ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS) FOR THE NIGERIA SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES PROGRAM

for

National Program Coordinating Office (NCO) Special Agro-Industrial Processing Zones (SAPZ) Program

August 2024

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Document Title	Environmental and Social Management System (ESMS) for the Nigeria Special Agro-Industrial Processing Zones (SAPZ) Program	
Note to the Public	The Environmental and Social Management System (ESMS) serves as an overarching risk management tool for the SAPZ program and its associated activities. It offers a framework to enhance the effective implementation of environmental and social management plans, as well as other safeguard instruments. The ultimate goal is to promote sustainability within the program.	
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List of Acronyms and Meanings

AfDB	African Development Bank
AIHs	Agro-Industrial Processing Hubs
ARAP,	Abbreviated Resettlement Action Plan
ATCs	Agricultural Transformation Centres
CB	Community Benefit
CBD	Convention on Biological Diversity
E&S	Environmental and Social
EHS	Environmental, Health & Safety
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
ESAP	Environmental and Social Assessment Procedures
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
ESRM	Environmental & Social Risks Management
ESS	Environmental and Social Standards
FGN	Federal Government of Nigeria
FMEnv.	Federal Ministry of Environment
FMAFS	Federal Ministry of Agriculture & Food Security
FPIC	Free, Prior, and Informed Consent
FRAP	Full Resettlement Action Plan
GBV	Gender-Based Violence
GESI	Gender Equality and Social Inclusion
GIS	Geographical Information System
GMS	Gender Marker System
GRM	Grievance Redress Mechanism
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organization
IP	Indigenous People
IsDB	Islamic Development Bank
ISS	Integrated Safeguards System
KPIs	Key Performing Indicators
LFN	Laws of the Federation of Nigeria
LRP	Livelihood Restoration Plan
LT-LEDS	Long-Term Low-Emissions Development Strategies
MFIs	Multilateral Financial Institutions
MOS-PSEA	Minimum Operating Standards for Protection from Sexual Exploitation and Abuse
NBSAP	National Biodiversity Strategy and Action Plan
NCO	National Program Coordinating Office
NESREA	National Environmental Standards and Regulatory Enforcement Agency
NGO	Non-Governmental Organization
OSs	Operational Safeguards
PAPs	Project Affected Persons
PMP	Pesticide Management Plan
PPE	Personal Protective Equipment
R&D	Research & Development
RAP	Resettlement Action Plan
SAPZ	Special Agro-Industrial Processing Zones Program
SEAH	Sexual Exploitation, Abuse, and Harassment
SEP	Stakeholder Engagement Plan
SIA	Social Impact Assessment
UNCCD	United Nations Convention to Combat Desertification
UNFCCC	United Nations Framework Convention on Climate Change

Definitions of Terms

- Baseline Data: This refers to existing data about the environment and social conditions in the project areas. It helps establish a starting point for assessing changes.
- Legal and Regulatory Framework: Understanding relevant laws and regulations ensures compliance and responsible project management.
- Mitigation Measures: These are planned actions to minimize or prevent the identified risks. They could involve sustainable practices, habitat restoration, or community engagement.
- Monitoring and Evaluation Systems: These systems track project performance regarding environmental and social aspects.
- Potential Impacts: These are the adverse effects that the project might have on the environment and society. Examples include deforestation, water pollution, land degradation, and social displacement.

Executive Summary

The Nigeria Special Agro-Industrial Processing Zones (SAPZ) Program has implemented a robust Environmental and Social Management System (ESMS) to ensure sustainable development and minimize negative impacts. The ESMS is integrated into all SAPZ program phases, from planning and design to implementation, monitoring, and evaluation.

Designed as a flexible framework, the ESMS accommodates the Program's evolving phases, including the currently operational SAPZ I and the developing SAPZ II. Both phases benefit from the ESMS, which serves as a blueprint for future expansions.

A consortium of development partners, including the African Development Bank (AfDB), Islamic Development Bank (IsDB), and International Fund for Agricultural Development (IFAD), supports both SAPZ phases.

Objectives of the ESMS are to:

- Protect human health and safety
- Minimize environmental impacts
- Promote sustainable resource management
- Enhance social well-being
- Ensure compliance with national and international standards

Components of the ESMS

Plan		Key Components	Integration Points	AfDB ISS Alignment
1.	ESIA	Baseline data, impact assessment, mitigation measures, monitoring	Foundation for other plans	Environmental assessment, biodiversity conservation
2.	RAP	Resettlement planning, compensation, monitoring	Linked to ESIA for impact assessment	Involuntary resettlement, Indigenous peoples
3.	ESMP	Mitigation measures, monitoring, reporting, grievance redress	Integrates findings from ESIA and RAP	Environmental management, social responsibility
4.	SEP	Stakeholder engagement, consultation, feedback	Informs all other plans	Stakeholder participation, gender equality
5.	PMP	Pesticide selection, use, monitoring, emergency response	Linked to ESIA and ESMP for environmental and health impacts	Occupational health and safety, pollution prevention
6.	H&S	Occupational health, safety management, emergency response	Cross-cutting issues affecting all plans	Occupational health and safety
7.	Gender	Gender analysis, women's participation, GBV prevention	Cross-cutting issues affecting all plans	Gender equality and social inclusion
8.	Climate Change	Climate risk assessment, adaptation, mitigation	Cross-cutting issues affecting all plans	Climate change adaptation and mitigation
9.	LRP	Livelihood restoration strategies, monitoring, evaluation	Linked to ESIA and RAP for impact assessment	Poverty reduction, social inclusion

This Executive Summary serves as the initial point of reference for stakeholders, particularly the busy Top Management, without needing to delve deeply into the ESMS document. To this end, **Policy Vision, Mission** and **Statement** have been incorporated to effectively communicate the program's foundational values and transparent intentions. It signifies a dedication to sustainability, social inclusion, and responsible development. Essentially, these policy elements deliver a succinct and influential introduction to the purpose, objectives, and values of the SAPZ program. They play a pivotal role in fostering a collective understanding among stakeholders and guiding the implementation process.

Policy Vision

To foster a sustainable and inclusive agricultural sector that contributes to Nigeria's development while safeguarding the environment and promoting social equity.

Policy Mission

The SAPZ program aims to increase household incomes, foster job creation in rural agricultural communities, especially for youth and women, and enhance food and nutritional security in Nigeria. The development objective is to support inclusive and sustainable agro-industrial development in Nigeria.

Policy Statement

The Federal Ministry of Agriculture and Food Security (FMAFS), through the National Project Coordinating Unit (NPCU), is committed to fostering a sustainable and inclusive agricultural sector that contributes to Nigeria's development while safeguarding the environment and promoting social equity.

The Special Agro-Industrial Processing Zones (SAPZ) Program supports Nigeria's inclusive and sustainable agro-industrial development. It promotes environmental sustainability by adopting climate-smart practices, conserving biodiversity, and managing natural resources responsibly.

The Program is aligned with the National Agricultural Technology and Innovation Plan (NATIP) 2021-2024 and the National Livestock Transformation Plan 2019-2028. Implementing the Program will enhance social equity by empowering women, youth, and vulnerable groups and ensuring equitable distribution of benefits. The SAPZ Program will drive national economic growth by increasing agricultural productivity and enhancing the capacity of MSMEs, youth and women-led enterprises through robust Business Development Services and entrepreneurship training for entrepreneurs to sharpen their business skills, create more jobs, and improve livelihoods.

Accordingly, the SAPZ Program aligns with the current Administration's Renewed Hope Agenda of President Bola Ahmed Tinubu and seeks to strengthen governance by promoting transparency, accountability, and stakeholder participation.

To achieve these goals, the SAPZ program will:

- Implement a robust Environmental and Social Management System (ESMS) aligned with national laws, regulations and international standards.
- Prioritize gender equality, social inclusion, and climate change adaptation.
- Build strong partnerships with Ministries, Department and Agencies of the government, civil society groups, and the private sectors.
- Ensure compliance with all applicable environmental and social laws and regulations.
- Monitor and evaluate program performance to identify areas for improvement.

The National Program Coordinating Office, as the lead implementing agency, is fully committed to:

- Integrating environmental and social considerations into all SAPZ program activities.
- Building the capacity of relevant stakeholders to implement the ESMS effectively.
- The SAPZ program is committed to maintaining the highest standards of transparency and accountability in all its operations, ensuring the public's trust and confidence.

By adhering to these principles, the SAPZ program aims to create a lasting positive impact on the lives of Nigerians while protecting the environment for the present and future generations.

Senator (Dr.) Aliyu Sabi Abdullahi, CON
Honorable Minister of State

Core Principles

- Sustainability: Prioritize environmental protection, resource efficiency, and climate resilience.
- Equity: Promote gender equality, social inclusion, and poverty reduction.
- Partnership: Foster collaboration among government, private sector, and communities.
- Accountability: Ensure transparency and accountability in program implementation.
- Compliance: Adhere to national and international environmental and social standards.

Policy Objectives

- Increase agricultural productivity and incomes for smallholder farmers.
- Expand access to markets and value chains for agricultural products.
- Improve food security and nutrition.
- Create jobs and promote rural development.
- Protect and restore the environment.
- The SAPZ program is dedicated to empowering women and youth, recognizing their potential to drive economic growth and social development.
- Strengthen governance and institutional capacity.

Management Commitment

The Federal Ministry of Agriculture and Food Security (FMAFS), through the National Project Coordinating Office (NCO), is fully committed to achieving the SAPZ program's objectives. This commitment includes:

- Allocating adequate resources for program implementation.
- Building a strong and capable team to manage the Program.
- Fostering a culture of transparency, accountability, and collaboration.
- Ensuring compliance with extant laws, regulations, and standards.

The National Program Coordinating Office (NCO) has established a robust Environmental and Social Management System (ESMS) that aligns with both AfDB and other international environmental and social standards. The incorporation of Environmental, Social, and Governance (ESG) principles and UNDP SDG Impact Standards enhances robust risk management and measurement across all Nigeria SAPZ program activities. Ongoing monitoring ensures compliance with host country laws and regulations, including the implementation of Corrective Action Plans.

ESMS Review

The ESMS will undergo regular reviews to incorporate lessons learned, address emerging risks, and align with evolving best practices. By effectively implementing the ESMS, the SAPZ program will contribute to sustainable development, poverty reduction, and improved livelihoods for local communities.

Section 1 General Background

1.0 Introduction

The Nigeria Special Agro-Industrial Processing Zones (SAPZ) Program is a strategic government initiative to transform the agricultural sector by establishing agro-processing clusters in high-potential areas. The SAPZ program seeks to contribute significantly to Nigeria's economic growth and development by enhancing agricultural productivity, promoting value addition, and creating jobs.

The Program is structured into two phases: SAPZ I, currently implemented in seven states, and SAPZ II, in the development stage. Both phases are supported by a consortium of development partners, including the African Development Bank (AfDB), the Islamic Development Bank (IsDB), and the International SAPZ Programme for Agricultural Development (IFAD).

Due to the Program's scale and potential environmental and social impacts, it has been categorized as a Category 1 project under the AfDB's Integrated Safeguards System (ISS). Developing a comprehensive Environmental and Social Management System (ESMS) became imperative to manage these risks and ensure sustainable development effectively. By developing and implementing this comprehensive ESMS, the SAPZ program aims to minimize negative impacts, enhance positive outcomes, and contribute to sustainable development in Nigeria.

1.1 Background

The Special Agro-Industrial Processing Zones (SAPZ) program is a strategic government initiative to transform Nigeria's agricultural sector. By creating designated zones with optimal infrastructure and supportive policies, the SAPZ program facilitates the growth of agribusinesses, enhancing farm productivity and stimulating economic development. It fosters collaboration between government, development partners, and private investors to establish agro-processing clusters of high-production farm regions.

1.1.1 Program Goals:

- Develop modern agro-processing capacity: Cater to the growing domestic market and reduce post-harvest losses.
- Empower farmers: Create sustainable markets for farmers and generate wealth, particularly for women and youth.
- Promote import substitution: Boost domestic production and value addition in the agricultural sector.
- Drive inclusive growth: Create sustainable agriculture-related jobs and contribute to poverty reduction, food security, and economic diversification.

1.1.2 Strategic Approach

The Program addresses infrastructure deficits hindering agro-processing by developing clusters with essential utilities like roads, power, and water. This reduces operational costs and enhances competitiveness, unlocking Nigeria's agricultural potential.

1.1.3 SAPZ Program Phases

- Phase 1: Currently underway in seven states (Cross River, Imo, Kaduna, Kano, Kwara, Ogun, Oyo) and the FCT, with a total investment of USD 538.05 million from various sources.
- Phase 2: In preparation, 27 states expressed interest. The States include Abia, Akwa-Ibom, Adamawa, Anambra, Bauchi, Bayelsa, Benue, Borno, Delta, Ebonyi, Edo, Ekiti, Enugu, Jigawa, Katsina, Kebbi, Kogi, Lagos, Niger, Ondo, Osun, Plateau, Rivers, Sokoto, Taraba, Yobe and Zamfara.

  Participation/ onboarding of the States requires preparation of comprehensive feasibility studies and

Environmental and Social Impact Assessments (ESIAs)

The number of hubs and ATCs for Phase 2 is yet to be determined. Each participating State is expected to have at least one AIH and multiple ATCs.

Further Information:

- Program website: Home - Special Agro Industrial Processing Zones Program (sapz.gov.ng)

1.1.4 Program Objectives & Scope:

- Support sustainable and inclusive agro-industrial development in Nigeria.
- Increase rural household incomes and create jobs for youth and women.
- Enhance food and nutrition security through increased production and productivity.
- Develop and operate climate-adapted infrastructure in eight Agro-Industrial Hubs (AIHs) with facilities for processing, administration, R&D, training, and social needs.
- Establish eight Agricultural Transformation Centers (ATCs) linked to farmers, providing farm inputs, mechanization services, training, and storage facilities.
- Enhance productivity and value addition of select value chains through processing, branding, packaging, and market access.

1.1.5 Environmental and Social Safeguards:

Due to its large-scale and multi-sectoral nature, the SAPZ Program is classified as Category 1 under the African Development Bank's Integrated Safeguard System (ISS). This necessitates strict compliance with environmental and social safeguards to minimize potential risks and impacts.

1.2 Project Components

The SAPZ program comprises four key components:

1. **Infrastructure Development and Agro-Industrial Hub (AIH) Management** involves constructing and operating AIHs and Agricultural Transformation Centers (ATCs) in designated areas. These facilities will provide essential infrastructure, including processing equipment, storage, and support services for agricultural producers and processors.
2. **Agricultural Productivity Enhancement and Enterprise Development:** This component focuses on boosting farm productivity, creating agribusiness enterprises, and strengthening value chains within the SAPZ catchment areas. Activities include providing farmers with input, training, and access to markets.
3. **Agro-Industrial Zone Policy and Institutional Development** entails developing and implementing policies, regulations, and institutional frameworks to support the SAPZ program. It also involves capacity building for relevant stakeholders.
4. **Program Coordination and Management:** This component oversees program implementation, monitoring, and evaluation. It ensures effective collaboration among government agencies, development partners, and private sector stakeholders.

1.3 Project Sub-components

1.3.1 Infrastructure Development and AIH Management:

- Construction and operation of AIHs and ATCs in selected locations.
- Development of essential infrastructure, including processing facilities, storage, and support services.
- Common facilities such as administrative offices, research and development labs, training centres, and utilities are provided.
- Land acquisition and preparation for industrial and agricultural activities**.**

1.3.2 Agricultural Productivity Enhancement:

- Support farmers through providing quality inputs, mechanization, and extension services.
- Development of irrigation systems, farm-to-market roads, and storage facilities.
- Implementation of contract farming and outgrower schemes.
- Promotion of climate-smart agricultural practices.

1.3.3 Policy and Institutional Development:

- Development of appropriate policies and regulations for the agro-industrial sector.
- Establishment of a regulatory framework for the SAPZ program.
- Capacity building for government agencies and stakeholders.

1.3.4 Program Coordination and Management:

- Overall program planning and implementation.
- Financial management and resource allocation.
- Monitoring and evaluation of program performance.
- Stakeholder engagement and communication.

1.4 Need for the Environmental and Social Management System (ESMS)

Given its scale and potential environmental and social impacts, the SAPZ program necessitates a robust Environmental and Social Management System (ESMS). This system will ensure alignment with national and international standards, including the African Development Bank's (AfDB) Integrated Safeguards System (ISS), while minimizing negative impacts and maximizing positive outcomes for affected communities.

The ESMS is a cornerstone to ensure the SAPZ program and activities align with sound environmental and social governance (ESG) principles. It establishes a robust framework for managing environmental and social risks across the SAPZ program, including innovation hubs, suppliers, contractors, and other stakeholders.

1.5 ESMS Objectives:

- Systematically identify, assess, and prioritize environmental and social risks.
- Develop and implement effective measures to prevent, mitigate, or offset adverse impacts.
- Ensure compliance with national and international standards.
- Foster open and transparent communication with stakeholders.
- Monitor and evaluate ESMS performance.
- Enhance project stakeholders' capacity to manage environmental and social risks.
- Inform decision-making on environmental and social matters.

1.6 ESMS Components:

The ESMS comprises several key components depicted in Figure 1.

Figure 1: The ESMS Components

1.7 ESMS Framework:

Essentially, the ESMS is structured around policy, procedures, reporting and capacity building as depicted in Figure 1

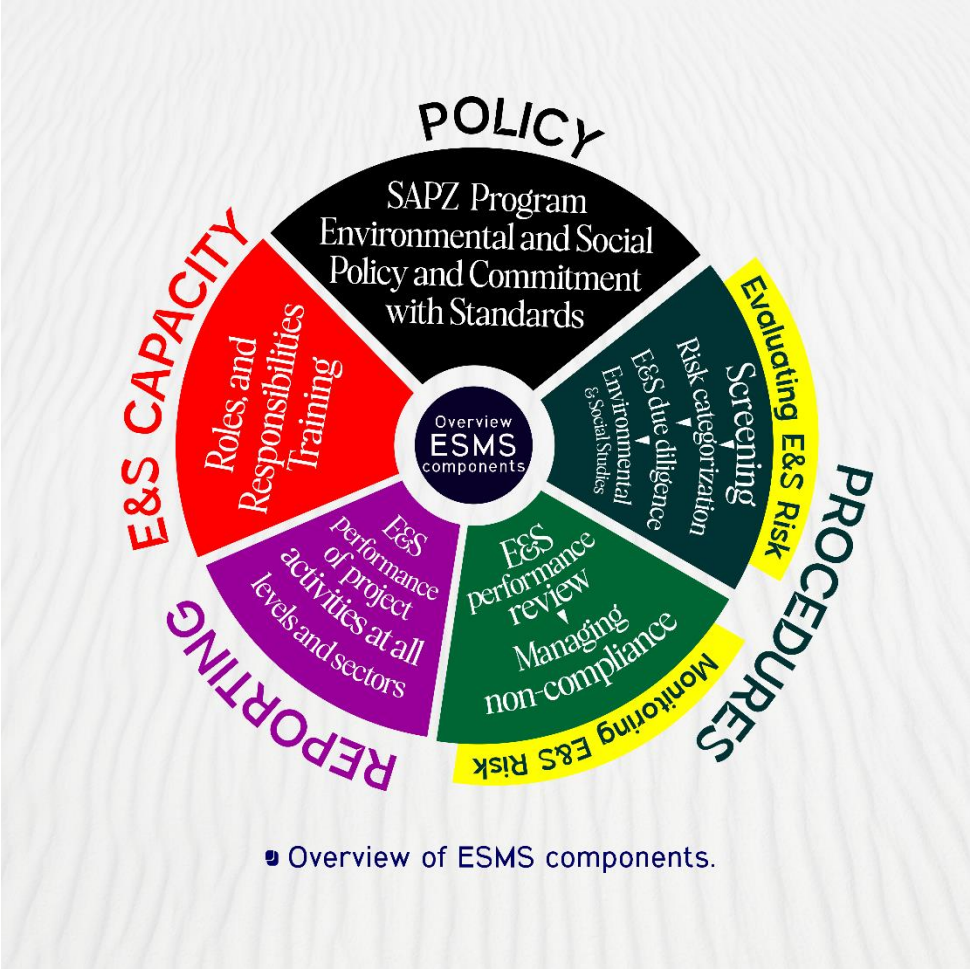

Figure 2: The ESMS Framework

1.8 Scope, Application, and Implementation of the ESMS

1.8.1 Scope and Application:

The ESMS will be applied comprehensively throughout the SAPZ program, encompassing planning, implementation, monitoring, and evaluation phases. Its scope extends to all participating states, ensuring consistent national and international standards.

Guiding Principles:
The guiding principles for the ESMS are portrayed in Figure 3.

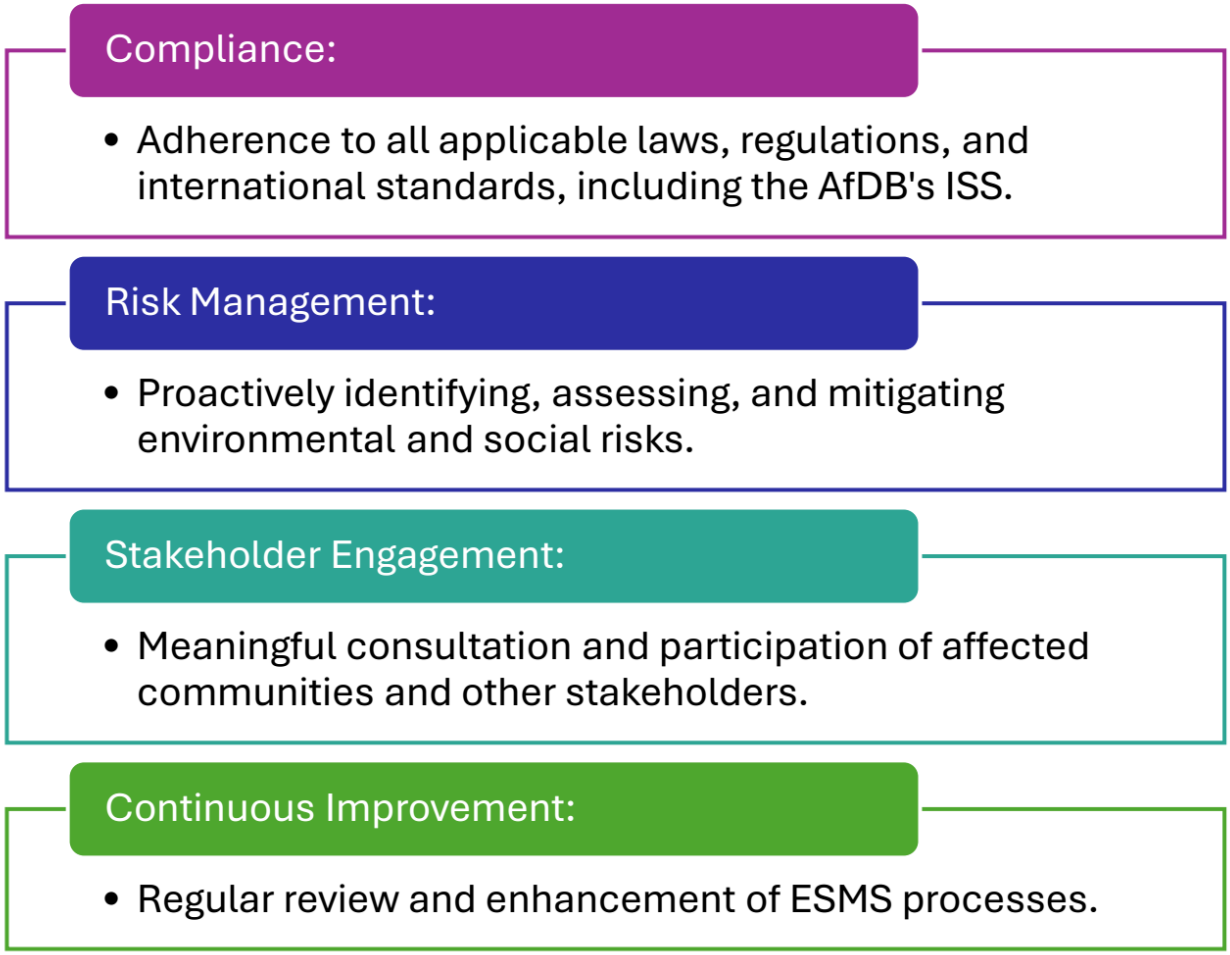

Figure 3: The ESMS Guiding Principles

Implementation Strategy:
Effective implementation of the ESMS requires the following strategies:

- Standardized Procedures: All participating states apply the ESMS procedures for consistency.
- Capacity Building: Investment in training and capacity building for program staff and stakeholders.
- Monitoring and Evaluation: Establishment of a robust system to track performance and identify areas for improvement.
- Stakeholder Engagement: Fostering strong relationships with communities, government agencies, and other stakeholders.
- Resource Allocation: Adequate financial and human resources for ESMS implementation.
- Reporting and Transparency: Clear and transparent communication of ESMS performance.
- Technology Utilization: Leveraging technology for efficient ESMS management.

1.9 Alignment with Standards

The ESMS is designed to align with Nigeria's national legislation, the African Development Bank's Integrated Safeguards System (ISS), and globally recognized best practices. This ensures the SAPZ programme activities and operations adhere to robust environmental and social standards.

Key Alignment Areas:

- AfDB ISS Compliance: The ESMS incorporates the AfDB's safeguards policies and procedures to effectively manage environmental and social risks.
- International Best Practices: To enhance its effectiveness, the ESMS draws on principles and standards from leading institutions such as the World Bank, IFC, and IDB.
- Stakeholder Input: The ESMS reflects the perspectives of affected communities and other stakeholders, promoting inclusivity and accountability.

The ESMS reinforces the NCO's commitment to responsible investment and sustainable development by aligning with these standards.

Policy and Management Commitment

2.1 Policy Statement

The policy statement outlines the Program's vision, mission, and core principles. It serves as a guiding document for all stakeholders involved in the SAPZ program.

The Federal Ministry of Agriculture and Food Security (FMAFS), through the National Project Coordinating Unit (NPCU), is committed to fostering a sustainable and inclusive agricultural sector that contributes to Nigeria's development while safeguarding the environment and promoting social equity.

The Special Agro-Industrial Processing Zones (SAPZ) Program supports Nigeria's inclusive and sustainable agro-industrial development. It promotes environmental sustainability by adopting climate-smart practices, conserving biodiversity, and managing natural resources responsibly.

The Program is aligned with the National Agricultural Technology and Innovation Plan (NATIP) 2021-2024 and the National Livestock Transformation Plan 2019-2028. Implementing the Program will enhance social equity by empowering women, youth, and vulnerable groups and ensuring equitable distribution of benefits. The SAPZ Program will drive national economic growth by increasing agricultural productivity and enhancing the capacity of MSMEs, youth and women-led enterprises through robust Business Development Services and entrepreneurship training for entrepreneurs to sharpen their business skills, create more jobs, and improve livelihoods.

Accordingly, the SAPZ Program aligns with the current Administration's Renewed Hope Agenda of President Bola Ahmed Tinubu and seeks to strengthen governance by promoting transparency, accountability, and stakeholder participation.
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- Monitor and evaluate program performance to identify areas for improvement.

The National Program Coordinating Office, as the lead implementing agency, is fully committed to:

- Integrating environmental and social considerations into all SAPZ program activities.
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- The SAPZ program is committed to maintaining the highest standards of transparency and accountability in all its operations, ensuring the public's trust and confidence.

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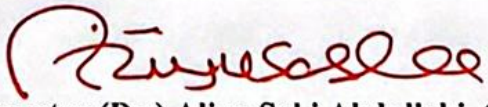

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- Accountability: Ensure transparency and accountability in program implementation.
- Compliance: Adhere to national and international environmental and social standards.

Policy Objectives
- Increase agricultural productivity and incomes for smallholder farmers.
- Expand access to markets and value chains for agricultural products.
- Improve food security and nutrition.
- Create jobs and promote rural development.
- Protect and restore the environment.
- Empower women and youth.
- Strengthen governance and institutional capacity.

Management Commitment
The Federal Ministry of Agriculture and Food Security (FMAFS), through the National Project Coordinating Office (NCO), is fully committed to achieving the SAPZ program's objectives. This commitment includes:
- Allocating adequate resources for program implementation.
- Building a strong and capable team to manage the Program.
- Fostering a culture of transparency, accountability, and collaboration.
- Ensuring compliance with extant laws, regulations, and standards.

Section 3 Policy, Legal and Institutional Frameworks

The SAPZ program aims to minimize negative impacts, maximize benefits to local communities, and contribute to sustainable development in Nigeria by adhering to the country's system and international best practices and standards. To ensure effective compliance, the SAPZ program will:

- Conduct regular compliance assessments and audits.
- Integrate environmental and social safeguards into project design and implementation.
- Establish robust grievance mechanisms.
- Collaborate with government agencies, civil society, and other stakeholders.
- Continuously improve ecological and social performance.

The institutional and regulatory framework for adherence is outlined in this Section.

3.1 Institutional and Legal Framework

A robust institutional and legal framework underpins the effective implementation of the ESMS within the SAPZ Program. To achieve this, the Program aligns with a comprehensive set of national, regional, and international standards, policies, and regulations outlined below:

Key Regulatory Frameworks:

- **Environmental and Social Safeguards:** Adherence to the AfDB's Integrated Safeguards System (ISS), World Bank Environmental and Social Framework (ESF), IFC Performance Standards, and Equator Principles as well as country system.
- **Labour Standards:** Compliance with ILO Core Labor Standards and relevant national labour laws.
- **Human Rights:** Alignment with the UN Guiding Principles on Business and Human Rights.
- **Land Use and Tenure:** Adherence to national land laws and policies.
- **Climate Change:** Integration of the Paris Agreement and national climate change policies.
- **Biodiversity Conservation:** Alignment with the Convention on Biological Diversity (CBD) and national biodiversity strategies.
- **Disaster Risk Management:** Adherence to the UN Convention to Combat Desertification (UNCCD) and relevant national policies.
- **Sustainable Development:** Integration of the Sustainable Development Goals (SDGs) and the Global Biodiversity Framework (GBF).

3.2 **Applicable Institutional Framework**

The institutional framework for the SAPZ program is anchored by a multi-level governance structure involving federal, State, and international entities. This institutional framework provides a solid foundation for the SAPZ program to effectively manage environmental and social risks while contributing to sustainable development.

Key institutions responsible for environmental and social risk management include:

a. **Federal Level:**
   - **Federal Ministry of Environment (FMEnv):** Oversees environmental protection and regulation, including EIA processes.
   - **National Environmental Standards and Regulations Enforcement Agency (NESREA):** Enforces environmental laws and standards.

b. **State Level:**
   - **State Ministries of Environment:** Implement environmental policies at the state level and collaborate with federal agencies.

c. International Level:

- Compliance with international agreements and conventions, including AfDB, World Bank, IFC, Equator Principles, ILO, UN, CBD, UNFCCC, UNCCD, and SDGs.

d. Sectoral Level

- **Federal Ministry of Agriculture and Food Security:** Leads agricultural development policies and programs.

