

Agreement at Completion Point

A. Introduction

1. This is the second country programme evaluation (CPE) undertaken by the Independent Office of Evaluation of IFAD (IOE) of the IFAD-Nigeria partnership. The CPE covers the period 2009-2015 and had two main objectives. These are to: (i) assess the results and performance of the IFAD-Government partnership to reduce rural poverty; and to (ii) generate findings and recommendations for the future partnership between IFAD and the Federal Republic of Nigeria. The CPE includes an assessment of the 2009 IFAD country strategy for Nigeria, six IFAD-financed projects and programmes, grant-funded activities, and non-lending activities (knowledge management, policy dialogue and partnership-building).
1. The Agreement at Completion Point (ACP) reflects the understanding between the Government of Nigeria and IFAD Management of the main Nigeria CPE findings and recommendations. In particular, it comprises a summary of the main evaluation findings in Section B, whereas the agreements are contained in Section C. The ACP is a reflection of the Government's and IFAD's commitment to adopt and implement the CPE recommendations within specific timeframes.
2. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.
3. The ACP will be signed by the Government of Nigeria (represented by Mrs Kemi Adeosun, Honourable Minister for Finance) and IFAD Management (represented by Perin Saint Ange, Associate Vice-President, Programme Management Department). IOE's role is to facilitate the finalization of the ACP. The final ACP will be submitted to the Executive Board of IFAD as an annex to the new country strategic opportunities programme (COSOP) for Nigeria. It will also be included in the final Nigeria CPE report.

B. Key findings

4. The Government-IFAD partnership has grown stronger over the current COSOP period. The 2010-15 COSOP provided a reasonably aligned and coherent instrument to guide the IFAD lending and non-lending programme in Nigeria, with strong points around the balance approach, building on previous experience, a growing geographical focus and the fit with IFAD and Nigeria policy frameworks. The IFAD-supported portfolio has become better focused on Government priorities in agriculture.
5. Efforts to reach the poorest communities and to avoid states or regions that are better off had led to a greater focus of support on the poorest regions of the North, while reducing investments into the better-off South. Poverty targeting within states and within local government areas (LGAs) remained a challenge due to the lack of credible poverty data at sub-state level.
6. But the broad multi-region coverage (of all but 9 out of 36 states) created gaps and prevented synergies between the programmes. The thin geographical spread across a large number of states limits the influence of IFAD's financing. Better geographical overlap in the states supported by different IFAD programmes would make efficient use of trained staff, build on capacitated local governments and sustain already existing community assets and cadres.
7. Over the COSOP period, the IFAD-supported programmes reached 9.2 million beneficiaries out of the 14.2 million targeted. Beneficiary outreach was less than targeted at appraisal, but concentration of efforts in a limited number of villages has delivered interventions that were successful, efficient and often sustained. Notable achievements were recorded with regard to access to financial services,

community capacity-building and job creation. Within the locations, delivery of benefits in terms of building assets and spreading technology has been very good. Still, the scale of the impact remains limited given the size of the country, and poverty statistics overall show an increasing divide between the urban and the rural and the wealthy and the poor.

