



ADAPTATION FUND

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Adaptation Fund Board
Project and Programme Review Committee
Thirty-eighth Meeting
Bonn, Germany, 19-23 October 2026

PROPOSAL FOR NIGERIA



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT
TECHNICAL REVIEW OF PROJECT PROPOSAL FOR
"CATALYTIC CLIMATE ADAPTATION FINANCE FOR NIGERIAN ENTERPRISES (C-CAFÉ)"

Project Title	Catalytic Climate Adaptation Finance for Nigerian Enterprises (C-CAFÉ)
Project ID	AF00000572
Category	Regular size project (over \$1 million)
Type	Single country project
Stage	Fully-developed project
Country	Nigeria
Implementing Entity	BOI
Financing Requested	USD 24,950,275.00
Reviewer	Ahmad Ghosn
Co-reviewer(s)	Naoki Uozawa
IE Contact Person	Eniola Akinsete, Jennifer Ayeni, Olawunmi Ajayi

Secretariat's Overall Comment

The project “Catalytic Climate Adaptation Finance for Nigerian Enterprises (C-CAFÉ)” aims to catalyze investments of enterprises across Nigeria's climate-sensitive sectors in support of associated communities adaptation to climate change impacts. The first technical review raises several issues, such as revising the objective, outputs, and outcome statements; revising the components financing table to include allocated amounts at output level; adding more details on the components activities; providing clarification on the measures to manage the USPs; providing more details and clarifications on several BOI financing/ lending aspects; inclusion of summary tables for the relevant national plans/ strategies and applicable national standards; providing a summary table for the consultations; revising AF E&S

checklist; adding implementation organizational chart; providing M&E budgeted plan; revising the result framework and AF RF alignment tables as per the AF guidance of July 2026; providing AF core impact indicators tables; revising budget for more clarity and inclusion of breakdowns for IE fee and execution costs; revising the IE execution costs and the disbursement schedule as per AF requirements; among Clarification Requests (CRs), Corrective Action Requests (CARs) and notes raised in the review.

Country Eligibility

Is the country party to the Kyoto Protocol or the Paris Agreement?

Response: Yes

Secretariat: Yes. Nigeria is a party to both the Kyoto Protocol and the Paris Agreement.

Is the country a developing country particularly vulnerable to the adverse effects of climate change?

Response: Yes

Secretariat: Yes. Nigeria's key climate change vulnerabilities include severe droughts and desertification in the north, widespread coastal erosion and flooding in the south, among others.

Project Eligibility

Has the designated government authority for the Adaptation Fund endorsed the project/programme?

Response: Yes

Secretariat: Yes. As per the Endorsement letter dated 13 July 2026.

Does the length of the proposal amount to no more than One hundred (100) pages for the fully-developed project document, and one hundred (100) pages for its annexes?

Response: Not Cleared

Secretariat: Yes. However, Please address some comments related to Part I, among others noted below. CAR1: On page 1, please address the following: 1. Revise EEs list to only include BOI. Part IIIA indicates that BOI is the lead EE. 2. Revise the selected Thematic Focal Area to be consistent with AF list of thematic areas (e.g.: Multisector; Innovation in Adaptation Finance, etc.). CR1: Consider revising the objective statement for brevity and focus. A suggested objective statement is: "The objective of the C-CAFÉ is to catalyze investments of enterprises across Nigeria's climate-sensitive sectors in support of associated communities resilience and adaptation to climate change impacts". The additional text can be added in the statements that follow. CAR2: In the Components and Financing table, please address the following: 1. Revise Table number to be 1 instead of 1.1. 2. In addition to component level, please provide allocated amounts at output level. 3. Revise listed output

statement to include only the first statement (e.g.: C1.1: Interest differential reserve mechanism designed, approved and operational, establishing BOI's enhanced direct-access capacity to programme adaptation finance at scale). Additional text should be deleted and utilized if/ as needed in other sections of the proposal. 4. Revise components outcomes for more brevity and focus. For example, component 1 outcome can be rephrased as "BOI fixed-rate interest differential reserve mechanism developed and operationalized nationwide" (revise other outcomes in a similar manner) Other text can be used if/ as needed in pertinent sections. As for the alignment with AF Outcomes, please remove related text from the table and present in a dedicated paragraph under the table. 5. Remove the total components cost. Only include Executing costs, total project/ programme cost, Implementation fee, and requested funding. Delete other texts. Only include amounts allocated. Ensure compliance with AF proposal format for these entries. CR2: The last sentence under "Note on co-financing and leverage", p. 13, states "This produces a leverage ratio of 2.90 times, with \$20,323,917 in AF grant resources unlocking \$58,939,359 in total adaptation investment across Nigeria's climate-sensitive sectors". Please clarify further. The loans provided total \$38,615,442 not \$58,939,359. Reflect the clarification as/ if needed in other sections. CR3: In table 2 "Projected Calendar" specify the month of the year of the expected date (last column). CR4: Delete the "Notes on the project Calendar" under Table 2, pp. 14-15. Utilize these notes at other sections is/ as needed (e.g.: Part IIID, Part IIB, etc.). For example: Midterm review, Programme completion, and terminal evaluation should be part of Part IIID; Table 3, could be utilized in Part IIB, etc. Editorial notes: To improve the quality and navigation through the document, please address the following: 1. Add table of contents, lists of abbreviations, tables & figures (will not count towards proposal length). 2. Spell out abbreviations when first used and refer to figures, tables, annexes at related discussions. 3. Add tables and figure numbers and headings for all tables and figure across the document. 4. It has been noted that the document includes repetitive texts across the sections. Please, ensure that repetitiveness is avoided and related information is only reflected, as appropriate, at relevant sections. This is necessary for the clarity of the document and for ensuring the AF document length limits when addressing the review comments. 5. Conduct a round of editing/ proofreading for the document after addressing the review comments.

Response: Not Cleared

Secretariat: CAR1.1: The Project proposal should be signed in the Implementing Entity certification section by the IE coordinator in our records: <https://www.adaptation-fund.org/apply-funding/implementing-entities/>

Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?

Response: Not Cleared

Secretariat: CAR3: In Part IIA, please address the following: 1. In the components description please include the outcome of each component followed by outputs and activities under each output. 2. Provide more details on the activities supported by related quantification and targets, particularly component 2, to demonstrate the size of work and substantiate allocated budgets/ loans. 3. In component 2 discussions, please provide more details on the UPSs CC related technical aspects, supported by related targets/ quantification (e.g.: examples of eligible enterprises in each sector, CC priority interventions and estimated number of loans for each in the selected regions and for cross-cutting issues, direct and indirect beneficiaries, etc. Some of the above information can be extracted from Annex 1. 4. Provide the selection criteria for the priority interventions and involved enterprises. 5. Clarify the measures to be taken to ensure compliance with AF requirements on USPs. Guidance on AF USPs requirements can be found at: <https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/>

Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Not Cleared

Secretariat: Yes. See Part IIB, pp, 25-30. However, few issues indicated below need to be addressed. CR6: Ensure the consistency of the numbers/ targets with the project RF, project budget and AF core impact indicators. CR7: Remove the information under item 8, pp 29-30, and utilize if/ as needed in Part IIA, Part IIK, Part IIIC, etc.).

Is the project / programme cost effective?

Response: Not Cleared

Secretariat: To a large extent. See Part IIC, pp. 30-35. However, some clarifications on the financing/ lending aspects are needed as indicated below. CR8: The reserve is based on a 10-percentage-point shortfall, although BOI's domestic funding cost is described as "up to 20%" (p. 16, and others). The core drawdown formula fixed interest differential formula, caps, governance, verification and anti-fraud protocols - will be finalized in the Programme Operations Manual (p.20), but the maturity and repricing terms of the underlying funding are not specified. BOI's actual funding cost may differ from the assumed rate or change through refinancing. Without a defined methodology, reserve payments could overcompensate BOI or cover funding costs not attributable to the C-CAFÉ portfolio. Please include the core drawdown formula and applicable cap in the proposal. Payments should be based on the verified actual cost of funds attributable to the C-CAFÉ portfolio, using a clearly defined weighted-average methodology and periodic reconciliation. Please address the above and reflect as appropriate in Part IIC.

Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?

Response: Not Cleared

Secretariat: Yes. See Part IID, pp. 35-37 and Annex 4, pp. 109-113. However, for more clarity and focus, a summary table would be needed in Part IID. CR9: For clarity, please revise the discussion in Part IID to include a summary table of the relevant national/ subnational strategies/ plans/ etc. and refer to Annex 4 for details, if any. The Table should include the National/ subnational strategies/ plans/ etc. along with date/s, and a brief of its relevance to/ consistency with the project interventions/ outcomes.

Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?

Response: Not Cleared

Secretariat: Not clearly presented. See Part IIE, pp. 37-40. CAR4: please revise the discussion in Part IIE to include a summary table of applicable national standards and refer to Annex 5 if further details are needed. The table should include the standard/ regulation along with date, related project outputs/ activities it applies to, and arrangements to ensure compliance. Technical standards may include building codes, water quality

regulations, environmental regulations, any related sector-specific regulations, etc. Also, clarify, if further related standards for the USPs would be identified depending on selected intervention/ project type or focus. CR10: Move the discussion under item 4, pp. 39-40 "C-CAFE Nigeria will support local actors and build their capacities to comply with relevant standards through four mechanisms embedded in Component 3 and the This ensures that BOI's loan officers have the technical knowledge to assess whether enterprise investment proposals meet applicable standards as part of the adaptation additionality and appraisal process, rather than treating standards compliance as a purely administrative requirement separate from adaptation quality assessment" to Component 3 discussions.

Is there duplication of project / programme with other funding sources?

Response: Not Cleared

Secretariat: No. See Part IIF, pp. 40-45. However, for more clarity it is recommended to present the discussion in Part IIF in a tabulated form and ensure that all the related projects start and end dates are included. CAR5: Please revise Part IIF discussions/ information to reflect related projects in a summary table. The table should include project title and funding source, date (start and end dates) and status (ongoing, completed, etc.); project interventions objectives focus and location; and synergy/ lessons learned/ complementarities with the proposed project. Also ensure that the missing start and end dates of some project are indicated (e.g.: Green Climate Fund Readiness Support - Development Bank of Nigeria; IFAD Agricultural Value Chain Development Programme (AVCDP); NASPA-CCN and NAP Process (GCF and UNEP supported), etc.).

Does the project / programme have a learning and knowledge management component to capture and feedback lessons?

Response: Cleared

Secretariat: Yes. See Part IIG, pp. 45-50.

Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Not Cleared

Secretariat: Yes. See Part IIH, pp. 50-54. However, the presented information needs to be revised for more clarity and additional information. CAR6: Please revise Part IIH, to include/ reflect a summary table of the consultation. The table should include the date of consultations, consulted groups/local communities, number of participants disaggregated by gender consideration, topics discussed, outcomes and how they were reflected in project design. Other aspects as deemed relevant/ appropriate e.g.: introduction to the consultation table, means/ methods of consultations, further consultations during implementation including consultations related to the USPs investments, etc. could also discussed as appropriate in separate paragraphs in Part IIH.

Is the requested financing justified on the basis of full cost of adaptation reasoning?

Response: Cleared

Secretariat: Yes. See Part II"l", pp. 55-60.

Is the project / program aligned with AF's results framework?

Response: Not Cleared

Secretariat: Not fully. See Part III F, pp. 84-86. CAR7: Please revise the AF RF alignment table to address the following: 1. Revise table number after adding table numbers to other tables in the document, to align with the table numbering sequence 2. Consolidate Tables 1 and 2 in one table as per the AF guidance. 3. In the upper part of the table (AF outcome level) the first column title "Project Objectives" should be "Project Outcomes" as per the updated guidance of July 2026. Also, in the lower part of the table (AF output level) the title of the first column "Project Outcomes" should be "Project Outputs". 4. Outcome 4 should be included in the upper part of the table (AF outcome level) to ensure alignment/ consistency with AF output 4 mentioned in lower part of the table (AF output level). 5. distribute allocated amounts at AF outcome and output level indicators. 6. Rephrase the statement "Total objective-level grant amount (excluding IE management fee and execution costs" to "Total outcome-level grant amount" as per AF July 2026 latest guidance. 7. Revise the statement "Total outcome-level grant amount (excluding IE management fee and execution costs" to "Total output-level grant amount " as per AF July 2026 latest guidance. 8. Please ensure that the alignment table is in compliance with the AF related guidance of July 2026 found at: <https://www.adaptation-fund.org/document/alignment-with-adaptation-fund-results-framework-template-and-guidance-dec-2025/>

Has the sustainability of the project/programme outcomes been taken into account when designing the project?

Response: Not Cleared

Secretariat: Not fully. See Part III J, pp. 60-61. Some clarifications on the lending aspects are needed as indicated below. CR11: The proposal applies a 15% lending rate to eligible enterprises and compares it with general commercial lending rates of 25–45% (pp.7, 19, and others). However, it does not establish a borrower-specific reference rate or quantify the economic benefit received by each enterprise. Enterprises may have materially different credit profiles and financing alternatives. A uniform rate could therefore provide more support than necessary to some borrowers and insufficient support to others, without demonstrating that concessionality is limited to the minimum required. The absence of borrower-level concessionality data would also limit the programme's ability to demonstrate financing needs, mobilize successor resources and design a financially sustainable mechanism after AF support ends. Please clarify whether the 15% rate is fixed or represents a maximum programme rate. Please require a borrower-specific concessionality assessment based on comparable unsubsidized financing and the financial viability of the proposed adaptation investment, and limit support to the minimum necessary for each transaction. CR12: The programme is scheduled to close in 2032, while the escrow may continue making interest-differential payments for several additional years. The proposal does not clearly define the governance arrangements that will apply after programme closure. AF resources may remain in the escrow and continue to be disbursed after regular programme reporting and oversight have ended. Please clarify the post-completion arrangements for escrow administration, drawdown verification, audit and reporting, and the final reconciliation and closure of the account after all eligible obligations have been settled. CR13: The proposal expects BOI's institutional tools and capabilities to continue after programme completion, while the concessional lending rate depends on the AF-funded interest-differential reserve. Once the reserve is exhausted, the concessional lending terms may not continue without additional subsidy. Institutional sustainability therefore does not necessarily demonstrate the financial sustainability of the lending mechanism. Please distinguish institutional sustainability from the financial sustainability of the concessional lending mechanism, clarify how

affordable adaptation lending would continue after AF support ends, and qualify the sustainability and replication claims accordingly.

Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Not Cleared

Secretariat: To a large extent. See Part IIK, pp. 61-64. However, few clarifications/ revisions are needed. CR14: please address the following: 1. Delete "-" from column 1 for principles 1, 4, and 6 as they always require further assessment. 2. remove ✓ from column 3. 3. Refer to USPs, ESMP, and GAP as relevant in column 3.

Resource Availability

Is the requested project / programme funding within the cap of the country?

Response: Cleared

Secretariat: Yes.

Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?

Response: Cleared

Secretariat: Yes. The implementing entity fee is USD 1,954,629 (8.5%) of the total project/ programme cost of USD 22,995,646.

Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?

Response: Not Cleared

Secretariat: Yes. However, the IE is also the EE. As per the AF policy, if the IE serves as EE, the limit of its execution cost should be at 1.5% of the cost of the part of the project or programme executed by the IE. The execution cost of the IE as it stands now is 2.3% of the total project cost and should hence be reduced to the 1.5% limit. Among other issues noted below. CAR8: Reduce the EE costs to 1.5% of the total cost and reflect changes as appropriate in the components financing table, related budget tables, and disbursement schedule. CR15: The 15% enterprise lending rate includes a 5% operating margin for BOI, intended to cover operational costs, credit risk and institutional sustainability (p.19). However, the proposal does not provide a cost-based breakdown of this margin. It is unclear whether the 5% margin is proportionate to BOI's actual costs and risks, and whether any costs covered by the margin may also be financed through AF-funded execution costs, the IE management fee, borrower fees, guarantees, insurance proceeds or recoveries. Please provide a transparent justification and breakdown of the 5% operating margin, distinguishing administrative costs, expected credit losses, capital charges and reasonable institutional return. Please clarify its relationship with the

project/programme execution costs and IE management fee. CR16: BOI may draw from the escrow when a supported loan's interest payment falls due, but the proposal does not clearly require the borrower-funded interest to have been paid or specify when amounts already released must be adjusted or recovered. Reserve payments could continue for loans in arrears or default, causing the mechanism to protect BOI against credit risk rather than solely subsidize interest. In addition, funds may not be recoverable where a payment is later found to involve an ineligible or duplicate claim, overpayment, misuse of loan proceeds or failure to implement the approved adaptation investment. Please make reserve payments conditional on the borrower having paid the corresponding interest and the loan meeting defined performing-loan criteria. Please also clarify the applicable suspension, adjustment and clawback arrangements, including the treatment of arrears, defaults and recovered funds.

Eligibility of IE

Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?

Response: Cleared

Secretariat: Yes. Bank of Industry (BOI) is accredited the AFB. Accreditation Expiration Date: 09 September 2030

Implementation Arrangements

Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?

Response: Not Cleared

Secretariat: Yes. See Part IIIA, pp. 65-69. However, few issues indicated below need to be addressed. CR17: Delete the subtitle "Chinese walls between IE and EE functions". Instead, please justify in a brief paragraph the IE involvement as EE. CR18: Please clarify the reporting lines between the involved BOI units, including those between those involved in execution and implementation functions of the programme. Reflect the above schematically in a "project/ programme implementation management organizational chart" (other than the funds flow chart).

Are there measures for financial and project/programme risk management?

Response: Not Cleared

Secretariat: Yes. See Part IIIB, pp. 69-74. However, some clarification is needed as noted below. CR19: In the table of risks, pp. 70-74, please add a column to indicate risk/ impact level after applying mitigation measures. Also, please provide table number and heading.

Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?

Response: Not Cleared

Secretariat: To a large extent. See Part IIIC, pp. 74-75. However, additional clarifications/ revisions are needed as indicated in the below comments. CAR9: Please address the following ESMP related issues: 1. An overall ESMP for the project/ programme should be provided and should include all components. Hence, please revise the ESMP in Annex 11 to include all components (including component 2). 2. The revised ESMP should refer to the USPs under component 2 and highlight related arrangements and specific ESMPs once these USPs are identified. Refer to the revised Annex 11 as appropriate in Part IIC. 3. The revised ESMP (Annex 11) should also refer to the gender action plan at relevant discussions. 4. Ensure the consistency of the risks mentioned in the Part IIIC/ ESMP with those mentioned in the E&S AF principles checklist/ table in Part IIC. 5. More importantly, reflect ESMP budget, as appropriate, at related project/ programme budget tables. CAR10: In the Gender Action Plan Annex (Part B), pp. 105-107 please include allocated budgets for all listed items for all components and revise total GAP budget accordingly. Moreover, please reflect the GAP budget, as appropriate, at related project/ programme budget tables. CR20: Provide an annex on the GM and related details and procedures. Refer to this annex at related discussion.

Is a budget on the Implementing Entity Management Fee use included?

Response: Not Cleared

Secretariat: No. CAR11: in the consolidated budget table with notes, or as a standalone table, please provide the breakdown of the IE management fee. The breakdown may cover/ include Corporate activities fees related to engagement with donor (Policy support, Portfolio management, Reporting, Outreach and knowledge sharing) and Project cycle management fees (Project preparation and management oversight including financial management and quality insurance, Implementation reports supervision, and Project completion and evaluation oversight), etc. Follow the guideline: <https://www.adaptation-fund.org/generic/costs-and-fees/>

Is an explanation and a breakdown of the execution costs included?

Response: Not Cleared

Secretariat: No. CAR12: in the consolidated budget table with notes, or as a standalone table, please include/ provide the breakdown of the execution costs. The breakdown may include: Execution costs include the main items supported by the Adaptation Fund for project management including consultant services, travel and office facilities, etc. covering the direct costs for administration of the day-to day activities of projects. Specific costs include: Staffing costs, and project related activity expenditures (Monitoring and evaluation costs; Costs related to drafting progress reports and financial reports; Consultation with project stakeholders (meetings, workshops); Communication, Travel), etc. Follow the guideline: <https://www.adaptation-fund.org/generic/costs-and-fees/>

Is a detailed budget including budget notes included?

Response: Not Cleared

Secretariat: Not fully. See Part IIG, pp. 87-93. some revisions and further details are needed as indicated below. CAR13: in the budget table/s of Part IIG, please address the following: 1. Consolidate the components budget tables in one table. 2. In the consolidated table either include the total of the IE fees and the EC, or the IE fee and EC breakdown and totals. In either case indicate the components total, the execution cost, the total cost, the implementing fee and the requested funds. 3. Add a column to include “budget notes” that would clarify/ substantiate how the activities allocated budgets are to be spent. 4. In component 2 budget table, delete the row "Interest differential reserve disbursement i.e. the AF-funded activity that makes the above eligibility, origination and appraisal activities financially viable, by covering BOI's cost-of-funds shortfall on eligible naira-denominated enterprise adaptation loans ", and reflect the disbursement of the USD 20,323,917, as appropriate under output C2.2 activities (i.e., activities C2.2.1, C2.2.2, and C2.2.3). 5. Indicate “0” for “BOI’s own funds” and clarify what you mean by “BOI’s own funds” (is part of the bank lending system that already exists or is it part of the “LOCAL-CURRENCY INTEREST DIFFERENTIAL RESERVE MECHANISM” developed under component 1?).

Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?

Response: Not Cleared

Secretariat: Not Clear. The discussion under Part IIID, pp. 75-77, only focuses on Component 4 MEL, and does not include a clear budgeted M&E plan as required by the AF M&E guidelines and Policy. CAR14: In Part IIID, please provide a budgeted M&E plan according to the AF requirements. A budgeted M&E Plan typically includes all required M&E products/ key milestones (inception workshop/report, baseline report, annual monitoring and PPRs, Mid-term review (MTR), financial/ audit reports, terminal evaluation, project completion report, etc. along with allocated/ itemized budgets that specifies the source of funding (project activity budget, project execution costs, IE fee) for each item. M&E Plan should also address/ include management of the environmental and social risks identified and gender related issues. Notes: 1. Mid-term evaluation, Final evaluation, Baseline study, Supervision of preparation of annual Project reports and Project evaluation reports costs are covered by the IE. 2. Financial reports, RBM (Monitoring), Office facilities, equipment/ communications costs are covered by EE. 3. AF recommends that Evaluation-related costs (i.e., baseline data report, MTR and Final Evaluation) represent 1-5% of the total project cost.

Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?

Response: Not Cleared

Secretariat: No. CAR15: Please reflect the breakdown of IE fees for supervision of M&E function in the M&E budgeted plan.

Does the project/programme’s results framework align with the AF’s results framework? Does it include at least one core outcome indicator from the Fund’s results framework?

Response: Not Cleared

Secretariat: Not fully. See Part IIIE, pp. 78-83. CAR16: Please revise the project results framework table as per the guideline: <https://www.adaptation-fund.org/document/alignment-with-adaptation-fund-results-framework-template-and-guidance-dec-2025/> CAR17: The project results framework should include applicable/ required AF

core impact indicators. Please follow the guideline: <https://www.adaptation-fund.org/document/alignment-with-adaptation-fund-results-framework-template-and-guidance-dec-2025/>

Is a disbursement schedule with time-bound milestones included?

Response: Not Cleared

Secretariat: No. See pp. 94-96. The disbursement schedule is not as per AF format, among other needed clarifications noted below. CAR18: Please align the disbursement scheduled as per the AF format found at: <https://www.adaptation-fund.org/apply-funding/project-funding/project-proposal-materials/> CR21: Component 2 is disbursed in five conditional tranches, while the AF financing is denominated in U.S. dollar equivalent and the escrow obligations are incurred in naira. Tranche delays or non-release, together with exchange-rate movements before conversion, could reduce the naira funds available to meet obligations already committed under enterprise loans. For example, if a tranche is delayed or withheld after BOI commits or disburses a loan, the escrow may be insufficient to meet the associated interest-differential obligations. BOI would then need to cover the shortfall from its own resources, potentially making the mechanism dependent on additional financing and raising concerns under the AF's full-cost-of-adaptation principle. At related sections/ discussions, please provide the assumptions and cash-flow analysis demonstrating sufficient escrow coverage under reasonable tranche-delay and exchange-rate scenarios. Also clarify the currency-conversion arrangements and establish controls to ensure that approved interest-differential obligations do not exceed the funds available or securely committed to the escrow.



FULLY DEVELOPED PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: : Catalytic Climate Adaptation Finance for Nigerian Enterprises (C-CAFÉ)

Country: Nigeria

Thematic Focal Area: Multisector

Type of Implementing Entity: National Implementing Entity

Implementing Entity: Bank of Industry Nigeria (BOI)

Executing Entities: Bank of Industry (BOI) – Lead Executing Entity through Multilaterals Division, Public Sector and Intervention Programs Directorate

Amount of Financing Requested: \$24,680,907 (in U.S Dollars Equivalent)

Letter of Endorsement (LOE) signed: Yes ☒ No ☐

NOTE: The LOE should be signed by the Designated Authority (DA). The signatory DA must be on file with the Adaptation Fund. To find the DA currently on file check this page: <https://www.adaptation-fund.org/apply-funding/designated-authorities>

Stage of Submission:

- ☐ This proposal has been submitted before including at a different stage (concept, fully-developed proposal)
- ☒ This is the first submission ever of the proposal at any stage

In case of a resubmission, please indicate the last submission date:

Please note that fully-developed proposal documents should not exceed 100 pages for the main document, and 100 pages for the annexes.

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Project/Programme Background and Context:

Climate Hazard Profile and National Vulnerability

Nigeria is one of Africa's most climate-vulnerable countries, exposed simultaneously to a wide range of climate hazards across geographically distinct zones. These include flooding and coastal erosion in southern and coastal states; prolonged droughts, desertification, and extreme heat in the north; and rainfall variability, erratic seasonal onset, and intense weather events affecting agricultural systems across the country. These hazards are already disrupting food systems, water availability, enterprise infrastructure, health-supporting services, logistics networks, and employment across climate-sensitive regions of the country. Climate projections for Nigeria are consistent with IPCC findings for West Africa, indicating rising temperatures, more frequent and intense extreme rainfall events, prolonged dry spells, and increasing coastal risks. This is further corroborated as cited in the World Bank Climate Change Knowledge Portal, that temperature projections by 2100 are estimated at between 2.9°C and 5.7°C under high-emissions scenarios.

The scale of climate impacts on Nigeria is already severe and worsening. In 2024 alone, flooding across Nigeria displaced 641,598 people, caused 285 deaths and 2,504 injuries, and affected 98,242 homes, according to humanitarian flood situation reporting drawing on government and partner assessments¹. In 2022, floods damaged more than 650,000 hectares of farmland, worsening an already fragile food security context². In 2025, Nigeria's position in the WorldRiskIndex reflects persistent vulnerability to climate and disaster risks.³

Nigeria averages approximately 1.6 climate disasters per year over the past 45 years, with floods accounting for 77% of recorded events, based on EM-DAT disaster records and national disaster management reporting⁴. By 2050, estimates in Nigerian policy and climate-finance analyses suggest that unmitigated climate change could impose economy-wide losses of multiple percentage points of GDP, underscoring the systemic and long-term nature of climate risk in the Nigerian context⁵. African countries already lose an average of 2–5% of GDP annually to climate extremes, with many diverting up to 9% of national budgets to respond to climate shocks⁶.

Baseline indicator: African countries lose an estimated 2–5% of GDP annually to climate extremes, with some diverting up to 9% of national budgets to response and recovery⁷. In Nigeria, 2024 flooding displaced around 641,598 people, caused 285 deaths and 2,504 injuries, and affected 98,242 homes⁸.

Target Geographies: A Dual-Zone Programme

This programme targets enterprises and communities across two climatically distinct zones, reflecting Nigeria's differentiated hazard profile and ensuring the programme addresses the full breadth of climate exposure across the country:

- **Northern Zone:** This zone, comprising northern states including Kano, Kaduna, Katsina, Borno, Adamawa, and Yobe, faces severe and prolonged droughts, desertification, heat stress, and erratic rainfall. Agriculture in northern Nigeria is predominantly rain-fed and smallholder-based, making livelihoods highly sensitive to rainfall variability and changes in seasonal precipitation. Water scarcity and recurrent droughts constrain both crop production and livestock management, undermining food

¹ United Nations Office for the Coordination of Humanitarian Affairs (OCHA). (2024, September 18). *Nigeria: Flood Overview, as of 17 September 2024*. OCHA.

² In 2022, floods damaged more than 650,000 hectares of farmland, worsening an already fragile food security context (OCHA, 2022).

³ Bündnis Entwicklung Hilft & IFHV. (2024). *WorldRiskReport 2024: Focus—Multiple Crises*. WorldRiskIndex country rankings

⁴ Escalante, L., Mamoundou, P., Meyimdjui, C., & Omoju, O. E. (2025). Economic and food security impacts of climate disasters and mitigation policies: Insights from Nigeria. *Environmental and Resource Economics*. <https://doi.org/10.1007/s10640-025-00981-3>

⁵ Darius, R., Billot, A., Massetti, E., & Vernon-Lin, N. (2025, July). Macroeconomic implications of climate challenges: Nigeria (Selected Issues Paper No. SIP/2025/097). International Monetary Fund.

⁶ World Meteorological Organization. (2024). *State of the climate in Africa 2023* (WMO-No. 1360). World Meteorological Organization.

⁷ World Meteorological Organization (WMO). (2024). *State of the Climate in Africa 2023*. Geneva: WMO.

⁸ OCHA (2024). *Nigeria: Flood Overview, as of 17 September 2024*. UN Office for the Coordination of Humanitarian Affairs. <https://www.unocha.org/publications/report/nigeria/nigeria-flood-overview-17-september-2024>

security and rural incomes.⁹ Northeastern states experience overlapping climate and humanitarian crises that severely compound food insecurity¹⁰.

Southern Zone: Southern and coastal states (including, Lagos, Rivers, Delta, Cross River, and Anambra) are exposed to recurrent flooding, coastal erosion, sea-level rise, and extreme rainfall intensity. Urban centres such as Lagos face compounded risks from flooding of informal settlements, waterlogging of food distribution and storage infrastructure, and disruption of cold-chain and logistics networks. The Niger Delta region, with annual rainfall reaching approximately 4,000 mm in some areas, faces particular exposure to river flooding and waterborne disruption to enterprise operations.

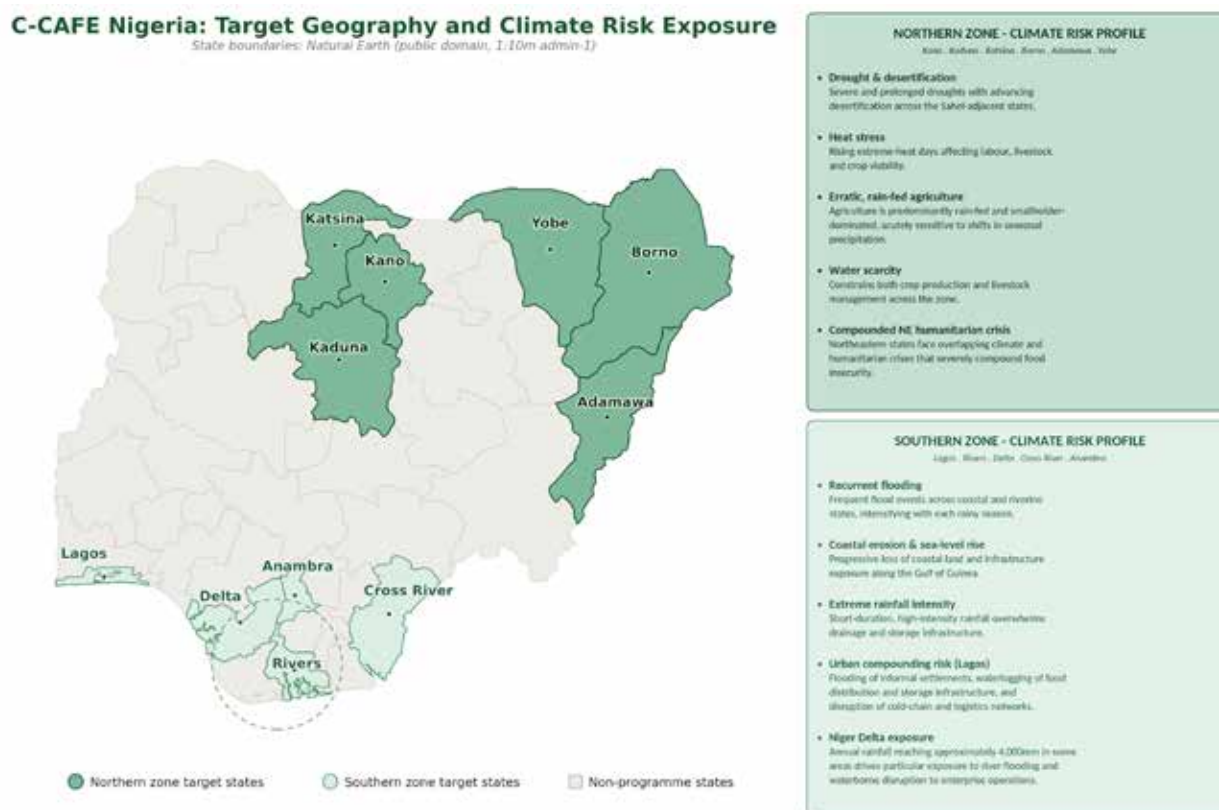


Figure 1: Mapping of C-CAFÉ Nigeria's Target Geographies (Northern and Southern Zones)

Economic and Development Context

Nigeria is Africa's most populous country and (by most recent national accounts) its largest economy. The country's nominal GDP was approximately US\$487.39 billion in 2023, falling to approximately US\$290.79 billion in USD terms by 2025 following the significant naira depreciation that accompanied the June 2023 foreign exchange liberalization, though GDP in naira terms continued to grow over this period.¹¹ Yet despite this aggregate economic size, structural vulnerabilities remain pronounced. Poverty rates measured against the national poverty line exceed 40%¹², and around 49% of the urban population lives in informal housing, reflecting large concentrations of low-income households in high-risk, infrastructure-constrained settlements.

⁹ Usman, S. U., Umar, N., & Abdulhamid, A. I. (2023). *Climate change and drought in the dryland areas of Nigeria*. In *Climate Change Impacts on Nigeria* (pp. 361–378). Springer.

¹⁰ Yahaya, I. I., Wang, Y., Zhang, Z., Inuwa, A. Y., Zhao, Y., You, Y., Shoukat, W. (2024). Assessing desertification vulnerability and mitigation strategies in northern Nigeria: A comprehensive approach. *Heliyon*, 10(11), e31167. <https://pmc.ncbi.nlm.nih.gov/articles/PMC11176653/>

¹¹ **World Bank.** (2025). *GDP (current US\$) – Nigeria*. World Development Indicators. <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=NG>

¹² **World Bank Poverty and Inequality Platform** national poverty line data (data.worldbank.org/indicator/SI.POV.NAHC)

Agriculture remains a central pillar of the economy and rural livelihoods, contributing a substantial share of GDP (commonly around one-fifth to one-quarter in recent years) and employing most rural workers. The sector is dominated by smallholders, which makes production systems highly sensitive to rainfall variability, heat stress, flooding, and disruptions to storage and logistics. Food security pressures have also intensified. FAO projected that 26.5 million people in Nigeria would face acute food insecurity (crisis or worse) during the 2024 lean season (June–August 2024), underscoring the interaction between climate stressors, conflict dynamics, and macroeconomic constraints.

Enterprises in agriculture, food processing, water services, storage, cooling, and logistics are structurally dependent on climate-sensitive natural resources, physical infrastructure, and uninterrupted service delivery. Flooding damages production facilities and transport links. Drought and rainfall variability constrain water availability for production and processing and extreme heat accelerates spoilage, reduces labour productivity while increasing strain on health-related supply chains. Climate-induced disruptions to enterprise operations therefore translate directly into income losses, food insecurity, and heightened vulnerability for the communities that depend on these value chains.

Key Development Indicator: Nigeria's agriculture contributes up to 25% of GDP. Yet 26.5 million people faced acute food insecurity in 2024. This gap is significantly widened by the absence of climate-resilient storage, cold-chain and water management infrastructure across climate-exposed enterprises.

The Adaptation Finance Gap: Structural Barriers Facing Enterprises

Despite facing increasing climate exposure, enterprises, particularly MSMEs, operate under severe financing constraints that limit their ability to undertake adaptation investments. Nigerian MSMEs face an estimated \$32.2 billion financing gap¹³, yet MSME lending accounts for around 1% of total commercial bank credit¹⁴, far below levels observed elsewhere in Sub-Saharan Africa, where SMEs typically receive between 5% and 20% of banks' loan portfolios¹⁵.

Lending conditions remain prohibitive for long-term climate adaptation investment. Following a token tightening in 2023, when the Central Bank of Nigeria raised the Monetary Policy Rate (MPR) from 18.5% to 18.75%, monetary policy tightened sharply over the course of 2024. The MPR was increased to 22.75% in February 2024, further raised to 24.75% in March, 26.25% in May, 26.75% in July and subsequently lifted to 27.25% in September and 27.50% by November 2024¹⁶.

This rapid tightening translated into persistently high commercial lending rates. Throughout 2024 and 2025, prime lending rates for most commercial banks generally ranged from 20% to over 30%¹⁷, while maximum lending rates for SMEs and risk-exposed sectors frequently exceeded 35–45%, with some manufacturers reporting rates approaching 50%. Available tenors for these facilities also were short termed revolving between 2–3 years.

Short loan tenors, stringent collateral requirements, and exchange-rate-related balance-sheet risks further constrained access to credit. Although headline inflation has moderated, due to the CPI rebasing, the cumulative effects of elevated inflation, high interest rates, and naira depreciation continue to render conventional commercial lending structurally misaligned with the long-term risk profile of climate adaptation investments.

¹³ International Finance Corporation (IFC), *Market Bite Nigeria*; cited in PwC, *2024 MSME Survey* (pwc.com/ng/en/press-room/pwc-msme-survey-2024.html)

¹⁴ International Finance Corporation, cited in World Bank Blogs, "Tackling Access to Finance for Micro, Small, and Medium Enterprises in Nigeria: The Development Bank of Nigeria – A Successful Venture into Uncharted Waters," March 16, 2024, <https://blogs.worldbank.org/en/african/tackling-access-finance-micro-small-and-medium-enterprises-nigeria-development-bank>.

¹⁵ Berg, G., & Fuchs, M. (2013). *Bank financing of SMEs in five Sub-Saharan African countries: The role of competition, innovation, and the government* (Policy Research Working Paper No. 6563). World Bank.

¹⁶ Central Bank of Nigeria, "Monetary Policy Decisions." <https://www.cbn.gov.ng/MonetaryPolicy/decisions.html>

¹⁷ Sami Tunji, "Top 10 Banks with Highest Prime Lending Rates for Manufacturing Firms in Nigeria," Nairametrics, March 25, 2024. <https://nairametrics.com/2024/03/25/top-10-banks-with-highest-prime-lending-rates-for-manufacturing-firms-in-nigeria/>

Foreign-currency lending does not represent a viable alternative either. Exchange-rate volatility introduces significant repayment risks, particularly during climate shocks when enterprise revenues are already under stress, creating maladaptive financing pathways that undermine resilience. Most enterprises generate revenues in naira and must borrow in local currency to avoid foreign-exchange risks. These structural barriers lock enterprises into climate-vulnerable operating models, exposing productive assets, supply chains, workers, and dependent communities to escalating climate risk.

Empirical evidence shows a compounding dual vulnerability facing SMEs in climate-exposed contexts: climate shocks undermine firm productivity and asset values, weakening creditworthiness, while pre-existing financial constraints limit enterprises' ability to invest in climate adaptation, reinforcing a cycle of exposure and underinvestment (Goicoechea & Lang, 2025; Central Bank of Nigeria, 2023). Enterprises that supply essential goods and services to climate-vulnerable communities, including food systems, water services, cooling, storage, and health-related value chains, are particularly exposed to this cycle, given their reliance on climate-sensitive infrastructure and uninterrupted service delivery.

Gender and Social Vulnerability

Climate change in Nigeria exacerbates pre-existing gender and social inequalities, with women, youth, and low-income populations experiencing disproportionate exposure to climate-related shocks and lower adaptive capacity. Women play critical roles across Nigeria's agrifood system, including smallholder production and post-harvest activities, yet face structural barriers that limit access to key inputs, information, and services needed to strengthen resilience (FAO, 2021; World Bank, n.d.).

Financing constraints are a core channel through which these inequalities translate into higher climate vulnerability. While global evidence indicates that women farmers receive less than 10% of agricultural loans, Nigeria-specific reporting similarly highlights markedly lower access for smallholder women to available credit facilities (Climate Policy Initiative, 2025; Daily Trust, 2022).

These constraints compound climate vulnerability because women are less able to invest in adaptive technologies, climate information services, and risk-management tools. Women are also disproportionately represented among climate-displaced populations. According to UN estimates cited by UNDP, 80% of people displaced by climate change are women.

Social vulnerability is also concentrated geographically. In northern Nigeria, climate-exposed populations face compounding pressures from climate variability, land degradation and desertification, and resource-related conflict dynamics that strain livelihoods and coping capacity (NISER, 2024; Yahaya et al., 2024).

In southern coastal states, rapid urbanization and service deficits have expanded the share of households living in informal housing; World Bank analysis estimates that 49% of Nigeria's urban population lives in informal housing with limited basic services, increasing exposure to flooding and related disruptions to food, water, and essential services (World Bank, 2025).

Gender and social baseline: Women dominate climate-exposed segments of Nigeria's agrifood system but face the greatest barriers to adaptation finance. Globally, women receive less than 10% of agricultural loans. Nigeria shows a similarly skewed access pattern. With broader social vulnerabilities concentrated in informal urban and rural dryland communities, the adaptation deficit falls most heavily on those least able to bear it.

Institutional Context: Bank of Industry as National Implementing Entity

The Bank of Industry (BOI) is Nigeria's oldest and largest Development Finance Institution, wholly owned by the Federal Government of Nigeria through the Ministry of Finance Incorporated and the Central Bank of Nigeria. BOI has an established lending infrastructure across 36 state offices nationwide, active relationships with commercial banks and institutional experience in structured finance and development-oriented lending programmes. C-CAFÉ Nigeria builds directly on this institutional foundation, positioning BOI to deploy affordable adaptation finance at national scale through the AF-supported interest differential reserve mechanism. The AF grant is deployed as a discrete, ring-fenced interest differential reserve, held in a dedicated escrow account and drawn down solely against verified interest repayment obligations on eligible enterprise loans. It is not co-mingled with BOI's separately and independently mobilized domestic

capital, which BOI raises from Nigeria's capital market at its own cost and risk as its institutional contribution to the programme. This structure ensures the AF grant retains a distinct, traceable use of proceeds throughout the life of the facility.

Rationale for Adaptation Fund Intervention

The convergence of escalating climate hazards, constrained enterprise financing, deep social vulnerability and inadequate baseline adaptation investment creates a structural market failure that cannot be resolved under prevailing commercial conditions.

Under baseline conditions, no viable market mechanism exists to bridge the adaptation finance gap. Commercial lenders have no incentive to offer long-tenor, concessional adaptation loans in a high-inflation, high-interest-rate environment. Enterprises generate naira revenues but face lending rates that make the return on adaptation investments insufficient to service debt. Foreign-currency alternatives are maladaptive. The result is a market in which climate-resilient investment is financially unviable for most Nigerian enterprises regardless of the scale of their climate exposure.

The Adaptation Fund's grant resources will serve as the catalytic instrument to resolve this failure. Grant resources deployed as an interest differential reserve on naira-denominated loans will reduce the effective cost of capital for enterprises, making adaptation investments viable that would otherwise not occur. By bridging the differential between BOI's cost of domestic funds and its development finance lending rate, the interest differential reserve mechanism makes it financially sustainable for BOI to raise and deploy naira-denominated capital from the domestic market at scale for adaptation lending. This approach keeps the entire financing chain in local currency, eliminates exchange-rate risk, and is specifically structured to sustain enterprise resilience through climate shocks rather than creating new financial vulnerabilities.

Supported investments include flood-resilient and heat-resilient storage and supply chain facilities, rainwater harvesting and water-efficiency systems, solar-powered irrigation and water management infrastructure, climate-resilient cooling and cold-chain solutions, and climate-risk information and early warning services. Energy components are included strictly as enablers of adaptation outcomes, ensuring continuity of critical services rather than serving mitigation objectives.

Financing will be complemented by technical assistance, climate-risk screening and gender-responsive capacity building to ensure adaptation additionality, improve investment quality and support sustained resilience outcomes.

Without AF Support: At prevailing commercial lending rates of 25 to 45% and tenors of 2 to 3 years, the debt service on a typical adaptation investment exceeds its adaptation benefit stream in most cases. This makes climate-resilient investment financially irrational regardless of enterprise climate exposure. BOI's development finance lending rate of up to 15% is well below commercial rates, but BOI's full cost-recovery requirement, i.e. its cost of funds of up to 20% plus its 5% operating margin, requires recovery of up to 25% per annum to sustainably originate and service adaptation loans. Without AF grant resources to bridge this shortfall of up to 1,300 basis points, BOI cannot sustainably originate naira-denominated adaptation loans at its concessional pricing without absorbing a net loss on its cost of funds. In the absence of AF support, BOI would not be able to originate adaptation loans at the scale this programme requires, the \$43,610,148 in domestic capital underpinning this programme would not be mobilized for adaptation purposes, and the estimated 45 enterprise loans, 9,000 climate-resilient assets and 380,000 to 570,000 indirect beneficiaries this programme targets would not be reached. Enterprises would instead remain reliant on either unviable commercial lending at 25 to 45% per annum or maladaptive foreign-currency alternatives that compound vulnerability during climate shocks.

Project/Programme Objectives:

The objective of C-CAFÉ Nigeria is to catalyze investments of enterprises across Nigeria's climate-sensitive sectors in support of associated communities' resilience and adaptation to climate change impacts. Considering the context and problems outlined above, the programme will enable vulnerable enterprises, their supply chains, and the communities that depend on them across Nigeria's climate-sensitive sectors to experience reduced exposure to climate hazards, protected livelihoods, improved food

security, water access, and continuity of health-related supply chains, contributing to sustainable enterprise resilience and Nigeria's national climate adaptation priorities.

The programme is expected to reach a minimum of 45 enterprises as direct loan beneficiaries and at least 200 enterprises and ecosystem partners through technical assistance, with indirect community-level benefits extending to an estimated 380,000 to 570,000 people dependent on enterprise-led food, water, cooling and logistics services across the two programme zones. At least 30% of direct enterprise beneficiaries will be women-owned or women-led enterprises. The programme is structured in four distinct components:

1. **Component 1: Local-Currency Interest Differential Reserve Mechanism:** Design and operationalization of a fixed-rate interest differential reserve, structured to cover the gap between BOI's cost of domestic funds and its full cost-recovery requirement, reducing effective borrowing costs for eligible enterprises by at least 800 basis points below prevailing commercial lending rates. This component embeds climate-risk screening and adaptation additionality assessment into BOI's lending workflows and establishes gender-responsive targeting and loan-level tracking, reframing BOI's role as a catalytic adaptation finance institution.

Alignment to AF outcomes: Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses.

Indicators for Component 1:

- Interest differential reserve mechanism designed, approved and operational (Output C1.1)
- Full nationwide embedding of climate-risk screening protocols across BOI lending operations. (Output C1.2)
- Minimum allocation for women-led enterprises codified and loan-level tracking system operational (Output C1.3)

2. **Component 2: Enterprise Climate Adaptation Lending:** Deployment of AF grant resources as a fixed-rate interest differential reserve on naira-denominated enterprise adaptation loans, lowering the effective cost of borrowing and enabling enterprises to undertake adaptation investments that would otherwise be financially unviable at commercial lending rates of 25–45%. Supported investments target climate hazards documented in the programme's background section, addressing drought, heat stress and rainfall variability in the northern zone and flooding and coastal disruption in the southern zone. These enterprise-level investments generate community-level resilience benefits by protecting livelihoods, employment, food security, water access and health-related supply chains.

Alignment to AF outcomes: Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses. Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets. Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas.

Indicators for Component 2:

- At least 45 enterprise adaptation loans disbursed (Output C2.1)
- At least 30% of supported loans directed to women-owned or women-led enterprises (Output C2.1)
- At least 9,000 climate-resilient assets installed and operational nationwide (Output C2.2)
- Estimated 380,000 to 570,000 indirect beneficiaries including 15,000 to 20,000 workers with protected employment (Output C2.3)

3. **Component 3: Technical Assistance for Adaptation Readiness and Climate-Risk Management:** Sector-specific guidance on climate-resilient technologies and practices,

deployment of climate-risk screening and decision-support tools, and gender-responsive TA streams that address structural barriers faced by women-owned enterprises. Capacity constraints are a binding barrier to adaptation; enterprises cannot design effective adaptation investments without understanding their climate exposure, and service providers cannot deliver quality technical support without sector-specific skills and tools.

Alignment to AF outcomes: Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses.

Indicators for Component 3:

- At least 200 enterprises and ecosystem partners receive TA, of which at least 40% are women-owned or women-led (Output C3.1)
- 100% of loan beneficiaries apply climate-risk screening tools (Output C3.2)
- At least 25% of programme-relevant BOI lending staff and contracted BDSPS trained on climate-risk informed lending and adaptation appraisal before first loan disbursement (Output C3.3)

4. **Component 4: Learning and Knowledge Management:** Establishment of a programme-wide Monitoring, Evaluation and Learning system aligned with the AF Strategic Results Framework, development and dissemination of knowledge products, and structured knowledge-sharing events and policy dialogues with the Nigeria Climate Change Council, relevant federal and state ministries, departments and agencies, and financial sector peers. This component ensures the programme generates, documents and institutionalizes evidence, operational tools and institutional learning to support replication of the enterprise adaptation finance model.

Alignment to AF outcomes: Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses. Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes. Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up.