3.3 Applicable Legal Framework

3.3.1 Nigerian Legal Framework

Nigeria's legal framework in environmental protection is a set of laws and regulations put together to protect the environment from the adverse impacts of developmental projects.

Key pieces of legislation applicable to the SAPZ programmes ESMS in Nigeria include:

- **The constitution of the Federal Republic of Nigeria (1999):** All activities constituting the NIP operations in Nigeria shall be by the precepts of theconstitution of the Federal Republic of Nigeria.
- **EIA Act Cap E12 LFN 2004:** This Act requires every major development in Nigeria to be subjected to the Environmental Impact Assessment Process, which will cover environmental and social risk assessment. All the SAPZ operations or projects to be supported in Nigeria shall consider the provisions of the EIA Act of 2004 and comply according to the screening and categorization of the project.
- **Land Use Act CAP L5 LFN 2004:** The law establishes the legal framework for government expropriation of land from individuals and communities when required for "overriding public interest/good". It prescribes the circumstances under which the State can revoke rights of occupancy to the land and the compensation provisions that are required. Where there is a need for new land acquisition for the development of innovation or incubation hubs, it will have to comply with the provisions of the Land Use Act within the country system.
- **Employee's Compensation Act, 2010:** The Act compensates employeeswho suffer from occupational diseases or sustain injuries arising from accidents at their workplace or during employment. Payment of compensation (to the worker or his dependents in case of death) by the employer is rooted in theaccepted principle that the employer has a duty of care to protect the health, welfare and safety of workers at work. This act will also be implemented across all hubs and supported by the SAPZ programme.
- **National Environmental Protection (Management of Solid and Hazardous Wastes) Regulations, 1991:** Schedules 12 and 13 of the Regulations provide a comprehensive list of all waste deemed to be hazardous and dangerous as well as theirmanagement strategies. Hubs will generate both domestic and electronic waste, whichwill require disposal. All hubs to be supported by the SAPZ programme shall adhere to theprovisions of this regulation in their operations.
- **National Environmental (Sanitation and Wastes Control) Regulations, 2009:** To complement the 1991 regulations, this regulation covers sanitation and waste control. Part 3 of the Regulations states that all owners or occupiers of premises shall provide waste receptacles for storage before collection by licensed waste managers. All hubs shall also comply with this regulation and be supported by the SAPZ programme.
- **National Environmental (Surface & Groundwater Quality Control) Regulations 2011:** The Regulations also include, amongst others, the application and general provisions of water quality standards for various uses such as agriculture, industrial, aquatic life and recreation. Activities within hubs across the country shall ensure that they do not pollute or contribute to pollution of surface and groundwater bodies.

Table 1 provides more information on the applicable laws and policies and highlights the key objectives of the instruments as they relate to the SAPZ.

Table 1: Relevant Laws, Policies, and Regulations for the SAPZ Program

S/N	Instrument	Key Objectives	Relevance to SAPZ
1.	National Policy on the Environment (Revised 2016)	Environmental protection, natural resource conservation, sustainable development	Provides an overarching framework for environmental management in SAPZ
2.	Climate Change Act (2021)	Low carbon emissions, climate change mitigation and adaptation	Guides SAPZ in integrating climate resilience and low-carbon practices
3.	National Environmental Protection (Management of Solid and Hazardous Wastes) Regulations 1991	Waste management, pollution prevention	Ensures proper handling and disposal of waste generated by SAPZ activities
4.	National Environmental (Sanitation and Wastes Control) Regulations, 2009	Sanitation, waste control	Promotes hygienic conditions in SAPZ areas
5.	National Environmental Standards and Regulations Enforcement Agency (NESREA) Act (2007)	Environmental protection, enforcement	Provides a legal basis for environmental regulation and monitoring
6.	National Environmental (Noise Standards and Control) Regulations, 2009	Noise pollution control	Mitigates noise pollution from SAPZ activities
7.	National Environmental (Surface/Groundwater Quality Control) Regulations, 2011	Water quality protection	Ensures protection of water resources used in SAPZ
8.	National Environmental Policy (2019)	Environmental governance, sustainable development	Provides policy direction for SAPZ environmental management
9.	Harmful Wastes (Special Criminal Provisions, etc.) Act CAP HI LFN 2004	Hazardous waste management	Prevents illegal handling of dangerous waste
10.	National Environmental Protection (Effluent Limitation) Régulations, 1991	Effluent discharge control	Ensures safe disposal of wastewater from SAPZ activities
11.	National Gender Policy, 2006	Gender equality, women's empowerment	Promotes gender mainstreaming in SAPZ
12.	National Agency for Food and Drug Administration and Control (NAFDAC) Act (1993)	Food and drug safety	Ensures the safety of food and agricultural products
13.	Land Use Act	Land administration, allocation	Guides land acquisition and use for SAPZ
14.	Labour Laws (Labour Act: Chapter L1, Laws of the Federation of Nigeria (LFN) 2004)	Labour rights, working conditions	Protects workers' rights and ensures fair labour practices
15.	Employee's Compensation Act:	Workers' compensation	Provides compensation

	Enacted in 2010		for work-related injuries
16.	Factories Act: Chapter F1, Laws of the Federation of Nigeria (LFN) 2004	Occupational safety and health	Ensures safe working conditions for SAPZ workers
17.	Trade Unions Act: Chapter T14, Laws of the Federation of Nigeria (LFN) 2004, as amended by the Trade Union (Amendment) Act 2005	Labor union rights	Protects workers' right to organize and collective bargaining
18.	Employee's Compensation Act No. 13, 2010	Workers' compensation	Provides compensation for work-related injuries
19.	State Environmental Laws and Edicts	State-specific environmental regulations	Complements national environmental laws
20.	National Policy on Climate Change (2012)	Climate change mitigation and adaptation	Guides SAPZ in addressing climate change impacts
21.	National Biodiversity Strategy and Action Plan (NBSAP)-under revision	Biodiversity conservation	Protects biodiversity within SAPZ areas
22.	National Forestry Policy (2006)	Forest management and conservation	Ensures sustainable forest management
23.	Nigeria's Long-Term Low-Emission Development Strategy (LT-LEDS)	Low-carbon development	Aligns SAPZ with national low-carbon goals
24.	National Gender Policy from 2006, its Strategic Framework from 2008, and the African Development Bank's Gender Policy for 2021-2025	Gender equality and women's empowerment	Promotes gender mainstreaming in SAPZ

3.3.2 Applicable International Legal Framework /Best Practice E & S Standards

The SAPZ program is committed to adhering to comprehensive international standards, policies, and guidelines to ensure environmental and social sustainability. These standards cover various dimensions of the Program, including environmental protection, social equity, economic development, and good governance.

Key International Instruments:

- **Environmental and Social Safeguards:** AfDB's Integrated Safeguards System (ISS), World Bank's Environmental and Social Framework (ESF), IFC Performance Standards, and Equator Principles.
- **Labour Standards:** ILO Core Labor Standards.
- **Human Rights:** UN Guiding Principles on Business and Human Rights.
- **Land and Resource Management:** CBD, UNCCD, and relevant national frameworks.
- **Climate Change:** UNFCCC, Paris Agreement, and national climate policies.
- **Economic Development:** SDGs and Global Food Security Index.
- **Agricultural Practices:** Code of Conduct on Pesticide Trade, International Plant Protection Convention, and Voluntary Guidelines on Shared Water Resources in Africa.

Table 1 provides a clear overview of the international standards, policies, and guidelines relevant to the SAPZ program and their specific objectives. The SAPZ program will demonstrate its commitment to sustainable development and responsible business practices by aligning with these standards.

Table 1: International Standards, Policies, and Guidelines for SAPZ

Standard/Policy/Guideline	Objective	Relevance to SAPZ

African Development Bank (AfDB) Integrated Safeguards System (ISS)	Comprehensive environmental and social standards for African projects	Ensures alignment with regional development priorities
World Bank Environmental and Social Framework (ESF)	Global standards for environmental and social sustainability	Provides a benchmark for project performance
International Finance Corporation (IFC) Performance Standards	Global standards for private sector investment	Ensures alignment with private sector best practices
Equator Principles	Industry-wide standards for managing environmental and social risks	Promotes responsible financing practices
Islamic Development Bank (IDB) Safeguards	Standards for projects financed by the IDB	Relevant for projects with IDB SAPZ programming
International Labour Organization (ILO) Core Labour Standards	Establishes SAPZ programme mental labour rights	Protects worker rights and promotes decent work
UN Guiding Principles on Business and Human Rights	Framework for respecting human rights	Ensures responsible business conduct
GBF-Convention on Biological Diversity (CBD)	Promotes biodiversity conservation	Protects ecosystems and genetic resources
United Nations Framework Convention on Climate Change (UNFCCC) and Paris Agreement	Addresses climate change mitigation and adaptation	Promotes low-carbon and climate-resilient development
UN Convention to Combat Desertification (UNCCD)	Promotes sustainable land management	Combats land degradation and desertification
Sustainable Development Goals (SDGs)	Global framework for sustainable development	Aligns with broader development objectives
Global Food Security Index	Measures countries' food security	Supports food security and nutrition goals
Code of Conduct on the International Trade in Pesticides	Safeguards against pesticide misuse	Promotes safe and sustainable agriculture
International Plant Protection Convention (IPPC)	Prevents spread of pests and diseases	Protects crops and agricultural productivity
Voluntary Guidelines on the Management of Shared Water Resources in Africa	Promotes equitable water resource management	Supports sustainable water use and management

To ensure the SAPZ program's environmental and social sustainability, it aligns with the following prioritized international standards, further discussed here. These standards form the foundation for the SAPZ program's environmental and social management system, ensuring it meets the highest global standards.

1. **African Development Bank's Integrated Safeguards System (ISS)**:

The African Development Bank Group's updated Integrated Safeguards System (ISS) is now in effect. Approved by the Board of Directors on April 12, 2023, and implemented on May 31, 2024, this comprehensive framework replaces the 2013 version. The new ISS prioritizes environmental and social sustainability while fostering inclusive growth across Africa. Other improvements include strengthening provisions on environmental and social requirements for value chains. Processes for resettlement financing as part of overall project costs and borrower eligibility for bank financial assistance have also been clarified.

By aligning with other multilateral development banks on crucial issues like community health, safety, gender-based violence, and stakeholder engagement, the AfDB strengthens its commitment to responsible development. The ISS also clarifies the Bank's roles and accountability to borrowers and clients.

To support the ISS, the AfDB has developed guidance notes supplemented by the World Bank Group's Environmental, Health, and Safety (EHS) Guidelines, as adopted by the MFI Working Group on Environmental and Social Standards. This comprehensive approach addresses critical areas such as gender, climate change, conflict, disaster response, and resource efficiency.

The updated ISS is anchored on three key pillars:

- **Environmental Sustainability**: Ensuring that Bank-supported operations minimize adverse environmental and social risks and impacts,
- **Social Inclusivity**: Fostering true inclusive participation in decision-making processes and protecting the rights of communities, including the vulnerable, and
- **Transparency and Accountability**: Promoting transparency in project planning and implementation and holding all stakeholders accountable to the highest standards of integrity to ensure sound environmental and social governance.

The AfDB's ten Environmental and Social Operational Safeguards (10 E&S OSs) define the requirements for borrowers such as Nigeria in this instance.

E&S OS 1 (OS1): Assessment and Management of Environmental and Social Risks and Impacts
E&S OS 2 (OS2): Labour and Working Conditions
E&S OS 3 (OS3): Resource Efficiency and Pollution Prevention and Management
E&S OS 4 (OS4): Community Health, Safety and Security
E&S OS 5 (OS5): Land Acquisition, Restrictions on Access to Land and Land use, and Involuntary Resettlement
E&S OS 6 (OS6): Habitat and Biodiversity Conservation and Sustainable Management of Living Natural Resources
E&S Operational Safeguard 7 (OS7): Vulnerable Groups
E&S Operational Safeguard 8 (OS8): Cultural Heritage
E&S Operational Safeguard 9 (OS9): financial Intermediaries.
E&S Operational Safeguard 10 (OS10): Stakeholder Engagement and Information Disclosure.

These standards guide identifying and assessing environmental and social risks in Bank-supported operations. Borrowers (Nigeria) must adhere to these standards throughout the entire life cycle of the SAPZ programme and projects, activities, and initiatives financed by the Bank. Thus, the ISS is critical to the SAPZ program's E&S management framework.

2. **World Bank Environmental and Social Standards (ESS)**:

The World Bank ESF sets out its commitment to sustainable development through a policy and environmental and social standards (ESS) designed to support borrowers' projects, end extreme poverty, and promote shared prosperity.

The World Bank has ten Environmental and Social Standards (ESS) that establish the standards that the Borrower and the project will meet through the project life cycle.

Environmental and Social Standard 1: Assessment and Management of the Environmental and Social Risks and Impacts
Environmental and Social Standard 2: Labour and Working Conditions
Environmental and Social Standard 3: Resource Efficiency, Pollution Prevention and Management
Environmental and Social Standard 4: Community Health and Safety
Environment ad Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
Environmental and Social Standard 8: Cultural Heritage
Environmental and Social Standard 9: Financial Intermediaries; and
Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure

The ESS set out the requirements for Borrowers to identify and assess environmental and social risks and impacts associated with projects supported by the Bank through Investment Project Financing. The application of these standards, by focusing on identifying and managing environmental and social risks, supports Borrowers in their goal to reduce poverty and sustainably increase prosperity for the benefit of the environment and their citizens.

3. **International Finance Corporation (IFC) Performance Standards**:
These standards guide the assessment and management of environmental and social risks in private sector projects.

4. Islamic Development Bank (IsDB):
Through its ENVIRONMENTAL AND SOCIAL SAFEGUARDS POLICY (ESSP) of February 2020,
IsDB emphasizes a proactive approach to environmental and social responsibility, ensuring that projects align with sustainable development principles.
IsDB took a pragmatic approach by adopting principle of proportionality and flexibility by allowing selective use of country systems and other development partners' policies, and developed its first Environmental and Social Safeguard Policy (ESSP) to i) reflect global best practices, ii) demonstrate the Bank's unique situation as a Shariah-compliant MDB, iii) enhance the Bank's global position as a AAA+ MDB, and iv) bring benefits to its MCs by taking necessary action to access global grant resources related to environmental protection.

5. **Equator Principles**:
A risk management framework adopted by financial institutions for determining, assessing, and managing environmental and social risk in projects.

6. **ISO 14001 Environmental Management Systems**:
This standard provides a framework for organizations to protect the environment and respond to changing environmental conditions.

7. **International Laws and Policies/Protocols/ Agreements** on **Environment**

Nigeria is a signatory to various international agreements that reflect its commitment to global environmental sustainability. Nigeria has ratified various international environmental agreements and treaties, and these commitments guide the country's efforts toward global ecological sustainability. Some of these include:

a) **Paris Agreement on Climate Change:**
- Nigeria is a signatory to the Paris Agreement, aiming to limit global warming to below 2 degrees Celsius above pre-industrial levels.
- The country commits to reducing greenhouse gas emissions and promoting sustainable development.

b) **Convention on Biological Diversity (CBD):**
- Nigeria signed this convention in 1992.
- It aims to conserve biodiversity, promote sustainable use of natural resources, and ensure equitable

sharing of benefits from genetic resources.

c) **Convention on Combating Desertification:**

- Nigeria also signed this convention in 1994.
- It addresses desertification, land degradation, and drought, aiming to improve land management practices.

d) **International Labour Organization (ILO) Conventions:**

- These conventions set international labour standards for occupational safety and health, child labour, and forced labour.

e) **Global Biodiversity Framework**

- The Global Biodiversity Framework is essential to Nigeria's commitment to global environmental sustainability.
- Nigeria is a party to the Convention on Biological Diversity (CBD), which aims to conserve biological diversity.
- The CBD promotes the sustainable use of natural resources and ensures equitable sharing of benefits from genetic resources.
- The Global Biodiversity Framework builds upon the CBD and sets ambitious biodiversity conservation and restoration targets.

3.4 Integrating Af DB's ISS into the SAPZ Program

Nigeria's Special Agro-Industrial Processing Zones Program (SAPZ) shall enhance agricultural productivity and sustainability while safeguarding the environment and improving livelihoods. To achieve these goals, the Program shall fully integrate the African Development Bank's (AfDB) Integrated Safeguards System (ISS) and incorporate climate change considerations into its Environmental and Social Management System (ESMS). This Section outlines the key integration areas and strategies for successful implementation so that the SAPZ program can effectively integrate into the AfDB's ISS and climate change considerations towards sustainable development and resilience.

Integrating the AfDB's Integrated Safeguards System (ISS) into the SAPZ program is crucial for ensuring environmental and social sustainability. Following the approach outlined in Table 2, the SAPZ program can effectively align its environmental and social safeguards with the AfDB's ISS, enhancing the project's overall sustainability and impact.

Table 2: Integrating Af DB's ISS into the SAPZ Program

AfDB ISS Component	SAPZ Program Integration
1. Environmental and Social Assessment (ESA)	• Align ESIA with AfDB ESAPs and IESIA guidelines. • Conduct comprehensive assessments, including stakeholder involvement and mitigation planning.
2. Involuntary Resettlement	• Minimize resettlement through careful planning. • Provide fair compensation and support livelihood restoration for affected communities.
3. Indigenous Peoples	• Identify, consult, and obtain free, prior, and informed consent from indigenous peoples. • Ensure benefit sharing.
4. Gender Equality and Social Inclusion	• Conduct gender analysis, incorporate gender-sensitive measures, and promote women's empowerment.
5. Labour and Working Conditions	• Adhere to labour laws, ensure occupational health and safety, and prohibit child and forced labour.
6. Biodiversity Conservation and Natural Resource Management	• Conduct biodiversity assessments, develop conservation measures, and promote sustainable resource management.
7. Pollution Prevention and Control	• Assess pollution sources, implement prevention measures, and monitor and control pollution.
8. Monitoring and Evaluation	• Develop performance indicators, establish a monitoring and evaluation system, and take corrective

	actions.
9. Climate Change Integration	• Screen for climate change impacts, incorporate them into ESIA, develop adaptation and mitigation plans, and monitor climate performance.

3.5. Ensuring Compliance with Labor Laws for the SAPZ Program

The SAPZ program aims to create a sustainable and compliant working environment that benefits the environment and the local communities. By adhering to these national and international standards, the SAPZ program ensures its activities are environmentally and socially sustainable, minimizing negative impacts and enhancing positive outcomes for local communities and the environment.

Table 3 outlines the key mechanisms for ensuring compliance with labour laws within the SAPZ program.

Table 3: Ensuring Compliance with Labor Laws for the SAPZ Program

Compliance Mechanism	**Description**
1. Adherence to Relevant Laws	• Ensuring all activities comply with national and international labour regulations.
2. Assessment and Planning	• We are conducting ESIAs and ESMPs to identify and address potential labor-related impacts.
3. Training and Capacity Building	• We are training project staff and contractors on labour laws and standards.
4. Implementation and Monitoring	• Implementing E&S measures and monitoring compliance with labour laws.
5. Regular Audits and Inspections	• Conducting regular audits and inspections to verify compliance.
6. Stakeholder Engagement	• Engaging with stakeholders to address labour-related concerns.
7. Reporting and Documentation	• Documenting E&S performance and preparing reports.

3.6 Unique Context and Compliance Requirements

The SAPZ program operates within a complex and dynamic environment characterized by diverse ecological zones, a mix of stakeholders, and a range of regulatory frameworks. To address these complexities effectively, the Program is committed to adhering to national and international standards.

3.7 Compliance and Assessment

To demonstrate a steadfast commitment to environmental and social sustainability, all SAPZ investments must comply with applicable local, national, and international standards. A comprehensive assessment will be conducted before project commencement to identify potential gaps between these requirements and the ESMS. The most stringent standards will ensure the highest environmental and social performance level.

3.8 SDG Impact Standards- Measurement and Management

The SDG Impact Standards were developed by the United Nations Development Programme (UNDP) in partnership with a range of stakeholders, including businesses, investors, and civil society organizations.
The SDG Impact Standards are a voluntary set of management standards designed to help businesses and investors embed sustainability and the Sustainable Development Goals (SDGs) into their core operations and decision-making processes.

These standards provide a framework for organizations to:

- Understand their impact on the SDGs
- Manage their contributions to the SDGs
- Report on their progress towards the SDGs

Key Components of the SDG Impact Standards

The standards are structured around four core elements:

1. **Strategy:** Aligning the organization's purpose and strategy with the SDGs.
2. **Management Approach:** Integrating the SDGs into day-to-day operations and decision-making.
3. **Transparency and Accountability:** Report on SDG-related performance and engagement with stakeholders.
4. **Governance:** Establishing clear roles and responsibilities for SDG-related activities.

The SDG Impact Standards offer a robust framework for measuring and managing social and environmental impact of businesses and initiatives.

Adopting these standards for the SAPZ program can yield several benefits:

Aligning with Global Sustainability Goals

- Demonstrates commitment: Aligning with the SDGs showcases SAPZ's dedication to global sustainability and responsible development.
- Enhances reputation: Adherence to the SDG Impact Standards can improve SAPZ's reputation as a leader in sustainable agriculture.
- Attracts investment: Investors increasingly seek sustainable investments, and SDG alignment can enhance SAPZ's appeal.

Measuring and Managing Impact

- Data-driven decision-making: The standards provide a structured approach to collecting and analyzing impact data.
- Performance improvement: By setting clear targets and measuring progress, SAPZ can identify areas for improvement.
- Stakeholder engagement: The standards emphasize stakeholder involvement, ensuring the Program is responsive to community needs.

Risk Management

- Identifying impacts: The SDG Impact Standards help to identify potential negative impacts and develop mitigation strategies.
- Building resilience: By addressing social and environmental challenges, SAPZ can become more resilient to shocks and stresses.

\Transparency and Accountability

- Reporting and disclosure: The standards require transparent reporting on SDG contributions.
- Building trust: SAPZ can build trust with stakeholders and partners by demonstrating impact.

Integrating the SDG Impact Standards into the SAPZ program can contribute to its long-term success by ensuring that it is economically viable, socially responsible, and environmentally sustainable.


SAPZ

Section 4 Description of SAPZ Program – Nature and Scale

The first Phase of the Special Agro-Industrial Processing Zones (SAPZs) Program has been implemented in seven (7) states (Cross River, Imo, Kaduna, Kano, Kwara, Ogun, and Oyo) and the Federal Capital Territory (FCT). The Program development objective supports inclusive and sustainable agro-industrial development in Nigeria. The Program has four broad components, namely:(i) Support the development of enabling climate-adapted infrastructure for Agro-Industrial Hubs (AIHs), (ii) Improve agricultural productivity and enterprise development to enhance agrarian value chains and job creation in the SAPZ Catchment Areas, (iii) Support Agro-Industrial Zone Policy and Institutional Development, and (iv) Program Coordination and Management. The key expected outputs of the SAPZ Program(Phase I) are the development of infrastructure for eight (8) Agro-Industrial Processing Hubs (AIHs), fifteen (15) Agricultural Transformation Centers (ATCs), 2,300 ha of irrigated lands and farm-to-market access roads; supply of certified agricultural inputs and extension services; skills development for farmers and Micro, Small and Medium Scale Enterprises (MSMEs), an updated agro-industrial zone policy and establishment of regulatory institution/special regulatory regime. SAPZ Program (Phase I) will be implemented over five years (2022 –2026). The total SAPZ Program (Phase I) cost is estimated at USD 538.05 million net of taxes. The African Development Bank will provide an ADB Loan of USD 160 million (29.7% of total cost) together with an Africa Growing Together Fund (AGTF) loan of USD 50 million (9.3%).[1]

The SAPZ Program aims to increase household incomes, foster job creation in rural agricultural communities, especially for youth and women, and enhance food and nutritional security in Nigeria. The development objective is to support inclusive and sustainable agro-industrial development. The SAPZ Program interventions seek to improve the competitiveness of selected value chains. This will be achieved through increased productivity, aggregation and reliable supply of quality raw materials, value addition, market access and private sector investment. While Phase I of the SAPZ Program will be carried out in 7 States and the Federal Capital Territory (FCT), it will be rolled out to more states in subsequent phases. About 1.5 million households would be direct beneficiaries along the entire agricultural value chain, including private-sector agribusinesses and agro-processors, smallholder farmers, agri-preneurs and agro-dealers. The SAPZ Program (Phase I) targets the creation of a minimum of 400,000 jobs and up to 1.6 million indirect jobs. The jobs will be created during the construction and operational phases, including jobs created by MSMEs along the value chain and factory jobs created by the tenant industries in the agro-industrial hubs.[2]

The Special Agro-Industrial Processing Zones (SAPZ) program is an initiative in Nigeria designed to boost agricultural productivity and infrastructure development.

[1] https://mapafrica.afdb.org/en/projects/46002-P-NG-AAA-002
[2] https://mapafrica.afdb.org/en/projects/46002-P-NG-AAA-002

Source: IFAD 2021

Figure 1: The Map of SAPZ Program Area

In addition, with close to 200 million people and a population growth estimated at 3% per year,[3] Nigeria is the most populous country on the African continent. Nigeria also has the largest economy in the region. Like other middle-income countries, Nigeria faces significant and persistent poverty and inequality. Since 2018, Nigeria has been home to the world's largest number of poor people. 62.6% of the country's population lives under the absolute poverty line.[4] Poverty is more acute in rural areas (52%). Major factors contributing to rural poverty include low agricultural production and productivity, limited opportunities for value-addition, challenges of marketing capacity, poor yields in quality and quantity, and significant deficits in support systems such as infrastructure, access to productivity-enhancing inputs, financial backing, commercial orientation, and effective policies, as well as environmental degradation and the effects of climate change. These challenges limit prospects for rural households. Nigeria has reached a critical level of food imports to feed its growing population, spending over USD 6 billion a year on agricultural imports.[5] With competing needs on the national budget, this situation threatens national food security. Over 70% of Nigeria's population cannot afford a nutrient-adequate diet. The high sensitivity of the agricultural sector to increasing climate

[3] UNFPA, State of World Population (SWOP), 2019.

[4] Absolute poverty is defined by the cost of (i) basic food to satisfy daily needs set at 3,000 calories per person/day and (ii) non-food needs.

[5] CBN and National Bureau of Statistics, Annual Report, 2013

change and climate variability combined with high poverty rates are the main sources of Nigeria's vulnerability to food insecurity and malnutrition. Climate risks and weather-related factors will increasingly have negative impacts on agricultural production. Climate projections indicate historical temperature increases and precipitation variations with early dry seasons and shorter rainy seasons.

In 2011, the Federal Government of Nigeria (FGN) developed its Agricultural Transformation Agenda, which aims to achieve a hunger-free Nigeria through an agricultural sector that drives income growth, accelerates the achievement of food and nutritional security, generates employment, and transforms Nigeria into a leading player in global food markets to grow wealth for millions of farmers. In the context of its agricultural transformation strategy, the FGN is tackling two main interrelated challenges: (i) Meet domestic food requirements by stepping up local sourcing to reduce its food import bill, as well as (ii) Modernise its farming model to reduce poverty levels in rural areas. The FGN's strategy is to turn the country's huge food deficit into a market and employment opportunity for smallholders and operators. At the core of this strategy is the development of Special Agro-Industrial Processing Zones to establish a modern in-country Agro-processing capacity to supply the domestic market, promote green investments, and provide profitable market outlets to rural households. In addition to creating the right investment and policy frameworks for SAPZs, the FGN's challenge is to enable the millions of Nigerian rural smallholders and operators, youth, and women living below the poverty line to take advantage of the SAPZ market outlets.

Therefore, The FGN requested the joint support of AfDB and IFAD in materialising its transformation agenda. The FGN leveraged AfDB-IFAD complementary expertise, experience, and comparative advantage in the setting-up of SAPZs to (i) sustainably meet the domestic food supply gap for key food products, (ii) create exportable surpluses, (iii) provide income and employment opportunities for rural poor households, and (iv) produce a replicable climate resilient and low emission model for further investments. The focus lies on high potential climate resilient pro-poor value chains that can be scaled up and have relevance to the industry and off-takers operating in Agricultural Industrial Hubs (AIHs) and Agricultural Transformation Centres (ATCs), as well as on significantly improving livelihoods and generating decent employment, especially for women and youth. Regarding the demand and uptake of agricultural products, the FGN and AfDB focused on attracting private-sector agribusinesses to set up processing plants in zones of high food production to process commodities into food products. In addition, the FGN and AfDB created an enabling environment for the private sector by implementing appropriate fiscal policies and incentives, investment, and infrastructure policies for SAPZ.[6]

SAPZ's primary target groups through AfDB's investments are agroindustry investors, large aggregators and support service providers operating in the AIH and ATCs. SAPZ Phase I will directly benefit at least 1.5 million households (a large proportion of whom are directly engaged in agriculture, with 50% women) along the entire agricultural value chain, including private sector agribusinesses and agro-processors, smallholder farmers, agri-preneurs and agro-dealers. IFAD investments, including through the Green Climate Fund, target a total of ***100,000 direct beneficiaries,*** corresponding to a total of 500,000 indirect beneficiaries. These include 75,000 direct beneficiaries in Kano and Ogun states, comprising 90% farmers/producers and 10% processors, traders, and community-based service providers. In addition, the programme will support another 25,000 small operators and smallholders enrolled in the IFAD-supported VCDP programme and operating in the catchment areas of the SAPZs. The SAPZ programme will empower them to take advantage of the new market outlets created through the SAPZ. To meet its objectives, the programme is climate-focused, gender mainstreamed, nutrition and youth-sensitive, with women accounting for 50% of the direct beneficiaries and youth (aged 18-29) for 40%. The programme will also support persons with disabilities and internally displaced persons in gainfully engaging in commercial agriculture through dedicated support.[7]

Through site-specific feasibility studies conducted by the FGN and AfDB during programme appraisal, several high-potential commodities were identified based on the following criteria: (i) potential for import substitution, (ii) export prospects through value addition, and (iii) potential for pro-poor growth and inclusive employment generation, as well as (iv) Prioritisation in national adaptation plans to future weather impacts. For Ogun State, there is cassava, rice, poultry, and fishery; for Kano State, there is rice, tomatoes, groundnuts,

[6] Special Agro-Industrial Processing Zones (SAPZ) - IFAD - Programme Design Report (PDR) – Main Report

[7] Special Agro-Industrial Processing Zones (SAPZ) - IFAD - Programme Design Report (PDR) – Main Report

and sesame. Two eligible value chains were selected for programme support through a participatory approach with local authorities and communities at start-up.[8]

The specific project activities across the components that are capable of leading to E&S risks and impacts, as they relate to pre-construction to decommissioning phases, e.g. land acquisition, rehabilitation of dams, construction of access roads, installation of power infrastructure, water supply infrastructure, installation of processing, is presented in Appendix 2.