8. The programmes have been vulnerable to various forms of conflict, insurgency or unrest, whether in the North East from Boko Haram, from pastoralist-farmer conflicts in the middle belt or violence and unrest in the Delta region. Most programmes do not include any conflict analysis or risk assessment and where a mitigation strategy is put forward at design, it is largely to avoid working in known conflict zones by selecting LGAs or villages outside of known areas of disturbance, and by bringing staff and beneficiaries located in conflict zones to attend capacity-building or other sessions in safer programme locations.
9. IFAD's operations continued to be affected by the administrative complexity that led to funding delays and weak counterpart support and they struggled with issues of weak governance. Lending to state governments did not solve the issue of counterpart funding due to the lack of ownership and responsibility at state level. Additional measures would have been needed to penalize under-performing states more stringently while rewarding more strongly those that do deliver. The issue of counterpart funding is fundamental and, unless a solution is found, will continue to seriously hamper the performance of the Nigeria portfolio.
10. A similar aspect of inefficiency surrounds the effects of frequent political changes in different levels of government because of elections and other disruptions or bureaucratic delays and obstructions. The turnover caused by the electoral cycle has led to a repeated need to justify and defend the programme approach to incoming leaders, many of whom have new agendas and an understandable desire to see their constituency benefit from donor projects.
11. The large number of states and LGAs involved in the programmes increased management overheads. For the Nigeria programme, management costs, as a proportion of the total programme costs, are way above the IFAD average. Having larger programme did not reduce the management overhead.
12. The move towards larger programmes made it even more difficult to address issues of local governance, fragility and cultural diversity. Deeper analysis of local governance issues would have enabled a more adaptive approach at state level, for example through nourishing strategic partnerships, strengthening local ownership, sustaining commitment, and responding to crisis and disruptions in a proactive way.
13. The establishment of the IFAD country office in 2008, created better and more cost-effective opportunities to engage in policy discussions on development strategies and programme operations. There has been a marked increase in knowledge management activities instigated by the IFAD Country Office (ICO) team, underpinned by a strategy and efficient use of available resources. Yet programme monitoring and evaluation (M&E) data are not available in sufficient quality and quantity to support evidence-based policy discourse. The absence of thematic studies has also limited the understanding of the effectiveness and impact of IFAD-supported programmes.
14. In the absence of a partnership strategy, engagement has been somewhat opportunistic and ad hoc and built around the needs of individual programmes rather than at a more strategic level. At local level, partnership between IFAD-assisted programmes themselves is very limited, and despite the long presence in certain states and LGAs, there is limited partnering in the sense of a joint, co-funding relationship. At national level, IFAD's progress in developing partnerships

has been hampered by a shortage of resources for this area and the need to devote a great deal of energy to overcoming delays in programme implementation.

15. A missing partner, particularly in the earlier portfolio, has been the private sector, crucial given the move towards markets and processing across the portfolio. Even the ATA reports highlight the need to mobilize a range of public-private partnerships around fertilizer, seeds and processing. Failure to include private investors as cofinanciers seems a missed opportunity. Even in the policy work there has not been sufficient attention to providing support for private sector engagement in the agriculture sector.
16. Co-funding of programmes by other donors has not been a feature of IFAD's partnerships in Nigeria and is a significant gap, considering this was a key recommendation of the COSOP Mid-term Review. Instead, partnership-building with other development partners has achieved more around co-implementation and knowledge sharing.
17. The absence of a well-structured policy coordination unit within the Federal Ministry of Agriculture and Rural Development (FMARD) is a major constraint for effective policy engagement as well as dissemination of results to Government systems and institutions. The lack of a strong coordinating function or office in either FMARD or National Planning Commission has also limited the development of strategic partnerships. At the level of individual programme staff, insufficient progress has been made in securing a mix of experiences and skills in line with the changed thematic focus. For example, a sufficient number of personnel with more private sector experience would be required to manage the rural finance and value chain operations.
18. Under the CPE period, 20 grants received an overall amount of US\$39.19 million amongst all types of IFAD grants. The grants revolve around key themes within the Nigeria portfolio, such as improved food crops and value chains to reduce rural poverty and vulnerability. Only a few grants were used to build partnerships with non-governmental organizations, but they provide positive examples of learning and linkages with operations, such as the grants for Songhai-Benin for Rural Youth and Agricultural Business Development and for Creating Opportunities for Rural Youth. Some grants were successfully used to support federal-level policy implementation. The majority of grants continued to have a regional focus and therefore linkages between the main recipient of IFAD grants, the International Institute of Tropical Agriculture, and IFAD-supported operations were not systematically promoted. The use of matching grants to subsidize one-off investments is unsustainable and not aligned with IFAD's technical guidance and good practices documented elsewhere.

