
# CAADP Post Compact Review

# NIGERIA

## Technical Review Report

**Dakar, June 2010**
**Version date: 13 June 2010**

**CAADP Techncial Review Panel**

**Key findings for Nigeria**

Dakar, June 2010

This document reports the findings of the Comprehensive Africa Agricultural Development Programme (CAADP) Post-compact Technical Review for Nigeria. The purpose of the review is to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth, food security and reduction of hunger and poverty. The review is meant to ensure that every possible action is being taken to achieve the objectives and targets laid out in the plan and defined in the CAADP agenda will be met. The review should be seen and approached as an exercise to lay the groundwork for successful implementation of the strategy approved at the compact roundtable and reflected in the compact and the national agriculture investment plan.

The Federal Ministry of Agriculture and Water Resources has developed the Nigerian Agriculture Investment Plan. The vision of the programme is to ensure sustainable access, availability and affordability of quality food to all Nigerians and for Nigeria to become a significant net provider of food to the global community. To complement the overall 8 percent growth target in the economy for 2010 – 2020, the government has set a target of 10 percent annual growth rate for the agricultural sector, compared to the 6 percent annual growth rate agreed to under the CAADP.

As part of the broader CAADP agenda, the Economic Community of West African States (ECOWAS) developed an Agricultural Policy (ECOWAP), which was later adopted as a regional Compact for the Regional Economic Community. The process developing the regional policy involved all stakeholders in the region to embrace the principle of inclusiveness in the development process. To translate this policy into action to implement CAADP in West Africa, strategies have been developed that lay the foundation for a regional investment plan and national agriculture and food security investment plans to implement the strategy.

CAADP represents a social transformation agenda with wide-reaching influence on development aid architecture and development planning. CAADP seeks to support African governments prepare quality strategies and investment plans, ensure enabling policy environments to implement the plans, and translate these plans into programmes that are efficient at stimulating growth and reducing poverty. The post compact technical review is a critical step in the operational implementation of the country compacts and investment plans.

The statement of the Technical Review Panel's findings and recommendations for improving implementation of Nigeria's Plan are outlined below.

**Component 1: Alignment with CAADP vision, principles and strategy elements**

Overall Nigeria's investment plan is an ambitious agenda calling for an increase of 6 to 8% agricultural GDP growth between 2009 and 2012 to achieve growth rates necessary to achieve the MDG1. Implementing this agenda will require necessary enabling environment reform, institutional capacity development and coordination, expansion of farmer services and development of partnerships especially with the private sector. In line with CAADP values and principles, the Nigerian Agriculture Investment Plan (NAIP) demonstrates significant commitment and support from Government and provides evidence of stakeholder consultation with civil society and the private sector. As presented, the NAIP is comprehensive in that it includes interventions in most of the major agricultural sub-sectors that address economic growth, food security and nutrition. Striking a portfolio balance among these intervention areas will need further refinement and priority setting.

The investment plan has not given sufficient consideration to other important aspects of pursuing the agriculture development agenda within the CAADP principles and values context. This includes aspects such as modalities for inclusiveness (especially private sector and civil society engagement, enhancing transparency and accountability); and systematic linking of planning and decision-making systems between Federal and State levels, and use of instruments to evidence-based analysis to rationalize investments and investment in strategic analysis and knowledge support systems.

Recommendations:

A. All national, on-going Food Security Programmes outlined in the NAIP need to be effectively mainstreamed into one NAIP framework, complimented with a inter-ministerial coordination approach for effective subsidiarity to be accomplished;
B. The role and level of engagement with the private sector needs to be clarified and strengthened with practical actions of how to incorporate private sector investment and service provision into the investment programmes;
C. The plan requires more clearly defined implementation modalities, particularly coordination of programmes at the Federal and State, inter-sectoral and inter-ministerial levels to ensure the attainment of the anticipated programme outcomes; and
D. For effective coordination among government, donors, civil society and private sector, structures to harmonize donor efforts are required to guarantee responsiveness and mutual accountability.

**Component 2: Consistency with long terms growth and poverty reduction options**

To achieve MDG1 by 2015, the Nigerian economic would have to grow by 12% or nearly 50% faster than is likely from projected trends based on historical data. Although double digit rates of growth may be feasible for Nigeria, the likelihood of achieving them in the near future is more problematic, considering that current growth trends hover around slightly higher than 5%. A realistic scenario of overall GDP growth rate of 7%, poverty levels would likely only achieve MDG1 by 2025. Under the investment plan scenario, the 1990 poverty level would be reduced only by about 20% by 2015.

Considerable effort would need to be paid to the adoption of improved varieties, the reduction in post harvest loses, and the expansion in irrigated areas to achieve the magnitude of productivity increases being sought. The amounts budgeted in the NAIP are significantly lower (about a half) than the amounts required to achieve the growth and poverty outcomes under the investment plan scenario. The level of underfunding will be even larger unless serious efforts are made to raise the efficiency of public expenditures in the agricultural sector and the economy as a whole. The fact that NAIP calls for growth and productivity outcomes that are twice as high under the Government Strategy scenario at a fraction of the cost is the best indicator of potential problem of realism. If its productivity, growth, and funding targets were realistic, effective implementation of NAIP would allow Nigeria to achieve the CAADP growth and MDG poverty outcomes.

Recommendations:

A. A more realistic approach is required to align the growth and expenditure targets of the NAIP more closely to the plan's targets based on the current Government's National Food Security Programme; and
B. The present funding targets are inadequate for achieving its expected growth and poverty outcomes. A revision of the NAIP's funding section is required.

**Component 3: Adoption of best practices and inclusion of core program elements**

The NAIP has identified the key elements useful for successful agricultural development. It recognizes that current land and water management practices are inadequate to meet the goal of achieving food security. Therefore, the proportion of the budget allocated to this element of the plan is substantial. The proposed production programmes reflect sustainable agriculture principles. However, the proposed expansion of production by 10% would increase the supply of affordable food (crops, livestock and fish), but to achieve the growth objectives, agricultural GDP growth would need to be double the targeted growth rate. Agricultural expansion may well be counteracted by high population growth that will increase the demand for food and land, may compromise sustainable practices and could lead to conflict over land rights and use. Further attention is needed with regard to transboundary water management to avoid negative impacts on neighboring countries. The proposed substantial expansion of land under irrigation also needs a reality check. The location of the proposed projects should be carefully considered to exploit trade corridors and reach the most vulnerable populations. The potential impact of climate change requires more attention with regard to production, water for irrigation and the livelihood and food security elements of vulnerable populations (including pastoralist communities).

The Nigerian Agriculture Investment Plan clearly outlines comprehensive value chain strategies to exploit domestic market opportunities in the crops (including cotton), horticultural products, fish and livestock (including dairy) sectors by investing in the necessary infrastructure and an Agricultural Commodity Exchange. Development efforts targeted at improving value chain operations and increasing exports are described. Inter-Ministerial collaboration could also link investment in infrastructure such as dam construction to public works programmes and agro-processing. Power supply management is required for effective functioning of agri-processing.

Given the significance of the Nigerian agricultural sector in the regional economy, far too little attention is paid to the exploitation of regional trade opportunities and markets. The establishment of an extensive network of input sales points throughout the country, provision of credit for smallholders through guarantee systems and the establishment of Agro-parks are commendable and shows commitment to bringing the smallholder sector into the growth agenda. However, further development of farmer-based organizations is required to maximize access to information and growth in the agricultural sector. Attention to provision of the necessary institutional reform necessary for the efficient use of resources, service provision and value chain development is required.

The National Food Security Programme (NFSP) sets out the country's strategic framework to reduce poverty and ensure food security. The NAIP presents a far more comprehensive approach than the NFSP and it would be best if the two are simply merged and the NFSP integrated fully into the NAIP as the other programmes of the NAIP are complementary to the NFSP (such as livestock and fishery projects that could substantially improve the quality of rural diets). This integration would allow for greater inter-Ministerial collaboration on, for example, ensuring that the provision of dams and irrigation also benefits venerable populations in terms of access to drinking water and improved sanitation. Integrating the NFSP fully into the NAIP would strengthen and more closely link communal granaries, social protection and nutrition elements of the NFSP to the agricultural investment strategy and plan.

Recommendations:

A. As it is clear from the analysis in component 2 of the report that the targeted production increases will not achieve the desired outcomes, and given the pressure on land and water resources, considerable attention need to be paid to technology and practices that will significantly improve the productivity of agriculture in Nigeria while at the same time ensuring that these promote sustainable production best practices. Considerable investment is required in research, technology development, efficient extension and farmer capacity development to apply, adopt and adapt these technologies. The technologies need to anticipate and be appropriate to the potential effects of climate change. These technologies need to relate to the entire value chain from production to post-harvest and marketing components;
B. Significant institutional reform is required to ensure the efficiency of the programmes. This needs to include reform related to land tenure, trade, water etc. and take conscience of spill over effects on neighbouring countries;
C. The NFSP needs to be integrated into NAIP for efficient implementation of both and facilitation of inter-Ministerial collaboration to capitalise on the numerous opportunities provided for food security through the NAIP and its elements. This will ensure comprehensive programme implementation and delivery of the dual agenda of CAADP – to increase agricultural growth and reduce hunger and poverty; and
D. Nigeria could play a far more significant role in regional trade but unless the NAIP deliberately pays attention to the prioritisation of commodities with comparative advantages and regional trade potential, these opportunities will be lost.

**Component 4: Alignment with country commitments**

The NAIP is relatively comprehensive in scope and have high levels of ownership within Nigeria. Linkage between the priorities and evidence-based analysis that should underpin the programmes is not always clearly presented and could strengthen the rationale for the specific elements included in the investment plan. Further detail may be required on program activities to fully justify the prioritization. It will be important for Nigeria to establish a platform where implementers (federal and state entities) of these programmes will interact. The implementation strategy also needs to include other Ministries such as Trade, Finance, Environment and Forestry whose activities have direct link with the outcomes of the investment plan.

The investment plan is largely silent on specific policy issues and steps required to resolve them at the activity or initiative level. Although most activities presented for incremental financing represent an extension of existing programmes, it is not clear to what extent specific policy steps may be required to achieve the scale envisioned. Greater linkage of policy reforms to the outcomes established in the results framework may be useful. While Nigeria has recognizes the importance of regional integration as an objective, the opportunities and the actions to promote regional integration have not been considered. Given the strategic importance of regional trade and integration for long term growth, the plan needs to show more explicitly, how the country intends to exploit the opportunities of regional trade, and what activities will be carried out to promote trade across border corridors.

The Investment plan clearly articulates how it will deal with gender and the vulnerable. The measures outlined speak to the challenges. The NAIP provides a results framework that links outcomes and targets to the programme but needs further development to include indicators for programme outcomes and high level impacts.

Recommendations:

A. An inter-Ministerial dialogue to explore future collaborative opportunities will strengthen government's effort to achieve the NAIP objectives;

B. The plan does not clearly articulate the policy implications and outstanding policy issues implicit in changing the thrust of agriculture sector development. An assessment of the difficulty and time required to achieve the change and which entity is responsible for leading the change should be included in the plan;

C. Given the strategic importance of regional trade and integration for long term growth, the plan needs to show more explicitly, how the country intends to exploit the opportunities of regional trade, and what activities will be carried out to promote trade across border corridors and Analysis of the benefits and multiplier effects from regional cooperation is needed;

D. The plan's section on overall monitoring and evaluation mechanisms needs to be strengthened. There needs to be a better description how the M&E system will build upon existing capacity and how it intends to strengthen and utilize statistical information and geographical information systems to establish baselines from which progress will be tracked. The proposed results framework should be revisited and indicators chosen that will effectively track not only outputs but outcomes and higher level impacts. The country should use the ReSAKSS manual to refine the plan's results framework and set of indicators; and

E. The plan needs to more clearly describe the organization and effectiveness of the agricultural sector working group (ASWG) including a description of representatives/stakeholders, the regularity of meeting, level of genuine ownership by stakeholders, and progress made to date of harmonized external assistance. The plan should include a description of how future engagement with the working group will be carried out by the government to effectively align stakeholders with the objectives of the NAIP.

