FEDERAL REPUBLIC OF NIGERIA

COMMUNITY BASED AGRICULTURE AND RURAL DEVELOPMENT PROJECT

APPRaisal REPORT
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This appraisal report was prepared by Messrs. J. Helsen, Agronomist (Task Manager); E. A. Mohammed, Agricultural Economist; M. Basalirwa, Financial Analyst (all of OCAR.2); O. Oladapo, Agricultural Economist and R. C. Okoro, Infrastructure Specialist (both of NGCO) following an appraisal Mission to Nigeria from 10 to 29 May 2003. Additional inquiries relating to the report should be addressed to the authors or Mr. Sami Z. Moussa, Division Manager, OCAR.2 (Extension 2143).
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AFRICAN DEVELOPMENT FUND  
BP 323, Tunis Belvedere  
1001 Tunisia  
Tel: 216-71102143  
Fax: 216-71102570  

PROJECT INFORMATION SHEET  

Date: July 2003  

1. COUNTRY : Federal Republic of Nigeria  

2. TITLE OF PROJECT : Community Based Agriculture and Rural Development Project (CBARDP)  

3. LOCATION : Bauchi, Adamawa, Gombe, Niger and Kaduna States  

4. BORROWER : Federal Government of Nigeria (FGN)  

5. EXECUTIVE AGENCY : Federal Ministry of Agriculture and Rural Development (FMARD)  
Director, Project Coordination Unit (PCU)  
P.O. Box 325, Gwagwalada Abuja FCT  
Tel: 234 9 8821051  
Fax: 234 9 3147438  
Email: saingawa@yahoo.com  

6. PROJECT DESCRIPTION: The sector goal is to reduce poverty through the improvement of the livelihood and living conditions of the rural poor. The project objective is to contribute to food security and increased access to rural infrastructure facilities in the project area. The project has four components: (A) Capacity Building; (B) Production Development; (C) Community Development and (D) Project Management and Coordination. The outputs under each of these components are summarised as follows: 1): Capacity of rural communities to plan and implement development activities strengthened and sustained; 2): Capacity of local and state governments to support, monitor and evaluate project activities enhanced; 3) Crop productivity increased and restored; 4): Crop and livestock production integrated and intensified and 5): Social and rural infrastructure improved and maintained.  

7. TOTAL COST :  
Foreign exchange : UA 15.98 million  
Local cost : UA 6.64 million  

8. ADF LOAN :  
UA 13.00 million  

9. OTHER SOURCES OF FINANCE:  
Federal Government of Nigeria: UA 0.49 million  
State Governments: UA 0.95 million  
Local Governments: UA 1.36 million  
Beneficiaries: UA 0.18 million
10 DATE OF APPROVAL : September 2003

11 PROBABLE COMMENCEMENT DATE AND PROJECT DURATION:

Commencement : March 2004
Duration : 6 Years

12. PROCUREMENT OF GOODS, WORKS AND SERVICES:

Procurement of goods, works and consultancy services financed by the ADF will be carried out in conformity with Bank Group Rules of Procedure. Civil works, which will include the rehabilitation of existing irrigation and livestock water points and the establishment of new water points will be procured under National Competitive Bidding (NCB) procedures. The construction of health and education centres; spot improvements of access roads and rehabilitation of communal post harvest storage and market centres will be procured through local shopping using the Community Development Fund. Procurement of vehicles, motorcycles and bicycles will be procured under National Competitive Bidding (NCB). Office/laboratory equipment, field equipment and extension materials will be procured through Direct Purchase (DP).

13. CONSULTANCY SERVICES REQUIRED:

Consultancy services for market analysis and production of training materials, long-term Technical Assistance and short term consultancies for conducting impact surveys, annual audits of the project accounts and mid-term and final reviews will all be acquired through short listing of consulting firms, in accordance with the Bank’s Rules of Procedure for the Use of Consultants. The services of specialised agencies such as the training of Government staff, health campaigns, extension support and monitoring services will be acquired through Direct Negotiations with existing institutions.
CURRENCY AND MEASURES
(May 2002)

UA 1 = Naira 144.14
UA 1 = USD 1.3839
US$ 1 = Naira 104.15

FINANCIAL YEAR
1 January – 31 December

ABBREVIATIONS

ADP Agricultural Development Programme
AMTA Agricultural Management Training for Africa
ARDCG Agricultural and Rural Development Consultative Group
ARDECA Agricultural and Rural Development Executive Committee
CBARDP Community-Based Agriculture and Rural Development Project
CBO Community-Based Organisation
CDDT Community-Driven Development Team
DFID Department for International Development of the United Kingdom
EIA Environmental Impact Assessment
FADAMA Low-lying or water logged areas suitable for irrigation farming
FADPEC Federal Agricultural Development Project’s Executive Committee
FAO Food and Agriculture Organization of the United Nations
FDRD Federal Department of Rural Development
FEPA Federal Environmental Protection Agency
FGN Federal Government of Nigeria
FMARD Federal Ministry of Agriculture and Rural Development
FMOF Federal Ministry of Finance
GDP Gross Domestic Product
LGA Local Government Area
LGCC Local Government Council
LGDC Local Government Development Committee
TST Technical Support Team
NGCO Nigeria Country Office
NGO Non-governmental Organisation
NPC National Planning Commission
PCU Projects Coordinating Unit
PMED Planning, Monitoring and Evaluation Department
PRA Participatory Rural Appraisal
PSO Project Support Office
RVA Rural Village Area
SEPA State Environmental Protection Agency
SMA State Ministry of Agriculture
SMF State Ministry of Finance
SMLG State Ministry of Local Government
SMS Subject Matter Specialist
SPFS Special Programme for food security
USAID United States Agency for International Development
COMMUNITY BASED AGRICULTURE AND RURAL DEVELOPMENT PROJECT

COMPARATIVE SOCIO-ECONOMIC INDICATORS

<table>
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<th>Basic Indicators</th>
<th>Year</th>
<th>Nigeria</th>
<th>Africa</th>
<th>Dev’g Countries</th>
<th>Dev’d Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (’000 Km²)</td>
<td>2001</td>
<td>924</td>
<td>30,061</td>
<td>80,976</td>
<td>54,658</td>
</tr>
<tr>
<td>Total Population (millions)</td>
<td>2001</td>
<td>116.9</td>
<td>81.6</td>
<td>4,940.3</td>
<td>1,193.3</td>
</tr>
<tr>
<td>Urban Population (% of Total)</td>
<td>2001</td>
<td>43.8</td>
<td>38.0</td>
<td>40.4</td>
<td>76.0</td>
</tr>
<tr>
<td>Population Density (per Km²)</td>
<td>2001</td>
<td>126.6</td>
<td>27.0</td>
<td>61.0</td>
<td>21.9</td>
</tr>
<tr>
<td>GNI per Capita (US $)</td>
<td>2001</td>
<td>290</td>
<td>671</td>
<td>1,250</td>
<td>25,896</td>
</tr>
<tr>
<td>Labor Force Participation - Total (%)</td>
<td>2000</td>
<td>39.6</td>
<td>43.1</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Labor Force Participation - Female (%)</td>
<td>2000</td>
<td>28.4</td>
<td>33.8</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Gender-Related Development Index Value</td>
<td>2000</td>
<td>0.449</td>
<td>0.476</td>
<td>0.634</td>
<td>0.916</td>
</tr>
<tr>
<td>Human Develop. Index (Rank among 174 countries)</td>
<td>2000</td>
<td>4.18</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Popul. Living Below $1 a Day (% of Population)</td>
<td>1997</td>
<td>70.2</td>
<td>45.0</td>
<td>32.2</td>
<td>...</td>
</tr>
</tbody>
</table>

Demographic Indicators

| Population Growth Rate (%) | 2001 | 2.7 | 2.4 | 1.5 | 0.2 |
| Population Growth Rate (%) | 2001 | 4.5 | 4.1 | 2.9 | 0.5 |
| Population < 15 years (%) | 2001 | 44.9 | 42.4 | 32.4 | 18.0 |
| Population >= 65 years (%) | 2001 | 3.1 | 3.3 | 5.1 | 14.3 |
| Sex Ratio (per 100 female) | 2001 | 100.6 | 99.4 | 103.3 | 94.7 |
| Female Population 15-49 years (% of total population) | 2001 | 22.6 | 23.6 | 26.9 | 25.9 |
| Life Expectancy at Birth - Total (years) | 2001 | 51.9 | 52.5 | 64.5 | 75.7 |
| Life Expectancy at Birth - Female (years) | 2001 | 52.1 | 53.5 | 66.3 | 79.3 |
| Crude Birth Rate (per 1,000) | 2001 | 39.9 | 37.3 | 23.4 | 10.9 |
| Crude Death Rate (per 1,000) | 2001 | 13.5 | 14.0 | 8.4 | 10.6 |
| Infant Mortality Rate (per 1,000) | 2001 | 80.8 | 79.6 | 57.6 | 8.9 |
| Child Mortality Rate (per 1,000) | 2001 | 133.3 | 116.3 | 79.8 | 10.2 |
| Maternal Mortality Rate (per 100,000) | 1998 | 1,000 | 641 | 491 | 13 |
| Total Fertility Rate (per woman) | 2001 | 5.5 | 5.1 | 2.8 | 1.6 |
| Women Using Contraception (%) | 1995 | 6.0 | ... | 56.0 | 70.0 |

Health & Nutrition Indicators

| Physicians (per 100,000 people) | 1993 | 21.2 | 36.7 | 78.0 | 287.0 |
| Nurses (per 100,000 people) | 1989 | 76.1 | 105.8 | 98.0 | 782.0 |
| Births attended by Trained Health Personnel (%) | 1998 | 15.0 | 38.0 | 58.0 | 99.0 |
| Access to Safe Water (% of Population) | 2000 | 57.0 | 60.4 | 72.0 | 100.0 |
| Access to Health Services (% of Population) | 2000 | 67.0 | 61.7 | 80.0 | 100.0 |
| Access to Sanitation (% of Population) | 2000 | 63.0 | 60.5 | 44.0 | 100.0 |
| Percent. of Adults (aged 15-49) Living with HIV/AIDS | 2001 | 6.0 | 5.7 | ... | ... |
| Incidence of Tuberculosis (per 100,000) | 2000 | 12.7 | 105.4 | 157.0 | 24.0 |
| Child Immunization Against Tuberculosis (%) | 2000 | 34.0 | 63.5 | 82.0 | 93.0 |
| Child Immunization Against Measles (%) | 1996 | 30.0 | 58.2 | 79.0 | 90.0 |
| Underweight Children (% of children under 5 years) | 1999 | 27.3 | 25.9 | 31.0 | ... |
| Daily Calorie Supply per Capita | 1999 | 2,833 | 2,408 | 2,663 | 3,380 |
| Public Expenditure on Health (as % of GDP) | 1998 | 0.8 | 3.3 | 1.8 | 6.3 |

Education Indicators

| Primary School - Total | 1996 | 82.0 | 80.7 | 100.7 | 102.3 |
| Primary School - Female | 1996 | 74.0 | 73.4 | 94.5 | 101.9 |
| Secondary School - Total | 1996 | 34.0 | 29.3 | 50.9 | 99.5 |
| Secondary School - Female | 1996 | 31.1 | 25.7 | 45.8 | 100.8 |
| Primary School Female Teaching Staff (% of Total) | 1996 | 47.9 | 40.9 | 51.0 | 82.0 |
| Adult Illiteracy Rate - Total (%) | 2001 | 34.7 | 37.7 | 26.6 | 1.2 |
| Adult Illiteracy Rate - Male (%) | 2001 | 26.5 | 29.7 | 19.0 | 0.8 |
| Adult Illiteracy Rate - Female (%) | 2001 | 42.6 | 46.8 | 34.2 | 1.6 |
| Percentage of GDP Spent on Education | 1998 | 0.6 | 3.5 | 3.9 | 5.9 |

Environmental Indicators

| Land Use (Areal Land as % of Total Land Area) | 1999 | 31.0 | 6.0 | 9.9 | 11.6 |
| Annual Rate of Deforestation (%) | 1995 | 0.9 | 0.7 | 0.4 | -0.2 |
| Annual Rate of Reforestation (%) | 1996 | 3.0 | 4.0 | ... | ... |
| Per Capita CO2 Emissions (metric tons) | 1997 | ... | 1.1 | 2.1 | 12.3 |

Source: Compiled by the Statistics Division from ADB databases; UNAIDS; World Bank Live Database and United Nations Population Division.
## Objective Verifiable Indicators

### Goal
Poverty Reduction through improvement of the livelihood and living conditions of the rural poor
- Reduction of people living below the poverty line from 70% at present to 50% by 2010.

### Project Objective
To contribute to food security and increased access to rural infrastructure facilities in the project area.
- Incomes increased from on average Naira 45,000 to at least Naira 90,000 per farm family and increased access to social and rural infrastructure works in the project area by PY6;
- An improvement in the food security situation from 50% food secure beneficiaries in PY 1 to 70% by PY6 in the project area.

### Project Outputs

#### (A) Capacity Building
1. Capacity of rural communities to plan and implement development activities strengthened and sustained;
2. Capacity of local and state governments to support, monitor and evaluate project activities enhanced.
- 135 Community Development Plans prepared by PY 4;
- 30,000 beneficiaries trained in health, gender, sanitation education, HIV/AIDS awareness by PY 6;
- 45 gender and poverty strategy plans prepared;
- 15% of CDDTs are women representatives;
- MOU between communities and LGCs approved

- Community Development Plans
- Membership of CDDTs
- Minutes on group and community meetings;
- M&E reports

#### (B) Production Development
1. Crop productivity increased and restored;
2. Crop and livestock production integrated and intensified.
- Annual incremental crop production at full project development by: 1,620 MT for maize; 864 MT for Sorghum; 864 MT for Millet; 6,480 MT for Cassava; 200 MT for Rice; 2,160 MT for potatoes; 54 MT for cowpeas and 54 MT of groundnuts. Annual incremental crop production for food crops is estimated at 270 MT for tomatoes; 675 MT for cabbage, 270 MT for Okra and 270 tonnes for eggplants.

- M&E reports
- Supervision reports
- Federal government policy statements and changes

#### (C) Community Development
1. Social and rural infrastructure improved and maintained.
- 10% community contribution to rural infrastructure;
- 270 km of rural roads rehabilitated;
- 545 water supply points functioning effectively;
- 150 com. health centres established and operational;
- 270 market points, drying shades and collection stores

- M&E reports;
- Photographic record of land degradation reversal;
- Supervision reports and mid-term review

### Means of Verification

- National Statistics
- Evaluation reports including evaluation of crop production assessments;
- Progress reports by ADPs and Local Government Councils.

### Assumptions and Risks

- It is assumed that the five participating states will progress at the same speed in the process of decentralised planning and development.
- It is assumed that the process of demand driven development at the grass roots will be institutionalised at local government level by providing the required capacity building.
- It is assumed that adaptive technologies in land husbandry and soil and water management will be adapted by the farmers.
- It is assumed that families will contribute at least 10% in the establishment and maintenance of some of the works.
<table>
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<th><strong>Activities</strong></th>
<th><strong>Objective Verifiable Indicators</strong></th>
<th><strong>Means of Verification</strong></th>
<th><strong>Assumptions and Risks</strong></th>
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</thead>
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<tr>
<td><em>(D) Project Management and Coordination</em></td>
<td>• Four review meetings with IFAD per year; • One policy workshop per year; • One donor coordination meeting per year • Monitoring and project reporting procedures in place;</td>
<td>• Minutes of the review meetings; • Policy workshop report • Data obtained and processed</td>
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<tr>
<td>(1) Coordination mechanisms put in place.</td>
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<tr>
<td><strong>Activities:</strong></td>
<td>Resources and Project Budget (UA ‘000)</td>
<td></td>
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<tr>
<td>(A) Capacity Building</td>
<td></td>
<td>A. Capacity Building</td>
<td></td>
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<tr>
<td>- 30 initiation workshops;</td>
<td>Sources</td>
<td>5,559.80</td>
<td></td>
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<tr>
<td>- 45 CDDTs trained</td>
<td>ADF: 13,000.21</td>
<td></td>
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<tr>
<td>- 270 CBOs trained</td>
<td>FGN: 486.71</td>
<td></td>
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<tr>
<td>- 5,400 farmer group trained</td>
<td>SGN: 946.38</td>
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<tr>
<td>- Staff of 50 PMED units trained</td>
<td>LGN: 1,363.23</td>
<td></td>
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<tr>
<td>- 5 baseline/1 impact study conducted;</td>
<td>COM: 182.11</td>
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<td>- FCLR supported</td>
<td></td>
<td></td>
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<tr>
<td>(B) Production Development</td>
<td></td>
<td>B. Production Development</td>
<td>5,488.83</td>
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<tr>
<td>- 10 TST established and functional;</td>
<td></td>
<td></td>
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<tr>
<td>- FCLR provided with facilities;</td>
<td></td>
<td>C. Community Development</td>
<td>3,652.18</td>
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<tr>
<td>- 135 PRAs conducted;</td>
<td></td>
<td></td>
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<tr>
<td>- 135 woodlots established;</td>
<td></td>
<td>D Management and Coordination</td>
<td>1,277.83</td>
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<td>- 135 range lands improved;</td>
<td></td>
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<tr>
<td>- 270 demo/trials established;</td>
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<td>- 545 watering points operational;</td>
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<tr>
<td>- 540 demo/ trials established;</td>
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<td>- 30 agricultural shows organised;</td>
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<td>- 270 field trips undertaken</td>
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<tr>
<td>(C) Community Development</td>
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<tr>
<td>- CDF established;</td>
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<td>- 135 VDPs prepared;</td>
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<td>- 45 CDP prepared and approved;</td>
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<tr>
<td>- CDPs implemented &amp; monitored;</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(D) Project Management</td>
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<td></td>
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<tr>
<td>- goods and services procured;</td>
<td></td>
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<tr>
<td>- activities monitored and evaluated</td>
<td></td>
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<tr>
<td>- Coordination mechanism put in place</td>
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EXECUTIVE SUMMARY

1 Project Background

1.1 The Government of Nigeria initiated a Rural Sector Study with support from the World Bank and USAID in the year 2000. This resulted in the adoption in 2001 of the new Rural Development Strategy, which aims at poverty reduction through the improvement of livelihood and living conditions of the rural communities.