4.1 Infrastructure Development and Management for Agro-Industrial Hubs

Under the above component, the Program's objective supports the FGN in developing and setting up SAPZs in high-potential states. Each SAPZ is comprised of an agro-industrial hub (AIH) and several agricultural transformation centres (ATCs) that serve as aggregation points at the community level (more details on the ATCs are under component 2). AIHs shall be set up as a well-defined, centrally managed tract of land developed, subdivided, and dedicated to supporting firms and other stakeholders engaged in agro-processing and related activities located throughout the production area surrounding the hub.

The AIHs shall: (a) provide enabling public economic infrastructure, logistics and specialised facilities and services required for agro-industrial activities (e.g. electricity, water, internal roads, cold-chain facilities, laboratory and certification services, operations support systems, business support services, information and communication technology, waste treatment, etc.); (b) offer associated social and support infrastructure (health facilities, recreational facilities, housing facilities etc.); (c) support private sector engagement in the management and operation of AIHs and in the procurement of private sector facility managers from the onset. These AIHs will be privately managed and serve as a nucleus for major processing activities of the selected value chain commodities. During SAPZ-Phase I, the FGN and AfDB will support the set-up of eight AIHs, namely one in each of the seven targeted states and one in the FCT, as follows:

S/N	STATE/FCT	Agro-Industrial Hub
1	Kano	Bagauda Agro-Industrial Hub
2	Ogun	Sagamu Agro Industrial Hub
3	Oyo	Ijaiye Agro Industrial Hub
4	Kaduna	Green Agro Allied Industrial Zone (GAAIZ)
5	Kwara	Lata-Nna Grazing Reserve Special Livestock Processing
6	Cross River	Ikom Agro-Industrial Hub
7	Imo	Okigwe Special Livestock Processing Hub
8	FCT	Paiko-kore/Dobi Livestock Industrial Hub Gwagwalada Area Council

[8] Special Agro-Industrial Processing Zones (SAPZ) - IFAD - Programme Design Report (PDR) – Main Report

Section 5 Potential Environmental & Social Risks Associated with the SAPZ Program

5.1 SAPZ Program, Baseline Conditions and Potential Impacts and Risks (SAPZ Project Activities)

SAPZ Program Aim

SAPZ 1 and 2 phases of the SAPZ program aim to:

- Increase agricultural productivity and value addition.
- Create jobs and improve livelihoods.
- Enhance food security and reduce post-harvest losses.
- Promote sustainable development.
- Attract domestic and foreign investment in the agribusiness sector.

Project Objectives:

- Support economic and social development in Nigeria.
- Enhance rural infrastructure.
- Improve access to agricultural markets.
- Increase agricultural production and productivity.
- Stimulate the adoption of agricultural technology.
- Facilitate climate-smart agricultural practices.
- Increase value addition and agro-processing.
- Increase skill acquisition and job creation across the agricultural value chain.

Key Expected Outcomes:

- Development of 2,300 hectares of irrigated land and farm-to-market access roads.
- Creation of a minimum of 400,000 direct jobs and up to 1.6 million indirect jobs.
- Increased competitiveness of selected agricultural value chains.
- Improved access to markets for smallholder farmers.
- Reduced food imports and improved domestic food supply.

Target Beneficiaries:

- 1.5 million households along the agricultural value chain (farmers, processors, agri-businesses).
- Women – 50% of direct beneficiaries.
- Youth (aged 18-29) – 40% of direct beneficiaries.
- Persons with disabilities and internally displaced persons.

Funding:

- Total estimated cost: USD 538.05 million (net of taxes).
- African Development Bank (AfDB): USD 160 million loan + USD 50 million Africa Growing Together Fund (AGTF) loan.

Project Size:

- **Phase 1:**
  - Sixteen large infrastructures (8 Agro-Industrial Hubs (AIHs) and 8 Agro-Technology Centers (ATCs)) across participating states.
  - The size of each AIH varies between 50-250 hectares.
- **Phase 2:** Size yet to be determined.
  - **Project Sector:** Agro-Industrialization (multi-sectoral)

Project Stage:

- **Phase 1:** Implementation
- **Phase 2:** Preparatory (States preparing Feasibility Studies and ESIA reports)

SAPZ Phase 1 is currently underway in seven states: Cross River, Imo, Kaduna, Kano, Kwara, Ogun, and Oyo, as well as the Federal Capital Territory (FCT).

The primary focus of this phase is on:

- Infrastructure Development: Building and improving agro-industrial hubs (AIHs) and agro-processing trading centres (ATCs).
- Value Chain Development: Prioritising specific value chains such as livestock, horticulture, grains, rice, oil seeds, cassava, poultry, and soybeans.
- Stakeholder Engagement: Collaborating with government agencies, private sector, and local communities.
- Capacity Building: Enhancing the skills of farmers, processors, and other value chain actors.
- Policy and Institutional Development: Creating an enabling environment for agribusiness.

SAPZ Phase 2 aims to expand the Program's reach to 27 additional states (Abia, Akwa-Ibom, Adamawa, Anambra, Bauchi, Bayelsa, Benue, Borno, Delta, Ebonyi, Edo, Ekiti, Enugu, Jigawa, Katsina, Kebbi, Kogi, Lagos, Niger, Ondo, Osun, Plateau, Rivers, Sokoto, Taraba, Yobe, and Zamfara).

The primary focus will be replicating the successful models from Phase 1 while adapting to the specific needs of each region. Key activities will include:

- Feasibility Studies: Conduct in-depth assessments of potential SAPZ locations in each state.
- Infrastructure Development: Building on the experience from Phase 1, focusing on scaling AIHs and ATCs.
- Value Chain Expansion: Identifying new value chains with high potential for growth and development.
- Private Sector Investment: Attracting more private sector investment into the agro-processing sector.
- Job Creation: Generating employment opportunities, particularly for youth and women.

Project Components:

1. **Infrastructure Development and AIHs Management:**
    - Focus: Create central hubs with improved facilities and services for agribusiness activities.
2. **Improving Agricultural Productivity and Enterprise Development:**
    - Focus: Boost agricultural productivity, support enterprise development, and foster economic growth.
3. **Supporting Agro-Industrial Zone Policy and Institutional Development:**
    - Focus: Develop policies, regulations, and institutions that facilitate agro-industrial activities.
4. **Program Coordination and Management:**
    - Focus: Ensure efficient program implementation, monitoring, and evaluation through effective coordination and management.

Project Sub-Components:

1. **Infrastructure Development and Operationalisation in AIHs and ATCs:**
    - Construction of AIHs and ATCs.
    - AIHs aggregate products, add value and distribute them for consumption or export.
    - Non-processing infrastructure (administration, R&D, health centres) and shared facilities reduce costs.
2. **Farm-Level Productivity Enhancement Infrastructure:**
    - Development of ATCs near AIHs to boost productivity.
    - Provide farmers access to essential inputs (seeds, mechanisation), handling facilities, and extension services.
    - Develop common infrastructure (water, power, roads).
3. **Boosting Productivity for Identified Commodities:**
    - Provide certified input, skills development, and updated policies to support productivity.
    - Focus on key commodities and sustainable production.

Targeted Value Chains:

While information on specific ATCs is not yet available, some AIHs focus on particular value chains,

including:

- **Livestock Processing:** Kwara and FCT will house specialised beef and dairy production hubs.
- **Horticulture and Grains:** Kaduna's AIH targets tomatoes, maize, soybeans, and ginger.
- **Rice and Oil Seeds:** Kano Prioritises rice and oil seeds alongside tomatoes.
- **Cassava, Rice, and Poultry:** Ogun's AIH targets these key agricultural products.
- **Industrial Cassava, Rice, and Soybeans:** Oyo focuses on large-scale production of these commodities.
- **Poultry, Maize, and Soybeans:** Imo's AIH priorities this value chain alongside a dedicated livestock processing hub.

5.2 Environmental and Social Conditions of Participating States)

5.2.1 Categorisation of Baseline Conditions

To comprehensively assess the potential impacts and risks of the SAPZ program, baseline conditions can be categorised into:

Physical Conditions

- **Topography:** Terrain characteristics, including elevation, slope, and landforms.
- **Soil Quality:** Soil types, fertility, erosion potential, and nutrient content.
- **Water Resources:** Availability, quality, and quantity of water resources, including surface and groundwater.
- **Climate:** Meteorological patterns, including temperature, rainfall, and climate variability.
- **Land Use Patterns:** Current land use practices, including agriculture, forestry, and urban development.

Biological Conditions

- **Biodiversity:** Presence of plant and animal species, ecosystems, and habitats.
- **Ecosystem Services:** The benefits provided by ecosystems, such as water purification, climate regulation, and pollination.
- **Natural Hazards:** Vulnerability to natural disasters like floods, droughts, and landslides.

Human Conditions

- **Demographics:** Population size, distribution, and growth rates.
- **Socioeconomic Conditions:** Poverty, income distribution, education, and healthcare access.
- **Land Tenure:** Land ownership patterns and customary land use practices.
- **Livelihoods:** Dependence on agriculture, other economic activities, and income sources.
- **Cultural and Social Factors:** Traditional knowledge, beliefs, and practices relevant to natural resource management.
- **Infrastructure:** Availability and condition of transportation, energy, and communication infrastructure.

The participating states in Phase 1 and intended states in Phase 2 collectively represent a diverse cross-section of Nigeria, encompassing coastal, inland, and northern regions. They share many common environmental and social challenges but also have unique characteristics.

5.2.2 Common Environmental Challenges:

- **Deforestation:** Widespread deforestation, especially in areas with high population density and agricultural activities.
- **Soil Erosion:** Particularly in states with hilly terrain or excessive farming practices.
- **Water Pollution:** Contaminating water bodies from industrial activities, agriculture, and improper waste disposal.
- **Climate Change Impacts:** Rising sea levels (coastal states), desertification (northern states), and

extreme weather events.
- **Biodiversity Loss:** Loss of biodiversity due to habitat destruction and overexploitation of natural resources.

Common Social Challenges:
- High levels of poverty, especially in rural areas.
- High youth unemployment rates.
- Disparities in access to education, healthcare, and other basic services.
- Complex land tenure systems lead to conflicts.
- Prevalence of diseases such as malaria, HIV/AIDS, and malnutrition.
- Low literacy rates, especially among women and girls.

Regional Variations
- **Coastal States (Delta, Bayelsa, Rivers, Akwa Ibom):** These states often face challenges related to oil pollution, coastal erosion, and the Impact of oil exploration on local communities.
- **Southern States (Anambra, Enugu, Ebonyi, Abia, Imo):** These states generally have higher population densities and face challenges related to deforestation, soil erosion, and access to clean water.
- **North-Central States (Benue, Kogi, Kwara, Niger):** These states often experience water scarcity, soil degradation, and conflicts related to land use.
- **North-Western States (Kano, Kaduna, Katsina, Sokoto, Kebbi):** These states are more arid and prone to desertification, with water scarcity, food insecurity, and conflicts.
- **North-Eastern States (Borno, Adamawa, Yobe):** These states have faced significant security challenges, leading to displacement, food insecurity, and environmental degradation.

5.3 Typical Diversity in environmental and social conditions in Each State

The following states (in SAPZ Phase 1) exemplify the diverse environmental and social conditions of each state regionally

5.3.1 Environmental Conditions

- Deforestation and Forest Degradation: Widespread across most states, particularly in Cross River and Oyo.
- Soil erosion is a significant issue in states with hilly terrain like Cross River and Imo.
- Water Scarcity and Pollution: A growing concern, especially in semi-arid regions like Kano and Kaduna.
- Biodiversity Loss: There is rich biodiversity in Cross River, but it is facing threats due to deforestation and habitat loss.
- Climate Change Impacts: Increasing frequency and intensity of extreme weather events, affecting agriculture and livelihoods.

5.3.2 Social Conditions

- Poverty: High poverty levels, especially in rural areas of Kano, Kaduna, and Kwara.
- Unemployment: Youth unemployment is a significant challenge across all states.
- Gender Inequality: Women face disparities in access to resources, education, and healthcare.
- Land Tenure: Complex land tenure systems often lead to land conflicts.
- Health Challenges: Poor access to healthcare, especially in rural areas.
- Education: Low literacy rates, particularly among women and girls.

5.4 Specific State Challenges

- Cross River: Rich biodiversity but facing deforestation and land degradation.
- Imo: High population density, deforestation, and erosion.
- Kaduna: Water scarcity, soil erosion, and conflicts related to land use.

- Kano: Desertification, water scarcity, and high poverty rates.
- Kwara: Deforestation, soil degradation, and limited access to basic services.
- Ogun: Rapid urbanization, industrial pollution, and traffic congestion.
- FCT: Urbanization pressures, waste management challenges, and traffic congestion.

For more detailed information, please refer to Appendix 1.

Given Nigeria's diverse geographical and ecological conditions, conducting site-specific baseline assessments is crucial for identifying unique environmental and social characteristics within the SAPZ program areas.

This overview provides a general understanding of the environmental and social context. However, detailed Environmental and Social Impact Assessments (ESIAs) must be conducted
to assess potential impacts and develop appropriate mitigation measures for each project location.
A combination of remote sensing, field surveys, and existing data sources will be employed to gather comprehensive baseline data. This information will inform the development of effective environmental and social safeguards for the SAPZ program.

To comprehensively assess the potential impacts and risks of the SAPZ program, baseline conditions would be categorised into:

5.4.1 Physical Conditions

- Topography: Terrain characteristics, including elevation, slope, and landforms.
- Soil Quality: Soil types, fertility, erosion potential, and nutrient content.
- Water Resources: Availability, quality, and quantity of water resources, including surface and groundwater.
- Climate: Meteorological patterns, including temperature, rainfall, and climate variability.
- Land Use Patterns**:** Current land use practices, including agriculture, forestry, and urban development.

5.4.2 Biological Conditions

- Biodiversity: Presence of plant and animal species, ecosystems, and habitats.
- Ecosystem Services: The benefits provided by ecosystems, such as water purification, climate regulation, and pollination.
- Natural Hazards: Vulnerability to natural disasters like floods, droughts, and landslides.

5.4.3 Human Conditions

- Demographics: Population size, distribution, and growth rates.
- Socioeconomic Conditions: Poverty, income distribution, education, and healthcare access.
- Land Tenure: Land ownership patterns and customary land use practices.
- Livelihoods: Dependence on agriculture, other economic activities, and income sources.
- Cultural and Social Factors: Traditional knowledge, beliefs, and practices relevant to natural resource management.
- Infrastructure: Availability and condition of transportation, energy, and communication infrastructure.

5.5 Potential Impacts, Risks, and Benefits of SAPZ Activities

The SAPZ program, while aiming to impact Nigeria's agricultural sector positively, has the potential to induce both positive and negative effects on the environment and society. This section outlines potential impacts and risks categorised by environmental and social factors.

It is also crucial that relevant impacts are understood as outlined below:

1. **Beneficial Impacts**: positive effects of the SAPZ program, such as job creation, increased agricultural productivity, and economic growth.
2. **Adverse Impacts:** potential negative effects, such as land degradation, water pollution, and displacement of communities.
3. **Irreversible or Unavoidable Impacts:** any impacts that cannot be mitigated or reversed. These may include habitat destruction, loss of biodiversity, or long-term changes to the landscape.

Table 7 overviews the potential impacts, risks, and benefits of various SAPZ activities and stakeholder groups. However, conducting detailed assessments to identify the specific effects and develop tailored mitigation measures is important.

Table 7: Potential Impacts, Risks, and Benefits of SAPZ Activities

Stakeholder Group	Activity	Potential Impacts	Potential Risks	Potential Mitigation Measures	Potential Benefits
Local Communities	Land clearing and construction	Déforestation, soil érosion, habitat fragmentation, displacement	Loss of livelihoods, social disruption, conflicts	Reforestation, soil conservation measures, resettlement plans, livelihood support	Access to infrastructure, employment opportunities, improved livelihoods
Local Communities	Agro-processing operations	Water pollution, air pollution, waste generation, resource depletion	Health risks, environmental degradation, social conflict	Wastewater treatment, pollution control technologies, waste management plans, community engagement	Increased income, improved food security, access to quality products
Local Communities	Transportation of goods	Air pollution, traffic congestion, accidents	Health risks, noise pollution, infrastructure damage	Public transportation, road safety measures, emissions reduction technologies	Improved market access, economic growth
Local Communities	Waste generation and disposal	Pollution, health risks, aesthetic degradation	Disease outbreaks, environmental contamination	Waste management systems, recycling programs, public awareness campaigns	Improved sanitation, cleaner environment
Local Communities	The influx of new workers	Increased demand for housing, education, and healthcare services; social tensions	The strain on local resources, the potential for conflict	Urban planning, capacity building, and social integration programs	Economic growth, job creation
Farmers	Land clearing and construction	Deforestation, soil erosion, habitat loss, displacement	Loss of livelihoods, food insecurity	Soil conservation measures, alternative livelihood options	Access to infrastructure, improved market access, increased income
Farmers	Agro-processing operations	Water pollution, air pollution, waste generation, resource depletion	Health risks, environmental degradation, reduced agricultural productivity	Good agricultural practices, waste management, technology adoption	Increased income, value addition to products, access to markets
Farmers	Transportation of goods	Air pollution, traffic congestion, accidents	Health risks, increased transportation costs	Improved road infrastructure, efficient transportation systems	Access to wider markets reduced post-harvest losses
Farmers	Waste generation and disposal	Pollution, health risks, aesthetic degradation	Disease outbreaks, environmental contamination	Proper waste management, composting, recycling	Improved sanitation, reduced ecological Impact
Farmers	The influx of new workers	Increased demand for labour, the potential for labour disputes	Wage pressures, social tensions	Labour regulations, skills training	Increased employment opportunities, knowledge transfer
Investors	Land clearing and construction	Deforestation, habitat loss, displacement	Reputational risk, regulatory compliance issues	Environmental impact assessments, stakeholder engagement	Profitability, market access, positive brand image
Investors	Agro-processing operations	Water pollution, air pollution, waste generation, resource depletion	Regulatory compliance, community opposition	Environmental management systems, technology adoption, community engagement	Profitability, job creation, economic development

Table 7: Potential Impacts, Risks, and Benefits of SAPZ Activities

Stakeholder Group	Activity	Potential Impacts	Potential Risks	Potential Mitigation Measures	Potential Benefits
Investors	Transportation of goods	Air pollution, traffic congestion, accidents	Operational costs, regulatory compliance	Efficient logistics, transportation planning	Reduced transportation costs, improved efficiency
Investors	Waste generation and disposal	Pollution, health risks, aesthetic degradation	Regulatory compliance, operational costs	Waste management systems, recycling programs	Cost savings, improved environmental performance
Investors	The influx of new workers	Labour shortages, skill gaps	Increased operating costs, productivity challenges	Workforce planning, skills training	Access to skilled labour increased productivity
Government Agencies	Land clearing and construction	Deforestation, habitat loss, displacement	Regulatory challenges, public opposition	Environmental impact assessments, land-use planning	Infrastructure development, job creation
Government Agencies	Agro-processing operations	Water pollution, air pollution, waste generation, resource depletion	Regulatory compliance, enforcement challenges	Environmental regulations, monitoring and enforcement	Improved public health, environmental protection
Government agencies	Transportation of goods	Air pollution, traffic congestion, accidents	Infrastructure development, public safety	Transportation planning, public awareness campaigns	Reduced traffic congestion, improved air quality
Government agencies	Waste generation and disposal	Pollution, health risks, aesthetic degradation	Regulatory compliance, enforcement challenges	Waste management infrastructure, public awareness	Improved public health, environmental protection
Government agencies	The influx of new workers	Increased demand for public services, social tensions	Resource allocation challenges, social unrest	Urban planning, capacity building	Economic growth, job creation
Workers	Exposure to hazardous substances, accidents, injuries	Health risks, reduced productivity	Safety regulations, occupational health and safety programs	Improved working conditions, health benefits	Income generation, job security
Workers	Long working hours, low wages	Social and economic impacts, labour unrest	Labour regulations, fair wages, benefits	Improved working conditions, social protection	Increased job satisfaction, reduced turnover

5.6 General Potential Impacts and Risks

Table 8 summarises the Potential Impacts and Risks of the SAPZ Program. The specific impacts and risks will vary depending on the location, scale, and design of the SAPZ projects. Therefore, a detailed assessment is crucial for each project to identify and mitigate potential negative consequences.

Table 8: Potential Impacts and Risks of the SAPZ Program

Baseline Condition	Potential Impacts and Risks
Topography	Soil erosion, landslides, Impact on drainage patterns, Increased water demand, water pollution, competition for resources, Contribution to greenhouse gas emissions, vulnerability to climate change, Conversion of natural habitats, fragmentation of landscapes
Soil Quality	Risk of soil degradation, nutrient depletion, salinization, and Increased pressure on land resources
Water Resources	Increased water demand for agricultural activities and processing, the potential for water pollution
Climate	Increased vulnerability to climate change impacts; Changes in land use patterns due to climate change adaptation
Land Use Patterns	Loss of natural habitats due to Conversion for agriculture; Alteration of ecosystem functions; Increased vulnerability to natural hazards; Changes in land use patterns due to population growth
Biodiversity	Habitat loss and fragmentation, introduction of invasive species, Reduced provision of ecosystem services
Ecosystem Services	
Natural Hazards	Increased vulnerability to natural hazards due to land use changes
Demographics	Population growth and migration patterns, increased urbanization, Income inequality, social disparities, Land conflicts and displacement, Changes in livelihoods
Socioeconomic Conditions	Unequal distribution of benefits, potential for social conflicts, Conflicts over land access and Use rights, Changes in livelihoods
Land Tenure	Changes in land ownership and Use patterns; Potential for loss of livelihoods
Livelihoods	Dependence on the Program for income, vulnerability if not sustainable
Cultural and Social Factors	Social and cultural impacts, the potential for conflicts
Infrastructure	Increased demand for infrastructure, potential environmental impacts

5.6.1 Phases of Impact Consideration

SAPZ projects can effectively manage environmental and social risks throughout their lifecycle, as shown in Figure 2. Table 4 outlines the Phases of Impact Analysis and typical mitigation measures

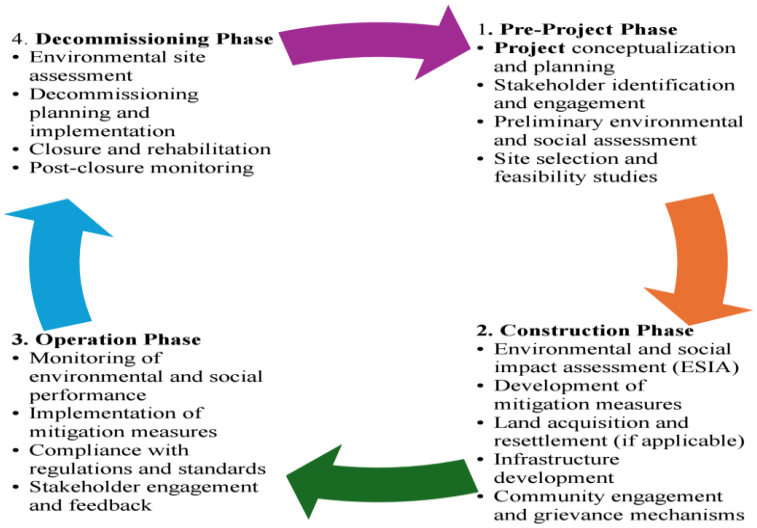

Figure 2: SAPZ projects Lifecycle for E & S Impact Consideration

Table 9: Phases of Impact Analysis and Mitigation

Phase	Potential Impacts	Mitigation Strategies	Monitoring Indicators
Pre-project	Land use change, biodiversity loss, social disruption	Stakeholder consultations, site selection criteria, baseline studies	Stakeholder satisfaction, land use change data
Construction	Soil erosion, water pollution, noise pollution, community displacement	Erosion control measures, noise mitigation, resettlement plans, labour standards	Sedimentation rates, noise levels, community complaints
Operation	Resource depletion, pollution, waste generation, labour conditions	Resource efficiency measures, pollution control, waste management, labour audits	Resource consumption, emission levels, labour turnover
Decommissioning	Land contamination, waste disposal, community transition	Site remediation plans, job training, community support programs	Land quality, employment rates, community satisfaction

Additional Considerations

- Cumulative impacts: Assess the combined effects of the SAPZ project and other activities in the area.
- Climate change adaptation: Consider the potential impacts of climate change and incorporate adaptation measures.
- Emergency preparedness: Develop plans to address potential accidents and disasters.
- Continuous improvement: Regularly review and update the impact assessment and mitigation plans.

5.7 Identifying Risks & Impacts of Programme Activities

The potential risks and impacts associated with the Nigeria Special Agro-Industrial Processing Zones (SAPZ) Program in the specified areas are summarised in Table 2.

In Table 4.5, the Potential Risks and Impacts are summarised for some key impacts, while Appendix 3 outlines the guide for Managing E&S Risks in SAPZ.

Table 4.5: Potential Risks and Impacts

i. Environmental

RISKS	POTENTIAL IMPACTS
Release of air pollutants (air emissions)	Pollution of air, land, and surface water
Release of liquid effluents or contaminated wastewater into local water bodies or improper wastewater treatment	Surface water pollution
Generation of large amounts of solid waste and improper waste management	Pollution of land, and ground and surface water
Improper management of hazardous substances	Contamination of adjacent land and water
Excessive energy use	Depletion of local energy sources and release of combustion residuals lead to air pollution.
Excessive water use	Depletion of water resources
High or excessive noise levels	Negative effects on human health and disruption of local wildlife
Improper or excessive land use	Soil degradation and biodiversity loss

ii. Occupational Health & Safety

RISKS	POTENTIAL IMPACTS
Physical Hazards	
Slips, trips, and falls	Worker injury (sprains, strains, fractures)
Falls when working at heights	Worker injury or loss of life (fractures, life-threatening trauma)
Collision with moving equipment (vehicles, forklifts, cranes)	Worker injury or loss of life (life-threatening trauma)
Caught in by improperly enclosed, unguarded or moving machinery	Worker injury or loss of life (cuts, traumatic amputation)
Exposure to high or excessive noise levels	Loss of hearing
Exposure to extreme temperatures	Hypothermia, heat stress, dehydration
Contact with exposed or faulty electrical wires	Worker injury or loss of life (electrocution)
Explosions or fire due to ignition of dust or flammable materials	Worker injury or loss of life (asphyxiation, burnings)
Exposure to ionizing radiation (x-rays)	Worker injury or loss of life (skin lesions, radiation sickness, cancer)
Exposure to non-ionizing radiation (ultraviolet, visible light)	Worker injury or loss of life (burns, blindness, skin cancer)
Chemical hazards	
Inhalation, skin contact, or ingestion of hazardous chemicals (e.g. pesticides, solvents)	Worker injury or loss of life (irritation, damage to internal organs, intoxication)
Inhalation of dust	Worker illness (decreased lung capacity)
Exposure to hazardous atmospheres in confined spaces	Worker loss of life (asphyxiation)
Biological hazards	
Exposure to blood or bodily fluids from persons or animals carrying pathogens	Worker illness or loss of life
Exposure to airborne or vector-borne diseases (bacteria, viruses or mold/fungi)	
Exposure to poisonous plants, animals or insects	
Lack of appropriate welfare facilities (e.g. potable water, toilets, washing facilities)	Worker ill-health
Ergonomic Hazards	
Repetitive motions	Worker injury (strains and sprains to muscles and connective tissues causing pain, inflammation, numbness or loss of muscle function)
Improper techniques for lifting heavy items	
Improperly designed or aligned workstations.	

Standing for long periods	

iii. Labour

RISKS	POTENTIAL IMPACTS
Lack of contracts, Use of contracts not understood by workers or Use of contracts with terms that are different from actual working conditions	Forced labour
Exploitation of migrant or temporary workers by labour contractors, including unlawful wage deductions (e.g. excessive recruitment fees, transportation/housing costs)	Forced labour
Low or insufficient wages	Excessive overtime and perpetuation of the poverty cycle for workers (which can also lead to child labour)
Excessive overtime	Worker fatigue leads to higher injury rates and illnesses
Exploitation of young workers or student workers	Child labour
Lack of freedom of association or grievance mechanisms	Mistreatment of workers and workers with no ability to voice concerns or submit complaints
Abuse of workers and workers with no ability to voice concerns or submit complaints	Negative work environment and unequal access to opportunities and benefits
Verbal and physical (sexual) harassment	Worker dissatisfaction and trauma
Unsafe and unhygienic living quarters for workers	Unsafe and unhygienic living quarters for workers

iv. Community Health, Safety & Security

RISKS	POTENTIAL IMPACTS
Release of pollutants and harmful dust into ambient air	Negative impacts on the community's health
Surface or drinking water contamination	Negative effects on the community's health
The strain on the local water supply	Conflicts among competing water users
Exposure to hazardous substances	Negative Impact on the community's health
Spread of diseases due to the influx of workers	Negative Impact on the community's health
Increase of disease vectors (e.g. mosquitoes, flies, rodents) from failure to manage liquid and solid wastes	Negative impacts on the community's health
Release of unpleasant odors	Negative effects on the community's health
Excessive noise	Negative Impact on the community's health
Improperly controlled or trained security guards	Violence against local community members
Excessive or unregulated vehicle traffic near the facility and through communities at inappropriate times (e.g. children going to school)	Injury/death of community members due to vehicular accidents
Poorly designed and constructed buildings and infrastructure	Injury/death of community members and damage to neighbouring properties

Section 6: Environmental and Social Risks Management Process

6.1 Operational Requirements

To ensure alignment with environmental and social sustainability principles, the following operational requirements have been established for SAPZ projects:

- **Screening:** Potential SAPZ projects will be assessed to identify high-risk ventures.
- **Due Diligence:** Comprehensive environmental and social impact assessments (ESIAs) will be conducted for all proposed SAPZs.
- **Compliance:** Strict adherence to national and international environmental, social, health, and safety regulations is mandatory.
- **Sustainability:** SAPZs must demonstrate a commitment to sustainable practices and long-term environmental and social well-being.
- **ESMS Adoption:** All SAPZs are required to adopt the Program's Environmental and Social Management System (ESMS) standards.
- **Monitoring and Enforcement:** Regular inspections and audits will assess compliance and enforce regulations.
- **Capacity Building:** Support will be provided to enhance SAPZ stakeholders' environmental and social management capabilities.
- **Reporting and Transparency:** Environmental and social performance data will be publicly disclosed to foster accountability.
- **Best Practice Adoption:** SAPZs are encouraged to implement industry best practices to optimize environmental and social performance.

6.2 Procedural Guidance and Templates

To ensure consistent and effective implementation of the ESMS, the SAPZ program has developed procedural guidance documents and standardized templates. These tools provide clear instructions and formats for various ESMS activities.

6.2.1 Procedural Guidance Documents

To support the implementation of the ESMS, comprehensive guidance documents have been developed, including:

- ESMS Implementation Manual: A detailed step-by-step guide for project teams.
- Environmental and Social Risk Assessment Guidelines: Procedures for identifying, assessing, and managing environmental and social risks.
- Stakeholder Engagement Plan: Guidelines for effective stakeholder consultation and participation.
- Monitoring and Evaluation Guidelines: Data collection, analysis, and reporting procedures.

