Report Number: ICRR0024076

1. Project Data

Project ID	Project Name
P148616	Nigeria Agro-Processing Support Project
Country	**Practice Area(Lead)**
Nigeria	Agriculture and Food

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-59930	30-Sep-2023	205,310,384.04
Bank Approval Date	**Closing Date (Actual)**	
23-Mar-2017	30-Sep-2023	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	200,000,000.00	0.00
Revised Commitment	200,000,000.00	0.00
Actual	205,310,384.04	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Shashidhara Laxman Kolavalli	Vibecke Dixon	Avjeet Singh	IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

The objective of the Project is to enhance agricultural productivity of small and medium scale farmers and improve value addition along priority value chains in the Participating States.

For this review, the objective is parsed into two:

Objective 1: to enhance agricultural productivity of small and medium scale farmers

Objective 2: to improve value addition along priority value chains in the participating states

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

Production and Productivity Enhancement (Appraised: US$40m; Actual US$57.5m)

Provision of support to improve farmers' participation to agribusiness supply chains and response to market requirements through: **(a)** technical assistance to develop value chain investment plans and stakeholder mapping, and for structuring business alliances and out-grower schemes linking farmers to off-takers and processing units; **(b)** acquisition and dissemination of improved, climate-smart and nutrition-sensitive technologies (including, *inter alia,* inputs, equipment and machineries) for agricultural production systems; and **(c)** support for technology adoption, through provision of Matching Grants for subprojects to beneficiaries in accordance with agreed eligibility criteria and selection procedures as defined in the PIM, to facilitate access and adoption of proven technologies.

Primary processing, Value Addition, Post-Harvest Management and Women & Youth Empowerment (Appraised: US$92m; Actual US$73.4m)

Provision of support for post-harvest losses, consolidation of produce and primary processing by farmers' cooperative societies, and small and medium scale enterprises in Project intervention areas, focusing on gender sensitive activities along the core segment of the value chains (production, processing marketing) and ancillary businesses (including, *inter alia,* agro-dealership, haulage, packaging, business management), through: **(a)** (i) technical assistance for business planning; (ii) provision of Start-up Grants for Subprojects to Beneficiaries; (iii) mentorship for start-ups or consolidation of existing women and youth led businesses, as individuals or group beneficiaries, all in accordance with agreed eligibility criteria and selection procedures as defined in the PIM; **(b)** feasibility studies, construction, equipment and support to management of aggregation and primary processing centers for producer organization in productions clusters; and **(c)** support to market development, and linkage to business services.

Infrastructure Support to Agribusiness Clusters (Appraised: US$$40.0m; Actual US$25.9m)

Provision of support to improve physical environment (last mile connection to roads and utilities) for agro-industrial and cottage processing units located in agribusiness clusters with significant potential for agro-processing and greater inclusion of small to medium size farmers into the agribusiness supply chains alliances through: **(a)** design and construction of infrastructure such as access roads, jetties and other water transport infrastructure, mini water supply systems to unlock production clusters and facilitate linkage to processing units and aggregation centers; and **(b)** same facilities aiming at connecting processing clusters to facilitate small and medium farmer's inclusion onto agribusiness supply chains.

Technical Assistance, Knowledge Management and Communication (Appraised: US$10.5m; Actual: US$11.2m).

Provision of support to build capacity of Project staff and partners in the relevant areas of value chains development, through: **(a)** capacity building, including preparation and implementation of Project capacity building and training plans, and support to Project's collaborating institutions at federal and state levels; **(b)** technical assistance and knowledge management, including studies and preparatory works for subsequent projects contributing to advancing the implementation of the Recipient's strategies; and support to FMARD in improving quality control of inputs, and information to farmers on input markets and agro dealers; and **(c)** communication and outreach.

Project Management and Coordination (Appraised: US$17.5m; Actual US$37.3m)

Provision of support to ensure effective management and coordination of the Project for technical, financial, administrative, monitoring and evaluation activities during Project implementation in the areas of: (a) Project management through provision of Operating Costs, Training, equipment and tools necessary to carry out Project day-today activities by NCO and SCOs; (b) Monitoring and Evaluation ("M&E") including gender tracker, Beneficiary assessment and impact evaluation; and (c) preparation, implementation and monitoring of environmental and social safeguards instruments, as well as establishment of an effective grievance redress mechanism.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Costs

Appraised: US$200,000,000; Actual: US$205,310,384

Financing

IDA-59930 of US$200,000,000

Borrower Contribution

There was no Borrower contribution.

