



Climate Smart Agriculture/Community Revolving Fund (CRF) Sub-Component Handbook

**Nigeria – Agro-Climatic Resilience in Semi-Arid
Landscapes (ACRESAL) Project**



Chapter 1: Sub-component Overview

The Agro-Climatic Resilience in Semi-Arid Landscapes (ACReSAL) project seeks to address some of the critical challenges in Northern Nigeria. The region is characterized by high poverty rates, low literacy, an environment of fragility, conflict, and violence, degradation of natural resources, poor agricultural productivity, climate risks, desertification, poor penetration of modern technology, and weak institutional capacity. Addressing these issues will require effort in multiple sectors

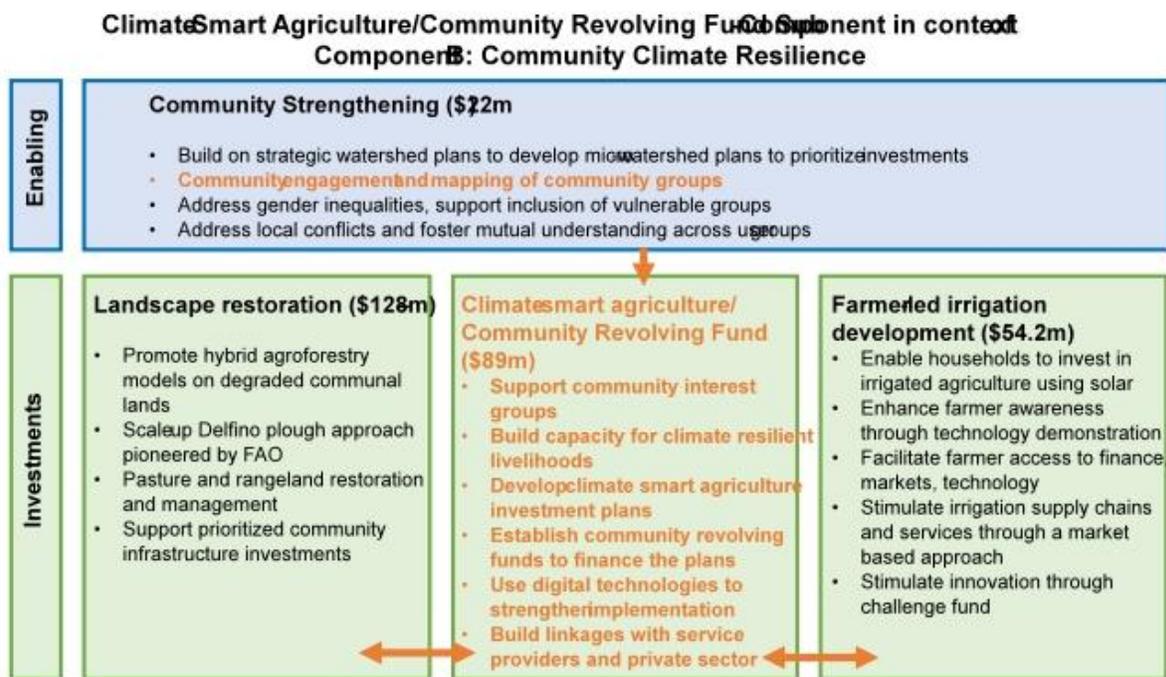
THE PROJECT DEVELOPMENT OBJECTIVE (PDO) : The project development objective (PDO) is to increase the adoption of sustainable landscape management practices in targeted watersheds in northern Nigeria and strengthen Nigeria’s long-term framework for integrated climate-resilient landscape management.

The ACReSAL project aims to strengthen multi-sectorality at the institutional and policy level and also at the project’s design level by emphasizing the importance of multi-sectoral sustainable land and water management planning. Based on this, integrated watershed management plans will be developed as part of Component B activities. These plans will encompass watersheds at two different scales: watershed scale and at the micro-watershed scale.

SUB-COMPONENT SUMMARY

COMPONENT B: COMMUNITY CLIMATE RESILIENCE

The component B is meant to improve Agro-climatic resilience at community and household levels by promoting locally and adapted sustainable land and water management (SLWM) strategies and through climate smart approaches to agriculture and natural resource management.



Climate Smart Agriculture/Community Revolving Funds Sub-component Key Implementation Steps



The CRF will support community/ farmer groups to undertake climate smart agriculture related activities. The CRF would support “ACRESAL registered” community/farmer groups in approximately 2800 communities in target watersheds. This is an overview of the CRF & how it could be used in ACRESAL as an alternative to the matching grants.

The CRF is a village level fund aimed at achieving the following;

- Supporting existing community/farmer groups to undertake investment specific to the climate-smart rain-fed crops intervention.
- Identify and engage the services of a CBA for hand holding and guidance
- The community/farmer groups will prepare investment/business plans and apply for loans from the CRF.
- Each target village/community could be eligible for a CRF of \$25,000. This will allow easy and sustainable financing to ACRESAL supported and registered community/farmer group at community level.
- To sensitize and train communities to understand that the CRF is not a grant but rather an investment fund for the village that can revolve and grow over time.

EXPECTED RESULT OR DELIVERABLES

The implementation of the climate smart agriculture (CSA)/community revolving fund (CRF) is aimed at achieving the following:

- Supporting existing community interest groups (CIG)
- Build capacity for climate resilient livelihood
- Build trust, commitment and seriousness among members

- Develop climate smart agricultural investment plan
- Establish community revolving funds to finance the plans
- Use digital technology to strengthen implementation
- Build linkages with service providers and private sectors
- To enable households to invest in irrigated agriculture using solar
- Enhance Farmers awareness through technology demonstration.

This handbook will enable households to invest in irrigated agriculture using solar, enhance farmers awareness through technology demonstration, facilitate farmers access to finance, market & technology, stimulate irrigation supply chains and services through a market based approach.

(a) CORE PRINCIPLES

It is important for the ACREsAL project to adopt the integrated watershed management approach as a spatial perspective and framework to develop an integrated multi-sectoral approach to address the emerging challenges and bring about opportunities through the project components and activities.

Implementing a participatory process of micro-watershed planning will be as follows;

- **Selection of Micro-watersheds and Communities (200 No.):** This activity will involve identifying and capturing the 200 micro-watersheds across the priority landscape in northern Nigeria and their associated boundaries and size, as well as identifying participating villages and communities for initial project involvement and investments in ecosystem and landscape restoration and climate-smart agriculture, agricultural value-chains and entrepreneurship activities.
- **Stakeholder identification (to participate in planning):** This step of the process will allow for identification of key groups of stakeholders who will participate in the development of the Watershed Management Plans (WMPs) as well as the support and establishment of multi-stakeholder engagement, learning and governance platforms and structure
- **Review existing micro-watershed plans and/or establish baseline characterization and assessment of selected micro-watersheds:** The establishment of the knowledge-based and baseline for the focal micro-watersheds will include the biophysical features and resources in the watershed, the socio-economic conditions that determine the livelihoods of the watershed population and the institutions that operate in the watershed. This will require a team of professionals from diverse technical disciplines and with varied but complementary experience, qualifications and skills. At the same time, participatory assessment COMPONENT A: DRYLAND MANAGEMENT PART II - 15 BOX III. WATERSHED BASELINE ASSESSMENT ✓ Set a reasonable time frame for the assessment phase within the overall project duration, leaving sufficient time for subsequent planning and implementation. ✓ Ensure that the assessment is participatory and inclusive and supported with adequate participatory mapping and analysis tools. ✓ Assessment results should be presented to the watershed stakeholders for their validation. ✓ Students and researchers from local high education institutions undertaken relevant programs within field projects can contribute to cross-fertilization between science and practice. and mapping tools at

local level are fundamental for engaging the micro-watershed stakeholders and beneficiaries, depicting local knowledge and creating ownership

- **Analysing, visioning and prioritization of investments:** The results from the assessments will be presented to and discussed with all stakeholders at micro-watershed level to reach an agreement on the findings and to develop a road map for future action. This will be done through stakeholder workshops held for the selection and action plans of most appropriate solutions and investments for implementation relating to potential landscape interventions and livelihood strategies as described under Component A and Component B such as, landscape restoration, climate resilient agriculture and water infrastructure and individual and group
- **Development of Micro-watershed Plans:** The management plan will include the strategies, implementation schedule, milestones to track implementation, monitoring components, capacity building plans, institutional and budgetary allocations to execute plan. The formulation of the MWP shall be carried out by the Site Committees with support from the LGDOs and Consultants.
- **Appraisal and validation of MWPs:** The appraisal and validation of MWPs involves further deliberations from part of key stakeholders including relevant technical SPMU staff and consultants, partner organizations, LGAs and local institutions and population. This step, through consultative workshops and meetings, will ascertain feasibility of the plan, foster stakeholder buy-in and commitment and final approval and official endorsement by all parties involved and their role and function as agreed in previous meetings. This stage of the planning process would also foster internalization of the project experience in national policies, programmes and budgets
- **Disbursement of funds for implementation:** Once the plan is approved and all measures in place, the SPMU will disburse funds directly to the Site Committees CRFMC for the implementation of the WCPs sub-projects (e.g. landscape restoration) or the Community Revolving Fund Management Committee (CRFMC) for the implementation of Climate Smart Agricultural activities by CiGs (e.g. farmer groups, producer groups, etc

Community Revolving Fund (CRF) Theory of Change					
Constraints / Existing Conditions	Inputs/Activities	Outputs	Outcomes		
			ShortTerm	Intermediate	Final
<ul style="list-style-type: none"> Access to finance: Individuals and community groups are unable to invest in climatesmart rainfed agricultural (CSRA) activities due to limited access to credit Group dynamics: Community groups weak social cohesion, business skills, life skills, and technical skills to grow CSRA activities Market linkages: Limited linkages with the private sector, financial institutions and DPs/NGOs and digital solutions & innovations Gender-specific constraints: Restrictive social and gender norms, occupational and crop segregation, and other constraints limit women's participation in community groups, economic activities, and drive gender income gaps. 	<ul style="list-style-type: none"> Access to finance: <ul style="list-style-type: none"> •CRF formed comprising several community investment groups •CIGs develop CSRA investment plans and approved plans funded through CRF •Digital platform tracks investment fund disbursement, repayment, and management •Repayment records establish credit history for referral to partner financial institutions for formal credit services •CIGs receive group-level financial institution accounts Group dynamics and capacity: <ul style="list-style-type: none"> •Train community business agents (CBAs) to support CIGs and CRFs •Train CIGs on life skills, business skills, savings/investment promotion, and group norms •Train CRFMCs on CRF group management, dynamics, and norms •Ongoing monitoring and supplemental technical support for funded CIGs Market linkages: <ul style="list-style-type: none"> •Market assessment to identify local relevant CSRA activities •Recruit private sector partners interested in providing additional support services for CRF participants (financial institutions, agricultural value chain facilitators, NGOs) Gender-specific constraints: <ul style="list-style-type: none"> •Gender norms training for CIGs, CRFMCs, CBAs, as well as local and district officials. •Couples training to ensure that women participants capitalize on funding Assumptions: <ul style="list-style-type: none"> •2800 communities identified with eligible groups •Sufficient women and other vulnerable populations are participating in community groups 	<ul style="list-style-type: none"> Access to finance: <ul style="list-style-type: none"> •CRF receives \$25,000 for on-lending to CRF members •CIGs receive funding from CRF Group dynamics: <ul style="list-style-type: none"> •CIGs capacity and norms strengthened •CRFs established with bylaws and financing agreement Market linkages: <ul style="list-style-type: none"> •CIGs and individuals linked with financial institutions for additional services (lending, individual accounts, etc.) Gender-specific constraints: <ul style="list-style-type: none"> •Women are sufficiently trained and supported to submit investment plans •Investment reviewers are unbiased in their review of proposals Assumptions: <ul style="list-style-type: none"> •Training participants attend trainings, and they are relevant to developing and implementing investment proposals •SPMU and LGA receive sufficient training to identify viable CSRA activities •Women in community investment groups can equitably access CRF opportunities 	<ul style="list-style-type: none"> Access to finance: <ul style="list-style-type: none"> •CIGs increase investment CSRA activities •CIGs repay loans Group dynamics: <ul style="list-style-type: none"> •CIG members feel accountable and responsible to their CIG and CRF Market linkages: <ul style="list-style-type: none"> •Improved market linkages increase access to ancillary support services Gender-specific constraints: <ul style="list-style-type: none"> •Women can equitably pursue CRF-financed CSRA investment opportunities Assumptions: <ul style="list-style-type: none"> •Funding recipients use funds to invest in CSRA activities •Menu of CSRA activities was appropriate and market linkages are available •High-quality inputs are available •Social collateral and other accountability is sufficient to induce repayment Assumptions: Sustainability of CRFs assumes limited risk of a systemic shock, such as a sustained drought, affecting multiple community groups within a single community. Adding an insurance option may increase the resilience of the fund. 	<ul style="list-style-type: none"> Cross Activity: <ul style="list-style-type: none"> •CIGs increase CSRA productivity/profits •CIGs economic activities are more resilient and sustainable Access to finance: <ul style="list-style-type: none"> •CRF funding/portfolio increases •Additional groups incorporated into the CRF further expanding access to finance Market linkages: <ul style="list-style-type: none"> •Increased agricultural production available for marketing •CIGs/individuals transition to formal lending Gender-specific constraints: <ul style="list-style-type: none"> •Women face reduced community and intra-household income sharing pressure Assumptions: <ul style="list-style-type: none"> •Repayments and administrative fees are greater than loan defaults 	<ul style="list-style-type: none"> •Household welfare improves as a result of increased income •Improved food security •Increased productive assets •Women are empowered and can decide

Chapter 2: Implementation/Roll Out Plan for the Sub-Component

Coverage

	Pilot phase (year 1 & 2)	Scale up phase (year 3 to 6)	Total
No. of States	8 States	12 States	20
No. of micro-watersheds	2 Micro-watersheds/ State (Toatal of 16 Microwatersheds for 8 States)	184 Micro-watersheds	200
No. of communities	80 communities (Across 8 states)	2, 720 communities	2,800
No. of beneficiary groups			2800

PROPOSED IMPLEMENTATION PLAN FOR COMMITTEE REVOLVING FUND (CRF) PILOTING (AUGUST 2022 TO AUGUST 2024)

S/N	ACTION	TIMELINE	RESPONSIBILITY
1	i. Establishment/ Validation of 20 Macro Watersheds (19 states + FCT)	(Engagement with the Larger Group)	NIWRMC, FMARD, FMWR, NIHSA, FPMU, & SPMUs
2	i. Orientation workshop for all ACREsAL participating States with other relevant stakeholders (FMARD, FMWR, NIWRMC, NIHSA etc) ii. Study Visit to Uganda that successfully implemented CRF, and Kenya that successfully implemented digital solutions/ innovations for climate-smart agriculture/ Livelihoods. Iii. Identification of 2 Priority Micro-watershed per state Iv. Identification of pilot communities V. Finalizing the criteria for State selection, select and agree on few states for piloting Vi. Finalize the ToR for the engagement of the Community Business Agents (CBAs) . Vii. Finalize the Handbook and carry out scoping Viii. Prepare modules/presentations for the Capacity Building of Community Business Agents. Viii. Develop MIS module for the CRF	October, 2022 July - August, 2023 March, 2023 October, 2023 - November. 2023 2 nd week of September, 2023 October, 2023 4 th week of September, 2023 2 nd Week of October, 2023 3 rd Week of October, 2023 4 th Week of October, 2023	Core Group C

3	<ul style="list-style-type: none"> i. Orientation workshop in the States for the State level stakeholders ii. Orientation workshop for LG level key stakeholders iii. Capacity building workshop for the LG /below LG level core-team members responsible for piloting the CRF sub-component 	November, 2023 to December, 2023	<p>SPMU with support from FPMU SPMU with support from FPMU</p> <p>SPMU with support from FPMU</p> <p>SPMU with support from FPMU</p> <p>SPMU with support of FPMU.</p> <p>WB and FPMU</p>
4	<ul style="list-style-type: none"> i. Sensitization of community leaders, Religious leaders, community members and other stakeholders ii. Engagement of Local Agric based NGOs and community business agents to work with community members in formation of new and validation of existing CIGs/ farmer cooperatives. iii. Training and capacity building of CBAs iv. Community level assessment in target communities including mapping of existing CIGs/farmer cooperatives etc. v. Formation of new CIGs (including women only groups), formation of executives and creating of Bye-laws vi. Capacity Building/ trainings on; Group Norms, Financial Literacy, Group Dynamics, Conflict Resolutions, Gender Mainstreaming, Business Plan Preparation etc. 	January to February, 2024	<p>LGPMC, NGOs with support from FPMU & SPMU.</p> <p>LGPMC & SPMUs</p> <p>FPMU & WB</p> <p>LGPMC, CIGs & NGOs</p> <p>Consultant & SPMU.</p>

5	<ul style="list-style-type: none"> i. Grading and Registration of CIGs/ Farmer Cooperatives ii. Formation and Capacity building of community CRF Management Committee (40% women) iii. Market Assessment and identification of Climate Smart Agriculture Activities 	March to April, 2024	<p>NGOs, Business Agents & SPMU.</p> <p>NGOs, Business Agents & SPMU.</p> <p>CRFMC with help from Local NGOs, SPMUs & FPMU.</p>
6	<ul style="list-style-type: none"> i. Preparation of business plan. Assessment of financial capacity of CIGs/CIG Members and Loan assessment ii. Review and Recommendation of CRF Loan application Plan to SPMU iii. Field Appraisal and Approval of business plan iv. Signing of Financial Agreement/ MoU of approved CRF Loan Application. v. Disbursement of Loan to successful CIGs Vi. CIGs to start implementation of business plans 	March 2024 to April 2024	<p>CIGs & CRFMC with support from NGOs, SPMU & FPMU</p> <p>LGPMC</p> <p>SPMU</p> <p>CIGs, CRFMCs & SPMUs</p> <p>SPMU</p>
7	<ul style="list-style-type: none"> i. Monitoring and business advisory support to CIGs for the implementation of business plans ii. Linking CIGs to financial institutions iii. Review the implementation of CRF pilot, document key lessons learnt, make necessary changes/adjustments in the operational handbook, and develop a plan for scaling up of CRF to additional micro-watersheds 	April 2024 – September 2024	<p>SPMU, NGOs, CBAs & Collaboration with private sector</p> <p>FPMU & SPMUs</p>

Chapter 3: Selection of Beneficiaries

Selection of micro-watersheds (geographical targeting)

The component will support communities in 200 micro-watersheds (out of 3000 plus in target states). The criteria for selection of micro-watershed are:

- (i) the magnitude of agro-climatic vulnerabilities (desertification and land degradation),
- (ii) the size of population affected by desertification and land degradation (disaggregated by poverty rate),
- (iii) Frequency of farmer-herder conflicts, presence of animal passage corridors, and
- (iv) Absence of on-going competing interventions in the communities

Other Criteria for the watershed selection may include:

- Extent of natural resource degradation, e.g. soil erosion, landslides, destabilized slopes.
- Dynamic and motivated local institutions, community organizations and user groups.
- Interest and commitment of local population to participate.
- Development potential and scope for non-farm economic activities.
- Occurrence of natural disasters.
- Attitudinal profile and mix of different land-use categories.
- High poverty indices based on State Poverty Maps where available.
- High population density and number of potential beneficiaries.
- Lack of basic social services, e.g. water infrastructure.
- Food insecurity risks.
- Agriculture as main driver of the local economy.
- Potential to use synergies with other projects and initiative.
- Presence of well-preserved high-value ecosystems under pressure.