6.3 Standardized Templates

To ensure consistency and efficiency, standardized templates have been developed for:

- Environmental and Social Impact Assessment (ESIA) Reports
- Monitoring Reports
- Incident Reporting
- Grievance Mechanisms
- Pre-project Screening Checklist
- Environmental and Social Management Plan (ESMP) Checklist

- Monitoring Checklist
- Compliance Checklist

6.3.1 ESMS Process

1. Project Initiation:
    - Screening and categorisation of projects
    - Stakeholder identification and engagement
    - Baseline studies
    - Preliminary ESMP development

a. Exclusion List for the SAPZ Program

Purpose
The Exclusion List identifies activities, projects, or sectors categorically ineligible for SAPZ funding or support due to severe environmental or social risks.

Content
The Exclusion List includes:

Category 1: Land Use and Ecosystem Impacts
- Projects within legally designated protected areas
- Conversion of primary forests
- Conversion of wetlands
- Soil erosion without effective mitigation
- Projects in areas highly vulnerable to climate change impacts without adequate adaptation measures

Category 2: Water Resources and Pollution
- Activities leading to significant water pollution
- Overexploitation of water resources
- Construction of large-scale water infrastructure without comprehensive assessments
- Projects without water resource management strategies to address climate change impacts

Category 3: Biodiversity and Ecosystem Services
- Projects posing a significant threat to endangered or threatened species
- Activities leading to substantial loss of biodiversity or ecosystem services
- Introduction of invasive alien species
- Projects not considering climate change impacts on biodiversity and ecosystem services

Category 4: Social Impacts
- Projects involving involuntary resettlement without adequate compensation and resettlement plans
- Land acquisition without fair compensation
- Child labor
- Human rights violations
- Projects disproportionately impact marginalised groups without targeted mitigation measures.

Category 5: Occupational Health and Safety
- Activities involving hazardous working conditions without adequate safety measures
- Use of hazardous substances without proper handling and disposal
- Projects increasing vulnerability to climate-related health risks without mitigation measures

Alignment with Global Standards
The Exclusion List aligns with international best practices, including:
- African Development Bank (AfDB) Investment Standards (ISS)
- World Bank Environmental and Social Framework (ESF)
- International Finance Corporation (IFC) Performance Standards (PS)
- International Fund for Agricultural Development (IFAD) Safeguard Environmental and Climate Analysis (SECAP)

- Islamic Development Bank (IsDB) Safeguard Policies
- International Labour Organization (ILO) Conventions and Recommendations
- Sustainable Development Goals (SDGs)

Criteria for Exclusion
Exclusion criteria are based on the potential for irreversible or long-term damage to the environment or society, violation of laws and standards, and inconsistency with program goals.

6.4 Project Screening and Categorisation

Project screening is the initial step in identifying potential environmental and social (E&S) risks associated with a SAPZ project. It involves systematically evaluating projects based on their potential impacts and determining the necessary environmental and social assessment levels.

Project Screening
Project screening is the initial phase of assessing a Sustainable Agricultural and Zonal Development (SAPZ) project's potential environmental and social (E&S) impacts. It involves:

1. **Identifying potential SAPZ projects:** Based on government priorities and development objectives.
2. **Conducting a preliminary screening:** Using a standardized checklist to evaluate basic project details and potential impacts.
3. **Categorizing projects:** Using a matrix to classify projects into risk levels based on factors like scale, environmental impact, social impact, resource use, compliance, and alignment with AfDB standards.
4. **In-depth assessment:** For higher-risk projects, conducting detailed assessments including site visits, stakeholder consultations, and preliminary environmental and social impact assessments (ESIAs).
5. **Review and adjustment:** Regularly reviewing project categories based on new information.

The goal is to identify potential E&S risks early in the project cycle, determine the appropriate level of assessment, and inform subsequent decision-making.

Appendix... provides the Screening Process

6.5 Project Categorization with AfDB ISS Integration

1. Project Identification and Initial Screening
- Identify potential SAPZ projects based on government priorities and development objectives.
- Conduct a preliminary screening using a standardized checklist to assess basic project information (location, size, type of activities, potential impacts).
- Refer to the AfDB ISS Exclusion List to identify any potential deal-breakers.

2. Project Categorization
- Utilize the project categorization matrix (Appendix.....) to assign projects to appropriate categories (1, 2, 3, FI).
- Consider the following factors:
    - Project scale and complexity
    - Potential environmental impacts (e.g., biodiversity loss, pollution, climate change)
    - Potential social impacts (e.g., resettlement, livelihoods, cultural heritage)
    - Resource use (e.g., land, water, energy)
    - Alignment with Nigerian environmental and social laws and regulations

3. In-Depth Assessment
- For Category 2 and 3 projects, conduct more detailed assessments, including:
    - Site visits and consultations with stakeholders
    - Desk reviews of existing environmental and social data
    - Preliminary environmental and social impact assessments (ESIAs)

4. Categorization Review and Adjustment
- Review project categories based on new information or changing circumstances.

- Recategorize projects as needed, following the established criteria.

Project Categorization Matrix

Project Category	Description	AfDB ISS Alignment	Key Considerations for Nigeria SAPZ
3: Low Risk	Minimal or no significant E&S impacts	Category 3	Suitable for small-scale agro-processing units and agricultural extension services.
2: Moderate Risk	Potential for moderate E&S impacts	Category 2	Requires ESMP, stakeholder engagement, and the potential for limited resettlement.
1: Substantial Risk	Significant E&S impacts require comprehensive management.	Category 1	Requires full ESIA, a resettlement action plan, and detailed stakeholder engagement.
FI: Financial Intermediaries	Projects involving lending through financial intermediaries.	Category B or C	Depends on the sub-category and underlying projects.

Screening Criteria and Scoring

Criteria	**Description**	**Scoring (1-5)**	**Example**
Project Scale	Investment, land area, employment	3	A medium-sized agro-processing plant with a $5 million investment
Environmental Impacts	Potential air, water, land, and biodiversity impacts	4	A project located near a protected area with potential for deforestation
Social Impacts	Potential impacts on communities, livelihoods, and culture	2	A project with minimal community displacement but the potential for livelihood changes
Resource Use	Water, energy, land consumption	3	A project with high water consumption for irrigation
Compliance	Adherence to laws and regulations	5	A project fully compliant with all relevant environmental and social standards
AfDB Safeguards	Potential triggers (e.g., resettlement, Indigenous peoples)	2	A project located in an area with Indigenous communities

Total Score	19

Note: The scoring system can be adjusted based on each criterion's specific context and importance.

Integration of AfDB ISS Requirements
To ensure alignment with AfDB's environmental and social standards, the following should be considered:

- Prioritize meaningful consultation with affected communities and other stakeholders.
- Integrate gender considerations into project design and implementation.
- Conduct specific assessments if indigenous peoples are likely to be affected.
- Assess potential impacts on biodiversity and develop mitigation measures.
- Develop resettlement action plans if needed.

Example Project Categorization

- **Project 3:** Small-scale poultry farm (Category 3: Low Risk)
- **Project 2:** Medium-sized palm oil processing plant (Category 2: Moderate Risk)
- **Project 1:** Large-scale hydropower dam (Category 1: High Risk)

Note: Consider local environmental conditions, stakeholder input, and AfDB safeguard triggers.

6.7 Environmental and Social Due Diligence

Environmental and Social Due Diligence (ESDD) in the context of SAPZ refers to a systematic process of identifying, assessing, and managing potential ecological and social risks and impacts associated with a SAPZ project. It involves comprehensively evaluating the project's possible effects on people, communities, and the environment.

Key components of environmental and social due diligence for SAPZ include:

- **Risk identification:** Identifying potential environmental and social risks and vulnerabilities associated with the project.
- **Impact assessment:** The potential magnitude and significance of identified risks and impacts.
- **Stakeholder engagement:** Consulting with affected communities, government agencies, and other stakeholders to gather information and incorporate their perspectives.
- **Mitigation planning:** Developing strategies to prevent, reduce, or offset negative impacts.
- **Monitoring and reporting:** Tracking the project's environmental and social performance and reporting on findings.

6.7.2 Scope and Content of Environmental and Social Due Diligence Reports for SAPZ

An **Environmental and Social Due Diligence Report** is a document that outlines the findings of the due diligence process for a SAPZ project. It should provide clear and concise information about the project's potential environmental and social impacts, the measures proposed to address these impacts, and the monitoring and management plans.

The scope and content of the report typically include:

- **Project description:** A detailed overview of the SAPZ project, including its location, size, and objectives.
- **Environmental and social baseline:** A description of the project area's existing environmental and social conditions.
- **Impact assessment:** An analysis of the project's potential environmental and social impacts, both positive and negative.
- **Stakeholder engagement:** A summary of consultations with affected communities and other stakeholders.

- **Mitigation measures:** A detailed description of the proposed measures to prevent, reduce, or offset negative impacts.
- **Monitoring plan:** Tracking the project's environmental and social performance.
- **Management and organisational structure:** Information on how environmental and social responsibilities will be managed within the project.
- **Disclosure and communication:** A plan for sharing information about the project's environmental and social performance with stakeholders.

6.7.3 Environmental and Social Due Diligence Aspects for SAPZ Projects

Table 6.1 provides some of the key aspects SAPZ projects need to effectively manage environmental and social risks as part of the due diligence to contribute to sustainable development and build trust with local communities.

Table 6.1: Typical Issues for Consideration During E and S Due Diligence

Aspect	Description
Stakeholder Engagement	Involves identifying, consulting, and collaborating with affected communities, government agencies, NGOs, and other relevant stakeholders throughout the project lifecycle.
Risk Identification	Identifying potential environmental and social risks and vulnerabilities associated with the SAPZ project.
Impact Assessment	Assessing the potential magnitude and significance of identified environmental and social impacts.
Legal and Regulatory Compliance	Ensuring adherence to all applicable environmental, social, health, and safety laws and regulations.
Baseline Data Collection	Gathering information on the existing environmental and social conditions in the project area.
Mitigation Planning	Developing strategies to prevent, reduce, or offset negative environmental and social impacts.
Monitoring and Evaluation	Establishing systems to track the project's environmental and social performance and measure the effectiveness of mitigation measures.
Capacity Building	Providing training and support to project staff and stakeholders on environmental and social management.
Disclosure and Transparency	Communicating information about the project's environmental and social performance to stakeholders.
Grievance Mechanism	Establishing a process for addressing complaints and concerns from affected communities.

6.7.4 Steps for Environmental and Social Due Diligence (ESDD) in SAPZ Projects

1. Project Screening and Categorisation
   - Identify potential projects for inclusion in the SAPZ.
   - Categorize projects based on potential environmental and social impacts.
   - Prioritise projects for detailed assessment based on risk levels.
2. Stakeholder Identification and Engagement
   - Identify key stakeholders, including local communities, government agencies, NGOs, and project-affected people.
   - Develop a stakeholder engagement plan.
   - Conduct consultations and information-sharing sessions.
   - Incorporate stakeholder feedback into the project.
3. Data Collection and Review
   - Gather existing environmental and social data on the project area.
   - Review project documents, permits, and licenses.

- Conduct site visits to collect firsthand information.

4. Risk Assessment
   - Identify potential environmental and social risks and vulnerabilities.
   - Assess the likelihood and potential Impact of identified risks.
   - Prioritise risks based on their severity and likelihood.
5. Impact Assessment
   - Conduct detailed assessments of potential environmental and social impacts.
   - Evaluate both positive and negative impacts.
   - Consider cumulative impacts with other projects in the area.
6. Legal and Regulatory Compliance Review
   - Assess compliance with national and international environmental and social standards.
   - Identify any gaps in compliance and develop action plans.
7. Mitigation Planning
   - Develop strategies to prevent, reduce, or offset negative impacts.
   - Prepare an Environmental and Social Management Plan (ESMP).
   - Identify responsible parties for implementing mitigation measures.
8. Monitoring and Evaluation
   - Establish monitoring indicators and data collection methods.
   - Develop a monitoring plan to track project performance.
   - Implement a system for evaluating the effectiveness of mitigation measures.
9. Reporting and Disclosure
   - Prepare regular reports on project progress and environmental and social performance.
   - Disclose information to stakeholders in a transparent manner.
   - Address any concerns or complaints raised by stakeholders.
10. Capacity Building
    - Build the capacity of project staff and stakeholders to manage environmental and social issues.
    - Provide training on environmental and social best practices.

6.7.5 Environmental and Social Due Diligence Reports

ESDD reports document the findings of the due diligence process. They provide clear information about the project's potential impacts, mitigation measures, and management plans.

Report content:

- Project Description: Overview of the SAPZ project, including location, size, and objectives.
- Baseline conditions: Description of the existing environmental and social conditions.
- Impact assessment: Analysis of potential environmental and social impacts.
- Stakeholder engagement summary: Outline of consultations with affected communities.
- Mitigation measures: Detailed description of proposed measures to address negative impacts.
- Monitoring plan: Outline for tracking project performance.
- Management and organisational structure: Information on managing environmental and social responsibilities.
- Disclosure and communication plan: Strategy for sharing information with stakeholders.

6.8 Risk Assessment Process for SAPZ Projects

By following these steps and integrating AfDB ISS requirements, SAPZ projects can effectively identify, assess, and manage risks, contributing to project success and sustainability.

1. Project Context Analysis
   - Project characteristics: Define project type, location, scale, and potential impacts.
   - Stakeholder mapping: Identify key stakeholders and their roles.
   - Regulatory framework: Review applicable environmental and social laws, regulations, and standards.

2. Risk Identification
   - Environmental risks: Identify potential impacts on air, water, land, biodiversity, and climate change.
   - Social risks: Identify potential impacts on communities, livelihoods, health, and cultural heritage.
   - Economic risks: Assess financial risks, market fluctuations, and economic conditions.
   - Operational risks: Identify potential challenges in project implementation and management.
3. Risk Assessment
   - Probability assessment: Evaluate the likelihood of each risk occurring.
   - Impact assessment: Determine the potential severity of each risk.
   - Risk rating: Combine probability and Impact to prioritise risks.
   - Risk categorisation: Classify risks based on severity and likelihood (e.g., high, medium, low).
4. Risk Evaluation
   - Risk acceptability: Determine if the level of risk is acceptable based on project objectives and risk tolerance.
   - Risk treatment options: Identify potential responses to manage risks (mitigation, transfer, acceptance, avoidance).
5. Risk Response Planning
   - Develop mitigation measures: Create specific actions to reduce or eliminate risks.
   - Assign responsibilities: Determine who is responsible for implementing mitigation measures.
   - Allocate resources: Provide necessary funding and support for risk management activities.
   - Develop contingency plans: Prepare alternative courses of action for high-impact risks.
6. Risk Monitoring and Review
   - Establish monitoring indicators: Track key risk indicators and project performance.
   - Conduct regular reviews: Assess the effectiveness of risk management measures.
   - Update risk register: Modify risk assessments as needed based on new information.
7. Reporting and Communication
   - Transparent reporting: Communicate risk assessment findings to stakeholders.
   - Documentation: Maintain clear and comprehensive records of the risk assessment process.

Integration of AfDB ISS Requirements

- Alignment with AfDB safeguards: Ensure compliance with AfDB environmental and social standards throughout the process.
- Social and environmental impact assessment: Conduct detailed assessments for high-risk projects as AfDB ISS requires.
- Stakeholder engagement: Prioritise meaningful consultation with affected communities and other stakeholders.
- Risk management framework: Adopt AfDB's risk management tools and approaches.
- Disclosure and transparency: Adhere to AfDB's environmental and social information disclosure requirements.

6.9 Risk Assessment Tools and Techniques

- Risk matrix: A visual representation of the likelihood and Impact of risks.
- SWOT analysis: Identifies strengths, weaknesses, opportunities, and threats.
- Scenario planning: Evaluate potential future scenarios and their Impact on the project.
- Sensitivity analysis: Assesses the Impact of changes in key variables on project outcomes.

6.9.1 Risk Assessment

- Impact severity: Evaluate the potential magnitude of negative impacts.
- Likelihood of occurrence: Assess the probability of impacts happening.
- Duration: Consider the expected timeframe of impacts.
- Reversibility: Determine the ease of mitigating or reversing impacts.
- Cumulative impacts: Account for potential increases in effects over time.

6.9.2 Risk Matrix for SAPZ Projects

A risk matrix is a tool used to visually represent the potential Impact and likelihood of risks. It is a valuable tool for prioritising projects and allocating resources. A risk matrix can visually represent the combination of impact severity and probability of occurrence, helping to prioritise projects.

Creating a Risk Matrix for SAPZ Projects
Step 1: Define Impact Severity Levels

- High: Significant negative Impact on the environment, social conditions, or project objectives.
- Medium: Moderate negative Impact with potential for recovery or mitigation.
- Low: Minimal negative Impact with limited consequences.

Step 2: Define Likelihood Levels

- High: Likely to occur or has occurred in similar projects.
- Medium: Possible to occur, but not guaranteed.
- Low: Unlikely to occur.

Step 3: Create the Matrix A typical risk matrix is a 3x3 grid, with impact severity on one axis and likelihood of occurrence on the other. The intersection of these axes creates nine cells, each representing a different risk level.

Impact Severity	**Low Likelihood**	**Medium Likelihood**	**High Likelihood**
High	High Risk	Very High Risk	Extreme Risk
Medium	Medium Risk	Medium Risk	High Risk
Low	Low Risk	Low Risk	Medium Risk

Step 4: Assess and Plot Risks For each identified risk, assess its Impact, severity and likelihood of occurrence. Plot the risk on the matrix to determine its overall risk level.

6.9.3 Using the Risk Matrix

- Prioritisation: Risk management planning should prioritise risks in the high-risk quadrants (high, high, and extreme).
- Resource Allocation: Allocate resources based on the risk level. High-risk projects may require more detailed assessments and mitigation measures.
- Decision Making: The matrix can help make informed decisions about project design, implementation, and monitoring.

It should be noted that the specific definitions of impact severity and likelihood levels can be adjusted based on the unique characteristics of SAPZ projects and organisational risk tolerance.

Example Risk Assessment

Risk	**Impact Severity**	**Likelihood**	**Risk Level**
Land degradation	High	Medium	High Risk
Water pollution	Medium	High	High Risk
Social unrest	High	Low	High Risk
Economic downturn	Medium	Medium	Medium Risk

This risk matrix allows SAPZ project managers to effectively identify, assess, and prioritise risks, leading to better decision-making and improved project outcomes.

6.10 Application of the E&S Risk Screening

A simple matrix has been designed, as shown in Table 6.4, for impact severity and likelihood of occurrence. The combination determines the overall risk level.

Table 6.4: E&S Risk Screening						
S/No	List major activities to be Financed	Likely Environmental Risks (describe and rate risk level*)	Likely Social Risks (describe and rate risk level)	Institutional Capacity Risk (describe and rate risk level)	Political and reputational risks (describe and rate risk level)	Overall risk rating

E&S Risk Screening Assessment Matrix

Likelihood \ Severity	0	1	2	3
1	None (0)	Low (1)	Low (2)	Medium (3)
2	None (0)	Low (2)	Medium (4)	High (4)
3	None (0)	Medium (3)	High (6)	High (9)

E&S Risk Screening Level Decision

None	Low	Medium	High
None	Low	Medium	High
Finance	Finance	Derisk	Avoid

6.10.1 Key Considerations for a Robust Risk Assessment System

A robust risk assessment system will.

Figure 6.1: Coverage of Risk Assessment

6.10.2 Clear Thresholds for Categorizing Projects Based on Their Risk Level

Table 6.5 provides Clear Thresholds that define clear thresholds for categorizing projects based on their risk level, aligned with SAPZ 2's context and relevant regulations.

Table 6.5: Thresholds for Categorizing Projects			
Project Characteristic	**Low-Risk Thresholds**	**Medium-Risk Thresholds**	**High-Risk Thresholds**
Project Type	Agroforestry, Conservation agriculture	Poultry farming, Fish farming (small scale)	Large-scale industrial agriculture, Mining
Project Scale	Land area < 10 hectares, Investment < $1 million	Land area 10-100 hectares, investment $1-10 million	Land area > 100 hectares, Investment > $10 million
Location	Distance to protected areas > 10 km, not on	Distance to protected areas 5-10 km, Located	Located within protected areas, Located on

	floodplains or wetlands.	near sensitive ecosystems	floodplains or wetlands
Potential Impacts	Minimal water use, Limited Use of agrochemicals	Moderate water use, Use of some agrochemicals	High water consumption, Intensive Use of agrochemicals

Table 6.6 presents the specific thresholds for categorizing projects based on their risk level within the context of SAPZ 2 and the Assessment and Mitigation Requirements.

Table 6.6: Risk Level Categorizing Projects and Assessment and Mitigation Requirements

Risk Level	Description	Assessment and Mitigation Requirements
Low-Risk Projects	Minimal or no significant E&S impacts	- Limited assessment - Basic mitigation measures
Medium-Risk Projects	Potential for moderate E&S impacts	- Detailed assessment - Comprehensive mitigation strategies
High-Risk Projects	Significant potential E&S impacts	- Comprehensive ESIAs - Robust management plans

6.11 Managing Project's Environmental and Social Risks

The following ESMS instruments are essential for managing environmental and social risks within the SAPZ program:

- **Environmental and Social Impact Assessment (ESIA):** Identifies and assesses potential impacts.
- **Environmental and Social Management Plan (ESMP):** Outlines environmental and social management measures.
- **Stakeholder Engagement Plan (SEP):** Facilitates meaningful stakeholder participation.
- **Livelihood Restoration Plan (LRP):** Addresses the needs of affected communities.
- **Resettlement Action Plan (RAP):** Manages involuntary resettlement (if applicable).
- **Pesticide Management Plan (PMP):** Addresses pesticide use and management.
- **Health and Safety Plan:** Ensures worker and community well-being.
- **Grievance Redress Mechanism (GRM):** Provides a platform for addressing complaints.
- **Monitoring and Evaluation Plan (MEP):** Tracks project performance and Impact.
- **Biodiversity Conservation and Management Plan (BCMP):** Protects biodiversity (if applicable).
- **Gender Action Plan (GAP):** Promotes gender equality and inclusion.
- **Child Labor Prevention Plan (CLP):** Prevents child labour (if applicable).
- **Emergency Preparedness and Response Plan (EPRP):** Manages emergencies and disasters.

6.11.1 Environmental and Social Assessment (ESA) and Management Plans

The SAPZ program will adhere to the relevant AfDB ISS requirements for Environmental and Social Assessment (ESA). This involves evaluating potential impacts, including labour, health, and safety, to inform decision-making, mitigate adverse effects, and promote sustainable development. The ESA process relies on comprehensive project information, accurate descriptions, and relevant social and environmental baseline data.

Where applicable, the preparation of a Full Resettlement Action Plan (FRAP) or Abbreviated Resettlement Action Plan (ARAP) is mandatory upon identifying Project Affected Persons (PAPs). A suite of management plans aligned with the SAPZ program will be implemented to manage environmental and social risks effectively. Appendix 4 outlines the detailed Environmental and Social

Procedures, while Appendix 5 provides an overview of key components.

6.11.2 Environmental and Social Impact Assessment (ESIA)

Purpose:

- Conduct a thorough evaluation of potential environmental and social impacts.
- Identify risks and opportunities associated with SAPZ activities.
- Ensure compliance with relevant Nigerian and AfDB regulations and standards.

Scope and Objectives:

- Clearly define the project's boundaries and the ESIA's purpose.
- Establish a detailed baseline of environmental and social conditions.
- Identify potential environmental and social impacts using appropriate methodologies (e.g., checklists, matrices, modelling).
- Develop and prioritise mitigation measures to address identified impacts.
- Outline how impacts will be monitored and evaluated.
- Describe the process for consulting with affected communities.
- Consider and assess alternative project options.

Alignment with AfDB ISS and Nigerian Regulations:

- Incorporate AfDB's safeguard policies and performance standards.
- Comply with Nigeria's Environmental Impact Assessment (EIA) regulations and other relevant laws.
- Address specific requirements for Indigenous peoples, such as gender, labour, and biodiversity, as outlined in AfDB ISS.

Key Components:

- Project description and objectives
- Baseline data collection
- Impact prediction and assessment
- Mitigation measures and action plans
- Monitoring and evaluation plan
- Stakeholder engagement plan
- Alternatives analysis
- Conclusions and recommendations

Appendix 11 provides typical Terms of Reference of ESIA.

6.11.3 Environmental and Social Management Plan (ESMP)

- **Purpose of ESMP**
  - Outline specific measures to mitigate, monitor, and manage E&S impacts.
  - Cover pollution control, waste management, and land use practices.
  - Ensure ongoing compliance with E&S requirements.
- **Organisational structure:**
  - Define roles and responsibilities for ESMP implementation.
- **Mitigation measures:**
  - Detail specific actions to address identified impacts.
- **Monitoring indicators:**
  - Establish key performance indicators (KPIs) to track progress.
- **Reporting requirements:**
  - Specify reporting formats and timelines.
- **Emergency response plan:**
  - Outline procedures for responding to environmental and social emergencies.
- **Grievance redress mechanism:**
  - Describe the process for handling complaints and grievances.

6.11.4 Resettlement Action Plan (RAP)

- **Purpose of RAP:**
  - Address the needs of people who may be displaced due to SAPZ development.
  - Provide measures for livelihood restoration, compensation, and community well-being.
  - Minimise adverse effects on affected communities.
- **Identification of affected persons:**
  - Determine who will be affected by resettlement.
- **Livelihood assessment:**
  - Assess the livelihoods of affected people.
- **Compensation and resettlement packages:**
  - Develop fair and equitable compensation and resettlement packages.
- **Implementation plan:**
  - Outline the steps for implementing the RAP.
- **Monitoring and evaluation:**
  - Establish a system for monitoring and evaluating the RAP's effectiveness.

6.11.5 Stakeholder Engagement Plan (SEP)

Purpose of SEP

- Involve stakeholders throughout the project lifecycle.
- Facilitate transparent communication, consultation, and collaboration.
- Address concerns, build trust, and promote social cohesion.

- **Stakeholder identification:**
  - Identify key stakeholders and their interests.
- **Communication strategy:**
  - Develop a communication plan to engage stakeholders.
- **Consultation methods:**
  - Outline methods for consulting with stakeholders (e.g., public meetings, surveys, focus groups).
- **Feedback mechanisms:**
  - Establish mechanisms for receiving and responding to stakeholder feedback.

6.11.6 Pesticide Management Plan (PMP)

The AfDB PMP is a veritable tool for managing SAPZ programs and activities. A pesticide Management Plan (PMP) is crucial for agricultural projects, especially those involving large-scale production, to ensure pesticide safety and sustainable Use. It outlines strategies to minimise the negative impacts of pesticides on human health, the environment, and biodiversity.

Purpose of PMP

- Agricultural projects must use pesticides.
- Focus on safe and sustainable pesticide use.
- Minimise health risks, environmental contamination, and harm to biodiversity.

Key Components of a Pesticide Management Plan (PMP)

- Pesticide selection and use: Guidelines for selecting appropriate pesticides based on toxicity, persistence, and environmental Impact.
- Application methods: Recommendations for safe and effective application techniques.
- Personal protective equipment (PPE): Requirements for PPE for farmers and applicators.
- Storage and disposal: Guidelines for safely storing and disposing of pesticides and their containers.
- Emergency response plan: Procedures for handling pesticide accidents and spills.
- Monitoring and evaluation: Mechanisms for tracking pesticide use, assessing impacts, and making necessary adjustments.

- Training and education: Programs to educate farmers and workers about pesticide safety and best practices**.**

6.11.7 Livelihood Restoration Plan (LRP)

A comprehensive LRP aligned with the AfDB Integrated Safeguards System (ISS) is essential for ensuring that affected communities are adequately supported and compensated for project impacts.

Key Components of an LRP Aligned with AfDB ISS

1. Purpose and Objectives
- Restore and improve the livelihoods of affected communities.
- Mitigate adverse impacts of the project.
- Promote sustainable development and social responsibility.
- Align with AfDB's poverty reduction and social inclusion goals.

2. Stakeholder Engagement
- Involve affected communities in LRP development and implementation.
- Build trust and transparency through participatory processes.
- Adhere to AfDB's stakeholder engagement principles.

3. Project Context and Stakeholder Engagement
- Understand project impacts on livelihoods.
- Identify affected communities and their vulnerabilities.
- Develop a stakeholder engagement plan.
- Build trust and partnerships with community representatives.

2. Livelihood Assessment
- Conduct baseline assessments of livelihoods and living standards.
- Identify livelihood assets and dependencies.
- Assess the potential impacts of the project on livelihoods.

3. LRP Development
- Set clear objectives and goals for livelihood restoration.
- Develop specific livelihood restoration strategies.
- Identify target beneficiaries and prioritise interventions.
- Integrate gender, age, and disability considerations.

4. Livelihood Restoration Interventions
- Provide access to financial services and credit.
- Support skills development and training.
- Facilitate access to land, water, and other resources.
- Promote sustainable agriculture and income-generating activities.
- Develop infrastructure and basic services.
- Implement resettlement and relocation programs (if applicable).

5. Monitoring and Evaluation
- Establish key performance indicators (KPIs) aligned with AfDB ISS.
- Develop a monitoring and evaluation framework.
- Collect data on livelihood indicators (income, employment, food security).
- Conduct regular assessments to measure progress.

6. Reporting and Communication
- Prepare regular reports on LRP implementation and outcomes.
- Share information with stakeholders and the public.
- Ensure transparency and accountability.

Integration with AfDB ISS
- **Poverty Reduction:** Focus on increasing incomes and reducing poverty.
- **Social Inclusion:** Promote gender equality, social equity, and inclusion.
- **Environmental Sustainability:** Integrate ecological considerations into livelihood restoration activities.
- **Good Governance:** Ensure transparency, accountability, and participation.

Example LRP Indicators Aligned with AfDB ISS

Indicator	AfDB ISS Alignment
Increase in household income	Poverty reduction
Improved access to basic services	Social inclusion
Reduction in gender inequality	Gender equality
Adoption of sustainable agricultural practices	Environmental sustainability
Community participation in LRP	Good governance

6.12 Climate Change Considerations in SAPZ

Climate change is a critical factor that must be integrated throughout the SAPZ program. It presents risks and opportunities, necessitating a comprehensive approach aligned with the AfDB's Integrated Safeguards System (ISS). By mainstreaming climate change considerations, SAPZ projects can enhance their resilience, contribute to low-carbon development, and achieve broader sustainability goals.

6.12.1 Key Steps for Addressing Climate Change in SAPZ

1. Climate Risk Assessment

- Identify potential climate-related hazards (e.g., extreme weather events, droughts, floods).
- Assess the vulnerability of the project and communities to climate change impacts.
- Align assessment methodology with AfDB's climate risk management guidelines.

2. Climate-Resilient Design

- Incorporate climate-resilient infrastructure and technologies.
- Consider climate change adaptation measures in project planning.
- Align design principles with AfDB's climate resilience standards.

3. Mitigation Strategies

- Identify opportunities to reduce greenhouse gas emissions (GHG).
- Develop climate mitigation actions aligned with AfDB's low-carbon development objectives.
- Promote sustainable land use practices and renewable energy adoption.