Indicators for Component 4:

- MEL system operational from Year 1; 100% of programme indicators reported with gender-disaggregated data throughout implementation (Output C4.1)
- At least 4 knowledge products developed and disseminated with one focused on gender outcomes. (Output C4.2)
- At least 8 knowledge sharing platforms (Output C4.3)
- Programme tools and knowledge products formally adopted into BOI's institutional systems before programme close (Output C4.4)

Project/Programme Components and Financing:

Table 1: Programme Components and Financing Breakdown

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
Component 1: Local-Currency Interest Differential Reserve Mechanism Total AF budget: \$150,000 Output level budget: · C1.1: \$88,000 · C1.2: \$38,000 · C1.3: \$24,000	· C1.1: Interest differential reserve mechanism designed, approved and operational, establishing BOI's enhanced direct-access capacity to programme adaptation finance at scale. · C1.2: BOI institutional channels applying programme tools and climate-risk screening protocols in standard lending workflows · C1.3: Gender-responsive targeting and loan-level tracking system is operational	BOI fixed-rate interest differential reserve mechanism developed and operationalized nationwide.	150,000
Component 2: Enterprise Climate Adaptation Lending Total AF budget: \$20,256,170 (100% pass-through interest differential reserve) BOI domestic capital mobilized: \$43,610,148 Output level budget: · C2.1: \$20,256,170 · C2.2: Funded within C2.1 budget · C2.3: Funded with C2.1 budget	· C2.1: Enterprise adaptation loans disbursed and operational with the AF grant deployed in full as a fixed-rate interest differential reserve on eligible naira-denominated enterprise adaptation loans. · C2.2: Climate-resilient assets installed and operational across supported enterprises nationwide. · C2.3: Indirect community and value chain benefits generated.	Affordable, long-tenor adaptation finance disbursed with climate-resilient assets installed.	20,256,170
Component 3: Technical Assistance for Adaptation Readiness and Climate-Risk Management Total AF budget: \$1,000,000 Output level budget: · C3.1: \$680,000 · C3.2: \$150,000 · C3.3: \$170,000	· C3.1: Sector-specific technical assistance delivered to enterprises and ecosystem partners · C3.2: Climate-risk screening and decision-support tools developed and deployed. · C3.3: Institutional capacity of BOI and service delivery partners strengthened.	Enterprises and adaptation service providers possess strengthened institutional and operational capacity to identify climate risks, design climate-resilient investments and implement high-impact adaptation solutions.	1,000,000
Component 4: Learning and Knowledge Management Total AF budget: \$1,000,000	· C4.1: Programme-wide MEL system designed and operational (in alignment with AF Results Framework) · C4.2: At least 4 knowledge products developed and disseminated.	Evidence-based, replicable national model for enterprise adaptation finance established, tested and institutionalized within	1,000,000

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
Output level budget: - C4.1: \$350,000 - C4.2: \$250,000 - C4.3: \$400,000 - C4.4: funded within C4.2 and C4.3	C4.3: Knowledge-sharing and peer-learning platforms established and active C4.4: Nigerian financial institutions adopt programme tools and approaches.	BOI, with tools for other Nigerian financial institutions to adopt.	
Project/Programme Executing Entity Fee:			341,210
Total Project/Programme Cost			22,747,380
IE Project/Programme Cycle Management Fee			1,933,527
Amount of Financing Requested			24,680,907

Note on co-financing and leverage

The \$20,256,170 AF grant allocated to Component 2 functions as a 100% pass-through interest differential reserve, calculated solely to cover the gap between BOI's cost of domestic funds and its full cost-recovery requirement. Every dollar is disbursed directly against verified interest repayment obligations on eligible naira-denominated enterprise adaptation loans. No AF resources are used for BOI institutional, capital-raising or operating costs under any component and no AF resources subsidize BOI's own operating margin, which is funded entirely by enterprise loan repayments. Loan capital of \$43,610,148 naira-equivalent is mobilized entirely by BOI from the domestic capital market, separately and independently of the AF grant. The capital pool size and 5-year average loan tenor are calibrated to ensure the interest differential reserve remains fully solvent across the complete life of the loan portfolio, including a built-in buffer of approximately 5% above the calculated obligation.

Therefore the total resources deployed to achieve the programme's adaption outcomes is \$63,866,318 which is the sum of the BOI capital and the AF grant.

Projected Calendar:

Table 2: Project Milestones and expected dates

Milestones	Expected Dates
Start of Project/Programme Implementation	March 2028
Mid-term Review (if planned)	September 2030
Project/Programme Closing	March 2033
Terminal Evaluation	December 2033

A. Programme Components and Concrete Adaptation Activities

1. Theory of Change

1.1 Problem Statement

Nigeria faces an acute and worsening climate adaptation crisis. Across the country's two climatically distinct zones, the drought- and desertification-affected north and the flood- and coastal-erosion-exposed south, climate hazards are already disrupting food systems, water supply, enterprise infrastructure, logistics networks and health-related supply chains. These disruptions translate directly into income losses, food insecurity and heightened vulnerability for communities that depend on enterprise-led economic activity.

Enterprises operating in these climate-sensitive sectors remain in a structural trap. On one side, escalating climate exposure threatens productive assets, supply chains and service continuity. On the other, the financing needed to invest in adaptation is structurally inaccessible. Commercial lending rates of 25 to 45%, short tenors of 2 to 3 years, stringent collateral requirements and the absence of any local-currency, long-tenor adaptation finance product make climate-resilient investment financially unviable for many Nigerian enterprises, particularly MSMEs.

Women-owned and women-led enterprises face compounded barriers. Structural constraints including limited collateral, restricted land tenure rights and lower financial inclusion mean that women entrepreneurs are excluded from available credit disproportionately, despite being heavily represented in climate-exposed segments of Nigeria's agrifood system.

Even BOI, Nigeria's foremost development finance institution, cannot sustainably originate long-tenor naira-denominated adaptation loans at its up to 15% development finance rate without absorbing a net loss on its cost of funds (see Component 1, Mechanism Modalities).

Under baseline conditions, no viable market mechanism exists to resolve this triple failure. Commercial lenders have no incentive to offer affordable, long-tenor adaptation loans in a high-inflation, high-rate environment. BOI's cannot deployed its rate advantage at scale without the grant support described in the Rationale for Adaptation Fund Intervention section above. Foreign-currency alternatives introduce exchange-rate risk that worsens enterprise vulnerability precisely when climate shocks strike. And women-owned enterprises, despite their concentration in the most climate-exposed segments of Nigeria's agrifood system, remain structurally excluded from every available financing channel. This constitutes a compounding structural market failure (operating simultaneously at the level of enterprise affordability, institutional sustainability and gender equity) that requires catalytic public finance to resolve.

1.2 Causal Chain

IF the Adaptation Fund provides \$24,680,907 in grant resources to BOI as a catalytic instrument deployed through targeted interest differential reserve mechanism, technical assistance and institutional capacity building, AND IF BOI successfully operationalizes the interest differential reserve mechanism thereby bridging the cost recovery gap (see Component 1, Mechanism Modalities) and subsequently mobilizes at least \$43,610,148 in naira-denominated domestic capital from Nigeria's domestic capital market, separately and independently of the AF grant, with all associated capital-raising costs borne entirely by BOI as its institutional contribution, THEN the effective cost of borrowing for eligible enterprises will fall by at least 800 basis points below prevailing commercial rates, making long-tenor adaptation investments financially viable for the first time for Nigerian enterprises operating in climate-sensitive sectors. BOI will be able to deploy its tiered development finance rates at scale without absorbing a net loss on its cost of funds, and the domestic capital pool will be fully deployed into enterprise adaptation lending with the interest differential reserve confirmed as solvent across the complete loan portfolio life based on a portfolio average loan tenor of 5 years.

This will enable at least 45 enterprises across northern and southern programme zones (including at least 14 women-owned or women-led enterprises), directly addressing the structural financing exclusion documented in the problem statement. This statement is to access affordable adaptation loans and invest in climate-resilient infrastructure including flood- and heat-resilient storage facilities, solar-powered irrigation and water management systems, climate-resilient cold chains and cooling, rainwater harvesting systems and resilient logistics infrastructure, generating at least 9,000 climate-resilient assets nationwide.

Complemented by sector-specific technical assistance delivered to at least 200 enterprises and ecosystem partners, including a dedicated TA stream for women-owned and women-led enterprises ensuring that at least 40% of TA recipients are women-led, enterprises will have the knowledge, screening tools and technical capacity

to design, implement and sustain adaptation investments that materially reduce their climate exposure. As a result, enterprise assets, supply chains and service delivery systems across both programme zones will be more resilient to the specific hazards they face, drought and heat stress in the north, flooding and coastal erosion in the south, protecting livelihoods, food security, water access and health-related supply chains for an estimated 380,000 to 570,000 people dependent on enterprise-led economic activity in both zones. Over the programme period, a monitored and evidence-documented national model for enterprise adaptation finance will be established that is sufficiently detailed, tested and institutionalized within BOI to be replicated by other Nigerian financial institutions and scaled through future Adaptation Fund programmes and domestic climate finance channels.

Long-Term Outcomes by Zone

Northern Zone: Enterprise assets, supply chains and service delivery systems dependent on outgrower and aggregation networks are protected against drought, heat stress and rainfall variability, sustaining smallholder-linked livelihoods and food security across Kano, Kaduna, Katsina and neighbouring states.

Southern Zone: Enterprise assets, supply chains and service delivery systems dependent on food processing, cold chain, water services and health supply chain enterprises operating in coastal and flood-exposed areas.

Cross-cutting outcome: A monitored, evidence-documented national model for enterprise adaptation finance is established, tested and institutionalized within BOI, replicable by other Nigerian financial institutions and scalable through future Adaptation Fund programmes and domestic climate finance channels.

1.3 Theory of Change Diagram

The diagram below illustrates the full causal chain from the identified problem and market failure through AF grant inputs, programme components, outputs and intermediate outcomes to the AF goal of reduced vulnerability and increased adaptive capacity.

C-CAFÉ Nigeria: Theory of Change

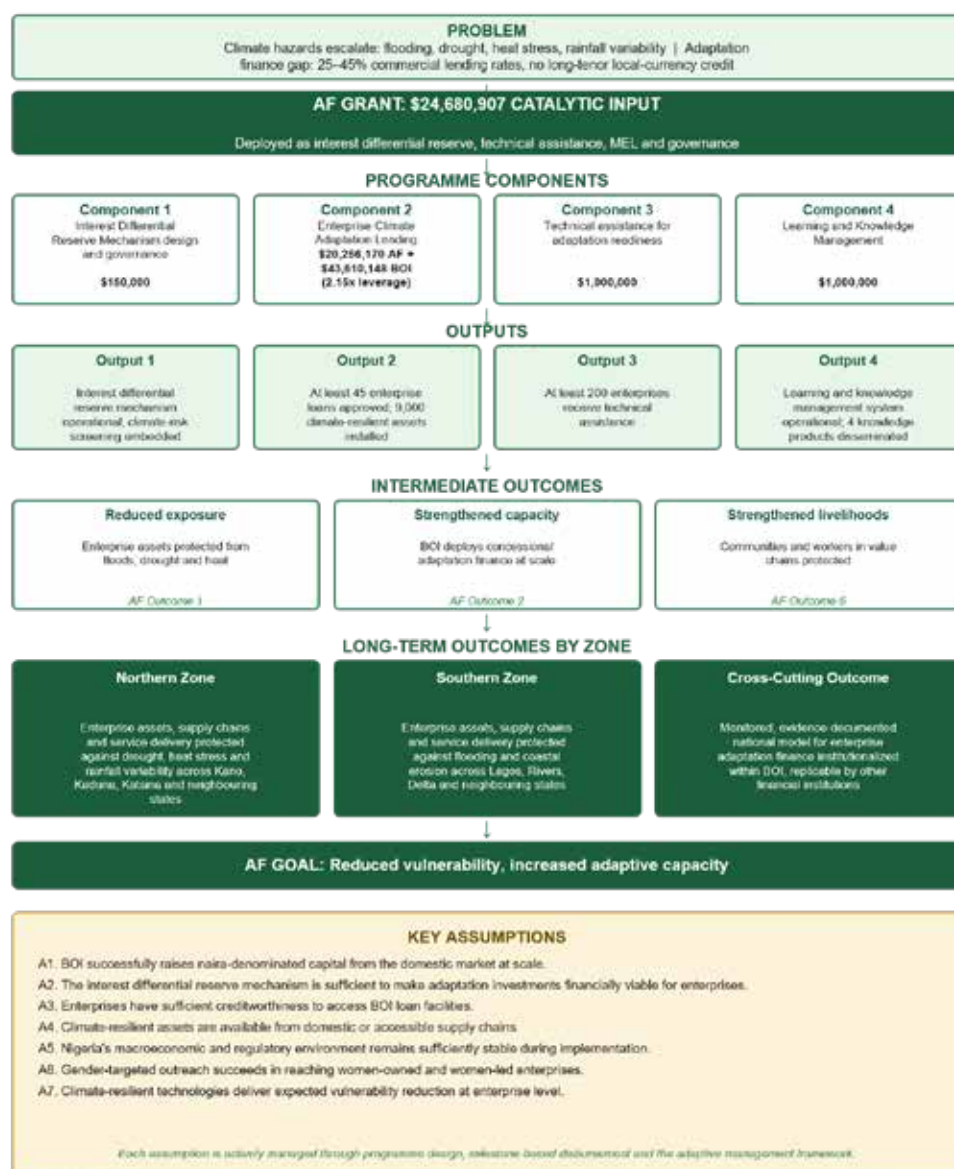


Figure 2: C-CAFÉ Nigeria Theory of Change

1.4 Adaptation Additionality

C-CAFÉ Nigeria is explicitly and wholly an adaptation programme. The following features distinguish it from business-as-usual development finance.

Climate-risk screening is a gate, not an add-on.

Every loan application must pass a climate-risk screening and adaptation additionality assessment before approval. Investments that do not materially reduce vulnerability to identified climate hazards are ineligible regardless of their development merit.

Investment targeting is hazard-specific.

Supported investment types are selected precisely because they address the specific, identified climate hazards facing enterprises in each programme zone. Energy components are included only as enablers of adaptation outcomes, never as standalone mitigation investments.

The financing model resolves an adaptation-specific market failure.

The interest differential reserve mechanism exists because the affordable, long-tenor adaptation finance required for enterprise-level climate resilience investment cannot be provided by the commercial market under prevailing conditions. Even BOI cannot deploy its below-market lending rate at scale without absorbing a net loss on its cost

of funds. This makes the AF grant an essential precondition for the mechanism to function rather than merely a rate-enhancement tool. Without the AF grant, these investments simply would not happen.

Gender and social targeting addresses adaptation-specific vulnerabilities.

The minimum 30% allocation for women-owned and women-led enterprises responds directly to the finding that women in Nigeria's agrifood system are both disproportionately exposed to climate hazards and disproportionately excluded from the finance needed to invest in adaptation.

1.5 Key Assumptions

The Theory of Change holds under seven key assumptions, each actively managed through programme design.

A1. BOI successfully raises at least \$43,610,148 in naira-denominated capital from the domestic market within the programme timeline. Managed through the milestone-based disbursement structure, which links each AF tranche release to confirmed programme performance milestones including capital mobilization progress, and through BOI's established track record of domestic capital market operations.

A2. The interest differential reserve mechanism is sufficient to make adaptation investments financially viable. The cost-recovery gap covered by the AF grant enables BOI to on-lend at between 12% and 15% while recovering its full cost of funds and operating margin. The resulting basis point reduction in the effective borrowing rate relative to prevailing commercial rates brings enterprise debt service into a range that supports long-tenor adaptation investment, based on enterprise cash-flow modelling. These two figures are distinct. The cost reduction gap of up to 1,300bps is the institutional gap the interest differential reserve covers. 800bps is the borrower-facing benefit that makes adaptation investment viable.

A3. Enterprises have sufficient creditworthiness to access BOI loan facilities. Managed by targeting a portfolio that includes medium and larger enterprises alongside MSMEs and by the TA component that improves enterprise financial readiness and bankability before loan application.

A4. Climate-resilient assets are available from domestic or accessible supply chains. Solar irrigation systems, cooling units and water management infrastructure are increasingly available from Nigerian and West African suppliers and are verified as part of the adaptation additionality screening under Component 1.

A5. Nigeria's macroeconomic and regulatory environment remains sufficiently stable during implementation. Managed through the fixed-rate structure of the interest differential reserve, which insulates the mechanism from moderate fluctuations since the cost recovery gap covers a contractually defined differential rather than a market-linked spread. A Steering Committee review is triggered if market rate movements materially affect BOI's cost of funds beyond the reserve's coverage capacity, with adaptive management options documented in the Programme Operations Manual (POM).

A6. Gender-targeted outreach reaches women-owned enterprises. Actively managed through dedicated gender-responsive TA streams, partnerships with women's enterprise networks enhanced pipeline targeting through priority access arrangements, and mandatory sex-disaggregated reporting with automatic corrective action trigger at quarterly review.

A7. Climate-resilient technologies deliver expected vulnerability reduction at enterprise level. Managed through adaptation additionality screening at appraisal and MEL system verification of asset performance as well as climate-risk reduction outcomes throughout implementation, with IVA validation at each disbursement tranche milestone.

2. Programme Approach and Adaptation Rationale

C-CAFE Nigeria deploys AF grant resources as a catalytic grant instrument, operationalized through a fixed-rate interest differential reserve mechanism, to enable Nigerian enterprises operating across climate-sensitive agro-industrial sectors to implement concrete, asset-level adaptation investments that directly reduce their exposure to documented climate hazards. The programme finances climate resilience at the level of agro-processing supply chains. Eligible enterprises are those that aggregate, process, store, cool, distribute and manufacture using agricultural raw materials across Nigeria's two climatically distinct programme zones. Direct lending to individual smallholder farmers is explicitly excluded from programme eligibility. Smallholder communities are reached as indirect beneficiaries through the enterprise supply chains that aggregate and process their output.

The programme addresses dual and compounding barriers. On the climatic side, flooding, prolonged drought, heat stress and rainfall variability are already disrupting enterprise operations, damaging infrastructure and reducing productivity across agriculture, food processing, water services, cold-chain logistics and health supply chains. On the non-climatic side, structural financing constraints prevent adaptation investment under prevailing commercial conditions. Naira-denominated commercial lending rates of up to 45%, MSME credit access of

approximately 1% of total bank lending, short tenors of 2 to 3 years and the absence of long-tenor local-currency adaptation finance products mean that climate-resilient investment is financially unviable for the majority of Nigerian enterprises regardless of the scale of their climate exposure. Given this cost-recovery gap (Section 1.1, Problem Statement), the interest differential reserve is the essential enabling instrument, not a rate-enhancement tool.

Component 1 establishes the interest differential reserve mechanism that makes sustainable affordable adaptation lending possible for BOI, resolving the financing architecture barrier at the institutional level. Component 2 deploys the resulting domestic capital pool against that architecture, channeling \$43,610,148 in naira-denominated commercial lending rates of 25 to 45% into eligible enterprise adaptation loans at lending rates that are only financially sustainable because Component 1's reserve covers BOI's cost-recovery gap. Component 3 resolves the capacity and awareness barriers that would otherwise prevent enterprises from designing and implementing high-quality adaptation investments even where finance is available. Component 4 resolves the institutional learning and replication barrier, ensuring the model is documented, tested and transferable to other Nigerian financial institutions beyond the grant period. Together these four components transform the structural market failure described in the background and context section into a functioning enterprise adaptation finance market.

3. Programme Component Descriptions and Concrete Adaptation Activities

Component 1: Local-Currency Interest Differential Reserve Mechanism

Component 1 establishes the governance, systems and financial architecture for the programme's interest differential reserve mechanism. Without this enabling architecture, no enterprise-level adaptation lending can occur at the scale and cost required to generate meaningful climate resilience outcomes. This component directly addresses the institutional market failure that prevents domestic financial institutions from originating affordable, long-tenor adaptation loans under prevailing commercial conditions.

Mechanism Modalities

BOI raises naira-denominated capital from Nigeria's domestic capital market at rates of up to 20% per annum and on-lends to eligible enterprises at its standard development finance rate of up to 15% per annum (the ceiling), differentiated by investment purpose and enterprise gender profile:

Table 3: Proposed Interest Rates for Programme

Tier	Rate (per annum)
Capital expenditure for women-owned/led enterprises	12%
Capital expenditure (others)	13%
Working capital for women-owned/led enterprises	14%
Working capital (others)	15%

Every borrower is priced at the tier applicable to their investment purpose and gender profile, so that concessionality is targeted to the variables that are genuine drivers of financing need (i.e. capital-intensive adaptation investment (Section I.5.1) and the financing constraints facing women-owned enterprises (Annex 3)).

Rationale for tiered pricing rather than deeper concessionality: Consistent with recognized blended and concessional finance practice, the programme applies the minimum concessionality necessary to make adaptation investment viable. Pricing loans below the levels defined out above, even where technically affordable within the reserve's capacity, would risk distorting Nigeria's lending market especially as BOI is already lending at below market rates.

Each tier's on-lending rate comprises two elements: a 5% operating margin retained by BOI to cover its operational costs, credit risk and institutional sustainability, funded entirely by enterprise loan repayments and not subsidized by AF resources in any respect, and a cost-of-funds recovery portion specific to that tier. BOI's full cost-recovery requirement, comprising its cost of domestic funds of up to 20% plus its 5% operating margin, amounts to up to 25% per annum. The gap between this full cost-recovery requirement and each tier's lending rate, which is the differential the interest differential reserve must cover, therefore varies by tier as follows:

Table 4: Cost of Recovery Gap Analysis per Investment Need

Tier	Rate	Gap (assuming cost of domestic capital at 20% per annum)
Capital expenditure for women-owned/led enterprises	12%	13%
Capital expenditure (others)	13%	12%
Working capital for women-owned/led enterprises	14%	11%
Working capital (others)	15%	10%

Interest Differential Reserve (IDR) Sizing Methodology:

The IDR is sized to reflect the actual, reducing-balance amortization profile of the enterprise loan portfolio and the tiered structure defined above using the following disbursement and tenor assumptions:

- Capital pool: \$43,610,148 in naira-equivalent domestic capital, mobilized by BOI across 45 enterprise adaptation loans.
- Disbursement schedule: 50% of loan capital disbursed by the end of Year 2, with the remainder disbursed in subsequent years of implementation.
- Tenor mix: One-third of loans (by value) carry a 7-year tenor, consistent with the upper end of the tenor range already established (3 to 7 years). The remaining two-thirds carry the portfolio's 5-year average tenor.
- Moratorium: A 1-year moratorium applies across all loans, during which no principal repayment occurs.
- Projected portfolio mix: A projection portfolio mix is defined as 60% of disbursed loans to finance capital expenditure and the balance of 40% to finance working capital requirements. The programme's minimum 30% women-owned/led allocation (Output C1.3) is applied proportionally within each.

Computation is carried out as follows:

- **Base obligation to AF:** This is computed as the portfolio's weighted-average cost-of-funds gap based on the tier structure above applied to the lifetime sum of each loan's actual, moratorium-adjusted outstanding balance across its tenor. The latter computation reflects the reducing balance that results from equal-principal amortization after the 1-year moratorium.

Weighted-average gap = $60\% \times [(30\% \times 13\%) + (70\% \times 12\%)] + 40\% \times [(30\% \times 11\%) + (70\% \times 10\%)]$
= 11.51%

Base obligation equals **\$19,243,362**.

- **Solvency buffer:** A buffer of 5% of the total reserve is applied to protect against timing mismatches between drawdowns and repayment schedules, and against portfolio tenor-mix variance within the ranges set out above. The buffer is sized as a share of the total reserve and computed as $\$19,243,362 \div (1 - 5\%) = \$20,256,170$. This reserve requirement is the basis for the Component 2 AF allocation.
- **IDR Drawdown formula per project:** The IDR sizing of \$20,256,170 is the portfolio size of the IDR. Actual drawdown for each loan will be computed on a per project basis using the following:

IDR per project = Outstanding principal at the time of computation x verified cost of funds recovery rate x duration of interest due. Where:

Verified cost of funds recovery = Cost of capital raised by BOI – cost of funds gap as determined for each loan (up to 1,300 basis points)

Borrower payment conditionality: No IDR drawdown for a given repayment period may be authorized until the Risk Management Division has confirmed that the borrower's own interest payment for that period has been received by BOI. The IDR differential is calculated and disbursed only against interest obligations that have actually been serviced by the borrower.

IDR mechanism register: BOI Risk Management Division will maintain a tenor-matched instrument register for all domestic capital allocated to the C-CAFÉ portfolio, identifying each instrument's principal, coupon/yield, issuance date and maturity.

Prepayment and default adjustment: A loan is eligible for continued IDR drawdown only while it meets BOI's

standard performing-loan criteria as defined in BOI's credit policy. Where a loan falls into arrears and it is yet to be restructured, IDR drawdown for that loan is suspended from the date arrears status is identified until the loan either returns to performing status or restructuring is approved.

Loan restructuring: Where an eligible loan is restructured (tenor extension, payment deferral, etc), the loan's amortization schedule used in the drawdown formula is updated to reflect the restructured terms and verified by the Risk Management Division before the next scheduled drawdown. Any tenor extension arising from restructuring shall not cause the loan's total tenor to exceed 7 years, consistent with the maximum individual loan tenor already established for the portfolio. Cumulative lifetime drawdowns against any single restructured loan remain subject to the portfolio-level reserve ceiling. Restructuring decisions will follow BOI's standard credit governance and forbearance policies and are documented in the loan-level tracking system established under Output C1.3.

Loan Commitment Ceiling: BOI may not approve new enterprise loan commitments creating incremental IDR exposure beyond the escrow's available balance (in Naira equivalent) at any point in time. Before each loan approval, the Multilaterals Division confirms with the Risk Management Division that sufficient escrow funds are available to cover that loan's full projected lifetime obligation at the applicable capped differential. Where available escrow funds are insufficient, further new loan commitments are paused until sufficient escrow funds are confirmed available.

Quarterly verification: Each quarter, BOI's Treasury function calculates the weight average cost of capital for the period from BOI's underlying instrument documentation. The Risk Management Division independently verifies this calculation and confirms each loan's current outstanding principal from servicing records, before authorizing any drawdown for that period.

IVA oversight: The IVA's tranche-milestone validation (Part III Section A) is extended to verify that the IDR mechanism methodology has been correctly applied and that quarterly and annual reconciliations have occurred.

Clawback and recovery: Where the Risk Management Division, Sustainability Division or IVA identifies, at any point during or after implementation, that an IDR disbursement was made against an ineligible or duplicate claim, or a loan where the approved adaptation investment was not implemented as approved, BOI shall recover the amount concerned, either by offsetting it against future IDR entitlements for that or other eligible loans, or, where offsetting is not possible (including at or after programme completion), by returning the recovered amount to the escrow account or, if the account has closed, to the AF Secretariat. Recovery actions will be documented in the loan-level tracking system and reported in the next Annual Programme Performance Report.

POM validation and ongoing formula ownership: The core formula, tiers, IDR portfolio size, principal-reduction methodology and reconciliation cadence above represent the proposed methodology for this proposal. At POM stage, BOI's Treasury function will validate this formula against BOI's actual funding instruments and liquidity management practices, confirming it is operationally implementable before Tranche 1 disbursement. Ongoing maintenance of the formula and its underlying WACF calculation is a Treasury function while independent verification of each disbursement against the formula remains the responsibility of the Risk Management Division.

The AF disburses IDR resources into a dedicated escrow account managed by BOI in tranches aligned with the disbursement schedule and verified programme milestones. BOI may draw from the escrow solely when a supported loan's interest repayment falls due and has been independently verified, with each drawdown limited to the confirmed cost-of-funds differential for that repayment period. Because the escrow is funded during the programme period it continues to discharge interest differential obligations on facilities whose tenors extend beyond programme close, potentially to 2038 or beyond for loans disbursed in the later years of the programme, without requiring new AF disbursements after close. The detailed escrow drawdown procedures, verification protocols and conditions precedent will be finalized in the POM, which will be submitted as a condition precedent to Tranche 1 disbursement.

Table 5: Component 1: Outcome > Output > Activity Table

Expected Outcome: BOI fixed-rate interest differential reserve mechanism developed and operationalized nationwide.	
Output C1.1: Interest differential reserve mechanism designed, approved and operational: This output establishes the core financial architecture described above,	Activity C1.1.1: Design the interest differential reserve mechanism, including enterprise eligibility criteria, priority geographies, fixed-rate interest differential formula, caps, verification rules as well as audit and tracking protocols. This will be finalized into the POM and submitted as a condition precedent to Tranche 1 disbursement.

together with the fiduciary controls needed for AF compliance. It directly builds on BOI's existing experience structuring concessional lending facilities including its ongoing €100 million green finance facility with AFD.	• Activity C1.1.2: Codify anti-fraud and performance safeguards alongside governance arrangements to ensure the mechanism operates with full fiduciary integrity. These governance and anti-fraud protocols will be documented and operational prior to first escrow drawdown. • Activity C1.1.3: Establish a dedicated escrow account under BOI management with independent verification and AF reporting. Define programme-level conditions precedent and facility-level drawdown conditions.
Output C1.2: BOI institutional channels applying programme tools and climate-risk screening protocols in standard lending workflows: This output ensures the mechanism's screening standards are embedded operationally across BOI's national lending infrastructure, not confined to a pilot unit.	• Activity C1.2.1: Embed climate-risk screening and adaptation additionality checks into BOI lending workflows to confirm that 100% of loan applications are assessed against documented climate hazards before approval.
Output C1.3: Gender-responsive targeting and loan-level tracking system operational: This output ensures women-owned and women-led enterprises have codified priority access, and that portfolio performance can be tracked and reported with the granularity AF requires.	• Activity C1.3.1: Set minimum allocations and priority access for women-owned and women-led enterprises and enterprises in highly climate-vulnerable locations, codified in the POM. • Activity C1.3.2: Establish a loan-level tracking system tagging 100% of loans by interest differential coverage, tenor, sector, location and gender markers with periodic learning notes published to support transparency and replication.

Adaptation additionality

Climate-risk screening and adaptation additionality checks embedded under this component ensure that only investments that materially reduce enterprise exposure to the flooding, drought and heat stress hazards identified in the background and context section qualify for the interest differential reserve coverage. This distinguishes the programme from business-as-usual enterprise finance.

Gender dimension

Minimum allocations for women-owned and women-led enterprises are codified in the eligibility criteria within the POM to address the documented financing disadvantage faced by women entrepreneurs in Nigeria's agrifood system.

Component 2: Enterprise Climate Adaptation Lending

Component 2 is the programme's core adaptation delivery mechanism. Using the financing architecture established under Component 1, BOI mobilizes \$43,610,148 in naira-denominated domestic capital, separately and independently of the AF grant, and channels it into eligible adaptation investments with AF interest differential reserve resources applied to cover BOI's cost-of-funds shortfall, reducing effective borrowing costs to financially viable levels for enterprises.

Financial structure. The AF grant functions as a dedicated interest differential reserve covering BOI's cost-of-funds shortfall in full, with no AF resources used for institutional, capital-raising, operating costs or BOI's operating margin, which is funded entirely by enterprise loan repayments. This structure generates a leverage ratio of 2.15 times, meaning every dollar of AF grant mobilizes \$2.15 in BOI domestic capital. The domestic capital pool of \$43,610,148 is sized to support a minimum of 45 enterprise adaptation loans at an average loan size of \$969,114, consistent with the disbursement schedule and tenor mix described in Component 1, Mechanism Modalities.

Status and management of Unidentified Sub-Projects. Because the specific enterprises that will receive naira-denominated adaptation loans are not identified at the time of this proposal, individual sub-loans under Component 2 constitute Unidentified Sub-Projects (USPs) within the meaning of the Adaptation Fund's guidance on projects and programmes with unidentified sub-projects (Decision 32.33/17). Rather than leaving sub-project selection open, the eligibility criteria set out above, the fixed geographic scope of the two programme zones, the

loan-size ceiling, the mandatory climate-risk screening and adaptation additionality gate embedded in Component 1, the minimum 30% allocation to women-owned and women-led enterprises, the exclusion of Category A sub-projects, and the structured environmental and social screening and categorization process applied to every sub-loan before disbursement (detailed in Part II Section E and Section K, and Annex 8) are all fixed in this proposal rather than determined during implementation. Because these parameters are fixed now rather than left to be defined once enterprises are identified, the Adaptation Fund can assess the programme's adaptation and environmental and social risk profile at this stage, with individual sub-loan compliance verified against these fixed parameters at appraisal rather than requiring pre-identification of specific enterprises. Together these elements constitute the USP management framework required for this fully-developed proposal. Every sub-loan is screened against these fixed parameters and categorized under the Adaptation Fund's Environmental and Social Policy before approval, with the categorization, screening checklist and safeguards requirements for each sub-loan documented in the loan-level tracking system established under Component 1. The budgeted Environmental and Social Management Plan (ESMP) for this screening and categorization process, including the mapping of ESMP activities to the relevant ESP principles, identified risks (Annex 8), and funding sources, is presented in Annex 11. As Component 2 sub-loans are Unidentified Sub-Projects (USPs), ESMP requirements will be further refined during sub-loan appraisal as eligible enterprises are identified and screened, consistent with Adaptation Fund guidance on programmes with unidentified sub-projects. No sub-loan may be approved outside the eligibility criteria, geographic scope or safeguards requirements fixed in this proposal and the POM.

Compliance with Adaptation Fund requirements for Unidentified Sub-Projects (USPs). This USP management framework is structured to satisfy the two conditions established by the Adaptation Fund for projects and programmes that include Unidentified Sub-Projects. The first condition is that eligible activities will be defined through a clear, evidence-based selection framework established at proposal stage, rather than left open for definition during implementation. This programme meets that condition through the enterprise eligibility categories, geographic scope, loan-size ceiling, climate-risk screening, adaptation additionality test, and exclusion criteria fixed in this proposal, which will govern every sub-loan approved during implementation rather than being determined on a case-by-case basis as enterprises are identified. See Annex 1 for further details.

The second condition is that compliance with the Environmental and Social Policy and Gender Policy be achieved for each USP during implementation to the same standard required of fully identified sub-projects, rather than a reduced standard reflecting their unidentified status at approval. The programme addresses this by applying the same four-step Environmental and Social Policy review process to every sub-loan prior to disbursement that would apply to a fully identified sub-project: (i) risk identification against the 15 Environmental and Social Policy principles, (ii) impact assessment, (iii) identification of mitigation measures, and (iv) preparation of an implementation plan, with screening, categorization and, where required, a site-specific Environmental and Social Management Plan completed before any sub-loan is disbursed (Part II Section K and Annex 8 for further information for sub-project E&S analysis).

Because the standard four-step review process is designed to be applied when each sub-loan is identified, rather than once at proposal stage, it also requires a compliance monitoring mechanism that is not necessary for fully identified sub-projects. BOI, as the National Implementing Entity, will meet this requirement by reporting on USP-level compliance with the Environmental and Social Policy and Gender Policy through each Annual Programme Performance Report submitted to the Adaptation Fund Secretariat. Combined with the loan-level tracking system described above, this will provide continuous, verifiable visibility of USP compliance throughout programme implementation, rather than relying on a single compliance determination made only at proposal approval.

Selection criteria for priority interventions: Priority adaptation interventions were identified through a climate risk-based targeting methodology that links the predominant hazard profile of each programme zone, as established through the hazard and vulnerability assessment (Annex 10), to adaptation investments capable of reducing climate-related operational, productivity, and asset risks faced by enterprises. In the Northern zone, the prevalence of drought, desertification, heat stress, and rainfall variability justifies the prioritization of solar-powered water-efficient irrigation systems, rainwater harvesting infrastructure, and passive-cooling aggregation and storage facilities to strengthen water security and climate resilience across agricultural value chains. In the Southern zone, the higher incidence of flooding, coastal erosion, and extreme precipitation events warrants

prioritization of flood-resilient storage, processing, and logistics infrastructure, as well as climate-resilient health facilities that reduce vulnerability to climate-related service disruptions. Cross-cutting interventions, including climate information and early warning systems and resilient cold-chain infrastructure with backup power, address systemic risks associated with heat stress, extreme weather events, and electricity supply disruptions common across both programme zones.

The intervention portfolio is therefore derived from an explicit hazard-exposure-vulnerability analysis. The selected investments are fully aligned with the Nigeria National Adaptation Plan Framework, particularly its priority thematic areas relating to water resources, agriculture, and food security, while operationalizing the Framework's objective of strengthening private sector participation in adaptation finance through enterprise-level investments.

Selection criteria for enterprises: Enterprise selection follows the two-stage process detailed in Annex 1. Stage 1 applies programme eligibility requirements, confirming that the applicant operates within an eligible enterprise category, is located within an eligible programme zone, and proposes an investment that successfully passes climate risk screening and demonstrates adaptation additionality. Stage 2 applies the BOI's established credit appraisal, governance, and underwriting procedures in conjunction with the programme's technical eligibility requirements.

Within the eligible pipeline, priority will be given to enterprises proposing investments aligned with the zone-specific adaptation interventions identified through the climate risk assessment, enterprises operating backward integration arrangements, including outgrower schemes or contract farming relationships that extend adaptation benefits to networks of smallholder farmers, and women-owned or women-led enterprises, in line with the programme's minimum gender allocation requirements.

This approach ensures that programme resources are directed towards investments with the strongest adaptation rationale, the greatest potential to strengthen climate resilience, and the highest capacity to generate indirect adaptation benefits beyond the direct borrower.

Loans are priced at one of four tiers reflecting investment purpose and enterprise gender profile, per the tier structure set out in Component 1, Mechanism Modalities. Tier assignment methodology and working capital eligibility criteria are detailed in Annex 1.

Table 6: Component 2: Outcome > Output > Activity Table

Expected Outcome: Affordable, long-tenor adaptation finance disbursed with climate-resilient assets installed.	
Output C2.1: Enterprise adaptation loans disbursed and operational: This output deploys the domestic capital pool against eligible enterprises across four categories, following the fixed USP management framework defined above.	• Activity C2.1.1: Apply the fixed eligibility criteria to four enterprise categories: (i) agricultural aggregators operating outgrower schemes with smallholder networks, required to demonstrate a guaranteed off-take agreement with processors or manufacturers; (ii) agro-processors and manufacturers requiring secured raw material feedstock; (iii) cold chain, storage and logistics operators serving agro-industrial supply chains; and (iv) water service enterprises supporting irrigated production systems linked to processing. Additional details on eligible enterprise categories are contained in Annex 1. This will be utilized in screening every applicant against the eligibility and additionality framework established under Component 1. • Activity C2.1.2: Originate the enterprise pipeline through four coordinated outreach channels (see Annex 1 for pipeline origination and enterprise selection methodology) to develop a robust pipeline of enterprises sufficient to support the deployment of at least 45 approved loans over the implementation period. • Activity C2.1.3: Apply the standard two-stage credit governance process (eligibility/additionality screening, then credit appraisal) to 100% of the enterprises in the pipeline, with scoring weightings and thresholds set out in the POM (see Annex 1 for full process detail).

Output C2.2: Climate-resilient assets installed and operational across supported enterprises: This output finances hazard-specific investment types differentiated by zone, with energy technologies eligible strictly as adaptation enablers.	• Activity C2.2.1: Finance northern zone investments addressing drought, heat stress and rainfall variability, including solar-powered irrigation, water harvesting and climate-resilient storage (see Annex 1 for full investment specifications) confirming at appraisal that 100% of northern zone sub-loans address these hazards. • Activity C2.2.2: Finance southern zone investments addressing flooding and infrastructure disruption, including flood-resilient storage facilities and climate-resilient health supply chain infrastructure (see Annex 1 for full investment specifications) confirming at appraisal that 100% of southern zone sub-loans address these hazards. • Activity C2.2.3: Finance cross-zone investments applicable to both programme zones, including climate-risk information/early warning systems and climate-resilient cooling and cold-chain systems (see Annex 1 for full investment specifications) confirming at appraisal that 100% of cross-zone sub-loans address the specific hazard(s) identified for its location. • Activity C2.2.4: Verify at appraisal that 100% of sub-projects involving solar or grid-connected energy technology function strictly as adaptation-enablers before disbursement.
Output C2.3: Indirect community and value chain benefits generated: This output extends the reach of enterprise-level investment to dependent smallholder and worker populations through backward integration.	• Activity C2.3.1: Extend climate resilience benefits to smallholder farming networks through enterprises' outgrower and backward-integration arrangements reaching at least 50,000 to 75,000 smallholder farmers. • Activity C2.3.2: Track and report 380,000 to 570,000 indirect beneficiary reach (smallholder farmers, workers and supply-chain-dependent communities) disaggregated by sector, region, gender and asset type, consistent with the loan-level tracking system established under Component 1.

Gender and vulnerability dimension.

Component 2 addresses structural financing barriers directly through minimum allocations ensuring at least 30% of loans supported under the IDR mechanism are directed to women-owned or women-led enterprises. Priority sectors for women-led enterprise targeting include food processing, agricultural storage, water services and cold-chain logistics.

Component 3: Technical Assistance for Adaptation Readiness and Climate-Risk Management

Component 3 builds the institutional and operational capacity of enterprises and service providers to identify, design and implement effective adaptation solutions. Without this component, investments financed under Component 2 would be at risk of poor design, misalignment with actual climate hazards and suboptimal adaptation outcomes. Equally, the climate-risk screening and adaptation additionality gate embedded in Component 1 depends on enterprises having sufficient understanding of their climate exposure to design investment proposals that can be meaningfully screened. This makes Component 3's capacity-building function a prerequisite for the quality and integrity of the overall lending pipeline.

Table 7: Component 3: Outcome > Output > Activity Table

Expected Outcome: Enterprises and adaptation service providers possess strengthened institutional and operational capacity to identify climate risks, design climate-resilient investments and implement high-impact adaptation solutions.	
Output C3.1: Sector-specific technical assistance delivered to enterprises and ecosystem partners: This output builds enterprise bankability and adaptation investment design capacity, directly addressing the pre-application constraint the BOI Climate Resilience Knowledge Series consultation confirmed as equally	• Activity C3.1.1: Deliver sector-specific technical assistance to at least 200 enterprises across both programme zones on climate-resilient technologies and practices covering resilient agricultural systems, water harvesting and efficiency, cooling and cold-chain management, and supply-chain climate-risk management. • Activity C3.1.2: Develop and maintain a standardized master TA curriculum owned by BOI, certifying 100% of contracted BDSPs certified against it before deployment. • Activity C3.1.3: Deliver targeted TA streams for women-owned and women-led enterprises addressing creditworthiness building, financial literacy and

binding alongside the pricing barrier.	adaptation investment design reaching at least 40% of TA recipients confirmed as women-owned/women-led businesses.
Output C3.2: Climate-risk screening and decision-support tools developed and deployed: This output equips enterprises to identify their specific climate vulnerabilities, matched to the flooding, drought and heat stress hazards documented in the background and context section and building on the Component 1 screening gate by giving enterprises the tools to meet it.	• Activity C3.2.1: Deploy climate-risk screening and decision-support tools applied by 100% of loan beneficiaries in investment design.
Output C3.3: Institutional capacity of BOI and service delivery partners strengthened: This output ensures the institutional ecosystem can sustain adaptation finance beyond the programme period.	• Activity C3.3.1: Build capacity of BOI staff, Business Development Service Providers and other partners on climate-risk-informed lending and adaptation investment appraisal, training at least 25% of programme-relevant BOI lending staff and contracted BDSPs before first loan disbursement with all training recorded with gender-disaggregated data.

Gender and vulnerability dimension.

A dedicated TA stream for women-owned and women-led enterprises is embedded from the outset. At least 40% of enterprises receiving TA will be women-owned or women-led. Gender-responsive TA delivery modalities will be designed in consultation with women enterprise networks, and enterprise development partners with established reach across both programme zones. The delivery formats will be designed for accessibility across considerations of location, timing, language and safety.

Support to Local Actors and Capacity Building for Standards Compliance

C-CAFE Nigeria will support local actors and build their capacities to comply with relevant standards through four mechanisms embedded in Component 3 and the programme's implementation design.

Pre-application technical assistance. Component 3 TA is delivered to enterprises before and during the loan application process, not only after disbursement. This pre-application TA covers climate-risk screening, adaptation investment design and the identification of applicable regulatory requirements for the enterprise's specific investment type and location. TA providers contracted under Component 3 are required to have demonstrated competence in Nigerian environmental and construction standards as a procurement criterion. This ensures that enterprises receive technically sound guidance on regulatory compliance as part of the investment design process, reducing the risk of compliance gaps emerging during appraisal.

Standards compliance toolkit. Under Component 3, BOI will develop a Nigeria-specific standards compliance toolkit for each major investment type supported under the programme, funded. Each toolkit will identify the applicable national standards and regulatory requirements, the steps required to obtain necessary permits and clearances, the typical timelines for regulatory processes, and the documentation required at each stage. Toolkits will be made available to enterprises through BOI's state offices and through the enterprise development partners contracted for TA delivery, ensuring that enterprises in all programme geographies have access to practical compliance guidance regardless of their proximity to federal regulatory bodies in Abuja.

Capacity building for BOI staff. Component 3 institutional capacity building for BOI staff includes training on national technical standards applicable to adaptation investments and on how to verify standards compliance during loan appraisal. This ensures that BOI's loan officers have the technical knowledge to assess whether enterprise investment proposals meet applicable standards as part of the adaptation additionality and appraisal process, rather than treating standards compliance as a purely administrative requirement separate from adaptation quality assessment.

Engagement with regulatory authorities. BOI will establish working relationships with NESREA, the Federal Ministry of Environment, NAFDAC and relevant state Environmental Protection Agencies during the programme

inception phase to clarify regulatory requirements applicable to supported investment types, agree on streamlined permit processes where possible, and identify any regulatory gaps or inconsistencies that may affect programme delivery. These relationships will also support the development of the standards compliance toolkits and will be documented in the programme's knowledge products to support replication by other financial institutions.

The programme recognizes that regulatory procedures in Nigeria can be time-consuming and that lengthy clearance processes can significantly affect implementation timelines. The pre-application TA approach, the standards compliance toolkit and the early engagement with regulatory authorities are all specifically designed to anticipate and address this risk, enabling enterprises to initiate regulatory processes at the investment design stage rather than after loan approval.

Component 4: Learning and Knowledge Management

Component 4 ensures that adaptation outcomes are systematically tracked, assessed and continuously improved across the programme period. It establishes systems to monitor climate risk reduction, asset performance and capacity development against the baselines established in the background and context section and supports knowledge generation and dissemination to enable replication and scaling of effective adaptation solutions.

Table 8: Component 4: Outcome > Output > Activity Table

Expected Outcome: Evidence-based, replicable national model for enterprise adaptation finance established, tested and institutionalized within BOI, with tools for other Nigerian financial institutions to adopt.	
Output C4.1: Programme-wide MEL system designed and operational: This output tracks adaptation outcomes systematically against the AF Strategic Results Framework, supporting both adaptive management and AF portfolio-level learning.	• Activity C4.1.1: Design and operationalize a programme-wide MEL system aligned with the AF Strategic Results Framework, capturing evidence of reduced vulnerability, strengthened adaptive capacity and measurable socioeconomic resilience outcomes with gender-disaggregated tracking across all indicators from Year 1. The MEL system design and baseline data collection instruments will be detailed in the Programme Operations Manual. • Activity C4.1.2: Establish baseline data and tracking systems for climate risk reduction, performance of adaptation assets and services, and institutional and enterprise capacity development, with baseline data collected and validated before the first loan disbursement under Component 2. • Activity C4.1.3: Conduct mid-term review by September 2030 and terminal evaluation by December 2033 in line with AF Evaluation Policy requirements
Output C4.2: Knowledge products developed and disseminated: This output documents and institutionalizes evidence, tools and learning to support replication of the enterprise adaptation finance model by other Nigerian financial institutions.	• Activity C4.2.1: Develop and disseminate at least 4 knowledge products including case studies, technical notes, climate-risk screening protocols, gender-responsive TA models and replication frameworks.
Output C4.3: Knowledge-sharing and peer-learning platforms established and active: This output convenes enterprises, financial institutions, government agencies and development partners to disseminate adaptation knowledge and good practice across sectors.	• Activity C4.3.1: Facilitate at least 8 knowledge-sharing and peer-learning events at national and sub-national levels including policy dialogues with the Nigeria Climate Change Council and relevant federal and state ministries, departments and agencies.
Output C4.4: Nigerian financial institutions adopt programme tools and approaches: This output transforms C-CAFÉ's tools and evidence base from a programme-specific asset into sector-wide institutional capacity.	• Activity C4.4.1: Integrate learning into BOI programme management systems to support continuous improvement, replication and scaling beyond the grant period.

Devolved Decision-Making and Local Access to Finance and Adaptation Planning

C-CAFÉ Nigeria devolves decision-making to the lowest appropriate level and gives local institutions and

communities more direct access to finance and decision-making power through five mechanisms embedded in the programme design.

Enterprise-level investment decision-making.

The core-financing model places investment decisions with enterprises themselves rather than with central government or BOI. Eligible enterprises identify their own climate vulnerabilities, define their adaptation investment needs, design their investment proposals and submit them for appraisal. BOI's role is to screen for adaptation additionality and financial viability, not to prescribe investment type. The enterprises closest to the climate hazard make the primary determination of what adaptation action is appropriate for their specific context, location and value chain.

Community-anchored targeting.

The programme explicitly prioritizes enterprises operating in highly climate-vulnerable communities and those running outgrower schemes with smallholder networks. This targeting structure means that investment decisions made at the enterprise level translate directly into adaptation benefits for the communities and smallholder networks surrounding and supplying those enterprises. Local climate exposure, not administrative hierarchy, determines where investment flows.

Gender-responsive local access.

Minimum allocations for women-owned and women-led enterprises directly increase the access of a systematically excluded group to adaptation finance. Women enterprise networks and Business Development Service Providers with established community-level reach are engaged as partners in TA delivery, ensuring that outreach, needs assessment and programme design are informed by locally grounded knowledge of women's climate vulnerability and enterprise constraints.

Local technical assistance delivery.

Component 3 TA is delivered through locally operating enterprise development partners, extension partners and sector-specific service providers with existing relationships in the communities and enterprise ecosystems of the two programme zones. This ensures that climate-risk screening tools, adaptation guidance and capacity building are delivered by partners with contextual knowledge of local hazard conditions and enterprise operating environments.

Participatory monitoring and adaptive management.