**Component 5: Operational realism**

As a federal system, Nigeria has a complex institutional environment –with a number of federal and state level institutions that are linked but autonomous in their operations. The investment plan as presented demonstrates strong potential to act as an important bridge across institutions and a means for more coherently coordinating agricultural development efforts within MDAs. However, a major underlying assumption within the investment plan is that institutional capacity is sufficient to manage the proposed larger investment portfolio. For many MDAs, the volume of activities and resources in 2011 and 2012 are up to three times higher than the current work program under implementation in 2010. Human resource and physical resource requirements will need to be assessed in light of the proposed activities and are an important test of operational realism and timing. Delayed timing and implementation have also been raised as key challenges to past implementation within MDAs. Measures to address these issues or identify lessons learned should be clearly included in the future documentation.

While a sector context and data were provided in the investment plan, a discussion of the financial management capacity was not included in the investment plan documents. A broader discussion of performance of the country's agricultural sector would be helpful, as well as a comprehensive discussion of the framework for management of public finances (strengths, weaknesses, and capacity). It would be useful for the drafters of the Nigeria investment plan to explain how any necessary improvements in the financial management structure for the CAADP-sponsored program will be funded.

The rudimentary budget provided for the CAADP-required costing information is organized appropriately (estimated overall cost for program-related expenditures; existing or anticipated government contribution for the programs; existing donor contributions; and funding gaps), but the information is incomplete. There is no: 1). break-down of recurrent vs. development expenditures at the portfolio, project, or sub-project levels; 2). detailed information on existing government versus donor commitments for the programs comprising the CAADP investment plan; or 3). detailed information on the financing gaps for the programs comprising the CAADP investment plan. Therefore, the current presentation of activities and budgets in the investment plan do not allow for assessment of whether these have been fully assessed and incorporated – but this will be an important consideration to the final commitment of resources.

Recommendations:

A. A comprehensive coordination mechanism amongst the various MDAs, an interface between state and federal institutions and private sector, civil society participation will ensure more effective and efficient delivery of service;

B. The plan needs to present a detailed breakdown of incremental costs based on unit costs where available and estimates. The budgeting should link expenditures to outcome and outputs contained within a results or logical framework;

C. The plan needs to include a more exhaustive overview of incremental financing. A financing plan should present a breakdown of costs by capital and recurrent expenditure. The breakdown of existing expenditures and incremental expenditures should be as accurate as possible. The financing plan should be comprehensive so that it covers both on- and off-budget financing sources, both core sector and related sector budgets, and traditional and non-traditional donors including potential private sector contributions. To the extent possible future commitments should be listed;

D. The plan needs to better demonstrate that sequencing of investments have been properly considered and include a clear explanation of why the particular level of priority has been assigned to an investment area;

E. The plan needs to include the results of a public financial management assessment that acknowledges adequate capacities exist within the main institutions identified to implement specific programs/sub-programmes of the investment plan. Systemic weaknesses or gaps in proposed implementing entities should be highlighted and a capacity building plan built into the investment or explanation of implementation options that are being considered such as inter-ministerial collaboration mechanisms and proposals to contract out service delivery;

F. The country should undertake a beneficiary analysis of the NAIP and results used to better provide a full description of programme beneficiary characteristics including overall numbers targeted, geographic locations, economic and social status. The results of a beneficiary analysis should also be used to assess potential programme impact, used as a baseline for monitoring and evaluation during implementation and used to undertake a cost benefit analysis; and

G. The country needs to assess the financial and economic viability of proposed programmes within the investment plan. This action is essential to determine the NAIP's potential impact at the beneficiary, community and macro-economic level. The plan should include an overall programme rate-of-return. Also if possible, the country is encouraged to undertake financial and economic analysis of specific programme components and use this programme level analysis to assist with prioritization of program investments.

**A "Road Map" towards CIP Refinement and Readiness for Effective Implementation**

Taking these recommendations forward will require a well coordinated effort between the country and the development community to help advance the plan. We are providing a road map that is intended to help bring clarity to the next steps including actions, timelines and responsibilities for addressing the key outstanding issues for the investment plan. We encourage Nigeria to include specific actions related to defining a coordination mechanism to align ministries around the NAIP, developing a coordination platform between federal and state level agencies, capacity building needs to prepare for implementation, further project design and integration of best practices into project approaches, and developing stronger inter-agency coordination and donor partnerships.

## Contents

**Key findings for Nigeria** ........ **ii**
**1. Introduction** ........ **1**
**2. Review Context** ........ **3**
**3. The Components, Methodology, Criteria, and Tools of the Review** ........ **5**
**4. The Nigeria Agricultural Investment Plan** ........ **6**
**Technical Review Outcomes** ........ **7**
Component 1: Alignment with CAADP vision, principles and strategy elements ........ 7
Component 2: Consistency with long terms growth and poverty reduction options ........ 9
Component 3: Adoption of best practices and inclusion of core programme elements ........ 14
Component 4: Alignment with country commitments ........ 25
Component 5: Operational realism ........ 27
**Annexure 1: CAADP Post-Compact Guide – see attachment** ........ **32**
**Annexure 2: ECOWAS 's 13 points from Cotonou for investment plans** ........ **33**
**Annexure 3: Post Review Road Map Template** ........ **34**

# 1. Introduction

This report documents the findings of the AUC/NEPAD review of:

(i) Nigeria National Agricultural Investment Plan (2009 – 2012); and
(ii) National Food Security Programme.

The report focuses on the degree of alignment with CAADP principles and frameworks (CAADP Framework and Guide, Pillar Frameworks and the proposed Measurement and Evaluation Framework), implementation modalities (institutions, implementation, policy), and suggests ways of strengthening elements that could contribute more strongly to attaining the CAADP goals and outcomes in Nigeria. The core questions asked in reviewing the plan are found in the inter-pillar guide for CAADP implementation that is informed by the more detailed Pillar Frameworks.

Nigeria's Agricultural Investment Plan (NAIP) outlines its financial aspects and therefore provides the road map towards achieving the vision for the agricultural sector. The NAIP is a comprehensive medium-term strategic plan, which outlines and costs activities to achieve a proposed minimum of 10% growth in the agricultural sector, slightly above the target set by NEPAD's CAADP initiative, which is necessary to stimulate the type of growth needed to transform Nigeria's rural areas and to significantly reduce poverty levels.

The NAIP has five strategic programs:

(i) The **Developing Agricultural Policy and Regulatory System** (DARPS) for strategic review and reform of key institutions in the agricultural sector, agricultural policy, advocacy framework, proactive legislation, sound policy on financing agriculture (credit and grant support) towards market competitiveness and an effective regulatory framework including fiscal incentives and tariff regimes to support backward integration.

(ii) Establishment of an **Agricultural Commodity Exchange Market** (ACCOMEX) for efficient marketing and price information systems, institutional strengthening of private sector agro-input suppliers; ensuring accessibility, availability, affordability of agricultural inputs; agro-aviation development to facilitate the evacuation of agricultural produce to domestic and international markets; agro export handling/conditioning centres for the processing, packaging and labelling of produce to meet international standards; Guaranteed Minimum Price (GMP) mechanisms; much needed storage infrastructure in view of the large volume of produce involved; and Agricultural Information Management System (AIMS) to ensure the availability of information for the buyers, sellers and farmers on type, location and price of commodities at any particular point in time.

(iii) The **Raising Agricultural Incomes with Sustainable Environment** (RAISE) Programme that focuses on the development of the rural energy, rural markets, schools, communication, water and sanitation, transport and health as basic components for addressing the challenges of small and medium scale agri-business development in the area of value chain infrastructure development and infrastructure for sustenance of the environment.

(iv) **The Maximising Agricultural Revenue in Key Enterprises (MARKETS**) programme that will create the necessary market infrastructure as well as implement the Guaranteed Minimum Price (GMP) policy, to propel the development of the agricultural sector by linking production to markets.

(v) The **Water, Aquaculture and Environmental Resource Management Programme** that seeks to develop 1,500 targeted RAISE sites with small dams and irrigation infrastructure facilities; flood control; early warning systems; agricultural cadastral through auto-photo mapping of farmlands; migratory pest control; bio-energy development; carbon credit project through a forestation and reforestation.

The Comprehensive Africa Agricultural Programme (CAADP) was endorsed by the African Heads of State at the Maputo Summit in 2003 as a strategy to transform African agriculture and address poverty and food insecurity in sustainable ways. CAADP represents a new era in international development and is transforming not only the largely neglected agricultural sector but creating innovative and unique development partnerships. The comprehensive and inclusive agenda has seen an unprecedented involvement of:

(i) Inter-Ministerial formulation of inter-sectoral strategies and investment plans that are country-driven and country-owned;
(ii) The private sector, civil society, and farmers' organizations in identifying the priorities for agriculture-driven growth;
(iii) Technical expertise across the continent in establishing policy frameworks, implementation guides and tools that provide a sound base and guide for evidence-based planning; and
(iv) Development Partners and Bilateral Agencies in common dialogue and planning.

Today CAADP represents a social transformation agenda with wide-reaching influence on the transformation of development aid architecture and development planning. CAADP provides numerous opportunities for value addition, offering support in the development of comprehensive agriculture investment plans and monitoring and evaluation systems; independent political, technical and financial review of investment plans; peer review; and capacity development.

CAADP is gaining momentum, creating positive peer pressure among African governments to prepare quality strategies, translated into investment plans; ensure enabling policy environments to implement the plans; and translate these plans into programmes that are efficient at stimulating growth and reducing poverty. As a result of a process involving all stakeholders in the region, the Economic Community of West African States (ECOWAS) developed an Agricultural Policy (ECOWAP) as the means of implementing CAADP in West Africa. The ECOWAP was adopted on 19th January 2005 in Accra by the Heads of State and governments of the region. The ECOWAP is based on a vision to build "a modern and sustainable agriculture, founded on effective and efficient family farms and the promotion of agricultural enterprises through private sector involvement. It aims at ensuring that agriculture is not only productive and competitive within markets in the Community and internationally, but also guarantees food security and serves as a source of decent income for its operators".

ECOWAS's Regional Agricultural Investment Programme (RAIPs) and National Agricultural Investment Programmes (NAIPs) focus on six thematic areas that combine three ECOWAP thematic areas and the four CAADP Pillars:

(i) improved water management;
(ii) sustainable farm development;
(iii) improved management of the other natural resources;
(iv) development of agricultural chains and market promotion;
(v) institution building; and
(vi) reduction of food insecurity.

The outcomes of these plans have been validated and the modalities governing their implementation are contained in the Compact among technical and financial partners, civil society stakeholders and socio-professional farmers' organizations signed at national conferences on the financing of agriculture.

This report documents the findings of the AUC-NEPAD review of Nigeria's 5-year NAIP. The report focuses on the degree of alignment with CAADP principles and frameworks as contained in the broader CAADP Guide and Pillar Framework documents. The review commends the efforts of the Nigerian Federal Government of putting in place a comprehensive plan to respond to poverty, hunger and nutritional demands for her own people in the context of CAADP. The review proposes areas for strengthening of the NAIP so as to contribute more strongly to attaining the CAADP goals and outcomes in the country. The core questions asked in reviewing the plan are found in the CAADP Implementation Guide, Post Compact review Guide, and Inter-pillar guide for CAADP implementation that is informed by the more detailed Pillar Frameworks and Companion Document on Livestock, Fisheries and Forestry, among others.

## 2. Review Context

ECOWAS and its member countries have taken a strong leadership role in advancing the Comprehensive Africa Agriculture Development Program (CAADP), an initiative of the New Partnership for Africa's Development (NEPAD), which is a program of the African Union. Twelve of the fifteen ECOWAS member states, plus the ECOWAS regional economic community itself, have signed their compacts. Through these compacts, member States commit to scale up and work towards attaining or surpassing 10% of their national budget for agricultural development to establish an enabling environment to attain a minimum of 6% annual agricultural sector growth and reduce hunger and poverty.