- Awareness/concern for ecosystem conservation.

Community Targeting

The criteria for selecting communities in targeted micro-watershed and LGAs will build on principles of inclusion, equity and need. Communities will be selected based on the motivation and commitment of community members to participate in watershed development activities (e.g. land restoration) including in-kind contributions such as land and labor.

Most States in the priority Strategic Watershed have adopted effective CDD approaches to development. In communities where CDD structures have been established, the project will work with these structures. In following the CDD approach, criteria for selecting communities to participate in the project are:

- Located within a priority micro-watershed;
- Must have a legally recognized community association or traditional institution;
- Must be willing to establish a site committee that would have full responsibility for Watershed Community-level Plans (WCPs) formulation in line with micro-watershed plans and objectives and coordination of micro-projects implementation;
- Must be in a LGA that is ready to support establishment of effective LGPMC and therefore facilitate the inclusion of micro-watershed development investment into local government planning;
- Also communities addressing the improvement of natural resource and environmental infrastructure;
- And categorical targeting would be used within communities where vulnerable groups have been clearly identified using indices developed and accepted by the communities as constituting vulnerability.

SELECTION OF BENEFICIARY GROUP

Criteria for Identification of beneficiary groups under the climate smart agriculture/CRF sub-component – Pilot Phase (Year 1 & 2)

A. What type of groups will be selected?

- a. Existing groups that 80% meet the selection criteria (i.e. five core principles: weekly meetings; weekly contributions; inter-lending and proper records keeping
- b. Women groups only that meet 20% of the selection criteria (existing or new groups)
- c. Participatory rural appraisal (community mobilization, community assembly meetings, mapping, and assessment of existing groups) must be uphold
- d. Applying the criteria to select groups and prepare a list of potential groups
- e. The list of potential groups will be endorsed by the community board of trustees (representatives of traditional & religious leaders, CDAs including women, youth, and other representatives)

B. What will be the criteria for selection of the beneficiary groups?

a) Existing groups:

- i. Members of the groups should be the resident of the target community
- ii. The groups should be in existence for at least a period of 1 year (evidence of certificate of registration)
- iii. The groups should have 10-25 members
- iv. The groups should be engaged or willing to engage in climate smart agriculture or agro enterprise activities
- v. The groups should have leadership structure (management bodies)
- vi. The groups should be fully operational
- vii. Group contribution is also essential
- viii. The group must have active or functional account number (evidence of bank statements)
- ix. The group should be meeting on regular basis (evidence of minutes of the meetings)
- x. The group must be free from impending loan issues
- xi. Priority will be given to the groups with greater representation of youth, women (at least 30% meaning 1/3 of women representation in a mixed group), and vulnerable persons (to ensure social inclusion)
- xii. The groups should not be receiving the same benefits or interventions from other development programs

a) Women only groups (existing VSLAs or new group):

- i. Members of the groups should be the resident of the target community
- ii. The groups should be in existence for at least a period of 1 year (evidence of certificate of registration)
- iii. The groups should have 10-25 members
- iv. The groups should be engaged or willing to engage in climate smart agriculture or agro enterprise activities
- v. The groups should have leadership structure (management bodies)
- vi. The groups should be fully operational
- vii. Group contribution is also essential
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Other Important Processes for Targeted Beneficiaries:

Targeting and Enrolment of Beneficiaries: Targeting and enrolment of beneficiaries is key to the success of implementing community revolving fund and other community program as it creates enabling environment for effective delivery of quality program. In targeting process, the program will adhere to community/beneficiary eligibility selecting criteria. The Natural Resources Unit will lead the implementation of the activity in collaboration with Social and Livelihood Unit.

Memorandum of Understanding Signing:

The memorandum of understanding is signed at the middle level of traditional institution between the programme and village heads with their immediate supervisors the district heads. This MoU signing is aimed at ensuring working closely with the traditional institution to achieve the programme overall objectives, getting them involve, be informed and clear about community selection criteria, this will assist in reducing cross boarder beneficiaries which will support in minimizing wrong inclusion/exclusion.

Pre - Community Entry:

Pre-community entry assessment is the next level of verification at traditional ward where a pre-community assessment checklist is administered to understand the community dynamics and avoid engaging control or un-randomized traditional wards. Once the pre-community entry assessment is conducted the findings undergo series of checks and validation before a final approval is granted by the State Project Coordinator for community entry.

a. Community Revolving Fund:

Based on the available information, there are different similar interventions by Federal Government and many people refused to repay the loan given to them. For this project, there is need for community sensitization to minimize the risk of defaulting from repayment. To address this, the following measures need to be taken:

- Key sensitization messages must be designed and be effectively delivered on all that is required for the successful implementation of CRF programme
 - To avoid/minimize fraud, any Staff, committee member, cooperative and those outside the program who disguise as program staff found wanting in extorting money from potential beneficiaries as it currently happened with National Conditional Cash Transfer Program, must be booked and asked to return what he/she has collected and his name be published at all level in order to serve as deterrence to others.
 - To avoid group inter-loaning repayment defaults, there is need for guarantorship within the members of the group
 - Verify loan defaulters in the previous programs
 - Clear stipulated loan repayment periods , methods, and also constant reminder from the leadership of the CIGs/CRFMC/CBAs would assist immensely in reducing loan repayment defaults
 - After several consultations with loan defaulters (groups/individuals) proved unsuccessful, community meeting should be organized and the names of the erring defaulters be read in public and they must be made to repay in front of their families and community elders and then be blacklisted and will not be involved in subsequent ACRoSAL activities.
 - To established monthly contribution or as agreed by member to support repayment activities.
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- Above all, a robust Management Information System should be developed to ensure proper tracking of loan defaulters and timely capturing of other CRF operations

Engagement of Financial Service Provider

For sustainability and accountability, there is need for engagement of Financial Service Provider to register cooperative members and support the disbursement of fund to fund their activities. To support sustainability, also there is need for the engagement with Solar Power Technology Companies, Agric Supplies Companies and link them up with beneficiaries to improve value chain and to have access to other services.

Creating Loan Repayment Accounts

- To open loan repayment account for each cooperatives and come up with repayment methods and how ACRoSAL will monitor the repayment.
- To spell-out punishment for defaulters, don't leave debt collection in the hand of committees as many program of this nature did same and failed, the need for concrete arrangement must be identified and adopted for the success and sustainability of the program, for example to tied payment to cooperatives and the cooperatives must be responsible for the payment of its members

DISBURSEMENT COMPONENTS

If the cooperatives meets program requirement as stipulated in the eligibility criteria, then the following will be observed:

- ACRoSAL & Financial Service Provider to design a robust central MIS System that will manage disbursement, repayment and all other component of the scheme for effective data management across the participating state.
- A Cooperative must be registered with either State or Local Government
- In collaboration with ACRoSAL team, the Local Government technical Committee will support registration of Cooperatives
- The Financial Service Provider will open Loan and re-payment Accounts for the beneficiaries
- To sign MOU between ACRoSAL and beneficiary's indication all necessary condition and beneficiaries must read, understand and sign the MOU before disbursement.
- To give certain percentage as pilot to monitor the performance of cooperative s before next disbursement
- To ensure everyone pays, there should be guides on how to recover loan using individual BVN
- To make payment to real farmers for irrigation

Chapter 4: Implementation Arrangements

ACReSAL is a large & complex project with many different actors who will need to play key roles in its implementation. Below is the institutional & implementation arrangement:

THE FEDERAL MINISTRY OF ENVIRONMENT (FMEnv)

The Federal Ministry of Environment (FMEnv) will be the lead implementing Organization and will collaborate with the Federal Ministry of Water Resources (FMWR), the Federal Ministry of Agriculture and Rural Development (FMARD) and other relevant MDAs.

The involvement of other ministries and states and the multi-sectoral nature of the project requires innovative approaches to implementation - Figure 1 presents the implementation organogram for the ACReSAL project as:

1. **Federal Project Management Unit (FPMU)** will be responsible for the overall supervisory activities of the Project. The FPMU will be hosted by the Federal Ministry of Environment and headed by the National Project Coordinator with support from other MDAs.
2. **A Federal Steering Committee (FSC)** and **Federal Technical Committee (FTC)** will provide overall policy and technical guidance respectively. The FSC will be chaired by the Minister of Environment, co-chaired by the Ministers of Agriculture and Rural Development and Water Resources, and will include the Federal Ministry of Finance, Budget and National Planning (FMFBNP), Commissioners of the Environment of the Participating States, and other state- and federal-level MDAs as appropriate
3. **State Project Management Unit (SPMU)** will be responsible for the overall supervisory activities of the Project at the State level. The SPMU will be hosted by the State Commissioner of Environment and headed by the State Project Coordinator.
4. **A State Steering Committee (SSC)** and **State Technical Committee (STC)** will provide overall policy and technical guidance respectively. The SSC will be chaired by State Commissioners for Environment and includes Permanent Secretaries of Finance, Agriculture, Water and other sector representatives. The STC will be chaired by the Permanent Secretary of the Environment and including relevant Directors of Agriculture, Water and other sector representatives.

5. At the community level, a ***Local Government Project Management Committee (LGPMC)*** chaired by the Director Personnel Management (DPM), will support inclusive participation and promote local ownership of project activities. Whenever possible, the project will use existing community-led structures and planning processes, e.g., those developed under NEWMAP, FADAMA and CSDP, to ensure strong community engagement based on principles of transparency, participation, accountability, and enhanced local capacity.
6. Finally, as needed at individual sites, site committees will coordinate implementation.

Support to community structures

At the community level, the ACREsAL project will adopt a Community Driven Development (CDD) approach and will leverage CSDP, FADAMA and NEWMAP established community structures, which exist in all the States, to support the community investments. The community structure includes Community Site Committees (with sub-committees) for identification, preparation, and articulation of sub-project investment plans into integrated Watershed Community-level Plans (WCPs) aligned with broader micro-watershed objectives. The Site Committees shall be also responsible for the facilitation, formulation, implementation and management of the WCPs. The Traditional Institutions or Community Development Associations (CDA), if present, will be the entry point in any community for the identification of community/watershed development-type investments. The Traditional Institution and CDA are existing umbrella community-based organizations that oversee the development needs of the entire community and the conduit . It is made up of all the indigenes of the community and it is the framework for implementing all community development efforts.

The component will reinforce and strengthen the existing community structures to make them more inclusive and functional through continuous capacity building support as well as fostering their involvement and participation in micro-watershed planning and management.

ACReSAL CDD Implementation arrangements

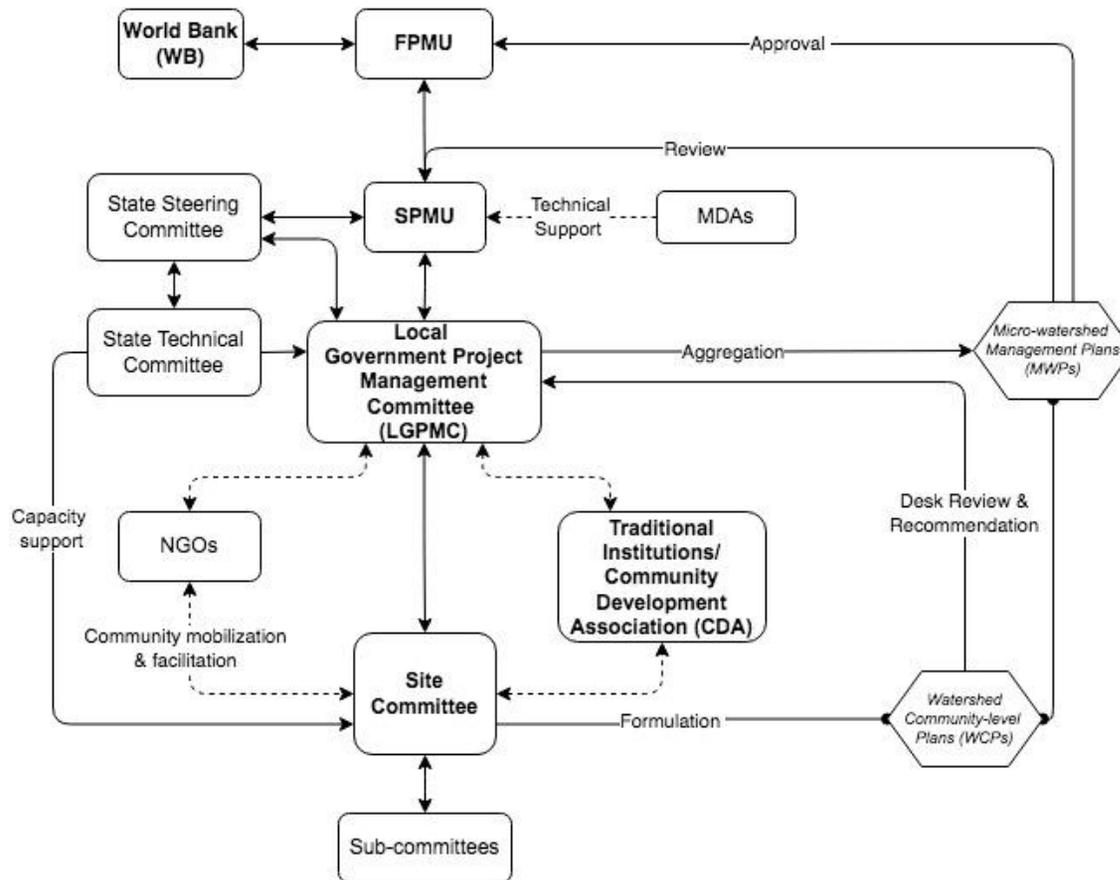


Figure 1. Institutional arrangement for watershed development CDD investments at the micro-watershed, local and community level.

Within the State, as depicted in Figure 1 above, there are three broad categories of institutions that must exist, to facilitate the attainment of the ACREsAL Community Strengthening component and the community implementation activities. These are:

- (i) State Level Institutions:

- *State Project Management Unit (SPMU)* (with Focal Officers) will be responsible for the overall supervisory activities of the Project at the State level. The SPMU will be hosted by the State Commissioner of Environment and headed by the State Project Coordinator. The SPMU will provide support to the Local Government Project Management Committee (LGPMC) in watershed planning, conduct reviews of Micro-watershed Management Plans (MWPs) derived from the aggregation of community-level formulation of plans as well as recommendations to the Federal Project Management Unit (FMPU) for inclusion into Annual Work Plans and Budgets and approval of plans by the World Bank.
- *State Steering Committee (SSC) and State Technical Committees (SCT)* will provide overall technical guidance for watershed planning respectively. The SSC will be chaired by State Commissioners for Environment and includes Permanent Secretaries of Finance, Agriculture, Water and other sector representatives. The SCT will be chaired by the Permanent Secretary of the Environment and including relevant Directors of Agriculture, Water and other sector representatives.

(ii) Local Government Level Institutions:

- *Local Government Project Management Committee (LGPMC)* shall comprise of:
 - The Director Personnel Management (DPM) as chairman
 - The Local Government Community Development Officer (CDO), or any other relevant officer, will serve as desk officer for the program and the link between the LGPMC and the SPMU. The CDO will serve as a committee secretary.
 - Technical Officers (agriculture, water resources, environment and social welfare) will provide specific technical support.
 - Finance Officer to provide technical support in budgeting and costing.
 - Traditional Rulers
 - Representatives of CDAs (women group, youth group and people with special needs)

The CDO and Finance Officer are without voting power. A quorum of 5 is required for acceptable review. The tenure shall be on part time basis. However, their services would be facilitated by the LGA for the duration of the project.