4. Stakeholder Engagement

- Collaborate with local communities, experts, and government agencies.
- Build capacity for climate change adaptation and mitigation.
- Adhere to AfDB's stakeholder engagement principles.

5. Monitoring and Evaluation

- Track climate-related indicators and project performance.
- Assess the effectiveness of adaptation and mitigation measures.
- Report findings to AfDB by its reporting requirements.

6. Integration with AfDB ISS

- Alignment with AfDB Climate Change Policy: Ensure all actions are consistent with AfDB's climate change policy and strategy.
- Mainstreaming Climate Change: Integrate climate considerations into all project phases.
- Knowledge Management: Share climate change knowledge and best practices.
- Financing: Explore opportunities for climate finance and green investments.

7. Additional Considerations

- AfDB Climate Risk Management Framework: Utilise AfDB's tools and guidance for climate risk assessment and management.
- National Climate Policies: Align SAPZ with Nigeria's national climate change strategies.
- Co-benefits: Identify opportunities for climate action that deliver social and economic benefits.

6.13 Health and Safety Considerations for SAPZ

Incorporating Health and Safety
To significantly enhance the health and safety of workers and communities within SAPZ, the following elements should be considered:

1. Hazard Identification and Risk Assessment
- Conduct thorough assessments to identify potential hazards in the workplace.
- Evaluate the likelihood and severity of hazards.
- Prioritise hazards based on risk levels.

2. Emergency Preparedness and Response
- Develop comprehensive emergency plans, including evacuation procedures, first aid, and communication protocols.
- Establish emergency response teams and conduct regular drills.
- Ensure access to emergency medical services.

3. Health Surveillance
- Implement regular health checks for workers, especially those exposed to hazardous substances.
- Monitor occupational health indicators (e.g., respiratory function, hearing, blood pressure).
- Conduct health impact assessments on local communities.

4. Personal Protective Equipment (PPE)
- Provide appropriate PPE based on identified hazards.
- Ensure proper Use, maintenance, and disposal of PPE.
- Conduct regular inspections and training on PPE use.

5. Ergonomics
- Conduct ergonomic assessments to identify potential musculoskeletal risks.
- Implement measures to improve workstation design and work practices.
- Provide training on proper lifting and handling techniques.

6. Mental Health
- Promote mental health awareness and support programs.
- Provide access to counselling and mental health services.
- Implement stress management strategies.

Expanding on Community Health
7. Community Health Impact Assessment
- Assess potential health impacts on local communities.
- Identify vulnerable populations (e.g., children, elderly, pregnant women).
- Develop mitigation measures to address identified impacts.

8. Water, Sanitation, and Hygiene (WASH)
- Protect water sources and improve access to safe water.
- Promote proper sanitation and hygiene practices.
- Prevent the spread of waterborne diseases.

9. Vector Control
- Implement measures to control mosquitoes, rodents, and other disease vectors.
- Collaborate with local health authorities.

10. Waste Management
- Manage solid and hazardous waste to prevent health risks.
- Promote waste reduction, reuse, and recycling.

11. Community Health Programs

- Support community-based health initiatives (e.g., immunization, maternal and child health).
- Promote health education and awareness.

Strengthening Monitoring and Evaluation

12. Key Performance Indicators (KPIs)

- Develop specific KPIs to measure health and safety performance.
- Track leading and lagging indicators.
- Use KPIs to identify trends and areas for improvement.

13. Data Collection and Analysis

- Establish data collection systems for health and safety incidents, near misses, and health surveillance.
- Analyse data to identify patterns and trends.

14. Reporting

- Prepare regular health and safety reports for management and stakeholders.
- Communicate performance metrics and achievements.

15. Incident Investigation

- Conduct thorough investigations into accidents and near misses.
- Identify root causes and implement corrective actions.

Form 3: **Hazard Identification and Risk Assessment Form**

Project Information

- Project Name:
- Location:
- Department/Unit:
- Date of Assessment:
- Assessor(s):

Hazard Identification

- **Potential Hazards:** List all potential hazards identified in the workplace, including:
  - Physical hazards (noise, radiation, heat, cold, etc.)
  - Chemical hazards (toxic substances, flammable materials, etc.)
  - Biological hazards (bacteria, viruses, mold, etc.)
  - Ergonomic hazards (repetitive motions, heavy lifting, poor posture)
  - Safety hazards (machinery, equipment, electrical hazards)
- **Hazard Description:** Briefly describe each hazard identified.
- **Location:** Specify where the hazard is located within the workplace.

Risk Assessment

- **Likelihood of Occurrence:** Assess the probability of the hazard occurring (high, medium, low).
- **Severity of Consequences:** Evaluate the potential Impact of the hazard (high, medium, low).
- **Risk Level:** Calculate the overall risk level based on likelihood and severity (high, medium, low).
- **Existing Controls:** List any current controls in place to mitigate the risk.
- **Recommended Controls:** Identify additional control measures to reduce the risk.

Action Plan

- **Responsible Person:** Assign responsibility for implementing control measures.
- **Target Date:** Set a deadline for completing control measures.
- **Monitoring and Review:** Outline how the effectiveness of control measures will be monitored and reviewed.

Additional Information

- **Photographs or Sketches:** Include visual aids to document hazards.
- **Employee Input:** Indicate if employees were involved in the assessment process.

Note: This form should be completed for each identified hazard. Regular reviews and updates are

essential to ensure the form remains accurate and effective.

6.14 Emergency Preparedness and Response for SAPZ

A robust emergency preparedness and response plan is essential to protect workers, communities, and the environment's health, safety, and well-being. By implementing these measures, the SAPZ program will be better equipped to prevent, prepare for, respond to, and recover from emergencies, minimising potential harm to people and the environment.

The SAPZ program will implement the following measures:

6.14.1 Emergency Preparedness

- **Hazard identification:** Identifying potential hazards such as fires, floods, chemical spills, or civil unrest.
- **Risk assessment:** Evaluating the likelihood and potential Impact of identified hazards.
- **Emergency response plan development:** Creating detailed plans outlining roles, responsibilities, and procedures for responding to emergencies.
- **Emergency communication systems:** Establishing effective communication channels for alerting personnel and coordinating response efforts.
- **Emergency equipment and supplies:** Providing necessary equipment, such as fire extinguishers, first aid kits, and emergency supplies.
- **Training and drills:** Conducting regular training and drills to prepare personnel for emergencies.
- **Evacuation plans:** Developing evacuation plans for different types of emergencies.

6.14.2 Emergency Response

- **Rapid response teams:** Establishing trained emergency response teams to handle incidents efficiently.
- **Coordination and collaboration:** Working with local emergency services and communities to ensure effective response.
- **Incident management:** Implementing a structured approach to managing emergency incidents, including command and control systems.
- **Damage assessment:** Rapid damage assessments are conducted to prioritise response efforts.
- **Recovery and rehabilitation:** Developing plans for restoring operations and supporting affected communities.

6.14.3 Continuous Improvement

- **Regular review and updating:** Periodically reviewing and updating the emergency preparedness and response plan based on changing conditions and lessons learned.
- **Evaluation:** Conducting post-incident evaluations to identify areas for improvement.
- **Collaboration:** Maintaining strong relationships with emergency response agencies and communities.

Form 5: **Emergency Preparedness and Response Form**
Assessment of workplace and emergency response capabilities. **Project Information** • Project Name: • Location: • Department/Unit: • Date of Assessment: • Assessor(s): **Hazard Identification**

- **Potential Hazards:** List hazards (e.g., fire, flood, chemical spills, etc.)
- **Risk Assessment:** Evaluate the likelihood and severity of each hazard.
- **Control Measures:** Outline existing controls to mitigate risks.

Emergency Response Plan

- **Emergency Contacts:** List emergency contact numbers for relevant personnel and agencies.
- **Evacuation Procedures:** Describe evacuation routes, assembly points, and responsibilities.
- **Communication Plan:** Outline communication methods and protocols (e.g., alarms, sirens, public address systems).
- **Emergency Equipment and Supplies:** List available equipment (fire extinguishers, first aid kits, etc.) and their locations.
- **Roles and Responsibilities:** Define the roles and responsibilities of emergency response team members.
- **Training and Drills:** Outline training requirements and drill schedules.

Procedures

- **Incident Reporting:** Describe procedures for reporting incidents and accidents.
- **Emergency Response Actions:** Outline steps to be taken in an emergency.
- **Post-Incident Procedures:** Describe actions to be taken after an incident (e.g., investigation, damage assessment).

Monitoring and Evaluation

- **Review Schedule:** Specify when the emergency plan will be reviewed and updated.
- **Performance Indicators:** Identify key performance indicators for emergency preparedness and response.

Additional Information

- **Emergency Response Maps:** Include maps of the facility, evacuation routes, and emergency equipment locations.
- **Training Records:** Document employee training on emergency procedures.
- **Emergency Drills:** Record details of emergency drills conducted.

6.15 Integration of the ESMS Management Plans

To optimize the SAPZ program's effectiveness, its environmental and social management plans (ESMP, RAP, ESIA, SEP, LRP, PMP, H&S, Gender, Climate Change, and BMP) must be seamlessly integrated. This ensures consistency, reduces risks, and promotes sustainable development. By conducting a comprehensive environmental and social assessment, including labour, health, and safety considerations, the SAPZ can effectively manage potential impacts while achieving its objectives.

Table 6.8 visualizes the integration of plans with a matrix that outlines the key components of each strategy and identifies areas of overlap and synergy.

Table 6.8: Integration Matrix for ESMS Management Plans (Including LRP)

Plan	Key Components	Integration Points	AfDB ISS Alignment
ASIA	Baseline data, impact assessment, mitigation measures, monitoring	Foundation for other plans	Environmental assessment, biodiversity conservation
RAP	Resettlement planning, compensation, monitoring	Linked to ESIA for impact assessment	Involuntary resettlement, Indigenous peoples
ESMP	Mitigation measures, monitoring, reporting, grievance redress	Integrates findings from ESIA and RAP	Environmental management, social responsibility
SEP	Stakeholder engagement, consultation, feedback	Informs all other plans	Stakeholder participation, gender equality
PMP	Pesticide selection, Use, monitoring, emergency	Linked to ESIA and ESMP for environmental and	Occupational health and safety, pollution

Table 6.8: Integration Matrix for ESMS Management Plans (Including LRP)			
Plan	**Key Components**	**Integration Points**	**AfDB ISS Alignment**
	response	health impacts	prevention
H&S	Occupational health, safety management, emergency response	Cross-cutting issues affecting all plans	Occupational health and safety
Gender	Gender analysis, women's participation, GBV prevention	Cross-cutting issues affecting all plans	Gender equality and social inclusion
Climate Change	Climate risk assessment, adaptation, mitigation	Cross-cutting issues affecting all plans	Climate change adaptation and mitigation
LRP	Livelihood restoration strategies, monitoring, evaluation	Linked to ESIA and RAP for impact assessment	Poverty reduction, social inclusion

6.15.1 Implementation of Mitigation and Enhancement Measures

Implementing mitigation and enhancement measures is crucial for the SAPZ program's success. These provide the specific actions required to address the identified environmental and social risks and impacts of the SAPZ program. It emphasizes the development of a comprehensive action plan to guide the implementation of mitigation measures. Table 12 shows examples of Mitigation Measures of Potential Impacts for the SAPZ.

Table 6.9: Mitigation Measures of Potential Impacts- Examples

Mitigation Measures of Potential Impacts- Examples
To address potential impacts, the SAPZ program the following mitigation measures provide some indication of what to do: 1. **Environmental and Social Impact Assessment (ESIA):** Conduct thorough EIAs to identify potential impacts and develop mitigation plans. 2. **Sustainable land use planning:** Promote sustainable land use practices, including agroforestry and conservation agriculture. 3. **Water management:** Implement efficient water use practices, such as drip irrigation, and invest in wastewater treatment facilities. 4. **Biodiversity conservation:** Establish protected areas and implement biodiversity conservation measures. 5. **Climate change mitigation:** Promote climate-smart agriculture and invest in renewable energy sources. 6. **Resettlement action plans:** Develop comprehensive resettlement action plans to support displaced communities. 7. **Livelihood restoration plans:** Provide alternative livelihood opportunities for affected communities. 8. **Social impact assessment:** Conduct assessments to identify potential social impacts and develop mitigation measures.

6.16 ESG for Nigeria SAPZ

The integration of Environmental, Social, and Governance (ESG) principles into the Nigeria Sustainable Agriculture Zones (SAPZ) program is crucial for several reasons:

- **Sustainable Development:** ESG ensures that the program contributes to long-term economic growth, social equity, and environmental protection.

- **Risk Management:** By identifying and addressing potential environmental and social risks, ESG helps to mitigate financial losses and reputational damage.
- **Stakeholder Engagement:** ESG promotes transparency, accountability, and inclusive decision-making, fostering trust with communities and other stakeholders.
- **Compliance:** Adherence to ESG standards is essential for complying with Nigerian laws and regulations and international best practices.
- **Global Market Access:** Many international markets increasingly prioritize sustainable products, making ESG a competitive advantage.

Steps for Environmental and Social Governance (ESG) of the Proponent

1. Establish a Dedicated E&S Unit

- Create a distinct E&S unit within the proponent's organizational structure.
- Define the unit's roles, responsibilities, and reporting lines.
- Allocate adequate resources (human, financial, and technical) to the E&S unit.

2. Develop an E&S Policy and Management System

- Develop a comprehensive E&S policy outlining the proponent's environmental and social responsibility commitment.
- Establish clear E&S objectives and targets aligned with the SAPZ program's goals.
- Develop an E&S management system that integrates into the overall business management system.

3. Conduct Environmental and Social Assessments (ESAs)

- Undertake ESAs for all proposed projects by AfDB ISS and Nigerian regulations.
- Identify potential environmental and social impacts.
- Develop mitigation measures and action plans.
- Obtain necessary permits and approvals.

4. Implement Environmental and Social Management Plans (ESMPs)

- Develop detailed ESMPs for each project based on the ESA findings.
- Allocate resources for ESMP implementation and monitoring.
- Assign responsibilities for ESMP implementation to relevant departments.
- Track progress and make necessary adjustments to the ESMP.

5. Monitor and Evaluate Environmental and Social Performance

- Establish key performance indicators (KPIs) to measure E&S performance.
- Collect and analyze environmental and social data.
- Conduct regular monitoring and auditing activities.
- Prepare annual E&S reports.

6. Stakeholder Engagement

- Identify and engage relevant stakeholders (communities, government agencies, NGOs).
- Establish effective communication channels.
- Address stakeholder concerns and grievances promptly.
- Build trust and partnerships with stakeholders.

7. Compliance and Reporting

- Ensure compliance with all applicable environmental and social laws and regulations.
- Maintain accurate records and documentation.
- Prepare regular reports on E&S performance.
- Disclose relevant E&S information to the public.

8. Capacity Building

- Provide training and development opportunities for E&S staff.
- Enhance the E&S knowledge and skills of employees.
- Foster a culture of environmental and social responsibility.

9. Continuous Improvement

- Regularly review and update E&S policies and procedures.
- Incorporate lessons learned into E&S management practices.

- Seek opportunities for innovation and improvement.

6.17 Integrating the SDG Impact Standards into the SAPZ program

The SAPZ project can effectively align with the SDG Impact Standards, demonstrate its contribution to sustainable development, and enhance its reputation and impact by following the steps outlined below.

Steps to Align the SAPZ Project with SDG Impact Standards

1. Identify Relevant SDGs

- Conduct a comprehensive analysis of the SAPZ project's activities and outcomes.
- Identify the SDGs most directly aligned with the project's goals and impacts.
- Prioritize SDGs based on their relevance and potential contribution.

2. Set Clear and Measurable Targets

- Develop specific, measurable, achievable, relevant, and time-bound (SMART) targets for each relevant SDG.
- Align targets with the project's overall objectives and performance indicators.
- Consider using the SDG Impact Standards framework for target setting.

3. Integrate SDGs into Project Planning and Implementation

- Incorporate SDG targets into project design and implementation plans.
- Allocate resources for SDG-related activities.
- Monitor progress towards SDG targets regularly.
- Ensure that all project stakeholders are aware of the project's SDG commitments.

4. Data Collection and Measurement

- Establish a robust data collection system to track progress towards SDG targets.
- Identify relevant indicators and data sources.
- Collect both quantitative and qualitative data to provide a comprehensive picture of impact.

5. Stakeholder Engagement

- Involve stakeholders in setting SDG targets and monitoring progress.
- Communicate the project's SDG commitments to stakeholders.
- Seek feedback from stakeholders on the project's impact.

6. Reporting and Disclosure

- Develop a transparent reporting framework for SDG performance.
- Align reporting with the SDG Impact Standards' reporting guidelines.
- Disclose SDG-related information to relevant stakeholders, including investors, customers, and the public.

7. Continuous Improvement

- Regularly review and update SDG targets and performance indicators.
- Identify opportunities to enhance the project's contribution to the SDGs.
- Share best practices and lessons learned with other organizations.

Additional Considerations

- **Baseline Assessment:** Conduct a baseline assessment to establish a starting point for measuring progress towards SDG targets.
- **Capacity Building:** Provide training to project staff on SDG concepts and reporting.
- **Collaboration:** Partner with other organizations working on similar SDGs to share knowledge and resources.
- **Verification and Assurance:** Consider obtaining independent verification of SDG impact claims.

6.18 Use of Checklist by SAPZ

The SAPZ program can significantly benefit from aligning its operations with the International Fund for Agricultural Development's (IFAD) Social, Environmental, and Climate Assessment Procedures (SECAP) standards. This alignment enhances the program's sustainability, social impact, and environmental performance. By aligning the SAPZ program with IFAD's SECAP standards, it can strengthen its environmental and social performance, contribute to sustainable development, and build a strong reputation as a responsible and ethical investor.

Relevance of SECAP to SAPZ

The Social, Environmental, and Climate Assessment Procedures (SECAP) developed by the International Fund for Agricultural Development (IFAD) offers a robust framework for assessing and managing environmental and social risks associated with agricultural development projects.

Its relevance to the SAPZ program is significant due to the following reasons:

Benefits of Aligning with SECAP

- Enhanced credibility: Demonstrates commitment to international standards.
- Increased access to finance: Alignment with SECAP can facilitate access to IFAD and other donor funding.
- Improved project outcomes: Stronger environmental and social performance.
- Reduced risks: Proactive management of potential challenges.
- Enhanced reputation: Builds trust with stakeholders and communities.

Alignment with Sustainable Development Goals (SDGs)

- Both SECAP and SAPZ are aligned with the SDGs. By adhering to SECAP, SAPZ projects can contribute more effectively to achieving the SDGs, particularly poverty reduction, food security, and environmental protection.

Risk Management

- SECAP provides a comprehensive approach to risk identification and management. SAPZ projects can benefit from SECAP's guidelines to assess potential environmental and social risks, develop mitigation measures, and monitor impacts.

Stakeholder Engagement

- SECAP emphasizes the importance of stakeholder participation. SAPZ projects can adopt SECAP's approach to engage with affected communities and other stakeholders throughout the project cycle.

Environmental and Social Performance

- SECAP offers clear standards and indicators for measuring environmental and social performance. SAPZ projects can use these standards to track their progress and identify areas for improvement.

Access to Finance

- Compliance with SECAP enhances the eligibility of SAPZ projects for IFAD and other donor funding. By demonstrating a strong commitment to environmental and social sustainability, SAPZ projects can attract additional investments.

Capacity Building

- SECAP provides guidance on capacity building for project teams. SAPZ can leverage SECAP's recommendations to strengthen its staff's environmental and social management knowledge and skills.

Knowledge Sharing

- SECAP offers valuable lessons learned and best practices. SAPZ can benefit from sharing experiences with other IFAD-supported projects.

Key Areas of Alignment

1. Environmental and Social Impact Assessment (ESIA):
    - Conduct thorough ESIAs for all SAPZ projects, following SECAP guidelines.
    - Identify potential environmental and social impacts.
    - Develop mitigation measures to address identified risks.
2. Stakeholder Engagement:
    - Prioritize meaningful stakeholder engagement throughout the project cycle, as outlined in SECAP.
    - Ensure inclusive participation of affected communities.
    - Establish grievance redress mechanisms.
3. Climate Change Considerations:
    - Integrate climate change resilience into project design and implementation.
    - Assess climate change vulnerabilities and risks.
    - Develop adaptation and mitigation strategies.
4. Gender Equality and Social Inclusion:
    - Promote gender equality and social inclusion in all project activities.
    - Address the needs of vulnerable groups.
    - Monitor and evaluate gender outcomes.
5. Biodiversity Conservation:
    - Assess potential impacts on biodiversity.
    - Develop measures to conserve and protect biodiversity.
6. Land Tenure and Resettlement:
    - Address land tenure issues and potential involuntary resettlement by SECAP standards.
    - Develop resettlement action plans if necessary.
7. Labour and Working Conditions:
    - Ensure compliance with labour standards and promote decent work.
    - Address occupational health and safety concerns.
8. Monitoring and Evaluation:
    - Establish robust monitoring and evaluation systems to track environmental and social performance.
    - Use SECAP indicators to measure progress.

6.19 Additional Instruments for Managing Environmental and Social Risks

a. Environmental and Social Management Framework (ESMF)

An Environmental and Social Management Framework (ESMF) is a comprehensive document that outlines the procedures and standards for managing environmental and social risks associated with a project. It ensures that the project is implemented in a sustainable manner, considering its potential impacts on people and the environment.

The **ESMF** for the SAPZ program is a comprehensive approach to address environmental and social safeguard issues. The SAPZ initiative aims to establish agro-industrial processing zones across the country, concentrating agro-processing activities in areas with high agricultural potential. The SAPZ program comprises three main components: (a) developing climate-resilient infrastructure, (b) enhancing climate-smart agricultural production, and © supporting

institutional capacity and agribusiness management.

The ESMF ensures that development and infrastructure components within the various zones adhere to environmental and social standards, when the exact locations or magnitude of impacts are not known. It provides guidelines from project preparation to implementation, promoting sustainable practices and responsible development.
Steps for Developing an ESMF for the Nigeria SAPZ Project are provided in Appendix 13.

b. Environmental and Social Audit (ESA)

The ESA is a crucial tool to assess the environmental and social performance of a project. It helps identify compliance or non-compliance with regulations, assesses risks, and proposes corrective actions.

By following the steps provided in Appendix 14 and incorporating the guidance from the AfDB ISS, SAPZ can effectively conduct environmental and social audits to improve its performance and mitigate potential risks.

Section 7 - Stakeholder Engagement, Grievance Redress Mechanism and Gender Issues

Prioritizing stakeholder engagement, adopting effective grievance mechanisms, and promoting gender balance, the SAPZ program aims for sustainable development and positive impact. Stakeholder engagement, grievance redress mechanisms, and gender equality are critical for sustainable development. These are provided for in this Section.

The principles outlined in Figure 5 apply broadly to the Nigeria SAPZ Program

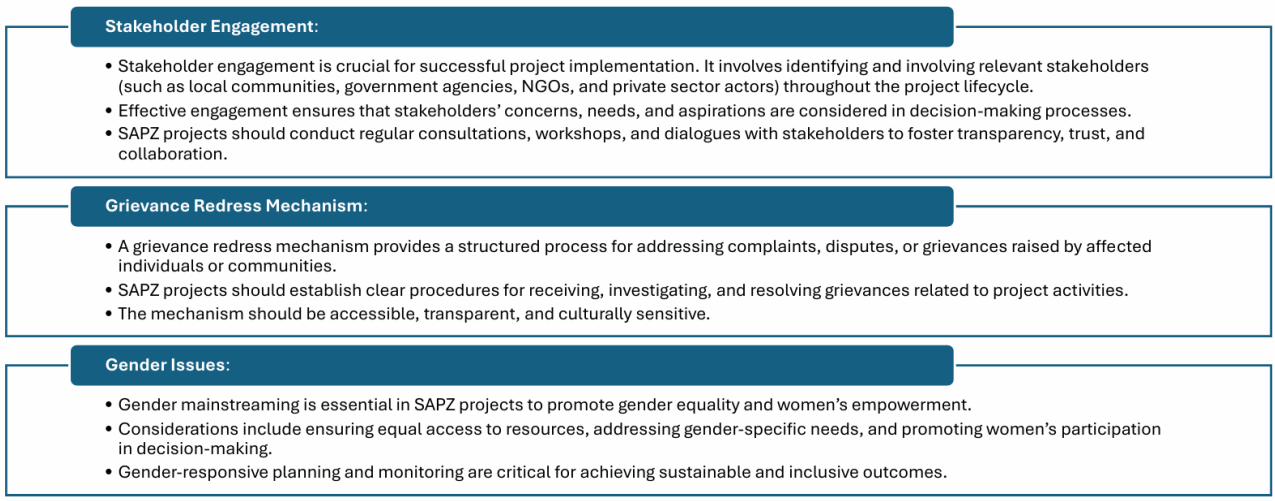

Figure 5: Principle for Stakeholders Engagement, Grievance Redress Mechanisms, and Gender Issues SAPZ Program

7.1 Stakeholder Engagement:

Effective stakeholder engagement is pivotal to the success of the SAPZ program. The program can enhance its environmental and social performance by fostering open communication, trust, and collaboration with diverse stakeholders. The SAPZ program can build strong relationships, improve project outcomes, and contribute to sustainable development by implementing a robust stakeholder engagement strategy.

a. Key Stakeholder Groups

The SAPZ program will prioritize engagement with the following:

- Local communities: Including farmers, landowners, and residents directly impacted by the project.
- Workers: Employees of the SAPZ and related enterprises.
- Government agencies: Relevant departments at federal, state, and local levels.
- Civil society organizations: Including NGOs, community-based organizations, and other relevant groups.
- Indigenous peoples: Where applicable, communities with specific cultural and land rights.
- Women's groups: To ensure gender-specific concerns are addressed.

b. Engagement Approach

A comprehensive stakeholder engagement plan will guide the process, encompassing:

- Stakeholder identification and mapping: Identifying and prioritizing stakeholders based on their level of influence and interest.
- Communication channels: Establishing effective communication channels, including face-to-face meetings, online platforms, and traditional media.
- Consultation methods: Employing various techniques such as public consultations, focus groups, surveys, and grievance redress mechanisms.
- Capacity building: Providing training and support to stakeholders to enhance their participation.
- Monitoring and evaluation: Tracking engagement activities and their impact on project outcomes.

c. Engagement Principles

The SAPZ program will adhere to the following principles:

- Transparency: Open and honest communication about the project and its impacts.
- Inclusivity: Ensuring that all relevant stakeholders have an opportunity to participate.
- Respect: Valuing the perspectives and contributions of all stakeholders.
- Empowerment: Support stakeholders in actively participating in decision-making.
- Accountability: Being responsive to stakeholder feedback and concerns.

Hint for Success in Stakeholder Engagement:

1. Effective stakeholder engagement ensures that the voices of those affected by the SAPZ program are heard.
2. Consider additional strategies for engagement, such as participatory workshops, community forums, and joint decision-making processes.
3. Explore ways to involve marginalized groups (e.g., youth, elderly, disabled) to ensure inclusivity.

7.2 Grievance Redress Mechanism (GRM)

A robust Grievance Redress Mechanism (GRM) is essential for fostering trust and ensuring accountability within the SAPZ program. The GRM will provide a fair and transparent process for addressing complaints and concerns raised by affected stakeholders.

a. Key Components of the GRM

- Easily understandable guidelines for submitting grievances.
- Multiple channels for lodging complaints (e.g., online, in-person, phone).
- Protection of complainant identities and sensitive information.
- Prompt acknowledgement and response to grievances.
- Impartial investigation of grievances with evidence gathering.
- Development of appropriate and equitable resolutions.
- Opportunity for complainants to appeal initial decisions.
- You are tracking grievance trends and improving the GRM.

b. Gender-Responsive GRM

The GRM will incorporate a gender perspective to ensure that women and marginalized groups can effectively access and utilize the mechanism. This includes:

- **Gender analysis:** Identifying gender-specific grievances and barriers.
- **Inclusive language:** Using gender-inclusive language in all GRM materials.
- **Women-friendly channels:** Providing accessible channels for women to submit grievances.

c. **Training:** Equipping GRM staff with gender sensitivity training.

d. **Alignment with AfDB Standards**

The SAPZ program will adhere to the AfDB's GRM framework, including establishing a project-level GRM, a Grievance Redress Committee, clear procedures, and an independent review mechanism.

e. **Grievance Resolution Process**

A step-by-step process will be implemented, including grievance submission, acknowledgement, assessment, investigation, resolution, appeal, and final decision. Timelines for each step will be clearly defined and communicated to stakeholders.

i. **Grievance templates:** Standardized templates will be used for efficiency and consistency. **Appendix 8 shows the indicative template for Grievance Monitoring and Tracking Log Complaints.**
ii. **Capacity building:** Staff will receive training in grievance handling and conflict resolution.
iii. **Communication:** Regular communication about the GRM will be conducted to raise awareness.
iv. **Documentation:** All grievance-related information will be securely documented.
v. By implementing a comprehensive and responsive GRM, the SAPZ program can demonstrate its commitment to accountability and build trust with affected communities.

Hint for Success in Grievance Redress Mechanism:

4. The GRM should be accessible, transparent, and culturally sensitive.
5. Consider establishing local-level grievance committees to address issues promptly.
6. Regularly review and update the GRM based on feedback and lessons learned.

7.3 Gender Equality and Social Inclusion (GESI)

The SAPZ program is committed to promoting gender equality and social inclusion (GESI) to ensure that all project beneficiaries, regardless of gender, have equal opportunities to participate in and benefit from the program.

a. **Gender Analysis**

A comprehensive gender analysis will be conducted to understand the specific needs, roles, and challenges women and men face in the project area. This analysis will inform the design and implementation of gender-responsive interventions.

b. **Gender Mainstreaming**

Gender considerations will be integrated into all project activities, including planning, implementation, monitoring, and evaluation. This will involve:

- **Incorporating gender perspectives** into project designs and decision-making processes.
- **It ensures women's meaningful participation** in project activities and leadership roles.
- **Addressing gender-based power imbalances** and stereotypes.
- **Monitoring gender-disaggregated data** to track progress and identify areas for improvement.

c. Specific Actions

To achieve gender equality and social inclusion, the SAPZ program will implement the following actions:

- **Women's economic empowerment:** Supporting women's access to resources, training, and markets.
- **Gender-based violence prevention:** Implementing measures to prevent and respond to gender-based violence.
- **Caregiving responsibilities:** Addressing the challenges faced by women due to caregiving responsibilities.
- **Social inclusion:** Promoting the inclusion of marginalized groups, such as people with disabilities and ethnic minorities.

d. Monitoring and Evaluation

Regular monitoring and evaluation will assess the program's impact on gender equality and social inclusion. Key indicators will be used to track progress and identify areas for improvement.

By prioritizing gender equality and social inclusion, the SAPZ program aims to create a more equitable and inclusive development pathway for all beneficiaries.

