

AGRO-CLIMATIC RESILIENCE IN SEMI -ARID LANDSCAPES (ACReSAL)

PROJECT PROCUREMENT STRATEGY FOR DEVELOPMENT

1 PROJECT OVERVIEW

Country:	NIGERIA
Full Project Name:	AGRO-CLIMATIC RESILIENCE IN SEMI -ARID LANDSCAPES (ACReSAL)
Total Finance (\$):	USD 700 MILLION
Project Number:	P175237
Summary of Project Development Objectives	The Project Development Objective (PDO) is to increase the adoption of climate resilient landscape management practices and enhance livelihoods in targeted arid/semi-arid watersheds in Northern Nigeria.

PROJECT COMPONENTS	COST ESTMATE (USD)	OBJECTIVES OF EACH COMPONENT
Component A: Desertification Control and Landscape Management	299.6m	This component aims to prepare and implement investments to arrest desertification and improve the sustainable productivity of land in targeted watersheds (about 1,000,000 ha area of degraded and desert landscapes out of 4,000,000 (25%) Government program).
Component B: Community Livelihoods and Resilience	293.4m	This component aims to support communities with improved capacity and investments to improve sustainable livelihoods.
Component C: Institutional	107.6m	This component aims to strengthen capacities of institutions at various levels (e.g., national, selected states)

Strengthening and Project Management		to modernize their work for the longer-term on integrated multi-sectoral planning, information management, and building systems for improving land and water management and sustainable agricultural productivity in northern Nigeria.
Component D: Contingency Emergency Response Components (CERC):	0m	This will finance a Contingency Emergency Response Component (CERC) for landscape and community resilience in response to extreme weather, land movement events and other emergencies.

LIST OF PROCUREMENT ACTIVITIES

The project is designed as framework project and therefore investments and the participating states (the major investments will be implemented by the participating states) are not fully known yet. In the table below are the activities that already known, and implementation can commence immediately. The PPSD will be updated during implementation as the investments and participating states become more defined. These investments include gully erosion control, rehabilitation of irrigation and dams.

S/N	ACTIVITIES	COST ESTIMATE (USD)	CUMMULATIVE COST ESTIMATE (USD)	% of TOTAL COST ESTIMATE
1	Technical assistance for landscape restoration services	10,000,000	10,000,000	28%
2	Extension services technical assistance	9,900,000	19,900,000	57%
3	Implementation support consultancy	9,500,000	29,400,000	84%
4	Long-term framework and policy support	2,500,000	31,900,000	91%
5	Development of strategic catchment plan	1,600,000	33,500,000	95%

4	Monitoring Information System (MIS) and maintenances	600,000	34,100,000	97%
5	Others ICT Equipment and connectivity, cloud services, others general services	400,000	34,500,000	98%
	Desktops & Laptops	300,000	34,800,000	99%
	Data collection and analysis at State/federal Level	168,000	34,968,000	100%
	Production of Manuals (PIM)	90,000	35,058,000	100%
	Design and hosting of interactive website	56,000	35,114,000	100%
	TOTAL	35,114,000		

Strategic Assessment of Operating Context and Borrower Capability

Operational Context

Nigeria experiences a diverse climate that ranges from arid in the north to tropical in much of the country and is listed among the countries most exposed to climate risks. The country faces a high water-scarcity hazard level, with droughts expected to occur on average every five years, with potential increased frequency due to climate change. Focusing on drylands management, ACRoSAL will be implemented in the states of northern Nigeria. The agricultural sector is the major economic driver of northern Nigeria. Many projects and initiatives have been undertaken in northern Nigeria over the past decades to combat the growing crisis of desertification. The FGN is thus increasingly moving toward an integrated and multisectoral approach to address the challenges of dryland management.

(a) Governance Aspects: There are security challenges in almost all the states in the northern Nigeria where the project will be implemented. The Government of Nigeria is making some progress in addressing these security challenges. The security situation may reduce the interest of major players, especially for Component A to participate in the procurement process and those that choose to participate may add a premium to the bid prices to take of the additional security arrangement they want to put in place during contract execution in case of an award.