The responsibilities of the LGPMC include:

- Participation in community sensitization, Participatory Rural Appraisal (PRA) and assisting communities during the Watershed Community-level Plans (WCPs) formulation;
- Receiving and documenting of letter of Expressions of Interest by the Community Interest Groups and submit it to the SPMUs;
- Technical back-stopping for project implementation;
- Consolidate community requirements or WCPs, review and submit recommendations as integrated and aggregated plans (MWP) on micro-watershed projects to the SPMU;
- Prepare annual budgets for the operations of the LGPMC for local government funding;
- Participate in routine monitoring activities;
- Prepare and submit monitoring reports to SPMU;
- Support the implementation of environmental and social safeguards (including GBV management, GRM, security management, social cohesion and inclusiveness);
- Supervise the works conducted by the community;
- Participate in PIU organized, technical and field appraisals;
- Participation in missions;
- Fulfil reporting responsibilities towards the SPMU.

Site Committee/Community Revolving Fund Management committee: CRFMC shall be responsible for the facilitation, formulation, implementation and management of the WCPs. The Site committee would supervise and monitor the implementation of the WCPs. CRFMC shall be made up of a Chairman, Vice Chairman, Treasurer, Financial Secretary, Secretary, Assistant Secretary, PRO and Auditor. Female community members are encouraged to be well represented. There shall be four members signatories to the CRFMC account, one of whom must be a woman. This must be standard in all sites embarking on micro-watershed project implementation and undertaking direct financing. The specific responsibility of the Site committee are highlighted below:

- Deepen sensitization and mobilization of the entire community members;
- Submit and defend Watershed Community-level Plans (WCPs) to LGPMC;

- Mobilize community contribution in term of labour, materials and funds for m implementation;
- Procure needed goods/services projects, through a Procurement Sub-Committee;
- Maintain financial records;
- Collect and collate information and data requirement;
- Conduct monthly review meeting of project activities;
- Submit and display required WCPs progress reports (monthly, quarterly, etc.)
- Promote and disseminate information on ACRoSAL;
- Ensure implementation of environmental and Social mitigation measures.
- Formulate Operations and Maintenance Plan and ensure appropriate resources are mobilized;
- Maintain and operate the CRFMC project account;
- Ensure timely returns on expenditure for the replenishment of Site project account.

The Local Government Technical Working committee will coordinate the implementation of the program at LGA level.

Community Entry/ Formation of Community Revolving Fund Management Committee (CRFMC)

Through the Emirate Council (EC) or Traditional Institution at TW level, ACRoSAL staff must approach the TW heads for entry into their community. This stage also includes sensitization of leaders (traditional & religious) and key community members on the programme with the objectives, the targeting & enrolment process and programme components including the cash and complementary activities. Once sensitized, the ACRoSAL staff in collaboration with the community influencers/gatekeepers form the committee through election using participatory rural appraisal approach used by Community & Social Development Project in selecting (CPMC).

This group is composed of minimum of 10 persons:

- Both male and female community members to enable easy access to all members of the community regardless of their gender.

- An ideal Committee (CRFMC) consist of the below members of the community.
 - Chairman
 - Vice Chairman
 - Secretary

- Asst Secretary
- Financial Secretary
- Treasurer
- Auditor
- PRO

At this stage attestation letter of not engaging in any fraudulent activity is signed with the committee before any activity is conducted.

Chapter 5: Key sub-component Implementation Steps

- i. Sensitization of communities and religious leaders in target micro-watersheds
- ii. CIGs to work together with SPMU/MDA and local registered NGOs to mobilize communities.
- iii. Mapping and identification of existing community groups and cooperatives
- iv. Consultative meetings with groups/cooperatives during which community business agent will be identified to assist with sub-component implementation
- v. Formation of CIGs, constitution of executives and byelaws
- vi. Capacity building and strengthening group norms of CIGs
- vii. Grading and registration of CIGs
- viii. Formation and capacity building of Community level CRF Management Committee
- ix. Climate sensitive market assessment and preparation of investment menu
- x. Preparation of business plans and loan applications by CIGs
- xi. Appraisal and approval of business plans
- xii. Setting up of CRF and signing of MoU
- xiii. Disbursement of loans to CIGs
- xiv. Mentoring and support to CIGs for the implementation of business plans
- xv. Establish linkages with service providers and markets

1. Key sub-component Implementation Steps

I. Sensitization of communities and religious leaders in target micro-watersheds

Sensitization of communities and Religious Leaders is effective in providing first-hand information on ACREsAL Community Revolving Fund, this a core responsibility of Federal Project Management Unit, State Project Management Unit and Local Government Project Management Committee. The sensitization process will be facilitated by the State Project Management Unit (SPMU) through Local Government Project

Management Committee (LGPMC), Traditional Institutions, Community Interest Groups (CIGs) and supported by NGOs on Climate Smart Agriculture/Community revolving Fund planning processes and investment opportunities.

The sensitization process at the community level would contain information that explains key design principles, Participatory planning process that linkages to Climate- smart Agriculture Community Revolving Fund and criteria for sub-project funding, etc.

The process will commence with the first SPMU dialogue with community as a whole. This will create the forum for an appreciation of the ACRoSAL Climate Smart Agriculture Community Revolving Fund loan intervention strategy and the community would commence the process of establishing the Community Revolving Fund Management committee and development Loan Application Plan. This strategy would ensure greater “buy-in” Subsequently, the sensitization would be on a continual basis in the community.

The sensitization also has to be done by using Information Education and Communication (IEC, s materials) e.g Production of Jingles, Pamphlets, Banners etc.

i. CIGs to work together with SPMU/MDA and local registered NGOs to mobilize communities.

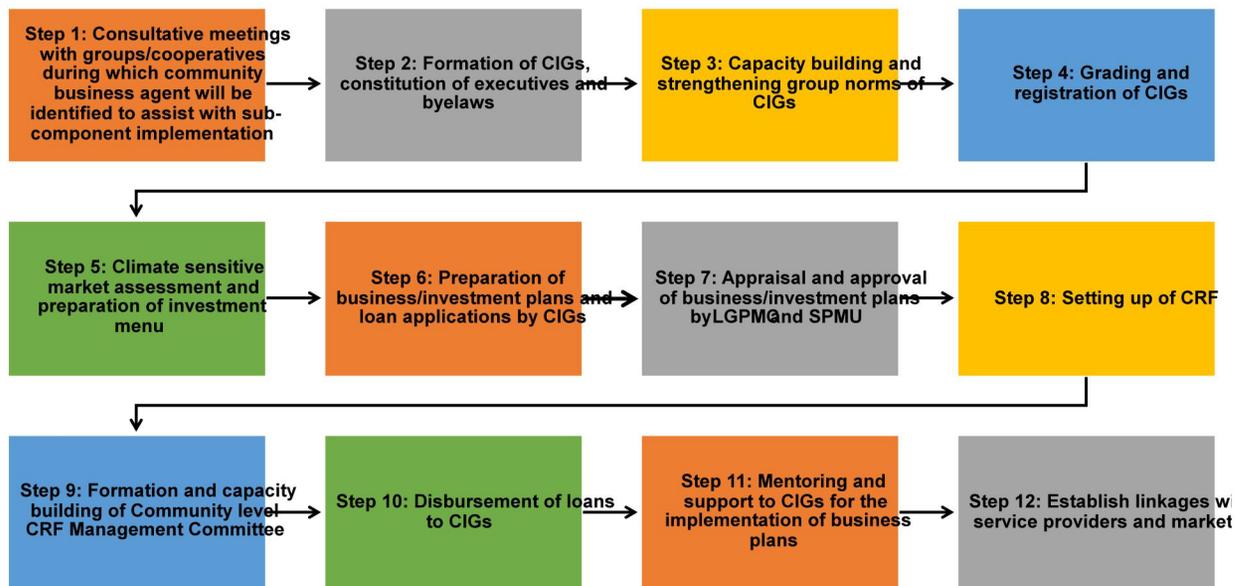
Community interest group will work with local NGO to mobilize communities on Community Revolving Fund, on how to access the credit and formulation of Business plan, right from the identification of needs, design, implementation and utilization of the fund by the community Revolving Fund Management committee.

II. Mapping and identification of existing community groups and cooperatives

The criteria for selecting communities in targeted micro-watershed and LGAs will build on principles of inclusion, equity and need. Communities will be selected based on the motivation and commitment of community members to participate in watershed development activities (e.g. land restoration) including in-kind contributions such as land and labor. The targeting should be geographical or categorical.

Most States in the priority Strategic Watershed have adopted effective CDD approaches to development. criteria for selecting communities to participate in the project are:

- Located within a priority micro-watershed;
- Must have a legally recognized Community Association or Traditional Institution;
- Must be willing to establish a Site Committee/CRFMC that would have full responsibility for Watershed Community-level Plans (WCPs) formulation in line with micro-watershed plans and objectives and coordination of micro-projects implementation;
- Must be in an LGA with an establish LGPMC and therefore facilitate the inclusion of micro-watershed development investment into local government planning;
- Also, communities addressing the improvement of natural resource and environmental infrastructure; and
- Categorical targeting would be used within communities where vulnerable groups have been clearly identified using indices developed and accepted by the communities as constituting vulnerability.



IV. Consultative meetings with groups/cooperatives during which community business agent will be identified to assist with sub-component implementation

- ❖ The sub-component will organize consultative meetings with groups/cooperatives based in the communities in the target micro-watersheds. During this process, community business agents (CBAs) will be identified to assist with sub-component implementation.

- ❖ CBAs will be recruited on the community level and trained to provide continuous support to groups/cooperatives to design and implement the climate smart agriculture investment plans. CBAs will be trusted community members who have the skills and knowledge to be trained by the service providers (local NGOs and Business Advisory Services Partners) recruited under sub-component in order to ensure business development support to beneficiaries on a sustainable basis.

CBAs COMPETENCIES / SKILLS

- Should have a good command / knowledge of the local language.
- Good writing skills in English and Local languages.
- Possessing basic computer skills (MS word) is an added advantage
- Should be efficient in dealing with accounts, budgets, financial matters, and should be an Agro business minded person
- Should have experience in Extension/ community level work
- Should have good communication skills
- Should be willing to work extensively in the target clusters/villages
- Have capacity and skills to organize training programmes to train the rural people

AVAILABILITY

- Commitment to work throughout the life span of the Project.

S/he should be a full-time resident in the target community

V. Formation of CIGs, constitution of executives and byelaws

The community Interest Groups (CIG, s) is the existing umbrella community Based Organisation that oversees the development needs of the entire community, it is made of all the indigenes of the community and include different resource users' groups. It is the community framework for implementing all community development efforts such as various activities e.g organizing self-help group among others.

The sample of CRFMC Executive and Byelaws

(A) ARTICLE 1

GENERAL

(i)The aim of Community Revolving Fund Management Committee (Here in after referred to as CRFMC) shall be:

To improve the quality of life of community members by being fully responsible for articulating supporting existing farmer/groups that are operational and need financing and technical support to implement business plans specifics to climate smart business agriculture.

(ii) Objectives:

- (a) To achieve the sustainable use of community revolving fund through climate smart Agriculture sub component, management and development of Environmental resources as vehicle for alleviating the poverty and improved the means of livelihoods.
- (b) To achieved the equitable distribution and judicious use of natural resources benefits and responsibilities which help to unify the interest of stallholders in sustainably managing the environment.
- (c) To place communities in a position to care, protect and promote environmentally friendly and sustainable income generating practices.
- (d) To create organizational environments which are conducive to the promotion of Gender Equality and Equity and also people with special Needs to be inclusive.

(iii) FUNCTIONS

In achieving the objectives of the CRFMC will:

- (a)Sensitize the entire community members;
- (b) identify issues, priority areas and develop plans (Business plan)
- (c) Submit and defend Community Revolving Fund Business plan by the Farmers/Producer Groups to Local Government Project Management Committee (LGPMC).

- (d) Mobilize community inclusive Women and other Vulnerable Groups to participate in decision making, mobilize community/ Group contribution in terms of Labour, materials and funds for Climate smart Agriculture/ Community revolving Fund project implementation.
- (e) Procure needed goods/services for CRF projects.
- (f) maintain financial records;
- (g) collect and collate information and data Requirement
- (h) Conduct monthly review meeting of the CRF activities
- (i) Submit and display required CRF actives progress reports at Community Discloser Board (Monthly, Quarterly etc)
- (j) Promote and disseminate information on ACREsAL Climate Smart Agriculture/ Community Revolving Fund
- (k) Ensure implementation of Environmental and Social safeguards;
- (l) Formulate operations and maintenance plan and ensure appropriate resources are mobilized;
- (m) Maintain and operate community Revolving fund project account;
- (n) Ensure timely replenishment of fund into community Revolving fund project management account;
- (o) Maintain strong dialogue with SPMU& LGPMC;
- (p) Ensure continual skill development of community members
- (iv) MEMBERSHIP

Membership is open to all members of the community. Officials should

Based on the following criteria:

- (a) People with leadership qualities, persuasive, credible, with foresight, responsible to duty, honest, courageous
etc
- (b) Demonstrated interest in and understanding of community development;
- (c) Ability to appraised Business plan, environmental and Ecological problems etc
- (d) Ability to set objectives/ Vision;
- (e) Must be Transparent and honest in all monetary, organizational, administration and management matters
- (f) Must be prepared and willing to serve the interest and social/ economic up-liftmen of the group/community.

TENURE

Membership of CRFMC shall be for single term of 2 years and no official shall exceed two terms.

ARTICLE III

CRFMC ADMINISTRATION

- (i) Executive committee

Each CRFMC shall have an executive committee comprising the following officers;

- i. Chairman
- ii. Vice Chairman

- iii. Secretary
- iv. Assistant secretary
- v. Treasurer
- vi. Financial secretary
- vii. Public Relation Officer (PRO)
- viii. Auditor

The Executive committee shall be democratically Elected from among

Member of the CRFMC by the group/ Community member and shall

Include at least two (2) women.

(ii) TERM OF OFFICE

All members of the Executive committee shall serve for a period of two (2) years and are eligible for re-election for another term of two (2) years. Any officer may remove from the office at any time during the term, in the event of insanity and /or other disabilities or is found guilty and convicted by a valid disciplinary committee, of grave offences such as gross indiscipline, theft, fraud, or other conduct inimical to the smooth running of the CRFMC or the achievements of its objectives. If an

officer is thus removed, an acting officer shall fulfil his/her role until a bye- election is held to fill the vacant post for the completion of the term of the removed officer.

A bye-election shall be hold not later than 3 months after the officer is removed.

(iii) Function of the Executive Committee

The Executive committee shall:

- (a) Hold regular meetings and consultation with the SPMU and LGPMC Multi-Disciplinary Implementation team and community members;
- (b) Document all activities in form of reports on Regular Basis;
- (c) Set up standing and ad-hoc committee when necessary
- (d) Meet at least six times a year and report to the community monthly after each meeting;
- (e) Disseminate information and publicise the CRFMC in the community;
- (f) Draw up the terms of reference of various standing committees;
- (g) Operate the CRFMC's account.
- (h) majority after appropriate motions.
- (i) Every member shall be entitled to single vote at all meeting. The chairman shall be entitled to vote in any voting procedure.

(iv) VOTING PROCEDURE

- (a) Voting of all meeting of the CRFMC shall be by show of hands. Election of officers shall also be made by show of hands
- (b) At all meetings a decision shall be made by simple
- (c) Representative of the SPMU and /or protected area management shall attend any elections
- (d) For election no candidates shall be voted for in absentia, except otherwise agreed by the simple majority of the members present.

(V) DUTIES OF MEMBERS OF THE EXECUTIVE COMMITTEE.

(1) CHAIRMAN

The chairman shall be the executive head of the committee. He shall coordinate the activities of all officers ensuring effectiveness and accountability, the chairman shall preside over all general and executive meetings. He shall keep the traditional rulers informed of the activities of the committee. The chairman shall have a casting vote. A correspondent must be address to the chairman who shall pass it with appropriate instruction to the secretary for recording and implementation.

(2) VICE CHAIRMAN

The vice chairman shall deputize the chairman and represent him whenever necessary. He/she shall preside over meeting in the absence of chairman, and shall become acting chairman in case of removal of chairman, or in the event that he is certified to be unfit to continue in the capacity due to sickness, insanity, imprisonment or other disabilities.

(3) SECRETARY

The secretary the chief scribe of the committee and Head its secretariat. He shall record all incoming and outgoing correspondence and keep same in order and safety. He shall send out notice of meetings at the instance of the chairman, or by resolution of 2/3 of the members.

He/she record and keep minute of all CRFMC General and Executive meetings and meeting between the CRFMC and other groups.

He/she shall collate the report of various sub-committees and the projects and prepare periodic and annual reports to the Executive council for presentation to the CRFMC, LGPMC and SPMU.

(4) ASSISTANT SECRETARY GENERAL

The assistant shall assist the secretary in his duties and deputize for him in his absence. He/she shall carry out other duties as assigned by the secretary.

(5) TREASURER

The Treasurer shall be the custodian of monies belonging to the committee and shall work hand-in-hand with financial secretary in keeping financial records. He/she keep the imprest of the committee and shall ensure that all monies received are promptly paid to the Bank within two/three working days. He /she shall ensure that all payment vouchers are duly signed by the chairman as approved by the Executive committee before any money given out.

(6) FINANCIAL SECRETARY

The Financial secretary shall keep records of financial transactions and work hand-in-hand with the treasurer in keeping financial records. he/she shall present periodic/annual financial statements to be the Executive committee, General meetings, LGPMC and SPMU.

(7) PUBLIC RELATION OFFICER (PRO)

The PRO shall promote the image of the committee through personal contacts as well as through the print and electronic media. He/she shall cultivate and disseminate information relating to the activities of the committee and community to the public.

