

AFRICAN DEVELOPMENT BANK



PROJECT: SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES PROGRAM – PHASE I (SAPZ I) - P-NG-AAA-002

COUNTRY: NIGERIA

PROGRAM APPRAISAL REPORT

Date: November 2021

Appraisal Team	Task Manager	Monde NYAMBE	Principal PPP Investment Officer	AHFR2	5491
	Team Members	Mbianyor BAKIA	Chief Environment & Social Compliance Coordinator	SNSC	4214
		Youssouf KABORE	Chief Livestock Officer	AHAI2	4939
		Devinder GOYAL	Chief Regional Financial Management Coordinator	RDNG	7794
		Chukwuma EZEDINMA	Principal Agricultural Economist	AHFR2	4506
		Faith KAMAU	Regional Principal Counsel	RDNG	8123
		Dauda SUMA	Principal Industrial Development Officer	PITD1	TBA
		Andre-Marie TAPTUE	Principal Development Economist	RDNG	7743
		Emmanuel AKINWUMI	Principal Private Sector Specialist	RDNG	7761
		Patrick OWUORI	Regional Procurement Officer	RDNG	8240
		Yakubu BAKO	Principal Disbursement Office	RDNG	7764
		Anne MUKUDI	Senior Gender Officer	AHGC1	8471
		Chioma ANYANWU	Senior Disbursement Assistant	RDNG	7788
		Bashir GAYA	Senior Rural Infrastructure Engineer	AHFR2	7771
		Florentine TCHOFFO	Senior Social Safeguards and Compliance Officer	SNSC	7747
		Innocent ONAH	Climate & Green Growth Consultant	RDNG	7749
		Adeniyi ODUNLAMI	Agro-Industry Consultant	AHAI1	5343
		Grace SHITTU	Junior Consultant	AHFR2	4864
		Uzuamaka JOE-NKAMUKE	Junior Consultant	AHAI	5027
		David ENGWAU	Senior Procurement Officer	RDNG	6765
Evaristus KUATSINU	Consultant Rural Infrastructure Eng.	RDNG	7793		
Sector Manager	Mamadou KANE (Acting)	AHFR2	3494		
Sector Manager	Damian IHEDIOHA	AHAI1	2212		
Country Operations Manager	Orison AMU	RDNG	7060		
Lead Country Program Coordinator	Laté LAWSON-ZANKLE	RDVP	7751		
Lead Economist	Anthony SIMPASA	RDNG	7785		
Lead Officer SME	Andrew MUDE	AHFR	4114		
Sector Director	Atsuko TODA	AHFR	4029		
Sector Director	Martin FREGENE	AHAI	5586		
Director General	Lamin BARROW	RDNG	2096		
Peer Reviewers	Grace Vuhya OBEDA		AHHD0	4540	
	Erick MARIGA		RDTs	7053	
	Edson MPYISI		AHAI1	8379	
	Tabi KARIKARI		AHAI-W2	6179	

AFRICAN DEVELOPMENT BANK



NIGERIA

**SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES PROGRAM – PHASE I
(SAPZ I)**

AHWS/RDNG
November 2021

Public Disclosure Authorized

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Currency Equivalents

As of November 2021

1 UA	=	NGN 581.15
1 UA	=	USD 1.42
1 USD	=	NGN 410.60

Fiscal Year

1 January – 31 December

Weights and Measures

1 metric ton	=	2204 pounds (lbs)
1 kilogram (kg)	=	2.200 lbs
1 meter (m)	=	3.28 feet (ft)
1 millimeter (mm)	=	0.03937 inch (“)
1 kilometer (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

Acronyms

AC	Aggregation Centre
ADB	African Development Bank
AfDB	African Development Bank Group
AfCFTA	African Continental Free Trade Area
AGTF	Africa Growing Together Fund
AIH	Agro-Industrial Hub
APP	Agriculture Promotion Policy
ATC	Agricultural Transformation Centre
BOI	Bank of Industry
CAF	Commodity Alliance Forum
CSP	Country Strategy Paper
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
FCT	Federal Capital Territory
FCTIU	Federal Capital Territory Implementing Unit
FGN	Federal Government of Nigeria
FMARD	Federal Ministry of Agriculture and Rural Development
FMFBNP	Federal Ministry of Finance, Budget and National Planning
FMITI	Federal Ministry of Industry, Trade and Investment
FO	Farmers Organization
GCF	Green Climate Fund
IASC	Inter-Agency Steering Committee
IATC	Inter-Agency Technical Committee
ICT	Information and Communications Technology
IsDB	Islamic Development Bank
IFAD	International Fund for Agricultural Development
KPPG	Key Political Partners Group
LGA	Local Government Area
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MSME	Micro, Small and Medium Scale Enterprise
MOU	Memorandum of Understanding
NATIP	National Agricultural Technology and Innovation Plan
NDPG	Nigeria Development Partners Group
NIRSAL	Nigeria Incentive-Based Risk Sharing System for Agricultural Lending
NSIA	Nigerian Sovereign Investment Authority
PAP	Program Affected Person
PSIU	Participating State Implementation Unit
SAPZ	Special Agro-Industrial Processing Zones
SME	Small and Medium Enterprises
TA	Technical Assistance
TWG	Technical (Thematic) Working Groups
UA	Unit of Account
UKNIAF	United Kingdom Nigeria Infrastructure Advisory Facility
USAID	United States Agency for International Development
VC	Value Chain
VCAP	Value Chain Action Plan
WSME	Women-led SME

Loan Information

Client's information

BORROWER: Federal Republic of Nigeria

EXECUTING AGENCY: Federal Ministry of Agriculture and Rural Development

Financing plan

Source	Amount (USD Million)	Financing Instrument
ADB	160.00	Loan
AGTF	50.00	Loan
IsDB	150.00	Loan
IFAD	100.00	Loan
GCF/IGREENFIN	60.00	Loan
FGN	2.04	Counterpart Funds
States	16.01	Counterpart Funds
TOTAL COST	538.05	

ADB/AGTF key financing information

	ADB Loan	AGTF Loan
Currency	United-States Dollars (USD)	United-States Dollars (USD)
Loan Type	Fully Flexible Loan	Fully Flexible Loan
Maturity	25 years inclusive of Grace Period	25 years inclusive of Grace Period
Grace period	8 years	8 years
Repayment	Consecutive and equal semi-annual repayments following the grace period	Consecutive and equal semi-annual repayments following the grace period
Interest Rate	Base Rate + Funding Cost Margin + Lending Margin + Maturity Premium	Base Rate + Funding Cost Margin + Lending Margin + Maturity Premium
Base Rate	Floating Base Rate (6-month USD LIBOR reset each 1st February and 1st August) The Borrower has requested an automatic fixing of the Base Rate at each disbursement. Due to ongoing global reform, 6 Month USD LIBOR is being replaced by newly recommended more robust alternative rate. Hence, the proposed USD LIBOR above maybe replaced by the corresponding relevant benchmark before or after signature of the loan agreement.	Floating Base Rate (6-month USD LIBOR reset each 1st February and 1st August) The Borrower has requested an automatic fixing of the Base Rate at each disbursement Due to ongoing global reform, 6 Month USD LIBOR is being replaced by newly recommended more robust alternative rate. Hence, the proposed USD LIBOR above maybe replaced by the corresponding relevant benchmark before or after signature of the loan agreement.
Funding Cost Margin	The Bank funding cost margin as determined each 1st January and 1st July and applied to the Base Rate each 1st February and 1st August. Due to ongoing global reform, 6 Month USD LIBOR is being replaced by newly recommended more robust alternative rate. Hence, the proposed USD LIBOR above maybe replaced by the corresponding relevant benchmark before or after signature of the loan agreement. In this case, the Funding Cost Margin will be adapted to the new Base Rate.	The Bank funding cost margin as determined each 1st January and 1st July and applied to the Base Rate each 1st February and 1st August. Due to ongoing global reform, 6 Month USD LIBOR is being replaced by newly recommended more robust alternative rate. Hence, the proposed USD LIBOR above maybe replaced by the corresponding relevant benchmark before or after signature of the loan agreement. In this case, the Funding Cost Margin will be adapted to the new Base Rate.
Lending Margin	80 basis points (0.8%) per annum	80 basis points (0.8%) per annum
Maturity Premium	0.2%	0.2%
Front-end fees	0.25% of the total amount of the Loan shall be due on entry into force of the Loan, and payable at the earliest of, (i) up to 60 days from the date of entry into force of the Loan, or (ii) at the time of first disbursement.	0.25% of the total amount of the Loan shall be due on entry into force of the Loan, and payable at the earliest of, (i) up to 60 days from the date of entry into force of the Loan, or (ii) at the time of first disbursement.
Commitment	0.25% per annum of the undisbursed amount.	0.25% per annum of the undisbursed amount.

fees	Commitment fees start accruing 60 days after signature of the loan agreement and are payable on Payment Dates	Commitment fees start accruing 60 days after signature of the loan agreement and are payable on Payment Dates
Conversion unwinding cost	Any costs incurred by the Bank in adjusting or terminating the conversions are passed to the Borrower.	Any costs incurred by the Bank in adjusting or terminating the conversions are passed to the Borrower.

Economic Indicators

FIRR (base case)	30.71%
	NPV (20 Years @ 12%) = USD 8.89 Billion
EIRR (base case)	30.85%
	NPV (20 Years @ 12%) = USD 8.73 Billion

Timeframe – AfDB Main Milestones (expected)

Concept Note approval	December 2020
Appraisal	March-September 2021
Program approval	November 2021
Effectiveness	April 2022
First Disbursement	May 2022
Program Completion	April 2027
Last Disbursement	December 2027

Program Summary

<p>Program overview</p>	<p>The first Phase of Special Agro-Industrial Processing Zones (SAPZs) Program will be implemented in seven (7) states (Cross River, Imo, Kaduna, Kano, Kwara, Ogun, and Oyo) and the Federal Capital Territory (FCT).</p> <p>The Program development objective is to support inclusive and sustainable agro-industrial development in Nigeria. The Program has four broad components namely: (i) Support the development of enabling climate adapted infrastructure for Agro-Industrial Hubs (AIHs), (ii) Improve agricultural productivity and enterprise development to enhance agricultural value chains and job creation in the SAPZ Catchment Areas, (iii) Support Agro-Industrial Zone Policy and Institutional Development, and (iv) Program Coordination and Management.</p> <p>The key expected outputs of the SAPZ Program (Phase I) are: development of infrastructure for eight (8) Agro-Industrial Processing Hubs (AIHs), fifteen (15) Agricultural Transformation Centers (ATCs), 2,300 ha of irrigated lands and farm to market access roads; supply of certified agricultural inputs and extension services; skills development for farmers and Micro, Small and Medium Scale Enterprises (MSMEs), an updated agro-industrial zone policy and establishment of regulatory institution/special regulatory regime. SAPZ Program (Phase I) will be implemented over five years (2022 – 2026).</p> <p>The total cost for the SAPZ Program (Phase I) is estimated at USD 538.05 million net of taxes. The African Development Bank will provide an ADB Loan of USD 160 million (29.7% of total cost) together with an Africa Growing Together Fund (AGTF) loan of USD 50 million (9.3%). The Islamic Development Bank (IsDB) and International Fund for Agricultural Development (IFAD) will provide parallel co-financing of USD 150 million (27.9%) and USD 100 million (18.6%), respectively. Additional resources (USD 60 million, 11.1%) will be mobilized through the Green Climate Fund (GCF) by IFAD from the IGREENFIN initiative. The Federal and State Governments will contribute USD 18.05 million (3.4%) both cash and in kind.</p> <p>The African Development Bank will finance all SAPZ Program (Phase I) components in Ogun, Oyo, Kaduna, Cross River and Imo States. Under parallel co-financing arrangements, the IFAD will finance activities under component 2 of the Program in Kano and Ogun States and related Management costs, while IsDB will finance activities across all Program components in Kano and Kwara states, and the FCT.</p>
<p>Needs Assessment</p>	<p>Nigeria has huge agricultural development potential. However, the sector is constrained by low crop yields, high (30%-50%) post-harvest losses, low value addition and acute shortage of infrastructure (especially energy and transportation), which inhibit investments by the private sector to spur agro-industrialization. This has resulted in weak competitiveness of locally produced food, rising annual food import bills, and contribute to the high levels of poverty, unemployment and low private sector investment in agro-industry. Unemployment, at 33.3% (22.2 million) in Q4-2020, is high and has been rising steadily.</p> <p>The SAPZ Program is aligned to the National Agricultural Technology and Innovation Plan (NATIP) 2021-2024 and the National Livestock Transformation Plan 2019-2028. It will support economic and social development programs of the Federal Government of Nigeria (FGN) and the Participating States, and the FCT. It will also contribute to rural infrastructure development, improved access to agricultural markets, increased farm productivity, the adoption of agricultural technology, climate smart agricultural production and processing practices, increased value addition and agro-processing, increased skills acquisition and job creation, for all actors along the</p>

	value chain, including the smallholder farmers, women and youth.
Bank's Added Value	The Bank's comparative advantage and added value in supporting the SAPZ Program in Nigeria derives from its accumulated experience and leadership in financing agriculture and agro-allied infrastructure development across the Continent through the Feed Africa High 5 strategy. The Bank has been at the forefront in the development of a new comprehensive approach to agro-industrialization - the SAPZ flagship. The Bank is currently supporting the development of SAPZs in 18 Regional Member Countries (RMCs) ¹ and will bring to bear the lessons learnt to the development of SAPZs in Nigeria.
Knowledge Management	The SAPZ Program will have a data collection and monitoring component that will elaborate and implement a Knowledge Management and Communication strategy aimed at: (i) providing Program beneficiaries with the necessary information to sustain the technical knowledge acquired; (ii) generating knowledge and lessons acquired from the implementation of the program; (iii) sharing this knowledge with the Government of Nigeria, Technical Departments of the Bank, co-financiers and other development partners – including members of the Agriculture Thematic Group (DPG-ATG), using various media.

¹ Cote d'Ivoire, Democratic Republic of Congo, Ethiopia, Ghana, Guinea, Kenya, Liberia, Madagascar, Mali, Mauritius, Mozambique, Nigeria, Senegal, South Africa, Tanzania, Togo, Uganda, Zambia.

African Development Bank – RESULTS FRAMEWORK

RESULTS FRAMEWORK					
A	PROJECT INFORMATION				
PROJECT NAME AND SAP CODE: Nigeria – Special Agro-Industrial Processing Zones Program (Phase I) - P-NG-AAA-002			COUNTRY/REGION: Nigeria/ RDNG		
PROJECT DEVELOPMENT OBJECTIVE: To support inclusive and sustainable agro-industrial development in Nigeria					
ALIGNMENT INDICATOR (S): (i) Feed Africa indicator 3 – cereals yield; (ii) Industrialize Africa indicator 1 –capital formation; (iii) Improve quality of life for the people of Africa indicator 3 – youth unemployment					
B	RESULTS MATRIX				
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/ INDICATOR	UNIT OF MEASUREMENT	BASELINE (2021)	TARGET AT COMPLETION (2027)	MEANS OF VERIFICATION
OUTCOME STATEMENT 1: Private Sector Investments and Job Creation in Program States					
1.1: Total Value of new investments (USD) by private sector companies within the AIHs and ATCs	√	USD	0	1.0 billion	Program reports, reference surveys
1.2: Total number of jobs created (disaggregated by direct and indirect, age group and gender)	√	No.	0	500,000 <i>(100,000 Direct/400,000 indirect; (50% Women, 60% Youth)</i>	
OUTCOME STATEMENT 2: Agricultural Productivity and Skills for Agro-Industrialization					
2.1: Changes in yield (disaggregated by value chain/commodity type)	√	%	5-10	50-100	Program reports, reference surveys, baseline studies
2.2: Use of fertilizers within the SAPZ catchment area	√	Kg/ha	19.7	200	
2.3: Enterprises (Farmers, MSMEs) trained on food safety and quality standards (disaggregated by enterprise size, youth and women led enterprises)	□	No.	0	25,000 <i>(50% women led and 60% youth led MSMEs)</i>	
2.4: Impact on Post-Harvest Losses within the catchment area		%	50	10-20	
OUTPUT STATEMENT 1: Component 1: Infrastructure Development and Agro-Industrial Hubs Management					
OUTPUT INDICATOR 1.1. Service Infrastructure developed for the AIHs [ADB/AGTF/IsDB]					
1.1.1 Energy provided to AIHs	√	MW	0	3.5	Program Progress Reports from the PSIU, FCTIU, Ministries of Agriculture, Industry and Trade, Water Resources, Energy and IATC, National Bureau of Statistics
1.1.2 Administrative buildings (offices) constructed in the AIHs	□	No	0	8	
1.1.3 Optic fiber system infrastructure constructed	□	No.	0	8	
OUTPUT STATEMENT 2 (Component 2): Agricultural Productivity and Production					
OUTPUT INDICATOR 2.1 Enabling economic infrastructure provided for value chain development					
2.1.1 Aggregation Centres (ACs) constructed [IFAD]	□	No.	0	30	Program Progress Reports from the PSIU, FCTIU, Ministries of Agriculture, Industry and Trade, Water Resources, Energy and IATC, National Bureau of Statistics
2.1.2 Agricultural Transformation Centre (ATCs) constructed [AGTF & IsDB]	□	No.	0	8	
OUTPUT INDICATOR 2.2 Farm level infrastructure developed					
2.2.1 Irrigable land rehabilitated/ extended [ADB/AGTF/IsDB]	√	Ha	0	2,300	Program Progress Reports from the PSIU, FCTIU, Ministries of Agriculture, Industry and Trade, Water Resources, Energy and IATC, National Bureau of Statistics
2.2.2 Feeder roads constructed/rehabilitated at farm-level [IFAD]	√	Km	0	190	

RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/A DOA INDICA TOR	UNIT OF MEASUREM ENT	BASE LINE (2021)	TARGET AT COMPLETION (2027)	MEANS OF VERIFIC ATION
OUTPUT INDICATOR 2.3 Certified inputs provided to farmers in the vicinity of AIHs [AfDB/ IsDB/ IFAD]					Program Progress Reports from the PSIU, FCTIU, Ministries of Agriculture, Industry and Trade, Water Resources, Energy and IATC, National Bureau of Statistics
2.3.1: Farmers financed by collaborating financial & capacity development institutions [IFAD]	<input type="checkbox"/>	No.	0	100,000	
2.3.2: Value of agricultural inputs for selected commodities provided to farmers (certified seeds, fertilizers, other agrochemicals, mechanization, etc.) (disaggregated by commodity and input type)	<input checked="" type="checkbox"/>	USD	0	50 million	
OUTPUT INDICATOR 2.4. Skills of value chain actors developed [AfDB/AGTF/IsDB]					
2.4.1: Farmers trained/empowered on climate smart agricultural techniques		No.	0	100,000	
2.4.2 Farmers and Micro, Small and Medium Scale Enterprises (MSMEs) trained on food safety and quality standards (50% young farmers and 60% youth-led MSMEs)	<input type="checkbox"/>	No.	0	25,000	
2.4.3 Number of farmers, MSMEs and service providers using digital applications to enhance productivity (60% youth, 50% women)	<input type="checkbox"/>	No.	0	1,000,000	
2.4.4 Number of MSMEs in the sector of agri-business receiving financial and enterprise support (50 % women-led and 60 % youth-led)	<input type="checkbox"/>	No.	0	10,000	
OUTPUT STATEMENT 3 (Component 3): Policy & Institutional Development					
OUTPUT INDICATOR 3.1. Development/ strengthening of enabling Policy, Legislation and Regulation for SAPZs [AfDB]					Program Progress Reports from the PSIU, FCTIU, Ministries of Agriculture, Industry and Trade, Water Resources, Energy and IATC, National Bureau of Statistics
3.1.1 Existing agro-industrial zone policy document reviewed, updated and approved by the Federal and State Governments	<input type="checkbox"/>	No.	0	1	
3.1.2 Institutional/special regulatory regime established (independently or within existing institution)	<input type="checkbox"/>	No.	0	1	
OUTPUT INDICATOR 3.2. Technical assistance and capacity building for staff of relevant public and collaborating institutions					
3.2.1 Staff of relevant public institutions in States trained [AfDB/IsDB]	<input type="checkbox"/>	No.	0	150	
3.2.2 Training for staff of relevant public and collaborating institutions [AfDB/IsDB]	<input type="checkbox"/>	No.	0	10	
3.2.3 Incentives for Agro-Processing Hub site management documented and implemented [AfDB]	<input type="checkbox"/>	No.	0	8	
OUTPUT STATEMENT 4 (Component 4): Program Coordination and Management					
4.1 Quarterly/Annual Implementation Progress reports submitted	<input type="checkbox"/>	No.	0	25	SAP and Progress implementation documents
4.2 Number of audit reports prepared	<input type="checkbox"/>	No.	0	5	
4.3 Disbursement rate on Bank's loan	<input type="checkbox"/>	Percentage	0	100	
Inputs		USD (Million)		Program (Phase I) cost (by component):	
Total SAPZ Program (Phase I) Cost:		538.05		USD (Million)	
ADB Loan:		160.00		Component 1:	
AGTF Loan:		50.00		244.09	
IsDB Loan:		150.00		Component 2:	
IFAD Loan:		100.00		194.63	
GCF/IGREENFIN		60.00		Component 3 :	
FGN & States:		18.05		9.17	
				Component 4:	
				35.16	
				Total	
				538.05	

Program Timeframe

Activities	2022				2023				2024				2025				2026				2027			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1. Loan processing																								
Loan signature & 1 st disbursement	■	■																						
Setup Program Implementation/ Management Units (PSIU)	■	■																						
Program Phase I Launching	■	■																						
2. Component 1: Development of enabling environment and management for Agro-Industrial Hubs																								
Procure & operationalize private Sector facility management entities			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Design and supervise works			■	■	■	■	■	■	■	■	■	■	■	■	■	■								
Infrastructure construction			■	■	■	■	■	■	■	■	■	■	■	■	■	■								
3. Component 2: Agricultural Productivity, Production and Market Linkages																								
(a) ATCs, ACs, land development																								
Design and supervise works			■	■	■	■	■	■	■	■	■	■	■	■	■	■								
Infrastructure construction			■	■	■	■	■	■	■	■	■	■	■	■	■	■								
(b) Value Chain Infrastructure																								
Design and supervise works			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Infrastructure construction			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
(c) Agricultural market linkages and value addition			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
(d) Smallholder Productivity Enhancement			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
(e) Nutrition mainstreaming			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
(f) Access to finance and financial Inclusion			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
4. Component 3: Policy and Institutional Development Support																								
Policy and institutional development support																								
5. Component 4: Program Coordination and Management																								
Program Coordination and Management																								

REPORT AND RECOMMENDATIONS OF THE MANAGEMENT OF THE BANK TO THE ADB BOARD OF DIRECTORS ON PROPOSED LOANS TO THE FEDERAL REPUBLIC OF NIGERIA FOR THE SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES (SAPZ) PROGRAM (PHASE I)

Management submits the following Report and Recommendation on a proposed African Development Bank (ADB) loan of USD 160.00 million and Africa Growing Together Fund (AGTF) loan of USD 50.00 million to finance the Special Agro-Industrial Processing Zones (SAPZ) Program (Phase I) in Nigeria.

