

## profile

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### Nigeria Country Programme Evaluation

Nigeria has IFAD's second largest portfolio in Africa, with a total project cost of US\$795.3 million, of which US\$317.6 million (active and closed portfolio) are financed by IFAD. The Fund's involvement in Nigeria began in 1985. The Government of Nigeria and programme beneficiaries have provided US\$280 million (35.2 per cent of total portfolio costs). The ongoing IFAD portfolio includes four operations: the Community-based Natural Resource Management Programme – Niger Delta; the Rural Finance Institution Building Programme (RUFIN); the Value Chain Development Programme (VCDP), and the Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt.

The evaluation covers the four ongoing operations and two closed operations: the Community-based Agricultural and Rural Development Programme and the Roots and Tubers Expansion Programme. It also reviews the grants portfolio, which includes five loan component grants, two country-specific grants and 15 regional grants.

This is the second country programme evaluation in Nigeria; the first was conducted in 2008. This evaluation covers the period 2009-2015 and has two main objectives: (i) to assess the results and performance of the IFAD-Government partnership to reduce rural poverty; and (ii) to generate findings and recommendations for the future partnership between IFAD and the Federal Republic of Nigeria. It identifies the factors that contributed to the achievement of strategic objectives and results, including the management of project activities by IFAD and the Government. It also reviews IFAD's strategic position in Nigeria, in particular its comparative advantage and positioning in a large middle-income country such as Nigeria and the extent to which IFAD has effectively and efficiently influenced Nigerian policies, strategies and development interventions with regard to rural development, poverty reduction and agriculture transformation.

IFAD's engagement in Nigeria has been guided by the country strategic opportunities programme (COSOP) prepared in 2010.

#### Main evaluation findings

The Government-IFAD partnership has grown stronger over the current COSOP period. The CPE found a clear trajectory of an evolving country programme that

reflects deliberate efforts to adapt to changing priorities, realities and needs. The 2010-15 COSOP has built on the strengths of IFAD in Nigeria, while refocusing the programme on agriculture, in line with Government's policy priorities (as manifested in the Agricultural Transformation Agenda).<sup>1</sup>

IFAD's operations have covered 35 states of Nigeria, an ambitious scope given the size of the country and IFAD's relatively modest resources. The broad multi-region coverage created gaps and prevented synergies between the programmes. 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. With long timeframes and complex designs, the implementation challenges were considerable given the available capacities, especially at state and local levels.

The portfolio targets poverty reasonably well, especially with the programmes in the North and Middle Belt. Within each state, successful targeting requires strong support from programme teams who must work with and convince local government to select the remotest or most vulnerable communities. This has not been easy given the limited number of local government areas (LGAs) and villages that can be funded and the rapid political cycle and opportunism that exists at state and LGA levels. Targeting has also been hampered by weak disaggregated poverty statistics.

The policy of concentrating efforts in a limited number of villages has enabled successful and efficient delivery in these locations. 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 disseminating technology have been very good. Impacts are recorded for empowerment, asset creation and institutions. But the scale remains limited given the size of the country and the increasing internal poverty divide.

A major success has been IFAD's support of community-driven development, in particular in the North, where several states have continued to support the community-driven approaches. Local programme structures have persisted and in some areas been replicated. The community development associations (which implemented a wide range of development activities directly chosen

<sup>1</sup> The goals of the Agricultural Transformation Agenda are to increase demand for Nigeria's food staple crops by 20 million metric tons and create 3.5 million jobs in agriculture by 2015. It will achieve this through increasing productivity through better access to inputs, reduction in crop losses, and linkages with industry.

and managed by the communities) and Commodity Apex Development Associations (which are formed by a number of production and enterprise groups) are registered and continue to function. More systematic links with grassroots initiatives and stronger engagement at state level would be needed to effectively scale up the positive experiences.