Dates

The project was approved in March 2017 and became effective in May 2018. The Mid Term Review (MTR) was conducted in February 2021. The project closed as planned in September 2023.

Restructurings

The project underwent two restructurings:

30-Jan-2019: to change how a portion of the proceeds of the financing is made available to each Participating State from being considered a “grant, non-reimbursable,” as was stated in the Financing Agreement, to “on-lending” that will be reimbursed by the States.

21-Jun-2022: to reallocate funds between disbursement categories

3. Relevance of Objectives

Rationale

Country Context

At appraisal, Nigeria was under the grip of the oil price shock that had started in 2014. Growth had declined from 6.3 percent in 2014 to 2.8 percent in 2015; and Gross Domestic Product (GDP) had contracted in the first three quarters of 2016 (ICR, para 1). Besides the oil price shock, a sharp drop in oil production levels due to militant activities in the Niger Delta region had also contributed to decelerating economic growth and recession. The effect of the recession had unmasked long-standing structural and institutional weaknesses of Nigeria's economy i.e., a huge dependence of the federal, state, and local government budgets on oil revenue - oil accounted for more than 50 percent of the total revenue of the states in 2011-15.

In contrast to the shrinking industrial and services sectors, agriculture sector continued to post growth of 4.5 percent per year. Agriculture, particularly crop production, which accounted for 92 percent of the agriculture sector, provided livelihoods for about 90 percent of the rural population. Agriculture, among others, was deemed key to increasing non-oil revenues, diversifying the economy, and generating jobs. Although the sector had proved resilient, its performance was still suboptimal. Productivity and value addition/agro-processing in the sector remained low, due to under-investment in new technologies, slow adoption of existing improved technologies by producers, unsatisfactory investment climate, and lagging infrastructure (ICR, para 3).

Country Strategy

The PDO aligned with the Federal Government of Nigeria's (FGN) Agriculture Promotion Policy, the Green Alternative (APP, 2016-2020), which it had adopted as a part of promoting growth in non-oil sectors, to pull agriculture out of its subsistence, low input, low output, and low equilibrium trap (ICR, para 4). Key APP themes were: (i) supporting productivity enhancements; (ii) crowding in private sector investment; and (iii) improving the ease of doing agri-business by realigning the Federal Ministry of Agriculture and Rural Development (FMARD).

World Bank Strategy

The PDO was consistent with the World Bank Group's Country Partnership Strategy (CPS, FY14-17) as it would contribute to CPS Focus Area 2 on boosting agricultural productivity and improving farmers' linkages with agro-processors. The PDO remains valid today as it is consistent with the Bank's 2021-2025 Country Partnership Framework (CPF), specifically, complimentary Priority 6 (Modernize Agriculture) under Pillar 4 (Enhancing Resilience) which seeks to support Nigeria's efforts to transform the agriculture sector by catalyzing the development of agricultural value chains and policy reforms to improve the agribusiness enabling environment (ICR, para 20).

The level at which the PDO is pitched

The PDO to increase productivity of small and medium scale farmers and to increase value addition along value chains is pitched at an outcome level that is consistent with key components of the strategies of both the country and the World Bank.

Summary: An oil price shock combined with a sharp drop in production of oil had decelerated economic growth in Nigeria. Although agricultural sector grew faster than other sectors, productivity and value addition remained low. FGN's strategy to promote growth in non-oil sector called for pulling agriculture out of its subsistence mode. The Bank's strategy sought to support transformation of agricultural sector by catalyzing the development of agricultural value chains. The PDO is rated as High.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To enhance agricultural productivity of small and medium scale farmers.

Rationale

Theory of Change

The ToC presented in ICR (para 6) states that project activities/inputs, such as, demonstrating technologies, building capacity of producer cooperatives, improving access to seed capital through matching grants, and supporting business alliances and outgrower schemes, measured by project outputs, such as the number of technologies demonstrated, would lead to intermediate outcomes, such as adoption of improved technologies, and achievement of the outcome of increased productivity of small and medium scale farmers. The strategies of both FGN and the World Bank identify increasing productivity as an important means to modernize agriculture.