I – STRATEGIC THRUST & RATIONALE

1.1. Program linkages with country strategy and objectives

1.1.1 Country Development Strategies

1.1.1.1 The SAPZ Program is aligned with the national policies and priorities. It seeks to sustainably contribute to poverty alleviation, hunger and inequality while providing opportunities for economic diversification, job creation, building climate resilience and improved livelihoods in Nigeria. Nigeria's Medium-Term National Development Plan (MTNDP) 2021-2025, launched in December 2020 and the Nigeria Agenda 2050 approved by the Federal Executive Council (FEC) in November 2021 are the successor plans to the Economic Recovery and Growth Plan (ERGP) 2017-2020 and Vision 20:2020 respectively. The SAPZ Program is in line with the MTNDP goals of increasing agriculture output for food security, productivity, business growth, entrepreneurship and industrialization, infrastructure development, social inclusion and poverty reduction, among others.

1.1.1.2 Strengthening value chains for priority crops with SAPZs and processing centres as key targets, is a key focus of the National Agricultural Technology & Innovation Plan (NATIP) 2021-2024.² As envisaged under the National Livestock Transformation Plan (NLTP: 2019-2028)³, the SAPZ Program will support the transformation of the livestock sector through the establishment of cattle ranches, improved fodder production and economic investment in associated value chains. Furthermore, and in line with the National Industrial Revolution Plan (NIRP) to stimulate industrial activity, the SAPZ Program will deploy resources to spur private sector investment in the agro-industrial sector, including Small Medium Enterprises (SMEs) to foster job creation. The SAPZ Program will support the implementation of the Federal Government of Nigeria's (FGN) policies.

1.1.2 Alignment to Bank Strategies

1.1.2.1 The SAPZs Program in Nigeria is well-aligned with the Bank Group's Ten-Year Strategy (TYS) 2013-2022, as it relates to food security, private sector development and inclusive growth. The Program will help to grow Nigeria's agro-industrial base in priority commodities through the provision of infrastructure and create sustainable opportunities for employment, particularly for the youth and women, and boost entrepreneurial activities along the value chain. In line with the TYS, the Program will focus on infrastructure development, capacity building and skills/entrepreneurship development in agro-industry, addressing the constraints faced by small and medium sized economic actors. The Program is directly aligned to four of the five High 5 strategic priorities, namely: Feed Africa, Industrialize Africa, Improve the Quality of Life for Africans and Light and Power Up Africa. It contributes directly to Feed Africa's goals to (i) contribute to the end of poverty; (ii) end hunger and malnutrition; (iii) make Africa a net food exporter; and (iv) move Africa to the top of export-orientated value chains where it has comparative advantage. The Program is also aligned with the Bank's Climate Change Action Plan 2016-2020 (CCAP 2). It also contributes to the Bank Group Jobs for Youth in Africa Strategy (2016-2025) and Gender Strategy (2021-25), by empowering women through access to finance and markets, as well as accelerating job creation for women through skills enhancement.

² Other NATIP priority areas which the program is supporting include: (i) synergy and alignment among Ministries, Departments and Agencies (MDAs); (ii) livestock development; (iii) knowledge creation and transfer; (iv) access to mechanization; and (v) quality extension services; (vi) development of rural, urban and export markets for agricultural commodities. NATIP also prioritizes selected cross-cutting themes, including (i) data and information management; (ii) rural infrastructure development; (iii) strengthened agricultural lending and insurance services; (iv) climate-smart agricultural practices; (v) improving quality and supply of agricultural inputs; (vi) agricultural exports; (vii) gender in agriculture; (viii) efficient utilization of water resources; (ix) national food reserve systems; and (x) nutrition.

³ The National Economic Council (NEC) approved in 2019, the NTLTP whose goal is to create a conducive environment for the transformation of the livestock subsector that will lead to economic development, peaceful co-existence and food security for Nigeria's growing population

1.1.2.2 The SAPZ Program is aligned with the priority areas of the Nigeria Country Strategy Paper (CSP) 2020-2024: (i) Supporting Infrastructure Development and (ii) Promoting Social Inclusion through Agribusiness and Skills Development. By attracting investment for development of physical and soft infrastructure, productivity improvement and facilitation of linkages across value chains, the SAPZ Program will promote structural transformation, inclusive and green growth by supporting the creation of a competitive enabling business environment for private sector investment and opening-up access to local and regional markets.

1.2. Rationale for Bank's involvement

1.2.1 Nigeria's economy entered a recession in 2020, reversing three years of recovery, largely due to the fall in crude oil prices and containment measures to fight the spread of the COVID-19 pandemic. Inflation rose from 11.4% in 2019 to 12.8% in 2020, fueled by higher food prices due to constraints on domestic supplies. The agricultural sector is constrained by low crop yields, high post-harvest losses (30%-50%), low value addition and acute shortage of infrastructure (especially energy and transportation) which inhibits investments by the private sector to spur industrialization of its agriculture sector. This has resulted in weak competitiveness (in quality and in pricing), a rising annual food import bill, high levels of poverty, and low private sector investment in agro-industry. The unemployment rate is high and increasing - between 2018 and 2020, it increased from 23.1% to 33.3% overall and from 29.7% to 42.5% amongst youth (age 15 - 34 years). Nigeria's poverty rates are high (40.1% or 80 million people in 2019). Details of the Country's Comparative Socio-Economic Indicators are provided in Appendix I.

1.2.2 For Nigeria to diversify its economy, including taking advantage of the African Continental Free Trade Area (AfCFTA), it must develop a competitive edge in agriculture. If Nigeria's agriculture is linked to agro-industrialization, it will propel economic growth, create decent and sustainable agro-related jobs, especially for the teeming jobless youth, reduce poverty, promote exports and ensure the food security. Industrializing the agriculture sector in Nigeria can propel the economy by both meeting the needs of the country's large domestic market and connecting better with regional and global value chains. The unique and distinctive characteristic of an SAPZ is that it is located within rural areas, where there is a marketable surplus, and addresses development of robust supply chains through raising agricultural productivity in the catchment area. It enables neglected communities to access agro-inputs, use new technologies and access markets.

1.2.3 The Bank's support to this Program will help develop infrastructure, promote private sector investment in rural areas, and provide requisite skills development including youth empowerment. In addition, the SAPZ Program will support the country to ensure the inclusivity of many Nigerians in agricultural value chains. The Bank's support to this Program will help build better and more resilient infrastructure and explore green growth opportunities to attract climate financing. Potentially, SAPZs could create opportunities for strong and sustainable growth, and reduce spatial inequality. The Bank will build on the lessons learned in supporting the design, development and implementation of SAPZs in other African countries.

1.3. Donors' coordination

1.3.1 Development Partners coordination in Nigeria is being strengthened to enhance coordination and policy dialogue between the Government and other stakeholders. The coordination is at three levels: (i) the Key Political Partners Group (KPPG), (ii) the Nigeria Development Partners Group (NDPG) and (iii) the Technical (Thematic) Working Groups (TWGs). While the KPPG focuses on high level political engagement, the NDPG serves as a critical platform for information sharing, ad-hoc presentation of critical sector-specific and cross-cutting development challenges as well as opportunities to explore synergies between programs. TWGs focus on specific sectors/themes and allow for more technical discussion and reporting to the NDPG.

1.3.2 The Bank, through the Nigeria Country Department, is actively engaged at all three levels. In the agriculture sector, the Bank has been active in the Agriculture Thematic Group (DPG-ATG), which is currently co-chaired by IFAD and the Foreign, Commonwealth and Development Office (FCDO). Other key partners include FAO, UNDP, WFP, GIZ, Gates Foundation, USAID, EU, World Bank, AFD, JICA, Global

Affairs Canada (GAC) and IITA. The level of support by key DPs to Nigeria’s 2020 public expenditure is provided in Figure 1 below. The mandate of DPG-ATG is to promote coherence in development assistance to agriculture with a view to achieving harmonization, promoting coordinated policy dialogue with the leadership of the Federal Government of Nigeria.⁴

Figure 1: Development Partner Coordination

Sector or subsector*	Size		
	GDP	Exports	Labour Force
Agriculture	26.21%	2%	35.0%
Players – 2020 Public Annual Expenditure (average)**			
Government	Development Partner		
USD 515 m	USD 1,920 m	WB	38.10%
21.1%	78.9%	AFD	11.85%
		AfDB	6.84%
		IFAD	4.53%
Level of Development Partner Coordination			
Existence of Thematic Working Groups			[Y]
Existence of SWAPs or Integrated Sector Approaches			[N]
ADB's Involvement in Development Partner coordination***			[M]****

* as most appropriate ** Year 2020*** for this sector or sub-sector

**** L: leader, M: member, none: no involvement

1.3.3 The development of the SAPZ Program has built on the coordination mechanisms in the agriculture sector. In addition to the parallel co-financing from IFAD and IsDB, the SAPZ Program design has benefited from inputs and support of other agencies, including the Foreign and Commonwealth Development Office/ UKNAIF supported work on implementation and PPP arrangements, and the United Nations Industrial Development Organisation (UNIDO). Synergies with other donors will be maintained during implementation through regular consultation with the DPG-ATG. Details of key related projects financed by the Bank and other Development Partners in Nigeria are provided in Appendix III.

II – PROGRAM DESCRIPTION

2.1. Program Goals and Objectives

2.1.1 The SAPZ Program goal is to increase household incomes, foster job creation in rural agricultural communities, especially for youth and women, and enhance food and nutritional security in Nigeria. The development objective is to support inclusive and sustainable agro-industrial development. The SAPZ Program interventions will seek to enhance the competitiveness of selected value chains. This will be achieved through increased productivity, aggregation and reliable supply of quality raw materials, value addition, market access and private sector investment.

2.1.2 While Phase I of the SAPZ Program will be carried out in 7 States and the Federal Capital Territory (FCT), it will be rolled out to more states in subsequent phases. To promote efficient use of resources and ensure well-coordinated activities among Participating States and the FCT, the approach would be to design the Agro-Industrial Hubs (AIHs) within areas of high agricultural production. Soft infrastructure - institutions, human capacity, rules and regulations for governing, managing, or operating the SAPZs will be supported.

2.2. Program components

2.2.1 SAPZs are agro-based spatial development initiatives designed to concentrate agro-processing activities within areas of high production, processing and marketing of selected commodities. Essential elements of SAPZs include the Agro-Industrial Hubs (AIHs), Agricultural Transformation Centers (ATCs), Aggregation Centers (ACs) and agricultural production areas. The Program has four broad components targeted at developing these essential elements as described below.

⁴ The DPG-ATG’s priority areas include: (i) Production and Productivity Enhancement, (ii) Nutrition and Food Security, (iii) Value Chain Development/Market Access, (iv) Natural Resources Management/Climate Change Adaptation, (v) Financial Inclusion, (vi) Enterprise Development, (vii) Rural and Agro-Infrastructure (irrigation, roads, etc.), and (viii) Sector Policy Reforms and Institutional Development.

Component 1. Infrastructure Development and Agro-Industrial Hubs (AIHs) Management (of which Bank's financing would be USD 144.97 Million). This Component will provide the enabling economic infrastructure (roads, water and sewage system, energy and optic fibre, etc.) for the zones, ready for the private sector businesses to acquire plots and operate their specific processing facilities. This component entails the construction and/or upgrading of Agro-Industrial Hub infrastructure, including office buildings, training centres, general services layout (fencing, internal and access roads/parking, drainage, power supply, water, sewerage, effluent management, health-and-safety), specialized services (quarantine, quality control labs/certification centers, breeding centers), business support services (administrative, knowledge/ICT/procurement/ employment centers), and activities to implement the Environmental and Social Management Plans (ESMP).

Under this Component, the Nigeria Sovereign Investment Authority (NSIA), in collaboration and consultation with the Executing Agency, the Participating States and the FCT, will undertake an advisory and monitoring role in the engagement of the Transaction Advisers, Design Consultants and Contractors, as well as the development of Agricultural Transformation Centers (ATCs) under Component 2 of the Program, or as agreed amongst the parties.

Phase I of the SAPZ Program has identified development of eight AIHs in the following locations:

- a) Paiko-kore/Dobi Livestock Industrial Hub Gwagwalada Area Council of the FCT for the Beef and Dairy value chains.
- b) Bagauda Agro-Industrial Hub in Kano State for the Tomato, Rice and Oil Seed (Groundnuts and Sesame) value chains.
- c) Sagamu Agro Industrial Hub in Ogun State for Industrial Cassava, Rice and Poultry value chains.
- d) Ijaiye Agro Industrial Hub in Oyo State for Industrial Cassava, Rice and Soybean value chains.
- e) GAAIZ Hub in Kaduna State for Tomato, Maize, Soybeans & Ginger value chains.
- f) Lata-Nna Grazing Reserve Special Livestock Processing Hub in Kwara for Beef and Dairy value chains;
- g) Ikom Agro-Industrial Hub in Cross River for Cocoa, Cassava and Rice value chains; and
- h) Okigwe Special Livestock Processing Hub in Imo State for the Beef and Dairy value chains.

The selected commodities were prioritized taking into consideration the potential for value addition.

Component 2. Agricultural Productivity and Production (of which Bank financing is USD 46.07 Million): This component seeks to boost the supply of raw materials in the production areas that are in proximity to the AIH being developed under Component 1. It will support farm level productivity enhancing infrastructure in the zones (including irrigation schemes rehabilitation, land development and water supply), the development of Agricultural Transformation Centers (ATCs) and Aggregation Centers (ACs). These ATCs and ACs will be part of the SAPZ Master Plans developed under Component 1 and strategically located within the farming communities around the AIH and would be used for the facilitation of farmers' access to **essential inputs** such as quality seeds, agro-chemicals, farm mechanization/digitalization and primary handling facilities. Ownership of the ATC's lies with the State governments but will be under the management of a facility manager. Feeder roads would further improve access to the production zones, ACs and ATCs.

Farmers will be trained on good farming practices including climate smart agriculture, quality requirements, testing and conformity standards and food safety. Farmers would also be provided with access to agricultural inputs and financing through digital applications. Irrigation would be put in place in specific areas. Activities include: (i) An Information and Communication Technology (ICT) platform on which all actors are registered; this includes a database of all producers; ii) seed system of high yielding and climate adapted crop and livestock varieties, and mechanization services; (iii) Training, registration and financing of "last-mile" agro-dealer networks; iv) An electronic wallet to directly support producers with smart government subsidies to offset some of the costs of inputs, especially fertilizer and seeds; and v) Farm advisory services and R&D.

- **Farm Input Growth Enhancement and Resilience Support:** Access to affordable fertilizers, improved seed and crop protection products (CPPs) such as herbicides, fungicides, insecticides, etc., by farmers are key to raising agricultural productivity. A platform, the Farm Inputs Growth and

Resilience Enhancement Support Program, to facilitate delivery of fertilizer, seeds and crop protection products (CPPs) to farmers.

- **An Information and Communication Technology (ICT) platform including a database of producers:** The ICT platform offers a ‘single registry’ of all beneficiaries, agro-dealers, input suppliers, mechanization service providers, financial services etc.
- **Building an agro-dealer for last mile delivery:** Access of inputs to farmers often depend on the last-mile actor in input supply chains, the “village agro-dealer” that reduce the distance that farmers in rural areas have to travel to purchase inputs. Building a network of trained and properly financed agro-dealers that are linked to suppliers significantly increase the uptake of subsidies and inputs by farmers.
- **An electronic wallet for efficient delivery of agro-inputs:** Delivery of modern agricultural inputs to farmers faces several hurdles that requires support from government, especially for smallholder farmers. A high-tech approach, by which subsidies are delivered and gradually transitioned to private sector finance through an electronic voucher (the e-Wallet) that leverages the power of mobile telephony to achieve scale and provide nationwide access to mobile money, has been developed and implemented in several African countries. The e-wallet will be a part of the package to be provided by the Business Service Providers (BSPs) and properly targeted to the appropriate beneficiaries in the farmers registry.
- **Mechanization Services:** Agricultural mechanization covers primary production (ploughing, harrowing, leveling, planting, spraying, harvesting and others, primary processing (shelling, threshing, cleaning, sorting, grading, drying, and others); and secondary processing (milling, grinding, pressing and others) to help reduce cost of production and productivity per farm worker. Mechanization can be made accessible to farmers through an agricultural equipment leasing scheme in the ATCs.
- **Farmer Advisory Services and Support to National Research and Development (R&D):** Farmer professionalization is a key requirement for proper use of farm inputs for increased productivity. Extension services will include village-based agents, National Agriculture Research Systems (NARS) and International R&D organizations. The approach is the formation of a “Compact” between national and international R&D organizations, producer associations, private sector off-takers and government to draw up a clear action plan on productivity targets, volumes of inputs required and extension advisory services to reach at least 40% of producers network for last mile delivery.

Specifically, Phase I of the SAPZ Program will finance ATCs in the following locations/sites:

- a) Kano State: **Four (4)** ATCs in Kura, Bagwai, Dawanau and Kakara for Tomato, Rice, and Groundnuts/sesame seed oil.
- b) Ogun State: **One (1)** ATCs in Sawanjo for Industrial Cassava, Rice and Poultry value chains.
- c) FCT: **Two (2)** ATCs in Kawu in Bwari Area Council and Karshi in Abuja Municipal Council for the Livestock (dairy and beef) value chain.
- d) Kwara State: **Four (4)** ATCs in Afon Milk collection center, Ada LGA, Gidan Magajiya grazing reserve, Baruteen LGA, Kinikini grazing reserve, Kaiama LGA and Olodan Grazing Reserve, ifelodun LGA.
- e) Cross River State: **One (1)** ATC in Obanliku for the rice value chains.
- f) Imo State: **One (1)** ATC in Ngor Okpala for the poultry, maize and soybeans.
- g) Oyo State: **One (1)** ATC in Eruwa farm Settlement.
- h) Kaduna State: **One (1)** ATC in Dutsen-Wai, Kubau LGA for the horticulture and grains value chains.