The establishment of the country office in 2008 and the subsequent out-posting of the country programme manager in 2012 has improved implementation efficiency. It has also enabled greater engagement in partnership and policy work. However, given the size of the country and the complexities of the federal system, the level of capacity still seems inadequate to cover multiple roles of programme implementation support, policy dialogue and partnership-building. Partnerships have mainly taken place at programme level and along programme-specific themes, such as agricultural and microfinance research, farmer training and rural finance. The absence of co-funded programmes with other influential players (World Bank, Department for International Development, United States Agency for International Development) has limited IFAD's leverage at federal and state levels.

IFAD had limited success in managing aspects of weak governance. Political uncertainties caused by changing governments and the institutional complexities within the federal system affected the performance of the programme. Key coordinating mechanisms have disappeared, and uncertainty of counterpart funding has reduced programme effectiveness and efficiency.

The move towards larger programmes did not improve overall implementation efficiency as expected, because programme coordination and funds were spread over a larger number of states with a high degree of political and cultural diversity. Critical aspects of weak governance, including fragility and conflict, were virtually ignored in portfolio design and execution. A more flexible and adaptive approach at state level could have helped to develop stronger partnerships, local ownership, sustained commitment, and better respond to crises and disruptions in a proactive way.

IFAD's continued engagement with the Government as the lead implementer of its market-based programmes has crowded out private sector involvement. Although the private sector has been increasingly engaged, particularly under RUFIN and VCDP, the implementation structure of these programmes continues to heavily rely on government entities at federal and local levels.

## NIGERIA AT A GLANCE

Population: **173.6 million (2014)**

Rural population: **93.2 million (2014)**

Gross Domestic Product growth: **6.3% (2014)**

Poverty head count ratio at national poverty line (% of population): **46 (2009)**

Life expectancy at birth: **52.5 (2013)**

Human development index: **0.504; ranking 152 out of 187 countries (2013)**

Sources: *United Nations Development Programme International Human Development Indicators; World Bank*

## Key recommendations

- **Increase geographic focus, transform state-level partnerships and identify realistic levels of counterpart funding.** IFAD should strengthen policy engagement at state level, to make sure that IFAD-supported programmes rise to the top of the political agenda. Strategies to get the attention and commitment of state governors could include: (i) pressure from federal partners; (ii) increasing the size of investment in fewer states; (iii) having rewards for better performing states; (iv) increasing IFAD's presence in key states; (v) keeping counterpart funding at feasible levels, and making beneficiary contribution the trigger for release. One strategy to strengthen local ownership could be to create programmes focused on fewer states and covering a smaller and more homogeneous geographic area.
- **Increase leverage and presence in operations.** There is scope for IFAD to gain traction on effectiveness and efficiency by changing the way it delivers implementation support. IFAD should dedicate technical capacities to strengthen engagement with key states. There are also opportunities to link programmes with each other and with non-lending activities in a more cohesive way – for example linking rural finance initiatives under RUFIN with value chain work under VCDP, especially at local level. These linkages need to go along with a more integrated coordination set-up at state level.
- **Dedicate resources to cross-cutting issues** that require further analysis and focus for sustainable programme results. Because of the complexity and difficulty of the context, the understanding of cross-cutting issues requires more and deeper analysis. The analysis should be built up through studies and lesson-learning within programmes and grants. It should aim at identifying opportunities for more effective engagement in cross-cutting issues outside day-to-day implementation. Important cross-cutting issues include youth, gender, conflict and natural resources management.
- **Expand existing and develop new partnerships,** particularly outside of Government. These include strategic partnerships with civil society organizations beyond service provision, tripartite agreements between the private sector/farmers/IFAD, and co-funding arrangements with major partners.
- **Continue to build on IFAD's knowledge management strategy by improving the quality of evidence from the field.** This requires improving project evaluability during design, greater effort and rigour for the evaluations commissioned, and use of improved technology, such as computer-assisted personal interviewing, mobile phones, web tools, and participatory methods.

### Further information:

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