

38. During visits to the groups, facilitators will mainly make observations relevant to the Project infrastructure investments, advisory services and income generating activities.

1.7.3.6 Problem listing

39. The NCO and SCADOs project will list all likely problems with the project and have a discussion with the beneficiaries on the causes and solutions. The problem listing Matrix in Table 2 below will be used for the discussion and presentation of the report on the problems identified with the project.

Table 2: Problem Listing Matrix

<table>
<thead>
<tr>
<th>Problem</th>
<th>Causes</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. …………..</td>
<td>a. ………………</td>
<td>(i) …………..</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) …………</td>
</tr>
<tr>
<td></td>
<td>b. ………………</td>
<td>(i) …………..</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) …………</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) ……….</td>
</tr>
<tr>
<td>2. …………..</td>
<td>a. ………………</td>
<td>(i) …………..</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) …………</td>
</tr>
<tr>
<td>Etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.7.4 Tools for Prioritisation

1.7.4.1 Pair-wise ranking

40. Pair-wise ranking is one of the tools used to determine the main problems or preferences of groups. Facilitators will assist group members to prioritize in two stages. In the first stage, pair-wise ranking will be determined at the focus group level and in the second stage when it will be applied at the second group(s) assembly involving at least sixty per cent of all eligible voters.

Steps of pair-wise ranking:

(i) Choose a set of problems, or preferences identified using various participatory tools in the diagnosis phase;
(ii) With the help of members of the focus groups or other members list problems in a Matrix on a flip chart sheet or Manila paper;
(iii) Note down each item/problem on separate cards;
(iv) Place two of these in front of the group members and ask them to choose the most pressing problem. Mark down the response in the appropriate box in the priority-ranking matrix;

(v) Present a different pair and repeat the comparison;

(vi) Repeat steps (iv) and (v) until all possible combinations have been considered (and all boxes of the priority-ranking matrix have been filled);

(vii) List the problems in the order in which group members have ranked them by sorting the cards in order of priority;

(viii) As a crosscheck to the responses, pair-wise ranking could be concluded by asking group members about the biggest problem in the list.
Table 3: Pair-wise Ranking Matrix (Example)

<table>
<thead>
<tr>
<th></th>
<th>High rate of pests &amp; diseases</th>
<th>Lack of extension services</th>
<th>Lack of water</th>
<th>High rate of pests &amp; diseases</th>
<th>No livestock dip</th>
<th>Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>High rate of pests &amp; diseases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Lack of extension services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Lack of Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>High post harvest losses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>No livestock dip</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>4</td>
</tr>
</tbody>
</table>

1.7.4.2 Voting

41. Voting is used together with pair-wise ranking, especially when it is difficult for the group members to determine the most pressing problem/preference, and it facilitates easy comparison of priorities of different individuals within a focus group. The management committee and other positions, like group chairpersons and group secretaries, are elected.

1.7.5 Tools for Developing CIG’s Plan

42. The groups with facilitation by the facilitators will develop a plan using the logical framework approach. Generally, the group elaborates measures to solve the problems outlined during prioritization. For each problem identified, groups should establish causes for the problem, solutions/actions to solve the problem, proposed period for implementing solutions suggested, and should identify resources required for implementing the solutions and responsible actors.

CIG-Led Plan – City/town/location_______ State ____ Year ______

Table 4: CIG-Led Plan

<table>
<thead>
<tr>
<th>No.</th>
<th>Problem</th>
<th>Causes</th>
<th>Measures/Action</th>
<th>Actor/Implementer</th>
<th>Supervisor Overseers</th>
<th>Period of Implementation</th>
<th>Resource requirements</th>
<th>Remarks/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.7.5.1 Phasing

43. Phasing refers to the intervention plan to guide implementation of an identified project. The group develops the plan with facilitation by the SCADO/CADA comprising technician or a facilitator selected by SCADO. Information reflected in the matrix form includes activity, supervisors, and period of implementation, resource/cost, stakeholder’s contribution and remarks. The resource column is further divided into three sub-columns showing description of the requirements; unit cost and total cost involved to acquire the resource required. The project should be prepared for the first priority problem identified. The project plan matrix is presented below:

Table 5: Project Plan Matrix

<table>
<thead>
<tr>
<th>No.</th>
<th>Activity</th>
<th>Implementer</th>
<th>Period of Implementation</th>
<th>Resources Required</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Start</td>
<td>End</td>
<td>Description</td>
</tr>
</tbody>
</table>

44. The facilitator should ensure that the plan shows systematic implementation and costs involved for each stage of implementation and should indicate the contributions by various stakeholders. After completion, the management committee should present the plan to the group members’ assembly so that they can give it approval for implementation.

1.7.6 Other Tools

1.7.6.1 Wealth (well-being) Ranking

45. In every society, there are inequalities and differences in resources endowment. These differences influence or determine people’s behaviors, coping strategies, and views. Wealth ranking allows the facilitating team to:

- Investigate perceptions of wealth differences and inequalities in an environment
- Identify local indicators and criteria of wealth and well-being
- Establish the relative position of households in the environment
46. Well-being (wealth) ranking is used for various purposes, including being used as a basis for the sampling of beneficiary for later interviews, to identify and target participants, and to see whether entrepreneurs who are participants improve their scores over time compared with those who are not among the participants. It is also useful as an introduction to discussing opportunities, problems, and possible solutions.

1.7.6.2 Principles of Well-being (wealth ranking)

- Outsiders and members have different perceptions of wealth, well-being and inequality. Local perceptions are crucial for getting a deeper insight.
- Different people in an environment (men and women) may use different criteria for wealth.
- Investigating the range of socio-economic situations in an environment is very useful.

47. Wealth ranking is based on the assumption that members have a good sense of who among them is more or less well off. It should be kept in mind that this is the environment’s own perception of the situation. It is good practice to crosscheck this with other methods such as, direct observation, checklists, structured interview, and so forth, in order to verify the results.

1.7.7 Problem Tree

48. The priority problems identified by the groups may be large, complex and very difficult to handle. Sometimes group members may list something as a problem when it is better described as a cause or an effect. As groups construct a problem tree, they see that large and difficult problems have many causes, some of which they themselves can change. Often problems may have an inter-relationship with other problems mentioned. A problem tree is a powerful tool to raise groups’ awareness and may be an appropriate tool to study the relation between problem and causes. The final product will depend on the ability of members to analyze the situation and on the facilitators’ skill in using the tool.
Figure 1: Example of a Problem Tree

**EFFECTS**

- Low yields of crops
- Clear More land (Deforestation)

**PROBLEM**

- POOR SOIL

**CAUSES**

- Inadequate soil conservation
- Removal of crop residues
- Inadequate use of FYM
- Continuous cropping
- Low level of fertilizer application

**ROOT CAUSES**

- Inadequate knowledge
- Inadequate labor
- Inadequate Livestock feed
- Inadequate FYM
- Difficult to transport
- Limited rotation
- High cost
- Lack of credit

- Free range grazing
- Few Cattle per farm
- Land shortage
1.8 FORMAT FOR CIG’S MEETING REPORT

49. After the meeting between the facilitation team and the CIG, the facilitators will prepare a report that will document the process used in identifying and prioritising the sub-projects of the CIGs. The report may include the following information:

(i) When was the first visit of the facilitators to the group?
(ii) Date of the first group assembly, number of members who attended and their percentage in relation to the total number of eligible voters who were supposed to attend;
(iii) Who was involved from the SCADO, CADA and CIG in the process?
(iv) Summarize baseline data and information of the groups and tools used to collect the information;
(v) Briefly describe all activities carried out during the meeting and tools used, stating critical issues raised by the group members;
(vi) Briefly summarize activities carried out by focus groups, and tools used during situation analysis to identify strength, weaknesses, opportunities and threats to general agricultural development in the environment. Emphasis should be on issues related to farming systems, past history and institutional analysis, inputs availability, production trends, marketing situations, price trends for major crops, etc;
(vii) List constraints/problems, causes and possible solutions;
(viii) List priority problems, indicating tools used in prioritization of the identified problems;
(ix) Mention dates for the second meeting where a summary of the focus groups proceedings was be presented;
(x) Prepare summary of the intervention plan, indicating number of projects and micro-projects identified, distribution of CADP resources to be applied in groups sub-projects;
(xi) Summarize the process of electing sub-project management committee; and
(xii) Mention other critical issues and learning points.
1.9 CHECKLIST FOR SITUATION ANALYSIS

1.9.1 General:

50. **What are the main economic activities in the CIGs in order of importance?**

1.9.2 Crop Production (including both arable, fruit and tree crops):

(1) What types of crops are grown? List in order of importance.
(2) What are the main staple food crops? List in order of importance.
(3) What are the main cash crops? List in order of importance.
(4) What is acreage for each crop? Indicate the lowest/highest average.
(5) Describe the seasonal calendar for the major cash and food crops.
(6) Describe the cropping systems.
(7) What is the production level for main cash and food crops, i.e. lowest, highest, average?
(8) What are the main reasons for declining trends, if any, in crop production?
(9) What inputs are used in production process - implements, fertilizers, pesticides (field and storage pests, etc)? Establish average amount per area where possible.
(10) What is the source of inputs; is there a store/warehouse in the neighbourhood? If not, where do they get their inputs?
(11) Describe the labor availability and division of labor, i.e., who does what in various production activities, such as land preparation, planting, weeding, spraying, harvesting, processing and storage?

1.9.3 Natural Resources Management

(1) What are the major natural resource and landscape features (e.g. watershed, hills, forest, etc)?
(2) What are the quality and conditions of natural resources — soils, tress, sources of water, etc.?
(3) How do different groups (men, women, ethnic minorities) use natural resources?
(4) What changes in the soil fertility have occurred during the past 20 years? What are the reasons for these changes? What practices lead to soil degradation?
(5) What has to be done to improve the land and protect natural resources?

1.9.4 Post-harvest processing and marketing:

(1) When do you harvest different crops? How do you transport the crops from the fields? Is there a road network in the agricultural field?
(2) Which crops are stored after being harvested? How do you store your crops? Types of processing done before storage?
(3) What types of storage facilities are used or available in the village? What is the condition of storage facilities?
(4) Were there any past initiatives to improve storage facilities in the neighbourhood? What types of improvements can be made in storage facilities?
(5) When do you sell your crops, i.e. marketing season, days, frequency, etc.?
(6) Is there a marketplace nearby? If not, where is one located? How long does it take to walk to the market place? What market do you rely on (in case of more than one)?
(7) Does the market place have a physical building/structure? If not, why?
(8) Were there any past initiatives to construct a market place/building? If not, why not?
(9) If a market is to be constructed, are the stakeholders willing to contribute?
(10) Are there any processing machines/plants (e.g. milling machine)? Who owns them?

1.9.5 Livestock Production (includes poultry and large ruminants):

(1) What types of livestock are kept?
(2) What is the importance of livestock in the farming system?
(3) What are the functions/uses of livestock?
(4) What are the production levels for eggs, meat, milk, manure, hides and skins etc.?
(5) Who takes care of livestock feeding or grazing, milking, care, selling, etc.?
(6) Who owns livestock in the household?
(7) Who decides when to graze, to sell, etc.?
(8) What are the prices of livestock products in the neighbourhood (milk, live animals, meat, etc.)?
(9) Are stock (cattle and/or donkeys) used as draft animals? If yes, what activities do they do? If not, why not?
(10) Were there any initiatives in the past to introduce use of draft animals? If yes, what happened?

1.9.6 Aquaculture Production

(1) What types of fish are kept?
(2) What is the importance of aquaculture in the farming system?
(3) What are the functions/uses of aquaculture?
(4) What are the production levels for each type of fish?
(5) Who takes care of fish feeding or selling?
(6) Who owns fish in the household?
(7) Who decides when to feed the fish, harvest, process and sell?
(8) What are the prices of fish products (fresh or smoked) in the neighbourhood?

1.9.7 Commodity Interest Groups

(1) What associations or groups exist, what are their activities and roles?
(2) What challenges do they face?
(3) What are the mechanisms for collective decision-making at the group level that promote commercial farming development?
(4) What groups could assist with proper management of land and natural resources and the socio-economic development in the neighbourhood?
(5) What agencies are active in providing technical support to groups in the neighbourhood?
(6) What is the quality of their work? How can they improve?
1.9.8 HIV/AIDS

(1) Have you heard about HIV/AIDS? If yes, where, and what is it?
(2) Do you talk about it in public meetings? If not, do you think it is necessary?
(3) How does it spread? What factors could contribute to the high spread of the disease in your village?
(4) Do you have any victims in your neighbourhood? What are the symptoms of the disease?
(5) What measures could be taken to control the spread of the disease in the neighbourhood?
(6) Were there any awareness campaigns on HIV/AIDS conducted in your neighbourhood in the past?
(7) How does it affect the community in terms of labour availability and expenditures?
ANNEX 2: - TRAINING NEEDS

2.1 Introduction

1. The major constraint to economic growth and development in many countries of Africa is inadequate capacity to deliver on project goals and objectives at all levels, whether regional, national or local level. Nigeria is no exception to this common phenomenon. To this end, human resource development and other capacity development activities have been identified at many forums as top priority area for intervention and strengthening in many World Bank-supported projects. The demand for capacity development especially in Africa is vast and growing. Even, Middle Income Countries (MICs) too have often stressed that the most important contribution that the World Bank could provide to them was capacity building assistance as well as access to knowledge products.

2. Over the years, the World Bank has been involved in providing training to project staff at all levels (State and National) with a view to developing human skills. However, the effectiveness of these trainings and the extent to which they have been meeting the needs and demands of the trainees vary from project to project.

3. Commercial Agriculture Development Project has therefore indicated an intention to provide trainings in the following under-listed areas within the five-year lifespan of this project. This list is by no means exhaustive as need for many more trainings will become imperative as the implementation of this project progresses. Therefore this list is only indicative of the types of trainings that will be required.

4. This Project Implementation Manual (PIM) is only capable of justifying the need for these capacity gaps; and will accordingly serve as a guide in developing a well-thought through strategy which will take into consideration these varied demands and initiatives. However, in order to develop a well-structured and conceptualized strategy for the CADP to meet these challenges, the national and state offices need to carry out two major preliminary activities, which will provide inputs into the formulation of the strategy. These activities are:

   (i) Evaluation of previous training programs relative to past performance in similar Bank-supported projects like FADAMA II with the objective of identifying strengths and weaknesses, which can be used to design training needs for CADP.

   (ii) Needs Analysis of CADP capacity requirements on an on-going basis during project implementation.

5. The two tasks will be the subject of separate consultancies managed by CADP as parallel activities. The Terms of Reference below addresses the second task, i.e. the Needs Analysis.

6. It is recognized that the Needs Analysis for the CADP as envisaged above will be a highly challenging task. At the regional level, it is noted that several studies, including one by African Capacity Building Foundation (ACBF), have already been done on the capacity requirements. These studies were considered comprehensive and were recently discussed with stakeholders at a
workshop held in Cape Town, South Africa, by the AfDB and the World Bank. The studies and the outcome of the workshop will be taken into consideration when determining how CADP can respond, if at all to the identified needs.

7. For purposes of determining the capacity development requirements of CADP staff, however, a proper needs assessment is required and therefore this task will focus in the main on this issue.

2.2 Analysis of CADP Capacity Development Efforts

8. Human capacity development has always been identified as a World Bank priority in the Strategic Plans. The Bank therefore focused its efforts on strengthening national institutions and the development of human skills through trainings supported and sponsored either singly and/or by working with other development partners. Some of the trainings can be categorized as follows;

(i) **Project-related Training Activities**: These consist of Project Implementation Workshops (PIWs) and the Agricultural Management Training for Africa (AMTA) program.

(ii) **Development Management Training**: These are seminars, workshops and conferences organized by the Bank or jointly with other organizations (Africa Development Bank, IMF, WTO, JAI, etc.) on strategic development themes that are considered of relevance to the economic and social development of Bank-supported projects.

(iii) **Other training-related activities**: The most prominent activities include the Meetings Seminars including Ministerial briefings, planned distance learning and support activities of the Knowledge and Virtual Resources Centre.

9. These activities are aimed at supporting projects so that they can effectively manage the development process in their countries and therefore take effective action to achieve project goals and objectives. In general, the focus of past training is determined through informal consultations, usually obtained in a non-structured form and periodically derived from the national project coordinating office with or without inputs from the state offices. They provide information on what is perceived to be the training needs of the CADP at all levels. The assumption is that the management (including national and SCADOs) interacts closely with staff at all levels and therefore are better positioned to know their areas of deficiency and skills gaps.

10. The departmental information on training is valid and important, but can be complemented usefully by a systematic effort to assess crosscutting and country-wide needs. There is a need therefore to be more comprehensive, strategic and systematic in ensuring that the training programs CADP identifies, adopts and sponsors actually fit in with its strategic priorities and contribute to meeting the demands of the project.

2.3 Justification for Capacity Gaps Analysis

11. The justification for carrying out Needs Analysis under the CADP is very strong. In the first place, CADP is re-orientating the way agriculture is being perceived in Nigeria within the next
5 years. Therefore, there is the need to align capacity development activities of the CADP with the goals and objectives of the project in different States and the articulated needs of the various CADAs.

12. Secondly, the Needs Assessment study will have to consider institutional strengths, weaknesses, and areas of comparative advantage in each of the partner institutions in achieving project goals. It is expected that different SCADOs will present different requests and the NCO will be required to play a greater role in harmonizing the capacity development to avoid duplication of efforts and uncoordinated training efforts.

13. Thirdly, CADP recognizes its limitations in the short-term and accepts that it cannot anticipate all nor hope to meet all the skills development needs identified in the life of this project. There is therefore, a business imperative for determining what CADP can effectively do based on selectivity and partnership with other training agencies to achieve complementarities and greater effectiveness.

14. In addition to articulating NCO, SCADOs, CADAs and CIGs needs, the Needs Assessment Study will have to identify the different partner institutions and analyze their particular niches and advantages and develop recommendations as to how these various partners might interact and collaborate.

15. Such analysis of partners and competitors will enable the Bank to determine areas where duplication has occurred in training and areas that have been neglected. On the basis of this gap analysis, CADP will be able to position itself and carve out a niche for itself in terms of capacity development interventions within the project and at the appropriate time.

16. The value of a gap analysis is that it enables the institution to determine not only the capacity development needs and priorities of CADP, but also the appropriate interventions. The commitment of CADP will be to adopt a more commercial farmer- and impact-oriented approach by identifying what clients (commercial farmers) consider to be their priority capacity development needs. This approach will ensure not only greater impact of training but also relevance through selectivity and ownership by project participants.

2.4 Objectives of Trainings

17. The objective of this section on training is to determine the capacity development needs for the staff and farmers and identify the intervention role for CADP. The ultimate goal is to position CADP staff to better serve the commercial farmers in a more efficient and effective manner. There is therefore a need to identify not only the commercial farmers within and outside the project, but also partners and collaborators in the capacity development business. The farmers are not homogenous because they are at different levels of development, cultivating different crops and at different segments of the value chain. They consist of farmers, processors, inputs suppliers, etc, in the various crops available for each of the five states. The closest project in terms of philosophy to CADP is the USAID-MARKETS project.
2.5 Scope of Work

2.5.1 The CADP operating through the WB/TTL, NCO, SCADOs, CADAs and CIGs will work together on identifying training needs of the project. Specifically, they will be required to identify critical training needs for each category of staff and project participants (CIGs), as well as indicate the target population for which training should be provided in a responsive manner to CADP’s needs.

18. **Medium-sized Participants**: The participants in this category must have made significant progress in their businesses.

19. **Small-sized Participants**: These project participants are very diverse; some are making good progress and aspiring to transit to the next level, while others are advancing more slowly. Some are benefiting from high commodity prices and will want to use revenues to upgrade their infrastructure and extend basic services. The low-income participants need to invest significantly to improve their profit to better withstand prices (inputs and outputs) shocks. They also need to improve their businesses, become more viable and build institutional capacity while dealing with the challenges of disease and climate change.

20. **Fragile Participants**: Participants in this category need special attention and dedicated resources. They want to make progress in their various businesses but are seriously threatened by basic macroeconomic reforms, especially the current global economic recession that has imparted interest rates, inflation and exchange rates. They require significant and sustained assistance through rebuilding of core institutions, rehabilitation of vital services and basic infrastructure in order to prevent them from slipping backwards into subsistence businesses.