(b) Economic Aspects: Nigeria has just come out of an economic recession because of CIVID 19 pandemic and a fall in crude oil price in the world market. The country is contending with high inflation and exchange rate volatility. The high inflation and exchange rate volatility has made the prices of the major construction materials such as iron rods and cement to be volatile. Substantial proportion of the Component consist of civil works with locally available inputs (labour and materials). The effect of the exchange volatility will be minimal since bidders expecting to incur expenditures in other currencies for inputs to the Works supplied from outside the country can quote for such inputs in up to three different foreign currencies in their

bids. Serious bottleneck exists in the main seaport where goods to be imported from abroad will be discharged. This has led to delay in the custom clearance of good from the port with the resulting demurrage payment and delay in contract execution. The government is working on policy that will remove the bottlenecks.

(c) Sustainability Aspects: The government environmental and social standards requires that Environmental and Social Impact Assessment be carried on all major works project before the commencement of such works. ESIA will apply to this project and will be reflected in the solicitation documents and contracts for civil works under the project.

(d) Technological Aspects: Kaduna, Niger, Kogi, Jigawa, Borno, Kano and Gombe States that will likely participate in the project have an e-Procurement system which is being used in some of the MDAs. Sokoto State is in the final stages of their e-Procurement implementation. The systems so deployed will be used for procurement under the project. This will further improve value for money, transparency, economy, efficiency, effectiveness, integrity, and openness of procurement process under the project. The country is covered substantially by GSM, part of which is through extensive fiber optic cabling leading to increased networking and internet availability. The availability of reasonable internet access will facilitate the use of the World Bank Systematic Tracking of Exchanges in Procurement (STEP) which is mandatory requirement in the processing all procurement activities under the World Bank Procurement Regulations.

Key Conclusions: The security challenges in the country especially in the northern states that will participate in the project may reduce the participation of foreign firms and firms from other parts of the in the procurement process for the project. The current high inflation and exchange rate volatility in the country will affect the costing of the various procurement packages in the project. The use of eProcurement for by the participating states and the FPMU will improve value for money, transparency, economy, efficiency, effectiveness, integrity, and openness of procurement process under the project

Assessment of Borrower previous Experience, Capability and Project Implementation Unit (PIU)

The project will be implemented using the existing NEWMAP PMUs at both Federal and State levels that are implementing NEWMAP and the NEWMAP AF that will close on June 30, 2022. The implementation arrangement is similar to that of NEWMAP. Each state will be responsible for the procurement of its own activities including contract management and administration. The FPMU and the states that are implementing NEWMAP have experience in World Bank Procurement Regulations. The procurement officers have received sufficient training in procurement under World Bank funded project. The gaps that were observed in the implementation of NEWMAP especially in contract management will be addressed under ACRE SAL. Training will be provided on contract management, application of price adjustment, contract monitoring and supervision as soon as the project is effective.

Market Analysis

The summary of the procurement activities under the project are as follows

- **Civil works:**
 - o gully erosion control,
 - o flood and sedimentation control,
 - o construction of firebreaks,
 - o rehabilitation and construction of small dams,
 - o small scale irrigation infrastructure,
 - o small buildings

There are several players both national and international in the marketplace for these activities. International open competitive procurement approach will be used for high value, high risk gully erosion control and construction of dams and firebreaks. The other low value, low risk procurement will follow national open competition or limited competition as may be appropriate.

- **Goods:**
 - o fire control equipment,
 - o vehicles,
 - o farm inputs (seeds, fertilizers),
 - o post-production equipment,
 - o computers, furniture

They are locally available and be supplied by several suppliers and the procurement approach will be national open/limited completion as may be appropriate.

The approach for the procurement of farm inputs (seeds, fertilizer) will limited competition between the well-known producers/suppliers of these goods.

