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Nigeria Expanded Trade and Transport

NIGERIA EXPANDED TRADE AND TRANSPORT PROGRAM (NEXTTT)

ANNUAL REPORT

OCTOBER 2012 – SEPTEMBER 2013

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ACRONYMS & ABBREVIATIONS

ACA	African Cashew Alliance
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
ALTTFP	Abidjan-Lagos Trade and Transport Facilitation Project
APS	Annual Program Statement
Bds	Business Development Services
BLP	Nigerian Better Life Program
CBN	Central Bank of Nigeria
CMG	Corridor Management Group
COP	Chief of Party
CRFFN	Council for the Registration of Freight Forwarders of Nigeria
DFID	Department for International Development
DIV	Development Innovation Ventures
ECOWAS	Economic Community of West African States
EDC	Entrepreneurship Development Centre
EMMP	Environmental Mitigation and Monitoring Plan
FERMA	Federal Roads Maintenance Agency
FMT&I	Federal Ministry of Trade and Investment
FTF	Feed the Future Initiative
GCCA	Global Cold Chain Alliance
GDP	Gross Domestic Product
Gmp	Good Manufacturing Practices
GON	Government of Nigeria
ICT	Information and Communications Technology
LAKAJI	Lagos-Kano-Jibiya Corridor
Ltd	Limited
MAN	Manufacturers Association of Nigeria
MARKETS	Maximizing Agricultural Revenue in Key Enterprises in Targeted Sites Program
MOU	Memorandum Of Understanding
MSME	Micro, Small and Medium Enterprise
NAFDAC	National Agency for Food and Drug Administration and Control
NAQS	Nigerian Agricultural Quarantine Services

NCS	Nigeria Customs Service
NEEP	Nigeria Expanded Exports Program
NEPC	Nigerian Export Promotion Council
NFSMC	National Food Safety Management Committee
NEXTT	Nigeria Expanded Trade and Transport Program
PMP	performance management plan
PPP	public-private partnership
RAMP	Rural Access and Mobility Project
SME	Small and Medium Enterprise
SMS	Short Message Service
SON	Standards Organization of Nigeria
SPS	Sanitary-Phytosanitary
TFTF	Trade Facilitation Task Force
TPAC	Trade Policy Advisory Council
UEMOA	West African Economic and Monetary Union
UN	United Nations
US	United States
USAID	United States Agency for International Development
VC	Value Chain
WATH	West Africa Trade Hub
WTO	World Trade Organization

EXECUTIVE SUMMARY

In Year I of the USAID Nigeria Expanded Trade and Transport (NEXTT) Program (FY2013), the project completed key foundational activities aimed at building sustainable, market-driven platforms for implementing NEXTT's integrated approach to trade and transport competitiveness. These activities generated significant results, including the launch of new and effective institutions in Corridor Management, Trade Coordination, and Food Safety Standards, and the generation of investment deals and trade transactions for both the export and domestic markets.

Beginning with a series of assessments, NEXTT evaluated opportunities and constraints to improved corridor governance, investment facilitation, and improved trade policy coordination. These assessments helped the NEXTT team guide project implementation and the strategic deployment of NEXTT resources, and also engage and mobilize the private and public sector stakeholders that will make interventions maximally effective.

In support of NEXTT's LAKAJI Corridor Improvement work, the project completed a comprehensive Baseline Transport and Logistics Assessment, which quantified the time and cost to trade goods on the LAKAJI Corridor. Through the report's validation exercise, NEXTT mobilized 95 private and public sector stakeholders, including shippers, transporters, freight forwarders, representatives from Federal Road Management Agency (FERMA), the Nigerian Shippers Council (NSC), and the Nigeria Chapter of the Borderless Alliance, to discuss priorities for corridor management and generate momentum for the LAKAJI Corridor Management Group (CMG). As a result, NEXTT was able to meet Year I targets for increased CMG membership and generate interest in the private sector surrounding the important task of Corridor Management.

