

# FEDERAL MINISTRY OF FINANCE

## INTERNATIONAL ECONOMIC RELATIONS DEPARTMENT DEVELOPMENT AID DIVISION

P.M.B. No 14  
'Telegrams \_\_\_\_\_  
'Telephone 09-2340324



Ref. No F11373/S.34/C.479/14

Date 28<sup>th</sup> September, 2005

**The Country Director**  
World Bank Country Office  
433 Yakubu Gowon Crescent  
Asokoro  
Abuja.

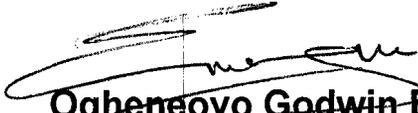
### **FORWARDING THE LIST OF DELEGATION TO THE NEGOTIATION MEETING OF THE PROPOSED GEF-FADAMA-II CRITICAL ECOSYSTEM MANAGEMENT PROJECT**

I am directed to refer to your letter of invitation dated September 22, 2005 in respect of the above mentioned subject matter and to convey the names of the following officers as representatives of the Ministry.

- |      |                    |   |                       |          |
|------|--------------------|---|-----------------------|----------|
| i.   | Mr. Ola Shogbola   | - | Deputy Director (IER) | Leader   |
| ii.  | Mrs. A. A. Aremu   | - | Assistant Director    | “ Member |
| iii. | Mr. I. J. Oseni    | - | Assistant Director    | “ Member |
| iv.  | Mr. P.A. Utsu      | - | ACAO                  | “ Member |
| v.   | Mr. Z. S. Adeyanju | - | Asst. Legal Adviser   | Member   |
| vi.  | Mrs. R. Ojelade    | - | Legal Officer         | Member   |
| vii. | Mr. S. Liman       | - | Legal Officer         | Member   |

2. The delegation has been mandated to negotiate on behalf of the Government of Nigeria the GEF Grant in the sum of US\$10.3million for the Fadama-II Critical Ecosystem Management Project.

3. I am to wish you a successful deliberation.

  
**Ogheneovo Godwin Emagun**  
for: Honourable Minister of Finance

September 30,2005

**Agreed Minutes of Negotiations**  
**Nigeria Second National Fadama Development**  
**Critical Ecosystem Management Project**

1. Negotiations between the World Bank and the Federal Republic of Nigeria of a proposed USD 10.03 million Global Environment Facility (GEF) Trust Fund Grant for the Second National Fadama Development - Critical Ecosystem Management Project were held at the World Bank Abuja Office on September 29– 30, 2005. Negotiations were preceded by Technical Discussions held from September 26th-28th, during which the GEF Project Document was discussed and revised. A list of participants at the Negotiations is attached (Annex 1).
2. Following some introductory remarks by the Heads of the two delegations (Mr. Simeon Ehui, World Bank, and Mr. O. Shogbola, Federal Ministry of Finance, (Government of Nigeria), Ms. Victoria Kwakwa (World Bank) made a welcoming statement on behalf of the Country Director. Ms. Kwakwa commented on several important issues, including environmental matters critical for sustainable development and highlighted the key features of the Nigeria Country Partnership Strategy approved in June 2005. Some introductory remarks relevant to the Bank's revised policies and guidelines were also given by Hisham Abdo, Legal Counsel.
3. The draft Global Environment Facility Trust Fund Grant Agreement was discussed in detail. Negotiated copies of the Project Document and the Grant Agreement were distributed to the Nigerian Delegation and reflect the agreements reached during the Negotiations. These agreed Minutes record the understanding reached during the Negotiations, and clarifications concerning application of provisions contained in the negotiated document.
4. **Fulfillment of Conditions of Negotiations.** The Nigerian Delegation presented evidence of satisfactory fulfillment of the Conditions of Negotiations agreed upon during the Appraisal Mission (pay-June 2005). These conditions include:
  - a. Project Implementation Plan (PIP);
  - b. Project Implementation Manual (PIM);
  - c. Procurement plan (for 18 months);
  - d. Project Briefs for Eriti Community Forest Reserve, Ohaji Forest Reserve, and Dumbegu Communal Forest Area;
  - e. Signed MOU between State Agencies responsible for watershed management;
  - f. Confirmation of recruitment of Fadama GEF Desk Officer; and
  - g. Confirmation of training of Environmental Officers and State Project Officers.

5. **Project Appraisal Document**. Taking into consideration the discussions and revisions to the PAD made during the technical discussions, the Nigerian Delegation confirmed that the amended PAD may be released by IDA through the Bank's Public Information Center after approval of the Grant by IBRD's Board of Executive Directors.

### **GEF Trust Fund Grant Agreement**

6. **Schedule 2. Section B1 (a)**. Additional clarification was provided regarding critical areas for the sustainable management of forest reserves. These areas were amended to include: Eriti Community Forest, Dumbegu Communal Forest Area, Buzuzu Forest Reserve, Ohaji Forest Reserve and Ajasse-Ipo Community Forest. It was agreed that Buzuzu Forest Reserve is a subset of the Andiwa lake intervention area and, therefore, the focus of the protection.

