

PROTOCOL FOR STATE GOVERNMENT AND FCT ENGAGEMENT WITH NIRSAL

- 1** A written Expression of Interest from the state government to partner/collaborate with NIRSAL; duly signed by the Chief Executive Officer of the State/State Commissioner of Agriculture.
- 2** A formal invitation from the state governor to NIRSAL for a technical engagement. At the technical engagement, the NIRSAL MD/CEO will address the State Executive Council (SEC) and other relevant stakeholders, formally introducing NIRSAL and its operations.

The relevant stakeholders would comprise:

- a** State Executive Council members and relevant MDAs.
 - b** All banks and insurance companies operating in the State Capital (particularly those holding the State Government's revenue account) led by their three most senior officers – Agric Desk Officer, Branch Manager, and Regional Manager.
 - c** Programme Officers of International Agric-related Developmental Organizations e.g. Fadama, SASAKAWA, IFAD, FAO, AfDB, etc.
- 3** At the State Executive Council (SEC) address session, the MD/CEO shall present NIRSAL's suite of products and operations.
 - 4** The State Governor at this meeting will inaugurate the State technical team, which, together with the NIRSAL technical team, will form the Programme Implementation Technical Committee (PITC) that will guide the development of the projects.
 - 5** The PITC will revalidate the State's Agricultural pet projects' value chain ecology to the selection matrix process and select the most economically and financially viable Agricultural Value Chain for commercial development and financing.
 - 6** NIRSAL and the State will jointly organize structured primary production systems for the selected commodities with organized off-take and quality value addition to meet market standards.
 - 7** The State, supported by NIRSAL's Agricultural Field Services (AFS) team, will sensitize the farmers on the project requirements, bank documentation, NIRSAL Governance Structures, etc.
 - 8** Supported by the State, identification and organization of farmers into blocks/cells/geo-cooperatives will be executed by NIRSAL. The State will provide proposed farmers' database (name; location i.e. town and local government; BVN; farmland coordinates) to be considered for support and

- 9 Supported by the State, identification and organization of farmers into blocks/cells/geo-cooperatives will be executed by NIRSAL. The State will provide proposed farmers' database (name; location i.e. town and local government; BVN; farmland coordinates) to be considered for support and evidence of support structure to complement necessary field registration and Geo-mapping operations by NIRSAL.
- 10 With respect to crops, farmers will be organized into blocks/cells/geo-cooperatives with a minimum land size of 10/50/250 hectares respectively per group, as guided by NIRSAL's AFS for ease of management and monitoring.
- 11 With respect to Livestock and Aquaculture, farmers will be organized into ranches and farm estates with a minimum land size of 100 hectares as guided by NIRSAL's AFS for ease of management and monitoring or, in the case of existing projects, into virtual Geo-Cooperatives.
- 12 The State will provide support to NIRSAL's field activities including the provision of suitable land, geo-mapping, biodata capture, creation of Virtual Assets Title (VAsT), remote sensing (satellite-based multispectral imaging and UAS-based drone monitoring) and boots on the ground using hand-held monitoring devices.
- 13 NIRSAL will provide technical support and capacity building for the adoption of climate-smart methodologies and good agronomic practices for the project, supported by the State.
- 14 NIRSAL will provide access to the NIRSAL Area Yield Index Insurance product for deployment to primary producers under the programme.
- 15 The State will set aside a special fund that will be provided to its farmers as loan through a Channel Partner Bank (CPB).
- 16 NIRSAL will layer its Credit Risk Guarantee (CRG) as comfort on the fund provided by the State while leveraging on the existing partnership with the CPB to disburse the fund to farmers.
- 17 The participating farmers will contribute/deposit 5% as equity contribution in their accounts with the CPB.
- 18 Note that prequalification and due diligence on farmers would be conducted by NIRSAL. Thereafter, individual loan application by the borrowers (farmers) will be followed and will be guided by the NIRSAL team.
- 19 NIRSAL will deploy its tools, techniques, methodologies and strategic partnerships (TTMPs), Provide Technical Assistance, Capacity Building and provide project management services to the State through a set of NIRSAL proposed Programme Consultants to be paid for by the programme.
- 20 The State will commit to apply the State machinery in collaboration with NIRSAL to pursue loan recovery in the event of default.

- 21 The State will provide extension for the set of primary production protocols developed by NIRSAL to ensure achievement of targeted yields, monitoring of harvest and facilitating the full evacuation of produce and establishment of produce collection centres.
- 22 Led by NIRSAL approved consultants, the Project Monitoring Team (PMT) will be constituted to include the following: State Government officials, PMRO, SCAGRIC, Channel Partner Bank, Input suppliers, off-taker, etc.
- 23 The State will provide the Project Management office and vehicle for ease of coordination of all activities for the appointed consultants.
- 24 The Project Monitoring Team (PMT) will provide Cost of Production (CoP) for commodity value chains for the project.
- 25 Input suppliers will be selected by the PMT through an open bid. NIRSAL will also not be bound to an exclusivity arrangement to aggregate farmers (in the case of the Anchor Borrowers' Programme).
- 26 NIRSAL and the State will jointly provide an off-take arrangement for the commodity that will be produced by farmers under the Programme. Payment for produce purchased shall be paid into farmers' loan account within 48 hours.
- 27 The State will provide security for the overall safety of the project.
- 28 This protocol will be reviewed from time to time when necessary.