C. Agreement at Completion Point

19. IFAD and the Government will prepare a new COSOP for Nigeria, which will build on the findings and recommendations of this CPE and provide the foundation of the main areas of intervention in the context of a renewed partnership and cooperation between the Fund and Nigeria.
20. The first CPE has provided a number of findings and recommendations that still remain valid and should be considered. In addition this CPE offers five critical recommendations that should be included into the new COSOP: (1) address issues of state commitment; (2) increase leverage and presence in operations; (3) dedicate resources to important cross-cutting issues outside day-to-day implementation; (4) expand existing and develop new partnerships particularly outside of Government; and (5) continue to build on IFAD's knowledge management strategy by improving the quality of evidence from the field.
21. **Recommendation 1. Address issues of state commitment** through increased geographic focus, transformed state-level partnerships and realistic levels of

counterpart funding. The CPE recommends that the COSOP should explore the following strategies to strengthen state commitment: (a) adoption of a transparent mechanism for selection of states through clear selection criteria that consider poverty and governance-related indicators based on a robust analysis; (b) proper assessment of state governance and public finances as an input into the selection process; (c) strategies to raise attention and sustain commitment from state governors; (d) strategies to strengthen local ownership; and (e) increased policy engagement at state level.

22. While the selection of states is done by the Federal Government, IFAD should provide some clearly defined criteria to assess the commitment and political will for a joint programme, such as political stability, shared priorities (e.g. community development, smallholder agriculture), track record (e.g. public service reform, financial performance, accountability to development results).
23. IFAD will also need to adopt a wider range of strategies to get the attention and commitment of state governors such as: (i) pressure from federal partners (ii) increasing the size of investment in fewer states (iii) mechanisms rewards for better performing states, (iv) increasing IFAD presence in key states, (v) keeping counterpart funding at feasible levels, e.g. per cent to minimum or zero, and making beneficiary contribution the trigger for release.
24. The National Round-table Workshop held at the end of the CPE has identified a number of possible strategies to sustain political commitment from participating states. This includes (i) alignment with the state development priorities through high level engagement from the beginning in *all* participating states; (ii) strengthening community ownership of programmes as driver for continuity; (iii) engagement with key influencers and change champions such as non-governmental organizations and community-based organizations within in the states who could facilitate access to high level advocacy meetings and follow-up on Government action in the states.
25. The National Round-table recommended that in post conflict areas in Nigeria, IFAD would need to rely heavily on people who are very familiar with the areas in question and possibly on community-based organizations and faith-based organizations, who already have some experience working in the affected areas. In post conflict settings, it is also crucial that target beneficiaries are actively engaged in the project cycle. The tendency to neglect to do this is usually high in an environment where trust for political leadership has been destroyed, livelihoods disrupted and traditional forms of governance have been altered.
26. With the programmes in the South coming to an end, this provides an opportunity for the COSOP to prepare a sound contextual analysis together with a strategy that will enable greater geographic focus, based on governance and poverty focus. The CPE recommends that the geographic scope covered by any new programme should be reduced to minimize the political, cultural and agro-ecological diversity that will have to be managed. The CPE has highlighted evidence that larger programmes did not perform better, in particular on efficiency indicators. Furthermore, experience shows that smaller and more homogeneous programme units will enable better cohesion and stronger local ownership.
27. **IFAD and Government response to recommendation 1:** Government of Nigeria and IFAD concur to this recommendation.
28. The Results-based Country Strategy Opportunities Programme (COSOP), which is to be developed by the Government of Nigeria and IFAD for the period 2017-2022 will agree upon and include a mechanism for selection of states through clear selection criteria that consider poverty and governance-related indicators. Before designing a new IFAD investment, the criteria for selection, such as political stability, priorities and proven track records, would be shared with the states and

those that have complied with criteria will be selected. During implementation, IFAD Country Office in consultation with the Federal Ministry of Finance and Federal Ministry of Agriculture and Rural Development will develop strategies to raise and sustain commitment from State Governors and visits would be made on an annual basis to programme states. Through the support of the IFAD-assisted programmes and IFAD country office, there would be increased policy engagement for project related issues at state level.

