

JAPAN SOCIAL DEVELOPMENT FUND - GRANT PROPOSAL

FY10 ROUND 31

Public Disclosure Authorized

A. Basic Information	
A.1 Beneficiary Country	Nigeria
A.2 Grant Recipient	Republic of Nigeria
A.3 Name and Address of Implementing Agency	National Fadama Coordination Office, Abuja, Bukar Tijani on fadamanfco@yahoo.com, State Fadama Coordination Offices in Cross River, Lagos, Sokoto and Yobe states; Bassey F. Elami, crossriverfadama@yahoo.com, Dr. Olayiwole Onasanya, lagosfadama@yahoo.com, Muhammad B. Mustapha. GSM 080335074673, sokotosfco@yahoo.com. Musa A. Garba, yobesfco@yahoo.com
A.4 Is the Implementing Agency a Government entity? #(in case of joint implementation by government and NGO(s), please provide details on the legal status of each agency under Grant Implementation Arrangements below)	Joint implementation by government and NGO(s)
A.5 Administrator	International Bank for Reconstruction and Development
A.6 Grant Name	ROUND 31 NIGERIA: Fadama Information and Knowledge Services
A.7 Grant Amount in USD (includes incremental Bank costs)	2,993,100
A.8 Does this grant proposal qualify for the special allocation for Africa?	Yes, for agricultural development

Public Disclosure Authorized

B. Grant Development Objectives
The objective of the proposed JSDF project is to establish sustainable, Fadama information, knowledge and business advisory services centers (FIKS) to increase farm productivity and rural household incomes in the poorest sections of the Fadama community in Cross River, Lagos, Sokoto and Yobe states over a four year period using a variety of information and communication technologies.

C. Eligible Expenditures			
List all applicable eligible expenditures below in one or more categories as necessary. Eligible expenditures include consultant services (including audits), local training and workshops, small civil works, goods, sub-grants and incremental Bank costs.			
Category	Amount (US. Dollars)	Percentage of Expenditures to be Financed	Percentage of Grant Amount
CIVIL WORKS	240,000	100%	8%
GOODS	897,200	100%	30%
CONSULTING	526,000	100%	18%
OPERATING COSTS	274,000	100%	9%
TRAINING	805,900	100%	27%
Total Grant to Recipient	2,743,100		
Incremental Bank Cost	250,000		8%
Total Grant Amount	2,993,100		

Grant Supplementary Information

Section 1 - Administrative Information	
Trust Fund No. (For CFPTO Use Only)	TF099005
Resubmission	No
JSDF Grant Type	Capacity Building
Sector Code	Agriculture and Rural Development
Grant Approval Date (For CFPTO Use Only)	00000000
Task Team Leader	Mr Abimbola Adubi
TTL Email	aadubi@worldbank.org
TTL Phone Number	455-359+
Was a JSDF Seed Fund used to prepare this grant? If so, please indicate the TF number.	Yes. TF095006

Section 2 - Details of the JSDF Grant	
Section 2.1 - Grant Components and Activities Briefly describe the specific activities (limit 300 words) to be carried out under each component	
Component 1	A. Development of virtual agriculture and veterinary advisory services
Cost (USD)	610,500
<p>The objective of this component is to develop virtual advisory services in agriculture and veterinary services by linking the Fadama farmers to local, national and international specialists in the university, national and international agricultural research institutes, private sector, NGO's, Farmer associations, etc. , to provide near and/or real time advisory services to solve problems faced by the farmers focusing on their main agricultural crops and livestock products.</p> <p>Activities: The following activities shall be carried out:</p> <p>a. Creation of an on-line registry of local, national and international experts in areas relevant to the agro-climatic and farming conditions in Cross River, Lagos, Sokoto and Yobe and linking them to Fadama farmers to obtain timely advice based on demand. Some of the areas which the Fadama farmers have requested advice on include improved production techniques of food crops, commercial seed production; specialized horticultural crop and fruit trees production, seedling production; integrated pest management; how to reduce post harvest losses, livestock production, veterinary care, livestock feed; fish production (aquaculture, fingerling production, fish feed; special production (wild like domestication, bee keeping, snailery, cheese making); agro-forestry production, seedling production; soil and water conservation; irrigation, water management, water conveyance systems; storage, etc.</p> <p>b. Localized content development: Development of easy to understand local content in local language and make them available in digital format, adapt publicly available content from the World Wide Web to meet the information, knowledge and business services needs of a variety of Fadama end-users.</p> <p>c. Development and implementation of suitable business models to transition from free to fee based agricultural and veterinary advisory services.</p> <p>Use of funds: The grant funds for this component (constituting 22% of the total grant funds) will mostly be used for consulting services - to agricultural and veterinary advisors who have been contracted to provide virtual advisory services to the Fadama Community Association (FCA) members, national consultants for content development, purchase of data bases in relevant areas.</p> <p>Implementation arrangements: The virtual agricultural and veterinary advisory services will be implemented by the State Project Coordinator's office in Cross River, Lagos, Sokoto and Yobe, in cooperation with the Ministry of Agriculture. They will be responsible for overall management and organization of this service. This will involve the following tasks: Identifying and selecting qualified agricultural and veterinary advisors, creation of on-line registry, data and knowledge databases,</p>	

web-based services, Network management, coordination with various organizations and service providers, developing the crop expert systems, associated software, training of staff and FCA members, and organizing the contractual arrangements between the advisors and the farmers. A portion of the grant funds will be used for the first two to three years to pay for these services, after which the FCAs are expected to contract directly with the advisors, as their productivity and income levels are expected to increase resulting in their ability to pay for these services. The selection of the roster of specialists will be carried out by a steering committee, which would consist of at least one member from the Ministry of Agriculture, National and State Project coordinator's office and the Fadama farmer association.

Total number of months from grant activation to implement the component: 48 months

Monitorable Deliverables/Outputs

Establishment of virtual ag. advisory services, 4 call centers, and on-line registry of 400 experts.

Component 2	B. Establishment of Fadama information and knowledge services centers
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Cost (USD)	1,679,600
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Objective: The main objective of this component is to provide transaction based IT enabled locally relevant information and knowledge services to improve rural productivity and incomes of the poorest sections of the Fadama farm community in Cross River, Lagos, Sokoto and Yobe states.