Component 2 will enhance the competitiveness of small, medium and large farmers, to meet supply of products according to industrial requirements as found in the AIH. To boost employment opportunities, Component 2 will build the capacity of MSMEs, youth and women-led enterprises through robust Business Development Services and entrepreneurship training for entrepreneurs to sharpen their business skills and create more jobs. Component 2 will partner with Bank of Industry (BoI) to finance the entrepreneurs.

Component 3. Policy & Institutional Development (of which Banks is financing USD 6.75 Million):

This entails support for: a) improving enabling policy, legislation and regulations for Agro-Industrial Zones in Nigeria; b) enabling business environment (special regulatory regime) and legal systems to support private sector investment, including One-Stop Shops, digital infrastructure, customs offices, immigration support,

land access, contracts and permits in the AIH; c) investment promotion, branding and marketing of the agro-industrial zones; and d) capacity building for staff of relevant public institutions), (e) technical assistance for the review and mainstreaming of IT based Business Registration & Licensing systems, standard operating procedures for the SAPZ initiative in Nigeria. Specific and targeted policies, laws, rules and regulations to address inefficiencies in agricultural value chains will be supported under this component.

Component 3 will develop a communications and market branding strategy for the Nigeria SAPZ program to raise awareness. The Program will also undertake annual investment promotion events to attract local and international investors to the respective AIHs and ATCs. This component will undertake a market sounding exercise for each of the AIH locations to gauge private sector appetite and interest towards investing in the selected AIH, take into consideration investor requirements with regards to the development of the sites, and required incentives from the private sector perspective.

Component 4. Program Coordination and Management (of which the Bank’s financing is USD 12.22 Million) This component will support the establishment of a Special Delivery Team within FMARD and Participating State Implementing Units (PSIUs) at state-level and the FCT Implementation Unit (FCTIU). Other services to be supported include training of program officers, and necessary studies including the development of other SAPZ phases and financial/technical audits. Support will be provided to oversight structures to be established at the Federal and State levels. The roles and functions of these structures are further spelt out in paragraph 4.1.

Component Name	Estimated Cost (Million USD)	Components Description
Component 1: Infrastructure Development and Agro-Industrial Hubs Management	130.10 61.95%	1.1 Processing Infrastructure development - Construction and/or upgrading of Agro-Industrial Hub infrastructure - Engagement of a Transaction Advisor (TA). - Support for necessary regulatory and legal support would be obtained for contracts, permits; and - Provision of enabling economic infrastructure (roads, water and sewage system, energy and optic fibre, etc.) - Implementation of ESMP
	14.87 7.08%	1.2 Infrastructure Development and Management for Agro-Industrial Hubs Environmental and Social Management – ESMP Implementation Facility Management Technical Assistance for Procurement - Transaction Adviser Gender Need Assessment Services
Component 2: Agricultural Productivity and Production	36.45 17.36%	2.1 Enhance Agricultural Production and Productivity in Proximity to Agro-Industrial Clusters - Provision of ATCs - Provision of Irrigation Infrastructure - Provision of Aggregation Centres- Strengthening Policy, Training, Input Supply - Technical Assistance -Centralized Integrated Database of Producers, MSMEs; Agribusinesses - An Information and Communication Technology (ICT) platform on which all actors are registered; this includes a database of all producers; i - Seed system of high yielding and climate adapted crop and livestock varieties, and mechanization services; - Training, registration and financing of “last-mile” agro-dealer networks. - An electronic wallet to directly support producers with smart government subsidies to offset some of the costs of inputs, especially fertilizer and seeds - Farm advisory services and R&D. - Financial Intermediaries, & Enterprise Support Organizations
	9.62 4.58%	2.2 Skill Development for Employability and Job Creation
Component 3: Policy & Institutional Development	6.75 3.22%	Training (Investment Promotion, Branding and Marketing of the Agro Industrial Zones) - Technical Assistance (Staff of Public Institutions; Enabling Business environment) - Improving enabling policy, legislation and regulations for Agro-Industrial Zones in Nigeria - Enabling business environment (special regulatory regime) and legal systems to support private sector investment - Investment promotion, branding and marketing of the agro- industrial zones - Capacity building for staff of relevant public institutions - Technical assistance for the review and mainstreaming of IT based Business Registration & Licensing systems, standard operating procedures for the SAPZ initiative Studies (baseline, midline & endline surveys; bio-fortified studies; nutrition specialists) (IFAD)

Component 4: Project Coordination & Management	12.22 5.81%	Training - M&E experts on Gender Sensitive M&E, Communication, project launch SAPZ II preparation Studies (PIM, audit, Baseline, MTR, PCR) Vehicles & equipment Recurrent Costs (Personnel, allowances, operating costs)
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2.3. Technical solution retained and other alternatives explored

2.3.1 Technical solutions will be offered to build end-to-end systemic capacity of all activities and capabilities of players along the entire value chain. Therefore, the Program is financing activities that will boost productivity and production on one hand (upstream) then providing downstream infrastructure that allows the private sector operators to ‘plug and play’ in the AIH on the other. To maximize benefits to the whole Nigerian economy, the catchment area for each hub may extend over multiple States.

Table 2.1: Project Alternatives Considered and Reasons for Rejection

Alternative name	Brief description	Reasons for rejection
Conventional Government fully managed project that does not foster links between production to processing/value addition	Government implements the development & management of the SAPZ focusing on either supply side or demand side with little consideration for the role of private sector for agro industrialization.	<ul style="list-style-type: none"> Public infrastructure tends to experience delays Government’s main role in development is to create the enabling environment. Private sector is best suited to take advantage of viable investment opportunities.

2.4. Project type

2.4.1 Phase I of a country-wide sovereign investment program will trigger private sector investments. The SAPZ program will be rolled out in subsequent phases as and when more states meet the readiness criteria earlier mentioned. Details of the application of the readiness criteria are found in Appendix V.

2.5. Program cost and financing arrangements

2.5.1 The total cost for Phase I of the Program (seven States and FCT) is estimated at USD 538.05 million, net of taxes and duties. The summarized cost by component is presented in Tables 2.2 and 2.3, by source of finance in Tables 2.4 and 2.5 and by category in Tables 2.6 and 2.7 below.

Table 2.2: Program cost estimates by component in million USD

Components	Foreign currency costs	Local currency costs	Total Costs	% foreign	% Base Cost
Component 1: Infrastructure Development and AIHs Mgmt.	118.92	103.87	222.79	53.4	45.4
Component 2: Agricultural Productivity and Production	43.70	184.14	227.84	19.2	46.4
Component 3: Policy and Institutional Development	3.76	4.60	8.36	45.0	1.7
Component 4: Program Coordination and Management	4.01	28.08	32.09	12.5	6.5
Total base cost	170.39	320.69	491.08	34.7	100.0
Physical contingency	13.19	7.74	20.93	63.0	4.3
Price Contingency	10.42	15.62	26.04	40.0	5.3
Total Program cost	194.00	344.05	538.05	36.1	109.6

2.5.2 As indicated in Tables 2.4 to 2.6 below, the African Development Bank will provide a total of USD 210 million, including an ADB Loan of USD 160 million (about 29.7% of total) and an Africa Growing Together Fund (AGTF) loan of USD 50 million (9.3%). Co-financiers are Islamic Development Bank (IsDB), International Fund for Agricultural Development (IFAD) for USD 150 million (27.9%) and USD 100 million (18.6%) respectively. Additional resources (USD 60 million, 11.1%) will be mobilized by IFAD from the IGREENFIN initiative to provide resources to support the financing of green investments. The State and Federal Governments will provide USD 18.05 million in local currency equivalent, both in cash and kind (3.4% of total; USD 2.04 million by FGN and USD 16.01 million by the States). The total budget for component 4 is about 6.5% of the total project cost (538 million).

Table 2.3: SAPZ Program (Phase I) cost estimates by Component and Source of Finance in million USD

Components	ADB	AGTF	IsDB	IFAD	GCF/IGREEN	FGN	STATES	Total	%total
Component1: Infrastructure Development and Agro-Industrial Hubs Management									
1.1 Processing Infrastructure development									
HUBs	102.89	27.21	82.96	-	-	0.00	-	213.06	39.60
Subtotal	102.89	27.21	82.96	-	-	0.00	-	213.06	39.60
1.2Infrastructure Development and Management for Agro-Industrial Hubs									
Environmental and Social Management–ESMP Implementation	5.34	1.34	4.59	-	-	-	-	11.27	2.09
Facility Management	2.53	0.63	1.90	-	-	0.00	-	5.07	0.94
Technical Assistance for Procurement (NSIA)-Transaction Adviser	3.86	1.15	9.67	-	-	0.00	-	14.68	2.73

Components	ADB	AGTF	IsDB	IFAD	GCF/IGREEN	FGN	STATES	Total	%total
Gender Need Assessment Services	0.01	0.00	0.01	-	-	0.00	-	0.02	-
Subtotal	11.74	3.12	16.17	-	-	0.00	-	31.03	5.76
SUBTOTAL	114.64	30.33	99.13	-	-	0.00	-	244.09	45.36
Component 2: Agricultural Productivity and Production									
2.1 Enhance Agricultural Production and Productivity in Proximity to Agro-Industrial Clusters									
ATCs	3.96	15.66	18.69	-	-	0.00	-	38.31	7.12
Irrigation Infrastructure	3.06	0.23	13.98	-	-	0.00	-	17.27	3.21
Support to Farmers on High Yield Seeds, CPPS, Fertilizers-Strengthening Policy, Training, Input Supply	10.12	0.00	6.23	-	-	0.00	-	16.35	3.04
Technical Assistance-Centralized Integrated Database of Producers, Memes Etc.; Agribusinesses, Financial Intermediaries, & Enterprise Support Organizations	1.28	2.13	-	-	-	0.00	-	3.42	0.64
Value Chain Infrastructure-Aggregation Centres, Rural Roads, Land Development, Irrigation/Water Control, Processing, Marketing/Storage, Boreholes (IFAD)	-	-	-	48.39	-	-	-	48.39	8.99
Nutrition Mainstreaming Activities (IFAD)	-	-	-	19.76	-	0.00	-	19.76	3.67
Access to Finance and Financial Inclusion (IFAD)	-	-	-	-	60.00	-	-	60.00	11.15
Capacity Building & Other Related Activities (IFAD)	-	-	-	30.73	-	0.00	-	30.73	5.71
Subtotal	18.42	18.02	38.90	98.88	60.00	0.00	-	234.23	43.53
2.2 Skill Development for Employability and Job Creation	8.38	1.24	5.77	-	-	0.00	-	15.40	2.86
SUBTOTAL	26.80	19.27	44.68	98.88	60.00	0.00	-	249.63	46.39
Component 3: Policy & Institutional Development									
Training (Investment Promotion, Branding and Marketing of the Agro Industrial Zones)	0.25	-	0.15	-	-	0.00	-	0.41	0.08
Technical Assistance (Staff of Public Institutions; Enabling Business Environment and Incentives to Support Private Sector Investments; policy, Innovative Financial Product development)	6.49	-	0.91	-	-	0.00	0.57	7.97	1.48
Studies (baseline, midline & endline surveys; bio-fortified studies; nutrition specialists)	-	-	-	0.78	-	0.00	-	0.78	0.15
Subtotal	6.75	-	1.06	0.78	-	0.00	0.57	9.16	1.71
Component 4: Program Coordination and Management									
Training - M&E experts on Gender Sensitive M&E, Communication, project launch	0.81	0.02	0.40	-	-	0.00	-	1.23	0.23
SAPZ II preparation	2.00	-	-	-	-	0.00	-	2.00	0.37
Studies (PIM, audit, Baseline, MTR, PCR)	1.10	0.02	0.48	-	-	0.00	-	1.60	0.30
Vehicles	0.30	-	0.15	-	-	0.10	0.81	1.37	0.25
Equipment (general and office), accounting software) & Knowledge products/publications	3.00	0.04	1.52	-	-	0.00	-	4.55	0.85
Recurrent Costs (Personnel, allowances, operating costs)	4.61	0.33	2.58	0.33	-	1.94	14.63	24.42	4.54
Subtotal	11.82	0.40	5.13	0.33	-	2.04	15.44	35.16	6.54
Total Program Cost	160.00	50.00	150.00	100.00	60.00	2.04	16.01	538.05	100.00

Table 2.4: Sources of financing in million USD

Sources of Financing	Foreign Currency Costs	Local Currency Costs	Total Costs	% Total
AfDB	62.28	97.72	160.00	29.75
IsDB	66.15	83.85	150.00	27.88
HIFAD	44.10	55.90	100.00	18.59
AGTF	21.47	28.53	50.00	9.29
IGREENFIN	-	60.00	60.00	11.15
Subtotal	194.00	326.00	520.00	96.66
Government				
Federal	-	2.04	2.04	0.39
Ogun State Govt.	-	1.96	1.96	0.36
Oyo State Govt.	-	1.96	1.96	0.36
Kano State Govt.	-	2.29	2.29	0.43
FCT Govt.	-	1.96	1.96	0.36
Kaduna State Govt.	-	1.96	1.96	0.36
Kwara State Govt.	-	1.96	1.96	0.36
Cross River State Govt.	-	1.96	1.96	0.36
Imo State Govt.	-	1.96	1.96	0.36
Subtotal-States	-	16.01	16.01	2.95
Subtotal-Government	-	18.05	18.05	3.4
Total Program cost	194.00	344.05	538.05	100.00

Table 2.5: Breakdown of Program cost by Beneficiary (million USD)

S/No	Beneficiary State/Institution	Source of Finance														Total	
		ADB	AGTF	IsDB	IFAD	IGREENFIN	FGN	State Govts									
								Ogun	Oyo	Kano	FCT	Kaduna	Kwara	Cross River	Imo		
1	Ogun	19.34	17.89	-	50.17	30.00	-	1.96	-	-	-	-	-	-	-	-	119.36
2	Oyo	37.39	-	-	-	-	-	-	1.96	-	-	-	-	-	-	-	39.35
3	Kano	-	-	49.64	49.83	30.00	-	-	-	2.29	-	-	-	-	-	-	131.76
4	FCT	-	-	50.46	-	-	-	-	-	-	1.96	-	-	-	-	-	52.42
5	Kaduna	29.38	8.82	-	-	-	-	-	-	-	-	1.96	-	-	-	-	40.16
6	Kwara	-	-	40.23	-	-	-	-	-	-	-	-	1.96	-	-	-	42.19
7	Cross River	28.63	8.70	-	-	-	-	-	-	-	-	-	-	1.96	-	-	39.30
8	Imo	31.87	10.90	-	-	-	-	-	-	-	-	-	-	-	1.96	-	44.73
9	Federal	13.37	3.69	9.67	-	-	2.04	-	-	-	-	-	-	-	-	-	28.77
	Total Program Cost	160.00	50.00	150.00	100.00	60.00	2.04	1.96	1.96	2.29	1.96	1.96	1.96	1.96	1.96	1.96	538.05

Table 2.6: Program cost by category of expenditure (million USD)

Categories of expenditure	Foreign Currency Costs	Local Currency Costs	Total Costs	% foreign
I. Investment Costs				
Works	134.32	160.58	294.90	45.5
Services	30.02	134.01	164.03	18.3
Goods	29.66	24.62	54.28	54.6
Total Investment	194.00	319.21	513.21	37.8
II. Recurrent Costs	-	24.84	24.84	-
Total Program cost	194.00	344.05	538.05	36.1

Table 2.7: Program cost by category of expenditure (Bank Financing) in million USD

Categories of expenditure	Source			% total
	ADB	AGTF	Total	
I. Investment Costs				
Civil Works	103.41	33.64	137.05	65.26
Services	36.35	7.20	43.55	20.74
Goods	15.63	8.83	24.46	11.65
Total Investment Costs	155.39	49.67	205.06	97.65
II. Recurrent Costs	4.61	0.33	4.94	2.35
Total Program Cost	160.00	50.00	210.00	100.00

2.5.3 The Bank will finance activities in Cross River, Kaduna, Imo, Ogun, and Oyo States including parts of AIH infrastructure, related ESMP implementation activities, detailed design and supervision services; facility management, agricultural productivity and production, institutional development as well as aspects of Program management at the State and Federal levels (including audit). The AGTF contribution will support Bank-funded activities, including ATCs. IsDB funds will finance almost all activities in FCT, Kano, and Kwara and part of the operational costs at the Federal level. IFAD will support the interventions under Component 2 in Kano and Ogun States, except the development of the ATCs, part of the activities under Component 3 and part of the Program coordination and management costs for Kano and Ogun States and Federal level. The State Governments' contributions cover access roads and business development. They will also be responsible for any compensation for Program Affected Persons (PAPs) when it arises with future developments. The FGN will fund aspects of recurrent costs at the Federal level.

2.5.4 The 2008 on Eligible expenditures for Bank Group Financing for Bank Group Financing stipulates that for ADB financing, the Government contribution needs to be at least 50 percent of the total program costs, unless justification is provided for smaller level of contribution⁵. The 3.4% Government contribution to SAPZ Program (Phase I) is justified based on the following: (i) the Government has maintained its strong commitment to implement the policies that enhance economic recovery (ERGP 2017-2020 and MTNDP 2021-2025); (ii) the agriculture sector presents a huge development potential in terms of food security, foreign exchange earnings and job creation despite low budgetary allocations; and (iii) the Public Finance Situation of the Federal and State governments remain precarious, with significant level of deficit due to the huge cost of fighting the Covid-19 pandemic and the low level of internally generated revenues for both the Federal and State governments. The Policy also proposed that the Bank should be able to finance the recurrent costs projects, up to 100%, on a case-by-case basis. The Bank financing of 20.2% the Program recurrent costs justified since these costs are: (i) an integral part of the project; (ii) necessary for achieving project development objectives; and (iii) productive in the specific project financed. Furthermore, the applicable Country Financing Parameters for Bank's projects in Nigeria allow Bank financing up to 100% of project total costs, as well as financing of recurrent costs. See Appendix X for details.

Table 2.6: Expenditure schedule by component (million USD)

Components	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
1. Infrastructure Development and Agro-Industrial Hubs Management	22.25	85.94	85.30	76.75	28.55	-	-	298.79
2. Agricultural Productivity and Production	22.94	72.82	26.60	32.78	28.62	7.03	2.52	193.31
3. Institutional and Policy Support	4.54	1.03	1.05	1.19	1.11	0.06	0.19	9.17
4. Program Coordination and Management	10.37	6.63	6.79	6.99	7.16	-	-	37.94
Total Program cost	60.10	166.42	119.74	117.71	65.44	7.09	2.71	539.21

⁵ Justification should be according to the following criteria : (i) the country's commitment to implement its overall development program; (ii) the financing allocated by the country to sectors targeted by the program; (iii) the country's budget situation and debt level; and (iv) the upper limit on cost-sharing and specified in the Country Financing (CFP).

2.5.5 In addition to the Bank's financing and institutional support instruments available for eligible borrowers in agribusiness and SMEs space, the Bank of Industry (BOI) would be a partner to the SAPZ Program. BOI will provide financing to enterprises and companies locating within these zones. This is expected to boost the participation of large enterprises and SMEs as well as incentivizing additional resource mobilization. The Bank will also work with BOI to identify additional credit de-risking support, such as securing a dedicated guarantee facility, or working with NIRSAL and further extend provision of financing, especially targeting SMEs and farmers.

2.6. Program's target area and population

2.6.1 *Program Area:* The sites under Phase I are located in the seven (7) States - Cross River, Imo, Kaduna, Kano, Kwara, Ogun, and Oyo, and the FCT. These areas cover about 176,048 km² (about 19% of Nigeria's land mass) and have a population of about 50.4 million⁶ (26.1% of the population. Phase I states were selected based on readiness and Quality at Entry criteria, as well as the need to ensure geographic balance across the six geo-political zones of the country. The SAPZ Program will be rolled out in subsequent phases, in line with these criteria(see Appendix VII on Map of Phase 1 Program Area and Proposed Value Chains).