29. Timeline for implementation: COSOP will be submitted to Executive Board in December 2016 and the selection of states will happen during the design process of the investment programmes. Raising and maintaining state commitment would happen through annual visits.
30. Responsible: Federal Ministry of Finance, Federal Ministry of Agriculture and Rural Development and IFAD.
31. **Recommendation 2. Increase leverage and presence in operations.** There is scope to improve operational effectiveness and efficiency through the way IFAD delivers its implementation support. Given the scale of the country programme and the complexity of the federal system, stronger engagement at state level and improved implementation support will ultimately require capacities to be added to the country office. The CPE recommends that IFAD should: (a) improve linkages between programmes and between programmes and grants where they work on similar issues or in the same states; (b) ensure continuity in supervision for improved consistency of recommendations and progressive learning; (c) dedicate technical capacity for engagement with key states, for example through decentralized posting of IFAD staff; (d) engage with incoming Government leaders in a timely manner; and (e) create opportunities for high-level policy engagement, e.g. Performance-based allocation system (PBAS) discussions.
32. **IFAD and Government response to recommendation 2:** Government of Nigeria and IFAD concur to this recommendation.
33. A Programme Officer position is being proposed for Nigeria IFAD Country Office to enhance capacity of the IFAD Country Office. There will be enhanced focus on sharing of implementation experience between programmes on operational issues, like procurement, monitoring and evaluation, financial management as well as more technical areas like value chain development and financial services provision through workshops and training events regularly organized by the IFAD Country Office. Supervision missions will work with a dedicated group of resource persons to keep the recommendations from IFAD consistent. Given that the IFAD Country Office will maintain a lean structure, to manage the much required interaction with the states, we will identify technical partners focusing particularly on the states that are facing implementation challenges. IFAD Country Office will work much more closely with the Technical Departments of the Federal Ministry of Agriculture and Rural Development.
34. Timeline for implementation: Programme Officer would be identified late 2016 or early 2017. Trainings and workshops on common thematic areas for programmes will be implemented at least on a bi-annual basis. During programme implementation, IFAD Country Office would identify technical partners that could engage at the State level to address implementation challenges.
35. Responsible: Federal Ministry of Agriculture and Rural Development and IFAD Country Office.
36. **Recommendation 3. Dedicate resources to important cross-cutting issues outside day-to-day implementation** that require further analysis and focus for a joint-up engagement and sustainable programme results. Analysis of cross-cutting issues should not only be part of the contextual analysis conducted at design stage. It is also part of programme M&E to understand the factors that help or hinder

achievement of programme results. In addition, the CPE highlights the need to explore important cross-cutting issues that require joint-up approaches within Government and with other development partners to be addressed in a meaningful way. These issues are youth, gender, natural resource management, pastoralism and conflict and fragility. Because of the complexity and difficulty of the context, the understanding of these cross-cutting issues requires more and deeper aimed at identifying opportunities for more effective engagement on cross-cutting issues outside day-to-day implementation.

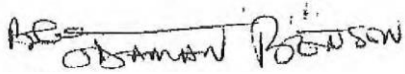
37. **IFAD and Government response to recommendation 3:** Government of Nigeria and IFAD concur to this recommendation.
38. Youth and gender are cross-cutting issues for the IFAD country programme in implementation; Rural Finance Institution Building Programme (RUFIN) and Value Chain Development Programme (VCDP) have started some studies on gender and youth. IFAD Country Office will provide technical support and guide the required impact assessments and thematic studies, particularly as they pertain to relevant cross-cutting issues for the Programme Completion process for RUFIN. Under the Climate Change Adaptation and Agribusiness Support Programme (CASP), assessments will be carried out particularly for resource management, conflict and fragility.
39. Timeline for implementation: During programme implementation, resources will be dedicated to relevant studies and assessments.
40. Responsible: Federal Ministry of Agriculture and Rural Development and IFAD Country Office.
41. **Recommendation 4. Expand existing and develop new partnerships particularly outside of Government.** IFAD should link with civil society actors to widen opportunities for achieving on-the-ground sustainability and empowerment (e.g. Young farmers in CBNRMP; rural finance associations in the North). Building more strategic partnerships with civil society organizations, rather than only for service provision, would encourage sustainability and extend their engagement beyond a programme's duration. IFAD needs to facilitate the private sector in agriculture much more effectively. This requires measures such as hiring from the private sector as well as from Government for programme implementation, and using private sector advisors as mentors for existing Government staff. It also requires implementing tripartite agreements between the private sector, farmers and IFAD in programmes such as VCDP and CASP, so that IFAD funds are used to crowd-in private investors, as envisaged by IFAD's technical guidance note on matching grants. Finally, IFAD needs to seek co-funding arrangements with its major partners (World Bank, United States Agency for International Development, Department for International Development, etc.) in order to improve leverage, especially around policy dialogue, counterpart funding, and increasing levels of delivery in IFAD's priority sectors.
42. The National Round-table recommended the review and strengthening of the current Government (Federal, State and LGAs) coordinating desk or unit for all donor supported programmes; where this is not in existence yet such a desk or unit should be created. It also recommended institutionalization of a regular review of all agricultural related projects at federal, state and LGA level.
43. **IFAD and Government response to recommendation 4:** Government of Nigeria and IFAD concur to this recommendation.
44. The IFAD programmes will work with civil society organizations; VCDP is to develop master trainers for youth on enterprise development and business planning; CASP will organize Financial Service Associations in the North of Nigeria. VCDP has identified over 20 off-takers linked to target group producers. IFAD Country Office will continue to facilitate linkages with larger off-takers. RUFIN will continue to