The MEL system under Component 4 incorporates enterprise-level and community-level feedback mechanisms that allow adaptation outcomes to be assessed from the perspective of the enterprises and communities experiencing climate impacts. Adaptation outcome data collected at the enterprise and community level feeds directly into programme management decisions, enabling the programme to adjust targeting, investment priorities and TA design based on evidence generated at the lowest level of the beneficiary chain. Structured peer-learning events bring enterprise and community-level voices into national and sub-national knowledge-sharing platforms.

Combined Contribution of the Four Components to Climate Resilience

The four components function as a coherent, integrated adaptation finance system. Component 1 establishes the enabling financing architecture, the interest differential reserve mechanism, that makes sustainable affordable adaptation lending possible for BOI. Component 2 mobilizes and deploys capital into concrete adaptation investments directly responsive to documented climate hazards, enabled by the architecture Component 1 creates. Component 3 ensures that these investments are well-designed, appropriately targeted and effectively implemented. Component 4 ensures that outcomes are tracked, verified and translated into replicable knowledge that strengthens Nigeria's broader adaptation finance ecosystem.

This integration transforms individual enterprise-level interventions into system-wide resilience gains. By reducing climate-related risks to productive assets, strengthening value chains and enhancing the adaptive capacity of enterprises and the communities that depend on them, the programme contributes to reduced climate-related losses, improved livelihood stability and increased resilience at enterprise, sectoral and national levels consistent with the AF Results Framework outcomes.

The programme's adaptation additionality is established by three features. All supported investments must pass climate-risk screening confirming material reduction in exposure to documented climate hazards. The interest differential reserve mechanism is specifically designed to address the affordability barrier that prevents adaptation investment under prevailing commercial conditions, does not subsidize routine enterprise development and does not subsidize BOI's operating margin, which is funded entirely by enterprise loan repayments. The targeting of women-owned and women-led enterprises and enterprises in highly climate-vulnerable communities ensures that

the programme reaches those whose vulnerability is most directly linked to climate exposure.

The programme will deploy a minimum of \$63,866,318 in enterprise adaptation finance across Nigeria's northern and southern climate zones, financing a minimum of 45 enterprise adaptation loans and supporting at least 200 enterprises through technical assistance. At least 9,000 climate-resilient assets will be installed nationwide with the majority distributed through enterprise outgrower networks to smallholder farming communities within documented supply chain arrangements. At least 30% of financing and at least 40% of technical assistance will reach women-owned or women-led enterprises, directly addressing the documented gender gap in adaptation finance access.

B. Economic, Social and Environmental Benefits, and Safeguarding of Vulnerable Groups

B.1. Economic Benefits

The programme generates direct and cascading economic benefits at enterprise, value chain and community levels by enabling climate-resilient investments across agro-industrial supply chains. Consistent with BOI's industrialization mandate, the programme finances aggregators, processors, cold chain operators, manufacturers and water service enterprises. By securing the climate resilience of these enterprises, the programme protects the productive assets, supply chain continuity and service delivery capacity that workers, smallholder outgrowers and dependent communities rely on for their livelihoods, food security and access to essential goods.

Enterprise-level economic benefits

Reduced climate-related downtime and asset damage.

Flood-resilient and heat-resilient enterprise infrastructure reduces the frequency and severity of production disruptions, protecting enterprise revenues and reducing recovery costs following climate events.

Reduced post-harvest losses.

Climate-resilient storage, cold chain and cooling infrastructure directly addresses Nigeria's documented post-harvest loss rate exceeding 40% of fresh produce, preserving economic value along agriculture and food supply chains and reducing the recurring income losses that climate-exposed enterprises currently absorb.

Improved access to affordable long-term finance.

The interest differential reserve mechanism reduces effective borrowing costs by a minimum of 800 basis points below prevailing commercial rates of 25% to 45%, making long-term adaptation investment financially viable for the first time under current market conditions.

Stabilized supply chain relationships.

Enterprises with climate-resilient infrastructure maintain reliable off-take and delivery commitments to buyers, processors and distributors during climate events, reducing the disruption costs borne by the wider value chain.

Community and value chain economic benefits

Protected employment and income.

Enterprises that remain operational during climate shocks protect the jobs and incomes of their workers. The programme is estimated to protect employment for between 15,000 and 20,000 direct and indirect workers in supported enterprises across both programme zones.

Stabilized smallholder incomes and secured raw material feedstock.

Aggregators and processors operating outgrower schemes in the northern zone provide critical market access and guaranteed off-take for an estimated 50,000 to 75,000 smallholder farmers within their contracted supply chains. By investing in climate-resilient aggregation, storage and irrigation infrastructure, these enterprises protect both the raw material supply of Nigerian processors and manufacturers and the income stability of their smallholder outgrowers during drought, heat stress and rainfall variability events.

Continuity of essential services.

The enterprises supported across food, water, cold chain and health supply chains provide essential goods and services to an estimated 380,000 to 570,000 people. Climate resilience at enterprise level translates directly into service continuity for these communities during climate events.

B.2. Social Benefits and Vulnerable Communities

The programme's social benefits are concentrated among climate-vulnerable communities in both programme zones, where dependence on enterprise-led economic activity for food, water, employment and essential services is highest and where climate shocks impose the greatest disruption.

Northern zone: agro-industrial enterprises and outgrower communities

In the northern zone, the programme's primary social beneficiaries include workers employed by supported agro-

industrial enterprises and smallholder farmers participating in outgrower schemes operated by eligible aggregators and processors. Target communities are concentrated in Kano, Kaduna, Katsina, Niger, Nasarawa and Adamawa states. These communities face severe drought, heat stress and rainfall variability that disrupts both agricultural production and the agro-industrial supply chains that depend on it. Poverty rates in the north consistently exceed the national average, agricultural dependence is high and the overlap of climate stress with resource-related conflict dynamics in northeastern states further compounds vulnerability.

By financing climate-resilient aggregation facilities, solar-powered irrigation systems, water-harvesting infrastructure and climate-resilient storage for eligible agro-industrial enterprises, the programme protects the supply chains, produce off-take relationships and employment that smallholder outgrowers and enterprise workers depend on for livelihood stability.

Southern zone: urban informal settlement dwellers and flood-exposed communities

In the southern and coastal zone, the most vulnerable beneficiaries are urban informal settlement dwellers. This population accounts for approximately 49% of Nigeria's urban population living in informal housing with limited basic services, concentrated in cities including Lagos, Port Harcourt and Warri. These communities face compounded exposure to recurrent flooding, waterlogging of food and water distribution infrastructure and disruption of cold-chain and health supply chains.

By enabling enterprises to invest in flood-resilient storage, cold-chain continuity and climate-resilient health supply chain infrastructure, the programme protects the access of these communities to food, water and medical products during climate events. An estimated 15,000 to 23,000 urban informal settlement dwellers are expected to benefit indirectly from improved service continuity.

B.3. Structural Inequalities and Targeted Vulnerable Groups

The programme addresses structural inequalities affecting the following groups:

Women

Women play critical roles across Nigeria's agrifood system including smallholder production, post-harvest processing, food storage and market trade, yet face structural barriers that systematically limit their access to adaptation finance and technical support. Women in Nigeria receive a markedly lower share of agricultural credit than men, consistent with global evidence that women farmers receive less than 10% of agricultural loans. Women are disproportionately represented among climate-displaced populations globally, with UN estimates, cited by UNDP (2021) suggesting that 80% of people displaced by climate change are women. The EFInA 2023 Access to Financial Services survey documents a gender gap in financial inclusion of 9%, widening from 8% in 2020, with approximately 21 million adult women remaining excluded or underserved by formal financial systems. The programme addresses these structural inequalities through minimum allocations codified in the interest differential reserve mechanism eligibility criteria ensuring at least 30% of interest differential reserve-supported loans (at least 14 of the programme's 45 loans) are directed to women-owned or women-led enterprises; priority access to the programme's loan origination pipeline and dedicated outreach and technical assistance under Component 3; a dedicated TA stream under Component 3 that addresses structural barriers, restricted financial literacy and mobility constraints; and gender-disaggregated data collection and reporting across all programme indicators from Year 1.

Youth

Young people in Nigeria's climate-exposed communities face compounding structural disadvantages including high unemployment, limited access to formal finance and disproportionate exposure to climate-driven economic disruption. The programme addresses youth vulnerability through the employment protection benefits of enterprise-level adaptation investment, maintaining enterprise operations and supply chain continuity during climate shocks. Component 3 TA includes outreach to youth-owned enterprises and youth enterprise networks in both programme zones. The MEL system tracks employment outcomes disaggregated by age group to ensure youth benefit equitably from programme activities.

Children

Children in climate-vulnerable households face acute risks from climate-driven food insecurity, water scarcity and disruption to health service supply chains. The programme protects children indirectly through its supply chain resilience pathway by maintaining the continuity of food processing, cold-chain and health supply chain enterprises during climate events. Enterprises supported under Component 2 that operate in health-related supply chains directly contribute to the continuity of child-critical health services during climate shocks.

People with disabilities

People with disabilities face heightened vulnerability to climate hazards due to mobility constraints, reduced

access to emergency services and higher dependence on continuous supply chain and health service delivery. The programme addresses this through its community-level benefit pathway, maintaining continuity of food, water, cold chain and health supply chains during climate events. The Grievance Mechanism (GM), see Annex 12 and stakeholder engagement processes will be designed to ensure accessibility for people with disabilities including considerations of physical access, communication formats and representational inclusion. The E&S screening framework for sub-projects includes an explicit assessment of impacts on people with disabilities in affected communities.

People who are displaced

Nigeria has one of the largest populations of internally displaced persons in Africa, with climate-related displacement concentrated in northeastern states affected by drought, desertification and associated resource conflicts, and in southern states affected by flooding. The programme's geographic targeting of these zones means that enterprise adaptation investments directly protect communities to which many displaced persons belong or have returned. The programme's E&S screening framework explicitly requires sub-project appraisals to assess whether activities risk displacing people or exacerbating existing displacement pressures, and the exclusion list prohibits any activity requiring involuntary resettlement.

Indigenous Peoples and marginalized ethnic groups

Nigeria's target geographies include areas with significant minority ethnic and indigenous communities including communities in the Niger Delta region, the Middle Belt states and northeastern Nigeria. These communities face intersecting vulnerabilities including historical marginalization from formal financial systems, limited access to government services and disproportionate exposure to both climate and non-climate stressors. Stakeholder engagement processes during the programme inception phase will specifically identify minority community groups in target geographies and ensure their meaningful consultation. The GM will be accessible to all community members including minority groups and will be designed to accommodate linguistic and cultural diversity (see Annex 12). Any risk of marginalization of minority groups is explicitly ruled out through the programme's ESP-compliant screening process.

B.4. Estimated Beneficiaries

The table below provides quantified estimates of direct and indirect beneficiaries across both programme zones.

Table 9: Direct and Indirect Beneficiary Estimates

Beneficiary group	Estimated number	Geographic zone	Expected programme benefits
Direct beneficiaries			
Enterprises receiving adaptation loans (Component 2)	Minimum 45 loans	North and South	Interest differential reserve coverage reducing effective borrowing cost. Climate-resilient assets deployed.
Women-owned or women-led enterprises receiving loans (Component 2)	Minimum 14 loans (30% of loans approved)	North and South	Priority access to loan origination pipeline. Dedicated TA to build creditworthiness. Minimum 30% allocation of financing volume
Enterprises receiving technical assistance (Component 3)	Minimum 200 (of which at least 80 are women-owned or women-led)	North and South	Climate-risk screening. Sector-specific TA. Adaptation investment design support.
Indirect beneficiaries			
Direct and indirect workers in supported enterprises (Component 2)	Estimated 15,000 to 20,000	North and South	Protected employment and income continuity during climate shocks.
People dependent on supported supply chains (food, water, cold chain, health) (Component 2)	Estimated 380,000 to 570,000	North and South	Improved food security, water access and health supply chain continuity during climate events.
Smallholder farmers linked to supported enterprises via	Estimated 50,000 to 75,000	Northern zone	Guaranteed produce off-take. Reduced post-harvest losses. Improved market access.

Beneficiary group	Estimated number	Geographic zone	Expected programme benefits
outgrower schemes (Component 2)			
Urban informal settlement dwellers dependent on flood-resilient services (Component 2)	Estimated 15,000 to 23,000	Southern zone	Continued access to food, water, cold chain and health services during flooding events.

It should be noted that Components 1 and 4 are institutional capacity-building components. For Component 1, there are no direct beneficiaries at output level. For Component 4, being a knowledge-management component, benefits will accrue to institutions rather than direct individual beneficiaries.

B.5. Environmental Benefits

The programme generates positive environmental outcomes by supporting adaptation investments that protect ecosystems and productive landscapes while strengthening enterprise and community resilience.

Water resource protection.

Water-efficiency, harvesting and storage systems reduce over-extraction of surface and groundwater resources, protecting shared water systems in drought-stressed northern communities and reducing competition for scarce water between enterprises, smallholders and households. Solar-powered irrigation systems replace diesel-powered pumping, eliminating associated local air pollution and reducing pressure on grid infrastructure.

Reduced food waste and embedded resource loss.

Climate-resilient storage and cold-chain infrastructure reduces food waste and post-harvest losses. Reducing post-harvest losses exceeding 40% across supported agro-industrial supply chains preserves the land, water and energy inputs already invested in agricultural production, with associated reductions in the environmental footprint of the food system.

Ecosystem co-benefits from nature-based solutions.

Where nature-based solutions are incorporated into adaptation designs including vegetative drainage, shading and green buffers around storage facilities, these generate additional ecosystem and biodiversity co-benefits. Such solutions will be encouraged through the TA component where they are technically appropriate and cost-effective relative to built infrastructure alternatives.

Energy as an adaptation enabler only.

Energy technologies deployed under this programme, including solar-powered cooling and solar-powered irrigation, function strictly as adaptation enablers. Any incidental emissions reduction benefits are a co-benefit of the adaptation rationale, not the primary purpose of the investment.

A consolidated summary of economic, social and environmental benefits by component, baseline and projected endline status is provided at Annex 9.

B.6. Gender Policy Compliance

A full Gender Analysis and Gender Action Plan prepared in compliance with the Adaptation Fund Gender Policy requirements for fully developed proposals is provided at Annex 3. This section provides a summary of the key findings and programme design responses. Readers are directed to Annex 3 for the complete evidence base, gender baseline indicators, constraints analysis and component-level gender action tables.

Summary of gender analysis findings

Nigeria's structural gender inequalities in access to finance, land, technology and markets are acute and well documented. Of Nigeria's estimated 56.3 million adult women, only 22% can be classified as economically empowered according to EFinA 2023 data. Financial exclusion is most severe for women in the northern programme zone, where exclusion rates reach 38% in the North East and 47% in the North West. See full gender analysis in Annex 3.

Women constitute between 60 and 80% of food production labour in Nigeria's smallholder agricultural sector and are heavily concentrated in post-harvest processing, food storage, market trade and informal cold chain

operations, precisely the segments of the agrifood system most exposed to the climate hazards this programme addresses. Yet women-owned enterprises in these segments face the greatest barriers to accessing the adaptation finance needed to invest in resilience. The gender gap in documented land rights is particularly severe in Nigeria, with FAO data confirming that women receive less than 10% of agricultural credit and 7% of extension services in Sub-Saharan Africa.

Research on gendered climate vulnerabilities in Nigeria's northern programme zone confirms that women's livelihood vulnerability index scores are consistently higher than men's, reflecting compounded vulnerability through restricted resource access, mobility constraints and lower adaptive capacity. In southern coastal communities, women-owned enterprises in informal food distribution and market trading are concentrated in low-lying areas with high flood exposure and face the greatest barriers to recovery following flood events.

Gender-responsive programme design

The programme embeds gender-responsive design across all four components in response to these findings. The interest differential reserve mechanism codifies minimum allocations ensuring at least 30% of interest differential reserve-supported loans are directed to women-owned or women-led enterprises, directly addressing the documented credit access gap. Under Component 2, priority sectors for women-led enterprise targeting include food processing, agricultural storage, water services and cold-chain logistics. Under Component 3, a dedicated TA stream for women-owned and women-led enterprises ensures at least 40% of TA recipients are women-led; TA delivery modalities are designed for accessibility across considerations of location, timing, language and safety. Under Component 4, gender-disaggregated data is collected and reported across 100% of programme indicators from Year 1.

Addressing structural inequalities

Beyond gender-responsive design, the programme incorporates gender-transformative elements by directing adaptation finance directly to women-owned enterprises rather than through male household or enterprise decision-makers. This strengthens women's direct control over productive assets by including community engagement processes that create dialogue on women's autonomous access to adaptation finance in contexts where social norms currently require male consent for financial decisions. The programme also creates an institutional precedent within BOI for women's access to DFI adaptation finance that can be replicated across its lending portfolio.

The full Gender Action Plan at Annex 3 specifies 12 time-bound, budgeted gender actions across all four components with an identified gender budget of \$302,500 within the overall programme budget, and a gender monitoring framework tracking six gender-specific indicators throughout the programme period.

B.7. Maladaptation Risks and Mitigation

The programme takes a proactive approach to identifying and managing maladaptation risks that could inadvertently increase vulnerability, lock in climate-incompatible infrastructure or shift risks onto other communities or ecosystems.

Table 10: Maladaptation Risk and Mitigation Measures

Risk description	Mitigation measures
Solar irrigation expanding cultivation into ecologically sensitive or water-stressed areas	Climate-risk screening confirms water availability in target locations. Eligibility criteria exclude investment in areas where groundwater extraction would exceed sustainable recharge rates or encroach on protected ecosystems. Component 3 pre-application TA includes mandatory right-sizing guidance to ensure irrigation systems are sized within actual crop water requirements, preventing both financial inefficiency and resource overextraction.
Water harvesting reducing downstream flows for communities and ecosystems	Eligibility screening assesses hydrological impacts on downstream users. Technical specifications require water harvesting systems to be sized within the sustainable yield of available catchment areas.
Cold-chain and logistics investments locking in supply chain models incompatible with future climate scenarios	Climate-risk assessment for all sub-projects evaluates long-term resilience of investment designs under future climate projections, not only current hazard conditions will be reviewed against IPCC AR6 and CORDEX-Africa projections for Nigeria's northern and southern programme zones.
Flood-resilient infrastructure increasing runoff or flood risk for	Enterprise flood-proofing measures are assessed to confirm they do not redirect water flows in ways that increase exposure for neighbouring properties or

Risk description	Mitigation measures
adjacent communities	communities.
Adaptation investments benefiting enterprises while excluding dependent smallholder or informal workers	Eligibility criteria require enterprises operating outgrower schemes to demonstrate backward integration arrangements with verified smallholder networks. The backward integration model ensures adaptation investments financed at enterprise level generate climate resilience benefits for dependent smallholder outgrowers and supply chain workers as indirect beneficiaries, tracked through the MEL system's community- level beneficiary surveys. TA component specifically targets workers and smallholders in supported value chains as indirect beneficiaries.

C. Programme Cost Effectiveness Analysis

C.1. Why AF Grant Resources Are Required: The Incremental Cost Argument

The programme represents a cost-effective use of Adaptation Fund grant resources by addressing the incremental costs of climate adaptation through targeted, catalytic interventions that unlock significantly larger volumes of domestic, local-currency financing. Rather than financing individual assets directly, the programme deploys grant resources strategically to overcome the specific market failure that prevents enterprise-led adaptation investments from proceeding under business-as-usual conditions in Nigeria.

The market failure operates across three layers, each of which constrains adaptation investment and each of which the programme addresses in sequence.

Layer 1: Commercial bank lending.

Under prevailing commercial conditions, enterprise adaptation investment is not financially viable in Nigeria. Naira-denominated commercial lending rates reached 25 to 45% per annum in 2024 and 2025, with maximum lending rates for SMEs and risk-exposed sectors frequently exceeding 45%. Available loan tenors are typically 2 to 3 years and are structurally misaligned with the 5- to 10-year payback periods of climate adaptation infrastructure targeted by this programme. MSME lending accounts for approximately 1% of total commercial bank credit in Nigeria. Commercial lenders apply no adaptation additionality screening. Commercial lending is therefore not a viable source of enterprise adaptation finance under current market conditions.

Layer 2: BOI development finance lending rate.

BOI lends at its development finance rate of up to 15% per annum, significantly below commercial bank rates. However, BOI's full cost-recovery requirement, comprising its cost of domestic funds amounts to up to 25% per annum. This creates a gap between BOI's full cost-recovery requirement and its development finance lending rate (see Component 1, Mechanism Modalities).

Layer 3: The AF grant as bridge.

The AF interest differential reserve bridges the cost-of-funds shortfall across the full domestic capital pool, making it financially sustainable for BOI to lend at its development finance rates without incurring a net loss. Enterprises receive loans at effective rates 800 or more basis points below prevailing commercial rates, making long-tenor adaptation investments viable for the first time.

C.2. Leverage Ratio and Financial Efficiency

The programme's leverage ratio is calculated as follows.

Table 11: Total Adaptation Investment

Financing source	Amount (US\$)
AF grant deployed as interest differential reserve (Component 2 – as the singular leverage contributor)	20,256,170
BOI domestic capital mobilized from Nigerian capital market	43,610,148
Total adaptation investment	63,866,318

Leverage ratio (capital mobilization): \$43,610,148 in BOI domestic capital divided by \$20,256,170 AF grant = 2.15. For every dollar of AF grant resources deployed under Component 2, BOI mobilizes \$2.15 in its own domestic capital that it could not otherwise sustainably deploy to adaptation lending at its development finance rate. This generates a combined total adaptation investment multiple of 3.15 times

the AF grant.

The capital pool size and portfolio average loan tenor of 5 years are calibrated using the IDR sizing methodology (see Component 1, Mechanism Modalities)..

Cost-Effectiveness of the Drawdown Methodology. The IDR's cost-effectiveness depends not only on its total size but on ensuring every dollar drawn corresponds to a verified, actual funding cost and a loan's true reducing outstanding balance. The full drawdown formula, weighted-average cost-of-funds methodology, and quarterly and annual reconciliation process are detailed in Component 1, Mechanism Modalities. This distinction between the base obligation used for reserve sizing (\$19,243,362) and the verified, reducing-balance calculation used for actual period-by-period drawdowns means the reserve is structurally protected against overcompensating BOI beyond its real, attributable funding costs.

C.3. Comparison of Alternative Financing Options

The following analysis compares alternative financing options to allow for a full assessment of cost-effectiveness and to demonstrate why the interest differential reserve model was selected over other available instruments.

See below:

Table 12: Comparison of Alternative Financing Options

Option	Description and limitations	Why rejected
Option A: Direct asset grants	AF grant resources provided directly as grants for enterprise asset purchase. No enterprise debt obligation.	· Leverage of 1 time only. · Creates dependency, no institutional capacity built, not replicable at scale. · Does not address the structural financing gap. \$20,256,170 in grants would finance \$20,256,170 in assets compared to \$63,866,318 in adaptation investment under the interest differential reserve model.
Option B: Loan guarantees	Credit guarantees reducing perceived lending risk for commercial banks, potentially reducing interest rates.	· Guarantees do not reduce the actual cost of funds for lenders in a high-inflation environment and do not address the tenor mismatch. · In Nigeria's current macroeconomic context, guarantees alone have not proven sufficient to bring commercial lending rates to levels viable for long-tenor adaptation investment.
Option C: Foreign-currency concessional lending	Multilateral concessional facilities denominated in US dollars or euros available through BOI's existing international relationships.	· Foreign-currency borrowing exposes enterprises to exchange-rate risk precisely during climate shocks when naira depreciation is most likely. · Nigeria experienced naira depreciation of approximately 70% between 2023 and 2024. · For enterprises generating naira revenues, foreign-currency debt is a compounding vulnerability.
Option D: Results-based finance	Results-based payments contingent on verified adaptation outcomes, disbursed after verification.	· Requires enterprises to finance adaptation assets upfront and absorb the risk of non-payment if verification standards are not met, which is precisely the financial barrier that prevents investment in the first place. · Results-based finance functions best as a top-up to a primary financing mechanism rather than as a standalone solution.

The interest differential reserve model is selected because it is the only option that simultaneously addresses affordability, eliminates foreign-exchange risk, keeps BOI's margin fully funded by enterprise repayments rather than AF resources, builds institutional capacity within the domestic financial system and is fully replicable by other Nigerian financial institutions after the grant period.

C.4. Cost-Effectiveness of Implementation and Execution Arrangements

The C-CAFE implementation and execution arrangements contribute to cost-effectiveness and provides more direct access to finance through five features of its implementation design.

BOI as National Implementing Entity: eliminating intermediation costs.

The programme's cost-effectiveness is substantially enhanced by BOI serving as the National Implementing Entity and the primary lender. This single-institution model eliminates the intermediation layers that inflate transaction costs in programmes routing funds through multiple implementing agencies, regional entities or sub-grantees

before capital reaches enterprises. The AF grant flows directly to BOI, BOI applies the interest differential reserve to cover its cost-of-funds shortfall on eligible enterprise loans, and enterprises receive adaptation finance without additional layers of fees, transfer costs or approval delays.

Direct access as the primary cost-effectiveness mechanism.

BOI's accreditation as an AF National Implementing Entity is itself the direct access mechanism, operating at two levels simultaneously. At the institutional level, AF resources flow directly into the Nigerian financial system through a fully domestically owned institution, eliminating the multilateral intermediation premium that would otherwise reduce the volume of resources available for adaptation outcomes. At the enterprise level, eligible enterprises identify their own climate vulnerabilities, design their own investment proposals and submit them directly to BOI's project officers for appraisal. This places investment decision-making with the enterprises closest to the climate hazard rather than with a central government authority or regional intermediary. Both levels of direct access reduce transaction costs, shorten disbursement timelines and increase the share of AF resources that reaches adaptation outcomes rather than administrative processes. BOI's NIE management fee of 8.5% remains within the programme and finances the programme coordination and oversight functions that ensure delivery quality and AF compliance.

Expertise-specific execution structure.

Programme delivery is organized into two streams. In the first, the Sustainability Division as IE executes programme coordination at NIE level, financial management, safeguards and gender oversight, procurement oversight, AF reporting and annual audit coordination through the IE PMU. The Multilaterals Division as EE manages day-to-day programme operations, loan coordination, interest differential reserve administration and performance reporting under the Sustainability Division's oversight. In the second, specialized external delivery functions including sector-specific technical assistance, climate-risk screening tool deployment and MEL system operations are contracted to BDSPs, enterprise development partners and independent evaluators under BOI's procurement oversight.

This model concentrates BOI's direct execution costs on its core coordination and oversight functions, while ensuring TA and MEL are delivered by partners with sector-specific and geographic expertise. Programme execution costs represent 1.5% of total programme cost.

Technical assistance through hub and partner model.

Component 3 TA is delivered through a hub-and-partner model combining BOI's institutional coordination role with specialized delivery by contracted enterprise development partners and BDSPs certified against BOI's standardized master TA curriculum before deployment. This avoids the cost of building dedicated BOI TA capacity that would not be needed beyond the programme period while ensuring TA is delivered by providers with sector-specific and geographic expertise.

Proportionate and fully resourced safeguards budget.

ESMP implementation costs (see Annex 11) are financed through existing Component budgets, execution costs, and the IE management fee rather than a separate budget line. This approach keeps safeguards costs proportionate to programme scale while ensuring adequate resourcing for E&S and gender compliance. Site-specific ESMPs are prepared for individual USPs as they are identified through the Component 2 origination pipeline, with the full ESMP framework, USP-specific arrangements and associated budget detailed in Annex 11.

C.5. Cost per Beneficiary

The table below presents cost-per-beneficiary calculations across the programme's primary beneficiary groups, using total AF financing requested of \$24,680,907 as the denominator.

Table 13: Cost-per-Beneficiary Table

Beneficiary group	Estimated number	Cost per beneficiary (US\$)	Basis
Direct enterprise loan beneficiaries	Minimum 45	548,465	Total AF financing divided by minimum 45 enterprises. Each enterprise receives adaptation loans enabling multiple asset installations.
Enterprises receiving technical assistance	Minimum 200	123,405	Total AF financing divided by minimum 200 TA recipients.

Beneficiary group	Estimated number	Cost per beneficiary (US\$)	Basis
Indirect community beneficiaries (supply chain dependent)	380,000 to 570,000	43 to 65	Total AF financing divided by estimated indirect beneficiary range. Reflects enterprise multiplier effect on community resilience.
Smallholder farmers in supported outgrower networks	50,000 to 75,000	329 to 494	Total AF financing divided by estimated smallholder beneficiary range. This is dependent on aggregator loan count and outgrower network size per enterprise.

The cost per indirect community beneficiary of \$43 to \$65 reflects the programme's enterprise multiplier model. By financing adaptation at the enterprise level rather than at the individual household level, the programme achieves community-scale resilience outcomes at a fraction of the cost of direct household-level interventions, while simultaneously strengthening the productive infrastructure that underpins long-term community economic resilience.

C.6. Sustainability and Long-Term Cost-Effectiveness

The programme's cost-effectiveness extends beyond the grant period through the combination of institutional and asset-level mechanisms described in full at Part II Section J. This section distinguishes the permanent and unconditional sustainability of BOI's institutionalized screening and appraisal capability from the time-bounded and conditional sustainability of the concessional lending rate itself. It also sets out the specific pathways through which affordable adaptation lending could continue after the interest differential reserve is exhausted. From a cost-effectiveness standpoint specifically, this means that the AF's investment is not depreciated on a one-time basis. The institutional capability it builds continues generating adaptation-lending value at no additional cost, regardless of whether new concessional capital is subsequently mobilized.

Market development. C-CAFÉ Nigeria's primary market development contribution is evidentiary. By originating, disbursing and monitoring enterprise adaptation loans across Nigeria's two climate zones, the programme generates the first systematic Nigerian evidence base on enterprise adaptation loan performance. By this, the programme demonstrates that enterprises can service adaptation debt, that climate-resilient assets deliver measurable resilience outcomes, and that adaptation lending is a manageable risk class for financial institutions. This evidence directly addresses the information failure that currently prevents commercial lenders and domestic institutional investors from entering the adaptation finance market. This is an information failure rooted in the absence of local adaptation loan performance data. As programme data accumulates and is disseminated through Component 4 knowledge products and peer-learning platforms, it progressively reduces the information barrier that makes concessional support necessary, building the conditions under which adaptation lending becomes viable at lower levels of concessionality or as a commercially self-sustaining product over time. This market development function contributes to the long-term transformation of Nigeria's domestic climate adaptation finance ecosystem.

C.7. Full Cost of Adaptation Reasoning

The Adaptation Fund does not require co-financing for the projects it funds, and AF grant resources for C-CAFÉ Nigeria are, on their own, fully sufficient to deliver the programme's stated outcomes and outputs within the implementation period. The programme's institutional sustainability as described above is also fully achievable based on AF resources alone. The time-bounded nature of the below-market lending rate, which depends on the pre-funded interest differential reserve, cannot be sustained indefinitely without successor concessional instruments. This is addressed separately in Section C.6 above and Section J below of this proposal.

AF grant resources finance 100% of the incremental and enabling costs the programme requires to convert BOI's existing lending capacity into adaptation-additional lending capacity. These are the interest differential reserve that closes the cost-of-funds gap between BOI's cost of domestic funds and the cost-of-funds recovery embedded in its enterprise lending rate, the climate-risk screening and adaptation additionality systems embedded in BOI's lending workflows, the technical assistance that builds enterprise and institutional capacity for climate-resilient investment and the monitoring, evaluation and learning system that tracks and verifies adaptation outcomes. Every dollar of the \$24,680,907 requested is allocated against one of these AF-funded activities, and the

deliverables under Components 1, 3 and 4 are fully achievable based on AF resources alone. The domestic capital BOI mobilizes and on-lends separately and independently of the AF-funded interest differential reserve is BOI's own institutional capital, not third-party co-financing of the kind the AF's full cost of adaptation principle is designed to guard against. Raising and on-lending capital (domestic and international) is BOI's ordinary, ongoing business as Nigeria's oldest and largest development finance institution, undertaken independently of this programme. The AF grant does not depend on this capital materializing from an uncertain external source. It is designed to make a category of lending that BOI could not otherwise price profitably viable using capital BOI already raises as a matter of routine capital raising operations.

Under a business-as-usual scenario, enterprises continue to operate with climate-vulnerable infrastructure, processes and supply chains due to limited access to affordable financing. High local-currency interest rates, short loan tenors, collateral requirements and elevated climate and execution risks make adaptation investments financially unviable, despite increasing exposure to flooding, drought and heat stress. Enterprises remain exposed to climate-related losses with negative implications for livelihoods, service delivery and economic stability.

The programme represents the adaptation scenario in which enterprises can invest in climate-resilient infrastructure and systems. Achieving this transition requires addressing incremental costs that are not covered under business-as-usual conditions, and it is precisely and only these costs i.e. the interest differential reserve, climate-risk screening, technical assistance and the MEL system, that AF grant resources are applied to. These elements are essential for delivering adaptation outcomes but do not generate direct financial returns and therefore cannot be financed through commercial lending, whereas loan capital is available to BOI as a going concern independent of this programme. This division of function ensures that AF resources are fully and solely sufficient to deliver the programme's outcomes and outputs, with every dollar directed to its highest-value use.

Certain activities that may resemble business-as-usual investments such as infrastructure upgrades or equipment financing are justified within the programme because they are specifically designed to address identified climate risks and enhance resilience rather than to support general economic expansion. The adaptation additionality screening embedded in Component 1, applied as a mandatory gate before every loan approval, ensures this distinction is maintained for every supported investment throughout the programme period.

D. Consistency with National and Sub-National Development Strategies

A detailed alignment table covering all relevant national instruments, specific provisions and programme responses is provided at Annex 4: National Policy Alignment Table.

D.1 Overview

C-CAFÉ Nigeria is fully aligned with Nigeria's comprehensive national policy and legislative framework for climate change adaptation, sustainable development and enterprise resilience. The programme directly operationalizes the adaptation priorities established under Nigeria's Climate Change Act 2021, NDC 3.0, National Adaptation Plan Framework, National Climate Change Policy, and relevant sectoral strategies. It also contributes to broader national development priorities embedded in Nigeria's Medium-Term National Development Plan and national financial inclusion and women's economic empowerment frameworks.

The table below summarizes the date/status and relevance of each instrument discussed in this section, please see Annex 4: National Policy Alignment Table for the full provision-by-provision detail, including three additional sectoral strategies (Agricultural Promotion Policy, Water Resources Sector Strategy, Health National Adaptation Plan) and the Nigeria Financial Inclusion Strategy 3.0.

Table 14: C-CAFÉ Nigeria Alignment with National and Legislative Frameworks

National / Subnational Instrument	Date & Status	Relevance / Consistency with C-CAFÉ Nigeria
Nigeria Climate Change Act 2021	Enacted November 2021. In force.	Builds BOI's institutional capacity to deploy affordable adaptation finance, supporting the Act's mandate that private entities adopt climate resilience mechanisms; Component 4 engages the NCCC directly; complements the Climate Change Fund without duplication.
Nationally Determined Contribution (NDC) 3.0	Validated October 2025.	Each Component 2 investment type maps to a specific NDC 3.0 adaptation priority (water/food security, climate-smart agriculture, resilient health systems, climate-resilient infrastructure).

National / Subnational Instrument	Date & Status	Relevance / Consistency with C-CAFÉ Nigeria
National Adaptation Plan (NAP) Framework	Framework published June 2020; NAP validated October 2025, moving into implementation.	Operates in parallel and complementarity with the government's NAP process; MEL system evidence on enterprise-level adaptation outcomes feeds the NAP's broader knowledge base without substituting for government planning functions.
National Climate Change Policy for Nigeria (NCCP)	Revised June 2021.	Advances the NCCP's institutional readiness objective by scaling BOI's ESG due diligence into climate adaptation finance, Component 4 policy dialogues support the NCCP's governance-strengthening objectives.
Medium-Term National Development Plan (MTNDP) 2021–2025	Current (most recent published framework).	Consistent with the MTNDP's agricultural transformation and enterprise development priorities by financing climate-resilient agro-processing, storage, cold chain and water management infrastructure.
National Women's Economic Empowerment (WEE) Policy and Action Plan 2023-2028	Launched May 2023.	Minimum 30% loan allocation for women-owned enterprises, priority pipeline access and dedicated TA directly operationalize the WEE Policy's financial inclusion objectives, gender-disaggregated MEL data feeds the WEE Policy's monitoring framework.
Nigerian Sustainable Banking Principles (NSBP)	Adopted by the Central Bank of Nigeria, applicable to all Nigerian banks and financial institutions.	Scales BOI's existing NSBP-aligned ESG due diligence into more granular climate-risk screening, adaptation additionality assessment and hazard-specific investment verification under Component 1.

D.2 Sub-national and Local Policy Alignment

The programme's two-zone geographic targeting is consistent with the adaptation priorities of the state governments in both programme zones. In the northern zone, states including Kano, Kaduna, Katsina, Niger, Nasarawa and Adamawa have identified drought resilience, water security and agricultural supply chain development as priority areas in their state development plans and annual budgets. The programme's enterprise-level investment model is designed to complement rather than substitute for state government adaptation programmes. By financing enterprise-level adaptation in sectors that are priority areas for state governments, the programme creates adaptation infrastructure that serves both enterprise and community resilience objectives and can be reinforced by state-level public investment over time.

E. National Technical Standards and Environmental and Social Policy Compliance

A detailed standards compliance table identifying each relevant standard by investment type, legal source, compliance steps and authorisation pathway is provided at Annex 5: National Technical Standards Compliance Table.

E.1 Overview

C-CAFÉ Nigeria builds on BOI's existing lending compliance infrastructure to ensure full compliance with all relevant Nigerian national technical standards and regulatory requirements across every supported investment type, scaling and deepening BOI's appraisal and monitoring workflows to address the specific technical standards applicable to climate adaptation investments. Compliance is achieved through a structured, multi-layered process embedded in the programme's lending, appraisal and monitoring workflows, and is reinforced through targeted capacity building for enterprises and local technical service providers. The programme also operates in full compliance with the Adaptation Fund's Environmental and Social Policy (ESP) and the AF Gender Policy, as described in Part II Section K and Annex 3. E&S screening and ESMP preparation for each sub-project is conducted by the Multilaterals Division as EE at appraisal, with categorizations reviewed and approved by the Sustainability Division as IE before loan approval is confirmed

The table below summarizes the national technical standards and regulations applicable to this programme, the programme outputs/activities each applies to, and the arrangements in place to ensure compliance; see Annex 5: National Technical Standards Compliance Table for the full detail on legal sources, compliance steps and authorisation pathways by investment type

Table 15: National Technical Standards Compliance

Standard/ Regulation	Date	Applies to (Outputs / Activities)	Arrangements to Ensure Compliance
Environmental Impact Assessment (EIA) Act, Cap E12 LFN 2004	2004	All Component 2 investments involving physical construction (flood/heat-resilient storage & processing facilities, structural elements of solar irrigation systems)	Mandatory EIA screening and clearance as a disbursement condition (Step 4 of the E&S screening process). Component 3 pre-application TA and standards compliance toolkit guide enterprises through the process
National Environmental Standards and Regulations Enforcement Agency (NESREA) Act No. 20 of 2007 (amended 2018) 35 sector-specific environmental regulations	2007, amended 2018	All investment types (water quality, air quality, noise, wetlands, hazardous waste, soil, biodiversity)	E&S screening and categorization at appraisal (Steps 1-2), ESMP preparation for Category B sub-projects, monitored via Annual Programme Performance Reports
Nigerian National Building Code 2006 (NBC), plus December 2025 Regulations for Builders Practice	2006, updated December 2025	Flood/heat-resilient storage & processing facilities, structural elements of solar irrigation systems	Building permits required from state/local government before construction (Step 4), registered engineer sign-off required specifically for solar irrigation structural installations, per NBC structural standards, covered in the standards compliance toolkit.
Water Resources Act- NESREA National Environmental (Surface and Groundwater Quality) Regulations and (Wetlands, River Banks and Lake Shores) Regulations	Cap W2 LFN 2004 (Water Resources Act) 2009 (NESREA regulations)	Solar-powered irrigation and water management systems, rainwater harvesting and water-efficiency systems	Water abstraction permits required (Step 4), climate-risk screening confirms groundwater extraction stays within sustainable recharge rates, hydrological impact assessment required for harvesting systems
National Agency for Food and Drug Administration and Control (NAFDAC) Good Storage Practice guidelines (NAFDAC established under Cap N1 LFN 2004)	2004	Climate-resilient cold chain and cooling systems, health/pharmaceutical supply chain investments	NAFDAC compliance documentation required as a disbursement condition (Step 4)
Standards Organization of Nigeria (SON) product quality and safety standards	2004	Solar equipment - electrical equipment and refrigerants, construction materials used across supported investment types	Embedded in the standards compliance toolkit (Component 3), verified at appraisal
Nigerian Communications Commission (NCC) telecommunications infrastructure standards, NiMet data compatibility standards	2003	Climate-risk information and early warning systems (where communication towers or equipment are involved)	Compatibility with NiMet data standards verified during investment design, NESREA noise/electromagnetic standards applied where applicable
Labour Act Cap L1 LFN 2004, Employees Compensation Act	2004 (Labour Act) 2010	All Component 2 investments	Core labour rights compliance is a mandatory loan eligibility criterion, confirmed at appraisal

Standard/ Regulation	Date	Applies to (Outputs / Activities)	Arrangements to Ensure Compliance
2010, Factories Act Cap F1 LFN 2004	(Employees Compensation Act)		through enterprise self-declaration and verification by BOI. ESMP includes occupational health and safety requirements. Ongoing compliance will be monitored through annual performance reporting.

E.2. Environmental and Social Screening and Categorization Process

Every sub-project supported under Component 2 will undergo a structured E&S screening and categorization process before loan disbursement. This process operates as a mandatory gate in the lending workflow established under Component 1 and cannot be bypassed. The screening process is designed to be consistent with both Nigerian national requirements and the Adaptation Fund ESP.

The screening process proceeds through four sequential steps.

Step 1: Initial E&S screening. The Multilaterals Division, in coordination with the Sustainability Division's Safeguards and Gender Officer, applies the AF ESP 15-principle checklist and BOI's ESMS screening instrument to every sub-project application, assessing potential direct, indirect, transboundary and cumulative impacts and risks. The screening covers environmental assessment, access and equity, marginalized and vulnerable groups, human rights, gender equality, core labour rights, indigenous peoples, involuntary resettlement, natural habitats, biodiversity, climate change, pollution, public health, physical and cultural heritage, and lands and soil conservation.

Step 2: E&S categorization. Based on the initial screening, each sub-project is categorized as Category A (significant adverse impacts, diverse, widespread or irreversible), Category B (potential adverse impacts that are fewer, smaller, less widespread and readily mitigated) or Category C (no adverse impacts). As established in Part II Section K and Part III Section C of this proposal, the programme is designed to support only Category B and Category C sub-projects. Category A sub-projects are excluded from programme eligibility.

Step 3: E&S assessment and management plan. Category B sub-projects require preparation of an Environmental and Social Assessment (ESA) and Environmental and Social Management Plan (ESMP) identifying specific risks and the measures necessary to avoid, minimize or mitigate them. The ESA addresses all impacts identified in the screening including gender impacts. For most sub-project types supported under this programme, the investment types are sufficiently well defined that a standardized ESMP framework can be prepared at programme level and applied with site-specific modifications at appraisal, reducing the time and cost of ESMP preparation for individual sub-projects. The standardized ESMP framework will be finalized in the POM, ensuring the framework is AF-reviewed and approved before any sub-loan disbursement occurs. Category C sub-projects proceed directly to disbursement following confirmation of the screening findings.

Step 4: Regulatory permits and clearances. All required Nigerian regulatory approvals and permits must be secured by the enterprise applicant before BOI disburses loan funds. For construction activities requiring EIA under the EIA Act, a valid EIA clearance from the Federal Ministry of Environment or relevant State Environmental Protection Agency is a condition of disbursement. Building permits from state or local government authorities are required for all construction activities. Water abstraction permits from the Federal Ministry of Water Resources are required for all irrigation and water management investments. NAFDAC compliance documentation is required for cold chain and pharmaceutical supply chain investments.

Compliance with applicable technical standards is verified at appraisal and monitored throughout implementation through site visits and reporting requirements under the ESMP. Annual Programme Performance Reports submitted to the AF Secretariat include a section on the status of implementation of ESMPs and any corrective actions taken.

E.3. Standard-Specific Compliance by Investment Type

The following summarizes how compliance with the most relevant national technical standards is achieved for each major investment type supported under Component 2. Full details of legal sources, compliance steps and authorisation pathways are provided in Annex 5.

Solar-powered irrigation and water management systems. Compliance with NESREA water quality and groundwater regulations, Federal Ministry of Water Resources and Sanitation water abstraction permitting

requirements, and SON standards for solar equipment quality and electrical safety. Climate-risk screening confirms that groundwater extraction will not exceed sustainable recharge rates. All systems must be designed by a registered engineer in accordance with NBC structural standards where physical installation structures are involved.

Rainwater harvesting and water-efficiency systems. Compliance with NESREA National Environmental (Surface and Groundwater Quality) Regulations. Hydrological impact assessments required where systems may affect downstream water availability for other users or ecosystems. Systems must be designed and installed in accordance with NBC requirements for civil works.

Flood-resilient and heat-resilient storage and processing facilities. Compliance with the Nigerian National Building Code 2006 covering structural design, foundation engineering, materials quality, fire safety and drainage. Building permits required from state or local government authorities before construction begins. EIA required where construction exceeds applicable thresholds under the EIA Act. Flood-proofing specifications must demonstrate compliance with state-level flood zoning requirements in southern programme zone states.

Climate-resilient cold chain and cooling systems. Compliance with NAFDAC Good Storage Practice guidelines for food and pharmaceutical products stored in supported facilities. SON standards for electrical equipment and refrigerants. NESREA regulations on refrigerant handling and disposal. Fire safety requirements under the NBC for cold storage facilities. NAFDAC compliance documentation required as a disbursement condition for all health supply chain investments.

Climate-risk information and early warning systems. Compliance with Nigerian Communications Commission (NCC) standards for telecommunications infrastructure where early warning systems involve communication towers or equipment. NESREA noise and electromagnetic standards where applicable. Systems must be compatible with the Nigeria Meteorological Agency (NiMet) data standards to ensure interoperability with national early warning infrastructure.

Because Component 2 sub-loans are treated as Unidentified Sub-Projects (USPs) at this stage, the specific national standards applicable to any individual sub-project will depend on the investment type and location selected by the enterprise during appraisal. The table above and Annex 5 cover all five investment types currently defined under the Component 2 eligibility criteria. Should additional investment types be introduced during implementation through the programme's adaptive management provisions, the applicable national standards will be identified through the same mechanisms described in this section, namely the pre-application technical assistance process and the standards compliance toolkit under Component 3. These standards will then be incorporated into the POM and reflected in subsequent Annual Programme Performance Reports.

E.4. Adaptation Fund Environmental and Social Policy Compliance

Full compliance with the Adaptation Fund Environmental and Social Policy, including principle-by-principle risk ratings and mitigation measures, is detailed in Part II, Section K. Mandatory eligibility conditions verified at appraisal, including compliance with the law, human rights and core labour rights, are described in Section 1 above. The AF Gender Policy is addressed through the Gender Analysis and Gender Action Plan at Annex 3, with gender-responsive design embedded across all four components as described in Part II, Section A.

F. Duplication, Complementarity and Coordination with Other Funding Sources

A structured complementarity and coordination table covering all relevant programmes – Funder, dates and status, scope, synergy and overlap assessment, lessons learned and coordination mechanism is provided below See Annex 6 for the coordination mechanism.

Table 16: C-CAFÉ Nigeria Complementarity to other Relevant Programmes

Programme and Funder	Dates & Status	Interventions/Objectives, Focus and Location	Synergy, Lessons Learnt & Complementarity with C-CAFÉ Nigeria	Lessons Learnt
BOI- AFD Green Finance Facility (AFD; BOI as IE)	August 2022-present. Ongoing.	€100M credit line, 40% (€40M) adaptation-designated; BOI enterprise lending across climate-sensitive sectors; Nigeria-wide.	Same institutional channel and overlapping eligible sectors; C-CAFÉ Nigeria adds naira-denominated finance with distinct loan tracking; Component 1 screening design draws on AFD appraisal experience.	Internationally funded instruments alone cannot resolve the domestic financing gap. Adaptation projects require a complementary domestically anchored mechanism, which C-CAFÉ provides.
AfDB National Agricultural Growth Scheme Phase II (\$200M loan; Federal Ministry of Agriculture)	Approved February 2026 to December 2030 (planned completion). Ongoing	Smallholder agricultural productivity and climate-smart farming inputs; 650,000+ smallholder farmers; national.	Upstream of C-CAFÉ Nigeria (primary agriculture vs. downstream agro-processing/supply chain); coordination via shared value-chain mapping.	Upstream smallholder programmes create the supply base that downstream enterprise adaptation investment depends on. Coordinating the two creates system-wide value chain resilience.
World Bank Nigeria AGROW Programme (\$500M IDA credit; Federal Ministry of Agriculture)	Approved March 2026 - 2032. Six-year programme, Ongoing	Results-based matching grants for agribusinesses sourcing from smallholders; aggregation, post-harvest handling, agro-processing; participating states.	Partially overlapping enterprise population but distinct instrument (grants vs. lending) and purpose (productivity vs. adaptation); natural sequencing pathway into C-CAFÉ Nigeria.	Grant and lending instruments targeting the same enterprise population are non-duplicative when purpose and eligibility criteria are distinct. AGROW's market mobilization objective creates a natural sequencing pathway into C-CAFÉ's adaption lending.
GCF Readiness Support - Development Bank of Nigeria (GCF; DBN)	Grant agreement signed 27 February 2026. End date not publicly specified. Ongoing.	Institutional readiness and capacity building for DBN's climate programming; not direct enterprise finance.	Institutional readiness and capacity building for DBN's climate programming. This is not direct enterprise finance.	Not applicable
NASPA-CCN / National Adaptation Plan Process (GCF and UNEP; Federal Ministry of Environment)	Formulation began December 2021; NAP validated October 2025. Implementation	National Adaptation Plan development, government institutional capacity, community-level climate risk assessments.	No overlap; government planning layer vs. DFI-led enterprise finance; C-CAFÉ Nigeria evidence feeds NAP monitoring via Component 4.	Enterprise-level adaptation evidence is consistently under-represented in national adaptation planning processes. Structured

Programme and Funder	Dates & Status	Interventions/Objectives, Focus and Location	Synergy, Lessons Learnt & Complementarity with C-CAFÉ Nigeria	Lessons Learnt
	ongoing (no fixed end date).			contribution of programme evidence to NAP improved the quality of the plan.
CBN National Financial Inclusion Strategy (NFIS) 3.0 (CBN; multiple partners incl. EFInA)	Unveiled in November 2022. Ongoing. No fixed end date.	Financial inclusion targeting women, northern Nigeria, rural communities to provide savings and mobile banking access.	No overlap at product level. NFIS targets basic financial services while C-CAFÉ Nigeria targets enterprise adaptation lending. NFIS financial inclusion gains improve the financial readiness of enterprises that C-CAFÉ Nigeria targets.	Basic financial inclusion is a prerequisite for enterprise credit worthiness. Programmes targeting different rungs of the financial ladder are mutually reinforcing rather than duplicative.
National WEE Policy and Action Plan (Federal Ministry of Women Affairs)	2023-2028. Ongoing.	Women's economic empowerment, financial inclusion, access to productive resources; policy and advocacy, not direct lending.	No overlap. C-CAFÉ Nigeria directly implements the WEE Policy's climate-resilient finance objectives for women enterprise owners.	Policy commitments in women's financial inclusion require concrete financing instruments to operationalize them. C-CAFÉ Nigeria provides that instrument.
Nigerian Sustainable Banking Principles (NSBP) implementation (CBN; all Nigerian commercial banks and DFIs including BOI)	Adopted July 2022. Ongoing (no fixed end date).	Environmental and social risk integration in lending, transparency and reporting; sector-wide, not programme-specific.	No overlap. C-CAFÉ Nigeria's climate-risk screening framework directly implements and builds BOI's NSBP compliance capacity.	Sector-wide frameworks are most effective when they are operationalized through specific, tested institutional tools. C-CAFÉ Nigeria provides those tools for adaptation finance.