2.6.2 *Program Beneficiaries:* About 1.5 million households would be direct beneficiaries along the entire agricultural value chain, including private sector agribusinesses and agro-processors, smallholder farmers, agripreneurs and agro-dealers. The SAPZ Program (Phase I) targets the creation of a minimum of 400,000 jobs, and up to 1.6 million indirect jobs. The jobs will be created during the construction and operational phases, and include jobs created by MSMEs' along the value chain and factory jobs created by the tenant industries in the Agro Industrial Hubs.

2.7. Participatory process for Program identification, design and implementation

2.7.1 The design of the proposed SAPZ Program was informed by extensive stakeholder consultations since April 2019. In December 2019, an Inter-Ministerial meeting was jointly organized by the Bank, the Federal Ministry of Finance, Budget and National Planning (FMFBNP) and other key ministries and agencies when consensus was reached on the general program framework. A Strategy and Roadmap document for the development of SAPZs in Nigeria was endorsed by the various Government actors. Thereafter, an Inception Workshop, co-hosted by the Bank, Federal Ministry of Agriculture and Rural Development (FMARD) and the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL), brought together participants from the National Assembly, relevant Federal Government ministries, departments and agencies (MDAs), State Governments, Development Partners, agribusiness community, farmer cooperatives and commodity associations. Bilateral meetings were also organized with potential partners namely, Bank of Industry (BOI), Nigeria Sovereign Investment Authority (NSIA) and NIRSAL, among others. Virtual program preparation missions with the States held between August and November 2020 further deepened discussions on the design of the Program. .

2.7.2 A joint AfDB-IFAD appraisal mission visited Nigeria from 22 March to 13 May 2021 and met with officials of MDAs , States, and other key stakeholders, including Development partners, financial institutions and private sector operators - commodity aggregators and processors. Subsequently, roundtables were held with the Participating States and the FCT to validate the design, including specific project sites and activities, implementation arrangements and the Program governance structure. A high-level meeting held on 30 August 2021, attended by Ministers of Finance; Agriculture and Rural Development; Industry, Trade and Investment; Water Resources; Governors of the seven (7) Participating States and the Minister of State for the FCT, as well representatives of partners, including IFAD, IsDB, BOI and UNIDO. The objectives for the Meeting were for the Bank to update the Government on progress in the design of the SAPZ Program; present the proposed business model, including institutional framework and implementation arrangements; and seek the guidance on these proposals to inform the finalisation of the Program.

2.8. Bank Group experience, lessons reflected in Program design

2.8.1 The Bank has gained useful experience from its operations across various sectors in Nigeria. The Bank's portfolio in Nigeria is diversified with support to key sectors - agriculture (USD 223.3 million),

⁶ NBS, 2016

industry (USD 500.00 million), power (USD 594.3 million), transport and urban development (USD 491.9 million) and the financial sector (about USD 1.67 billion). The objectives of the agriculture sector operations include sustainable increase in the income of smallholder farmers and rural entrepreneurs engaged in the production, processing, storage and marketing of selected commodity value chains (rice, cassava and sorghum and potato). The average age of agriculture projects is 5.4 years while cumulative disbursement rate is 50.2% (see Appendix II for details of Bank’s active portfolio in Nigeria as at September 2021).

2.8.2 Key lessons learnt during the CSP 2020-2024 period include the need: (i) to improve project quality at entry and start up processes , (ii) improve procurement planning and implementation, (iii) to enhance project oversight functions, disbursement management and financial compliance, (iv) to ensure sufficient capacity development of project actors and (v) sharpen results framework and data collection for improved monitoring and evaluation. Key success factors for the planning and implementation of the SAPZ model in other African countries (AfDB research study, 2021) include political will, leadership and ownership of the process at the highest level; suitable legal and regulatory institutional frameworks; involvement of the private sector and investment promotion; productive and remunerative employment creation and skills upgrading, and the importance of enhancement of production. The SAPZ Program has integrated these lessons in its design to ensure that public sector enabled and private sector driven approach is deployed in project design and implementation.

2.9. Key performance indicators

2.9.1 The key performance indicators to measure progress towards achieving the main Program objectives are summarized below:

Key Performance Indicators	Possible Data Source	Responsibility
Impact Indicators		
<ul style="list-style-type: none"> Changes in unemployment 	NBS reports	FMARD
Outcome Indicators		
<ul style="list-style-type: none"> Changes in private sector investments Jobs created, and trainings/capacity building conducted 	Program Progress Reports	IATC PSIU
Output Indicators		
<ul style="list-style-type: none"> Support to public institutions Physical infrastructure developed Support to farmers, groups, entrepreneurs, women and youth Program implementation activities 	Program Progress Reports SAP Reports	IATC PSIU AfDB

2.9.2 The indicators as listed in the log frame and summarized in the above table are aligned with the Bank’s Results Monitoring Framework (RMF). The indicators have been designed to better capture the development impact of the Bank’s support to the private sector with focus on three of the High 5 priority areas and achieving the Ten-Year Strategy’s goal of inclusive growth, with due attention to gender equality. The log frame is designed to support better measurement of the Program’s development impacts. Results will be tracked for all indicators by the M&E Officers in the respective States.

III – PROGRAM FEASIBILITY

3.1. Economic and financial performance

3.1.1 The financial and economic analysis of the SAPZ Program (Phase I) was undertaken to assess the likely impact of Program interventions on the beneficiaries. The Program derives its benefits from private sector agribusiness investment models, and the increased value-addition from farming activities along the value chains. The agribusiness investment is based on the following three models: (i) the small-scale investments, about 150 of them with at least USD 1 Million investment size each; (ii) the medium-scale investments, 300 of them with at least USD 2 Million investment size each; and (iii) the large-scale investments, 50 of them, with USD 5 Million investment size each. The increased value-addition from farming activities was based on 15 crops and production models, including, rice, cassava, maize, groundnut, sesame, tomato, sorghum, soybeans, cocoa, oil palm, banana, poultry, dairy, beef and fishery. Other assumptions include an average of 900,000 Ha of cultivated land, 0.5% increase in price per annum, 5% increase in outputs per annum and a 20-year Program life.

3.1.2 In addition, the Program also creates jobs and contributes to the reduction of the unemployment and poverty rates, the agriculture sector GDP and the number of women- and youth-owned SMEs, linked to SAPZs. These are not tradable or tangible, and therefore could not reasonably be included in the financial and economic Cost-Benefit Analysis.

Table 3.1 Key Economic and Financial Figures

FIRR (base case):	30.71%	NPV (20 Years @ 12%)	USD 8.89 Billion
EIRR (base case):	30.85%	NPV (20 Years @ 12%)	USD 8.73 Billion

3.1.3 The results of the economic analysis show that the program is economically viable (EIRR of 30.85%) and financially (FIRR of 30.71%). Detailed economic analysis is discussed in Technical Annex B7.

3.1.4 The sensitivity analysis assessed the stability of the financial and economic rates of return. The results show that price drops should be lowered to 48.85% (break-even or "switching value") to cancel out the additional benefits generated respectively at the financial and economic level, thus indicating that the program profitability profile is robust.

3.2. Environmental and Social Impacts

Environment and Social Safeguards

3.2.1 The SAPZ Program has been classified as Category 1 in accordance with the Integrated Safeguards System (ISS) and national legislation. The validated category is based on the large-scale, multisector and sensitive nature of the Program. The program consists of several investments of which 16 (including 8 AIH and 8 ATCs) have been identified by the Borrower in the Phase I locations listed in Annex VI. In line with national legislation and the ISS, the Borrower is required to prepare Environmental and Social Impact Assessments for all 16 investments, including Resettlement Action Plans and/or Livelihood Restoration Plans where applicable. Additionally, all associated facilities and investments equally require the applicable Environmental and Social Assessments (ESIAs, RAPs LRP, Audits etc.), to be prepared for disclosure by the Borrower and the Bank. Each of the potential partners (BOI and NIRSAL) are required to prepare Environmental and Social Management Systems for disclosure on their websites as well as the Bank's website.

3.2.2 Prior to the identification of locations for the Program's investments, Environmental and Social Management Frameworks for the four clusters of the Program were prepared by the Borrower and disclosed by the Bank on 15 January 2021. Following the identification of sites for investments in the seven States and the FCT, the Borrower commissioned the preparation of the relevant studies. At the time of this PAR, 10 studies had been disclosed.

3.2.3 Measures to mitigate the adverse impacts of the 10 projects already disclosed are detailed in their respective ESMPs. These include the preparation of agrochemicals management plans; siting projects away from ecologically sensitive areas; applying the waste hierarchy during preconstruction and construction phases; using dust suppression techniques; pretreating and testing wastewater before discharges into controlled waters etc. Although each of the ESIA's have a well costed ESMP, the cost of implementing E&S actions at the Program level cannot be determined at this stage due to the outstanding ESAs. To ensure effective implementation of the Program's E&S actions, the Borrower estimates it will cost USD 26 million or 5% of the overall Program cost. This has been factored in the program detail cost tables.

3.2.4 The outstanding ESIA's, RAPs (including the compensation of PAPs where applicable) and other relevant ESAs shall be approved and disclosed by the Borrower and the Bank as a condition of disbursement to such projects. Similarly, there shall be an undertaking for all non-sovereign entities to prepare and disclose their ESMSs (on their websites and the Bank's website) to ensure effective governance of E&S risk management practices in their respective hubs.

3.2.5 An Environmental and Social Compliance Note (ESCON) has been issued to clear the PAR for Board consideration.

Climate Change and Green Growth

3.2.6 The SAPZ Program has been screened and classified as a Category 2 operation in line with Bank's Climate Safeguards Operation. This means that the Program may be vulnerable to climate risks and requires the consideration of climate trends and identification of climate risk management, adaptation and or mitigation measures to be integrated in each component.

3.2.7 Capacity building programs (Training of Trainers- ToT) on climate resilient agricultural extension services is embedded in Component 2 to generate green jobs in the Program's area of influence; while policies and projects that encourage climate smart agricultural adoption (especially agro-forestry and multiple cropping) and promote sustainable practices and technologies will be incentivized. To mitigate against implementation challenges, an Agriculture Value Chain Expert / Climate Change Safeguards Officer will be included in the PSIUs in all the SAPZ states. Main climate change related risks in Program area can be summarized as flooding, dry spells and drought.

3.2.8 For the Agro-industrial Hubs and the Agricultural Transformation Centres, resilience and adaptation measures in the preparatory/construction phase includes:

- a. Ensuring the development of climate-resilient enabling infrastructure and management: this can be achieved by ensuring the procurement of improved fuel efficiency of farm machinery, manage climate risk by improved design of key Program assets to increase climate resilience and reduce climate hazard.
- b. The private sector participants in the program will make provision for managing climate change risks to their operations through contingency budgets. Where possible, they will insure high value vulnerable assets, and spread climate risk by diversification.
- c. Increase institutional capacity for responding to climate related damage. This is applicable to both the State, private sector and PIU.

3.2.9 All recommended climate risk management measures and green growth opportunities will be included in Program ESMS, ESMPs and ESIA's as applicable. However, a detailed description of recommended climate adaptation and low-carbon measures ranging from preparatory/construction to the operational phases included under Technical Annex B8.2. Summary of Climate change and Green Growth Mainstreaming.

Gender

3.2.10 Nigeria ranks 41 among 51 countries for overall gender equality score on the Africa Gender Index 2019. Women are important actors in the Nigerian agricultural sector, as female small holder farmers constitute as high 70-80 percent of the agricultural labour force in some rural areas. They are mainly involved in small scale production of crops and vegetables (e.g., maize, cassava and pepper), informal and primary sorting and processing, poultry and aquaculture as well as trading.

3.2.11 The Program is categorized as GEN II under the Bank's Gender Marker System (GMS). Gender perspectives are being integrated into program formulation in line with the National Gender Policy 2006 and National Gender Policy Strategic Framework (2008) and other relevant policies while taking due cognizance of the African Development Bank's Gender Policy (2021-2025) and Diagnostic Note. The Program will benefit both men and women through equitable employment and economic opportunities and will target at least 50% women participation as the Federal Government recommends.

3.2.12 The proposed Gender Actions include: 1) needs assessment and design of gender friendly infrastructure in Agro-Industrial Hubs, 2) development of gender guidelines (which encourage women's participation to activities across the value chains) for Agro-Industrial Hubs, Agriculture Transformation Centres and Aggregation Centres, 3) introduction of gender-friendly and climate smart agricultural technology, 4) sensitization workshops for women agricultural cooperatives and Women-led SMEs (WSMEs) on climate smart agricultural technologies, 5) leadership academy and capacity building training for women, 6) reflection of gender responsiveness/affirmative action for equal access of men and women to productive resources and inputs, 7) prevention and response to Gender Based Violence (GBV) using the existing referral mechanisms. In order to reduce the persistent gender gaps, the project will implement

comprehensive gender responsive activities both at the level of upgrading female farmers' agricultural technologies and the broader gender mainstreaming in the project area. The Gender Action Plan together with its budget of USD 2.03 Million has been presented in Technical Annex B8. The Gender Actions will also mitigate the potential negative risks, such as increased GBV and Sexually Transmitted Diseases transmissions by relevant sensitization and responsive activities.

Involuntary resettlement

3.2.12 The Program as conceived does not involve resettlement.

IV – IMPLEMENTATION

4.1. Implementation arrangements

4.1.1 The Executing Agency for the SAPZ Program is the Federal Ministry of Agriculture and Rural Development (FMARD) working with the relevant core MDAs (listed in paragraph 4.1.2). The FMARD will set up a Special Delivery Team (SDT) with the key function of liaison with relevant Federal and State Ministries, following up with new states that are applying for SAPZ and ensure their readiness for a second phase, monitor SAPZ Program activities in the States, and report activities to the Inter-Agency Steering Committee (IASC) and Inter-Agency Technical Committee (IATC). The SDT will also ensure that an enabling policy, legislation and regulations are in place to support Agro Industrial Development in Nigeria. The SDT will comprise of a lean Team of seconded Staff from the FMARD. This will include a Coordinator, an M&E expert, Infrastructure expert, and a Team Assistant. The Nigeria Sovereign Investment Authority (NSIA), in collaboration and consultation with the Executing Agency, the Participating States and the FCT, will undertake an advisory and monitoring role in the engagement of the Transaction Advisers, Design Consultants and Contractors under Component 1, as well as the development of Agricultural Transformation Centers (ATCs) under Component 2 of the Program; or as agreed amongst the parties. The role of the NSIA is further explained in 4.1.5.

4.1.2 *National-Level Oversight and Implementation:* Strategic direction and oversight for the SAPZ Program will be provided by an Inter-Agency Steering Committee (IASC) chaired by the Borrower's Minister, Federal Ministry of Finance, Budget & National Planning, with membership of the Federal Ministers of Agriculture and Rural Development; Industry, Trade and Investment; Water Resources; Works and Power; Governors of the Participating States; and the Minister of State of the FCT. The IASC will provide oversight and strategic direction for the implementation of the SAPZ Program. The IASC will be supported by an Inter-Agency Technical Committee (IATC) which will be chaired by a senior official designated by the Minister of the Federal Ministry of Agriculture and Rural Development, with membership from the Federal Ministries of Finance, Budget & National Planning; Industry, Trade and Investment; Water Resources; Works; and Power; the designated Commissioner of each Participating State; as well as the Nigeria Sovereign Investment Authority. The role of the IATC is to follow up on the implementation of the decisions of the IASC; and serve as the clearing house on technical issues requiring national interventions such as policy, legislation, and incentives. Quarterly Progress Reports on SAPZ Program implementation and activities will be presented to the IATC by the Participating States and the FCT and will include reporting on activities for the development of subsequent SAPZ Phases.

4.1.3 *State Steering Committees:* State Steering Committees comprised of relevant State MDAs (relevant departments in the case of FCT) in each Participating State and the FCT would be established. The Steering Committee will provide oversight to the Participating State Implementing Units (PSIUs) and the FCT Implementation Unit (FCTIU). They will meet at least twice per year to consider and approve the annual work plan and budget of the PSIU and the FCTIU, as well as review and assess implementation performance.

4.1.4 *State-level Implementation:* Most of the implementation activities will take place at the State level. Therefore, the SAPZ Program will support the setting up of Participating State Implementing Units (PSIUs) and the FCT Implementation Unit (FCTIU) whose main role is to manage the day-to-day implementation of the various components of the Program implemented at the State level. Staffing at the PSIU will include a Program Coordinator, Infrastructure Engineer, Monitoring and Evaluation Officer, Environmental and Safeguards Officer, Public Private Partnership (PPP) expert, Agriculture Value Chain/Climate Change expert, Financial Management Specialist and Procurement expert. The PPP expert will be recruited

competitively while the rest of the staff may be appointed/seconded by the concerned State Government or Agencies. The main functions of PSIUs include: (i) Program planning, implementation, and monitoring; (ii) preparation of the annual work plan, procurement, and budget (iii) supervising the implementation of the work program, organizing periodic reviews and fiduciary reporting; (iii) preparation of quarterly and annual Program Implementation Progress Reports; (v) monitoring and supervision of the sub-projects; and (vi) reporting to the State Steering Committee and IATC.

4.1.5. The NSIA, in collaboration and consultation with the Executing Agency, the Participating States and the FCT, will undertake an advisory and monitoring role in the engagement of the Transaction Advisers, Design Consultants and Contractors under Component 1; and development of Agricultural Transformation Centers (ATCs) under Component 2 of the Program; or as agreed amongst the parties.

Procurement arrangements

4.1.6 Procurement of goods, works and the acquisition of consulting services, financed by the Bank for the Program, will be carried out in accordance with the Bank's Procurement Framework approved in October 2015 and following the provisions stated in the Financing Agreement to be entered into in respect of the Program. The Bank's Procurement Framework includes the Procurement Policy for Bank Group Funded Operation (2015); the Methodology (2015); the Operations Procurement Manual; and the Bank Standard Solicitation Documents (SDDs) revised from time to time.

4.1.7 **Procurement Risk and Capacity Assessment (PRCA).** Assessment of procurement capacities and procurement risks were undertaken for the project at the Federal, State level and NSIA. Assessment of the State procurement system of the Participating States and the FCT indicated political willingness for reform as demonstrated by passing the Law (all States) setting up of the Bureau of Public Procurement and the appointment of the Director General. There are however capacity challenges at state level in handling procurements in general and specifically for the Program given its complexity.

4.1.8 Following consultations between the Federal and Participating State Governments and the FCT, NSIA, a quasi-autonomous government agency, will provide technical support to the states when they undertake procurement activities for the Program. The technical support required will be in procurement of Transaction Advisers to advise on the PPP modalities for the SAPZs; consultants for design of the off-site and on-site infrastructure; contractors for construction of works related to the off-site and on-site infrastructure; and selection of facility managers for the constructed infrastructure under Component 1 and development of Agricultural Transformation Centers (ATCs) under Component 2 of the Program. To mitigate fiduciary risk in the procurement process for the Program by the states, the Bank recommends that (i) among the key experts in the PIUs there should be a Procurement Specialist with extensive experience in donor financed procurement operations, as well as some private sector experience, to manage procurement activities for selection of the Transaction Advisers and the subsequent downstream procurement activities; (ii) Bank's Standard Solicitation Documents shall be used for all procurements; (iii) all procurement stages and documents shall be reviewed by the Bank.

4.1.9 The assessment of the overall risk of using the Nigeria's public procurement system for Bank financed projects is rated Moderate due to some challenges in achieving value for money and efficiency in public procurement. The appropriate risks mitigation measures have been included in the procurement PRCA action plan proposed in Annex B5 of the Technical Annex.

Financial Management (FM) and Disbursement

4.1.10 **Financial Management:** Program FM (that includes budgeting, accounting, internal controls, treasury management, financial reporting and external audit) at Federal Level will be under the responsibility of the FMARD. At State level, the respective State Government's Ministry of Agriculture (MoA) will constitute separate PIUs for the implementation of this Program. The finance departments within the offices have some experience having handled the financial management for some development partner (including the Bank) funded projects. The lessons learnt considered include the need to enhance overall project coordination, monitoring and reporting, improve budget credibility and understanding of Bank requirements by project implementation staff.