- **Consulting services:**

The major consulting services includes engineering design and supervision of the major civil works like gully erosion control and rehabilitation of dams. The firms that offer this service are available in the local and international markets. Due to the criticality of this consulting assignment to the overall delivery of the major works contracts, the procurement will be designed to attract best consulting firms to express interest in this assignment.

Procurement Risk Analysis

Market /Contract Title Description	Risk Description	Description of Mitigation	Risk Owner
Construction of shovel ready gully erosion control site	Designs may no longer be valid by the contracts during contract execution	A consultant will be hired to update the design before the commencement of	State PMU and World Bank

		the procurement process	
	Expansion of the gullies between bidding and contract signature	Provisions for physical contingencies will be made in the signed contract.	State PMUs
	Expansion of gullies during construction due to poor drainage resulting from construction of the works	Proper drainage on the site must be maintained during construction and the Contractor shall be held responsible for any flood damage to life and properties due to his work in this Contract. The Contractor shall allow in his rates, inter alia, for all costs to maintain or divert flow in drains, ditches, open channels and watercourses during construction and other drainage work. No claims for additional payment will be considered in this regard.	Contractor
Construction supervision consultancy	Poor supervision of the works contracts		
Procurement of goods to be imported from outside the country (delfino ploughs, tractors, etc)	Delay in port clearance	All the necessary documentation and waivers will be processed speedily	PMUs
General (for all contracts)	High inflation and exchange rate volatility	Price adjustment to be applied to most even if their duration is less than 18 months.	PMUs

Procurement Objective

- To a minimum of 8 qualified consultants to participate in the selection process for the engineering design and supervision consultancy for the major works contracts.
- To take advantage of the dry season for the construction contracts by aligning the commencement of the works with the dry season in the project areas.
- Value for money and integrity in the procurement process using electronic procurement system.
- To have not less than six qualified firms submit bids for the major works contracts.

• **Procurement Approach Options and Recommendation**

The following will be a draft zero of the procurement approach options and recommendations. This is because the major investments are not yet known. This section will be updated once the investments are finalized.

- **Contract and Estimated Cost:** Landscape investments (many packages)- USD236 million
- **Procurement Approach**

Attribute	Selected arrangement	Justification Summary/Logic
Specifications	Conformance	Details design for shovel-ready investments from NEWMAP are available. Engineering firm will be hired to provide detail designs for other investments.
Sustainability Requirements	No	All the safeguard studies will be carried out separately and cost implications will be included in the bidding document.
Contract Type	Traditional	

Pricing and costing mechanism	Schedule of Rates/Admeasurement	
Price Adjustments	None/Percentage	
Form of Contract (Terms and Conditions)		
Selection Method	Request for Bids (RFB)	
Selection Arrangement	N/A	
Market Approach	Open International/National	
Pre/Post Qualification	Post	
Evaluation Selection Method	Least Cost Based Selection (LCS)	
Evaluation of Costs	Adjusted Bid Price	
Domestic Preference	No	
Rated Criteria	N/A	

- **Contract and Estimated Cost:** Development of strategic catchment plan – USD1,600,000
- **Procurement Approach**

Attribute	Selected arrangement	Justification
-----------	----------------------	---------------

		Summary/Logic
Sustainability Requirements	N/A	
Contract Type	Traditional	
Pricing and costing mechanism	Lump Sum	
Price Adjustments	None	
Form of Contract (Terms and Conditions)	N/A	
Selection Method	Request for Proposals (RFP)	
Selection Arrangement	N/A	
Market Approach	Open International	
Pre/Post Qualification	Pre-Qualification	
Evaluation Selection Method	Quality Cost Based Selection (QCBS)	
Evaluation of Costs	N/A	
Domestic Preference	N/A	

Rated Criteria	Mandatory	
----------------	-----------	--

- **Contract and Estimated Cost:** Long-term framework and policy support - USD2,500,000
- **Procurement Approach**