Hint for Success in Gender Equality and Social Inclusion:

- Conduct a thorough gender analysis to understand the unique needs and challenges women and men face.
- Ensure that women participate in decision-making processes at all levels.
- Monitor progress using gender-specific indicators and adjust strategies as needed.

8.1 Organizational Structure and Roles for the SAPZ Program

The program operates under the Federal Ministry of Agriculture and Food Security (FMAFS), with the National Project Coordinating Office (NCO) serving as the central implementation agency. State Project Implementation Units (SPIUs) manage program execution at the state level.

Role	Responsibilities
Federal Ministry of Agriculture and Food Security (FMAFS)	Provides policy direction, resource allocation, oversight
National Project Coordinating Office (NCO)	Program management, coordination, ESMS, financial management
State Project Implementation Units (SPIUs)	Program implementation at the state level, stakeholder engagement, ESMS implementation
Technical Working Groups (TWGs)	Provide technical expertise
Monitoring and Evaluation (M&E) Unit	Tracks program performance, conducts evaluations
Financial Management Unit	Manages financial resources, budgeting, reporting
Procurement Unit	Oversees procurement processes
Human Resources Unit	Manages program staff
Communication and Stakeholder Engagement Unit	Public relations, stakeholder management

NCO has an organisational chat that captues the key roles and responsibilities within the SAPZ (Figure 4).

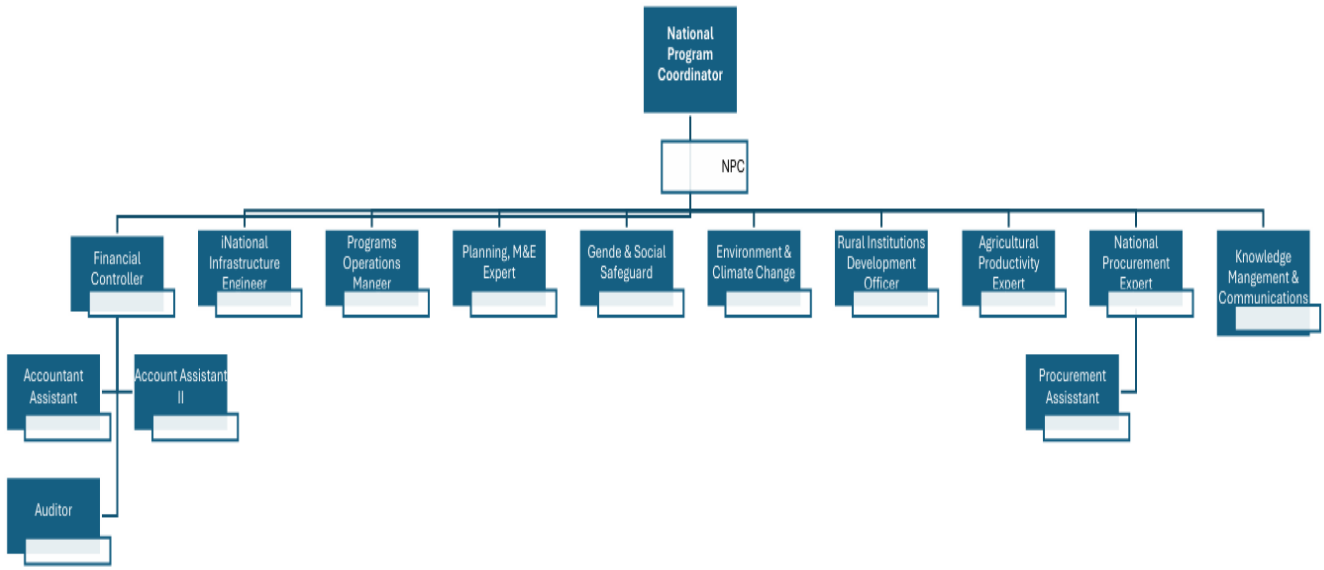

Figure 4: Organogram of the SAPZ Staff

These key roles work together to drive the success of the SAPZ program, promoting agricultural industrialization and sustainable development. The key roles and responsibilities within the SAPZ organizational chart depicted in Figure 4 are briefly summarised as follow:

1. **National Program Coordinator (NPC):**
    - Oversees the entire SAPZ program.
    - Coordinates activities, policies, and implementation.
    - Ensures alignment with the program's objectives.
2. **Head of Administration:**
    - Manages administrative functions within the SAPZ.
    - Handles logistics, human resources, and office operations.
3. **Financial Controller:**
    - Manages financial resources and budgeting.
    - Ensures financial compliance and accountability.
4. **Accountant:**
    - Handles financial transactions, bookkeeping, and reporting.
    - Maintains financial records.
5. **Auditor:**
    - Conducts internal audits to ensure financial integrity.
    - Identifies areas for improvement.
6. **M&E Specialist (Monitoring and Evaluation):**
    - Monitors program performance and impact.
    - Evaluates effectiveness and recommends adjustments.
7. **Programs Officer:**
    - Coordinates specific projects or initiatives within the SAPZ.
    - Ensures timely execution and achievement of goals.
8. **Planning M&E Expert:**
    - Assists with project planning and evaluation.
    - Integrates monitoring and evaluation into project design.
9. **Gender & Social Safeguard Specialist:**
    - Ensures gender equality and social inclusion.
    - Addresses social and cultural aspects of the program.
10. **Environmental Compliance/Climate Change Safeguard Officer:**
    - Ensures compliance with environmental regulations.
    - Addresses climate change considerations.
11. **Infrastructure Development Specialist:**
    - Focuses on infrastructure projects (roads, utilities, etc.).
    - Coordinates construction and maintenance.
12. **Agricultural Productivity Specialist:**
    - Enhances agricultural practices and productivity.
    - Advises on best practices for farmers.
13. **Procurement Assistant:**
    - Supports procurement processes (acquiring goods and services).
    - Ensures transparency and efficiency.
14. **Knowledge Management & M&E Specialist:**
    - Manages information and knowledge sharing.
    - Supports monitoring and evaluation efforts.

8.2 Roles and Responsibilities and Authorities to Implement the ESMS

NCO is committed to establishing an Environmental and Social (E&S) organizational structure to effectively manage E&S risks associated with its activities across various levels and states. NCO will deploy adequate human and capital resources to implement all SAPZ ESMS requirements across supported projects effectively.

NCO has identified key roles and responsibilities within its organizational structure to guarantee the successful implementation of the ESMS across its operations.

1. **Shared Responsibility for ESMS Integration:**

For effective ESMS integration, all stakeholders play crucial roles:

- **NCO:** Develops the ESMS Framework, builds capacity, establishes a robust M&E system, facilitates knowledge sharing, and coordinates with relevant government agencies.
- **SPIUs:** Integrate ESMS into project management, conduct ESIAs, develop and implement ESMPs, engage stakeholders, monitor ESMS performance, and report to NCO.
- **FMAFS:** Provides policy direction, allocates resources, and ensures alignment with national environmental and social policies.
- **State Ministries of Agriculture:** Collaborate with NCO and SPIUs, offer technical support, and enforce environmental regulations.
- **Private Sector Partners:** Integrate ESMS into business operations, invest in sustainable practices, and support local communities.
- **Local Communities and Farmers:** Participate in ESMS processes, benefit from improved livelihoods, and contribute to environmental conservation.
- **Broader Stakeholder Collaboration:** The SAPZ program emphasizes collaboration with various stakeholders, including government agencies beyond agriculture, development partners, civil society organizations, farmer groups, research institutions, and universities.

SAPZ General Core operations

The core operations of a SAPZ program play a crucial role in effective ESMS implementation. Each operation presents unique opportunities and challenges for environmental and social management.

Table 7.7: Core Management Operations and Their Role in ESMS Implementation

Core Operation	Role in ESMS Implementation
Program Planning and Design	Develops overall program strategy, sets ESMS objectives, conducts baseline assessments
Project Identification and Selection	Screens projects based on environmental and social criteria prioritize projects.
Project Formulation and Appraisal	Conducts detailed ESIA, develops ESMP, identifies potential impacts and mitigation measures
Resource Mobilization	Secures funding for ESMS activities promotes sustainable investments
Project Implementation	Ensures adherence to ESMP, monitors environmental and social performance, implements corrective actions
Monitoring and Evaluation	Tracks ESMS performance, assesses effectiveness, provides feedback
Reporting and Communication	Discloses environmental and social information, engages stakeholders

Roles and Responsibilities for General Stakeholders

- **National Project Coordinating Office (NCO):** Oversees ESMS implementation, allocates resources, develops guidelines, builds capacity, and monitors performance.

- **State Project Implementation Units (SPIUs):** Integrates ESMS into project cycles, conducts environmental and social assessments, develops and implements management plans, engages stakeholders, and monitors performance.
- **Government Agencies (e.g., Ministry of Environment):** Provide technical guidance, enforce regulations, and participate in project review.
- **Local Communities:** Participate in project planning, provide input on impacts, and benefit from improved livelihoods.
- **Civil Society Organizations (CSOs):** Monitor project implementation, advocate for community interests, and provide feedback on ESMS.
- **Private Sector Partners:** Integrate ESMS into business operations and collaborate with other stakeholders.

Role of Key Stakeholders (FMAFS, NCO & SPIUs) in ESMS Implementation

Role	Responsibilities in ESMS Implementation
Federal Ministry of Agriculture and Food Security (FMAFS)	Sets environmental and social policies, provides oversight
National Project Coordinating Office (NCO)	Develops and implements ESMS framework, builds capacity, monitors performance
State Project Implementation Units (SPIUs)	Integrates ESMS into project activities and engages stakeholders
Technical Working Groups (TWGs)	Provides technical expertise on environmental and social issues
Monitoring and Evaluation (M&E) Unit	Tracks ESMS performance indicators
Financial Management Unit	Ensures financial resources support ESMS activities
Procurement Unit	Incorporates environmental and social criteria into procurement
Human Resources Unit	Ensures staff are trained on ESMS requirements
Communication and Stakeholder Engagement Unit	Facilitates stakeholder participation in ESMS

Specific Roles Within the NCO:

- **National Program Coordinator (NPC):** Oversees overall ESMS implementation, resource allocation, policy alignment, and stakeholder management.
- **Program Operations Manager (PMO):** Manages day-to-day ESMS operations, coordinates team members, ensures compliance, and facilitates communication.
- **National Planning, Monitoring, and Evaluation (PME) Expert:** Develops and implements ESMS monitoring and evaluation plans, conducts baseline analysis, and prepares reports.
- **Environmental and Climate Change Safeguards Officer (ECCO):** Identifies and assesses ecological and climate change risks, develops mitigation measures, ensures compliance, and provides guidelines for climate-resilient actions.
- **Gender and Social Safeguards Officer (GSSO):** Integrates gender and social considerations, monitors impacts on vulnerable groups, and addresses gender-based violence.
- **Knowledge Management and Communication Officer:** Develops and maintains ESMS documentation, facilitates knowledge sharing, and prepares reports.

Project-Level ESMS Management

At the project level, a dedicated team manages environmental and social aspects.

- **Project Manager:** Oversees overall project implementation, including E&S aspects. Ensures compliance with E&S requirements, monitors progress, and resolves E&S issues.
- **Environmental and Social Specialist:** Provides technical expertise on E&S matters, conducts assessments, develops and implements E&S plans, and monitors compliance.
- **Community Liaison Officer:** Builds and maintains relationships with local communities, addresses grievances, and ensures community participation in project decision-making.
- **Project Team:** Shares responsibility for E&S compliance and implementation within their respective roles.

8.3 Organisational Capacity and Competency

7. Capacity Assessment/Training Needs

A comprehensive assessment was conducted to address SAPZ program training needs, analyzing program objectives, target beneficiaries, and implementation phases. This identified specific training requirements for various stakeholders. A training needs matrix was developed to outline core, role-specific, and additional training needs (Table 15).
An assessment of the NCO's capacity to manage ESMS revealed gaps in ESMS knowledge, project management, stakeholder engagement, risk management, monitoring and evaluation, and technical expertise.

To address these gaps, the following actions are recommended:

- Establish a dedicated ESMS unit within the NCO.
- Recruit qualified E&S professionals.
- Provide comprehensive training and development.
- Consider outsourcing specialized services.
- Conduct a cost-benefit analysis for capacity building.

By investing in capacity building, the NCO can effectively manage E&S risks and ensure the long-term sustainability of the SAPZ project.

The importance level for integrating ESMS, adhering to AfDB safeguards, and addressing climate change adaptation varies for each stakeholder group. Emphasis should be placed accordingly to ensure effective training outcomes (Table 15)

Table 15: Training Needs Matrix for SAPZ Program

Stakeholder Group	Core Training Needs	Role-Specific Training Needs	Additional Training Needs	ESMS Integration	AfDB Safeguards	Climate Change Adaptation
SAPZ NCO Staff	Environmental safeguards, project cycle management, financial management, stakeholder engagement, M&E,	Leadership, strategic planning, policy development, coordination, risk management,	ESMS integration, AfDB safeguards, climate change adaptation	Strong	High	High

	gender equality, social inclusion	communication, negotiation, ICT, HR management				
Project Managers	Environmental safeguards, project cycle management, financial management, stakeholder engagement, M&E, gender equality, social inclusion	Project planning, implementation, risk management, financial analysis, problem-solving, leadership, communication	ESMS integration, AfDB safeguards, climate change adaptation	Moderate	Medium	Medium
Technical Experts	Environmental safeguards, project cycle management, financial management, stakeholder engagement	Specialized technical skills, data analysis, technology application, problem-solving	ESMS integration, AfDB safeguards, climate change adaptation	High	Medium	Medium
Community Liaison Officers	Environmental safeguards, project cycle management, stakeholder engagement, M&E, gender equality, social inclusion	Community development, conflict resolution, communication, capacity building, financial literacy	ESMS integration, AfDB safeguards, climate change adaptation	Low	Low	Low
Government Agencies	Environmental safeguards, project cycle management, financial management, stakeholder engagement, M&E, gender equality, social inclusion	Policy alignment, coordination, partnership building, public-private partnerships	ESMS integration, AfDB safeguards, climate change adaptation	High	High	High
Private Sector Partners	Environmental safeguards, project cycle management, financial management, stakeholder engagement	Investment climate, partnership building, project implementation, risk management	ESMS integration, AfDB safeguards, climate change adaptation	Moderate	Medium	Medium
Local Communities	Environmental safeguards, project benefits, stakeholder engagement, M&E, gender equality, social inclusion	Livelihood enhancement, financial literacy, communication, participation	ESMS integration, AfDB safeguards, climate	Low	Low	Low

			change adaptation			

Training Plan
The provided training needs matrix outlines the core competencies required for different stakeholder groups involved in the SAPZ program. This serves as a foundation for developing a tailored training plan.

Training Objectives
- Enhance understanding of environmental and social safeguards
- Build capacity for ESMS implementation and monitoring
- Strengthen stakeholder engagement and collaboration
- Improve project management and decision-making skills
- Foster a culture of sustainability and social responsibility

Training Modules: Introduction to ESMS

Core Modules:
- Introduction to environmental and social safeguards
- Overview of the SAPZ program and its objectives
- ESMS principles and frameworks
- Project cycle management
- Stakeholder engagement and consultation
- Gender equality and social inclusion
- Monitoring and evaluation
- Financial management
- Reporting and communication

Role-Specific Modules:
- **SAPZ NCO Staff:** Leadership and management, policy development, coordination, risk management, communication, negotiation, ICT, HR management
- **Project Managers:** Project planning and implementation, financial analysis, problem-solving, leadership, communication
- **Technical Experts:** Specialized technical skills, data analysis, technology application, problem-solving
- **Community Liaison Officers:** Community development, conflict resolution, communication, capacity building, financial literacy
- **Government Agencies:** Policy alignment, coordination, partnership building, public-private partnerships
- **Private Sector Partners:** Investment climate, partnership building, project implementation, risk management

Training Plan Outline

Stakeholder Group	Training Module	Delivery Method	Duration
SAPZ NCO Staff	ESMS Integration and AfDB Safeguards	Face-to-face workshop	Three days
Project Managers	Project Cycle Management and Risk Management	Online course	5 hours
Community Liaison Officers	Stakeholder Engagement and Communication	On-the-job training	Two weeks

Training Delivery Methods

- Face-to-face workshops: For interactive learning and group discussions
- Online training: For flexibility and accessibility
- On-the-job training: For practical learning through experience
- Mentorship and coaching: For individual skill development

Training Evaluation

- Pre- and post-training assessments: To measure knowledge and skill improvement
- Participant feedback: To gather feedback on training effectiveness
- Training impact evaluation: To assess the long-term impact of training on project performance

Training Module 2: Deepening Understanding of ESMS for Effectiveness

Aim: Participants will gain a comprehensive understanding of ESMS principles, the AfDB ISS, and the practical steps for implementing an effective ESMS within the SAPZ program.

Module 1: ESMS Fundamentals and AfDB Integration

- Introduction to ESMS principles and concepts
- Overview of the AfDB Integrated Safeguards System (ISS)
- Alignment of ESMS with AfDB standards and requirements
- Benefits of a robust ESMS for SAPZ projects

Module 2: Environmental and Social Risk Management

- Identification and assessment of potential environmental and social risks
- Risk prioritization and mitigation planning
- Application of AfDB's risk categorization framework
- Integration of climate change considerations into risk assessment

Module 3: Stakeholder Engagement and Grievance Redress

- Importance of stakeholder engagement in ESMS
- Developing effective stakeholder engagement plans
- Grievance redress mechanisms and complaint handling procedures
- Alignment with Af DB's standards on stakeholder engagement and grievance management

Module 4: ESMS Implementation and Monitoring

- Developing an ESMS implementation plan
- Monitoring and evaluation indicators
- Reporting requirements and formats
- Integrating ESMS into project management systems
- AfDB's performance management framework for ESMS

Module 5: Capacity Building and Knowledge Management

- Building internal capacity for ESMS implementation
- Developing training materials and resources
- Knowledge sharing and collaboration
- Continuous improvement of the ESMS

Training Plan Outline

Stakeholder Group | Training Module | Delivery Method | Duration |

1. **SAPZ NCO Staff |** ESMS Fundamentals and AfDB Integration, Environmental and Social Risk Management, Stakeholder Engagement and Grievance Redress, ESMS Implementation and Monitoring, Capacity Building and Knowledge Management | Face-to-face workshop, online modules, on-the-job training | 3-5 days | |

2. **Project Managers** | ESMS Fundamentals and AfDB Integration, Environmental and Social Risk Management, Stakeholder Engagement and Grievance Redress, ESMS Implementation and Monitoring | Face-to-face workshop, online modules | 2-3 days | |
3. **Technical Experts |** Environmental and Social Risk Management, ESMS Implementation and Monitoring | Online modules, workshops, on-the-job training | 2-3 days | |
4. **Community Liaison Officers** | Stakeholder Engagement and Grievance Redress, ESMS Implementation and Monitoring | Face-to-face workshops, on-the-job training | 2 days | |
5. **Government Agencies |** ESMS Fundamentals and AfDB Integration, Stakeholder Engagement and Grievance Redress, ESMS Implementation and Monitoring | Face-to-face workshops, online modules | 2-3 days | |
6. **Private Sector Partners |** ESMS Fundamentals and AfDB Integration, Environmental and Social Risk Management, ESMS Implementation and Monitoring | Online modules, workshops | 1-2 days | | Local Communities | ESMS Fundamentals, Stakeholder Engagement and Grievance Redress | Face-to-face seminars, community meetings | 1 day |

Note:

- This general outline can be adjusted based on specific needs and constraints. The duration can vary depending on the depth of the content and the participants' experience level.
- *Other areas of need will be identified and expounded as the E&S policy is implemented and as the NCO programs expand.*
- *Details of the training content/topics are provided in a separate document.*

8.4 Further advancement in the ESMS Implementation – Resources

Training Programs:

- **ESMS Fundamentals:** This introductory training will provide participants with a clear understanding of ESMS principles, their application in the SAPZ program context, and the benefits of effective implementation.
- **Identifying and Assessing Environmental and Social Risks:** This training will equip participants with skills to identify potential environmental and social risks associated with various SAPZ activities. It will also cover risk assessment methodologies to prioritize and mitigate these risks.
- **ESMS Implementation Process:** This training will delve deeper into the practical steps for developing and implementing an ESMS within the SAPZ program. It will utilize the IFC ESMS Handbook as a reference and guide participants through creating an ESMS framework, policy development, and establishing monitoring and reporting mechanisms.
- **Stakeholder Engagement and Grievance Redress:** This training will focus on effective communication and engagement strategies with stakeholders like local communities and indigenous peoples. It will also address grievance redress mechanisms to address concerns transparently and efficiently.

8.5 Financial Resources

To ensure effective implementation of the Environmental and Social Management System (ESMS), the National Project Coordinating Office (NCO) will establish a dedicated E&S function with adequate financial resources. This function will manage the environmental and social risks associated with the SAPZ program.

Estimated Budget for ESMS Implementation

Creating an accurate budget requires detailed information about the specific activities, locations, and scale of the SAPZ projects. The following is a general framework to guide the budget development process.

Key Considerations

- Project Scope: Clearly define the scope of ESMS activities for both NCO and participating states, including monitoring, evaluation, reporting, capacity building, and corrective actions.
- Cost Drivers: Identify the primary factors influencing the budget, such as project size, geographical location, number of beneficiaries, and required resources.
- Cost Categories: Categorize costs into clear and manageable categories for budgeting and tracking purposes.
- Data Availability: Collect relevant data on personnel costs, equipment, materials, and external services.
- Contingency: Allocate a percentage of the total budget for unforeseen expenses.

Budget Categories

1. Personnel Costs:
    - Salaries and benefits for ESMS staff at NCO and state levels
    - Consultants and experts for specific tasks (e.g., environmental assessments, social impact assessments)
    - Training costs for staff
2. Operational Costs:
    - Office space, equipment, and utilities
    - Travel and transportation expenses
    - Communication cots (phones, internet, etc.)
    - Stationery and office supplies
    - Data collection and analysis costs
3. Monitoring and Evaluation:
    - Environmental monitoring costs (e.g., air, water, soil quality testing)
    - Social impact assessments
    - Data analysis and reporting
    - External audits and verification
4. Capacity Building:
    - Training materials development
    - Training delivery costs (facilitators, venues, materials)
    - Consultancy fees for capacity-building assessments
5. Contingency:
    - Allocate a percentage of the total budget for unforeseen expenses.

Budget Development Process

1. Data Gathering: Collect detailed information on project activities, personnel requirements, equipment needs, and cost estimates for each budget category.
2. Cost Estimation: Develop a detailed cost estimate for each budget category, considering salaries, equipment prices, and service costs.

3. Budget Allocation: Allocate funds to each budget category based on project priorities and available resources.
4. Sensitivity Analysis: Conduct a sensitivity analysis to assess the impact of different cost scenarios on the overall budget.
5. Review and Approval: Obtain approval for the budget from relevant stakeholders.

Budget Allocation

Allocate specific budget lines for various ESMS activities, including:

- Personnel costs (salaries, benefits)
- Training and capacity building
- Monitoring and evaluation
- Reporting and documentation
- Corrective action implementation
- Contingency funds
- External expertise (consultants, auditors)

- Funding Sources: Identify potential funding sources, such as government allocations, donor support, or project revenue.

In Table 12, a simplified example is presented. The actual budget will require a more detailed breakdown and cost estimates. Following these steps and conducting a thorough cost analysis, you can develop a realistic and comprehensive budget for ESMS implementation in the Nigeria SAPZ program.

Table 12: Example Budget Table

Budget Category	**NCO (Estimated Cost)**	**State Level (Estimated Cost)**	**Total**
Personnel Costs	$XXX	$XXX	$XXX
Operational Costs	$XXX	$XXX	$XXX
Monitoring and Evaluation	$XXX	$XXX	$XXX
Capacity Building	$XXX	$XXX	$XXX
Contingency	$XXX	$XXX	$XXX
Total	$XXX	$XXX	$XXX

8.6 ESMS Review Process

The ESMS will undergo a periodic review every two years by the Fund. This review will incorporate lessons from supported hubs and other relevant good practices. It will also include a comprehensive evaluation of the ESMS appendices. The review will continuously assess emerging environmental and social risks that could impact SAPZ program activities and ensure their integration into the ESMS.

Triggers for ESMS Review:

- Policy or objective changes due to senior management decisions
- Major incidents or events necessitating significant policy or procedural revisions
- Changes in the scope or scale of operations affecting environmental and social risks

The NCO will inform the AfDB, other funders, and relevant stakeholders about any proposed significant changes to the ESMS.

ESMS Management Review Agenda:

- Assessment of progress on the ESMS improvement plan
- Evaluation of action plan implementation
- Compliance review of environmental and labour laws and regulations
- Analysis of environmental and social performance
- Identification of potential adjustments to risk assessments
- Approval of necessary resources by senior management

8.7 Monitoring and Supervision

Effective monitoring and supervision are crucial for ensuring the successful implementation of the Nigeria Special Agro-Industrial Processing Zones (SAPZ) program while mitigating potential environmental and social impacts. This section outlines the monitoring and evaluation framework, including responsibilities, frequencies, and reporting mechanisms.

Monitoring Framework

- **Key Performance Indicators (KPIs):** A comprehensive set of KPIs will be developed to track the progress of SAPZ activities, including but not limited to:
  - Production volumes and value of agricultural products
  - Job creation and employment opportunities
  - Infrastructure development and utilization
  - Environmental impact indicators (e.g., air and water quality, soil erosion, biodiversity)
  - Social impact indicators (e.g., gender equality, poverty reduction, community engagement)
- **Monitoring Responsibilities:**
  - **States:** Each participating state will be responsible for the day-to-day monitoring of SAPZ activities within their jurisdiction, collecting data on KPIs, and preparing monthly reports.
  - **NCO:** The Nigeria Project Coordination Office (NCO) will oversee the overall monitoring and evaluation process, provide technical guidance to states, and consolidate state reports into a combined monthly report for submission to the African Development Bank (AfDB).
  - **External Experts:** Independent experts will be engaged for specific assessments and evaluations to verify monitoring data and provide recommendations.
- **Monitoring Frequency:**
  - **States:** Monthly reports on SAPZ activities, including progress on KPIs, challenges, and corrective actions.
  - **NCO:** Monthly consolidated report to AfDB, including analysis of state reports, overall program performance, and recommendations.
- **Data Management and Reporting:**
  - A centralized monitoring and evaluation system will be established to collect, store, and analyze data.
  - Regular data quality checks will be conducted to ensure accuracy and consistency.
  - Reports will be prepared according to AfDB reporting guidelines.

Supervision and Evaluation

- **Regular Site Visits:** NCO staff and external experts will conduct regular site visits to assess project progress, identify potential issues, and provide technical assistance.

- **Performance Evaluation:** Annual performance evaluations will be conducted to assess the SAPZ program's overall effectiveness and identify areas for improvement.
- **Corrective Action:** Corrective actions will be implemented promptly to address any deviations from planned activities or performance targets.
- **Lessons Learned:** Lessons learned from monitoring and evaluation will be documented and shared to inform future program activities.

By following this robust monitoring and supervision framework, the SAPZ program can effectively track progress, measure outcomes, and make necessary adjustments to achieve its objectives while minimizing negative impacts.

The table below provides a concise overview of the monitoring and supervision activities, responsibilities, and outputs. The frequency of site visits and performance evaluations can be adjusted based on project needs and risks.

Table 9: Monitoring and Supervision Summary

Activity	Responsible Party	Frequency	Output
Develop KPIs	NCO, with input from states and experts	Baseline	KPI document
Collect data on KPIs	Participating states	Monthly	State-level reports
Consolidate state reports	NCO	Monthly	Combined monthly report
Conduct site visits	NCO and external experts	Regular	Site visit reports
Conduct performance evaluations	NCO	Annually	Performance evaluation report
Implement corrective actions	NCO and states	As needed	Corrective action plans
Document lessons learned	NCO	Continuously	Lessons learned report

a. Measuring the environmental and social performance

Effective monitoring is essential for assessing the SAPZ program's environmental and social performance. By establishing relevant indicators and tracking progress over time, we can evaluate the project's impact and identify areas for improvement. By systematically monitoring and evaluating the SAPZ program's performance, we can identify areas of success, challenges, and opportunities for improvement.

b. Key Performance Indicators (KPIs)

KPIs are quantifiable measures used to track progress towards specific goals. They can be categorized into the following, with more details in Appendix 7.

- **Environmental indicators:**
  - Resource consumption (energy, water)
  - Waste generation and management
  - Air and water quality
  - Biodiversity conservation
  - Land use change
  - Greenhouse gas emissions
- **Social indicators:**
  - Community health and safety
  - Labour conditions (wages, hours, safety)
  - Access to basic services (education, healthcare)
  - Livelihood improvement

    - Gender equality
    - Social inclusion
- **Economic indicators:**
    - Agricultural productivity
    - Income generation
    - Job creation
    - Investment returns

Table 10 provides a foundation for developing specific KPIs tailored to the SAPZ program. This would undergo further refinement to align KPIs with project objectives, data availability, and monitoring capacity about the realities. The SAPZ program can effectively measure its environmental, social, and economic impacts by carefully selecting and tracking these KPIs.

Table 10: Key Performance Indicators (KPIs) for SAPZ Program

Environmental Indicators

Indicator	**Measurement**	**Source**
Resource consumption (energy, water)	Total energy and water consumption per unit of output	Utility bills, production records
Waste generation and management	Quantity and type of waste generated recycling rates	Waste management records
Air and water quality	Levels of pollutants in air and water bodies	Environmental monitoring data
Biodiversity conservation	Changes in biodiversity indices (e.g., species richness, habitat quality)	Biodiversity assessments
Land use change	Changes in land cover (e.g., deforestation, agricultural expansion)	Satellite imagery, land use maps
Greenhouse gas emissions	Total GHG emissions from SAPZ operations	GHG inventory

Social Indicators

Indicator	Measurement	Source
Community health and safety	Incidence of occupational accidents, health surveys	Occupational health records, community surveys
Labour conditions (wages, hours, safety)	Compliance with labour laws, worker satisfaction surveys	Labour inspections, worker surveys
Access to basic services	Availability and usage of education, healthcare, and infrastructure	Government data, community surveys
Livelihood improvement	Changes in household income, employment rates	Household surveys, employment data
Gender equality	Women's participation in the workforce, leadership positions	Labour data, gender analysis
Social inclusion	Participation of marginalized groups (e.g., youth, disabled)	Community surveys, project records

Economic Indicators

Indicator	**Measurement**	**Source**
Agricultural productivity	Yield per hectare, production volume	Agricultural production data

Income generation	Farmer and processor incomes	Financial records, surveys
Job creation	Number of jobs created employment rates	Employment data
Investment returns	Return on investment for investors	Financial performance data

c. Data Collection and Analysis

A robust data collection system should be implemented to gather data for these indicators. The tables below provide general guidance on data collection and analysis methods. Specific approaches may vary depending on the context, available resources, and data quality. Combining quantitative and qualitative data is essential to provide a comprehensive understanding of the SAPZ program's impact. Following these recommendations, the SAPZ program can effectively monitor and evaluate its performance, leading to improved decision-making and increased impact.