Following the signing of their strategies, countries have developed their CAADP country investment plans. The investment plans then undergo technical review led by the African Union Commission, the NEPAD Planning and Coordinating Agency (NPCA), REC and CAADP Pillar Institutions. This post-compact technical review is a critical step in the operational implementation of the country strategies and investment plans. The primary objective is collectively to evaluate for:

(i) the likelihood for the investment programs to realize the growth and poverty reduction prospects laid out in the different strategy scenarios carried out for the roundtable and summarized in the different roundtable brochures;

(ii) the use of best practices and other technical guidance in the Pillar framework documents in designing the above investment programs to increase efficiency;

(iii) the technical realism (alignment of resources with results) and adequacy of institutional arrangements of the programs;

(iv) the integration of CAADP principles of inclusive review and dialogue;

(v) the consistency with budgetary and development assistance commitments and principles agreed in the compact;

(vi) adequacy of institutional arrangements for effective and efficient "delivery" including information and knowledge support, M&E and on-going evaluation and learning;

(vii) coherence and/or consistency between policies, implementation arrangements and delivery mechanisms and investments areas, priorities or programme objectives;

(viii) appropriateness and feasibility of the indicators for impact and system or capacity improvement and accountability; and

(ix) extent and quality of dialogue, (peer) review and mutual accountability system potential to contribute and link to regional integration objectives.

The purpose of the technical review is to enhance the quality of agricultural development and increase effectiveness of domestic and foreign development assistance for agricultural growth, food security and reduction of hunger and poverty. Rather, it is to ensure that every possible action is being taken to achieve the objectives and targets laid out in the plan and defined in the CAADP agenda will be met. The review should be seen and approached as an exercise to lay the groundwork for successful implementation of the strategy approved at the compact roundtable and reflected in the compact and NAIP.

As key outcomes of the Business Meeting, there should be clear set of concrete implementable actions to:

(i) immediately mobilize the required expertise, capacities, and partnerships for immediate on-the-ground implementation;
(ii) establishing a mechanism to facilitate joint donor commitment to financing and thereby release the resources required to meet the funding needs of the plans within a reasonable time;
(iii) streamlining of review and appraisal processes and standards to speed up individual donor processing; and
(iv) establish the knowledge systems for an inclusive review, M&E, mutual accountability, learning and impact assessment including on-going consultations and dialogue to enhance implementation as well as development and design of new programmes.

Once reviewed and adjusted, the investment plans are presented to the international community at a Business Meeting for endorsement and mobilising of resources for financing the funding gaps. As CAADP is the continentally agreed-on benchmark for quality investment strategies, existing and new development partners, the private sector, and emerging funding architectures respect the recommendations and endorsements of CAADP.

Under the leadership of the Country Teams, the investment plans and related programmes will be implemented along with:
(i) detailed project design and costing;
(ii) establishment or strengthening of monitoring and evaluation systems;
(iii) building the necessary capacity for implementation;
(iv) policy change to ensure an enabling environment;
(v) establishment or strengthening of the necessary institutional elements for an enabling environment; and
(vi) alignment of long-term reforms in related other agricultural strategies, Poverty Reduction Strategies, SWAPs and related sector programmes.

## 3. The Components, Methodology, Criteria, and Tools of the Review

The basic approach of the review consists of assessing proposed actions and outcomes in the programmes against CAADP principles and country specific targets, objectives, practices, and approaches defined and agreed in the country CAADP compact. The criteria are measures of the consistency or lack thereof of the programs with the above indicators. The main components and tools for the review include the following:

(i) Alignment with the NEPAD-CAADP principles, values and targets: The CAADP Implementation Guide setting out the vision, principles, core strategy elements, and impact expectations;
(ii) Coherence and consistency with long-term growth and poverty reduction objectives and targets: The roundtable brochures and technical background documents defining the long-term agricultural productivity, growth, and trade performance, and the related poverty outcomes;
(iii) Embodiment of technical best practices and CAADP priority areas/issues: The Pillar Framework Documents laying out the key strategic issues, core program elements, and best practices;
(iv) Operational quality and implementation readiness and alignment with compact commitments: The CAADP compact specifying the policy, budgetary, development assistance, review, and dialogue commitments;
(v) Detailed investment programs showing inputs, outputs, outcomes, and institutional arrangements;
(vi) The donor coordination guidelines for CAADP support at a country level outlining modalities for engagement between local development partner agencies, government and other stakeholders

The review is conducted along five broader components, namely:

**Component 1** reviews alignment with CAADP vision, principles, and strategy elements to ensure that all key vision elements, principles, and strategy core elements, as defined in Annex I of the CAADP Post Compact Guide are reflected in the country's programs and, where there are gaps, to help identify these in order to ensure full alignment.
*Tool: CAADP Implementation Guide*

**Component 2** looks at the consistency of the investment plan and the potential impact on long term growth and poverty reduction options. This section evaluates whether:

(i) the overall growth targets that are specified or implied in the plans, in general, and
(ii) the changes in individual sub-sectors and related targets, in particular, diverge from the sector-wide performance and poverty reduction outcomes underlying the long term strategic scenarios. For instance, each of these scenarios is linked to required changes in sub-sector growth rates, trade performance, overall public expenditure levels, and assumptions about the efficiency of sector policies.

This component also presents a comparative country profile, based on the nearly two dozen CAADP indicators being tracked by ReSAKSS for all African countries, to show the current standing of each country with respect to its peers, and thereby identify gaps to be bridged.
*Tools: Brochures, technical background documents, investment program documents*

**Component 3** seeks to establish whether the investment plan includes the adoption of best practices and inclusion of core program elements. The aim of this assessment is to find out where clearer definition and understanding of the strategic issues is required and where better integration of best practices can help improve the design of the plans and maximize benefits of growth. The CAADP Post Compact Guide Annexes II to IV present a set of specific guides and tools, prepared by the Pillar lead institutions as part of the Pillar framework documents, which provide criteria and step-by-step approaches to designing high quality plans.
*Tool: Pillar Framework Documents and Pillar Implementation Guides and Tools*

**Component 4** focuses on alignment with compact commitments and its objective is to agree on: (i) a joint action plan to meet the policy, budgetary, and assistance commitments and (ii) identify and confirm modalities for mutual review, including dialogue fora and supporting knowledge systems to track and report on such commitments.
*Tools: CAADP Compact, Brochure 5, and Donor Guidelines for CAADP support at country level*

**Component 5** reviews the operational realism of investment programs and seeks to verify and confirm the adequacy of the content, cost and institutional arrangements, and where necessary, to identify the operational and design improvement to be carried out to ensure successful implementation. The task in this section is to verify the extent to which the key elements and features listed in Table 1 of the CAADP Post Compact Review Guide are reflected in the investment plans.
*Tools: Detailed investment programs*

## 4. The Nigeria Agricultural Investment Plan

The major challenges Nigeria faces are eradicating poverty, achieving food security, ensuring global competitiveness and sustainable management of natural resources to achieve rapid development. Only 46% of arable land is cultivated. Farm sizes are small. Fertilizer supply has been sporadic with low application rates. Less than 10% of irrigable land is irrigated. Post harvest losses are between 15 and 40% of harvests and livestock and fish is in short supply. Although malnutrition has been declining, a significant proportion of the population is food insecure.

## Technical Review Outcomes

### Component 1: Alignment with CAADP vision, principles and strategy elements

The Nigerian National Agricultural Investment Plan (NAIP) was formulated within the broader context of the NV:20 (Vision 2020); National Food Security Programme and the Medium Term Sector Strategic of the Ministry of Agriculture and Water Resources. Steps taken to develop the NAIP included:

- Stakeholder consultations;
- A review of on-going agricultural development efforts to inform the development of a long term development strategies under Vision 2020. This helped The Government of Nigeria identify agriculture as a major driver of growth in the Nigerian economy; and help set targets to achieve a three-fold and six-fold increase in domestic agriculture productivity by 2015 and 2020 respectively;
- A review of agricultural growth, poverty reduction and food security (past performance and prospective outcomes);
- An analysis of Strategic Options and Sources for Agricultural Growth, Poverty Reduction and Food Security;
- Analysis of Long Term Funding for Agricultural Growth, Poverty Reduction and Food Security; and
- The establishment of Nigeria Strategic Analysis and Knowledge Support System to inform and guide CAADP implementation processes.

The road map and consultations outlined informed the development of the strategy as set out in the Nigerian Compact signed on 30 October 2009. The formulation and elements of the strategy align with the CAADP vision for Africa that, by 2015, Africa should:

(i) Attain food security;
(ii) Improve agricultural productivity to attain a 6 percent annual growth rate;
(iii) Develop dynamic regional and sub-regional agricultural markets;
(iv) Integrate farmers into a market economy; and
(v) Achieve a more equitable distribution of wealth.

The Nigerian Agricultural Investment Plan, developed to implement the strategy, proposes seven major programmes each of which have detailed sub-programmes that align with CAADP Pillars:

i. Development of Agricultural Chains and Productivity implemented by The Federal Department of Agriculture
ii. Improving Surveillance and Quarantine Implemented by Agriculture Quarantine Services
iii. Seed Industry Development Programme implemented by the Seed Inspectorate Services
iv. Fisheries and Aquaculture Production Programme implemented by the Fisheries Department
v. Livestock Sector Development Programme implemented by the Livestock Development
vi. Dam, Irrigation Rehabilitation and Expansion Programme implemented by the River Basin Development Authority
vii. Intensification of Applied Research Programme implemented by the Agricultural

Research Council of Nigeria

The programmes and sub-programmes of agricultural chains and productivity development have interventions that relate to rural marketing infrastructure development, community warehousing, road rehabilitation and private sector support services which align with Pillar 2. Sub-programmes under Surveillance and quarantine particularly aquatic health resource, development of pest-free areas and dealing with SPS at the ports align with Pillars 4 and 2. The entire sub-programmes of Seed Industry development to enhance national seed multiplication effort to increase improved seed varieties align with Pillar 4. Nigeria is proposing a comprehensive programme on fish and livestock which align with Pillars 3 and 2. This recognizes the importance of the fishery and livestock industries to meet domestic market consumption, income generation and food security. Significant investment in dams and irrigation across the country to increase production and productivity align with all the Pillars but particularly Pillar 1 and similar investment in agricultural research programme to make agriculture technologically driven align with Pillar 4.

Nigeria faces unique challenges in the implementation of a national strategy due to the Federal State system. Attention is required to the implementation modalities (explained in later sections of the report) to ensure inter-sectoral and inter-ministerial coordination of programmes at National and Federal State levels. Similar attention is required for coordination, mainstream or interfacing the Food Security Programme with the programmes outlined in the National Investment Plan.

In line with CAADP values and principles, the Nigerian strategy development has included stakeholder consultation and the private sector is included in the strategic programmes, although (as outlined later), the role and contribution in terms of financing by the Private Sector could be more detailed.

A section of the investment plan outlines partnership programmes with various development partners and bi- and multilaterals agencies. However, it is not clear on the structures to ensure coordination among government, donors, civil society and private sector to ensure strategic coordination and harmonization of donor efforts, as well as responsiveness and mutual accountability. Cross ministry coordination arrangements also need further attention.