(8) AUDITOR

The Auditor shall ensure that the process of fund allocation and returns are followed according to law. They shall inspect all account books and ensure probity and accountability.

ARTICLE III

MEETINGS

- (1) General meeting of the CRFMC shall held on quarterly basis. There shall also be an annual general meeting of the CRFMC, annual reports shall be presented by the CRFMC at such meeting.
- (2) Emergency meetings may be summoned by the chairman or secretary on request by no fewer than two third of the entire membership of the CRFMC or at any time by a majority decision of the Executive committee.
- (3) The Executive committee shall hold as often as may be considered necessary but not less than once in two months.

- (4) Notice of meeting: except in the case of emergency meetings, every meeting shall be preceded by one (1) weeks' notice sent out by the secretary as directed by the chairman or by a resolution passed by 2/3 of the members. The notice of meeting shall be accompanied by a draft agenda. Every officer who is unable to attend meeting must send an apology in advance with his/her comments on each item on the proposed agenda.
- (5) Quorum: the quorum all meetings, General and Executive committee shall be two thirds of the total membership.

ARTICLE IV

STANDING COMMITTEES

- (a) There shall be the following statutory standing committees
1. Finance
 2. Procurement
 3. Grievance Redress Mechanism
 4. Operation and Maintenance
 5. M&E
- (b) Specific terms of reference shall be drawn for each committee by the Management committee. The standing committee shall be responsible for collecting materials and data in their respective committees. The standing committee shall meet whenever necessary and report to the CIG/ CDA.

- (c) Any standing committee shall not constitute more than five members
- (d) The standing committees are empowered to co-opt non-member of the committee for a specific purpose or task.
Such co-opted non-members are temporary status only.
- (e) Every standing committee shall have a committee chairman and secretary. In the absence of the chairman at any meeting, the members shall elect from among themselves as chairman for the duration of the meeting.
- (f) Ad-Hoc committee may be set up by the management committee to deal with special issues as they arise. Such committee shall have terms of reference and shall report as specific in (Article V) above.

ARTICLE V

ELECTION OF OFFICERS

The procedure and Qualification for Election shall be in accordance with the provision of the bye-laws and standing orders of the CRFMC, that is:

- (i) The CRFMC Executive shall stand dissolved on the day its term expires.
- (ii) The CRFMC Executives committee shall be elected not more than two weeks before the Expiration of the term of the outgoing Executive committee.

- (iii) The two weeks between the election of the new officers and the expiration of the term of the outgoing ones shall be spent as a transition period during which every office holder shall brief his/her incoming counterpart on the activities of that particular officer. A brief hand over note, describing completed and ongoing activities, list and condition of capital and recurrent materials, shall be prepared by each office holder and handed over to the successor to that office. Both outgoing and incoming officers shall sign the hand over note on the day of inauguration.
- (v) Where the CRFMC is newly elected and provide that the old executive members have not been re-elected, the incoming Executive committee shall include at least three members of the outgoing executive committee who shall be elected by CRFMC as ex-officio members of the Executive committee.
- (vi) Election of the new officers shall take place at the general meeting of the CRFMC specifically convened for that purpose.
- (vii) The date of the election shall be advertised to the whole community NOT less than one week before the election using all means of public announcement normally employed in the community.
- (viii) Any interested in being elected to a particular office shall formally inform the CRFMC in writing through the AD-hoc electoral committee of the CRFMC the reason for wanting to serve. this notice shall reach

the electoral committee not less than 3 days before the election date. The electoral committee shall publicly inform the community members of the interest declared before voting.

- (ix) The letter submitted by a candidate to the electoral committee indicating a desire to contest a position on the executive committee, shall declare any potential conflicts of interest.
- (x) No one shall be elected in absentia unless the individual declare interest earlier and reported his/her absence to the electoral committee.
- (xi) The Electoral committee shall be responsible for arranging and conducting the election and the result shall be announced to the hearing of all community members present at the meeting. Every officer elected shall publicly accept the offer and give a commitment to serve.
- (xii) Where the election take place, candidate shall be nominated and seconded before they are included in the ballot.
- (xiii) On the day of the term of the outgoing Executive committee expires, the community shall convene a meeting of the outgoing and incoming officers and, in the presence of the community, inaugurate the new CRFMC Executive committee.

ARTICLE VI

FINANCE

(j) Procurement of CRFMC finances and working capital sources of fund for the committee shall be from

(a) IDA Fund for the implementation of Project Under revolving Fund

(b) Community contribution (Cash and /Or kind)

(c) Use fees (if applicable)

(ii) DISBURSEMENT

(a) An operating cost not more than N50,000 shall be approved by the CRFMC Chairman for the running of the secretariat,

(b) All expenditure shall be approved by the CRFMC chairman in line with approved budget.

Extra- budgetary decision shall be approved by the community on the recommendation of the executive committee.

(c) All expenditure undertaken by the CRFMC will be submitted to the community in written form on the quarterly and annual basis.

(d) Each CRFMC shall operate a Bank Account with the Chairman, Secretary, Financial Secretary and Treasurer as Signatories.

(e) Two out of the Four signatories including Chairman are required to qualified as a legitimate 'draw' on CRFMC funds. In the absence of these signatories, no fund can be drawn.

(III) SANCTIONS

In the event of the CRFMC defaulting on a particular activity listed in the Plan, disbursement for other activities in the Business Plan will be stopped. This is to ensure the use of community pressure to resolve the default.

ARTICLE VII

SPECIAL CLAUSES

The income and properties of CRFMC, however derived, shall be applied towards community development and the promotion of the aims and objectives of that CRF plan as ratified by the LGPMC as approved by the SPMU.

Nothing herein shall prevent the payment, in good faith of reasonable and proper remuneration, to any officer or servant of the committee in return for any services actually rendered to the committee. no member of the committee shall be appointed to any salaries office and the committee shall give no remuneration or other benefit in money to any member of such committee except repayment of receipted out of pocket expenses.

(ii) DISSOLUTION OF THE CRFMC

In the event of dissolution of CRFMC here remain after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the committee but shall be given or transferred to the community which shall decide on the disposal as such.

(iii) AMENDMENT OF CONSTITUTION

The SPMU shall act as facilitator for the constitution amending process. Amendment to any clauses of this constitution can only be valid if it receives the votes of two thirds of all registered CRFMCs in the state and is ratified by each community. A proposed amendment must be circulated to all registered CRFMCs two months before they vote on it. Comments on the proposed amendment shall reach the SPMU Coordinator not later than two weeks before the v

ARTICLE IIX

Explanatory Note: As applicable

Appendix

SOCIO ECONOMIC PROFILE OF COMMUNITY

1. List Name(s) of all Communities > people in LGA

2. Population (No. of household, average size of house hold) this should be disaggregated into Males, Females and further vulnerable, widows, orphans, IDPs Marginalized Groups etc

3. FACILITIES

- Health - Hospital (Govt/private)

Health Centre

Dispensary

Other (Traditional)

- Education Primary & secondary school etc

- Portable water sources

River/Stream

Tube well

Boreholes

Cement Well

- Road Track/ patch

Feeder Road

Tarred

- Market (facilities, Accessibility etc)

Electricity

(4) ECONOMIC CHARACTERISTIC

- Land use pattern
- Forest cover (No of tree cover, protected area, forest reserve, community forest reserve, grazing reserve, sacred groves etc and their status)
- Agriculture (disaggregated into rain-fed and irrigation farming, crop types, average land holding per family, per crop type, etc)
- Livestock rearing (Type of animal per family, availability of veterinary services, production of milk, beef, eggs etc)
- Irrigation/ grazers
- Fishing
- Agro Forestry
- Cottage Industry
- Household energy source: Charcoal, Firewood (Fuel wood) kerosene etc

(6) INSTITUTIONS

- Traditional
- CBO's/ NGO's
- Religions

- Cooperative
- CDA/CIGs

(7) ENVIRONMENTAL ISSUES

- Soil Erosion problems
- Flooding
- Desertification
- Deforestation Magnitude
- Sanitation

(8) Where possible Map of LGA reflecting Communities etc

(9) History of community cooperation/action (type of activity, funding sources etc)

GUIDES

DEMOGRAPHY

(a) Number of Households:

(b) Total population Male, Female, Children, Total

(c) Demography by ethnic/linguistic groups

Group 1 #households

Group 2 #Households

Group 3

Households

Demography by profession:

- | | |
|--------------------------------------|-----------------|
| (a) Predominantly farming: | # of Households |
| (b) predominantly livestock rearing: | # of Households |
| (c) predominantly Fishing | # of Households |
| (d) predominantly Hunting: | # of Households |
| (e) Artisans and craftsmen/women | #of Households |
| (f) Other significant livelihood | # of Households |

TOPOGRAPHICAL DATA

- | | |
|---|----|
| (a) Total area of the community land : | Ha |
| (b) Area under cultivation and Present: | Ha |
| (c) Area under irrigation | Ha |
| (d) Reserved Grazing Land | Ha |
| (e) Active Oasis | Ha |
| (f) Non-Active Oasis | Ha |
| (g) Area Covered by Sand dune | Ha |

(h) Woodlot	Ha
(i) Community Forest	Ha
(j) Shelter belt	Ha
(k) Micro watershed	Ha
(l) Wetland	Ha
(m) Maximum slope	%
(n) Minimum Slope	%

III. Capacity building and strengthening group norms of CIGs

- ❖ Having identified the various groups, targeted activities will be conducted to strengthen group norms. Working on group norms will entail training participating on a set of five core group principles - regular meetings, regular savings, inter-loaning, timely repayment, and recordkeeping.

- ❖ While following the core principles, the groups will also receive training focusing on key life skills, including business management, financial literacy, book keeping, group management, leadership, decision-making, communication, and negotiation etc.

- ❖ Furthermore, dialogue sessions will be conducted to identify the additional challenges facing existing women farmer/producer groups such as subsistence-focused mindset, restrictive local gender norms, intrahousehold pressures, or lack of adequate extension services—and additional training sessions or interventions will be piloted to address these constraints
- ❖ CIGs will be trained on gender-based violence (GBV) to raise awareness among project beneficiaries. NGOs hired to provide trainings and facilitate dialogue sessions must also adopt an anti-sexual harassment policy code of conduct to mitigate sexual harassment or abuse risk.

IV. Grading and registration of CIGs

The Registration of Community Interest Group is the responsibility of the Groups to register with LGA or State.

While the grading is the responsibility of the ACREsAL Local Government Desk Office and Ratified by the SPMU. The groups will be assessed and graded based on the following criteria;

- (a) Located within the community with magnitude of Agro-climatic vulnerability (Desertification and Land Degradation);
- (b) Must Have a legally reorganized Community Development Association or Traditional Institution;
- (c) Must Be willing to Establish Community Revolving Fund Management committee that will have a full responsibilities of formulating CRF Loan application plan and implementing/Managing the CRF loan Plan;
- (d) Must be in an LGA that established Local government project management Committee (LGPMC);

Groups those pass the assessment will graduate to become the ACREsAL groups and will be eligible for support under the project. The grading and registration form (Appendix....)

V. Formation and capacity building of Community level CRF Management Committee

The formation of CRF management committee will be through electoral process committee set of by the community to elect the Executive member through voting process by the community /group member. This has to be done in the presence of SPMU, LGPMC officials and other CBOs/FBOs and NGOs etc.

CRF Management Committees consisting of 8 members democratically elected/ selected by the community/ group members and most be socially inclusive by having at least 3 women representatives for the management of each ACRESAL supported Group. The position are as follows:

1. Chairman
2. Vice Chairman
3. Secretary
4. Assistant Secretary
5. Treasurer
6. Financial secretary
7. Auditor
8. Public Relation Officer (PRO)

The SPMU will Build the Capacity of the Community level CRF management committees directly or by engaging the services of consultant to do the work, then the SPMU with Assistant from Focal MDAs and LGPMC will Monitor the activity. This will be done immediately after the approval/ NOB for the CRF loan Plan for implementation. The types of the training that the management committee needs are, What ACREsAL Climate-smart Agriculture/Community revolving Fund is all about, An overview of ACREsAL Implementation CDD Arrangement, Roles and responsibilities of CRFMC, Financial Management, Community Procurement and contracting procedure, Mainstreaming Gender and Vulnerable Group in development Programs and management of Gender Base Violence, Environmental and social safeguard issues, Monitoring and Evaluation process, Social Risk Management and Grievance Redress Mechanism, Report writing and Maintenance and Sustainability of the Project.

IX. Climate sensitive market assessment and preparation of investment menu

- ❖ Preparation of business plans and loan applications by CIGs In parallel of the above activities, with group norm work and training of groups, a climate sensitive market assessment will be carried out in the implementing counties to inform a menu of viable climate smart agriculture investment options taking into consideration climate risks in the target areas, climate smart rainfed agriculture investment approaches that have been Implemented, and potential opportunities to strengthen farmer/producer groups' resilience to climate shocks. The market assessment will also identify specific climate smart agriculture investment options that are feasible for women and marginalized/vulnerable groups. The scale of the investment and budget range will be included in the menu.

- ❖ The market assessment will also assess water and soil conservation approaches - Crop rotation (particularly with leguminous plants such as cowpeas and groundnuts, soil cover, green manure); and Harvest Plus Drought Resistant biofortified Varieties (Sorghum, Maize, Millet, Cowpea). The development of the menu of activities under this component will include consultations with the farmer/producer groups/agro-processors including with women led or dominant groups.

- ❖ Once the menus for investments specific to climate smart rainfed crops are consulted and agreed upon with the farmer/producer groups, technical support will be provided for each group to select their business activities and develop a plan for implementation. The preparation of business plans will involve a social, environmental, and climate risk review process.

- ❖ This market assessment will help in identifying and developing market opportunities through mapping and assessment of potential off-takers and developing a market information system for major climate smart rainfed crops being produced in the communities. This will also help in performing value chain analyses to identify and assess major constraints to be addressed (e.g. quality, affordability, availability of improved inputs, technologies and techniques, standards and grading, packaging, storage, transportation, pricing), and negotiating technical and commercial partnerships with off-takers and suppliers.

X. **Appraisal and approval of business plans**

Appraisal and approval of Business plan (with set criteria). The LGPMC review Committee would undertake a preliminary review of the plan to ensure that they are in the conformity with Climate -Smart Agriculture/ Community Revolving Fund objectives of ACREsAL project and LGA plans that LGA will commit to provide complementary support services to developed CRF Loan Application plan. Appraisal will entail the following:

- a. Desk appraisal: This is a Sole Responsibility of LGPMC. The purpose of the desk appraisal is first to determine whether all relevant information requested has been provided and recommendation is made for funding. However, if the desk review finds lapses, the application is returned to the CRFMC for corrections.

And after a proper correction then Local Government Project Management Committee will review and Recommend to SPMU for Approval and funding. The relevant information/Document needed from the CRFMC submit to LGDO are:

- (1) 2 copies of letter of submission of CRF loan application
- (2) 2 Copies of Constitution executive bye-law
- (3) Eligibility Screening form
- (4) 2 copies of CRF investment plan application
- (5) CRFMC registration Certification with LGA or State.

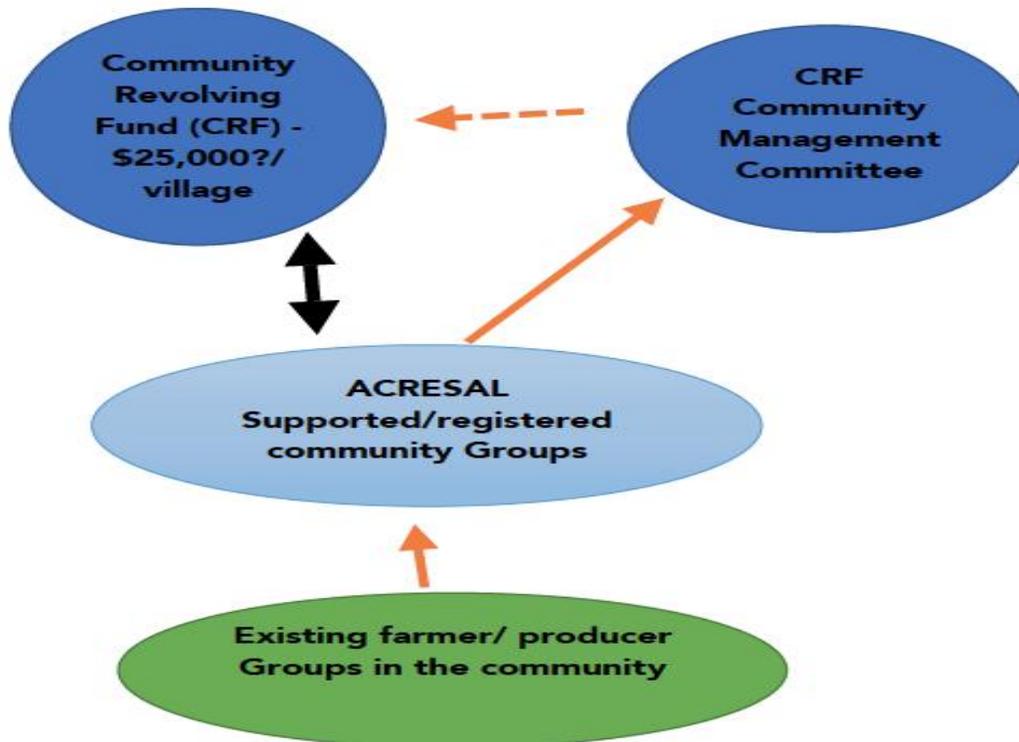
- (6) 2 copies of business plan with minute of meeting was approved by the group members and attached their attendance and signed.
- (7) 2 copies of minute of meeting for the election of CRFMC Executive committee and endorse by the SPMU, LGPMC officials, Chairman Election committee and Chairman Board of Trustee community revolving Fund.
- (8) List of all Eligible members CRF and endorse by the Community Revolving fund board of trustee.
- (9) Evidence of CRFMC Bank Account with evidence of group contribution (amount of money)
- (10) List of items of Group in-kind contribution (where there is labour the Group have to state the kind of labour and list of the members that contribute to do the work, and also estimated cost of that Labour)
- (11) Consent form for voluntarily land donation (where necessary)
- (12) Environment and social screening form

b. Field Appraisal: Upon completion of the desk appraisal and having satisfied the requirements, field appraisal of the CRF loan Application Plan would immediately be undertaken by the SPMU Multi-Disciplinary Implementation Teams and desk officers of the line MDAs. provide a comprehensive and technical Field appraisal report, then management Technical Review will be conducted by the SPMU. The *Approval* of CRF Loan Application/ Plan will be conducted by the SPMU.