Activities: The following activities shall be carried out:

(a) Provision of timely and locally relevant information and knowledge services: The center will serve as a focal point to provide locally relevant information and knowledge services to the FCA members using various information technologies and applications. This will include: (i) the development and implementation of localized data and knowledge base, such as common agricultural problems faced by the farmers and solutions by local experts, experienced farmers from the local community, extension specialists, research institutes, etc., (ii) basic characteristics of soil fertility for which the FCA community members will be trained in using automated soil testing devices to collect data, and maintaining them in a data base in the FIKS center; (iii) mobile phone and web applications for advisory services in agriculture and veterinary areas, etc., for the use by the Fadama farmers in the selected project areas (most of the FCA members have at least one mobile phone per household); (iv) establishment of a farmer call Centre which would take questions from farmers and provide answers in their language within a short period. Specially developed software would store the callers' details and the specifications of the question and search the data base for the required information such as crop technologies, pest control, how to reduce crop losses, etc;

(b) Capacity Building of Fadama Community Association (FCA): The project shall support the training of :

(i) the management team of the Fadama farmer association in various aspects of management, finance, accounting, human resources, information technology applications, change management processes, procurement process, contract negotiations, performance standards, pricing of services, terms and conditions of contract, legal aspects of contracts, preparation of MOU's and supervision of contractual services of agricultural and veterinary services being provided.

(ii) Increasing digital literacy of rural poor and vulnerable groups: the project shall support the provision of basic, intermediate and advanced training in the use of a variety of information technologies targeted at the rural poor and vulnerable groups (e.g. presently the level of digital literacy is about 5% in IKWA FCA in crossriver state). TRAINING WILL BE TARGETED ESPECIALLY FOR THE YOUNGER MEN AND WOMEN WHO HAVE DEMONSTRATED INTEREST TO LEARN IT SKILLS. MANY YOUNG PEOPLE IN THE RURAL COMMUNITY ARE ALREADY INVOLVED IN THE SALE OF MOBILE PHONE CARDS, SALE OF MOBILE PHONES, PROVIDING CHARGING SERVICES FOR MOBILE PHONES, ETC AND ARE EAGER ACQUIRE NEW IT SKILLS. This will cover areas such as the use of digital camera, video camera, computers, continuous upgrading of computer skills for the Fadama community members in the selected states of Cross River, Lagos, Sokoto and Yobe. There have been many successful examples in other parts of the world of the ability of the illiterate poor to learn, use and access information and knowledge services available through a variety of technologies, such as mobile phones, computer, on-line and off-line learning systems, etc., which will be adapted in this initiative, development of learning materials - identification, adaptation and translation into local language relevant and up-to date training materials, preparation of toolkits, exposure visits to other well functioning IT enabled service centers providing a range of services; web browsing and web-design, basic computer repair and solving software problems, mechanisms for reducing misuse of internet by end-users and threats of IT applications, etc.

(c) Development of facilitators to local content specialists: The project shall support the development of facilitators to local content specialists in their area of specialization, for example, a facilitator with an agriculture background with interest in cereals or fruits or vegetables would be provided with the necessary training to become a specialist in his or her area of expertise and trained in the use of IT applications in that area, and develop content which is locally relevant and is

easy to understand and accessible by the community members, including the illiterate. Locally recruited facilitators from the community are the front line specialists to interact with the community and develop demand driven projects to improve the living standards of all Fadama community. The facilitators, consisting of mostly young men and women are fluent in the local language and have a technical background and are specialized in one or more disciplines, such as agriculture, livestock, business management, finance, economics, etc.

(d) Raising public awareness and dissemination: The project will support public awareness campaigns of the different types of IT based services being provided by the FIKS centers to the Fadama communities, benefits and costs of IT enabled services for increasing agriculture productivity and income levels, objectives and supporting activities of Fadama Information and knowledge services through mass media, leaflets, brochures, public displays, newspapers, radio, television, Fadama Project web-site.

(e) Strengthening farmer to market linkages: This will consist of: (i) Establishment of a Fadama community owned agriculture and livestock market information system, focusing on the most essential agricultural products produced locally for the use by the Fadama farmers, traders, input suppliers, agro-processing companies, etc; using mobile phone and web applications; (ii) establishment of farm produce collection center with facilities for grading, standardization, storage and packaging; with linkages to other larger centers for the subsistence and small producers for their farm products. This will serve as a local point for aggregation of their products and to link with interested buyers who can come to the center to purchase the products and obtain a fair and competitive price for their products; (iii) Piloting computerized farm produce traceability system: The project will pilot a computerized farm produce traceability system using a mobile phone based recording system in selected farms in the Fadama community associations to meet the stringent EU requirements as well as some supermarket chains within Nigeria. In this regard, a small start has been made by the Fadama community association in Lagos, who have been able to find markets for their vegetables and herbs in Europe and would like to increase their exports and expand their markets, and offers an opportunity to scale this up using IT enabled applications. In order to adhere to stricter EU standards for imports of fresh produce, food traceability is becoming important. According to the EU food law, traceability is "the ability to trace and follow a food, feed, and food producing animal or substance through all stages of production, processing and distribution. This is expected to provide opportunities to earn higher value for their farm products.

Use of funds: The grant funds for this component (constituting 61% of the total grant funds) will be used for the following purposes : (i) rehabilitation of the buildings for the Fadama information and knowledge services centers in Cross River, Lagos, Sokoto, and Yobe; (ii) information technology and office equipment; (iii) alternative sources of power supply, such as solar power, bio-gas, etc, (iv) equipment and software for food traceability systems; (v) soil testing equipment and software; (vi) declining percentage of operating costs of the center over a four year period, which would be determined based on the ability and willingness to pay by the farmers. Given the low level of incomes of the Fadama farmers at the present time, the JSDF grant funds will be used for the establishment of the center and about 90 percent of the operating costs in the initial two years of the center operations, following which the FCA's contribution is expected to increase to cover atleast 70 percent of the operating costs of the center by the end of the project period.

Implementation arrangements: The FIKS centers shall be implemented by the Ikwa Clan Fadama Community Association, in Cross River state, Amaludu Fadama Community Association in Lagos state, Bodinga Fadama Community Association in Sokoto state, and Kasatchia Fadama Community Association in Yobe state under the supervision of the respective State project coordinator's office. The FCA is headed by a Chairman, Secretary and Treasurer and has five sub-committees responsible for Procurement, Monitoring and Evaluation, Management, Environment and Maintenance. Given the high rates of illiteracy of the Fadama farmers at present, the facilitators, will assist the farmers to obtain solutions to their problems through searching the databases, establish linkages with the agriculture and veterinary advisors, etc.