Recommendations:

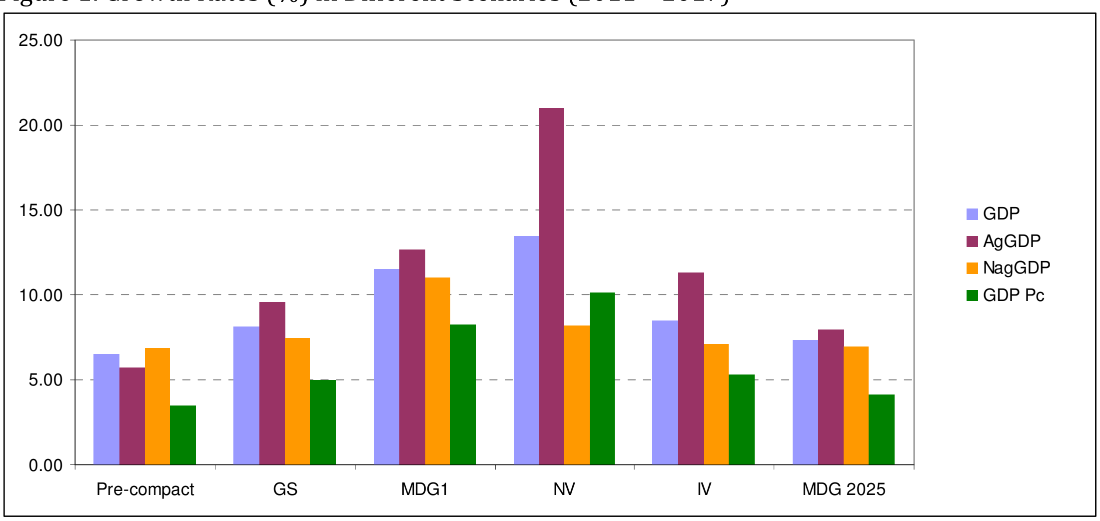
E. The role and level of engagement with the private sector needs to clarified and strengthened with practical actions of how to incorporate private sector investment and service provision into the investment programmes;
F. The plan requires more clearly defined implementation modalities, particularly coordination of programmes at the Federal and State, inter-sectoral and inter-ministerial levels to ensure the attainment of the anticipated programme outcomes;
G. All on-going Food Security Programmes with the programmes outlined in the NAIP need to coordinate with and be mainstreamed in the plan; and
H. For effective coordination among government, donors, civil society and private sector, structures to harmonize donor efforts are required to guarantee responsiveness and mutual accountability.

## Component 2: Consistency with long terms growth and poverty reduction options

*2.1 Medium to long term growth and poverty reduction prospects*

Several scenarios were considered in the analysis leading to the round table, all dealing with alternative growth and poverty reduction outcomes for Nigeria over the period up to 2025, as summarized in Figure 1. These projections serve as background against which the anticipated outcomes of the proposed investment plans are evaluated. The objectives are to make sure that these plans are best positioned to help Nigeria realize its long term growth and poverty reduction prospects to the fullest. These prospects were examined based on alternative policy and investment strategy options that were identified by the Nigerian government. Under the first of these, labeled, the Government Strategy (GS) scenario[1], the Nigerian economy was projected to grow at 8.15% p.a. during the 2011 -2017 period. Because growth under the latter scenario would not allow Nigeria to achieve the MDG objective of halving poverty by 2015, a second scenario, the MDG1 scenario, was considered, under which Nigeria is assumed to reduce poverty to 50% of the 1990 level by 2015 and the required rate of economic growth estimated. Under this scenario, the Nigerian economic would have to grow by 12% or nearly 50% faster than under the GS scenario. Although double digit rates of growth may be feasible for Nigeria, the likelihood of achieving them in the near future is more problematic, considering that current growth trends hover around slightly higher than 5%. Thus, under more realistic scenarios of overall GDP growth rate of 7%, poverty levels would to drop to 50% of the 1990 level by 2025. This corresponds to the MDG2025 Scenario.

Figure 1: Growth Rates (%) in Different Scenarios (2011 – 2017)




*2.2 Agricultural sector growth outcomes under the investment plan compared to long term prospects*

In the above medium to long term scenarios, the agricultural sector grows at rates that are slightly higher than the overall GDP growth rates: nearly 10% under the GS scenario versus around 8% for overall GDP and, respectively, 13% and 8% under the MDG1 and MDG2025 scenarios, compared to 12 and 7%. The question now is whether or not the investment activities identified in the Nigeria

[1] The GS scenario primarily implemented the government's targets in the National Food Security Programme (NFSP), the Presidential Initiatives and the 2007- 2009 Agriculture sector Medium Term Sector Strategy.

NAIP would raise growth in the sector to these levels. The Plan's overall declared target of achieving 10% agriculture sector growth in the 2010 – 2013 period puts it directly on the path of the GS scenario, under which Nigeria would not be in a position to achieve MDG1 by 2015. Achieving the latter would require an agricultural growth rate of 13% or about one third higher than the declared objective under NAIP.

The NAIP and the Vision 2020 have identified specific investment activities that would be implemented between 2010 and 2020. The most important among these are to: (i) raise to 50% and 75% the rate of adoption of improved varieties by 2015 and 2020 respectively; (ii) increase in share of irrigated area from less than 1% to 10% and 25% by 2015 and 2020; and (iii) reduce post harvest loses by 30%, 50% and 90% by 2012, 2015 and 2020 respectively. We do not have a good indicator of current adoption rates to make a firm judgment about the feasibility of the above targets, although the 50% jump from a rate of adoption of 50% to 75% between 2015 and 2020 would require considerable efforts. More challenging would be the expansion of irrigated areas by 1000% over the next 5 years (from 1% in 2010 to 10% in 2015) and by an additional 250% the following 5 years. The realism of the targets becomes quite problematic when the intermediate objectives associated with the above changes call for a double, twofold, and even six-fold increase in productivity levels by 2012, 2015, and 2020, respectively. The simulated rate of agricultural GDP growth based on the above changes and objectives would amount to 21% from 2011 and 2017, double the declared target of 10%, and clearly impossible, barring extremely extraordinary circumstances.

An issue related to the feasibility of the NAIP's stated productivity increases is the extent to which the targeted rates of adoption of improved varieties, the reduction in post harvest loses, and the expansion in irrigated areas can lead to the magnitude of productivity increases that are being sought. This was tested by applying the targeted rates of adoption of improved varieties to 6 key staple crops which collectively accounted for over 50% of agriculture GDP in 2006[2]. The results are presented in Table 1 below. The targeted yields for 2015 and 2020 are obtained by taking the weighted average of the potential yield and the expected yield in each of these years assuming that actual yields would continue to grow at historical rates. The declared adoption rate for each year is used as weight. The targeted yields for the intermediary years (2016 – 2019) are interpolated from beginning and end values of 2015 and 2020, respectively.

Table 1: Improved Varieties Adoption Rates

| | Potential Yield (Source: ReSaKSS WA 2010) | Projected 2009 Yield (Based on 2006 yield and historical yield growth rates) | Yield Gap (% difference) | Targeted Yields 2015 (50% Improved Varieties adoption rate) | 2016 | 2017 | 2018 | 2019 | 2020 (75% Improved Varieties adoption rate) |
|---|---|---|---|---|---|---|---|---|---|
| Rice | 5.4 | 1.5 | 251 | 3.5 | 3.7 | 3.9 | 4.1 | 4.3 | 4.5 |
| Cassava | 28.4 | 13.2 | 116 | 21.2 | 22.0 | 22.7 | 23.5 | 24.3 | 25.0 |
| Maize | 4.0 | 1.4 | 187 | 2.7 | 2.8 | 3.0 | 3.1 | 3.2 | 3.4 |
| Sorghum | 3.2 | 1.4 | 134 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 |
| Millet | 2.4 | 1.5 | 58 | 2.0 | 2.0 | 2.1 | 2.1 | 2.1 | 2.2 |

[2] Calculated from Nwafor et al (2010) A Social Accounting Matrix of Nigeria: Methodology and results

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Yam | 18.0 | 8.3 | 116 | 13.5 | 14.0 | 14.4 | 14.9 | 15.4 | 15.9 |

Next, the increases in each crop's productivity that would be necessary to achieve the corresponding adoption rates and yields are ascertained. The results indicate that achieving the declared adoption rates and yield increases would translate in a 1.7-fold increase in agriculture productivity by 2015. Agricultural GDP would grow by 11.3% during the 2011 – 2017 period. Given that only 50% of staple crops were considered in the test, it would appear that there is considerable room to expand output beyond the pace of 11% per year, if the NAIP were to lead to the declared adoption rates.

The above results suggest that NAIP should allow Nigeria to achieve the GS scenario outcomes, which require a growth rate of 10%. However, it should be noted that the gaps between present and potential yields are considerably high and increasing adoption rates would be an expensive and challenging task. For cassava, for example, the adoption rate in Africa as a whole is about 18% (IITA (2010)). Increasing this to 50% and 75% in Nigeria would be very challenging as there were at least 3 million cassava farm families in 2009[3]. The yield gaps above range from 58% – 251% and perhaps reflect low adoption rates. With such gaps a lot of effort would be required to achieve the implied growth rate above.

### *2.3 Agricultural sector spending under the Proposed Investment Plan compared to long term funding requirements*

To ascertain the adequacy of proposed expenditure levels under the investment plan, the proposed NAIP budget in Table 2 is compared to the required funding for achieving the GS scenario targets, presented in Table 3. The results show that the amounts budgeted in the NAIP are significantly lower than the amounts required to achieve the growth and poverty outcomes under the GS scenario. Comparing the 2012 figures in columns 5 and 7 for example indicates that under the high elasticity scenario, 302 Billion Naira are required to achieve the GS objectives. However, the budgeted NAIP expenditures amount to 156 Billion, about 50% less. The same applies to 2010, 2011 and 2013. The gaps between the projected NAIP expenditures and the required funding under the GS scenario are larger in the low elasticity cases which reflect a low efficiency in translating public expenditures into growth outcomes. This implies that the NAIP is most likely under-funded and that the level of underfunding will be even larger unless serious efforts are made to raise the efficiency of public expenditures in the agricultural sector and the economy as a whole.

Table 2: NAIP Budget (Billion Naira)

| **Sub-Sector** | **#Projects** | **2010** | **2011** | **2012** | **2013** | **Cumulative** |
|---|---|---|---|---|---|---|
| NPAFS (Net financing)a/ | 3 | 15.7 | 35.3 | 28.5 | 9.4 | 88.9 |
| Department of Agriculture | 25 | 48.4 | 52 | 50.9 | - | 151.3 |
| Agriculture Quarantine | 13 | 5.1 | 4.4 | 4.2 | - | 13.7 |
| Seed Inspectorate Services | 9 | - | 5.2 | 6.2 | 5.9 | 17.3 |

[3] Estimated using the Nigeria Living Standards Survey 2003/4 data and historical population growth rate.

| | | | | | | |
|---|---|---|---|---|---|---|
| Fisheries | 7 | 2.9 | 4.6 | 5.2 | 3.6 | 16.3 |
| Livestock | 7 | 17.3 | 21 | 23.5 | - | 61.8 |
| Water Resources | 263 | 90.3 | 129 | 81.3 | 27.3 | 327.9 |
| ARCN | 6 | 24 | 54 | 27 | 15 | 120 |
| **Total** | **333** | **203.7** | **305.5** | **226.8** | **61.2** | **797.2** |

Table 3: Funding Requirements for Agriculture Growth

| | | Government Strategies | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Agricultural growth driven by agricultural expenditure only (GS-Ag only) | | Agricultural growth driven by both agricultural expenditure and non agricultural expenditure (GS Ag + non Ag) | | NAIP Expenditure | | |
| | Current Trends **(1)** | low elasticity **(2)** | high elasticity **(3)** | low elasticity **(4)** | high elasticity **(5)** | 2010 Prices **(6)** | 2006 Prices **(7)** | CPI **(8)** |
| 2006 | 185 | 185 | 185 | 185 | 185 | | | 151 |
| 2009 | 212 | 351 | 271 | 300 | 236 | | | |
| 2010 | 222 | 435 | 308 | 352 | 257 | 204 | 140 | 220 |
| 2011 | 232 | 538 | 350 | 414 | 278 | 306 | 210 | |
| 2012 | 243 | 667 | 398 | 486 | 302 | 227 | 156 | |
| 2013 | 254 | 825 | 452 | 571 | 328 | 61 | 42 | |
| 2014 | 266 | 1022 | 513 | 671 | 356 | | | |
| 2015 | 278 | 1265 | 583 | 788 | 386 | | | |
| 2016 | 291 | 1567 | 663 | 926 | 419 | | | |
| 2017 | 305 | 1940 | 753 | 1087 | 455 | | | |

Source: Brochure 4 of the CAADP roundtable documents, NAIP and Authors calculations.

