Project Information Document/
Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 21-Jun-2017 | Report No: PIDISDSC22143
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
<th>Project Name</th>
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<tr>
<td>Nigeria</td>
<td>P163353</td>
<td></td>
<td>Nigeria Rural Access and Agricultural Marketing Project (P163353)</td>
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<table>
<thead>
<tr>
<th>Region</th>
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<th>Estimated Board Date</th>
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<tr>
<td>AFRICA</td>
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<td>May 15, 2018</td>
<td>Transport &amp; ICT</td>
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<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tr>
<td>Investment Project Financing</td>
<td>Federal Ministry of Finance</td>
<td>Federal Ministry of Agriculture and Rural Development</td>
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Proposed Development Objective(s)

The objective of the proposed Nigeria Rural Access and Agricultural Marketing (RAAMP) is to improve rural access and agricultural marketing in selected participating states, whilst enhancing sustainability of the rural and state road network.

13. This operation is the successor of the Second Rural Access and Mobility Project (RAMP 2-P095003) designed to enhance the impact of the rural access initiative in improving agricultural productivity and value chain, as well as income and competitiveness of small family farmers. The focus on connecting rural communities to local agricultural markets - roadside agro-logistics hubs – to support the ongoing agricultural transformation initiative makes RAAMP unique from its predecessors. RAAMP will facilitate the provision of services that will enhance agricultural productivity, help build rural agricultural value chains, and help producers market agricultural products competitively. RAAMP will build on its successor, RAMP 2, by incorporating agricultural marketing/agro-logistics services. The project also proposes adopting an innovative output-based approach to help the states function as full-fledged implementing entities capable of implementing development partners’ support.

Financing (in USD Million)

<table>
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<td><strong>Total Project Cost</strong></td>
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<table>
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<tr>
<th>Environmental Assessment Category</th>
<th>Concept Review Decision</th>
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B. Introduction and Context

Country Context

1. Nigeria is a diverse country and the largest economy in Africa with an area of 923,800 square kilometers (Sq. km) and a total population of 177.48\textsuperscript{1} million (2014). Nigeria is Africa’s largest oil producer and holds the second highest proven reserves in the continent after Libya. Nigeria is endowed with abundant agricultural land, forestry and water resources that could yield products for export and domestic consumption that could help offset market shocks, if the country’s production potential and infrastructure are well developed. It also features significant contrasts in terms of economic and social outcomes: robust economic growth and yet modest poverty reduction; dynamic urban growth centers and isolated rural areas; and widening social and income disparities in the context of abundant natural and human resources.

2. According to the World Bank Data Bank, Nigeria’s GDP was estimated at USD 546 billion, in 2014, with a per capita income of USD 3,080. However, these figures dropped to USD 487 billion and USD 2,672 respectively in 2015. Given the strong population growth, poverty has increased. Over 68 percent of the population is living on less than 1.25 dollars a day and 85 percent on less than 2 dollars a day. This means that over 100 million people were living in extreme poverty in Nigeria in 2010, against 86 million in 2004. In 2014, Nigeria was ranked 152 out of 187 countries in the Human Development Index (HDI) of the United Nations Development Program (UNDP).

3. The Nigerian Government elected in 2015 took office in a context of a severely weakened economy, large infrastructure gaps and poor service delivery – problems that had accumulated over many years. Three major global economic transitions – the slowdown and rebalancing of the Chinese economy; lower commodity prices, especially the sharp drop in oil prices; and tightening financial conditions and risk aversion of international investors – have had a significant impact on the Nigerian economy. Revenues, which were already low at 10.5 percent of Gross Domestic Product (GDP) in 2014 declined to 7.8 percent of GDP in 2015 – all on account of the decline on oil revenues – with an even more negative outlook for 2016.