Total number of months from grant activation to implement the component: 48 months

Monitorable Deliverables/Outputs

Business plan of 4 FIKS centers; Appt of manager & staff; Estab. of ag. market price information system; localized soil quality database; computerized farm produce traceability system.

Component 3

C. Monitoring, Evaluation, Learning and Audit

Cost (USD)

453,000

The main objective of the component is to establish a dynamic monitoring and evaluation system which would track input, output, outcome, and impact indicators to measure the performance of the proposed activities of the JSDF project.

The following activities shall be carried out:

(a) assessment of changing demands and creating demand for new types of information, establishment of a dynamic feedback mechanism aimed at obtaining feedback from users to determine the usefulness and relevance of information and knowledge being provided by the advisors as well as the FIKS centers;

(b) evaluating impact of investments in various types of ICT aimed at poverty reduction in each of the Fadama communities. The M and E component will track key indicators of project performance, learn lessons, identify key success factors, assess short term and medium to long term impact on changes in household incomes and living standards to the extent possible, identify what has worked and not worked. This will be used to scale up the development of transaction based Fadama information and knowledge services in rest of project areas of the Third Fadama National Development Project in Nigeria.

(c) Carry out audits by external auditors on selected competitive basis. This will be carried out once a year for the 4-year duration of the project.

Use of funds: The grant funds for this component (constituting 17% of total grant fund) will be mainly used for consulting services - to national and international consultants for carrying out surveys, training materials, travel, logistics associated with carrying out the surveys, and audit.

Implementation: This shall be implemented by the state project coordinator's office in each state with the assistance of consultants. Periodic evaluation involving the local community members from the surrounding areas will be conducted on a quarterly basis. An independent evaluation will also be conducted one at mid-terms and the second one at the end of the project period.

Total number of months from grant activation to implement the component: 48 months

Monitorable Deliverables/Outputs

Evaluation methodology; Data on users & usage by gender & vulnerable groups of FIKS centers - costs and benefits; & Mid-term & end-of project evaluation reports. External audit reports of the project.

Summary Description for Grant Agreement

A. Development of virtual agriculture and veterinary advisory services. Agricultural and veterinary advisory services will be provided upon request by linking the Fadama farmers to local, national or if necessary international specialists in universities, national and international research institutes, NGO's or farmer association that have the knowledge corresponding to the request. The advisory service can be provided in near or real time to solve the problem the farmer faces with his agricultural crop or livestock. - Cost: (US\$): 610,500 -

B. Establishment of Fadama information and knowledge services centers. The centers will be equipped, the staff will be trained to provide knowledge and information services and the and a digital information bank will be established with localized data and knowledge relevant to the Fadama farmers. - Cost: (US\$): 1,679,600

C. Monitoring, Evaluation, Learning and Audit. A monitoring system to track input, output and outcome of the information and knowledge advisory services in order to measure the performance of the centers. In addition, the impact of the advisory services on the productivity and income of the farmers will be evaluated and lessons learned concerning the efficacy of the IT technologies and equipment will be derived and disseminated. External auditors acceptable to the Bank will conduct annual audits of financial management transactions. - Cost: (US\$): 453,000

Section 2.2 Incremental Bank Costs

The costs of normal supervision are expected to be covered through the administrative budget and fee provision. Under exceptional circumstances, if additional resources are needed to facilitate community participation or NGO collaboration under particularly difficult conditions, incremental Bank costs can be requested up to 9 percent of the total grant amount.

Amount requested in USD	250,000
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This project is the first of its kind being proposed in Nigeria to establish community driven IT enabled information and knowledge services, which is owned, managed and operated by the rural poor in a difficult and complex environment. This would require intensive supervision, especially, during the early stages of its implementation and the Bank's own resources for supervision are inadequate. Hence the request for US\$250,000 (8.3 % of the total grant amount requested) from the JSDF to cover a portion of the Bank's incremental operating costs has been made over the 4-year life of the project.

B2. Financing Plan for proposed activities to be supported by JSDF

Financier US\$

JSDf2,997,000	
Recipient -	
Beneficiary Organizations	350,000
Total	3,347,000

Section 2.3 - Rationale and Participatory Approach
 Briefly present (a) the origin and rationale for the proposal;
 (b) participatory activities which led to the proposal concept;
 (c) its innovative features in responding rapidly to the needs of the poor and vulnerable groups;
 (d) describe the intended beneficiaries and provide an estimated number of beneficiaries and cost per beneficiary.

Provision of locally relevant and timely information and knowledge services aimed at increasing rural productivity and income levels have been critical to the success of rural poverty reduction programs. This aspect has been continuously emphasized throughout the preparation and implementation of the Third National Fadama Development Project and in practically all other agricultural development programs in Nigeria. But the supporting activities have been limited to mostly educate the community in the objectives of the projects, components, procurement and disbursement processes, implementation manuals, etc which have used up most of the limited resources in the project assigned for this purpose. The need to expand the scope of providing relevant information and knowledge for increasing agricultural productivity and strengthening linkages to markets have been stressed by the project management at all levels and most importantly by the communities themselves, especially in the selected project states of Cross River, Lagos, Sokoto and Yobe during the preparation mission. Recent advances in information technology provides an opportunity to try out innovative ways of providing near to real time information and knowledge services to the Fadama Farmers which would increase their productivity and incomes. The JSDf offers such an opportunity to make this happen.