The overall FM risk for the Program at Federal Government and State levels is assessed as "Substantial" primarily due to its nature that is being implemented across a wide spread of areas in the seven States and

FCT necessitating the need for proper coordination given the inherent weaknesses in internal controls based on Bank experience in the ongoing projects. The satisfactory implementation of agreed FM actions that include having in place finance staff and establishment of accounting systems for project financial accounting and reporting is expected to strengthen the existing systems aimed at ensuring the proper financial management of the Program. There is also provision for technical assistance within the Program particularly with respect to the establishment of Program financial management systems as part of Program start up activities. The detailed FM assessment and the FM Action Plan is in Technical Annex B4.

4.1.11 FMARD and each PSIU including FCT shall prepare quarterly interim financial monitoring reports in the prescribed format and submit to the Bank not later than 45 days after the end of the quarter. In addition, separate program audit reports (showing separately the receipts and expenditures for each source of finance) with the audit done by external auditors in accordance with a Bank approved Terms of Reference shall be submitted to the Bank not later than six months after the end of the fiscal year. Training in Bank requirements regarding FM will also be given as part of project launching and during its implementation as a capacity-building initiative considering lessons learned from other projects. The detailed auditing arrangements are in Annex B4.17.

Disbursement Arrangements

4.1.12 The Bank will primarily make use of the Direct Payment method of disbursement for payments on contracts for the Transaction Advisory Firms, the Design Consultants and the Design and Build, Design, Build and Operate contractors and Facility Managers. At Federal level, a United States Dollar (USD) Project Account together with the related local currency (Naira) will be opened at the Central Bank of Nigeria (CBN) to facilitate all other project related payments in local currency. The Program will have access to the other disbursement methods: Reimbursement Guarantee and Reimbursement as prescribed in the Bank's Disbursement Handbook. At the State level, each of the Bank's financed Participating States Implementing Units (PSIU) shall open a United States Dollar denominated Project Special Account for each source of financing as required which shall have local Naira denominated draw down accounts as well as Government Counterpart Fund Account in a bank acceptable to the Bank. The Project Accounts shall be used to make payments in respect of the operating and recurring expenses. All Naira operations will be done through the drawdown account in line with the financing agreement between Government and Bank. The Bank will issue a Disbursement Letter of which the content will be discussed and agreed with the Borrower during Negotiations. Training will also be provided at project launch and during implementation as part of the Bank's continuous capacity building efforts.

4.2 Monitoring

4.2.1 Given the multi-modal and multi-phased nature of this Program, an integrated M&E system based on the results-based logical framework will be put in place to track outputs, outcomes and impacts on one hand and inputs (financial and physical) on the other hand. Specific emphasis will be deployed to ensure gender-disaggregated and environmental indicators are monitored systematically. Furthermore, the M&E specialist will be required to track and report on jobs indicators. Monitoring and reporting on job indicators would use the job-tracking tool under piloting in Nigeria. The PSIUs and IATC will be responsible for the quarterly, bi-annual and annual report. A program mid-term review will be undertaken at the mid-way of implementation. The Program will also be subject to a completion report to evaluate progress against outcomes and draw lessons for follow-up operations.

4.2.2 The Program will conduct a mid-term evaluation and an ex-post evaluation of the Program. The mid-term evaluation will assess whether the Program is moving towards achievement of program development objectives. The ex-post evaluation will assess the achievement of the objectives of the program and the impact on beneficiaries. It will confirm whether the program has been implemented as planned and draw lessons from the implementation. If implemented as planned, the expected outcomes will cover increased private sector investments, capacity utilization in agro industry, increased private sector capacity, value chain development and include job creation and improved agricultural yields along the adopted value chains. See details of M&E Arrangements in Appendix IV and Theory of Change in Appendix VI.

Table 4.1: Key-Monitoring Activities

Timeframe	Milestone	Monitoring process / feedback loop
Q1 - 2022	Program Launching	Supervision and Progress Report
Q2 -2022	Procurement & operationalization of private sector facility management entities	Procurement Plan/Progress Report
Q3-2022	Procurement of design and supervision consultants	Procurement Plan/Progress Report
Q3 - 2023	Procurement of Civil Works Completed	Procurement Plan/Progress Report
Q3-2022	Supply of certified agro-inputs to first tranche of farmers	Supervision and Progress Report
Q3 - 2024	50% of Civil Works completed	Midterm Review & Progress Report
Q1 - 2025	Substantial completion of civil works	Supervision and Progress Report
Q2 - 2027	Program Completion (AfDB)	Program Completion Report

4.3 Governance

4.3.1 Program implementation will be mainly at the State level by PSIUs established by State Ministries of Agriculture in conjunction with State Ministries of Industry. The State Steering Committees consisting of the State sector MDAs to be impacted by the Program (see Section 4.1), will provide oversight roles. The Bank will also provide some oversight especially during supervision missions and follow up meetings. All the Anti-Corruption measures that pertain to agencies and the Government will apply to this Program.

4.3.2 In the procurement process, governance risk will be mitigated through the Bank’s strict application of its standard rules and procedures. The Bank’s supervision missions, technical and financial audits will ensure conformity between the terms of reference, services provided, works done, disbursements made and loan agreements. The specific governance risk mitigation measures of the Program include: (i) having in place Program implementation arrangements, (ii) submission of periodic reports with financial information and the appointment of an independent Auditor for annual audits of Program financial statements to ensure that funds are used efficiently and for the intended purposes; and (iii) Bank prior review and approval of key Program procurement activities, beyond thresholds set out in the procurement arrangements.

4.4 Sustainability

4.4.1 The proposed Program is embedded in the Government’s policies on agriculture. The State governments have applied and undertaken preparatory studies to meet set criteria for participation in the Program. There is strong ownership of the activities of the Program from the onset. The selected components of the Program are demand driven, in that the elements were selected through a participatory approach through which the critical gaps/needs for within agro-industrial clusters were identified and prioritized during the Program preparation and appraisal processes.

4.4.2 The guiding principles for development of the SAPZs are for government to provide the enabling environment through the basic infrastructure around AIHs and the land as an enabler for private sector investments. The presence of the private sector will contribute to ensuring sustainability of the Program. To strengthen the capacity for promoting and managing the related ATCs, the Program integrates a robust capacity building for relevant institutions and value chain groups and youth. The sustainability of the certified input system is assured through the involvement of private sector companies. AIHs and ATCs will both have private sector led management and revenues from beneficiary industry and service providers to maintain and further develop the support infrastructure.

4.5. Risk management

Risk Analysis Matrix				
Risk Category	RISK DESCRIPTION	RATING	MITIGATION MEASURE	RISK OWNER
Country’s Political and Governance Context	Loss of interest in the project due to a change in Government and/or Security Risks.	Moderate	The project is clearly a high priority for Federal and respective State Governments in Nigeria. The Governments has been consistent and focused with its goal to attract private sector investments into the country. The Project has been developed to cut across political change in Government with focus on private sector SPVs and minority stakes for the State Governments. Government will also mobilize security forces around the work sites depending on the need and community involvement	FMARD/PSIU
Sector Strategies and Policies	The Government changes policy focus that will derail the SAPZ initiative	Moderate	The Bank and other donors will continue to dialogue with the Government on continued reforms to improve business climate and maintain policy focus on the SAPZ Initiative.	FMARD/AfDB/IFAD/IsDB

Risk Analysis Matrix				
Risk Category	RISK DESCRIPTION	RATING	MITIGATION MEASURE	RISK OWNER
	in Nigeria			
Capacity of Implementing Entity	Implementation delays and coordination risks	Moderate	NSIA , in collaboration with the executing agency and the States, will provide advisory support for financial and operations management for the AIHs and ATCs. NSIA has established a track record in implementing infrastructure projects and has strong buy-in from the states. The NSIA also has experience in PPP projects and has the trust of the private sector and is internationally recognized.	FMARD/ STATES/FCT/ NSIA
Environment and climate change risks	Program activities will affect environmental sustainability	Moderate	Mainstreaming of environment and climate change mitigating approaches and activities in all Program interventions	FMARD/ AfDB/ IFAD/ IsDB/ PSIU
Other	Slow Agribusiness investments	Moderate	To mitigate this risk, the Project will undertake a market sounding and branding exercise with the private sector very early at project implementation and investment promotion events subsequently Support will be given to Government on continuing reforms to improve business climate and ease of doing business and specific incentive packages in place to attract investors.	NSIA/FMARD/ PSIU

4.6. Knowledge building

4.6.1 The Program has a data collection and monitoring component to be implemented by program Monitoring and Evaluation Officers with the support of independent M&E consultants if necessary. The required studies will be undertaken as part of the Program. The information in these studies and the lessons learned from their implementation to be captured in an impact study at Program completion will be available for use on future projects.

4.6.2 The Program will have inbuilt data collection and monitoring component to be implemented by the program’s Monitoring and Evaluation Officers. State Program Development Communications Officers would be responsible for relevant information collection and dissemination through various public media. The Program will elaborate and implement a Knowledge Management and Communication strategy that will aim at: (i) providing Program beneficiaries with the necessary information to sustain the technical knowledge acquired with the support of the Program; (ii) to generate and share knowledge acquired from the experience of the Program in various fields based on the information collected as part of the monitoring of results or ad hoc thematic studies; (iii) sharing this knowledge with the FGN, the Participating States and the FCT, Technical Departments of the Bank, co-financiers and other development partners, including members of the Agriculture Thematic Group (DPG-ATG), using various platforms.

4.7 Compliance with Bank Policies

4.7.1 This SAPZ Program (Phase I) complies with all applicable Bank policies.

V – LEGAL INSTRUMENTS AND AUTHORITY

5.1. Legal instrument

5.1.1 The SAPZ Program (Phase I) will be financed by an ADB loan of USD 160 million and an AGTF loan of USD 50 million, through an ADB loan agreement between the Bank and the Federal Republic of Nigeria (the “Borrower”) and an AGTF loan agreement between the Bank as the administrator of the AGTF and the Borrower respectively.

5.2. Conditions associated with Bank’s intervention

5.2.1 **Conditions precedent to the entry into force of the Loan Agreements.** The ADB and the AGTF loan Agreements shall enter into force in accordance with Section 12.01 of the General Conditions Applicable to the African Development Bank Loan Agreements and Guarantee Agreements (Sovereign Entities).

5.2.2 Conditions precedent to first disbursement of the ADB and AGTF Loans. In addition to the entry into force of the Loan Agreements, the first disbursement of the loans shall be subject to the fulfilment by the Borrower, to the satisfaction of the Bank, of the following conditions:

- (a) the execution and delivery of Subsidiary Agreements between the Borrower and each of the five Participating States of Ogun, Oyo, Kaduna, Cross River and Imo States (altogether the “Bank financed Participating States”) for the on-lending of the Loan proceeds, in form and substance satisfactory to the Bank;
- (b) The execution of a Tripartite Agreement amongst the Borrower, each of the Bank financed Participating States, and the Nigeria Sovereign Investment Authority in form and substance acceptable to the Bank;
- (c) The execution and delivery of financing Agreements between the Borrower and the International Fund for Agricultural Development, Islamic Development Bank and Green Climate Fund respectively on terms and conditions acceptable to the Bank or the submission of evidence that the Borrower has secured financing from alternative sources to cover the financing gap resulting from failure to obtain the Co-financing or evidence of submission of commitment letters from the Co-financiers.
- (d) Evidence of the establishment of: (i) a Special Delivery Team at the Federal Ministry of Agriculture and Rural Development (FMARD); and (ii) a Participating State Implementation Unit (PSIU) at each of the Bank financed Participating States, each with core staffing of a Program Coordinator, Financial Management Specialist and Procurement expert whose skills and qualifications are acceptable to the Bank.
- (e) evidence of opening a foreign currency denominated Special Account in the Central Bank of Nigeria for the receipt of the proceeds of the Loan.

5.2.3 Condition Precedent to Disbursements for Works Involving Resettlement Subject to *Entry into Force* of the Agreements, the obligation of the Bank to disburse the Loans for works that involve resettlement shall be subject to the fulfilment by the Borrower of the following additional conditions:

- (a) Submission of a works and compensation schedule prepared in accordance with the Resettlement Action Plan (RAP) and the Bank’s Safeguards Policies, in form and substance satisfactory to the Bank detailing:
 - (i) each section of civil works under the Program, and
 - (ii) the time frame for compensation and/or resettlement of all Program affected persons (PAPs) in respect of each section,
- (b) Submission of satisfactory evidence that all Program affected persons (PAPs) in respect of civil works in a given section have been compensated and/or resettled in accordance with the Environmental and Social Management Plan (ESMP), the RAP and the agreed works and compensation schedule and the Bank’s Safeguards Policies, prior to the commencement of civil works in such section and in any case before the PAPs’ actual move and/or taking of land and related assets; or
- (c) In lieu of paragraphs (a) and (b) above, submission of satisfactory evidence indicating that the resources allocated for the compensation and/or resettlement of PAPs have been deposited in a dedicated account in a bank acceptable to the Bank or remitted to a trusted third party acceptable to the Bank, where the Borrower can prove, to the satisfaction of the Bank that, compensation and /or resettlement of PAPs in accordance with paragraphs (a) and (b) above could not be undertaken fully or partially, because of the following reasons:
 - (i) the identification of the PAPs by Borrower is not feasible or possible;
 - (ii) ongoing litigation involving the PAPs and/or affecting the compensation and/or resettlement exercise; or
 - (iii) any other reason beyond the control of the Borrower, as discussed and agreed with the Bank.

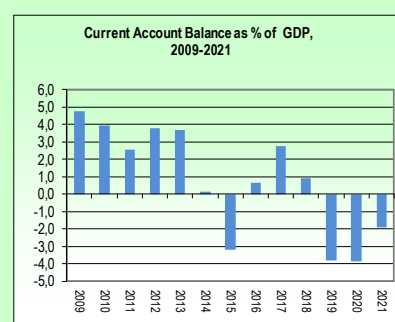
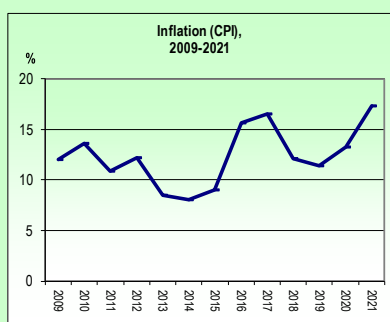
VI – RECOMMENDATION

6.1 Management recommends that the ADB Board of Directors approve the proposed ADB loan not exceeding One Hundred and Sixty Million United States Dollars (USD 160,000,000) and Africa Growing Together Fund (AGTF) loan not exceeding Fifty Million United States Dollars (USD 50,000,000) to the Federal Republic of Nigeria for the purposes and subject to the conditions stipulated in this report.

Appendix I. Country's Comparative Socio-Economic Indicators

Nigeria Selected Macroeconomic Indicators

Indicators	Unit	2010	2016	2017	2018	2019	2020 (e)	2021 (p)
National Accounts								
GNI at Current Prices	Million US \$	339 197	451 883	398 925	383 914	407 956	...	...
GNI per Capita	US\$	2 140	2 430	2 090	1 960	2 030	...	...
GDP at Current Prices	Million US \$	369 062	404 649	375 745	398 160	448 120	436 305	446 387
GDP at 2010 Constant prices	Million US \$	369 062	458 764	462 545	471 333	481 742	472 833	484 300
Real GDP Growth Rate	%	9,7	-1,6	0,8	1,9	2,2	-1,8	2,4
Real per Capita GDP Growth Rate	%	6,8	-4,1	-1,8	-0,7	-0,4	-4,3	-0,2
Gross Domestic Investment	% GDP	17,3	15,3	15,5	19,8	25,4	25,7	26,3
Public Investment	% GDP	11,3	2,3	3,3	8,3	14,2	14,8	15,1
Private Investment	% GDP	6,0	13,1	12,2	11,5	11,2	10,9	11,2
Gross National Savings	% GDP	20,8	13,3	15,3	14,1	14,7	17,9	...
Prices and Money								
Inflation (CPI)	%	13,6	15,6	16,5	12,1	11,4	13,2	17,3
Exchange Rate (Annual Average)	local currency/US\$	150,3	253,5	305,8	324,2	325,0	350,5	380,0
Monetary Growth (M2)	%	5,9	22,3	7,0	13,7	8,7	8,2	...
Money and Quasi Money as % of GDP	%	31,5	39,1	37,3	37,8	36,4	38,1	...
Government Finance								
Total Revenue and Grants	% GDP	13,2	2,1	2,3	2,8	2,8	2,3	2,4
Total Expenditure and Net Lending	% GDP	15,2	4,8	6,4	6,8	7,1	7,4	6,9
Overall Deficit (-) / Surplus (+)	% GDP	-2,0	-2,8	-4,1	-4,0	-4,3	-5,1	-4,5
External Sector								
Exports Volume Growth (Goods)	%	10,8	-10,4	8,0	2,9	18,3	-15,8	6,8
Imports Volume Growth (Goods)	%	35,6	-25,6	-16,1	8,5	60,3	-0,1	-3,2
Terms of Trade Growth	%	7,9	-6,6	10,6	12,9	-5,7	-19,7	17,0
Current Account Balance	Million US \$	14 469	2 714	10 381	3 655	-17 017	-16 905	-8 481
Current Account Balance	% GDP	3,9	0,7	2,8	0,9	-3,8	-3,9	-1,9
External Reserves	months of imports	5,5	7,0	9,3	7,2	4,6	6,2	...
Debt and Financial Flows								
Debt Service	% exports	4,0	16,5	14,3	29,5	14,9	37,1	41,3
External Debt	% GDP	6,8	14,4	25,2	24,9	25,1	24,9	24,1
Net Total Financial Flows	Million US \$	1 266	-9 363	8 338	3 916	6 105	...	...
Net Official Development Assistance	Million US \$	2 052	2 498	3 359	3 305	3 517	...	...
Net Foreign Direct Investment	Million US \$	6 099	3 681	3 813	6 401	3 299	...	...



Source : AfDB Statistics Department: African; IMF: World Economic Outlook, October 2020 and International Financial Statistics, December 2020; AfDB Statistics Department: Development Data Portal Database, December 2020. United Nations: OECD, Reporting System Division.