4. With oil prices projected to remain low, Nigeria needs a growth strategy focused on economic diversification that addresses sector-specific challenges, particularly in agriculture, manufacturing, and mining to increase competitiveness and promote inclusive growth. Currently, agriculture and manufacturing represent 22 and 9 percent of GDP, respectively, while services, trade and construction represent 38, 19 and 4 percent of GDP, respectively. It is estimated that mining represents 0.33 percent of GDP. With an abundant and diversified agricultural base, Nigeria’s economy has a very large agricultural sector employing about 70\textsuperscript{2} percent of the labor force. Until the early 1970s, Nigeria was self-sufficient in food production and agriculture was the main foreign exchange earner. However, the sector stagnated thereafter for a number of reasons; key among these was a decision by policy-makers to shift policy-and resources from agriculture to the oil-industry when Nigerian oil was extremely profitable in the 1970s. Since

\textsuperscript{1} World Development Indicators 2016, The World Bank, April 15, 2016

\textsuperscript{2} Nigeria, Third National FADAMA Development Project, Project Paper for Additional Financing, May 2016, the World Bank
agriculture employs an overwhelming share of the Nigerian labor force, stagnation in the sector has resulted in increased poverty.

5. The 1999 constitution of the Republic of Nigeria created 36 states and the Federal Capital Territory (Abuja), and divided the Federation into six geo-political zones. States in Nigeria operate with a high degree of autonomy. States and local governments control more than half of the nation’s revenue and are responsible for the provision of services that directly influence growth and poverty, such as primary and secondary education, health care, water and sanitation, community services and rural infrastructure, including rural and state roads.

Sectoral and Institutional Context
6. In many parts of the country, the available fallow land has already been exhausted and, therefore, further growth can only come from on-farm productivity growth (farmers’ yields are less than half of yield potential) and from unlocking value-added potential in the down-stream segments of major agriculture value-chains. Post-harvest losses are also extremely high and poor transport infrastructure is responsible for 15-20 percent of the agricultural production not reaching market. The traditional markets do not provide a platform for carrying out primary processing, cooling, packaging, warehousing/storage and consolidating products for bulk transportation, which are essential to improve the value chain, and add value to agricultural and livestock products. Likewise, the markets do not have facilities to provide agricultural services required to increase agricultural productivity, including agricultural inputs, veterinary services, technology, credit, information, etc. Capturing the full growth potential of the Nigerian agriculture sector will require significant investments in infrastructure, particularly irrigation, processing, logistics, markets, and rural roads.

7. Nigeria’s total road network consists of 194,000 km of roads, including 34,000 km of federal roads, 30,000 km of state roads and 130,000 km of registered rural roads. Only 10 to 15 percent of the total network is paved and only about 15 percent of the federal network can be considered in good to fair condition. Out of the country’s 160,000 km of state and rural roads, less than 10-15 percent can be considered in good to fair condition.

8. Responsibilities for road infrastructure management reflect the three-tier government structure under Nigeria’s federal structure, the Federal ministry of Power, Works and Housing (FMPWH) focuses on the management of the federal roads, leaving responsibility of managing state and rural roads to sub-national governments (state and local governments) the. The State Ministries of Works are responsible for State roads while in many states rural roads are under the jurisdiction of the State Ministry Agriculture and Rural Development (SMARD) and Local Government Authorities (LGAs). The Federal Roads Maintenance Agency (FERMA) under FMPWH is responsible for the maintenance of the Federal roads network. Yet, local governments have not been fully active in the development and maintenance of the rural road network due to lack of capacity and inadequate funding. The state governments also mostly focus on the higher-level state roads. This institutional structure and the absence of operational Road fund have in effect led to rural roads not having a defined ownership structure and the steady deterioration of the rural roads once constructed or rehabilitated. Establishing a stable mechanism of maintenance financing is critical to the sustainability of the road network. Two bills to establish a national level Road Fund and state level Road Fund are under the consideration of the National assembly. Once these funds are established, the states will need an appropriate prioritization mechanism to balance funding for state and rural roads.