**Schedule 2. Section D.** The counterpart sought clarification regarding the management of areas of Intervention Site(s) (watershed) that extend into a non fadama Local Government Area (LGA). It was agreed that where a GEF intervention site extends into a non fadama LGA and it is considered imperative to extend GEF-supported activities to communities in such an area, the LGA will be sensitized to carry out GEF activities in the affected communities. Facilitators will be assigned to facilitate the process of formation of Fadama Community Associations and Fadama User Groups within the communities in the affected area. The LGA, since it is not a fadama participating LGA, will only benefit from GEF intervention through the affected communities. In addition, a local Fadama Focal Officer, who will be a serving officer in the LGA, will be appointed to take charge of GEF matters in the LGA.

8. **Preamble Sections (D) and (E)**. The Development Credit Agreement of the IDA-financed Fadama II Project (and related ADB Loan Agreement) have already been approved. However, since these two instruments are financing different set of activities it was agreed to refrain from making reference to the DCA and ADB Loan Agreement in the Trust Fund Grant Agreement.
9. **Article IV. Section 4.02 (b)**. It was agreed that the first Financial Monitoring Report (FMR) shall be furnished to the Bank not later than 60 days after the end of the first calendar quarter after the Effective Date. Subsequent FMRs shall be furnished to the Bank not later than 45 days after each subsequent calendar quarter.
10. **Schedule 1. Section A1.** The counterparts sought clarification on the proportion of expenditures to be financed by the Grant facility. The Bank team explained that proportions of expenditures not financed at 100% will be covered by government co-financing (estimated at USD 0.9 million) and that any revision would require a reduction in agreed project activities in order to stay within the USD 10.03 million grant ceiling. The delegation agreed to maintain the activities and to proceed with

the financing percentages as presented in Schedule 1. The government delegation confirmed the availability of counterpart funds.

11. **Schedule 1, Section A 4 and Schedule 3, Section IV.** These sections were revised to incorporate Statement of Expenditures (SOEs) ceilings and prior review thresholds consistent with the procurement assessment of Nigeria. The delegations were informed that contracts shall be subject to prior review by the Bank under the following conditions: (a) each contract for goods and services (other than consultants' services) estimated to cost the equivalent of \$500,000 or more; (b) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more; and (c) each contract for consultants' services provided by an individual estimated to cost the equivalent of \$100,000 or more. All other contracts shall be subject to Post Review by the Bank. Furthermore, in keeping with revised Bank policies, procurement of single source contracting and associated ToRs will also be subject to prior review by the Bank.
12. **Conditions of Effectiveness.** The delegations were reminded that under Section 12.02 (a) of the General Conditions, the Bank requires a legal opinion or legal opinions, satisfactory to the Bank, of counsel acceptable to the Bank, showing that the GEF Trust Fund Grant Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient, and is legally binding upon the Recipient in accordance with its terms.
13. **Follow up Action.** The Bank Delegation informed the Counterpart that the proposed Project is scheduled to be presented to the Board on December 29, 2005 and that in order to retain this date, it would be necessary for the Government to follow on actions to be taken prior to Grant Approval, Signing of Legal Documents and Effectiveness outlined in Annex 2 (attached).

Revised and agreed upon drafts of the GEF Trust Fund Grant Agreement and Project Document are attached.

For the Nigeria Delegation:



Mr. O. Shogbola  
Deputy Director (AID Coordination)  
International Economic Relations Department  
Federal Ministry of Finance  
Federal Republic of Nigeria

September 30, 2005

For the Bank Delegation:



Mr. Simeon Ehui  
Senior Sector Economist  
Africa Region  
International Development Association

September 30, 2005

**NIGERIA**  
**Fadama II GEF CEMP Project**  
**Participants at Negotiations**

Nigeria Government Delegation

Mr. O. Shogbola, Deputy Director, Development Aid Coordination, Federal Ministry of Finance  
Mr. S. Shehu, Legal Officer, Federal Ministry of Finance  
Mr. A. P. Utsu, ACAO (IFAD/Agric) Federal Ministry of Finance  
Mr. J. Oseni, Assistant Director, IDF, Federal Ministry of Finance  
Mr. Ikwuo Nnachi, Desk Officer National Fadama Development office (NFDO)  
Mr. Alabi Samuel, National Fadama Development Office (NFDO)  
Mr. Bamidele Akinola, National Fadama Development office (NFDO)  
Mr. Tayo Adewunmi, Accountant, NFDO  
Mr. Adeniyi A. A., Project Coordinating Unit  
Mr. Emma Urhoghide, Project Coordinating Unit  
Mr. S. S. Ajuwon, National Coordinator Proj. Prep. And Redesign, Project Coordinating Unit  
Mr. Ahmadu Yusufu, Project Coordinating Unit  
Mr. Inuwa Mohammed, Bauchi State Government  
Mr. Bello Garba, Bauchi SFDO  
ENGR. Ahmed U. Ibrahim, Bauchi SFDO  
Alh. Mohammed J. Umar, Kebbi Permanent Secretary, MANR  
Alh. H. Isuyah, Kebbi SFDO  
Dr. Banji Yeyeagba, Kogi State Permanent Secretary, MANR  
Revd. E. M. B. Ogun, Kogi SFDO  
Alh. S.K. Mohammed, Kwara State Permanent Secretary, MANR  
Mr. J. O. Aina, Kwara SFDO  
Mr. Usman Akanbi, Kwara SFDO  
Mr. F. I. Akindele, Ogun State Permanent Secretary, MANR  
Mr. R. A. Salam, Ogun SFDO  
Engr. M.G. Adebayo, Ogun SFDO  
Chief ACB Nwadike, Imo State Permanent Secretary, MANR  
Mr. N. J. Anyanwu, Imo SFDO  
Mr. Nwariwe R. N, Imo SFDO