2.5.2 The methodology for needs assessment will include the development of questionnaires and the conceptualization of the overall approach. There will also be facilitation of stakeholders workshops aimed at validating the needs assessment results, which will be an input in the preparation of the training strategy in tandem with business needs. Data will be collated and analyzed with other relevant information from secondary sources and similar projects within the agriculture sector. These efforts will form inputs into the training plan to be developed to supplement those presented in this PIM.

21. The training consultant to be hired for this needs assessment study will be responsible for the overall process of collecting, collating and analyzing the results of the questionnaires to be administered in every CADP state. S/he will facilitate the stakeholders’ workshop on needs assessment, strategy and business plan. S/he will also be responsible for preparing the Needs Assessment Report that will take into account the review of existing reports and documents on capacity development needs in almost every SCADO, CADA and CIG.

2.5.3 The consultant will be expected to make appropriate recommendations on:

(i) how CADP can better align its training activities in 2009-2014, having regard to the training needs of project participants and staff as well as the activities of similar projects. CADP’s comparative advantage should be in the project’s desire to carve out a
niche for the participants in commercial focus through capacity building.

(ii) resources that may be required by CADP to be able to effectively meet the needs and expectations of the CADAs and CIGs in providing training and where possible other forms of capacity development interventions.

2.6 Generic Training Needs

22. The following under-listed capacity training needs are required for the successful implementation of CADP. The training needs can be categorized as:

A. Management:
   1. Record-keeping and Costs Analysis
   2. Business and Financial Management
   3. Environment Management Plan
   4. Group Formation and Governance
   5. Cooperative Management
   6. Assets Leasing, Marking and Management
   7. Leadership Skills
   8. Community-based Procurement
   9. HIV/AIDS Awareness and Prevention
   10. Birds flu Awareness and Prevention

B. Best Practices in the following knowledge areas:
   1. Fish farming, health and processing
   2. Water management
   3. Broiler and eggs production
   4. Alternative uses of poultry products
   5. Dairy and beef production
   6. Animal health and veterinary services
   7. Rice production and processing
   8. Fruit Juice Production
   9. Equipment maintenance
   10. Cocoa Production and Processing
   11. Agronomy of Fruit Trees and Processing
   12. Maize Production and Processing
   13. Quality Control
   14. Packaging and Branding
   15. Marketing Principles
   16. Peculiarities of Agribusinesses
   17. Orientation for Staff and Service Providers
   18. Pre-implementation Workshop
   19. Procurement Management
   20. Monitoring and Evaluation
   21. Management Information Services
   22. Environmental Safeguard Measures
ANNEX 3: 18 MONTHS PROCUREMENT PLAN

I. GENERAL

1. Project information:

   Country: Nigeria
   Project Name: Commercial Agricultural Development Project
   Credit Number: 
   Project Implementing Agency: Federal Ministry of Agriculture and Water Resources

2. Bank’s approval Date of the Procurement Plan

   Original:
   Revision 1:

3. Date of General Procurement Notice:

4. Period covered by this procurement plan: 18 Months

II. GOODS AND WORKS AND NON-CONSULTING SERVICES.

1. Prior Review Threshold: Procurement Decisions subject to Prior Review by the Bank as stated in Appendix 1 to the Guidelines for Procurement:

<table>
<thead>
<tr>
<th>Procurement Method</th>
<th>Prior Review Threshold US$’000</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ICB and LIB (Goods)</td>
<td>&gt;500</td>
<td>All Contracts are subject to Prior Review by the Bank</td>
</tr>
<tr>
<td>2. NCB (Goods)</td>
<td>&gt;100 &amp; &lt;500</td>
<td>First Contract is subject to Prior Review by the Bank</td>
</tr>
<tr>
<td>3. ICB (Works)</td>
<td>&gt;500</td>
<td>All Contracts are subject to Prior Review by the Bank</td>
</tr>
<tr>
<td>4. NCB (Works)</td>
<td>&gt;100 &amp; &lt;500</td>
<td>First Contract is subject to Prior Review by the Bank</td>
</tr>
<tr>
<td>5. ICB (Non-Consultant Services)</td>
<td>&gt;500</td>
<td>All Contracts are subject to Prior Review by the Bank</td>
</tr>
<tr>
<td>6. Direct Contracting</td>
<td>&lt;20</td>
<td>All Contracts are subject to Prior Review by the Bank</td>
</tr>
</tbody>
</table>

Note:

ICB - International Competitive Bidding
NCB - National Competitive Bidding
LIB - Limited International Bidding

1. Pre-qualification: None.

   i. Any Other Special Procurement Arrangements: Limited Competitive Bidding
## ii. Procurement Packages with Methods and Time Schedule

<table>
<thead>
<tr>
<th></th>
<th>Contract (Description)</th>
<th>Estimated Cost '000</th>
<th>Procurement Method</th>
<th>Pre-qualification (yes/no)</th>
<th>Domestic Preference (yes/no)</th>
<th>Review by Bank (Prior / Post)</th>
<th>Expected Bid-Opening Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project Vehicles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4x4 WD Jeep’s, 4x4 WD DC Pick-Up’s &amp; Mini-Buses</td>
<td>1,215.00</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>05 MARCH, 2009</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Office Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Computers and Accessories, Photocopiers, Printers, UPSs, Scanners &amp; Software Packages, Vat &amp; Accessories</td>
<td>300.50</td>
<td>NCB</td>
<td>NO</td>
<td>NO</td>
<td>PRIOR</td>
<td>19 FEB., 2009</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Office Appliances &amp; Other Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Furniture, File Cabinets, Water Dispenser, Air Conditioning, Safes, Cash Box, Generator Sets &amp; others</td>
<td>224.80</td>
<td>NCB</td>
<td>NO</td>
<td>NO</td>
<td>POST</td>
<td>24 FEB., 2009</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Post Harvest Processing Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,250.00</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td></td>
<td>21 MAY, 2009</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Input Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Foundation Seedlings I &amp; II, Certified Seeds, Fertilizers, Agro-chemical etc.</td>
<td>2,912.50</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>16 APRIL, 2009</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Production Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tractors, Animal Traction, Soil &amp; Water Testing Kits, Rotavator</td>
<td>9,852.50</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>28 JULY, 2009</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Processing Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Threshers, Storage Bins, Squeezers, freezers etc. for Fruit, Palm Oil, Rice, Maize, Cocoa, Fish, Daily &amp; Poultry etc.</td>
<td>3,244.30</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>27 AUGUST, 2009</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Training &amp; Communication Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mobile Communication Equipment</td>
<td>750.00</td>
<td>LIB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>10 MARCH, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Multimedia Projector, Flip-Chart, Digital Camera, Cam Coder, Television Set, CD/DVD Set &amp; GPS</td>
<td>84.30</td>
<td>NS</td>
<td>NO</td>
<td>NO</td>
<td>PRIOR</td>
<td>26 FEB., 2009</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td><strong>Total - Goods &amp; Equipment</strong></td>
<td><strong>24,834.10</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CIVIL WORKS

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ref. No.</td>
<td>Contract (Description)</td>
<td>Estimated Cost '000</td>
<td>Procurement Method</td>
<td>Pre-qualification (yes/no)</td>
<td>Domestic Preference (yes/no)</td>
<td>Review by Bank (Prior/Post)</td>
<td>Expected Bid-Opening Date</td>
<td>Comments</td>
</tr>
<tr>
<td>CIVIL WORKS CATEGORY:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 States Office Rehabilitation</td>
<td></td>
<td>130</td>
<td>NS</td>
<td>NO</td>
<td>NO</td>
<td>POST</td>
<td>15 JANUARY 2009</td>
<td>26,000 per State.</td>
</tr>
<tr>
<td>Construction of Rural Access Roads/Rehabilitation of Rural Roads/Road Maintenance</td>
<td></td>
<td>20,000</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>26 FEB., 2009</td>
<td>For the 5 Participating States</td>
</tr>
<tr>
<td>Land Development</td>
<td></td>
<td>6,250</td>
<td>ICB</td>
<td>NO</td>
<td>YES</td>
<td>PRIOR</td>
<td>07 APRIL, 2009</td>
<td>For the 5 Participating States</td>
</tr>
<tr>
<td><strong>Total - Civil Works</strong></td>
<td></td>
<td><strong>26,380.00</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

III. SELECTION OF CONSULTANTS

1. **Prior Review Threshold**: Selection decisions subject to Prior Review by Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants:

<table>
<thead>
<tr>
<th>Selection Method</th>
<th>Prior Review Threshold (US$)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quality and Cost Based Selection</td>
<td>&gt;200,000.00</td>
<td>All Contracts</td>
</tr>
<tr>
<td>2. Quality Based Selection</td>
<td>&gt;200,000.00</td>
<td>All Contracts</td>
</tr>
<tr>
<td>3. Single Source (Firms)</td>
<td>&gt;100,000.00</td>
<td>All Contracts</td>
</tr>
<tr>
<td>4. Single Source Individual</td>
<td>&gt;50,000.00</td>
<td>All Contracts</td>
</tr>
<tr>
<td>5. Consultant Qualification</td>
<td>&gt;100,000.00</td>
<td>All Contracts</td>
</tr>
<tr>
<td>6. Individual consultant</td>
<td>&gt;50,000.00</td>
<td>All Contracts</td>
</tr>
</tbody>
</table>

2. **Short list comprising entirely of national consultants**: Short list of consultants for services, estimated to cost less than $200,000.00 equivalent per contract, may comprise entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

3. **Any Other Special Selection Arrangements**: NA
### 4. Consultancy Assignments with Selection Methods and Time Schedule

<table>
<thead>
<tr>
<th>Ref. No.</th>
<th>Description of Assignment</th>
<th>Estimated Cost '000</th>
<th>Selection Method</th>
<th>Review by Bank (Prior / Post)</th>
<th>Expected Proposals Submission Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>CADP/CQ/EMP/01</td>
<td>Development of Environmental Management Plan</td>
<td>30.00</td>
<td>CQ</td>
<td>POST</td>
<td>09 February, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/BLS/01</td>
<td>Baseline Survey</td>
<td>150.00</td>
<td>QBS</td>
<td>PRIOR</td>
<td>20 February, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/MIS/01</td>
<td>Design &amp; Integration of Management Information System</td>
<td>30.00</td>
<td>IC</td>
<td>POST</td>
<td>26 February, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/BM/01</td>
<td>Development of Business Manuals for Small and Medium Commercial Farms</td>
<td>375.00</td>
<td>QCBS</td>
<td>PRIOR</td>
<td>15 April, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/TA/01</td>
<td>Technical Assistance and Feasibility Study for testing and adoption of new technologies for the identified value chains.</td>
<td>375.00</td>
<td>QCBS</td>
<td>PRIOR</td>
<td>20 May, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/TA/02</td>
<td>Technical Assistance on Production, Processing and Marketing Techniques</td>
<td>26.30</td>
<td>CQ</td>
<td>POST</td>
<td>11 June, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/ADM/01</td>
<td>Development of Advisory Service Manual</td>
<td>10.00</td>
<td>IC</td>
<td>POST</td>
<td>15 July, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/WPD/01</td>
<td>Web Portal Development &amp; Establishment of Commercial Agriculture Information Kiosks</td>
<td>300.00</td>
<td>QCBS</td>
<td>PRIOR</td>
<td>20 April, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/CS/01</td>
<td>Design of Communication Strategy</td>
<td>50.00</td>
<td>IC</td>
<td>POST</td>
<td>16 March, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/CMD/01</td>
<td>Stimulation of Agriculture Commercialization &amp; Market Development</td>
<td>100.00</td>
<td>CQ</td>
<td>POST</td>
<td>07 September, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/CADP/01</td>
<td>Engagement of Training Consultant for the Development of CADPs Plan (Facilitators and other stakeholders)</td>
<td>100.00</td>
<td>IC</td>
<td>POST</td>
<td>26 January, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/BMC/01</td>
<td>Engagement of Business Management Consultant for Market Facilitation &amp; Business Development.</td>
<td>150.00</td>
<td>CQ</td>
<td>PRIOR</td>
<td>17 August, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/TSC/01</td>
<td>Engagement of Technical Support Consultants on Project Mgt, Procurement and M &amp; E</td>
<td>36.00</td>
<td>IC</td>
<td>POST</td>
<td>05 October, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/IEC/01</td>
<td>Engagement of Infrastructural Engineering Consultant</td>
<td>24.00</td>
<td>IC</td>
<td>POST</td>
<td>18 February, 2009</td>
<td></td>
</tr>
<tr>
<td>CADP/CQ/EA/01</td>
<td>External Auditor</td>
<td>12.00</td>
<td>LCS</td>
<td>POST</td>
<td>19 November, 2009</td>
<td></td>
</tr>
<tr>
<td><strong>Total - Consultancy Services</strong></td>
<td></td>
<td><strong>1,768.30</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IV. IMPLEMENTING AGENCY CAPACITY BUILDING ACTIVITIES WITH TIME SCHEDULE

1. In this section the agreed Capacity Building Activities are listed with time schedule

<table>
<thead>
<tr>
<th>No.</th>
<th>Expected outcome/Activity Description</th>
<th>Estimated Cost ‘000</th>
<th>Estimated Duration</th>
<th>Start Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Trainings/Workshops/Study Tours</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mobilization/Sensitization of farmers and other stakeholders on adoption of new agriculture technologies</td>
<td>450.00</td>
<td>5 Days</td>
<td>January, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Radio/TV CADP Campaigns</td>
<td>25.00</td>
<td>-</td>
<td>January, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preparation of Commercial Agriculture Development Plans</td>
<td>120.00</td>
<td>5 Days</td>
<td>February, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commodity Specific Training for Facilitators</td>
<td>84.00</td>
<td>5 Days</td>
<td>April, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fiduciary Management/Community Based Procurement Training</td>
<td>140.00</td>
<td>3 Days x 3 time</td>
<td>April, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MIS Training</td>
<td>60.00</td>
<td>5 Days</td>
<td>January, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product Packaging, Quality Assurance and Product Exports Training Techniques</td>
<td>30.00</td>
<td>3 Days</td>
<td>July, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capacity Building of Project Staff - Advance Training Course on Procurement, Financial, Project Management and M &amp; E</td>
<td>150.00</td>
<td>2 Wks/ Ppt</td>
<td>September, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Study of Kwara State Model and Other Models on Commercial Agriculture</td>
<td>75.00</td>
<td>7 Days</td>
<td>June, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub-Total - Training/Workshop/Study Tours</strong></td>
<td>1,134.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Staff Gross Monthly Allowance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>National and State Project Coordinators</td>
<td>105.00</td>
<td>18 Months</td>
<td>January, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Project Staff: State Coordinators, Procurement, Accountant, Rural Infrastructural Engineer, Agricultural Productivity &amp; Commercialization Officer, Advisory Officer, M &amp; E Officer, Environmental Officer, Internal Auditor</td>
<td>865.50</td>
<td>18 Months</td>
<td>January, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Project Support Staff for both Federal &amp; State Offices; Secretaries, Admin Assistances, Drivers, Clearing Service, Security Service, etc.</td>
<td>231.00</td>
<td>18 Months</td>
<td>January, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub-Total - Project Staff Allowance</strong></td>
<td>1,201.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## V. SUB-PROJECT ACTIVITIES

<table>
<thead>
<tr>
<th>S/N</th>
<th>Commercial Agriculture Development Plan's</th>
<th>US$'000</th>
<th>Estimated Duration</th>
<th>Start Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Matching Grant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Matching Grant - Support to Core Value Chains</td>
<td>1,750.00</td>
<td>18 Months</td>
<td>May, 2009</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Improving Rural Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Construction of Rural Access Roads/Rehabilitation of Roads/ Maintenance</td>
<td>20,000.00</td>
<td>18 Months</td>
<td>March, 2009</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Rehabilitation and Maintenance or Rural Electricity</td>
<td>8,500.00</td>
<td>18 Months</td>
<td>March, 2000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total - Sub-Projects</td>
<td>30,250.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## SUMMARY

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Amount ‘US$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing Agency Capacity</td>
<td>2,839.50</td>
</tr>
<tr>
<td>Building Activity (Operating Cost)</td>
<td></td>
</tr>
<tr>
<td>Goods</td>
<td>24,834.1</td>
</tr>
<tr>
<td>Civil Works</td>
<td>6,380.00</td>
</tr>
<tr>
<td>Consultancy Services</td>
<td>1,768.30</td>
</tr>
<tr>
<td>Sub-Projects</td>
<td>30,250.00</td>
</tr>
<tr>
<td><strong>Total for First 18 Months</strong></td>
<td><strong>66,071.90</strong></td>
</tr>
</tbody>
</table>
ANNEX 4: TERMS OF REFERENCE FOR KEY PERSONNEL

POSITION: NATIONAL PROJECT COORDINATOR (NPC)

Functions and Responsibilities of the Position:

1. Under the supervision of the Director, NFRA, the National Project Coordinator (NPC) will be responsible for the overall coordination of the Project activities across the participating States. He will work closely with other staff to manage the implementation of the Project to achieve the Project Development Objectives.

Specific Duties of the Position will include:

i) Head the Secretariat of the National Steering Committee (NSC).
ii) Responsible for the coordination of implementation of the project among the participating states.
iii) Provide guidance to the Project Staff at the National Office.
iv) Liaise with other relevant Programmes and Technical Departments in the Public Sector and Privates Sector.
v) Oversee contracting of support staff and consultants, particularly Commercial Agriculture Service Providers.
vii) Supervision and Coordination of the State Commercial Agriculture Development Offices (SCADO).
vii) Convene and host periodic meetings with the staff of the SCADOs.
viii) Ensure timely and quality delivery of reports to the National Steering Committee (NSC) and the World Bank.
ix) Coordinate supervision missions.
x) Organize impact evaluation, beneficiary assessment, Mid Term Review, and Final Evaluation of the project.

Reporting and Location:

2. The Position will be in the Commercial Agriculture Development Desk Office within the National Food Reserve Agency, NFRA. The NPC will report directly to the Director, NFRA and indirectly to the National Steering Committee. As a secretariat to the NSC, the NPC will also report quarterly to the National Steering Committee.

Qualifications Required:

i) M.Sc degree or Equivalent in Agriculture, Agricultural Economics, or other relevant discipline.
ii) PhD in Agriculture is a major advantage.
iii) Minimum of 8 years post-qualification experience, including at least 6 years in agriculture related management position.
iv) Proven record in the field of project preparation, coordination and supervision of agriculture projects, particularly on agricultural commercialization.
v) Good writing skills and computer literacy will be a major advantage.
POSITION: OPERATIONS OFFICER

Functions and Responsibilities of the Position:

i) Assist the National Coordinating Officer in coordination of project implementation among participating states.
ii) Ensure all required reports from participating states are submitted and collated on time.
iii) Carry out all duties as may be assigned by the National Coordinating Officer from time to time.

Reporting and Location:

3. The Position will be in the Commercial Agriculture Development Desk Office within the National Food Reserve Agency, NFRA. The Operations Officer will report directly to the National Coordination Officer.

Qualifications Required:

i) M.Sc degree or Equivalent in Agriculture, Agricultural Economics, or other relevant discipline.
ii) Minimum of 5 years post-qualification experience, including at least 6 years in agriculture-related management position.
iii) Proven record in the field of project preparation, coordination and supervision of agriculture projects, particularly on agricultural commercialization.
iv) Good writing skills and computer literacy will be a major advantage.

POSITION: STATE PROJECT COORDINATOR

Overall Function of the Position:

4. The State Project Coordinator (SPC) is responsible for the coordination of Project activities in the State, as well as managing the State Commercial Agriculture Development Project Office (SCADO) within the Agricultural Development Project (ADP) of the State Ministry of Agriculture.

Specific Duties of the Position:

i) Head the secretariat of the State Steering Committee (SSC).
ii) Overall implementation of Project within the State.
iii) Supervise staff of SCADO.
iv) Liaise with other relevant programmes and technical departments in the State.
v) Oversees contracting of support staff and consultants, particularly Commercial Agriculture Service Providers.
vi) Ensure timely reporting and quality of reports to SSC and the National Steering Committee (NSC).
Reporting and Location:

5. The Position will be based in the State Commercial Agriculture Development Office in the State capital. The SPC will report directly to the Programme Manager in the State. As a secretariat to the SSC, the SPC will also report quarterly to the State ADPEC.