Notes: ... Data Not Available (e) Estimations (p) Projections

Last Update: October 2021

Appendix II. The Bank's Active Portfolio in Nigeria as at November 2021

Project Title	Loan Number	Type*	Approved (USD M)	Disbursement Ratio	Approval Date	Completion Date	Financing Window
AGRICULTURE AND AGROBUSINESS							
AGRICULTURAL TRANSFORMATION AGENDA SUPPORT PROGRAM-PHASE I (ATASP-I)	2100150029994	SOV	142.3	42.4%	30-Oct-13	30-Sep-22	ADF
AGRICULTURAL TRANSFORMATION AGENDA SUPPORT PROGRAM-PHASE I (ATASP-I)	2100155025974	SOV	0.4	57.9%	30-Oct-13	30-Sep-22	ADF
FUND FOR AGRICULTURAL FINANCE IN NIGERIA (FAFIN)		NSO	9.0	77.8%	19-Oct-16		ADB
PLATEAU STATE POTATO VALUE CHAIN SUPPORT PROJECT (PS-PVCP)	2100150037297	SOV	11.5	36.1%	30-Mar-17	31-Dec-22	ADF
SAY NO TO FAMINE FOR NIGERIA	2100150040593	SOV	17.1	0.0%	14-Dec-18	30-Oct-21	ADF
TRANSACTION ADVISORY SUPPORT TO THE NIGERIAN FED. MIN. OF AGRICULTURE	5500155009551	SOV	0.5	24.6%	8-May-15	31-Dec-21	MICTAF
MIC GRANT STRENGTHENING OF FEDERAL MINISTRY OF AGRICULTURE	5500155010501	SOV	0.7	78.1%	18-May-16	31-Dec-21	MICTAF
TECHNOLOGIES FOR AFRICAN AGRICULTURAL TRANSFORMATION TAAT I	2100155036067	SOV	41.8	94.9%	28-Nov-17	31-Dec-21	ADF
TOTAL			223.3	50.2%			
ENVIRONMENT							
NIGERIA-PROGRAMME FOR INTEGRATED AGRIC DEVT. AND ADAPTATION	5110155000451	SOV	3.4	3.1%	7-Nov-18	31-Dec-25	EU-AIP
NIGERIA-PROGRAMME FOR INTEGRATED AGRIC DEVT. AND ADAPTATION	2100150040844	SOV	8.6	4.2%	7-Nov-18	31-Dec-25	ADF
			12.1	3.9%			
FINANCIAL SECTOR DEVELOPMENT							
NIGERIA RISK BASED SUPERVISION FRAMEWORK IMPLEMENTATION AND CAPACITY BUILDING PROJECT	G-NG-H00-SUP-001	NSO	0.4	0.0%	27-Oct-20	23-Nov-23	CMDTF
ABN MICROFINANCE BANK Equity 2008		NSO	1.3	0.0%	19-Oct-08		ADB
ACCESS BANK NIGERIA LOC II	2000130012130	NSO	100.0	100.0%	15-May-14	1-Aug-16	ADB
ACCESS BANK NIGERIA LOC II	5060140000255	NSO	7.0	0.0%	15-May-14	1-Aug-24	EPSA-FAPA
AFRICA FINANCE CORPORATION		NSO	30.0	0.0%	27-Nov-18		ADB
NIGERIA FIRST CITY MONUMENT BANK LTD	2000130021380	NSO	50.0	0.0%	30-Jun-21		ADB
FAMILY HOMES FUNDS PROJECT	2000200005053	NSO	60.0	0.00%	22-Sep-21		ADB
AFRICA FINANCE CORPORATION	2000130008630	NSO	200.0	100.0%	15-Feb-12	18-Apr-15	ADB
DEVELOPMENT BANK OF NIGERIA (DBN)	2100150032693	SOV	46.9	100.0%	15-Dec-14	30-Dec-19	ADF
DEVELOPMENT BANK OF NIGERIA (DBN)	2000130013130	NSO	400.0	100.0%	15-Dec-14	30-Jul-20	ADB
DOMESTIC-ORIENTED SME FINANCING PROGRAM	2000130009884	NSO	100.0	100.0%	26-May-11	31-Dec-17	ADB
FIDELITY BANK	2000130019881	NSO	50.0	100.0%	10-Oct-18	31-Dec-20	ADB
FIDELITY BANK PLC	2000130010730	NSO	75.0	100.0%	17-Jul-13	24-Mar-16	ADB
INFRASTRUCTURE CREDIT GUARANTEE COMPANY LIMITED (INFRACREDIT	2000130020381	NSO	10.0	100.0%	5-Apr-19	19-Dec-21	ADB
INFRASTRUCTURE CREDIT GUARANTEE COMPANY LIMITED (INFRACREDIT	2000140001251	NSO	5.0	0.0%	5-Apr-19	0-Jan-00	ADB
LINE OF CREDIT - UNITED BANK FOR AFRICA PLC	2000130015931	NSO	150.0	100.0%	8-Jun-16	30-Nov-17	ADB
NAIRA LINE OF CREDIT TO FRB SUBSIDIARY, RAND MERCHANT BANK N	2000130011783	NSO	34.1	100.0%	12-Dec-12	11-Jul-17	ADB

STANBIC IBTC BANK PLC	2000130011531	NSO	1.3	100.0%	26-Mar-14	9-Jun-17	ADB
STANBIC IBTC BANK PLC	5560130000501	NSO	1.3	100.0%	26-Mar-14	9-Jun-17	CTF
UBA EQUITY		NSO	50.0	0.0%	9-May-07		ADB
USD 300 MILLION TRADE FINANCE PACKAGE FIRST BANK OF NIGERIA	2000130015733	NSO	200.0	100.0%	27-Jun-16	7-Dec-18	ADB
VEROD CAPITAL GROWTH FUND		NSO	15.0	0.0%	5-Sep-18		ADB
WEMA BANK LINE OF CREDIT 2015	2000130017380	NSO	15.0	100.0%	9-Mar-16	1-Aug-27	ADB
ZENITH BANK PLC - LOC III	2000130011530	NSO	125.0	100.0%	26-Mar-14	26-Jun-15	ADB
			1667.2	87.1%			
GOVERNANCE AND MULTI-SECTOR							
NIGERIA - AFRICAN TRADE INSURANCE (ATI) COUNTRY MEMBERSHIP PROGRAMME	2100150040595	SOV	12.7	100.0%	14-Dec-18	30-Jun-20	ADF
NIGERIA - AFRICAN TRADE INSURANCE (ATI) COUNTRY MEMBERSHIP PROGRAMME	2100150040596	SOV	2.0	100.0%	14-Dec-18	30-Jun-20	ADF
NIGERIA - COVID-19 RESPONSE SUPPORT PROGRAM (C19RSP)	2000200004697	SOV	288.5	100.0%	5-Jun-20	30-Jun-21	ADB
SUB-NATIONAL DEBT MANAGEMENT CAPACITY BUILDING PROJECT (SUBD)	5500155011551	SOV	1.1	89.0%	24-Jan-17	31-Jan-21	MICTAF
			304.4	100.0%			
INDUSTRY							
DANGOTE INDUSTRIES LIMITED	2000130015232	NSO	300.0	100.0%	13-Jun-14	22-Dec-19	ADB
INDORAMA ELEME FERTILIZER & CHEMICALS LIMITED FEED CONDITION	2000130021086	NSO	20.0	43.3%	18-Dec-19	30-Jun-23	ADB
INDORAMA ELEME FERTILIZER II	2000120005019	NSO	80.0	100.0%	16-May-18	12-Mar-22	ADB
INDORAMA FERTILIZER I	2000120003769	NSO	100.0	100.0%	30-Jan-13	15-Aug-16	ADB
			500.0	97.7%			
POWER AND ENERGY							
NIGERIA ELECTRIFICATION PROJECT	2000200003401	SOV	150.0	1.0%	29-Nov-18	31-Dec-23	ADB
NIGERIA ELECTRIFICATION PROJECT	5050200000551	SOV	50.0	0.7%	29-Nov-18	31-Dec-23	AGTF
NIGERIA TRANSMISSION EXPANSION PROJECT - PHASE 1 (NTEP1)	2000200004604	SOV	160.0	0.0%	26-Nov-19	31-Dec-24	ADB
NIGERIA TRANSMISSION EXPANSION PROJECT - PHASE 1 (NTEP1)	5050200001001	SOV	50.0	0.0%	26-Nov-19	31-Dec-24	AGTF
NIGERIA INFRASTRUCTURE DEBT FUND		NSO	10.0	0.0%	17-Oct-18		ADB
PARTIAL RISK GUARANTEE PROGRAM IN SUPPORT OF THE POWER SECTOR		SOV	172.8	0.0%	18-Dec-13		ADB
SEFA GRANT-JIGAWA IPP PROCUREMENT TECHNICAL ASSISTANCE GRANT	ML-0024	SOV	1.5	0.0%	30-Apr-20		SEFA
			594.3	0.3%			
SOCIAL AND HUMAN CAPITAL DEVELOPMENT							
ADDITIONAL LOAN TO IBSDLIEP FOR THE COMPLETION OF FSTC LASSA	2100150040594	SOV	4.0	0.4%	14-Dec-18	30-Dec-21	ADF
FEASIBILITY STUDIES- EKITI KNOWLEDGE ZONE AND JOB CREATION P	5500155013905	SOV	0.3	0.0%	21-Dec-20		MICTAF
INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT	2000200000701	SOV	150.0	10.8%	14-Dec-16	31-Dec-21	ADB
INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT	2100150036593	SOV	103.4	17.4%	14-Dec-16	31-Dec-21	ADF
INCLUSIVE BASIC SERVICE DELIVERY AND LIVELIHOOD EMPOWERMENT	5800155001751	SOV	6.1	17.4%	14-Dec-16	31-Dec-21	RWSSI
INSTUTIONAL SUPPORT AFE BABALOLA UNIVERSITY MIC	5500155013001	SOV	0.7	6.4%	30-May-17	31-Mar-23	MICTAF
AFE BABALOLA UNIVERSITY NIGERIA	2000130017037	NSO	16.6	0.0%	19-Oct-16	15-Dec-25	ADB

AFE BABALOLA UNIVERSITY NIGERIA	2000130016430	NSO	20.0	100.0%	19-Oct-16	15-Dec-25	ADB
NELSON MANDELA INSTITUTES – AFRICAN INSTITUTIONS OF SCIENCE AND TECHNOLOGY PROJECT	2100155032824	SOV	9.6	85.5%	15-Jul-16	30-Jun-22	ADF
			301.1	17.8%			
TRANSPORT AND URBAN DEVELOPMENT							
ABIDJAN-LAGOS CORRIDOR HIGHWAY DEVELOPMENT PROJECT STUDY-NIG	2100150036600	SOV	1.4	100.0%	21-Sep-16	31-Dec-24	ADF
EBONYI STATE RING ROAD PROJECT	2000200003851	SOV	40.0	0.4%	24-Apr-19	30-Jun-25	ADB
EBONYI STATE RING ROAD PROJECT	5050200000751	SOV	30.0	0.5%	24-Apr-19	30-Jun-25	AGTF
LEKKI TOLL ROAD PROJECT	2000120001769	NSO	49.5	100.0%	18-Jun-08	18-Sep-10	ADB
MICTAF- ABIA STATE INTEGRATED INFRASTRUCTURE DEVELOPMENT PRO	5500155013301	SOV	1.7	33.5%	7-Feb-19	30-Dec-22	MICTAF
TRANSPORT FACILITATION PROGRAMME FOR THE BAMENDA-MAMFEABAKAL	2100150019643	SOV	271.7	83.52%	25-Nov-08	31-Dec-21	ADF
TRANSPORT FACILITATION PROGRAMME FOR THE BAMENDA-MAMFEABAKAL	2100155015166	SOV	23.3	73.22%	25-Nov-08	31-Dec-21	ADF
TRANSPORT FACILITATION PROGRAMME FOR THE BAMENDA-MAMFEABAKAL	5110155000765	SOV	30.4	0.0%	25-Nov-08	31-Dec-23	EU-AIP
TRANSPORT FACILITATION PROGRAMME FOR THE BAMENDA-MAMFEABAKAL	6550655000401	SOV	43.8	0.0%	25-Nov-08	31-Dec-21	EPSA-ACFA
			491.9	57.8%			
WATER SUPPLY AND SANITATION							
RURAL WATER SUPPLY AND SANITATION SUB-PROGRAMMES FOR YOBE AND OSUN STATES	2100150015645	SOV	73.5	90.0%	10-Oct-07	31-Dec-21	ADF
URBAN WATER & SANITATION IMPROVEMENT PROJECT IN OYO AND TARABA	2100150025696	SOV	72.0	96.4%	2-Sep-09	30-Apr-21	ADF
URBAN WATER REFORM & PORT HARCOURT WSSP	2000130011585	SOV	200.0	26.4%	26-Mar-14	30-Apr-23	ADB
URBAN WATER REFORM & PORT HARCOURT WSSP	2100150031043	SOV	4.8	7.9%	26-Mar-14	30-Apr-23	ADF
ZARIA WATER AND SANITATION EXPANSION PROJECT	2100150026597	SOV	92.1	92.8%	8-Feb-12	31-Dec-20	ADF
SUPPORT FOR THE ESTABLISHMENT OF A MONITORING AND REPORTING	5600155005151	SOV	0.8	54.5%	5-Feb-20	31-Mar-22	AWF
			443.1	62.0%			
				68.7%			
		*Sovereign (SOV)	USD 2.23 bn				
		*Non-Sovereign (NSO)	USD 2.32 bn				
		Total Portfolio	USD 4.55 bn				
		Total Disbursed:	USD 3.12 bn				

Appendix III. Key related projects financed by the Bank and other Development Partners in Nigeria

Intervention Pillar	Project Name	Development Partner	Geographic Scope	Financing (\$ million)
Production and Productivity Enhancement	Program for Biosafety (PBS) – policy development and implementation of agricultural biotechnology	USAID	National	1
	West Africa Agricultural Productivity Project (WAAPP)	WB	National	45
Nutrition and Food Security	Support to Scale up Maternal and Newborn Child Health in Northern Nigeria	EU	Kebbi and Adamawa States	32
	Strengthening Nigeria National Food Control System and Safety	FAO	National	0.5
	Feed the Future Livelihoods Project	USAID	Sokoto, Kebbi, and FCT	20
	Famine Early Warning Systems Network (FEWSNET)	USAID		1.25
Value Chain Development/ Market Access	Rubber Out-growers project in Southern States (ROPSS)	AFD	Ondo, Ogun, Delta, Edo	100
	Market Development for the Niger Delta (MADE)	DFID	Niger Delta	22
	Agricultural Transformation Agenda Support Program Phase-I (ATASP-I)	AfDB	Enugu, Anambra, Niger, Kebbi, Sokoto, Kano, Jigawa	20
	Strengthening Agricultural Market Information Systems (AMIS)	FAO	Rivers, Lagos, Niger, Imo, Katsina and Bauchi States	0.6
	Competitive African Rice Initiative (CARI)	BMZ, BMGF, Walmart Foundation	Nigeria (Kogi, Niger, Kebbi, Kano, Jigawa, Kaduna, Taraba, Adamawa), Ghana, Tanzania Burkina Faso	20.6 Regional
Value Chain Development/Market Access	Commercial Agriculture Development Project	WB	Lagos, Cross River, Enugu, Kano, Kaduna	150
	Fadama III Additional Financing (FADAMAIII/AF)	WB	Anambra, Enugu, Kano, Kogi, Lagos, Niger	200
	Pro-poor Growth and Employment Promotion in Nigeria (SEDIN)	BMZ	Plateau, Niger, Ogun	7
	Value Chain Support Project (VCDP)	IFAD	Anambra, Benue, Ebonyi, Niger, Ogun, Taraba	74.5
Value Chain Development/Market Access	Business Innovation Fund 2 (BIF 2)	DFID	National	8
	Growth and Employment Project 4	DFID	National	25
	Rice Post-Harvest Processing and Marketing Pilot Project in Nasarawa and Niger States (RIPMAPP)	JICA	Nasarawa, Niger Commodity - rice	6
	Coalition for African Rice Development (CARD)/Nigeria Rice Seed Development Strategy (RSDS)	JICA	National	To be confirmed
	Maximizing Agricultural Revenue and Key Enterprises in Targeted Sectors (MARKETS) II	USAID	Kano, Kaduna, Sokoto, Niger, Benue, Kwara, Oyo, Ondo, Delta, Cross Rivers, Enugu, Rivers, Kogi, Taraba, Kebbi, Ebonyi, Anambra, Jigawa, FCT	60.7
	Agro-Input to Production Expansion (Apex)	USAID	Bauchi, Kano, FCT, Niger, Jigawa, Oyo, Kaduna, Sokoto	3
	Nigeria Expanded Trade and	USAID	Lakaji corridor	15

Intervention Pillar	Project Name	Development Partner	Geographic Scope	Financing (\$ million)
	Transport (NEXTT)			
	Investment and Technology Promotion Office (ITPO) in Nigeria	UNIDON	national	1.3
NRM/Climate Change Adaptation	Farmer Managed Renewable Energy Production	EU	Katsina	10.3
	Climate Change Adaptation and Agribusiness Support Project	IFAD	Borno, Jigawa, Katsina, Kebbi, Sokoto, Yobe, Zamfara	85
	Feed the Future Climate Resilient Cowpea Innovation Lab	USAID	West Africa (Nigeria <\$2m)	15
	One World – No Hunger. Green Innovation Centres	BMZ	Benue, Nassarawa, Kano, Kaduna, Oyo, Ogun,	7.5
	Scaling Up of Small Hydro Power (SHP) for Augmenting Rural Electricity Access	UNIDO	Osun, Ondo	1.1
	Mini-grid based on renewable energy (biomass) sources to augment rural electrification	UNIDO	Ebony	2
Rural Financial Inclusion	Rural Finance Institutions Building Project (RUFIN)	IFAD	Zamfara, Katsina, Adamawa,	27
	Fund for Agricultural Finance in Nigeria (FAFIN)	KfW	National	11
	Agricultural Insurance	BMZ	Design phase (Kebbi, Niger)	TBD
Agro-Enterprise development	Promoting Youth Employment and Entrepreneurship (YouLead)	DFATD,	Cross River	12
	PROPCOM Maikarfi	DFID	Northern Nigeria	42
	Micro Project in the 9 Niger Delta States (MPP9)	EU	Akwa Ibom, Bayelsa, Delta, Edo, Rivers, Imo, Abia, Cross Rivers, Ondo	110
	Sustainable Smallholder Agribusiness (SSAB) regional project	BMZ, EU, NIRSAL	Nigeria: Abia, Cross River, Edo, Ekiti, Katsina, Kano, Niger, Ondo, Osun Cameroon, Ghana, Côte d'Ivoire, Togo	9
	Facilitating job creation through the Entrepreneurship Training Programme "Learning Initiative for Entrepreneurs (HP LIFE)" and Enterprise Creation	UNIDO	Abuja; Akwa Ibom, Ebonyi Katsina, Lagos Ondo and Ogun State	2
Rural and Agro-Infrastructure	Rural and Mobility Project II (RAMP II)	AFD	Enugu, Niger, Adamawa, Osun	60
	Agricultural Transformation Agenda Support Program Phase-I (ATASP-I)	AfDB	Enugu, Anambra, Niger, Kebbi, Sokoto, Kano, Jigawa	150
	Water Supply and Sanitation Sector Reform Project	EU	FCT, Abuja Anambra, Cross River, Jigawa, Kano, Osun Yobe	97.2 + 68 + 48.6
	Design of (7) Master Plans and Technical Capacity to Manage Staple Crop Processing Zones (SCPZs) in Nigeria	UNIDO	Kano, Niger, Kogi, Anambra, Enugu,	1.45
	Staple Crop Processing Zones (SCPZs) Project (to be confirmed)	WB	Kogi	100
	Development of masterplans and detailed engineering design of integrated agro industrial parks	UNIDO	Cross River, Gombe, Kano	4.5
Sector Policy Reform and Institutional Development	Technical Assistance to the FMARD on Agribusiness, Policy, Knowledge Management and Organizational Management	UNDP - BMGF	National	UNDP
	Africa Lead II - capacity development to implement CAADP	USAID	National	1.5
	Feed the Future Agricultural Policy Project –	USAID	National	12.5

Intervention Pillar	Project Name	Development Partner	Geographic Scope	Financing (\$ million)
	analysis and capacity building			
	Agriculture Development Policy Operation	WB	National	100

Appendix IV. M&E Arrangements

A. Alignment indicators									
Indicator name	Definition/ description			Source	Baseline and targets (where possible)				
(i) Feed Africa indicator – Cereal yield (ton/hectare)	This indicator measures the crop yield per hectare in key staple crops: cassava, wheat, rice, maize, oats and sorghum.			FMARD/ Project Implementation Reports					
ii) Industrialize Africa indicator 1 –capital formation	This indicator measures the land improvements (fences, ditches, drains, etc.); plant, machinery, and equipment purchases; and the construction of roads, railways schools, offices, hospitals, private residential dwellings, and commercial and industrial buildings.			FMARD/FMITI/ Project Implementation Reports					
(iii) Improve quality of life of the people of Africa indicator 3 – youth unemployment	Increased employment and particularly jobs for youth through support for innovation, investment, and integration for job creation - linking jobseekers to recruiting companies and supporting vocational training.			National Statistics/ Program Implementation Reports					
Outcome and output indicators (performance indicators)									
Indicator name	Definition/ description	Methodology for collection	Responsibility for collection	Frequency of reporting	Results planning				
					2022	2023	2024	2025	2026
Outcome Indicator 1.1: Total Value of new investments (USD) by private sector companies within the AIHs and ATCs (USD)	Measure of new investments by private sector companies (Cumulative)	Value (USD) of private sector investment in AIHs/ ATCs/ ACs	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	0	250 million	500 million	750 million	1.0 Billion
1.2: Total number of jobs created (disaggregated by direct and indirect, age group and gender)	Measure of number of jobs created (disaggregated by direct/indirect; Gender and Age/Youth) (Cumulative)	Number of jobs: Direct Indirect % Women: % Youth	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	0	100,000	200,000	300,000	500,000
Outcome Indicator 2.1: Change in yield (disaggregated by value chain/commodity type.)	Measure of percentage change in crop yield per hectare of selected crops/commodities	Percentage change in crop yield from Baseline by crop type	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	5	15	25	40	50
Outcome Indicator 2.2 Total value (USD) of commodities supplied by farmers through contract farming (USD) to AIH tenant companies	Measure of Value (USD) <i>disaggregated by commodity</i>	Value (USD) of commodities	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	0	50 million	100 million	100 million	150 million
Outcome Indicator 2.3: Enterprises (Farmers, MSMEs) trained on food safety and quality standards	Measure of the Number of Enterprises (disaggregated by enterprise size, youth and women led enterprises)	Number of Enterprises (50% women led and 60% youth led MSMEs)	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	0	10,000	15,000	20,000	25,000
OUTPUT INDICATOR 1.1. External and internal infrastructure for Agro Industrial hubs (AIH) developed <input type="checkbox"/>									