1.2 The new Rural Development Strategy was recognised at a meeting chaired by the African Development Bank (ADB) and attended by the International Fund for Agricultural Development (IFAD), the World Bank and the Food and Agriculture Organisation (FAO), held at the ADB head quarters in January 2001. Its importance was also articulated at a joint Federal Government of Nigeria/Donor Workshop, which was held at the World Bank Headquarters in Washington DC in April/May 2001. In this meeting the ADB, FAO, IFAD, and USAID also participated. It was agreed that the most efficient and effective approach to poverty alleviation in Nigeria would be one based on community-driven development. This would, among others, ensure that funds allocated for sustainable development would actually get to the communities. Collaborating partners agreed to have a common platform to address the needs of the rural sector, which would form the basis for individual as well as joint interventions in the country. Consequently, the Community Based Agriculture and Rural Development Programme was initiated.

1.3 This programme, in which various donors can participate, provides a policy, institutional and financing framework for community-based agriculture and rural development. It is a national programme supported by the three tiers of the government i.e. the Federal Government of Nigeria (FGN), State Governments and the Local Government Councils (LGC). It ensures community participation in the design and implementation of project activities and sustainability by providing the institutional support that will enable service providers to participate effectively. The first donor to participate in the Programme has been IFAD, who provided assistance to eight states in the north of the country. IFAD has recently, also concluded the appraisal of a similar project in the Niger Delta, in the south of the Country. The Government requested Bank Group assistance to finance activities under the Programme in five additional states in the north of the country.

1.4 The proposed Community Based Agriculture and Rural Development Project (CBARDP) has evolved from the systematic development of the Federal Government of Nigeria and donor partnership in poverty alleviation and takes into consideration: (i) Inputs into developing the Rural Development Strategy (RDS) for Nigeria including Bank’s participation in the stakeholders’ workshop in February 2001; (ii) participation of the Bank Group in the appraisal of the IFAD led CBARDP in eight northern states in the country; (iii) the ADF-led preparation mission from 18 January to 07 February 2003 and an appraisal mission from 10 to 29 May 2003. The Bank missions included visits to all participating states, where discussions were held with target groups of women and men in poor rural communities; local governments, service providers and NGOs. Discussions were also held with representatives of the major donor community such as the FAO, World Bank; IFAD; DFID; USAID; Dutch Bilateral Development Agency and the Canadian International Development Agency.
2 Sector Goal and Project Objective

The sector goal is to reduce poverty through improvement of the livelihood and living conditions of the rural poor. The project objective is to contribute to food security and increased access to rural infrastructure facilities in the project area.

3 Brief description of the project’s Outputs

The project has five outputs which are summarised as follows: 1) Capacity of rural communities to plan and implement development activities strengthened and sustained; 2) Capacity of local and state governments to support, monitor and evaluate project activities enhanced; 3) Crop productivity increased and restored; 4) Crop and livestock production integrated and intensified and 5) Social and rural infrastructure improved and maintained.

4 Project Cost

The total project cost is estimated at UA 15.98 million out of which 58% or UA 9.34 million will be in foreign currency and 42% or UA 6.64 million in local currency.

5 Source of Finance

The Project will be financed by the ADF: UA 13.00 million (81%); Federal Government of Nigeria: UA 0.49 million (3%), the State Governments: UA 0.95 million (6%), Local Governments: UA 1.36 million (9%) and the Communities: 0.18 million (1%).

6 Project implementation

The Projects Coordinating Unit (PCU) of the Federal Ministry of Agriculture and Rural Development (FMARD) will be responsible for coordination and for monitoring and evaluation. The Federal Department of Rural Development (FDRD) will collaborate with the project in rural infrastructure development. In each State, the ADP will provide Technical Support to Local Governments and Communities to ensure effective project implementation.

7 Conclusion and Recommendations

The proposed project is a priority, which is consistent with the development objectives of the Federal Government of Nigeria and is expected to contribute to the sustainable management of the natural resource base and substantially increase the food production and farm incomes, which in the long run would contribute to improved household food security and improved livelihood. The project is technically feasible, economically viable, socially desirable and environmentally sustainable. The project is in line with the Bank Group’s strategy for agricultural sector development in the Country. It is recommended, therefore, that a loan not exceeding UA 13.00 million be granted to the Government of Nigeria to finance the implementation of the project.
1. ORIGIN AND HISTORY OF THE PROJECT

1.1 The Government of Nigeria initiated a Rural Sector Study with support from the World Bank and USAID in the year 2000. This resulted in the adoption in 2001 of the Rural Development Strategy for Poverty Alleviation. Its goal is to undertake efforts to reduce poverty through improvement of the livelihood and living conditions of the rural communities.

1.2 The new Rural Development Strategy formed the basis of a meeting chaired by the African Development Bank (ADB) and which was attended by the International Fund for Agricultural Development (IFAD), the World Bank (WB) and the Food and Agriculture Organisation (FAO), held at the ADB head quarters in January 2001. The Aide Memoire of the meeting concretised the four institutions’ commitment to work together to improve the livelihood of the rural population in Nigeria. This would be done using a community driven approach. The strategy was reviewed and significantly revised at a joint Federal Government of Nigeria/Donor Workshop, which was held at the World Bank Headquarters in Washington DC in April/May 2001. In this workshop the ADB, FAO, IFAD, and USAID also participated. It was agreed that the most efficient and effective approach to poverty alleviation in Nigeria would be one based on community-driven development. This would, among others, ensure that funds allocated for sustainable development would actually get to the communities. Collaborating partners agreed to have a common platform to address the needs of the rural sector, which would form the basis for individual as well as joint interventions in the country. Consequently, the Community Based Agriculture and Rural Development Programme was initiated.

1.3 This Programme has been designed to implement the new Rural Development Strategy. It provides a policy, institutional and financing framework for demand driven development. It consists of activities related to agriculture and rural infrastructure as well as capacity building. The programme, in which various donors can participate, is supported by the three tiers of the government i.e. the Federal Government of Nigeria (FGN), State Governments and the Local Government Councils (LGC). It ensures community participation in the design and implementation of project activities and sustainability by providing the institutional support that will enable service providers to participate effectively. The first donor to participate in the Programme has been IFAD, which provides support to eight states in the north of the country. IFAD has recently, also concluded the appraisal of a similar project in six Niger Delta States. The Government requested Bank Group assistance to provide support to five additional states in the north of the country. The urgency of the project stems from the fact that poverty has reached alarming proportions in Nigeria, despite its relative large share of, human, natural and mineral resources. The country’s infrastructure is in a deplorable state and more than 70% of the population live on less than one dollar a day. Nigeria ranks number 148 in the 2002 UN Human Development Index.

1.4 The proposed Community Based Agriculture and Rural Development Project (CBARDP) has evolved from the systematic development of the FGN and donor partnership in poverty alleviation and takes into consideration: (i) Donor inputs into developing the Rural Development Strategy (RDS) for Nigeria including Bank’s participation in the stakeholders’ workshop in February 2001; (ii) participation of the Bank Group in the IFAD-led appraisal of the community based agriculture and rural development activities in eight northern states in the country; (iii) a Bank Group-led preparation mission from 18 January to 07 February 2003 and an appraisal
mission, which took place from 10 to 29 May 2003. The Bank missions included visits to all participating states, where discussions were held with target groups of women and men in poor rural communities; local governments, service providers and NGOs. Discussions were also held with representatives of the major donor community such as the FAO, World Bank; IFAD; DFID; USAID; Dutch Bilateral Development Agency and the Canadian International Development Agency.

2. AGRICULTURE AND RURAL SECTOR

2.1 Salient Features

2.1.1 Since independence, agriculture has been the most important economic sector in terms of its contribution to the GDP, after oil. The sector contributes about 41% of the country’s GDP, employs about 65% of the total population and provides employment to about 80% of the rural population. Available statistics show that total food production increased from 54.76 million grain equivalent in 1997 to 57.70 million grain-equivalent in 2001. Agricultural growth rates increased modestly from 4.25% in 1997 to 4.5% in 1999 and 4.7% in 2001, all of which are nevertheless higher than the population growth rate of 2.7%. The challenge thus posed by the sector is to sustain this increase with a view to removing the observed food deficit.

2.1.2 Of Nigeria’s estimated 69.9 million ha of agricultural land about 39.2 million are under permanent pasture with another 2.8 million under permanent crops, leaving about 27.9 million ha for arable crops. Within the last category, it is estimated that some 25 million ha are cultivated each year implying a high cropping intensity with respect to arable land. Forestry constitutes about 26 million ha currently. Crops contributed some 27% of GDP, livestock another 3.3% and forestry and fisheries 1.5%. The only agricultural export of any significance is cocoa, which contributes less than 0.5% to the agricultural GDP.

2.1.3 Rural Nigeria is divided into seven agro-ecological zones; i.e. semi-arid, found only in the northern region; the savannah, found in the northern and middle region; a small highland area found in the middle and southern region; a larger transition environment of savannah derived from the forest overlapping the southern and middle regions; mangroves in the Niger Delta; freshwater swamps in the Niger Delta and Lowland rain forest in the south. The agro-ecological setting and technology base, in principle, determine the production systems.

2.1.4 Two major production systems dominate: (i) the traditional production system, which is found in all parts of the country and consists of land holdings of less than 2 ha with a variety of food crops intended for consumption purposes mainly and (ii) the improved irrigation production system, which comprises the improved fadama farming, which utilises low-lying or water logged areas for crop and livestock production as well as large-scale mechanised and/or commercial irrigation farming systems. In addition, there are a number of private vegetable, horticulture and flower production schemes around larger cities covering in total an estimated 128,000 ha.

2.1.5 The total irrigation potential in Nigeria is estimated at 2.0 million ha while the area currently irrigated is less than 900,000 ha. 75% of this area is believed to be under private fadama irrigation while the remaining is under public sector management. It is estimated that
about 55,000 ha of the “fadama” irrigated lands are using motorised pumps, which is a result of the World Bank supported National Fadama Phase I Project. The most important irrigated crops are rice and highly priced vegetables such as tomatoes, cabbages, okra and pumpkins.

2.1.6 Rural infrastructure, in general, was exclusively constructed and maintained by the Government without the consultation of the actual beneficiaries. The result is that many of the infrastructures are poorly maintained. With respect to the rural roads, in particular, it is estimated that about 70% of the road network in Nigeria is in poor condition and that the road density is one of the lowest in sub-Saharan Africa. At present, the rural roads network amounts to about 30% of the paved road network, which is estimated at 200,000 km. More than 90,000 km of feeder and access roads were constructed during the eighties, all of which are now virtually lost due to lack of maintenance.

2.1.7 The non-agricultural sector also plays an important role in rural livelihoods. It is estimated that it accounts for about half of rural households’ total incomes. Food-deficient households, in particular, obtain a large share of their income from non-farm activities. They are involved in micro and small-scale enterprises such as production of farm implements, agro-processing, trading, transportation and handicrafts. Women are more engaged in food processing, petty trading and services such as hairdressing. Many enterprises are linked to the agriculture sector and require little capital or skills and rely on informal credit providers.

2.2 Agriculture and Rural Development Strategy

2.2.1 The Federal Government of Nigeria adopted a new Agricultural Policy in October 2001 to replace the one enacted in 1989. The major thrusts of this policy are: (i) Creating a conducive macro-economic environment to stimulate greater private sector investment in agriculture; (ii) Rationalising the roles of the different tiers of government; (iii) Re-organising the institutional framework for government intervention in the sector; (iv) Actualising and implementing integrated rural development; (v) Increased budgetary allocation to enhance production and productivity; (vi) Increasing fiscal incentives to agriculture and reviewing trade regulations; and (viii) Promoting increased use of machinery and inputs through favourable tariff policy.

2.2.2 Effective implementation of this policy has been constrained due to: (i) the predominant urban bias in the selection of projects and policy measures; (ii) a lack of community participation in the dialogue and key decisions which concern rural development; (iii) the insufficient attention accorded by the Federal Government to production development and (iv) pervasive public interference in what, in fact, should be private enterprise. Recently, however, the Government has made concerted efforts, through its decentralisation policy, in providing state and local governments with additional resources, to enable them to improve service provision in production, infrastructure development and social services.

2.2.3 As indicated earlier, the Government undertook in the year 2000 the "Nigeria Rural Sector Strategy Study", which resulted in 2001 in a new Rural Development Strategy as a means to effectively operationalise the agricultural policy. The goal of this new strategy, which is based on the principles of non-intervention; consistency; participation; sustainability and greater equity is poverty reduction by improving the livelihood and living conditions of the rural poor. The
strategy also aims to contribute to food security and increased access to rural infrastructure facilities. In addition, the Government prepared with the assistance of the donor community, the Community Based Agriculture and Rural Development Programme, which serves as a platform for financial and technical development support to the country.

2.2.4 Because of the size of what has to be done, the Government cannot effectively implement the Programme on its own. It requires, therefore, development assistance for the implementation of the Community Based Agriculture and Rural Development Programme. Specifically, financial support is required for: (a) capacity building especially at local government and community level (b) rural production development; (c) the development of rural infrastructures and their maintenance, (d) special programs for target groups, such as women, youth, children and HIV/AIDS victims; and (e) organisation and mobilisation of rural communities.

2.3 Land Tenure

2.3.1 Since 1978, the State Governors have been designated as the legal custodians of all land in Nigeria. However, the de-facto land tenure rights follow the traditional usufruct system, which is governed by customary law. Under the customary land tenure system, the village headman maintains the traditional community control of the land and founding families have the customary rights to use the land once they have cleared it. The land will revert to the community only when it is left fallow for a very long time and upon the death of an heirless cultivator. For women, in particular, the access to land is through men; i.e. their husband, father, brother or uncle. However, of the estimated 40% female-headed households in rural Nigeria, about 80% are landless. Customary rights are not registered and depend on the testimony of the village head and his deputy. They can be defended in local courts in case of land use conflicts, which often occur.

2.3.2 Land can also be bought, leased or acquired through pledging. In fact, about 40% of farmers, use a combination of these tenure systems to improve their access to land. Herds men remain outside the land tenure systems and their land tenure ship is precarious. Some irrigation schemes enjoyed pre-existing rights and holdings in the command areas have undergone cadastral surveys and were demarcated in order to facilitate management. In other cases, the Government provided land suitable for irrigation to farmers under various tenancy arrangements, generally on a seasonal basis.

2.4 Poverty Status

Nigeria ranks number 148 in the 2002 Human Development Index. Nigeria’s basic indicators place the country among the 26 poorest countries in the world. The proportion of Nigerians living below the poverty line of one dollar a day has increased dramatically during the last two decades. In the year 2000, more than 70% of Nigerians were estimated to be living below the internationally defined poverty line. In the same year, both per capita income and per capita private consumption were lower than the early 1970s. Per capita income fell from $1,600 in 1980 to $270 in 2000. Poverty in Nigeria is both state- and sector-based. Poverty is more widespread in the northern part of the country. Two northern states, Kano and Kogi, account for nearly one-third of the poorest 20 percent of the population. Almost 90 per cent of Nigeria’s poor are engaged in agriculture, while 58 per cent of the urban population is living in poverty. Past
poverty reduction programmes, including the Family Economic Advancement Programme, had a marginal impact on poverty, despite large budgetary allocations. These programmes failed to achieve their objectives because of poor design. The government has a new poverty reduction plan based on lessons learnt from the past, aimed at reducing the level of poverty from 70 per cent to 35 per cent by 2010.

2.5 Gender Issues

2.5.1 Some of the major obstacles to socio-economic empowerment of the smallholders, in particular female farmers, can be attributed to comparatively less access to and control over production resources. 80% of the rural female population is engaged in the agriculture and forestry sector as unpaid family labour. In agriculture, they are involved in small farming activities for home consumption and for subsistence level marketing. The sector differentiates between what are called “women’s crops” such as groundnuts, cassava, vegetables, and other horticulture crops. Crops grown by male are more likely to be cash crops such as cereals, maize, and *fädchen*crop production for marketing. Although women tend to be engaged in their own small farming, they usually contribute labour to the “men’s fields”. Furthermore, women’s access to appropriate irrigation equipment, farming tools, and inputs is limited. Therefore, production levels tend to be low and highly dependant on rain. Nevertheless, one of the features of the Nigerian agriculture sector is the high level of differentiation as to the gender division of labour in production, marketing and use of resulting income. Some of the constraints that women in Nigeria face is inadequate time to develop productive activities, initiate new activities or profit from training. They have, in general, limited access to extension, training and research, credit, health and information even though they produce the bulk of the food consumed in the household and contribute to expenditures using revenue from trading activities, and processing.

2.5.2. Women in Nigeria have equal rights under the Constitution, in principle. The National Policy on Women has been approved since 2001 and its sectoral implementation, coordination and monitoring is undertaken at the cabinet level by the Ministry of Women’s Affairs and the National Commission for Women. Nigerian women are known to be effective entrepreneurs both in the formal and informal sector, and in some cases this activity is the main source of income at the household level.