Qualifications Required:

i) M.Sc degree or equivalent in Agriculture, Agricultural Economics, Economics or other relevant discipline.
ii) Minimum of 8 years post-qualification experience, including at least 3 years in a management position.
iii) Proven track record in the field of agriculture or rural development.
iv) Good writing skills and computer literacy will be an advantage.
v) Fluency in local language is a major advantage.

POSITION: PROCUREMENT OFFICER

FUNCTIONS AND RESPONSIBILITIES:

6. Under the supervision of the State Project Coordinator, the incumbent will coordinate the procurement of all goods, works and services financed under the project.

Specific duties of the position will include:

i) Preparation of procurement plans for implementation of the project.
ii) Prepare Bidding documents.
iii) Responsible for day-to-day procurement activities as contained in the PIM.
iv) Update and implement the procurement manual.
v) Initiate procurement and training workshops.
vi) Undertake any other duties as may be assigned by the State Project Coordinator.

Qualification:

7. A first degree or HND in Engineering, Purchasing and Supply, Business Administration or other relevant qualification. Possession of higher degree will be an added advantage.

Experience:

8. At least 5 years of post-qualification experience in procurement for developmental projects.

Competence:

i) Demonstrated competence in procurement under externally assisted projects with specific experience in IDA/Donor funded agency.
ii) Ability to communicate and write effectively and Computer literacy.
POSITION: MONITORING AND EVALUATION OFFICER

FUNCTIONS AND RESPONSIBILITIES

9. Under the supervision of the State Project Coordinator, the incumbent will be responsible for generation of project specific information on progress, processes and performance. Analyses and aggregation of data generated at various levels to track progress, process quality and project sustainability. S/He will also document and disseminate feedback and key lessons learnt to relevant users and stakeholders.

Specific duties of the position will include:

i) Develop Management Information System (MIS) for the project.
ii) Conduct impact evaluation and beneficiary assessments.
iii) Produce and disseminate periodic progress reports.
iv) Undertake relevant surveys as may be required.
v) Assist the State Project Coordinator in the preparation of Workplan and Budget.
vi) Initiate Project M&E workshops and training for Project Officers.
vii) Undertake any other duties as may be assigned by the State Project Coordinator.

Qualification:

10. A BSc. or higher degree in Agricultural Economics, Economics, Statistics or other relevant degree.

Experience:

11. At least 5 years of post-qualification experience in Planning, Monitoring and Evaluation of developmental projects.

FINANCE OFFICER (ACCOUNTANT)

Duties: Specifically s/he will be responsible for, but not limited to:

i) Reviewing, and implementing documentation provided in project implementation manual.
ii) Overall framework and standard system of accounting for the project, including unified charts of accounts, expenditure codes and accounting records consistent with Government Financial Instruction and meeting international accounting standards.
iii) Designing financial reporting formats that provide for variation and variance analysis, and financial performance indicator.
iv) Training all accounting staff on the operation of the accounting system and preparation of financial report.
v) Implement an effective internal control system.
vi) In collaboration with the Management team, consolidating the AWPB, and progress reports for submission to NFRA, WB.

vii) Reviewing procurement requests and withdrawal applications to ensure correctness and that they are in line with established procedures.

viii) Liaising with the Internal and External Auditors, Government Auditor General and follow-up on audit queries/management letters.

ix) Monitoring of physical achievements against expenditure

x) Carrying out other related tasks as agreed with the State Project Coordinator

Qualifications and Experience Required:

i) Cost and Management Accountant with internationally recognized qualifications;

ii) 5 years post qualification experience of which at least 3 years must be at the senior management level preferably a production or trading business or large rural development project;

iii) Must have experience in planning, budgeting and financial control and management;

iv) Experience in accounting, procurement and disbursement procedures under internationally financed project will be an advantage;

v) Good interpersonal relationship, transparently honest, team worker and possess ability to train counterparts; excellent writing and spoken English.

TERMS OF REFERENCE FOR FACILITATORS

I. Specialisation: The project in each state will hire 9 facilitators with different responsibilities as follows:

   (i) Agronomist/Animal Scientist/Fisheries Specialist (one per value chain, 3nos.)
   (ii) Engineer: Civil and Electrical (2nos.)
   (iii) Agric Economist (Market and Business Development Specialist, 1no.)
   (iv) Agric Economist (MIS, 1no.)
   (v) Agric Specialist (Training 1no.)
   (vi) Agric Specialist (Communication 1no.)

II. Qualification:

1. Agronomist/Animal Scientist

   - B.Sc degree in Agronomy or Animal Science including fisheries.
   - Minimum of seven (7) years post-qualification field experience.
   - Fluency in English and local language widely spoken in the project area.
   - Experience in specific value chains selected by the state is a major advantage.
   - Knowledge and application of computer will be an advantage.
   - Higher qualification will be an advantage.
2. **Engineers (Civil and Electrical)**
   - B.Sc degree in Civil Engineering (Roads) and Electrical.
   - Minimum of seven (7) years field experience in Rural road construction and power/energy supply for Civil and Electrical Engineers respectively.
   - Higher qualification will be an advantage.

3. **Market and Business Development Specialist**
   - B.Sc degree in Agricultural economics or Business Administration with bias to Agriculture.
   - Minimum of five (5) years post qualification experience.
   - Fluency in English and local language widely spoken in the Project Area will be a major advantage.
   - Knowledge and application of computer is essential.
   - Higher qualification will be an advantage.
   - Experience in Business/Marketing concept of specific state value chain is essential.

4. **Management Information System**
   - B.Sc degree in Agricultural economics.
   - Minimum of five (5) years post qualification experience.
   - Fluency in English and local language widely spoken in the Project Area will be a major advantage.
   - Knowledge and application of computer is essential.
   - Higher qualification will be an advantage.

5. **Training**
   - B.Sc degree in Agronomy or Animal Science including fisheries.
   - Minimum of seven (7) years post qualification filed experience.
   - Fluency in English and local language widely spoken in the project area.
   - Experience in extension service and capacity building to farmers.
   - Knowledge and application of computer will be an advantage.
   - Higher qualification will be an advantage.

6. **Communication**
   - B.Sc degree in Agriculture.
   - Minimum of five (5) years post qualification experience.
   - Fluency in English and local language widely spoken in the Project Area will be a major advantage.
   - Knowledge and application of computer is essential.
   - Excellent communication skills.
   - Diploma in Journalism will be an added advantage.
III. **Duties of Facilitators:**

(a) Ensure proper formation and registration of the Commercial Agricultural Development Organisations (CADA) in line with the project provisions and production of the development plans for the Association;

(b) Provide technical advise to the farmers in their area of competence and serve as liaison officers between CADP and the farmers;

(c) Identify teaching instruments and develop essential curricula to train the CADP through a PRA process;

(d) Identify sources of improved technology for farmers operation in collaboration with the various research and knowledge institutions;

(e) Provide linkage with service providers to assist farmers in productivity enhancement, business planning, financial and business management;

(f) Supply market information and provide linkage to market and credit sources for the farmers

IV. **Duration of Assignment:**

12. The work of a facilitator will be throughout the duration of the project but the contract is renewable yearly subject to satisfactory performance.

V. **Deliverables:**

13. The facilitators will be expected to produce Development Plans for their association and also submit a monthly report of activities to the state CADP office. The officers will also work with the M & E officers at state level to monitor the project indicators and the achievement of the project development objectives.
ANNUAL WORK PLAN TEMPLATE

YEAR ________________

<table>
<thead>
<tr>
<th>RESULTS</th>
<th>ACTIVITY</th>
<th>OFFICER RESPONSIBLE</th>
<th>STARTING &amp; COMPLETION DATE BY MONTH</th>
<th>MILESTONES</th>
<th>MONTH</th>
<th>TIME REQUIRED (DAYS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7 J F M A M J J A S O N D</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**KEY:**
1. Project Coordinator  
2. Procurement Officer  
3. Monitoring and Evaluation Officer  
4. Project Accountant  
5. Agricultural Productivity and Advisory Officer  
6. Commercialization and Business Development Officer  
7. Rural Infrastructure Officer

### Arrangement for Results Monitoring

<table>
<thead>
<tr>
<th>PDO Outcome</th>
<th>Indicators</th>
<th>Baseline</th>
<th>YR1</th>
<th>YR2</th>
<th>YR3</th>
<th>YR4</th>
<th>YR5</th>
<th>Frequency of Reports</th>
<th>Data Collection Instruments</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To strengthen agricultural production systems for targeted value chains</td>
<td>1.1 Increase in total production of targeted value chains (Rice, Maize, Oil palm, Cocoa, Fruit trees, Poultry, Aquaculture and Dairy) among small and medium scale commercial producers and agro-processors (disaggregated by gender) relative to baseline.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Annualy</td>
<td>Survey</td>
<td>NCO and SCADO</td>
</tr>
<tr>
<td>Crops:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash crops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil Palm</td>
<td>5,366,265mt</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cocoa</td>
<td>566,637,125mt</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruit trees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Pineapple</td>
<td>175,000mt</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Guava</td>
<td>1,625,000mt</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mango</td>
<td>1,368,750mt</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mango</td>
<td>2,812,500mt</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staple crops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Rice</td>
<td>469,085,2mt</td>
<td>25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Maize</td>
<td>1,164,280mt</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poultry:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broiler</td>
<td>3,571,400 birds/yr</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Layer (eggs)</td>
<td>5.83m crates of eggs</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
To facilitate access to market for participating small and medium scale commercial farmers.

### Fisheries:
- Clarias spp
- Tilapia
- Gymnarchus

### Dairy:
- Estimated No. of Dairy Cattle
- Estimated No. of Cows in Milk
- Estimated qty of milk/annum
- Estimated milk yield/cow/day
- Estimated net income/animal/day

#### 1.2 Increase in yield of the commodities in the value chain.

### Crops:
- **Cash crops**
  - Oil Palm
  - Cocoa
  - Fruit trees
    - Pineapple
    - Citrus
    - Guava
    - Mango
- Staple crops
  - Rice
  - Maize

### Poultry:
- Broiler
- Layer (eggs)

### Fisheries:
- Clarias spp
- Tilapia
- Gymnarchus

### Dairy:
- Estimated milk yield/cow/day

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Quantity</th>
<th>5%</th>
<th>10%</th>
<th>15%</th>
<th>20%</th>
<th>25%</th>
<th>Frequency</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Palm</td>
<td>7.5mt/Ha</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Cocoa</td>
<td>0.5mt/Ha</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Pineapple</td>
<td>35mt/ha</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Citrus</td>
<td>25mt/ha</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Guava</td>
<td>13.5mt/ha</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Mango</td>
<td>22.5mt/ha</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Rice</td>
<td>2mt/ha</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Maize</td>
<td>1.6mt/ha</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Broiler</td>
<td>1.8kg live wt @mkt</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Layer (eggs)</td>
<td>1 egg/hen/day</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Clarias spp</td>
<td>14,856mt</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Tilapia</td>
<td>2,122 mt</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>Gymnarchus</td>
<td>4,244 mt</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
</tr>
<tr>
<td>2,941,049 heads</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>1,113,515 heads</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>690,936mt litres</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>1.7 litres</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>N250.00</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
<td></td>
</tr>
<tr>
<td>NCO and SCADO</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>Annually</td>
<td>Survey</td>
<td></td>
</tr>
</tbody>
</table>

2.1 Increase in net sales by value of agricultural products under the targeted value chains relative to baseline (disaggregated by gender)
<table>
<thead>
<tr>
<th><strong>Intermediate Outcome</strong></th>
<th><strong>Component 1: Enhancing Agricultural Production and Commercialization</strong></th>
<th><strong>1.1 Increased adoption of improved agricultural technologies</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.1 Increase in adoption rate of improved technologies for tree crops (disaggregated by gender).</td>
<td><strong>Oil palm</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>i. Producers</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Improved seedlings (varieties) 30% 5% 10% 20% 30% 40% Annually Survey NCO and SCADO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Spacing of oil palm trees 15% 20% 30% 40% Annually Survey NCO and SCADO</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>ii. Processors</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Palm oil extraction by Pressing 30% 10% 20% 30% 40% Annually Survey NCO and SCADO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Hi technology palm oil extraction 20% 10% 20% 30% 40% Annually Survey NCO and SCADO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Palm kernel cracking technology 25% 10% 20% 30% 40% Annually Survey NCO and SCADO</td>
</tr>
</tbody>
</table>

**Cocoa**
- Graded cocoa beans

226,654.85mt 10% 20% 30% 35% 40% Annually Survey NCO and SCADO

**Fruit trees**
- Pineapple
- Citrus
- Guava
- Mango

70,000mt 650,000mt 547,500mt 1,125,000mt 10% 20% 30% 35% 40% Annually Survey NCO and SCADO

**Staple crops**
- Rice
- Maize

187,634.08mt 465,712mt 10% 20% 30% 35% 40% Annually Survey NCO and SCADO

**Poultry**
- Broiler Layer (eggs)

1,428,560 birds/yr 2,332m crates/yr 5% 10% 20% 30% 40% Annually Survey NCO and SCADO

**Fisheries**
- Clarias spp
- Tilapia
- Gymnarchus

8,488.8mt 5,942.4mt 848.8mt 1,697.6mt 10% 20% 30% 40% Annually Survey NCO and SCADO

**Dairy**
- Estimated No. of Dairy Cattle sold/yr
- Estimated quantity of milk sold/yr

1,176,420 heads 267,374m litres 5% 10% 20% 30% 40% Annually Survey NCO and SCADO

104
<table>
<thead>
<tr>
<th>Technology</th>
<th>Cocoa</th>
<th>Fruit trees</th>
<th>Maize</th>
<th>Rice</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. <strong>Producer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Improved varieties</td>
<td>35%</td>
<td>20%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>- Spacing / optimal population</td>
<td>20%</td>
<td>10%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>- Pruning Technology</td>
<td>15%</td>
<td>20%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>- Harvesting Technology</td>
<td>20%</td>
<td>30%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>- Fermenting &amp; drying Technology</td>
<td>30%</td>
<td>10%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>- Grading and storage Technology</td>
<td>10%</td>
<td>15%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>ii. <strong>Techology</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Palm kernel oil extraction</td>
<td>30%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.1b Increase in adoption rate of technologies in staple crops production (disaggregated by gender)

<table>
<thead>
<tr>
<th>Technology</th>
<th>Cocoa</th>
<th>Fruit trees</th>
<th>Maize</th>
<th>Rice</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. <strong>Producer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Improved seed (Qty/No. of Farmers)</td>
<td>20%</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>- Use of Fertilizers</td>
<td>30%</td>
<td>30%</td>
<td>40%</td>
<td>55%</td>
</tr>
<tr>
<td>- Use of Agrochemicals</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>55%</td>
</tr>
<tr>
<td>- IPPM</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>55%</td>
</tr>
<tr>
<td>ii. <strong>Techology</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Land preparation (type, cost)</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>- Improved seed (Qty/No. of Farmers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Use of Fertilizers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Use of Agrochemicals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- IPPM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Harvesting technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Manual</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mechanical</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Packaging</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Rice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Land preparation (type, cost)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Improved seed (Qty/No. of farmers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Use of fertilizers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Percentage</td>
<td>Yearly</td>
<td>Gender</td>
<td>Method</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>- Use of Agro-chemicals</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Spacing</td>
<td>25%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- IPPM</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harvesting technologies</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Manual</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processing technologies</td>
<td>25%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Solar drying</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Electricity</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1c Increase in adoption rate of poultry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>technologies (disaggregated by gender)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poultry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Improved breeds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Quality feeds/feeding regimes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Standard housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Management techniques</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Vaccination and medications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Egg grading and packing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Processing technologies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Packaging technologies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1d Increase in adoption rate of fisheries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>technologies (disaggregated by gender)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisheries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Pond construction technologies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Improved feeding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Hatchery and fingering production</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Improved pond management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Processing technologies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Storage techniques/facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Preservation (smoking) tech.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1e Increase in adoption rate of dairy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>technologies (dis-aggregated by gender)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dairy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Milking parlour</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Use of milking machines</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Cold chains for milk storage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Milk quality mgmt. &amp; control</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SCADO
<table>
<thead>
<tr>
<th>Component 2: Improving Rural Infrastructure</th>
<th>1.2 Improved access to market information for agriculture products under the targeted value chains by commercial farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-Improved breeds</td>
</tr>
<tr>
<td></td>
<td>-Housing technology</td>
</tr>
<tr>
<td></td>
<td>-Improved feeding</td>
</tr>
<tr>
<td></td>
<td>-Disease control</td>
</tr>
<tr>
<td>1.2 Number of farmers that have access to improved market information on activities in the targeted value chain (dis-aggregated by gender)</td>
<td>5% 1% 5% 2% 10% 20% 15% 25% 30% 20% 30% 40% 50% 60% Annually Survey SCADO</td>
</tr>
<tr>
<td>1.2b Number of farmers that have access to product market (disaggregated by gender)</td>
<td></td>
</tr>
<tr>
<td>1.3 Number of CADAs developing and implementing Business plans for sub-projects</td>
<td>20% 5% 10% 20% 30% 40% Annually Survey SCADO</td>
</tr>
<tr>
<td>1.3b Number of CADAs keeping farm records</td>
<td>N A 15% 25% 35% 40% 50% Annually Survey SCADO</td>
</tr>
<tr>
<td></td>
<td>N A 20% 30% 50% 60% 80% Annually Survey SCADO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 2: Improving Rural Infrastructure</th>
<th>2.1 Improved access to rural network of farm roads</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Decrease in travel time from farm to market of an average distance of 5 kilometers</td>
</tr>
<tr>
<td></td>
<td>1 hr 0% 5% 10% 20% 25% Annually Survey SCADO</td>
</tr>
<tr>
<td>2.1b Reduction in cost of transportation+ of farm output.</td>
<td>N4,000/mt 0% 5% 10% 20% 25% Annually Survey SCADO</td>
</tr>
<tr>
<td>2.2 Improved access to rural energy (electricity)</td>
<td>Number of commercial farmers connected to electricity in target locations (disaggregated by gender)</td>
</tr>
<tr>
<td></td>
<td>N A 0% 20% 30% 40% 60% Annually Administrative Records SCADO and PHCN</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Management, Monitoring and Evaluation</th>
<th>3.1 Improved capacity to implement project</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Number of Project workplans implemented within the targeted timeframe</td>
<td>N A 40% 50% 60% 70% 80% Annually Administrative data NCO/NFRA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Management, Monitoring and Evaluation</th>
<th>3.2 Strengthened project M &amp; E system</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2 Degree of compliance with collection and updating of MIS data on agreed performance indicators according to M&amp;E</td>
<td>N A 40% 50% 60% 70% 80% Quarterly Administrative NCO/NFRA</td>
</tr>
<tr>
<td>Outputs</td>
<td>plan</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>3.3 Enhanced financial performance of the project</td>
<td>3.3 Timely preparation of progress reports</td>
</tr>
<tr>
<td></td>
<td>3.3b Level of adherence to Financial Management Guideline and cost table</td>
</tr>
<tr>
<td></td>
<td>N A</td>
</tr>
<tr>
<td></td>
<td>40% 50% 60% 70% 80% 100%/Q</td>
</tr>
<tr>
<td></td>
<td>Quarterly/Q 50% 70% 80% 90% 100% 50% 70% 90% 100%</td>
</tr>
</tbody>
</table>
### Component 1: Agricultural Production and Commercialization

- **Technology packages demonstrated and disseminated**
  - Number of technology packages demonstrated and disseminated (disaggregated by aquaculture, rice, dairy, fruit trees, oil palm, cocoa, poultry and maize)
  - Number of technology packages demonstrated and disseminated
  - 0
  - 0
  - 10
  - 20
  - 30
  - 40
  - Bi-annually
  - Project Report
  - SCADO

- **Improved animal/seed varieties procured**
  - Quantity of improved varieties procured (disaggregated by animals and seeds) (tonnes)
  - Quantity of improved varieties procured (disaggregated by animals and seeds) (tonnes)
  - 0
  - 0
  - 50
  - 100
  - 100
  - 158
  - Bi-annually
  - Project Report
  - SCADO

- **Post-harvest handling centers established**
  - Number of post-harvest handling centers established.
  - Number of post-harvest handling centers established.
  - 0
  - 0
  - 10
  - 10
  - 15
  - 15
  - Bi-annually
  - Project Report
  - SCADO

- **Trained commercial agriculture entrepreneurs**
  - Number of commercial agriculture entrepreneurs (disaggregated by gender) trained in management skills - business planning/feasibility studies, financial management, human resource management and marketing (disaggregated by Commodity Interest Groups and Commercial Agriculture Development Associations)
  - Number of commercial agriculture entrepreneurs (disaggregated by gender) trained in management skills - business planning/feasibility studies, financial management, human resource management and marketing (disaggregated by Commodity Interest Groups and Commercial Agriculture Development Associations)
  - 0
  - 0
  - 5,000
  - 10,000
  - 20,000
  - 15,000
  - Bi-annually
  - Project Report
  - SCADO

- **Developed commercial agriculture product market**
  - Number of commercial agriculture producers (disaggregated by gender) with access to information on product markets (disaggregated by domestic and export markets)
  - Number of commercial agriculture producers (disaggregated by gender) with access to information on product markets (disaggregated by domestic and export markets)
  - 0
  - 0
  - Annually
  - Survey
  - SCADO

### Component 2: Rural Infrastructure

- **Constructed/Rehabilitated Rural Roads**
  - Distance of Rural Roads Constructed/Rehabilitated (Km)
  - Distance of Rural Roads Constructed/Rehabilitated (Km)
  - 0
  - 0
  - 50
  - 125
  - 150
  - 175
  - Annually
  - Project Report
  - SCADO

- **Commercial Agriculture farms connected to electricity**
  - Number of Commercial Agriculture farms connected to electricity
  - Number of Commercial Agriculture farms connected to electricity
  - 0
  - 0
  - 100
  - 200
  - 200
  - 200
  - Annually
  - Project Report
  - SCADO

### Project Management, Monitoring and Evaluation
Note: The various target levels were chosen based on field findings during the Baseline Survey across the CADP States. It was also based on records and data of completed projects such as FADAMA 11, ADP CAYS and Evaluation Reports and on best practices. The 25% for production and 40% for marketing are indicative estimates or averages bearing in mind that that variations are expected for the different commodities in the value chains in the five participating states. These percentages are achievable given the improvement in production technology and improved farm access roads for the transportation of agricultural produce as a result of the project. The above percentages are not expected to add up because other intermediate activities/operations such as processing account for the shortfall or deficit.