Attribute	Selected arrangement	Justification Summary/Logic
Sustainability Requirements	N/A	
Contract Type	Traditional	
Pricing and costing mechanism	Time and Materials	
Price Adjustments	?????	
Form of Contract (Terms and Conditions)	?????	
Selection Method	Request for Proposals (RFP)	
Selection Arrangement	N/A	
Market Approach	Open International, Two Envelopes	

Pre/Post Qualification	Pre-Qualification	
Evaluation Method	Quality Cost Based Selection (QCBS)	
Evaluation of Costs	Adjusted Bid Price	
Domestic Preference	No	
Rated Criteria	<ul style="list-style-type: none"> • Specific experience • Methodology and workplan • Qualification and experience of key experts 	

• **Contract and Estimated Cost: Implementation support consultancy - USD9,900,000**

• **Procurement Approach**

Attribute	Selected arrangement	Justification Summary/Logic
Sustainability Requirements	N/A	
Contract Type	Traditional	
Pricing and costing mechanism	Lump Sum	

Price Adjustments	None	
Form of Contract (Terms and Conditions)	N/A	
Selection Method	Request for Proposals (RFP)	
Selection Arrangement	N/A	
Market Approach	Open International	
Pre/Post Qualification	Pre-Qualification	
Evaluation Selection Method	Quality Cost Based Selection (QCBS)	
Evaluation of Costs	N/A	
Domestic Preference	N/A	
Rated Criteria	Mandatory	

- **Contract and Estimated Cost:** Development of strategic catchment plan - USD1,600,000
- **Procurement Approach**

Attribute	Selected arrangement	Justification Summary/Logic
-----------	----------------------	--------------------------------

Sustainability Requirements	N/A	
Contract Type	Traditional	
Pricing and costing mechanism	Lump Sum	
Price Adjustments	None	
Form of Contract (Terms and Conditions)		
Selection Method	Request for Proposals (RFP)	
Selection Arrangement	N/A	
Market Approach	Open International, Two Envelopes	
Pre/Post Qualification	Pre-Qualification	
Evaluation Selection Method	Quality Cost Based Selection (QCBS)	
Evaluation of Costs	Adjusted Bid Price	
Domestic Preference	No	
Rated Criteria	<ul style="list-style-type: none"> • Specific experience 	

	<ul style="list-style-type: none"> • Methodology and workplan • Qualification and experience of key experts 	
--	---	--

Preferred arrangement for low value, low activities

Contract	Category	Estimated cost	Procurement Arrangement and Method
Desktops & Laptops	Goods	300,000	Open National
Others ICT Equipment and connectivity, cloud services, others general services	Goods	400,000	Open National
Production of Manuals (PIM)	Goods	90,000	Limited RFQ
Monitoring Information System (MIS) and maintenances	Consultancy	600,000	Open National
Design and hosting of interactive website	Consultancy	56,000	Limited CQS
Data collection and analysis at State/federal Level	Consultancy	168,000	Limited CQS

Summary of PPSD to be inform the Bank's preparation of the PAD

The project is designed as framework project and therefore investments and the participating states (the major investments will be implemented by the participating states) are not fully known yet.

The security challenges in the country especially in the northern states that will participate in the project may reduce the participation of foreign firms and firms from other parts of the in the procurement process for the project. The current high inflation and exchange rate volatility in the country will affect the costing of the various procurement packages in the project. The use of eProcurement for by the participating states and the FPMU will improve value for money, transparency, economy, efficiency, effectiveness, integrity, and openness of procurement process under the project. The FPMU and the states that are implementing NEWMAP have experience in World Bank Procurement Regulations. The procurement officers have received sufficient training in procurement under World Bank funded project. The gaps that were observed in the implementation of NEWMAP especially in contract management will be addressed under ACRoSAL. A sufficiently large numbers of firms are available locally and international for most of the procurement packages under the project, therefore competitive procurement can readily be used to achieved value for value during procurement implementation. The design of the gully erosion sites already cleared under NEWMAP that will be transferred to project will be updated prior to the launching of the procurement processes for the construction of such sites.

The PPSD will be regularly updated as there are clear pictures on the participating states and the procurement activities that will be implemented by the states and the FPMU.