F.1. Coordination Framework Across Initiatives

C-CAFE Nigeria ensures coordination of different initiatives towards a common goal, enhances cross-sector collaboration, avoids duplication and enhances efficiencies and good practice, through defined coordination mechanisms.

Inception phase mapping exercise. Within the first six months of implementation, BOI will conduct a structured mapping of all active climate-related programmes in Nigeria's target geographies and sectors, including those identified above and any new programmes initiated between proposal submission and programme start. This mapping will be used to identify specific coordination opportunities, shared beneficiary populations and any areas of potential duplication that require active management. The mapping findings will be shared with the NCCC and relevant MDAs to support national-level coordination.

Engagement with the National Council on Climate Change. Under Component 4, C-CAFE Nigeria establishes structured policy dialogues with the NCCC and relevant federal ministries, departments and agencies. These dialogues serve as the primary coordination platform for aligning programme activities with Nigeria's broader adaptation finance landscape. BOI will use these engagements to share information on programme progress, draw attention to coordination needs and contribute to the development of a national enterprise adaptation finance coordination mechanism that outlasts the programme period.

Cross-sector knowledge sharing. Component 4 peer-learning events are designed to bring together enterprises, financial institutions, government agencies and development partners working across sectors including agriculture, water, health and logistics. This cross-sector design reflects the inherently multi-sectoral nature of climate resilience at the enterprise level. By convening actors across sectors rather than within siloed sector events, the programme generates efficiency gains in the dissemination of adaptation knowledge and good practice.

Replication and scaling coordination. The programme's knowledge products, particularly the interest differential reserve mechanism design, climate-risk screening protocols and gender-responsive TA frameworks, are specifically formatted for adoption by other Nigerian financial institutions. BOI will actively engage DBN and other financial institutions that have expressed interest in adaptation finance in the dissemination of these tools, creating a coordinated expansion of enterprise adaptation finance institutional capacity across Nigeria's financial sector. Any financial institution can adopt C-CAFÉ's climate-risk screening tools and frameworks without additional AF grant resources. Financing replication, which includes deploying a comparable interest differential reserve, requires institutions to access their own concessional grant source, which C-CAFÉ's documented mechanism design makes easier to structure.

From Nigeria's broader MSME financing landscape: The EFInA 2023 Access to Finance survey and the NBS/SMEDAN MSME survey confirm that high effective lending rates and collateral requirements are the two most binding constraints on MSME credit access. C-CAFÉ Nigeria addresses both. The interest differential reserve mechanism reduces effective borrowing costs below prevailing commercial rates without subsidizing BOI's operating margin. In addition, dedicated pre-application TA and priority pipeline access under Component 3 support women-owned enterprises in building the creditworthiness and investment design capacity needed to access BOI lending.

G. Learning and Knowledge Management

The programme incorporates a structured Learning and Knowledge Management system under Component 4, designed to systematically capture, analyze and disseminate lessons and evidence generated throughout implementation. The system is purpose-built to serve three functions simultaneously:

- Supporting adaptive management of the programme itself
- Building and institutionalizing local capabilities within BOI and Nigeria's broader adaptation finance ecosystem
- Contributing to the AF's fund-level knowledge agenda on enterprise adaptation finance.

The KM system is aligned with the AF Strategic Results Framework and references the guidance provided in the AF Results Framework and Baseline Guidance document on KM activities and indicators.

The methodology for capturing lessons learned combines three tools applied throughout implementation. These are periodic learning reviews conducted quarterly by the Multilaterals Division, with significant findings escalated

to the Sustainability Division as IE and the Steering Committee for adaptive management, and drawing on MEL, TA delivery and portfolio monitoring data; a structured programme of enterprise-level case studies documenting adaptation investment performance in each programme zone; and data analysis of loan and interest differential disbursement records to identify patterns in enterprise uptake, investment types and adaptation outcomes over the life of the portfolio.

G.1. Learning Objectives

The programme pursues four primary learning objectives that are measurable, time-bound and directly linked to programme indicators.

LO1: What financing mechanisms make enterprise adaptation investment viable in Nigeria? The programme will generate evidence on two distinct financing questions with different but complementary audiences. The first addresses enterprise viability by answering the question what effective lending rate reduction is necessary and sufficient to make specific adaptation investment types financially viable for Nigerian enterprises across different enterprise sizes, sectors and investment types as well as whether rate reduction alone resolves the financing gap or whether TA and climate-risk screening are equally necessary conditions. This evidence is relevant to any Nigerian financial institution, DFI or commercial, considering adaptation finance products since it documents the demand-side conditions under which enterprise adaptation investment occurs rather than prescribing a specific rate structure. The second addresses institutional sustainability more broadly by querying whether a time-limited grant instrument (e.g. C-CAFÉ) can permanently shift a financial institution's lending behaviour toward adaptation finance without creating ongoing subsidy dependency, and what programme design features (mechanism design, capacity building, knowledge management, governance) are necessary conditions for that shift to be durable. This evidence is relevant to AF's broader portfolio learning agenda on whether grant-funded adaptation finance programmes generate lasting behavioral change in financial institutions, and to any programme designer evaluating the use of grant instruments to catalyze adaptation lending.

LO2: What adaptation technologies and practices generate measurable resilience outcomes at enterprise level in Nigeria's two programme zones? The programme will document the performance of each supported investment type against the specific climate hazards it is designed to address, generating Nigeria-specific evidence on the adaptation effectiveness of solar-powered irrigation, flood-resilient storage, cold chain continuity systems, rainwater harvesting and early warning integration across diverse enterprise types and geographies.

LO3: What approaches enable women-owned enterprises to access enterprise adaptation finance? The programme will generate evidence on the specific barriers and enablers for women-owned enterprise participation in adaptation finance across the full programme delivery chain i.e. from outreach and pipeline development through loan origination, TA delivery and asset implementation. Evidence will cover the role of priority pipeline targeting, pre-application TA, creditworthiness building, peer network mobilization and gender-responsive delivery modalities in closing the gender financing gap. This evidence is transferable to any financial institution, TA provider, government programme or climate finance facility seeking to reach women-owned enterprises operating in climate-exposed sectors and is not limited to DFI lending contexts.

LO4: What organizational and systems conditions enable a finance institution to permanently embed climate-risk screening, adaptation additionality assessment and gender-responsive lending criteria into its standard lending workflows? The programme will document the institutional change process within BOI, covering systems integration, staff capacity development, governance adaptation, cultural shift and leadership commitment, that is required to transform climate adaptation finance from a grant-funded programme activity into a permanent feature of a financial institution's lending operations. While C-CAFÉ's evidence is generated within a DFI context, the organizational conditions that make climate-responsive lending durable in practice are relevant to any Nigerian financial institution seeking to embed climate risk management into its lending operations. These include commercial banks pursuing NSBP compliance, microfinance institutions entering green lending and impact investors integrating adaptation criteria into portfolio management. While much is known about what climate finance instruments work in theory, little documented evidence exists on the internal institutional conditions that make climate-responsive lending durable in practice at the institutional level. The programme's institutional embedding guide under Knowledge Product 4 will be the primary vehicle for capturing and disseminating this evidence across Nigeria's financial sector.

G.2. Knowledge Products, Tools and Dissemination Targets

The programme will develop and disseminate a minimum of 4 knowledge products over the implementation period. The schedule and description of each product is provided below.

Table 17: Description of C-CAFÉ Nigeria Knowledge Products

No	Knowledge product	Description and learning objective addressed	Target dissemination date
1	Climate-risk screening protocol for enterprise adaptation lending	Step-by-step protocol for screening enterprise loan applications for climate-risk and adaptation additionality in Nigeria's two programme zones, with sector-specific checklists for agriculture, cold chain, water and health supply chain. Designed for adoption by any Nigerian financial institution integrating climate risk into lending decisions. Addresses LO1 Sub-question (screening as a necessary condition alongside rate reduction for viable adaptation investment) and LO4 (institutional embedding of climate-risk criteria across financial institution types).	End of Year 2
2	Gender-Responsive TA Model and Outcomes	Documentation of the programme's dedicated TA stream for women-owned enterprises, including outreach modalities, delivery approaches, creditworthiness-building tools and gender-disaggregated outcomes data across the full delivery chain from outreach and pipeline development through loan origination, TA delivery and asset implementation. Transferable to any financial institution, TA provider, government programme or climate finance facility seeking to reach women-owned enterprises in climate-exposed sectors. Addresses LO3	Q4 Year 3
3	Mid-term Learning Brief	Evidence brief synthesizing the first 30 months of programme implementation data on enterprise loan uptake patterns i.e. which enterprise types, sectors, sizes and geographies are accessing adaptation finance and what barriers remain despite the below-market rate, enterprise investment types by climate hazard and geographic zone, early adaptation outcomes and gender participation across all three programme delivery streams Addresses LO1 sub-question (early evidence on demand-side conditions for enterprise adaptation investment and early signals on whether the grant instrument is shifting lending behaviour durably), LO2 (early adaptation technology performance data) and LO3 (gender participation and barrier/enabler evidence at the 24-month mark).	Q3 Year 3 (alongside mid-term review)
4	Programme Learning Report, Case Studies and Replication Framework	Comprehensive end-of-programme synthesis drawing on all four learning objectives. This incorporates four enterprise-level case studies (two per programme zone) documenting adaptation technology performance against documented climate hazards. Documents BOI's institutional embedding of climate-risk screening and adaptation additionality assessment as an institutional change case study. Includes a replication framework with step-by-step guidance for other Nigerian financial institutions covering immediate institutional adoption of screening tools and additionality criteria, and a technical annex documenting the interest differential reserve mechanism design as a blueprint for DFIs and programme designers approaching concessional funders for	End of Year 5

N o	Knowledge product	Description and learning objective addressed	Target dissemination date
		successor instruments. Addresses LO1 Sub-questions (full programme evidence on enterprise viability conditions and grant instrument effectiveness), LO2 , LO3 and LO4.	

G.3. Dissemination Channels and Communication Tools

Knowledge products will be disseminated through a combination of formal institutional channels and broader public communication tools, consistent with AF guidance on KM strategies. The target for each channel is identified below.

Policy dialogues with NCCC and MDAs. At least 2 structured policy dialogues over the programme period convening the Nigeria Climate Change Council, Federal Ministry of Environment, Federal Ministry of Agriculture and relevant state-level counterparts. These events are the primary channel for embedding programme learning into Nigeria's NAP implementation monitoring framework and national climate finance policy, consistent with C-CAFÉ Nigeria's role as a parallel and complementary instrument to the government's adaptation planning and coordination functions.

Financial sector peer-learning workshops. At least 2 workshops convening BOI, DBN, commercial banks with active sustainability frameworks and relevant fintech and MSME finance players. These events transfer the programme's climate-risk screening and adaptation finance tools directly to practitioners who can replicate them without AF grant support. Programme learning on enterprise adaptation loan performance and demand-side viability conditions is also shared, contributing to the evidence base commercial and development financial institutions need to consider adaptation finance products independently.

Enterprise and BDSP learning exchanges. At least 4 events convening supported enterprises, BDSPs, sector associations and relevant stakeholder actors. These events surface enterprise-level adaptation knowledge and good practice, feed learning back into programme management and create peer networks that sustain adaptation investment behaviour beyond the programme period.

Digital knowledge platform. BOI will maintain a dedicated C-CAFÉ Nigeria programme page on its institutional website providing open access to all knowledge products, case studies, tools and progress reports. Products will be formatted for download and reuse without subscription or registration requirements.

Media outreach. BOI's communications team will develop a media outreach strategy targeting Nigerian business media, agriculture publications and development finance platforms. Sponsored radio content will also be developed for northern programme zone audiences where radio remains a primary information channel for rural enterprise communities. At least 2 media features on programme progress and enterprise adaptation outcomes will be published annually from Year 2 onwards.

AF portfolio contribution. All knowledge products will be submitted to the AF Secretariat's knowledge management platform and tagged to the relevant AF Results Framework outcomes, contributing to the AF's fund-level learning agenda on enterprise adaptation finance, interest differential reserve mechanisms and the institutional conditions for durable climate-responsive lending across financial institution types.

Table 18: C-CAFÉ Nigeria Knowledge Dissemination Plan

Dissemination Channel	Target/Frequency	Timing	Primary Audience
Policy dialogues with NCCC and MDAs	At least 2 events	Over the programme period	NCCC, Federal Ministry of Environment, Federal Ministry of Agriculture, other relevant stakeholders
Financial sector peer-learning workshops	At least 2 events	Over the programme period	BOI, local DFIs, commercial banks with sustainability frameworks, fintechs, MSME finance players

Dissemination Channel	Target/Frequency	Timing	Primary Audience
Enterprise and BDSP learning exchanges	At least 4 events	Over the programme period	Supported enterprises, BDSPs, sector associations
Digital knowledge platform	Continuous access	Maintained throughout the programme period	General public, practitioners, researchers
Media outreach	At least 2 media features annually, plus ongoing sponsored radio content for the northern zone	From Year 2 onwards	Nigerian business media, agriculture publications, development finance platforms, rural enterprise communities (radio)
AF portfolio contribution	All knowledge products submitted	Continuous, upon completion of each product	AF Secretariat, AF fund-level learning agenda

G.4. Building and Institutionalizing Local Capabilities

A core function of the KM system is to ensure that the knowledge and capabilities generated during the programme period do not reside solely in the programme management structure but are permanently embedded in BOI's institutional systems and in the broader Nigerian adaptation service provider ecosystem. The programme pursues institutional capability building through the following pathways:

BOI institutional embedding. Climate-risk screening tools, adaptation additionality assessment criteria, gender-responsive lending frameworks, MEL templates and reporting protocols developed under the programme will be formally adopted into BOI's lending manuals before programme close. This ensures that BOI retains the operational capability to originate, appraise and monitor enterprise adaptation loans after the AF grant period without any additional investment in tool development. The programme will document this embedding process as a learning output in the institutional embedding guide under Knowledge Product 4.

BOI staff capability development. Component 3 institutional capacity building trains BOI loan officers, risk managers, safeguards officers and gender focal points on climate-risk-informed lending, adaptation project appraisal and gender-responsive programme management. Training curricula will be developed in partnership with relevant professional bodies where possible.

Adaptation service provider ecosystem development. Component 3 TA is delivered through contracted enterprise development partners, using a standardized TA framework and master training curriculum developed and owned by BOI under the programme. All partners are required to be certified against the master curriculum before deployment and to deliver TA in accordance with its standards throughout implementation. BOI will monitor training partner delivery quality against the master curriculum through periodic performance reviews, ensuring consistent TA standards across both programme zones. Upon programme close, the master curriculum is formally transferred to BOI's institutional training repository and made available for adoption by other Nigerian TA providers and financial institutions, creating a standardized, quality-assured and locally rooted adaptation TA supply that does not depend on ongoing programme funding and that can be replicated consistently rather than interpreted independently by each provider.

G.5. Adaptive Management

The KM system supports adaptive management by creating a structured feedback loop between learning and programme decision-making. Learning generated through the MEL system, enterprise feedback, TA delivery and portfolio monitoring is reviewed on a quarterly basis by the Multilaterals Division and integrated into workplan adjustments where evidence indicates that targeting, investment types, TA modalities or financing structures require refinement.

Significant learning findings are escalated to the programme's governance structure for consideration at annual reviews. The mid-term review at Q3 Year 3 represents the primary opportunity for substantive programme

adjustments based on accumulated learning, with findings integrated into Year 4 and Year 5 workplans by Q2 2030. The terminal evaluation draws on the full body of programme learning to assess overall performance and to make recommendations for the design of successor programmes.

The programme adopts a learning-by-doing approach to the interest differential reserve mechanism specifically. The interest differential reserve model is innovative in the Nigerian context and the programme expects to generate operational learning throughout Years 1 and 2 that will progressively refine the mechanism's eligibility criteria, interest differential formula and verification procedures as experience accumulates. Operational learning on the mechanism is reviewed quarterly by the Multilaterals Division as part of the broader adaptive management cycle, with significant findings escalated to the Steering Committee at periodic reviews for consideration and workplan integration.

G.6. Traditional and Indigenous Knowledge

Nigeria has a rich body of traditional and indigenous knowledge relevant to climate adaptation, particularly in the two programme zones. In the northern programme zone, communities have developed and refined traditional practices for water harvesting, drought management and food preservation over generations.

In the southern and coastal zones, indigenous communities in the Niger Delta and coastal areas maintain traditional knowledge systems for flood prediction, mangrove management, raised platform construction and seasonal agricultural calendar management adapted to flood cycles and coastal climate variability that incorporate generations of adaptive response to coastal climate variability.

The programme recognizes that these traditional knowledge systems represent valuable adaptation intelligence that is often more granular, locally specific and operationally accessible to rural enterprise communities than formal scientific climate information. The programme's approach to traditional and indigenous knowledge operates across three dimensions.

Documentation and integration. Component 3 TA providers contracted for delivery in northern and coastal programme geographies are required to conduct structured documentation of relevant traditional climate adaptation practices in their target communities as part of the TA needs assessment. Where traditional practices align with or complement the programme's supported investment types, TA delivery will be designed to build on and reinforce these practices rather than replacing them with externally derived technical solutions. For example, solar-powered irrigation systems in the northern zone will be designed in consultation with communities that maintain traditional water harvesting practices, ensuring that supported investments extend rather than displace indigenous water management knowledge.

Community knowledge platforms. Peer-learning events under Component 4 will include structured sessions in which enterprise operators and community practitioners from programme zones share traditional adaptation knowledge and practices with BOI staff, TA providers and other enterprises. These sessions serve a dual purpose: integrating community knowledge into programme learning and validating programme-supported adaptation approaches against community experience. Findings will be documented in knowledge products, particularly the northern and southern zone case studies annexed to Knowledge Product 4.

Intellectual property and community rights. The programme will ensure that traditional and indigenous knowledge documented through the KM system is attributed to its community of origin and that community consent is obtained before any traditional knowledge is published or disseminated. The programme will not claim intellectual property over traditional adaptation practices and will ensure that documentation of traditional knowledge serves community development objectives rather than extractive research purposes. The E&S screening framework includes a check for physical and cultural heritage to ensure that programme activities do not inadvertently displace or undermine traditional knowledge systems.

H. Stakeholders Consultation Process

The participant register, chat contributions, and poll results are provided at Annex 7.

H.1. Overview of the Consultation Process

C-CAFE Nigeria's programme design draws on two streams of consultation conducted during project preparation. These are a structured public stakeholder consultation event and BOI's internal technical engagements with climate finance, environmental and social risk management, and programme structuring

consultants.

BOI's internal technical work and consultations with its technical consultants helped identify key barriers to enterprise-led adaptation, including high local-currency financing costs, limited technical capacity for climate-risk-informed investments, and gaps in the structuring of scalable adaptation finance solutions. The programme also draws on BOI's operational experience working with enterprises across climate-sensitive sectors including agriculture, water, logistics and health-related supply chains, including insights into the constraints faced by SMEs and women-led enterprises in accessing finance and implementing resilience measures.

Table 19: Summary of Stakeholder Consultations Conducted During Programme Preparation

Date	Consulted Groups	Participants (Gender-Disaggregated)	Topics Discussed	Outcomes	Reflected in Programme Design
26 May 2026	BOI Climate Resilience Knowledge Series comprising financial sector stakeholders (banks, DFIs, asset managers), enterprises (agro-industrial, renewable energy, health), federal government agencies (including NALDA), civil society, academia, media, and vulnerable groups (women entrepreneurs, youth, smallholders, informal workers).	356 attendees; over 400 registered participants. Gender-disaggregated attendance data were not captured in the event register. However, previous sessions with women groups held and are captured here. (see Section H.6 note).	Climate risks and vulnerabilities affecting Nigerian enterprises, adaptation priorities, financing and implementation pathways, bankability constraints, technology sizing, backward integration and anchor-offtaker models.	Stakeholders consistently identified enterprise bankability, rather than the availability of capital, as the primary barrier to adaptation investments. Participants validated backward integration and anchor-offtaker arrangements as effective mechanisms for reducing market risk, emphasized the importance of technology right-sizing to investment viability, and highlighted the need for targeted support for women-led, smallholder, and informal enterprises.	Informed the design of the interest differential reserve mechanism under Components 1 and 2 shaped Component 3 pre-application technical assistance, including mandatory investment-preparation and technology right-sizing support, informed the backward integration and anchor-offtaker financing approach and enterprise multiplier model (see Section H.5).
24 February 2026	Women in Renewable Energy Association (WIRE-A), Lagos State Chapter.	22 women entrepreneurs (100% women) and 6 BOI officials.	Climate finance and sustainability, financing needs of renewable-energy enterprises, ESG compliance, business readiness,	Participants identified ESG compliance requirements, documentation gaps, and business-formalization challenges as key constraints to accessing	Informed the Gender Action Plan (Annex 3), particularly measures addressing documentation, business formalization, and ESG-compliance barriers,

Date	Consulted Groups	Participants (Gender-Disaggregated)	Topics Discussed	Outcomes	Reflected in Programme Design
			GLOW product.	finance. Women entrepreneurs expressed strong demand for renewable-energy sector financing and underscored the importance of continued technical support to improve investment readiness.	strengthened the design of Component 3 technical assistance activities and engagement approaches for women-led enterprises.
29 April 2026	OGBONGE-SWOFON Women Association representing women engaged in aquaculture, fisheries, and food systems in Lagos State.	Approximately 730 women entrepreneurs (100% women) and 6 BOI officials.	Aquaculture financing opportunities, enterprise readiness, the 5 Cs of Credit, ESG compliance, GLOW product.	Women entrepreneurs reported multiple barriers to accessing finance, including collateral limitations, affordability constraints, documentation requirements, financial literacy gaps, care-responsibility burdens, institutional gender bias, and limited access to business networks and mentorship opportunities. The	Validated findings from the Gender Analysis (Annex 3) relating to collateral constraints, affordability challenges, and investment-readiness gaps faced by women-owned enterprises, informed targeted pre-application technical assistance, financial-readiness support, and prioritization mechanisms for women-led enterprises within the

Consultation approaches were tailored to the objectives and target audiences of each engagement

The primary stakeholder consultation was conducted virtually via Microsoft Teams and featured a structured three-round panel discussion, two live polls, moderated chat-based questions and responses, and plenary audience engagement.

The two supplementary gender-focused consultations were conducted in person through the regular meeting platforms of the respective associations, combining technical presentations with interactive discussions. These engagements were complemented by structured post-event surveys, administered online for WIRE-A and through an expanded sample approach for OGBONGE-SWOFON, to capture participant feedback on knowledge gained, perceived usefulness of the sessions, and gender-specific barriers to accessing finance and adaptation-related investment opportunities.

H.2. Primary Consultation Session

The primary public consultation event was the BOI Climate Resilience Knowledge Series held on 26 May 2026 via Microsoft Teams, themed Building Climate Resilient Enterprises in Nigeria for Sustainable Livelihoods and Inclusive Growth. The session engaged enterprises, financial institutions, government agencies, civil society, academic institutions, media and vulnerable group representatives in a structured dialogue on climate risk, adaptation priorities and financing needs. The session ran for 2 hours and 15 minutes and was opened by the Executive Director of Corporate Finance, Sustainability and Investments and the Chief Sustainability Officer of BOI. A full record of the session is provided at Annex 7.

The consultation reached a diverse cross-section of stakeholders including the following categories.

Table 20: Primary Consultant Session Summary

Item	Detail
Date and platform	26 May 2026. Microsoft Teams virtual webinar.
Duration	2 hours 15 minutes
Participants	356 attendees.
Organizer	Bank of Industry Sustainability Division. Convened by - Mr. Rotimi Akinde, Executive Director, Corporate Finance, Sustainability and Investments Directorate - Mrs. Eniola Akinsete, Chief Sustainability Officer
Moderator	Mrs. Eunice Sampson - Executive Director and Partner, Climate Change and Sustainability Services, EY Nigeria
Panelists	- Engr. Cornelius Adebayo, Executive Secretary and CEO, National Agricultural Land Development Authority (NALDA) - Mrs. Ojuru Adeniji, Vice President, InfraCredit; - Mr. Tamer Hanna, Technical Lead/Deputy Team Leader, GOPA Intech supporting BOI's TFSC facility with AFD.
Format	Three-round panel discussion with nine panelist questions. Two structured live polls. Open chat-based Q&A. Plenary audience Q&A.

H.3. Key Consultation Findings

Climate hazard profile confirmed across both programme zones. Panelists and participants from northern states confirmed drought, desertification and irrigation gaps as the most severe climate constraints on agricultural production, with the 2025 to 2026 crop production season severely affected. The NALDA CEO identified the north as experiencing the most acute climate stress with water scarcity, erratic rainfall and advancing desertification creating compounding pressures on smallholder production. In the southern zone, participants highlighted flooding, coastal erosion and supply chain disruption as the primary enterprise-level risks. Chat contributions from participants in northern states corroborated the direct climate impact on cashew production output, noting that smallholder farmers in rural communities had received no adaptation support.

Bankability, not capital availability, is the root barrier to climate finance. The consultation surfaced an important distinction between two different financing constraints that C-CAFÉ Nigeria must address simultaneously. The InfraCredit Vice President provided evidence that domestic capital supply is not the binding constraint. With over NGN 21 trillion in pension assets and less than 5% deployed in climate-resilient projects, domestic institutional capital exists and is actively seeking eligible instruments. BOI, as a rated DFI, is able to access this capital by issuing commercial instruments that meet pension fund investment eligibility requirements. This confirms that the \$43,610,148 domestic capital pool underpinning Component 2 is genuinely and credibly mobilizable from Nigeria's domestic capital market without foreign currency dependency. However, accessing this capital at commercial rates of up to 20% does not resolve the on-lending constraint. BOI's full cost-recovery requirement exceeds the development finance rates it can charge enterprises under its DFI mandate. Without the AF interest differential reserve bridging this gap, BOI will be absorbing a net loss. This is the precise and irreducible role of AF grant resources in this programme. The AF funds will not substitute for domestic capital that doesn't exist, but it will make it financially sustainable for BOI to deploy capital it can already raise into adaptation lending at rates enterprises can afford.

The bankability constraint is separate and operates at the enterprise level where enterprises require the technical

capacity to design and structure viable adaptation investment proposals. Component 3's pre-application TA addresses this demand-side constraint, while Components 1 and 2 address the supply-side pricing constraint. Both are necessary conditions as neither resolves the other.

Technology sizing is the critical determinant of adaptation investment viability. The GOPA Intech Technical Lead provided detailed evidence that the efficiency dividend from climate-resilient technologies, particularly solar-powered irrigation, cold chain systems and energy-efficient processing, is frequently undermined by poor system sizing and weak technical design rather than by the technologies themselves. Wrongly sized solar irrigation systems double capital expenditure and extend payback periods from three to six years. Oversized cold storage fails to address post-harvest losses if the distribution network cannot absorb produce within the storage window. The finding that adaptation technology performance is design-dependent, not technology-dependent, directly supports Component 3's inclusion of right-sizing guidance as a mandatory element of pre-application TA.

Anchor offtaker model validates backward integration design. The consultation confirmed that structuring adaptation investments around anchor commercial offtakers such as agro-processors, manufacturers and aggregators, is the most effective mechanism for stabilizing project cash flows and making climate finance bankable in rural and peri-urban contexts. The InfraCredit Vice President documented that mini-grid projects structured around residential demand alone frequently fail to achieve bankability due to insufficient daytime load, while the same projects become financeable when an agro-processor or aggregator is embedded as a commercial anchor. The NALDA CEO confirmed that clustering farmers in estate models, with aggregated land, irrigation, storage and processing, creates the bankable infrastructure that enables financial institutions to lend at scale without interfacing with thousands of scattered smallholders. This directly validated C-CAFÉ Nigeria's enterprise-level lending model and backward integration design which focuses on financing aggregators and processors rather than individual smallholders, with climate-resilient assets deployed through enterprise outgrower networks as indirect community benefits.

Concessional capital confirmed as generating measurable community-level resilience outcomes through enterprise-level investment. Panel testimony from InfraCredit confirmed that concessional capital is among the most effective mechanisms for catalyzing climate adaptation investment in Nigeria. The InfraCredit Vice President documented concrete community-level impact from a concessional renewable energy investment in a community that had never had electricity. Once the enterprise received affordable financing and installed solar infrastructure, women set up enterprises and accessed income-generating opportunities for the first time. This directly validates C-CAFÉ Nigeria's enterprise multiplier model where AF grant resources are deployed through the interest differential reserve to reduce BOI's cost-of-funds shortfall. This enables enterprise-level adaptation investment that generates livelihood and resilience benefits for dependent communities, consistent with the indirect beneficiary pathway described in Component 2.

Vulnerable group needs explicitly surfaced. Participants raised specific adaptation finance needs of women in renewable energy and agro-value chains, youth fisher-women, and youth entrepreneurs seeking access to green finance. The poll's second question, which explicitly asked how climate risks affect women, youth, persons with disabilities and informal workers, generated responses confirming that production disruption, livelihood loss and health impacts are the primary climate risk channels for these groups. Contributions on how to de-risk grassroots climate enterprises in informal economies with limited collateral structures directly shaped the programme's emphasis on financial readiness building and pre-application TA under Component 3.

Table 21: Stakeholder Categories Represented

Stakeholder category	Organizations represented
FINANCIAL SECTOR	
Development finance institutions	Bank of Industry, Development Bank of Nigeria, Infrastructure Credit Guarantee Company Limited (InfraCredit), Nigeria Incentive-Based Risk Sharing System for Agricultural Lending(NIRSAL)
Commercial banks and financial institutions	Guaranty Trust Bank, Wema Bank, FCMB Plc, Jaiz Bank, Union Bank, Rand Merchant Bank, Sterling Bank, Ecobank, Standard Chartered Bank

Stakeholder category	Organizations represented
Investment and asset management firms	Alitheia Capital, United Capital Group, Oak Pensions, Vested World
ENTERPRISE SECTOR	
Agro-industrial enterprises and processors	Frigoglass Nigeria, Tolaram Group, agricultural aggregators and crop processors
Renewable energy and infrastructure enterprises	Off-grid solar developers, mini-grid operators, industrial infrastructure companies
Health and pharmaceutical enterprises	Iwosan Health, Euracare, health supply chain operators
GOVERNMENT AND REGULATORY BODIES	
Federal government agencies	National Agricultural Land Development Authority (NALDA), regulatory and development bodies
CIVIL SOCIETY, ACADEMIA AND MEDIA	
Civil society and ESG advisory organizations	Facepam Nigeria, DexCentre, Envaccord
Academic and research institutions	Nile University Nigeria, research students, sustainability academics
Media	Vanguard Newspaper and business media representatives
VULNERABLE AND MARGINALISED GROUPS	
Women entrepreneurs and women in agriculture	Women in renewable energy, agro-women, fisher-women and women-owned SMEs across sectors
Youth entrepreneurs and students	LASU Fisheries and Aquatic Biology students, youth enterprise operators
Smallholder farmers and cooperatives	National Apex of Cashew Farmers, smallholder cooperative representatives, organic farming pilots
Informal sector workers and entrepreneurs	Agricultural aggregators in rural informal economies, informal traders and creative sector entrepreneurs

Table 22: How Consultation Findings were Reflected in Programme Design

Consultation Finding	Programme Design Response
Two distinct and equally binding financing constraints exist: - A supply-side pricing constraint (BOI cannot sustainably on-lend domestically-raised capital at its development finance rates without absorbing a net loss) - A demand-side bankability constraint (enterprises lack the technical capacity to design viable adaptation loan applications).	The interest differential reserve mechanism under Components 1 and 2 resolves the supply-side pricing constraint by bridging BOI's cost-of-funds gap, making it financially sustainable for BOI to on-lend domestically-raised capital at its development finance rates. Component 3 pre-application TA resolves the demand-side bankability constraint by building enterprise capacity to structure viable adaptation investment proposals. Both components are necessary conditions; neither is sufficient alone.
Technology sizing is the critical determinant of adaptation investment viability. Poor system sizing doubles capital expenditure, extends payback periods and undermines the efficiency dividend from climate-resilient technologies, not the technologies	Component 3 TA explicitly includes right-sizing guidance as a mandatory element of pre-application support. TA providers must demonstrate competence in technology sizing and system design as a mandatory procurement criterion. The adaptation additionality screening under Component 1 includes verification that supported

Consultation Finding	Programme Design Response
themselves. Solar-powered irrigation and cold storage systems are frequently over-designed or under-designed relative to actual enterprise needs, turning viable investments into financially irrational ones.	investment designs are appropriately sized relative to documented climate hazard exposure and enterprise operational requirements.
Anchor off-taker and farmer clustering models resolve the bankability challenge for rural climate investments by stabilizing project cash flows and enabling financial institutions to lend at scale without interfacing with thousands of scattered smallholders.	Component 2 eligibility criteria prioritizes aggregators and processors operating outgrower schemes with documented backward integration arrangements and verified off-take agreements. Direct smallholder lending is explicitly excluded. Climate-resilient assets are deployed through enterprise supply chains to smallholder networks as indirect beneficiaries, consistent with the clustering and aggregation model validated by the consultation.
Concessional capital that reduces effective borrowing costs generates measurable enterprise-level and community-level resilience outcomes in Nigeria, including livelihood and economic access benefits for women and vulnerable communities dependent on enterprise-led services.	The interest differential reserve mechanism is confirmed as a viable and precedented concessional instrument in the Nigerian context. Component 2's enterprise multiplier model is directly validated by consultation evidence on community-level impact through enterprise-level concessional investment.
Women, youth and informal workers face specific adaptation finance barriers related to collateral requirements, limited financial literacy, enterprise informality and mobility constraints that prevent access to standard DFI lending products regardless of enterprise viability.	Minimum 30% loan allocation for women-owned enterprises codified in the interest differential reserve eligibility criteria. Dedicated TA stream under Component 3 addressing creditworthiness building, financial literacy and adaptation investment design for women-owned enterprises. Priority pipeline access and gender-responsive TA delivery modalities embedded across all four components. At least 40% of TA recipients to be women-owned or women-led enterprises.
Climate hazard profiles are geographically differentiated. The northern zone faces drought, desertification and irrigation gaps as the most acute production constraints, while the southern zone faces flooding, coastal erosion and supply chain disruption. These require zone-specific investment targeting rather than a uniform national approach.	Component 2 investment targeting is explicitly differentiated by zone and hazard type: solar-powered irrigation, rainwater harvesting and climate-resilient aggregation facilities for northern zone drought and heat stress; flood-resilient storage, elevated infrastructure, climate-resilient cold chain and health supply chain continuity for southern zone flooding and coastal disruption. Cross-zone investments in early warning systems and climate-resilient cooling are applicable across both zones.

H.4. Gender and Inclusion in the Consultation

The consultation considered and addressed gender-based, economic and other inequalities through four specific approaches.

Explicit inclusion of vulnerable groups in poll design. The second poll explicitly asked what climate risks most affect women, youth, persons with disabilities and informal workers and how interventions should respond, ensuring distinct vulnerability profiles were captured rather than treating climate risk as homogeneous.

Dedicated panel coverage of gendered agricultural vulnerability. The moderator directly asked the panel to address how aggregate figures mask differences between men and women farmers, those with and without land titles, and smallholders versus larger enterprises. This ensured gender and land access were substantive analytical dimensions in the discussion.

Direct voice for women and youth. The open chat format enabled women entrepreneurs, youth students and smallholder representatives to raise their specific concerns. Contributions on women in renewable energy and agro-women, youth access to green finance, and unserved smallholder cashew farmers directly shaped programme targeting and eligibility design.

Intersecting inequalities addressed. Contributions on how to de-risk grassroots climate enterprises in informal economies with limited collateral structures addressed the intersection of informality, gender and economic disadvantage documented in the Gender Analysis at Annex 3. The panel response reinforced the case for Component 3 TA to build enterprise financial readiness.

The primary consultation's registration was configured for an open, cross-sectoral virtual webinar and did not include a gender field, which is why this single event lacks disaggregation. This is addressed through two supplementary gender-focused consultations summarized in the table above, which reached 752 women entrepreneurs across two NAP priority sectors with complete gender-disaggregated participation data. Direct consultation with smallholder farming communities in target geographies, persons with disabilities, internally displaced persons and minority ethnic groups was not conducted at the programme preparation stage. The programme commits to conducting targeted consultation with these groups during the inception phase before loan origination begins, with findings reported in the Year 1 progress report.

H.5. Stakeholder Engagement During Implementation

C-CAFE Nigeria will maintain the following stakeholder engagement mechanisms throughout implementation.

- Annual enterprise and beneficiary surveys gathering feedback from loan beneficiaries, TA recipients and value chain community members, reported in annual progress reports.
- GM accessible to all affected communities, enterprises, workers and stakeholders through multiple channels including BOI state offices, a dedicated programme email and a community reporting channel for non-literate community members.
- Peer-learning events under Component 4 providing structured platforms for enterprises and community representatives to share experiences and contribute to adaptive management.
- Policy dialogues with the NCCC and relevant MDAs providing a platform for government, civil society and development partner views on programme performance.
- Targeted inception-phase consultation with smallholder farming communities, persons with disabilities, internally displaced persons and other vulnerable groups in programme target geographies before loan origination begins.
- Site-specific consultations with affected communities and enterprises will be undertaken through the four-step Environmental and Social Policy screening process applied to all sub-loans prior to disbursement (Section K), including stakeholder engagement to inform Environmental and Social Management Plans for Category B activities.

I. Justification of Funding Requested: Full Cost of Adaptation.

I.1. Overview

This section demonstrates that AF grant resources, combined with BOI's domestically-raised capital, are fully sufficient to deliver the programme's stated outcomes and outputs within the implementation period without dependency on additional donor funding or third-party co-financing. The institutional sustainability of BOI's embedded climate-risk screening, adaptation additionality assessment and gender-responsive lending capabilities is also achievable from AF resources alone and will persist beyond the grant period. The time-bounded nature of the below-market lending rate, which is funded by the pre-capitalized interest differential reserve for the life of the loans disbursed during the programme period, is addressed separately in Sections C.6 and J of this proposal.

The full cost of adaptation reasoning is presented at three levels: a programme-level baseline versus with-project scenario; a component-by-component incremental cost analysis; and a quantitative demonstration of additionality confirming that without the AF grant these investments would not occur within the programme period.

I.2. Baseline Scenario: What Happens Without the AF Grant

Under a business-as-usual baseline, the following conditions define the operating environment for enterprises in Nigeria's climate-sensitive sectors.

Climate hazard exposure is worsening. Flooding, prolonged drought, heat stress and rainfall variability are already disrupting enterprise operations, damaging assets and reducing productivity across agriculture, food processing, water services, cold-chain logistics and health supply chains in both programme zones. The 2024 flooding season alone displaced 641,598 people, damaged more than 98,242 homes and caused measurable losses in enterprise supply chains across southern states. Northern states face advancing desertification and erratic rainfall that reduces agricultural output and threatens water availability for agro-industrial processing.

Adaptation investment is financially unviable at commercial rates. Naira-denominated commercial lending

rates reached 25 to 45% per annum in 2024 and 2025. Available loan tenors are typically 2 to 3 years. MSME lending accounts for approximately 1% of total commercial bank credit. The payback period for most climate adaptation infrastructure including flood-resilient storage, solar-powered irrigation, cold-chain systems is 5 to 10 years. A typical adaptation loan of NGN50,000,000 at a commercial rate of 30% per annum over a 3-year tenor carries an annual debt service cost that exceeds the adaptation benefit in most enterprise contexts, making investment financially irrational under commercial conditions. Without intervention, enterprises remain trapped in climate-vulnerable operating models.

Domestic institutional capital exists but cannot reach adaptation investments under current conditions.

Nigeria's domestic capital market holds over NGN21 trillion in pension assets, with less than 5% deployed in climate-resilient projects. The constraint is not capital scarcity but the structural inability of adaptation projects to attract and absorb available capital due to weak project preparation, inadequate technical design and insufficient enterprise bankability. This supply-side capital availability does not resolve the demand-side affordability constraint. Even if enterprises could access well-structured adaptation finance, commercial lending rates of 25 to 45% make debt service financially irrational relative to adaptation benefit streams regardless of project preparation quality.

BOI cannot lend sustainably at development finance rates from domestic capital. BOI, as a rated DFI, is able to access domestic institutional capital, including pension fund investment, by issuing commercial instruments at rates of up to 20% per annum. However, BOI's full cost-recovery requirement amounts to up to 25% per annum. Without the AF interest differential reserve BOI cannot sustainably on-lend domestically-raised capital at its development finance rate without absorbing a net loss on its cost of funds.

Enterprise capacity constraints prevent adaptation investment design. Even where enterprises have the motivation to invest in adaptation and where BOI could theoretically lend at a rate enterprises can service, capacity constraints prevent enterprises from identifying their specific climate vulnerabilities, designing technically appropriate and correctly sized investments, and structuring loan applications that meet BOI's appraisal criteria. The BOI Climate Resilience Knowledge Series consultation confirmed that the inability to structure bankable, climate-aligned projects is an equally binding constraint alongside the pricing barrier. The session also confirmed that poor technology sizing specifically turns potentially viable adaptation investments into financially irrational ones by doubling capital expenditure and extending payback periods beyond what enterprise cash flows can support.

I.3. With-Project Scenario: What the AF Grant Enables

The AF grant transforms the baseline by addressing each of the binding constraints identified above through a targeted, component-specific intervention.

Component 1 establishes the interest differential reserve mechanism that bridges the cost recovery gap between BOI's full cost-recovery requirement and its tiered development finance lending across the full domestic capital pool. The AF interest differential reserve covers BOI's cost-of-funds shortfall exclusively as BOI's operating margin is recovered entirely from enterprise loan repayments. This makes it financially sustainable for BOI to on-lend domestically-raised capital at its development finance rate without incurring a net loss, transforming the baseline in which adaptation lending is financially unsustainable for BOI into a scenario in which it is viable and scalable. The detailed eligibility criteria, interest differential formula, verification protocols and escrow drawdown procedures are finalized in the POM, submission of which is a condition precedent to Tranche 1 disbursement.

Component 2 deploys the resulting adaptation capital across eligible enterprise investments, reducing effective borrowing costs by at least 800 basis points below prevailing commercial rates and enabling enterprises to access long-tenor, naira-denominated adaptation loans that are financially viable for the first time. This directly transforms the baseline in which adaptation investment is financially unviable for enterprises into a scenario in which it is accessible.

Component 3 provides the technical assistance that builds enterprise bankability and adaptation investment design capacity, transforming the baseline in which enterprises cannot design and structure viable adaptation loan applications into a scenario in which at least 200 enterprises are equipped to do so.

Component 4 generates the institutional knowledge, MEL evidence and replication tools that ensure the adaptation finance model is embedded in BOI permanently and can be adopted by other Nigerian financial institutions, transforming a time-limited grant-supported intervention into a lasting institutional change in Nigeria's adaptation finance architecture. Knowledge products documenting climate-risk screening protocols, gender-responsive TA models and programme learning are specifically formatted for adoption by any financial institution

without requiring additional AF grant resources.

With-project outcome: At least 45 enterprises receive naira-denominated adaptation loans at effective rates below commercial rates, finance at least 9,000 climate-resilient assets across both programme zones, and protect the livelihoods, food security, water access and health supply chains of an estimated 380,000 to 570,000 people dependent on enterprise-led economic activity. BOI permanently embeds climate-risk screening, adaptation additionality assessment and gender-responsive lending capabilities into its lending manuals before programme close ensuring these capabilities persist beyond the grant period at no additional cost to AF.

I.4. Component-by-Component Incremental Cost Analysis

The following analysis identifies the incremental costs addressed by each component and confirms that these costs cannot be financed through commercial markets.

Table 23: Component by Component Cost Analysis

Component	Baseline (without AF grant)	With-project scenario	Incremental cost financed by AF	AF budget (US\$)
Component 1: Interest Differential Reserve Mechanism design and governance	BOI cannot originate long-tenor naira-denominated adaptation loans at its development finance rate without incurring a net loss on its cost of domestic funds. No interest differential reserve mechanism exists. No climate-risk screening is embedded in lending workflows.	Interest differential reserve mechanism designed and operational. Climate-risk screening and adaptation additionality assessment embedded in BOI's lending workflows. Escrow account established. 100% of loan applications screened for adaptation additionality. Governance and anti-fraud protocols in place.	Design, legal and systems costs of establishing the interest differential reserve mechanism, governance framework and climate-risk screening tools. These are enabling costs with no commercial return and no market provider.	150,000
Component 2: Enterprise adaptation lending	Commercial lending rates of 25 to 45% make adaptation investments financially unviable. BOI cannot lend at development finance rates sustainably from domestic capital. No adaptation loans originated. 0 adaptation assets installed. Enterprises remain climate-vulnerable.	AF grant deployed as 100% pass-through interest differential reserve on eligible naira-denominated enterprise adaptation loans. Effective borrowing cost reduced below prevailing commercial rates. At least 45 enterprise loans originated. At least 9,000 climate-resilient assets installed. \$63,866,318 total adaptation investment deployed.	The gap between BOI's full cost-recovery requirement and its development finance lending rate. This differential is the precise incremental cost the AF interest differential reserve covers. Without the interest differential reserve, lending at the development finance rate is a net loss for BOI and does not occur.	20,256,170
Component 3: Technical assistance	Enterprises cannot identify their climate vulnerabilities, correctly size adaptation technologies, design technically appropriate adaptation investments or structure bankable loan applications. No sector-specific climate adaptation TA available in the market at	At least 200 enterprises and ecosystem partners receive sector-specific climate adaptation TA. 100% of loan beneficiaries apply climate-risk screening tools in investment design. At least 40% of TA recipients are women-owned or	Cost of designing and delivering climate adaptation TA that has no commercial provider in the market at accessible cost for MSMEs and that generates no direct financial return to the TA provider without grant subsidy.	1,000,000

Component	Baseline (without AF grant)	With-project scenario	Incremental cost financed by AF	AF budget (US\$)
	accessible cost for MSMEs. Women-owned enterprises face additional barriers with no targeted support available.	women-led. BOI staff, FIs, BDSPs and others trained on climate-risk-informed lending and adaptation additionality assessment.		
Component 4: Learning and knowledge management	No system exists to track adaptation outcomes at enterprise level in Nigeria. No documented institutional model for enterprise-level adaptation finance is available for replication by Nigerian financial institutions — DFI or commercial. No knowledge products document the climate-risk screening, gender-responsive TA or adaptation finance models in sufficient detail for adoption by other financial institutions.	Programme-wide MEL system operational from Year 1. Baseline data collected. At least 4 knowledge products developed and disseminated. At least 8 peer-learning events held. Programme tools formally adopted into BOI's institutional systems.	Cost of MEL system design, baseline data collection, evaluations, knowledge product development and peer-learning platforms. These generate no direct financial return and would not be financed by commercial actors.	1,000,000
Execution costs and IE fee	No dedicated programme management capacity exists within BOI for AF-standard adaptation finance. No standalone safeguards and gender compliance system for this programme type.	Dedicated programme management unit operational. Safeguards and gender officer in post. Financial management, procurement oversight and audit systems in place. AF reporting and compliance maintained throughout the programme period.	Programme management, safeguards, IVA activities, audit and IE oversight costs that are essential for AF compliance and programme quality but generate no direct financial return.	2,274,737
Total AF financing requested				24,680,907

I.5. Quantitative Demonstration of Adaptation Additionality

The following quantitative analysis demonstrates that the adaptation investments enabled by this programme would not occur without the AF grant.

I.5.1 The interest-rate viability threshold

A representative enterprise adaptation loan of \$969,114 (estimated average loan size) for flood-resilient storage and solar cold-chain infrastructure in the southern programme zone generates an adaptation benefit stream of approximately \$258,431 to \$361,803 per year in reduced post-harvest losses, avoided flood damage costs and supply chain continuity value. A facility of this scale, protecting several hundred tonnes of produce per season at Nigeria's documented post-harvest loss rates exceeding 40%, generates loss-avoidance value that, combined with avoided flood damage repair costs and maintained off-take relationships during climate events, supports this benefit stream estimate. A 5-year adaptation asset with this benefit stream can support debt service at an effective interest rate of approximately 12 to 18% per annum before the investment becomes financially unviable.