Other assumptions are:

- An estimated 40% of the value chain commodities are marketed or sold
- 25% of the produce are consumed
- 15% of the produce are estimated to encounter loss on account of damage, spoilage/decay or mortality in case of livestock/fisheries as well as theft, etc
- 20% of the produce are distributed proportionately for gifts, planting material for the next planting season as well as insurance against risk (e.g. food insecurity, cash squeeze, flood/erosion etc), among others.

N A – Not Applicable
1.1 Purpose of the Manual

1. Standard policies on procurements under wholly or partly financed projects by the Bank\(^2\) are contained in the Guidelines on Procurement\(^3\).

2. This manual sets forth the procedures for effective and efficient planning and implementation of procurement processes for the Commercial Agricultural Development Project consistent with the Guidelines on Procurement.

3. It intends to achieve a proficient public procurement process for the project, that is:

- **Economic**: giving the PIUs (Project Implementation Units) the best value for money, with value being defined as more than just price, to include quality assessment;
- **Efficient**: being simple and swift, practical and compatible with the administrative resources and professional capacity of the PIUs to achieve positive results devoid of protracted delays in project execution;
- **Fair**: being impartial, consistent and reliable. One that offers all interested bidders a level playing field on which to compete. A process that expands the PIUs’ options in attaining competitiveness;
- **Equity**: Provide equal opportunity as a means of obtaining good quality product and/or service while being equitable to the suppliers/contractors/consultants, the ultimate project beneficiaries, and all stakeholders;
- **Transparent**: being capable of establishing and maintaining rules and procedures that are clear, easily accessible, and unambiguous. A system that is not only fair, but is seen to be fair; and
- **Accountable**: bestowing a sense of responsibility to its implementers, making them accountable for their action and/or inaction by enforcing established rules and regulations. A process that supports the credibility of the PIUs by serving as a deterrent to collusion and corrupt practices while serving as an inducement for institutional probity.

4. Accordingly, this Manual addresses the Bank’s five basic concerns that govern its procurement policies:

(a) The need for economy and efficiency in the procurement of works, goods and services needed to be carried out under Commercial Agricultural Development Project;

(b) The need to ensure that the loan facilities is used to buy only those works, goods and services needed to carry out the project;

---

\(^2\) Bank refer to both the International Bank for Reconstruction and Development and International Development Association

\(^3\) Guidelines Procurement under IBRD Loans and IDA Credits, January 1999
(c) Give all qualified bidders from the Bank’s member countries equal opportunity to compete for contracts under the project;
(d) Encourage development of local contractors and manufacturers in Nigeria; and
(e) Ensure that the procurement process is transparent.

5. Procurement of inputs by the PIUs for the effective and efficient execution of the Commercial Agricultural Development Project can be grouped into:

- Civil works (e.g. roads & buildings)
- Goods (e.g. equipments, materials, commodities)
- Services (e.g. experts advice, training capacity, maintenance)

6. Specific procedures on modes of procurement for these project inputs are detailed in this manual.

1.2 Approach

7. The approach adopted is in keeping with the Bank’s decentralized procurement system, which is aimed at achieving greater efficiency and beneficiary inclusion in project development and execution. This approach is based on the Bank’s Guidelines Procurement under IBRD Loans and IDA Credits of January 1995, Revised January and August 1996, September 1997, and January 1999 and its Standard Bidding Documents and Consulting Services Manual.

1.3 Organization and Responsibilities

8. The Project Appraisal Document (PAD) has identified five States and the National Coordinating Office (NCO) of the NFRA as the main executing Project Implementing Units (PIUs) for the Commercial Agricultural Development Project.

9. The procurement units of these PIUs shall be responsible for procurement activities for this project. The National Project Coordinator at the national level and the State Project Coordinator at the state level shall oversee; approve initiation and conclusion of the procurements process. Subsequently, the Bank’s no-objection shall be obtained at each process level up to contract award, especially on procurement that needs prior review.

10. The Procurement Consultant/Officers shall head the procurement units and shall be responsible to the National Project Coordinator at the national level and the State Project Coordinator at the state level. The main responsibilities of the Procurement Consultant/Officers are:

- Prepare the Procurement Plan for the Commercial Agricultural Development Project in consultation with the National Project Coordinator at the national level, State Project Coordinator at the state level, Heads of the various units and the Bank;
- Initiate and coordinate each of the specific procurement process in line with the Procurement Plan developed for the project and the Bank’s procurement Guidelines;
- Exhibit transparency and fairness in the execution of procurement activities.
- Keep custody of all contracts files and documents for subsequent review and audit.
- Follow up action to ensure that the supplier/contractor/consultant are paid and the transaction closes formerly.

1.4 Procurement Planning

11. Procurement planning in a Bank-assisted project involves developing an effective procurement framework that aids the achievement of the objectives of the project and complies with the Bank’s Procurement Guidelines.

12. Two independently different approaches have emerged in procurement planning depending on whether the project is a conventional specific investment project OR the new Investments Instruments of the Bank such as, Adaptable Program Lending (APL), and Learning Innovation Loans (LIL).

13. In conventional specific investment projects, procurement planning entails:
   - Detailed compilation of all known goods, works and services that will be needed to complete the project.
   - How these items should be combined or divided into contract packages.
   - What method of procurement should be used for each item to procure?
   - Detailed schedule of when these items are to be procured.

14. In contrast, procurements planning for projects funded under the APL assume a different dimension because specific content of the projects evolves as the program develops. It is therefore impracticable to develop a list of all the procurement needs in advance. Procurement planning in this instance concentrates at spelling out the procedures, responsibilities and criteria for determining project components or sub-projects and for choosing appropriate procurement arrangements. Such procurement arrangement will include:
   - The type and limit of value of work that may be performed by commercial Group’s.
   - Type and limit of value of work that will be through competitive bidding.
   - Type and limit of value of goods that will be purchased through local or international shopping methods (LS/IS)
   - Type and limit of value of goods that may be purchased using the Statement of Expenditure (SOE).

15. The Project Concept Document for Commercial Agricultural Development Project classified the lending instrument as Specific Investment Loan (SIL). Consequently, procurement planning under the CADP falls within the specific investment projects. The PIU is therefore expected to carry out the following activities among others:
1.4.1 Plan Preparation

16. This sets out the overall procurement timetable, indicating the different procurement activities that need to be carried out and when they should take place. These activities should cover the following:

- Defining the requirements and ascertaining the context of the tasks to be performed;
- Determining specifications and details of the project components and ascribing costs to them;
- Selecting the most appropriate procurement method to use to ensure competition, economy, and efficiency;
- Determining whether Pre-qualification will be relevant so as to make decisions on the preparation and issuance of pre-qualification documents and its timing;
- Identifying and adapting the relevant SBDs to be used or the drafting of the appropriate Bidding Documents to be used where the Bank’s SBDs are not applicable to the considered transaction;
- Determining when the bidding documents will be ready for issuance to bidders;
- Determining whether and when pre-bid conference and site visits will be held;
- Determining whether, where, and when public bid opening and evaluation will take place, etc;
- Setting out the bid evaluation criteria and selecting the process to be used;
- Establishing the procurement performance indicators and milestones to be used in monitoring and assessing progress and to trigger movement from one phase of the project to another;
- Identifying the project team to use in managing the process from start to finish;
- Estimating costs for the procurement processes and their financial plan;
- Monitoring and evaluating plan for tracking progress and developing lessons to be used in subsequent phases.

1.4.2 Issuing Procurement Notices

17. The procurement plan shall state the dates procurement notices for all ICB, NCB and consulting contracts should be issued and the medium through which these notices shall be given.

1.4.3 Design of contract packages

- Determine the appropriate format for procuring identified goods, works, or services and determining the best methods for procuring them.
- Determine whether single or multiple contracts should be used to procure the items required distinguishing between slices, where individual contracts are involved, and packages, where groups of similar contracts are involved for the purposes of the planned bid process and consequent contract award.
• Determine the appropriate procurement method to use for procuring the identified item whether ICB, NCB, LIB, IS, NS, or some other procurement methods in conformity with the Bank’s Procurement Guidelines.

1.4.4 Procurement Plan Monitoring

18. A system of data processing and Management Information System (MIS) shall be set up that will serve as the PIU’s database and provide them with a planning and monitoring tool for procurement activities from planning through to final implementation of the project.
**SPECIMEN PROCUREMENT PLANNING TABLE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Type</th>
<th>No of Contracts</th>
<th>Estimated Cost</th>
<th>Procurement Method</th>
<th>Review Method</th>
<th>Estimated dates for Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOODS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WORKS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONSULTING SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.5 Modes of Procurements

19. The methods for procurement of goods, works and services for components of the Commercial Agricultural Development Project shall be determined by agreement between the Bank and the Federal Republic of Nigeria and specified in the Financial Agreement. However, the particular procurement methods to apply for each category of goods, works and services shall depend on the following factors:

- The specific features of the goods, works and services to be procured;
- The size and value of the procurement;
- The scheduling and critical dates for delivery;
- The availability of the goods and services locally at competitive price;
- The likelihood of interest by foreign bidders;
- The need for transparency.

20. The followings are the approved procurement methods by the Bank which are applicable in the CADP procurement of goods, works and services:

1.5.1 International Competitive Bidding (ICB)

21. This is a publicly solicited procurement process that provides all eligible prospective bidders with timely and adequate notification of a PIU’s requirements and gives them equal opportunity to bid for the advertised goods, works, or services. For all intents and purposes, ICB shall be the default procurement method with the other methods only being used when ICB is not efficient or economical or when they are otherwise deemed more appropriate.

22. The following points are noteworthy in respect of ICB procurements:

- The minimum value for procurements that may be made under ICB shall be stated in the Financial Agreement;
- The goods, works or services must be such that may attract the interest of foreign suppliers or contractors;
- The PIU is expected to prepare and submit to the Bank a draft General Procurement Notice (GPN) to be published in the United Nations Development Business (UNDB) and a list of all responses to this notice shall be maintained. The GPN shall be updated annually for all outstanding procurements;
- Invitations to pre-qualify or bid for specific contracts shall be advertised as Specific Procurement Notice (SPN) and published in a national newspaper, United Nations Development Business and also sent to respondents to the GPN. There must be at least eight weeks interval between the publication of the GPN and the SPN;
- Bidding documents shall be issued which will clearly state the type of contract, size, scope, technical specifications, payment method and the general and specific conditions governing the procurement. The bidding documents should also describe the criteria and methodology for evaluation of bids and selection of successful bidder;
• Registration of foreign bidders with local authorities should not be a requirement for bidding under ICB. However, successful bidder may have to register if such is required by law;
• Foreign firms should not be required to associate with local firms in joint venture or to employ specific personnel as a condition for pre-qualification or bidding. Local or foreign bidders should submit only one bid either individually or as members of a joint venture;
• Bidding documents are to be issued in the three main languages recognized by the Bank, that is, English, French or Spanish. Where the PIU allowed bid to be submitted in local language by local bidders, such must be translated to any of the three recognized languages before the first application for withdrawal of funds;
• Successful bidders must be awarded the contract within the period of the validity of the bids. New conditions must not be introduced that was not in the original and/or amended bidding documents.
• The Bank’s policies with respect to margins of preference for domestically manufactured goods and contractors shall be applicable if such is stated in the bidding documents;
• Where inspection is required for imported items, such should not be subject to price verification, but only be verified for quality and quantity; and
• Cost incurred for certification of imports shall not be a factor in the bid evaluation.

23. There are two types of ICB procurement methods:

**One-Stage Bidding**

24. In a one-stage bidding, the bidding documents includes among others, a comprehensive details of the goods, works and services to be provided, including technical specifications. Bidders are requested to submit their technical and financial proposals at the same time but in separate envelopes. One-stage bidding is mostly applicable to procurement of goods and works that are not complicated technically and are of relatively small value.

25. Procurement of goods and works under the Commercial Agricultural Development Project will mostly fall under this category and therefore should be noted by the PIUs.

**Two-Stage Bidding**

26. This is normally used for turnkey contracts or contracts for large complex plants or works of special nature where it may be impractical or unwise to prepare complete technical specification in advance. Under this method, a conceptual design or specification of the goods or works is included in the bidding document and bidders are invited to submit un-priced technical proposal. This is evaluated and amended bidding documents incorporating revisions of the technical requirements are sent to the bidders who are now requested to submit their final technical and financial proposals.
1.5.2 Limited International Bidding (LIB)

27. This is essentially an ICB by direct invitation, without open advertisement. LIB is considered an appropriate method of procurement in the following instances:

- Where the contract values are small, or
- Where there is only a limited number of Suppliers for the required item, or
- Where other exceptional reasons justify departure from full ICB procedures (e.g. emergency actions).

28. Under LIB, PIUs seek bids from a list of some pre-determined potential Suppliers. The shortlist is made in such a way that competitive prices are obtained. The Bank’s procedures for domestic preferences and advertisement do not apply in the evaluation of bids under LIB. Other than these exceptions, all other provisions pertaining to ICB applies to LIB in the same measure.

1.5.3 National Competitive Bidding (NCB)

29. National Competitive Bidding (NCB), like the ICB, is a competitive bidding procedure that may be used where applicable for procurements under the Commercial Agricultural Development Project. NCB should be used where it is considered most efficient and economical for the procurement of goods, works, or services the nature or scope of which is unlikely to attract foreign competition. The procedure must be structured to ensure economy, efficiency, transparency, and broad consistency with the provisions of the Bank’s Guidelines.

30. The following are acceptable instances where NCB may be used:

- Where the contract values are small;
- Where the location of works are scattered geographically or spread over time;
- Where the works to be contracted are labor intensive;
- Where the goods or works to be procured are available locally at prices below international market prices; or
- Where the advantages of ICB are clearly outweighed by the administrative or financial burden involved.

31. For the NCB procurements, the following activities are important:

- All procurements under the NCB mode are exempt from the publication of General Procurement Notices, and advertising is limited to insertions in national press or official gazette;
- Bidding documents are prepared in the official language of the country, and local currency is generally used for the purposes of bidding by and payment to Contractors;
- Its procedure should provide adequate response time for preparation and submission of bids while encouraging competition in order to ensure reasonable prices;
• The criteria for bid evaluation and Contract award should be clearly specified in the Bidding Document;
• Any foreign firm indicating interest in participation should be allowed to do so.

1.5.4 International Shopping

32. This is a mode of procurement where price quotations are obtained from at least three Suppliers in at least two different countries to ensure competitive pricing. For the purposes of meeting the requirement of the prescribed ‘two different countries’, quotation for foreign goods located in Nigeria offered by a firm located in Nigeria, is considered a quote from abroad. This rule is applicable to goods that are normally imported by dealers of the foreign manufacturers who are also able to provide after sales services, such as computers, vehicles, etc.

33. This method of procurement is prone to abuse as it is sometimes viewed as an expedient means of by-passing more competitive procurement methods such as ICB, NCB. This is often perpetrated by splitting large procurement contracts into smaller bits to make them fall below the established threshold for competitive bidding in order to avoid the complexity of competitive bids. For this reason, its use is restricted to cases that can be justified beyond doubt.

34. To aid its effective use under the Commercial Agricultural Development Project, this mode of procurement is further elaborated in detail in the following paragraphs with a suggested checklist to be completed before a resort to the use of shopping is allowed.

Condition of Use

35. Hopping should only be used in cases that do not require complex documentation or the formalities of a bidding process, such as:

- Procuring readily available off-the-shelf items or standard specification commodities that are small in value.
- At times of emergencies or during relief-type operations, such as when re-establishing vital services like utilities, communications, shelter, and vital supplies caused by disasters or conflict resulting in one or several activities in supply of goods, installation and commissioning of equipment, or very urgent minor civil works.

36. More competitive bidding methods should be used for large and/or complex procurements.

Thresholds

37. The Financial Agreement shall state the upper threshold in which shopping method may be used for individual contracts. It shall also state the maximum aggregate amount that may be used for shopping for the duration of the project.
**Price competitiveness**

38. The PIUs shall obtain and compare at least three quotations to establish the reasonableness of the prices quoted. The comparison or consideration of less than three quotations is only permissible when it can be justified that there are less than three reliable sources of supply nationally or internationally, as the case may be.

**Form of Shopping (IS Vs. NS)**

39. International Shopping should be employed whenever the value of the project justifies doing so or when competitive prices cannot be obtained due to limitation of product sources nationally.

40. When there are more than one local source for the goods being considered, the PIU may use National Shopping (NS) instead of International Shopping (IS).

**Need for Due Diligence**

41. The PIUs are required to exercise due diligence to satisfy themselves that the firms invited to quote are reputable, well established, and are suppliers of the goods or services being required as part of their normal business.

42. In the event that the PIU receives unsolicited quotations, such offers should be subjected to detail due diligence before being accepted for consideration and/or invitation to verify their nature and the reputation of the firms making the offers.

**Form of Requests and Contract Price**

43. Requests for quotations should be made in a manner that indicates the description and quantity of the required goods, as well as their desired delivery time and place, including any installation requirements.

44. In actualizing this procurement option, the PIU should request for quotations by letter, fax, telex, electronic messaging, in a manner that provides proof of receipt and aides record keeping. The request should indicate the date by which the quotations are needed, which should normally be within one or two weeks of the initial request.

45. In extremely urgent cases such as when restoring vital services, quotations for civil works may be requested in the form of “unit rate” prices, especially where the quantity of the work can be estimated with a reasonable degree of accuracy. “Cost plus fee” pricing should be used when quantities cannot be reasonably determined in advance. Lump sum contract should be considered when cost estimates are capable of being carried out by the PIU or by the contractors.
**Quotation Prices and Currencies**

46. Prices for goods supplied from within the country, including previously imported items, should be requested to be quoted EXW (ex works, ex factory, ex warehouse ex show room or off-the-shelf, as applicable), to include custom duties and sale or other related taxes already paid or payable on the raw materials and components.

47. In the case of goods offered from abroad, prices should be requested Cost Insurance and Freight (CIF) or Carriage and Insurance Paid (CIP).

48. The PIU may accept situations where quotes are invited on DDP basis even though this may pose an undue burden on foreign suppliers for estimation of custom duties and internal transport for relatively small purchases.