Table 4 below indicates that with more efficient spending to stimulate growth both in agriculture and the rest of the economy only 4.4% of the national budget would be needed by 2015 to achieve the GS strategy, compared to 8.6% in the low elasticity case. When the GS scenario focuses primarily on agricultural growth, and is thus similar to NAIP, the share of agricultural expenditure rises to 14.6% under the low elasticity context. This too points to a potentially serious underfunding of the NAIP. The fact that NAIP calls for growth and productivity outcomes that are twice as high under the GS scenario at a fraction of the cost is the best indicator of potential problem of realism.

Table 4: Estimated resource allocation to the agricultural sector (%)

| | | Government Strategy (GS) | |
|---|---|---|---|
| Indicator | Current Trends | Agricultural growth driven by agricultural expenditure only | Agricultural growth driven by both agricultural expenditure and non agricultural expenditure |

| | | | low elasticity | high elasticity | low elasticity | high elasticity |
|---|---|---|---|---|---|---|
| Annual growth rates in GDP (%) 2009 - 2017 | | | | | | |
| | GDP | 6.5 | 8 | 8 | 8 | 8 |
| | Ag GDP | 5.7 | 9.5 | 9.5 | 9.5 | 9.5 |
| | Non-Ag GDP | 6.7 | 7.5 | 7.5 | 7.5 | 7.5 |
| Annual growth rates in expenditure (%) | | | | | | |
| | Total spending | 7 | 8.6 | 7.4 | 9.1 | 8.5 |
| | Ag spending | 4.7 | 23.8 | 13.6 | 17.5 | 8.5 |
| | Non-Ag spending | 7.1 | 7.1 | 7.1 | 8.5 | 8.5 |
| Estimated results | | | | | | |
| Share of Ag spending in Total spending (%) | | | | | | |
| | 2015 | 3.6 | 14.6 | 7.3 | 8.6 | 4.4 |
| | 2017 | 3.5 | 18.6 | 8.1 | 9.9 | 4.4 |
| Ratio of Ag spending to AgGDP (%) | | | | | | |
| | 2015 | 2.7 | 9.1 | 4.2 | 5.7 | 2.8 |
| | 2017 | 2.7 | 11.7 | 4.5 | 6.5 | 2.7 |
| Ratio of Total spending to GDP (%) | | | | | | |
| | 2015 | 22.1 | 21.6 | 19.9 | 22.8 | 21.8 |
| | 2017 | 22.3 | 22.2 | 19.7 | 23.3 | 22 |

Source: Brochure 4 of the CAADP Roundtable Documents

*2.4 Poverty Outcomes under the Proposed Nigeria NAIP compared to alternative scenarios*

The way forward could be to align the outcomes and funding levels of the NAIP close to that of the GS scenario and pursue the achievement of the MDG1 objective of reducing poverty to 50% of the 1990 level somewhere between 2020 and 2025, requiring growth rates of between 10 and 12% for the agricultural sector. Alternatively, NAIP could be also aligned with the MDG2025 scenario, where required growth rate would be 7%. The latter being very close to pre-compact levels, this scenario would not be ambitious enough for Nigeria. Figure 2 shows alternative poverty outcomes under the different scenarios. If the productivity and expenditure targets underlying the current NAIP were realistic, it is estimated that implementation of the plan would lead to achieving the MDG1 by 2014. Alternatively, achieving the declared 10% growth target under NAIP would not lead to the achievement of MDG1 by 2015, as indicated by the GS scenario's results, which are based on a 9.6% growth rate of agricultural GDP. Under the GS scenario, the 1990 poverty level would be reduced only by about 20% by 2015.

Recommendations:

a) If its productivity, growth, and funding targets were realistic, effective implementation of NAIP would allow Nigeria to achieve the CAADP growth and MDG poverty outcomes;
b) A more realistic approach would be to align the growth and expenditure targets of NAIP close to that of the Government Strategy (GS) scenario based on the current Government's National Food Security Programme. Nigeria, in this case, would achieve MDG1 somewhere between 2020 and 2025 and the agricultural sector would have to grow at rates that at about 50% higher than current trends; and
c) The present funding targets under NAIP are inadequate for achieving its expected growth and poverty outcomes or even those under the Government Strategy scenario. A more realistic

funding level for NAIP, say closer to that of the GS scenario, would also allow Nigeria to achieve the Maputo goal.

## Component 3: Adoption of best practices and inclusion of core programme elements

*C3.1 Pillar 1: Sustainable Land and Water Management (SLWM)*

The National Agricultural Investment Plan/Medium-Term Sector Strategy (NAIP-MTSS) activities cover the three main components of Pillar 1 (Land Management, Water Management and Land Administration).

*C3.1.1 Land Management*

The METASIP clearly recognizes that current sustainable land management measures are inadequate to meet the set goal. Some of the noted constraints to agricultural growth are low unit land productivity, low fertilizer use, lack of soil testing facilities and the failure to fully exploit the irrigation potential. The appreciation that soil testing is an important measure in the effort to improve land productivity is important and will lead to implementing a programme that includes this key aspect of land management.

Amongst the main objectives for the plan, there is a clear desire to exploit agricultural resources efficiently, promote development and dissemination of appropriate and efficient technologies. The budget allocation to Pillar 1 (sustainable land and water management) activities is substantial. The National Agricultural Investment Plan/Medium-Term Sector Strategy (NAIP-MTSS) activities cover the three main components of Pillar 1 (Land Management, Water Management and Land Administration). The plan to increase cultivated arable land by 10% annually is noted and appreciated that this would make a substantial contribution to agricultural growth.

A lack of clarity and elaboration on some sustainable land management activities is noted e.g. how the 50 gazetted grazing reserves planned will be managed.

<u>Recommendations:</u>

a) It is observed that MTSS seeks to undertake sustainable integrated agricultural production and sustainable agricultural land management which are consistent with SLM. However, specific and detailed activities need to be elaborated;
b) It will be of great help to spell out how the increased range land will be managed in terms of the land management techniques. This needs to be done to avoid the degradation of newly opened up land; and
c) There is a plan to increase the land under cultivation. This is also commendable. However, as land under cultivation is increased, measures on land degradation mitigation should be instituted.

*C.3.1.2 Water Management*

The plan clearly states that one of the main prioritized activities is dealing with agriculture water management which includes irrigation and flood control infrastructure development and rehabilitation. The strategy identifies ground water as additional source of water for agriculture.

It is also encouraging that transboundary water resources management and integrated water resources management issues are raised. Conflict over land use is possible. Strategies to prevent conflicts are not outlined.

Recommendations:

a) It has been noted that the NAIP/MTSS seeks to undertake hydrological and hydrology geology studies, construction of dams and irrigation infrastructure, sustainable integrated water resources management and trans-boundary water resources management which are consistent with agricultural water management. However, specific and detailed activities need to be elaborated; and
b) It is further suggested that on-farm water harvesting technologies be considered as some of the well-tested water management technologies.

*C3.1.3 Land Policy/Administration*

The intention to facilitate acquisition of farmlands and title holding is commendable but this needs to go hand in hand with land policy reforms although the current land policy is not clear from the submitted document.

Recommendations:

a) There is need to have detailed information on institutional capacity building and development of Land Information System. This is important information for the implementation of the programme; and
b) As land administration and policies are being developed there is need to ensure that the farmland distribution and acquisition strongly favors nationals.

*C3.1.4 Climate Change*

Climate change is a global concern with devastating implications on agriculture, health and food security and is expected to worsen the food supply and exacerbate the widespread poverty in Africa. Five main climate change related drivers: temperature, precipitation, sea level rise, atmospheric carbon dioxide content and incidence of extreme events, may affect the agriculture sector in Africa by:

- ✓ Reducing crop yields and productivity due to an increase in temperature;
- ✓ Increase incidence of pest attacks due to conducive temperature for a proliferation of pests that are detrimental to crop production;
- ✓ Intrusion of salt water into inland freshwater resources limiting the availability of water;
- ✓ Exacerbate drought periods with threatened crop failures;
- ✓ Reduction in soil fertility due to reduction in soil moisture, moisture storage capacity and the quality of the soil, which are vital nutrient for agricultural crops;
- ✓ Reduce livestock productivity through its effect on availability of feed and fodder;
- ✓ Affecting the availability of human resource through increasing incidences of malaria, sleeping sickness and other infectious diseases.

The impact of these adverse climate changes on agriculture is worsened in Africa by the lack of adapting strategies due to the lack of institutional, economic and financial capacity to support such actions. Consequently, Africa's vulnerability to climate change and its inability to adapt to these changes may be devastating to the agriculture sector which is the main source of livelihood to the majority of the population.

It is worth noting that the Federal Ministry of Environmental will be engaged from the onset in the implementation of most of the agricultural activities. The decision to employ mitigation measure is laudable; as is the recognition of the potential to benefit from bio-energy development and a carbon credit facility through forestation and reforestation. However, what is not clear are the mechanisms for building capacity on carbon credit facility. There is also a need to develop activities which will build these mechanisms.

Disaster risk reduction measures, particularly sustainable land, water, and forest management; coastal and urban development; watershed management, increased agricultural productivity; health and social issues are key areas of adaptation that need to be considered in the development agenda. Responding to such adaptation measures expand beyond the boundaries of the Ministries of Agriculture and Environment alone to rather involve several stakeholders not only at the national level, but also at the local level.

Recommendations:

a) Discussion on the nation's ability to identify, observe, and monitor the stresses that influence agriculture, land resources, water resources, and biodiversity, and evaluates the relative importance of these stresses and how they are likely to change in the future;
b) Establish Local "climate change adaptation platforms" involving Multi-disciplinary set of stakeholders including climate science experts, agricultural practitioners and technicians, local communities/civil society, donors and policy makers should collaborate to participate in efforts to address and respond to climate change based on local needs;
c) A key challenge involves extending the capacity that currently exists in agro-meteorological disciplines to include agro-climatic competency;
d) Local institutions must be allowed to explore the relevant issues and develop the broad set of institutional capacity and technical skills that will equip them for the challenge; and
e) The FAO Guidance to Best Practices (FAO 2007; FAO 2009b, 2009c) on Climate Change could be used by the Country to develop its climate change response and adaptation strategies.

*C3.2 Pillar 2 – Improving markets and infrastructure*

*C3.2.1 Pillar 2 – Raise the competitiveness and seize opportunities in domestic, regional and international markets*

The Nigerian Investment Plan mentions they wish take advantage of the opportunities that exist in domestic fish and livestock market by investing in the necessary infrastructure and in the establishment of a Agricultural Commodity Exchange. The strategy includes plans to develop export oriented production such as (off season vegetables, sesame, tropical fruits, rubber).

The country could gain more from regional trade through diversification into new products and markets, regional trade facilitation, capacity for trade policy analysis, and development of a market information system. The plan needs to discuss how it will address sanitary and phytosanitary measures, seed certification and quality control, fish quality and certification.

Recommendations:

a) Harmonization of trade and quality management and certification policies at federal and regional level;
b) Pursue a regional trade facilitation agenda on main corridors to link Nigeria to the regional market;

c) Extent the quality management and certification services to downstream activities along the value chain;
d) Carry out market assessment studies to identify new emerging markets in Nigeria urban centers so as to identify niche and opportunities for local producers;
e) Carry out market assessment studies to identify regional and international market opportunities;
f) Consolidate and harmonize the state level market information collected; and
g) Develop a system for information flows.