NEXTT also completed a major Agricultural Growth Corridor Assessment in Year I, which identified investment constraints and opportunities and built a pipeline of over 35 commercially viable agricultural investment projects. Using the Assessment Report as a platform for stakeholder engagement, NEXTT successfully launched the first ever Agricultural Corridor Initiative in West Africa. The Agricultural Growth Corridor Investment Summit, held in August 2013, brought together 230 Nigerian and international participants representing agribusiness firms, agro-allied industries, farmers, banks, investment funds, business development services providers, logistics services providers, and development partners. Following the Summit, NEXTT obtained commitments from over 70 multi-national firms, investors, Nigerian SMEs, development partners and public institutions to lead the Initiative through a newly created LAKAJI Corridor Advisory Council (LCAC). Though a delayed timeline caused NEXTT to fall short in terms of investment targets for Year I, NEXTT is confident that the deals NEXTT is facilitating in the LCAC pipeline will generate significant results in Year 2.

In Trade Policy and Trade Facilitation, NEXTT developed cooperative relationships with GON partners and donor institutions, positioning the project as a crucial and relevant source of technical assistance in the sphere of trade policy facilitation and institution building in Nigeria. NEXTT conducted several assessments to identify priorities for institutional reform, provided direct technical assistance to the Federal Ministry of Trade, Industry and Investment (FMITI), and made significant strides establishing mechanisms for stakeholder engagement in the prioritization, coordination and follow-up on constraints to trade and investment in Nigeria.

In the area of Food Safety Standards, the project brought together the Federal Ministry of Health, the Federal Ministry of Agriculture and Rural Development (MARD), the FMITI, the Federal Ministry of

Environment and the Federal Ministry of Science and Technology and led a workshop that operationalized the National Food Safety Management Committee (NSFMC) and led to the production of a new Draft National Food Safety Policy and Implementation Strategy for Nigeria. Through the Food Safety Summit, NEXTT was able to meet its Year 1 target for adoption of internationally accepted guidelines for standards setting (*Indicator 2.3.1.*) nine-times over.

In Year 1 NEXTT provided direct technical assistance to the Nigerian Customs Service (NCS), which helped resolve contentious issues in the Customs and Excise Management Act (CEMA) 2011. NEXTT facilitated the creation of inter-ministerial and legislative working groups to push forward the legislative ratification process of CEMA, which was ultimately passed by the Nigerian Senate in June 2013. Though two versions of the act still exist (the version passed in the Senate and the version passed in the house in June 2012), there is increased optimism that the GON is nearing agreement and passage of the Law.

Under the project's export development mandate, the NEXTT team provided direct support to 25 exporting firms and 9 Business Development Service (BDS) providers, while it concurrently conducted two major assessments to better understand the BDS sector and Nigeria's comparative advantage in key export value chains, and engaged key Government of Nigeria (GON) players in the export arena to strengthen the scope and quality of institutional support available to the export sector. As a result of these activities, NEXTT built a BDS provider database with 28 firms, facilitated \$810,945 in new exports from the apparel, shea, cashew, textiles, yam and sesame value chains, and supported \$1.4 M in new investment in the apparel and yam value chains.

Throughout Year 1, and across all three components of the project, NEXTT has successfully engaged a number of development partners active in trade facilitation to facilitate donor coordination and maximize results. Through partnerships with GIZ, UNIDO, USDA, and IFAD, NEXTT has been able to leverage additional donor and bilateral resources to achieve project objectives. NEXTT has also built strong relationships with GoN institutions and obtained commitments from a number of these, including the FMIT&I, the Federal Ministry of Agriculture and Rural Development (FMARD), and the Ministry of Information Communications Technology, to leverage several million dollars of funding for NEXTT's Corridor Improvement work.

With the strong foundation NEXTT has built in Year 1, the project is poised to achieve significant results in the areas of LAKAJI Corridor Improvement, Trade Policy and Trade Facilitation and Business Expansion and Export in Year 2.

