

Document of
The World Bank

Report No: 56414 v1

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
SECOND NATIONAL FADAMA DEVELOPMENT CRITICAL ECOSYSTEM
MANAGEMENT PROJECT
GRANT
April 11, 2006

TO THE
FEDERAL REPUBLIC OF NIGERIA

August 16, 2010

ABBREVIATIONS AND ACRONYMS

GIS	Geographical Information Systems
IP	Implementation Progress
M&E	Monitoring and Evaluation
PDO	Project Development Objective
SWS	State Watershed Sub-Committee

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NIGERIA
SECOND NATIONAL FADAMA DEVELOPMENT CRITICAL ECOSYSTEM
MANAGEMENT PROJECT

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ANNEX 1: Reallocation of Proceeds

NIGERIA — SECOND NATIONAL FADAMA DEVELOPMENT CRITICAL ECOSYSTEM MANAGEMENT PROJECT

P073686
{TF056616}

Restructuring Paper

1. Proceeds for *Nigeria, Second National FADAMA DEVELOPMENT CRITICAL ECOSYSTEM MANAGEMENT PROJECT, [Grant No TF056616], P073686* will be reallocated as follow:

Category of Expenditure		Allocation		% of Financing	
Current	Revised	Current	Revised	Current	Revised
Goods	Goods	314,000	314,000	100%	100%
Consultancy Services	Consultancy Services	4,300,000	3,156,000	85%	85%
Training and Workshop	Training and Workshop	1,115,000	1,489,000	100%	100%
Grant (Sub-projects)	Grant (Sub-projects)	3,500,000	3,500,000	100%	100%
Incremental Operating Cost	Incremental Operating Cost	651,000	1,571,000	80%	80%
Unallocated	Unallocated	150,000	0		
Total Amount	Total Amount	10,030,000	10,030,000		

2. Overall progress toward the achievement of the project objective is satisfactory. The last Implementation Status Report rated both PDO and IP satisfactory. Various studies on Sustainable Land Management have been completed. There has also been an upgrading of GIS Software and purchase of GIS equipment. The quality assurance group review exercise of the Bank for the project was carried out during this reporting period. The reviewers compared the progress of work done by the project since inception with the expectation as contained in the grant agreement and all other project related documents. At the close of review, the reviewers recommended the following; (a) The need to empower the SWS members in the states to follow-up and provided add-on activities on sub-projects implementation and (b) The need to increase disbursement, and speedy completion of on-going ground water studies. The M&E manual is also being implemented.

Disbursement

3. Disbursement is currently USD 7.2 million representing about 71.91 percent of the total grant amount.
4. The proposed reallocation is necessary based on a letter dated August 11, 2010, in which the Federal Government of Nigeria requested a reallocation of the funds. The relocation is to provide additional funds in the sum of USD of USD 374,000 and USD 920,000 to the Training/Workshop and Incremental Operating Cost Expenditure categories respectively to execute the identified critical activities that would ensure successful implementation and completion of the GEF programme. The low amounts in these categories are hampering the implementation of time sensitive activities in these categories.
5. The Mid Term Review (MTR) and subsequent supervision missions recommended that the State Watershed Committee (SWSs) be empowered to provide advisory services to the communities. This can only be captured in operating costs as the activities of the SWSs are funded under this category. Forest Management committees have been formed in the six intervention sites to implement the Forest Management Plans prepared by the project. The funding for the implementation of the forest management plans are also captured under operating cost, hence the increase in the reallocation compared to the appraisal estimate.