*C3.2.2 Pillar 2 – Invest in commercial and trade infrastructure to lower cost of supplying domestic, regional and international markets*

The NPFS program design comprehensive investments in rural and commercial infrastructure development. These include rural roads, water and energy for the main agricultural growth poles within each state (through Public Private Partnership), development of community warehouses, conditioning centers located within Agro-parks designed within each state and finally, development of an efficient market infrastructure (for fish and livestock).

The above investments are to be developed are private sector initiatives yet the plan does show how the private sector will be engaged in the process. Besides the public-private partnership approach designed for rural roads, the plan needs to show who will make investments in the infrastructure mentioned above.

<u>Recommendations:</u>
a) Provide plan on how partnerships with private sector investor and the local authorities will be pursued; and
b) Provide information on opportunities that promote investment opportunities in the agricultural sector.

*C3.2.3 Pillar 2 – Develop value chains and access to financial markets*

The NPFS in particular, has developed a comprehensive approach to value chain development for strategic commodities such as livestock, dairies, fisheries. This approach was extended in the proposed investment plan to other value chains such as cotton, horticulture and ground nuts through the development of modern quality inputs production and provision through the development of an extensive network of sales points throughout the country, storage and processing equipment, access to credit for smallholders through guarantees and development of Agro-parks.

Further attention should be paid to improve the access to financial service provisions for farmers (including those not involved in cereal production who want be able to take advantage of the development of the guarantees system) and small and medium scale agro-related enterprises.

<u>Recommendations:</u>
a) Further attention should be paid to develop other financial service provisions such as micro insurance, savings and transfer of money building on the innovation practices introduced by IT development;
b) Development of the market for and provision of financial services through the development of a transitory guarantee fund;

c) Develop linkage between agro-parks and market research and information for the identification of market needs;
d) Develop linkage between agro-parks and research centers for dissemination of innovative technologies regarding processing and packaging; and
e) Integrate FBOs in the Agro-park development as potential partners.

*C3.2.4 Pillar 2 – Strengthening the commercial and technical capabilities of farmer organizations and trade associations*

The NPFS pays specific attention to cooperatives development and farmer group formation but little attention is given on how to build FBOs capacity and competence for agribusiness.

There is need for more involvement of FBOs in value chains downstream activities. This will be possible through design of capacity building efforts that target FBOs. There are numerous good programs and practices now working in West Africa that can serve as a model, including in Nigeria.

<u>Recommendations</u>:
a) Integrate FBOs in the Agro-park development as potential partners in the delivery of services and entrepreneurship; and
b) Develop effective and scalable tools to support partnerships and alliances between governments, private sector operators and leading local Farmers Organisations and Trade Associations (FO/TAs) in order to broaden the access of smallholder farmers to commercial and technical services.

*C3.3 Pillar 3 – Reducing hunger and poverty*

Identifying strategic options and sources of poverty reducing growth for the agriculture sector between now and 2020 is one of three goals of the Nigerian CAADP Compact. The National Food Security Programme (NFSP) is the strategic framework for the National Agriculture Investment Plan (NAIP) and sets out the vision of the agricultural sector as 'to ensure sustainable access, availability and affordability of quality food to all Nigerians and to be a significant net provider of food to the global community' leading to significant improvements in Nigeria's agricultural production in the short-term and improved storage/processing capacity and the required market infrastructure to achieve food stability in the medium-term. The role of agriculture in the country's seven-point agenda (SPA) includes three of the four FAFS goals. The SPA includes the government's previous poverty reduction strategy.

- ✓ The objectives of the NAIP are neatly aligned with the CAADP FAFS objectives but these objectives are not as clearly mirrored in the NFSP.
- ✓ The identified NAIP priorities clearly articulate all four CAADP Pillar 3 objectives in integrated programmes, seeking to promote long-term economic and social development for food security, but are again not as clear in the NFSP. It appears that the development of the NAIP has taken the CAADP agenda and the idea of a comprehensive and integrated approach to food security beyond the NFSP.
- ✓ Programmes on fisheries and livestock development not only offer opportunities for increasing protein intake (identified as insufficient), but also provide opportunities for income generation, particularly through the 400 initial Raising Agricultural Income with Sustainable Environment (RAISE) sites and 120 fish farms.

While the NAIP includes dam and irrigation scheme programmes, the plan does not link this to improved sanitation and provision of drinking water, except through programmes listed under the 2020 vision. It is not clear how it can be assured that the provision of dams, reservoirs and irrigation infrastructure will benefit communities with regard to running and potable water. Access to clean drinking water and water for washing is an essential part of well-being and nutrition. Water provision should also be linked to the establishment of agro-processing plants – an essential element of phyto-sanitary control measures.

A focus on gender, vulnerable groups (although not characterized) and climate change appear on page 30 of the plan. While it is good to consider these groups and elements, the list of elements to monitor in programmes does not ensure that these groups and climate change are factored into the design of the investment plan and programmes. Deliberate efforts are required to ensure that programmes are targeted at vulnerable group and address climate change worries. Simply monitoring the application of these in projects will not ensure inclusion of these in programming. While the recommendations include a policy that programmes will only be funded if they include vulnerable groups, compliance with this may not necessarily translate into tangible benefits for the vulnerable. Addressing vulnerability requires careful consideration of the livelihoods and contexts of the vulnerable, the causes of vulnerability and how resilience can be boosted.

Recommendations:

a) It is recommended that the NFSP is revised to more closely follow the NAIP to ensure comprehensive programmes for food security and adding value to water systems, storage systems, value chain development and improved and increased production so as to maximize the benefits of these growth elements and address some of the fundamental elements of vulnerability and food insecurity;
b) Identifying and characterizing the vulnerable will assist in the evaluation of the NAIP and its potential to reduce poverty and hunger and will allow government to deliberately target these groups;
c) Ensuring that programmes specifically target the commodities that the poor consume and produce and those that stimulate economic growth through provision of income or labour opportunities should be deliberately selected as priorities; and
d) Project location (especially for agro-processing plants, fisheries and livestock projects) needs to target areas where the poor reside so as to make use of available labour, provide employment opportunities and rural livelihoods.

*C3.3.1 Pillar 3 – Improved risk management*

The Nigerian NAIP and NFSP include some elements that seek to reduce the risk of food insecurity and hunger.

- ✓ The Federal Department of Agriculture core programmes include community warehousing for excess farm produce. A warehouse receipt system will be established. This will play a significant role in reducing risk and encouraging storage of grain. The opportunities of using the receipts as collateral also has significant advantages and grants smallholders opportunities to access credit and so further invest in improved livelihoods is most commendable.
- ✓ Improving national strategic reserves is well thought-through and will provide the country with 5% reserve for emergencies once completed.
- ✓ Production strategies emphasize the need for promoting highly productive and disease-resistant crops, livestock, poultry and fish varieties, breeds and species. This is a positive

step towards increased resilience in the production system and for livelihoods, increasing yields and incomes and building asset bases (either through savings from increased incomes or investments, household assets and/or improved production assets).

While training in post-harvest storage is mentioned, no clear programme is set out to do this, nor is there an indication of who is responsible for this training. The NAIP mentions Minimum Guaranteed prices for grain but no indication is given regarding the pricing of grain purchased by the state for the strategic reserves.

The NFSP also mentions that power management is required to maintain the storage conditions. This may not be feasible and so alternative storage systems that require minimum or no energy should be considered.

Safety nets are mentioned in the NFSP but no detail is provided regarding this element of the plan. Safety nets are only one element of social protection – a necessary element for countries to consider in reaching vulnerable groups and protecting, providing and promoting sustainable livelihoods.

While mention is made in the NAIP to establishing an early warning system, no details are provided in the NAIP and early warning systems are not mentioned in the NFSP. No mention is made of a food security information system or coordination of food security activities and monitoring.

<u>Recommendations:</u>

a) Postharvest technologies and practice needs to be included in agricultural extension training and capacity building;
b) Incentives for depositing quality grain are required to protect storage systems. This should be monitored and managed at the stores. Price incentives motivate quality assurance at the farm gate;
c) A clear capacity development programme for post-harvest storage is required to ensure that reserves and warehouses are well maintained and grain quality controlled. Extension staff require training in this are to support farmers and warehouse managers are required;
d) The pricing system for strategic reserves needs to be spelt out to ensure incentives for farmers;
e) If not in existence, an early warning system for food insecurity is required. This system should monitor at least the four FAFS indicators (required for CAADP reporting) and assist government in predicting food shortages (with lead time for releasing/moving strategic reserves), establishing trends and identifying vulnerable groups for targeted assistance and support. The same system is required to track the impact of the various programmes and projects and establish investment efficiency; and
f) If safety nets are to be part of the risk-reduction strategy in Nigeria, these need to be elaborated and carefully designed to ensure they contribute to growth rather than compete for resources. There are many elements of the NAIP and NFSP that can provide social protection elements (for examples, public works programmes on building dams; food for work programmes; food for school programmes; conditional transfers of farm inputs for stimulating agriculture; asset transfers through livestock or vouchers; etc).

*C3.3.2 Pillar 3 – Increase the supply of food through improved market linkages*

Many examples are provided by the NAIP and NFSP of boosting sustainable food supply and improving market linkages to reduce price volatility. Some of these are:

- ✓ Increasing the supply of staples and livestock (including dairy) will have a significant impact on the availability of food, affordability and will smooth availability.

- ✓ Improved crop storage, strategic reserves, establishing agro-industrial parks for food processing (including dairies), support for small processors, establishing abattoirs and rehabilitation of existing facilities will all assist in extending the shelf-life of foods, improving food access and reducing the risks of food-borne disease.

- ✓ The establishment of product distribution and marketing centres will improve access to food by consumers and link smallholders to expanded value chains.

The sections of the strategy relating to these elements can be more closely linked to the promotion of livelihoods for the vulnerable and increasing incomes for the poor.

<u>Recommendations</u>:

a) Elements of the NAIP related to increasing food supply can be specifically targeted at vulnerable groups to maximize the poverty-reduction potential of agricultural growth. Many of the commodities recommended in the NAIP have this potential.

*C3.3.3 Pillar 3 – Increased economic opportunities for the vulnerable*

As stated above, numerous opportunities are provided for increasing the income opportunities of the poor, but only if strategic programmes and projects are targeted at vulnerable groups, including:

- The promotion of ground nut production, processing and enterprises will increase income opportunities for the poor and vulnerable;
- Promoting the processing and preservation of fruits and vegetables;
- Both the Fisheries and Livestock Department programmes include projects that consider income opportunities across the value chain;

However, without deliberate targeting and ensuring access of vulnerable groups to these opportunities, they will not necessarily benefit from growth induced through these opportunities.

<u>Recommendations:</u>

a) Deliberate targeting of vulnerable groups and ensuring opportunities for various groups across the value chain is important to ensure poverty and hunger reduction.

*C3.3.4 Pillar 3 – Improved dietary intakes*

- ✓ The same programmes and projects listed under the section on increased opportunities for the poor and vulnerable will provide improved dietary intakes at household level if the produce is consumed by household members. Increased peanut, livestock and fish production could increase protein consumption and together with horticultural production and food processing, this could improve dietary diversity, promoting better nutrition and well-being.

Nutrition programmes are listed among the NAIP programmes but are not elaborated in the NAIP or the NFSP. The NFSP mentions school feeding programmes, but again the reach, budget allocation or quality of these programmes is not elaborated. Food security is often conceived as national food balances and stocks at the national level. While community grain reserves are considered, little emphasis is placed on understanding household and individual food security and programmes that will address this. Although the NFSP reports that undernourishment has reduced over time, and Nigeria may attain MDG1's target of reducing malnutrition by half by 2015, malnutrition is still an element to be addressed in food security programmes.

Recommendations:

a) The NAIP could be improved by elaboration of the household and individual food security elements and identify specific programmes such as school feeding and social protection programmes that target the vulnerable. This is also a consideration with regard to HIV where sound nutrition is essential; and
b) An assessment of micronutrient deficiencies would help prioritize food crops that could provide rich sources of these nutrients such as yellow fruits and vegetables that provide vitamin A.