BACKGROUND

The Nigeria Expanded Trade and Transport (NEXTT) Program was initiated in October 2012. NEXTT aims to support the Nigerian government's efforts to expand trade domestically, within the ECOWAS sub-region and beyond, and improve its efficiency so that trade, particularly in agricultural products, can provide inclusive economic growth and development of Nigeria. Using an integrated approach to trade and transport competitiveness, NEXTT builds upon Government of Nigeria (GoN) and prior USAID efforts, including the Maximizing Agriculture Revenue in Key Enterprise and Target Sites (MARKETS) Project, and the Nigeria Expanded Exports Program (NEEP), in order to stimulate investment in trade-related infrastructure and services, reform trade policies and procedures, and improve the position of Nigerian firms in global and regional markets.

Over the 4-year project lifespan, NEXTT is expected to leverage past and current efforts toward realizing the following outcomes:

- \$25 million in new investments in projects along the LAKAJI Corridor;
- A 30% reduction in transport costs along the LAKAJI corridor;
- Dynamic trade policy coordination mechanisms that integrate public and private sector priorities into a strategic framework for engagement with trading partners;
- Modernization of customs procedures and systems for meeting international standards for agricultural goods; and
- \$30 million in additional exports as a result of more strategic positioning of Nigerian exporters by export promotion institutions and industry groups.

These outcomes are expected to lead to further and lasting impacts in the form of reduced costs and higher quality of food available in the domestic market, as well as jobs and income generation opportunities for people linked to firms exporting goods abroad.

Realizing this vision involves strategic deployment of NEXTT resources and capacity, leveraging and building the capacity of existing platforms such as the LAKAJI Corridor Management Group (CMG), the Trade Policy Advisory Council (TPAC), the Trade Facilitation Task Force (TFTF), and the National Food Safety Management Committee (NFSMC). NEXTT is sponsoring new initiatives, including the growth of a business development services (BDS) provider network targeting firms in non-oil export industries, and the development of a LAKAJI Agricultural Growth Corridor Initiative that defines and coordinates priority investments in critical agricultural infrastructure, services and other related projects along the corridor.

The NEXTT project's role includes contributing technical assistance toward the development and impact of these initiatives through a combination of analyses (investment/export opportunities, corridor constraints) and direct support (training, expert consulting) to Nigerian partners. Throughout the life of the project, NEXTT will build the capacity of Nigerian partners to continue the sort of analysis, training and expert consulting provided by NEXTT experts.

PERFORMANCE INDICATORS

Indicator	Unit of Measure	Baseline	Q4	Year I (Oct 2012-Sept 2013)		
				Achieved	Target	Achieved
COMPONENT I: LAKAJI CORRIDOR IMPROVEMENT						
1.1.1 Reduction in the cost to trade goods across border as a result of US assistance	US Dollars	Import: \$4,737 Export: \$3,041	0%	0%	0%	100%
1.1.2 Reduction in the number of days required to trade goods across borders as a result of US assistance	Days	Import: 19.5 Export: 12.5	0%	0%	0%	100%
1.1.3 Reduction in the cost to move goods between Kano and Lagos as a result of US assistance	US Dollars	Lagos-Kano: \$1,548 Kano-Lagos: \$837	0%	0%	0%	100%
1.1.4 Reduction in the time required to move goods between Kano and Lagos as a result of US assistance	Days	Lagos-Kano: 4 Kano-Lagos: 4	0%	0%	0%	100%
1.1.5 Increase in membership of CMG	Members	7	86%	10%	86%	860%
1.2.1 Number of new agribusinesses established along LAKAJI Corridor as result of project support	Enterprises	0	2	3	2	67%
1.2.2 Value of new agricultural investments facilitated along the LAKAJI Corridor as a result of project support.	US Dollars	0	\$ 25,000	\$.75M	\$ 25,000	3%
1.2.3 Number of Development Innovation Venture proposals submitted	Proposals	0	1	1	1	100%
1.2.4 Value of investments mobilized by the Project Development Facility (PDF)	US Dollars	0	0	\$ 2 M	0	0%

* Results differ from results reported in previous quarters because NEXTT revised the methodology for calculation at the request of MEMS.