work with microfinance banks and some select commercial banks, identifying 'winners' that are ready to provide financial services in the rural space. During the RB-COSOP development, development partners active in the agricultural sector will be consulted to identify partnership and cofinancing opportunities. IFAD would support coordination efforts in the Federal Ministry of Agriculture and Rural Development.

45. Timeframe for implementation: During RB-COSOP development (June – November 2016) and programme implementation.
46. Responsible: IFAD assisted programmes and IFAD Country Office.
47. **Recommendation 5. Continue to build on IFAD's knowledge management strategy by improving the quality of evidence from the field.** This first requires improving evaluability during design - developing clear and logical theories of change, and designing practical M&E frameworks matching staff capacity, while minimizing RIMS indicators. It then requires greater effort and rigour for evaluation. IFAD should support use of improved technology (such as computer-assisted personal interviewing, and the use of mobile phones and web tools), and also participatory methods. It should ensure rigorous survey design and analysis for major baseline or impact studies, and also follow up on the commissioning of thematic studies to ensure they are conducted in a way that reveals underlying factors as to how and why impact occurs, and how these affect particular vulnerable groups. To strengthen country M&E systems within the overall move to improved development effectiveness, IFAD should consider providing support to building institutional mechanisms and capacities within FMARD.
48. The National Round-table recommended that coordinating mechanisms should be strengthened *within* the existing structure of FMARD. The capacity of the Planning and Policy Coordination (PP&C) department to effectively coordinate and monitor policy implementation across different departments and division should be strengthened. Furthermore, good practices from the former Project Coordinating Unit (PCU) should be revisited. The implementation of a sector-wide M&E system will require clear roles and responsibilities. It should be linked to the M&E framework developed by the Ministry of Budget and Planning. The PP&C department in FMARD should strengthen its capacity to coordinate sector-wide M&E data collection and analysis.
49. To address the issue of counterpart funding, FMARD should adopt a proactive approach to communicating and coordinating requests for new programmes in the agricultural sector with all stakeholders concerned well in advance. The National Roundtable recommended regular meetings between FMARD and the Federal Ministry of Finance to streamline requests for incorporation into the borrowing plan for approval by the National Assembly.
50. **IFAD and Government response to recommendation 5:** Government of Nigeria and IFAD concur to this recommendation.
51. To improve M&E under the IFAD-assisted programmes, emphasis would be laid on using time-tested Monitoring Information System (MIS) to collate data from the field and generate sound data analysis. IFAD Country Office would work with the IFAD assisted programmes to carry out capacity-building of the M&E staff. All IFAD assisted programmes would be requested to carry out outcome assessments and thematic work to highlight lessons and build on implementation experience to develop knowledge management tools. Strong coordination within the Federal Ministry of Agriculture and Rural Development would lead to sector-wide M&E data collection, feedback on implementation as well as coordinated requests for new programmes. The IFAD-supported Central Communication Unit would support IFAD assisted programmes on their Knowledge Management (KM) strategies and improving KM products.

52. Timeline for implementation: During programme implementation.
53. Responsible: Federal Ministry of Agriculture and Rural Development, IFAD assisted Programmes and IFAD Country Office.

Signed by:



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for Mrs Kemi Adeosun
Honourable Minister for Finance
Federal Ministry of Finance
Government of Nigeria

14 June 2016

Date



A handwritten signature in black ink, appearing to read 'Perin Saint Ange', written over a horizontal line.

Perin Saint Ange
Associate Vice-President
Programme Management Department
IFAD, Rome

23 June 2016

Date