2.6 HIV/AIDS and Malaria Issues

HIV prevalence was estimated at 5.8% in 2001 and AIDS has killed more than 1.7 million people and orphaned 1.5 million children. Some 2.7 million Nigerians, including 120,000 children are now living with AIDS. Malaria is endemic as well, especially in the south of the country and constitutes a high risk, especially for children under five. Nigeria’s life expectancy has, as a result, fallen to 47 years by 2004 against 53 during 1980 to 1995. As the majority of those affected are within the economically active population group, AIDS and malaria are having a devastating effect on the economy. It has been estimated that HIV/AIDS alone is responsible for a 0.5% drop in the country’s economic growth rate. In response to the AIDS pandemic, the President created the Presidential AIDS Council and the multi-sector National Action Committee on AIDS in the year 2000 (NACA, which is in the process of developing an Emergency Acton Plan and a national 4-year HIV/AIDS strategy).
2.7 Environmental Issues

2.7.1 Environmental issues are related to the reduction in economic, social and environmental benefits to society resulting from a degradation of the natural resource base. The current land degradation is due to (i) natural hazards, (ii) direct causes and (iii) underlying causes. Natural hazards are due to biophysical conditions, which act as predisposing factors for land degradation. Direct causes to land degradation relate to various unsustainable types of agricultural activities which can be attributed to poor agricultural activities; deforestation and removal of natural vegetation; over-exploitation of vegetation and overgrazing. The underlying causes of land degradation relate to socio-economic circumstances. Some of the factors that contribute to environmental degradation include: (i) land pressure; (ii) the small-scale nature of the farming system characterised by their risk reduction objectives rather than profit maximisation; imperfect markets especially in credit, and input supplies; (iii) inadequate rural infrastructure situations and (iv) limited institutional support services.

2.7.2 In order to provide effective co-ordination of environmental matters in the country, all environment related functions and responsibilities hitherto performed by various sectoral Ministries and agencies at the Federal level were transferred to the Federal Ministry of Environment, which was created mid 1999. Prior to the establishment of this Ministry, the overall responsibility on environmental management was vested in the Federal Environmental Protection Agency. The new Ministry has now absorbed the Agency. The EIA Decree No. 86 of 1992 gives specific powers to FEPA to facilitate EIA on all new projects in Nigeria and make EIA mandatory for new major public or private sector projects.

2.7.3 The State Environmental Protection Agencies (SEPAs), and the Federal Environmental Protection Agency have responsibility for the protection of the environment, biodiversity conservation and sustainable exploitation of the State's natural resources in general and environmental technology, including the initiation of policies in relation to environmental research and technology. Other duties of SEPAs include: formulate environmental protection policy guidelines and any such policy and standards existing at the Federal level and to ensure that such state standards are not below the Federal Government set standard guidelines; support to community based environmental improvement efforts. There has also been a marked increase in the number of civil society organizations including non-governmental organizations and community-based organisations, which are concerned with the environment. The prominent NGOs include the Nigerian Conservation Foundation, Forestry Association of Nigeria, the Nigerian Environment Study/Action Team; Savannah Conservation, among others.

2.8 Donor Intervention

2.8.1 As indicated in paragraph 1.2, various donors including the ADB have been supporting the Federal Government’s efforts to implement the Rural Development Strategy. One of the most recent initiatives has been the review of Agricultural Sector Institutions in 2002 carried out by the FAO and financed by the Bank Group, World Bank and IFAD. The study, which costs USD 315,000 aims to streamline some of the institutions involved in agriculture and rural development and will provide a common platform for donor intervention. The study, which is in its final stages, has made recommendations with regards to that effect.
2.8.2 IFAD has been the first donor to effectively contribute to the new Rural Development Strategy by financing community-based agriculture and rural development activities in eight Northern states. Its contribution is about USD 30 million with a focus on capacity building at community, local, and state level and production and rural infrastructure development through a Community Development Fund, which is managed by the Local Government Councils. The project is executed by the Projects Co-ordinating Unit (PCU) of the Federal Ministry of Agriculture and Rural Development (FMARD) and has a Project Support Office (PSO) established in Katsina. Other successful projects which have been financed through IFAD and which have provided useful lessons for the proposed project are the Katsina and Sokoto Agricultural and Community Development Project and the Cassava Development Project.

2.8.3 The World Bank has been financing the successful National Fadama Phase I Project from 1994 to 1999. This project, with a total cost of USD 67.5 million, was built on the achievements of some of the Agricultural Development Programmes in the north of the country in developing fadama irrigation through the extraction of shallow groundwater with low-cost pumping devices. By making agricultural production less dependent on the erratic rainfalls, the project raised farmers’ incomes and contributed to food security and poverty alleviation. One of the shortcomings of the project, however, was that not enough attention had been accorded to downstream processing and marketing.

2.8.4 Other donors that financed agriculture and rural development activities in Nigeria are the United States Agency for International Development (USAID) through its National Rural Sector Enhancement Programme (USD 800,000); the Special Programme for Food Security, which was launched in May 2000 and which is managed by the FAO (USD 45.20 million) and DFID through its “Promoting Pro-poor Opportunities from Commodity and Service Markets Project, which aims at improving the livelihood of the poor by facilitating the development of viable agriculture commodity and service markets.

2.8.5 The Bank has also approved with the World Bank in November 2000 the Community-Based Poverty Reduction Project (UA 20 million). This project has two components: capacity building including policy formulation at the state and local governments and community based initiatives through a Community Development Fund, which is managed by Local Government Authorities. Other projects that have been financed by the Bank Group in Nigeria include the Institutional Support Programme to the Nigeria Agricultural Co-operative Bank (UA 4.61 million); the Nigeria Forestry Development Project (UA 69.55 million), the Bacita Sugar Expansion Project (UA 67.48 million) and the Savannah Sugar Rehabilitation and Expansion Project (UA 52.24 million).

2.8.6 Positive lessons can be drawn from the newer generation projects. Their objectives are to contribute to poverty alleviation by using demand driven approaches and human skills development at the grass-root level, which is in line with the Government’s decentralisation policy. The agricultural projects, in particular, support the development of acceptable technologies, which have a high return on investment, are simple to maintain and are affordable.
The IFAD-supported Katsina and Sokoto Agricultural and Community Development and Cassava Development Projects, in particular, have demonstrated that demand-driven community development is the way forward to sustainable food security. However, these projects have also illustrated that unless sufficient attention is accorded to capacity building, there is a risk that the process of demand driven development will not be institutionalised. It is based on these lessons’s that the Community Based Agriculture and Rural Development Programme was conceived.

3. RELATED SUB-SECTORS

3.1 Crops

3.1.1 Farmers in Northern Nigeria grow the following crops: sorghum, millet, maize, cassava, rice, cowpeas, groundnuts and some cotton or tobacco as part of a strategy to obtain cash. Due to unreliable rainfall, sorghum and millet are the most important food crops. Cowpea is the main grain legume and is invariably intercropped with cereals. Groundnut cultivation increases in importance as rainfall increases, though never replacing cowpeas in the cropping system. As rainfall increases so does the range of minor crops, which include rice, sweet potatoes, and cassava. Cassava, although not prominent, is almost always present.

3.1.2 Production and consumption figures for 1997-2001 indicate that the average total domestic supply of cereals including sorghum, millet and maize was about 23.23 million metric tonnes (MT) out of which the local production was about 20.82 million MT and imports 2.42 million. The domestic utilisation of these cereals for the same period comprised 1.7 million MT for animal feed; 0.4 million for seed and 0.32 million for processing. About 16.54 million MT was utilised as food; 4.27 million as waste and about 2,000 MT for other uses. The above figures indicate that the country has become a net importer of food commodities.

3.1.3 Low-lying or waterlogged areas called “fadamas are considered to be the most productive land area for rice and dry season crops such as roots and tubers, grains and legumes. They constitute an important risk mitigating mechanism for farmers as in years of poor rainfall, they are used to complement rain fed farming activities. Field surveys covering the period between 1997-2001 indicated an increase in fadama cultivation by 10% to 46%. Over the same period, areas planted with dry season vegetables and fruits such as okra, carrots, aubergines, and other leafy plants also increased by between 30% and 78%. However, despite the increasing importance of the fadama production system, availability of irrigation facilities is still very low.

3.1.4 Farm sizes are small and vary between 0.5 and 2 ha with an average cultivated area of 1 hectare for rain fed agriculture and 0.5 ha for fadama land. Most of the population owns 2 to 3 parcels of land with varying degrees of fertility. Farmers have developed strategies to minimize the risk of crop loss due to drought and pest attack. They will often put more than seven crops in one field. They use a combination of inter and relay cropping; some grain types with good keeping qualities so that surpluses can be stored for several seasons to cover drought years and of varieties that produce both food grains for household consumption and stover/hay for feeding to livestock. It is clear that the incidence of crop mixtures does increase as the length of growing season shortens. The very poor are engaged in food gathering and intercropping.
3.1.5 Due to poor land use management, soil properties have degenerated. This has resulted in low organic matter content, declining nutrient yields, fragile topsoil structure and reduced soil moisture availability. These adverse soil properties in turn, have increased the vulnerability to accelerated water and wind erosion. As a result crop yields are very low. They vary for cereals from 0.5 to 1 tonne per hectare depending on the amount and timing of the rains, and for cowpeas and groundnuts from 0.3 to 0.4 and 0.6 to 0.8 tonnes/ha respectively. Rice under rain fed conditions reaches at most 1 tonne per ha and cassava 8 tonnes. Crops under irrigated conditions fare better with yields for onions recorded at 20 tonnes/ha; tomatoes 5 tonnes/ha, pepper 1 tonnes/ha and egg plants 8 tonnes/ha.

3.1.6 Adaptive research, in partnership with international agricultural research centres such as the International Institute for Tropical Agriculture (IITA) and the Institute for Crop Research in Semi-Arid Tropics (ICRISAT), has played a key role in generating improved technologies. In food crops notable success has been achieved through wide adoption of improved varieties of maize, cassava, cowpeas, and to some extent, sorghum and groundnuts, and modest use of fertilizer on some crops, especially maize. The impact, in terms of production increases, has been greater in the controlled environments and in *fadamara* areas. The “Cowpea -Cereals Systems Improvement Programme” in the dry savannas in particular, has led to yield increments in cowpeas and fodder of 56% and 139% respectively.

3.1.7 Food grain storage in northern Nigeria is relatively effective due to farmers’ risk aversion mentality. It has been indicated that losses from compound granaries are as low as four percent. Also, some research has shown that in good years, farmers are not forced into distress selling of grain when prices are low. Grain appearing on the market at those times is derived in part from the harvest of one to two years earlier. For crop marketing, however, much is to be desired because of the weakness of rural and marketing infrastructure including the poor price information systems and the very bad state of many of the feeder and access roads.

3.2 Livestock and Forestry

3.2.1 Livestock production is an economic as well as a “survival enterprise for millions of herdsmen in Nigeria. Among the multiple roles of livestock production, food production and gainful employment are the most important. The average total domestic supply of beef and veal for the 1997-2001 period has been estimated at 310,000 Metric Tonnes (MT) and the average total imports at 1,000 MT. For mutton and goat meat, the average total domestic supply was estimated at 226,000 MT and for poultry at 173, 000 MT. There were no imports recorded for mutton, goat meat and poultry. Livestock accounts for about 5% of the national GDP and plays a vital role in meeting the national requirements for animal protein intake, internal and external trade. Livestock population was estimated in the year 2001 at 15 million herds of cattle, 21.5 million of sheep, 40 million goats and 5 million pigs. The estimated population for poultry birds varied between 180 and 200 million with local breeds domination over exotic stock. 90% of the cattle, sheep and goat populations are found in the northern states where they are tended by Fulani herds men and for sheep and goats by women and children.
3.2.2 Nigeria's forests can be divided into two principal categories: woodlands and forests of the savannah regions, which comprise four fifths of the country's forest area and the rainforests of the southern humid areas. While in the Savannah areas, the woodlands are sources of fuel and poles and non-timber products, the rainforests supply almost all domestic timber and lumber, with fuel wood as a by-product. The total area under forest is estimated at about 26 million Ha. Despite a standing policy from the Government to maintain approximately 20% of the land area under forest reserve, only 11% of the country’s total land area at present constitutes reserved forest estates. In the northern belt of Nigeria, the rate of deforestation surpasses that of re-and afforestation. This continuous loss of the nation’s ecosystem has serious implications for in-situ preservation of biodiversity and is a major cause of environmental degradation, hence the urgent need for an aggressive campaign to increase the woody biomass to meet the ever-increasing demand for forest products.

3.3 Rural Infrastructure and Community Development

3.3.1 Designing, construction and maintenance of rural infrastructure have always been the responsibility of local governments. More recently also State Governments became involved in infrastructure development. Due to limited involvement of the communities in the planning, design and implementation of the works and the unclear responsibilities in respect to their operation and maintenance, however, many of the structures are in disrepair. Access roads are disintegrated and cross drainages washed away.

3.3.2 The situation with respect to the small-scale irrigation infrastructure is somewhat better as much of the goods and works such as the pumps and wells were introduced by State Government agencies with World Bank assistance. One of the main issues, however, is that many of the wells were constructed in the wrong locations, resulting in their drying up soon after they would become effective. In addition, the fact that not enough attention had been accorded to downstream processing and marketing, farmers were discouraged to continue irrigated agriculture leading to further disrepair of some of the infrastructure.

3.3.3 Water sources are scarce and people and animals often trek long distances to fetch it. With limited sanitation facilities in the area many people are confronted with various waterborne diseases. It has been documented that the lack of good quality sources of water negatively impacts on the productivity of the people. With respect to education, Local Governments are, in principle, responsible for providing basic primary educational services. On the ground, however, primary schools may be as far apart as 25 km. The situation in respect to primary health care centres is even worse. Often, where schools and dispensaries exist, their structures are in very bad state. Although the Government, through the Federal Department of Rural Development assists by providing technical support in designing the works, budgets at the local government level are far from adequate to even cater for the most urgent needs.

3.3.4 Micro and small-scale economic activities are usually in the area of production of farm implements, transport, petty trading and forms of household and community based processing. It has been shown that time devoted to non-farm occupations remains constant throughout the year being about six days per month in the cultivating season and up to nine days in the slack season.
Food processing is probably the most popular enterprise for women including groundnut oil and cake making from millet, maize and fried beans. These activities are carried out individually as well as in groups. The type of work that men do, such as the production of farm tools, is in part inherited and lies often at the basis of an occupational class distinction, which may restrict entry.

3.3.5 The rural financial market in Nigeria consists of formal banks, community banks, credit unions, non-governmental organisations, self-help groups and private lenders. With regard to the formal banks, the Nigeria Agriculture Cooperative and Rural Development Bank, which was established after merging the Agricultural Cooperative Bank and the People’s Bank is the major commercial bank providing rural credit. Its branch network covers all the local governments in the country. It provides both individual and group loans with the minimum loan amount of Naira 1,000 and Naira 25,000 respectively. It charges market interest rates, which currently range between 25 to 32% and has a recovery rate of 87%.

3.3.6 The informal financial institutions which comprise largely of NGOs and various microfinance institutions mobilize savings and deposits from their clients, from which loans are made at market interest rates. These institutions practice mainly group lending but also provide individual loans to their clients. The average loan sizes are Naira 30,000 and 800,000 respectively. They have, on average a recovery rate of 98% which is very satisfactory according to micro finance “best practices. The services of these institutions are easily accessible to the rural communities since they are rural based. However, their capacity to provide sufficient credit to the clients is limited by their capital base.

3.4 Institutional Framework

3.4.1 The institutional framework in Nigeria is complex, which is also asserted in the Institutions Review Study financed by the ADB, WB, IFAD and FAO. Institutions exist at Federal, State and local government levels, which, in one way or the other, all deal with rural and production development causing unnecessary duplication and overlap of responsibilities. The following are institutions that are relevant to the proposed Community Based Agriculture and Rural Development Project at the federal, state and local levels. A detailed analysis of some of these institutions is provided in Working Paper 1 on the Second Volume.

3.4.2 The Projects Coordinating Unit (PCU) of the Federal Ministry of Agriculture and Rural Development is mandated for project and programme design, preparation and appraisal; multi-state/multi sectoral project implementation, coordination and monitoring and progress reporting. The PCU has eight programmes which include: Administration; Monitoring and Evaluation; Research and Extension; Rural Institutions Development; Engineering; Finance Expenditure Management; Programme Development and Planning and Computer and Information Technology. The Head of each programme reports to the Director, who reports to the Permanent Secretary of the FMARD.

3.4.3 One of the strengths of the PCU is its total staff capacity of about 650 of which more than 400 are operating from State Offices in Benin, Enugu, Ibadan, Kaduna, Lokoja and Bauchi. They are involved in agricultural research, extension and training; and monitoring and evaluation.
With respect to monitoring and evaluation specifically, the PCU develops and establishes the training and supervision system and defines key indicators that measure impacts of projects and programmes. The PCU also undertakes mid-term reviews and impact studies, generates national data on crop production, carries out physical monitoring and verification of project achievement and performance and maintains institutional linkages with related agencies in data generation for agricultural development. The PCU successfully managed the World Bank supported National Fadama Phase I Project from 1994 to 1999 and is, at present, also managing the IFAD supported CBARDP in eight northern states in the country.

3.4.4 The Federal Department of Rural Development (FDRD) has the mandate for formulating policies and strategies in order to eradicate rural poverty, expand rural economic opportunities, and enhance food security. The FDRD has been instrumental in the preparation of the Rural Development Strategy as well as in the conception of the Community Based Agriculture and Rural Development Programme. As part of this programme it now effectively concentrates its resources on areas such as promotion of small-scale enterprises; rural infrastructure; skills development and dissemination of information on HIV/AIDS prevention and control. It maintains centres in many states, which are adequately staffed.