49. Prices for civil works should be requested to include all taxes and duties payable by the contractor.

50. Prices can be quoted in any currency of the Bank-member countries.

**Evaluation of Quotations**

51. The evaluation of the quotations obtained should be in accord with both sound public and private sector commercial practices in Nigeria. Specifically, the evaluation should take into account the following factors:

- Reputation of the firm and its ability to meet required delivery requirements;
- Competitiveness of prices quoted taking cognizance of quality and delivery time;
- The firm is a recognized supplier of the goods or services being purchased;
- The quality of goods offered are of acceptable standard;
- Availability and costs of maintenance services and spare-parts over a reasonable period.

52. The terms and conditions of the accepted offer should be incorporated in a Purchase Order to be addressed to the selected quote.

53. No bid or performance securities should be requested for this mode of procurement.

54. In cases where the PIU has not received a minimum of three quotations within the nominated time, it should ascertain the intention of the non-responding invitees as to whether or not they will make an offer and how soon.

55. Unless there is extreme urgency or when there are already three or more quotations available, the PIU may give a reasonable amount of additional time, such as three more days, to get additional quotations after which the PIU may proceed with the comparison of the proposals received.
Comparison of Quotations

56. Quotations should be compared only after adding the estimated cost of inland transportation and insurance to the final destination, if any, to the quoted price for goods. For the purposes of this comparison, prices should be converted into local currency at the exchange rate on the day of the invitation of the quotes or on the day of comparison.

57. Driving from this comparison, the lowest responsive price offer should be selected. PIUs may exercise discretion in selecting a quotation that is not the lowest-priced offer, provided this decision can be justified, such as when a slightly higher price results in a faster delivery or yields immediate availability in cases of extreme urgency in a situation when late delivery may lead to heavy consequences. In cases like this, the intention should be indicated in the request for quote.

Record Keeping

58. The PIU is required to document the award decision and its rationale, which it should make available for review and audit as may be initiated by the Bank as appropriate. Such records should contain the list of firms invited, the list and value of the quotations received, and all relevant documents received and/or generated, considered necessary to prove that the award is based on sound economic criteria.

Currency of Payment

59. The issued Purchase Orders should specify the currency of payment, which normally is the currency of quote. Payments in the currency of the member countries of the Bank are also acceptable.

Ex-post Reviews and Audits

60. Due to the small value of contracts falling within this category and the nature of procurement under the shopping procedure, it is advisable that a provision be included in the financial agreement that such procurements should be subjected to the Bank's ex-post review instead of prior review. The risk of abuse of this procurement method makes close supervision absolutely necessary. If this provision is included in the financial agreement, the project team shall conduct ex-post reviews of shopping contracts during the Bank supervision missions.

61. The internal audit unit of the PIU and the Bank as may be agreed in the financial agreement, shall regularly review all shopping procurements to ensure that they comply with procedures stated in this manual. Third party procurement audits are also recommended to include a representative sample of procurements carried out under the shopping procedure.

1.5.5 National Shopping

62. This assumes the same format as International Shopping except that the items are procured in Nigeria. National Shopping should be used where the desired goods are ordinarily available from more than one source in Nigeria and can be obtained at competitive prices.
1.5.6 Direct Contracting

63. This is a procurement procedure that does not involve a competitive selection of bidders (single-source selection). It is only considered an appropriate solicitation method under the following circumstances:

- Where the need arises for the extension of an existing contract for goods, works, or services awarded in accordance with procedures acceptable to the Bank. To utilize this mode of procurement for this purpose, the Bank should be satisfied that no advantage could be obtained through further competitive solicitation process and that the prices on the extended contract are reasonable. It is advantageous to include provisions for such an extension in the original contract if extension is envisaged.
- Where the need arises for the procurement of additional items being part of some standardized equipment or spare parts considered compatible with existing equipment from its original supplier. To be justifiable:
  - The original equipment must be suitable;
  - The number of the required items must generally be less than the existing number;
  - The price must be reasonable; and
  - The advantages of another make or source of equipment must have been considered and rejected on grounds acceptable to the Bank.
- Where the required item is proprietary and can only be obtainable from one source.
- Where the Contractor responsible for a process design requires the purchase of critical items from a particular Supplier as a condition of a performance guarantee.
- In exceptional cases, such as in response to emergencies or some natural disasters.

1.5.7 Force Account

64. This is a process where the PIU uses its own personnel and equipment to construct the required facility. This option is generally only practicable in the construction of some kinds of simple works. Its use is justified in the following circumstances:

- Where the quantities of the work to be contracted cannot be defined in advance;
- Where the works are small and their location is scattered or in remote areas for which qualified construction firms are unlikely to bid at reasonable prices;
- Where the work is required to be carried out without disrupting ongoing operations;
- Where risks of unavoidable work interruption are better borne by the PIU than by a Contractor; and
- Where there are emergencies needing prompt attention.
1.5.8 Procurement from United Nations Agencies

65. This method is employed by engaging some specialized agencies of the United Nations (UN) to procure items in accordance with their own procedures. This is only recommended when it is considered most economical and efficient to procure small quantities of off-the-shelf goods, primarily in the fields of education, health, and rural water supply and sanitation. This may not be applicable to Commercial Agricultural Development Project being an Agricultural Sustainable Project.

1.5.9 Procurement Agents

66. In situations where PIUs lack the necessary internal capacity or experience to procure some goods or works, they may be allowed to employ a firm specializing in handling procurement of such types of goods or works as its agent.

67. Such procurement agent is required to strictly follow all the procurement procedures outlined in the Loan Agreement on behalf of the PIU, including use of Bank Standard Bidding Documents (SBDs), review procedures, and documentation. This also applies in cases where UN agencies act as procurement agents.

68. A similar procedure is applicable to the engagement of Management Contractors who may be employed for a fee to contract for miscellaneous works involving reconstruction, repairs, rehabilitation and new constructions in emergency situations, or where large numbers of small contracts are involved.

1.5.10 Inspection Agents

69. Pre-shipment inspection and certification of imports is one of the safeguards for the PIU, particularly in projects with large import components.

70. The inspection and certification should be made to cover quality, quantity and reasonableness of price.

71. The inspection agents’ remunerations should be based on fees levied on the value of the goods inspected.
CHECKLIST FOR PROCUREMENTS USING SHOPPING METHOD

1. Are the proposed goods readily available off-the-shelf or of standard specifications?

2. Are the proposed goods/works required urgently due to:
   ▪ Emergency situation?
   ▪ Critical and urgent relief-type operations?

3. Is the value of proposed goods/works within the agreed threshold for individual contracts as stated in the Loan Agreement?

4. Is the cumulative value of all procurements through shopping method made to date, including the proposed contract, within the aggregate threshold set for shopping in the Financial Agreement?

5. Are the proposed goods readily available locally and at competitive prices?

6. Are the proposed suppliers reputable and are known manufacturers/suppliers of the goods, works or services required?

7. Will it be more economical to package the contracts and adopt a more competitive bidding procedure, such as ICB or NCB?

1.6 General Procedures for Procurement of Goods and Works

1.6.1 Advertisement of Procurement Opportunities

72. Notification of procurement opportunities for goods and works should be sent out timely and appropriately for economic and efficient procurements. Consequently, the PIUs must prepare and submit to the Bank a draft General Procurement Notice for all procurements through ICB.

1.6.1.1 General Procurement Notice (GPN)

73. The GPN should contain information to inform suppliers and contractors on the major ICB procurement opportunities in the Commercial Agricultural Development Project.

74. For all planned ICB procurements under the Commercial Agricultural Development Project, the PIU should prepare a draft GPN and submit to the Bank for approval and insertion in the United Nations Development Business (UNDB), not later than eight weeks prior to the release of any pre-qualification or bidding documents. A list of all responses to the GPN shall be maintained by the PIU. The GPN should be updated whenever there are significant changes in the project and at least once a year as long as ICB procurement opportunities still exist.
1.6.1.2 Specific Procurement Notice

75. Specific Procurement Notices are issued as a public Invitation to Pre-qualification or Invitation for Bids for each of the major procurement packages in the project that ICB or NCB procurement methods are to be used. The SPN should be published:

- In at least one newspaper of general circulation in the Borrower’s country;
- In the official gazette in the Borrower’s country;
- By direct notification of all firms which have expressed an interest in the procurement in response to the GPN;
- By notification to local representatives of Banks of eligible countries that are potential suppliers of the goods, works or services required;
- In the printed version of the UNDB or well known magazines, international newspapers or trade publications for large, specialized or important contracts.

76. The PIUs are expected to prepare SPN for every procurement of goods and works under the Commercial Agricultural Development Project and submit to the Bank for approval before publication.

1.6.2 Standard Bidding Documents

77. Standard Bidding Documents shall be used for procurements under the Commercial Agricultural Development Project involving the use of International Competitive Bidding (ICB) and National Competitive Bidding (NCB) methods of procurement.

78. The Bidding Documents should:

- Clearly instruct the bidders of the nature, extent, and details of the requirements for the works, goods or services being proposed, thereby encouraging eligible firms to submit responsive bids;
- Provide instructions on how to prepare and submit responsive bids;
- Set out fair and non-discriminatory criteria for evaluation and assessments of bids;
- Inform potential bidders of their contractual obligations under the Contract.

79. The Bidding Documents should be developed in three parts to consist of a number of documents as follows:

1. **Requirements for Bids**: this should be the part that essentially cover the bidding process and should be made up of the following components:

   a. Invitation for Bids (IFB);
   b. Instructions to Bidders (ITB);
   c. Content of Bids
      - Bid Data Sheet
      - Evaluation and Qualification Criteria
2. **Contract Provisions in SBD**: this part should define the responsibilities and obligations of all parties under the proposed Contract. It should clearly define the tasks to be performed, the manner of its performance, and the mode of payment to signify a satisfactory closure. It is normally made up of two components as follows:

   a. General Conditions of Contract;
   b. Special Conditions of Contract.

3. **The Form of Agreement**: this is made up of the following:

   a. Agreement Form
   b. Performance Security
   c. Advance Payment Security (if applicable)

80. Bidders shall not submit the forms with their bids because they are applicable only to successful bidders.

81. These sets of documents are further elaborated in greater details to provide guidance for the preparation and/or modification of the desired Bidding Documents or the use of approved SBDs. An understanding of the essences of their provisions is expected to make for a more effective implementation and better Contract Administration/Management of the CADP.

The following are the various components of the Bidding Document:

1.6.2.1 **Invitation for Bid (IFB)**

82. IFB is a formal request by the PIU to prospective bidders to submit an offer to undertake the task being proposed under the Contract. It makes available to bidders adequate information to enable them determine whether or not the contract is within their interests and competences.

83. The IFB should indicate the bid evaluation criteria and qualification requirements. The Invitation for Bids (IFB) is not technically considered as part of the Bidding Documents. It is therefore usual to include a clause indicating that it is a memorandum document only.

84. IFB for procurements under the Commercial Agricultural Development Project shall be issued in accordance with the provisions of Paragraph 2.8 of the Guidelines. When drafting the Invitation for Bid, the information to be set out in them should be measured and carefully considered.
1.6.2.2 Instructions to Bidders (ITB)

85. This component, together with its complementary component, the Content of Bids, makes specific provisions on the preparation and submission of bids. Its major function is to inform bidder what to do when preparing and submitting the bid and to state this in precise terms. It is to be noted however that a fairly detailed Instructions to Bidders is only required when the solicitation process is unrestricted and public such as with ICB and NCB. The document is therefore not required in the same details when a restrictive bidding process is used such as Limited International Bidding.

86. Bids prepared in accordance with clear instructions are easier to evaluate and compare. Instructions to Bidders serve this purpose and make clear the criteria for evaluating and assessing all submitted bids. The PIU should avoid legal liability and protect its integrity by lying down and following a well-defined and acceptable procedure for determining the suitability of offers.

87. The legal implications of the relationships between the bidders and the PIU requires that caution is exercised in the documentation and management of the bidding process. The following are some important principles to provide guidance in preparing the Instructions to Bidders dictated by precedence and good practice:

1. Where a bid need to be submitted in accordance with clearly established procedures, the requirements must be complied with strictly by both the bidders and the PIU as both are equally bound by them;
2. Where the requirements for bidding specify the rules under which the PIU will determine which offer to accept, the PIU must follow those rules to avoid legal claims and liability by apparently injured bidders;
3. Where the bid requirements specify that the lowest, or any bid may not necessarily be accepted, the PIU still maintains an obligation to award the contract only to a bidder whose bid complies with the issued Bidding Documents;
4. Bidders are obliged to comply only with the issued bidding requirements, thus if the PIU reserves any undisclosed conditions or preferences not provided for in the Bidding Documents or made known to all bidder, the PIU may unduly open itself to legal claims and liability by unsuccessful bidders; and
5. Bidding requirements issued cannot be unilaterally altered by the PIU after submission of bids by bidders.

88. The content of Instructions to Bidders depends on the nature of the contract being proposed. The Bank has produced Standard Bidding Documents (SBD) for general and specific goods and works. These SBD’s should be used unreservedly. They can also be modified and adapted to situations that do not require the use of the Bank’s SBD.

1.6.2.3 The Bid Data Sheet (BDS)

89. The information and provisions specific to a particular bidding process are contained in the Bid Data Sheet. In order to aid proper completion of the Bid Data Sheet, its clauses should
be numbered with the same number as the corresponding ITB clauses. No clause in the Bid Data Sheet shall be left blank.

1.6.2.4 **Evaluation and Qualification Criteria (EC)**

90. The Evaluation Criteria spell out the criteria that will be used to evaluate the bids and post-qualify the lowest-evaluated bidder. The EC usually contain the following:

- Procedure for evaluation of Economic factors;
- Procedure for evaluation of Multiple Contracts;
- Procedure for evaluation of Domestic Preference
- Post Qualification Criteria

1.6.2.5 **Bidding Forms**

91. The standard forms contained in the Standard Bidding Document are composed of the followings:

- Bidders Information Sheet;
- Bid Submission Sheet;
- Price Schedule Form;
- Bid Security Form;
- Bid Bond; and
- Manufacturing Authorization Form (where applicable).

92. The PIUs may include other forms that will assist in the qualification and evaluation of bids submitted by the bidders.

93. The bidder is expected to fill in these forms in accordance with instructions contained therein.

1.6.2.6 **Ineligible Countries**

94. This form should contain the current list of all countries that are barred from participating in procurements financed by the World Bank or IDA. It may also contain list of countries, bidders, goods and services declared ineligible by an act of law in Nigeria.

1.6.2.7 **Schedule of Requirements (SR)**

95. The Schedule of Requirements consists of four parts:

- List of Goods and Delivery Schedule
- List of Related Services and Completion Schedule
- Technical Specifications
- Drawings
96. The SR shall be carefully drafted to provide sufficient information to enable bidders to efficiently and accurately prepare bids that are realistic and competitive. A badly worded or incomplete Schedule of Requirements may lead to incessant request for clarification from the bidders or submission of bids based on different understanding of required goods and services or submission of conditional bids. This may lead to amending the Bidding Documents, possible extension of bid-submission deadline and ultimately delay in project execution.

97. The Schedule of Requirements shall clearly specify:

- The required standards of workmanship;
- The characteristics of materials;
- The performance of the goods;
- The delivery and completion of the goods and related services.

1.6.2.8 General Conditions of Contract (GCC)

98. This set out the standard provisions governing the contract between the borrower and the successful bidder. The GCC as contained in the Bank’s SBD are to be used without modifying their text. Reference should be made to the Special Conditions of Contract for any provisions specific to a particular contract.

1.6.2.9 Special Conditions of Contract (SCC)

99. The SCC shall contain information or provisions specific to the particular bidding process. To aid preparation and completion of the SCC, its clauses are numbered with the same number as the corresponding GCC clauses.

1.6.2.10 Forms of Agreement

100. The Forms of Agreements is made up of the following:

- The Agreement Form
- The Performance Security
- The Advance Payment Security (where applicable)

101. These forms are included in the Bidding Documents for information purpose only. Bidders are not expected to submit them with their bids.

102. The Agreement Form shall be prepared by the PIU and are sent to the successful bidder, who in turn shall sign the form and return it with the Performance Security and the Advance Payment Security (where applicable).

1.6.3 Bidding Forms, Schedules and Statements

103. To ensure that all the relevant data is provided by bidders, the PIU should include in the Bidding Document, all relevant forms and schedules that may assist in a fair valuation of bids
submitted. Such forms and schedules could be in form of questionnaires or blank forms to be completed and returned by bidders.

104. These forms, schedules and statements should be listed in the Content of Bids. All schedules, regardless of whether or not they are questionnaires or statement sheets, should carry appropriate headings, which should:

1. Identify the contract;
2. Indicate the Schedule’s title and number;
3. Be consecutively numbered;
4. Bear a statement to the effect that the Schedule forms part of the bid identified by its date;
5. Be self-explanatory;
6. Carry Preface Note outlining the information requested on the statement sheets;
7. Provide a space for the name of the bidder to be inserted;
8. Provide a space for signature.

105. A statement should be inserted at the head of the list making it clear that failure to complete any form or schedule or to submit a required statement may render the bid non-conforming.

106. The forms, schedules and statements should be prepared in a manner that they are easily understood by bidders to avoid misrepresentation or omission of important information.

107. The Bank’s SBDs contain standard Bid Forms that can be adopted as appropriate. Some of these forms and schedules are further described below:

1.6.3.1 Bidder’s Management and Administrative Structure

108. It is preferred that this is administered in the form of a questionnaire to elicit details of the bidder’s management structure. If the bidder is being invited from a list of nominated bidders prepared by the PIU, this information may already be in the possession of the PIU and the form may be unnecessary.

109. The questionnaire should be used to generate the following information to be provided by the bidders. If a joint venture is involved, similar information should be obtained in respect of all the firms comprising the joint venture:

1. The name of the bidder;
2. Form of incorporation;
3. Business address;
4. Registered office address;
5. Telephone, fax, e-mail number;
6. Outline of Contractor’s experience;
7. Names and addresses of associated companies to be involved in the task under the Contract;
8. If the bidder is a subsidiary company, details of the parent company and its involvement in the work under the contract.

1.6.3.2 **Financial Statements**

110. Financial information requirements can be categorized into two as follows:

1. **General Financial Statement:** to be obtained by using a questionnaire to include the following:
   a. Details of Authorized and Issued Capital;
   b. Annual value of work undertaken during the last five years;
   c. Approximate value of work currently in hand;
   d. Name and address of the bank or financial institution to whom reference can be made;
   e. Copies of audited final accounts for the past 3 years.

2. **Specific Financial Statement:** also to be obtained using a questionnaire to include the following:
   a. Financing arrangements for the Contract;
   b. Discounted cash flow and program of payment;
   c. Details of insurance policies to be provided;
   d. Provision for Contract Sum adjustment including alternative forms, as appropriate;
   e. Details of payments which will be made to workers and which are outside the relevant award or industrial agreement.

1.6.3.3 **Bidders Background and Experience**

111. This Schedule can be provided as a questionnaire or in the form of a statement sheet for information to be supplied by bidders in their own format.

112. Its purpose is to find out if the bidder has the necessary experience and resources to undertake the task being proposed. The following should be included in the questionnaire:

1. Details of contracts of a similar nature or magnitude previously undertaken;
2. Their work commitment on other projects during the currency of the proposed Contract;
3. Their present total labor force;
4. The number of their labor force that will be available for the work being proposed under the Contract.

1.6.3.4 **Bidder’s Industrial Relations Record**

113. This information is only of consequence when labor relation technique of the contractor is of the essence such as when the work being contracted is to be carried out at the contractor’s premises. The information could be generated by way of questionnaire or by use of the statement
sheets. Alternatively, the questions can be incorporated in the Bidders Background Schedule discussed above. The typical questions normally asked include the following:

1. The bidder’s history of industrial relations;
2. The manner in which the bidder achieves good industrial relations;
3. The person in the bidder’s organization who handles industrial relations;
4. The identity of the person from the bidder’s organization who will be at the Site to handle industrial relations;
5. The identity of the unions whose members will be employed on the Site;
6. The industrial awards or agreements that will apply to labor on the Site.

1.6.3.5 Changes to Pre-qualification Documents

114. This schedule should be provided in the form of a statement sheet for information to be provided by bidders in their own format. It is only applicable where bidders have been invited as the result of a Pre-qualification procedure.