XI. Setting up of CRF and signing of MoU

The CRF will support community/farmer groups to undertake climate-smart agriculture related investment activities. The CRF would support ACRESAL registered community/farmer groups in approximately 3200 communities in target watersheds. This brief note provides an overview of the CRF and how it could be used in ACRESAL as an alternative to the matching grants.

- ❖ The CRF is a village level fund to support community/farmer groups to undertake investments specific to the climate-smart rainfed crops intervention. The community/farmer groups will prepare investment/business plans and apply for loans from the CRF. Each target village could be eligible for a CRF of \$25,000. This will allow easy and sustainable financing to ACRESAL supported and registered community/farmer group at the community level. The CRF is not a grant but rather an investment fund for the village that can revolve



and grow over time.

Figure: Community Revolving Fund at the Community level

The community revolving fund approach would be used especially for supporting farmer/community groups to undertake investments related to the climate-smart rainfed crops.

XII. Disbursement of loans to CIGs

The disbursement of loans to community interest groups (CIGs) is the responsibility the **ACReSAL SPMU** if the community/ Group cooperatives meets the ACReSAL climate smart Agriculture/ Community revolving Fund program requirement as stipulated Below:

- Approved Loan Application (After meeting all the necessary steps involves as stated before the final approval)
- Financing Agreement (Appendix....) which essentially constitutes the memorandum of understanding (MOU) with represent the contract between the ACReSAL SPMU, LGPMC, community and Beneficiaries (CRFMC).
 - The agreement will specify the following
- Estimated amount that the SPMU has agreed to Contribute from IDA;
- Agreement with community to carry out the CRF accordance with ACRESAL procurement management and financial requirement;
- Agreement with the community to Utilize the CRF for investment specific to climate-smart agriculture;
- SPMU right to suspend or terminate the use of funds allocated to the project in case of negligence and mismanagement;
- SPMU right to inspect the site, work, materials and relevant records and documents;
- SPMU Right to Review, where possible, Gender Mainstreaming, Gender Base Violence Issues, whether environmental impacts have been assessed, whether ESIA has been has been carried out where necessary and assess the adequacy of mitigation measures proposed before funds are released.
- 5% Profit sharing (3% to the main group while 2% to smaller group)

Disbursement

- If the ACRESAL group/cooperatives meets program requirement as stipulated in the eligibility criteria, then the following will be

observed:

- A cooperative must be registered with either State or Local government
- In collaboration with the ACRESAL team, the Local Government technical Committee will support registration of Cooperatives
- The financial services provider will open loan and re-payment accounts+ for the beneficiaries
- To sign MoU between ACRESAL and beneficiaries' indication all necessary conditions and beneficiaries must read, understand and sign the MoU before disbursement.
- To give loans in tranches to monitor the performance of cooperative's before next disbursement

Utilization of the CRF for investment specific to climate-smart agriculture

- Once the CRF account is opened and all ACRESAL community groups have accounts in the same bank, the local government can transfer money to the CRF account.
- CRFMC executives shall fill & sign the CRF acknowledgment form and attach a bank statement, keep a copy in their file, another at the local government for clearance by audit & the CRF will be considered fully accounted for.
- CRFMCs shall start to prepare to receive community investment loan applications
- All ACRESAL community groups shall review their investment plans to ensure the businesses selected to meet the following criteria:
 - Are quick maturing and can generate profit/income to repay the loan
 - Are viable (return on investment/profitability analysis)
 - Can be implemented by the group members
 - The ability of the investment plan to be properly financed with available resources if not the ACRESAL community groups must demonstrate the capability to access additional required funds
- The project may pilot digital management of the CRFs including the financial accounts.

Access to the CRF by ACRESAL Community Groups

ACRESAL community groups would access the first round of CRF loans by undertaking the following steps:

- Submit investment plan and Loan application to CRFMC after approved and signed by all community group members.
- CRFMCs will review all group investment plans and loan applications with the LGPMC and community level implementation support team: they can either:
 - a) Approve Loan application – when all requirements are met
 - b) Defer Loan application- for correction/improvement
 - c) Reject Loan application- Where the investment chosen does not make sense, is non-constructive or non-productive.

In instances where the committee recommends actions b & c, the ACReSAL registered community group would be guided to review the investment plan and re-submit the loan application.

Determination of processing/administrative fee

- a) Interest rates for borrowing from the CRF shall be determined through consultative meetings with farmer/producer group members. (i.e profit sharing)
- b) The rates should be fair, affordable, non-prohibitive and beneficial to both the CRF and farmer/producer groups but also not too low for the money to grow.
- c) This should be determined for the entire duration of the loan rather than monthly
- d) Loan durations should be determined according to duration of maturity of investment.

What measures will the project take to ensure repayment on loans are on time?

- Establishment of Community Trustee which include among others, Community, Religious and women leaders.
- Development of consent form to enable PIU to access/verify the Bank Account of groups
- Public Disclosure
- Assign of an Officer with a responsibility of frequent monitoring and supervision of the CRF

Community rewards

XIII. Mentoring and support to CIGs for the implementation of business plans

- ❖ Support will also be provided to each group to support the implementation of their plans and scale up activities. Such support may include creating linkages with producers or commodity processors and relevant wholesalers and retailers.
- ❖ The business development and mentoring support for the various groups will also focus on promoting digital technologies and innovations to improve community level business activities, access to finance, and drive local entrepreneurship.
- ❖ The mentoring and support will involve providing support in planning production activities, managing logistics and organizing delivery to up-takers. It will also involve setting up and ensuring quality accounting financial management systems for the farmer groups.
- ❖ The project will also establish partnerships with the private sector to support farmer/producer groups to implement the investment plans as needed.

- ❖ Additionally, mapping of similar programs of other donors will be completed to provide potential opportunities and networks for farmer/producer groups.

XIV. Establish linkages with service providers and markets

- ❖ The market assessment will help in identifying and developing market opportunities through mapping and assessment of potential off-takers and developing a market information system for major climate smart rainfed crops being produced in the communities.
- ❖ This will also help in performing value chain analyses to identify and assess major constraints to be addressed (e.g. quality, affordability, availability of improved inputs, technologies and techniques, standards and grading, packaging, storage, transportation, pricing), and negotiating technical and commercial partnerships with off-takers and suppliers.
- ❖ For sustainability and accountability, the sub-component will establish linkages with financial service providers to support the disbursement and tracking of loans to CIGs.
- ❖ To support sustainability, linkages will be established with agriculture supplies companies to improve value chains and to have access to other services.

Chapter 6: Technical assistance and partnerships

Robust implementation and technical support to communities through SPMU, MDAs, and LGPMCs

- ❖ *State Project Management Unit (SPMU)* (with Focal Officers) will be responsible for the overall supervisory activities of the Project at the State level.
 - ✓ The SPMU headed by the State Project Coordinator will provide support in terms of Building Capacity of the CRFMC on how to formulate work/Business Plan, Community Procurement, Financial Management and book-keeping, Environmental and Social Management plan, GRM, GBV, Desk and field appraisal the management technical review and approval of the Business plan submitted by the CRF Farmer/Producers Groups.
 - ✓ Prepare and submit monitoring/implementation reports to FPMU
 - ✓ Make recommendations to the Federal Project Management Unit (FPMU) for inclusion into Annual Work Plans and Budgets and No Objection of plans by the World Bank.
 - ✓ Ensure a decentralised MIS down to the community level.
 - ✓ Work with the LGPMC to ensure a successful and hitch free delivery mechanism of the CRF resource to the community.
 - ✓ Facilitate engagements with external/technical partners, public-private partners such as Microfinance Banks and financial institutions

- ❖ While LGPMCs participate in community sensitization, Participatory Rural Appraisal (PRA) and assisting communities during the Watershed Community-level Plans (WCPs) formulation;
 - ✓ Technical back-stopping for project implementation;
 - ✓ Consolidate community requirements or Business plan review and submit recommendations to the SPMU;
 - ✓ Participate in routine monitoring activities;

- ✓ Support the implementation of environmental and social safeguards (including GBV management, GRM, security management, social cohesion and inclusiveness);
 - ✓ Supervise the works conducted by the community;
 - ✓ Participate in PIU organised, technical and field appraisals;
 - ✓ Participation in missions;
 - ✓ Fulfil reporting responsibilities towards the SPMU.
- ❖ The community investments specific to climate smart agriculture /CRF will support engagement of technical assistance partner, community business agents, and a public-private partnership arrangements for collaboration to support community level investment activities.
- ❖ The Technical Assistance/Capacity-building Partners (TAP) will provide rigorous training and support to CBAs throughout project implementation to provide investment development support to beneficiaries on a sustainable basis.
- ✓ TAPs will also be mandated to hold trainings in safe and accessible locations and adopt an anti-sexual harassment code of conduct.
 - ✓ The TAP will support market assessment, investment menu preparation, capacity building, planning, investment plan development, establishing a CRF mechanism, and providing implementation and technical support.
-
- ✓ The TAP will support establishment of partnerships with Microfinance Banks (MFBs) and other Financial Institutions to provide additional financing to successful groups to expand investment activities.
 - ✓ It will also enable collaboration with private sector to develop input and output market linkages and promote value addition and value chain development support.

- ❖ Community business agents (CBAs), whose capacity will be initially built by the project, will support the social mobilization and participatory processes to identify farmer/producer groups,
 - ✓ provide support in the investment selection process,
 - ✓ work with the TAP to support the investment plan preparation process,
 - ✓ collect data on each of the groups and their investment activity,
 - ✓ prepare monthly performance reports and submit same to LGPMCs ,
- ✓ and provide handholding and follow up support to community-level investment activities.

i. Partnership with private sector, financial institutions and other development partners and NGOs

- ❖ In the aftermath of COVID-19, moving to a transformative LED approach will require the sub-component to work with a far broader array of stakeholders than for traditional interventions, for example, digital enterprises, which expand access to finance and create new economic opportunities; private sector actors, through public-private partnerships and investments; social enterprises, which make last-mile service delivery more efficient; and financial institutions, which help channel finance for development.
- ❖ Linkage with up-takers.

Chapter 7: Use of Digital technologies and innovations

To support effective information management and track of activities, it is necessary to have a central Management Information system (portal) to manage the entire project management from enrolment, registration of beneficiaries, to disbursement and cash out. The MIS will remain the property of ACRESAL but will have link with Bank database below are the proposed futures of the portal for the implementation of CRF using MIS system:

- The MIS will be design to support and manage beneficiaries from all participating State FPMU to coordinate the engage a Financial Service Provider to manage the disbursement components while approval level start from state and the final approval end at National level
- The system will have different user levels; Levels 1-6. These levels will serve as different visualization, approval and or security levels. Below are their proposed roles;
 - i. Level1: This level will grant assess for an interactive visualization but without the privilege of modifying or making changes to the dataset. This level1 will mainly be for Government stakeholders, staff of the SPMU/FPMU who do not have assess and privileges of other levels, other partners and visitors to the portal;
 - ii. Level2: Users at this level will have access to create, and edit/modify beneficiary details on the portal. This level2, will mainly be for the Natural Resources/Social and Livelihood Officers or any other officer(s) assigned with the role of data gathering. After approval of the modified changes, by the Natural Resources Officer, he/she can create payment schedule for the beneficiary;
 - iii. Level3: To approve modifications made and the payment created. This is for natural Resources Specialist (NRS) at FPMU. There should be a layer here after the approval of the NRS_FPMU where the State Project Accountants would vet/confirm that necessary documents and the payments created are in order;
 - iv. Leve4: To approve payment creation for potential beneficiaries who meet the requirement. This is for State Project Coordinators (SPCs);
 - v. Level 5: To approve disbursement – After the FPMU CRF Desk officer cross check and confirm the SPMU let will then be forwarded to the National Project Coordinator (NPC);
 - vi. Level6: The designated Bank will now disburse after the approval by National Project Coordinator where beneficiaries can assess/ cash-out their money.

Other features that the portal would have will include, but not limited to:

- Beneficiary registration Application using off/online registration;
- The app should have edit/modify option;
- All users must be registered with their designation and access level and privilege given to the level;
- The system will be able to identify who, what and when each modification is made

Reporting:

- Loan Repayment Module to effectively manage loan recoveries;
- Module for GRM;
- Like every other portal and considering the continuously evolving nature of technology, the portal will be interoperable and open to a seamless upgrade.

The CRF Desk officers in collaboration with GIS/MIS should be able to provide the hardcopy and visual representation of the following report:

- List of Community Interest group and a visual representation of their locations;
- List of beneficiaries by State/Community including an interactive visualization of the beneficiary distribution within the catchments;
- Categories of small-scale businesses registered by Beneficiaries;
- Loan repayment report;
- Cash out report;
- Disbursement report;
- Community Opening, Field workers can only work in a Community Opened by Natural Resources Specialist

Above all there is need for a Standard Operations Procedure for all stages of implementing across the SPMUs activities to ensure uniformity.

RESPONSIBILITY MATRIX FOR THE DIGITIZATION OF CRF: The responsible parties are FPMU, SPMU, Consultants and Commercial Bank

S/N	ACTIVITY	RESPONSIBILITIES
1.	Design of MIS to manage beneficiary registration and other complementary activities (beneficiary geodatabase creation)	FPMU /SPMU to engage consultants for the design of robust GIS/MIS that will manage the entire operation of the program activities.
2.	Financial Inclusion Services	<ul style="list-style-type: none"> To select one bank that will support the implementation of the program in the entire States, the Bank will link registered beneficiaries on the CRF Portal with bank portal to ensure inter-operability To support Account opening on CRF portal To support disbursement of fund to individual accounts
3.	Creating and deleting of Users	FPMU/SPUM to create users and assign access levels. Reasons for deleting any user(s) would be provided. Data of the deleted user will remain in the trash until approval for permanent deleting is granted by the World bank
4.	Xx	xx
5.	Account opening for beneficiaries on CRF portal	State Team to register beneficiaries while bank upload the beneficiaries details to their portal but all report of transaction can be generated on CRF portal
6.	Assigning of field officers for registration	<ul style="list-style-type: none"> To restrict who have access to beneficiary registration, before field officer go for registration, he must be registered in the portal with an access level, The CRF Desk Officer is to assign each community with an appropriate number of field officers/registration Officers SPC is to approve
7.	Generation of beneficiary list for Payment	<ul style="list-style-type: none"> CRF Desk officer to generate list of beneficiaries per State while Livelihood officer to verify and the Geospatial Information officer (GIS officer) is to confirm spatial distribution of beneficiaries SPC is to create payment for the Beneficiaries Natural Resources Specialist from FPMU is to collate beneficiaries from State and submit to NPC NPC is to approve or disapprove the beneficiaries submitted SPC to release funds to the designated Bank Bank to credit individual account Bank to provide platform for beneficiary cash-out

Chapter 8: Monitoring and evaluation

Monitoring and Evaluation (M&E) represents a core component of project implementation and comprises the tracking of project activities, progress, impacts and results to ensure effective achievement and sustainability of the Project Development Objective (PDO). This section of the handbook details the theory of change-based conceptual framework for the M&E approach, key component activities to be tracked, and an overview of the planned impact evaluation.

The CRF M&E system will support results-based and adaptive management to guide project implementation and compare and verify results, serve as a mechanism for periodic assessment of project performance, provide a learning platform and feedback loop for project stakeholders to strengthen their contributions, and engage the public in supporting and contributing to the goals of the project.

The CRF activities will employ a strong technology-based M&E system, leveraging remote group monitoring, regular and customized e-reports, and possibly even the development of a component mobile app to facilitate monitoring, adaptive management, and communications.

Community Revolving Fund Theory of Change

The M&E system is designed to track program activities and progress at key points throughout the CRF implementation. Theory of Change is to ensure that the planning, management and evaluation of CRF is working as intended and to guide effective feedback loops within the component implementation.

Figure 1 provides an overview of the Theory of Change underpinning the CRF. The Figure details the (1) existing conditions in micro-watershed communities that led to the design of the CRF, (2) the key program activities, (3) the anticipated outputs, and (4) the short-term, intermediate, and final outcomes that are expected to result from the CRF activities.

Existing Conditions. As detailed in other sections of the Handbook, the CRF aims to address several key binding constraints that prevent individuals and groups in micro-watershed communities from investing in climate-smart rainfed agricultural activities. These constraints include limited existing access to finance to support investments, weak group cohesion and technical skills preventing effective group lending schemes, and restrictive norms that preclude inclusive access to investment opportunities and financing.