3.4.5 The Institute for Agricultural Research (IAR) is part of the National Agricultural Research Institutes with its research station based at Samaru Ahmadu Bello University in Kaduna State. It has a national mandate for the genetic improvement of cowpea, groundnut, sorghum, maize, cotton and sunflower. It has a regional mandate for farming systems improvement in the northern states through adaptive on-farm research. Research is often jointly conducted with the IITA and ICRISAT from the sub-station in Kano focussing on the dry-savannah eco-zone in close collaboration with the Agricultural Development Programmes. Encouraging results have been obtained mainly with cowpea production, which has become a major cash crop in some states and early maturing fodder crops, which are available for intercropping with cereals. Promising work is also being conducted on integrated pest control.

3.4.6 The Federal College of Land Resources Technology provides training in soil conservation and land management to Subject Matter Specialists and extension workers. The College has the necessary infrastructure for training but requires some assistance in equipment as well as library materials, which are outdated. The Agricultural and Rural Management Training Institute (ARMTI) offers short courses in management to public and private organisations seeking to improve agricultural production and rural development. The courses cover a wide range of topics including planning, monitoring and evaluation, extension, training skills, financial management, development (general) management, and computer application.

3.4.7 In each state, the State Ministry of Agriculture is responsible for agriculture and rural development. The State Agricultural Development Programmes (ADPs) are the implementing bodies of the States Ministries of Agriculture. They were created in the 1970s with support from the World Bank to help increase crop production through transfer of farming technologies. There are in total 37 ADPs, one per state, to coordinate the delivery of technology, inputs and infrastructure. They have been organised as semi-autonomous agencies and are subdivided into a number of agricultural zones, blocks and cells. Subject Matter Specialists (SMS) in crops, livestock, fisheries, agro-forestry, soil conservation and land management and women in agriculture are based at the state and zonal offices, while Senior Extension Agents operate from
the block level and Village Extension Agents from cell level. A unified, Training and Visit extension approach is used with block and cell extension agents providing advice on all aspects of agriculture to farmer groups. The extension worker to farmer ratio is about 1/1000. The relative strength of the ADPs is that they have been pivotal in input distribution and extension. One weakness, however, is their dependence on external funding, which came to a halt after the World Bank ended its support to the Agricultural Sector. Preliminary conclusions from the Institutional Review Study (see paragraph 2.8.1) indicate that ADPs should limit its mandate and undertake only those activities in which they have developed a comparative advantage such as training and extension, adaptive research to improve risk prone farming systems and capacity building in rural infrastructure operation and maintenance.

3.4.8 Local Government Councils (LGCs) are responsible for making recommendations on the economic development of the Local Government Area (LGA) to a state planning commission. They have a separate administration from the State and their revenue sources include the statutory grant allocations from the FGN (80%) and the State (10%), and local government locally generated revenues (10%). The executive arm of the LGC comprises the elected chairman, vice chairman and secretary (a career civil servant), while the legislative arm consists of elected Councillors, each of whom represents a ward. The Local Government Development Committee (LGDC), which is chaired by the LGC chairman, consists of the Directors of six departments including personnel management, finance and supplies, natural resources, primary health, education and community development, and works and housing. A Local Government Area comprises 10-12 political wards, each ward electing a councillor. A political ward covers 5,000 10,000 households covering numerous hamlets, which are called administrative wards. Although many Local Governments are confronted with a shortage of qualified staff, poor work place conditions and few incentives for advancement in the system, they are at the forefront of community driven development under the new Rural Development Strategy. Donors such as the IFAD, the USAID and the Canadian Agency for International Development work through the Local Government Councils and provide the necessary capacity building.

3.4.9 Community-based Organisations and farmer-based groups are found in almost all rural village areas. Many of these have been formed with support from the ADPs to facilitate the delivery of extension messages and farm inputs. Several others, however, were self-initiated by women and men with a common interest in sharing ideas, innovations and economic activities. Membership of the groups depends on the type of activities; farming or processing and may comprise a hamlet within a ward. Typically the membership comprises around 20% of all those engaged in farming. The head of the group is appointed, in principle, by the community and/or the village head man. Although informal in nature, CBOs and farmer-based groups are working very well and are sustainable. They are at the forefront of adopting new farming and economic practices. They have the capacity to identify common problems, propose possible solutions and prepare if necessary the requisite project proposal. Many are officially recognised and represented in an apex organisation, which have their own byelaws.

3.4.10 Non Governmental Organisations (NGOs) such as Sasakawa Global 2000; Savanna Conservation Nigeria, Miyetti Allah (MA); Nigerian Integrated Rural Accelerated Development Organisation (NIRADO) and Development Exchange Centre (DEC) are all involved in activities ranging from natural resources management to capacity building in respect of natural resources
management. Many of them have developed specific curricula on a number of topics that are extremely relevant to the approach of Community Based Agriculture and Rural Development and have the necessary staff and means to undertake training. Although several of these NGOs, have a limited scope in terms of manpower and outreach, others do have a nationwide coverage and are regularly audited. A number of international NGOs also operate in Nigeria, including CARE, OXFAM International, World Vision International (Nigeria), ACTIONAID and the Centre for Development and Population Activities (CEDPA). More information on CBOs, farmer based groups and NGOs is provided in Working Paper 1 of the Second Volume.

3.5 Constraints to and Potentials for Agriculture and Rural Development

3.5.1 The agriculture and rural development sector is constrained by unreliable rainfall, a poor natural resource base and high rates of erosion. The fact that farming in northern Nigeria is very risk prone is one of the major causes of the observed low adoption rates of new technologies. Another cause is that farmers and women in particular, do not have the requisite know-how of these technologies or that they don’t get the opportunities to acquire this information. The same is true for extension staff at the grass-root level who are not brought up to date with new technologies. Other problems relate to the inadequate infrastructure such as the feeder and access roads, the market structures, sanitation facilities and education and health facilities. With respect to agriculture, dealers are largely to be found in urban areas meaning that farmers have to travel long distances to obtain inputs and transport their produce. Where schools and dispensaries exist, their structures are often in a very bad state.

3.5.2 The afore-mentioned constraints for rural development are at the same time the country’s biggest opportunities. In respect of production development, yields can be increased sustainably by better service provision in crop and land husbandry practices including the introduction of improved seeds and environmentally friendly cropping systems such as the improved Cowpea Cereals Cropping System. Support in small-scale irrigation will mitigate against the vagaries of the climate. The improvement of rural roads, marketing infrastructures and provision of rural health and education facilities will improve the livelihood of the rural poor. There is the opportunity to train and work with community and farmer based organisations, which are well organised and often at the forefront of using new technologies. There is also the opportunity to strengthen the local and State government’s management and technical capacities to assume frontline responsibility. Rural communities will be empowered to identify their own priority needs in terms of rural infrastructure works and implement, monitor and assess that their needs are being addressed effectively. Other opportunities exist in reorienting service providers and managers of government funding agencies to respond to communities needs and in institutionalising and internalising the processes of community driven development into government policies.
4 THE PROJECT

4.1 Project Concept and Rationale

4.1.1 The Community Based Agriculture and Rural Programme has been designed specifically to implement the new Rural Development Strategy. The programme aims at poverty reduction through improvement of the livelihood and living conditions of the rural poor. It consists of activities dealing with production development, provision of rural infrastructure facilities and capacity building. It ensures community participation from the onset in the design and implementation of the project and sustainability by providing the institutional support that will enable service providers to participate effectively. It was agreed that, as part of the programme, each financier would take on different states in the country.

4.1.2 As indicated under paragraph 2.8.6, the Programme has taken into consideration the experiences from the IFAD financed Katsina and Sokoto Agriculture and Rural Development Project. The Programme has also built on the experiences from the World Bank financed National Fadama Phase I Project. This project resulted in the widespread adoption by farmer groups of simple, low-cost improved irrigation technologies, which led to a general improvement of their well-being, both socially and economically. The project will also complement the ADB/WB financed Community-Based Poverty Reduction Project by providing training for production purposes and increasing access to the credit provided by this project.

4.1.3 The proposed project will focus on alleviating the major constraints such as the unreliable rainfall, a poor natural resource base and high rates of erosion. This will be done by providing the necessary know-how and introducing adaptable technologies, which have worked in the country. The project will finance simple technologies such as: high quality seeds; agro forestry and alley cropping; use of organic fertilisers and composting; integrated pest management; improved storage facilities; improved marketing facilities; improved rangelands and other income generating activities related to beeckeeping and aquaculture. These technologies have been tried out in the area and have been accepted by the rural poor. The project will also finance the establishment and/or rehabilitation of water points for small-scale irrigation and livestock production development. The use of fadama land for irrigated agriculture is well established and has led to improvements in the livelihood of the rural poor. Simple pumping equipment such as treadle pumps is also available in the market.

4.1.4 The project will also support a Community Development Fund, which is intended for social and rural infrastructure works. Through participatory assessments, communities will prepare and implement community development plans, which will be presented to the Local Government Councils for their inclusion in the Annual Work Plans and Budgets. This is a major shift in approach as in practice, development works have always been determined by State and Local Governments without involvement of the communities. The project will thus catalyse the participatory process of bottom-up planning and development by using the existing institutional framework at local and state government level. This approach has been used in other countries such as Mali and Burkina Faso.
4.1.5 The project concept and components were discussed with the community and farmer groups of women and men in poor rural communities, local governments, service providers and NGOs who all expressed keen interest to participate. Local Government Councils, in particular, did not object to the principle of deducting their contribution to the project at source. Discussions were also held with representatives of the major donor community, such as, World Bank; IFAD; FAO; DFID; USAID and the Canadian International Development Agency, which indicated that the project concept and activities were acceptable within the context of the Rural Development Strategy and Community Based Agriculture and Rural Development Programme.

4.2 Project Area and Beneficiaries

4.2.1 The project is proposed for the States of Adamawa, Bauchi, Gombe, Kaduna and Niger. These states were selected based on the following criteria developed by the Government: (i) the occurrence of widespread poverty in the region, (ii) the institutional performance and importance given to the agricultural and rural development sector; (iii) the geographic spread taking into consideration the states under the IFAD supported project; (iv) the submission of a request for participation of these states; (v) the agreement of these states with the principle of deducting at source of their contribution by the Federal Government. Submission by the states of their agreement to the principle of deduction at source will be a loan condition precedent to first disbursement (see paragraph 8.2-b).

4.2.2 The area covers about 200,000 km² or 22% of Nigeria. The population is estimated at 18 million in 2001, increasing by 2.7% annually. About 45% of this population are under the age of 15 years. Over two thirds of them (12 million people) live in the rural areas in about 3 million households. The average household size is six persons. Population density is over 600/km² in the peri-urban northwest zones and less than 40/km² in the sparsely populated northeast. Most of stakeholders are engaged in agriculture producing crops such as millet, sorghum, rice, cowpeas, groundnuts and cassava. The net farm incomes are found to range between Naira 35,460 and Naira 65,972. This is generally complemented by income from non-farm activities.

4.2.3 The five states include 100 Local Government Councils (21 in Adamawa; 20 in Bauchi; 11 in Gombe; 23 in Kaduna and 25 in Niger State), and about 2,000 Rural Village Areas. Nine Local Government will be selected per state based on the following criteria: (i) prior performance in agriculture and rural development; (ii) involvement of women and youth in the development process (iii) performance of Community Based Organisations; (iv) human resource capacity at the council level and (v) willingness by the LGCs to the principle of deduction of their contribution at source. This last criterion will be a condition precedent to first disbursement (see paragraph 8.2-b). Each LGC will work with three Rural Village Areas, which will be selected according to agreed upon criteria such as: (i) a request by the village area to participate; (ii) existence of functional CBOs and farmer groups; (iii) agricultural performance and (iv) willingness to contribute to infrastructure works in kind or in cash. The selection of the first group of RVAs will be a condition precedent to first disbursement (see paragraph 8.2-b). A typical RVA contains of a main nuclear village, comprising five wards (inner wards), and 20 satellite hamlets (outside wards) scattered over about 20km² and counts on average 2,000 farming households. Project activities are foreseen in 27 RVAs per state.
4.2.4 Households are organised in formal as well as informal groups. The more formal groups have their own byelaws and saving account and are recognised by a village apex organisation. Informal farmer groups also exist in almost all villages. Many of these were created by the ADPs or were self-initiated to pursue common interests. Each group, which consists of at least 20 farm families, is represented by a farmer whom, appointed by the head man as their local lead farmer, is the most successful farmer of the area. He/She is normally at the forefront of the adoption of new farming/economic practices. He/she has contacts outside the village and people go to him/her for information about all aspects of crop production, including the use of improved seeds and other agricultural inputs. Some will also take a proactive role within the community to try and improve the overall development of the village. They are at the forefront of providing assistance to existing women groups, many of whom are involved in downstream marketing and processing.

4.3 Strategic Context

4.3.1 Nigeria ranks 148th in the 2002 UN Human Development Index and more than 70% of its population are estimated to live on less than one dollar a day. Farm productivity is very low and rural infrastructure is in deplorable conditions. The Government has shown determination to reverse this process of economic and social decline. At the political front, it emphasises and reinforces its policy on decentralised planning and development. It has put more concerted effort in effective and sustainable growth through productive farm and non-farm enterprises at the grass-root level. Efforts have also been made to build the capacities of CBOs to create vibrant communities that will actively participate in development to improve their livelihood and well-being.

4.3.2 The project is part of the Community Based Agriculture and Rural Development Programme, to which various donors subscribe and which has been conceived to put the new Rural Development Sector Strategy into operation. The strategy is based on the following core principles: i) a participatory approach to cater for the needs of the communities and the development of the capacity at community and the local government; ii) development of a common vehicle for transferring resources to the communities; iii) sector reforms, which will allow effective empowerment of the rural communities, ensure consistency in government interventions, reduce duplication and limit government intervention to the minimum. The federal and state governments will continue to provide policy guidance and have a regulatory role; and iv) equity amongst groups and by gender.

4.3.3 The project is in line with the Country Strategy Paper for Nigeria 2002-2004 in that it will address the constraints related to socio-economic infrastructure, increased production and capacity building, and with the Bank’s Vision for Poverty Alleviation through agriculture and rural development. The project is also in line with the Government’s draft PRSP, which outlines the different policies for poverty reduction and income enhancement.

4.4 Project Objective

The sector goal is to reduce poverty through improvement of the livelihood and living conditions of the rural poor. The project objective is to contribute to food situation and increased access to rural infrastructure facilities.
4.5 Project Description

4.5.1 The project has four components; (A) Capacity Building to enable households to collectively plan and carry out activities that will benefit their respective communities and providing an enabling institutional framework by developing the capacities of local and state government officials; (B) Production Development, by which support will be provided in extension and adaptive research to enhance and sustain the productivity of the land as well as to improve marketing; (C) Community Development, which will support staff from the LGCs in improving the social and rural infrastructure demanded by the rural poor and (D) Project Management and Co-ordination.

4.5.2 The major outputs of the project are: Capacity of rural communities to plan and implement development activities strengthened and sustained; Capacity of local and state governments to support, monitor and evaluate project activities enhanced; Crop productivity increased and restored; Crop and livestock production integrated and intensified and Social and rural infrastructure improved and maintained.

(A): CAPACITY BUILDING

4.5.3 The project will establish 45 Community Driven Development Teams (CDDTs), one per participating LGA, using staff from the concerned departments such as primary health, natural resources, education, community development and works and housing of the Local Governments. They will be certificate holders and be gender balanced to ensure that needs expressed by women will be taken into consideration. They will be trained by an NGO on community driven development approaches such as Participatory Rural Appraisals, in order to assist communities in preparing and implementing their Community Development Plans. The first set of CDDTs will be established in year one, which will be followed by another set in years two and three.

4.5.4 Each CDDT will work with three Rural Village Areas, which will have made a request for assistance, and within an RVA, with at least two Community Based Organisations. As such, a total of 270 CBOs will receive training in participatory planning and development, infrastructure operation and maintenance, preventive health including HIV/AIDS and Malaria control, nutrition and participatory monitoring and evaluation. This training will equip CDDTs and CBOs in the preparation of the community development plans. A training timetable will be established and agreed upon on a yearly basis.

4.5.5 About 50 staff of the Planning, Monitoring and Evaluation (PMED) units of Local Governments and State Ministries of Local Government will be trained in annual work planning and budgeting and monitoring and evaluation, which will give them the tools to continue the process of demand driven development once the project has come to an end. This training will be undertaken through the Agricultural Management Training for Africa (AMTA) programme. The project will also undertake five baseline surveys, one per state, and one project impact assessment. These will be carried out by the PCU and the National Planning Commission.
4.5.6 In addition, the project will provide training to State officials, policy makers and technical officers, unfamiliar with the principles and practices of Community Based Agriculture and Rural Development. For that purpose a total of 30 initiation workshops will be organised. The project will also undertake various rural development workshops as a means to ensure coordination and synergy between the ADB and IFAD supported projects. A long-term Gender and Community Development Specialist will be recruited to assist the Federal Department of Rural Development in capacity building at local levels and ensure that women will prepare a gender and poverty strategy.

4.5.7 For the purpose of this component, the project will procure: the services of an NGO to train the CDDTs and CBOs; the services of the AMTA Programme for the training of the PMED staff; the services of the PCU/NPC to undertake baseline surveys; impact studies and workshops; one long-term Gender Expert; Office furniture and equipment for LGCs; and 450 motor bikes, which will be used by CDDT members on a self-own scheme basis.

(B): PRODUCTION DEVELOPMENT

4.5.8 The project will establish five Technical Support Teams (TST), one per ADP, which will comprise the ADP Programme Managers and Directors of the concerned departments such as: extension, training, research, women and agriculture, fadama/farming; communication, crops and livestock and monitoring and evaluation. They will be the link between farm communities, on the one hand, and the zonal and village extension officers of the ADPs, on the other hand. They will focus on agricultural production and will be the referred focal points for the CDDTs, who will deal primarily with rural development education. The TSTs will receive refresher courses in land resource and programme management. The Agricultural and Rural Management Training Institute and the Federal College of Land Resources Technology who have the required curricula developed will conduct this in-service training.