**These targets are not yet finalized. NEXTT is waiting for clarification on how targets were calculated.

Indicator	Unit of Measure	Baseline	Q4 Achieved	Year I (Oct 2012-Sept 2013) %		
				Target	Achieved	Achieved
COMPONENT 2: TRADE POLICY AND TRADE FACILATION SUPPORT						
2.1.1 Number of legal, regulatory, or institutional actions taken to improve implementation or compliance with international trade and investment agreements due to support from USG-assisted organization	Actions	0	0	1	2	200%
2.1.2 Number of participants in trade and investment trainings	Individuals	0	0	40	73*	183%
					W-24 M-49	
2.1.3. Person hours of training completed in trade and investment capacity building supported by USG assistance	Hours	0	180	3000**	2320*	77%
			W-70 M-110		W-790 M-1529	
2.1.4. Number of days of USG supported technical assistance in trade and investment capacity provided to counterparts or stakeholders.	Days	0	11	80**	141*	176%
2.2.1 Number of Customs harmonization procedures implemented in accordance with internationally accepted standards as a result of US assistance	Procedures	0	0	1	0	0%
2.3.1 Number of public and private sector standards-setting bodies that have adopted internationally accepted guidelines for standard setting as a result of USG assistance	Number of standards-setting bodies	0	0	1	9	900%

* Results differ from results reported in previous quarters because NEXTT revised the methodology for calculation at the request of MEMS.

** These targets are not yet finalized. NEXTT is waiting for clarification on how targets were calculated.

Indicator	Unit of Measure	Baseline	Q4	Year I (Oct 2012-Sept 2013)		
			Achieved	Target	Achieved	% Achieved
COMPONENT 3: EXPORT PROMOTION						
3.1.1 Number of firms receiving capacity building assistance to export	Firms	0	13	20	25	125%
3.1.2 Number of Trade and Investment capacity building diagnostics conducted	Diagnostics conducted	0	2	2	2	100%
3.1.3 Number of participants in USG supported trade and investment capacity building trainings	Individuals	0	18	40	63*	158%
			W-7 M-11		W-26 M-37	
3.2.1 Number of Capacity Building Service Providers receiving USG assistance	Service Providers	0	4	10	9	90%
			W-0 M-4		W-2 M-7	
3.2.2 Number of firms receiving USG assistance that obtain certification with international quality control, environmental and other process, voluntary standards or regulation	Firms	0	0	1	0	0%
3.3.1 Value of exports by NEXTT client firms facilitated as result of project assistance	US Dollars	0	\$644,700	\$ 1M	\$810,945	81%
3.3.2 Value of investments in NEXTT client firms facilitated as a result of project assistance	US Dollars	0	\$1,407,475	\$ 2 M	\$1,407,475	70%

* Results differ from results reported in previous quarters because NEXTT revised the methodology for calculation at the request of MEMS.

** These targets are not yet finalized. NEXTT is waiting for clarification on how targets were calculated

SUMMARY OF NEXTT ACTIVITIES

OCTOBER 2012 – SEPTEMBER 2013

The following chart lists activities undertaken by the NEXTT program in Year I. All tasks listed were completed in preparation for required activities and milestones.