1.6.3.6 Statement on Bidder’s Work Methodology

115. Bidders should be requested to provide a brief outline of their proposed approach to the work under the Contract. The Schedule may be in the form of a statement sheet itemizing the required information with particular reference to:

1. Proposed method of construction and/or fabrication;
2. Nature and extent of temporary works, including supports for plant. Diversion of surface water, and protective covers for plant installed before permanent protection is built;
3. Site area requirements for temporary buildings and storage of materials and construction camp, where applicable;
4. Proposed arrangements for acquiring the labor force, including sources and mobilization and demobilization procedures and provisions for acquiring additional labor force for short-term peak requirements;
5. Provisions for supervision for the work and quality control;
6. How and where work will be engineered, if applicable;
7. Arrangements for project control including planning, scheduling and cost control;
8. Proposals for commissioning and training operations personnel, if applicable.

116. Where bidders are required to nominate the date for practical completion, they can be stated in this Schedule.

1.6.3.7 Program of Work

117. Bidders should be requested to attach a program for the work supporting their contention that they can meet the specified or tendered dates for Practical Completion. This program can be in a bar chart or other form and should indicate Site start dates, manufacture start dates and any “milestone” dates.
1.6.3.8 **Schedule of Key personnel**

118. Regardless of the bidder’s previous experience and track record, the quality of its key personnel should influence the evaluation and the determination of its relevance for the job. This information should thus play the most significant role in assessing the bidder’s offer. Bidders should be asked to prepare a schedule of key personnel for the work, together with details of their positions and responsibilities. This should be obtained in statement sheets and should be supported by a brief CV for each of the nominated personnel. The details of the personnel’s technical skills, qualifications, and experience are the most important variables in the CV of the personnel and this should be stated in the Preface Note on the Schedule. Superfluous information should be avoided.

1.6.3.9 **Schedule of Sub-contract**

119. This is normally completed in two sections as follows:

120. In the first section, the PIUs should list the work to be undertaken by selected contractors together with a listing of the approved sub-contractors. Bidders should be requested to nominate the sub-contractors they select to perform the task.

121. In the second part, bidders should be requested to list the other parts of the tasks they propose to sub-contract and, where possible, to nominate the sub-contractors who will perform the task.

1.6.3.10 **Schedule of Major Construction Plant and Equipment**

122. Bidders should be requested to list all the major items of constructional plant, which they propose to use on the work. This should comprise all items of plant and equipment used in the execution of the work under the Contract but not forming part of the Works. The Schedule should be in the form of a statement sheet in which the bidders should be required to itemize the following information separately:

1. Items of plant and equipment already owned by the bidder and available for use on the Contract;
2. Items of plant and equipment the bidders propose to acquire for the work, indicating their sources and whether they will be wholly owned or obtained under a hire-purchase agreement;
3. Items of plant and equipment, which the bidders propose to hire or lease, indicating the reliability of source and availability.

1.6.3.11 **Schedule of Imported Items**

123. This provides the details of items to be imported in executing the proposed task. Bidders should be required to complete a questionnaire that provides the following information, among others:
1. Common information for all items:

   a. Basis of Cost: stating whether fixed or subject to adjustment, indicating Contract Sum Adjustment formula, if applicable;
   b. Currency of Bid: indicating the currency to be adopted for quote and exchange rate to be used and the date of its application;
   c. Import Duty: indicating if paid and its mode of application.

2. Information for individual items:

   a. Item cost: indicating whether Ex Works, FOB, FAS, CIF as applicable; and
   b. Delivery cost: this should be indicated if separate quotes are required.

1.6.3.12 Schedule of Bid Drawings

124. The need for this schedule normally arises when the contract provides for all or some of the design to be the responsibility of the Contractor. Bidders may be asked to provide certain drawings with their bids. The details of the requirement should be clearly stated in the Instructions to Bidders and they should be asked to list the drawings in this Schedule.

125. The principal purpose of this Schedule is to ensure that all copies of the drawings have been included in the bid. For this reason, bidders should be requested to include in the Schedule drawing numbers, title, date of issue, and number of copies supplied for each drawing.

126. This Schedule is different from those drawings prepared by the PIU and made part of Specifications in the Bidding Documents detailing the requirements for submission of working drawings by Contractors.

1.6.3.13 Schedule of Transport and Delivery

127. Transportation and delivery of both locally manufactured and imported items should not be overlooked and should be given adequate consideration during the bidding process. The PIU should seek to know how exactly bidders propose to handle this aspect of the task for which reason a schedule should be assigned for this purpose. In generating this information, the following is pertinent:

   1. Information common to all items:

      a. Mode of transportation: such as by air, sea, road.
      b. Point of delivery as nominated by the PIU.
      c. Provisions for handling: such as off-loading by contractors or by other parties indicating which parties.
      d. Provisions for the type of insurance and who should provide the cover.
      e. Delivery time: to be expressed in weeks, ex-works, weeks on-Site, etc.
      f. Shipment Details: delineating total mass of shipment, size and mass of largest item, number of items in shipment, or as appropriate.
2. Information for Individual Imported Items:

   a. Anticipated Date of Shipment;
   b. Port of Shipment;
   c. Port of Delivery;
   d. Name of Ship, Shipping Company or Airline, etc.

1.6.3.14 Schedule of Insurance Policy

128. Where insurance is to be the responsibility of the Contractor, bidders should be asked to provide details of insurance policies that they already hold or intend to effect in order to cover their obligations under the Contract. It is preferred that this information should be obtained in the form of a questionnaire, with separate entries required for each policy in respect of the works, workers’ compensation and Public Liability. The information to seek may include the following:

   1. The nature of the policy and risk covered;
   2. The status of the policy, whether existing or proposed;
   3. The name of the insurer;
   4. The amount of the cover; and
   5. The amount of any excess.

1.6.3.15 Equipment Design Data Schedules

129. These schedules supplement Job Specifications as outlined in the Conditions of Contract. Data Schedules to be completed and returned with bids should be listed in the Content of Bids and copies included with the other Forms and Schedules for Bidding.

1.6.3.16 Schedule of Substitutions

130. Bidders should be required to provide a statement sheet with details of any substitutions of specified make or manufacture of goods, materials, or catalogue items, which the bidders propose to submit for approval.

1.6.3.17 Schedule of Recommended Spare Parts and Price List

131. If the contractor is to be responsible for the design of plant and equipment, the PIU may require bidders to nominate in this Schedule, a list of recommended spare parts with prices. Alternatively, where the PIU is responsible for the design, bidders may be asked to price spare parts listed by the PIU in the Schedule. The requirements should be set out in a Supplementary Condition.

1.6.4 Qualification of Bidders

132. The process of qualification of bidders for procurements through International Competitive Bidding (ICB), Limited International Competitive Bidding (LIB) and National Competitive Bidding (NCB) could be on any of the following basis:
- Pre-Qualification of Bidders or;
- Post-Qualification of Bidders.

133. Pre-qualification of bidders is common for large works, turnkey, plants, Build Operate and Transfer (BOT), complex information technology system and some special goods. Contracts for the supply of vehicles, personal computers, ordinary goods and simple works do not normally require pre-qualification. However, the Financial Agreement usually specifies the categories of contracts that required pre-qualification.

1.6.4.1 Pre-Qualification of Bidders

134. Pre-qualification screens potential bidders to isolate those that have the required experience, technical, personnel and financial resources to bid for the contract. The Financial Agreement usually specifies the categories of contracts that require pre-qualification.

135. Some of the benefits of pre-qualification of bidders are given below:

- Probable limited number of bids received for evaluation as a result of pruning the list of bidders, which may result in time and cost savings to the Borrower.
- Leading contractors and suppliers, particularly the international ones, are more likely to bid knowing that competition is confined to only those qualified. This is also to the benefit of the Borrower.
- The scale of interest by potential bidders can be measured, affording the opportunity to revise bidding conditions as necessary to develop adequate competition.
- An early indication of the Borrower’s procurement capability is provided, allowing necessary improvements to be made at the initial stages of procurement.
- A preliminary indication of a contractor’s eligibility for domestic preference in civil works contracts is given, where this is allowed.
- The creation of appropriate joint ventures is encouraged.

136. The disadvantages of pre-qualification of bidders are:

- The invitation and evaluation to pre-qualify bidders and the eventual evaluation of bids received from qualified bidders may lead to increase in procurement lead-time.
- Names of all pre-qualified bidders are known in advance of bid submission, making it easier for bidder collusion and price fixing to occur.

137. The pre-qualification process should not:

- Be used to limit competition to a pre-determined number of potential bidders;
- Impose upper limit of pre-qualified potential bidders.

1.6.4.1.1 Advertisement for Pre-Qualification
138. The procedure for advertisements and information content of invitation for pre-qualification shall be in accordance with the Bank’s Procurement Guidelines under General Procurement Notice (GPN) and Special Procurement Notice (SPN).

139. The followings are the standard documents contained in a typical advertised Invitation for Pre-qualification (IFP):

- **Invitation for Pre-qualification** – a Special Procurement Notice to potential qualified bidders of the intention to pre-qualify them for a particular project or projects contained in the earlier issued General Procurement Notice.

- **General Information to Applicants (GITA)** – general information on the contract or contracts (e.g. source of funds, scope of works, qualification criteria, domestic bidder price preference, submission of applications etc). The wordings of the GITA are to remain intact. Specifics about a particular contract should be reflected in the PITA.

- **Particular Information to Applicants (PITA)** – this amplifies the information contained in the GITA and also includes any specific provisions relating to the contract in question.

- **Letter of Application** – to be filled by the applicant and used in forwarding the completed Invitation for Pre-qualification.

- **Information Forms** – this is usually in form of questionnaires to collect relevant data about the applicants for the purpose of evaluating their capabilities to perform the particular contract satisfactorily.

1.6.4.1.2 **Pre-qualification of Joint Ventures**

140. The following provisions are applicable to pre-qualification of Joint Ventures in addition to the general provisions and must be clearly stated in the Invitation for Pre-qualification document.

- A firm or partner in a joint venture shall not be allowed to submit a separate bid in addition to the bid already submitted as a member of a joint venture;

- Each partner in the joint venture must submit complete documentations required of a firm applying for individual pre-qualification. However, the collective data of all the partners may be aggregated to meet the qualifying criteria;

- One partner must be designated as the partner in charge to whom all correspondences shall be directed to;

- All partners shall be jointly and severally liable for the performance of the contract and this shall be stated in the Joint Venture Agreement (JVA);

- The application must state the proposed participation and responsibilities of each partner, proposed capital contribution of each partner and share of profit or losses by the partners;

- The proposed percentage participation of each partner must correspond to the capacity of such member in terms of each of the qualifying criteria.
1.6.4.1.3 Evaluation of Pre-qualification Submissions

141. The pre-qualification evaluation committee should set clearly defined minimum criteria to be met by prospective applicants in order to demonstrate their ability to satisfactorily perform the contract. Applicants are to be graded on a pass/fail basis. The usual criteria for evaluation are:

142. **Experience** – this is further divided into two, namely:

- **General Experience** – general capabilities of the applicant as demonstrated in records of recent experiences and annualized value of work undertaken over a stated period of years.
- **Particular Experience** – specific capabilities demonstrated in successful execution of contracts/works that is substantially of a nature, size and complexity to the contract in question.

143. **Financial** – demonstration of the financial ability to meet the estimated contract cash flow required for a specified number of months. Interpretation of financial statement submitted should take account of the peculiarities of the accounting procedures of the applicant country.

144. **Personnel** – the possession of staff that are experienced in the critical operational or technical areas, demonstrated in the number of years in similar position and comparable projects. A principal and an alternate candidate should be designated for each of the key positions to guard against delay in the event of indisposition of one of them. Key staff assigned to critical areas should have a specified number of years experience with the firm to assure that they have gained sufficient knowledge of the firm’s policy, procedures and practices.

145. **Equipment** – the possession of and/or demonstration of the ability to acquire or lease those heavy specialized equipment critical to the execution of the contract.

146. **Litigation History** – a review of the litigation history arising from executed contracts within a specified period of time should be made to ensure that there are no judgments or pending proceedings that may affect the performance of the contract. Applicants with consistent and significant history of excessive contract arbitrations and litigation resulting in awards against them should be disqualified.

1.6.4.1.4 Conditional Pre-qualification

147. Applicants may be conditionally pre-qualified where there are deficiencies in submission, which in the opinion of the PIU does not materially affect the ability to perform the contract. Applicants are notified of the deficiencies for rectification prior to submission of bids. Some of the common conditional pre-qualification are:

- Provision of additional information;
- Revision of the Joint Venture Agreement (JVA);
Hiring of experts in specialized areas;
Improve in proposed senior or key staff;
Provision of specialized equipment;
Ability to perform the contract concurrently with other pending ones.

1.6.4.1.5 **Pre-qualification Evaluation Report**

148. A pre-qualification evaluation report shall be prepared at the conclusion of the pre-qualification process and submitted to the Bank for review and comment. The report should address each of the pass/fail criteria set in the document. Typically, the report should contain the following in a summarized form:

- List of all pre-qualified applicants and their qualification;
- List of all conditionally pre-qualified applicants and their observed deficiencies;
- List of all disqualified applicants and reasons for their disqualification.

1.6.4.1.6 **Notification to Applicants**

149. Applicants are notified of the result of the pre-qualification exercise only after the receipt of the Bank’s “no objection” report on the conduct and conclusion of the process. All applicants shall be notified of the outcome of the pre-qualification process.

- Qualified applicants are invited to submit bids for the contract;
- Conditionally qualified applicants are requested to correct the observed deficiencies prior to submission of bids;
- Disqualified applicants are notified of the reason(s) for their disqualification.

1.6.4.2 **Post-Qualification of Bidders**

150. Post-qualification is suitable for use in the procurement of goods of small value and small works contracts. Most of the procurements in the Commercial Agricultural Development Project may be subject to post-qualification evaluation as a result of the size and nature of contracts envisaged under the project.

151. Post-qualification is conducted after the evaluation and determination of the bidder that submitted the lowest responsive evaluated bid. This is to ascertain whether the selected bidder has the capacity and ability to perform the contract. Where a selected bidder fails the post-qualification evaluation, the next lowest responsive bidder is considered for post-qualification.

152. The procedure for carrying out post-qualification of bidders is similar to that of pre-qualification, except that:

- Post-qualification is on selected lowest evaluated bidder;
- Emphasis is placed on the technical and financial resources of the selected bidder to perform the contract
153. All the necessary forms and schedules (as listed in the pre-qualification procedure), and the criteria for qualification of bidders that will be used in the qualification of selected bidders should be included in the bidding documents.

154. Successful applicants are notified only after the receipt of the Bank’s “no objection” report on the Standard Bid Evaluation Report.

1.6.5 Submission of Bids

1.6.5.1 Sealing and Marking of Bids

155. The bidder shall submit the original and copies of completed bids in separate sealed envelopes and duly marked “Original” and “Copy”. The envelopes shall also bear the project name, project number and a statement “Do Not Open Before … “.

1.6.5.2 Deadline for Submission of Bids

156. Bids shall be submitted and received at the address specified in the Invitation for Bid (ITB) on or before the date and time specified in the Bid Data Sheet or amended date and time specified in any amendment to the bid document issued and circulated to all those that purchased the bidding document.

157. Bids received after the stipulated deadline shall be rejected and returned to the bidder unopened.

1.6.5.3 Modification and Withdrawal of Bids

158. A bidder may modify or withdraw his bids before the deadline for the submission of bid in writing. However, the modified bid or substituted bid must be resubmitted on or before the deadline given for the submission of bids.

159. Modification of bids after the bid submission deadline shall not be allowed. Likewise, withdrawal of bid in the interval between bid submission deadline and bid validity period shall not be allowed. Any such withdrawal shall lead to forfeiture of bid security.

1.6.6 Evaluation of Bids

1.6.6.1 Preliminary Evaluation

160. Preliminary evaluation shall be carried out on all bids received by the Evaluation Committee immediately after the bid opening. This is to determine the preliminary responsiveness of the bids to the requirements contained in the bidding documents. Some of the specific areas of this preliminary evaluation include:

- Ascertain that the bid documents are properly signed by authorized representatives of the bidder;
- Ascertain that the bid securities are in the amount, period and format stipulated in the bidding documents;
- Recheck all computations and make necessary non-material corrections to arithmetical errors in the bid documents;
- Ascertain that all required documents included in the bidding documents together with any necessary documentary evidence to support qualifications have been returned.

161. Any bid not meeting the stipulated minimum requirements will be regarded as non-responsive and rejected at this stage. However, care must be exercised to ensure that bids are not rejected on trivialities. The guiding principle here is that minor informality, non-conformity or irregularity in a bid which does not constitute material deviation may be waived provided it does not give any undue benefit to a bidder or prejudice the interest of other bidders.

1.6.6.2 Arithmetic Errors

162. The following principles shall govern the conduct of rectification of arithmetical errors:

- If there is a discrepancy between the unit price and the total price (quantities multiplied by unit price), the unit price shall subsist and the total price amount shall be corrected;
- If there is a discrepancy between the amount in words and in figures, the amount in words shall prevail;
- Bidders must accept the arithmetical corrections or else the bid will be rejected and bid security forfeited.

1.6.6.3 Currency Conversion

163. Bids for goods shall be converted to the local currency (i.e. Nigeria Naira), using the rates published by the Central Bank of Nigeria at the date of bid opening. Bidders for works shall be requested to price their bids in Nigerian Naira.

1.6.6.4 Detailed Evaluation

164. The procedures for the evaluation of bids received for goods and works are described below:

1.6.6.4.1 Evaluation of Goods

1. Price Only Basis

165. This is mostly applicable to procurement of simple commodities where all offers received are of identical and comparable material and price alone is the critical factor.
166. Prices of local bids for locally manufactured or assembled goods shall be determined EXW (ex-factory, ex-works, ex-showroom, off-the-shelf). This includes all costs incurred in the manufacturing or assembling of such goods but exclude VAT.

167. Prices of local bids for imported goods shall be total cost incurred including custom duties paid on the imported item.

168. Prices of foreign bids shall be determined on Cost, Insurance and Freight (CIF), including all costs, taxes and duties payable on the goods.

169. The lowest evaluated bidder shall be the one offering the lowest price.

2. **Price and Other Factors Basis**

170. Bid prices are determined based on the total cost of goods to the project site, maintenance costs and delivery schedules. These factors shall include:

- Price as determined on the “Price only Basis”
- Inland transportation cost to project site
- Insurance cost to project site
- Availability and cost of spare parts for a predetermined period – the cost of spare parts, supply of spare parts and maintenance costs for these periods are added to the price quoted.
- Delivery period – delays in deliveries beyond the estimated delivery time are quantified monetarily and added to the quoted price.

171. The bidder with the lowest aggregate cost is deemed the lowest evaluated bidder.

3. **Life Cycle Cost Basis**

172. The initial price of the goods plus estimated maintenance costs and residual value of goods/plants are computed in determining total cost. The lowest aggregate price is deemed to be the lowest evaluated bidder. This is mostly applicable to vehicles, plants and equipments.

4. **Merit Point Basis**

173. This basis of evaluation assigns weights to the price and other relevant aspects of the goods bided for. The bid scoring the highest number of points shall be deemed to be the lowest evaluated bidder. It is applicable where price basis is deemed inadequate and life cycle basis is cumbersome and requires prior approval of the Bank.

**1.6.6.4.2 Evaluation of Works**

174. Evaluation of bids for works shall be carried out in two phases:

1. Non-Price Factors:
• Technical compliance of the bid with the specifications contained in the bidding documents;
• Relevant experience of the firm demonstrated in successful execution of similar work carried out in the recent past;
• Relevant experience and qualifications of key staff proposed;
• Evaluation of the financial statements of the bidder to ascertain its financial capabilities to undertake the contract.

2. The price factor shall be the evaluation of the price offer by the bidder.

175. The lowest evaluated bidder shall be the one offering the lowest price amongst those that scaled through the non-price factor evaluation.

1.6.6.4.3 Domestic Preferences

176. The application of domestic preferences in the evaluation of bids shall be so stated in the bidding documents together with the eligibility criteria to be used, and is applicable only to ICB procurement method.

177. Bids are grouped under three headings (A, B or C) and evaluated in accordance with the procedures outlined in Appendix 2 of the Bank Procurement Guidelines. Different procedures, as contained in the Guidelines, are used in evaluating bids for goods and works.

1.6.6.4.4 Rejection of all Bids

178. The PIU may, with the approval of the Bank, reject all bids received on the grounds that:

• All bids received are deemed not responsive to the requirements contained in the bidding documents;
• The lowest evaluated bid is substantially in excess of the cost estimate prepared by the PIU;
• The PIU concludes that all the bids received are non-competitive.