4.5.9 TSTs will facilitate 135 Participatory Rural Appraisals, one per rural village area, after which they will assist the communities in preparing a production development plan. At least 270 Lead farmers will establish on-farm demonstrations and field trials. These will deal with: crop production methods using improved seed and organic fertilisers, erosion control measures, agroforestry, integrated pest management, improved post harvest control measures, among others. They will also establish demonstration plots in improved rangeland and fodder crops. This will be facilitated by the village extension workers with technical and monitoring support from the TSTs and support from the Institute for Agricultural Research. Some of the research will be carried out in collaboration with the major international research institutes such as the IITA, ICRISAT and WARDA, present in the country. The total number of farm families to be targeted by the production programme is estimated at more than 270,000.

4.5.10 About 545 water points for small-scale irrigation, livestock production and agro forestry will be established. Equipment would be acquired by the communities using the credit facilities available in the area. One of the condition for participation in the infrastructure works will be that communities are responsible for maintenance of the works. An agreement between the farmer groups and the ADPs will be made to that effect. Irrigated farming will allow women and farmer groups to engage in high priced vegetable and cash crop production. Water points for livestock will ease conflicts between sedentary farmers and herds men and will be used for the
establishment of improved pastures. The water points will also be used for the establishment of about 135 group nurseries and woodlots. The zonal and village extension workers will assist the farmers in the day to day operation of these activities with monitoring and technical support provided by the TST.

4.5.11 The PCU, with the assistance of the Long Term Technical Assistant will organise five study tours; 30 agricultural shows and various interstate exchange visits. A programme will be established for this at the beginning of each year, based on which it will be agreed for the forthcoming year and which will ensure that women in particular will benefit from the training. Provision has also been made for the production of training materials and for State Radio and TV time to provide price information on a weekly basis.

4.5.12 For the purpose of this component, the project will procure: the services of the training institutes for in-service training of TST staff; laboratory and library equipment for the Federal College of Land Resources Technology; the services of the Institute of Agricultural Research for the planning and monitoring of on-farm research; farm inputs such as seeds and farm implements for the farm demonstrations; a long-term Technical Assistant in Agriculture and two short term Consultants in marketing respectively training; water supply works for irrigation and livestock development; office, field and extension equipment; 50 motorbikes for TST members and bicycles for village extension workers.

(C): COMMUNITY DEVELOPMENT

4.5.13 The project will finance a Community Development Fund (CDF) amounting to UA 3.10 million which will assist communities in the planning, preparation and implementation of rural infrastructure works. At least 135 Village Development Plans, one per rural village area, and 45 Community Development Plans, one per local government area will be prepared. These plans will describe clearly the intended works and make budgetary provisions for social and rural infrastructure projects. The will define how the village space will be occupied. They will be presented to the Local Government Councils for their inclusion in the LGCs Annual Work plans and Budgets.

4.5.14 A general principle in the selection of works by the Fund is that communities need to compete for the resources made available at the Local Government Council. Criteria that will be taken into consideration for the competition include: communities’ capacities to prepare and implement projects; willingness to contribute at least 10% in cash or in kind; proven track record in maintenance of earlier works; etc. The ultimate list of criteria will be established by the CDDT with support from the Federal Department of Rural Development in consultation with the communities and the LGCs. This will be monitored on the spot by the Nigeria Country Office. These projects will also be vetted in terms of their environmental impact with the assistance of the SEPA. Stakeholders are required to provide a gender and poverty reduction strategy as part of each community development plan. A conscious effort will be made to ensure the participation of women in all committees and bodies right from the federal level through to the community level. This will also be monitored from the Nigeria Country Office.
4.5.15 The Local Government Development Committees (LGDC) will manage the Community Development Fund. Once the LGDC has approved the Community Development Plan for the Local Government Area, it will be included in the Councils Annual Work Plan and Budget and submitted to the ARDEC for endorsement. The approved funds will be released to a project account at LGC level while counterpart funds will be put in a counterpart account. To withdraw money from these accounts three signatories will be required; i.e. the CBO chairperson; the Director of Finance of the LGDC and the Lead Person of the CDDT. Withdrawal from this account is possible only after the CDDT has endorsed vouchers and approved purchase orders by the CBO. Following a request from the CBO and the approval by the lead person of the CDDT, 40% of the total project costs will be released in addition to the 10% which constitutes the CBO contribution. The CDDT will certify that the works have been completed in a satisfactory manner, after which the balance will be paid to the contractor. The threshold for all community-based projects should not exceed Naira 100,000. The project will provide resources for a yearly external audit of the works on which basis LGC will be scrutinised for further support.

4.5.16 For the purpose of this component, the project will procure: rural infrastructure works, which will include but not be limited to: spot improvement of feeder and access roads; water and sanitation facilities and improved pit latrines; primary health and education infrastructure works and group related activities dealing with marketing and processing such as the establishment of market points, drying and collection shades.

(D): PROJECT MANAGEMENT

4.5.17 The PCU of the Federal Ministry of Agriculture and Rural Development will establish a Project Support Office which, with the IFAD supported PSO based in Katsina, will be one of the branches of the main PSO established under the PCU. This will be a loan condition precedent to first disbursement (see paragraph 8.2-b). The ADB branch will consist of a Project Desk Officer; an Accounts Expert with experience in procurement and a Monitoring and Evaluation Expert, who will all be recruited. One secretary and one driver will also be recruited. The office will be based in Bauchi State where office accommodation is available and the location is central. The support staff will be responsible for day to day management of the project ensuring, procurement of goods and services, preparation of annual work plans; follow-up on activities under the capacity building, production and community development components; preparation of quarterly progress reports; preparation of the mid-term review and project completion report.

4.6 Production, Prices and Markets

4.6.1 It is estimated that, as a result of the project, the annual incremental crop production by PY6 will be: 1,620 MT for maize; 864 MT for Sorghum; 864 MT for Millet; 6,480 MT for Cassava; 200 MT for Rice; 2,160 MT for potatoes; 54 MT for cowpeas and 54 MT of groundnuts. The annual incremental production of fadama crops by PY6 is estimated at 270 MT for tomatoes; 675 MT for cabbage, 270 MT for Okra and 270 tonnes for eggplants. Based on an estimated current total population of 18 million people in the project area, the current demand for cereal crops is estimated at about 3.5 million MT. The projected demand for cereal crops in 2,010 is estimated at 4.2 million MT. The project is expected to supply at full project development about 1 million MT, which can easily be absorbed in the project area.
4.6.2 Price differentials for the major food crops can be observed between states and between rural and urban areas within states. State price differentials range from 10 to 20%, while price differentials within states range from 5 to 10%. A similar analysis exists in respect of price fluctuations over different months. There exist, therefore, trading opportunities between states as well as between rural and urban centres. In addition, there are marketing opportunities through off-season production or storage of produce from peak production periods. The existing markets at village and urban areas are a proof to that effect.

4.6.3 Food crops are consumed locally and if in excess sold by women at weekly and fortnightly markets in village and urban centres. Marketing is often organised on group basis with farmers collecting and drying produce before transporting it to the market centres. The major problem in this process, however, is that access and feeder roads required to move out the produce from the farm to the collection points are in very bad conditions. This, with the lack of marketing information has led to fragmented output markets and, in general, relative low output prices. These also explain the observed price differentials within states. The inadequate level of marketing information, the deplorable situation of the rural roads and the bad shape of some of the collection, processing and dissemination points is a serious handicap that has effectively slowed down the rate of development of the agricultural sector.

4.6.4 To ensure the creation of a viable marketing system, the project will assist in: (i) strengthening extension skills in marketing and post harvest handling; (iii) provision of timely commodity price information through state radio and TV; (iv) assessing the market for new or additional production taking advantage of group action; (v) rehabilitation of market sales points; and (vi) improvement of feeder and access roads.

4.7 Environmental Impact

4.7.1 The project has been classified as Category II according to the Bank’s Environmental Guidelines. The capacity building component will have a positive impact on the physical environment, by building capacity in service providers and participating communities to promote and implement improved integrated environmental management practices. Environmental assessment will be institutionalised in the development of annual work plans and budgets for all activities.

4.7.2 Sustainable agricultural development activities will have a positive environmental impact by assisting rural communities to adopt better land husbandry practices on their farms, and communal grazing and woodland areas. Measures have been included in the project to reduce these risks through: promotion of diversity in agro-forestry; training farmers in how to reduce use of, and the correct handling of agro-chemicals; and, most importantly, focusing all sustainable agriculture activities on taking a holistic approach to farming systems which takes into account external impacts of the proposed changes.

4.7.3 Rural infrastructure development by providing poor rural households with alternative income sources could: (i) lessen dependence on short-term exploitation of natural resources; and (ii) provide additional cash for investment in land management improvement. The only provision is that support should not lead to increased pressure on natural resources, i.e. support should not
be given to groups or individuals engaged in sale or transportation of firewood from natural woodlands, nor to expand livestock numbers if this increases pressure on scarce feed resources.

4.7.4 Negative impacts are expected to be minimal and limited to the construction of rural infrastructure works. During the community participatory planning phase, emphasis will be placed on minimising possible negative impacts from proposed community infrastructure development. The standard designs for infrastructure developed by the Programme, will be checked, and changed where necessary, for potential negative environmental impacts. This activity will be enhanced by technical assistance to infrastructure design and also close consultation with, and involvement of the State Environmental Protection Agencies (SEPA) at the standard design stage.

4.7.5 During implementation, environmental protection measures included in legislation as the responsibilities of the local, state and federal governments for protection of the environment and natural resource conservation will be observed. Further efforts will be made at implementation to identify other potential environmental problems and conflicts between different natural resource users that might be associated with particular field level interventions. As specific interventions will only be determined following community-based needs assessment, communities will be assisted by the CDDTs to assess the natural resource management requirements and anticipate likely environmental problems, so that mitigating measures are included in the design interventions. Similarly, involvement of communities in monitoring and evaluating environmental impact of interventions will allow speedy identification of potential environmental impacts and initiation of remedial measures at an early stage.

4.8 **Social Impact**

4.8.1 Women and youth will benefit from capacity building, production and rural infrastructure development. CDDTs, with the assistance of the Federal Department of Rural development will strive for equal gender participation in training programmes and in preparing the Community Development Plans. As part of these plans, women will prepare a gender and poverty strategy which will outline activities to reduce women’s poverty.

4.8.2 Women will benefit through the increased availability of food and fuel wood. The rural infrastructure works and the involvement of the community in the establishment of these works will not only provide off-farm employment opportunities but also contribute to improved livelihoods by providing rural health services, adult literacy programmes; HIV/AIDS and Malaria awareness; improved access to schools for children and sanitation facilities. There will also be improved access to safe drinking water whereby the incidences of water borne diseases will be reduced. This programme is estimated to benefit at least 1.6 million rural poor of whom more than 60% will be women.

4.8.3 Specifically in terms of income, the production development component will on average increase the net income under rain fed conditions from Naira 45,000 to at least 90,000 and under *fadama* farming to not less than 100,000. It is expected that about 270,000 farm families will benefit from the former and 5,400 farmer groups from the latter. The improvement of 270 km of
feeder and access roads and construction and rehabilitation of 270 collection and drying shades and marketing points will see to it that price differential will reduce and that producer prices will increase.

4.9 Project Costs

4.9.1 The total project cost, excluding taxes and duties but including physical and price contingencies is estimated to be UA 15.98 million at May 2003 exchange rates. The foreign exchange costs are estimated to be UA 9.34 million or 58% and local costs to be UA 6.63 million or 42%. The Project Costs by Components and the Project Costs by Category of Expenditure are given in Tables 4.1 and 4.2 respectively. Detailed cost tables are provided in Volume 2.

Table 4.1
Project Costs by Component

<table>
<thead>
<tr>
<th>Component</th>
<th>Naira '000</th>
<th>UA '000</th>
<th>% FE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local</td>
<td>Foreign</td>
<td>Total</td>
</tr>
<tr>
<td>1. Capacity Building</td>
<td>422,653.50</td>
<td>342,919.00</td>
<td>765,572.50</td>
</tr>
<tr>
<td>2. Production Development</td>
<td>294,021.00</td>
<td>469,199.00</td>
<td>763,220.00</td>
</tr>
<tr>
<td>3. Community Development</td>
<td>124,390.00</td>
<td>370,060.00</td>
<td>494,450.00</td>
</tr>
<tr>
<td>4. Project Management</td>
<td>69,500.00</td>
<td>106,303.00</td>
<td>175,803.00</td>
</tr>
<tr>
<td><strong>Total Basecost</strong></td>
<td>910,564.50</td>
<td>1,288,481.00</td>
<td>2,199,045.50</td>
</tr>
<tr>
<td>Physical Contingences</td>
<td>1,485.00</td>
<td>7,290.00</td>
<td>8,775.00</td>
</tr>
<tr>
<td>Price Contingences</td>
<td>44,682.43</td>
<td>50,706.04</td>
<td>95,388.47</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>956,731.93</td>
<td>1,346,477.04</td>
<td>2,303,208.97</td>
</tr>
</tbody>
</table>

4.9.2 The project costs are estimated at the May 2003 exchange rates and prices in Nigeria. They were calculated in dollars and then converted in to Naira. Costs of civil works are based on estimated costs of comparable on-going works. A physical contingency rate of 10% has been applied to the cost of civil works and goods. A price contingency rate of 2.5% the current international index of traded goods has been applied for foreign goods. To avoid the effects caused by the volatility of the exchange rate, all cost are dollar indexed.

Table 4.2
Project Costs by Category of Expenditure

<table>
<thead>
<tr>
<th>Project Category</th>
<th>Naira '000</th>
<th>UA '000</th>
<th>% FE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local</td>
<td>Foreign</td>
<td>Total</td>
</tr>
<tr>
<td>1. Works</td>
<td>122,662.25</td>
<td>385,649.00</td>
<td>508,311.25</td>
</tr>
<tr>
<td>2. Goods</td>
<td>161,209.20</td>
<td>492,645.64</td>
<td>653,854.84</td>
</tr>
<tr>
<td>3. Services</td>
<td>241,951.50</td>
<td>358,060.50</td>
<td>600,012.00</td>
</tr>
<tr>
<td>4. Miscellaneous</td>
<td>430,908.98</td>
<td>110,121.90</td>
<td>541,030.88</td>
</tr>
<tr>
<td><strong>TOTAL PROJECT COST</strong></td>
<td>956,731.93</td>
<td>1,346,477.04</td>
<td>2,303,208.97</td>
</tr>
</tbody>
</table>
4.10 Sources of Financing and Expenditure Schedule

4.10.1 The African Development Fund, the Federal Government of Nigeria, the State and Local Governments and the beneficiaries will finance the project. The ADF will finance UA 13 million representing 81% of the total project costs and 93.9 % of the foreign exchange costs. Federal Government contribution will amount to UA 0.48 million equivalent to 3% of the project cost; State Government Contribution to UA 0.94 million or 6% of the total costs and Local Government Contributions to UA 1.36 million or 9% of the total project costs. The contribution of the beneficiaries is estimated at UA 0.18 million or 1 % of the total project costs. Their contribution is towards the community development fund, which is provided in cash or in kind. The Sources of Finance and the Project Costs by Category of Expenditure and Financier are provided in Table 4.3 and Table 4.4 respectively.

Table 4.3
Sources of Finance

<table>
<thead>
<tr>
<th>Source of Financing</th>
<th>Local</th>
<th>Foreign</th>
<th>Total</th>
<th>Local</th>
<th>Foreign</th>
<th>Total</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF</td>
<td>598,308.13</td>
<td>1,259,672.34</td>
<td>1,857,980.47</td>
<td>4,218.95</td>
<td>8,781.26</td>
<td>13,000.21</td>
<td>81</td>
</tr>
<tr>
<td>FGN</td>
<td>31,500.00</td>
<td>40,155.00</td>
<td>71,655.00</td>
<td>218.54</td>
<td>268.17</td>
<td>486.71</td>
<td>3</td>
</tr>
<tr>
<td>State Governments</td>
<td>94,348.80</td>
<td>46,649.70</td>
<td>140,998.50</td>
<td>654.55</td>
<td>291.83</td>
<td>946.38</td>
<td>6</td>
</tr>
<tr>
<td>Local Governments</td>
<td>206,325.00</td>
<td>0.00</td>
<td>206,325.00</td>
<td>1,363.23</td>
<td>0.00</td>
<td>1,363.23</td>
<td>9</td>
</tr>
<tr>
<td>Communities</td>
<td>26,250.00</td>
<td>0.00</td>
<td>26,250.00</td>
<td>182.11</td>
<td>0.00</td>
<td>182.11</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>956,731.93</td>
<td>1,346,477.04</td>
<td>2,303,208.97</td>
<td>6,637.38</td>
<td>9,341.26</td>
<td>15,978.64</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4.4
Project Costs by Category of Expenditure and Financier

<table>
<thead>
<tr>
<th>Project Category</th>
<th>ADF</th>
<th>FGN</th>
<th>SGs</th>
<th>LGs</th>
<th>Comm's</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Works</td>
<td>3,344.33</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>182.11</td>
<td>3,526.44</td>
</tr>
<tr>
<td>2. Goods</td>
<td>4,279.69</td>
<td>96.46</td>
<td>160.00</td>
<td>0.00</td>
<td>0.00</td>
<td>4,535.15</td>
</tr>
<tr>
<td>3. Services</td>
<td>3,980.62</td>
<td>182.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>4,162.62</td>
</tr>
<tr>
<td>4. Miscellaneous</td>
<td>1,395.57</td>
<td>208.25</td>
<td>786.38</td>
<td>1,363.23</td>
<td>0.00</td>
<td>3,753.43</td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,000.21</td>
<td>486.71</td>
<td>946.38</td>
<td>1,363.23</td>
<td>0.00</td>
<td>15,978.64</td>
</tr>
</tbody>
</table>

4.10.2 The project funds will be disbursed according to Expenditure Schedule by Component and by Expenditure Schedule by Source of Finance provided in Tables 4.5 and 4.6 respectively.