*C3.4 Pillar 4: Raising productivity*

The NAIP comprises two components, namely the medium term sector strategy (MTSS) supported by the Federal Government of Nigeria and Partnership Programmes which are fully are partially supported by donors. The NAIP is a collection of projects drawn from the national programme for agriculture and food security (NPFAFS); the federal department of agriculture (FDA), the agricultural quarantine service, seed inspectorate services, livestock development, dam and irrigation schemes and agricultural research development. Pillar IV activities are spread across all these programmes, but they are concentrated in agricultural research and development, NPFAS, FDA, fisheries and livestock.

✓ The plan can be commended for identifying the elements of a national agricultural investment plan and articulating the institutional arrangements for its implementation. It recognises the roles of the relevant government departments and agencies as well as the private sector, and lay out criteria for its success. It also recognises the need to address key cross cutting issues (gender, environment, climate change).

However, the projects that constitute the NAIP appear to be fragmented. This approach to agricultural productivity programming compromises efficiency and effectiveness of the investments that are spread across these separately managed projects.

The plan does not provide sufficient detail about the various projects that constitute it. Specifically, it does not articulate the components of the Plan in a coherent and consistent fashion for all the projects. For example, some of the projects are described in more detail with a list of activities and expected results while for others the description is limited to a mention of their objectives.

The strategy is largely not compliant with most of the principles of the Framework for African Agricultural Productivity (FAAP), notably:

(i) farmer empowerment;
(ii) the integration of research with extension, private sector, farmer organisations and agricultural education and training;
(iii) pluralism in the delivery of research, extension and training services; and
(iv) coordination/harmonisation of financial support.

The strategy recognises the need for an assessment of whether the capacity required for its implementation exists. However, it does not provide any indication that such an assessment has been carried and is planned. Further, the plan proposes to establish several centres of specialisation but it not clear whether this activity includes development of the human capacity required to operationalize the proposed centres exists. In general, the Plan does not recognise human capacity development as a priority. It would be useful for the Plan to clarify why this is the case.

The strategy is short on details about its overall coordination especially regarding the roles and responsibilities f the various actors. It projects the government agencies as the only actors responsible for implementation. It does not show the roles of non government actors (farmer organisations, private sector, education and training, NGOs) if any.

<u>Recommendations:</u>

a) The Plan needs to be strengthened to provide greater clarity and details about its elements. It should be re-organised into a cohesive plan indicating the components that constitute it, the development issues they address, the expected results and activities for each component. In re-organising the plan it may be useful to consider conceptualising the components around the CAADP Pillar concept;
b) The Plan's revision should place considerably more attention to compliance with the principles of the Framework for African Agricultural Productivity, that is, (i) institutional reforms including the efficient use of resources for activities that are most likely to achieve productivity increases. Such reforms include farmer empowerment; subsidiarity; integration of research with extension, private sector, farmer organisations and agricultural education and training; pluralism in the delivery of research, extension and training services; and integration of gender; (ii) increasing total investment for agricultural productivity; and (iii) harmonising funding to increase the efficiency and effectiveness of its utilisation;
c) The Plan should consider undertaking an assessment of the human resource required for its effective implementation and compare this with the available resources. This analysis will inform the Plan's human capacity development sub-component; and
d) Regarding coordination, the factors which are instrumental in ensuring that an agricultural investment plan is effective include: (i) efficient use of resources; (ii) effective delivery of relevant services, and (iii) effective mechanisms for accountability. Given these factors, the coordination of NAIP should be revisited to make it more inclusive by granting appropriate roles to all actors across the value chain including the public sector, the private sector, civil society and farmers.

### *C3.5 Livestock*

The goals, objectives and output of the livestock production programme are specific. The design of the programme seems to address the critical challenges facing the livestock sector in Nigeria.

However, the programme has so far been funded up to 2008. It is important to explain why government has suspended funding. In fact the national breed improvement and conservation programme has never been funded. Lack of government commitment and interest in this programme will negatively affect its implementation. This project is also heavily dependent on private sector investment; do the potential private sector investors have the requisite technical know-how beyond the financing mechanism that the government has put in place to achieve the targets?

<u>Recommendation:</u>

a) The targets for this programme need to be reviewed within the implementing timeframe if indeed this programme is to remain an element of eth investment strategy.

*C3.6 Cross cutting issues*

The Investment plan clearly articulates how it will deal with gender and the vulnerable. The measures outlined are speaks to the challenges facing women and the vulnerable. Successful implementation of this initiative will in not only impact positively on the beneficiaries but also accelerate the effort of reducing food in-secured population in Nigeria.

Recommendations:

a) The investment plan indicates that funds will be disbursed base on the level of involvement of the vulnerable and gender. It will be important to indicate in quantitative terms the minimum level of engagement intended by the investment plan;
b) In implementing such a measure, it will be useful to design concise indicators, compliance and approval systems to guide decision making and strong political will at national and local levels will be required to make the initiative successful. Cross-checking system must be instituted to avoid abuse of this initiative;
c) Clear policy guidelines and credit-merit criteria will be required to support disadvantaged women accessing funds for agricultural activities. In fact best practices of similar system should guide the design and implementation of this initiative; and
d) Finally, it will help the project to involve social scientists in project areas where culture/traditional practices hinder women engagement in commercial (not petty or subsistence) agricultural activities.

*C3.7 Monitoring and evaluation framework*

The results framework links outcomes, targets strategies and initiatives giving a coherent structure to M&E framework and general results orientation to the investment plan. Most targets are specific and measurable.

The sub-programmes lined up such the support for private sector to establish 120 farm estates, stock enhancement, establishment of feed mills are worth commending. The strategy towards intensive fish production under the National Food Security Programme which serves as the foundation for the investment plan is well articulated especially with the indication of Federal, State and Private sector role and investment expectations

However, a few indicators may not be easily measurable and may require adjustment to more accurately measure success – for example the indicator related to mechanization. In general most indicators in the results framework are at impact level – and therefore at a high level. Intermediate indicators may be useful to track progress on implementation. Realism of targets within the available time frame should also be assessed – for the most part, targets are for 2013 which gives limited time for implementation and subsequent impact. Realistic targets are necessary to accurately measure progress over time , if targets are too ambitious it may give an erroneous picture on the success of the programme. (e.g. moving from 70,000 MT of domestic fish production to 3 million MT by 2013 may be unrealistic: 750%). Again, the projected annual growth rate is projected at 25% and with that growing rate, it will take 7 years to attain the targeted output. To achieve a 3 fold increase in agricultural productivity by 2015 and 6 fold by 2020 does not seem to be realistic. There must be evidence to demonstrate similar improvement trends over the last few years. There are inconsistencies in outputs described in the programme and results framework.

Recommendations*:*

a) Re-assess targets established in the results framework for realism;
b) Intermediate indicators may be useful to assess progress at lower levels and for institutional development; and
c) Greater focus on evidence-based decision-making is required along with the establishment of the necessary measuring and monitoring systems and capacity to support this. The CAADP monitoring and evaluation framework can provide a base for the requirements of this. A plan to achieve this is required and must include how existing technology and knowledge systems will be integrated into this.

## Component 4: Alignment with country commitments

*C4.1 Prioritization within the investment plan*

The investment plan prioritization is based on gaps to current program within the context of the CAADP and national strategic framework (Vision 2020, Five point Agenda). The plan is presented with two major parts: the MTSS (funded wholly from FGN resources) and partnership programs (funded by both FGN and donor resources).

Linkage between the priorities and evidence-based analysis that should underpin them is not always clearly presented and could strengthen the rationale for the specific elements included in the investment plan. Further detail may be required on program activities to fully justify the prioritization. Proposed funding under the MTBF for 2011 and 2012 also far exceeds current allocations - there may be a need for clear prioritization of activities within a few budget scenarios to accommodate lower MTBF ceilings.

Recommendation:

a) The plan needs to better map individual programmes and sub-programmes against compact commitments made by government as a result of the round table process, including the sector strategy and PRS, and captured in the compact. There should also be an overview of the analysis of strategic options reviewed to most efficiently achieve long term growth and poverty reduction targets;

b) An expanded explanation on prioritization needs to be included in the investment plan and potential scenarios under lower budget availability need to be provided; and

c) The plan's section on overall monitoring and evaluation mechanisms needs to be strengthened. The importance of setting up an effective M&E system for the NAIP cannot be over emphasized. The plan should better describe how the M&E system will build upon existing capacity and how it intends to strengthen and utilize statistical information and geographical information systems to establish baselines from which progress will be tracked. The proposed results framework should be revisited and indicators chosen that will effectively track not only outputs but outcomes and higher level impacts. The country should use the ReSAKSS manual to refine the plan's results framework and set of indicators.

*C4.2 Links with existing sector programmes/projects*

The investment strategy is fully aligned to current sector programmes and initiatives and builds on identified gaps within them. Gaps in current programs are identified in core MTSS activities, FADAMA III, NFSP. Initiatives and programmes are relatively comprehensive in scope and have high levels of ownership within Nigeria

The institutional interface between the core programs of FMAWR (as funded under the MTSS) and the programmes or projects (NPFS, FADAMA III) is not well articulated. Insufficient detail is provided on projects to fully assess alignment to programs and projects. The functions of various projects implementing agencies are not articulated. There seem to be overlapping activities, and under-resourcing of the Ministry activities due to projects.

Recommendations:

a) The roles and responsibilities of the various agencies implementing agricultural projects need to be clarified;

b) For sustainability and clarity, the Food Security Programme should be mainstreamed into the FMAWR activities;

c) The plan needs to more clearly describe the organization and effectiveness of the agricultural sector working group (ASWG) including a description of representatives/stakeholders, the regularity of meeting, level of genuine ownership by stakeholders, and progress made to date of harmonized external assistance. The plan should include a description of how future engagement with the working group will be carried out by the government to effectively align stakeholders with the objectives of the NAIP; and

d) Although stakeholder consultation is built into the roundtable process, the plan needs to better describe how consultation will continue throughout the investment plan formulation and implementation process.

*C4.3 Links to regional agriculture sector development plans*

While Nigeria has recognised the importance of regional integration as an objective, the opportunities and the actions to promote regional integration have not been considered. Given the strategic importance of regional trade and integration for long term growth, the plan needs to show more explicitly, how the country intends to exploit the opportunities of regional trade, and what activities will be carried out to promote trade across border corridors.

Recommendations:

a) While the plan recognized the importance of regional integration as an objective, the opportunities and the actions to promote regional integration have not been considered. The country needs to set out what it expects and what it could gain from regional integration e.g. trade, technical cooperation in science and technology, resource management, early warning and emergency response; and

b) Given the strategic importance of regional trade and integration for long term growth, the plan needs to show more explicitly, how the country intends to exploit the opportunities of regional trade, and what activities will be carried out to promote trade across border corridors and Analysis of the benefits and multiplier effects from regional cooperation is needed.

*C4.4 Identification of policy issues and steps required to resolve them*

The investment plan is closely linked to the FGN's current strategic framework and related agenda for policy reform and the NSFP document identifies broad policy areas and advocacy points along the 5-Point Agenda and Vision 2020 (NV20).

The investment plan is largely silent on specific policy issues and steps required to resolve them at the activity or initiative level. Although most activities presented for incremental financing represent an extension of existing programmes, it is not clear to what extent specific policy steps may be required to achieve the scale envisioned. Greater linkage of policy reforms to the outcomes established in the results framework may be useful.

<u>Recommendations</u>**:**

a) Further detail needs to be provided on policy reforms implicit with adoption of specific approaches or activities - this could be done relatively quickly by adjusting or highlighting specific policy issues as they relate to the initiatives listed in Annex II of the results framework by adding further text;
b) The implementation strategy needs to include other Ministries such as Trade, Finance, Environment and Forestry whose activities have direct link with the outcomes of the investment plan. It is important to initiate inter-Ministerial dialogue to explore future collaborative opportunities and establish a coordinating and networking platform where these Ministries will meet, dialogue and synergize their efforts;
c) FMAWR needs to collaborate with the Districts/Feeder Roads so road construction and other local level infrastructure development projects will respond agricultural needs especially by linking food producing centres to commercial markets.