Several assumptions are critical to the ToC holding: i) famers would be willing to organize themselves to collectively produce, market, and ally with off-takers, ii) farmers would adopt the new technologies demonstrated by the project, and iii) they would be able to contribute to match the grants by the project.

Outputs:

- 154 technologies were demonstrated in the project areas, exceeding the target of 100
- 42,583 farmers reached with agricultural assets, exceeding the target of 10,000
- Of them, 14,906 were women, exceeding the target of 4,000

- 1,777 federal and state partners with improved skills contributing to project activities, exceeding the target of 600

Intermediate outcomes:

- 35,104 clients adopted an improved agricultural technology promoted by the project, exceeding the target of 35,000
- Of them, 15,210 were female, exceeding the target of 14,000
- 61,171 direct project beneficiaries, exceeding the target of 60,000
- Of which, 43.24% were female, exceeding the target of 35%
- 88.33% of beneficiaries satisfied with delivery of project benefits, exceeding the target of 80%

Outcomes:

- 49.35% increase in productivity of agricultural produce of priority value chains by project supported farmers, exceeding the target of 35%

The project supported the generation, multiplication, and promotion of 154 technologies, such as improved varieties, integrated pest management practices, and improved land preparation methods. The project also gave 3,588 matching grants to facilitate the purchase of productivity changing inputs. As a result, more than the targeted number of clients adopted improved technologies.

The outcome of this objective is measured by the percentage increase in agricultural productivity of priority crops on participant farmers' fields. The weighted average increase in the yields of 11 crops obtained by project participants was 49.25%, higher than the target of 35%. The increase – based on information collected through annual surveys for the M&E – fell short of the target for only two crops, rice and wheat (ICR, para 22 and Table 3). The information from the baseline and endline impact assessment, however, suggest that yields did not increase. The ICR notes (Annex 4, para 2) that due to the COVID lockdown, baseline levels of agricultural productivity, production, and profits, captured by the 2019 baseline were considerably higher than those captured by the endline impact assessment. It does not offer any explanation, such as differences in sampling and methodology, that could have accounted for the difference.

On whether beneficiaries increased their yields to a greater extent, the ICR (para 23) notes that a comparison of yield changes among participants and non-participants by an impact study showed that the performance of participants was consistently higher but does not give the details to suggest how significantly higher they were. Beneficiary and comparison yield for eight crops from the endline survey used for assessing efficiency (Table A4.20) shows that beneficiaries obtained lower yields for one crop (cassava), similar yields for one crop (tomato), 0.07 to 0.16 percent higher yields for three crops (rice, ginger, and tomato), and nearly double the yields for two crops (cashew and cocoa).

The theory of change stated that demonstration of improved technologies and assistance to farmers to organize themselves and to purchase the necessary inputs would help small and medium scale farmers increase their yields. The number of beneficiaries adopting the recommended technologies exceeded the target. The average increase in the yields of ten crops exceeded the target. Overall findings of the assessment suggested that the increase could be attributed to project outputs, but project beneficiaries failed to obtain higher yields than non-beneficiaries for a few crops. The efficacy with which this objective is achieved is rated Substantial but with moderate shortcomings.

Rating
Substantial

OBJECTIVE 2
Objective
To improve value addition along priority value chains in the participating states.

Rationale
Theory of Change

The ToC further stated that project activities/inputs, such as building aggregation and cottage processing centres (ACPCs), supporting business alliances and outgrower schemes with off-takers; offering matching grant to agro-processors; helping the Women and Youth Empowerment Program (WYEP) with start-up grants to establish agro-processing businesses; and building infrastructure that can make the investments more effective, measured by outputs, such as number of aggregation centre built and business alliances supported, would result in intermediate outcomes, such as increased access to raw material for existing processing units, and achievement of the objective of increased processed outputs in selected value chains by cottage units and medium to larger processing units.

Two critical assumptions were that i) start up grants would increase the processing capacity for adding value, and ii) business alliances would result in increased supply of raw material to agents downstream of producers.