Contract Title, Description and Category	Estimated Cost US\$ and Risk Rating	Bank Oversight	Procurement Approach/Competition	Selection Method	Evaluation Method
Implementation support consultancy	9,500,000 Substantial	Prior	International	SPD (RFP)	Rated Criteria (VfM)
Long-term framework and policy support	2.500,000, Substantial	Prior	International	SPD (RFP)	Rated Criteria (VfM)
Development of strategic catchment plan	1,600,000, Substantial	Prior	International	SPD (RFP)	Rated Criteria (VfM)
Monitoring Information System (MIS)	600,000, Moderate	Post	International	SPD (RFP)	Rated Criteria (VfM)

and maintenances						
Others ICT Equipment and connectivity, cloud services, others general services	400,000, Moderate	Post	National	RFB	Lowest Evaluated Cost	
Desktops & Laptops	300,000, Low	Post	National	RFB	Lowest Evaluated Cost	
Data collection and analysis at State/federal Level	168,000, Moderate	Post	National	CQS	Negotiation	
Production of Manuals (PIM)	90,000, Low	Post	National	RFQ	Lowest Evaluated	
Design and hosting of interactive website	56,000, Moderate	Post	National	CQS	Negotiation	

CONSULTING FIRMS																											
Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Contract Type	Estimated Amount (US\$)	Actual Amount (US\$)	Process Status	Terms of Reference		Expression of Interest Notice		Short List and Draft Request for Proposals		Request for Proposals as Issued		Opening of Technical Proposals / Minutes		Evaluation of Technical Proposal		Combined Evaluation Report and Draft Negotiated Contract		Signed Contract		Contract Completion	
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
GMS-ACRESAL/CQ5/22/03 / Upgrade of GIS Mapping	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Consultant Qualification Selection	Open - National		250,000.00	0.00	Pending Implementation	2022-11-08		2022-11-29		2023-01-12								2023-02-11		2023-03-18		2023-09-14	
GMS-ACRESAL/CQ5/22/01 / Upgrade and Development of 2 Micro watershed planning, Gombe ACRESAL	IDA / 70150	Component B: Community Climate Resilience	Post	Consultant Qualification Selection	Limited		250,000.00	0.00	Pending Implementation	2023-01-09				2023-01-23								2023-02-22		2023-03-29		2023-09-25	
GMS-ACRESAL/CQ5/22/04 / E nagement for local NGO C ommunity sanitization and mobilisations	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Consultant Qualification Selection	Open - National		80,000.00	0.00	Signed	2023-01-23	2023-02-06	2023-02-13	2023-05-26	2023-03-29	2023-07-03							2023-04-28	2023-07-18	2023-06-02	2023-07-20	2023-11-29	
NG-GOMBE STATE ACRESAL-357014-CS-CQ5 / Consultancy for Supervision of Railway Gully Erosion sites	IDA / 70150	Component A: Dryland Management	Post	Consultant Qualification Selection	Open - National		198,000.00	0.00	Under Implementation	2023-08-08	2024-01-10	2023-08-29		2023-10-12								2023-11-11		2023-12-16		2025-08-27	
GMS-ACRESAL/CQ5/22/02 / Consultancy for Supervision of Construction works Federal College of Education (TECH) Gully Erosion Control	IDA / 70150	Component A: Dryland Management	Post	Quality And Cost-Based Selection	Open - International		720,000.00	0.00	Signed	2023-06-04	2023-06-02	2023-06-18	2023-07-14	2023-07-23	2023-09-10			2023-08-13	2023-12-05	2023-08-27	2023-11-23	2023-09-24	2023-12-07	2023-10-29	2024-03-12	2026-01-11	
NG-GOMBE STATE ACRESAL-403832-CS-CQ5 / Consultancy to Carryout studies to exploit and harnesses surface and ground waters sources i.e. springs, wetlands, lakes and ponds	IDA / 70150	Component B: Community Climate Resilience	Post	Consultant Qualification Selection	Limited		250,000.00	0.00	Under Implementation	2024-03-05	2024-02-14			2024-03-19								2024-04-18		2024-05-09		2024-11-05	
NG-GOMBE STATE ACRESAL-405458-CS-CQ5 / Consultancy of Engagement of External Auditor	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Consultant Qualification Selection	Limited - National		250,000.00	0.00	Under Implementation	2024-04-16	2024-05-07			2024-04-30								2024-05-14		2024-06-18		2027-06-18	
NG-GOMBE STATE ACRESAL-409271-CS-CQ5 / Catchment Management Plan for CDE Billiri, Kwadon Muhammadu Buhari Industrial Park and Bajaj Town	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Consultant Qualification Selection	Limited - National		250,000.00	0.00	Pending Implementation	2024-10-15				2024-10-29								2024-11-12		2024-11-26		2025-05-25	
NG-GOMBE STATE ACRESAL-409447-CS-CQ5 / Consultancy Design and Supervision Construction of a 4-span Bridge along Bajaga-Potiskum Road under the Bajaga Riverbank Stabilization/Flood Control W	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Consultant Qualification Selection	Limited - National		250,000.00	0.00	Pending Implementation	2024-06-17				2024-07-17								2024-08-16		2024-09-20		2025-03-19	
NG-GOMBE STATE ACRESAL-433768-CS-CQ5 / Consultancy for study/design of Greater Gombe Catchment Management Plan	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Consultant Qualification Selection	Limited - National		250,000.00	0.00	Under Implementation	2024-07-22	2024-07-15			2024-08-05								2024-08-19		2024-09-16		2025-01-14	
NG-GOMBE STATE ACRESAL-433777-CS-CQ5 / Consultancy for Monitoring and Evaluation Baseline(M&E)	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Consultant Qualification Selection	Limited - National		250,000.00	0.00	Under Implementation	2024-08-12	2024-07-25			2024-08-26								2024-09-09		2024-10-07		2025-04-05	