International Development Association

Mr. Simeon Ehui, Senior Sector Economist

Ms. Victoria Kwakwa, Lead Economist

Ms. Wendy Wiltshire, Operation Analyst

Mr. Samuel Eremie, Senior Agriculturist

Mr. Chudi Okafor, Senior Social Development Specialist

Mr. Africa Olojoba, Senior Environmental Specialist

Mr. Chau-Ching Shen, Senior Finance Officer, Africa Disbursement Division

Mr. Bayo Awosemusi, Senior Procurement Officer

Ms. Adenike Mustafa, Senior Financial Management Specialist

Mr. Hisham Abdo Kahin, Counsel

Ms. Abigael Ipinlaiye, Team Assistant

THE WORLD BANK/IFC/M.I.G.A.

**OFFICE MEMORANDUM**

DATE: September 30, 2005

TO: The Nigeria Delegation

FROM: Hisham Abdo, Counsel, Africa Practice Group, Legal Vice Presidency

TEL: 09-3145270 Ext. 203

SUBJECT: *Nigeria: Second National Fadama Development Critical Ecosystem Management Project  
Action Memo*

This memorandum summarizes the actions to be taken by the Federal Republic of Nigeria (the Recipient) prior to: (a) the presentation of the proposed GEF Trust Fund Grant for approval by the Executive Directors of the International Bank for Reconstruction and Development (the Bank); (b) the signing of the GEF Trust Fund Grant Agreement; and (c) the GEF Trust Fund Grant Agreement being declared effective.

**1. ACTIONS TO BE TAKEN PRIOR TO GRANT APPROVAL**

Before presentation of the Grant to its Executive Directors, the Bank would wish to receive a letter or telex signed by the Recipient, confirming that the draft GEF Trust Fund Grant Agreement, as negotiated, have been approved by the Recipient (see model in the Annex to this memorandum).

**2. ACTIONS TO BE TAKEN PRIOR TO THE SIGNING OF LEGAL DOCUMENTS**

Prior to the signing of the GEF Trust Fund Grant Agreement, the Bank must receive written evidence, showing that full powers have been given to a representative of the Recipient to execute and deliver, on behalf of the Recipient, the GEF Trust Fund Grant Agreement.

**3. CONDITIONS OF EFFECTIVENESS****Legal Opinion**

(a) Under Section 12.02 (a) of the General Conditions, the Bank requires a legal opinion or legal opinions, satisfactory to the Bank, of counsel acceptable to the Bank, showing that the GEF Trust Fund Grant Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient, and is legally binding upon the Recipient in accordance with its terms.

(b) The purpose of the legal opinion or opinions is to review the legal requirements, under the laws of the Federal Republic of Nigeria for the execution and delivery of the GEF Trust Fund Grant Agreement and, in the light thereof, to determine whether, and to what extent, such requirements have

been fulfilled. Copies of all pertinent laws and other legal instruments, upon which the legal opinion or opinions are based, should be attached thereto.

**3. EFFECTIVENESS DEADLINE**

Pursuant to Section 5.01 of the GEF Trust Fund Grant Agreement, the effectiveness conditions should be fulfilled, within a period of ninety (90) days following the date of the GEF Trust Fund Grant Agreement, to allow the GEF Trust Fund Grant Agreement to enter into force within that time period, failing which the Bank may either allow the GEF Trust Fund Grant Agreement to terminate or, if appropriate, extend the deadline for its effectiveness.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**NIGERIA: SECOND NATIONAL FADAMA DEVELOPMENT  
CRITICAL ECOSYSTEM MANAGEMENT PROJECT**

We refer to the draft GEF Trust Fund Grant Agreement relating to the above mentioned Project, negotiated in Abuja, Nigeria from September 26-30, 2005 between the Federal Republic of Nigeria and the International Bank for Reconstruction and Development (the Bank).

We hereby confirm that the Federal Republic of Nigeria has approved the draft GEF Trust Fund Grant Agreement as negotiated.

After approval of the Grant by the Bank, we have no objection to the release of the Project Appraisal Document by the World Bank Public Information Center to any interested person, upon request.

FEDERAL REPUBLIC OF NIGERIA

---

MINISTER OF FINANCE