Table 12: General Guidance on Data Collection

Environmental Indicators

KPI	Data Collection Methods	Analysis Techniques
Resource consumption (energy, water)	Utility bills, metering, production records	Trend analysis, correlation analysis with output
Waste generation and management	Waste logs, surveys, site inspections	Waste composition analysis, waste reduction calculations
Air and water quality	Monitoring stations, laboratory analysis	Trend analysis, comparison with standards
Biodiversity conservation	Biodiversity surveys, habitat assessments	Species richness analysis, habitat quality indices
Land use change	Satellite imagery, ground truthing	Land cover change analysis, spatial analysis
Greenhouse gas emissions	Emission factors, activity data	GHG inventory, life cycle assessment

Social Indicators

KPI	Data Collection Methods	Analysis Techniques
Community health and safety	Health surveys, medical records, accident reports	Health impact assessment, risk assessment
Labour conditions (wages, hours, safety)	Worker surveys, labour inspections, payroll data	Wage analysis, labour compliance checks, safety audits
Access to basic services	Household surveys, government data	Service coverage analysis needs assessment
Livelihood improvement	Income surveys, expenditure analysis	Income distribution analysis, poverty impact assessment
Gender equality	Gender disaggregated data, focus group discussions	Gender gap analysis, social equity assessment
Social inclusion	Community surveys, participatory assessments	Inclusion indicators, vulnerability analysis

Economic Indicators

KPI	Data Collection Methods	Analysis Techniques

Agricultural productivity	Yield data, farm records	Yield analysis, efficiency analysis
Income generation	Farmer surveys, financial records	Income distribution analysis, profitability analysis
Job creation	Employment surveys, payroll data	Job creation analysis, employment impact assessment
Investment returns	Financial statements, project budgets	Financial performance analysis, cost-benefit analysis

8.8 Reporting

Regular environmental and social performance reports should be generated using clear and concise language. This information should be shared with government agencies, communities, and investors.

b. **Tracking Effectiveness of Mitigation Measures**

The SAPZ program will implement a robust monitoring and evaluation system to ensure that environmental and social risks are effectively managed. This includes:

- **Continuous monitoring:** Regular assessment of the implementation and effectiveness of mitigation measures.
- **Performance evaluation:** Comparing actual performance against established targets and benchmarks.
- **Data analysis:** Utilizing data to identify trends, patterns, and areas for improvement.
- **Adaptive management:** Adjusting mitigation measures based on monitoring results and changing circumstances.
- **External verification:** Engaging independent experts to validate monitoring findings for high-impact projects.
- **Documentation:** Maintaining detailed records of monitoring activities, findings, and corrective actions.

By systematically tracking the performance of mitigation measures, the SAPZ program can demonstrate its commitment to environmental and social responsibility and make necessary adjustments to improve outcomes.

8.9 Managing Non-Compliance

This has to be specified in the covenant in clear terms. The possible consequences of non-compliance will be clearly stated. Non-compliance is not identified or determined during screening. It is identified during monitoring and supervision by site visits or review of reports and checklists. Actions to be taken may include but are not limited to:

- *Ensuring that the corrective Action plan is in place and implemented*
- *Cancelling of contract*
- *Discontinue further disbursement*
- *Denial of future agreements*

8.10 Red Flags and Environmental Authorizations for SAPZ Programs

Understanding the Context

The SAPZ program is a complex initiative with distinct characteristics across different states in Nigeria. Therefore, while the following framework provides a general overview, it is

essential to tailor it to the specific context of each SAPZ location. By proactively identifying and addressing potential risks through robust regulatory review, risk assessment, and compliance monitoring, SAPZ programs can effectively contribute to sustainable development. In fact, by meticulously implementing these components, SAPZ programs can enhance their environmental and social performance, fostering trust with stakeholders and ensuring long-term sustainability.

a. Regulatory Review: Permits, Licenses, and Authorizations

Given the multi-sectoral nature of SAPZ, a comprehensive regulatory review is essential. The key permits and licenses likely to be required are outlined below:

Regulatory Review: Permits, Licenses, and Authorizations

Permit Type	Description
Environmental Permits	EIA/ESIA, water use, air quality, waste management, forest clearance
Land Use Permits	Land use change, right-of-way, land acquisition
Infrastructure Permits	Building, road construction, power generation
Industrial Permits	Factory registration, hazardous substance handling, emission standards compliance

b. Risk Assessment: Potential Red Flags

Red flags serve as early warning indicators for potential environmental and social issues. In the context of SAPZ projects, here are some key red flags to be aware of:

1. **Inadequate Environmental and Social Assessment**: Failing to conduct thorough assessments can lead to unforeseen risks and negative impacts on ecosystems and local communities.
2. **Weak Stakeholder Engagement**: Insufficient involvement of local communities, farmers, and other stakeholders can hinder successful implementation.
3. **Monitoring and Compliance Challenges**: It's difficult to address issues promptly and ensure compliance with regulations without robust monitoring mechanisms.
4. **Land Use Conflicts**: Disputes over land rights, compensation, and resettlement can disrupt SAPZ implementation.
5. **Infrastructure Gaps**: Insufficient infrastructure (such as roads, water supply, and power facilities) can hinder agribusiness operations within the SAPZ.
6. **Limited Capacity Building**: Neglecting capacity building for local communities and businesses may impact the sustainable management of SAPZ activities.

c. Addressing these red flags

Addressing these red flags proactively is essential for the long-term success and sustainability of agricultural development in Nigeria. For more detailed information, refer to Table 14, which overviews key red flags and potential mitigation strategies for SAPZ programs.

Table 14 Risk Assessment: Potential Red Flags

Red Flag	Description
Inadequate Environmental Impact Assessment (EIA)	Rigorous and independent EIA processes, clear guidelines for EIA scope and depth, and enforcement of EIA recommendations.
Lack of Stakeholder Engagement	Community engagement plans, capacity building for community representatives, grievance redress mechanisms, and benefit-sharing agreements.

Weak Monitoring and Compliance	Independent monitoring agencies, clear performance indicators, regular audits, and penalties for non-compliance.
Land Use Conflicts	Fair compensation packages, resettlement plans, land-use rights clarification, and conflict resolution mechanisms.
Inadequate Infrastructure Development	Prioritization of infrastructure development, public-private partnerships for infrastructure financing, and long-term infrastructure maintenance plans.
Limited Capacity Building	Comprehensive training programs for farmers, processors, and local government officials and access to technical assistance and knowledge-sharing platforms.
Corruption and Governance Issues	Transparent procurement processes, anti-corruption measures, capacity building for public officials, and citizen participation.
Market Risks	Market analysis, diversification of products, value chain development, and risk management strategies.
Social and Gender Inequality	Gender-sensitive project design, women's empowerment programs, inclusive decision-making processes, and monitoring of gender outcomes.
Land Use Conflicts	Overlapping land claims, rights of local communities, or Indigenous peoples
Environmental Sensitivities	Projects located in protected areas, wetlands, or areas with high biodiversity
Social Impacts	Potential for significant displacement, loss of livelihoods, or social unrest
Climate Vulnerability	Projects located in areas prone to climate-related hazards
Non-Compliance	History of non-compliance with environmental or social regulations
Financial Constraints	Insufficient financial resources for environmental and social safeguards
Weak Governance	Weak institutional capacity to manage environmental and social risks

d. Compliance Monitoring: Procedures for the SAPZ Programs

Effective compliance monitoring is crucial for SAPZ projects to protect the environment, benefit communities, and maintain project sustainability. By systematically tracking project performance, identifying potential issues, and taking corrective actions, SAPZ programs can build trust with stakeholders and ensure long-term success.

Key components of the Compliance Monitoring Procedures

1. Defining Roles and Responsibilities

- **Establish a dedicated monitoring team:** This team can be internal to the SAPZ management or an external consultant with expertise in environmental and social safeguards.
- **Assign clear roles:** Determine the roles of different stakeholders involved in monitoring, including government agencies, local communities, and civil society organizations.
- **Create a responsibility matrix:** Outline specific responsibilities for each team member or organization, ensuring clear accountability.

2. Developing Monitoring Indicators

- **Align indicators with project objectives:** Ensure monitoring indicators directly contribute to project goals and outcomes.

- **Consider environmental and social performance:** Develop indicators for both environmental and social aspects, including air and water quality, waste management, biodiversity, land use, social impacts, and labour conditions.
- **Use quantitative and qualitative indicators:** Combine both indicators for a comprehensive assessment.
- **Set performance benchmarks:** Establish clear performance targets for each indicator to measure progress.

3. Data Collection Methods

- **Conduct regular site visits:** On-the-ground assessments are crucial for verifying information and identifying potential issues.
- **Utilize remote sensing:** Employ satellite imagery and drones to monitor land use change, deforestation, and other environmental impacts.
- **Review project documents:** Analyze project plans, reports, and permits to assess compliance.
- **Conduct stakeholder interviews:** Gather information on project impacts from affected communities.
- **Collect environmental data:** Monitor air and water quality, noise levels, and other relevant parameters.

4. Reporting and Communication

- **Develop standardized reporting templates:** Create clear and consistent formats for monitoring reports.
- **Include key performance indicators:** Summarize project performance against established benchmarks.
- **Provide visual representations:** Use graphs, charts, and maps to illustrate data effectively.
- **Disseminate reports widely:** Share reports with stakeholders, including government agencies, local communities, and project partners.
- **Facilitate feedback:** Encourage feedback on monitoring reports to improve future monitoring efforts.

5. Corrective Action

- **Establish a rapid response mechanism:** Develop procedures for addressing non-compliance issues promptly.
- **Conduct root cause analysis:** Identify the underlying causes of non-compliance to prevent recurrence.
- **Develop corrective action plans:** Outline specific steps to address identified issues, including timelines and responsibilities.
- **Monitor corrective action implementation:** Track progress and ensure effective implementation of corrective measures.
- **Document corrective actions:** Maintain records of all non-compliance issues and corrective actions taken.

8.11 Public Notification of E&S Records, Charts, and Reports

Disclosure Policy

Alignment with Nigerian Laws and AfDB ISS: The proponent shall adhere to the Nigerian Freedom of Information Act (FOIA) and the AfDB's Integrated Safeguards System (ISS) regarding public disclosure of environmental and social information.

Scope of Disclosure:

- Environmental permits and licenses
- Monitoring data (air, water, waste, noise, etc.)

- Social impact assessments and management plans
- Grievance reports and resolutions
- Annual E&S reports
- Emergency response plans

Methods of Disclosure:

- Proponent's website
- Designated public information centres
- Local government offices
- Newspapers and other media outlets (for significant issues)

Accessibility:

- Clear and easily understandable language in reports
- Summary versions of complex information
- Provision of information in local languages
- Reasonable fees for information requests (in line with FOIA)

Annual E&S Reporting

Format and Content:

- Adherence to Nigerian Environmental Impact Assessment (EIA) regulations and AfDB ISS reporting requirements
- Clear and concise presentation of data and information
- Use of visuals (graphs, charts, maps) to enhance understanding
- Inclusion of key performance indicators (KPIs)
- Comparison of performance against established targets

Distribution:

- Submission to relevant government agencies (Federal Ministry of Environment, State Ministry of Environment, etc.)
- Distribution to local communities through public meetings, notice boards, and local media
- Availability on the proponent's website
- Provision of hard copies upon request

Accessibility:

- Ensure reports are available in both English and local languages
- Provide summary versions for community members
- Conduct public consultations to explain the report

Public Access to E&S Information

Designated Access Points:

- Proponent's website with a dedicated E&S section
- Public information centres located near project sites
- Relevant government offices (e.g., State Ministry of Environment)

Information Request Process:

- Establish a clear procedure for submitting information requests
- Acknowledgement of requests within a specified timeframe
- Provision of information within a reasonable timeframe (in line with FOIA)
- Fees for information requests (if applicable) by Nigerian regulations

8.12 Data Management in SAPZ ESMS

The SAPZ ESMS intends to build a strong foundation for data management, enabling effective data analysis, decision-making, and reporting. The implementing strategies are outlined below:

1. **Key Considerations for Data Management in SAPZ ESMS**
   - **Data Governance:** Establish clear roles and responsibilities for data management, including data ownership, stewardship, and access control.

- **Metadata Management:** Develop a comprehensive metadata management system to document data characteristics, sources, and quality.
- **Data Integration:** Ensure seamless integration of data from various sources (e.g., monitoring systems, surveys, databases) for a holistic view.
- **Data Security and Privacy:** Implement robust security measures to protect sensitive data, comply with privacy regulations, and ensure data confidentiality, integrity, and availability.

2. **Data Management Tools and Technologies**
   - **Database Management Systems (DBMS):** Choose a suitable DBMS (e.g., PostgreSQL, MySQL, SQL Server) based on data volume, complexity, and required functionalities.
   - **Data Warehousing and Business Intelligence (DW/BI) Tools:** Consider using DW/BI tools to store, manage, and analyze large volumes of data for reporting and decision-making.
   - **Geographic Information Systems (GIS):** Integrate GIS to visualize spatial data and analyze geographic patterns.
   - **Cloud-Based Solutions:** Explore cloud-based platforms for data storage, processing, and analysis to enhance scalability and accessibility.
3. **Data Quality Management**
   - **Data Profiling:** Conduct regular data profiling to assess data quality and identify inconsistencies and anomalies.
   - **Data Cleansing:** Implement data cleaning processes to remove errors, duplicates, and inconsistencies.
   - **Data Validation:** Establish data validation rules to ensure data integrity and accuracy.

9.0 Conclusion

The ESMS provides a comprehensive framework for integrating environmental and social risk management into the SAPZ program. By implementing robust ecological and social due diligence procedures alongside existing risk management practices, the NCO will effectively identify, assess, and manage potential impacts associated with SAPZ projects.

This system ensures appropriate environmental and social management measures before project approval. Moreover, it facilitates ongoing oversight and support to project hubs throughout the program's lifecycle. The ESMS will enhance the NCO's operational efficiency, mitigate corporate, operational, and reputational risks, and ensure compliance with national regulations and international standards, such as those of the African Development Bank.

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Appendices

Appendix 1: **Highlight of Environmental and Social Baseline of Participating States**

SAPZ programme – Phase 1 States Under Implementation Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
Cross River	Tropical climate with high rainfall	Diverse geology	Varied soil types	Rivers and streams	Rich biodiversity, including wildlife and fish	Lush rainforests, mangroves, and savannas	Diverse economy with agriculture, tourism, and forestry
Imo	Tropical climate with moderate rainfall	Undulating terrain	Fertile soils	Rivers and aquifers	Diverse wildlife, including birds and reptiles	Forests, grasslands, and wetlands	Agriculture, commerce, and services
Kaduna	Semi-arid climate with distinct wet	Rocky and hilly landscape	Sandy and clayey soils	Rivers and reservoirs	Wildlife such as antelope,	Savannahs, woodlands, and grasses	Agriculture, mining, and trade

Appendix 1: **Highlight of Environmental and Social Baseline of Participating States**

SAPZ programme – Phase 1 States Under Implementation Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
	and dry seasons				birds, and rodents		
Kano	Hot semi-arid climate with low rainfall	Flat plains and hills	Sandy and loamy soils	Rivers and wells	Wildlife, including gazelles, birds, and insects	Acacia trees, grasses, and shrubs	Agriculture, trade, and industry
Kwara	Tropical climate with moderate rainfall	Undulating plains	Loamy and clayey soils	Rivers and ponds	Diverse bird species, small mammals	Savannahs, forests, and wetlands	Agriculture, mining, and commerce

Appendix 1: **Highlight of Environmental and Social Baseline of Participating States**

SAPZ programme – Phase 1 States Under Implementation Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
Ogun	Tropical climate with moderate rainfall	Rolling hills and plains	Sandy and loamy soils	Rivers and reservoirs	Birds, reptiles, and small mammals	Forests, grasslands, and wetlands	Agriculture, manufacturing, and services
Oyo	Tropical climate with distinct wet and dry seasons	Undulating terrain	Fertile soils	Rivers and lakes	Wildlife, including monkeys, birds, and reptiles	Forests, grasslands, and wetlands	Agriculture, commerce, and services
Federal Capital Territory (FCT)	Tropical climate with distinct wet	Rocky hills and valleys	Sandy and clayey soils	Rivers and dams	Diverse wildlife, including birds and	Grasslands, woodlands, and wetlands	Government, services, and commerce

Appendix 1: **Highlight of Environmental and Social Baseline of Participating States**

SAPZ programme – Phase 1 States Under Implementation Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
	and dry seasons				small mammals		

As for SAPZ phase 2, it's currently in the preparatory stage and involves additional states.

SAPZ programme – Phase 2 States Under Preparatory Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
Abia	Tropical climate with moderate rainfall	Undulating terrain	Fertile soils	Rivers and streams	Diverse wildlife, including birds and small mammals	Forests, grasslands, and wetlands	Agriculture, commerce, and services
Akwa-Ibom	Tropical climate with high rainfall	Coastal plains	Sandy and loamy soils	Rivers and estuaries	Rich biodiversity, including fish, birds, and reptiles	Mangroves, forests, and wetlands	Agriculture, fishing, and tourism
Adamawa	Tropical climate with distinct wet and dry seasons	Plateaus and hills	Sandy and clayey soils	Rivers and lakes	Wildlife such as antelope, birds, and rodents	Savannahs, forests, and wetlands	Agriculture, livestock, and trade

SAPZ programme – Phase 2 States Under Preparatory Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
Anambra	Tropical climate with moderate rainfall	Rolling hills	Loamy and sandy soils	Rivers and lakes	Birds, reptiles, and small mammals	Forests, grasslands, and wetlands	Agriculture, commerce, and services
Bauchi	Semi-arid climate with distinct wet and dry seasons	Rocky terrain	Sandy and clayey soils	Rivers and springs	Wildlife, including gazelles, birds, and insects	Savannahs, woodlands, and grasses	Agriculture, mining, and trade
Bayelsa	Tropical climate with high rainfall	Coastal mangroves	Peaty and clayey soils	Rivers and creeks	Diverse aquatic life, birds, and reptiles	Mangroves, swamps, and forests	Agriculture, fishing, and oil industry

SAPZ programme – Phase 2 States Under Preparatory Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
Benue	Tropical climate with distinct wet and dry seasons	Plains and valleys	Loamy and sandy soils	Rivers and reservoirs	Wildlife such as antelope, birds, and rodents	Savannahs, forests, and wetlands	Agriculture, livestock, and commerce
Borno	Semi-arid climate with distinct wet and dry seasons	Flat plains and hills	Sandy and clayey soils	Seasonal rivers and oases	Desert-adapted wildlife, including birds and reptiles	Acacia trees, grasses, and shrubs	Agriculture, trade, and livestock
Delta	Tropical climate with high rainfall	Coastal plains	Sandy and loamy soils	Rivers and estuaries	Rich biodiversity, including fish, birds, and reptiles	Mangroves, forests, and wetlands	Agriculture, fishing, and oil industry

SAPZ programme – Phase 2 States Under Preparatory Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
Ebonyi	Tropical climate with distinct wet and dry seasons	Undulating terrain	Fertile soils	Rivers and streams	Wildlife, including monkeys, birds, and reptiles	Forests, grasslands, and wetlands	Agriculture, commerce, and services
Edo	Tropical climate with moderate rainfall	Rolling hills	Loamy and sandy soils	Rivers and lakes	Birds, reptiles, and small mammals	Forests, grasslands, and wetlands	Agriculture, commerce, and services
Ekiti	Tropical climate with moderate rainfall	Undulating terrain	Fertile soils	Rivers and streams	Diverse wildlife, including birds and small mammals	Forests, grasslands, and wetlands	Agriculture, commerce, and services

SAPZ programme – Phase 2 States Under Preparatory Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
Enugu	Tropical climate with distinct wet and dry seasons	Undulating hills	Loamy and sandy soils	Rivers and springs	Birds, reptiles, and small mammals	Forests, grasslands, and wetlands	Agriculture, commerce, and services
Jigawa	Semi-arid climate with distinct wet and dry seasons	Flat plains and hills	Sandy and clayey soils	Rivers and wells	Wildlife such as antelope, birds, and rodents	Savannahs, woodlands, and grasses	Agriculture, trade, and industry
Katsina	Semi-arid climate with distinct wet and dry seasons	Flat plains and hills	Sandy and clayey soils	Rivers and wells	Wildlife, including gazelles, birds, and insects	Acacia trees, grasses, and shrubs	Agriculture, trade, and industry

SAPZ programme – Phase 2 States Under Preparatory Stage – Highlight of Environmental and Social Baseline

State	Climate (Rainfall, Wind, Temperature, Humidity)	Geology and Topography	Soil Characteristics	Surface and Ground Water Hydrology	Fauna	Flora	Socio-economic Characteristics
Kebbi	Semi-arid climate with distinct wet and dry seasons	Flat plains and hills	Sandy and clayey soils	Rivers and wells	Wildlife such as antelope, birds, and rodents	Savannahs	

Appendix 2: Framework/Guide for Managing E&S Risks in SAPZ

This framework provides a comprehensive approach to managing Environmental and Social (E&S) risks within the SAPZ project. It covers the entire project lifecycle, from inception to closure.

Key Phases and Their Focus

- **Phase 1: Project Conception and Design**
  - Identifies potential E&S impacts and risks
  - Initiates stakeholder engagement
  - Categorizes the project based on risk level
  - Develops preliminary mitigation plans
- **Phase 2: Project Preparation**
  - Conducts detailed ESIA for high-risk projects
  - Deepens stakeholder engagement
  - Identifies applicable safeguard policies
  - Establishes baseline conditions
  - Assesses capacity building needs
- **Phase 3: Project Implementation**
  - Develops a detailed Environmental and Social Management Plan (ESMP)
  - Maintains ongoing stakeholder engagement
  - Implements mitigation measures
  - Establishes monitoring and evaluation systems
  - Sets up a grievance redress mechanism
  - Provides training and capacity building
- **Phase 4: Operation and Maintenance**
  - Continuously monitors environmental and social performance
  - Evaluates the effectiveness of mitigation measures
  - Ensures compliance with regulations
  - Maintains stakeholder engagement and grievance redress
  - Provides ongoing capacity building
- **Phase 5: Closure and Post-Closure**
  - Conducts a final environmental and social audit
  - Continues monitoring for long-term impacts
  - Develops a closure plan
  - Addresses potential long-term liabilities

Key Considerations Throughout the Project Lifecycle

- Risk-based approach: Prioritizes E&S risks and allocates resources accordingly.
- Stakeholder engagement: Builds strong relationships with affected communities.
- Adaptive management: Allows for flexibility and adjustments based on changing circumstances.
- Capacity building: Develops the skills and knowledge of project staff and stakeholders.
- Monitoring and evaluation: Tracks progress and informs decision-making.
- Compliance: Adheres to environmental and social laws and regulations.
- Transparency and accountability: Ensures open communication and responsibility.

Appendix 3: Exclusive List

This exclusion list outlines activities not supported by providing financial products and services. The exclusion list shall comply with Nigeria's laws and be aligned with the exclusion requirements of AfDB and other multilateral and bilateral financiers that provide financing to the Fund. The Exclusion List shall be reviewed occasionally to ensure compliance with national regulations in the country and in alignment with AfDB'S' lists of prohibited activities.

- Hubs participating in the exportation of maize, timber (rough or sawn), raw hides and skin (including wet blue and all unfinished leather) HS Codes 4101.2000.00 – 4108.9200.00, unprocessed rubber latex and rubber lumps, artefacts and antiquities.
- Hubs are involved in processes related to wildlife animals classified as endangered species and their products (e.g., crocodile, elephant, lizard, eagle, monkey, zebra, lion, etc.
- Hubs supporting production or trade in any product or activity deemed illegal under host country laws, regulations, international conventions, and agreements.
- Hubs supporting the production of or trade in radioactive materials, except medical materials and quality-control equipment for which the radioactive source is trivial and adequately shielded.
- Hubs supporting the production of or trade-in or use of unbonded asbestos fibers or other products with bonded asbestos as dominant material.
- Production of or trade in pharmaceuticals, chemical compounds and other harmful substances subject to international phase-outs or bans, including pesticides classified as Class IA (extremely hazardous), IBM (highly hazardous) or II (moderately hazardous).
- Production or trade in ozone-depleting substances, such as polychlorinated biphenyls (PCBs), is subject to international phase-outs or bans.
- Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora.
- Purchase of logging equipment for use in unmanaged primary tropical rainforests.
- Production and activities involving harmful or exploitative forms of forced labour and child labour as defined by national regulations.
- Production or trade in weapons and ammunition.
- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.
- Any activities involving significant degradation or conversion of natural and critical habitats and any activities in legally protected areas.

Appendix 4: Suggestion for SAPZ Project Screening and Categorization

A. Steps for SAPZ project screening and categorization

1. **Project Identification and Data Gathering**:
    - Identify potential SAPZ projects based on government priorities, economic potential, and infrastructure availability.
    - Gather project-specific data, including information on project location, size, type, potential impacts, and stakeholders.
2. **Project Screening**:
    - Develop screening criteria, covering aspects such as project type, scale, location, technology, governance, potential impacts, resource use, compliance, and AfDB safeguards.
    - Create a standardized screening tool with clear instructions and scoring mechanisms.
    - Evaluate each project against the screening criteria and assign scores based on the severity of potential impacts.
3. **Project Categorization**:
    - Develop a categorization matrix based on criteria like scale, environmental impacts, social impacts, resource use, compliance, AfDB safeguards, and total score.
    - Assign projects to categories (e.g., High Risk, Medium Risk, Low Risk) based on their scores.
4. **Decision Making and Next Steps**:
    - Category 1 Projects: Require comprehensive Environmental and Social Impact Assessments (ESIA), Environmental and Social Management Plans (ESMP), and additional safeguards (e.g., Resettlement Action Plans, Indigenous Peoples Plans, Labor Management Plans).
    - Category 2 Projects: Need detailed ESIA and ESMP.
    - Category 3 Projects: Involve limited environmental and social assessment.
    - Ensure alignment with AfDB ISS (Integrated Safeguards System) requirements throughout the process.
    - Identify safeguard triggers based on screening results.
    - Provide training on AfDB ISS to project teams.

B. Structure for SAPZ Project Screening and Categorization

Section 1: Project Screening

1.1 Screening Criteria

- **Project Characteristics**
    - Type (agriculture, infrastructure, etc.)
    - Scale (investment, land area, employment)
    - Location (proximity to sensitive areas, including specific details like protected areas, water bodies, etc.)
    - Technology (traditional, modern, with specific examples)
    - Governance (ownership, management structure)
    - Partnerships (types of partnerships, roles and responsibilities)
- **Potential Impacts**
    - Environmental (air, water, land, biodiversity, climate change, specific indicators like greenhouse gas emissions)
    - Social (communities, livelihoods, culture, gender, labor, indigenous peoples)
    - Economic (financial, market impacts, job creation)
- **Resource Use**
    - Water (quantity, quality, efficiency)
    - Energy (consumption, sources, efficiency)
    - Land (use intensity, conversion, restoration)
    - Waste (generation, management, recycling)
- **Compliance**

- Adherence to national and international laws, regulations, and standards (specific examples)
- **AfDB Safeguards**
  - Potential triggers (resettlement, indigenous peoples, gender, labor, biodiversity, with clear definitions and examples)

1.2 Screening Tool

- Standardized tool with clear scoring mechanisms for each criterion
- Incorporate definitions, examples, and guidance for data input
- Include sections for project information, decision-making, and risk matrix
- User-friendly interface for easy navigation

1.3 Screening Process

- Gather comprehensive project information
- Apply screening criteria consistently and objectively
- Calculate total score based on weighted criteria
- Categorize project based on predefined thresholds

Section 2: Project Categorization

2.1 Categorization Criteria

- Define clear and distinct criteria for low, medium, and high-risk categories
- Align with AfDB ISS categories and provide clear mapping
- Establish numerical thresholds based on screening scores, considering weighting of criteria

2.2 Categorization Matrix

Criteria (Weighted)	Category 3 (Low Risk)	Category 2 (Medium Risk)	Category 1 (High Risk)	AfDB ISS Equivalent
Scale	<5	5-10	>10	1
Environmental Impacts	Low	Medium	High	2 or 1
Social Impacts	Low	Medium	High	2 or 1
Resource Use	Efficient	Moderate	Inefficient	2 or 3
Compliance	Full	Partial	Non-compliant	1
AfDB Safeguards	Minimal	Moderate	Significant	2 or 1
Total Score	<20	20-30	>30	3, 2, or 1

2.3 Decision Making

- Assign projects to appropriate categories based on matrix and expert judgment
- Consider additional factors (location, stakeholders, cumulative impacts)
- Determine next steps based on category (assessment, management plan)

Section 3: Integration of AfDB ISS

- Ensure full alignment with AfDB ISS requirements
- Identify potential safeguard triggers based on screening results
- Provide comprehensive capacity building on AfDB ISS for project teams

Section 4: Environmental and Social Evaluation Form

- Standardized form with clear sections for project information, environmental aspects, social aspects, evaluation, and recommendations
- Align with AfDB ISS requirements and provide specific guidance for data collection
- Incorporate opportunities for stakeholder input

Section 5: Aligning SAPZ with AfDB Project Categories

- Clearly explain AfDB project categories (Category 1, 2, 3) and their implications
- Provide examples of SAPZ components and their potential category assignments

- Emphasize the importance of continuous assessment and adjustment of categories

C. Aligning SAPZ with AfDB Project Categories for Risk

The AfDB categorizes projects based on their potential environmental and social (E&S) impacts, determining the necessary level of assessment and management. The table provided outlines three main categories:

- **Category 1:** High-risk projects with significant adverse E&S impacts requiring a full ESIA.
- **Category 2:** Medium-risk projects with limited E&S impacts requiring an ESMP.
- **Category 3:** Low-risk projects with minimal or no significant E&S impacts.

To effectively align the Nigeria SAPZ program with the AfDB categorization, it's crucial to conduct a thorough assessment of each SAPZ project based on its specific characteristics.

Potential Alignment:

SAPZ Component	Potential AfDB Category	Rationale
Large-scale industrial parks	Category 1	Significant potential impacts on land use, water resources, air quality, and social aspects.
Infrastructure development (roads, utilities)	Category 2	Potential impacts on land use, biodiversity, and communities.
Small and medium-sized enterprises (SMEs)	Category 3	Generally lower environmental and social impacts.

Additional Considerations

- **FI Category:** If the SAPZ program involves financial intermediaries, the FI-A, FI-B, or FI-C categories may be applicable.
- **Hybrid Categories:** Some SAPZ components might exhibit characteristics of multiple categories, requiring a more nuanced approach.
- **Continuous Assessment:** The project categorization should be reviewed regularly as the project progresses to account for changes in circumstances.

Implementing the Categorization

1. **Develop clear criteria:** Define specific criteria for assigning projects to each category based on AfDB ISS guidelines and local context.
2. **Conduct assessments:** Evaluate each SAPZ component against the defined criteria.
3. **Document the process:** Clearly document the categorization process and rationale for each project.
4. **Apply appropriate safeguards:** Implement corresponding environmental and social safeguards based on the assigned category.