Output Indicator 1.1.1 Administrative buildings (offices) constructed in the AIH	Number of Administrative Building/Office blocks in AIH	No	IATC/ PSIU/ NSIA	Quarterly/ Annual	0	2	2	2	2
Output Indicator 1.1.2 External Link road to AIHs constructed	Measure of the kilometers of link roads to the agro industrial hub (Cumulative)	Km	IATC/ PSIU/ NSIA	Quarterly/ Annual	0	10	20	30	40
Output Indicator 1.1.3 Internal roads within AIHs constructed (km)	Measure of Kms of road Cumulative)	Ditto	FGN/ PSIU	Quarterly/ Annual	-	50	75	85	105
Output Indicator 1.1.4 Energy provided to AIHs	Measure of the total MW of Energy provided to the Agri hubs (cumulative)	MW	IATC/ PSIU/ NSIA	Quarterly/ Annual	0	1	2	3	4
Output Indicator 1.1.5 Optic fiber system infrastructure constructed	Number of fiber optics infrastructure installed & reticulated in the Agri Hubs	No.	IATC/ PSIU/ NSIA	Quarterly/ Annual	0	2	2	2	2
Output Indicator 1.1.6: Water (boreholes) and Conveyance systems constructed	Measure of number of Water bore holes and conveyance infrastructure constructed in the AIH	No	IATC/ PSIU/ NSIA	Quarterly/ Annual	0	2	2	2	2
Output Indicator 1.1.7. Number of Sewerage systems constructed in the AIH	Measure of Sewerage systems constructed/reticulated	No	IATC/ PSIU/ NSIA	Quarterly/ Annual	0	2	2	2	2
Output Indicator 1.1.8: Integrated Effluent Management System constructed/installed in the AIH	Measure of Integrated (zero) Effluent system constructed	No	IATC/ PSIU/ NSIA	Quarterly/ Annual	0	2	2	2	2
Output indicator 1.1.9: Perimeter Fence constructed for the AIH	Measure of Perimeter fence	M ²	IATC/ PSIU/ NSIA	Quarterly/ Annual	0	20,000	20,000	20,000	20,000
OUTPUT INDICATOR 2.1 Enabling climate resilient infrastructure for selected value chains developed									
Output Indicator 2.1.1 Agricultural Transformation Centre (ATCs) constructed	Measure of the number of ATCs constructed	Number	IATC/ PSIU	Quarterly/ Annual	0	2	2	2	2
Output Indicator 2.1.2 Aggregation Centers (ACs) constructed	Measure of the Number of ACs Constructed	Number	IATC/PSIU	Quarterly/ Annual	0	5	10	10	5
Output Indicator 2.1.3 Feeder roads constructed/rehabilitated at farm-level	Measure of the kilometer of Feeder roads constructed	Length (km) constructed	IATC/ PSIU	Quarterly/ Annual	0	50	50	50	40
2.1.4 Output Indicator Irrigable land (area) rehabilitated/ extended	Measure of area (ha) under irrigation	Ha	IATC/ PSIU	Quarterly/ Annual	0	650	650	650	650
OUTPUT INDICATOR 2.2 Agricultural productivity and competitiveness improved									
Output Indicator 2.2.1: Number of farmers (out growers) trained on climate smart agricultural production techniques	Measure of number of farmers	Number	IATC/ PSIU	Quarterly/ Annual	20000	20000	20000	30000	20000
Output Indicator 2.2.2: Number of farmers supported with credit	Measure of Number of Farmers (disaggregated - 50 % women-led and 60 % youth))	Number	IATC/ PSIU	Quarterly/ Annual	10000	20000	20000	30000	20000

Output Indicator 2.2.3: Value of credit (USD) provided to farmers	Measure of Value of Farmers (disaggregated - 50 % women-led and 60 % youth)	USD	IATC/ PSIU	Quarterly/ Annual		1 million	3 million	5 million	7 million
Output Indicator 2.2.4: Number of farmers provided with agricultural inputs for selected commodities (certified seeds, fertilizers, other agrochemicals, mechanization, etc.) <i>(disaggregated by commodity and input type)</i>	Measure of number of farmers <i>(disaggregated by commodity and input type and gender)</i>	Number	IATC/ PSIU	Quarterly/ Annual	0	20,000	40,000	80,000	100,000
Output Indicator 2.2.5: Value of agricultural inputs for selected commodities provided to farmers (certified seeds, fertilizers, other agrochemicals, mechanization, etc.) <i>(disaggregated by commodity and input type)</i>	Measure of Value (USD) of agricultural inputs <i>(disaggregated by commodity and input type)</i>	USD	IATC/ PSIU	Quarterly/ Annual	0	0.5 million	2 million	2.5 million	2.5 million
Output Indicator 2.2.6: Use of fertilizers per hectare within the SAPZ catchment area	Measure of Quantity of Fertilizer use in kg per hectare	Kg/ha	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	19.7**	50	100	150	200
Output Indicator 2.2.7: Total additional land area under new production	Measure of additional land area	Ha	IATC/PSIU	Quarterly/ Annual	0	100,000	300,000	600,000	900,000
OUTPUT INDICATOR 2.3. Job creation and skills for climate-smart agribusinesses developed									
Output Indicator 2.3.1 Number of farmers cooperatives, (associations, out growers' groups) aggregated (& utilizing) IT based Platform (60% youth, 50% women)	Measure of number of Groups	Number	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	0	100	200	300	400
Output Indicator 2.3.2: Number of MSME's provided with BDS services	Measure of Number of MSME's (disaggregated – 50% women, 60% youth)	Number	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	0	50,000	100,000	100,000	150,000
Output Indicator 2.3.2: Number of MSME's provided with financial services (disaggregated – 50% women, 60% youth)	Measure of Number of MSME's (disaggregated – 50% women, 60% youth)	Number	IATC/ PSIU States Ministries of Agriculture/ NSIA	Quarterly/ Annual	0	50,000	100,000	100,000	150,000
OUTPUT INDICATOR 3.1. Enabling capacity for Policy, Legislation and Regulatory framework for SAPZs in Nigeria Strengthened									
Output Indicator 3.1.1 Existing agro-industrial zone policy document reviewed, updated, and approved by the Federal and State Governments	Policy document	Number	IATC/ PSIU/NSIA		0	1	0	0	0
Output Indicator 3.1.2 Special regulatory regime established (independently or within existing institution)	Regulatory Regime	Number	IATC/ PSIU/NSIA		0	0	0	1	0
Output Indicator 3.1.3 Training for staff of relevant public and collaborating institutions	Number of staff trained at national and state levels (disaggregated – 50% women)		IATC/ PSIU/NSIA		15	20	24	30	30

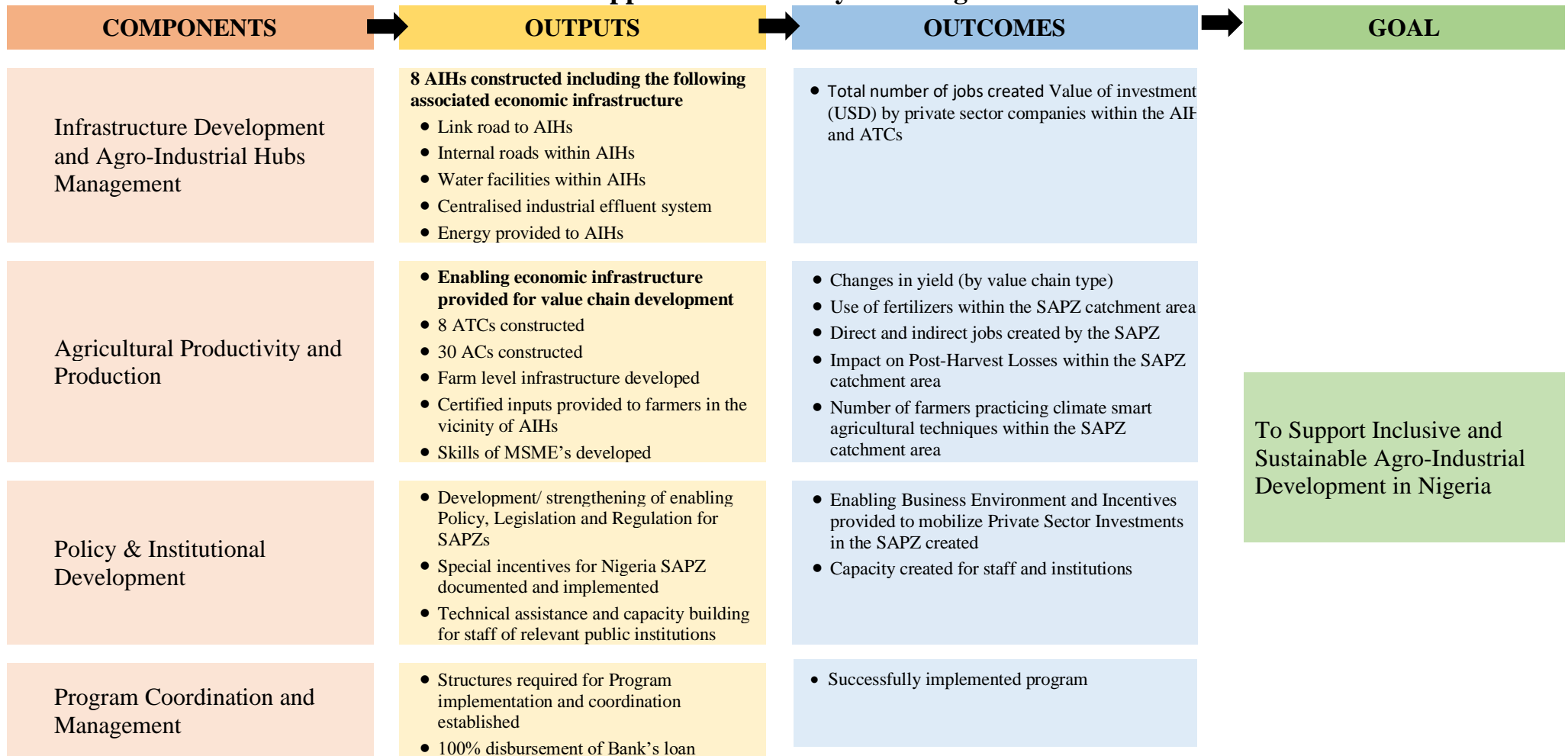
Output Indicator 3.1.4. Technical Assistance on Enabling Business Environment and Special Incentives provided to mobilize Private Sector Investments in the SAPZ	Number of Technical Assistance	Number	IATC/ PSIU/NSIA	Annual	1	2	0	0	0
Output Indicator 3.1.5. Number of market sounding/Branding/ Investment promotion events hosted	Number of Branding and Investment Promotion events	Number	IATC/ PSIU/NSIA	Annual	1	2	1	1	1
Output Indicator 3.1:6 Number of new agro industry Investments	Measure of new agro industry investors/tenant companies	Number of licenses issued	IATC/ PSIUs/ States Ministries of Agriculture/ NSIA	Quarterly/ Annual	0	50	100	200	250
Output Indicator 4. Effective Program Coordination and Management									
Output Indicator 4.1 Implementation Progress reports submitted	Measure of Program completion	Number submitted/ approved	IATC/ PSIU	Quarterly/ Annual	-	12	25		
Output Indicator 4.2 Audit reports prepared and validated	Measure of Accountability	Number cleared	IATC/ PSIU	Quarterly/ Annual	-	2	5		
Output indicator 4.3: 4.3 Disbursement rate on Bank's managed resources (%)		Percentage	IATC/ PSIU	Quarterly/ Annual	10	30	50	75	100

Appendix V. States Readiness Index: Analysis and Phasing

Clusters	STATE *(Included in FMFBNP list)	READINESS CRITERIA						Score	Readiness Based on Evaluation
		Completed/ Draft feasibility Studies (Yes/No)	Preliminary ESIA/ ESIA Studies (Yes/No)	Determination of Value Chain (Yes/No)	Determination of Sites (Yes/No)	Confirmed Equity Contribution from the State (Yes/No)	Financing request from FMFBNP		
Cluster 1	KADUNA	Yes	Yes	Yes	Yes	Yes	No	5/6	High
	KATSINA	No	No	No	No	No	No	0/6	Low
	JIGAWA	No	No	Yes	Yes	No	No	2/6	Low
	KANO	Yes	Yes	Yes	Yes	Yes	No	5/6	High
Cluster 2	OYO	Yes	Yes	Yes	Yes	Yes	No	5/6	High
	EKITI*	No (Pre-feasibility)	No	Yes	Yes	Yes	Yes	5/6	Medium
	LAGOS*	No	No	Yes	Yes	Yes	Yes	4/6	Medium
	OGUN*	Yes	Yes	Yes	Yes	Yes	Yes	6/6	High
	OSUN	No	No	No	No	No	No	0/6	Low
	EDO	No	No	No	No	No	No	0/6	Low
	ONDO	No	No	Yes	Yes	Yes	No	4/6	Medium
Cluster 3	FCT*	Yes	Yes	Yes	Yes	Yes	Yes	6/6	High
	KOGI*	No	Yes	Yes	Yes	No	Yes	4/6	Medium
	KWARA*	Yes	Yes	Yes	Yes	Yes	Yes	6/6	High
	NASARAWA	No	No	Yes	Yes	Yes	No	3/6	Medium
	KEBBI	No	No	No	No	No	No	0/5	Low
	NIGER	No	No	No	No	No	No	0/5	Low
Cluster 4	BENUE*	No	No	Yes	Yes	Yes	Yes	4/6	Medium
	ANAMBRA	No	No	Yes	Yes	Yes	No	3/6	Medium
	CROSS RIVER	yes	Yes	Yes	Yes	Yes	No	5/6	High
	EBONYI	No	No	No	No	No	No	0/5	Low
	IMO	Yes	Yes	Yes	Yes	Yes	No	5/6	High

Note: States were categorized into clusters. Previously submitted documents and Program preparation mission findings were used to analyse state readiness using the above Readiness Index criteria. This allowed for effective Program phasing.

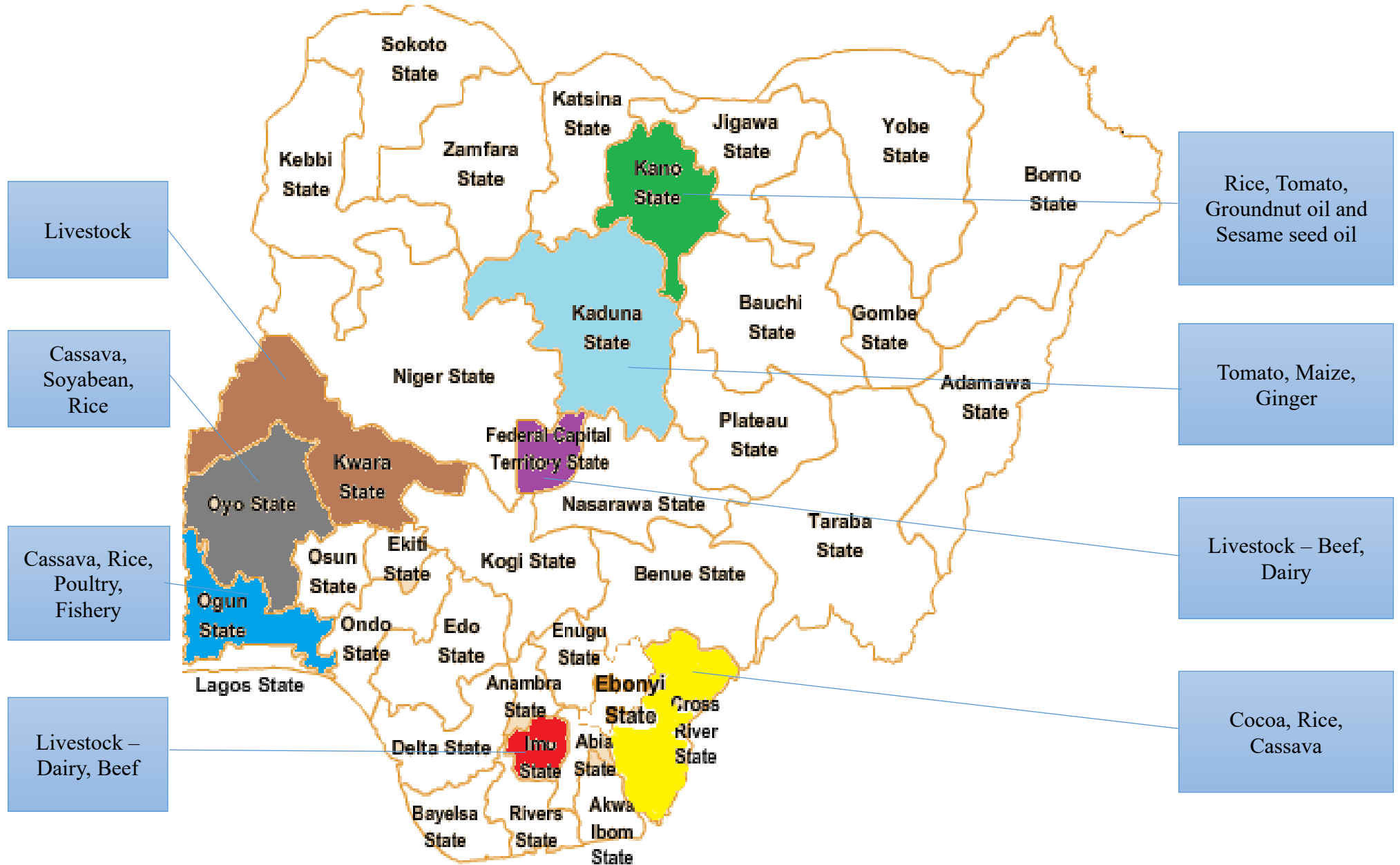
Appendix VI. Theory of Change



ASSUMPTIONS

1. Government as enabler: put in place right policies capacity and infrastructure services.
2. Delivery through public-private partnership: transparent and competitive procurement of private sector operators to construct and manage SAPZs.
3. Pragmatism for accelerated delivery and results.
4. Speedy delivery of zones facilities & attraction of top-class farmers and industrial processors.
5. Inclusiveness of smallholder farmers and small value chain actors, women and youth to take advantage of the demand created by the SAPZs.
6. Promotion of green agriculture.