A JSDf seed fund supported preparation mission was carried out in November 2009 to undertake a participatory diagnostic information and knowledge needs assessment through interviews, focus groups discussions to identify the information, knowledge and business services needs of each of the targeted vulnerable groups, viz., Fadama User Groups (FUG), Fadama Community Association (FCA); Economic Interest Groups (EIG) in Cross River, Lagos, Sokoto and Yobe states. During these discussions, considerable demand was expressed by a large majority of over 300 women and men of various age groups of the Fadama Community Association, Fadama User Groups, to obtain locally relevant, easy to understand and access for near to real time information and knowledge services in areas which could help increase their farm and non-farm productivity, incomes and household welfare. In particular, the need for obtaining reliable and up-to-date market prices of locally produced farm products within and outside Nigeria and new agricultural technologies were considered to be very useful and important. Specific requests were made by the communities for assistance in the use of a variety of information and communication technologies to empower them, connect them to markets, local, national and international experts - including the Diaspora, and to learn IT skills. The subject areas covered a wide range - agriculture, business management, employment, entertainment, health, English language, computer, skills, etc. The communities also expressed a willingness to contribute in terms of kind and/or cash for the establishment of the Fadama information and knowledge services centers as a sign of their commitment. The need for such interventions was also considered timely and strongly supported by all the project staff in each of the States as well as at the National level. Moreover, this is the first intervention of this kind in the Fadama project and will serve as a model for other participating states. The main beneficiary at the ground level is the Fadama household, and the proposed activities in this proposal is aimed to cater to the information and knowledge services needs of all members of the household over a four year period. A typical Fadama household consists of about six members, although this number can be more than 10 or 15 # consisting of adult men and women, and male and female adolescents and children, which includes the sick (infected with HIV/AIDS), widows, unemployed, men and women, etc. The proposed activities of the JSDf proposal is aimed at all members of the household, unlike other IT enabled projects which are focused on meeting only one or two main members of the household.

The Bank mission identified the Farmer associations where the Fadama information and knowledge services centers will be established. The project will also carry out a more in-depth assessment of other fadama farmer associations who would want to participate in this project. The targeting of the poor and vulnerable will be done using self-assessment tools and participatory techniques by the community, which would be cross referenced with the household specific poverty surveys and other studies carried out in the project areas.

The JSDf project has several innovative features:

- (i) The project uses a modular approach for the provision of information and knowledge services using IT tools and applications to meet the needs of the rural household - by focusing initially on agriculture and veterinary areas - aimed at increasing productivity and incomes in the short term - this project would create the foundation on which other information and knowledge modules, such as on education, banking, health, entertainment, employment, etc., can be

developed and added to meet the needs of all members of a rural household;

(ii) The project develops sustainable business models for the provision of IT enabled information, knowledge and business services in the rural sector in Nigeria and to develop practical road map to transition from free to fee based services. This would be carried out by the suitable adaptation of successful business models from other regions, most of which involve partnerships with the private sector, organization of farmers around specific commodity lines, using information technology to link producers to several buyers and markets, aggregation of production of the small producers to increase their bargaining power. This would enable the producers to obtain fair and competitive prices at their point of production. This would also enable them to save time and avoid selling their products on the roadside as is the current practice.

(iii) The project emphasizes preparation and dissemination of localized content, data and information # such as the preparation of localized soil maps for the Kasatchia Fadama Community Association and Moduri Fadama Association in Yobe state;

(iv) The project uses extensive participatory approaches using a variety of techniques to identify, prioritize the information and knowledge services needs of the Fadama communities and marginalized groups to develop locally relevant demand drive content;

(v) The project introduces the latest technologies to the very poor and vulnerable groups to demonstrate the benefits of technology to improve their livelihoods, such as, providing training to Kastatchia Fadama community at Federal Polytechnic in Yobe State, which has high speed internet access, on-line training courses, web-based services, etc. (assisted by the Step-Up program of the World Bank);

(vi) The project will adapt innovative information technology applications to reduce the low levels of literacy through the design and implementation of easy to use information technology applications for improving functional and computer literacy and numeracy skills of the poorest by adapting successful practices from other countries to Nigeria. This would enable the poor to access, understand and use relevant information knowledge services through a variety of technologies, such as, mobile phones, internet, etc., in other countries which will be adapted to the local conditions.

The intended beneficiaries are the vulnerable and poorest segments of the rural population living in the states of Cross River, Lagos, Sokoto and Yobe - who have little or no access to agriculture and rural information and knowledge - this population includes disadvantaged and vulnerable small or subsistence farmers and their families (which may include unemployed male and female youth, widows, disabled persons, HIV patients) and rural entrepreneurs (small farmers or their family members that sell farm products). The estimated number of direct beneficiaries of the FIKS center activities is about 8700 Fadama farmers in the four states of Cross River, Lagos, Sokoto and Yobe through the four year project life. The total cost per beneficiary is about US\$350. The project will also benefit a large number of other poor farmers in neighboring villages through the dissemination of agricultural information and knowledge generated by the project.

Section 2.4 - Sustainability

Indicate the mechanism for sustainability of the proposed activities after the completion of the grant. This should include a description of the exit strategy and mechanism for long-term sustainability with specific measures and cost.

The following measures will be taken to ensure sustainability of the JSDF grant proposal:

- The emphasis on transaction and demand based provision of information and knowledge services which meets the immediate and short term needs of the Fadama farmers is expected to result in creating value in the services being provided- and the business plan of the virtual agriculture and veterinary services and fadama information and knowledge service would envisage a transition from free to fee based services before the end of the project period - and generate adequate revenues to meet 100 percent of the operating expenses. Potential sources of revenue include fees from advertisement by agricultural companies on FIKS web-sites, membership fees, creation of a market for community generated data and information, e.g. soils, market information and intelligence, etc.
- The Fadama information and knowledge services centers will be owned and managed by the Fadama farmers' associations who will be contributing in cash as well as in kind, thereby indicating their commitment to maintain operations of the proposed activities.
- The project grant funds for operating costs are being provided on a declining basis with increasing contributions from fees to be generated by marketable services and after the project completion period, the FIKS centers are expected to cover all the operating costs, thereby ensuring sustainability following the end of the project.

- Other factors contributing to the sustainability are: the costs of ICT and connectivity are declining, Local content is expected to grow in Nigeria, and the Government is placing considerable emphasis on bringing IT enabled services to rural areas.

Section 2.5 - Safeguard Issues

Describe any significant adverse impacts related to environment and social safeguard policies, and how they will be addressed.

None.

Section 3 - Linkage to Country Strategy and Associated Bank Financed Operation

Section 3.1 - Country/Sector Background

Provide any specific information related to country and sector strategies which may support this proposal.