Table 4.5
Expenditure Schedule by Component

<table>
<thead>
<tr>
<th>Component</th>
<th>UA '000</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2005</td>
</tr>
<tr>
<td>1. Capacity Building</td>
<td>1,366.47</td>
<td>1,396.64</td>
</tr>
<tr>
<td>2. Production Development</td>
<td>626.66</td>
<td>1,544.86</td>
</tr>
<tr>
<td>3. Community Development</td>
<td>378.61</td>
<td>1,044.55</td>
</tr>
<tr>
<td>4. Project Coordination</td>
<td>352.31</td>
<td>187.82</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,724.05</td>
<td>4,173.87</td>
</tr>
</tbody>
</table>
Table 4.6
Expenditure Schedule by Source of Finance

<table>
<thead>
<tr>
<th>Source of Finance</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF</td>
<td>2,087.88</td>
<td>3,559.73</td>
<td>3,315.37</td>
<td>2,060.04</td>
<td>1,066.17</td>
<td>911.02</td>
<td>13,000.21</td>
</tr>
<tr>
<td>FGN</td>
<td>131.15</td>
<td>216.80</td>
<td>34.69</td>
<td>34.69</td>
<td>34.69</td>
<td>34.69</td>
<td>486.71</td>
</tr>
<tr>
<td>State Governments</td>
<td>277.82</td>
<td>133.72</td>
<td>133.71</td>
<td>133.71</td>
<td>133.71</td>
<td>133.71</td>
<td>946.38</td>
</tr>
<tr>
<td>Local Governments</td>
<td>227.20</td>
<td>227.20</td>
<td>227.21</td>
<td>227.21</td>
<td>227.20</td>
<td>227.21</td>
<td>1,363.23</td>
</tr>
<tr>
<td>Communities</td>
<td>0.00</td>
<td>36.42</td>
<td>36.42</td>
<td>36.42</td>
<td>36.42</td>
<td>36.42</td>
<td>182.11</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,724.06</td>
<td>4,173.87</td>
<td>3,747.40</td>
<td>2,492.07</td>
<td>1,498.19</td>
<td>1,343.05</td>
<td>15,978.64</td>
</tr>
</tbody>
</table>

5. **PROJECT IMPLEMENTATION**

5.1 Executing Agency

The Federal Ministry of Agriculture and Rural Development (FMARD) will be the Executing Agency. The Projects Coordinating Unit of FMARD will be the implementing agency.

5.2 Institutional Arrangements

5.2.1 The PCU will establish a branch of the existing Project Support Office, which will operate in tandem with IFAD PSO. It will be based in Bauchi State where the PCU has a functional office. The ADF branch of the Project Support Office will be responsible for: (i) overseeing, on a daily basis the implementation of the project at state and local government level; (ii) procuring goods and services; (iii) financial control and management; (iv) project coordination regarding training, policy workshops, dialogue exchange visits etc; (v) preparation of work plans based on approved annual work plans and budgets from participating LGCs; (vi) progress reporting following project impact assessments and (viii) project coordination with the IFAD supported CBARDP. The project will organise policy workshops and quarterly exchange meetings with the IFAD office to ensure synergy and coordination in project implementation.

5.2.2 The Inter-ministerial Steering Committee, which was established to oversee activities under the National Community Based Agriculture and Rural Development Programme, will oversee the implementation of the CBARDP in accordance with its stated goal and objectives in all states where it is implemented. This will be a loan condition precedent to first disbursement (See paragraph 8.2-b). The Federal Agricultural Development Projects Executive Committee (FADPEC), which is chaired by the Honourable Minister of FMARD, will serve as this Steering Committee. It will meet twice per year in one of the states. The FADPEC is comprised of the Honourable Minister of FMARD, the Permanent Secretary, the Directors of the Ministry, the Heads of Specialised Units and Heads of the Agricultural Research Institute.

5.2.3 The Agricultural and Rural Development Executive Committee (ARDEC), which is chaired by the State Governor, will oversee project implementation at state level. ARDEC comprises the commissioners responsible for finance, economic planning and budget, agriculture, local government, women’s affairs and social development, health, education, rural development, works and transport, and the chairperson of each participating Local Government Council. The ADB Project Desk Officer will represent the Project Support Office at ARDEC.
meetings while the Programme Manager of the ADP will act as the secretary. ARDEC will co-opt representatives of other groups such as private sector and NGO service providers and form relevant sub-committees, as required. Duties of the ARDEC will include: (i) ensuring compliance of the States with Federal Government policies and financial procedures; (ii) fulfilment of conditions of the subsidiary loan agreement and (iii) developing policies and guidelines for production and rural development.

5.2.4 The Local Government Development Committees (LGDC) will manage the Community Development Fund. They consist of two elected councillors (from a participating and non-participating rural village area), six department heads, a representative of the service providers and two female and male representatives from each participating RVA. The Head of the PMED will act as Secretary. The LGDC will meet quarterly. Its specific responsibilities include: (i) reviewing the village development plans before they are consolidated into community development plans and incorporated in the LGC annual work plans and budgets; (ii) overseeing systematic implementation of the activities through review of progress reports; (iii) provision of advice on any improvements needed; (iv) field visits to evaluate progress on the ground and interact with communities; and (v) defining operational policies for rural development.

5.3 Supervision and Implementation Schedules

5.3.1 Supervision Schedule: The PCU will supervise on a daily basis works undertaken by contractors, consultants, producers and processors. It will report on the financial and progress of project activities and will prepare quarterly progress reports and at completion a project completion report capturing all aspects of the project including achievements, constraints, problems and lessons learnt. Annual work plans shall be submitted three months before the beginning of each year to ADF for review and approval prior to implementation.

5.3.2 With the support of the NGCO, Bank Group supervision missions will be at least four times per year. The NGCO supervision missions will consist of the Agricultural Economist and Rural Infrastructure Specialist, who were both part of the Preparation and Appraisal Teams. The frequent supervision missions will allow the visit to each state at least twice per year and assist them in project implementation, collection and analysis of data and impact analysis. A mid-term review mission is proposed to take place after year three of project implementation to determine if necessary the course the project should take for the remaining years. A Project Completion Report will be prepared and submitted not later than six months after project completion.

5.3.3 Implementation Schedule: During the first three months State and Local Government Agencies will be sensitised in participatory community development. Thereafter and for a period of one year, focus will be on training of rural development institutions and service providers at state and local government level to facilitate demand driven development. Rural Village Areas will be selected and Community based organisations identified. CDDTs will be established and trained in community driven development and Technical Support Teams will receive refresher courses in agriculture development. Production development and Community infrastructure works will start from year two and continue until the end of the project. Private and public service providers will deliver appropriate agricultural services and infrastructure development to communities from year two. Donor coordination and policy workshops will be undertaken from
year two and continue until the end of the project. CBOs and farmer groups will also be trained to develop skills in participatory monitoring and evaluation from year two. A detailed Implementation schedule is provided in Annex 3.

5.4 Procurement Arrangements

5.4.1 All procurement of goods, works, and acquisition of consulting services financed by the ADF will be in accordance with the Bank’s Rules of Procedure for Procurement of Goods and Works or, as appropriate, Rules of Procedure for the Use of Consultants, using the relevant Bank Standard Bidding Documents. Procurement arrangements are summarized in Table 5.1 below.

<table>
<thead>
<tr>
<th>Project Categories</th>
<th>UA ‘000</th>
<th>NCB</th>
<th>SL</th>
<th>Other</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Civil Works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Rehabilitation of irrigation and Livestock water points</td>
<td>423.19</td>
<td>(423.19)</td>
<td></td>
<td>423.19</td>
<td></td>
</tr>
<tr>
<td>1.2 Community Development Infra.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Water supply points</td>
<td>793.17</td>
<td>(793.17)</td>
<td></td>
<td>793.17</td>
<td></td>
</tr>
<tr>
<td>ii) Access Roads</td>
<td></td>
<td></td>
<td>1,206.33</td>
<td>1,206.33</td>
<td></td>
</tr>
<tr>
<td>iii) Post harvest Centres</td>
<td></td>
<td></td>
<td>(1,105.78)</td>
<td>(1,105.78)</td>
<td></td>
</tr>
<tr>
<td>iv) Health and Education</td>
<td></td>
<td></td>
<td>925.04</td>
<td>925.04</td>
<td></td>
</tr>
<tr>
<td>2. Goods</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2.1 Vehicles</td>
<td>256.46</td>
<td>(0.00)</td>
<td></td>
<td>256.46</td>
<td></td>
</tr>
<tr>
<td>2.2 Motorcycles</td>
<td>764.59</td>
<td>(764.59)</td>
<td></td>
<td>764.59</td>
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</tr>
<tr>
<td>2.3 Office/Lab. Equipment</td>
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<td></td>
<td>1,217.05</td>
<td>1,217.05</td>
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</tr>
<tr>
<td>2.4 Field Equipment</td>
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<td>1,654.94</td>
<td>1,654.94</td>
<td></td>
</tr>
<tr>
<td>2.5 Extension Materials</td>
<td></td>
<td></td>
<td>643.11</td>
<td>643.11</td>
<td></td>
</tr>
<tr>
<td>3. Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Technical Assistance &amp; Consultancy</td>
<td>121.21</td>
<td>(121.21)</td>
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<td>121.21</td>
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</tr>
<tr>
<td>3.2 Training</td>
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<td>(171.50)</td>
<td></td>
<td>1,607.57</td>
<td></td>
</tr>
<tr>
<td>3.3 Health Campaigns HIV/AIDS, Malaria</td>
<td>327.80</td>
<td>(327.80)</td>
<td></td>
<td>327.80</td>
<td></td>
</tr>
<tr>
<td>3.4 Extension Support</td>
<td>578.80</td>
<td>(578.80)</td>
<td></td>
<td>578.80</td>
<td></td>
</tr>
<tr>
<td>3.5 Monitoring Services</td>
<td>837.72</td>
<td>(837.72)</td>
<td></td>
<td>837.72</td>
<td></td>
</tr>
<tr>
<td>3.6 Surveys/Studies</td>
<td>689.52</td>
<td>(507.52)</td>
<td></td>
<td>689.52</td>
<td></td>
</tr>
</tbody>
</table>
Table 5.1
Summary of Procurement Arrangements (cont’d)

<table>
<thead>
<tr>
<th>4. Miscellaneous</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Operations and Maintenance</td>
<td>284.00 (284.00)</td>
<td>284.00 (284.00)</td>
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<tr>
<td>4.2 Travel and Subsistence</td>
<td>436.51 (436.51)</td>
<td>436.51 (436.51)</td>
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<tr>
<td>4.3 Staff costs</td>
<td>2,124.03 (0.00)</td>
<td>2,124.03 (0.00)</td>
</tr>
<tr>
<td>4.3 PSO Staff costs</td>
<td>385.61 (385.61)</td>
<td>385.61 (385.61)</td>
</tr>
<tr>
<td>4.4 Office Rent</td>
<td>233.83 (0.00)</td>
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<tr>
<td>4.5 Other recurrent costs</td>
<td>289.45 (289.45)</td>
<td>289.45 (289.45)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,237.41 (1,980.95)</td>
<td>2,632.41 (2,450.41)</td>
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<tr>
<td></td>
<td>11,108.82 (8,568.85)</td>
<td>15,978.64 (13,000.21)</td>
</tr>
</tbody>
</table>

Figures in parenthesis represent ADF funding.

5.4.2 Works: Civil works will include: rehabilitation of existing irrigation and livestock water points; establishment of new water points; construction of health and education centres; spot improvements of access roads and rehabilitation of communal post harvest storage centres. The rehabilitation and establishment of irrigation infrastructure and livestock water points is valued in total at UA 423,190 (or about UA 84,600 per participating state). They will be carried out under National Competitive Bidding (NCB) procedures. NCB is appropriate for these contracts because the character, location and size of the construction works to be undertaken are such that they are unlikely to attract bids from outside the participating countries of the project, and, in Nigeria, there are local contractors sufficiently qualified and in numbers sufficient to ensure competitive bidding. The construction of health and education centres valued at UA925,040 (or UA 185,000 per participating state); spot improvements of access roads UA1,206,000 (or UA 241,200 per participating state) and construction of communal post harvest storage centres valued at UA 178,710 (or UA 35,742 per participating state). These works are scattered over a total of 135 rural village areas and are small in size, therefore cannot attract big contractors. To encourage community participation in procurement, the community development infrastructure shall be procured through local shopping. For this purpose, a Community Development Fund shall be established and managed as indicated in paragraph 5.2.4.

5.4.3 Goods: Procurement of vehicles valued at UA256,460 (or UA51,292 per participating state) and motorcycles UA764,590 (or UA152,918 per participating state), will be through National Competitive Bidding. NCB is appropriate for these contracts because there is an adequate number of local agents of international suppliers available in the country to ensure competitive prices. Office/Laboratory equipment valued at UA1.22 (or UA51,292 per participating state), Field equipment valued at UA1.65 million (or UA330,000 per participating state), and Extension materials valued at UA0.64 million (UA128,000 per participating state), will be procured through direct purchase. This method of procurement is considered appropriate because the value per contract is relatively small. Also, the items are readily available, off-the-shelf goods or standard specification commodities, and there are adequate numbers of national suppliers and agents of qualified foreign suppliers in the country to ensure competitive prices.
5.4.4 Consulting Services and Training: Consultancy services for market analysis and production of training materials, Long-term Technical Assistance and short term consultancy services for impact surveys, annual audits of the project accounts, mid-term and final project reviews valued at a total amount of UA 3.66 million (or about UA 0.73 million per state) will all be acquired through short-listing of consulting firms, in accordance with the Bank’s Rules of Procedure for the Use of Consultants services. The selection procedure will be based on the technical quality with price consideration.

5.4.5 The services of specialised agencies will be acquired through Direct Negotiations with existing institutions. The services for the monitoring of the rural infrastructure shall be acquired from the relevant department of the Federal Department of Rural Development under the Federal Ministry of Agriculture and Rural Development, which is mandated to provide such services. The Federal Department of Rural Development will be supported in its campaigns against AIDS/HIV and Malaria by a total amount of UA 0.33 million. Specialised training worth UA85,750 for the TSTs and UA85,750 for the SMS shall be procured through direct negotiation with ARMTI and LRTC respectively. The Direct negotiations mode of procurement is considered appropriate for these activities because the existing agencies possess the specialised expertise required in their various fields and only they would be able to provide such services satisfactorily.

5.4.6 Miscellaneous: Operating and maintenance services, including the expenses relating to the running of the project offices, running and maintenance of vehicles and equipment, and travel expenses for staff on project monitoring, as well as travel expenses, valued at UA3.75 million (or UA 0.75 million per state on average) will be procured through existing Government procedures acceptable to ADF.

5.4.7 National Procedures and Regulations: Nigeria’s national procurement laws and regulations have been reviewed and determined to be acceptable.

5.4.8 The Executing Agency: The ADB PSO of the PCU will be responsible for the procurement of goods, works, consulting services and training services. It will prepare and process all the procurement documents. Their resources, capacity, expertise and experience are adequate to carry out the above procurement. Consequently, there is staff that are adequately experienced in preparing procurement documents, processing them and in handling procurement issues and are familiar with ADF Rules of Procedure for the Procurement of Goods, Works and Services. The recruitment of project staff, especially of the Accountant will place emphasis on recruiting some one with specific experience in handling ADF financial matters, including procurement and disbursement issues. In the course of project implementation, this experience would be strengthened with periodic training provided by the Bank.

5.4.9 General procurement Notice: The text of a General Procurement Notice (GPN) has been agreed with the PCU and it will be issued for publication in the Development Business, upon approval by the Board of Directors of the Loan Proposal.
5.4.10 **Review Procedures:** the following documents are subject to review and approval by the ADF before promulgation: a) Special Procurement Notice; b) Tender Documents and Requests for proposals for consultants; c) Tender Evaluation Reports or Reports on Evaluation of Consultants’ proposals, including recommendations for contract award; d) Draft contracts if these have been amended from the draft included in the tender documents.

5.5 **Disbursement Arrangements**

5.5.1 The Federal Ministry of Finance (FMoF) of the Government of Nigeria will sign the loan agreement with the Bank Group. It will have subsidiary loan agreements with the States of Niger, Bauchi, Kaduna, Gombe and Adamawa. This will be a loan condition precedent to first disbursement (see paragraph 8.2-b).

5.5.2 The Special Account and the Direct Payment methods will be used. The Project Support Office of the PCU will open and maintain an interest bearing Special Account in foreign currency and one Local Currency Account at a bank acceptable to the Fund. This will be a loan condition precedent to first disbursement (see paragraph 8.2-b). The Special Account will be used to deposit part of the grant resources while the Local Currency Account will receive the contributions from the Federal Government of Nigeria. The ADF will replenish the Special Account after the PCU has provided sufficient justifications for the use of at least 50% of the previous deposit. The opening of the Special and the Local Currency Accounts will be a condition precedent to first disbursement.

5.5.3 The Agricultural Development Programmes and Local Government Councils will each open two local accounts. The first account will receive ADF loan proceeds transferred by the PSO Special Account based on the approved annual work plan and budget. The second account will receive government counterpart funding delivered bi-annually in advance to meet the respective Government’s share of the project’s cost. The opening of the local accounts by the ADPs and LGCs will be a loan condition precedent to first disbursement (see paragraph 8.2-b).