1.6.6.4.5 Standard Bid Evaluation Report

179. The PIU shall prepare a Standard Bid Evaluation Report upon completion of the bid evaluation process by the Bid Evaluation Committee.

180. This shall be forwarded to the Bank for review and request for “no-objection”.

1.6.7 Award of Contract

181. Upon receipt of the Bank’s “no-objection” comment, the following procedure shall apply:

• The successful bidder shall be notified of the award;
The Agreement Form, Performance Security Form and the Advance Payment Security Form (where applicable) shall be prepared by the PIU and sent to the successful bidder, with a request to complete and return these forms within the time specified in the bidding documents:

- In the event that the notified successful bidder fails to return the signed forms and provide the required performance security within the stipulated time, the next lowest evaluated bidder shall be offered the contract.
- After receipt of the signed Agreement Form, Performance Security Form and the Advance Payment Security Form, all other unsuccessful bidders shall be notified of the outcome of the evaluation of their bids.
PRE-QUALIFICATION PROCESS FLOW

**Prepare Pre-qualification Documents**
- Review procurement strategy and confirm packaging
- Establish explicit, transparent and fair criteria for the evaluation of firm’s applications
- Confirm adequacy of draft technical specifications
- Prepare the Instructions to Applicants including the procedural and substantive qualifications aspects
- Obtain agency clearance

**Obtain World Bank No-Objection**

**Revise and Clear Pre-qualification Document (if necessary)**
- Revise documents
- Obtain agency clearance
- Obtain Bank no-objection

**ADVERTISE PRE-QUALIFICATION DOCUMENTS**

**Prepare Applications (Suppliers)**
- Organize joint-venture partners, if any
- Identify project teams and resources
- Compile supporting materials
- Complete application forms

**Manage Application Process**
- Distribute documents to purchasers
- Organize evaluation teams
- Organize and hold clarification meetings and site visits if appropriate

**Evaluate and Select Pre-qualified Firms**
- Confidentially evaluate applicants in terms of their experience and financial and technical resources
- Select qualified applicants
- Prepare full pre-qualification report and submit to the Bank.

**Obtain World Bank No-Objection**

Distribute List of Pre-qualified Firms to All Applicants

(Source: Bank-Financed Procurement Manual, July 2001 Draft)
ICB PROCESS FLOW

**Prepare Procurement Plan**
- Indicate categories of procurement
- Indicate procurement methods and dates

**Obtain World Bank No-Objection**

**Draft Bidding Documents**
- Procurement Notices (GPNg and SPN)
- Pre-qualification of Bidders
- Invitation to Bid and Instruction to Bidders
- Bid Data Sheet
- Evaluation and Qualification Criteria
- Bidding Forms
- Schedule of Requirements
- General and Special Conditions of Contract
- Forms of Agreement

**Obtain World Bank No-Objection**

**Revise Bidding Documents (if necessary)**
- Revise Bidding Documents
- Obtain Bank No-Objection

**Advertise Bidding Opportunity**
- Publish the Special Procurement Notice
- Distribute Invitation For Bids
- Distribute Bidding Documents

**Evaluate Bidding Documents**
- Bid Opening
- Preliminary Evaluation of Bids
- Technical Evaluation of Bids
- Financial Evaluation of Bids
- Bid Evaluation Report

**Obtain World Bank No-Objection**

**Notification and Award**
- Contract Advertisement
- Notify successful Bidder
- Bidder to sign Agreement Form, Performance Security and Advance Payment Security
- Notify unsuccessful Bidders

**Contract Monitoring and Close-out**
- Monitor progress against agreed schedule
- Review deviation and make adjustment, if necessary
- Certificate of completion and contract close-out
1.7 General Procedures for Procurement of Services

1.7.1 Selection Methods

183. The general criteria for the selection of consultants as contained in the Bank’s Consultants Guidelines are:

- Fairness and Clarity – the REI and the RFP must be clear and unambiguous and the criteria stated in these documents must be fair to all and be applied equally to all.
- Transparency – the selection process must be transparent and be seen to be transparent.
- Confidentiality – confidential information on the evaluation of proposal and recommendation of award must not be divulged to persons not officially involved in the process until the successful consultant is awarded the contract and has accepted it.

184. The Consultants’ Guidelines stipulated several methods for selection of consultants. The selected method is dependent on the nature, size, complexity, impact of the assignment, technical and financial considerations and the circumstances of the assignment.

185. These selection methods are:

1.7.1.1 Quality and Cost Based Selection (QCBS)

186. This is suitable where the scope of work can be precisely defined and staff time, cost and other inputs can be reasonably estimated with some degree of accuracy. It is considered appropriate for the following assignments:

- Feasibility studies and designs where nature of investment is well defined, known technical solutions are being considered and impacts from the project can be fairly estimated;
- Supervision of construction works and installation of equipment;
- Procurement and inspection services;
- Technical assistance services.

1.7.1.2 Quality Based Selection (QBS)

187. This is suitable where the scope of work is difficult to define due to complexity or novelty; and/or there are different ways, sometimes incomparable, by which the work could be carried out. It may be considered for assignments such as:

- Complex country, sector and multi-disciplinary investment studies;
- Strategic studies in new fields of policy and reforms;
- Complex feasibility studies;
- Design of complex projects;
Assignments in which core consultants, NGO’s and/or UN Agencies compete.

1.7.1.3 Selection under a Fixed Budget (SFB)

188. This is suitable where there is a fixed budget for the assignment and the TOR can be precisely defined. SFB selection method is relevant for:

- Sector or market studies and surveys of limited scope;
- Simple pre-feasibility and feasibility studies;
- Review of existing technical designs and bidding documents;
- Project identification.

1.7.1.4 Least Cost Selection (LCS)

189. The financial proposals of consultants that meet the minimum established qualifying quality mark are evaluated and the least evaluated financial proposal is selected. This method is suitable for routine assignments with well-defined standard practices such as:

- Standard accounting audits;
- Engineering design and supervision of simple projects;
- Simple surveys;
- Maintenance work and routine operations.

1.7.1.5 Selection Based on Consultant’s Qualification (SBCQ)

190. The REI is initially used in selecting the firm with the best qualification and references, thereafter the firm is invited to submit combined technical and financial proposal and to negotiate the contract if technical proposal is acceptable. SBCQ may be considered for:

- High level, short term legal expertise;
- Executive assessment of strategic plans;
- Brief evaluation studies of critical decision points of projects.

1.7.1.6 Single Source Selection (SSS)

191. Under SSS, a specific consultant is invited to submit technical and financial proposals and negotiate the contract. This is only acceptable in specific circumstances where:

- The assignment is a direct or natural continuation of a previous one awarded competitively and performance of consultant is satisfactory;
- a quick selection of consultant is critical in emergency situation;
- The contract value is very small;
- There is only one consulting firm that has the qualification or possess exceptional experience to perform the assignment.
1.7.1.7 Commercial Practice (CP)

192. Established private sector commercial practices are followed in the selection of consultants where the Bank provides a loan to a financial intermediary who in turn finances private enterprises or autonomous commercial enterprises. However, large assignments are recommended to adopt the bank’s competitive methods.

1.7.1.8 Non-Governmental Organizations (NGO)

193. NGO’s may be short-listed for assignments that put emphasis on experience in community participation and in-depth local knowledge. QBS or SFB are the usual methods of selection where NGO’s are involved.

1.7.2 Advertisement

194. A brief description of consulting services needed for the Commercial Agricultural Development Project that are included in the procurement planning shall be advertised in the GPN and consultants are invited to submit expression of interest.

195. The Financial Agreement shall state the threshold for individual consulting services where Request for Expression of Interest (REI) must be published in a national newspaper and in the UNDB. A copy of the REI must be sent to all consultants who respond to the GPN.

1.7.3 Preparation of Shortlist

196. A shortlist of between three to six prospective consultants is prepared from the respondents to the REI who meet the requirements contained in the REI. Some of the basic requirements that should be included in the REI are:

- Relevant qualifications of the consultant;
- Technical and managerial capabilities of the firm;
- Core business and year in business;
- Qualifications of key staff;
- Client references;
- Financial capabilities; and
- Record of integrity.

197. The shortlist and a draft Request for Proposals (RFP) is sent to the Bank for review and “no-objection”.

198. As soon as the no-objection approval is received, the RFP are sent to the candidates in the shortlist inviting them to submit proposal for the assignment.
1.7.4 Developing Terms of Reference (TOR)

199. The TOR is the key document in the RFP. The level of skill demonstrated in the crafting of the TOR will determine the responsiveness of proposals submitted by prospective consultants and also facilitate proper understanding and execution of the assignment. The TOR must cover in sufficient detail and in unambiguous term the following:

- The background of the project;
- The objectives of the assignment;
- The scope of work;
- The list of reports, schedule of deliveries and period of performance;
- Date, local services, personnel and facilities to be provided to the consultant;
- Institutional arrangements.

1.7.5 The Evaluation Criteria

200. The overriding objectives in setting the evaluation criteria should be to ensure that the consultant selected shall be able to give the best quality services required. The criteria for the evaluation of technical proposals are:

- Relevant specific experience of the consultant to the assignment in question;
- Adequacy of the proposed methodology and work plan. This could be further divided into the following sub-criteria:
  - Technical Approach and Methodology;
  - Work Plan;
  - Organization and Staffing.
- Qualifications and Competence of Key Staff. This also could be further divided into the following sub-criteria:
  - General Qualifications;
  - Adequacy of Qualifications and Experience in the particular assignment;
  - Experience in the Region and Language.
- Training and Transfer of knowledge;
- National Participation.

201. Weights are allocated to these criteria and sub-criteria for the purpose of rating and scoring proposals received.

1.7.6 Types of Consultant Contracts

202. There are basically two main considerations that determine the types of consultant contracts for Bank’s financed assignments:
• The nature of the assignment and;
• The distribution of risks between the consultant and the PIU.

203. The Bank’s Consultant Guidelines identify five main types of consultant contracts:

• Lump-Sum Contracts
• Time-Based Contracts
• Retainer and/or Success Fee Contracts
• Percentage Contracts
• Indefinite Delivery Contracts

204. The criteria under which any of these contracts should be adopted and their correct applications are contained in the Bank’s Consultant Guidelines.

1.7.7 Request for Proposals (RFP)

205. The RFP is issued to all short-listed consultants and contain all the necessary information that could aid interested consultants to prepare a responsive proposal and the criteria that will be used by the PIU in the evaluation of proposals received. The Bank has prepared Standard Request for Proposals (SRFP) that is versatile and mandatory for all contracts exceeding the threshold contained in the credit Agreement. The SRFP can also be adapted for other smaller contracts.

206. The sections on Information to Consultants, General Conditions of Contract, Technical and Financial Proposal Standard Forms included in the SRFP are to remain intact while other sections may be modified to suit the particular contract in question and local requirements.

207. The RFP must be sent out early to give interested consultants enough time to respond. Usually, a period of between 30 days to 3 months is given, depending on the nature of the assignment.

1.7.8 Evaluation of Proposals

1.7.8.1 Evaluation Committee

208. An evaluation committee shall be constituted to evaluate the proposals received in accordance with the criteria contained in the RFP. The committee members are expected to:

• Obtain a thorough understanding of the TOR, the evaluation criteria and sub-criteria specified in the Data Sheet and the selection procedures;
• Have no conflict of interest in the assignment;
• Agree on how to evaluate the proposals.
209. The Evaluation Committee members are expected to fairly and objectively score and rate each proposal individually; using the rating weights prescribed and arriving at the total score of each proposal evaluated. Thereafter, the ratings are discussed collectively and the scores of all the members for every proposal are aggregated to arrive at individual score. The committee shall prepare the Technical Evaluation Report, detailing the strength and weaknesses of the evaluated firms/consultants, which shall be forwarded to the Bank for “no-objection” report. The Financial Proposals shall remain un-opened until the “no-objection” report is received.

1.7.9 Notification and Award of Contract

210. Successful consultants are notified after the receipt of the “no-objection” report from the Bank on the Technical Evaluation. However, the procedure for notification of consultant is dependent on the method of selection adopted. All unsuccessful applicants are also notified.

211. The Financial Proposals are then evaluated and, depending on the selection method, both the technical and financial proposals may be further negotiated with the consultant within some specified limits such as:

- Scope of work;
- Technical approach and methodology;
- Work plan and activity schedule;
- Deliverables;
- Counterpart staff, facilities and equipments;
- Staff unit rates;
- Reimbursable expenses.

212. The successful consultant is determined based on the selection method adopted, which could be:

- The combined scores of both the technical and financial proposals; or
- The least evaluated financial proposal.

1.8 Commercial Agricultural Development Association (CADAs) Participation in Procurement

213. Within the context of the demand-driven program approach to procurements under the Commercial Agricultural Development Project, there is a strong desire to ensure sustainability and to create a sense of ownership, for which reason it is desirable to select project components that:

- Call for the participation of Commercial Agricultural Development Association (CADAs), Commodity Interest Group (CIGs) and/or NGOs/CBOs; or
- Increase the utilization of local know-how and local materials; or
- Employ labor-intensive and other appropriate technologies.
214. In any of these cases, the procurement procedures, specifications and contract packaging should be suitably adapted to reflect these considerations in a manner that they are efficient and transparent.

1.8.1 Community Participation

215. The Commercial Agricultural Development Project is designed to be a Community Driven Development, Demand-Driven and Beneficiary-Oriented project, aimed at achieving sustainability through organized Association/Group involvement within selected communities. The benefits targeted for attainment are therefore consistent with the Bank’s desire for Association/Group participation, which include the following:

- Enhanced Farmers ownership and project sustainability;
- Increased economy and speed of procurement;
- Increased community capacity and skills;
- Enhanced community employment and economic opportunities; and
- Reduced burden of over centralization on the PIUs to be achieved through a decentralized procurement process.

216. For the purposes of identifying the members of the community targeted for inclusion, the Commercial Agricultural Development Project Appraisal Document requires the PIU to consider the following groupings:

- Associations of Commercial Agricultural Farmers;
- Commodity Interest Group;
- Other Beneficiary Groups including agro-processors, marketers, transporters, etc.
- NGOs;
- CBOs;
- Private input providers including:
  - Seed multipliers;
  - Agro-chemical producers/distributors;

1.8.2 Procurement Mechanisms

217. The institutional capacity of the participating communities determines the level of the complexity of the procurement process in which they should be involved. Participating CADAs/CIGs are thus required to possess some minimum technical, financial and accounting skills, as well as the requisite organizational capacity and competence that permit beneficiary contribution by the community at large.

218. To derive maximum benefits through CADAs/CIGs participation therefore, the PIUs must support beneficiaries in developing and sharpening their organizational capacities and skills in a manner that sustains the planned developmental activities intended by the program. This effort should thus lead deliberate training efforts to upgrade the capacity and competences of these CADAs/CIGs in the following areas:
• Skill development;
• Production of better quality goods and materials;
• Better accountability in funds applications;
• Enhancement of organizational capacity to undertake collective and procurement activities;
• Improvement in operation and maintenance of constructed facilities or activities that the program may generate in the course of its rollout; and
• Proper documentation and record keeping.

219. The PIU should ensure that CADAs/CIGs are only involved in activities in which they have adequate capacity and competences. Where such abilities are lacking, the PIUs and the Bank should arrange for procurement training to build the requisite capacity enumerated above or to recruit intermediaries acceptable to the CADAs/CIGs to conduct procurement activities on their behalf.

220. In selecting the intermediaries (usually NGOs) to aid CADAs/CIGs participation in the program as Consultants, Contractors, Informal Advisors or Implementation Agencies, their selection must be in accordance with the Bank’s procurement procedures and guidelines. In all cases, the intermediaries are recommended to have the following general qualifications:

• Local presence in Nigeria, with a bidding accountability to the beneficiaries of these items being procured;
• Possession of adequate human and material resources as well as some institutional capacity to assist the CADAs/CIGs in carrying out procurement procedures, including competent staff with the requisite technical skills and qualifications, accessible office space, vehicles, communication facilities, etc.
• Appropriate organizational framework with sound internal management, transparency, financial accountability and efficiency;
• Personnel with a keen understanding of and sensitivity to issues concerning women, minorities, the environment and a philosophy suitable for implementation of small and medium scale initiated sub-projects with CADAs/CIGs participation;
• Non-political inclination with a proven track record of satisfied beneficiaries on similar assignments during a specified period of time in the past;
• Registration as a society or other corporate status in Nigeria;
• Sufficient facilities needed to maintain effective and functional records, enough to permit the accounting and auditing of funds allocated for the assignment;
• Adequate number of experienced field staff conversant with the local culture, language, and the socio-economic dimensions of the beneficiary groups;
• Excellent communication skills;
• Internal stability needed to assure long-term support; and
• Local knowledge in the region where the project is being undertaken.

221. Where the PIU decides to undertake capacity building for the CADAs/CIGs to enable them carry out the procurement themselves instead of hiring an intermediary to do it on their
behalf, arrangements should be made to train the CADAs/CIGs on Bank procurement policies and procedures, which should cover the following facets:

- Awareness of Bank policies, including reasons for such policies and the consequent requirement;
- Communicating community organizing skills;
- Procurement processes and procedures, including technical advice to support staff in handling procurement matters; and
- Techniques in monitoring and evaluating sub-project impact

### 1.8.3 Planning for CADAs/CIGs Participation

222. The preliminary project plan needed to guide project implementation intended at involving communities or nominated intermediaries should include a schedule for procurement actions, covering such aspects as target dates for each step, schedule for disbursements for each component, expected Bank financing, government counterpart funds and co-financing, where applicable.

223. At the time of drafting this plan, the PIU should also decide on the kind of goods, works or services to be procured and the role the CADAs/CIGs will play in the schedule. They should be involved in procurement as suppliers in the following circumstances:

- When the goods required are of a type commonly provided by community groups such as furniture, roofing materials, or similar endeavors in which groups of small scale artisans could be requested to participate constructively. Such groups could also be required to provide maintenance services for such equipment as pumps and watering equipments, or such facilities as rural roads, market facilities etc.;
- When they require works that can be performed by unskilled labor;
- In the construction of small infrastructure;
- Where informal groups within the CADAs can manage and supervise the construction of small works or can manage constructed facilities;
- Where procurement involves execution of specific irrigation works on communal or privately owned land by such organs as the Commercial Agricultural Development Associations “CADAs” formed by commercial farmers; and
- In emergency recovery and reconstruction projects, where project committees may be formed by CADAs to enter into procurement contracts with contractors and suppliers of goods and required services.

224. CADAs/CIGs participation in procurement should be limited to small contracts of low values for which they will have adequate financial and administrative capacity.

### 1.8.4 Methods of Procurement

225. The preferred method of procurement involving CADAs/CIGs participation is Local Competitive Bidding (LCB) i.e. modified National Competitive Bidding (NCB). The
following is a rundown of the requisite modifications normally engendered by CADAs/CIGs participation in procurement.

1.8.4.1 Modified National Competitive Bidding

226. In instances where the size and nature of goods or works to be procured justifies the application of NCB procurement method, a simplified procedure is normally employed. Even at that, unsophisticated CADAs/CIGs require assistance to participate either as suppliers or procurement agents. The bidding process should be streamlined in a manner that does not affect its competitive nature such that smaller local organizations can have a greater opportunity to participate. In all cases however, competition and economy should be promoted and the adaptation process should be done with the supervision and consent of the Bank.

227. A simplified bidding document in agricultural commercial projects that elicit the interest and involvement of small scale or community level contractors has been done in the following manner:

- Procurement in a proposed contract for a given sub-project are advertised locally among registered contractors/service provider, such that all the contractors registered in the roster maintained by the implementation agency are invited to bid for goods, works and services in the area of their specialty;
- The procurement contracts are written in simple language, clearly describing their scope and nature of the tasks being solicited, including the proposed reference unit price, if any, explained in a straightforward format and the manner of its calculation and the quantities required;
- Where it can be justified, the PIU may split contracts into smaller units to enable wider participation by the contractors/suppliers/service providers without jeopardizing economy and efficiency;
- Where competitive bidding is not feasible because of insufficient competition or does not produce acceptable results, negotiated contracts should be used on the basis of a specified schedule of prices;
- Requirements of bid and performance securities are eliminated or minimized and alternate mechanisms introduced to ensure collateral or security for use of funds. Payment in tranches structure in such a way that the final tranche is made conditional upon satisfactory performance is used to eliminate some of the risks foregone by the elimination of bid and performance securities.