Program Activities. The CRF includes complementary program activities designed to address the array of potentially binding constraints that individuals and groups face to investing in CSRA activities. Key program activities include (1) identification of CRF-eligible groups, including sufficient vulnerable populations; (2) group dynamics, business skills, and life skills training for CRF-eligible groups; (3) establishing CRFs in selected micro-watershed communities comprised of several community interest groups; (4) formation and training of CRF management committees; (5) establishing flow-of-funds agreements between the CRFMC, SPMU, and LGAs; (6) seeding CRFs with USD25,000 for initial

lending; (7) loans disbursed to approved investment plans; and (8) loans repaid in accordance with group bylaws. (9) Identification/recruitment and training of Community Facilitators/Community Business Agents

Outputs. The key outputs from these program activities are: (1) CRFs formed that comprise trained community interest groups and which are led by trained CRF management committees; (2) loans issued to CRF community interest groups in support of CSRA activities; and (3) women and other vulnerable groups access funds through the CRFs. Several assumptions underpin the transition from program activities to program outputs, these include CRF-eligible interest groups attending trainings that provide helpful content that will improve group dynamics to lay the foundation for the CRF. Similarly, the CRF management committee trainings need to be well attended and provide all the skills necessary for the operation of the CRF.

Short-term Outcomes. The short-term outcomes of the project include increased investment in CSRA activities and improved access to input and output markets. These outcomes are slightly removed from the direct control of the project and are predicated on the program activities easing the direct binding constraints to investment among program participants. Specifically, these outcomes assume that funding recipients use the funding to invest in CSRA activities and that there are no additional barriers to investment, such as limited access to land, equipment, or time or broader norms constraints.

Intermediate Outcomes. The theory of change indicates that the short-term investment increases, will subsequently yield increased productivity and profit among funding recipients with a resulting increase in marketable agricultural output. Additionally, the repeated lending and repayment of the CRF portfolio balance is expected to increase the CRF portfolio balance through the administrative fees that accompany each loan, under the assumption that the combination of repayments and fees will exceed loan defaults. The Theory of Change expects that the increased CRF balances will facilitate the enrollment of additional community interest groups into the CRF. Booster trainings may be necessary for new groups entering the CRF and/or new management committee members.

Final Outcomes. The increased productivity and profits are expected to subsequently yield increased income at the household level which increases household welfare and food security. Additionally, the increased adoption of CSRA practices is expected to increase household resilience.

The Scope of the M&E system:

The planned M&E activities are designed to trace program activities through the theory of change, with (1) technology-based solutions facilitating rapid CRF implementation diagnostics to inform project feedback loops (2) performance indicators to provide regular management information for decision making and (3) participatory M&E systems gathering local information on institutional performance.

Digital technology-based M&E system

The digital-technology solution described in Section 5 will be critical and underpin the planned M&E activities. The technology solution will collect:

Targeting and identification data:

- Community investment group registration data including members' basic demographic information such as age, sex, and education, with a unique identifier for each individual and each group (National Identification Number/ phone number).

Community business agents' including unique identifier (National Identification Number/ phone number), demographic information such as age, sex, education, and knowledge of computer application, and running business

Intervention activities and outputs:

- Business investment plan funding application data including links to the group identifier and planned distribution of the funds across individuals in the group and categories of investment.
- Business investment plan funding screening scores by various appraisal committees (LGA and SPMU)
- Business investment plan funding approval/rejection decision data
- Business investment plan funding distribution data
- Business investment plan funding repayment data
- Attendance data on trainings of community business agents, community groups and CRFMC members.

These data will be updated in real time where possible or alternatively – monthly – and reported quarterly and annually.

Performance Indicators

As part of business analytics imbedded in the planned digital solution for the management of the CRF, several performance indicators will be collected and shared with LGA, state and national stakeholders on a regular basis. This will provide updates on the CRF implementation to the management and stakeholders of the program. Similarly, the key performance indicators will be critical for decision making on the project.

Targeting and identification:

- Number of communities with established CRFMCs
- Percentage of CRFMCs members who are women
- Number of community groups registered
- Percentage of community groups registered that are led by women
- No of Business Agent Recruited
- Percentage of Business Agents that are Women
- Hectares of land used for agriculture by CIGs
- Number of Community Based Organisation with increased capacity
- Percentage of Community Based Organisation with increased capacity

Intervention and outputs:

- Percentage of CRFMCs adopting digital technology for management of fund
- Number of business investment plans received and screened
- Percentage of business investment plans approved
- Percentage of approved business plans funded
- Percentage of approved business plans led by women
- Percentage of funded business plans led by women
- Percentage of funded community groups with 100% repayment after 1 year
- Number of community groups registered and still operational 1 -2years after receiving CRF
- Members of Community Interest Group with individual business as a result of the profit earned from CRF

Participatory M&E Systems

Participant report cards/surveys will be used to assess the performance of key field-level CRF implementation agencies. These surveys will be fielded annually and collect information and track trends from randomly selected CRF participants on the degree of satisfaction with the project-related services provided by various public service agencies including (i) the CRF management committee, (ii) participant trainings, and (iii) SPIU and LGA support services. These data will aim to:

- catalyze citizens to adopt pro-active stances to request better accountability, accessibility and responsiveness from project service providers, contractors, and implementing agencies;
- serve as a diagnostic tool for service providers, external consultants and analysts/researchers, to facilitate effective prognosis and therapy; and
- encourage public agencies in the project to adopt and promote citizen friendly practices, design performance standards and facilitate transparency in operations.

Care needs to be taken to ensure that citizen report cards/surveys are themselves produced with a degree of transparency that concurrently protects citizens' privacy to avoid potential retaliation against low scores.

M&E Responsibilities for CRF Implementation

S/N	Levels	Responsibilities	Frequency
1	LG facilitators	Training attendance record	
		Registration of community groups	
		Facilitate Business plan registration	
		Tracking of screening of business plans	
		Track CRF group-level performance indicators	
2	SPMUs	Facilitate M&E related activities on the project	
		Participate in M&E related activities/capacity building programs for communities	
		Facilitate impact evaluation studies	
3	FPMU	Provide report on project to relevant stakeholders (e.g. World Bank)	
		Facilitate impact evaluation studies and other multi-states study	

Impact Evaluation

The project will include a rigorous impact evaluation (IE) to assess the extent to which the CRF directly causes anticipated outcomes. Specifically, the project will include two IE studies: (i) a component-wide evaluation to measure the impacts of introducing the CRF on individuals and groups participating in the CRF and (ii) a nimble IE to measure the impact of alternative implementation arrangements to ensure the CRF works for women.

Component-wide impact evaluation

This study will measure the impact of the introduction of the community revolving fund on access to finance, investment, and agricultural production of farmer/community groups, formally testing the theory of change underpinning the project activities.

Specifically, the IE design will center on randomizing CRF-eligible communities into one of two groups: a group where communities receive the CRF as part of an initial-phase of the project (“treatment”) or a second group that will receive the CRF during a later phase of the program (“delayed treatment”). The IE would measure the impact of the CRF by comparing outcomes for individuals and groups in communities that received the CRF earlier against those scheduled to receive it later. Under some assumptions, the randomization of communities across the two groups ensures that we can use the delayed treatment group to represent the counterfactual of what would have happened to the treatment group in the absence of the program. This approach would allow us to track the impact of the program for as long as we delay the second rolling out the CRFs to the delayed treatment group.

Key impact indicators will be defined in conjunction with multi-sector management units, the FPMU, SPMUs, and relevant Federal and State Ministries in each state participating in the impact evaluation. Whenever possible, data on these indicators will be collected through the project’s M&E system. For this study, it will likely be necessary to collect complementary data through impact evaluation-specific surveys. This is due to the need to collect detailed information on household and individual-level indicators, which typically cannot be done through the standard M&E system. Furthermore, all data will be collected in both treatment areas that receives the intervention as well as control areas that do not.

Gender-sensitive nimble impact evaluation

Under this IE, the team will focus on studying the impact of innovative gender-focused programming to maximize the potential of the CRF for women. The team will work closely with the project management unit and other project stakeholders, through an initial impact evaluation workshop and regular consultations, in order to identify the potentially innovative interventions to pilot and evaluate. The precise final selection of innovations to be tested and the design of the impact evaluation studies will be determined during the initial phase of project implementation.

The study design for the nimble IE will center on randomizing CRF communities into one of two groups: a group where communities receive an innovative intervention designed to boost women’s access to CRF funding or a group where communities do not receive the innovative gender-focused intervention. The IE would measure the impact of the gender-focused intervention by comparing administrative loan disbursement and repayment records for groups in communities that received the intervention against equivalent administrative data for groups in communities that did not receive the intervention. Data for this impact evaluation will be collected through the project’s M&E system.

Impact evaluation data collection and responsibilities

Analysis for both studies will be carried out by impact evaluation experts from the World Bank. Any household or individual-level data collection will be contracted out to an organization/firm with extensive experience and local capacity in the administration of large-scale surveys. Both proposed studies are subject to funding as well as the feasibility of a suitable rigorous research design. A field coordinator will be contracted to supervise the field activities for data collection and implementation, and provide IE technical assistance to the SPMUs. The final IE designs will be reflected in key impact evaluation documents such as the IE concept note which will be subject to peer review.

Chapter 9: Procurement

- In the direct-financing model, funds for community projects will be disbursed to communities directly. As noted above, the community will be responsible for procuring materials, transport, and labor. Much of the procurement relating to community-identified projects is expected to be for contracts and materials below US\$50,000, and will therefore be carried out through direct purchase, local shopping and local bidding by the Procurement Sub-Committee. The threshold for various procurement methods are stated below: -----

THRESHOLDS FOR PROCUREMENT METHODS FOR COMMUNITY CONTRACTING

Table :

S/No	GOODS :	THRESHOLD
		=N=
1	Direct Purchase	Below 100,000.00
2	Local Shopping	100,000.00-1,000,000.00
3	Local Bidding	Above 1,000,000.00
	WORKS:	
1	Direct Contracting	Below 250,000.00
2	Local Shopping	250,000.00\ 1,500,000.00
3	Local Bidding	Above 1, 500,000.00
	CONSULTANCY SERVICES	
1	Individual consultant	Below 250,000.00

PROCUREMENT MATERIAL

All materials required for each micro watershed Plan are as detailed in the bill of quantities attached to the Financing Agreement. The thresholds for each method of procurement are as entrenched in the PIM. The following methods are allowable for purchasing materials:

(a) LOCAL BIDDING

The local bidding shall only be applicable to large value contracts of the equivalent value of above N250,000 and above for goods; and works (see sample format of advert in Appendix).

Below is a detailed step by step procedure for local bidding under ACRoSAL:

- Placing of a specific notice at a local or village level newspaper or notice board or any acceptable formal medium of information in the locality / community.
- A minimum of 14 days should be allowed for prospective bidders to prepare and submit bids at a date, time, and place where public bid opening shall be conducted. The time and place for bid submission shall be the same with the deadline/place for submission of bids.
- A record of the bid opening shall be properly kept and should contain the names of the bidders, prices read out and other transactions carried during the bid opening exercise.
- After the bid opening session, the bid opening committee or an appointed evaluation committee of not less than four members including the designated officer for procurement in the **CRFMC** shall evaluate the bids within 10 days and make recommendation for award of contract.

The bids shall be examined to determine whether they meet the minimum specifications provided in the bidding document (invitation to bid) with respect to experience, financial capacity, track record, delivery schedule, spare parts, ancillary services etc. such information shall be documented in a sample evaluation sheet (see sample format – Appendix)

- The bidder who meets the minimum requirements and offers the lowest price shall be recommended for award of contract.
- The recommended contractor / supplier shall be notified after approval of the recommendation by the approving authority (**CRFMC**).
- The contract shall be signed at least five days after the winner has been notified – (see sample contract for works and goods and services. Appendix).
- The contract must be executed in accordance with the specifications and provisions of the bidding document and contract form.

(b) Local Shopping. Most contracts for goods and supplies for community projects will be procured through local shopping (obtaining three quotations from reliable suppliers). All *proforma* invoices received as a response must be maintained in the community files. The award will usually be made to the supplier who provided the lowest quotation. When the award is not made to the supplier who provided the lowest quotation, clear reasons must be given. Furthermore, minutes of the CRFMC meeting where the decision was made to award the contract to one of three suppliers must be kept on file. This method may also be used for purchasing materials that communities cannot find within the standard price list. Refer to Appendix

(c) Direct Purchase. In order to get the best price possible for materials to be purchased, CRFMCs should check with more than one source; however, any supplier is acceptable so long as the price paid is at or below the standard price list effective at the time of purchase. The unit cost data for the price list will be generated by the MIS based on actual prices from micro-project expenditure reports as well as independent research. The price list will also be used by communities as a guide for procurement of materials/transport of materials, vehicles and equipment hire etc.

The financial records of all projects must clearly indicate the exact materials purchased. The community must balance carefully the need to buy materials in advance so as not to disrupt project implementation but also take in to account the need for proper storage for perishable items such as cement. Theft of materials is a common problem and must be noted when securing safe storage space to guarantee storage and safety of goods. A stock record keeping system (including designating persons responsible for stock management and record keeping of stocks in storage and transfers of project materials) should be implemented where materials are not kept on site, are stored for more than a day or two, or are allocated to a contractor. Refer to Appendix .

Procurement of Services

Labor. The needs for skilled labor will be estimated before the start of the project and included in the MoU. As with materials, SPMU/LGPMC will provide standard pay rates for labor and these scales should not be exceeded. This information will be updated in the Unit Cost database periodically. Communities may decide to (i) hire skilled labor for their project directly (ii) hire a contractor/foreman who in turn will hire the skilled labor or (iii)

provide labour themselves as part of their counterpart contribution and appropriate records should be maintained. Regardless of who is hiring the skilled labor, preference must be given first to residents of the project community.

Contractors: While it is expected that in most projects the community would hire construction foremen and skilled laborers themselves, if part or all of a project is beyond the capacity of the community to manage, a contractor may be contracted to manage the work. A community must advertise through local methods (e.g., town criers, community meetings, local newspapers (where applicable), advertisements hung in public places etc.) A community must hire a contractor only after receiving three bids and interviewing all potential candidates. Interviews must be conducted by the CRFMC together with village leaders and representatives. Local contractors should be hired whenever possible.

The community will purchase materials, while the contract with the contractor would cover labor, the contractor's fee, and specific services such as transport. The services to be provided by the contractor should be specified by the community and the breakdown of the cost for such services must be given by the contractor. However, this would not apply in some types of contract e.g. sinking of boreholes. The SPMU should provide communities with simple standard contracts for hiring skilled labor.

Transport: Communities would be fully responsible for determining cost of transportation for materials, based on prevailing rates, during their periodic monitoring should ensure there is no over-costing.

Administrative Expenses: It is expected that the community will incur various administrative expenses in carrying out the project (e.g., stationeries, travel, bank charges etc.) Reasonable administrative, travel and subsistence expenses for these purposes must be indicated in the Business/ investment plan budget and covered by the program.

Insurance: All assets once completed must be insured, where applicable, to cover such contingencies as fire, theft or acts of God. The treasurer must advise the community on appropriate policies and costs of comprehensive insurance to be taken. (It is estimated that in Nigeria it is possible to purchase insurance for 10% of total project costs.)

Chapter 10: Financial Management

The CRFMC must follow ACRoSAL procurement and disbursement procedures. Complete documentation must be kept on all financial transactions, including original receipts, labor registers etc. When 70% of the tranche has been spent, the CRFMC must call a meeting where it will present its Project Financial Report, which provides details of funds received from the SA, expenditures incurred by category, and the balance of funds, as well as supporting documentation. These must be available for inspection by any interested member of the community during the meeting. The CRFMC may also wish to display this information on a notice board close to the project site. At this meeting, a report on the physical progress of the project must also be given. Minutes and attendance records of these meetings must be kept.

The CRFMC must undertake the following activities:

- Open and work with a checking account, cheque book, and bank statements;
- Maintain a project Cash Book to account for all expenditures by type;
- Maintain receipts, labor registers, returned cheques, and other documentation such that all expenses have corresponding documentary evidence;
- Maintain a cashbox and a petty cash book for cash expenditures;
- Submit a monthly report on the current physical progress of the project to the community as well as to SPMU/LGPMC;
- Submit a written report to the LGPMC desk officers/SPMU on the current financial and physical status of the project, and attach all documentary evidence of expenditures made, including the most recent bank statement when requesting disbursement of the next tranche of funds;
- Maintain a stock register to record materials kept for more than one or two days before use;
- Maintain a community contribution register to record any contribution (cash, labor, materials etc.) from the community in the course of project implementation.
- The CRFMC must have a written record of all expenditures whether by cheque or by cash, to back up the cashbook and petty cashbook. These may be in the form of receipts, labor registers, cash

receipts, and others. Receipts generated by the community are only allowed for expenses made on transport fares where tickets cannot be obtained. These receipts should be signed by three CRFMC members including the Chairperson and the recipient of the fares. The SPMU officer will be expected to confirm the validity of the receipts.

- It is useful to provide Community/ Farmers Group with a given budget within which the micro watershed plan must be implemented. The SPMU may allow the communities to keep whatever money is saved during micro-project implementation for use towards the project. This provides an incentive for the communities to further reduce costs and provide self-help contributions. This should be included in the financial agreement.
- **Audits:** The community revolving fund Micro water shed plan accounts will be subject to periodic internal and external audits. An interim External Audit would be conducted shortly before the Mid Term Assessment of the Micro watershed plan. Periodically, the internal auditor located in the SPMU will conduct sample internal audits of the community Revolving Fund project accounts. In addition, it will be the duty of the SPMU to inspect the community revolving Fund accounts every time they visit a project site.