INDIVIDUAL CONSULTANTS																					
Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Contract Type	Estimated Amount (US\$)	Actual Amount (US\$)	Process Status	Terms of Reference		Invitation to Identify/Selected Consultant		Draft Negotiated Contract		Signed Contract		Contract Completion			
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		
GMS-ACRESAL/C/22/03 / Upgrade and development of RAP for 2 sites (FCE and Railway line to Uluku Gully erosion Control sites)	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Individual Consultant Selection	Limited		20,000.00	0.00	Under Implementation	2022-11-07	2023-02-15	2022-11-28	2023-03-10	2022-12-19	2023-04-18	2023-01-09				2023-07-08	
GMS-ACRESAL/C/22/04 / Consultancy for Livelihoods Needs Assessment for 2 sites (FCE and Railway line to Uluku Gully erosion Control sites)	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Individual Consultant Selection	Limited		20,000.00	0.00	Pending Implementation	2022-11-14		2022-11-21		2022-12-12			2023-01-02				2023-05-02
GMS-ACRESAL/C/22/02 / Upgrade and development of E SMP for 2 sites (FCE and Railway line to Uluku Gully erosion Control sites)	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Individual Consultant Selection	Limited		20,000.00	0.00	Under Implementation	2023-01-16	2023-02-06	2023-01-21	2023-02-16	2023-02-11	2023-04-18	2023-03-18					2023-09-14
GMS-ACRESAL/C/22/01 / Consultancy for M&E Baseline Studies.	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Individual Consultant Selection	Limited		25,000.00	0.00	Pending Implementation	2023-05-15		2023-05-20		2023-06-10			2023-07-15				2023-10-13
GMS-ACRESAL/C/22/05 / Consultancy to Carryout studies to exploit and harnesses surface and ground waters sources i.e. springs, wetlands, lakes and ponds	IDA / 70150	Component C: Institutional Strengthening and Project Management	Post	Individual Consultant Selection	Limited		25,000.00	0.00	Canceled	2023-05-22		2023-05-27		2023-06-17			2023-07-15				2023-10-13