Majority of Nigeria's population of about 70 million who live in poverty depend on agriculture for their livelihoods. Nigeria is endowed with abundant oil, mineral and productive agricultural land resources. Agricultural productivity has declined over the years resulting in reduced farm incomes. Rural producers in the poorest areas in Nigeria continue to face the following constraints: (a) limited access to locally relevant, easy to understand, information, knowledge and business services needed to improve their livelihoods; (b) low levels of literacy and affordability for IT based services; (c) weak linkages between agricultural research, extension, education and farmers; (d) lack of well- developed market integration between farm, wholesale and retail markets, (e) little or no bargaining power of rural producers and exploitation of poor farmers by traders. To address these problems, the Government of Nigeria began the implementation of a strategy for growth and poverty reduction, called the National Economic Empowerment and Development Strategy (NEEDS) and the state-level State Economic Empowerment and Development Strategy (SEEDS). The NEEDS is based on three pillars: (i) empowering people and improving social service delivery; (ii) improving the private sector, focusing on non-oil growth; and (iii) changing the way government works, focusing on improving governance. In support of Nigeria's development strategy, the World Bank together with DFID adopted the County Partnership Strategy in June 2005, in which developing non-oil sectors; especially the agricultural sector has been given priority and bring about business process changes in the way resources are allocated, in the design, implementation, monitoring and evaluation of development of poverty reduction programs. In addition, Government of Nigeria has developed a strategy for the development of knowledge economy and information and communication technology with the mission being to To USE IT for Education; Creation of Wealth; Poverty Eradication; Job Creation; and promote Global Competitiveness.

The proposed JSDF project, therefore, is: (i) fully consistent with the overall development strategy of the Government of Nigeria for reducing poverty and developing sustainable institutional mechanisms to use IT enabled services to move from low-input/low output agriculture to knowledge based agriculture and promoting shifts in production patterns from low value staples to higher value commodities and value added products; (ii) help toward achieving the the Government's mission - to provide the citizens of Nigeria with credible and timely information on government activities, programs and initiatives, while creating an enabling technological environment for socio-economic development of the country; (iii) address the critical constraints faced by rural producers by improving the quality, quantity and timely availability of IT based information, knowledge and business services at affordable rates - especially in those areas which would significantly make a difference in profitability and productivity of the most vulnerable farm and non-farm rural producers; and (iv) consistent with the approaches being used in the Fadama Development Project and Commercial Agriculture Development Project which are considered good examples of delivering resources to the project beneficiaries at the levels of the community and Commodity Interest Groups to raise agricultural productivity and to reduce poverty.

Following are the documents related to the development of the Country Assistance Strategy (CAS) and the Information and Communication Technology for Development (ICT4D), which support the need for this JSDF grant:

(1) Nigeria Country Partnership Strategy (2005-2009), Report No. 32412-NG, June 2, 2005. The main objectives are: (i) Improved service delivery for human development; (ii) Improved environment and services for non-oil growth; (iii) Enhanced transparency and accountability for better governance.

2. ICT4D Strategic Plan for Economic Sectors of Nigeria, November 2008. The main objectives are: (i) bridge the Digital Divide by encouraging Investment in Information and Communications Technology; (ii) use ICT as a tool for a wide range of

applications, such as remote sensing, environmental, agricultural and Infrastructural planning; (iii) Identify and explore opportunities for trade, investment and finance; (iv) Help reduce illiteracy and for improvement of health and Education for all; and (v) Encourage identification and pursuit of areas of research and required development, amongst others.

Section 3.2 - Bank Financed Operation the Grant will Complement

Project Name: Third Fadama National Development Project

Project ID: P096572

Board Date: July 1, 2008

PDO: The main objective of the Fadama III project is to sustainably increase the incomes of Fadama users, which would help reduce poverty, increase food security and contribute to the achievement of a key Millennium Development Goal (MDG).

Component Names:

1. Capacity Building, Local Government and Communications and Information Support (US\$87.5 million) - Capacity building support for community organizations, local governments;
2. Small Scale Community owned infrastructure (US\$37.57 million) - Provide grants to participating Fadama Community Associations for demand driven community owned productive infrastructure investments of public goods nature;
3. Advisory services and input support (US\$39.5 million) - Provide support to empower Fadama users, farmers/pastoralists and other economic interest groups and provide input support;
4. Support to the Agricultural Development Program (ADPs), sponsored research, and on-farm demonstration (US\$37.43 million) - Provide support to the Agricultural Development Program, advisory service providers, training of facilitators, sponsored research and on-farm demonstrations and training of extension staff;
5. Asset acquisition for individual FUGs/EIGs (US\$150.0 million) - Provide seed funds to empower smallholder and poor farmers to acquire capital assets;
6. Project Management, Monitoring and Evaluation (US\$59.3 million) - Provide technical assistance to national and state level implementation coordination units and M and E systems.

Section 3.3 - Rationale for Grant Funding versus Bank Lending

Briefly describe why the proposed JSDF activities could not be financed under the Bank-financed operation or by other sources.

The main objective of the IDA-financed Fadama-III Project is to increase the income of Fadama resource users by directly delivering resources to the beneficiary rural communities in a sustainable, efficient and effective manner. To achieve this objective, the project has placed importance on the use of information and communication technology to empower the poor and reduce poverty, but its scope is very limited and does not include the proposed type of activities in the JSDF grant.

The relevant Fadama project activities are aimed at: (i) strengthening communications and information support, which however, is limited to financing of technical assistance to design and implement dissemination of information about the project and its guidelines to potential beneficiaries, develop content for the project implementation manual, rights and obligations under the project, increase awareness of their rights to report and take action of irregularities of possible elite capture and corruption; and establishment of one community radio station to be operated on a voluntary basis; (ii) advisory services which would provide support to empower fadama users, farmers/pastoralists and other economic interest groups to purchase advisory services from both public and private sources and input support to purchase farm inputs (mainly seeds, fertilizers and agro-chemicals) and to build savings. Other activities being financed by the Fadama project are small scale community owned infrastructure, such as access roads, rural markets, and infrastructure for sustainable natural resource management; sponsored research and on farm demonstration, research laboratory and training of facilitators and extension staff; asset acquisition and project management, monitoring and evaluation.