Outputs:

- 88 aggregation facilities constructed or rehabilitated, falling short of the target of 90
- 327 agribusiness alliances and out-grower schemes supported, exceeding the target of 210
- 66.06km of rural roads constructed, falling short of the target of 80km
- 67.66 agribusiness clusters linked to infrastructure, exceeding the target of 50
- 10,260 women and youth empowered through grants, start-ups and mentorship, exceeding the target of 10,000

Outcomes:

- 42.92% increase in processed output of priority value chains by project beneficiaries, exceeding the target of 40%
- Of which, 51.24% increase in processed outputs by cottage units, falling short of the target of 60%
- Of which, 34.60% increase in processed output by medium to larger processing units under BA/outgrower, exceeding the target of 20%

The project supported the construction and equipment of 88 aggregation and cottage processing centers ACPCs), and also provided 538 matching grants to individual processors. The project financed infrastructure, such as road, jetties and water infrastructure for processing clusters, which unlocked the production potential and facilitated the linkage of producers with processing units and aggregation centers.

Processed outputs of priority value chains by project beneficiaries increased by 42.9 percent. That of cottage units increased by 51.2 percent, marginally short of target, and of medium to larger processing units by 34.6 percent (ICR, para 25). The impact assessment showed that volume of processed output of beneficiaries were higher than that of non-beneficiaries, but the ICR does not present details. However, a baseline survey of Commodity Interest Groups that benefited from the construction of ACPCs showed that they were able to process significantly more than non-beneficiaries (ICR, para 26).

The cottage units increased their processing by gaining access to facilities that offered processing equipment and reliable supply of energy, while medium and larger processing units increased processed outputs mainly from increased access to raw material for processing, a result of project's support to business alliances and outgrower schemes (ICR, para 27).

The theory of change employed postulated that building cottage processing units for groups of producers, supporting their alliances with off-takers, supporting processing units with matching grants, and building infrastructure that would make these investments more effective would enable cottage units and medium to larger processing centres to increase their processed outputs in selected value chains. The average processed output in selected value chains increased to a greater extent than the target. The increase could be attributed to project activities; there was evidence of significant increases in the case of cottage units. The efficacy with which this objective has been reached is rated Substantial.

Rating
Substantial

OVERALL EFFICACY

Rationale
The theory of change postulated that demonstrating technologies to small and medium scale farmers, building capacity of their cooperatives, giving them access to seed capital through matching grants, and helping them get into alliances with off-takers would help them increase productivity of selected crops. The beneficiaries adopted technologies to a greater extent than anticipated, and the average increase in productivity of selected crops was higher than the target, falling marginally short of the target for two crops. The project activities could be expected to have contributed to the increase in yields, but with limited evidence of higher productivity among project beneficiaries compared to non-beneficiaries, the achievement of objective 1 was rated marginally Substantial. Further, the ToC postulated that building aggregation and processing centres for producers, supporting business alliances and outgrower schemes, supporting medium to larger processing centres with grants and infrastructure would result in increased processed output in selected value chains by both cottage and medium and larger units. Both types of processing units increased processed outputs and a baseline survey showed that the increase in cottage units could be attributed to

project activities. The efficacy in the achievement of objective 2 was rated Substantial. The overall efficacy in the achievement of the objectives is rated Substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

The ex-ante economic, financial, and value chain analysis carried out considered five commodities prioritized by the FGN: rice, maize, cassava, wheat, and aquaculture. The overall Economic internal rate of return (EIRR) was estimated to be 56.62 percent. The sensitivity analysis showed that the project was highly robust to increase in prices of inputs but was sensitive to reduction in output prices (PAD, para 80). A ten percent reduction in benefits yielded favorable measures but a 20 percent decrease reduced the IRR below the cost of capital.

The post-implementation analysis, which assessed benefits and costs over 16 years (six-year implementation and 10 years post-implementation) using the ‘with’ and ‘without’ methodology, yielded an EIRR of 13 percent, significantly lower than the estimate generated at appraisal. The analysis used yields observed ‘with’ and ‘without participation’ from the impact analysis.

According to the ICR, the project was implemented efficiently, without the need for an extension of project closing or additional financing (Para 31).

The project benefited from exchange rate gains which enabled it to disburse US$205.3 million against the approved US$200 million. The additional funds were used to scale up support for Commodity Interest Groups (CIGs), Value chain investment support (VCIP), and technology demonstration.