FINANCIAL AND PROCUREMENT PROCEDURES AT THE COMMUNITY LEVEL

FINANCIAL PROCEDURES AT THE COMMUNITY LEVEL

The Community Interest Group (CIG) and Community Revolving Fund Management Committee (CRFMC)

Establishment of a Community Revolving Fund Management Committee

There shall be a Community Revolving Fund Management Committee (CRFMC) which shall comprise of at least the following officials elected by the general membership of the community.

1) Chairman 2) Vice-Chairman 3) Treasurer 4) Financial Secretary 5) Secretary 6) Assistant Secretary 7) PRO 8) Auditor

Other members of the committee may be elected to positions not listed here.

Procedures at Meeting

The Chairman shall preside over all meetings but in his absence the Vice shall preside at that particular meeting. No meeting shall be held in the absence of both the Chairman and the Vice Chairman at a time.

Meetings

The CRFMC shall meet at least once every week once the project takes off.

Functions of CRFMC

The CPMC shall deliberate on matters pertaining to the running of the project including procurement and financial management of the CIG. More specifically the CRFMC will:

- (i) deal with general matters of the project;
- (ii) prepare project budget for approval of general membership and SPMU
- (iii) deal with employee matters
- (iv) oversee all procurement and financial matters relating to the project and report same to CIG

Minutes

All proceedings of the CRFMC shall be recorded. The minutes of the CRFMC meetings shall be made available to any member who may wish to inspect them, and should be read to the hearing and approval of members during succeeding meeting.

Co-option

The CRFMC may from time to time co-opt into its meetings other persons as it may require for the proper discharge of its business.

On Tenders

The CRFMC shall:

- (a) adjudicate the applications referred to it by the Chairman or contractor or agent having regard to budget provision and to the evaluation and recommendations thereon;
- (b) consider any matter on procurement and finance referred to it;
- (c) make recommendations on matters to be attended to by Chairman or contractor or agent; and
- (d) recommend action to be taken on people who infringe these procedures.

The confirmed and signed minutes of the CRFMC shall constitute evidence of the decisions and recommendations made thereby.

The Chairman shall provide to the SPMU staff, minutes of every CRFMC meeting; and to authorized persons or agents for official purposes only, as reasonably required.

Custody of Financial Documents

The financial documents of the CRFMC such as cheque books, ledgers, etc., shall be in the custody of the Financial Secretary.

The Financial Procedures

This aspect of the manual prescribes the manner in which the projects of the Community Interest Groups (CIGs) supported by the SPMU, shall be processed, controlled, recorded and reported to management and external parties.

Sources of Funds

Projects to be executed by a Community Revolving Fund Management Committee (CRFMC) will be funded from the ACRoSAL SPMU IDA Fund 100% of the total cost of each proposed Business plan for all qualified Groups/Producers of the community.

Loan processing/ Admin Charges, which is 5% would come from the participating CRF Farmer Groups/Producers This may be in cash or kind.

Project's Supervision and Coordination

The CRFMC shall have the following specific financial and procurement functions which may be done through appointed sub-committees, if necessary.

- (a) supervise all civil/construction works and certify works done. The Sub-Committee shall evaluate civil works/construction contract tenders and make recommendation for award of contract to the CRFMC. Membership shall be representative of the various shades of interests of the Community.
- (b) call for tenders after due approval of project activities by the CRFMC and pass tenders over to the appropriate sub-committee for appraisal. Review payment documentation and make recommendation to the CRFMC.
- (c) evaluate tenders for goods and services and make recommendation for purchase of goods or procurement of services. Monitor the progress of all project activities (possible sub-committee: Procurement and Contract Management)
- (d) Membership of the sub-committees where deemed necessary, should not be less than 3 or more than 5. **The Chairman and the Treasurer shall not be a member of any of the sub-committees and each sub-committee shall select its Chairman.** Members of the local community may be co-opted as members of sub-committees; however, such members will not be regarded as members of the CRFMC.

The Treasurer/Financial Secretary shall

- Prepare and issue cheques after ensuring proper authorization and approval of all payments by the CRFMC.
- Keep an up-to-date finance and accounts of all monies and monetary transactions of the CPMC.
- Coordinate and prepare the project's periodic financial reports which shall include monthly receipts and payment accounts and monthly summary of expenditure.
- Maintain adequate and accurate records/register of all disbursements made by the CRFMC.
- Manage the community's external relationships with commercial banks, inspectors/auditors, and the SPMU.
- Shall submit or surrender his books and records for auditing on demand by the designated officials.

The Payment Approval Process

The Treasurer is the responsible officer for all assets and liabilities of the CRFMC and will be expected to maintain adequate control over the following functions:

- Review of all bills and invoices submitted for payment by the CRFMC.
- Custody over cash and non-cash items.
- Adequate insurance of all risks where necessary.

Other Transactional controls

- (a) ensure appropriate supporting documents, i.e. supplier invoices, goods/stores receipt note, and the relevant copy of the LPO are attached to all payment requests.
- (b) ensure payment requests with supporting documents are reviewed by the Finance and General-Purpose sub-committee and approved by the CRFMC before proceeding further to make payment.
- (d) make sure that all payment requests together with the supporting documents are marked "paid" once the payments are made.
- (e) enter all cheques issued into the Cash Book with the respective amounts and name of beneficiaries.
- f) as a rule, the Treasurer must ensure that all cash collections are banked intact and directly into the CRFMC's account.

CRFMC's Account

The CPMC account should:

Be specifically named after the CRFMC's registered name, and the signatories to the Community's Revolving Fund bank accounts must be duly authorized by the CIG.

Disbursement Authorization

Prior to raising the Payment Voucher or issuing the cheque, an initial approval for payment must have been obtained from the CRFMC upon recommendation of the General Purpose and Finance Sub-Committee.

Keeping of the Accounts

The treasurer will be responsible for book-keeping for all financial transactions relating to the project. He shall be in possession of the following:

Cheque book

Goods Received Note

Store Records, etc.

Cash Float

It is advisable that the treasurer keeps a cash float/petty cash of not more than **N50,000** at a time.

Financial Regulations

- **Receipt of Funds**

For all moneys received by the CRFMC on behalf of the CIGs (Farmers Group/Producers) by cash, cheque, money order, etc., an *official receipt of the RFPMC* must be issued to the person or firm paying the money.

Banking of all revenue collected

- All funds collected by the treasurer (by cash or cheque) should be receipted and banked immediately after collection and should not be used for petty cash impress. Petty cash impress should be drawn directly from the bank using appropriate impress forms.

Loan to the CIGs by SPMU

All Loan to the CIGs shall be entered into the CRFMC books as revenue but would only be used for the purpose indicated by the SPMU. All charges by kind in the form of goods or materials and other assets would be accounted for in the same way as if they were procured by the CRFMC.

- **Sale of Tender Document**

Most contracts under competitive bidding may require preparation of bidding documents. Where such documents are considered costly to produce, the treasurer may charge for documents, but the charge should be the cost of production; it should be adequate to discourage wanton taking of documents and not too high to discourage competition.

- **Payment for Goods, Works and Services and Imprest**

- (a) All orders for procurement of goods, works and services must be made on official LPOs regardless of the amount of money involved. All LPOs should be treated as accountable documents. All payments should be made for goods, works and services with invoices attached to authorized LPOs and a properly authorized payment voucher.
- (b) All payments exceeding N50,000 must be made by cheque or E-Payment
- (c) Signatories to the CRFMC's Bank account should be Chairman, secretary Treasurer and financial secretary.
- (d) Payments will be made only against invoices and for all cash payments, payees must sign a petty cash voucher.
- (e) No advance payments shall be given for supply of goods or services unless provided for in the contract and such advance should be secured by a Bank Guarantee of similar amount or some other guarantee as deemed adequate to safeguard the interest of the CRFMC.
- (f) While on official duty outside the community for the purpose of the project, members of the CIG will be allowed per diem of N3500 and accommodation of N10,000 per night in addition to cost of transportation.

For accounting purpose, no receipts will be required but there must be evidence of night(s)/day(s) stayed out on duty. Day rate shall mean the Officer was out more than 10 hours but no overnight stay was involved.

- **Fixed Assets**

- **Records of Fixed Assets:**

The treasurer shall keep a Fixed Assets Register which shall be updated regularly to give a complete record of assets purchased, received, issued, sold or disposed of. Each asset shall have an identification code, value and accelerated depreciation.

- **Maintenance of Fixed Assets**

All serviceable fixed assets shall be handled with care and shall be subject to regular maintenance and service. Proper records shall be kept to show the frequency and cost of maintenance service. Where the CIG lacks expertise to service assets, maintenance or service contracts should be entered into, following appropriate procurement procedures.

- **Accounting Records and Reports**

- **Records**

The Community must keep the following records for its operations:

- Project Implementation Schedule
- Project Cost Analysis: Labour, Material, Equipment
- Cash Book and Bank Reconciliation Statement.

Reports

The following reports must be prepared by the community on periodic basis or on demand by the SPMU:

- Project Progress Reports
- Financial Reports

PROCUREMENT PROCEDURES FOR PARTICIPATING COMMUNITIES

Application

- These procedures shall govern and apply to procurement of goods, works and services for and on behalf of the CIG and in accordance with the approved guidelines as contained in this manual.

Competitive Bidding

- Except as otherwise provided for in these procedures, supply of goods, works and of services to the CRFMC shall be procured on the basis of competitive process. There must be at least three bidders to make a bidding and selection exercise valid.

Products

- The CRFMC shall procure all products having regard to economy, quality and transparency.

Services

- The CRFMC will ensure that any person, NGOs or firms engaged to provide services have the necessary managerial and technical qualifications, experience and financial capabilities to carry out the assignments. The CRFMC shall prepare terms of reference clearly stating the scope of the assignments and the required qualifications and experience. Selected persons, NGOs, or firms would be requested to submit bids and the CRFMC would determine the most suitable firm or individual for contract award.

Approved Suppliers

- The CRFMC shall competitively appoint suppliers for common user goods and services. The CRFMC will establish a price data base for direct purchases of common user items and services necessary for the project at hand, and at least there must be bids from three suppliers.

-

Requisition for Procurement to be initiated

- All requisition for procurement to be initiated shall be made on Procurement Requisition Form (PRF) duly authorized by the chairman.

Amendment

- These procedures may be amended only by the CRFMC

Selective Bidding

- The CRFMC using selective bidding may invite specific bidders to bid for particular contract. This type of bidding should be reserved for contracts of supply or service where it is known that the

person or firm being invited has special skills or qualities desired by the CRFMC. In selective competitive bidding, there must be at least, three bidders.

Custody of Documents

- Except as otherwise provided for in this manual, all formal contract documents shall be in the custody of the Treasurer.

Storekeeper

- The CRFMC shall (if necessary) have a store, managed by a “Purchasing Officer/Storekeeper” who shall be responsible for managing procurement process/receiving and issuing of all stores procured by either cash, credit, LPO, bidding or otherwise and shall take charge of each item in stores ledger or bin cards. Before payment is made for goods, the storekeeper must certify that goods received conform with the contract specifications.

Inspection of goods and works and Verification of Services

Prior to any payment being made for contracted goods, works and services, authorized officers of the CRFMC shall inspect and certify that the goods, works and services are carried out properly in accordance with contract conditions and specifications.

Emergency procurement

This shall mean unforeseen or unplanned procurement done urgently in response to situations such as a disaster or crisis, urgently emerging need, often for items that are not in a procurement plan. Procurement methods to be applied under such emergency will be determined by the CRFMC but would usually be shopping and direct procedures.

CONTRACT FORMS

CONTRACT FORMS FOR LOCAL BIDDING

Invitation to Bid

1. The [name of the country] has received a loan from the International Development Association towards the cost of Agro Climatic Resilience In Semi-Arid Landscape (ACReSAL) Project financed by the Government and Bank Group. The Government has allocated a part of the loan [amount in local currency] for implementing the [name of the community subproject] in the [name of the State]. It is intended that these funds will be applied to eligible payments under contracts to be given out by the subproject.
2. We hereby invite you/your firm to make a firm sealed offer for the following: [choose from the following list the applicable type of procurement]
 - construction of [for instance, village dam, or other civil works as the case may be]
 - supply of [good (material), etc., listing the items and quantities of the goods needed]
 - consultant assistance to [for instance, prepare designs for the dam or bridge for preparing subproject plan for the community etc. as the case may be].
3. The specifications of the [works goods or consultants-choose the applicable] needed are attached to this invitation to bid.
4. You/your firm need to meet the following requirements to be eligible to bid: [choose from the following list the applicable type of procurement]
 - for civil works contracts [provide a list of similar works carried out earlier; have an annual turnover that is three times higher than the average contract value: have or be able to rent the equipment needed for the work.....].
 - for supply of goods [provide proof that the firm has the required goods in stock or will be able to get them on a short notice; in the case of mechanical equipment such as vehicles, computers etc., provide evidence that the firm has the required service facilities within the region.....]
 - for consultant assignments [provide proof that the person(s) have suitable education and experience for the task provide copies of documents prepared for the types of services required for the assignments at least two cases].
5. You/your firm may obtain further information from the Chairman or Secretary of the [name of the CRFMC] at the following address: [address and telephone number if any].
6. The bids, with all the information requested in the Instructions to Bidders attached), shall be delivered to the Chairman or Secretary of the [name of the CRFMC] before [date and time]. Late entries cannot be considered.
Date:

Signatures: [by signatories of the community/group]

Attachments:

1. Instructions to Bidders
2. Letter of Submission of Bids
3. Draft Contract.

Letter of Submission of Bid

Re Request for proposals of _____, 202_ concerning the sub-project _____

After having read the bidding documents relating to the above-mentioned works, and in particular the following for documents:

- Instructions to Bidders
- Draft Contract;
- Form of Estimated Quantities; and
- Specifications and Drawings.

on behalf of my company, I hereby

- Accept without restrictions, all the provisions in the Bidding Documents;
- Submit a contract price bearing my signature and completed by me following the mode that was sent to me;
- Agree as the Contractor to carry out the works named below, following the provisions of the price list; and
- The Executing Agency (Employer) shall pay the amounts due from it and set forth in the detailed work statements, by crediting the bank account opened in the name of: _____

-

-

- number _____, at the _____ branch of the _____

-

- Bank or in cash against witnessed receipts.

-

-

- Done in one original copy
- At.....on..... 202
-
-
- Signed by_____
- The Contractor
-
- Name of the company_____

2.0 _____ which shall end _____, 20...

3.0 COMPLIANCE WITH SPECIFICATION

The Supplier hereby covenants with the Purchaser to provide the Goods and to remedy defects therein in conformity in all respects with the provisions of the Contract

4.0 DELIVERY OF GOODS

The goods shall be delivered within (*days, weeks or months*) from the date of the approval of this contract by the representatives of Tax Identification No. _____

- Address and telephone_____

6.1.3 Contract Agreement for Supply of Goods

This CONTRACT is made between Community Revolving Fund Management Committee (CRFMC) ofCommunity herein after referred to as **Purchaser**, on the one part,

AND

..... herein after referred to as the **Supplier**, on the other part.

WHEREAS

CRFMC invited quotations for the Supply ofand has accepted the Supplier to supply in conformity with the proforma invoice No..... (as attached) in the sum of(hereinafter called “the Contract Price”).

CRFMC wishes that thehereinafter referred to as the **GOODS** as described in the **CONTRACT** for supply of **GOODS** and the **SUPPLIER** wishes to carry out the **GOODS** in accordance with the terms of this **CONTRACT**.

The parties hereby agree as herein detailed:

SECTION A - TERMS AND CONDITIONS OF AGREEMENT

SECTION B - SPECIFICATION

SECTION C - SCHEDULE OF PAYMENT

SECTION D - DELIVERY PERIOD

SECTION A

- ✓ The Terms and Conditions of this CONTRACT shall apply from _____, 201, which shall be the **effective date of commencement of the CONTRACT.**
- ✓ The Duration of the CONTRACT shall be for the [name of Supplier].
- ✓ The goods will be delivered at..... [destination]
- ✓

RECEIPT OF GOODS

- ✓ An interim certificate will be issued by CRFMC upon delivery of all the goods and installation (if required)
- ✓ The warranty period is months from the date of the interim receipt. During the warranty period, excluding the current maintenance, all the repairs resulting from faulty equipment will be at the supplier's expenses, including the supply of replacement parts and the overhead costs.
- ✓ The supplier is to guarantee an after-sales service to ensure the maintenance service as well as the fast and regular supply of spare parts.
- ✓ The final receipt will be issued at the end of the warranty period, and will be acknowledged as the final receipt report.

INVOICING & PAYMENT TERMS:

- ✓ Payments shall only be made upon satisfactory delivery and acceptance of materials.
- ✓ All Invoices must be attached with Goods Received Note and all payments shall be made 21days of receipt of invoice.

LIQUIDATED DAMAGES

- ✓ In case of delay within the period specified in the contract, the supplier is subject to a penalty of 1/1000 of the price of the goods ordered per calendar day of delay. However, the ceiling of these penalties is 10 percent of the total amount of the order. In case the 10 percent ceiling is exceeded, the administration reserves the right to terminate this order/contract.

Read and accepted:

❖ ENTIRE AGREEMENT

This CONTRACT constitutes the entire agreement between the parties hereto and supersedes all prior communications, negotiations, commitments, and understandings related to the CONTRACT, either verbal or written. This CONTRACT shall not be amended, modified, waived except in writing and signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be executed in duplicate:

FOR: CRFMC

For: SUPPLIER

Signature: _____ Signature: _____

Name: _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

In the presence of:

in the presence of:

Signature: _____ Signature: _____

Name _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

❖ **Contract Agreement for Works**

This CONTRACT is made between Community Revolving Fund Management Committee (CRFMC)
ofCommunity herein after referred to as **EMPLOYER**, on the one part,

AND

..... herein after referred to as the **CONTRACTOR**, on the other part.