At prevailing commercial lending rates of 25 to 45%, the annual debt service on this loan exceeds the annual adaptation benefit stream by between \$36,180 and \$139,522, making the investment financially irrational

regardless of its adaptation value. At BOI's development finance rate of 15%, the investment is borderline to clearly viable for the enterprise. However, BOI cannot lend at this rate sustainably from domestic capital raised at up to 20% without absorbing a net loss on its cost of funds. The AF interest differential reserve bridges this gap by covering BOI's cost-of-funds shortfall exclusively, allowing BOI to lend at its development finance rate while recovering its full cost of funds. With the interest differential reserve in place, the investment is financially viable for the enterprise and financially sustainable for BOI simultaneously.

This analysis confirms the AF grant's role as the precise instrument required to shift enterprise adaptation investment from a scenario in which it is either financially irrational (at commercial rates) or institutionally unsustainable (at BOI's development finance rate without the reserve) to a scenario in which it is both viable for enterprises and sustainable for BOI. No other currently available instrument in Nigeria achieves this outcome for naira-denominated lending.

I.5.2 Adaptation investment mobilized per dollar of AF grant

Without the AF grant, the \$43,610,148 in BOI domestic capital would either not be raised for adaptation purposes or would be on-lent at commercial rates that make adaptation investment unviable for enterprise borrowers. The AF grant is the enabling condition for both the mobilization of domestic capital for adaptation purposes and the affordability of that capital for enterprises. It is not a top-up to financing that would otherwise occur.

I.5.3 Community-level impact without the programme

An estimated 380,000 to 570,000 people depend on the food, water, cold chain and health supply chains operated by enterprises in the programme's target sectors. Under baseline conditions, these supply chains face increasing disruption during climate events. The 2024 flooding season alone displaced 641,598 people, affected 98,242 homes and disrupted supply chains across southern Nigeria. Without the programme, enterprise adaptation investment does not occur at the scale required to protect these supply chains, climate vulnerability increases year by year, and community access to food, water and health services during climate events deteriorates year by year. The programme directly reverses this trajectory by enabling 45 enterprises to invest in climate-resilient infrastructure that protects supply chain continuity, employment and service access for dependent communities across both programme zones.

I.6. Activities That May Resemble Business-as-Usual Development

Some activities supported under C-CAFE Nigeria involve investments in enterprise infrastructure, energy technology and business capacity building that could, in isolation, appear indistinguishable from routine enterprise development. The adaptation justification for each of these activity types is set out below, confirming that every supported investment is specifically designed and screened to address identified climate hazards rather than to support general economic expansion.

Enterprise infrastructure investments. Investments in storage facilities, processing equipment and supply chain infrastructure could be characterized as general enterprise development. They are adaptation investments because they are specifically designed and screened to address the flood, drought and heat stress hazards documented in the background and context section of this proposal. The climate-risk screening and adaptation additionality check embedded under Component 1 confirms that every supported investment materially reduces enterprise exposure to identified climate hazards before a loan is approved. Infrastructure that does not pass this screen is not eligible regardless of its development merit.

Solar energy components. Solar-powered irrigation and cooling systems involve energy technology that could be characterized as a mitigation or general energy investment. These systems are eligible under the programme exclusively as enablers of adaptation outcomes: ensuring water availability during drought, maintaining cold chain continuity during climate-induced grid disruptions and providing backup power capacity that would otherwise leave enterprises without water or cooling capacity during extreme weather events. Such systems are eligible only where they are necessary to maintain adaptation-critical operational continuity during climate events. Standalone solar installations without a clear, direct and documented adaptation rationale are not eligible.

Technical assistance for enterprise capacity. General business development and financial literacy TA could be characterized as business-as-usual enterprise support. Under this programme, TA is directed specifically at climate-risk screening, adaptation investment design, technology right-sizing and the development of the technical and financial capacity enterprises need to access and manage adaptation finance. The adaptation additionality of the TA content is confirmed by the climate-risk screening framework embedded in the TA delivery design under Component 3, and by the mandatory right-sizing guidance that ensures supported technologies are

sized to address documented climate hazard exposure rather than to serve general productivity objectives.

I.7. Co-financing Independence

The Adaptation Fund does not require co-financing for the projects it funds, and AF grant resources for C-CAFE Nigeria are, on their own, fully sufficient to deliver the programme's stated outcomes and outputs.

AF grant resources finance 100% of the incremental and enabling costs the programme requires: interest differential reserve mechanism design and governance under Component 1, the technical assistance that builds enterprise bankability under Component 3, and the MEL and knowledge management system under Component 4. Every dollar of the AF grant requested is allocated against one of these AF-funded activities, and the deliverables under Components 1, 3 and 4 are fully achievable based on AF resources alone, with no dependency on any other donor.

The domestic capital BOI mobilizes and on-lends alongside the AF-funded interest differential reserve is BOI's own institutional capital, not third-party co-financing of the kind the Adaptation Fund's full cost of adaptation requirement is designed to guard against. Raising and on-lending domestic capital is BOI's ordinary, ongoing business as Nigeria's oldest and largest development finance institution, undertaken independently of this programme. BOI absorbs all capital-raising costs including arranging fees, legal costs, bond issuance and treasury management as its own institutional contribution. Its mobilization depends solely on BOI's institutional capacity and prevailing domestic market conditions, not on any third-party contribution to the programme.

The programme's full impact at least 45 enterprise adaptation loans, at least 9,000 climate-resilient assets, at least 200 TA recipients, at least 4 knowledge products and an operational MEL system is achieved through the combination of the AF-funded interest differential reserve and BOI's own capital. This combination is a deliberate design choice to maximize adaptation investment per dollar of grant, not a dependency. The AF-funded activities themselves remain fully deliverable on AF resources alone regardless of the eventual scale of BOI's capital mobilization in any given year.

Any additional financing mobilized by the programme, for example if commercial lenders or institutional investors are attracted to the enterprise adaptation finance model demonstrated by the programme, would enhance scale but is explicitly not required for programme objectives to be achieved. The programme's adaptive management framework under Component 4 is designed to integrate any additional financing opportunities that emerge during implementation without creating dependency on them.

J. Sustainability of Programme Outcomes

The sustainability of programme outcomes must be assessed at two structurally different levels, which this section deliberately separates since they persist under different conditions. These are:

(i) institutional sustainability, which is permanent and unconditional, and (ii) financing sustainability, which is time-bounded and conditional on successor concessional instruments or macroeconomic shifts that reduce BOI's cost-of-funds gap. This honest two-level framing is deliberate as it reflects the structural realities of adaptation finance in Nigeria's current macroeconomic environment rather than overstating the programme's long-term financial self-sufficiency.

J.1. Asset-level and financial sustainability.

Enterprises retain ownership of financed assets and bear full responsibility for operation and maintenance, creating enduring commercial incentives for asset performance without ongoing grant support. AF grant resources are applied exclusively to the incremental costs that cannot be financed commercially i.e. the interest differential reserve and enabling costs, not to capital expenditure. The core asset base therefore persists and continues to generate adaptation benefits after the grant period entirely through enterprise commercial ownership, with no dependency on ongoing donor funding for asset maintenance or operation.

Institutional sustainability. Climate-risk screening, adaptation additionality assessment, gender-responsive lending criteria, environmental and social safeguards and MEL protocols will be formally adopted into BOI's lending manuals before programme close. These systems remain operational permanently at no additional cost to the AF, representing an unconditional and durable enhancement to BOI's institutional capacity regardless of whether successor concessional financing is available. BOI's NIE accreditation, with renewal anticipated as part of BOI's institutional planning ahead of the current accreditation period, provides the institutional anchor for continued adaptation finance deployment. Full alignment with Nigeria's Climate Change Act 2021, NDC 3.0, validated NAP and NCCP embeds the programme within Nigeria's long-term climate governance architecture,

ensuring that BOI's enhanced climate finance capacity serves a nationally mandated function rather than a donor-defined one.

Financial sustainability of the concessional lending mechanism. The below-market lending rate enabled by the interest differential reserve is funded for the life of the 45 loans disbursed during the programme period, with the pre-funded escrow discharging all interest differential obligations through to loan maturity without new AF disbursements. This financial sustainability is scoped strictly to loans already disbursed under this programme. It does not extend to new lending originated after the reserve is exhausted or after the programme ends. The institutional and reporting arrangements governing this post-completion drawdown period are detailed in Part III.A.

Once the IDR is fully discharged against the loan portfolio it was sized for, BOI's ability to originate new adaptation loans at its DFI rate depends on one of the following three pathways which carries a different likelihood, timeline and source of funding:

1. **A successor concessional instrument:** BOI would seek a new IDR or equivalent concessional grant sized using the same methodology established under Component 1 (Mechanism Modalities). The programme's demonstrated track record and institutionalized tools as detailed in Component 4 are specifically designed to make the process of securing this grant faster and at a lower cost. It should be noted that BOI has submitted a proposal to the Federal Government of Nigeria for the establishment of a budgetary subsidy mechanism that would support the continuation of concessional lending by offsetting the cost differential between funds raised from the domestic market and BOI's development finance lending rate. If approved, this FGN-funded mechanism would serve as a successor instrument for building on CCAFE Nigeria to sustain adaptation and other development-impact lending programmes beyond the life of any grant-funded facility.
2. **BOI continues adaptation lending using its own resources, at a level of priority and scale that depends on institutional commitment:** BOI already lends its own funds at its DFI rates. This capability continues regardless of whether a dedicated reserve exists. What varies is the degree of institutional commitment where BOI may dedicate ring-fenced funding to replicate C-CAFÉ Nigeria's specific features towards the end of the programme and incorporating the lessons learnt from implementation. BOI has precedent for prioritizing strategic lending initiatives from its own resources.
3. **A reduction in BOI's cost of capital for funds raised in the domestic market:** If Nigeria's macroeconomic conditions ease (lower policy rates, reduced inflation), BOI's cost of capital could fall closer to its DFI lending rate, thereby reducing the cost recovery gap without requiring a subsidy of the current scale.

The programme's contribution to long-term financing sustainability is therefore evidentiary and institutional. It does not permanently resolve the cost-of-funds gap from BOI's own resources, but it demonstrates the mechanism's viability, builds the institutional readiness to deploy a successor instrument or a more dedicated self-funded facility and generates the enterprise-level performance data that reduces the risk premium that a future concessional funder would need to price in. This makes pathway 1 and 2 more achievable than they would be without this programme.

Beyond financing the interest-differential subsidy itself, the concessional structure creates lasting operational capacity and market infrastructure that extend well beyond the programme period.

For BOI:

The programme establishes a fully operational and evidenced model for adaptation finance delivery, including a tested interest-differential reserve mechanism, defined eligibility and risk-screening procedures, and a documented portfolio performance record. Together, these assets provide a credible proof of concept that can be leveraged to mobilize follow-on concessional capital from climate and development finance partners, significantly reducing the transaction costs and due diligence requirements typically associated with first-time funding relationships.

For participating enterprises:

The programme generates similar long-term benefits. Each financed investment creates a documented adaptation business case, supported by BOI appraisal and an established repayment history, enabling enterprises to demonstrate investment readiness, implementation capacity, and financial credibility when seeking support from climate funds, grant-making institutions, and future concessional financing programmes. The programme therefore helps transform beneficiaries from one-time recipients of concessional support into counterparties that are better positioned to access subsequent grant-supported or concessional adaptation finance.

J.2. Technical sustainability and local governance

Capacity building under Component 3 equips BOI staff and Business Development Service Providers with the skills and tools to originate, appraise and monitor adaptation loans without ongoing external support. Training curricula developed in partnership with Nigerian professional bodies are designed for sustained delivery beyond the programme period. The standardized master training curriculum, developed and owned by BOI, certified against and delivered by contracted partners during the programme, is formally transferred to BOI's institutional training repository at programme close and made available for adoption by other Nigerian TA providers, creating a locally rooted and quality-assured adaptation TA ecosystem that does not depend on ongoing programme funding. Supported investment types are designed for 10 to 15-year operational lifespans with locally available maintenance supply chains, avoiding dependency on externally sourced parts or skills and ensuring communities can sustain the adaptation benefits of enterprise investments well beyond the grant period.

J.3. Environmental and social sustainability

BOI's ESMS, aligned with the AF Environmental and Social Policy, ensures adaptation investments generate no adverse impacts and promote long-term ecosystem stability and community resilience. Climate-resilient technologies that reduce water over-extraction, cut diesel dependence and reduce post-harvest losses generate ongoing environmental co-benefits that strengthen the sustainability of the natural resource base on which supported enterprises and dependent communities rely.

J.4. Market and replication sustainability

The programme contributes to expanding enterprise adaptation finance in Nigeria through two distinct replication pathways. The first is immediate and unconditional. Any Nigerian financial institution can adopt C-CAFÉ's climate-risk screening tools, adaptation additionality criteria and gender-responsive lending frameworks into its own lending operations without additional AF grant resources. Institutional replication is therefore immediate and low-friction. It does not require concessional financing and can begin as soon as knowledge products are disseminated. The second pathway, financing replication, involves deploying a comparable interest differential reserve at scale. It requires a financial institution to access its own concessional grant source, which the programme's documented mechanism design (see Part II Section G, Knowledge Product 4), demonstrated track record and knowledge products are specifically designed to make easier and faster to mobilize. BOI's active engagement with Nigerian financial institutions builds market confidence in enterprise adaptation finance as a viable asset class, progressively reducing the information barriers that currently prevent commercial capital from entering this market without concessional support.

J.5. Community-level sustainability without donor dependency

The programme's enterprise ownership model is the primary mechanism through which communities sustain adaptation benefits without project-based donor funding. Enterprises own, operate and maintain the climate-resilient assets financed under Component 2. The commercial incentive to maintain these assets is entirely internal to the enterprise. Flood-resilient storage, cold chain continuity and climate-resilient irrigation protect enterprise revenues and supply chain relationships during climate events, creating a self-sustaining maintenance incentive that operates without any ongoing donor engagement. For the communities dependent on these enterprises, adaptation benefits persist as long as enterprises remain operational and assets are maintained, which commercial ownership incentivizes independently of the programme's grant period.

K. Overview of Environmental and Social Impacts and Risks

The programme is classified as Category B under the AF Environmental and Social Policy. No programme activities involve large-scale physical infrastructure, involuntary resettlement, significant conversion of natural habitats or impacts on critical ecosystems. Category A sub-projects are excluded from programme eligibility by design.

All 15 principles of the Adaptation Fund Environmental and Social Policy remain subject to sub-project-level screening, assessment, management and monitoring throughout implementation, consistent with the programme's treatment of Component 2 sub-loans as Unidentified Sub-Projects (USPs). The preliminary ratings below reflect the programme's current risk assessment based on the fixed eligibility criteria, geographic scope

and exclusion list established in this proposal. These ratings will be reviewed and updated during implementation as individual sub-projects are identified and screened; where sub-project-level screening identifies risks higher than anticipated, the rating and corresponding mitigation measures will be revised accordingly and reported in the relevant Annual Programme Performance Report.

The programme generates significant positive environmental and social outcomes including protected food security, improved income stability and employment continuity for an estimated 380,000 to 570,000 people, reduced post-harvest losses, improved water resource efficiency and enhanced supply chain resilience in both programme zones. These positive outcomes are expected to substantially outweigh the adverse risks identified at this stage, which are anticipated to be site-specific and manageable through the programme's ESMP framework and BOI's ESMS, subject to confirmation through sub-project-level screening as individual enterprises are identified.

Positive impacts. Strengthened food security and supply chain continuity, protected employment and incomes across climate-sensitive sectors, reduced post-harvest losses exceeding 40%, improved water-use efficiency through solar irrigation and rainwater harvesting, ecosystem co-benefits from nature-based solutions where applicable and reduced diesel dependence through solar-powered systems.

Identified adverse risks. Localized construction and installation impacts, occupational health and safety risks during construction, potential water resource pressure from irrigation systems where groundwater extraction is not managed within sustainable recharge rates and groundwater sustainability verification in the Component 1 adaptation additionality screening, risk of excluding vulnerable groups from programme benefits without active mitigation, potential downstream hydrological impacts from water harvesting systems, and refrigerant handling risks associated with cold chain installations. Preliminary ratings for these risk categories, provided in the checklist below, indicate low to moderate risk based on the programme's fixed eligibility criteria and exclusion list. Final risk classification for each principle will be confirmed at sub-project screening and updated during implementation where higher risks are identified, as detailed in Annex 8.

Table 24: C-CAFÉ E&S Analysis against Adaptation Fund Principles

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>		Enterprise investments may require permits, EIA clearances and NAFDAC registration. Non-compliance could delay implementation. Preliminary risk rating: Low to moderate. Mitigation: Compliance requirements for each Unidentified Sub-Project (USP) are identified and confirmed during appraisal as a condition for disbursement, supported by Component 3 TA and a state-level permit toolkit.
<i>Access and Equity</i>	–	Benefits could be captured disproportionately by larger, better-connected enterprises. Preliminary risk rating: Moderate. Mitigation: Minimum 30% allocation for women-owned enterprises, priority access for vulnerable communities, and MEL tracking of benefit distribution.
<i>Marginalized and Vulnerable Groups</i>	–	Women, youth, informal workers, persons with disabilities and minority groups may face structural barriers to access. Preliminary risk rating: Moderate. Mitigation: Gender Action Plan (Annex 3), youth outreach, an accessible grievance mechanism, and inception-phase consultation with minority communities.
<i>Human Rights</i>		Activities could inadvertently restrict resource access or create unequal benefit distribution. Preliminary risk rating: Low. Mitigation: Backward-integration eligibility criteria, an accessible grievance mechanism, and human rights screening for all USPs at appraisal.

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Gender Equality and Women's Empowerment</i>	–	Women-owned enterprises may be underrepresented in the portfolio without active intervention. Preliminary risk rating: Moderate. Mitigation: 30% minimum allocation, a dedicated TA stream for women-owned enterprises, and sex-disaggregated reporting across all indicators, and implementation of the Gender Action Plan (GAP) at Annex 3
<i>Core Labour Rights</i>		Construction and installation may pose OHS risks; enterprise labour conditions may fall short of standards. Preliminary risk rating: Low. Mitigation: Labour rights compliance is a mandatory eligibility criterion, verified at appraisal for each USP and monitored annually.
<i>Indigenous Peoples</i>	–	The enterprise-level lending model is not designed to target indigenous lands, and community benefits are expected to flow indirectly through enterprise supply chains. However, because specific sub-project enterprises and locations USPs at this stage are not yet identified, the presence of indigenous or minority community members in each sub-project's area of influence cannot be ruled out. Preliminary risk rating: Low. Mitigation: Mandatory E&S screening at USPs appraisal documented in its ESMP, will confirm the location and community context of every sub-loan, including whether indigenous or minority communities are present. Traditional and indigenous knowledge systems are respected and integrated into TA delivery as documented in Section G. Rating will be revised to Moderate or higher where USP screening identifies material proximity to indigenous lands.
<i>Involuntary Resettlement</i>	–	Construction on contested or occupied land could risk displacement. Preliminary risk rating: Low. Mitigation: Exclusion list prohibits resettlement; land tenure verified at appraisal for all USPs As part of ESMP preparation.
<i>Protection of Natural Habitats</i>	–	Water systems could be sited near ecologically sensitive areas or wetlands. Preliminary risk rating: Low to moderate. Mitigation: Screening for proximity to protected areas and wetlands; conducted at USPs appraisal and document in the ESMP, such sites are ineligible.
<i>Conservation of Biological Diversity</i>	–	Agricultural or infrastructure expansion could fragment habitats. Preliminary risk rating: Low. Mitigation: Investments limited to existing operational footprints; greenfield expansion into undisturbed land is excluded, verified through ESMP screening at USP appraisal
<i>Climate Change</i>	–	Investments must remain resilient under future, not just current, climate conditions to avoid maladaptive lock-in. Preliminary risk rating: Low to Moderate. Mitigation: Designs reviewed against IPCC AR6 and CORDEX-Africa projections; lock-in risks tracked in Section B.
<i>Pollution Prevention and Resource Efficiency</i>	–	Construction, refrigerants and agricultural inputs could create pollution risks. Preliminary risk rating: Low. Mitigation: NESREA and Montreal Protocol compliance required; pollution prevention built into each USPs ESMP.

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Public Health</i>	–	Water and cold-chain systems could pose health risks if standards are not maintained. Preliminary risk rating: Low. Mitigation: NAFDAC and NESREA compliance required and verified through each USPs ESMP; health supply chain investments generate net positive outcomes.
<i>Physical and Cultural Heritage</i>		Eligible investments are expected to be sited on land already owned and operationally used by the enterprise applicant, which reduces the likelihood of heritage-site impacts. However, specific USPs are not yet identified, so proximity to recognized physical or cultural heritage sites cannot be confirmed at this stage. Preliminary risk rating: Low Mitigation: Every USP is subject to a mandatory heritage-site check under the E&S screening checklist at appraisal. Proximity to recognized heritage sites is a hard exclusion. Rating will be revised where USP screening identifies proximity to a heritage site not anticipated at this stage.
<i>Lands and Soil Conservation</i>	–	Construction or agricultural intensification could cause soil degradation. Preliminary risk rating: Low. Mitigation: Each USPs ESMP requires soil conservation measures as well as Component 3 TA which guides sustainable practices.

All 15 principles are subject to full assessment and management at sub-project level. The complete risk analysis is provided in Annex 8. In addition, a detailed budgeted Environmental and Social Management Plan, mapping ESMP activities to the risks identified in Annex 8 and their funding sources, is provided at Annex 11.

PART III: IMPLEMENTATION ARRANGEMENTS

A. Programme Implementation Arrangements

BOI serves as the National Implementing Entity (NIE) for C-CAFE Nigeria, with primary responsibility for fiduciary management, programme oversight, AF compliance, safeguards and gender compliance, and results reporting to the AF Secretariat. BOI also serves as the primary Executing Entity (EE), responsible for day-to-day programme operations, loan origination, interest differential reserve administration and TA coordination. These two functions are deliberately separated across distinct institutional divisions within BOI, with documented Chinese walls ensuring that the IE oversight function operates independently of and with authority over the EE execution function.

A.1 Justification for BOI's dual IE/EE role.

BOI's dual role is appropriate and consistent with AF operational policy for NIEs for three institutional reasons. First, loan origination, disbursement and portfolio management are BOI's core business activities as Nigeria's foremost DFI. The EE execution function is therefore not a parallel programme structure but BOI's ordinary operations, applied to an adaptation-specific lending mandate. Second, the IE and EE functions sit in entirely separate directorates with no shared management chain below the Executive Director level, providing structural rather than merely procedural separation. Third, BOI's Risk Management Division provides independent internal verification of every interest differential reserve disbursement, a control that neither the IE nor the EE can bypass and that mirrors the independent oversight AF requires of executing arrangements.

A.2 Institutional Structure and Division of Responsibilities

The Sustainability Division's oversight of the Multilaterals Division is consistent with standard AF fiduciary practice for NIEs executing their own programmes. The Sustainability Division (as IE) retains ultimate accountability to the AF Secretariat for fiduciary management, safeguards compliance and results reporting regardless of which internal unit executes day-to-day activities. Its involvement is therefore limited to the specific oversight functions that the IE role demands. The sole authority for the EE role including day-to-day loan origination and disbursement decisions, remains within the Multilaterals Division. The two divisions report to different Executive Directors and have no shared operational management chain, consistent with the separation documented in the POM.

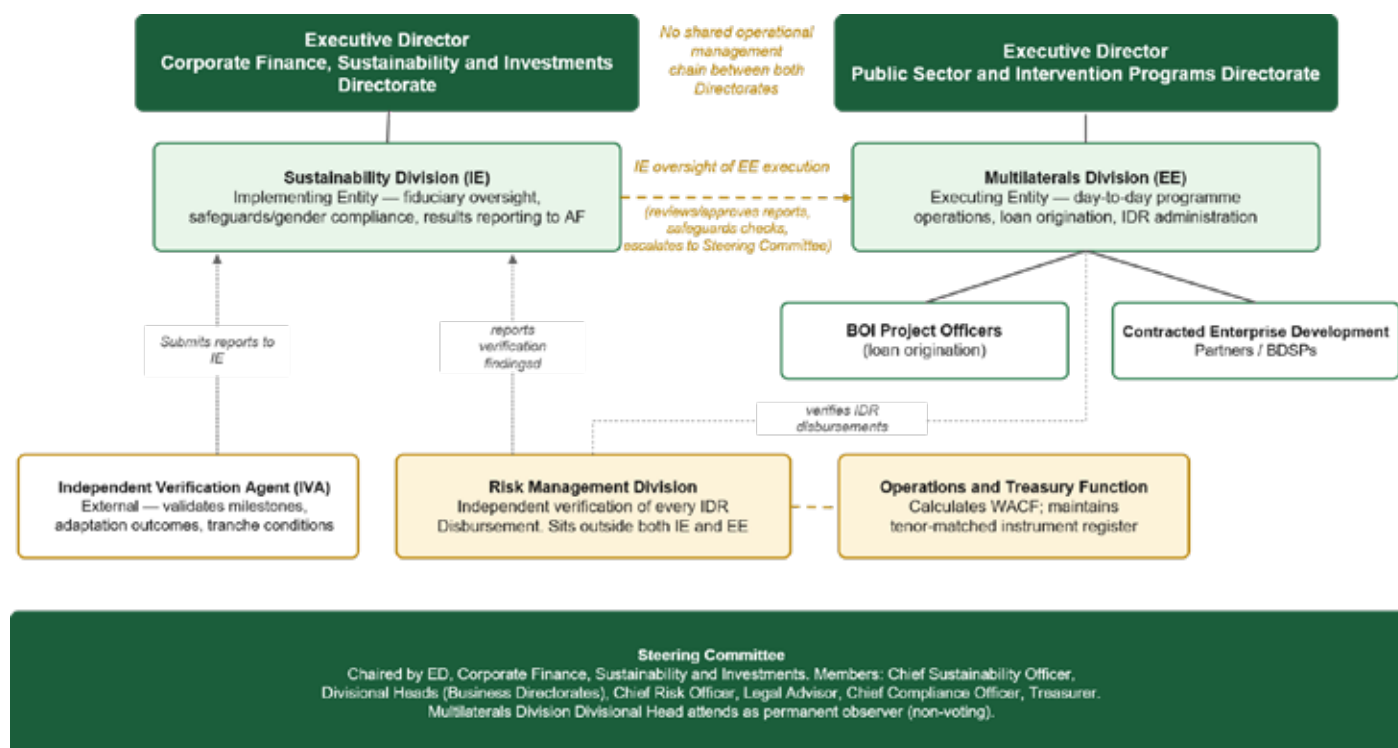


Figure 3: C-CAFÉ Nigeria: Programme Implementation Management Organizational Chart

IE Function: Sustainability Division (Corporate Finance, Sustainability and Investments Directorate)

The Sustainability Division serves as the Programme Management Unit at IE level, holding institutional responsibility for the programme's fiduciary, environmental, social, gender and climate compliance functions and serving as the primary interface with the AF Secretariat throughout implementation.

The Division is responsible for:

- POM development and maintenance: Finalizing the POM incorporating the interest differential reserve mechanism design, eligibility criteria, ESMP framework, gender-targeting protocols and MEL system design. This document, submitted as a condition precedent to Tranche 1 disbursement, shall be maintained throughout implementation as the primary operational governance document.
- AF-level fiduciary management and oversight: Maintaining ringfenced programme accounts, applying internal controls and segregation of duties, ensuring transparent budgeting and disbursements consistent with AF fiduciary standards, coordinating annual external audits and applying anti-fraud and integrity verification measures at IE level.
- Safeguards and gender compliance oversight: Reviewing and approving sub-project E&S screening categorizations prepared by the Multilaterals Division, confirming ESMP adequacy for Category B sub-projects, monitoring Gender Action Plan implementation, and ensuring ongoing compliance with the AF Environmental and Social Policy and AF Gender Policy.
- MEL oversight and AF reporting: Reviewing and approving Annual Programme Performance Reports prepared by the Multilaterals Division before submission to the AF Secretariat, maintaining oversight of the MEL system's alignment with the AF Strategic Results Framework, and ensuring sex-disaggregated reporting across 100% of programme indicators.
- Knowledge management and replication: Generating learning products, documenting replication pathways for other Nigerian financial institutions through Component 4 knowledge products, and facilitating structured knowledge engagement with enterprises and public stakeholders.
- Steering Committee secretariat: The Executive Director of Corporate Finance, Sustainability and Investments chairs the Steering Committee and is accountable to the AF Secretariat for programme performance, safeguards compliance and gender policy implementation.
- Independent Verification Agent (IVA) engagement and oversight: Engaging, managing and overseeing the IVA on behalf of BOI as NIE, in accordance with AF operational policy placing IVA costs and engagement responsibility within IE management functions.

EE Function: Multilaterals Division (Public Sector & Intervention Programs Directorate)

The Multilaterals Division serves as the primary Executing Entity, responsible for day-to-day programme operations under the oversight of the Sustainability Division. The Multilaterals Division works in close coordination with BOI's Risk Management Division for interest differential reserve verification and with BOI's project officers for loan origination.

The Multilaterals Division / EE is responsible for:

- Day-to-day programme coordination: Managing the programme workplan, coordinating delivery across loan origination channels, enterprise development partners and TA providers, tracking milestones and escalating implementation issues to the Steering Committee through the Sustainability Division.
- Loan origination coordination: Coordinating with project officers to identify, screen and appraise eligible enterprise adaptation loan applications against the eligibility criteria and adaptation additionality gate established in the POM.
- Interest differential reserve administration: Coordinating with the Risk Management Division to verify and process IDR disbursements from the dedicated escrow account against confirmed loan interest repayment obligations, and maintaining loan-level tracking by sector, region, gender and asset type.
- Technical assistance coordination: Managing procurement and engagement of enterprise development partners for TA delivery under Component 3, ensuring gender-responsive delivery modalities are applied and monitoring performance against Component 3 indicators.
- Programme performance reporting: Preparing Annual Programme Performance Reports, financial reports and progress updates for review and approval by the Sustainability Division before submission to the AF Secretariat.
- Procurement and contracts management: Procuring BDSPs, enterprise development partners, the independent evaluator and other service providers in accordance with BOI's procurement procedures and

AF requirements, and managing contract performance.

Risk Management Division — Interest Differential Reserve Verification

BOI's Risk Management Division provides an independent internal control function over every IDR disbursement, sitting outside both the IE and EE functions. For each disbursement from the escrow account, the Risk Management Division independently confirms that the underlying enterprise loan meets programme eligibility and adaptation additionality criteria, the interest repayment obligation being claimed is genuine and due, the disbursement amount does not exceed the confirmed cost-of-funds differential for that repayment period, and no anti-fraud or compliance concerns have been identified. Verified disbursements from the escrow account are processed by the Multilaterals Division. The Risk Management Division's verification findings are documented and retained for audit purposes and reported to the Sustainability Division as part of the IE's fiduciary oversight function.

Loan Origination - Project Officers

BOI's established lending infrastructure serves as the primary channel for enterprise adaptation loan origination and disbursement under Component 2. Project officers originate and appraise adaptation loans applying programme eligibility criteria, climate-risk screening and adaptation additionality requirements embedded in the POM. All loan origination, appraisal and approval follows BOI's standard credit governance chain with adaptation additionality and climate-risk screening as mandatory appraisal criteria. The Multilaterals Division will work with the Project Officers to document portfolio performance data for MEL consolidation and AF reporting.

Enterprise Development Partners

Technical assistance under Component 3 is delivered through contracted enterprise development partners procured by the PMU. Technical partners are responsible for delivering sector-specific climate adaptation TA to enterprises, deploying climate-risk screening and decision-support tools, building the capacity of BOI loan officers, and delivering the dedicated TA stream for women-owned and women-led enterprises. All enterprise development partners maintain compliance with environmental, social, gender and reporting requirements.

A.3 Governance and Oversight Mechanisms

Steering Committee

A programme Steering Committee provides strategic oversight and ensures alignment with national climate adaptation priorities and BOI's institutional objectives. The Steering Committee is chaired by the Executive Director Corporate Finance, Sustainability and Investments. Its membership includes the Chief Sustainability Officer, Divisional Heads from the Business Directorates, the Chief Risk Officer, the Legal Advisor, Chief Compliance Office and Treasurer. The Divisional Head of the Multilaterals Division attends Steering Committee meetings as a permanent observer and operational reporter, presenting programme execution progress, portfolio performance data and implementation challenges for the Committee's consideration, but does not hold voting rights on governance, compliance or adaptive management decisions. This observer arrangement maintains the Chinese wall between the IE oversight function and the EE execution function while ensuring the Steering Committee has direct access to operational intelligence when making programme management decisions.

The Steering Committee meets quarterly to review programme performance against targets, approve Annual Programme Performance Reports before submission to the AF Secretariat, address implementation bottlenecks and oversee adaptive management decisions. The Steering Committee does not participate in individual loan approval decisions, which remain within BOI's standard credit governance chain.

Independent Verification Agent

An Independent Verification Agent is engaged to validate adaptation outcome indicators and confirm achievement of agreed tranche milestone conditions before each AF disbursement release. IVA costs are carried within the IE management fee consistent with AF operational policy placing IVA engagement within IE responsibilities. Verification includes validation of adaptation outcome indicators against targets, confirmation of safeguards and gender policy compliance, review of gender-disaggregated performance data and verification of IDR disbursement records against the eligible loan portfolio. IVA reports are submitted to the Sustainability Division and reviewed by the Steering Committee before tranche release requests are submitted to the AF Secretariat.

Table 25: Other Stakeholders

Stakeholder	Role	Contribution
Nigeria Climate Change Council (NCCC)	National coordination and AF Designated Authority	Climate policy alignment, policy dialogue engagement under Component 4 and contribution to Nigeria's NAP implementation monitoring framework.
Business Development Service Providers (BDSPs)	TA delivery to enterprises	Sector-specific and gender-responsive technical assistance delivery directly to enterprises across both programme zones under Component 3. BDSPs participate in Component 3 capacity building activities to ensure consistent, quality-assured TA delivery aligned with the programme's climate-risk screening and adaptation investment design standards.
Women enterprise associations and networks	Gender inclusion and pipeline mobilization	Outreach, targeting and referral for women-owned enterprise loan pipeline and Component 3 TA delivery; community-level intelligence on women's climate vulnerability and enterprise constraints.
Youth enterprise networks	Youth inclusion and enterprise pipeline	Enterprise pipeline development and inclusion in Component 3 TA outreach targeting for youth-owned enterprises across both programme zones.
Enterprise Development Partners	Enterprise capacity and ecosystem support	Supporting enterprise financial readiness, adaptation investment design and bankability development alongside BDSPs, particularly for enterprises in pre-application TA pipeline.
Federal Ministry of Finance and CBN	Policy environment and financial sector regulation	Regulatory alignment and engagement

A.4 Financial Management and Flow of Funds

BOI as National Implementing Entity

BOI manages all AF resources using its established fiduciary systems and AF financial management requirements. The Sustainability Division, as IE, maintains ringfenced programme accounts, applies internal controls and segregation of duties, ensures transparent budgeting and disbursements consistent with international accounting standards, prepares AF-compliant financial reports and coordinates annual external audits. Day-to-day financial execution and transaction origination is managed by the Multilaterals Division as EE, with the Sustainability Division as IE maintaining oversight through review and approval of consolidated financial reports, coordination of annual external audits and authorization of AF tranche release requests. This ensures segregation between the unit executing transactions and the unit reporting and accounting for them to the AF Secretariat.

AF to BOI - Grant Transfer and Ringfencing

The AF disburses grant resources directly to BOI upon approval. BOI through its Operations and Treasury functions places funds into dedicated ringfenced programme accounts to finance the four components of C-CAFÉ Nigeria. Funds are released based on milestones including governance readiness, POM submission and compliance setup confirmation. Milestone-based disbursement links AF releases to confirmed programme performance verified by the IVA.

Component 2 Capital Flow

AF resources under Component 2 function exclusively as a pass-through interest differential reserve and do not finance loan capital. BOI raises \$43,610,148 in naira-equivalent domestic capital through its established capital market operations as its institutional contribution to the programme, separately and independently of the AF grant. All capital-raising costs are borne entirely by BOI. The \$20,256,170 AF Component 2 grant is held in a dedicated escrow account administered by the Multilaterals Division as EE with liquidity management support from BOI's Treasury function under the oversight of the Sustainability Division as IE. The Risk Management Division independently verifies each interest differential reserve disbursement before release from the escrow account. BOI may draw from the escrow only when a supported loan's interest repayment falls due and has been independently verified by the Risk Management Division, with each drawdown limited to the confirmed cost-of-funds differential for that repayment period.

Loan Origination and Lending Flow

BOI lends directly to eligible enterprises through its project officers. Both channels operate under the coordination of the Multilaterals Division as EE and apply programme eligibility criteria, climate-risk screening and adaptation additionality requirements before loan approval, consistent with the POM. Loan proceeds are used exclusively for approved adaptation investments.

Interest rate Differential Mechanism

The interest differential reserve is disbursed from the escrow account to offset the cost-of-funds shortfall on eligible enterprise loans, not principal. Each disbursement is applied to reduce BOI's cost-of-funds gap.

Borrower Reporting and Performance

Borrowers are required to implement adaptation investments as approved, maintain required operation and maintenance practices, comply with E&S and gender safeguards and submit usage and performance data through project officers. This data is consolidated by the Multilaterals Division and submitted to the Sustainability Division for integration into MEL reporting and adaptation outcome verification. BOI monitors all financial transactions, portfolio performance and adaptation results throughout implementation. Safeguards compliance is monitored through BOI's ESMS under the Sustainability Division's oversight. Programme financial execution and adaptation results are periodically reported to the AF Secretariat through Annual Programme Performance Reports approved by the Steering Committee and submitted by the Sustainability Division.

Flow of Funds Summary

Stream 1 - AF grant flow: AF disburses to BOI ringfenced programme accounts maintained by BOI as IE. Funds allocated to Component 1, Component 3 and Component 4 are managed by the BOI business groups responsible for fund management and disbursed through the Multilaterals Division for execution. Component 2 AF resources are held in a dedicated escrow account administered by the Multilaterals Division and drawn down strictly against Risk Management Division-verified loan interest repayment obligations only.

Stream 2 - Local currency lending flow: BOI raises naira-equivalent domestic capital through its established capital market operations. Project Officers process local-currency loans to eligible enterprises in line with BOI credit approval process. Enterprises implement climate adaptation investments.

Stream 3 - Interest differential reserve flow: Following Risk Management Division verification, the interest differential reserve is released from the escrow account to offset BOI's cost-of-funds shortfall on eligible loans, reducing the effective borrowing cost for enterprises and making adaptation investment financially viable.

Stream 4 - TA, MEL and reporting flow: Enterprises and project officers provide financial, safeguards and adaptation performance data to the Multilaterals Division as EE. The Multilaterals Division consolidates this data and submits it to the Sustainability Division as IE for quality assurance, gender-disaggregated reporting verification and integration into Annual Programme Performance Reports. The Sustainability Division is responsible for portfolio monitoring oversight, interest differential reserve verification oversight, safeguards and gender compliance oversight, knowledge management, financial reporting, results reporting and audit reporting to the AF Secretariat.

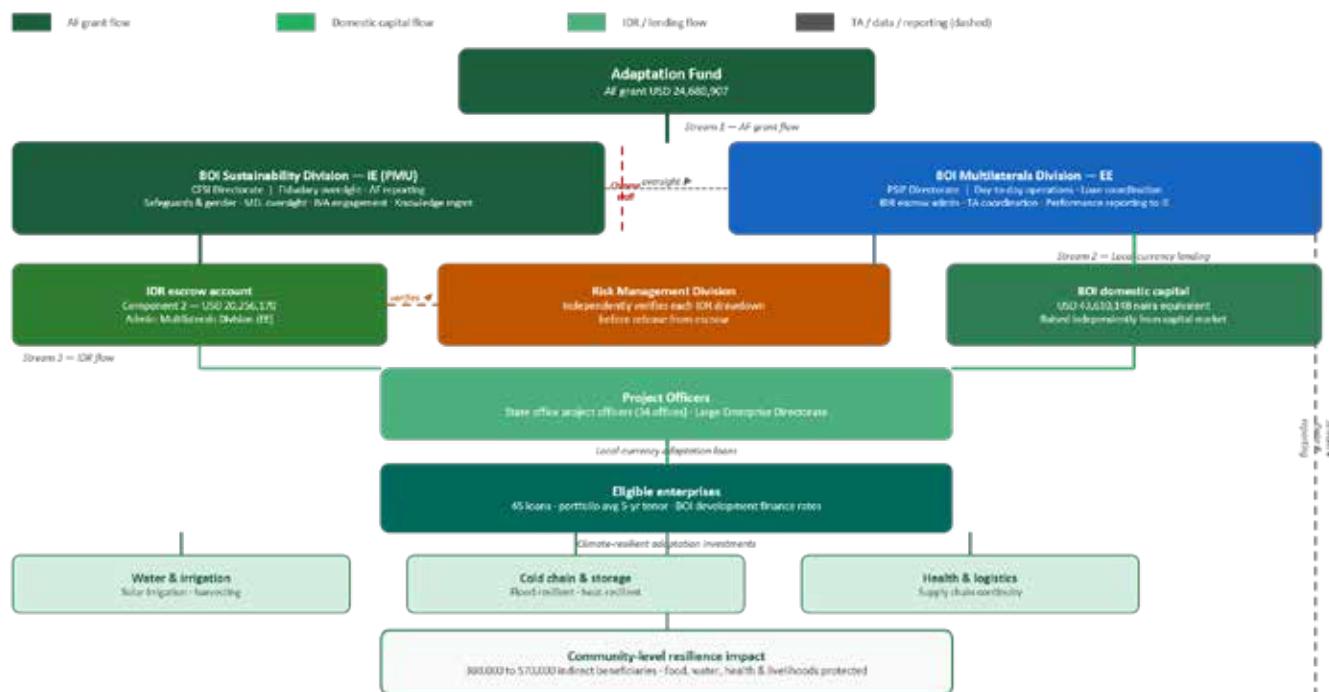


Figure 4: C-CAFÉ Flow of Funds

Post-Completion Escrow Governance, Verification, Reconciliation and Closure

Post-completion escrow governance and oversight. The institutional functions responsible for escrow administration and oversight, namely the Multilaterals Division as Executing Entity (EE), the Risk Management Division, the Treasury function responsible for liquidity management and formula maintenance, as well as the Sustainability Division as Implementing Entity (IE), are permanent units within BOI's organizational structure. This is consistent with the escrow structure described in Component 1, Mechanism Modalities and Part III Section H. These units will continue to perform their respective escrow administration, liquidity management, verification, and oversight functions after programme completion and after regular AF programme reporting and Steering Committee oversight have concluded, without the need for any new institutional arrangements.

Drawdown verification does not cease at programme completion. Every IDR disbursement from the escrow account, including those made after programme completion, will continue to be independently verified by the Risk Management Division against the eligibility, cost-of-funds, and documentation requirements set out in the POM prior to release. Clawback and recovery of improperly disbursed amounts, including those identified after programme completion, will follow the same process established under Component 1, Mechanism Modalities. Verification records will be retained for audit purposes in accordance with BOI's standard record-keeping procedures.

Post-completion reporting to the AF Secretariat. Although Annual Programme Performance Reports and Steering Committee oversight conclude at programme completion, Risk Management Division's verification of every escrow drawdown continues without interruption. BOI will submit an annual status update to the AF Secretariat for each year the escrow account remains active, confirming that year's aggregate IDR drawdowns, the outstanding enterprise loan balance, and the remaining reserve obligation.

Escrow sufficiency confirmation at programme completion. At programme completion, the Multilaterals Division will prepare a comprehensive schedule of all outstanding enterprise loans and the corresponding IDR amounts required to meet each loan's remaining obligations. The BOI Treasury function will confirm that sufficient liquidity is available within the escrow account to meet these obligations. The Sustainability Division, acting as IE, will review the schedule to confirm that it aligns with the escrow account's committed obligations before it is shared with the AF Secretariat. This solvency confirmation is reported in the terminal evaluation. It is a confirmation of sufficiency and not a final account closure, since obligations on loans disbursed later in the implementation period may extend to 2038.

Final Reconciliation and Closure. Final reconciliation and closure of the escrow account occur once the IDR obligations associated with the final outstanding enterprise loan have been fully discharged. At that point, the Multilaterals Division will prepare a final reconciliation statement confirming that all eligible obligations have been settled. The statement will be independently verified by the Risk Management Division, reviewed by the Sustainability Division in its oversight capacity, and approved by the Executive Director, Corporate Finance, Sustainability and Investments.

Where this final reconciliation identifies an excess balance remaining in the escrow account after all eligible obligations have been fully settled, BOI will refund that excess to the AF Secretariat within 10 business days of the reconciliation statement's approval, consistent with the Adaptation Fund's standard treatment of undisbursed grant balances at project completion (see Part III Section H). BOI will then formally close the escrow account and submit a supplementary escrow closure report to the AF Secretariat, documenting the final reconciliation, confirmation that all obligations have been discharged, any excess refunded, and formal closure of the account.

B. Measures for Financial and Programme Risk Management.

Programme implementation risks are managed through clear roles and responsibilities across BOI's institutional structure with the Sustainability Division as IE exercising oversight and the Multilaterals Division as EE managing day-to-day operations under documented Chinese walls. This institutional arrangement is supported by structured performance reviews and corrective action protocols through the MEL system and adaptive management framework. The risk register below identifies all major risks, their significance and mitigation measures across four risk categories.