Appendix VII. Map of Phase 1 Program Area and Proposed Value Chains

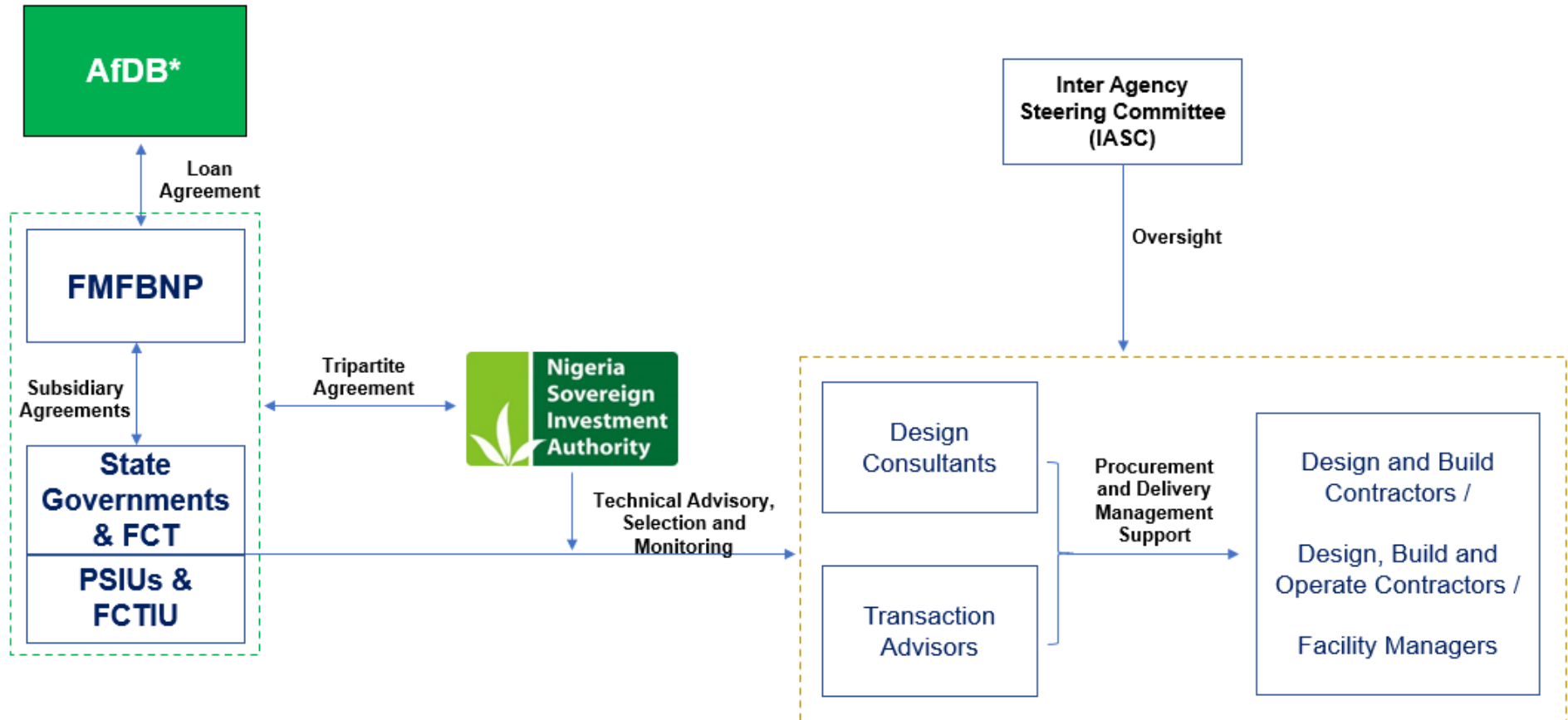


Appendix VIII. Phase I Program Specific Areas of Focus, Associated Commodities and Private Sector Investors

STATE	Value Chain Commodities	Site/location selected	Private Sector Investors
1. Cross River	Cocoa, Rice, Cassava	<u>AIH</u> : Ikom site (35Ha) <ul style="list-style-type: none"> • <u>ATC</u>: Obanliku 	<ul style="list-style-type: none"> • AA Universal Agro Ltd • Greensource Limited
2. FCT	Livestock – Beef and Dairy	<u>AIH</u> : Paikon Kore/ Dobi in Gwagwalada Area Council (55Ha) <ul style="list-style-type: none"> • <u>ATC</u>: Karshi in Abuja Municipal Council • <u>ATC</u>: Kawu in Bwari Area Council 	<ul style="list-style-type: none"> • Cikasoro LTD, • WAMCO, • Freislandcampina, • Nestle, • Kapital Meat, • L &Z, • Danwaire Farms LTD
3. Imo	Livestock – Beef and Dairy	<u>AIH</u> : Okigwe site <ul style="list-style-type: none"> • <u>ATC</u>: Ngor Okpala 	<ul style="list-style-type: none"> • Mevok Nig Ltd
4. Kaduna	Tomato, Maize, Ginger	<u>AIH</u> (tbc): Green Agro-Allied Industrial Zone (GAAIZ) site - 2000Ha <ul style="list-style-type: none"> • <u>ATC</u>: Dutsen-Wai, Kubau LGA 	<ul style="list-style-type: none"> • Olam • Falke Industries • TMDK Industries • Falgate Rice • KadPMC, • Nalmaco
5. Kano	Rice, Tomato, Groundnuts and Sesame (Oil)	<u>AIH</u> : Bagauda (250Ha) <ul style="list-style-type: none"> • <u>ATC</u>: Kura (36Ha) • <u>ATC</u>: Bagwai (9Ha) • <u>ATC</u>: Dawanau (10 Ha) • <u>ATC</u>: Kakara 	<ul style="list-style-type: none"> • UMZA • Popular Farms • Dangote Tomato • Arewa Processing Ltd • The Kakara site for oil-processing has 40 different SMEs
6. Kwara	Livestock	<u>AIH</u> : Lata Grazing Reserve <ul style="list-style-type: none"> • <u>ATC</u>: Afon Milk collection center, Ada LGA • <u>ATC</u>: Gidan Magajiya grazing reserve, Baruteen LGA • <u>ATC</u>: Kinikini grazing reserve, Kaiama LGA • <u>ATC</u>: Olodan Grazing Reserve, ifelodun LGA. 	<ul style="list-style-type: none"> • Minerva Foods • BUA Group • OLAM • New Frontier Development Ltd • The Shonga Dairy farmers association
7. Ogun	Cassava, Rice, Poultry, Fishery	<u>AIH</u> : Sagamu interchange 150Ha <ul style="list-style-type: none"> • <u>ATC</u>: Sawanjo 	<ul style="list-style-type: none"> • DZL Wood Processing Factory • Nestle Plc • Premium Aquaculture Dam • Durante Farms

STATE	Value Chain Commodities	Site/location selected	Private Sector Investors
			<ul style="list-style-type: none"> • Origin Tech Group Nigeria Limited • Truechem Industries • Visafin Nigeria Ltd • Agropark Development Company Ltd • Mwalimu Madiba Company Ltd • Funtex Investment Ltd • Amobyn Nigeria Ltd • ARM • Elephant Group
8. Oyo	Cassava, Soyabeans, Rice	<u>AIH: Ijaiye, Akinyele LGA</u> <ul style="list-style-type: none"> • <u>ATC: Eruwa</u> 	<ul style="list-style-type: none"> • Brains and Hammers • Anthill Farm Fresh produce • Ganic Industry • Agribusiness Ideation Limited • Dula Nigeria Limited • Agro-4-U Limited

Appendix IX. Role of NSIA in the Management of Transaction Advisors, Design Consultants and DB contractors /DBO contractors /Facility Managers



Appendix X. Justification for Government Contribution of Less Than 50%

1. The Bank's response to the government's economic diversification through the promotion of agriculture value-added and infrastructure financing diversification drive is the Special Agro-industrial Processing Zone (SAPZ) Program. The overall program development objective is to support the structural transformation of the Nigerian economy by tapping into the full potential of its agricultural sector. The specific objective of the program is to increase the competitiveness and business environment of the Nigerian agriculture sector, through the provision of hard and soft infrastructure that would allow the crowding-in of private investment into the sector, both at the upstream and downstream axes of the value chains.

2. The overall total cost of SAPZ Program (Phase I) for the seven States and FCT is estimated at USD 538.37 million net taxes, and the financing is as follows:

Table 1. Sources of financing in million USD

Sources Of Financing	Foreign Currency Costs	Local Currency Costs	Total Costs	% Total
AfDB	62.28	97.72	160.00	29.75
IsDB	66.15	83.85	150.00	27.88
IFAD	44.10	55.90	100.00	18.59
AGTF	21.47	28.53	50.00	9.29
IGREENFIN	-	60.00	60.00	11.15
Subtotal	194.00	326.00	520.00	96.66
Government				
Federal	-	2.04	2.04	0.39
Ogun State Govt.	-	1.96	1.96	0.36
Oyo State Govt.	-	1.96	1.96	0.36
Kano State Govt.	-	2.29	2.29	0.43
FCT Govt.	-	1.96	1.96	0.36
Kaduna State Govt.	-	1.96	1.96	0.36
Kwara State Govt.	-	1.96	1.96	0.36
Cross River State Govt.	-	1.96	1.96	0.36
Imo State Govt.	-	1.96	1.96	0.36
Subtotal-States	-	16.01	16.01	2.95
Subtotal-Government	-	18.05	18.05	3.4
Total Program cost	194.00	344.05	538.05	100.00

3. The Bank will provide a total of USD 210 million, including an ADB Loan of USD 160 million (about 29.7% of the total) and USD 50 million (9.3%) from the Africa Growing Together Fund (AGTF). Co-financiers are Islamic Development Bank (IsDB) with USD 150 million (27.9%) and International Fund for Agricultural Development (IFAD) for USD 100 million (18.6%). Additional resources amounting to USD 60 million (11.1%) could be mobilized by IFAD from the IGREENFIN initiative for the financing of green investments.

4. The State and Federal Governments will provide USD 18.05 million (USD 2.04 million by FGN and USD 16.01 million by the States) in cash and kind, which represents 3.4% of the total financing. For the recurrent costs (Personnel, allowances, operating costs), the FGN will fund USD 1.94 million.

5. The 2008 Policy on Expenditure Eligible for Bank Group Financing stipulates that for ADB financing, the Government's contribution must be at least 50% of the project cost unless special circumstances warrant a lower percentage. The Policy also proposes that the Bank could finance the project's recurrent costs, up to 100%, on a case-by-case basis.

6. This note provides justification for approving the smaller share of Government counterpart financing of USD 18.05 million, which translates to 3.4% of the total Program costs. The note also gives justification for, the Bank financing of USD 4.94 million of the Program's recurrent costs, which amounts to 20.2% of the USD 24.42 million total recurrent costs.

Counterpart Funding

7. In justifying the level of Government counterpart funds, the note reviews four key parameters; the strong commitment of the Federal Government in the implementation of the ERGP 2017-2020 and successor MTNDP 2021-2025 with agriculture as priority sector; the government's past budgetary allocation to the agriculture sectors, the finance situation of the Federal and State governments as well as the precarious domestic debt situation of many of the States. The assessment also takes cognizance of the government's National Poverty Reduction with Growth Strategy, which targets lifting 100 million out of poverty within a decade, with an estimated associated financing of about \$1.6 trillion, translating into annual expenditure of \$161 billion (40.6 percent of 2020 GDP).

Criteria 1: Commitment by the Federal Government of Nigeria to implement the Economic Recovery and Growth Plan (ERGP) 2017-2020, Medium-Term National Development Plan (MTNDP) 2021-2025 and National Poverty Reduction with Growth Strategy.

8. Nigeria has just emerged from economic recession which started in 2016 and lasted for five consecutive quarters. This recession which was attributed to volatility in oil prices and disruptions in production imposed huge costs on social and human development indicators which have severely affected poverty and vulnerability across several households in Nigeria. The national government responded with an 'Economic Recovery and Growth Plan', which was launched in March 2017 and clearly emphasized infrastructure (especially power and transport) as key sectors to build a competitive economy in Nigeria. There were five top ERGP's execution priorities; Stabilize the macroeconomic environment, achieve agriculture and food security, improve transportation infrastructure, ensure energy sufficiency in power and petroleum products, drive industrialization focusing on SMEs.

9. The Federal Government has from onset implemented the ERGP with strong commitment and utilized new innovative approaches including the Focus Labs. A core implementation Unit that managed the ERGP Focus Labs had been set up at the former Ministry of Budget and National Planning (MBNP), to accelerate delivery while an Efficiency Unit at the Federal Ministry of Finance was set up to help re-prioritize public spending and cut costs on recurrent expenditure thus ensuring value for money. The Focus Labs adopted the 'Big, Fast, Result' methodology to determine 'high impact' priority investment projects as well as strategies to reduce any associated delivery bottlenecks.

10. The commitment to the implementation of the ERGP helped to spur growth and bring the economy back from recession at the end of 2017. Gross Domestic Product (GDP) growth rose steadily to 2.27% in 2019. Due to the twin shocks of the Covid-19 pandemic and significant reduction in the oil price, however the economy shrunk by 1.92% (GDP terms) in 2020 the worst quarters being Q2-2020 & Q3-2020. On the positive note, the economy exhibited a slow but continuous recovery from Q4-2020 (GDP growth of 0.11%) to 0.51% (year-on-year) Q1-2021. The recovery is, however, expected to stay slow and sluggish up to 2022 and strongly linked to a sustained increase in both oil production and prices. The FGN has projected a GDP growth rate of 3% for 2021 fiscal year higher than the 0.7% projected by the ADB. The FGN's

projection is consistent with the 2021 - 2023 Medium-Term Expenditure Framework and Fiscal Strategy Paper which documents Nigeria's plan to achieve year-on-year GDP growth rates of 3%, 4.86% and 3.86% in 2021, 2022 and 2023 fiscal years, respectively. It is expected that FGN would take bold and concerted steps to stabilize the macroeconomic environment, leverage its human capital, improve the country's competitiveness and attract capital flows under the MTNDP 2021-2025.

11. Government's commitment to lift 100 million out of poverty within a decade has been encapsulated in the National Poverty Reduction with Growth Strategy, with an estimated financing envelope of USD 1.6 trillion, equivalent to USD 161 billion per annum, or 40.6 percent of 2020 GDP. One of the key components of the NPRGS is investment in requisite infrastructure to stimulate private investment in growth enhancing and employment creating sectors, including agro-processing.

Criteria 2: Budgetary Allocations for the Agriculture Sector has been lower than expected but the sector presents a huge development potential in terms of food security, foreign exchange earnings and job creation.

12. The budgetary allocations to the agriculture sector had been below the 10% of total annual budget under the 2003 Maputo Declaration. The year 2020 was no exception – the allocation was 1.34% of total annual budget. However, despite the challenges in 2020, agriculture's contribution to overall GDP was 26.21% up from 25.16% in 2019; and agriculture sector has a huge development potential in terms of food security, foreign exchange earnings and job creation.

Criteria 3. Public Finance Situation of the Federal and State governments remain precarious, but the States are faster on the path of recovery.

13. Since oil revenues dominate the total revenues which accrue to all levels of government in Nigeria, slippages have a huge impact on social services and infrastructure expenditure. Given the low levels of internally generated revenues (IGR) for both the Federal and State governments amidst growing expenditure pressures, the fiscal deficit, has remained elevated. The deficit was amplified by the outbreak of the COVID-19 pandemic which stoked a sharp decline in oil prices and economic recession, resulting in lower than projected fiscal revenues. Total federally collected revenues were 2.5% below the 2020 target of ₦ 5,076.9 billion. Thus, coupled with spending pressures to mitigate impact of the pandemic on businesses, households and health system, the fiscal deficit widened to 5.2% of GDP in 2020 and although it is projected to narrow, it will remain elevated in the medium-term, averaging 4.5% from 2021-2022.

14. Internally generated revenues have slightly improved in the second half of 2020 largely due to easing of COVID related restrictions. Total state level IGR grew by 5.2 percent year-on-year, reflecting improved business conditions under the new normal. Despite this, significant gaps remain at both federal and state government level and although there is progress in revenue collection among some of the States under Phase I of the SAPZs Program, few of these rank among the top five in performance. For example, out of the 7 Participating States and the FCT, only Kaduna ranked among the top 5 but accounted for only 3.2% of total state level IGR in 2020. These recent increases are attributed to improvements in the efficiency of tax collections especially the introduction of electronic tax/revenue collection systems.

15. Both the Federal and State Governments still resort to debts to finance the deficits. As of end of March 2021, total public debt (external and domestic) for Federal and State governments

was USD 87.24 billion or NGN 33.11 trillion and equivalent to 21.1% of national GDP. Of these, the domestic debt for the States and FGN were USD 10.9 billion and USD 76.4 billion respectively. Domestic debt across the States varies from USD83.2million (Jigawa) to USD 1,337 million for Lagos. The total for the Phase I Participating States and the FCT is 2,322.7 million or about 21% of the total national domestic debt. Overall, the debt management office restricts the amount of debt states can contract, based on their carrying capacity and ability to repay, which in turn is linked to revenues.

16. Revenue projections (oil and non-oil) at both the Federal and State levels are not expected to recover dramatically so soon, given that global oil prices are expected to remain somewhat low and volatile. As such, there are huge possibilities of even higher debt levels in the coming years for both the Federal and States. Moreover, debt service payments are consuming more than 95% of federally collected revenues.

Recurrent costs

17. The Bank's contribution of 58.8% towards the Program recurrent is justified since these costs are: (i) an integral part of the project to ensure timely take-off and provide comfort to other potential financiers; (ii) necessary for achieving project development objectives; and (iii) productive in the specific project financed. Recurrent cost will be gradually transferred to the client such that the borrower bears all future recurrent costs by the end of project implementation period. Furthermore, to ensure sustainability, both the Federal and Participating States Governments as well as the FCT have committed to provide financing for recurrent expenditures during Phase II of the Program.

Conclusion:

18. The preceding sections of this appendix, depict how the current fiscal situation of both Federal and State governments will limit the expected counterpart contribution to this Program by the Federal Government and the States concerned.

19. In compliance with the 2008 Policy on Expenditure Eligible for Bank Group Financing, and in application of the Country Financing Parameters (CFPs), which allow financing of up to 100% of individual project total costs and recurrent costs, the proposed lower proportion of counterpart funding contribution and financing of recurrent costs are hereby justified.

ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)



AFRICAN DEVELOPPEMENT BANK GROUP

A. Basic Information ⁷	
Project Title: Special Agro-Industrial Processing Zones (SAPZ)	Project "SAP code": P-NG-AAA-002
Country: Nigeria	Lending Instrument⁸: DI <input checked="" type="checkbox"/> FI <input type="checkbox"/> CL <input type="checkbox"/> BS <input type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBF <input type="checkbox"/>
Project Sector: Agriculture	Task Team Leader: M. Nyambe
Appraisal date: 19/04/2021 – 13/05/2021	Estimated Approval Date: 27/10/2021
Environmental Safeguards Officer: Bakia Mbianyor	
Social Safeguards Officer: Florentine Tchoffo	
Environmental and Social Category: 1	Date of categorization: 16/10/2020
Operation type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> PBO <input type="checkbox"/>	
Is this project processed under rapid responses to crises and emergencies?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Is this project processed under a waiver to the Integrated Safeguards System?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

B. Disclosure and Compliance Monitoring

B.1 Mandatory disclosure

Environmental Assessment/Audit/System/Others specify: ESMFs, ESIA and ESMPs	
Was/Were the document (s) disclosed <i>prior to appraisal</i>?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	15/01/2021 - ESMF 25/05/2021 – ESIA 03/06/2021 – ESIA 18/06/2021 – ESIA 22/06/2021 – ESIA 21/07/2021 – ESIA 24/08/2021 – ESIA and ESMP
Date of receipt, by the Bank, of the authorization to disclose	15/01/2021 - ESMF 25/05/2021 – ESIA 03/06/2021 – ESIA 18/06/2021 – ESIA 22/06/2021 – ESIA 21/07/2021 – ESIA 24/08/2021 – ESIA and ESMP
Date of disclosure by the Bank	15/01/2021 - ESMF 25/05/2021 – ESIA 03/06/2021 – ESIA 18/06/2021 – ESIA 22/06/2021 – ESIA 21/07/2021 – ESIA 24/08/2021 – ESIA and ESMP

Resettlement Action Plan/Framework/Others (specify:)	
Was/Were the document (s) disclosed <i>prior to appraisal</i>?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	[Date]
Date of receipt, by the Bank, of the authorization to disclose	[Date]
Date of disclosure by the Bank	[Date]

Vulnerable Peoples Plan/Framework/Others (specify:)	
Was the document disclosed <i>prior to appraisal</i>?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	[Date]
Date of receipt, by the Bank, of the authorization to disclose	[Date]
Date of disclosure by the Bank	[Date]

If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why: NA.

B.2. Compliance monitoring indicators

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized and secured?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>

C. Clearance

⁷ Note: This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

⁸ DI=Direct Investment; FI=Financial Intermediary; CL=Corporate Loan; BS=Budget Support; GU=Guarantee; RPA=Risk Purchase Agreement; EF=Equity Financing; RBF=Results Based Financing.

ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)



AFRICAN DEVELOPPEMENT BANK GROUP

Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board?

Yes No

<i>Prepared by:</i>	<i>Name</i>	<i>Signature</i>	<i>Date</i>
Environmental Safeguards Officer:	Bakia Mbianyor		17/09/2021
Social Safeguards Officer:	Florentine Tchoffo		17/09/2021
Task Team Leader:	Monde Nyambe		17/09/2021
<i>Submitted by:</i>			
Sector Director:	Olagoke Oladapo OiC for, Atsuko TODA		21/09/2021
<i>Cleared by:</i>			
Director SNSC:	Maman-Sani ISSA	Cleared.	22/09/2021