The ICR attributes the efficient implementation to the core project support team, including the leadership being based in the country during the entire implementation period and the effective use of electronic media to sustain implementation support during the COVID-19 pandemic (para 31).

However, there were some delays:

- Delays in concluding subsidiary agreements between federal and state governments resulted in the project becoming effective in May 2018, 14 months after it was approved by the board in March 2017.
- Delays in some states caused by i) suspension of activities to conduct an audit of activities, ii) high staff turnover because of interference from state governments, and iii) dismissal of procurement specialists (ICR, para 41).

Implementation was also disrupted to some degree by i) security concerns from Boko haram activities, movement restrictions during the COVID-19 pandemic, and a jump in inflation from 16.5% to 25.1, which necessitated review of contracts (ICR, para 47).

The estimated returns are higher than the cost of capital, although substantially lower than projected at appraisal. Despite initial delays, the project was implemented without any extension. Therefore, the efficiency is rated Substantial.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	56.62	0 ☐ Not Applicable
ICR Estimate	✓	13.00	0 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The PDO to increase agricultural productivity of small and medium farmers and increase processed outputs in selected value chains was substantially relevant to FGN's strategy to pull its agriculture out of its subsistence mode and the Bank's strategy to catalyze the development of value chains. Efficacy in the achievement of objective 1 of increasing productivity was marginally substantial because project beneficiaries failed to obtain higher yields than non-beneficiaries for a few crops. Efficacy in the achievement of objective 2 to increase processed outputs was substantial as the observed increase exceeded the target and with evidence to attribute the change to project activities. The overall efficacy in achieving the objectives was rated Substantial. Economic returns higher than the cost of capital and implementation of project without any delays or cost overruns earned the project a rating of Substantial for efficacy. The ratings of relevance, efficacy, and efficiency result in Satisfactory rating for outcome.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

The risk to development outcome is moderate (ICR, para 62)

Government commitment risk

Producers need access to quality inputs and continuous supply of newer and better technologies to sustain growth in yields and value addition. Potential disruptions to supply of quality inputs pose a risk to outcomes. The agricultural institutions that offered the services through timebound agreements with the project might cease their services after project closure, unless supported by state or federal budgets.

Institutional Risk

Farmers acting collectively and entering into alliances with off-takers were critical to achieving the project outcomes. Dissolution of these arrangements because of financial pressures, poor governance, or changes in market conditions poses a risk to sustaining outcomes.

Financial risk

Supporting investments in equipment – through the building of cottage processing units, for example – was an important project activity to enhance value addition. Their maintenance is essential to sustain the gains. Inadequate attention to maintenance poses another risk. In focus group discussions, beneficiaries indicated that it might be a challenge for them as they may not be able to generate adequate profits (ICR, para 63). The project largely met the costs without requiring contributions from the beneficiaries; they are left with a few if any source to borrow from to finance inputs after project closure.

8. Assessment of Bank Performance

a. Quality-at-Entry

The design was appropriate. It aligned with FGN's priorities to enhance productivity and crowd in private sector investment, and the components could be expected to achieve the objectives.

The design was informed by lessons learned from previous bank operations. These included not relying on counterpart funding, which could delay implementation, a phased performance-based allocation of resources to participating states so that states lagging in implementation do not hold back disbursements, and a three-step approach to identifying participating states (ICR, para 40).

The design had firm technical and institutional grounding (ICR, para 59): strategic partnerships were developed with technical institutions to ensure that proven technologies were disseminated to farmers; the project was housed in FMARD, which had extensive experience implementing world bank financed projects; and risk assessment was candid and included mitigation measures that were effective.

The M&E with appropriate PDO indicators was adequate to monitor progress and measure outcomes.

With a design that could help achieve the PDO, a solid technical and institutional grounding, and an M&E system adequate to monitor and measure outcomes, the quality at entry is rated Satisfactory.

Quality-at-Entry Rating
Satisfactory

b. Quality of supervision

The Bank team provided adequate supervision with regular missions (14 in all) with the expertise to support a range of project activities (ICR, para 46). The project benefited from the project preparation team continuing into early years of implementation and having the task management team based in the country.