Therefore, the proposed activities under the JSDF project would be very complimentary to the activities being financed under the Fadama III Project and would considerably increase the effectiveness of the Fadama project by focusing on the development of sustainable IT enabled information, knowledge and business services for various types of poor and vulnerable target groups. The applications for the creation and sharing of locally relevant information and knowledge modules and using Information Technology would help increase agriculture and rural productivity, promote empowerment and develop job creating skills for the most vulnerable population in the selected project areas. The JSDF grant is a unique funding instrument in that it would enable the Fadama Community Associations to pilot the development of new technology

based services to their members. These services and the equipment, software and staff are not part of the Fadama III project and are not eligible for funding under that project. Also, the FCAs could not fund the development of the services from their regular income from member fees, which cover the core operation of the FCAs. No other donors could be found to finance the pilot services.

Funds from the Fadama III project could be used for the activities proposed under the JSDF proposal, but this would require changes in project design, funds reallocation and restructuring of the components of Fadama III project, which are currently focused on capacity building, community infrastructure, agricultural development, asset acquisition and project management.

Introducing the proposed activities in the JSDF proposal using FADAMA III project funds would take considerable time and effort and delay the introduction of IT enabled innovative features as envisaged in the JSDF proposal being submitted. The JSDF project moreover, is intended to be a pilot project to test a new approach to service delivery and improving rural incomes. As such this is the first time that such a concept has been introduced in this context and the JSDF project, if successful, would provide the necessary evidence for the Government to adopt it on a larger-scale and replicate it in other States where Fadama III operates. Further, as indicated in the justification in the JSDF proposal, the scope of the relevant activities in the FADAMA III project are very limited, project was built around use of Service providers, access to markets for Fadama farmers through established institutions and do not include the proposed activities in the JSDF proposal. The availability of JSDF funds, therefore, would: (i) help initiate these activities at a much faster pace, (ii) build on the enthusiasm generated and commitment obtained during the preparation of the proposal, especially in the four Fadama Community Associations in Cross River, Lagos, Sokoto and Yobe states and (iii) if successful could potentially attract the funds from the Fadama III project as well as from other interested donors and the Government.

Section 4 - Grant Implementation Arrangements	
Section 4.1 - Name and Address of Implementing Agency	National Fadama Coordination Office, Abuja, Bukar Tijani on fadamanfco@yahoo.com, State Fadama Coordination Offices in Cross River, Lagos, Sokoto and Yobe states; Bassey F. Elami, crossriverfadama@yahoo.com, Dr. Olayiwole Onasanya, lagosfadama@yahoo.com, Muhammad B. Mustapha. GSM 080335074673, sokotosfco@yahoo.com. Musa A. Garba, yobesfco@yahoo.com
Please provide the rationale for the selection of the implementing agency Briefly describe the organization's mission, country/sector experience, program of activities, sources of financing, and evidence of financial management capacity to assure appropriate use of JSDF funds. If the grant will be implemented by more than one entity, briefly describe the responsibilities of each implementing agency.	
<p>The implementation for the proposed project is the responsibility of both the Government as well as non-Government entities. The Government entity is the State Project Coordinator's office which would be responsible for the organization and management of the virtual agricultural and veterinary advisory services; The non-Government entities, viz., the Fadama Community Associations (FCAs), which are registered under the Government Company Act, will be responsible for the implementation of the Fadama information and knowledge services center. Since the community members are not trained, the project has placed considerable emphasis on training the FCA management in all aspects of management, finance, procurement, and accounting procedures, MIS, etc. Strong oversight mechanisms will be put in place to ensure that the JSDF funds are used for the purposes intended. This will include keeping distinct accounting records and books from those of GEF and Fadama III would be maintained for the project from payment vouchers (PV) to cash book. Proofing of expenditures through regular monthly reconciliation of cash book/ledgers with the originating source documents would be done and also the result of monthly variance analysis would be used as a guide.</p> <p>The State Fadama Coordination Office (SFCO) is the main implementing agency at the state level which would be responsible for the establishment of virtual agriculture and veterinary advisory services, capacity building, monitoring, evaluation and learning components as they have the necessary experience and skills. The National Fadama Coordination Office (NFCO) will provide the needed oversight and ensure proper use of funds. The Fadama Community Associations (FCAs), which are legally constituted as a civic and non-political association and are recognized by the laws of both state and local governments, will be responsible for the establishment of FIKS centers which includes its management and operation. Since this is a community-driven project, the ownership and commitment is critical to its success which can only be obtained if the FCAs are fully responsible for the establishment of FIKS centers. The FCAs have been provided with the necessary training in finance, procurement, management under the Fadama III Project, and their capacity has been assessed in these areas to ensure the appropriate use of both IDA and JSDF funds.</p> <p>At the Federal level, the National Fadama Coordination Office (NFCO) has been established to coordinate all the project</p>	

activities and is responsible for day-to-day overall implementation coordination, ensuring that Bank guidelines and procedures are followed on procurement, disbursement, auditing, and financial management and that the environmental and social guidelines are followed in the implementation of the components. It is being headed by the National Fadama Coordinator and has trained staff in implementing Bank-assisted projects. At the state level, the SFCO has been established to implement the project and to ensure compliance with Bank guidelines. They have trained staff and are knowledgeable about fadama community and Bank operations. The Fadama Community Associations (FCA's) are legally constituted as a civic and non-political association and are recognized by the laws of both the state and the local governments. They are apex organizations whose members are among the most vulnerable and poorest segments of the rural population living in the states of Cross River, Enugu, Kaduna and Kano - who have little or no access to agriculture and rural information and knowledge. This population includes the disadvantaged and vulnerable groups, viz., unemployed male and female youth, widows, disabled persons (cripples, lame, blind, lepers, etc.); HIV patients, small farmers, rural entrepreneurs, etc. Empowering the grass-roots institutions of the poor with information technology enabled services would increase their productivity and income levels and result in the efficient delivery of services. The FCA's prepare, execute, supervise, operate and maintain the sub-projects which are financed by the Third Fadama Development Project and therefore are exposed, trained in Bank procedures. They are also assisted by a team of facilitators and other specialists to provide the necessary technical assistance and training support. The project's activities would strengthen these institutions of the poor through information technology enabled services.

Approval of expenditures would be the responsibility of the PCs of Fadama III in the 4 participating States based on approved annual work plan. Expenditures would be accounted for by NFCO, who would be managing the DA. However the 4 participating states shall incur the expenditures and would require to open current account in Naira to receive funds from NFCO on advance basis. FM services in the participating states would be provided by the PFMUs under a MOU. Initial advance to the states could be on the basis of 6 months expenditures budget. Reporting format for Sources and Uses of Funds to be used by the participating states and NFCO would be developed and agreed.