Relationship to CPF
9. This operation is consistent with the priorities of Nigeria’s vision 2020. The proposed interventions will help improve rural access that supports the transformation agenda of creating jobs, laying the foundation for inclusive growth, and connecting rural people to marketing opportunities. The operation also supports the diversification and competitiveness pillars of the Emergency Recovery and Growth Plan (ERGP) for the period of 2017 – 2020 by developing rural access and agro-logistics that will unlock agricultural development potential and facilitate competitive marketing of
agricultural products in domestic and international markets. The Plan envisages that Nigeria will make significant progress towards achieving structural economic change and have a more diversified and inclusive economy by 2020. Overall, the Plan is expected to deliver on five key broad outcomes, namely: a stable macroeconomic environment, agricultural transformation and food security, sufficiency in energy (power and petroleum products), improved transportation infrastructure, and industrialization focusing on small and medium scale enterprises.

10. This operation is consistent with the Small and Medium Scale Enterprises (SMEs) development and family farming support pillar of the French Development Agency (AFD’s) Country Intervention Framework (CIF) for 2014 to 2016 and the future AFD CIF for 2017-2021. Improved access is a necessity to avail credit to SMEs in the hinterlands and lower transportation costs of providing agricultural inputs and technology to rural family farms. Rural access plays a catalytic role in increasing the productivity of small family farms and delivering farm and forestry products to domestic and international markets. In addition, piloting rural roadside logistics hubs in selected locations along rural roads improved by RAAMP will give small family farms access to storage facilities, drying shades, shelter for perishable products, micro finance centers, high speed fiber-optic internet access at the community information centers (ICT centers) and veterinary services, and small processing plants operated by SMEs, primarily owned by women and the youth. Small family farmers will also be out growers for the processing plants and possibly shareholders.

11. The proposed operation links improved access to rural communities, development of economic facilities for marketing and processing of agricultural products, and provision of micro-finance and agricultural inputs to the private sector and rural women groups in a manner that supports the core clusters of World Bank Group Country Partnership Strategy (CPS) Performance and Learning Review (PLR) presented to the World Bank Board in September 2016.

C. Proposed Development Objective(s)

12. The objective of the proposed Nigeria Rural Access and Agricultural Marketing (RAAMP) is to improve rural access and agricultural marketing in selected participating states, whilst enhancing sustainability of the rural and state road network.

13. This operation is the successor of the Second Rural Access and Mobility Project (RAMP 2-P095003) designed to enhance the impact of the rural access initiative in improving agricultural productivity and value chain, as well as income and competitiveness of small family farmers. The focus on connecting rural communities to local agricultural markets - roadside agro-logistics hubs – to support the ongoing agricultural transformation initiative makes RAAMP unique from its predecessors. RAAMP will facilitate the provision of services that will enhance agricultural productivity, help build rural agricultural value chains, and help producers market agricultural products competitively. RAAMP will build on its successor, RAMP 2, by incorporating agricultural marketing/agro-logistics services. The project also proposes adopting an innovative output-based approach to help the states function as full-fledged implementing entities capable of implementing development partners’ support.

Key Results (From PCN)

14. The proposed program of improving rural access, establishment of rural roadside agro-logistics hubs, and institutional development initiatives is expected to lead to the following key outcomes: (a) an increase in the share of the rural population with access to all-season roads connecting to markets, agro-logistics hubs - direct project beneficiaries, of which female (percentage); (b) reduction in travel time; (c) an increase in the proportion of roads in good and fair condition as a share of total classified roads (percentage); (d) volume of goods/agricultural products handled through the proposed agro-logistics hubs; and (e) sustainable maintenance financing scheme in place.
15. While PDO indicators will be aggregated at the federal level for all the participating states, the relative performance of the participating states will be closely monitored during implementation. Reporting of the number of direct project beneficiaries will be disaggregated to monitor the gender related indicator – number of women and youth with access to economic opportunities as owners and employees of the facilities at the rural roadside logistics hubs and community-based maintenance contracting. Additional indicators, including appropriate long term and intermediate impact monitoring indicators, including changes in agricultural production and delivery of agricultural products for the local market/logistics hubs and the domestic and export markets; income of the rural population; change on farm gate prices and impact on the agricultural value chain have been identified for careful scrutiny.