Table 26: C-CAFÉ Nigeria Risk Register

Risk category	Risk description	Likelihood	Impact	Mitigation measures	Residual Risk & Impact
FINANCIAL RISKS					
Domestic capital mobilization	BOI unable to raise \$43,610,148 naira-equivalent at required scale or cost within programme timeline	Low	High	Capital-raising milestone is a condition precedent for first enterprise loan disbursements under Component 2. Milestone-based disbursement links AF tranche releases to confirmed capital mobilization.	Residual risk – Low Residual impact – Moderate
Capital market yield volatility	Rise in domestic capital market yields increases BOI's cost of funds beyond the levels modelled in the interest differential reserve sizing, widening the gap between BOI's cost of domestic funds and its development finance lending rates beyond the capacity of the \$20,256,170 reserve	Moderate	Moderate	The fixed-rate interest differential reserve structure insulates the mechanism from moderate yield movements since the reserve covers a contractually defined cost-of-funds differential rather than a floating market-linked spread. Annual mechanism review allows interest differential reserve formula adjustment within available pool capacity	Residual risk – Low Residual impact - Low

Risk category	Risk description	Likelihood	Impact	Mitigation measures	Residual Risk & Impact
				if capital market yield movements materially affect BOI's cost of funds. Adaptive management framework triggers a Steering Committee review if yield movements exceed a defined threshold, with options documented in the POM. The solvency buffer built into the reserve sizing (see Component 1, Mechanism Modalities) provides additional tolerance above the base-case cost-of-funds assumption.	
Naira depreciation	Further significant naira depreciation reduces the USD value of AF grant resources at the time of disbursement and conversion	Moderate	Moderate	AF grant disbursed in USD to BOI. Naira conversion timed to minimize exposure. Funds are converted to naira only when required for disbursement rather than held in naira for extended periods. Component 2 interest differential reserve and enterprise loans are entirely naira-denominated, eliminating exchange-rate risk at the enterprise level regardless of naira movements.	Residual risk – Low Residual impact - Low
Fiduciary and integrity risk	Misuse, misappropriation or misreporting of AF grant resources or interest differential reserve escrow funds at BOI level	Low	High	Dedicated ringfenced programme accounts maintained by BOI's fund management functions. Independent verification of each interest differential reserve disbursement by the Risk Department before release from escrow. Independent annual financial audit by external auditor. Anti-fraud protocols embedded in interest differential reserve mechanism design under Component 1 and documented in the POM. IVA verification of milestone achievement and portfolio	Residual risk – Low Residual impact - Moderate

Risk category	Risk description	Likelihood	Impact	Mitigation measures	Residual Risk & Impact
				performance before each AF tranche release. BOI's established internal controls and financial management procedures apply throughout.	
Loan portfolio composition risk	Actual loan portfolio composition (capital expenditure vs. working capital split) diverges materially from the 60%/40% planning assumption used to size the IDR	Moderate	Moderate	The reserve's 5% solvency buffer provides initial tolerance. Tier assignment is recorded in the loan-level tracking system (Output C1.3) and reviewed at each quarterly reconciliation (see Component 1, Mechanism Modalities). Adaptive management framework triggers a Steering Committee review if the realized portfolio composition materially affects projected reserve sufficiency, with options documented in the Programme Operations Manual.	Residual risk – Low Residual impact - Low
OPERATIONAL RISKS					
Enterprise pipeline insufficiency	Insufficient pipeline of eligible creditworthy enterprises to achieve the minimum 45 loan target within the programme period	Moderate	Moderate	Pipeline development begins in Year 1 through BOI's business development channels alongside interest reserve mechanism design. BOI's existing client base across climate-sensitive agro-industrial sectors provides an established initial pipeline. Component 3 pre-application TA improves enterprise financial readiness and creditworthiness, expanding the eligible pipeline. Active outreach through women enterprise networks, youth enterprise associations and NACCIMA-affiliated chambers of commerce reaches enterprises outside BOI's existing portfolio. The two-stage origination process (eligibility and additionality screening	Residual risk – Low Residual impact - Moderate

Risk category	Risk description	Likelihood	Impact	Mitigation measures	Residual Risk & Impact
				followed by credit appraisal) identifies pipeline gaps early, allowing corrective action before disbursement timelines are affected.	
Adaptation additionality failure	Supported investments fail adaptation additionality assessment or deliver weaker-than-expected climate resilience outcomes	Low	Moderate	Climate-risk screening and adaptation additionality check are mandatory pre-approval gates embedded in BOI lending workflows under Component 1. No loan is approved without passing this assessment. Component 3 pre-application TA supports investment design quality before loan origination. MEL system monitors adaptation outcome performance against baselines throughout implementation. IVA validates adaptation outcome indicators at each AF tranche milestone.	Residual risk – Low Residual impact - Low
Technical quality of TA delivery	Enterprise development partners delivery quality is insufficient to build enterprise bankability or adaptation investment design capacity effectively	Low	Moderate	Enterprise development partners are procured competitively with demonstrated gender competence and sector-specific climate adaptation expertise as mandatory procurement criteria. All partners are certified against the standardized master training curriculum developed and owned by BOI before deployment. Performance-based contracts are with defined deliverables, quality standards and corrective action provisions. Sustainability Division monitors TA delivery quality against Component 3 indicators on a quarterly basis.	Residual risk – Low Residual impact - Low
Regulatory clearance and	Regulatory clearance timelines for enterprise	Moderate	Low	Component 3 pre-application TA initiates regulatory	Residual risk – Low

Risk category	Risk description	Likelihood	Impact	Mitigation measures	Residual Risk & Impact
procurement delays	investments or BOI procurement processes delay programme milestones and disbursements			processes at the investment design stage as required, reducing clearance-related delays. Standards compliance toolkit covers permit timelines and regulatory pathways by state and investment type. BOI engages NESREA, FMEnv EAD and state EPAs during programme inception as and where required to clarify requirements and agree streamlined permit processes where possible. Adaptive management allows workplan adjustment at quarterly PMU reviews.	Residual impact - Low
INSTITUTIONAL RISKS					
Competing BOI institutional priorities	Competing priorities within BOI divert attention from programme delivery, creating coordination gaps or delays	Low	Moderate	The IE/EE separation between the Sustainability Division and the Multilaterals Division, with documented Chinese walls and defined roles in the POM, is itself the primary mechanism preventing institutional priority conflicts from disrupting programme delivery. Each division has a clearly defined and non-overlapping programme function. The Steering Committee provides a structured escalation and decision-making pathway for cross-functional issues, with quarterly reviews ensuring coordination gaps are identified and addressed promptly.	Residual risk – Low Residual impact - Low
Key personnel changes	Turnover of key staff disrupts institutional knowledge and programme continuity	Low	Moderate	Programme systems, tools and procedures are documented in the POM to reduce dependency on individual staff knowledge. Cross-training within each division reduces single-point-of-failure risk without compromising the Chinese wall between the two	Residual risk – Low Residual impact - Low

Risk category	Risk description	Likelihood	Impact	Mitigation measures	Residual Risk & Impact
				divisions. Staff are not cross-trained across the IE/EE boundary. Succession planning and onboarding procedures for each programme function will be included in the operations manual.	
Political and regulatory change	Changes in BOI's statutory mandate, national government or climate priorities, or CBN regulations applicable to DFIs materially affect programme delivery capacity or political support."	Low	Moderate	Programme embedded in BOI's institutional mandate and fully aligned with the Climate Change Act 2021, NDC 3.0 and Nigeria's validated NAP ensuring continuity of mandate regardless of policy shifts. Structured policy dialogues with the NCCC and relevant MDAs under Component 4 maintain ongoing national policy alignment. Fixed-rate interest differential reserve structure provides tolerance to moderate capital market yield movements.	Residual risk – Low Residual impact - Low
Macroeconomic instability	Sustained high inflation, currency instability or financial sector distress reduces enterprise creditworthiness and programme disbursement pace	Moderate	Moderate	Programme targets a diversified portfolio across enterprise sizes, reducing credit risk concentration. Component 3 TA improves enterprise financial readiness, reducing sensitivity to adverse credit conditions. 60-month programme period provides time to absorb short to medium-term macroeconomic volatility. Adaptive management framework allows targeting adjustments if creditworthiness conditions change significantly.	Residual risk – Moderate Residual impact - Low
ENVIRONMENTAL, SOCIAL AND GENDER RISKS					
Adverse E&S impacts at sub-project level	Individual enterprise sub-projects generate unintended adverse environmental or social impacts including water resource pressure,	Low	Low	Category B programme classification. No Category A activities permitted under the exclusion list. AF ESP 15-principle checklist is applied to every	Residual risk – Low Residual impact - Low

Risk category	Risk description	Likelihood	Impact	Mitigation measures	Residual Risk & Impact
	habitat disturbance or community displacement			sub-project at appraisal before loan approval. Site-specific ESMPs prepared for all Category B activities before construction or installation begins using the standardized ESMP framework finalized in the POM. Annual safeguards compliance reporting in all Programme Performance Reports. Full E&S risk analysis at Annex 8.	
Maladaptation risk	Supported investments lock in climate-incompatible infrastructure or shift climate risks onto other communities or ecosystems	Low	Low	Climate-risk assessment evaluates long-term resilience under future climate projections not only current hazard conditions. Maladaptation risk table in Part II Section B identifies and provides specific mitigation measures for five identified risks. Flood-proofing assessments confirm investments do not redirect water flows to the detriment of neighbouring communities.	Residual risk – Low Residual impact - Low
Gender exclusion	Women-owned enterprises remain underrepresented in the lending portfolio and TA programme despite minimum allocation targets	Moderate (pre-mitigation), Low (post-mitigation)	Moderate	Minimum 30% target for women-owned enterprises codified in eligibility criteria and interest differential reserve mechanism design. Dedicated TA stream for women-owned enterprises under Component 3. Priority pipeline targeting through women enterprise networks and gender-competent enterprise development partners. Quarterly gender-disaggregated reporting with automatic corrective action trigger if the women-owned enterprise share falls below 25% at any quarterly review. Full Gender Analysis and Gender Action Plan at Annex	Residual risk – Low Residual impact - Low

Risk category	Risk description	Likelihood	Impact	Mitigation measures	Residual Risk & Impact
				3 with 16 time-bound gender actions across all components. The combination of codified minimum allocation, dedicated pipeline development, targeted TA and quarterly corrective action trigger reduces the residual risk of gender exclusion to Low.	
Grievance and community conflict	Programme activities generate grievances from affected communities, minority groups or enterprise workers that are not addressed adequately	Low	Low	Grievance and feedback mechanism is established at programme inception, accessible through BOI state offices, dedicated programme email and community reporting channel. Mechanism is designed for accessibility including language, cultural context and physical access for people with disabilities. All grievances are logged, investigated and responded to within defined timeframes in the POM. Unresolved grievances will be escalated to the Sustainability Division as IE and reported in Annual Programme Performance Reports submitted to the AF secretariat.	Residual risk – Low Residual impact - Low

C. Measures for Environmental and Social Risk Management

The programme will be implemented in full compliance with the Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy. Programme classification as Category B, Category A exclusion basis and the full principle-by-principle risk analysis covering all 15 AF ESP principles are detailed in Part II, Section K and Annex 8.

C.1. E&S screening and appraisal

All sub-projects under Component 2 undergo mandatory AF-compliant E&S screening prior to loan approval. Initial screening is conducted by the Multilaterals Division as EE using both the AF ESP 15-principle checklist and BOI's Environmental and Social Management System screening instrument, and reviewed by the Sustainability Division as IE before loan approval is confirmed. Screening assesses potential risks and impacts across all relevant dimensions including land access and tenure, labour and working conditions, community health and safety, water resource management, ecosystem proximity, stakeholder engagement, gender inclusion, occupational health and safety, waste management and end-of-life technology management. Sub-projects are categorized by risk level with proportionate mitigation measures applied. High-risk activities that cannot be adequately mitigated in line with AF requirements are excluded through the programme's hard exclusion list,

which prohibits activities involving involuntary resettlement, significant conversion of natural habitats, child or forced labour, or any actions that increase the vulnerability of non-beneficiaries.

C.2 Safeguards measures embedded in programme design

Site-specific Environmental and Social Management Plans are prepared for all Category B activities before construction or installation begins, using the standardized ESMP framework finalized in the POM. Safe installation and operational standards for supported technologies and infrastructure are applied across all investments. Contractor and worker occupational health and safety requirements are enforced in line with Nigerian labour regulations. Water-use verification and groundwater sustainability assessment are mandatory components of the adaptation additionality screening, conducted through external technical specialists (hydrogeologists/hydrologists) engaged under Component 3. Responsible waste and end-of-life management provisions are embedded in loan documentation and ESMP requirements. Safeguards requirements are incorporated into loan documentation under the interest differential reserve mechanism and monitored throughout the loan period.

C.3 Grievance and feedback mechanisms

An accessible grievance and feedback mechanism is established at programme inception and maintained throughout implementation. The mechanism is accessible to all beneficiaries, enterprise workers, community members and affected third parties through multiple channels including BOI offices, a dedicated programme email address and a community reporting channel designed for non-literate users. The mechanism is designed with accessibility provisions for people with disabilities and with language sensitivity for minority community members. All grievances are logged, acknowledged and resolved within defined timeframes and procedure set out in Annex 12 (Grievance Mechanism and Related Procedures). Unresolved or escalated grievances are reported to the Sustainability Division as IE and included in Annual Programme Performance Reports submitted to the AF Secretariat.

C.4 Gender-responsive safeguards implementation

The programme applies the AF Gender Policy across all four components. Gender-responsive implementation includes sex-disaggregated data collection and reporting across all programme indicators, gender-sensitive enterprise surveys capturing women's specific climate vulnerabilities and adaptation outcomes, and proactive outreach ensuring women enterprise workers and community members are aware of and able to access the GM. The Gender Action Plan at Annex 3 documents gender actions with assigned responsibilities and reporting timelines.

C.5 Monitoring and compliance

E&S compliance is monitored through BOI's programme monitoring systems operated by the Multilaterals Division, with Sustainability Division oversight through quarterly safeguards compliance reviews. The IVA validates E&S compliance and adaptation outcome indicators at each AF tranche milestone. Non-compliance triggers corrective actions including remedial measures or other enforcement actions in line with the POM. Annual safeguards compliance reporting is included in every Annual Programme Performance Report submitted to the AF Secretariat.

C.5 Roles and responsibilities of local actors

Local actors play a substantive role in developing and managing E&S measures across the programme. Partners contracted under Component 3 support enterprise applicants in identifying their specific E&S risks, preparing compliant ESMP documentation and implementing safeguards measures during investment design and construction. This places E&S capacity building at the community and enterprise level rather than centralizing it within BOI alone. State environmental regulatory authorities and relevant federal agencies are engaged during the inception phase to clarify permit requirements, streamline regulatory processes and ensure national regulatory standards are embedded in the programme's ESMP framework. Women enterprise associations and networks play an active role in gender-responsive safeguards implementation, supporting the design of outreach and grievance mechanism communications that reach women enterprise workers and community members through trusted local channels. Enterprise workers and community members themselves are the primary users of the

grievance mechanism and annual beneficiary surveys. Their feedback directly informs adaptive management decisions and safeguards compliance assessments. This local actor engagement ensures that E&S risk management is contextually grounded, culturally appropriate and operationally sustainable beyond the programme period.

D. Monitoring and Evaluation Arrangements including Budgeted M&E Plan

The programme will establish and operationalize a Monitoring, Evaluation and Learning (MEL) system under Component 4 from Year 1, with baseline data collected prior to the first loan disbursement under Component 2. The MEL system is aligned with the Adaptation Fund Results Framework and is designed to track implementation progress, measure adaptation outcomes at enterprise and community level, verify adaptation additionality as well as interest differential reserve performance and support evidence-based programme management and adaptive decision-making. All MEL activities are implemented in accordance with the POM and in compliance with the AF Evaluation Policy, Environmental and Social Policy and Gender Policy.

The MEL system operates under the programme's dual IE/EE structure. The Multilaterals Division as EE manages day-to-day MEL data collection, portfolio performance monitoring and consolidation of partner-generated data. The Sustainability Division as IE maintains oversight of MEL system quality, AF Results Framework alignment, gender-disaggregated reporting standards and IVA coordination, reviewing and approving all Annual Programme Performance Reports before submission to the AF Secretariat.

D.1. Data sources and collection

Monitoring will draw on a combination of portfolio reporting, field verification, and partner-generated data. Key data sources include:

- BOI loan performance reports including disbursement records, interest differential reserve drawdown logs tagged by sector, region, gender and asset type, and repayment performance data maintained by the Multilaterals Division.
- Asset deployment verification logs including installation records, photographs and geo-tagged asset data for all supported investments including irrigation systems, flood-resilient storage, cold chain infrastructure, water harvesting systems and health supply chain assets.
- Enterprise adaptation outcome surveys including annual surveys administered by contracted MEL specialists assessing climate resilience performance of supported investments against documented hazard baselines, covering all investment types across both programme zones.
- Community beneficiary assessments such as annual surveys with gender-sensitive questions and accessibility provisions.
- BDSP and enterprise development partner reports for routine data on TA delivery, enterprise pipeline referrals, training participation and gender-disaggregated TA outcomes submitted through agreed templates.
- Grievance and feedback mechanism records including grievance logs, resolution timelines and community feedback contributing to safeguards compliance monitoring (see Annex 12).

All data collection supports sex-disaggregated and location-disaggregated reporting across 100% of programme indicators from Year 1.

D.2 Performance Review and Adaptive Management

Programme performance is reviewed on a structured basis. Monthly portfolio monitoring is conducted by the Multilaterals Division covering loan disbursements, IDR drawdowns, TA delivery progress and safeguards compliance. Quarterly adaptive management reviews are conducted by the Multilaterals Division PMU with findings escalated to the Sustainability Division and Steering Committee where corrective action is required. Annual programme performance reviews are conducted by the Steering Committee covering outputs, outcomes, portfolio performance, safeguards compliance, gender performance and implementation lessons.

If the women-owned enterprise loan share falls below 25% at any quarterly review, a corrective action plan is

automatically triggered and submitted to the Sustainability Division for IE-level review within 30 days. Adaptive management allows workplan adjustments at quarterly reviews without requiring AF Board approval, provided adjustments remain within parameters established in this proposal and are documented in the relevant Annual Programme Performance Report.

D.3 Reporting

Annual Programme Performance Reports are prepared by the Multilaterals Division as EE. These reports are reviewed and approved by the Sustainability Division as IE before submission to the AF Secretariat following Steering Committee approval. The IVA validates adaptation outcome indicators and confirms achievement of tranche milestone conditions prior to each performance-linked disbursement. IVA verification findings are incorporated into the Annual Programme Performance Report covering the relevant implementation period, ensuring that independent verification findings are fully reflected in BOI's reporting to the AF Secretariat. Tranche release requests are submitted to the AF Secretariat by the Sustainability Division only after IVA confirmation of milestone achievement has been reviewed and accepted by the Steering Committee.

The mid-term review is scheduled for September 2030, 30 months into the implementation period, consistent with AF requirements for programmes of over three years duration. At this point the interest differential reserve mechanism will have been operational, with climate-risk screening embedded in BOI's lending workflows since March 2029 (Tranche 2 milestone condition, Part III.H), for approximately 18 months. At least 22 enterprise adaptation loans will have been disbursed, and sufficient portfolio performance and adaptation outcome data will be available for a substantive review. The review will be conducted by an independent evaluator, with findings integrated into Year 4 and Year 5 workplans by December 2030.

Programme completion is set at March 2033, marking the end of the 60-month implementation period from the March 2028 inception workshop. By this date all enterprise adaptation loans will have been approved and disbursed, all technical assistance delivered, all knowledge products developed and disseminated, and the interest differential reserve escrow fully capitalised and operational for continued drawdown against outstanding loan obligations beyond programme close without requiring new AF disbursements.

All grant account disbursements will be completed by this date, any undisbursed balance cancelled, and the interest differential reserve escrow confirmed as fully capitalised and operational for continued drawdown against outstanding loan obligations through to loan portfolio maturity.

The terminal evaluation report will be completed by December 2033, within nine months of programme completion and in full compliance with the AF outer limit for final evaluations. The report will be submitted to the AF Secretariat upon completion. Five annual independent financial audits are conducted by an external auditor in accordance with AF requirements.

D.4 Gender-Responsive MEL

All programme indicators are tracked with sex-disaggregated data from Year 1. Both the mid-term review and terminal evaluation apply a gender lens, with gender-specific evaluation questions aligned to the Gender Action Plan at Annex 3. Gender performance data is reported in every Annual Programme Performance Report and cross-referenced against Gender Action Plan targets. The Sustainability Division as IE is responsible for gender reporting quality assurance before submission to the AF Secretariat.

D.5 Learning and Knowledge Management

Learning is embedded throughout implementation through quarterly MEL reviews, enterprise case studies, annual knowledge briefs and the knowledge products developed under Component 4. Lessons from implementation are documented and disseminated to inform continuous improvement and support replication across Nigeria's financial sector. Evaluation findings strengthen accountability to the AF and contribute to the evidence base for scalable adaptation finance. All knowledge products and evaluation reports are submitted to the AF Secretariat's knowledge management platform tagged to the relevant AF Results Framework outcomes.

D.6 Community and Local Actor Monitoring

The programme deploys several innovative tools to enable monitoring by community members and local actors alongside BOI's institutional monitoring systems.

- Mobile-based asset performance reporting: Enterprise operators use simple mobile reporting tools to submit monthly asset performance data including operational status, maintenance issues and climate event impacts on supported installations. This generates near-real-time asset performance data without requiring field visits and places monitoring responsibility directly with the enterprises operating the assets.
- Geo-tagged asset verification: BDSPs conducting Component 3 TA field visits use geo-tagged photographic verification of asset installation as a routine field monitoring tool, providing independently generated location-stamped evidence of asset deployment that cross-checks BOI's administrative records.
- Community feedback integration: The programme's grievance and feedback mechanism is designed as a two-way engagement tool. Affected community members can submit performance observations through multiple accessible channels including SMS, WhatsApp-based reporting and paper forms. Feedback is aggregated into quarterly community intelligence reports used in adaptive management reviews see Annex 12 for full grievance- handling procedure and timeframes.
- Participatory beneficiary surveys: Annual beneficiary surveys are co-designed with women enterprise networks and community representatives from both programme zones, ensuring survey questions capture locally relevant adaptation indicators rather than only technically-defined outcome metrics. Community representatives participate in survey data validation workshops, building local MEL capacity and ensuring findings reflect community experience.

The programme's M&E products and corresponding funding sources are presented in the table below, in accordance with Adaptation Fund requirements for budgeted M&E plans. Consistent with AF cost-allocation practices, the preparation and implementation of evaluation, learning, and reporting activities are financed through Component 4 activity budgets and execution costs, while BOI's oversight, quality assurance, and supervisory functions as the Implementing Entity are funded through the IE management fee.

Table 27 : Budgeted M&E Plan

M&E product / milestone	Timing	Budget (US\$)	Budget Source	How E&S/gender is addressed	Responsibility
Inception workshop and report	March – August 2028	0	Included within C4.1.1 (\$120,000 MEL system design and operations)	Confirms baseline ESMP screening categorization and Gender Action Plan targets	Multilaterals Division (EE), reviewed by Sustainability Division (IE)
Baseline report and data collection	Year 1 of implementation, before first Component 2 disbursement	64,000	Component 4 activity budget (C4.1.2)	Establishes sex-disaggregated baseline for all programme indicators (Gender Indicators 1–5) and E&S risk baseline consistent with Annex 8.	Multilaterals Division (EE); Sustainability Division (IE) for supervision
Annual Programme Performance Reports (5 reports)	Annually, Years 1–5	162,655	\$15,000 drafting costs from EE.3 \$147,655 is external QA review funded from IE.3. Review/approval by IE will be funded from IE.4	Reports 100% of indicators sex-disaggregated from Year 1 and include safeguards/GAP compliance status.	Multilaterals Division (EE) drafts; Sustainability Division (IE) reviews and approves before AF submission

M&E product / milestone	Timing	Budget (US\$)	Budget Source	How E&S/gender is addressed	Responsibility
Results-based monitoring (RBM) - ongoing	Continuous	0	This role is performed by Monitoring and Evaluation Specialist role funded within EE.1	Loan-level tracking system (Component 1) tags all data by sector, region, gender and asset type.	Multilaterals Division (EE)
Mid-term review	By September 2030	166,000	Component 4 activity budget (C4.1.3). This review is combined with terminal evaluation stated below. IE supervision is funded from IE.4	Applies a gender lens with evaluation questions aligned to the Gender Action Plan (Annex 3). It also reviews ESMP/safeguards implementation to date.	Independent evaluator; Sustainability Division (IE) supervises
Terminal evaluation	By December 2033	Included in mid-term review	See Mid-term review row above.	Same gender-lens and safeguards-review requirement as the mid-term review.	Independent evaluator; Sustainability Division (IE) supervises
Financial / external audit reports (5 annual audits)	Annually, Years 1–5	232,142	IE.6 Management Fee budget item	N/A (fiduciary audit; safeguards/gender covered separately above).	External auditor; Multilaterals Division (EE) coordinates, Sustainability Division (IE) reviews
Office facilities, equipment and communications infrastructure	Throughout implementation	14,285	Execution Costs (EE.6), IT equipment only	N/A institutional infrastructure	Multilaterals Division (EE)
Project completion report	March 2033	0	Funded within IE.4 (IE salaries) budget item	Consolidates final safeguards/GAP compliance status and gender-disaggregated results achieved.	Sustainability Division (IE)
IE-level E&S and gender safeguards validation	Continuous, Years 1–5	198,215	IE Fee, within IE.4 (salary cost of the E&S Specialist and Gender Specialist roles within Sustainability Division's oversight function)	Includes oversight of sex-disaggregated indicator reporting and safeguards/ESMP monitoring data quality.	Sustainability Division (IE)

Of the total IE management fee of \$1,933,527, \$198,215 is allocated within IE.4 to the Sustainability Division's validation of E&S and gender safeguards work performed at the EE level, including supervision of MEL system alignment with the AF Results Framework, review of IVA assessments of adaptation outcome indicators, and quality assurance of sex-disaggregated results reporting, as reflected in the final row of the Budgeted M&E Plan. Across the full Budgeted M&E Plan, total M&E-related costs (spanning baseline data collection, reporting, audits, monitoring, evaluations, and safeguards oversight) amount to \$837,297, or 3.68% of total programme cost. Of this, baseline, mid-term review and terminal evaluation costs specifically total \$230,000, or 1.01% of total programme cost, consistent with the Adaptation Fund's recommended 1–5% range for evaluation-related budgeting.

E. Programme Results Framework

This results framework presents C-CAFE Nigeria's impact pathway and performance architecture. It includes the programme objective, outcomes, outputs, SMART indicators, baselines, milestones, targets, means of verification and responsibilities. It has been prepared in accordance with the AF Results Framework and Baseline Guidance. All indicators include gender-disaggregated targets where applicable, in compliance with the AF Gender Policy. Gender-responsive indicators are marked (G). Baselines marked TBD will be confirmed during Year 1 baseline data collection before the first loan disbursement.

Table 28: Programme Results Framework

Project Results	Indicator	Disaggregation Categories	Baseline	Target		Means of Verification			Risks, Assumptions and Notes
				Mid-term	Final	Methods and Sources	Responsible Party	Frequency	
Impact 1									
To catalyze investments of enterprises across Nigeria's climate-sensitive sectors in support of associated communities' resilience and adaptation to climate change impacts.	Core Indicator 1: Number of beneficiaries	Direct/indirect, sex, sector, vulnerable group	0	Direct: Partial progress toward 45 loan beneficiaries and 200 TA recipients Indirect: ≥150,000	Direct: At least 45 loan beneficiaries and at least 200 TA recipients Indirect: 380,000 – 570,000	BOI portfolio reports, TA delivery records, annual beneficiary surveys, IVA validation	Multilaterals Division (collection) Sustainability Division (AF reporting)	Annual, in each Annual Programme Performance Reports (APPR)	Indirect beneficiary estimates depend on outgrower network size per aggregator loan. This is confirmed only at appraisal. Direct beneficiary figures are not summed across loan and TA streams due to expected overlap
Outcomes and outputs									
Outcome C1: BOI fixed-rate interest differential reserve mechanism developed and operationalized nationwide									
Output C1.1: Interest differential reserve mechanism designed, approved and operational	Interest differential reserve mechanism approved and operational including governance, verification	Not applicable	Not in place	Operational and to be confirmed at Tranche 3 milestone and maintained throughout to mid-term	Operational and verified by IVA throughout implementation and at programme close.	BOI governance approval records, POM, IVA verification	Multilaterals Division Risk Management Division Sustainability Division	Quarterly (verification once operational)	Depends on POM finalization and validation of the drawdown formula before Tranche 1

Project Results	Indicator	Disaggregation Categories	Baseline	Target		Means of Verification			Risks, Assumptions and Notes
				Mid-term	Final	Methods and Sources	Responsible Party	Frequency	
	and audit systems (Yes/No)								
Output C1.2: BOI institutional channels applying programme tools and climate-risk screening protocols in standard lending workflows	Number of BOI institutional channels applying climate-risk screening and adaptation additionality frameworks Percentage of loan applications screened for climate-risk and adaptation additionality before approval (%)	By channels at institutional level	(i) 0 (ii) 0%	(i) Protocols applied in both programme zones across BOI lending operations (ii) 100% of all loan applications screened to date	(i) Protocols fully embedded and applied nationwide across all BOI lending operations (ii) 100% of loan applications screened throughout implementation.	BOI lending manuals, loan appraisal checklists, IVA reports, APPRs	Multilaterals Division Sustainability Division	Quarterly	Assumes BOI's 36 state offices onboard uniformly within Year 1
Output C1.3: Gender-responsive targeting and loan-level tracking system operational	(i) Minimum allocation for women-led enterprises codified and operational (Yes/No) (ii) Loan-level tracking system tagging (Yes/No)	Gender	Not in place specifically for climate adaptation projects	Codified in POM and operational from Tranche 2	Operational throughout implementation.	POM, BOI loan-level tracking system records, IVA verification	Multilaterals Division Sustainability Division	Quarterly	-
Outcome C2: Affordable, long-tenor adaptation finance disbursed with climate-resilient assets installed									
Output C2.1: Enterprise	Number of enterprise	Sector, region, gender	0	At least 22 loans	At least 45 loans, of which	BOI loan portfolio	Multilaterals Division (EE)	Quarterly (loans/assets)	Depends on BOI mobilizing

Project Results	Indicator	Disaggregation Categories	Baseline	Target		Means of Verification			Risks, Assumptions and Notes
				Mid-term	Final	Methods and Sources	Responsible Party	Frequency	
adaptation loans disbursed and operational	adaptation loans disbursed			disbursed	at least 30% to women-owned enterprises	reports, sex-disaggregated, IVA validation at each tranche milestone	for data collection Sustainability Division (IE) for reporting to AF		the full \$43,610,148 capital pool on schedule
Output C2.2: Climate-resilient assets installed and operational	Number and type of climate-resilient assets installed and operational	Type, sector, region	TBD. This will be confirmed in Year 1	At least 3,800 assets installed and operational	At least 9,000 assets installed and operational, covering: irrigation systems, water harvesting, cold chain, cooling, flood-resilient storage	Asset deployment logs, geo-tagged field verification, invoice records, IVA validation	Multilaterals Division Sustainability Division IVA	Quarterly	-
Output C2.3: Indirect community and value chain benefits generated	Number of estimated indirect beneficiaries with improved access to food, water, cold chain and health services during climate events	Gender, region	TBD Year 1 survey	At least 150,000 indirect beneficiaries	380,000 to 570,000 indirect beneficiaries including at least 50,000 to 75,000 smallholder farmers in outgrower networks. 15,000 to 20,000 workers with protected employment.	Annual beneficiary surveys, enterprise supply chain data, IVA field verification	Multilaterals Division Sustainability Division IVA	Annual	Smallholder reach depends on outgrower network size which will be confirmed only at appraisal
Outcome C3: Enterprises and adaptation service providers possess strengthened institutional and operational capacity to identify climate risks, design climate-resilient investments and implement high-impact adaptation solutions									
Output C3.1: Sector-specific TA delivered to enterprises and ecosystem partners	Number of enterprises and ecosystem partners receiving TA, disaggregated by sector, region and	Sector, region and gender	0	At least 100 enterprises receive TA	At least 200 enterprises and ecosystem partners, of which at least 40% women-owned or women-led	TA delivery records, attendance registers, sex-disaggregated	Multilaterals Division Sustainability Division	Quarterly	-

Project Results	Indicator	Disaggregation Categories	Baseline	Target		Means of Verification			Risks, Assumptions and Notes
				Mid-term	Final	Methods and Sources	Responsible Party	Frequency	
	gender								
Output C3.2: Climate-risk screening tools developed and deployed	Percentage of loan beneficiaries applying climate-risk screening tools	Not applicable	0%	At least 80% of loan beneficiaries applying tools	100% of loan beneficiaries applying climate-risk screening tools in investment design	Loan appraisal records, IVA verification	BOI Project Officers Multilaterals Division providing coordination	Quarterly	-
Output C3.3: Institutional capacity of BOI and service delivery partners strengthened	Number of BOI staff and BDSP staff trained, disaggregated by gender	Gender	0	At least 25% of programme-relevant BOI lending staff and contracted BDSPs trained	TBD at Year 1 baseline; 25% of programme-relevant BOI lending staff and contracted BDSPs trained before first loan disbursement	Training registers, attendance lists, sex-disaggregated, post-training evaluations	Multilaterals Division Sustainability Division	Once, then annual	25% threshold is a precondition to first disbursement and not a mid-term milestone
Outcome C4: Evidence-based, replicable national model for enterprise adaptation finance established, tested and institutionalized within BOI, with tools for other Nigerian financial institutions to adopt									
Output C4.1: Programme-wide MEL system operational	MEL system operational and tracking AF Results Framework indicators with sex-disaggregated reporting from Year 1 (Yes/No)	Sex	Not in place	MEL system operational and mid-term review completed	MEL system operational from Q4 Year 1. 100% of programme indicators reported with sex-disaggregated data. Terminal evaluation submitted to AF 9 months of programme completion.	MEL system documentation; AF PPR; mid-term and terminal evaluation reports	Multilaterals Division Sustainability Division IVA	Continuous with annual reporting	-
Output C4.2: Knowledge products developed and disseminated	Number of knowledge products developed and disseminated,	Gender-focus (Yes/No per product)	0	At least 2 knowledge products published and disseminated	At least 4 knowledge products of which at least 1 specifically documents	Published products, download and dissemination records, AF portfolio	Multilaterals Division Sustainability Division	Per delivery schedule	The gender-focused product is not a mid term target

Project Results	Indicator	Disaggregation Categories	Baseline	Target		Means of Verification			Risks, Assumptions and Notes
				Mid-term	Final	Methods and Sources	Responsible Party	Frequency	
	of which at least 1 focused on gender outcomes				gender outcomes	knowledge platform submission records			
Output C4.3: Knowledge-sharing events and peer-learning platforms established and active	Number of peer-learning and knowledge-sharing events conducted, including at least 40% women enterprise owner participants per enterprise learning event		0	At least 4 events conducted	At least 8 events comprising 2 events policy dialogues with NCCC and relevant MDAs and at least 4 enterprise/BDSP learning exchanges. At least 40% of participants are women enterprise owners at each enterprise learning event only.	Event records, attendance lists, sex-disaggregated, policy dialogue minutes	Multilaterals Division Sustainability Division	Per event schedule	-
Output C4.4: Nigerian financial institutions adopt programme tools and approaches	Number of Nigerian financial institutions (beyond BOI) adopting programme tools, templates or approaches for enterprise adaptation finance	Not applicable	0	At least 1 institution in adoption discussions	At least 2 Nigerian financial institutions adopting programme tools by end of programme	Training records, institutional adoption documentation	Multilaterals Division Sustainability Division	Annual	Adoption is a third-party decision outside programme control

F. Programme Alignment with Adaptation Fund Results Framework

As stated in Part I, Project Objectives, C-CAFÉ Nigeria's single objective is to catalyze investments of enterprises across Nigeria's climate sensitive sectors in support of associated communities' resilience and adaptation to climate change impacts. This objective is delivered through the

programme's four components each contributing a distinct, necessary element as detailed in Part II.A. The tables below demonstrate how each component's contribution aligns with the Adaptation Fund Strategic Results Framework using the December 2025 template format. Exact wording of AF outcomes and outputs is used throughout. At least one outcome and output indicator from the AF Strategic Results Framework is included. Grant amounts are disaggregated per AF indicator as required.

Table 29: Alignment of Project Outcomes with AF Results Framework

Project Outcome(s)	Project Outcome Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (US\$)
Outcome C1: BOI fixed-rate interest differential reserve mechanism developed and operationalized nationwide	- Interest differential reserve mechanism designed, approved and operational (Yes/No). - Full nationwide embedding of climate-risk screening protocols across BOI lending operations (Yes/No) - Minimum allocation for women-led enterprises codified and loan-level tracking system operational (Yes/No)	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	Indicator 2. Institutions with strengthened capacity to understand and better address climate risks and resilience	150,000
Outcome C2: Affordable, long-tenor adaptation finance disbursed with climate-resilient assets installed.	- At least 45 enterprise adaptation loans disbursed - At least 30% of supported loans directed to women-owned or women-led enterprises - At least 9,000 climate-resilient assets installed and operational nationwide - Estimated 380,000 to 570,000 indirect beneficiaries including 15,000 to 20,000 workers with protected employment	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets. Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas.	Indicator 2. Institutions with strengthened capacity to understand and better address climate risks and resilience Indicator 4 (Core Indicator 3). Physical assets improved or constructed to withstand climate variability and change (disaggregated by # of point infrastructure and by sector) Indicator 6B (Core Indicator 5). Households with increased income, or avoided decrease in income (disaggregated by female-headed households)	20,256,170
Outcome C3: Enterprises and adaptation service providers possess strengthened institutional and operational capacity to identify climate risks, design climate-resilient investments and implement high-impact	- At least 200 enterprises and ecosystem partners receive TA, of which at least 40% are women-owned or women-led 100% of loan beneficiaries apply climate-risk screening tools - At least 25% of programme-relevant BOI lending staff and contracted BDSPS trained on climate-risk	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses.	Indicator 2: Institutions with strengthened capacity to understand and better address climate risks and resilience (# of institutions disaggregated by scale, by sector and by type of institution)	1,000,000

Project Outcome(s)	Project Outcome Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (US\$)
adaptation solutions.	informed lending and adaptation appraisal before first loan disbursement			
Outcome C4: Evidence-based, replicable national model for enterprise adaptation finance established, tested and institutionalized within BOI, with tools for other Nigerian financial institutions to adopt.	- MEL system operational from Year 1 (Yes/No1). 100% of programme indicators reported with gender-disaggregated data throughout implementation (Yes/No) - At least 4 knowledge products developed and disseminated with one focused on gender outcomes - At least 8 knowledge sharing platforms - Programme tools and knowledge products formally adopted into BOI's institutional systems before programme close	Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses. Outcome 8: Innovation for effective, long-term adaptation to climate change accelerated, encouraged, and enabled to scale up.	Indicator 2: Institutions with strengthened capacity to understand and better address climate risks and resilience (# of institutions disaggregated by scale, by sector and by type of institution) Indicator 8A. Innovations successfully reaching scale up that demonstrate local innovation participation and/or local innovation benefit (# of innovations)	1,000,000
Total outcome-level grant amount				22,406,170
Project Output(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (US\$)
Output C1.1: Interest differential reserve mechanism designed, approved and operational	IDR mechanism approved and operational, incl. governance, verification and audit systems (Yes/No)	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience (# of institutions, disaggregated by scale, by sector, and by type of institution)	88,000
Output C1.2: BOI institutional channels applying programme tools and climate-risk screening protocols in standard lending workflows	- Number of BOI channels applying the screening tools % of loans applications screened	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience (# of institutions, disaggregated by scale, by sector, and by type of institution)	38,000
Output C1.3: Gender-responsive targeting and loan-level tracking system operational	- Minimum allocation codified (Yes/No). - Tracking system operational (Yes/No)	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience (# of	24,000

Project Output(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (US\$)
			institutions, disaggregated by scale, by sector, and by type of institution)	
Output C2.1: Enterprise adaptation loans disbursed and operational	- Number of loans disbursed (disaggregated by sector, region, gender) % of supported loans directed to women-owned or women-led enterprises	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience (# of institutions, disaggregated by scale, by sector, and by type of institution)	20,256,170 (shared with Outputs C2.2 and C2.3)
Output C2.2: Climate-resilient assets installed and operational across supported enterprises	Number and type of assets installed disaggregated by type, sector and region	Output 4.1: Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability	Indicator 4.1: Development sector services strengthened to respond to climate variability and change (# of sector services, disaggregated by sector and by scale)	20,256,170 (shared with Outputs C2.1 and C2.3)
Output C2.3: Indirect community and value chain benefits generated	Number of indirect beneficiaries, disaggregated by gender, region	Output 6.1: Targeted individual and community livelihood	Indicator 6.1: People receiving targeted support for new and/or improved livelihoods to manage climate risk	20,256,170 (shared with Outputs C2.2 and C2.3)
Output C3.1: Sector-specific technical assistance delivered to enterprises and ecosystem partners	Number of enterprises receiving TA disaggregated by sector, region, gender	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience (# of institutions, disaggregated by scale, by sector, and by type of institution)	680,000
Output C3.2: Climate-risk screening and decision-support tools developed and deployed	% of loan beneficiaries apply climate screening tools	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience (# of institutions, disaggregated by scale, by sector, and by type of institution)	150,000
Output C3.3: Institutional capacity of BOI and service delivery partners strengthened	- Number of BOI staff trained - Number of BDSPs trained, disaggregated by gender	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience (# of institutions, disaggregated by scale, by sector, and by type of institution)	170,000

Project Output(s)	Project Output Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (US\$)
Output C4.1: Programme-wide MEL system designed and operational	· MEL operational from Year 1 (Yes/No)	Output 2.1: Strengthened capacity of institutions to understand and better address climate risks	Indicator 2.1: Institutions supported to strengthen capacity to understand and address climate risks and resilience (# of institutions, disaggregated by scale, by sector, and by type of institution)	350,000
Output C4.2: Knowledge products developed and disseminated	· Number of knowledge products developed · Number of gender focused knowledge products developed	Output 3.2: Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning	Indicator 3.2: Climate resilience knowledge products and/or tools developed and shared with stakeholders	250,000
Output C4.3: Knowledge sharing and peer-learning platforms established and active	· Number of knowledge-sharing and peer-learning events	Output 3.2: Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning	Indicator 3.2: Climate resilience knowledge products and/or tools developed and shared with stakeholders	400,000
Output C4.4: Nigerian financial institutions adopt programme tools and approaches	· Number of FIs adopting programme tools	Output 8.1: Innovations identified and piloted that collectively enhance local innovation capacity and contribute to the development of local, national and regional adaptation innovation ecosystems	Indicator 8.1B: Innovations piloted that demonstrate local innovation participation and/or local innovation benefit	Within budget of C4.2 and C4.3
Total output-level grant amount:				22,406,170

G. Detailed Programme Budget

The budget below presents a full breakdown of AF grant resources by component and cost category, with explanatory budget notes for each line. All costs are in US dollars.

Table 30: C-CAFÉ Nigeria Consolidated Programme Budget

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
COMPONENT 1: LOCAL-CURRENCY INTEREST DIFFERENTIAL RESERVE MECHANISM					
Output C1.1: Interest differential reserve mechanism designed, approved and operational					
C1.1.1 Design the interest differential reserve mechanism, including enterprise	Consultant-days	800	70	56,000	Design consultancy for the core mechanism finalized in the POM. This includes design of minimum 30%

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
eligibility criteria, priority geographies, fixed-rate interest differential formula, caps, verification rules as well as audit and tracking protocols. This will be finalized in the POM and submitted as a condition precedent to Tranche 1 disbursement.					women-owned enterprise allocation (see Annex 3, Table 35 Row 1 Gender Action Plan(GAP)).
C1.1.2 Codify anti-fraud and performance safeguards alongside governance arrangements to ensure the mechanism operates with full fiduciary integrity.	Consultant-days	800	40	32,000	Governance and anti-fraud protocol design. The activity also funds the safeguards structure verified by Risk Management Division (Part III.A). It should be noted that \$14,000 of this line is ESMP-linked (see Annex 11, Row 2 – Table 49).
C1.1.3 Establish a dedicated escrow account under BOI management with independent verification and AF reporting. Define programme-level conditions precedent and facility-level drawdown conditions.	N/A	N/A	N/A	N/A	This is a set-up activity. It is not an incremental unit cost and is managed by the EE.
Output C1.2: BOI institutional channels applying programme tools and climate-risk screening protocols					
C1.2.1 Embed climate-risk screening and adaptation additionality checks into BOI lending workflows to confirm that 100% of loan applications are assessed against documented climate hazards before approval.	Lump sum (IT consultancy)	38,000	1	38,000	One-off IT/workflow build so 100% of loan applications are screened before approval.
Output C1.3: Gender-responsive targeting and loan-level tracking system operational					
C1.3.1/C1.3.2 Set minimum allocations and priority access for women-owned and women-led enterprises and enterprises in highly climate-vulnerable locations, codified in the POM. Establish a loan-level tracking system tagging 100% of loans by interest differential coverage, tenor, sector, location and gender markers with periodic learning notes published to support transparency and replication.	Consultant-days	800	30	24,000	Tracking-system build that feeds sex-disaggregated reporting under the M&E plan. This is the GAP's priority-access and loan-level gender tracking mechanism (Annex 3, Table 37 Row 2).
COMPONENT 2: ENTERPRISE CLIMATE ADAPTATION LENDING					
Output C2.1: Enterprise adaptation loans disbursed and operational					

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
C2.1.1 Apply the fixed eligibility criteria to four enterprise categories: (i) agricultural aggregators operating outgrower schemes with smallholder networks, required to demonstrate a guaranteed off-take agreement with processors or manufacturers; (ii) agro-processors and manufacturers requiring secured raw material feedstock; (iii) cold chain, storage and logistics operators serving agro-industrial supply chains; and (iv) water service enterprises supporting irrigated production systems linked to processing.	BOI operational activity.	-	-	0	Loan origination, screening and appraisal (C2.1.1–C2.1.3) are executed through BOI's existing lending operations and funded through BOI's 5% operating margin (not charged to the AF grant) C2.1.2 includes gender-targeted outreach to women-owned enterprises per the GAP (Annex 3, Table 35 Rows 3 and 4).
C2.1.2 Originate the enterprise pipeline through four coordinated outreach channels to develop a robust pipeline of enterprises sufficient to support the deployment of at least 45 approved loans over the implementation period.	BOI operational activity.	-	-	0	
C2.1.3 Apply the standard two-stage credit governance process (eligibility/additionality screening, then credit appraisal) to 100% of the enterprises in the pipeline, with scoring weightings and thresholds set out in the POM.	BOI operational activity.	-	-	0	
Output C2.2: Climate-resilient assets installed and operational across supported enterprises					
C2.2.1 Finance northern zone investments addressing drought, heat stress and rainfall variability, including solar-powered irrigation, water harvesting and climate-resilient storage confirming at appraisal that 100% of northern zone sub-loans address these hazards.	Financed through the enterprise loans	-	-	20,256,170	This is the IDR pool. Sub-loans are Unidentified Sub-Projects (USPs) selected through the ongoing origination pipeline. The pool is not apportioned by zone at proposal stage and funds whichever mix of C2.2.1–C2.2.3 that the eligible pipeline generates, consistent with the non-quota USP framework. C2.2.1–C2.2.3 are drawn from this pool and not tracked as separate budget lines.
C2.2.2 Finance southern zone investments addressing flooding and infrastructure disruption, including flood-resilient storage facilities and climate-resilient health supply chain	Financed through the enterprise loans	-	-		

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
infrastructure confirming at appraisal that 100% of southern zone sub-loans address these hazards.					
C2.2.3 Finance cross-zone investments applicable to both programme zones, including climate-risk information/early warning systems and climate-resilient cooling and cold-chain systems confirming at appraisal that 100% of cross-zone sub-loans address the specific hazard(s) identified for its location.	Financed through the enterprise loans	-	-		
C2.2.4 Verify at appraisal that 100% of sub-projects involving solar or grid-connected energy technology function strictly as adaptation-enablers before disbursement.	BOI operational activity.	-	-	0	Funded through BOI's 5% operating margin and not charged to the AF grant.
Output C2.3: Indirect community and value chain benefits generated					
C2.3.1 Extend climate resilience benefits to smallholder farming networks through enterprises' outgrower and backward-integration arrangements reaching at least 50,000 to 75,000 smallholder farmers	Financed through the enterprise loans	-	-	0 (within the IDR disbursement t above	No separate AF cost. Its indirect benefits flow from the loans already financed under Output C2.2.
C2.3.2 Track and report 380,000 to 570,000 indirect beneficiary reach (smallholder farmers, workers and supply-chain-dependent communities) disaggregated by sector, region, gender and asset type, consistent with the loan-level tracking system established under Component 1.	BOI operational activity.	-	-	0	Funded through BOI's 5% operating margin and not charged to the AF grant.
COMPONENT 3: TECHNICAL ASSISTANCE FOR ADAPTATION READINESS AND CLIMATE-RISK MANAGEMENT					
Output C3.1: Sector-specific technical assistance delivered to enterprises and ecosystem partners					
C3.1.1 Deliver sector-specific technical assistance to at least 200 enterprises across both programme-zones on climate-resilient technologies and practices covering resilient agricultural systems, water harvesting and	Enterprise TA engagements	2,500	200	500,000	Per-engagement TA cost that scales directly with the 200-enterprise target. Includes \$50,000 for women enterprise network partnerships and loan pipeline outreach (Annex 3, Table 35 Rows 6 and 9 GAP).