WHEREAS

CRFMC wishes that thehereinafter referred to as the WORK as described in the CONTRACT be performed and CONTRACTOR wishes to carry out the WORK in accordance with the terms of this CONTRACT. The parties hereby agree as herein detailed:

SECTION A - TERMS AND CONDITIONS OF AGREEMENT

SECTION B - SCOPE OF WORK

SECTION C - DRAWINGS AND SPECIFICATIONS

SECTION D - SCHEDULE OF PRICES AND RATES

SECTION A

✓ The terms and conditions of this CONTRACT shall apply from _____, 20....., which shall be the **effective date of commencement of the CONTRACT.**

✓ The duration of the CONTRACT shall be for _____ which shall **end** _____, 20.....

❖ **WORK COMPLIANCE**

- ✓ CONTRACTOR shall carry out the WORK in accordance with the approved Work Schedule to be agreed between both parties).
- ✓ On completion of the WORK or any part thereof, the CONTRACTOR shall without delay clear and remove all equipment and materials provided by the CONTRACTOR including debris, thereby leaving the WORKSITE in a clean, tidy and safe condition.

❖ **INVOICING & PAYMENT TERMS:**

- ✓ Payments shall only be made upon satisfactory completion of a milestone in accordance with the Schedule of Prices and Rates.
- ✓ The payment of all levies, charges and contributions for which CONTRACTOR is liable as imposed by any Local, State and/or Federal Government of Nigeria shall be the responsibility of CONTRACTOR.

✓ All Invoices must be attached with copy of the Milestone Completion Certificate and all payments shall be made by at most 21 days of receipt of invoice

✓ Except as otherwise provided in this CONTRACT, retention money of ten percent (10%) shall be deducted from each invoice of CONTRACTOR.

✓ If there are no defects in the WORK within the Warranty Period of six (6) months from WORK completion date), CONTRACTOR shall invoice for the payment of the retention amount at the end of the Warranty Period; the total retention amount shall be paid after 30 days of receipt of invoice.

❖ **ENTIRE AGREEMENT**

This CONTRACT constitutes the entire agreement between the parties hereto and supersedes all prior communications, negotiations, commitments, and understandings related to the CONTRACT, either verbal or written. This CONTRACT shall not be amended, modified, waived except in writing and signed by the parties hereto.

Read and Accept

IN WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be executed in duplicate:

FOR: CRFMC

For: CONTRACTOR

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

In the presence of:

in the presence of:

Signature: _____

Signature: _____

Name _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Contract Agreement for Works

This CONTRACT is made between Community Revolving Fund Management Committee (CRFMC)

ofCommunity herein after referred to as **EMPLOYER**, on the one part,

AND

..... herein after referred to as the **CONTRACTOR**, on the other part.

WHEREAS

CRFMC wishes that thehereinafter referred to as the WORK as described in the CONTRACT be performed and **CONTRACTOR** wishes to carry out the WORK in accordance with the terms of this CONTRACT. The parties hereby agree as herein detailed:

SECTION A - TERMS AND CONDITIONS OF AGREEMENT

SECTION B - SCOPE OF WORK

SECTION C - DRAWINGS AND SPECIFICATIONS

SECTION D - SCHEDULE OF PRICES AND RATES

SECTION A

- ✓ The terms and conditions of this CONTRACT shall apply from _____, 20....., which shall be the **effective date of commencement of the CONTRACT**.
- ✓ The duration of the CONTRACT shall be for _____ which shall **end** _____, **20.....**
- ✓ **WORK COMPLIANCE**
- ✓ CONTRACTOR shall carry out the WORK in accordance with the approved Work Schedule to be agreed between both parties).
- ✓ On completion of the WORK or any part thereof, the CONTRACTOR shall without delay clear and remove all equipment and materials provided by the CONTRACTOR including debris, thereby leaving the WORKSITE in a clean, tidy and safe condition.
- ❖ **INVOICING & PAYMENT TERMS:**
- ✓ Payments shall only be made upon satisfactory completion of a milestone in accordance with the Schedule of Prices and Rates.
- ✓ The payment of all levies, charges and contributions for which CONTRACTOR is liable as imposed by any Local, State and/or Federal Government of Nigeria shall be the responsibility of CONTRACTOR.
- ✓ All Invoices must be attached with copy of the Milestone Completion Certificate and all payments shall be made by at most 21 days of receipt of invoice
- ✓ Except as otherwise provided in this CONTRACT, retention money of ten percent (10%) shall be deducted from each invoice of CONTRACTOR.
- ✓ If there are no defects in the WORK within the Warranty Period of six (6) months from WORK completion date), CONTRACTOR shall invoice for the payment of the retention amount at the end of the Warranty Period; the total retention amount shall be paid after 30 days of receipt of invoice.

ENTIRE AGREEMENT

This CONTRACT constitutes the entire agreement between the parties hereto and supersedes all prior communications, negotiations, commitments, and understandings related to the CONTRACT, either verbal or written. This CONTRACT shall not be amended, modified, waived except in writing and signed by the parties hereto.

Read and Accept

IN WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be executed in duplicate:

FOR: CRFMC

For: CONTRACTOR

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

In the presence of:

in the presence of:

Signature: _____ Signature: _____

Name _____ Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

CONTRACT FORMS FOR LOCAL SHOPPING

Quotation Solicitation Letter

QUOTATION SOLICITATION LETTER

1. The Community has benefitted for Agro Climate Resilience In Semiarid Landscape (ACReSAL) Loan and intends to apply part of the proceeds to payments under the contract for Supply of..... incommunity.

2. The Community Revolving Fund Management Committee (CRFMC) ofcommunity now invites sealed bids from eligible supplier of.....to be delivered to (Address)

3. Your quotation should reach the undersigned latest (*Date &Time)

4. The specifications for the supply of are provided in the attached Annex I.
5. This request for quotation has been addressed to no of firms.
6. The supplier shall not assign, in whole or in part, its obligations to perform under this contract, except with the written consent of the CRFMC of..... community.
7. The supplier's request for payment shall be made in writing, accompanied by an invoice. All payment shall be made promptly and in no case later than 21 days after delivery and acceptance.
8. Payment shall be made in accordance with conditions of the contract and upon submission of invoices acceptable to CRFMC ofcommunity within 21 days.
Charges by supplier shall not vary from prices quoted. Prices shall therefore be fixed for the duration of the contract.
10. The supplier shall be entirely responsible for taxes.
11. The validity period for the quotation shall be (no of days) from the date of submitting the quotation.
12. Original copy of quotation shall be submitted sealed in an envelope and addressed to the Community Revolving Fund Management Committee (CRFMC) latest by(Date & Time).
13. The successful supplier shall be notified in writing and shall have an effective contract with Community Revolving Fund Management Committee (CRFMC) of.....community, on receipt of the duly signed and dated contract by the purchaser.
14. Please confirm receipt of this letter and also let us know if your firm will submit quotation.

Yours faithfully,

Signature

*Time duration should be within 2weeks

Evaluation of Quotation

Agro Climate resilience IN Semiarid Landscape (ACReSAL).

COMMUNITY:..... LGA: STATE:.....

EVALUATION OF QUOTATIONS

TABLE: I

TECHNICAL EVALUATION

Specification as indicated in the Quotation solicitation letter (QSL)	Bidder 1	Bidder 2	Bidder 3
Remark			

TABLE II

FINANCIAL EVALUATION

Bidders	Items	Qty	Unit Price =N=	TOTAL PRICE =N=	RANKING

TABLE III

RECOMMENDATIONS FOR AWARD OF CONTRACT

Based on the ranking of responsive bids on pages 1 & 2, the following bidder (s) is/are recommended for the award of contract.

S/No	Bidders	Description of Goods	Qty	Price	Total Amount (M)
1					
2					

4. Recommendation forwarded by Procurement Committee to CRFMC for approval:

Evaluation Committee Members are:

S/No	Names	Titles	Signature
i)			
ii)			

5. Action taken by the CRFMC

Approved/Not Approved.....

Comment(s):

Signature: _____ Date: _____

6. Action taken by the Evaluation Committee following CRFMC action on '5' above

.....

By _____ Signature _____ Date _____

CONTRACT FORM FOR LABOUR

Hiring Of Labour

Agro Climate Resilience in Semiarid Landscape (ACReSAL).

COMMUNITY..... LGA: STATE.....

PROJECT TITLE.....

HIRING OF LABOUR

Date: _____

Job Title:	
Skilled / Unskilled	
Employee	
Supervisor's Name/Title	
Number of days worked	
Rate(s) per day	
Total Amount (=N=)	
Approved by CRFMC Chairman	
Paid by	
Received by	
Remarks	

Chapter 11: Environmental and Social Framework (ESF)

The ESF sets out the World Bank's commitment to sustainable development, through the Bank Policy and a set of Environmental and Social Standards (ESS) that are designed to support Borrowers' projects, aimed at ending extreme poverty and promoting shared prosperity.

- ✓ Boosts protections for people and the environment
- ✓ Promotes capacity and institution-building, & country ownership
- ✓ Modern, fit-for-purpose approach (Flexibility, Proportionality and Adaptability)
- ✓ Consolidates the Bank's E&S policies and harmonizes with other development institutions
- ✓ Makes advances in transparency, accountability, social inclusion, nondiscrimination, & public participation

Main Component of ESF

The World Bank's ESF has three main components

- A **Vision** for Sustainable Development (Strategic and aspirational goals)
- An Environment and Social **Policy** (World Bank responsibilities)
- 10 Environmental and Social **Standards** (Borrower responsibilities)

ESF ROLES AND RESPONSIBILITIES

World Bank

- Advise Borrower on Bank ESF policy and standards requirements
- Conduct due diligence on project risks including QA/QC reviews
- Assure Borrower address risks and impacts consistent with ESS

- Regularly supervise project implementation and provide implementation support to Borrowers
- Ensure Borrower compliance with E&S commitments during implementation
- Assist with resolving issues and problems that arise from time to time

Borrower and Implementing Entities

- Implement measures in ESCP
- Monitor environmental and social performance of the project in accordance with the legal agreement, including the ESCP
- Screen / Conduct E&S assessments of Sub project activities in line with ten ESS
- Monitor in a manner proportionate to the project nature and risks, impacts, and compliance requirements
- Record information to track performance
- Provide regular reports on their monitoring to the Bank (at least annually)
- Facilitate Bank staff site visits
- Notify the Bank promptly of incidents or accidents relating to the project

Revise ESCP, if required by informing the Bank of the necessary revision to the ESCP:

- Disclose revised ESCP (after Bank approval)

Ten Environmental and Social Standards

The ESS set out the borrowers' requirements in identifying and assessing environmental and social risks and impacts related to any Bank support project under investment project financing.

The ten ESS are:

ESS 1 - Assessment and Management of Environmental and Social Risks and Impacts

ESS 2 -Labour and Working Conditions

ESS 3-Resource Efficiency and Pollution Prevention and Management

ESS 4-Community Health and Safety

ESS 5-Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS 6-Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS 7- Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS 8-Cultural Heritage

ESS9-Financial Intermediaries

ESS10-Stakeholder Engagement and Information Disclosure

The relevant ESS under the ACRoSAL project are ESS1, ESS2, ESS3, ESS4, ESS5, ESS6, ESS8 and ESS10

Expected Environmental and Social Impacts and Risk of the Project (ACReSAL)

Air, noise, water, soil, and groundwater pollution; waste management; traffic; resource efficiency; biodiversity loss as a result of rehabilitation of secondary and tertiary irrigation

canals; tertiary roads; land acquisition, physical / economic displacement, labour influx, SEA/SH/GBV, security risk, OHS issues—both COVID-19 and non-COVID-19

- (a) Waste management, pest management, and GHG emissions as a result of increased agricultural activities under the Programme.
- (b) Labor and OHS issues due to labor-related actions in agriculture activities.
- (c) Risk of exclusion of vulnerable and marginalized individuals/ groups/disability exclusion, elite capture, SEA/SH, capacity to capture beneficiaries, and so on
- (d) Insecurity resulting from Banditry, kidnapping, insurgency etc.

Achieving High Performance of ESF requirements

- Start early on
- Involve stakeholders and Project Affected Persons PAPs in early
- Clearly define proposed sub project activities and their likely footprint
- Early and effective communication with stakeholders (including PAPs)
- Conduct critical analysis of alternatives
- Focus on designed solutions
- Prepare realistic mitigation measures that are proportionate to the risk of the project
- Include practical monitoring plans
- Undertake adjustments during implementation

ENVIRONMENTAL AND SOCIAL MANAGEMENT PROCESSES

The environmental and social screening exercise shall be conducted prior to construction / rehabilitation of infrastructures/sub program activities along with mitigation actions, timeline, responsible parties, and budget in place, where needed. This will be implemented through consultation and involvement of all stakeholders especially the Project Affected Persons (PAPs).

Screening: This is the first stage of EIA is to identify whether or not a project needs an environmental assessment and to determine the relevant ESS. The screening should also be conducted in project Site prior to constructions/rehabilitation of infrastructure sub – project activities in consultation with stakeholders and PAP where applicable.

Mitigation – identify measures to avoid/reduce/compensate for negative impacts including the expected results (e.g. standards to be achieved); identify who is responsible, assess the capacity and ensure resources are available.

Monitoring – verify that mitigation measures are being implemented as planned and that they are achieving the expected results (if not, need to modify them)

ENVIRONMENTAL AND SOCIAL SCOPING

This is a very early exercise conducted to identify and assess the potential environmental and social risk and impact of the project for which there is public concern and upon which the Environmental and social due diligence can be focused.

ENVIRONMENTAL ASSESSMENT

- Identify ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and
- Include the process of mitigating and managing adverse environmental impacts throughout project implementation. The Bank favors preventive measures over mitigation or compensatory measures, whenever feasible.

SOCIAL ISSUES

Some examples of social issues on ACRoSAL project are:

- Land acquisition, physical and economic displacement
- Labour influx and risk of underage / child labour
- Restriction to economic or livelihood sources
- Potential gender / disability /minority exclusion
- Grievance Mechanism (to receive & facilitate the resolution of concerns of Project Affected People.
- Gender-Based Violence
- Labour management for project
- Sexual Harassment & Sexual Exploitation and Abuse

Stakeholders' engagement

All stakeholders shall be consulted during preparation of ESF instruments / reports and prior to commencement of any infrastructural sub projects. All reasonable efforts must also be made to disclose/display this information in public strategic points within the project's communities / areas of influence so as to allow all stakeholders to read and understand how they and their environment stand to be impacted by the project or benefit from its activities.

Grievance Redress Mechanism

Grievances are issues, concerns, problems, or claims related to project activities that individuals or community/groups want to address and be resulted within the project scope/ duration.

Grievance's mechanism is a locally based project specific and an extra-legal way to deal with and resolve complains and grievances faster which therefore enhances project performance and sustainability. A dedicated officer will be responsible for the GRM operation with basic roles and responsibilities of receiving, evaluating, redressing and documenting complaints and resolution.

GENERAL ESMP FORMAT

S/N	ACTIVITY	EVIROMNTAL AND SOCIAL IMPACT IDENTIFIELD	PROPOSED MITIGATION MEASURES	BUDGET /COST	TIME FRAME	Compliance Indicator
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GRIEVANCE LOG

TEMPLATE FOR GRIEVANCE REDRESS MECHANISM(LOGBOOK)

SN	LGA/ COMMUNITY	COMPLAINANT	COMPLAINT	ACTION TAKEN	FOLLOW UP ACTION	CONCLUTION	NEXT STEP
	LGA and Community Name of the complainant	Name and contact details e	Brief summary of nature of complain	Action taken by the project/ Responsible officer	Follow up activities/action on resolution agreement	Completion of remedial action and details of complainant satisfaction	What next?

Annex 1

Suggested Timeline for Climate Smart Agriculture/ CRF Loan Cycle

Activity	Whose Responsibility?	Time line
1. Sensitization & Mobilization	SPMU/LGA/NGOs	Continuous throughout the life of the ACREsAL
2. Needs Assessment	Community (with support from SPMU, NGOs, LGAs)	for activities 2, 3 & 4 maximum of 2 months
3. Preparation of CRF Loan Application Form	Community	2 weeks
4. Submission of CRF PLAN to LGPMC	Community	
5. Desk Appraisal	LGDO	Completed 7 days after the submission
6. Review and Recommendation	LGPMC	within 2 weeks desk appraisal (Note: LGPMC meets monthly)
7. Field Appraisal	SPMU, LGA & MDAs	Within 14 days after receipt of LGPMC's recommendation
8. Approval	SPMU	Within 7 days after field appraisal
9. CRFMC Training	SPMU	
10, Project Launch	SPMU & other stakeholders may be present	for 9 and 10, within 21 days after approval

11. CRF Implementation (first Group)	CRFMC	Commence immediately after release of 1 st Disbursement
12. Project Completion	CRFMC	4 to 6 months after release of first Disbursement for the off farming & on farming activities respectively)
13. Post Evaluation	SPMU, LGA, Community, FPMU	6 months to 1 year. After project completion

The timeline suggested above relates to the preparation of CRF LOAN Plan and completion of **one** CRF Group plan. After activity 12, i.e. completion of (1st) Group activity 11, i.e. project implementation, may commence again for the second Group. These steps are repeated until the entire portfolio of Community Revolving Fund (Group/Cooperative) in the CRF loan Plan is successfully completed and the timeline for the completion of the entire CRF Loan Plan for piloting should not exceed two years.