D. Concept Description

16. The overarching strategy of RAAMP is to increase rural incomes by connecting small family farmers in the participating states to local agricultural markets that will serve as agro-logistics hubs with access to an all-weather access road. The states’ rural access roads prioritization process will identify roads connecting rural communities of small family farmers (wards- villages - conglomerates of compounds-chieftainty-Baale) to the closest local markets- agro-logistics hub. The proposed project uses a programmatic approach supporting the achievements of agreed outputs over a seven-year period in the participating states. The core outputs are: (i) connecting rural communities to local agricultural markets by constructing about 150 km of rural access and 10 river crossings in each participating state; (ii) connecting small scale family farmers to two rural agro-logistics hubs in each state; and (iii) establishing a state level Road Fund, designating a rural road and state road administration entity in each state, and introducing a road asset management system.

17. Given the number of states and resource limitations, RAAMP may not be able to finance activities in all 21 states that have expressed interest in participating. 3 Currently, up to 12 states could be included in RAAMP with the resources that expected to be provided by the World Bank and the French Development Agency (AFD). The Federal Government of Nigeria will apply the governance and readiness criteria adopted for RAMP 2 to select participating states.

18. As such, the project has two priority objectives:

- Enhancing operations of the RAAMP to provide more cost effective, efficient and transparent delivery of infrastructure.
- Sustainable preservation of infrastructure assets through improved policies, institutions, systems and implementation mechanisms.

19. The project will aim to enhance the effectiveness of the RAAMP through improvements in its overall systems and processes. The project will use an output-based methodology to keep the client and the Bank/AFD engaged around an agreed set of outputs rather than the individual transactions leading to those outputs. As such, this is a move from input monitoring to output performance monitoring. The agreed outputs under the program have been formulated as a series of Disbursement Linked Indicators (DLI) which will be the basis for disbursement of funds during the project life. Performance against these indicators will determine the extent to which disbursements will be made at the end of each time period, i.e. the disbursements are performance linked. The project is structured around three main components and a provision for project management support, enhancing Road Safety, and institutional development. The preliminary scope of the project is as follows:

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3 Currently the following states have expressed interest in participating in RAAMP: Abia, Akwaibom, Ebonyi, Bauchi, Benue, Delta, Kano, Katsina, Kebbi, Kogi, Kwara, Oyo, Ogun, Plateau, Sokoto, Taraba, Ondo, Equity, Zamfara, Jigawa and Anambra.
20. **Component 1: Farm to local agricultural market connectivity program**: This component will finance rehabilitation of rural access roads and construction of river crossings in up to 12 participating states. These investments will provide all-weather access to connect rural communities to local agricultural markets and agro-logistics hubs in order to build value chains, and enable transport agricultural products to markets with less post-harvest loss and at lower cost. The participating states have currently connected a proportion of the rural community to local agricultural markets. By the end of the project period this is targeted to have increased\(^4\) with the goal of promoting greater shared growth focusing on where poverty incidence is high. Over the seven-year project period, the project will link selected rural communities (number to be determined at appraisal) will be connected through the rehabilitation of approximately up to 1,800 km to all-weather access roads standard and construction of about 120 river crossings. This component will finance rehabilitation of rural access roads to a low volume sealed road and earth road standard, depending on traffic volume, including associated bridge and cross drainage works.

21. The project will reimburse eligible civil works expenditures associated with this program once a set of agreed Disbursement Linked Indicators (DLIs) have been met. Disbursements will be triggered based on the following DLIs:

- Six monthly disbursement proportionate to the completion of the first phase access roads and river crossings. First installment/advance/working capital for phase 1 civil works will be made upon completing the detailed program implementation plan, identification of the first phase of the program beneficiary communities and awarding the contracts for the first phase rural access and river crossing contracts; and

- Six monthly disbursement proportionate to the completion of the second phase access roads and river crossings. First installment/advance/working capital for phase 2 civil works will be made upon completing the identification of the first phase of beneficiary communities and awarding the contracts for the first phase rural access and river crossing contracts.