1.8.4.2 Local Shopping

228. This mode of procurement should be modified within permissible bounds. To allow valid participation by CADAs/CIGs, the following factors must apply:

- More than one contractor should be invited to quote for the goods, works, or services;
- At least three quotations should be obtained, which could be secured on the basis of disclosed cost estimates on the basis of which works should be paid for. This
estimate, as may be supported by reports from independent technical auditors certifying full completion in accordance with standard drawings and specifications, should not be exceeded.

1.8.4.3 Direct Contracting

229. In Commercial Agricultural Development Project, direct contracting can be used as the method of procurement to facilitate CADAs/CIGs participation. Direct contracting is used especially where sub-projects are sparingly located or in remote areas, making it less attractive for contractors, and eliminating the need for extensive supervision and reviews by the Bank. In such projects, quarterly reviews should be performed and the procurement schedule should also be regularly audited and updated as appropriate.

230. Instances also exist when the Bank establishes direct contracting between the PIU and Farmers’ groups. Such relationships could be in the form of projects that finance small civil works in remote and scattered locations where the work is carried out directly by the members of the CADAs/CIGs, who may hire local technicians to supervise the works.

231. In these arrangements, the communities hire local workers to construct the works under contracts entered into for specific projects. An example of such projects include those that involve the CADAs/CIGs in the planning, designing and implementation of such projects as the rehabilitation and construction of Rural Access Road and Rural Electrification in the selected commercial farm settlement areas.

232. Under the scheme, CADAs/CIGs using their own labor are made to execute these projects. Skilled masons are hired to support the works while other members of the association carry out the work and provide various services based upon the following concerns:

- the technical complexity of the work to be undertaken;
- local practice of using association labor;
- willingness of the CADAs/CIGs to participate; and
- the availability of small contractors in the area.

233. CADAs essentially provide free or unskilled labor, while PIUs or NGOs provide the wages for the skilled masons. The skilled masons in turn supervise the work and the purchase of materials at the local level, using shopping procedures. The PIU provides any needed materials that are not locally available to ensure effective project completion.

234. Costs of the masons are reimbursed. Reimbursement for locally purchased equipment is based on receipts checked against standard unit costs prepared by the PIU, once the construction is satisfactorily completed. The repayment is subject to a ceiling defined in each sub-project agreement. The unit costs are established for a small range of materials and for the cost of local masons based on surveys carried out locally by the PIU staff and updated every three months. The Bank should approve the unit cost at all times before signing the agreement and engaging the community.
1.8.5 Advertisement

235. A simplified locally suitable advertisement process shall be employed for the purposes of engaging CADAs/CIGs in Bank-financed projects as access to adequate and relevant information is important for equitable association participation in procurement activities.

236. When materials or works are to be purchased through methods other than competitive bidding, they should disseminate information on the availability of opportunities and permit all interested suppliers and contractors to provide quotations through local shopping. All producers of such items should be given an opportunity to provide quotations, in order to ensure transparency and accountability.

237. Since procurement involving association participation is largely done on small and medium scale basis, the precise form of advertisement should be dictated by the socio-cultural and economic context of the area. Dissemination of information through advertisements in local newspapers will only make meaning when participating associations and suppliers are literate and are in the habit of reading newspapers. For this reason, the following mechanisms may be considered by the PIU:

- distribution of illustrated brochures;
- organization of promotional workshops and meetings;
- placement of radio commercials and jingles;
- utilization of town criers;
- announcements in places of worship;
- holding discussions at association meetings;
- organizing farm settlement plays;
- staging video films in local languages (or with interpretation) shown in area centers using mobile vans; and
- wall posters and bulletins.

238. An institutional framework to oversee and undertake the process is necessary in order to create adequate opportunities for all bidders.

1.8.6 Contract Packaging

239. Bank procedure encourages the grouping of small contracts into larger ones by default in order to increase the economy of their procurement. In community based procurement however, such packaging may bear a negative impact on the prospect for association involvement such as when small local firms or cottage industries become unable to participate as suppliers in contracts of large values due to their weak procurement and administrative capacities.

240. The PIU should thus adopt flexible packaging of contracts in a manner that the bidding process in which the association could participate enhances project sustainability.
241. Anywhere such a procedure is used, a justification for avoiding bulk packaging must be clearly documented and the Bank’s consent received before its implementation.

242. In packaging contracts for participation by the association with a view to securing the consent of the Bank, the PIU should consider the following factors:

- economy of procurement;
- impact on project sustainability if contracts are kept small to involve communities;
- logistics and costs of transportation and storage if larger contracts are awarded, including the effects of centralizing procurement as against the use of a decentralized procurement process that involves communities; and
- timing of centralized procurement and its consequences for association/community project sustainability.

1.8.7 Supervision and Monitoring

243. Supervising projects with association participation in an efficient and effective manner is difficult. This is because they are normally in large numbers, some existing as sub-projects of small values spread in remote and/or scattered locations nationally.

244. Such supervisory activities are therefore better contracted out to suitably structured entities that could perform such tasks either prior to the arrival of the Bank supervision team or as part of the work of the supervision team.

245. The PIU should therefore put together a database of consultants who possessing the necessary training and skills, will either as individuals or firms, including NGOs, supervise and monitor progress of such sub-projects.

1.8.8 Review of Contracts

246. Contracts involving association participation are usually post-reviewed. The Financial Agreement may, however, specify the threshold for prior.

247. The Bank may suspend disbursements on a project at any stage upon the discovery of violation of its established procurement procedure.

248. In designing criteria for prior review of projects, the following guidelines should be considered by the PIUs:

- Setting the prior review ceiling sufficiently high to permit a large number of standard contracts with associations to be implemented without prior review;
- Requirement for prior review of a fixed number of contracts in the first year such as in each sector, where applicable, to ensure that problems identified are handled up front; and
- Ensuring adequate random post-reviews during supervision mission and through procurement audits by external agencies.

1.9 Commercial Agricultural Development Project Component - Procurements

249. The Project Appraisal Document (PAD) for Commercial Agricultural Development Project has identified three project components through which the project will be carried out. Each of these components will involve procurement of either and/or combination of works, goods and services.

250. The PAD has also identified certain groups or organizations that will handle these procurements. These are:

- The National Coordinating Office (NCO) which shall operate under the National Food Reserve Agency (NFRA) of the FMAWR;
- The State Commercial Agricultural Development Offices (SCADOs) under the Agricultural Development Programmes (ADPs) have been identified as the implementation agencies in the States;
- Commercial Agricultural Development Associations (CADAs); and
- Commodity Interest Groups (CIGs).

251. The bulk of procurements shall be carried out through the NCO, SCADOs, groups and individuals through the Agricultural Production and Commercialization and Rural Infrastructure Components. The SCADOs in turn may sub-contract some of these procurement activities to NGOs, Local Government Councils (LGCs), Research Centers/Institutes and Consulting Firms.

252. The Financial Agreement shall establish the threshold for procurement of goods and works through the ICB and the individual and cumulative threshold for procurement of good and works using the IS/LS.

253. Also, the Financial Agreement shall establish the threshold for procurement of consulting services that must be made using QCBS and those that could be made using other methods.

1.9.1 Agricultural Production and Commercialization – (US$43.0 Million)

254. The objective of this component is to improve the adoption of existing agricultural technologies by commercial farmers. This component has three sub-components: Technology Adoption and Advisory Services, Market Facilitation and Capacity Building. Activities under these sub-components will include testing and dissemination of technologies in selected value chains to be provided by service providers, technical and business advisory, one-time capital grants, information development, awareness and knowledge sharing, market information and communication and generally capacity building for CADAs and other stakeholders. Also, the component will support a combination of workshops, study-tour and
on-site training which will involve service providers such as universities, NGOs, other local services providers as well as national and international consultants.

255. This component will fund the procurement of the following goods and services:

- Engagement of consultants, NGOs, research centers and institutes to provide specialized technical services;
- Training of project staff and beneficiary interest groups;
- Procurement of goods (Farm Equipment and Communication Van Vehicles, Computers, Other related Equipment, etc.)

256. Procurement of goods should be by ICB and/or NCB methods. In exceptional cases where justified, IS/LS may be employed. Where practicable, bulk purchase of similar goods should be considered, to take advantage of bulk buying.

257. Procurement of consulting services should be by QCBS. Where there is a fixed budget, SFB may be used and where the value of the services is small, LCS may be employed.

(See the sections on Procurement of Goods and Works and Procurement of Services for detailed procedure and circumstances under which each of the methods can be applied)

1.9.2 Rural Infrastructure (US$80.00 Million)

258. This component has two sub-components: Network of Rural Access Road and Rural Energy. The Rural Access Road sub-component will finance linkage of feeder roads to state and federal roads through output-performance-based road contracts. While the Rural Energy sub-component will finance provision of electricity to commercial farms where high transmission line exists. It will also finance rehabilitation and maintenance of rural electricity including provision of transformers and extension lines from main transmission line to commercial farmers’ facilities.

259. Due to the nature of works and goods that shall be procured through this component and the remote and wide spread location of the sub-projects, the default procurement methods to be employed shall mainly be:

- National Competitive Bidding (NCB), where the size of the project or group of projects is substantial to warrant the employment of this procedure;
- Force account where the work is scattered in remote locations with no local contractors, no contractor is interested in performing the work at a reasonable price and it is expedient for the ADPs to be directly involved in partnership with the communities;
- Modified NCB, Local Shopping and Direct Contracting procurement procedures for projects involving substantial association participation.

(See detailed procedure in the section under Community Participation in Procurement)
1.9.3 Project Management, Monitoring, Evaluation and Studies (US$12.00 million)

1.9.5.1 Project Management

260. The Bank’s procurement guidelines shall be applicable for all procurements under this component. Some of the identified procurement activities include:

- Training of interest groups on environmental and social impacts of their activities;
- Simple works such as rehabilitation of office complex;
- Engagement of consultants to provide specialized services;
- Procurement of goods such as project vehicles, office equipment for project monitoring and management.
- Provision of Management Information System (MIS)

261. Procurement of consulting and training services shall be through the QCBS and/or SFB. Procurement of works shall be by NCB where the value so dictate, or the Force Account because of the remote and small value of project or the modified procurement methods under the Procurements Involving Community Participation.

262. Procurement of goods shall be by ICB where value and quantity may interest foreign participation or NCB where goods are available locally at competitive prices. IS/LS may be employed for goods of small value, available off-the-shelf and within the threshold stipulated in the loan agreement. Contracts must not be split for the purpose of IS/LS methods. The component will also fund procurement of goods and services to enhance the effectiveness and efficiency of the public agencies that will provide policy guidance and technical and management services to Commercial Agricultural Development Project beneficiaries. The following are some of the identified procurements:

- Training and workshops for selected agencies at the Federal and State levels;
- Studies on agricultural commercialization, irrigation sub-sector studies and responsibilities of the Commercial Agricultural Development Project beneficiaries.

263. Procurement of consultants for training, workshops and studies services shall be through the QCBS and/or SFB.

Procurements under this component may include:

- Procurement of goods such as vehicles, computers, office and training equipment etc.
- Procurement of consultants for project audits, supervision and monitoring.

264. Procurement of goods shall be through ICB where the value and quantity will elicit interest of foreign suppliers. NCB may be used where goods are available locally at competitive prices. IS/LS may be used for small off-the-shelf goods where the more detailed
competitive procedures will be disadvantageous and value within the threshold established. There should be no splitting of contracts for the purpose of IS/LS.

1.10 Review, Monitoring and Disbursement Procedures

1.10.1 Procurement Review Procedures

265. Procurement processes and contracts under the Commercial Agricultural Development Project shall be subjected to either prior- or post-review by the Bank, depending on the size and nature of such contract.

266. The Financial Agreement shall set the threshold for contracts that must be subjected to prior review and those that may be given post review.

267. The following are general guidelines on contracts and processes that require prior review:

- GPN, SPN and RFP;
- Pre-Qualification documentations and evaluation;
- Bidding documents, evaluation and award of contract for ICB and LIB contracts;
- Procurements under ICB through loans given to financial intermediaries;
- The first two contracts on NCB for each component of the project;
- Contract for goods, works and services of which values are above the threshold stated in the loan agreement, irrespective of methods of procurement;
- REI and RFP for consulting services.

268. The following are contracts and processes that may be given post review:

- Procurement through Shopping methods;
- Small contracts for works or goods under Force Account;
- Small contracts involving fast disbursement operations;
- Other small contracts whose value and quantities may be uneconomical to carry out prior review of these contracts.

(A sample table of Review Threshold is at the end of this section.)

1.10.2 Fraud and Corruption

269. Combating fraud and corruption is central to the Bank’s policy for procurement for all projects. Consequently, its fraud and corruption policy affects both the PIU and the bidders under Bank-financed contracts in a significant way. All parties to the procurement process shall maintain the highest standard of ethics during the solicitation and contract execution.
270. It is therefore imperative for NCO of NFRA and the SCADO of ADPs to ensure that:

- The provisions in section 1.15 of the Bank’s Guidelines on Procurement are strictly considered and adhered to;
- Procurements process stated in the Guidelines is followed to the letter for goods, works and services to be procured under the CADP;
- Procurement Assistant at the Federal and officer at State levels are trained and re-trained to ensure that they are very conversant with the Bank’s procedures and as simplified in this manual.
- There should be known and implemented policy on punishing erring procurement staff and any other staff involved in procurement process.

1.10.3 Monitoring and Supervision Procedures

271. A very important part of good project management is the continuous monitoring of project implementation against the agreed schedule and milestones and the use of procured goods, works and services by the project beneficiaries.

272. A Procurement Monitoring Unit to monitor all procurements under the CADP should be set-up at the NCO and properly equipped to provide the required monitoring and evaluation of all procurement activities.

273. At the SCADOs’ level, the functions of continuous monitoring and supervision of procurement activities shall be performed by the Internal Audit units and a copy of their reports made available to the NCO.

274. The objectives of the Procurement Monitoring Unit shall be:

- To provide continuous feedback on procurement implementation at the federal and state levels;
- To facilitate timely adjustment to procurement process, where necessary.

275. The procurement plan should contain minimum qualitative and quantitative performance indicators for monitoring procurement progress of each component (e.g. number of commercial farmers or processing industries that have benefited from the sub-components of the project, kilometres of access roads constructed and number of rural electrification, etc.)

276. The Procurement Monitoring unit shall prepare the Procurement Management Report (PMR) to provide information to the National Project Coordinator and the State Project Coordinator on the following areas:

- Progress of works and services compared with agreed schedules;
- Physical delivery of goods, structures (works) and services and their respective costs;
- The usage of the goods, structures and services by the project beneficiaries and their reactions;
- Reasons for unexpected reactions by the project beneficiaries;
- The status of contract commitments and expenditures.

277. Deviations from procurement plan and unexpected beneficiary reactions shall be reported in the PMR and a diagnostic study shall be carried out to reveal causes and suggested remedial actions.

278. The PMR prepared by the Procurement Monitoring Unit and the reports of the ADPs Internal Auditors shall be made available to Bank’s supervision missions.

1.10.4 Disbursement Procedures

279. Payment for goods, works and services properly incurred on the project shall be made from the proceeds of the loan by the PIUs in accordance with the Bank’s procedures. Disbursements are made only at the request of the PIU and supported with relevant documents.

280. The two widely used procedures for disbursements are:

- **Statement of Expenditure (SOE)** – used for reimbursement of expenses incurred by the PIUs where documentation will be cumbersome and voluminous (e.g. civil works on Force Account, small works, goods or consulting contracts). Disbursements are made by the Bank upon receipt of the application by the PIU with a form detailing the expenditure incurred. Supporting documentation on these expenditures are retained by the PIU for subsequent examination by the auditors and the Bank.

- **Special Accounts (SA)** – used to cover the Bank’s share of eligible expenses in both foreign and local currencies. The SA is replenished by the Bank upon application for withdrawal by the PIU supported with all relevant documentations. All the participating NCO and SCADO’s shall open an SA for this purpose.

281. The Financial Agreement shall outline:

- The percentage of the proceeds of the loan that shall be used to fund foreign and local expenditures on goods, works, services, training and operating costs;
- The ceiling of value of contracts that can be paid by SOE;
- The threshold of contracts that must be paid through the SA;
- Items eligible for disbursement under the SOE;
- The procedure for the operation of the SA and the minimum applicable value;
- Retroactive financing provisions.

282. Detailed disbursement procedures are provided in the Financial Procedure Manual and are also in the Bank’s Disbursement Handbook.
1.10.5 Procurement Records

283. The NCO and the PIU’s shall maintain complete records of all procurement process and contracts for goods, works and services. These records for each competitive bidding shall be kept in a file and shall include:

- Copies of GPN, SPN and local and international advertisement in newspapers, journals and gazettes;
- Pre-qualification documentations (where applicable);
- Bid Invitation (IFB, ITB, REI, RFP);
- Bid documents and amendments, if any;
- Records of pre-bid meetings;
- Bid opening minutes;
- List of bids rejected during preliminary examination with reasons for rejection;
- Table of bid prices received;
- Bid evaluation report, including summary of rating sheets;
- Appeals against procedures or award recommendations;
- Contract advertisement in newspaper
- Signed copy of contract and performance security;
- Contract completion certificate and Stores Receipt Vouchers (SRV);
- Copy of Contractors’ invoices and payment vouchers.

284. Records of procurements for Shopping methods are:

- Current market price for commonly used items (market list);
- Names and addresses of suppliers invited to quote and their prices;
- Names and addresses of selected suppliers, quantities and value of orders;
- Copy of the Purchase Order;
- Copy of the Stores Receipt Voucher;
- Copy of Contractors’ invoices and payment vouchers

285. Other contract administration records that shall be maintained are:

- All contractual notices issued by contractors or the PIUs;
- Records of all changes or variation orders issued affecting the scope, quantities, timing and price of contract;
- Certificate of inspection and acceptance or rejection;
- Records of claims and disputes and their outcome.

1.10.6 Stores Procedures

286. The NCO and the PIUs shall maintain proper records of inventory of goods received into and issued out of the stores.

287. A Stores Officer who reports to the Procurement Officer shall manage the stores.
The main thrust of the stores procedures shall be:

- All goods procured are received into the store;
- Goods received into the stores are checked as to conformity with the quality, quantity and type as stated in the contract document;
- Certificate of inspection and acceptance is prepared before SRV are issued;
- Stores Receipt Voucher (SRV) is prepared for every goods received into the store;
- Goods are issued out on the basis of properly authorized Stores Requisition Note (SRN) and Stores Issue Voucher (SIV);
- Inventories are arranged in the stores in a way that:
  - Facilitate easy identification and retrieval of items;
  - Ensure safe custody of items and;
  - Normal inventories are available.
- Periodic physical stock-taking to agree physical quantities to bin card balances.

**SAMPLE REVIEW THRESHOLD TABLE**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Contract Value</th>
<th>Procurement Method</th>
<th>Review Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Works</td>
<td>Above US$ 500,000</td>
<td>ICB</td>
<td>Prior Review</td>
</tr>
<tr>
<td></td>
<td>Less than US$500,000</td>
<td>NCB (where foreign interest is unlikely)</td>
<td>1st contracts prior reviews, then others post review.</td>
</tr>
<tr>
<td></td>
<td>Less than US$50,000</td>
<td>Force Account, Direct Contracting</td>
<td>Post review</td>
</tr>
<tr>
<td>2 Goods</td>
<td>Above US$ 500,000</td>
<td>ICB</td>
<td>Prior Review</td>
</tr>
<tr>
<td></td>
<td>Less than US$500,000</td>
<td>NCB</td>
<td>1st contracts prior reviews, then others post review.</td>
</tr>
<tr>
<td></td>
<td>Less than US$100,000</td>
<td>Shopping (within the aggregate shopping limit)</td>
<td>Post review</td>
</tr>
<tr>
<td></td>
<td>UN Agencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Services</td>
<td>Above US$ 200,000</td>
<td>QCBS</td>
<td>Prior review</td>
</tr>
<tr>
<td></td>
<td>Less than US$200,000</td>
<td>Other methods.</td>
<td>Post review</td>
</tr>
<tr>
<td>4 Training</td>
<td>Above US$ 100,000</td>
<td>QCBS</td>
<td>Prior review</td>
</tr>
<tr>
<td></td>
<td>Less than US$ 100,000</td>
<td>SFB/LCS</td>
<td>Post review</td>
</tr>
</tbody>
</table>

**Note:** *This is a sample, threshold limits to be as per the credit Agreement.*