The FM arrangement at the PFMUs and NFCO includes needed oversight to ensure proper use of funds to be provided by a designated PIA. The annual consolidated financial statement to be prepared by NFCO would be audited twice a year for the first two years and annually in the third and fourth year by a relevantly qualified and independent external auditor to be appointed based on TOR to be cleared by the Bank. However, contract of the current external audit firm in NFCO could be extended to cover the audit of FIKS project. Funds for this purpose has been requested from JSDF.

The implementation for the proposed project is the responsibility of both the Government as well as non-Government entities. The Government entity is the State Project Coordinator's office which would be responsible for the organization and management of the virtual agricultural and veterinary advisory services. The non-Government entities, viz., the Fadama Community Associations, FCA, which are registered under the Government laws, will be responsible for the implementation of the Fadama information and knowledge services center.

Cross River state: Ikwa Clan Fadama Community Association

Lagos state: Amaludu Fadama Community Association

Sokoto State: Bodinga Fadama Community Association,

Yobe State: Kasatchia Fadama Community Association

Since the community members are not trained, the project has placed considerable emphasis on training the FCA management in all aspects of management, finance, procurement, and accounting procedures, MIS, etc. Strong oversight mechanisms will be put in place to ensure that the JSDF funds are used for the purposes intended.

Other institutions (if any) involved in grant implementation. If sub-grants are a component, describe how they will be managed.

None.

Section 4.2 - Consultation with Other Development Partners

Describe consultations with Japanese embassy, JICA, as well as other MDBs (e.g., ADB, IDB, AfDB, EBRD) in the design of grant activities (indicate names of officials contacted at Japanese embassy and dates).

Explain the division of labor among the various partners in order to avoid overlap between programs.

The team has consulted with Ms. Yamamoto Masoko, the official responsible for JSDF and Mr. Yoshiro Masuda, Representative of JICA in the Embassy of Japan on April 14, 2010 in Abuja, Nigeria. We have received their comments (attached to this proposal). The comments concerned the number of farmers who would benefit, the fees that would be charged, type of problems the farmers are facing, soil test and market information, the capacity of the Yobe polytechnic to support farmers and experience gained from similar projects. The team has responded to the comments. A summary of the

comments is as follows. The activities of the project will be carried out in partnership with local institutions, such as those providing IT training, e.g., Polytechnic in Yobe state, soil testing by the college of agriculture, drawing the agricultural and veterinary advisors from a wide range of public, academic and private sector institutions, etc.

There is no overlap in the activities being proposed under this JSDF proposal by other development agencies and/or partners. In fact, all the activities would add value to on-going development programs in the agricultural sector as well as provide useful lessons for the proposed IDA financed Agricultural Technology for Growth Project - especially the activities envisaged in the virtual agriculture and veterinary advisory services component.

Section 4.3 - Monitoring and Evaluation

List and quantify the performance indicators (maximum 5) and explain how the grant activities will be monitored and evaluated against these indicators. Please use outcome-level indicators in line with the project objectives (e.g., productivity enhancement; increased access to social and community services and infrastructure; and improvement in the living conditions of the poor and vulnerable groups). Please indicate targets and performance indicators for monitoring the measures.

Indicators	Base Value	Base Date	Target Value	Target Date
Additional number and quality of trained FIKS staff (40); local content developers (80); and vulnerable farmers (400) in basic to intermediate IT skills and digital literacy.	10%	10/01/2010	70%	09/30/2014
Percentage of Fadama users (8700), who have increased their crop and livestock productivity attributable in most part to the virtual Ag. and veterinary services provided in project.	0%	10/01/2010	70%	09/30/2014
Percentage of operating costs covered by income generated by all the four Fadama information and knowledge service centers to ensure sustainability of the centers.	0%	10/01/2010	80%	09/30/2014

Section 4.4 - Risk Affecting Grant Implementation

See attached Risk Assessment Sheet

Section 4.5 - Retroactive Financing

If retroactive financing is envisaged, the automatically generated grant agreement will specify the grant approval date as default retroactive financing date. This date can be manually set in the grant agreement to a later date but not earlier, if desired.

Is retroactive financing needed?	No
Retroactive financing amount, if needed.	

Section 4.6 - Financial Arrangements	
This section should be filled out in consultation with the Financial Management Specialist.	
Are interim unaudited financial reports required? If yes, indicate frequency. Note: These reports should normally be used to support disbursement.	Yes, every six months.
Describe the audit requirements.	The FM arrangement would include needed oversight to ensure proper use of funds to be provided by a designated project internal auditor. In addition, a relevantly qualified and independent external auditor would be appointed based on TOR to be cleared by the Bank to audit the annual financial statement. The audited annual financial statement shall be submitted to the Bank within six months after the end of the relevant fiscal year.

Section 4.7 - Disbursement Arrangements	
This section should be filled out in consultation with the Finance Officer.	
Will advances to a Designated (e.g., Special) Account be required?	Yes.
What is the proposed ceiling for advances? (This can be a specific amount or a period if interim unaudited financial reports are used to support disbursement).	The authorized allocation of the designed Account will be \$200,000, with possible increases warranted as deemed necessary.
If a Designated Account will not be used, specify how disbursements will be made (e.g., direct payments, reimbursement for prefinanced expenditures).	Designated Account will be used.
Specify the type of documentation that will be provided to support disbursements, e.g., interim unaudited financial report, SOE, or copies of records (e.g., actual invoices).	Yes, transaction-based method through submission of SOE and other supporting documents. Yearly audited financial reports will be required.

Section 4.8 - Additional Obligations	
Covenants drafted by the lawyer can be inserted in this space when, exceptionally, any additional obligations of the Recipient need to be specified.	
To be discussed with the lawyer. A procurement plan will be developed for civil works, goods and services and agreed with the recipient. The staff of the procurement committee of the FCA will be provided with the necessary training in the Bank's procurement procedures.	