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
efficiency, cooling and cold-chain management, and supply-chain climate-risk management.					
C3.1.2 Develop and maintain a standardized master TA curriculum owned by BOI, certifying 100% of contracted BDSPs certified against it before deployment	Lump sum (curriculum development and certification system)	30,000	1	30,000	One-off curriculum and certification-system build. Includes design of gender-accessible TA delivery modalities (Annex 3, Table 35 Row 7 GAP).
C3.1.3 Deliver targeted TA streams for women-owned and women-led enterprises addressing creditworthiness building, financial literacy and adaptation investment design reaching at least 40% of TA recipients confirmed as women-owned/women-led businesses.	Women-owned enterprise TA engagements	1,875	80	150,000	Dedicated women-focused TA stream for the same 80 women-owned/led enterprises counted under C3.1.1 This is a deliberate, staged design and not duplicative. It reflects the compounding financing barriers documented in Annex 3 Table 35 Row 5. It is tracked separately under Gender Indicator 2 (percentage of TA recipients that are women-owned/women-led).
Output C3.2: Climate-risk screening and decision-support tools developed and deployed					
C3.2.1 Deploy climate-risk screening and decision-support tools applied by 100% of loan beneficiaries in investment design.	Lump sum consultancy	150,000	1	150,000	One-off tool development and deployment. 100% of this line is ESMP-linked (Annex 11, Row 1 – Table 49)
Output C3.3: Institutional capacity of BOI and service delivery partners strengthened					
C3.3.1 Build capacity of BOI staff, Business Development Service Providers and other partners on climate-risk-informed lending and adaptation investment appraisal, training at least 25% of the programme-relevant BOI lending staff and contracted BDSPs before the first loan disbursement with all training recorded with gender-disaggregated data.	Staff/partner trained	850	200	170,000	Per-person training cost, gender-disaggregated per training record. \$50,000 of this line is ESMP-linked (Annex 11, Row 3 – Table 49).
COMPONENT 4: LEARNING AND KNOWLEDGE MANAGEMENT					
Output C4.1: Programme-wide MEL system designed and operational					
C4.1.1 Design and operationalize a programme-wide MEL system aligned with the AF Strategic Results Framework, capturing evidence of reduced vulnerability, strengthened	Lump sum (system design and ongoing operation)	136,000	1	136,000	Covers system design and 60 months of operation. See budgeted M&E plan for full itemization by product/milestone (Part III Section D Table 27). Includes \$40,000 for gender-disaggregated MEL tracking and reporting (Annex 3 Table 35 Row 10)

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
adaptive capacity and measurable socioeconomic resilience outcomes with gender-disaggregated tracking across all indicators from Year 1. The MEL system design and baseline data collection instruments will be detailed in the POM.	over 60 months)				GAP). \$30,000 of this line is ESMP-linked (Annex – Table 49 Row 5).
C4.1.2 Establish baseline data and tracking systems for climate risk reduction, performance of adaptation assets and services, and institutional and enterprise capacity development, with baseline data collected and validated before the first loan disbursement under Component 2.	Lumpsum consultancy	-	-	64,000	This fund activities including baseline survey design and MEL indicator baseline instrument development, secondary data compilation covering zone-level climate hazard exposure, MSME lending patterns, and women's enterprise access baselines, primary baseline data collection support for early pipeline enterprises as well as validation workshop and baseline report finalization.
C4.1.3 Conduct mid-term review by September 2030 and terminal evaluation by December 2033 in line with AF Evaluation Policy requirements.	Independent evaluation (lumpsum)	-	2	166,000	Funds execution of both evaluations (consultant/firm fees). It includes the gender lens applied in the MTR and terminal evaluation Terms of Reference (Annex 3 Table 35 Row 11 GAP). This budget item is different from IE-level supervision which is funded separately under the IE fee
Output C4.2: Knowledge products developed and disseminated					
C4.2.1 Develop and disseminate at least 4 knowledge products including case studies, technical notes, climate-risk screening protocols, gender-responsive TA models.	Knowledge products	62,500	4	250,000	Per-product development and dissemination cost. It includes the development of at least 1 knowledge product specifically documenting gender outcomes from the enterprise adaptation finance model (\$62,500, Annex 3 Table 35 Row 12 GAP).
Output C4.3: Knowledge-sharing and peer-learning platforms established and active					
C4.3.1 Facilitate at least 8 knowledge-sharing and peer-learning events at national and sub-national levels including policy dialogues with the Nigeria Climate Change Council and relevant federal and state ministries, departments and agencies	Peer-learning event/policy dialogue	50,000	8	400,000	Per-event cost across national and sub-national levels. It includes the structured platform for women enterprise owners at peer-learning events (Annex 3 Table 35 Row 13 GAP).
Output C4.4: Nigerian financial institutions adopt programme tools and approaches					
C4.4.1: Integrate learning into BOI programme management systems to support continuous improvement, replication and scaling beyond the grant	Funded within Outputs 4.2 and 4.3	-	-	Cost embedded in 4.2 and 4.3	No separate AF cost

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
period.					
TOTAL COMPONENTS COST				22,406,170	
Programme Execution Costs					
EE.1: PMU Staffing Costs (non-BOI staff who will be recruited solely for C-CAFÉ Nigeria)	O			219,285	Covers staff salaries for dedicated (non-BOI staff) PMU positions including Programme Coordinator, Monitoring and Evaluation Specialist, Gender Specialist, Environmental and Social Specialist, and Finance Specialist. The M&E specialist's will be responsible for ongoing results-based monitoring (RBM) of loan disbursements, IDR drawdowns, and portfolio performance. The cost excludes BOI Project Officers and BOI Multilaterals full-time staff, whose costs are borne by BOI's core operations budget and not the AF grant.
EE.2: Quarterly safeguards compliance monitoring, ESMP status reporting, and USP-level community consultation				30,000	Funds the E&S Specialist's quarterly safeguards compliance monitoring and ESMP status reporting (Annex 11, Row 6), including USP-level community consultations under the ESP screening process applied to individual sub-loans (see Part III Section C).
EE.3: Drafting of progress and financial reports				15,000	Preparation of quarterly and annual progress and financial reports by the Multilaterals Division.
EE.4: Grievance and feedback mechanism, and general programme communication				30,000	Operation of the multi-channel grievance and feedback mechanism (Annex 11, Row 4) and programme outreach/communication materials.
EE.5: Project travel costs				32,640	Field appraisal, monitoring and verification visits in both programme zones. Steering Committee travel is not claimed here, consistent with the Multilaterals Division's non-voting observer role (Part III Section A).
EE.6: Office facilities, equipment and communications infrastructure				14,285	The cost here is for computer systems, communications and printers for the PMU office. Office space and furniture supporting programme execution will be provided through BOI's existing institutional infrastructure.
Programme Execution Cost				341,210	
TOTAL PROGRAMME COST				22,747,380	
Implementing entity (IE) Management Fee					

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
Corporate Activities Fees					
IE.1: Policy support and engagement with the AF Secretariat/AF network	Lump sum			88,006	Institutional-level liaison with the AF Secretariat on policy, safeguards and gender policy matters, and engagement with AF's broader network (Knowledge Products platform, Community of Practice, cross-IE peer exchange).
IE.2: Steering Committee secretariat and meeting logistics	Lump sum (throughout implementation)			157,142	Venue, materials, documentation/minutes production, virtual meeting platform costs, and translation or interpretation services (where required) for Steering Committee meetings, excluding IE staff time (covered under IE.5) and travel (covered separately, where incurred).
IE.3: Reporting quality assurance (external)	Consultant fees throughout implementation			147,655	Independent consultant engagement to conduct quality assurance review of Annual Programme Performance Reports and other programme reporting prepared by Sustainability Division staff, prior to submission to the AF Secretariat. It is distinct from IE staff time (covered under IE.5).
Project Cycle Management Fees					
IE.4: IE salaries (project preparation and management oversight, including financial management and quality assurance).	IE Staff costs (5-year total)			717,877	Core Sustainability Division staff cost for fiduciary oversight of ringfenced programme accounts and internal controls, ongoing portfolio management of C-CAFÉ Nigeria within BOI's institutional portfolio, including chairing and staffing the programme Steering Committee; and substantive supervision of the EE's safeguards, gender and M&E function performance. It includes staff costs for confirming that ESMP monitoring, gender monitoring, and reported programme data are accurate and complete before Annual Programme Performance Reports are submitted to the AF Secretariat. The cost will also cover governance oversight of the mid-term review and terminal evaluation, including ToR approval and findings review as well as final programme reconciliation and closure sign-off (Part III.A). \$198,215 of this line is ESMP-linked, representing the validation and confirmation of the adequacy of E&S and gender safeguards work performed at the EE level (see Annex 11, Row 7). This budget item is distinct from IE.3 (external

Description	Unit	Unit Cost (USD)	Quantity	Estimated Budget (USD)	Budget Notes
					document-level quality assurance) and IE.9 (independent third-party verification by the IVA).
Other IE- Exclusive Costs					
IE.6 External audit fees	5 year total			232,142	Cost of five annual independent financial audits required under AF fiduciary standards (Part III.A).
IE.7 IVA engagement and management	5 year total			428,571	Contracting and management of the IVAs. The cost covers tranche-milestone validation and WACF/tier-assignment methodology checks (Component 1, Mechanism Modalities), field verification of climate-resilient asset installation and beneficiary reach (Output C2.2/C2.3), verification of technical assistance delivery records (Output C3.1), review of the grievance register during tranche-milestone compliance assessments (Annex 12) and confirmation of MEL system operational status (Output C4.1). The IVA submits verification findings to the Sustainability Division, which are reviewed by the Steering Committee prior to each tranche release (Part III.A).
IE.8 Travel (project supervision mission and Steering Committee attendance)	5 year total			162,134	Covers Sustainability Division staff travel for (i) periodic independent, spot project supervision missions (distinct from and supplementary to the EE's own field appraisal/monitoring travel costs). This provides the IE with direct, independent line-of-sight into programme implementation; and (ii) any Steering Committee attendance requiring travel outside BOI office for when meetings are not held virtually.
Total IE Fee				1,933,527	
TOTAL AMOUNT OF FINANCING REQUESTED FROM THE ADAPTATION FUND				24,680,907	

Table 31: Total Budget Summary

Budget Item	Amount (USD)
Component 1: Interest differential reserve mechanism design and governance	150,000
Component 2: Enterprise climate adaptation lending (100% pass-through interest differential reserve)	20,256,170
Component 3: Technical assistance for adaptation readiness and climate-risk management	1,000,000
Component 4: Monitoring, evaluation, learning and knowledge engagement	1,000,000

Programme execution costs	341,210
Total programme cost	22,747,380
IE project cycle management fee (8.5% of total programme cost)	1,933,527
TOTAL AMOUNT OF FINANCING REQUESTED FROM THE ADAPTATION FUND	24,680,907

Note on BOI institutional contribution: BOI raises domestic capital through its own established capital market operations. This capital is mobilized independently of the AF grant and does not constitute co-financing. It is catalyzed by the AF-funded interest differential reserve, which makes the underlying enterprise loans commercially viable for BOI to originate at scale. All capital-raising costs, including arranging fees, legal costs, bond issuance and treasury management, are borne entirely by BOI and do not appear in the AF grant budget above.

H. Disbursement Schedule with Time-Bound Milestones.

C-CAFÉ Nigeria applies a milestone-based disbursement approach. AF grant resources are released in five tranches over the 60-month implementation period, from the March 2028 inception workshop to programme completion at March 2033. Each tranche is linked to clearly defined, verifiable operational and results milestones (see Annex 13).

Disbursements commence following legal effectiveness. This programme is submitted as a fully developed proposal in July 2026 to enable completion of the Secretariat technical and fiduciary review ahead of PPRC consideration and AF Board approval at the April 2027 Board meeting. Following Board approval in April 2027, legal agreement negotiations between BOI and the AF Secretariat are expected to be completed by December 2027. A period of two to three quarters has been allocated to accommodate the negotiation, review and signing of the grant agreement for a programme of this scale and complexity.

Table 32: C-CAFÉ Nigeria - Disbursement Schedule

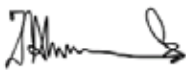
	Upon Signature of Agreement	One Year after Project start	Year 2	Year 3	Year 4	Year 5	Total
Scheduled date	December 2027	March 2029	March 2030	March 2031	Not Applicable	March 2033	
Project Funds	3,412,107	9,098,952	5,686,845	3,412,107	0	1,137,369	22,747,380
Implementing Entity Fees	290,029	773,411	483,382	290,029	0	96,676	1,933,527
Total	3,702,136	9,872,363	6,170,227	3,702,136	0	1,234,045	24,680,907

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government²

(Enter Name, Position, Ministry) Omotenioye Majekodunmi Director Nigeria Council on Climate Change Federal Ministry of Environment Federal Ministry of Environment Headquarters 3FH3+WC8, Mabushi 900108 Abuja Nigeria	Date: July 13, 2026
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B. Implementing Entity certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing (National Development and Adaptation Plans National Development and Adaptation Plans, including the National Adaptation Plan (NAP), Nationally Determined Contribution (NDC), National Climate Change Policy (2021-2030), and other relevant national climate and development strategies). and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
Name & Signature Rotimi Akinde Executive Director, Corporate Finance, Sustainability & Investments Directorate Bank of Industry, Nigeria. Implementing Entity Coordinator Signature 	
Date: July 14, 2026	- Tel. and email: +234 02 01 2715070 sustainabilitydiv@boi.ng with copy to eakinsete@boi.ng
Project Contact Person: Eniola Akinsete	
Tel. And Email: +234 02 01 2715070 eakinsete@boi.ng	

⁶ Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

ANNEX 1: PROGRAMME COMPONENT DESCRIPTIONS

C-CAFE Nigeria | Bank of Industry | Adaptation Fund Fully Developed Proposal

Eligible enterprise categories:

- Agricultural aggregators operating outgrower schemes with smallholder networks. These enterprises consolidate smallholder farm output under outgrower arrangements and their climate-resilient aggregation infrastructure directly protects the raw material supply chain of downstream Nigerian manufacturers. Eligible aggregators must demonstrate a guaranteed off-take agreement with processors or manufacturers.
- Agro-processors and manufacturers requiring secured raw material feedstock. These enterprises process agricultural commodities into food, beverage, textile, pharmaceutical and other industrial products. The programme finances adaptation investments that protect both the processing facility and the backward-integrated supply chain that feeds it.
- Cold chain, storage and logistics operators serving agro-industrial supply chains. Climate-resilient cold chain infrastructure is critical to reducing Nigeria's post-harvest losses, which exceed 40%, and maintaining supply chain continuity during flooding, heat stress and power disruptions.
- Water service enterprises supporting irrigated production systems linked to processing, whose operational continuity during drought and rainfall variability periods is essential to maintaining raw material supply to downstream processors.

Pipeline Origination and Enterprise Selection Methodology

Bankable investment opportunities are identified through four coordinated outreach channels. First, BOI's existing client base across climate-sensitive agro-industrial sectors, built through its 36 state offices, provides an established initial pipeline of enterprises with a demonstrated credit relationship. Second, Business Development Service Providers refer enterprises from their existing client networks, screened against programme eligibility criteria before referral. Third, targeted outreach through women enterprise associations, youth enterprise networks and NACCIMA-affiliated chambers of commerce reaches enterprises outside BOI's existing portfolio, with priority routing for women-owned and women-led enterprises. Fourth, Component 3 pre-application technical assistance is offered to enterprises that show adaptation investment need but do not yet meet creditworthiness thresholds, expanding the eligible pipeline over time rather than screening these enterprises out permanently. Enterprises identified through any channel proceed through a two-stage decision process.

Stage 1 (eligibility and additionality screening), conducted by project officers confirms the enterprise falls within an eligible category, operates in an eligible programme zone, and proposes an investment that passes the climate-risk screening and adaptation additionality gate under Component 1. Applications that fail Stage 1 are either rejected as ineligible or, where the gap is creditworthiness rather than eligibility, referred to Component 3 for pre-application technical assistance and reconsidered once addressed.

Stage 2 (credit appraisal and approval) follows BOI's standard credit governance chain, applying normal underwriting alongside the fixed eligibility parameters established in this proposal. Outcomes at Stage 2 are approval, rejection, or conditional approval subject to specified conditions (for example, completion of a required safeguards measure). Detailed scoring weightings and thresholds for both stages will be set out in the POM, submitted as a condition precedent to Tranche 1 disbursement.

Tier assignment and pricing: Each eligible loan is assigned one of four pricing tiers at appraisal, based on two determinations made by BOI project officers as part of the standard two-stage credit governance process defined in Selection Criteria for Enterprises above.

Investment purpose: The enterprise's proposed use of loan proceeds is classified as capital expenditure or working capital. This determination is made from the enterprise's investment proposal and verified against actual disbursement use during implementation.

Gender profile: Whether the enterprise is women-owned or women-led, per the definitions and verification process already established for the programme's minimum 30% women-owned/led allocation (Output C1.3).

Working capital eligibility. Working capital financing is eligible as a standalone use of loan proceeds under Component 2, subject to the same climate-risk screening and adaptation additionality assessment applied to every Component 2 sub-loan (Component 1, Adaptation Additionality). Eligible working capital uses include pre-positioning of climate-resilient inputs, seasonal buffer stock enabling continued operations during climate events, and other working capital needs demonstrably reducing the enterprise's exposure to the flooding, drought and heat stress hazards documented in the background and context section, whether or not the enterprise is concurrently financing a capital expenditure investment under this programme. Working capital financing for general business operations unrelated to demonstrated climate-risk reduction is not eligible under Component 2.

Supported adaptation investments by climate hazard and geographic zone:

Northern zone: drought, heat stress and rainfall variability.

- Solar-powered, water-efficient irrigation and water management infrastructure that directly addresses water scarcity caused by erratic rainfall and prolonged dry spells. Eligible systems must demonstrate measurable reduction in water consumption relative to conventional irrigation.
- Rainwater harvesting and water-efficiency systems that capture and store rainfall during wet seasons for use during dry spells, applicable to agricultural processing facilities, storage sites and water-service enterprises.
- Climate-resilient aggregation and storage facilities with passive cooling design and insulation standards that maintain product quality during extreme heat events and reduce post-harvest losses attributable to heat stress.

Southern zone: flooding and infrastructure disruption.

- Flood-resilient and heat-resilient storage and supply chain facilities with elevated foundations, flood-proofed lower structures, water-resistant construction and resilient access infrastructure. Eligible investments must meet or exceed national flood-proofing standards and demonstrate flood exposure in the target location.
- Climate-resilient health infrastructure and supply chains including temperature-controlled storage, solar-powered cold rooms and resilient logistics systems ensuring continuity of medical and pharmaceutical supply chains during climate shocks.

Cross-zone investments applicable across both programme zones.

- Climate-risk information and early warning systems including real-time weather and climate-risk data tools, decision-support systems and early warning alerts integrated into enterprise operations.
- Climate-resilient cooling and cold-chain systems with backup power, flood-resistant siting and temperature-maintenance capacity during grid disruptions caused by flooding.

Backward integration and smallholder reach.

Where eligible enterprises operate outgrower or contract farming schemes, the adaptation investments financed under Component 2 extend climate resilience benefits through the supply chain to the smallholder farming networks that supply them. A single loan to an aggregator operating with several hundred smallholder outgrowers may result in hundreds of individual climate-resilient assets including irrigation units, water harvesting systems, storage containers and drying facilities being deployed across that farmer network under the enterprise's backward integration programme. This is the primary mechanism through which the programme's target of 9,000 climate-resilient assets installed nationwide is achieved across 45 enterprise loans at an average of approximately 200 assets per loan.

ANNEX 2: PROGRAMME WORKPLAN

Act.	Description	Responsible Party	2027	2028				2029				2030				2031				2032				2033			
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Component 1: Local-Currency Interest Differential Reserve Mechanism																											
Output C1.1: Interest differential reserve mechanism designed, approved and operational																											
C1.1.1	Design interest differential formula, eligibility criteria, caps and step-down schedule; finalize in Programme Operations Manual (condition precedent to Tranche 1)	Multilaterals Division																									
	Codify anti-fraud and verification protocols, drawdown conditions, audit readiness documentation	Multilaterals Division																									
	Establish dedicated escrow account under BOI management with independent verification and AF reporting	Multilaterals Division																									
Output C1.2: BOI institutional channels applying programme tools and climate-risk screening protocols																											
C1.2.1	Embed climate-risk screening and adaptation additionality checks into BOI lending workflows and MIS	Multilaterals Division																									
Output C1.3: Gender-responsive targeting and loan-level tracking system operational																											
C1.3.1	Set minimum allocations and priority access for women-owned/led enterprises and highly climate-vulnerable locations	Multilaterals Division																									
C1.3.2	Establish loan-level tracking system tagging IDR coverage, tenor, sector, location, gender markers	Multilaterals Division																									
C1.1.4	Interest differential reserve mechanism confirmed fully operational (Tranche 3 milestone)	Multilaterals Division / IVA																									
Component 2: Enterprise Climate Adaptation Lending																											
Output C2.1: Enterprise adaptation loans disbursed and operational																											
C2.1.1	Apply fixed eligibility criteria to four enterprise categories (aggregators, processors, cold chain/logistics, water service enterprises)	Multilaterals Division / Project Officers																									
C2.1.2	Originate enterprise pipeline via four outreach channels (BOI client base, BDSPs, women/youth networks, Component 3 referrals)	Multilaterals Division / BDSPs																									
C2.1.3	Apply two-stage decision process (eligibility/additionality screening; credit appraisal and approval) per Programme Operations Manual	Project Officers																									
Output C2.2: Climate-resilient assets installed and operational																											
C2.2.1	Finance northern zone investments (solar irrigation, rainwater harvesting, climate-resilient aggregation/storage)	Multilaterals Division																									
C2.2.2	Finance southern zone investments (flood-resilient storage, climate-resilient health infrastructure)	Multilaterals Division																									
C2.2.3	Finance cross-zone investments (early warning systems, climate-resilient cooling/cold-chain)	Multilaterals Division																									
C2.2.4	Verify at appraisal that energy technologies function strictly as adaptation enablers	Risk Management Division																									
Output C2.3: Indirect community and value chain benefits generated																											
C2.3.1	Extend climate resilience benefits to smallholder networks via enterprise outgrower/backward-integration arrangements	Multilaterals Division																									
C2.3.2	Track and report indirect beneficiary reach disaggregated by sector, region, gender, asset type	Multilaterals Division																									
Component 3: Technical Assistance for Adaptation Readiness and Climate-Risk Management																											
Output C3.1: Sector-specific TA delivered to enterprises and ecosystem partners																											
C3.1.1	Deliver sector-specific TA on climate-resilient technologies and practices	Contracted Technical Partners																									
C3.1.2	Develop and maintain standardized master TA curriculum; certify BDSPs	Multilaterals Division																									
C3.1.3	Deliver targeted TA streams for women-owned/led enterprises	Gender-competent BDSPs																									
Output C3.2: Climate-risk screening and decision-support tools developed and deployed																											
C3.2.1	Deploy climate-risk screening and decision-support tools matched to zone-specific hazards	Contracted Technical Partners																									
Output C3.3: Institutional capacity of BOI and service delivery partners strengthened																											
C3.3.1	Build capacity of BOI staff and BDSPs on climate-risk-informed lending and appraisal	Multilaterals Division																									

Act.	Description	Responsible Party	2027	2028					2029				2030				2031				2032				2033			
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Component 4: Learning and Knowledge Management																												
Output C4.1: Programme-wide MEL system designed and operational																												
C4.1.1	Design and operationalize programme-wide MEL system with gender-disaggregated tracking	Multilaterals Division																										
C4.1.2	Establish baseline data and tracking systems (before first Component 2 disbursement)	Multilaterals Division																										
C4.1.3a	Mid-term review (Q1 2030)	Independent Evaluator																										
C4.1.3b	Terminal evaluation (within 9 months of completion)	Independent Evaluator																										
Output C4.2: Knowledge products developed and disseminated																												
C4.2.1a	Knowledge Product 1: Climate-risk screening protocol (End of Year 2)	Multilaterals Division																										
C4.2.1b	Knowledge Product 2: Gender-Responsive TA Model (Q4 Year 3)	Multilaterals Division																										
C4.2.1c	Knowledge Product 3: Mid-term Learning Brief (Q3 Year 3, alongside mid-term review)	Multilaterals Division																										
C4.2.1d	Knowledge Product 4: Programme Learning Report, Case Studies and Replication Framework (End of Year 5)	Multilaterals Division																										
Output C4.3: Knowledge-sharing and peer-learning platforms established and active																												
C4.3.1	Facilitate at least 8 peer-learning events and policy dialogues with NCCC and MDAs	Multilaterals Division																										
Output C4.4: Nigerian financial institutions adopt programme tools and approaches																												
C4.4.1	Integrate learning into BOI systems; engage financial institutions on tool adoption	Sustainability Division																										
Cross-cutting: Disbursement, Reporting and Governance																												
T1	Tranche 1 disbursement - upon signature of agreement (15%)	AF Secretariat / BOI																										
T2	Tranche 2 disbursement - one year after project start (40%)	AF Secretariat / BOI																										
PPR1	First Annual Programme Performance Report + first annual audit	Sustainability Division																										
T3	Tranche 3 disbursement - Year 3 start, mechanism fully operational, ≥15 loans disbursed, ≥80 enterprises TA'd (25%)	AF Secretariat / BOI																										
PPR2	Second Annual Programme Performance Report + second annual audit	Sustainability Division																										
MTR	Mid-term review completed and findings integrated (Q1-Q2 2030)	Independent Evaluator / Steering Committee																										
T4	Tranche 4 disbursement - Year 4 start, continued progress toward 38-loan/200-enterprise targets (15%)	AF Secretariat / BOI																										
PPR3	Third Annual Programme Performance Report + third annual audit	Sustainability Division																										
T5	Tranche 5 disbursement - programme completion (5%)	AF Secretariat / BOI																										
CLOSE	Programme completion and closing	BOI / AF Secretariat																										
PPR4	Fourth Annual PPR, fifth (final) audit, terminal evaluation (post-completion)	Sustainability Division																										

Legend:

Ongoing activity

Milestone / discrete deliverable

ANNEX 3: GENDER ANALYSIS AND GENDER ACTION PLAN

C-CAFE Nigeria | Bank of Industry | Adaptation Fund Fully Developed Proposal

PART A: GENDER ANALYSIS

1. National Gender Policy Context

Nigeria revised its National Gender Policy in 2022 and adopted a National Action Plan on Gender and Climate Change. The National Women's Economic Empowerment Policy and Action Plan 2023 to 2028 establishes national targets for women's financial inclusion and access to productive resources. Despite this policy progress, structural inequalities remain acute. Of Nigeria's 56.3 million adult women, only 22% are economically empowered (EFInA WEE Report, 2023). Nigerian women account for 70% of the extreme poor despite constituting 49.3% of the general population. The gender gap in financial inclusion widened from 8% in 2020 to 9% in 2023, with approximately 21 million adult women remaining excluded or underserved by formal financial systems (EFInA A2F Survey, 2023).

2. Gender Roles in Target Sectors

Women constitute 60 to 80% of food production labour in Nigeria's smallholder agricultural sector and are heavily concentrated in post-harvest processing, food storage, market trade and informal cold chain operations, precisely the segments most exposed to the climate hazards this programme addresses. Women farmers in Nigeria produce 30% less per hectare than men, a gap attributed primarily to unequal access to inputs, finance and extension services rather than differences in capability (World Bank, 2023). In cold chain, storage and logistics, women dominate informal fresh produce distribution, fish trading and processed food distribution in southern urban markets. In the northern zone, women manage a substantial share of grain storage, dried food processing and water vending enterprises. Despite their concentration in these climate-sensitive segments, women-owned enterprises face acute financing barriers that prevent investment in climate-resilient infrastructure.

3. Differential Climate Vulnerability by Programme Zone

Northern zone. Research in Kwara and Nassarawa states confirms women's livelihood vulnerability index scores of 0.618 compared to men's 0.509, reflecting compounded vulnerability through restricted resource access and lower adaptive capacity (Humanities and Social Sciences Communications, 2023). Drought and water scarcity increase women's time burden for water collection by 2 to 6 hours daily, reducing productive time. Heat stress accelerates post-harvest losses in goods managed and traded by women. Young women face additional structural barriers including early marriage and cultural norms restricting economic participation. Financial exclusion is most severe in northern states where rates reach 38% in the North East and 47% in the North West (EFInA, 2023).

Southern zone. Women-owned enterprises in informal food distribution and market trading are concentrated in low-lying market areas and informal settlements with high flood exposure. Recurrent flooding destroys inventory, damages storage infrastructure and disrupts market access. Women-headed households face resource constraints in post-flood recovery. Research on coastal Lagos communities confirms that gender inequality and mobility constraints compound women's physical exposure to flood events (ScienceDirect, 2019). In Niger Delta communities, intersecting pressures of climate change, environmental degradation and resource conflict further compound livelihood risks for women in artisanal fishing and food processing.

4. Differential Access to Resources, Finance and Markets

The gender gap in documented land rights is particularly severe in Nigeria, identified by FAO SDG Indicator 5.a.1 data as one of the most pronounced globally. Women in Sub-Saharan Africa receive less than 10% of agricultural credit and 7% of extension services compared to men (FAO, 2023). In Nigeria, women cannot access formal credit without male consent in many states, creating a structural barrier that is independent of enterprise viability. Women enterprise owners face compounding barriers including informal income streams, limited asset ownership and institutional lending practices requiring collateral and formal registration. Mobile phone ownership among women is high at approximately 93% but most women use basic phones, limiting access to digital climate information services and lending platforms. Women are also systematically excluded from formal outgrower schemes and contract farming arrangements, concentrating them in the most climate-exposed and market-insecure segments of value chains.

5. Gender-Based Constraints to Adaptation and Transformative Opportunities

Table 33: Gender-Based Constraints to Adaptation

Constraint	Programme impact	Transformative response
No documented land rights or formal collateral	Structural exclusion from standard BOI lending regardless of enterprise viability	Priority access to the loan origination pipeline; dedicated TA to strengthen documentation and creditworthiness for BOI's standard appraisal process
Commercial rates of 25 to 45% unaffordable for smaller women-owned enterprises	Adaptation loans financially unviable even with standard interest differential reserve	Priority access to loan origination pipeline; dedicated pre-application TA to build creditworthiness for BOI lending
Limited access to climate risk information and extension services	Women cannot design effective adaptation investments without climate exposure data	Dedicated TA stream with climate-risk screening tools delivered through accessible modalities
Time poverty and mobility constraints from unpaid care responsibilities	Barriers to attending training and engaging with formal lending processes	TA delivery designed for accessibility: location, timing, language, digital and agent-based channels
Social norms requiring male consent for financial decisions	Women cannot enter loan agreements or make investment decisions independently in many contexts.	The programme's TA response to this barrier is scoped to strengthening women entrepreneurs' own financial confidence and decision-making capacity. It does not include direct household- or community-level engagement with the norm.

Beyond gender-responsive design, the programme pursues gender-transformative outcomes by directing adaptation finance directly to women-owned enterprises, creating an institutional precedent within BOI for women's access to DFI adaptation finance, building a female-inclusive adaptation service provider ecosystem through gender-competent BDSPs, and generating Nigeria-specific sex-disaggregated evidence on enterprise adaptation finance that will inform future policy and programme design.

6. Gender Baseline Indicators

Table 34: Gender Based Indicators

Indicator	Baseline	Programme target	Source
Share of AF loans directed to women-owned or women-led enterprises	0%	At least 30%	BOI lending data
Share of TA recipients that are women-owned or women-led enterprises	Below 20% (estimated)	At least 40%	BOI lending data

Indicator	Baseline	Programme target	Source
Gender gap in financial inclusion, northern programme states	NE: 38%; NW: 47% excluded (2023)	Tracked against baseline in MEL system	EFinA A2F 2023
Share of economically empowered adult women in Nigeria	22% (2023)	Improvement tracked through MEL for programme zones	EFinA WEE 2023
Share of programme indicators with sex-disaggregated data reported	0%	100% from Year 1	Component 4 MEL
Women enterprise owners with improved access to climate risk tools	To be set in Year 1	At least 80 enterprises	Component 3 records

PART B: GENDER ACTION PLAN

This Gender Action Plan translates analysis findings into specific, time-bound, budgeted and monitored actions across all four programme components. It will be reviewed annually alongside the programme performance report.

Table 35: C-CAFÉ Nigeria Gender Action Plan

Action	Gender constraint addressed	Responsible party	Timeline	Budget (US\$)	Notes
Component 1: Interest Differential Reserve Mechanism					
Codify minimum 30% allocation for women-owned enterprises in eligibility criteria	Structural exclusion from DFI lending; lack of collateral	BOI Programme Management Unit	By December 2027 (ahead of legal effectiveness)	0	This is embedded as an integral design specification within C1.1.1 (\$56,000). It is not severable from the mechanism's single design deliverable
Priority access to loan origination pipeline; dedicated pre-application TA to build creditworthiness for BOI lending	Higher financing cost barrier for smaller women-owned enterprises	BOI Programme Management Unit	February 2029	0- 0	Embedded in C1.3.1/C1.3.2 (\$24,000). The gender-responsive targeting design is the line's stated purpose and not a separable add-on.
Deploy dedicated pre-application technical assistance to strengthen loan readiness and documentation for women-owned enterprises	Severe gender gap in documented land ownership in Nigeria	BOI credit and risk team	February 2029	0	Funded from within C3.1.3 budget

Action	Gender constraint addressed	Responsible party	Timeline	Budget (US\$)	Notes
without documented land rights					
Component 2: Enterprise Adaptation Lending					
Target women-owned enterprises in food processing, storage, water services and cold chain as priority sectors for loan origination outreach	Women concentrated in climate-sensitive sectors but excluded from formal credit	BOI lending team; BDSPs	From August 2028	0	Mainstreamed into C2.1.2 and funded through BOI's own operations budget.
Component 3: Technical Assistance for Adaptation Readiness and Climate-Risk Management					
Design and deliver dedicated TA stream for women-owned enterprises	Limited access to business development support and climate risk information among women entrepreneurs	BOI, enterprise development partners	June 2028 to February 2033	\$150,000	C3.1.3
Partner with women enterprise associations to build loan origination pipeline	Weak institutional links between BOI and women enterprise sector	BOI PMU	March to August 2028	\$50,000	(C3.1.1)
Design TA delivery modalities accessible to women: flexible timing, local delivery, appropriate language, digital and agent-based channels	Time, poverty and mobility constraints restricting women's access to standard TA formats	BOI, Technical Partners	By May 2028 for design; by August 2028 for delivery	0	Embedded in C3.1.2. The curriculum is the deliverable itself and not a separate task.
Contract Technical partners with demonstrated gender competence and reach into women enterprise networks	Generic TA providers without gender competence fail to reach women entrepreneurs	BOI procurement team	May 2028	0	This is a scoring criterion applied within existing TA procurement. It is not an incremental cost
Include a dedicated session on financial confidence and autonomous decision making with C3.1.3 TA stream,	Social norms requiring male consent for financial decisions in northern communities.	Enterprise development partners	Within the June 2028 to February 2033 C3.1.3 schedule	0	Embedded in C3.1.3. It is content within the TA stream and not a separate activity.

Action	Gender constraint addressed	Responsible party	Timeline	Budget (US\$)	Notes
delivered exclusively to women owned/women-led enterprise TA recipients	Addressed at the he level of the constrained individual's capacity and confidence				
Component 4: Learning and Knowledge Management					
Collect and report sex-disaggregated data across 100% of programme indicators from Year 1 (includes Component 2 loan portfolio gender tracking)	Invisibility of women in aggregate programme data	BOI MEL team	From December 2028	\$40,000	C4.1.1
Apply gender lens in mid-term review and terminal evaluation with gender-specific evaluation questions	Risk of gender outcomes being invisible in standard evaluation frameworks	BOI MEL team; independent evaluators	September 2030 (mid-term review). December 2033 (terminal evaluation)	0	Embedded in C4.1.3. Gender-inclusive evaluation questions are a ToR specification and not a separate deliverable.
Develop at least 1 knowledge products specifically documenting gender outcomes from the enterprise adaptation finance model	Absence of Nigeria-specific evidence on women's participation in adaptation finance	BOI knowledge team	March 2030 to February 2031	\$62,500	C4.2.1
Include structured platform for women enterprise owners at peer-learning events	Exclusion of women's voices from adaptation planning and knowledge platforms	BOI knowledge team	March 2029 to February 2032	0	Embedded in C4.3.1

Table 36: Gender Budget Summary

Gender action	Component	Budget (US\$)	Basis
Dedicated TA stream for women-owned enterprises	Component 3	150,000	C3.1.3
Women enterprise network partnerships and loan	Component 3	50,000	C3.1.1

Gender action	Component	Budget (US\$)	Basis
pipeline outreach			
Gender-disaggregated MEL tracking and reporting	Component 4	40,000	C4.1.1
Gender-focused knowledge product	Component 4	62,500	C4.2.1
TOTAL GAP BUDGET		302,500	A dedicated, separately-scoped actions. The remaining 8 of 12 actions are embedded as non-severable design specifications within named host lines or represent genuinely zero-incremental-cost

Gender Monitoring Framework

All gender-specific indicators below will be tracked through the programme MEL system and reported in all quarterly and annual progress reports. Where gender targets are not being met, corrective actions will be proposed in the following year's workplan.

Table 37: Gender Monitoring Framework

Results level	IE-generated SMART indicator	Baseline	Milestone (mid-term)	Target (end of programme)	Means of verification	Responsibility
GENDER-SPECIFIC INDICATORS - ALL COMPONENTS (in compliance with AF Gender Policy)						
Gender Indicator 1 (G)	Percentage of AF interest differential reserve-supported loans directed to women-owned or women-led enterprises	0%	At least 25%	At least 30%	BOI portfolio report, sex-disaggregated	BOI Project Officers, Sustainability Division
Gender Indicator 2 (G)	Percentage of TA recipients that are women-owned or women-led enterprises	Below 20% (estimated)	At least 35%	At least 40%	TA delivery records, sex-disaggregated	Multilaterals Division, Sustainability Division, Contracted technical partners
Gender Indicator 3 (G)	Number of women enterprise owners with improved access to climate-risk information and screening tools	TBD Year 1	At least 40 women-owned enterprises	At least 80 women-owned enterprises	Component 3 TA records, beneficiary survey	Multilaterals Division, Sustainability Division, Contracted technical partners

Results level	IE-generated SMART indicator	Baseline	Milestone (mid-term)	Target (end of programme)	Means of verification	Responsibility
Gender Indicator 4 (G)	Percentage of programme indicators reported with sex-disaggregated data	0%	100% from Year 1	100% throughout implementation	All annual programme performance reports	Multilaterals Division (EE) for collection, Sustainability Division (IE) for quality assurance and reporting
Gender Indicator 5 (G)	Number of gender-focused knowledge products developed and disseminated	0	Not a mid-term milestone condition. Product scheduled for Year 3 delivery is independent of mid-term review	At least 1 knowledge products specifically documenting gender outcomes	Published products, dissemination records	Multilaterals Division, Sustainability Division

Note: All gender indicators are tracked quarterly and reported in every APPR. Corrective action is triggered automatically where the women-owned enterprise lending share falls below 25% at any quarterly review.

ANNEX 4: NATIONAL POLICY ALIGNMENT TABLE

C-CAFE Nigeria | Bank of Industry | Adaptation Fund Fully Developed Proposal

The table below provides a detailed alignment of C-CAFE Nigeria with the specific provisions and targets of Nigeria's key national, sub-national and sectoral policy instruments. This table demonstrates compliance with the AF instruction that, for a fully developed proposal, the compliance of the project with relevant plans and strategies must be explained in detail.

Table 38: C-CAFÉ Nigeria National Policy Alignment Table

Policy instrument	Year and status	Relevant provisions and targets	Programme alignment	Programme component
LEGISLATIVE FRAMEWORK				
Climate Change Act 2021	Enacted November 2021. In force.	Establishes NCCC as apex climate coordination body. Mandates 5-year National Climate Change Action Plans. Requires private and public entities to implement climate resilience mechanisms. Establishes Climate Change Fund for adaptation financing. Mandates climate change desks in all MDAs.	Programme builds BOI's institutional climate finance capacity consistent with the Act's private sector mandate. Component 4 knowledge events engage NCCC directly. Programme complements the Climate Change Fund's adaptation financing objectives by mobilizing enterprise-level adaptation finance through Nigeria's development finance system, addressing a distinct segment of the adaptation finance architecture without duplicating the Fund's government-channel financing.	All components. Primary: Components 1 and 4.
NATIONALLY DETERMINED CONTRIBUTION				
NDC 3.0	Validated in October 2025.	The updated NDC commits Nigeria to a 20% unconditional and 47% conditional reduction in greenhouse gas emissions by 2030, with agricultural emissions representing one of the two largest sources at 33% of total GHG emissions. Adaptation priorities include water and food security, climate-smart agriculture,	Each Component 2 investment type maps to a specific NDC 3.0 adaptation priority. Solar irrigation and water harvesting: water and food security. Cold chain and storage: food security and resilient infrastructure. Health supply chain: resilient health systems. Early warning systems: climate-resilient infrastructure.	Component 2. All investment types.

Policy instrument	Year and status	Relevant provisions and targets	Programme alignment	Programme component
		resilient health systems, climate-resilient infrastructure, ecosystem protection. NDC 3.0 is anchored in the Climate Change Act and Just Transition Plan.		
NATIONAL ADAPTATION PLANNING				
NAP Framework	Published June 2020. Full NAP under development; approaching validation as of submission date.	Four goals: capacity building, adaptation options at all governance levels, enabling environment, and fund mobilization for adaptation. Specific goal: developing strategies for engaging the private sector in adaptation. Builds on 13 thematic areas from NASPA including agriculture, water, health and infrastructure.	Programme is a direct implementation of the NAP Framework's private sector engagement and fund mobilization goals. \$43,610,148 in domestic private capital mobilized for enterprise adaptation. MEL system contributes to NAP monitoring and learning objectives.	All components.
NATIONAL CLIMATE CHANGE POLICY				
National Climate Change Policy for Nigeria (NCCP)	Revised June 2021.	Promotes climate-resilient growth across all sectors. Integrates adaptation into national and sub-national planning. Strengthens institutional readiness for adaptation finance. Enhances governance systems for climate risk management. Promotes private sector participation in adaptation	Programme embeds climate-risk screening and adaptation assessment permanently into BOI's lending systems, directly strengthening institutional readiness. Component 4 policy dialogues with NCCC and MDAs to support governance strengthening objectives.	Components 1 and 4.

Policy instrument	Year and status	Relevant provisions and targets	Programme alignment	Programme component
		financing.		
SECTORAL STRATEGIES				
Agricultural Promotion Policy and FMARD Sectoral Strategy	Current	Expand climate-smart agriculture adoption. Develop climate-resilient irrigation and water management. Reduce post-harvest losses through improved storage and cold chain. Strengthen agro-processing sector resilience.	Component 2 finances solar-powered irrigation, rainwater harvesting, climate-resilient storage and cold chain for agro-processing enterprises. Programme's backward integration model extends resilience to smallholder outgrower networks.	Component 2.
Water Resources Sector Strategy and NDC Water Commitments	Current. Reinforced by NDC 3.0 water security priority.	Improve resilience of water supply infrastructure. Increase investment in water supply and sanitation in urban and rural areas. Promote water-efficient irrigation systems in climate-stressed regions.	Component 2 finances solar-powered irrigation and rainwater harvesting systems that directly reduce water consumption and improve water security for enterprises in drought-stressed northern zone.	Component 2. Northern zone targeting.
Health National Adaptation Plan (HNAP)	Published 2025. Developed with support from FCDO, WHO and World Bank.	Strengthen health system resilience to climate shocks. Ensure continuity of medical supply chains during climate events. Protect temperature-sensitive pharmaceutical storage and distribution.	Component 2 finances climate-resilient health supply chain infrastructure including solar-powered cold rooms, flood-resilient pharmaceutical storage and resilient logistics systems that directly implement HNAP priorities.	Component 2. Cross-zone investment category.
NATIONAL DEVELOPMENT AND FINANCIAL INCLUSION FRAMEWORKS				
Medium-Term National	Current.	Economic diversification and agricultural transformation.	Programme protects an estimated 15,000 to 20,000 jobs in climate-sensitive	Components 1 and 2.

Policy instrument	Year and status	Relevant provisions and targets	Programme alignment	Programme component
Development Plan (MTNDP) 2021 to 2025		Infrastructure development and enterprise resilience. Financial inclusion and MSME support. Role of DFIs including BOI in mobilizing productive sector capital.	enterprises, directly contributing to MTNDP employment objectives. BOI's NIE role operationalizes the MTNDP's DFI mandate for productive sector capital mobilization.	
National Women's Economic Empowerment Policy and Action Plan 2023 to 2028	Launched May 2023.	National targets for women's financial inclusion and access to productive resources. Identifies climate-resilient finance as a dimension of women's economic empowerment. Addresses structural barriers preventing women entrepreneurs from accessing formal credit.	Minimum 30% allocation for women-owned enterprises, priority access to loan origination pipeline and dedicated TA streams directly operationalize the WEE Policy's financial inclusion targets. Gender-disaggregated MEL tracking contributes to WEE Policy accountability framework.	Components 1, 2 and 3.
Nigerian Sustainable Banking Principles (NSBP)	Adopted by CBN. Applicable to all Nigerian banks and financial institutions including BOI.	Requires integration of environmental and social factors into lending decisions. Mandates transparent reporting of environmental and social impacts. Promotes private sector climate risk management.	Programme's climate-risk screening, adaptation additionality assessment and E&S safeguards framework directly implements NSBP requirements. Strengthens BOI's NSBP compliance capacity in climate adaptation finance.	Component 1 and 2
Nigeria Financial Inclusion Strategy (NFIS) 3.0	Current CBN strategy targeting 95% financial inclusion.	Targets reduction of financial exclusion to 25% by 2024, with long-term goal of 95% inclusion. Specific focus on women, northern Nigeria and rural communities as excluded	Programme's gender-responsive design directly addresses the EFInA-documented gender gap of 9% in financial inclusion. Northern zone targeting and outreach through women enterprise networks aligns with NFIS 3.0 priority populations.	Components 1, 2 and 3.

Policy instrument	Year and status	Relevant provisions and targets	Programme alignment	Programme component
		populations. Promotes intentional strategies for serving excluded communities.		

Sources: Nigeria Climate Change Act 2021; Nigeria NDC 3.0 (September 2025); Nigeria NDC 2021 Updated Submission; Nigeria National Adaptation Plan Framework (June 2020); National Climate Change Policy for Nigeria (June 2021); Nigeria Health National Adaptation Plan (2025); Nigeria Medium-Term National Development Plan 2021 to 2025; National Women's Economic Empowerment Policy and Action Plan 2023 to 2028; Nigerian Sustainable Banking Principles (CBN); Nigeria Financial Inclusion Strategy 3.0; EFINA Access to Financial Services Survey 2023.

ANNEX 5: NATIONAL TECHNICAL STANDARDS COMPLIANCE TABLE

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This table identifies the national technical standards and regulatory requirements applicable to each major investment type supported under Component 2 of C-CAFE Nigeria, the legal source of each requirement, the compliance steps required, the authorisation or clearance process and the programme mechanism through which compliance is supported. It is prepared in accordance with the AF instruction that for a fully developed proposal compliance with relevant technical standards must be explained in detail including the legal source of the requirement, the steps taken to comply and the nature of the authorisation or clearance granted.

Table 39: C-CAFÉ National Technical Standards Compliance Table

Investment type	Applicable standard or regulation	Legal source	Compliance steps	Authorization or clearance required	Programme compliance mechanism
ENVIRONMENTAL ASSESSMENT - ALL INVESTMENT TYPES WITH PHYSICAL CONSTRUCTION					
All investment types involving physical construction or site development	Environmental Impact Assessment Act Cap E12 LFN 2004.	EIA Act Cap E12 LFN 2004. Administered by Federal Ministry of Environment EAD and State EPAs.	1. Screening to determine if EIA threshold is met. 2. Scoping to identify key environmental issues. 3. Baseline environmental study. 4. Impact prediction and mitigation measures. 5. Public consultation with affected communities. 6. EIA report submission to FMEEnv EAD or State EPA. 7. Review and issuance of EIA decision.	EIA clearance certificate from FMEEnv EAD or relevant State EPA. Required before construction begins. Typical timeline: 3 to 6 months for Category B projects.	EIA clearance is a mandatory disbursement condition. Component 3 pre-application TA guides enterprises through EIA process. Standards compliance toolkit covers EIA requirements by state.
All investment types	NESREA Act and 35 sector-specific NESREA Environmental Regulations (gazetted 2009 to	NESREA Act No. 20 of 2007 as amended 2018. NESREA gazetted	Applicable NESREA regulation identified at E&S screening stage. Compliance documentation submitted	NESREA compliance certification or no-objection where applicable.	E&S screening checklist maps investment type to applicable NESREA regulations. BOI

Investment type	Applicable standard or regulation	Legal source	Compliance steps	Authorization or clearance required	Programme compliance mechanism
	present).	regulations.	at appraisal. NESREA inspection where required by regulation.		safeguards officer verifies compliance at appraisal.
BUILDING AND CONSTRUCTION STANDARDS - ALL INVESTMENTS INVOLVING PHYSICAL STRUCTURES					
Flood-resilient and heat-resilient storage and processing facilities. Elevated foundations. Aggregation infrastructure.	Nigerian National Building Code 2006 (NBC). Regulations for Builders Practice 2025.	NBC 2006. Federal Ministry of Housing. State and local building regulations. Regulations for Builders Practice approved December 2025.	1. Engage registered architect and structural engineer. 2. Prepare structural design compliant with NBC foundation, load and materials standards. 3. Apply for building permit from state or LGA authority. 4. Construction inspection at foundation, superstructure and completion stages. 5. Certificate of completion from building authority.	Building permit from state or LGA authority before construction. Certificate of completion after construction. Typical timeline: 1 to 3 months for permit in southern states; up to 6 months in some northern states.	Building permit is a mandatory disbursement condition. Component 3 TA includes guidance on NBC compliance requirements and permit processes by state. Standards compliance toolkit covers permit processes for each programme zone.
Cold storage facilities. Solar-powered cold rooms. Pharmaceutical storage buildings.	NBC 2006 fire safety requirements. Fire Service Regulation 2019.	NBC 2006 Section on fire safety. Fire Service Regulation 2019.	1. Fire risk assessment as part of building design. 2. Installation of fire-resistant materials, emergency exits, suppression systems and alarms per NBC requirements. 3. Fire service inspection	Fire service clearance required before occupancy of cold storage and pharmaceutical storage facilities.	Fire service clearance included as a condition of project completion.

Investment type	Applicable standard or regulation	Legal source	Compliance steps	Authorization or clearance required	Programme compliance mechanism
			before occupancy.		
WATER RESOURCES AND IRRIGATION STANDARDS					
Solar-powered irrigation systems. Water management infrastructure.	Water Resources Act. NESREA National Environmental (Surface and Groundwater Quality) Regulations S.I. No. 22, 2009.	Water Resources Act Cap W2 LFN 2004. Federal Ministry of Water Resources. NESREA S.I. No. 22 of 2009.	1. Hydrogeological assessment confirming sustainable groundwater yield at target location. 2. Application for water abstraction permit from Federal Ministry of Water Resources. 3. Water quality testing to confirm compliance with NESREA surface and groundwater standards. 4. Installation by certified irrigation engineer. 5. Post-installation monitoring of water consumption and groundwater levels.	Water abstraction permit from Federal Ministry of Water Resources. Required before installation and operation. Typical timeline: 2 to 4 months.	Water abstraction permit is a mandatory disbursement condition for all irrigation investments. Climate-risk screening confirms sustainable groundwater yield before appraisal proceeds. Component 3 TA includes guidance on water permitting process.
Rainwater harvesting and water storage systems.	NESREA National Environmental (Wetlands, River Banks and Lake Shores) Regulations S.I. No. 26, 2009. NESREA water quality regulations.	NESREA S.I. No. 26 of 2009. Federal Ministry of Water Resources.	1. Hydrological impact assessment confirming system is sized within sustainable catchment yield. 2. Assessment of potential impacts on downstream water users and wetland ecosystems. 3. System design by certified civil or water	NESREA notification or clearance where systems are adjacent to regulated wetlands or waterbodies. No permit required for small-scale rooftop and courtyard rainwater harvesting.	Hydrological impact assessment included in E&S screening checklist. Component 3 TA covers design standards for rainwater harvesting systems in both programme zones.

Investment type	Applicable standard or regulation	Legal source	Compliance steps	Authorization or clearance required	Programme compliance mechanism
			engineer. 4. NESREA notification where systems are in proximity to regulated waterbodies.		
COLD CHAIN, FOOD SAFETY AND PHARMACEUTICAL STANDARDS					
Cold chain and cooling systems for food processing and storage.	NAFDAC Good Storage Practice Guidelines. SON standards for electrical equipment and refrigerants. NESREA regulations on refrigerant handling.	NAFDAC Act Cap N1 LFN 2004. SON Act Cap S9 LFN 2004. NESREA regulations on refrigerant handling and disposal.	1. Cold chain system design compliant with NAFDAC Good Storage Practice temperature and humidity requirements. 2. Equipment sourcing from SON-certified suppliers or international equivalents. 3. NAFDAC facility registration where food or pharmaceutical products are stored. 4. Refrigerant handling in compliance with NESREA and Montreal Protocol obligations. 5. Ongoing temperature monitoring and documentation per NAFDAC requirements.	NAFDAC facility registration certificate for food and pharmaceutical storage. SON certification for electrical equipment. Both required before operation of cold storage facilities.	NAFDAC registration is a mandatory disbursement condition for all health supply chain investments. Component 3 TA covers NAFDAC Good Storage Practice requirements. Standards compliance toolkit covers NAFDAC registration process and documentation requirements.
Pharmaceutical cold chain and health supply chain logistics investments.	NAFDAC Good Distribution Practice Guidelines. NAFDAC track and trace requirements.	NAFDAC Act Cap N1 LFN 2004. National Health Act 2014.	1. Distribution facility design compliant with NAFDAC Good Distribution Practice. 2. Implementation of	NAFDAC Good Distribution Practice certification. Required before	NAFDAC certification is a mandatory disbursement condition for

Investment type	Applicable standard or regulation	Legal source	Compliance steps	Authorization or clearance required	Programme compliance mechanism
	National Health Act.		NAFDAC track and trace serialization requirements for pharmaceutical products. 3. Staff training on NAFDAC-compliant product handling and documentation. 4. NAFDAC facility inspection before operation.	operation of pharmaceutical distribution facilities.	pharmaceutical supply chain investments. Component 3 TA includes NAFDAC GDP compliance guidance delivered by contracted health sector BDSPs.
SOLAR ENERGY AND ELECTRICAL STANDARDS					
Solar-powered irrigation systems. Solar-powered cold rooms and cooling systems.	SON standards for solar photovoltaic equipment. Nigerian Electricity Regulatory Commission (NERC) mini-grid regulations. NBC electrical installation requirements.	SON Act Cap S9 LFN 2004. NERC Act 2005 as amended. NBC 2006 electrical installation requirements.	1. Solar equipment sourcing from SON-certified or internationally certified suppliers. 2. Electrical installation by registered electrician in accordance with NBC requirements. 3. NERC notification or registration where installations exceed threshold capacity. 4. Electrical safety inspection before energization.	SON certification of solar equipment (at procurement stage). Electrical safety certificate from registered electrician. NERC notification where applicable.	SON certification and electrical safety certificate required as disbursement conditions. Component 3 TA covers solar installation standards and supplier qualification criteria. Standards compliance toolkit includes list of SON-certified solar equipment suppliers.
CLIMATE-RISK INFORMATION AND EARLY WARNING SYSTEMS					

Investment type	Applicable standard or regulation	Legal source	Compliance steps	Authorization or clearance required	Programme compliance mechanism
Climate-risk information systems. Early warning integration tools.	Nigerian Communications Commission (NCC) standards for telecommunications infrastructure. NiMet data standards for meteorological information.	NCC Act 2003 as amended. NiMet Act.	1. System design ensuring interoperability with NiMet national early warning data standards. 2. NCC licensing for any telecommunications infrastructure components. 3. NESREA noise and electromagnetic standards compliance where relevant.	NCC license where telecommunications infrastructure is involved. NiMet data sharing agreement where applicable.	NCC licensing requirements included in Component 3 TA for early warning system investments. NiMet engagement established during programme inception phase under Component 4.
LABOUR, OCCUPATIONAL HEALTH AND SOCIAL STANDARDS — ALL INVESTMENT TYPES					
All supported enterprises and construction activities.	Labour Act Cap L1 LFN 2004. Employees Compensation Act 2010. Factories Act Cap F1 LFN 2004.	Labour Act Cap L1 LFN 2004. Employees Compensation Act 2010. Factories Act Cap F1 LFN 2004.	1. Loan eligibility screening confirms enterprise compliance with core labour standards. 2. ESMP includes labour rights and occupational health and safety requirements. 3. Ongoing compliance monitored through annual performance reporting.	No specific permit required. Compliance confirmed through enterprise self-declaration and BOI verification at appraisal.	Core labour rights compliance is a mandatory eligibility criterion under Component 1 framework. Component 3 TA includes occupational health and safety guidance for construction and operational phases.