5.5.4 Disbursements to LGC accounts for specific community development works will be made annually following the approval of LGC annual work plans and budgets. There will be annual external audits to provide information against which decisions to continue or suspend disbursement to particular LGCs will be based.

5.6 **Monitoring and Evaluation**

5.6.1 The main purpose of the monitoring and evaluation system is to provide the information needed for impact-oriented project management and to involve key stakeholders in learning how to improve project implementation. It will also strengthen the capacity of primary stakeholders to manage the resources over which they have decision-making power. It will provide information on service-provider quality and project progress to the primary stakeholders, furnishing analysis to identify concrete improvements, as well as providing regular reports on project progress to funding agencies and responsible ministries.
5.6.2 The PCU has prepared, as part of the IFAD supported project, a Project Implementation Plan, which outlines in detail the scope and purpose of the monitoring and evaluation system to be used under the project. The plan provides key performance indicators, in addition to those mentioned in the project matrix as well as information on the organisational arrangements to be undertaken. These indicators include: the adoption rates of new technologies; % contribution to infrastructure works; commitment of operation and maintenance of some of the works; % attendance in agricultural shows; increased availability of wood fuel, among others. The plan also provides the Terms of Reference for M&E specialist, the process by which the monitoring and evaluation system will be established and the training requirements for the CDDTs, ADP and PMEDs staff that will be involved in data collection and analysis.

5.6.3 As soon as the loan becomes effective, the PCU will undertake, with support from the National Planning Commission, the necessary baseline surveys which, in each state, will serve as a benchmark for impact assessment. CDDTs, TSTs and staff from the PMEDs will be trained in participatory monitoring and evaluation after which they will engage in gender disaggregated data collection and analysis. The CDDTs will submit their reports on a monthly basis to the PMEDs of the local governments, which will be consolidated by the PMED at the State Ministry of Local Government. Village extension workers will submit their reports to the M&E units of the ADPs. The State Ministry of Local Government and the ADP will then prepare quarterly progress reports, which will be discussed at ARDEC and after approval forwarded to the PCU. The PCU will synthesise and consolidate these reports before submitting them to the ADF, National Planning Commission and the Federal Ministry of Finance. They will be submitted not later than three months after the end of the reporting period.

5.7 Financial Reporting and Auditing

The PCU will maintain independent accounts for ADF financed activities in accordance with sound international accounting practices and will ensure that an independent auditor, acceptable to the Government and ADF audit all project accounts annually. The Auditor General will assist the project management in recruiting and external auditor for the project and ADF resources will be made available for this.

5.8 Aid Co-ordination

5.8.1 At the macro-level, donor co-ordination is ensured under the joint chairmanship of the United Nations Development Programme and the National Planning Commission. Multilateral and bilateral agencies, such as the World Bank, the NGCO of the Bank, IFAD, CIDA, USAID, and DFID, among others have established an informal donor coordination mechanism for projects and programmes in the Agriculture and Rural Development Sector. They meet once per month and discuss thematic issues within the sector. Meetings are held in Abuja and the chair is rotating among the donors.

5.8.2 At the federal level, FMARD launched in 2002 the Agriculture and Rural Development Consultative Group (ARDCG) as a formal donor coordination mechanism. It is chaired by the Honourable Minister of Agriculture and Rural Development and comprises all government, multilateral and bilateral agencies involved in agriculture and rural development. Its role is to
review progress of donor-assisted programmes and projects in the context of poverty alleviation. They will meet at least once per year in one of the States to review progress and advise on possible changes required to enhance programme and rural development effectiveness.

6 PROJECT SUSTAINABILITY AND RISKS

6.1 Recurrent Costs

The total recurrent costs are estimated at UA3.75 million (or UA0.75 million per participating state). Of this amount the ADF will pay UA1.40 (or UA0.28 million per participating state) while the Government will pay UA2.35 million (or UA0.47 million per participating state). The ADF contribution is in terms of travel and daily subsistence allowances and some other recurrent expenditure. The Government contribution is in terms of salaries, office rent and other recurrent expenditures. The operation and maintenance of the physical infrastructure such as the rural access and feeder roads and marketing and water supply infrastructures will be the responsibility of the communities. The recurrent costs will easily be met from the Government budget as most of these represent salaries and rent, which are already being paid by the local and state governments.

<table>
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<th>2007</th>
<th>2008</th>
<th>2009</th>
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<td>279.47</td>
<td>341.03</td>
<td>362.03</td>
<td>523.03</td>
<td>553.03</td>
</tr>
</tbody>
</table>

6.2 Project Sustainability

6.2.1 The project is demand driven. All envisaged activities would emanate from participatory rural appraisals and planning workshops in which communities will fully participate. The capacity building programme at the community, local and state government level will ensure that the process of demand driven development will be institutionalised. Agricultural technologies proposed are all low input based and have been tried out successfully elsewhere in the region. *Fadama* farming, in particular, is well established and poses no problems with respect to operation and maintenance. Farmers are willing to contribute for the operation and maintenance of the infrastructure. Community development works, such as rural road improvement; rural health centres; sanitation works and marketing infrastructures will all be small scale in nature with a financial ceiling of Naira 100,000. Through their groups the communities have acquired the basic skills necessary for the maintenance of the community rural infrastructure.

6.2.2 The project supports thus, Federal Government’s policy of decentralised planning and development. The purpose of the Bank group support is to initiate, catalyse and institutionalise this process. It will enable local communities to take stock of their problems and propose adequate solutions. It will guarantee the acceptance, viability and profitability of the proposed activities. Community Development Plans will be incorporated in the annual work plans and budgets normally prepared by the Local Government Councils. Higher contributions to their budgets and the participation of additional local Governments in subsequent years will be an indicator of sustainability of the project.
6.3 **Critical Risks and Mitigation Measures**

6.3.1 Project success depends on the lasting commitment from State and Local Governments to abide with the principles of demand driven development. There is a risk that, in some states, this process may take longer than in others. Although the project design includes measures to promote, from the outset, adoption by state and local governments principles of decentralised planning and development, the project duration has been extended to six years to allow for capacity building at grass-root level and sensitisation at state and local government level.

6.3.2 At the community level, the participatory approach entails an iterative process that requires a relative long period of time. Trying to produce quick results, for instance in terms of infrastructure works, may offset the importance of ensuring that the basic processes of demand driven development are established. To minimise this risk, the project has included strong support for capacity building at the local level, through the CDDTs and other service providers, to ensure that community development plans are implemented and verified with field visits.

6.3.3 Agriculture in Northern Nigeria is risk prone due to the vagaries of the climate and the poor natural resource base. This may impact negatively on food security for those who rely 100% on the land for their livelihood. The project expects to minimise this risk by training in and introduction of improved land husbandry and soil improvement practices as well as the provision in fadama farming to off-set the climatic risks.

7 **PROJECT BENEFITS**

7.1 **Financial Analysis**

7.1.1 Five farm models were developed representing typical farming productive investment in crops practiced in northern Nigeria. The models assume no land expansion at the household level and a crop mixture that aims to reduce food insecurity. Technology transfer at the community level will be ensured through support to adaptive research and extension. Prices used to calculate outputs and inputs were obtained during project preparation in February 2003 and updated during project appraisal in May 2003. They are expressed in constant May 2003 Nairas.

7.1.2 Existing farm management practices in northern Nigeria in general and in the project area in particular are poor; hence there is high potential for improvements. Assuming farmers adopt the recommended crop husbandry practices, increased level of productivity will result in incremental returns to an estimated 5,400 farm families directly and through the effect of demonstrations will affect about 270,000.

7.1.3 At full development, the household will on average realise incremental annual income of Naira 45,000 per hectare. Detailed description of farm models and tables for estimating financial returns to investment are provided in Volume II of the report.
7.1.4 The aggregate financial benefits from crop production and processing when computed against the investment costs for the proposed project activities generate a FIRR of 24%. A summary of the aggregate cash flow of the recommended crop production activities is included in Volume II of the report.

7.2. Economic Analysis

The economic benefits of the project are derived from both increased production and improved marketing system. For crop production, benefits will be due to increased productivity emanating from availability of improved planting materials, fertilizers and adoption of improved methods of crop husbandry by the farmers. Improved rural infrastructure will increase crop quantities that will have access to the market. The economic benefits arising from the proposed project are compared between the “with” and “without” project situation to measure incremental benefits. The analysis generates an EIRR of 20% at the opportunity cost of capital of 12%. A summary of the Economic returns to the project are given in Annex 4. Assumptions underlying the economic analysis of the project are:

(a) The net benefit stream has been estimated over a period of 25 years.
(b) Economic prices have been derived from market prices, using a conversion factor of 0.9. Considering the outputs from the project activities are mainly food crops, and that there is vivid intra-state trade between the 5 states and inter–state trade with the neighbouring countries, import parity prices for the various types of crops, from Republic of Niger and Cameroon were applied.
(c) Financial costs of the project have been adjusted to economic costs by excluding taxes, duties and price contingencies.
(d) The Nigerian market is a free market and the prices are determined by the market forces.
(e) The exchange rate is not fixed so there is no effect resulting from exchange rate fluctuations on the prices.
(f) The only subsidy is on fertiliser prices and it has been adjusted by a factor of 45% on the wholesale price.
(g) The inflation rate, which is currently 11%, will remain constant throughout the life span of the project.

7.3 Analysis of Social Impact

7.3.1 Technical skills of federal, state and local government staff will be improved. The training of CDDTs and TSTs will yield professionals who can train others in participatory planning and production and community development. About 1,400 people are estimated to participate in state and local government training while the number of community members that will receive training is estimated at 9,800.

7.3.2 About 5,400 farm families will benefit directly from production development. The main impact will be in terms of increased food security and incomes derived from agriculture. The annual incremental crop production at full project development over the project area is estimated at 1,620 tonnes for maize; 864 tonnes for Sorghum; 864 tonnes for Millet; 6,480 tonnes for Cassava; 200 tonnes for Rice; 2,160 tonnes for potatoes; 54 tonnes for cowpeas and 54 tonnes of
groundnuts. The annual incremental crop production at full development for fadama crops is estimated at 270 tonnes for tomatoes; 675 tonnes for cabbage, 270 tonnes for Okra and 270 tonnes for eggplants. 270,000 households will benefit from improved rural roads and markets and market information.

7.3.3 Five crop models “See volume II were used to evaluate the incremental revenue accruing from the project. Incomes were found to range between Naira 35,460 and Naira 65,972 per hectare without the project, while with project incomes will vary between Naira 84,354 and Naira 103,450 per hectare. This will lead to an average increase of income of Naira 45,000 from an average of Naira 45,000 per ha without the project to Naira 90,000 per ha with the project.

7.3.4 About 5,400 households will benefit directly through empowerment and the preparation of community development plans. Indirectly, 270,000 families will benefit from social and rural infrastructure works. The main benefits will be through improved access to schools, health dispensaries, safe drinking water and wood fuel, thereby reducing the incidence of water borne diseases and women’s and children’s workload.

7.4 Sensitivity Analysis

Costs and benefits were found to be the most important factors influencing returns on investment. At 20%, the EIRR is highly sensitive to a reduction in production; i.e. a 20% reduction in production will generate an EIRR of 12%. A delay of 2 years in the implementation of the project will result of EIRR of 13% as no benefits will be realized during the first years. All selected levels of change in key factors and their effect on the EIRR are summarized as follows:

i. EIRR at current benefits 20%
ii. 20% decrease in production 12%
iii. 10% investment cost increase 18%
iv. 10% costs increase and 10% decrease in revenue 16%
v. Two years delay in implementation 14%

8. CONCLUSIONS AND RECOMMENDATION

8.1 Conclusions

The proposed project is a priority, which is consistent with the development objectives of the Government of Nigeria and expected to contribute to the sustainable management of the natural resource base and substantially increase the food production and farm incomes, which in the long run would contribute to improved household food security and reduction of poverty. As a result of project interventions, incremental production per ha of crops will be 1,620 tonnes for maize; 864 tonnes for Sorghum and Millet; 6,480 tonnes for Cassava; 200 tonnes for Rice; 2,160 tonnes for potatoes; 54 tonnes for cowpeas and groundnuts. The incremental crop production for fadama crops per ha is estimated at 270 tonnes for tomatoes; 675 tonnes for cabbage, 270 tonnes for Okra and 270 tonnes for eggplants. The project is technically feasible, economically viable, socially desirable and environmentally sustainable. The project is in line with the Bank’s group strategy for agricultural sector development in the Country.
8.2 Recommendation

It is recommended that a loan not exceeding UA 13.00 million be granted to the Federal Republic of Nigeria to finance the implementation of the project. The loan would be subject to the following conditions.

(a) Conditions precedent to Entry into Force

The entry into force of the loan agreement shall be subject to the fulfilment by the Borrower of the provisions of section 5.01 of the General Conditions.

(b) Conditions precedent to First Disbursement

The obligations of the Fund to make the first disbursement of the loan shall be conditioned upon the entry into force of the loan agreement and the fulfilment by the Borrower of the following conditions. The Borrower shall have, to the satisfaction of the Fund:

1. Submitted to the Fund, subsidiary loan agreements between the Federal Republic of Nigeria and the Participating States (paragraph 5.5.1);

2. Submitted to the Fund, the authorisation by the States and Local Government Councils that the Federal Ministry of Finance deducts at source their contributions to the annual work plan and budget on a biannual basis in advance, for the 1st year of project implementation (paragraph 4.2.1 and 4.2.3);

3. The Borrower shall have opened a foreign exchange special account into which the proceeds of the loan shall be deposited, and shall have caused the opening of the Special Account at the PCU and 2 local accounts at each participating ADP and Local Government Councils in commercial banks satisfactory to the ADF. The first account will receive ADF loan proceeds transferred by the PSO Special Account based on the approved Annual Work plan and Budget; the second account will receive government counterpart funding delivered quarterly in advance to meet the respective Government’s share of the project’s cost.

4. Established a Project Support Office in Bauchi State staffed by one Desk Officer, one Accounting Expert, and one Monitoring and Evaluation Expert, whose qualifications shall be acceptable to the Fund (paragraph 4.5.17);

5. Selected the first group of Rural Village Areas on the basis of agreed criteria, to benefit from the Community Development Fund (paragraph 4.2.3).
6. Designated the Federal Agricultural Development Projects Executive Committee (FADPEC) as the Inter-ministerial Steering Committee to oversee project implementation, at least twice per year, in each State in which the programme is implemented. The FADPEC will comprise: the Permanent Secretary of FMARD, the Directors of the Ministry, the Heads of Specialised Units and the Heads of the Agricultural Research (paragraph 5.2.2)

OTHER CONDITIONS

1. On an annual basis, the Borrower shall provide the submission by the States, the work plan for the community development fund.

2. Submitted to the Fund, on a yearly basis, the authorisation by the States and Local Government Councils that the Federal Ministry of Finance deducts at source their contributions to the annual work plan and budget on a quarterly basis in advance.
This Map is intended exclusively for the use of the readers of the report to which it is attached. The names and the borders shown do not imply on the part of the Bank and its members any judgment concerning the legal status of a territory nor any approval or acceptance of borders.
Community Based Agriculture and Rural Development Project
Organization Chart

Federal Department of Agriculture And Rural Development (FMARD)

SARDEC

Project Coordination Unit (PCU)

PCU/PSO IFAD project

PCU/PSO ADF Project

SG of Kaduna
SG of Gombe
SG of Bauchi
SG of Niger
SG of Adamawa

LG
LG
LG
LG
LG

RVA

TST

FARMER GROUPS WOMEN GROUPS YOUTH GROUPS

CDDT
# Community Based Agriculture and Rural Development Project
## Tentative Implementation Schedule

<table>
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<tr>
<th>Activity</th>
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<th>End</th>
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<td>Effectiveness of Loan Approval</td>
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<td>Launching Mission</td>
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<td>Selection of LGCs</td>
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<td>Dec 2004</td>
<td>PCU</td>
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<tr>
<td>Selection of Rural Village Areas</td>
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<td>Dec 2004</td>
<td>PCU</td>
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<td>Jan 2006</td>
<td>Dec 2009</td>
<td>CBO/LGC</td>
</tr>
<tr>
<td>- Monitoring and evaluation</td>
<td>Jan 2006</td>
<td>Dec 2009</td>
<td>ADP/PMED</td>
</tr>
<tr>
<td><strong>Management and Coordination</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sensitisation workshops</td>
<td>May 2004</td>
<td>Aug 2004</td>
<td>PSO/PCU</td>
</tr>
<tr>
<td>- Preparation of detailed work plan</td>
<td>Aug 2004</td>
<td>Dec 2004</td>
<td>PSO/PCU</td>
</tr>
<tr>
<td>- Preparation bids Technical Assistant</td>
<td>Aug 2004</td>
<td>Dec 2004</td>
<td>PSO/PCU</td>
</tr>
<tr>
<td>- Recruitment of Technical Assistant</td>
<td>Aug 2004</td>
<td>Dec 2004</td>
<td>PSO/PCU</td>
</tr>
<tr>
<td>- Baseline and impact Studies</td>
<td>April 2004</td>
<td>Dec 2009</td>
<td>NPC/PCU</td>
</tr>
<tr>
<td>- Annual Audit</td>
<td>Jan 2005</td>
<td>Dec 2009</td>
<td>TA/PSO</td>
</tr>
<tr>
<td>- Mid-term Review</td>
<td>July 2007</td>
<td>Sep 2007</td>
<td>TA/PSO</td>
</tr>
<tr>
<td>- Project Evaluation</td>
<td>June 2009</td>
<td>Aug 2009</td>
<td>TA/PSO</td>
</tr>
</tbody>
</table>
## Community Based Agriculture and Rural Development Project

### Tentative List of Goods and Services

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>Total (UA ‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Rehabilitation of Irrigation and livestock water points</td>
<td>423.19</td>
</tr>
<tr>
<td>2. Community Development Works</td>
<td>3,103.25</td>
</tr>
<tr>
<td>3. Office/Lab. Equipment</td>
<td>1,217.05</td>
</tr>
<tr>
<td>4. Vehicles</td>
<td>256.46</td>
</tr>
<tr>
<td>5. Motor cycles and Bicycles</td>
<td>764.59</td>
</tr>
<tr>
<td>6. Field Equipment</td>
<td>1,654.94</td>
</tr>
<tr>
<td>7. Extension Materials</td>
<td>643.11</td>
</tr>
<tr>
<td>8. Technical Assistance &amp; Consultancy</td>
<td>121.21</td>
</tr>
<tr>
<td>9. Training</td>
<td>1,607.57</td>
</tr>
<tr>
<td>10. Health Campaigns</td>
<td>327.80</td>
</tr>
<tr>
<td>11. Extension Support</td>
<td>578.80</td>
</tr>
<tr>
<td>12. Monitoring Services</td>
<td>837.72</td>
</tr>
<tr>
<td>13. Surveys/Studies</td>
<td>689.52</td>
</tr>
<tr>
<td>14. Miscellaneous</td>
<td>3,753.43</td>
</tr>
<tr>
<td><strong>TOTAL PROJECT COST</strong></td>
<td><strong>15,978.64</strong></td>
</tr>
</tbody>
</table>
Community Based Agriculture and Rural Development Project
Environmental and Social Management Summary

1 Overview of anticipated environmental and social impacts

A wide variety of subprojects to be financed under the project include: rural roads, water supply, culverts and bridges, schools (primary and secondary), health centers, markets etc. Some of these common community subprojects are meant to improve the livelihood of communities. However, subproject activities could result in indirect or cumulative impacts because of series of effects generated by an intervention or series of the same intervention. The aggregate of many subprojects or any demand-driven investment fund could result in commutative impacts whereas individual subprojects may have insignificant impacts. Health center or dispensary is likely to have positive environmental impact under normal conditions. However, if its waste disposal is not properly handled, it could cause serious havoc e.g. if syringes used to take the blood samples of an Acquired Immune Deficiency Syndrome (AIDS) patient were dumped on a rubbish heap, some ignorant careless children could pick them up and playing with them could accidentally pick or wound themselves resulting in contacting AIDS. Also an improper disposal of a poison or toxic substance container could cause death or very serious sickness if the container is just rinsed and used indiscriminately as a drinking cup or water storage facility.