## Component 5: Operational realism

*C5.1 Viability of implementation arrangements*

As a federal system, Nigeria has a complex institutional environment –with a number of federal and state level institutions that are linked but autonomous in their operations. The investment plan as presented demonstrates strong potential to act as an important bridge across institutions and a means for more coherently coordinating agricultural development efforts within MDAs. However, a major underlying assumption within the investment plan is that institutional capacity is sufficient to manage the proposed larger investment portfolio. For many MDAs, the volume of activities and resources in 2011 and 2012 are up to three times higher than the current work program under implementation in 2010. Human resource and physical resource requirements will need to be assessed in light of the proposed activities and are an important test of operational realism and timing. Delayed timing and implementation have also been raised as key challenges to past implementation within MDAs. Measures to address these issues or identify lessons learned should be clearly included in the future documentation.

The investment plan incorporate institutions at all levels and is primarily focused on interventions that are generated at the federal level with implementation at both federal and states level. More detail may be needed to fully articulate the coordination mechanism amongst the various MDAs and an important question will be the extent to which current structures for coordination are sufficient or require adjustment. In the longer term, the interface between state and federal institutions with respect to initiatives that are generated primarily at the state level may also need to be incorporated.

Institutional arrangements and relationships outside the FMAWR institutional structure may also need further expansion in the investment plan. The plan identifies the need to develop synergies across MDAs and other actors – private sector, civil society – and the institutional mechanisms for achieving this may need further elaboration.

Recommendations*:*

a) The country must demonstrate how the overall public expenditure budget scale and financing meets the Maputo commitment (10%) and is in line with estimates from analysis (IFPRI) of the investment needs to achieve the necessary growth in the sector;

b) The plan needs to better demonstrate that sequencing of investments have been properly considered and include a clear explanation of why the particular level of priority has been assigned to an investment area; Further detail on implementation and coordination arrangements would be needed in relation to specific programmes within the investment plan; and

c) The coordination arrangement should also involve the private sector with well described roles and expectations. The private sector must be recognized as key actor to bring about the expected outcomes.

*C5.2 Institutional assessment*

As a federal system Nigeria has a complex institutional environment –with a number of federal and state level institutions that are linked but autonomous in their operations. The investment plan as presented demonstrates strong potential to act as an important bridge across institutions and a means for more coherently coordinating agricultural development efforts within MDAs.

A major underlying assumption within the investment plan is that institutional capacity is sufficient to manage the proposed larger investment portfolio. For many MDAs the volume of activities and resources in 2011 and 2012 are up to three times higher than the current work program under implementation in 2010. Human resource and physical resource requirements will need to be assessed in light of the proposed activities and are an important test of operational realism and timing. The current presentation of activities and budgets in the investment plan do not allow for assessment of whether these have been fully assessed and incorporated – but this will be important consideration to the final commitment of resources. Delayed timing and implementation have also been raised as key challenges to past implementation within MDAs. Measure to address these issues or identify lessons learned should be clearly included in the future documentation.

Recommendations for the short term**:**

a) The plan needs to include the results of a public financial management assessment that acknowledges adequate capacities exist within the main institutions identified to implement specific programs/sub-programmes of the investment plan. Systemic weaknesses or gaps in proposed implementing entities should be highlighted and a capacity building plan built into the investment or explanation of implementation options that are being considered such as inter-ministerial collaboration mechanisms and proposals to contract out service delivery;

b) A reflection is required of lessons learned and potential mitigation measures taken to prevent implementation bottlenecks; and

c) The country should indicate whether the 10,000 Young Graduates to engage in Extension services (as stated in the outputs) will be hired by the Ministry. If so, significant training and funding will be required and should be provided for in the financial plan.

*C5.3 Costing*

The overarching costing requirements for the CAADP-required Investment Plan (IP) are as follows:
(i) Budgets and financing plans should be aligned with stated investment priorities;
(ii) Budgets should be detailed by projects and project sub-components; and
(iii) Budgets and financing plans should indicate clearly how they will contribute to compliance with the Maputo Principles (i.e., a 6% growth rate in the agricultural sector p.a., and a 10% investment of the national budget p.a. to support the CAADP objectives).

The draft Nigeria investment plan prepared is largely incomplete, and does not meet the larger objectives noted here, nor does it meet the specific requirements noted in the Costing report that follows.

However, the investment plan does provide a good discussion of difficulties experienced in managing budgets and disbursements for existing agricultural programs, but unfortunately, does not include a discussion about how these issues can be rectified. As noted in the Costing Report, it would be interesting to understand why the investment plan does not include funding to support the financial management of agricultural sector programs.

<u>Recommendations:</u>

a) Clearer descriptions of the three programs to be funded (i.e., NFSP, Fadama III, and NERICA), to include program logic, historical investments and results, and estimated outputs and outcomes for additional investments needs to be prepared;

b) A better explanation of how these three programs fit into the universe of existing and planned investments in the agricultural sector, either to meet CAADP objectives or otherwise is needed; and

c) A much clearer discussion of how these three programs will meet their stated objectives increasing agricultural productivity, increasing storage and processing capacity, and improving market infrastructure is required. For example, the investment plan posits that the Government of Nigeria's investments in its agricultural sector should increase land under irrigation from the existing 10%; should reduce loss of post-harvest output from a current rate of 10% - 40%; should increase agricultural production from a current average of four tons per hectare; and should reduce the current 40% of household income spent on food by lowering costs of basic foodstuffs. However, the investment plan does not provide targets for these metrics and dates for achieving the results, and does not link the investment plan programs to these metrics. However, the metrics seem concrete and laudable, so providing better linkages between proposed program investments and their attainment could be persuasive in attracting funding for the investment plan programs.

*C5.4 Costing and detail budget estimates (by expenditure category)*

The rudimentary budget provided for the CAADP-required costing information is organized appropriately (estimated overall cost for program-related expenditures; existing or anticipated government contribution for the programs; existing donor contributions; and funding gaps), but the information is incomplete. There is no:

- break-down of recurrent vs. development expenditures at the portfolio, project, or sub-project levels;
- detailed information on existing government versus donor commitments for the programs comprising the CAADP investment plan; and
- detailed information on the financing gaps for the programs comprising the CAADP investment plan.

Recommendations:

a) The plan needs to present a detailed breakdown of incremental costs based on unit costs where available and estimates. The budgeting should link expenditures to outcome and outputs contained within a results or logical framework;

b) The plan needs to include a more exhaustive overview of incremental financing. A financing plan should present a breakdown of costs by capital and recurrent expenditure. The breakdown of existing expenditures and incremental expenditures should be as accurate as possible. The financing plan should be comprehensive so that it covers both on- and off-budget financing sources, both core sector and related sector budgets, and traditional and non-traditional donors including potential private sector contributions. To the extent possible future commitments should be listed;

c) The country team needs to create a comprehensive portfolio and program budget (sources and uses of funds) and an indicative financing plan, down to the level of unit costs, and according to the CAADP guidelines and templates.

*C5.5 Public Financial Management Capacity and broad macro framework*

While a sector context and data were provided in the investment plan, a discussion of the financial management capacity was not included in the investment plan documents. A broader discussion of performance of the country's agricultural sector would be helpful, as well as a comprehensive discussion of the framework for management of public finances (strengths, weaknesses, and capacity). It would be useful for the drafters of the Nigeria investment plan to explain how any necessary improvements in the financial management structure for the CAADP-sponsored program will be funded.

Recommendations:

a) A broader discussion of performance of the country's agricultural sector and a comprehensive discussion of the framework for management of public finances (strengths, weaknesses, and capacity) is required and the proportion of private sector investment expected;

b) The plan needs to include the results of a public financial management assessment that acknowledges adequate capacities exist within the main institutions identified to implement specific programs/sub-programmes of the investment plan. Systemic weaknesses or gaps in proposed implementing entities should be highlighted and a capacity building plan built into the investment or explanation of implementation options that are being considered such as inter-ministerial collaboration mechanisms and proposals to contract out service delivery;

c) The country should undertake a beneficiary analysis of the NAIP and results used to better provide a full description of programme beneficiary characteristics including overall numbers targeted, geographic locations, economic and social status. The results of a beneficiary analysis should also be used to assess potential programme impact, used as a baseline for monitoring and evaluation during implementation and used to undertake a cost benefit analysis;

d) The country needs to assess the financial and economic viability of proposed programmes within the investment plan. This action is essential to determine the NAIP's potential impact at the beneficiary, community and macro-economic level. The plan should include an overall programme rate-of-return Also if possible, the country is encouraged to undertake financial and economic analysis of specific programme components and use this programme level analysis to assist with prioritization of program investments;

e) A risk assessment needs to be conducted and reported.

## Annexure 1: CAADP Post-Compact Guide – see attachment

## Annexure 2: ECOWAS ‘s 13 points from Cotonou for investment plans

NAIPS are to be set out to present:

1. Origins of the investment plan (history)
2. Areas to be covered
3. Detailed description of the programmes and how they relate to ECOWAP
4. Overview of the intervention strategy
5. Evaluation of costs and financing
6. Economic and financial analysis
7. Implementation strategy
8. Synergies between programmes
9. Implications for regional public programmes
10. Safeguard for monitoring
11. Institutional evaluation
12. Monitoring and evaluation
13. Risk assessment

## Annexure 3: Post Review Road Map Template

| National Agriculture Investment Plans | Activities and Benchmarks | Point | June 2010 | July 2010 | August2010 | Sept. 2010 | Oct. 2010 | Nov. 2010 | Dec. 2010 | Follow-on Comments |
|---|---|---|---|---|---|---|---|---|---|---|
| **Component 1: Alignment with CAADP vision, principles and strategy elements** | | | | | | | | | | |
| **[Identify issue]** | • **[bullet out specific actions]**<br>• | [list who is responsible] | [insert due dates] | | | | | | | |
| | •<br>• | | | | | | | | | |
| **Component 2: Consistency with long terms growth and poverty reduction options** | | | | | | | | | | |
| | •<br>• | | | | | | | | | |
| | • | | | | | | | | | |
| **Component 3: Adoption of best practices and inclusion of core programme elements** | | | | | | | | | | |
| | •<br>• | | | | | | | | | |
| | •<br>• | | | | | | | | | |
| **Component 4: Alignment with country commitments** | | | | | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | •<br>• | | | | |
| | •<br>• | | | | |
| **Component 5: Operational realism (including institutional and capacity building)** | | | | | |
| | •<br>• | | | | |
| | •<br>• | | | | |
| **ACCOUNTABILITY** | | | | | |
| **Monitoring and Evaluation/Policy Analysis** | •<br>• | | | | |
| | •<br>• | | | | |
| **IMPLEMENTATION ARRANGEMENTS** | | | | | |
| **GAFSP (Global Hunger & Food Security Program)** | •<br>• | | | | |
| | •<br>• | | | | |
| **OUTSTANDING COSTING ISSUES** | | | | | |
| **Costing of Program areas** | •<br>• | | | | |
| **Financing Plan Presentation** | •<br>• | | | | |
| **GAFSP CONCEPT PAPER** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Concept Paper Development** | • <br> • | | | | |
| **ANALYSIS NEEDS** | | | | | |
| **Beneficiary Analysis** | • <br> • | | | | |
| **Cost Benefit Analysis** | • <br> • | | | | |
| **Prioritizing Programs** | • <br> • | | | | |
| **Alignment with other Agricultural strategies and programs** | • | | | | |
| **Policy Analysis** | • <br> • | | | | |
| **Environmental Assessments as Needed** | • <br> • | | | | |
| **Gender Analysis** | • <br> • | | | | |
| **ACCOUNTABILITY** | | | | | |
| **Monitoring and Evaluation/Policy Analysis** | • <br> • | | | | |