Sources: EIA Act Cap E12 LFN 2004; NESREA Act No. 20 of 2007 as amended 2018; Nigerian National Building Code 2006; Fire Service Regulation 2019; Regulations for Builders Practice 2025; Water Resources Act Cap W2 LFN 2004; NESREA S.I. No. 22 and 26 of 2009; NAFDAC Act Cap N1 LFN 2004; SON Act Cap S9 LFN 2004; NCC Act 2003 as amended; Labour Act Cap L1 LFN 2004; Employees Compensation Act 2010; Factories Act Cap F1 LFN 2004; Climate Change Act 2021.

ANNEX 6: COMPLEMENTARITY AND COORDINATION TABLE

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The table below identifies all relevant potentially overlapping programmes and initiatives in Nigeria and outlines the coordination mechanism for each.

Table 40: C-CAFÉ Nigeria Complementarity and Coordination Table

Programme or initiative	Funder and implementing entity	Coordination mechanism
BOI-AFD Green Finance Facility	AFD. BOI as implementing entity.	Distinct loan tracking systems and reporting frameworks for each facility. BOI draws on AFD facility's adaptation appraisal experience in designing Component 1 climate-risk screening framework.
National Agricultural Growth Scheme Phase II (NAGS-AP II)	AfDB (\$200M loan). Federal Ministry of Agriculture implementing entity. Approved February 2026.	BOI engages NAGS-AP II implementation team at inception to map shared value chains, identify sequencing opportunities and report jointly on enterprise-smallholder climate resilience linkages.
World Bank Nigeria AGROW Programme	World Bank (\$500M IDA credit, approved March 2026). Federal Ministry of Agriculture. Six-year programme, 2026 to 2032.	BOI engages the AGROW implementation team during the inception phase to map shared beneficiary enterprise populations across participating states and establish a protocol distinguishing AGROW matching grant investments from C-CAFE adaptation lending to prevent double-counting. AGROW-supported enterprises seeking C-CAFE lending are assessed against C-CAFE's adaptation additionality criteria on their own merits.
GCF Readiness Support — Development Bank of Nigeria	GCF. DBN. Grant agreement signed February 2026.	C-CAFE Nigeria knowledge products under Component 4 are specifically formatted for replication by DBN and other Nigerian financial institutions. BOI proactively shares tools with DBN.
GCF-UNEP NAP Process Support	GCF and UNEP. Federal Ministry of Environment.	Component 4 MEL system includes structured evidence contribution to NAP monitoring and reporting process through policy dialogues with NCCC and FMEnv.

Programme or initiative	Funder and implementing entity	Coordination mechanism
CBN National Financial Inclusion Strategy (NFIS) 3.0 and related programmes	CBN. Multiple implementing partners including EFINA.	C-CAFE Nigeria gender-disaggregated MEL data contributes evidence on women enterprise financial inclusion to EFINA and CBN monitoring frameworks.
National WEE Policy and Action Plan 2023 to 2028	Federal Ministry of Women Affairs. Multi-stakeholder implementation.	C-CAFE Nigeria gender outcomes reported through WEE Policy monitoring framework. Programme contributes to WEE Policy evidence base on women's access to climate finance.
Nigerian Sustainable Banking Principles (NSBP) implementation	CBN. All Nigerian commercial banks and DFIs including BOI.	C-CAFE Nigeria's climate-risk screening and E&S safeguards tools are documented as NSBP compliance tools in knowledge products, enabling adoption by commercial banks.

Sources: Climate Policy Initiative, Landscape of Climate Finance in Nigeria 2025; AfDB NAGS-AP II press release February 2026; GCF Nigeria country page; World Bank Nigeria AGROW Programme approval documentation, March 2026; EFINA Access to Finance Survey 2023; CBN Nigeria Financial Inclusion Strategy 3.0; National WEE Policy and Action Plan 2023 to 2028; BOI-AFD green finance facility announcement

ANNEX 7: STAKEHOLDER CONSULTATION RECORD

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Table 41: Consultation Event Summary

Item	Detail
Event name	BOI Climate Resilience Knowledge Series
Subtitle	Building Climate Resilient Enterprises in Nigeria for Sustainable Livelihoods and Inclusive Growth
Date and time	26 May 2026, 8:40 AM to 11:00 AM WAT
Platform	Microsoft Teams virtual webinar
Duration	2 hours 15 minutes
Unique confirmed attendees	356
Organizing institution	Bank of Industry Sustainability Division
Opening remarks	Executive Director of Corporate Finance, Sustainability and Investments, BOI
Session objectives	Chief Sustainability Officer, BOI
Moderator	Executive Director and Partner, Climate Change and Sustainability Services, Ernst and Young Nigeria
Panelists	Executive Secretary and CEO, National Agricultural Land Development Authority; Vice President, InfraCredit; Technical Lead and Deputy Team Leader, GOPA Intech supporting BOI EFD facility with AFD
Consultation format	Three-round panel discussion with nine panelist questions. Two structured live polls. Open chat-based Q&A. Plenary audience Q&A.
Session themes	Climate risks and vulnerabilities facing Nigerian enterprises. Adaptation priorities and practical resilience strategies. Financing and implementation pathways.
Recording	Session recorded for knowledge sharing purposes. Transcript available on request.

Annex 7B: Stakeholder List by Organization Category

The session attendance list confirms over 400 unique participant IDs registered across the session. These participants were from at least 48 distinct organizational domains spanning the following stakeholder categories:

- **Commercial Banks (9 institutions represented)** including Guaranty Trust Bank, First City Monument Bank (FCMB), Wema Bank, Standard Chartered Bank, Alt Bank, Jaiz Bank, Union Bank, Rand Merchant Bank and Sterling Bank. These financial institutions are potential downstream financiers for enterprises graduating from the facility's preparation pipeline.
- **Large Corporates (16 organizations represented)** including Frigoglass, Tolaram Group, Danone Nigeria, Friesland Campina, KAM Holding, SIL Chemicals, Dorman Long Engineering, Jubaili Brothers, Iwosan Health, Heliconia Park Hotels, AAVA Brands, Mondelez. These group of enterprises support demand for climate resilience investments.
- **Development Finance Institutions (2 institutions represented)** including Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) and Development Bank of Nigeria, representing the downstream financing ecosystem into which enterprises graduating from this facility's preparation pipeline will be directed.
- **Private credit providers, Investment and Asset Managers (6 organizations represented)** including Infracredit, The Alitheia Group, Lexar Business Solutions, Vested World, Oak Pensions, and United Capital. These capital providers and impact investors are relevant to the facility's lender engagement strategy.
- **Consulting, Advisory and Technical (6 organizations represented)** including EY Nigeria, KPMG Nigeria, GOPA Tech, SPA Ajibade, EnvAccord, and DexCentre representing the technical and advisory ecosystem from which the facility's pre-qualified specialist pool will be drawn.
- Academic and Research institutions
- Representatives of women groups
- Chief Promoters of Small and Medium Enterprises (SMEs)

Annex 7C: Summary of Chat Room Contributions by Theme

The following summarizes substantive contributions made by participants through the chat room during the consultation session. Full chat text is available from BOI on request.

Table 42: Chat Room Contributions by Theme (Primary Stakeholder Session)

Theme	Summary of contribution
FINANCE AND CAPITAL ACCESS	
Capital access barriers	High cost of capital, unresponsive banks and absence of affordable long-tenor finance cited as primary barriers to adaptation investment across multiple participants.
Regulatory environment	High interest rates and regulatory environment identified as key constraints alongside collateral requirements set at 2x the loan requirement for some infrastructure projects.
Blended finance	Request raised on how BOI can fund greenfield projects using blended finance where due diligence is

Theme	Summary of contribution
	complete and de-risking has been addressed.
Long-tenor finance	A northern zone agricultural aggregator asked what financing options exist for a community-level off-grid energy investment given the long return profile, highlighting the mismatch between commercial tenors and adaptation investment payback periods.
AGRICULTURE, LAND AND CLIMATE IMPACT	
Smallholder climate impact	Visible climate change impact on cashew production in 2025 to 2026 documented. Smallholder farmers in rural communities contributing to the economy through agricultural produce stated as receiving no adaptation support.
Farmer clusters and land access	Questions raised on how a farmer becomes eligible to join a cluster, whether clusters are crop-focused by region, and where aggregated land is available in specific states.
Regenerative agriculture	A pilot cooperative project shared as evidence: 35 smallholder farmers farming 1 hectare with estimated yield of 35,000 kg using regenerative methods and organic fertilizer production cutting input costs to near zero.
GDP and subsector visibility	NBS data cited showing agriculture contributed 23.16 percent to GDP in Q1 2026. Question raised on why livestock, fisheries and forestry remain invisible in GDP growth despite farmer effort.
Women in climate enterprise	Request for BOI to support women in renewable energy, agro-women and youth fisher-women to build climate-resilient enterprises and boost food security and sovereignty.
Youth access to green finance	How aquaculture and fisheries can be integrated into climate-resilient agricultural development plans. How young entrepreneurs can gain easier access to green financing. How young people can contribute to community climate action.
Grassroots finance and ownership	How financing architecture can de-risk grassroots climate enterprises in informal economies with limited collateral. How sustainability initiatives can become locally owned economic systems rather than donor-dependent projects.
Informal sector access	Tension raised between needing finance to scale and banks requiring collateral, particularly for builders and creative sector enterprises without traditional asset bases.
PROJECT BANKABILITY AND ESG	
ESG and bankability	Packaging projects is fundamentally about establishing an ESG premium with clearly defined climate

Theme	Summary of contribution
	elements mapped to targets. Most projects cannot access ESG funding because sustainability teams are not sufficiently conversant with the sustainability index of each project.
Carbon sequestration potential	Cashew has strong CO2 absorption capacity and carbon credit sequestration potential. A climate change mitigation pilot on 50 hectares in Kogi State has commenced in partnership with a Dutch partner.
SECTOR-SPECIFIC CONTRIBUTIONS	
Waste management	Waste management raised as absent from the discussion. Question on how climate resilience applies to the waste management sector.
Multi-zone climate strategy	Practical pathways and operational strategies requested for addressing flooding in the Niger Delta, desertification in the Sahel, urban heat in Lagos and threats to agriculture and biodiversity.

Table 43: Live Poll Results Summary

Poll	Question	Dominant response	Significance for programme design
Poll 1 Q1	What is the climate impact most visible in your sector operations today?	Production and operations (majority)	Confirms enterprise-level production disruption as the primary climate impact, validating the programme's enterprise-level adaptation investment focus.
Poll 1 Q2	Which group should be prioritized for climate resilience support?	All groups (dominant response)	Supports inclusive targeting across women, youth, MSMEs, rural enterprises and informal workers rather than a single group focus.
Poll 1 Q3	What is the biggest barrier to scaling climate-resilient investments?	High cost of capital (majority)	Directly validates the interest differential reserve mechanism as the programme's primary instrument. Insufficient technical capacity identified as the root cause, validating Component 3 as a co-equal pillar.
Poll 2 Q4	Which climate risks most affect women, youth, persons with disabilities and informal workers?	Production disruption, livelihoods and income, and health and wellbeing	Confirms that the programme's minimum 30 percent women target, youth outreach and community supply chain resilience pathway are appropriate and needed.

ANNEX 8: ENVIRONMENTAL AND SOCIAL RISK ANALYSIS

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This annex provides a preliminary risk rating and rationale for each of the 15 Environmental and Social Policy principles, prepared based on the programme's fixed eligibility criteria, geographic scope, exclusion list and E&S screening framework established in this proposal. Because Component 2 sub-loans constitute Unidentified Sub-Projects (USPs) under Decision 32.33/17, no principle is treated as closed or excluded from further assessment at this stage. All 15 principles remain subject to full screening, categorization, ESMP preparation (where applicable) and monitoring at the point each sub-project is identified and appraised. Preliminary ratings will be reviewed and updated during implementation where sub-project-level screening identifies risks higher than anticipated, with any such revision documented in the relevant Annual Programme Performance Report.

Table 44: E&S Risk Analysis

ESP principle	Nature of impact or risk	Significance	Mitigation measures
LEGAL, GOVERNANCE AND RIGHTS			
1. Compliance with the law	Enterprise investments may require regulatory permits, EIA clearances, building permits and NAFDAC registrations. Non-compliance could delay implementation or expose BOI to legal risk.	Low to moderate	Regulatory compliance confirmed as a disbursement condition for all relevant sub-projects. Required permits itemized by investment type in Annex 5. Component 3 TA guides enterprises through regulatory processes. Standards compliance toolkit covers permit timelines by state.
4. Human rights	Programme activities could inadvertently restrict access to resources, marginalize communities or create unequal benefit distribution if not actively managed.	Low	Enterprise eligibility criteria require demonstrated backward integration or supply chain community benefits. Grievance mechanism accessible to all affected parties. E&S screening includes human rights checklist for all sub-projects.
SOCIAL EQUITY AND INCLUSION			
2. Access and equity	Programme benefits could be captured disproportionately by larger or better-connected enterprises, leaving smaller enterprises and community members without equitable access to adaptation finance and related benefits.	Moderate	Minimum 30% allocation for women-owned and women-led enterprises. Priority access for enterprises in highly climate-vulnerable communities. Active outreach through women enterprise networks and community BDSPs.

ESP principle	Nature of impact or risk	Significance	Mitigation measures
			MEL system tracks benefit distribution by enterprise size, gender and geography.
3. Marginalized and vulnerable groups	Marginalized groups including women, youth, informal workers, persons with disabilities and minority ethnic communities may face structural barriers preventing them from accessing programme benefits.	Moderate	Gender Analysis and Gender Action Plan at Annex 3 identifies and addresses structural barriers for women. Youth enterprise networks included in Component 3 outreach. Grievance mechanism designed for accessibility including language and physical access. Inception-phase consultation with minority communities in target geographies committed.
5. Gender equality and women's empowerment	Without active intervention, women-owned enterprises may be systematically underrepresented in the lending portfolio given structural barriers documented in the Gender Analysis.	Moderate	Full Gender Analysis and Gender Action Plan at Annex 3 with 16 time-bound actions across all components. Minimum 30 percent allocation for women-owned enterprises codified in eligibility criteria. Dedicated TA stream for women-owned enterprises under Component 3. 100 percent of indicators reported with sex-disaggregated data.
6. Core labour rights	Construction and installation activities may create occupational health and safety risks for workers. Supply chain labour conditions in supported enterprises may not meet minimum standards.	Low	Core labour rights compliance is a mandatory loan eligibility criterion. Compliance with Nigeria's Labour Act and Employees Compensation Act verified at appraisal. ESMP includes OHS requirements for construction and installation phases. Annual monitoring of labour conditions in supported enterprises.
7. Indigenous peoples	The enterprise-level lending model is not designed to target indigenous lands, and community benefits are expected to flow indirectly through enterprise supply chains. However, specific sub-project enterprises and locations are not yet identified, so the	Low	Mandatory E&S screening at sub-project appraisal will confirm the location and community context of every sub-loan, including whether indigenous or minority communities are present. Traditional and indigenous knowledge systems are respected and integrated into TA delivery as documented in Section G. Rating will be revised to Moderate or higher where sub-project

ESP principle	Nature of impact or risk	Significance	Mitigation measures
	presence of indigenous or minority community members in each sub-project's area of influence cannot be ruled out at this stage.		screening identifies material proximity to indigenous lands.
RESETTLEMENT AND LAND			
8. Involuntary resettlement	Enterprise investments involving construction on land that is contested or occupied could risk displacing people or creating land-related conflicts.	Low	Exclusion list explicitly prohibits any sub-project requiring involuntary resettlement. All eligible investments must be sited on land already owned or legally occupied by the enterprise applicant with documented tenure confirmed at appraisal. E&S screening includes land tenure verification for all sub-projects involving land use.
14. Physical and cultural heritage	Eligible investments are expected to be sited on land already owned and operationally used by the enterprise applicant, which reduces the likelihood of heritage-site impacts. However, specific sub-project sites are not yet identified, so proximity to recognized physical or cultural heritage sites cannot be confirmed at this stage.	Low	Every sub-project is subject to a mandatory heritage-site check under the E&S screening checklist at appraisal. Proximity to recognized heritage sites is a hard exclusion. Rating will be revised where sub-project screening identifies proximity to a heritage site not anticipated at this stage.
15. Lands and soil conservation	Construction and agricultural intensification associated with supported enterprises could cause soil compaction, erosion or land degradation if not managed.	Low	ESMP requires soil conservation measures for all sub-projects involving land disturbance. Component 3 TA includes guidance on soil conservation practices for northern zone agricultural enterprises. Nature-based solutions encouraged where technically appropriate.
NATURAL ENVIRONMENT AND RESOURCES			
9. Protection of natural habitats	Solar irrigation and water harvesting systems could be sited near ecologically sensitive areas or	Low to moderate	Climate-risk screening explicitly assesses proximity to protected areas and sensitive ecosystems. Investments in or adjacent to protected areas or

ESP principle	Nature of impact or risk	Significance	Mitigation measures
	wetlands, potentially affecting habitat integrity.		designated wetlands are ineligible. NESREA National Environmental (Wetlands) Regulations compliance required for water-related investments.
10. Conservation of biological diversity	Agricultural intensification and infrastructure development could fragment habitats or reduce biodiversity if investments expand into undisturbed areas.	Low	Eligible investments must be within or immediately adjacent to existing enterprise operational footprints. Greenfield expansion into undisturbed natural land is excluded. E&S screening includes biodiversity assessment for all relevant sub-projects.
11. Climate change	Supported investments must be resilient to future climate projections, not just current hazard conditions, to avoid locking in maladaptive infrastructure.	Moderate	Climate-risk assessment for all sub-projects evaluates long-term resilience under future climate projections not only current hazard conditions. Maladaptation risk table in Section B identifies and mitigates specific lock-in risks. Investment designs reviewed against IPCC AR6 and CORDEX-Africa projections for both programme zones.
12. Pollution prevention and resource efficiency	Construction activities, cold chain refrigerants, diesel replacement and agricultural inputs could create pollution risks if not managed.	Low	NESREA compliance required for all activities generating emissions, waste or effluent. Refrigerant handling in compliance with NESREA regulations and Montreal Protocol obligations. ESMP includes pollution prevention measures for construction and operational phases. Organic and bio-based inputs preferred over chemical alternatives in agricultural investments.
13. Public health	Water systems, cold chain installations and construction activities could create public health risks if water quality, food safety or OHS standards are not maintained.	Low	NAFDAC compliance required for all food and pharmaceutical storage and distribution investments. NESREA water quality standards compliance required for all water system investments. ESMP includes public health monitoring requirements for construction and operational phases. Health supply chain investments maintain continuity of

ESP principle	Nature of impact or risk	Significance	Mitigation measures
			health services during climate events, generating net positive public health outcomes.

Summary:

All 15 of the AF ESP's principles are triggered for further assessment and management under this programme. None are excluded from monitoring. The ratings above are preliminary, calibrated to the programme's fixed eligibility criteria and exclusion list. Final categorization and risk rating for each principle will be confirmed at the point of sub-project identification and screening, consistent with the USP management framework described in Part II Section A.

ANNEX 9 – COMPONENT SPECIFIC ECONOMIC, ENVIRONMENTAL AND SOCIAL BENEFITS OF C-CAFÉ

Table 45: C-CAFÉ Nigeria Economic, Environmental and Social Benefits Table

COMPONENT	BENEFIT TYPE	SPECIFIC BENEFIT	BASELINE	PROJECTED ENDLINE STATUS
1	Economic	Institutional capacity to deploy affordable, long-tenor adaptation finance	No interest differential reserve mechanism exists. BOI cannot sustainably originate naira-denominated adaptation loans at its development finance rates without absorbing a net loss on its cost of funds, due to the cost-recovery gap.	Interest differential reserve mechanism is fully operational, closing the cost-recovery gap and enabling BOI to deploy \$43,610,148 in domestic capital for adaptation lending at a sustainable rate.
1	Economic	Institutional capacity for climate-risk screening	BOI already integrates environmental and social factors into lending decisions through its established ESG due diligence framework and Nigerian Sustainable Banking Principles compliance, applied at portfolio and general project level. However, no adaptation-specific screening or additionality assessment methodology exists to verify, at the individual loan level, that a specific investment materially reduces an enterprise's exposure to identified climate hazards.	A dedicated climate-risk screening and adaptation additionality assessment methodology is embedded in BOI's lending workflows. This is applied to 100% of loan applications, scaling and deepening BOI's existing ESG due diligence capacity to the specific domain of climate adaptation finance.
2	Economic	Reduced climate-related downtime and asset damage for enterprises	Enterprises in agriculture, food processing, water services, storage, cooling and logistics remain exposed to flooding, drought and heat stress with no affordable finance to invest in resilience. Commercial lending rates of 25–45% render adaptation investment financially irrational.	Effective borrowing costs reduced by at least 800 basis points below prevailing commercial rates. At least 45 enterprises access affordable, long-tenor adaptation finance and invest in climate-resilient infrastructure.
2	Economic	Reduced post-harvest losses	Nigeria's documented post-harvest loss rate exceeds 40% of fresh produce, driven by inadequate climate resilience in existing storage, cold-chain and water management infrastructure. Existing assets are therefore vulnerable to flooding, heat stress and power disruption.	At least 9,000 climate-resilient assets installed and operational nationwide, including cold-chain, cooling and flood-resilient storage, directly reducing post-harvest losses across supported supply chains.
2	Economic	Protected employment and income	Climate shocks disrupt enterprise operations, threatening jobs and incomes for workers in climate-sensitive value chains.	Employment protected for an estimated 15,000 to 20,000 direct and indirect workers working in supported enterprises across both programme zones.

COMPONENT	BENEFIT TYPE	SPECIFIC BENEFIT	BASELINE	PROJECTED ENDLINE STATUS
2	Economic	Stabilized smallholder incomes and secured raw material feedstock	Smallholder farmers linked to agro-industrial supply chains face unstable market access and income loss during drought, heat stress and rainfall variability events, as existing aggregation, storage and irrigation infrastructure lacks climate resilience and is vulnerable to disruption during climate shocks.	An estimated 50,000 to 75,000 smallholder farmers in outgrower networks benefit from guaranteed produce off-take, reduced post-harvest losses and improved market access through enterprise backward integration.
2	Social	Continuity of food, water, cold chain and health supply chains for communities	The 2024 flooding season alone displaced 641,598 people and affected 98,242 homes nationally. These people depend on enterprise-led food, water, cold chain and health supply chains that face escalating disruption during climate events..	380,000 to 570,000 people experience improved food security, water access and continuity of health-related supply chains, with enterprise climate resilience translating directly into service continuity during climate events.
2	Social	Continuity of services for urban informal settlement dwellers	Approximately 49% of Nigeria's urban population lives in informal housing with limited basic services, concentrated in flood-exposed cities including Lagos, Port Harcourt and Warri. These citizens face compounded exposure to flooding, waterlogging and disrupted cold-chain and health supply chains.	An estimated 15,000 to 23,000 urban informal settlement dwellers benefit indirectly from improved service continuity in food, water, cold-chain and health access during flooding events.
2	Social	Women's access to adaptation finance	Women receive less than 10% of agricultural loans globally, with Nigeria showing a similarly skewed access pattern. The EFinA 2023 survey documents a 9% gender gap in financial inclusion, widening from 8% in 2020, with approximately 21 million adult women excluded or underserved.	At least 30% of interest differential reserve-supported loans (at least 14 of 45) directed to women-owned or women-led enterprises, with gender-disaggregated reporting across 100% of programme indicators.
2	Environmental	Water resource protection	Over-extraction of surface and groundwater resources in drought-stressed northern communities, with competition for scarce water between enterprises, smallholder farmers and households. Petrol and diesel-powered pumping, used by some, contributes to local air pollution.	Water-efficiency, harvesting and storage systems reduce over-extraction and competition for scarce water. Solar-powered irrigation systems replace petrol and diesel-powered pumping, reducing associated air pollution and grid pressure.
2	Environmental	Reduced food and waste embedded resource loss	Post-harvest losses exceeding 40% represent a significant loss of the land, water and energy resources already invested in agricultural	Climate-resilient storage and cold-chain infrastructure reduces food waste and post-harvest losses, preserving

COMPONENT	BENEFIT TYPE	SPECIFIC BENEFIT	BASELINE	PROJECTED ENDLINE STATUS
			production.	embedded agricultural inputs and reducing the food system's environmental footprint.
3	Social	Enterprise and adaptation service provider capacity to identify and manage climate risk	Enterprises cannot design effective adaptation investments without understanding their specific climate exposure. BDSPs have general technical and sector expertise but lack climate-specific adaptation screening skills and tools. In addition, they have not previously been required to demonstrate climate-adaptation competence as a service qualification.	At least 200 enterprises and ecosystem partners receive sector-specific technical assistance. 100% of loan beneficiaries apply climate-risk screening tools in investment design.
3	Social	Women's access to technical assistance and creditworthiness support	Women-owned enterprises face structural barriers including limited financial literacy, restricted land tenure, mobility constraints and exclusion from formal outgrower schemes, limiting their ability to access adaptation finance and technical support.	At least 40% of TA recipients (at least 80 of 200) are women-owned or women-led enterprises, with dedicated TA streams addressing creditworthiness building, financial literacy and adaptation investment design.
4	Economic	Replicability of the enterprise adaptation finance model without further AF grant support	No documented institutional model for enterprise-level adaptation finance exists in Nigeria for replication by other financial institutions. No Nigeria-specific evidence base on enterprise adaptation loan performance is available.	At least 4 knowledge products developed and disseminated, including the interest differential reserve mechanism design; at least 2 Nigerian financial institutions confirmed adopting programme tools by end of programme.
4	Social	National adaptation planning and policy dialogue strengthened	Nigeria's validated National Adaptation Plan is entering its implementation phase, with the National Council on Climate Change leading efforts to mobilize financing and monitor adaptation actions. Enterprise-level adaptation finance data has not yet been generated at the scale needed to contribute evidence to this monitoring framework.	At least 8 national and sub-national peer-learning events and policy dialogues conducted with the Nigeria Climate Change Council and relevant MDAs, embedding programme learning into national adaptation planning.

ANNEX 10: CLIMATE HAZARDS AND VULNERABILITY ASSESSMENT

Table 46: National Climate Hazard Context

Indicator	Value	Source
Temperature projection by 2100 (high-emissions scenario)	2.9°C to 5.7°C above baseline	World Bank Climate Change Knowledge Portal
Average climate disasters per year (past 45 years)	~1.6	EM-DAT disaster records, national disaster management reporting
Share of recorded disaster events that are floods	77%	EM-DAT disaster records, national disaster management reporting
Nigeria's WorldRiskIndex standing (2025)	Reflects persistent vulnerability to climate and disaster risk	WorldRiskIndex
GDP loss to climate extremes (African countries average)	2–5% annually, up to 9% of national budgets diverted to response	Regional climate finance analysis
2024 flood displacement	641,598 people	Humanitarian flood situation reporting (government/partner assessments)
2024 flood deaths / injuries	285 deaths; 2,504 injuries	Humanitarian flood situation reporting
2024 homes affected	98,242	Humanitarian flood situation reporting
2022 farmland damaged by floods	650,000+ hectares	National flood impact assessment
Post-harvest losses (fresh produce)	Exceeds 40%	Nigeria agricultural sector data

Table 47: Zone-Specific Hazard and Vulnerability Profile

Zone	Primary Hazards	Hazard Characteristics	Exposed Population and Enterprise Types	Vulnerability Factors	Programme Response (Investment Type)
Northern Zone (Kano, Kaduna, Katsina, Borno, Adamawa, Yobe)	Prolonged drought, desertification, extreme heat, erratic/rain-fed rainfall variability	Predominantly rain-fed, smallholder farmer-based agriculture highly sensitive to seasonal precipitation shifts. Water scarcity and recurrent droughts constrain crop production and livestock	Agricultural aggregators and outgrower networks, agro-processors dependent on rain-fed feedstock, water service enterprises supporting irrigated production,	Poverty rates consistently exceed national average. High agricultural dependence. Overlap of climate stress with resource-related conflict dynamics in northeastern states.	Solar-powered water-efficient irrigation, rainwater harvesting and water-efficiency systems, climate-resilient aggregation and storage facilities with passive cooling

Zone	Primary Hazards	Hazard Characteristics	Exposed Population and Enterprise Types	Vulnerability Factors	Programme Response (Investment Type)
		management. Overlapping climate and humanitarian crises in northeastern states compound food insecurity	smallholder outgrower farmers within enterprise supply chains, rural agricultural workers, women managing grain storage, dried food processing and water vending enterprises	Women's livelihood vulnerability index (0.618) is significantly higher than men (0.509) in research zones (Kwara, Nassarawa) Women's water-collection time burden increases by 2–6 hours daily during drought.	design
Southern Zone (Lagos, Rivers, Delta, Cross River, Anambra)	Recurrent flooding, coastal erosion, sea-level rise, extreme rainfall intensity	Urban centres (notably Lagos) face compounded risk from flooding of informal settlements, waterlogging of food distribution / storage infrastructure, and cold-chain logistics disruption. Niger Delta annual rainfall reaches ~4,000mm in some areas driving river flooding and waterborne disruption to enterprise operations	Cold chain, storage and logistics operators, Agro-processors and manufacturers. Health supply chain and pharmaceutical distribution enterprises. Urban informal settlement dwellers (approximately 49% of Nigeria's urban population lives in informal housing with limited basic services); communities in flood-exposed cities including Lagos, Port Harcourt and Warri.	Rapid urbanization and service deficits concentrated in high-risk, infrastructure-constrained settlements. Women-owned enterprises operating in low-lying, flood-exposed areas. Gender inequality and mobility constraints compound women's physical exposure to flood events. Intersecting pressures of climate change, environmental degradation and resource conflict in Niger Delta communities affecting women in artisanal fishing and food processing.	Flood-resilient and heat-resilient storage and supply chain facilities with elevated foundations and flood-proofed structures. Climate-resilient health infrastructure and cold-chain continuity systems.
Cross-Zone (both)	Compounding heat	Extreme heat	Enterprises across	Structural financing	Climate-risk

Zone	Primary Hazards	Hazard Characteristics	Exposed Population and Types	Vulnerability Factors	Programme Response (Investment Type)
zones)	stress, power/grid disruption during climate events, general climate-risk information gaps.	accelerates spoilage across supply chains and reduces labour productivity. Grid disruptions during flooding or heat events compromise cold-chain continuity nationally	food, water, cold-chain and health supply chains reliant on uninterrupted service delivery. People are dependent on enterprise-led food, water, cooling and logistics services across both zones	exclusion compounds physical exposure: MSME lending accounts for approximately 1% of total commercial bank credit. Commercial lending rates of 25–45% render climate-resilient investment financially unviable regardless of exposure severity	information and early warning systems. Climate-resilient cooling and cold-chain systems with backup power and flood-resistant siting

Table 48: Gender-Differentiated Vulnerability Summary

Vulnerability Dimension	Baseline Evidence	Zone Most Affected
Financial exclusion	Gender gap in financial inclusion widened from 8% (2020) to 9% (2023); ~21 million adult women excluded/underserved by formal financial systems; exclusion rates reach 38% in the North East and 47% in the North West.	Northern Zone (most severe)
Agricultural credit access	Women farmers receive less than 10% of agricultural loans globally. Nigeria shows a similarly skewed pattern	Both zones
Climate displacement	UN estimates cited by UNDP suggest 80% of people displaced by climate change globally are women	Both zones
Livelihood vulnerability index	Women's index score 0.618 vs. men's 0.509 (Kwara, Nassarawa research)	Northern zone
Time-poverty burden	Water collection time burden increases 2–6 hours daily during drought and water scarcity events	Northern zone
Flood exposure and mobility	Gender inequality and mobility constraints compound physical exposure to flood events in coastal Lagos communities	Southern zone

ANNEX 11: BUDGET FOR ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (ESMP)

This annex presents the budgeted costs of implementing the programme's ESMP, mapping each ESMP activity to the specific ESP principles and risks identified in Annex 8, as well as to the Section G budget line from which it is funded. Consistent with the programme's Category B classification and the Unidentified Sub-Project management framework described in Part II Section A, ESMP costs are structured to fund both the design of screening and monitoring tools. The costs will also fund the ongoing application at sub-loan appraisal and throughout implementation, as individual enterprises are identified and screened. These costs are drawn from existing budget lines already detailed in Part II Section G and do not represent financing additional to the total amount requested from the AF Grant.

ESMP implementation is coordinated with the Gender Action Plan (Annex 3). E&S, gender and occupational health and safety training (Row 3) is delivered through Component 3 capacity-building activities (C3.3.1), with gender-disaggregated participation data captured through a common monitoring system. Institutional ESMS maintenance (Row 7) includes oversight of both safeguards compliance and Gender Action Plan implementation, consistent with the Sustainability Division's integrated safeguards and gender oversight function.

Table 49: C-CAFÉ Nigeria ESMP Budget

ESMP Activity	Linked Activity	Linked ESP Principles/Risk (Annex 8)	Source of Funds	Cost (USD)
Climate-risk and E&S screening tool development, including external hydrogeological/hydrological specialist engagement for groundwater sustainability and downstream hydrological impact verification	C3.2.1	- Compliance with the law - Protection of natural habitats - Climate change - Pollution prevention and resource efficiency	Component 3 - Climate-risk screening tools and decision-support systems	150,000
Standardized ESMP framework preparation and site-specific application at sub-loan appraisal	C1.1.2	All 15 principles (mandatory screening/categorization gate)	Component 1 (carved out of the budget for the linked activity)	14,000
E&S, gender, occupational health and safety, training for BOI staff and BDSPs building the institutional capacity to apply the appraisal-stage screening gate established under Row 2 (C1.1.2) and delivered jointly with GAP capacity-building activities under Annex 3.	C3.3.1	Core labour rights; Involuntary resettlement; Human rights; Gender equality and women's empowerment	Component 3 (carved out of the budget for the linked activity)	50,000
Grievance and feedback mechanism: multi-channel system design and operation (SMS, WhatsApp, paper forms, community	Cross cutting across all activities	Access and equity; Marginalized and vulnerable groups;	Execution costs (this ESMP activity forms part of the activities funded under the	30,000

ESMP Activity	Linked Activity	Linked ESP Principles/Risk (Annex 8)	Source of Funds	Cost (USD)
reporting channel for non-literate users), incorporating the gender-sensitive provisions set out in the Gender Action Plan (Annex 3) and the special provisions for gender-sensitive and vulnerable-group grievances detailed in Annex 12.			execution cost)	
Design of MEL system components tracking safeguards compliance and gender-disaggregated E&S indicators. This activity is aligned with the gender monitoring framework and indicators set out in the Gender Action Plan (Annex 3).	C4.1.1	All triggered principles (monitoring system design)	Component 4 (carved out of the budget for the linked activity)	30,000
Quarterly safeguards compliance monitoring and ESMP status reporting in Annual Programme Performance Reports	Cross cutting across all activities	All triggered principles (ongoing monitoring)	Execution costs (ESS expert role)	30,000
Institutional ESMS maintenance, gender-responsive safeguards implementation, and E&S/gender reporting quality assurance at IE level including monitoring of Gender Action Plan (Annex 3) implementation status	Cross-cutting across all activities (IE oversight function)	All triggered principles (institutional oversight)	IE Management Fee (safeguards and gender oversight at IE level)	198,215
Site-specific ESMP application and USP-level Category B safeguards implementation, prepared for each sub-loan at appraisal once individual USPs are identified	C2.1.3	All 15 principles (site-specific application)	BOI operational activity. Funded through BOI's operations budget as defined in C2.1.1–C2.1.3	0
TOTAL ESMP Budget				502,215

The costs presented above reflect the programme's current estimate of ESMP implementation requirements based on the fixed eligibility criteria, exclusion list and preliminary risk ratings established in Annex 8. Because Component 2 sub-loans constitute Unidentified Sub-Projects at proposal stage, per-sub-loan ESMP costs (including site-specific ESMP preparation and technical verification) will be refined

and confirmed as individual enterprises are identified and screened during implementation, consistent with the Adaptation Fund's guidance permitting an Environmental and Social Management Framework at approval stage, to be completed no later than the inception of implementation. Any material adjustment to ESMP costs will be reflected in the relevant Annual Programme Performance Report and will not exceed the total amount of financing requested.

ANNEX 12: GRIEVANCE MECHANISM AND RELATED PROCEDURES

1. Purpose and Scope

The C-CAFÉ Nigeria Grievance and Feedback Mechanism (GM) provides beneficiaries, enterprise workers, community members and other stakeholders with accessible channels to raise concerns, complaints or feedback related to programme implementation. The mechanism covers environmental and social safeguards, gender-related issues, loan and interest differential reserve administration, technical assistance delivery, and the conduct of programme staff, contractors and partners. The GM will be operational prior to the first Component 2 disbursement and remain in place throughout programme implementation and closure.

2. Table 50: Guiding Principles

Principle	Description
Accessibility	Multiple grievance channels are available at no cost and without literacy or technology barriers. The GM operates in English, Hausa, Yoruba, Igbo and Nigerian Pidgin, reflecting the languages of the programme's northern and southern zones. Paper forms, SMS/WhatsApp content, telephone calls and community liaison support will be available in these languages on request.
Confidentiality	Information provided by complainants is treated confidentially and disclosed only with consent.
Non-retaliation	Complainants acting in good faith will not be subject to retaliation or adverse consequences.
Timeliness	Grievances are addressed within defined response and resolution timeframes.
Proportionality	Response measures are commensurate with the nature and severity of the grievance.
Anonymity	Anonymous complaints may be submitted and will be investigated to the extent possible.

3. Table 51: Access Channels

Channel	Description	Primary Users
BOI state offices (in-person)	Complaints and feedback may be submitted in person at BOI state offices across the programme areas.	All complainants, especially those without digital access
Dedicated programme email	Dedicated C-CAFÉ Nigeria email address monitored by the Sustainability Division.	Enterprises, BDSPs and stakeholders with email access
SMS and WhatsApp line	Dedicated phone number for text-based grievance submission.	Community members and enterprise workers with mobile access
Paper forms	Standardized grievance forms available at BOI offices and during outreach activities.	Community members without digital access
Community reporting channel	Verbal reporting through designated community liaisons, who record complaints on behalf of complainants.	Non-literate community members

4. Eligible Grievance Categories

Allegations concerning the conduct of BOI staff, including suspected fraud, corruption or misconduct, are addressed through BOI's Whistleblowing Policy and fall outside the scope of this programme-level GM. This GM's scope covers:

- Environmental and social risks or impacts arising from programme activities or supported sub-projects
- Gender-related concerns, including implementation of the Gender Action Plan (Annex 3), gender-based exclusion, discrimination, or harassment
- Loan or IDR administration, including eligibility, disbursement, and servicing disputes
- Technical assistance delivery, including BDSP performance and service quality
- The conduct of contracted enterprise development partners or other non-BOI-staff technical partners engaged under the programme
- Any other programme-related concern raised by an affected party.

5. Table 52: Grievance Handling Procedure

Step	Action	Responsibility	Timeline
1. Intake and Logging	Receive and register grievance, assigning a unique reference number.	Multilaterals Division (EE)	Within 2 business days
2. Acknowledgement	Acknowledge receipt and communicate next steps to the complainant.	Multilaterals Division (EE)	Within 5 business days
3. Assessment and Categorization	Review and classify grievance and assign responsibility for resolution.	Sustainability Division	Within 10 business days
4. Investigation and Resolution	All grievances are referred by the Sustainability Division to BOI's Investigations function for independent investigation. Sustainability Division implements the resolution for safeguards and gender-related grievances while Multilaterals Division implements the resolution for lending and operational grievances	BOI Investigations Functions, Sustainability Division (safeguards and gender related grievances) or Multilaterals Division, (Operational and lending- related grievances)	Within 30 calendar days (up to 60 days for complex cases)
5. Escalation	Escalate unresolved grievances or complaints to the IE and, where required, the Steering Committee. Escalated matters are resolved by the Steering Committee within 20 business days of escalation. Where a matter cannot be resolved within this period, the complainant is informed in writing of the reason and a revised expected resolution date.	Sustainability Division (IE) / Steering Committee	Escalation: within 10 business days. Resolution: within 20 business days of escalation.
6. Closure and Feedback	Communicate outcome to complainant, document actions taken and close the case.	Multilaterals Division (EE), with Sustainability Division sign-off	Within 5 business days of resolution

A grievance is classified as complex, warranting the extended 60-calendar-day resolution period under Step 4, where it involves:

- Alleged safeguards non-compliance requiring site investigation
- Multiple complainants or parties with conflicting accounts
- Allegations of fraud, misconduct or misuse of funds
- Matters requiring external technical or legal expertise.

The 60-calendar-day period is a maximum, not a target. The classification of a case as complex is determined by the Bank's Internal Control & Compliance Division supported by the Sustainability Division at the Assessment and Categorization stage (Step 3) and communicated to the complainant.

The grievance register will be maintained by the Multilaterals Division and reviewed periodically by the Sustainability Division as part of safeguards and gender oversight. Information on grievances received, resolved and outstanding will be reported through the programme's monitoring and reporting framework and included in Annual Programme Performance Reports. Grievance records are retained for the full programme implementation period and through final escrow closure (Part III.A), ensuring records tied to any individual loan remain available for the full duration that loan's interest differential reserve obligations remain active, and for any AF Secretariat inquiry.

6. Special Provisions for Gender-Sensitive and Vulnerable-Group Grievances

Recognizing social norms in some northern communities that may limit women's participation in financial decision-making (as identified in the Gender Analysis, Annex 3), women complainants may submit grievances through a female community liaison or the Sustainability Division's Safeguards and Gender Officer and may request confidentiality from household or community members. Community liaisons receiving verbal grievances (Section 3) are bound by the same confidentiality principle (Section 2) and receive guidance on handling sensitive disclosures. Where a complainant's confidentiality concerns extend to the liaison's own community relationships, the complainant may instead submit the complaint directly to the dedicated programme email or BOI's whistleblowing channels.

The GM also incorporates accessibility measures for persons with disabilities, including physical access at BOI offices and alternative communication formats, as well as language-sensitive approaches for minority and indigenous communities. Women's enterprise associations and networks will support awareness and outreach to ensure women entrepreneurs, workers, and community members can access the GM (Part III Section C).

7. Monitoring, Reporting and Escalation to the Adaptation Fund

The Multilaterals Division will maintain a grievance register capturing complaint category, status, resolution timelines, outcomes, and sex- and location-disaggregated data. The Sustainability Division will review the register quarterly as part of safeguards compliance monitoring (Part IIIC). GM performance will be reported through Annual Programme Performance Reports submitted to the AF Secretariat, while the Independent Verification Agent will review grievance records during tranche-milestone compliance assessments. Where a complainant remains dissatisfied after completion of the GM process, they may escalate the matter directly to the Adaptation Fund in accordance with its Environmental and Social Policy.

8. Budget

The multi-channel GM described in this annex is budgeted at **US\$30,000**, funded through programme execution costs (Table 31, "Grievance and feedback mechanism, and general programme communication") and reflected in the ESMP budget (Annex 11, Row 4). No additional programme cost is associated with this annex.

ANNEX 13: DISBURSEMENT SCHEDULE BY TRANCHES

Table 53: Disbursement Schedule by Tranches and Milestones

Tranche	Designation	Disbursement period	Milestone conditions for release	% of total grant	Amount (USD)
1	Legal effectiveness and programme readiness	December 2027 (upon signature of agreement)	1. Full execution of legal agreement between BOI and AF Secretariat. 2. All conditions precedent to first disbursement met including: Setup of BOI programme account, constitution of Steering Committee, Submission of BOI approved POM, PMU coordination, financial management, safeguards and gender, and procurement functions operational within the Multilaterals Division 3. Interest differential reserve escrow account established and operational under BOI management 4. Risk Management Division verification protocols for interest differential activities documented. 5. No outstanding AF compliance issues or accreditation conditions	15%	3,702,136
2	Year 1 implementation (one year after programme start)	March 2029	1. Inception workshop completed. Year 1 workplan approved by Steering Committee. 2. MEL framework finalized. Baseline data collection completed. 3. Climate-risk screening framework embedded in BOI's lending workflow documentation. 4. Component 3 TA delivery commenced with first cohort of enterprises receiving pre-application support. 5. Gender-disaggregated tracking operational across all MEL indicators. 6. First Annual Programme Performance Report and first annual independent financial audit report submitted.	40%	9,872,363
3	Year 3 start (end of two full years of implementation)	March 2030	1. Interest differential reserve mechanism fully operational, with climate-risk screening applied to 100% of loan applications received to date. 2. MEL system fully operational. 3. At least 15 enterprise adaptation loans disbursed. 4. At least 80 enterprises and ecosystem partners received Component 3 TA. 5. At least 1 knowledge product developed and disseminated. 6. BOI full domestic capital raising of \$43,610,148 naira-equivalent concluded. 7. Second Annual Programme Performance Report and second annual independent financial audit report submitted.	25%	6,170,227
4	Year 4 start (end of three full years of implementation)	March 2031	1. Mid-term review completed by September 2030 (30 months into implementation). Mid-term review report submitted to AF Secretariat. Learnings integrated into Year 4 and Year 5 workplans.	15%	3,702,136

Tranche	Designation	Disbursement period	Milestone conditions for release	% of total grant	Amount (USD)
	implementation)		2. Continued loan disbursement progress toward the 45-loan target, with gender allocation maintained at ≥30%. 3. Continued TA delivery toward the 200-enterprise target. 4. Third Annual Programme Performance Report and third annual independent financial audit report submitted.		
5	Year 5 programme completion (end of Year 5)	March 2033	1. All enterprise adaptation lending substantially disbursed with minimum 45 loans confirmed, minimum 30% to women-owned or women-led enterprises. 2. All Component 3 TA delivered to minimum 200 enterprises; minimum 40% women-owned or women-led confirmed. 3. All 4 knowledge products developed and disseminated; at least 2 Nigerian financial institutions confirmed adopting programme tools. 4. All 8 peer-learning events and policy dialogues completed. 5. MEL system reporting substantially complete. 6. Any undisbursed interest differential reserve escrow balance confirmed.	5%	1,234,045
TOTAL:					24,680,780

Notes on the disbursement schedule

Milestone verification. Milestone achievement is confirmed by BOI's Multilaterals Division (EE) and reviewed and approved by the Sustainability Division (IE) before being reported to the AF Secretariat through the standard tranche request documentation. For Tranches 3, 4 and 5, the IVA independently validates milestone achievement, with IVA findings reviewed and accepted by the Steering Committee, before the Sustainability Division submits the tranche release request to the AF Secretariat.

Escrow and interest differential reserve timing. AF grant resources for Component 2 are transferred to BOI through the same five-tranche schedule as all other components. Once received, the Component 2 portion is held in a dedicated escrow account administered by the Multilaterals Division, with drawdowns to individual enterprise loans processed separately and on a rolling basis, following verification by Risk Management Division, as loan interest repayments fall due.

Post-programme interest differential reserve obligations. Because enterprise loan tenors may extend to 5 years and some loans will be disbursed in later years of the programme, interest differential reserve obligations against those loans will extend beyond the programme completion date, potentially to 2038 or beyond for loans disbursed in the later years of the programme. The escrow account is structured to hold sufficient reserve resources to discharge all outstanding obligations on loans disbursed before programme close. No new AF disbursements will be required after programme completion to discharge these obligations. Governance, verification, reporting and closure arrangements for this post-completion period are detailed in Part III Section A, Post-Completion Escrow Governance, Verification, Reconciliation and Closure.

Post-completion reporting. The fourth Annual Programme Performance Report, the fifth (final) annual independent financial audit report, and the terminal evaluation are submitted after Tranche 5 and programme completion, within their respective AF-specified windows (final financial statement within 6 months of the end of BOI's relevant financial year, terminal evaluation within 9 months of programme completion). These are not conditions of any tranche disbursement.

Corrective action. Where milestone conditions are not met at the time of a tranche request, BOI will submit a corrective action plan to the AF Secretariat within 30 days. Tranche release will be withheld until the corrective action plan is approved by the AF Secretariat and the outstanding conditions are confirmed as met by the IVA.