2 Environmental Assessment Procedure

2.1 The list of the subprojects is derived from demands of the various communities and State Authorities. Communities can use Environmental Assessment (EA) instruments developed by the FEPA or the Bank that can be applied in the process of screening the different subprojects. This ranges from Environmental Review (ER) to Limited Environment Assessment (LEA); Environmental Impact Assessment (EIA); Environment Audit; Hazard or Risk Assessment as well as Environmental Management Plan (EMP). Depending on the type of project, any of these instruments or a combination of their component parts could be applied.

2.2 Using these EA instruments, projects could be classified into Categories I, II or III using the Bank model which largely agrees with the Nigeria's Federal Environmental Protection Agency (FEPA) classification of Categories I, II and III. Community subprojects are likely to be in Categories III and II where the potential adverse environmental impacts on human population or environmentally sensitive ecosystems (e.g. coastal areas, wetlands, forests, grassland etc) would be less severe. Mitigating measures can easily be designed to prevent, minimized or compensate for the potential adverse environmental impacts. For the purpose of screening each of the identified subprojects for their potential and cumulative environmental and social impacts, the following table presents a summary of recommended categories of environmental assessment:
3  Recommended Checklist for Environmental and Social Screening

<table>
<thead>
<tr>
<th>Subproject</th>
<th>Recommended EA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Health centers and dispensaries</td>
<td></td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>ER</td>
</tr>
<tr>
<td>Construction</td>
<td>LEA</td>
</tr>
<tr>
<td>2. Schools</td>
<td></td>
</tr>
<tr>
<td>Minor rehabilitation</td>
<td>none</td>
</tr>
<tr>
<td>Rehabilitation with major construction</td>
<td>LEA</td>
</tr>
<tr>
<td>New construction</td>
<td>LEA</td>
</tr>
<tr>
<td>3. New rural roads, culverts &amp; bridges</td>
<td>LEA</td>
</tr>
<tr>
<td>4. Rehabilitation of rural roads, culverts and bridges</td>
<td>LEA</td>
</tr>
<tr>
<td>5. Potable water and sanitation</td>
<td>ER</td>
</tr>
<tr>
<td>6. Market Stalls</td>
<td>LEA</td>
</tr>
<tr>
<td>7. Rural Electrification (solar, biogas, wind)</td>
<td>none</td>
</tr>
<tr>
<td>8. Income generating activities (e.g. cottage industries, fish farms, vegetable farms)</td>
<td>LEA</td>
</tr>
<tr>
<td>9. Solid Waste Disposal</td>
<td></td>
</tr>
<tr>
<td>Existing waste disposal facilities (e.g. dumpsites)</td>
<td>ER</td>
</tr>
<tr>
<td>Construction of new facilities (e.g. incinerators</td>
<td>LEA</td>
</tr>
<tr>
<td>And dumpsites</td>
<td></td>
</tr>
<tr>
<td>10. Flood and Erosion Control</td>
<td>ER</td>
</tr>
<tr>
<td>11. Institutional strengthening, capacity building</td>
<td></td>
</tr>
<tr>
<td>and community development</td>
<td>none</td>
</tr>
</tbody>
</table>

4  Impact Mitigation

The sub-projects identified as requiring Limited Environmental Assessment (LEA) include construction of new roads, culverts and bridges and rehabilitation of existing ones as well as new construction and major rehabilitation of schools, markets and health centers. Others are construction of new waste disposal facilities and development of income generating activities such as cottage industries, fish farms, vegetable gardens etc. Standard designs for infrastructure works to be cleared by the State Environment Protection Agencies (SEPA) prior to implementation. The recommended screening procedure as indicated above is based largely on the existing FEPA guidelines complemented by those of the Bank. Arising from this initial environmental screening, the following environmental review checklist including impacts description and mitigation measures should be useful for assessing those subprojects identified as requiring only Environmental Review (ER).
5  Environmental and Social Review Checklist

<table>
<thead>
<tr>
<th>Type of Expected Impact</th>
<th>Description of Impact</th>
<th>Proposed Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rural Infrastructure (Rehabilitation &amp; Minor Constructions of Health facilities, Schools, Feeder roads, Flood &amp; Erosion Control)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soils</td>
<td>Contamination from waste materials, e.g. paints, engine oil etc.</td>
<td>Control and daily cleaning of construction sites and provision of adequate waste disposal services</td>
</tr>
</tbody>
</table>
| Water Quality and Flow | - Water contamination due to materials and chemicals  
- Clogging of drains | - Proper disposal of chemicals and other hazardous materials  
- Regular clearing of drains |
| Air Quality | Dust, Noise, Odor and indoor pollution | - Dust control by water  
- Appropriate design and siting of sub-project  
- Restrict construction to certain hours |
| Biodiversity and Forests | - Disturbance of National Parks and other protected areas  
- Vegetation Loss  
- Poaching of Wildlife | - Consideration of alternative sites;  
- Minimize loss of vegetation during construction  
- Environmental awareness advocacy |
| Social Environment | - Increased refuse  
- Construction accidents  
- Medical wastes | Regular cleaning-up  
Provision of first aid facilities  
Special measures: medical waste disposal |

| Potable Water & Sanitation | | |
| Soil | Soil degradation | Re-vegetation and physical stabilization |
| Water Quality and availability | - Water contamination  
- Over exploitation of aquifers  
- Inadequate waste water disposal  
- Creation of stagnant water pools | - Adequate protection from livestock; minimal distance from settlements and farms  
- Proper aquifer studies  
- Proper drainage  
- Appropriate technology for waste water treatment |
| Air Quality | Noise | Proper selection of site |
| Biodiversity and Forests | - Disturbance of wildlife  
- Loss of vegetation | - Proper selection of site  
- Protection of vegetation |
| Social Environment | - Increased refuse problems  
- Waterborne diseases and malaria infestation  
- unpleasant odors from latrines | - Regular clean-ups  
- Proper design of facility, quality testing and disease control  
- include control technology in design |
<table>
<thead>
<tr>
<th>Solid Waste Disposal (No Construction)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Quality</strong></td>
<td>- Point source of pollution from dump sites</td>
</tr>
<tr>
<td></td>
<td>- Seepage of pollutants into aquifers</td>
</tr>
<tr>
<td></td>
<td>- Proper siting and design</td>
</tr>
<tr>
<td></td>
<td>- Ensuring adequate drainage</td>
</tr>
<tr>
<td><strong>Air Quality</strong></td>
<td>- Smoke arising from garbage burning</td>
</tr>
<tr>
<td></td>
<td>- Foul odor</td>
</tr>
<tr>
<td></td>
<td>- Control burning</td>
</tr>
<tr>
<td></td>
<td>- Cover garbage properly</td>
</tr>
<tr>
<td><strong>Biodiversity and Wildlife</strong></td>
<td>- Loss of vegetation and wildlife disturbance</td>
</tr>
<tr>
<td></td>
<td>- Adequate siting</td>
</tr>
<tr>
<td><strong>Social Environment</strong></td>
<td>- Marred landscapes</td>
</tr>
<tr>
<td></td>
<td>- Disease transmission from animals and insects</td>
</tr>
<tr>
<td></td>
<td>- Safety and health hazards</td>
</tr>
<tr>
<td></td>
<td>- Adequate waste collection and disposal, waste treatment and recycling</td>
</tr>
<tr>
<td></td>
<td>- Provide medical facilities</td>
</tr>
<tr>
<td></td>
<td>- Health education and awareness</td>
</tr>
</tbody>
</table>
## ANNEX 6

### Community Based Agriculture and Rural Development Project

#### Table 1
Project Costs by Category of Expenditure

<table>
<thead>
<tr>
<th>PROJECT CATEGORY</th>
<th>Naira '000</th>
<th></th>
<th>UA '000</th>
<th></th>
<th>% FE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local</td>
<td>Foreign</td>
<td>Total</td>
<td>Local</td>
<td></td>
</tr>
<tr>
<td>1. Works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Rehabilitation of Irrigation and livestock water points</td>
<td>12,200.00</td>
<td>48,800.00</td>
<td>61,000.00</td>
<td>84.64</td>
<td>338.55</td>
</tr>
<tr>
<td>1.2 Comm. Development Infrastructure</td>
<td>110,462.25</td>
<td>336,849.00</td>
<td>447,311.25</td>
<td>766.34</td>
<td>2,336.91</td>
</tr>
<tr>
<td>Sub-total</td>
<td>122,662.25</td>
<td>385,649.00</td>
<td>508,311.25</td>
<td>850.98</td>
<td>2,675.46</td>
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<tr>
<td>2. Goods</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Equipment</td>
<td>47,250.00</td>
<td>128,179.34</td>
<td>175,429.34</td>
<td>327.80</td>
<td>889.25</td>
</tr>
<tr>
<td>2.2 Vehicles</td>
<td>0.00</td>
<td>36,967.50</td>
<td>36,967.50</td>
<td>0.00</td>
<td>256.46</td>
</tr>
<tr>
<td>2.3 Motor cycles and Bicycles</td>
<td>0.00</td>
<td>110,210.00</td>
<td>110,210.00</td>
<td>0.00</td>
<td>764.59</td>
</tr>
<tr>
<td>2.4 Field Equipment</td>
<td>95,419.20</td>
<td>143,128.80</td>
<td>238,548.00</td>
<td>661.98</td>
<td>992.96</td>
</tr>
<tr>
<td>2.5 Extension Materials</td>
<td>18,540.00</td>
<td>74,160.00</td>
<td>92,700.00</td>
<td>128.62</td>
<td>514.49</td>
</tr>
<tr>
<td>Sub-total</td>
<td>161,209.20</td>
<td>492,645.64</td>
<td>653,854.84</td>
<td>1,118.40</td>
<td>3,417.75</td>
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<tr>
<td>3. Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Technical Assistance &amp; Consultancy</td>
<td>0.00</td>
<td>17,472.00</td>
<td>17,472.00</td>
<td>0.00</td>
<td>121.21</td>
</tr>
<tr>
<td>3.2 Training</td>
<td>131,683.50</td>
<td>100,036.50</td>
<td>231,720.00</td>
<td>913.56</td>
<td>694.01</td>
</tr>
<tr>
<td>3.3 Health Campaigns (AIDS/Malaria)</td>
<td>28,350.00</td>
<td>18,900.00</td>
<td>47,250.00</td>
<td>196.68</td>
<td>131.12</td>
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<tr>
<td>3.4 Extension Support</td>
<td>33,372.00</td>
<td>50,058.00</td>
<td>83,430.00</td>
<td>231.52</td>
<td>347.28</td>
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<tr>
<td>3.5 Monitoring Services</td>
<td>23,625.00</td>
<td>97,125.00</td>
<td>120,750.00</td>
<td>163.90</td>
<td>673.82</td>
</tr>
<tr>
<td>3.6 Surveys/Studies</td>
<td>24,921.00</td>
<td>74,460.00</td>
<td>99,390.00</td>
<td>172.89</td>
<td>516.63</td>
</tr>
<tr>
<td>Sub-total</td>
<td>241,951.50</td>
<td>358,060.50</td>
<td>600,012.00</td>
<td>1,678.55</td>
<td>2,484.07</td>
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<tr>
<td>4. Miscellaneous</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Operations and Maintenance</td>
<td>26,189.63</td>
<td>14,747.25</td>
<td>40,936.88</td>
<td>181.69</td>
<td>102.31</td>
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<tr>
<td>4.2 Travel and Daily Subsistence</td>
<td>42,682.50</td>
<td>20,238.75</td>
<td>62,921.25</td>
<td>296.11</td>
<td>140.40</td>
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<tr>
<td>4.3 Staff costs</td>
<td>298,468.80</td>
<td>7,694.22</td>
<td>306,163.02</td>
<td>2,070.64</td>
<td>53.39</td>
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<tr>
<td>4.3.1 PSO Staff costs</td>
<td>0.00</td>
<td>55,582.98</td>
<td>55,582.98</td>
<td>0.00</td>
<td>385.61</td>
</tr>
<tr>
<td>4.4 Office Rent</td>
<td>33,705.00</td>
<td>0.00</td>
<td>33,705.00</td>
<td>233.83</td>
<td>0.00</td>
</tr>
<tr>
<td>4.5 Other Recurrent Costs</td>
<td>29,863.05</td>
<td>11,858.70</td>
<td>41,721.75</td>
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<td>82.27</td>
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<td>Sub-total</td>
<td>430,908.98</td>
<td>110,121.90</td>
<td>541,030.88</td>
<td>2,989.45</td>
<td>763.98</td>
</tr>
<tr>
<td>TOTAL PROJECT COST</td>
<td>956,731.93</td>
<td>1,346,477.04</td>
<td>2,303,208.97</td>
<td>6,637.38</td>
<td>9,341.26</td>
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</tbody>
</table>
## Community Based Agriculture and Rural Development Project

### Table 2

**Project Costs by Category of Expenditure and Financier**

<table>
<thead>
<tr>
<th>PROJECT CATEGORY</th>
<th>FINANCIER UA'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ADF</td>
</tr>
<tr>
<td>1. Works</td>
<td></td>
</tr>
<tr>
<td>1.1 Rehabilitation of Irrigation infrastructure and livestock water points</td>
<td>423.19</td>
</tr>
<tr>
<td>1.2 Community Development Infrastructure</td>
<td>2,921.14</td>
</tr>
<tr>
<td>Sub-total</td>
<td>3,344.33</td>
</tr>
<tr>
<td>2. Goods</td>
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</tr>
<tr>
<td>2.1 Office/Lab. Equipment</td>
<td>1,217.05</td>
</tr>
<tr>
<td>2.2 Vehicles</td>
<td>0.00</td>
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<tr>
<td>2.3 Motor cycles and Bicycles</td>
<td>764.59</td>
</tr>
<tr>
<td>2.4 Field Equipment</td>
<td>1,654.94</td>
</tr>
<tr>
<td>2.5 Extension Materials</td>
<td>643.11</td>
</tr>
<tr>
<td>Sub-total</td>
<td>4,279.69</td>
</tr>
<tr>
<td>3. Services</td>
<td></td>
</tr>
<tr>
<td>3.1 Technical Assistance &amp; Consultancy</td>
<td>121.21</td>
</tr>
<tr>
<td>3.2 Training</td>
<td>1,607.57</td>
</tr>
<tr>
<td>3.3 Health Campaigns (AIDS/HIV and Malaria)</td>
<td>327.80</td>
</tr>
<tr>
<td>3.4 Extension Support</td>
<td>578.80</td>
</tr>
<tr>
<td>3.5 Monitoring Services</td>
<td>837.72</td>
</tr>
<tr>
<td>3.6 Surveys/Studies</td>
<td>507.52</td>
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<tr>
<td>Sub-total</td>
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<tr>
<td>4. Miscellaneous</td>
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</tr>
<tr>
<td>4.1 Operations and Maintenance</td>
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<tr>
<td>4.2 Travel and Daily Subsistence</td>
<td>436.51</td>
</tr>
<tr>
<td>4.3 Staff costs</td>
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<tr>
<td>4.3.1 PSO Staff costs</td>
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<tr>
<td>4.4 Office Rent</td>
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<td>4.5 Other Recurrent Costs</td>
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<tr>
<td>Sub-total</td>
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<tr>
<td><strong>TOTAL PROJECT COST</strong></td>
<td>13,000.21</td>
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