The Bank team acted quickly to resolve the issues that emerged. For example, the project was quickly restructured to reallocate funds across different categories and the bank team interacted with Enugu state government to arrive at a mutually agreeable solution when the state removed most key staff, following a change in state administration.

During the last year of implementation, the Bank team conducted bi-weekly meetings with the PIU and participating states to resolve issues that could have delayed implementation. It worked with PIU to develop a time bound action plan to complete all project activities before project closure. Noticing defects and deviation from specifications in construction in a few states, the bank team recommended verification; the PIU carried out physical verification of the construction of all project-financed infrastructure (ICR, para 60).

Regular support missions with required expertise, prompt actions to resolve issues, and extra efforts to complete the project on time earn the quality of supervision a Satisfactory rating.

Overall: The design at entry built on lessons learned from previous projects, included components that could be expected to achieve the PDO, situated the project in an institution with implementation experience, and required it to be guided by a monitoring system adequate to track implementation and measure outcomes. The project provided an appropriate level of supervision, with prompt attention to solving problems that arose and extra efforts to ensure completion on schedule. Overall Bank Performance is, therefore, rated Satisfactory.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E design captured project activities, outputs, and outcomes. The outcome indicators were appropriate and measurable.

The design included 8 intermediate indicators. Six of them measured project outputs, such as the farmers reached with assets or agribusiness alliances supported. Only two intermediate indicators related to intermediate outcomes: the level of adoption of technologies and beneficiary satisfaction. The design could have benefited from more intermediate indicators that could have linked project outputs with outcomes. On achieving the first objective, for example, only the level of technology adoption links project activities with increase in productivity. There were no indicators to capture intermediate outcomes to achieving objective 2.

The PAD noted that reducing gender gap in agricultural productivity can substantially reduce poverty in Nigeria (para 8). Activity 2 included a sub-activity that targeted women and youth to mentor and support their startups. Yet, indicators related to increase in productivity and processed outputs did not include gender disaggregated tracking.

The design included an impact evaluation to assess the effectiveness of the project in supporting youth and women in agriculture and to better understand the specific mechanisms the project affects youth and women (PAD, Annex 1, para 8). The design placed considerable emphasis on the impact analysis to attribute project outcomes to project outputs. For example, it called for credible counterfactual and to assess the impact through a number of indicators, including enterprise creation, production, sales, and profits, and also household-level welfare indicators, allowing for gender-disaggregated assessment (PAD, Annex 1, para 14).

b. M&E Implementation

Qualified M&E specialists carried out the activities as designed, facilitating the monitoring of project inputs, outputs and outcomes (ICR, para 49).

Using the geo-enabling for monitoring and supervision (GEMS) tool, all the 32,016 project sites were mapped into the GEMS database, and maps with GPS coordinates of project sites facilitated project monitoring (para 49).

Shortcomings related to the measurement of two indicators (technology adoption and increase in processed output) were observed in the early stages and the misunderstanding that had caused them were clarified promptly.

The ICR notes in a footnote that an impact study was done adopting difference in difference approach, but it does not give details (para 23). The World Bank task team confirmed (in an exchange on June 1, 2024) that the endline survey included a rigorous evaluation design to address the gender research agenda.

c. M&E Utilization

M&E was used to make informed strategic decisions (ICR, para 51). For example, the livelihood impact assessment carried out in May 2019 influenced the decision to include people with disabilities and special needs among WYEP beneficiaries. And value chain profitability analysis done at mid-term led to orienting grant resources towards more profitable value chains.

Summary: The design was broad enough to monitor project outputs and outcomes with clear and measurable indicators; the design, however, missed some indicators to capture intermediate outcomes and gender disaggregation of outcomes. It was implemented as designed. The M&E was used to monitor implementation and make changes in activities for greater effectiveness. With this moderate shortcoming, the M&E design, implementation, and utilization are rated substantial.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

Environmental

The project had triggered the following safeguard policies: **Environmental Assessment** (OP/BP 4.01), **Natural Habitats** (OP/BP 4.04), **Forestry** (OP/GP 4.36), and **Pest Management** (OP 4.09). The requisite frameworks were prepared, and disclosures made. During project implementation, all sub-projects were screened for environmental compliance a priori, and continuously monitored during implementation.