D. Summary of Project Screening and Categorization - IsDB's Project Evaluation Process

The Islamic Development Bank (IsDB) has a rigorous process in place to assess the potential environmental and social impacts of projects it finances. This process involves screening, categorizing, and monitoring projects to ensure they meet specific environmental and social standards.

Key steps:

1. **Project Screening and Categorization:**
    - Early identification of potential environmental and social risks and impacts.
    - Categorization into four levels (A, B, C, FI) based on the severity of potential impacts.
    - Category A projects require comprehensive environmental and social impact assessments (ESIAs).
    - Category B projects require less extensive assessments but still demand careful evaluation.
    - Category C projects have minimal or no adverse impacts and require a basic analysis.
    - Category FI involves financial intermediaries and requires them to screen and categorize sub-projects.

2. **Integration into Decision Making:**
    - The IsDB conducts its own environmental and social due diligence.
    - Requires clients to conduct assessments and prepare environmental and social documentation.
    - Reviews clients' assessments and documentation to ensure adequate measures are in place.
    - Allows for a phased approach in exceptional circumstances.

Integration of SAPZ program with AfDB Project Categories for Risk and IsDB's Project Evaluation Process

SAPZ Component	AfDB Category	Rationale	IsDB Category (Equivalent)
Large-scale industrial parks	Category 1	Significant potential impacts	Category A
Infrastructure development	Category 2	Potential impacts	Category B
Small and medium-sized enterprises (SMEs)	Category 3	Minimal or no significant impacts	Category C

SAPZ components:

- **Large-scale industrial parks:** Agro-processing plants, cold storage facilities, packaging units.
- **Infrastructure development:** Roads, railways, power supply, water supply, waste management.
- **Small and medium-sized enterprises:** Farm input suppliers, agricultural processing units, marketing cooperatives.

Appendix 5: E&S Screening Form

PART A: GENERAL INFORMATION

S/N	TITLE	DESCRIPTION
1	Name of Hub	
2	Site Location	
3	Date of establishment	
4	Geolocation	
5	Short description of the surrounding environment	
6	Site main focus	
7	Site components and main activities	
8	Date of Field Evaluation	

PART B: BRIEF DESCRIPTION OF THE SITE OPERATIONS AND AVAILABLE SPACE

ctivity (e.g., area, land required and approximate size of structures for the Site.

2. Where applicable, provide information on the construction activities, including support/ancillary structures and activities required to build them, e.g., need to quarry or excavate borrow materials, water source, access roads, etc.

3. Where applicable, describe how the construction/reconstruction activities were/will be carried out. Include a description of support/activities and resources required for the construction/rehabilitation.

4. Describe the surroundings of the Site using diagrams/maps (site drainage, waste areas, generator area, fuel storage, etc.)

5. Indicate if there are receptors that are sensitive to these activities/operations (watercourses, aquifers, access roads, local communities, etc)

PART C: E&S ELIGIBILITY CRITERIA

S/N	Criteria	Yes or no	Comments
1	Will the project alter the natural environment, displace people or impact their livelihoods?		
2	Will the project displace or involve relocating more than 50 homes or a population of 200 or more?		
3	Will the project encroach or be located inside a protected natural habitat?		
4	Will the project displace, modify, or render a Cultural Heritage site or structure inaccessible?		
5	Will the project cause air, land, and water pollution or generate hazardous waste materials?		

6	Will the project activities present risks to the health and safety of its workers or nearby communities?		
7	What are the contractual arrangements for workers' rights and bargaining?		
8	Will the project be located in the territory of any historically underserved traditional ethnic community or indigenous people (as defined by AfDB)?		

PART D: SCREENING FORM FOR IDENTIFICATION OF AFDB OSS TRIGGERED AND IDENTIFICATION OF APPROPRIATE SAFEGUARD INSTRUMENT

S/N	AfDB OS	Triggered		If YES (Reason/details)	Safeguard Instrument/Document Needed
		Yes	No		
1	OS1- Environmental Assessment and Management of ES Risks and Impacts				
2	OS2 – Labour and Working Conditions				
3	OS3 -Resource Efficiency and Pollution Prevention and Management				
4	OS4 – Community Health, Safety and Security				
5	OS5 – Land Acquisition, Restrictions on Access to Land and Land Use, and Involuntary Resettlement				
6	OS6 - Habitat and Biodiversity Conservation and Sustainable Management of Living Natural Resources				
7	OS7 - Vulnerable Groups				
8	OS8 - Cultural Heritage				
9	OS9 - Financial Intermediaries				
10	OS10 - Stakeholder Engagement and Information Disclosure				

Appendix 6: Environmental and Social Evaluation Form

An Environmental and Social Evaluation Form (ESEF) is a document used to assess the potential impacts of a project on the environment and society. It's a crucial tool for identifying, evaluating, and mitigating these impacts before a project starts.
This form is a general template and should be adapted based on the specific requirements of the SAPZ program, relevant national regulations, and the AfDB Integrated Safeguards System (ISS).

Project Information

- Project Name:
- Location:
- Proponent/Developer:
- Date of Evaluation:

Project Description

- Brief overview of the project, including objectives and scope.
- Alignment with national development plans and policies.
- Description of project components and activities.
- Estimated project timeline, budget, and financing sources.

Environmental Aspects

Air Quality

- Potential emissions (e.g., greenhouse gases, particulate matter, volatile organic compounds)
- Compliance with national air quality standards and AfDB ISS requirements
- Mitigation measures and air quality management plan

Water Resources

- Water consumption, discharge, and reuse
- Potential impacts on water bodies and dependent ecosystems
- Compliance with water quality standards and AfDB ISS requirements
- Water management and conservation plan

Land Use and Soil

- Land acquisition and use change
- Soil erosion and degradation
- Compliance with land use laws and regulations
- Soil conservation and rehabilitation measures

Biodiversity

- Impact on flora, fauna, and ecosystems
- Identification of threatened or endangered species
- Compliance with biodiversity conservation laws and AfDB ISS requirements
- Biodiversity conservation and management plan

Waste Management

- Waste generation, management, and disposal
- Compliance with waste management regulations
- Waste minimization and recycling initiatives
- Hazardous waste management

Social Aspects

Community Engagement

- Stakeholder identification and consultation

- Grievance redress mechanism
- Resettlement action plan (if applicable)
- Compliance with AfDB ISS requirements on involuntary resettlement

Labour and Working Conditions

- Employment opportunities and labour standards
- Occupational health and safety
- Compliance with national labour laws and AfDB ISS requirements
- Labor management plan

Cultural Heritage

- Identification and assessment of cultural heritage sites
- Compliance with cultural heritage laws and regulations
- Heritage conservation and management plan

Indigenous Peoples

- Identification and consultation with Indigenous peoples (if applicable)
- Respect for Indigenous peoples' rights and cultural practices
- Compliance with AfDB ISS requirements on Indigenous peoples

Gender Equality

- Assessment of gender impacts
- Gender-inclusive project design and implementation
- Compliance with AfDB ISS requirements on gender equality

Evaluation and Rating

- Assess the project's potential environmental and social impacts against national regulations and AfDB ISS standards.
- Rate the potential impacts using a standardized rating scale (e.g., low, medium, high).
- Identify mitigation measures and develop an environmental and social management plan (ESMP).

Recommendations

- Based on the evaluation, provide recommendations for environmental and social management.
- Identify areas requiring further assessment or detailed studies.
- Outline monitoring and evaluation plans.

Appendix 7: Environmental and Social Procedures

The procedures for addressing Environmental and Social (E&S) and Sustainability issues in the AfDB-Supported SAPZ Program shall be guided by the following instruments.

1. Environmental and Social Impact Assessment
- Conduct E&S impact assessments for all new projects and programs.
- Identify potential E&S risks and opportunities.
- Develop mitigation measures and monitoring plans.

2. Environmental Management
- Implement environmental management systems.
- Monitor and report on environmental performance.
- Ensure compliance with environmental regulations.

3. Social Impact Management
- Conduct social impact assessments.
- Develop and implement social management plans.
- Engage with affected communities.

4. Labor and Working Conditions
- Ensure fair labor practices.
- Promote safe working conditions.
- Comply with labour laws and regulations.

5. Community Engagement and Participation
- Engage with local communities.
- Foster participatory decision-making processes.
- Support community development initiatives.

6. Grievance Mechanism
- Establish a grievance mechanism.
- Address E&S concerns and complaints.
- Provide feedback and resolution.

7. Sustainability and Climate Change
- Integrate sustainability and climate change considerations.
- Promote green technologies and practices.
- Support climate resilience and adaptation.

8. Monitoring and Reporting
- Monitor E&S performance.
- Report on E&S and sustainability issues.
- Conduct regular audits and reviews.

9. Capacity Building and Training
- Provide E&S training for staff and stakeholders.
- Build capacity for E&S management.
- Support continuous learning and improvement.

10. Compliance and Accountability
- Ensure compliance with AfDB E&S policies.
- Hold staff and contractors accountable.
- Enforce consequences for non-compliance.

Appendix 8: Key Components of the E&S Procedures

Project Identification and Screening

1. Screening criteria development: Define clear and operationalized criteria for categorizing projects based on potential E&S impacts.
2. Screening process: Establish a standardized method for screening projects to determine the required level of E&S assessment.
3. Risk identification: Identify potential E&S risks associated with each project category.

Environmental and Social Assessment (ESA)

1. ESA requirements: Define the scope and depth of ESA based on project category and identified risks.
2. Baseline data collection: Specify data requirements for conducting baseline assessments.
3. Impact assessment: Outline methodologies for assessing potential E&S impacts.
4. Mitigation planning: Develop guidelines for identifying and implementing mitigation measures.
5. Stakeholder engagement: Define procedures for consulting with affected communities and other stakeholders.

Safeguard Management

1. Safeguard policies: Clearly outline the applicable AfDB safeguard policies and standards.
2. Safeguard triggers: Identify specific circumstances that trigger the application of safeguard policies.
3. Safeguard action plans: Develop detailed action plans for addressing identified safeguard issues.
4. Monitoring and reporting: Establish procedures for tracking and reporting on safeguard implementation.

Environmental and Social Management Plan (ESMP)

1. ESMP development: Specify the content and format of ESMPs.
2. ESMP approval: Outline the approval process for ESMPs.
3. ESMP implementation: Define responsibilities for implementing ESMP actions.
4. ESMP monitoring and review: Establish procedures for tracking ESMP performance and adjusting.

Monitoring, Evaluation, and Reporting

1. Performance indicators: Develop key performance indicators (KPIs) to measure E&S performance.
2. Monitoring frequency: Determine the frequency of monitoring activities.
3. Data collection and analysis: Specify methods for collecting and analyzing monitoring data.
4. Reporting requirements: Define reporting formats and timelines.
5. Corrective action: Outline procedures for addressing non-compliance issues.

Grievance Redress Mechanism (GRM)

1. Complaint handling procedures: Establish clear guidelines for receiving and addressing complaints.
2. Investigation process: Define procedures for investigating complaints.
3. Remediation actions: Outline steps for resolving complaints and providing redress.
4. Monitoring and evaluation of GRM: Track the performance of the GRM.

Capacity Building

1. Training needs assessment: Identify capacity-building needs for project staff and stakeholders.
2. Training programs: Develop training modules on E&S topics.
3. Training delivery: Implement training programs and evaluate their effectiveness.
4. Knowledge management: Share knowledge and best practices among project stakeholders.

Specific Procedures for Natural Resource Use Restrictions

1. Identification of protected areas: Map and identify protected areas within the SAPZ project area.
2. Assessment of impacts: Evaluate the project's potential impacts on protected areas.
3. Mitigation measures: Develop strategies to minimize impacts on protected areas and biodiversity.
4. Collaboration with protected area management: Establish partnerships with relevant authorities.
5. Monitoring and enforcement: Implement measures to monitor compliance with environmental regulations.

Law Enforcement and Due Diligence

1. Risk assessment: Identify potential risks related to law enforcement and illegal activities.
2. Due diligence procedures: Establish procedures for conducting due diligence on project partners and suppliers.
3. Collaboration with law enforcement: Develop partnerships with law enforcement agencies to prevent illegal activities.
4. Monitoring and reporting: Track incidents of illegal activities and report to relevant authorities.

Appendix 9: **Environmental and Social Management Framework (ESMF)**

An Environmental and Social Management Framework (ESMF) is a comprehensive document that outlines the procedures and standards for managing environmental and social risks associated with a project. It ensures that the project is implemented in a sustainable manner, considering its potential impacts on people and the environment.

The **ESMF** for the SAPZ program is a comprehensive approach to address environmental and social safeguard issues. The SAPZ initiative aims to establish agro-industrial processing zones across the country, concentrating agro-processing activities in areas with high agricultural potential. The SAPZ program comprises three main components: (a) developing climate-resilient infrastructure, (b) enhancing climate-smart agricultural production, and © supporting institutional capacity and agribusiness management.

The ESMF ensures that development and infrastructure components within the various zones adhere to environmental and social standards, when the exact locations or magnitude of impacts are not known. It provides guidelines from project preparation to implementation, promoting sustainable practices and responsible development.

Steps for Developing an ESMF for the Nigeria SAPZ Project

Based on the provided information, here are the key steps involved in developing an ESMF for the Nigeria SAPZ project:

1. Project Scoping and Identification of Potential Impacts:

- Clearly define the project's scope, objectives, and geographical area.

- Conduct a preliminary assessment to identify potential environmental and social impacts.
- Consult with relevant stakeholders, including local communities, government agencies, and experts.

2. Development of the ESMF:

- **Establish a framework:** Define the overall structure and content of the ESMF.
- **Conduct Environmental and Social Risk Assessments (ESCRA):** Assess potential environmental and social risks at the Economic Pole level.
- **Develop Screening Criteria:** Define criteria for screening infrastructure sub-projects based on potential impacts.
- **Establish Environmental and Social Safeguards (ESS):** Outline specific measures to mitigate identified risks.
- **Create a Resettlement Policy Framework (RPF):** Develop procedures for land acquisition, compensation, and resettlement.
- **Define Monitoring and Evaluation Procedures:** Establish a system for tracking the project's environmental and social performance.

3. Sub-Project Level Assessments:

- Conduct ESS screenings for each sub-project based on ESCRA findings.
- Prepare Environmental Management Plans (EMPs) for sub-projects with significant impacts.
- Ensure compliance with the ESMF's requirements for environmental and social documentation.

4. Stakeholder Engagement:

- Maintain ongoing communication and consultation with affected communities and other stakeholders.
- Address concerns and feedback in a timely manner.

5. Implementation and Monitoring:

- Integrate ESMF requirements into project planning, design, and implementation.
- Monitor environmental and social performance throughout the project lifecycle.
- Conduct regular audits and evaluations to assess compliance and identify areas for improvement.

6. Disclosure and Transparency:

- Make the ESMF and its associated documents publicly available.
- Provide opportunities for public feedback and input.

Key Considerations for the Nigeria SAPZ ESMF

- **Voluntary Land Contribution:** Develop clear guidelines for the implementation of voluntary land contribution, ensuring fair treatment of affected persons.
- **Civil Works Commencement:** Ensure that civil works for each sub-project only commence after compliance with the RPF and the rights of affected persons are secured.
- **Alignment with National and International Standards:** Ensure that the ESMF is aligned with relevant Nigerian laws and regulations, as well as international best practices.

Appendix 10: **Environmental and Social Audit (ESA)**

The ESA is a crucial tool to assess the environmental and social performance of a project. It helps identify compliance or non-compliance with regulations, assesses risks, and proposes corrective actions.
By following these steps and incorporating the guidance from the AfDB ISS, SAPZ can effectively conduct environmental and social audits to improve its performance and mitigate potential risks.

Steps for SAPZ to Conduct an ESA

1. **Define the Scope of the Audit:**
    - Clearly outline the boundaries of the SAPZ project to be audited.
    - Identify the specific environmental and social aspects to be assessed.
    - Determine the audit timeline and resources required.
2. **Develop the Audit Team:**
    - Assemble a multidisciplinary team with expertise in environmental, social, and technical areas.
    - Ensure the team has a clear understanding of the AfDB ISS and other relevant standards.
3. **Review Existing Documentation:**
    - Collect and review all relevant project documents, including environmental and social impact assessments, management plans, permits, and monitoring reports.
    - Analyze the project's compliance with applicable laws, regulations, and AfDB standards.
4. **Conduct Site Visits and Interviews:**
    - Conduct on-site inspections of the SAPZ to assess environmental and social conditions.
    - Interview project stakeholders, including staff, contractors, and affected communities.
    - Collect data on environmental and social impacts, including air and water quality, waste management, land use, biodiversity, and social indicators.
5. **Identify and Assess Environmental and Social Risks:**
    - Analyze the identified environmental and social impacts to determine their significance and potential risks.
    - Prioritize risks based on their severity and likelihood of occurrence.
6. **Evaluate Compliance with Standards:**
    - Assess the project's compliance with the AfDB ISS, national regulations, and other applicable standards.
    - Identify areas of compliance and non-compliance.
7. **Develop Corrective Action Plan:**
    - Based on the audit findings, develop a detailed plan to address identified environmental and social issues.
    - Prioritize corrective actions based on the severity of the issues and available resources.
    - Estimate the costs and timelines for implementing corrective measures.
8. **Prepare the Audit Report:**
    - Document the audit findings, including evidence and data supporting conclusions.
    - Clearly communicate the audit's objectives, scope, and methodology.
    - Present the audit results in a clear and concise manner, using visuals as needed.
    - Provide recommendations for corrective actions and improvement.
9. **Disseminate and Implement Recommendations:**
    - Share the audit report with relevant stakeholders, including project management, government agencies, and affected communities.
    - Develop a plan for implementing the recommended corrective actions.
    - Monitor the implementation of corrective actions and measure their effectiveness.

Appendix 11: Mitigation Measures of Potential Impacts- Examples

Mitigation Measures of Potential Impacts- Examples

To address potential impacts, the SAPZ program the following mitigation measures provide some indication of what to do:

1. **Environmental and Social Impact Assessment (ESIA):** Conduct thorough EIAs to identify potential impacts and develop mitigation plans.
2. **Sustainable land use planning:** Promote sustainable land use practices, including agroforestry and conservation agriculture.
3. **Water management:** Implement efficient water use practices, such as drip irrigation, and invest in wastewater treatment facilities.
4. **Biodiversity conservation:** Establish protected areas and implement biodiversity conservation measures.
5. **Climate change mitigation:** Promote climate-smart agriculture and invest in renewable energy sources.
6. **Resettlement action plans:** Develop comprehensive resettlement action plans to support displaced communities.
7. **Livelihood restoration plans:** Provide alternative livelihood opportunities for affected communities.
8. **Social impact assessment:** Conduct assessments to identify potential social impacts and develop mitigation measures.

Potential E&S Impacts

A comprehensive list of potential E&S impacts will serve as a foundation for identifying relevant screening criteria. Below is a categorized list of the potential effects:

Environmental Impacts

1. **Air quality:** Emissions, air pollution
2. **Water quality:** Pollution, contamination, water scarcity
3. **Land use:** Deforestation, soil erosion, land degradation
4. **Biodiversity:** Loss of habitat, species extinction, ecosystem disruption
5. **Climate change:** Greenhouse gas emissions, climate vulnerability
6. **Waste management:** Solid waste, hazardous waste, waste disposal
7. **Natural resources:** Overexploitation of resources, depletion

Social Impacts

1. **Community health and safety:** Occupational health, public health, accidents
2. **Land acquisition and resettlement:** Displacement, compensation, livelihood impacts
3. **Labour rights:** Working conditions, wages, child labour, forced labour
4. **Indigenous peoples:** Cultural heritage, land rights, consultation
5. **Social inclusion:** Gender equality, disability inclusion, marginalized groups
6. **Livelihoods:** Impact on local economies, job creation, income generation

Appendix 12: Indicators to Monitor

Environment

1. Environmental laws and regulations
2. Resource utilization efficiency (energy, water, important input materials, etc.)
3. Greenhouse gas (GHG) emissions
4. Release of pollutants into air, water, and land
5. Handling, storage, and disposal of hazardous chemicals
6. Hazardous and non-hazardous wastes
7. Recover, reuse, treatment, and proper disposal of waste
8. Consideration of non-chemical means to control economically significant pests and vectors
9. Conversion of forest lands or wetlands

Labour and Working Conditions

1. Human resources policies and procedures
    1. Documented labour policies and procedures
    2. Clear communications throughout the company
2. Working conditions and terms of employment
    1. Respect of collective bargaining agreement, if applicable
    2. Reasonable working conditions and terms of employment (e.g. compensation, benefits)
    3. Protection for migrant, contract or temporary workers
    4. Clean and appropriate accommodations, if applicable
3. Workers' organizations
    1. Workers' rights to form and to join workers' organizations
    2. There is no discrimination against those who organize
4. Non-discrimination and equal opportunity
    1. Non-discrimination in hiring, promotion and compensation practices
    2. Training, tools and opportunities for advancement
    3. Freedom from harassment by management or other workers
    4. Remedy for past discrimination
5. Retrenchment
    1. Consideration of alternatives and mitigation in case of retrenchment
    2. Payments and benefits in compliance with national law
6. Grievance mechanism
    1. Transparent process for receiving and resolving worker complaints
    2. No retaliation or discrimination
7. Child labor
    1. Minimum age for employment
    2. Conditions for engagement of young workers
8. Forced labor
    1. Freedom of movement, freedom to resign
    2. No retention of identification papers or money to detain workers
9. Occupational health and safety
    1. Safe work environment and dormitories, if applicable
    2. Emergency prevention and response system
    3. Personal protective equipment and appropriate training
    4. Documentation and reporting of accidents, near misses, and illnesses
    5. Appropriate use of potentially hazardous chemicals by Material Safety Data Sheets (MSDS) and International Chemical Safety Cards (ICSC).
10. Workers engaged by third parties

1. Extension of labour policies to labour contractors, recruiting agencies and other third parties
2. Grievance mechanism for contracted workers

11. Supply chain
    1. Extension of policies and monitoring of the supply chain concerning child labour, forced labour and worker safety in the supply chain

Community Health, Safety and Security

12. Community Health and Safety
    1. Consumer product safety
    2. Health and safety of the public related to company activities
    3. Health and safety of the public related to the construction, operation, and decommissioning of equipment and infrastructure
    4. Downstream impacts related to wastewater disposal
    5. Potential community exposure to hazardous materials and substances
    6. Transportation and disposal of hazardous wastes
    7. Implications for ecosystem services on which communities rely
    8. Effect on land ownership through acquisition and resettlement
    9. Community exposure to water-borne, vector-borne and communicable diseases associated with company activities
    10. Communicable diseases related to the influx of temporary or permanent project labour
    11. Emergencies caused by company activities, equipment and infrastructure
    12. Excessive or unregulated vehicle traffic near the facility and through communities

13. Security personnel
    1. Appropriate screening, training, equipping and monitoring of direct or contracted workers providing security services
    2. Grievance mechanism for workers and the community to express concerns about the security system and personnel
    3. Investigation of allegations of past abuse

Appendix 13: Grievance Monitoring and Tracking Log Complaints

Case no. and Date Claim Received	Name of Person Receiving Complaint	Where/how the complaint was received	Claim Type and content (include all grievances, suggestions, and inquiries)	Acknowledgement of the Complainant? (Y/N – if yes, include date, method of communication & by whom)	Expected Decision Date	Decision Outcome (Include names of participants and date of Decision)	Was the Decision communicated to the complainant? Y/N. If yes, state when, by whom and via what method of communication	Was the complainant satisfied with the Decision? Y/N	State the Decision. If no, explain why and if known, will pursue an appeals procedure	Any follow-up action (and by whom, by what date)?

Appendix 14: Major Incident Reporting Template

Reported by: …… Date of Report: …….

Title/Role: ……. Incident no: …….

INCIDENT INFORMATION

Date of Incident:____

Time of Incident: ___

Name of the person involved in the incident: …….

Name of Victim: _____ Location:_____

Specific area of Location: _____ Additional Person(s) Involved: _____

Witnesses:___

Incident description, including any events lending to or immediately following the incident

Names of Supervisory staff involved, along with their response to the incident

Was a police report filed?_____

Reporting Officer:___

Phone:_____

Police action taken:_____

Reporting Staff name: Reporting Staff Signature: Date:

Supervisor name: Supervisor Signature: Date:

Appendix 15: FIRE RESPONSE PROCEDURE

1.0 **Purpose and Scope:**

1.1. **Purpose**: Set out responsibilities and activities to respond to emergencies resulting from fire. Identify the roles, responsibilities, and authorities needed to facilitate the site's emergency preparedness and response effectively.

1.2. **Scope**: This procedure applies to all activities and processes at **[Name of Site]**.

2.0 **Definitions:**

1. **EMERGENCY:** Situation that poses an immediate threat of:

1. Injuries and damage to health
2. Fatalities (death)
3. Damage to property
4. Damage to environment

1. **FIRE EMERGENCY:** Situation that poses or signals immediate threat in the form of:

1. Uncontrolled fire or imminent threat of uncontrolled fire
2. Smoke or burning
3. Uncontrolled release or spillage of flammable or combustible substance
4. Sounding of the fire alarm

3.0 **Responsibility and Authority:** This procedure is the Site facility manager's or designates responsibility. The Site facility manager shall report to the Site manager on emergency preparedness matters and have total authority during emergencies. The Site facility manager shall have the authority to declare an emergency. Without the facility manager, these authorities shall revert to the Site manager.

1. The facility manager shall:

1. Review and revise this procedure at least once a year.
2. Ensure that everyone is aware of their responsibilities as defined in this procedure.
3. Ensure that the required fire detection, alarm and response equipment is present in all designated areas.
4. Assemble fire brigades in each work area by the work area supervisors.
5. Regularly schedule and deliver training to fire brigades.
6. Periodically schedule and organize evacuation drills in all work areas.
7. Analyze the results of drills (e.g., evacuation time) and take appropriate action.

1. The Site manager shall:

1. Ensure that responsibilities as defined in this procedure are included in job descriptions.
2. Regularly test all emergency equipment to ensure it is in working condition.
3. Schedule maintenance of emergency equipment by an approved contractor.
4. Take immediate action when equipment needs to be repaired or replaced.

1. All workers shall:

1. Participate in evacuation drills.
2. Immediately inform a member of the fire brigade or work area supervisor in the event of a fire.
3. Evacuate the building through the nearest exit when the fire alarm sounds.
4. Gather at the designated muster points.

1. Other responsibilities are defined in the work instructions.

4.0 Work Instructions:

1. FIREFIGHTING INSTRUCTIONS

1. The cardinal rule in firefighting is to preserve life and then property.
2. The **person who discovers the fire** shall call for in-house assistance immediately after discovering the fire. Do not enter a burning room or building without another qualified person to assist. Alert other employees immediately.
3. Determine if the fire can be extinguished within an appropriate time limit with the portable equipment in the building. If the equipment is sufficient, use it to extinguish the fire. If not, call the fire department, activate an alarm and evacuate the building.
4. The **person who discovers the fire** should notify the telephone operator and provide the exact location and nature of the fire.
5. The **telephone operator** will notify the following individuals in turn:

1. Engineering control room.
2. Time office.
3. Operations manager.
4. Maintenance department.
5. Facility manager.
6. All other heads of departments.

7. Unless instructions or conditions dictate otherwise, the **telephone operator** will remain on duty and serve as the information and control centre.
8. As soon as the **maintenance unit** is notified, the electrician shall cut off the power supply of the affected area, bring the elevators (if available) down to the ground level and provide an adequate lighting arrangement (with emergency lighting if extra light is required) for firefighting or evacuation.
9. The **maintenance unit** shall reach the fire hydrant pump room (if safe) for smooth pump operation.
10. The **work area supervisor** (or the shift in charge) will make appropriate decisions regarding building evacuation and firefighting with the help of an internally trained team and notify the city's fire department.

BUILDING EVACUATION:

It is essential to make decisions quickly and evacuate the premises to prevent the loss of lives. The evacuation procedure shall be handled with expertise and without delay. When evacuation from the building is necessary, everyone must leave through the nearest exit or as advised. In labor-intensive industries, many people will have to be evacuated in a very short time. In the past, many workers in the textile industry, for example, have lost their lives due to blocked or locked exists or an insufficient number of exits. Make sure exit routes can be used in case of an emergency.

- Close, but do not lock doors behind you as you leave the building.
- Employees and visitors should gather near the designated muster point in a safe area upwind from smoke or toxic gases that will not hamper emergency vehicles or services when they arrive.
- Conduct a head count of all employees and visitors to ensure that everyone is accounted for.
- Employees are not to re-enter the evacuated building until they are advised by the designated officer (operations manager or safety manager).
- Only trained and competent personnel with suitable PPEs can perform rescue operations (for a trapped employee/visitor, for example).

MEDICAL AID: Treat all minor injuries with first aid but remember that first aid is only temporary. First aid provides the immediate treatment needed before a doctor can reach the victim onsite or before the victim can be transported to a doctor. When someone is injured, the most important thing to do is to survey the scene to determine if the situation is safe or if the victim must be moved from a dangerous location to a safe place. Call for emergency medical help immediately for all life-threatening situations and send people to guide the emergency team to the victim.

FIRST AID FOR FIRE INJURIES AND BURNS

1. Move the patient to fresh air.
2. Move the patient from the heat of the fire.
3. Do not allow crowding around the patient.
4. Remove or cut away clothes from affected parts of the body.
5. Open buttons and loosen clothing.
6. Pour chilled water on the affected parts.
7. Apply any antiseptic cream.
8. Get a doctor.

ASPHYXIA:

If the patient has difficulty breathing or there are symptoms of collapse:

1. Give artificial respiration with a respirator or mouth-to-mouth respiration.
2. Supply oxygen.
3. Take the patient to the hospital or to receive medical help.

SHOCK: If the patient perspires, has a low pulse, and the body is cold:

1. Cover the victim with a blanket. (Do not touch burned parts.)
2. Make sure the victim remains lying down.
3. Elevate feet if you do not suspect head or neck injury or leg fracture.
4. Get medical help.
5. Monitor vital signs.
6. Prevent the loss of body temperature.
7. Take the patient to a hospital immediately.

5.0 **Emergency Response Team:** The purpose of the Emergency Response Team is to deal with catastrophic accidents within the company. The team's responsibilities are to meet immediately when an emergency is reported and determine the course of action.

NAME	TITLE	HOME PHONE	CELL PHONE
	Site Manager		
	Facility Manager		
	Shift-in-charge		

Emergency Response Team members may be called upon on short notice.

6.0 **Reference Documents:** Evacuation plan, plant map with locations of emergency exits, firefighting equipment and first aid stations.

7.0 **Records:** Training logs, drill logs, firefighting and medical equipment maintenance and inspection logs; water gauge and pressure inspection logs

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)
FOR THE NIGERIA SPECIAL
AGRO-INDUSTRIAL PROCESSING ZONES
(SAPZ) PROGRAM

SAPZ
SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES

National Project Coordinating Office (NCO)
Special Agro-Industry Processing Zones Program