22. **Component 2: connecting farms to rural agro-logistics hubs**: This component will support the establishment of pilot agro-logistics hubs at strategic locations in each state, thereby providing access to agricultural services and processing plants. The number of the agro-logistics hubs will be determined by each participating states depending on agro-ecological zoning and economic demand. The project will finance the provision of access roads, and site and services, including leveling and paving, perimeter fencing, offices, market sheds, storage facilities, power connection, water and sanitation; as well as connection to high speed internet. Depending on the specific demand of the subject agro-logistics hubs, availability of resources and potential for private investment the states will determine additional logistics and processing facilities to be provided. The services will be developed and provided by rural women groups, youth groups, the private sector, and cooperatives.

23. The agro-logistics hubs (as also known as clusters, agro-poles, mandis, agro-economic activity zones, etc.) will play catalytic role in facilitating increased productivity and downstream value chain products. This involves connecting small family farms to agricultural services and primary processing hubs that host agricultural inputs, farm machinery/ cottage industry equipment rental, micro credit, veterinary services, market, storage, cooling facilities and community information through fiber optic connections. The facilities may include training centers, small businesses (bakery, metallic work, carpenters, SMEs for agricultural products transformation) and primarily power. The needs to be addressed may vary depending on climate, crops, population, presence or absence of agricultural sector SMEs, etc. in the various states. The way the facilities are managed could also vary from one place to another. This initiative will be integrated with agricultural processing centers development support and other agricultural sector support initiatives.

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\(^4\) The team expects to have a clearer sense of the percentage increase by QER or Decision stage, depending on the pace of preparation.
24. The Project will support a state by state value chain and agro-logistics chain study that will help identify key agricultural products in which the individual state has comparative marketing advantage and assess key value chain issues, including: quality standards in terms of grading, packing, etc.; the proximity of the hubs to the small family farms and market aggregation; identify the transportation means and infrastructure needs (including first and last mile connections) in the logistics chain; and develop marketing and private investment attraction strategy. The study will explore the requirements to enable rural logistics hubs to serve as satellites to higher lever logistics parks and be designed to be linked to major transport corridors.

25. The project will reimburse eligible expenditures associated with the establishment of the rural logistics hubs once a set of agreed DLIs have been met. Disbursements will be triggered based on the following DLIs:

- Six monthly disbursement proportionate to the completion of the agro-logistics hubs measured on an average completion rate of agreed level of outputs. First installment/advance/working capital for establishment/construction of the facilities at the agro-logistics hubs will be made upon completing the value chain and agro-logistics chain study; identification of the locations of the pilot rural logistics hubs and awarding the contract for the establishment/construction of the facilities.

26. **Component 3: Strengthening the financial and institutional base for sustainably maintaining rural access and state roads**, including: (a) establishing a State Road Fund, (b) designating a state rural access administration entity, and (c) establishing a functional road asset management system that will generate an annual prioritized investment and maintenance plan, and mainstreaming the plan in the state budgetary process. Upon achieving the core outputs each state will receive about US$3 million to carry out periodic and routine maintenance on about 50 km of selected rural access. The periodic maintenance will be carried out by small to medium contractors while the routine maintenance will be carried out by micro-enterprises and community-based road maintenance groups. Studies associated with the outputs will be financed from the block preparation advance.

27. Disbursements will be triggered based on the following DLIs- 100 percent of the allocation for the component upon the:

- Establishment of a State Road Fund,
- Designation of a state rural access/rural access and state roads administration entity, and
- Establishment of a functional road asset management system.

28. **Component 4: Enhancing Road Safety, project management and institutional development support**: In addition to enhancing Road Safety on rural and state roads, the project will have adequate provision for Technical Assistance (TA) for institutional development designed to strengthen the implementing entities and enhance organizational effectiveness and individual skills development in order to support achievement of the DLIs and the program outputs defined above. The component will comprise the following elements:

(i) **Sub Component 4.1: Enhancing Road Safety**: to finance road accident assessment using iRAP and establishing crash data base, as well as sensitization of road users, etc.

(ii) **Sub Component 4.2 Project management and institutional development** support to cover operating costs and engage TA consultants in the areas of procurement, engineering and safeguards monitoring, provision, and training for the State Project Implementing Units (SPIUs) staff and the Federal Project Management Unit (FPMU); engaging an independent international technical audit firm, studies and TA to prepare follow-on
RAAMP operations; TA to undertake rural infrastructure and agro-logistics improvement studies; and Monitoring and Evaluation.