At project’s end, environmental compliance was rated satisfactory.

Social

The project triggered the **Involuntary Resettlement** OP/BP 4.12 safeguard policy and the **physical cultural resources** (OP/BP 4.11). The requisite safeguards framework instruments were developed and disclosed during project preparation.

To mitigate against economic and physical displacement, all land listed for microproject investment under each group’s value chain development plan had to be free of all encumbrances. No involuntary economic displacement took place during project implementation.

At project’s end, social safeguard compliance was rated Satisfactory.

Grievance Redress Mechanism (GRM)

At project closure, GRM was fully functional. The project also had an action plan for the prevention of Sexual Exploitation and Abuse and Sexual Harassment risks, which was carried out (para 54). The respective PIUs collaborated with their States' Ministry of Gender Affairs and Social Development, the Nigerian Security and Civil Defense Corps, and the Nigerian Police Commission to ensure effective SEA/SH/GBV risk management.

b. Fiduciary Compliance

Procurement

Several shortcomings were identified: (i) delays in procuring a firm to construct a 13.33km farm access road in Enugu State, which resulted in cancelation of the activity (ii) delays in procuring a resource person for expert advisory support to the Nigerian Commodity Exchange (NCX) on operational and institutional design, and product and business development, which also resulted in cancellation of the activity, and (iii) delays in procuring a firm for the construction of aggregation and cottage processing centers (ACPC), which resulted to late completion and underachievement of one of the key performance indicators (KPIs). The procurement rating was Moderately Satisfactory at project closing.

Financial management

The project implemented in 6 states and at Federal level fully disbursed the original allocation of US$200 million by the closing date with adequate documentation. Throughout the project, the state PIUs, coordinated by the federal PIU, diligently fulfilled the financial covenant as contained in the project's Financing Agreement. The World Bank task team indicated (in an exchange on May 31, 2024) that there some delays initially in filing interim reports.

Overall financial management performance was Moderately Satisfactory at project closing.

The World Bank team confirmed (in an exchange on June 4, 2024) that an independent audit was conducted and it did not raise any financial management issues.

c. Unintended impacts (Positive or Negative)

---

d. Other

---

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

The ICR presented three lessons. Two that are likely to be widely applicable are presented below with some editing.

Allocating resources through a competitive process – among several units, such as states, implementing a project – could expedite disbursements by channeling funds where they are better utilized. The Agro-processing, Productivity Enhancement and Livelihood Support project allocated an initial sum to each of the participating states; additional allocation to them was contingent on timely and efficient implementation of project activities. This approach fostered a sense of ownership and accountability. The state that implemented most effectively received allocations twice as large as the least effective state. There was full disbursement before the scheduled project closure, without any pending work or problems with fiduciary and safeguard issues.

Early and continued engagement with the State Governments on World Bank policies and regulations can help reduce delays. Some of the states that received funds from the project as a loan felt that they should be allowed to implement the project as they found appropriate; they wanted to implement activities that would have been unallowable, resulting in considerable delays. Communicating at the project appraisal itself that regardless of whether the funds go to them as grants or loans, bank policies regarding fiduciary responsibilities and safeguards apply could have avoided the delays.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The report is comprehensive in covering the project design, its implementation and outcomes. It takes a sound approach but does not make full use of the available information. The report is clear in linking the outcomes to project outputs; for example, it offers information on the technologies disseminated and the infrastructure built, which gives an understanding of how project activities could have contributed to outcomes of the project (paras 24 and 28). The writing is succinct. The lessons drawn are rooted in the experience of the project. The ratings are appropriate.

However, there are shortcomings. The ICR could have benefited from greater outcome orientation. The report makes use of only the M&E information. Only two sentences refer to an impact study, without offering details on the methodology employed or the findings. If implemented as suggested in the PAD, the impact study would have offered considerable information to link outputs to outcomes. The report could have been more candid. It does not reveal until the last pages in the Annex that the endline yields were lower than the baseline yields for some products.

The report is succinct, employs sound analysis, and attempts to link outputs with outcomes with available information but fails to use information from baseline surveys and the impact study to strengthen the links between outputs and outcomes and draw lessons on targeting women. With these moderate shortcomings, the ICR is rated Substantial.

a. **Quality of ICR Rating**
Substantial