Section 5 - Financing Plan	
Financier	US\$
JSDF	2,993,100
Recipient -	
Beneficiary Organizations	350,000
Total	3,343,100

Section 6 - Detailed Cost Table	
Please consult with Procurement Accredited Staff on the proposed procurement methods.	
See attached Cost Table	

Section 7 - Technical Review & Clearances
Section 7.1 - Technical Review
SDV Technical Reviewer (Please insert comments below)
<p>SDV Technical Reviewer: Comment on a) technical feasibility/appropriateness of the grant from the SDV perspective; b) relevance of the proposal to JSDF requirements for innovative approaches to provide direct benefits to disadvantaged/marginalized groups. Directions for TTLs: Indicate in capital letters, after each comment, where in the proposal the comment has been reflected. Please provide tab and field references.</p>
<p>Congratulations for a very interesting and innovative JSDF proposal. It will be useful beyond Nigeria for other countries embarked on providing sustainable, information technology and knowledge, and business advisory services centers to increase farm productivity and rural household incomes.</p> <p>The proposed operation is key for Nigeria to establish community owned IT enabled information and knowledge services, which would be owned, managed and operated by the rural poor in a difficult and complex environment.</p> <p>My comments will focus on: (a) beneficiaries and audiences and other general considerations; and (b) its components.</p> <p>(a) Firstly, the proposal should carefully reflect in the proposal the illiteracy rate and newness on the use of IT information among rural population. Therefore, one area from which the proposed project might be benefiting is to consider the relevance of age among potential beneficiaries and to emphasize its support towards reaching young people as beneficiaries. By focusing primarily to support an age group that could be more attracted and with whom the project might be more successful, the IT adoption rate could be more promising. For the proposed project's objectives, young beneficiaries are as important as young facilitators. (See para 5, component/output 3, C - capacity building.)</p> <p>(b) Secondly, I would recommend to reconsider the number of activities proposed, and by making it simpler to reinforce capacity building activities.</p> <p>(c) Thirdly, to consider some support to establish productive alliances among small farm producers.</p> <p>Comments on the components are the following:</p> <p>Component 1: Establishment of virtual agriculture and veterinary advisory services. Among the activities the "Localized content development" might need to be selective in the type of information in order to ensure effectiveness among users. The activity "Development and implementation of suitable business models to transition from free to fee based agricultural and veterinary advisory services" might need some brief explanation on how this activity is expected to be implemented. (See para 5, component/output 1, A - establishment of virtual agriculture and veterinary advisory services.)</p> <p>Component 2. Regarding the structure of the proposal the Establishment of Fadama information and knowledge services centers, also could be clearer if: (i) all the activities on communication (campaigns public media and group discussions) for awareness on rising on the IT benefits and the project are consolidated under one activity throughout the project cycle; and (ii) Participatory diagnostic information and knowledge needs, capacity, and status of information technology of Fadama communities and the preparation of business plans (indicating estimates of investment these services, target groups to be served, financial projections for one year, etc.) in other. (See para 5, component/output 3, C - capacity building.)</p> <p>Finally, on the piloting computerized farm production in a "traceability system", there are two questions that emerge: is the Fadama community association conformed by poor communities or middle size farmers with whom the poorer would be expected to establish alliances? Are the association's practices expected to be replicated among other associations? (See para 5, component/output 2, B - establishment of Fadama Information Knowledge Services Centers.)</p> <p>Congratulations again for the interesting proposal. I hope the above is useful.</p>
<p>Directions for TTLs: Please provide the name and area of specialization of the SDV Technical Reviewer.</p>
<p>1. Technical Reviewer: Pilar Larreamendy, Sr. Social Development Specialist, LCSSO; Specialization : Social Development Cleared. Comments below.</p>
Thematic Technical Reviewer (Please insert comments below)

<p>Thematic Technical Reviewer: Comment on a) the technical approach from a country/sector viewpoint and b) the relevance of the proposal to JSDF requirements for innovative approaches to provide direct benefits to disadvantaged and marginalized groups. Directions for TTLs: Indicate in capital letters, after each comment, where in the proposal the comment has been reflected. Please provide tab and field references.</p>
<p>This is a well-thought of proposal, and it will help Nigeria to establish community owned IT enabled information and knowledge services, of direct relevance to its ARD sector, I am sending very quick comments:</p> <p>Design is well thought of, we probably need to think of the business model to man the centers and the post-funding stage (once grant closes) to sustain investment in information platform, perhaps a PPP with a local provider of information services. (See para 5, component/output 1, A - establishment of virtual agriculture and veterinary advisory services.)</p> <p>Broadband infrastructure to help connect the systems created for Fadama to the broader supply chain of AG products (in Nigeria or cross-borders)</p> <p>Role of mobile operators in the dissemination of information, framework for such agreements, etc.</p> <p>Special training mostly for women on usage and production of the ICTs required. (See para 5, component/output 3, C - capacity building.)</p> <p>Number of people impacted by project would be useful, as well as an idea of number or % trained, etc. (See para 5, grant specific indicators used.)</p> <p>Linkages to central or provincial ARD databases, relating it to other regional agr market place programs, linkages to other existing programs in Nigeria (village phone, etc.) would be great. Hope this helps. (See para 5, component/output 1, A - establishment of virtual agriculture and veterinary advisory services.)</p>
<p>Directions for TTLs: Please provide the name and area of specialization of the Thematic Technical Reviewer.</p>
<p>2. Technical Reviewer Samia Melhem, Senior Operations Officer, Policy Division (CITPO) Chair, e-Development Thematic Group, Global Information and Communication Technology Specialization : ICT development Cleared. Comments below.</p>

Section 7.2 - Clearances and Comments		
Team Member	Mr Mohamed I. Diaw	CHANGED
Team Leader	Mr Abimbola Adubi	SUBMITTED
Finance Officer	Mr Rajiv Sondhi	CLEARED
FM Specialist	Mr Akinrinmola Oyenuga Akinyele	CLEARED
Procurement Specialist	Mr Sunday Achile Acheneje	CLEARED
Country Lawyer	Mr Manush A. Hristov	CLEARED
Sector Manager	Ms Karen Mcconnell Brooks	CLEARED
Country Director	Mr Onno Ruhl	CLEARED
TF Coordinator	Ms Isabel C. Mignone-Del Carril	CLEARED
Team Leader	Mr Abimbola Adubi	SUBMITTED
TF Program Team	Ms Yolaine E. Joseph	CLEARED
Manager	Mr Martien Van Nieuwkoop	CLEARED
Window Manager	Ms Yolaine E. Joseph	APPROVED
Program Manager	Mr Roberto Tarallo	
TACT		