Preparatory tasks and project supervision:

29. The project will provide about five percent of the credit/loan at project effectiveness to facilitate preparatory tasks for all components and conduct output associated studies. The World Bank and AFD will do due diligence of the contract award processes and confirm the assurance of value for money based on post review of the bidding processes. The quality of the outputs will be assessed through bi-annual supervision. The supervision mission will also review compliance to environmental and social safeguards requirements.

Project Financing

30. The proposed project uses a programmatic approach to support implementation and disburses against delivery of intermediate project outputs. The total financing is expected to be in the range of US$704 million to US$768 million constituted of US$510 to 520 million IDA Credit, US$150 to 200 million AFD Credit Facility, and US$44 to 48 million contribution of the participating states (Government of Nigeria), the latter representing five (5) percent value added tax (VAT) and three (3) percent for compensation/land acquisition. The project will work in the following way: First, credit disbursements will be made against civil works expenditures in the participating states with each associated budget line referred to as an Eligible Expenditure Program (EEP). Disbursements will be made on a six-monthly basis. Second, the amount of credit disbursements will be based on the achievement of pre-specified outputs, referred to as disbursement-linked indicators (DLIs), as determined in partnership with the Government. As currently structured, the total disbursement amount is divided across the total number of DLIs in a given percentage as indicated above.

31. The participating states will be responsible to finance the costs of the SPIU, resettlement costs, and taxes. The contribution of the participating states for the civil works and logistics hubs establishment have been accounted in the total project cost. Costs for the SPIU staff (civil servants) will be borne by the states.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The Project will be implemented in 12 states of Nigeria to be selected out of the 21 states that have expressed interest to participate in RAAMP, namely: Abia, Akwaibom, Ebonyi, Bauchi, Benue, Delta, Kano, Katsina, Kebbi, Kogi, Kwara, Oyo, Ogun, Plateau, Sokoto, Taraba, Ondo, Ekiti, Zamfara, Jigawa and Anambra. The road infrastructure rehabilitation and upgrading will follow the existing alignments and the civil works will be carried out within the existing right of way (ROW). The rural agro-logistics hubs is expected to support upgrading and expansion of existing local markets to be selected in due course of implementation, and will be designed to suit the existing environment to avoid adverse impact. Overall, adverse environmental and social impacts are not expected. The Project will finance a program of rural infrastructure improvement to be prioritized in due course of implementation.

B. Borrower’s Institutional Capacity for Safeguard Policies

Nigeria has demonstrated its commitment to mitigating adverse social and environmental impacts in the implementation of a range of World Bank projects, including category A and B projects especially rural road infrastructure under the Rural Access and Mobility Project (RAMP 1 and RAMP2). There are adequate legal and institutional frameworks in-country to ensure compliance with the World Bank safeguards policies triggered by projects.
Project specific implementation arrangements will be defined during project preparation. Once roles and responsibilities for implementation are established, a review of the relevant Government Ministries, Departments and Agencies (MDA’s) capacity on social and environmental safeguards will be assessed, building upon existing experience with rural roads programs. Capacity building needs will be established based on this assessment.

The State Project Implementing Units (SPIUs) will be responsible for the monitoring of safeguards aspects of the project. The SPIUs will have environmental officer and social safeguards officer. The SPIUs are new and have no experience in handing safeguards aspects of rural infrastructure projects that apply World Bank and AFD safeguards policies, principles, and procedures. Therefore, the World Bank will provide training to the SPIU staff. The Project has a provision to engage social and environmental consultants that will help the SPIU staff in monitoring safeguards aspect of the Project. Based on lessons learnt from the operations in other countries, the SPIU will strengthen its capacity to monitor social safeguards, including the negative impacts associated with the influx of workers coming to the project area. The Federal Project Management Unit (FPMU) has also environmental and social experts engaged to provide support to the SPIUs. The project has a provision to engage social and environmental consultants that will support the FPMU staff.

Prior to appraisal, a review of the various SPIU capacity on social and environmental safeguards will be assessed, building upon existing experience with the rural roads programs and capacity building needs will be established based on this assessment.

C. Environmental and Social Safeguards Specialists on the Team

Joseph Ese Akpokodje, Michael Gboyega Ilesanmi

D. Policies that might apply

<table>
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<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>The project is categorized as a category B and OP 4.01 is triggered because the proposed project will finance rehabilitation, upgrading and construction of rural access roads and construction of river crossings in the 12 participating states in component 1 and establish two strategically located pilot agro-logistics hubs in each state and will finance the provision of access roads; site and services, including leveling and paving, perimeter fencing, offices, market sheds and storage facilities; and connection to high speed internet. . The project may trigger some minor environmental and social impacts, but not limited to noise by machineries and dust during rehabilitation upgrading and construction works and site and services infrastructure. However, the exact locations of sub-projects are not fully known and in order to successfully identify and manage potential site specific and adverse environment and social impacts resulting</td>
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from sub-project activities, an Environmental and Social Management Framework (ESMF) will be prepared as due diligence. The ESMF will be disclosed in-country and at the Info shop prior to appraisal.

The project will trigger OP 4.04 in component 1 and 2 because some of the activities of the access roads rehabilitation, river crossing activities and site services may have impact on the natural habitats thereby triggering OP4.04. In order to mitigate such adverse impacts, the ESMF and subsequent sub-project ESIAs/ESMPs will contain sections detailing the mitigation measures for eliminating or minimizing potential sub-project activities negative impacts on the natural habitats.

Natural Habitats OP/BP 4.04 Yes

Forests OP/BP 4.36 No

The project will not finance the development of forests and therefore will not envision any significant conversion or degradation of critical forest areas. The area in which this project would be implemented will not have impacts on the health and quality of forests or the rights and welfare of people and their level of dependence upon or interaction with forests.

Pest Management OP 4.09 No

The project will not raise potential pest management issues or finance the development the procurement of pesticides, pesticide application equipment or the use of pest management practices.

Physical Cultural Resources OP/BP 4.11 Yes

The project will carry out activities in areas of cultural significance and heritage that could impact and/or lead to the discovery of ancient antiques and other physical resources. To mitigate these risks, specific procedures (such as chance finds procedures) will be included in the ESMF and subsequent ESIAs as required.

Indigenous Peoples OP/BP 4.10 No

There are no indigenous peoples in the project area.

Involuntary Resettlement OP/BP 4.12 Yes

The World Bank’s safeguards policy OP/BP 4.12-involuntary resettlement is triggered because land acquisition and resettlement is likely to occur during the implementation of activities under components 1 and 2. Given the fact that all the sub-projects sites are not known in sufficient details before appraisal, the Borrower will prepare a Resettlement Policy Framework (RPF) in accordance with the Bank’s safeguard policy on Involuntary Resettlement (OP/BP 4.12). The RPF will be consulted upon and disclosed in country and on the Bank’s external website prior to project Appraisal. The RPF will outline the resettlement process in terms
of procedures for preparing and approving Resettlement Action Plans (RAPs), institutional arrangements, likely categories of affected people, eligibility criteria and categories, compensation rates, methods of valuing affected assets, community participation and information dissemination, Grievance Redress Mechanism and effective monitoring and evaluation. These arrangements are to ensure that there is a systematic process (as against an ad hoc one) for the different stages of implementation of a framework that assures participation of affected persons, involvement of relevant institutions and stakeholders, adherence to both World Bank and Government procedures and requirements

<table>
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<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
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</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
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</tr>
</tbody>
</table>

This policy is not triggered because project activities will not support the construction of new dams and rehabilitation of existing dams.

The project will not trigger this policy because the rivers in which this project is intervening are not transboundary.

This policy is not triggered because the project area is not in dispute.

**E. Safeguard Preparation Plan**

Tentative target date for preparing the Appraisal Stage PID/ISDS

Dec 22, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

December 15, 2017

**CONTACT POINT**

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APPROVAL

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<th>Task Team Leader(s):</th>
<th>Tesfamichael Nahusenay Mitiku, Olatunji Ahmed, Sheu Salau</th>
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<td>Safeguards Advisor:</td>
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