COMPONENT I: LAKAJI CORRIDOR IMPROVEMENT

Activity	Date
Task 1 - Provide Technical capacity and support to the Lagos-Kano-Jibiya Transport Corridor management and development	
Concluded the LAKAJI Corridor Transport and Logistics Baseline Assessment to quantify the time and cost of trading goods and the logistical inefficiencies along the LAKAJI Corridor.	Feb – May 2013
Hosted a Validation Workshop to present the findings of the Transport and Logistics Assessment with over 95 public sector, private sector and development partners in attendance.	June 2013
Elevated the concept, name, national profile, identity and awareness of the LAKAJI Corridor to near-brand status.	Oct 2012 – Oct 2013
Mobilized other key partnerships in support of Corridor development: engaged 4 of the 8 key Corridor States, the FMITI, FMARD, FMCT and FMOT.	Feb – June 2013
Established Corridor States Working Groups (CSWG) in the eight corridor states that provided state info; and helped develop criteria for engaging the state governments.	Feb – May 2013
Established working relationships with development partners: GIZ, UNIDO, The World Bank, African Development Bank, DFID-GEMS, MARKETS II, IFAD, and Borderless Alliance.	Dec 2012 – Oct 2013
Task 2 - LAKAJI Agricultural Growth Corridor	
Completed the LAKAJI Agricultural Growth Corridor Assessment to map out the existing opportunities for improved infrastructure and services for agriculture.	Feb – April 2013
Developed an investment blueprint and proposed an institutional framework for facilitating investment.	April – June 2013
Produced the first comprehensive fact-file on agribusiness investments listing profiles of 33 potential investments on the LAKAJI Corridor.	June – Aug 2013
Joined by two corporate sponsors – Dansa Foods (Dangote Group) and Wilbahi Investments Limited – held the first ever LAKAJI Agricultural Growth Corridor Investment Summit and presented the LAKAJI Corridor investment profiles to over 250 participants.	Aug 2013
Established a platform for the private sector during the Investment Summit: the LAKAJI Corridor Advisory Council (LCAC), a key public/private sector dialogue mechanism for investment-friendly developments along the Corridor.	Sept 2013
Laid the groundwork for an inclusive ‘Big Tent’ approach to Corridor governance to include a wide range of private sector interests and CMG.	Oct 2013

COMPONENT 2: TRADE POLICY AND TRADE FACILITATION SUPPORT

Activity	Date
Task 1: Provide Technical Supports to the Federal Ministry of Industry, Trade and Investment	
Provided technical assistance to GoN on the draft Nigeria Trade Policy, 2012	April-May 2013
Provided technical assistance to GoN on Nigeria's Trade Strategy	May-June 2013
Provided assistance to the USTR on its mission regarding US-GoN bilateral trade	May 2013
Provided technical assistance and capacity building supports on trade and tariff analysis to FMITI.	July and Sept 2013
Provided input into preparation of Nigeria's offensive and defensive interests during the 9 th WTO Ministerial Conference in Bali, Indonesia.	Aug – Oct 2013
Finalized training modules for the Tariff Modelling training series.	Sept 2013
Provided technical assistance to GON on its AGOA implementation strategy and prepared an assessment report of best practices and interventions to implementation to boost textiles/apparel and leatherwear exports.	Sept 2013
Task 2: Support for Customs Modernization	
Supported the legislative process of CEMA 2011 and the drafting of an implementation procedure for when CEMA is signed into law.	June 2013
Undertook legal analysis of the development of an NCS plan for training needs on customs clearance procedures	June 2013
Conducted training needs assessments of NCS for improvement of customs procedures in risk management and classification and valuation.	July – Sept 2013
Evaluated NCS' customs valuation unit.	Aug 2013
Conducting a needs assessment of NCS the future "Training of Trainers" capacity building.	Sept 2013
Task 3: Provide Institutional Capacity Building on Standards Infrastructure for Food Agricultural Trade	
Initiated collaboration amongst the key ministries relevant to food safety	April 2013
Held workshop on national food policy and associated implementation plan	June 2013
Operationalized the National Food Safety Management Committee (NFSMC)	June 2013
Provided Technical Assistance to GON on to improve its standards and compliance capacity.	Aug and Sept 2013
Finalization of a Draft Food Safety Policy and Implementation Strategy	September 2013
Conducted Training Needs Assessment for International Standards	Sept – Oct 2013

COMPONENT 3: EXPANDED EXPORT SUPPORT

Activity	Date
Preparation for mapping and assessment of supply and demand for export BDS services, including engagement of BDS STTA Development Associates.	Dec 2012
Development of draft MOU with NEPC.	Dec 2012
Developed a value chain selection methodology for prioritization and targeted support.	March 2013
Developed a Memorandum of Understanding with NEPC outlining trade show support.	Mar 2013
Co-sponsored the Global Shea Alliance 2013 annual meeting, delivering technical assistance and training to dozens of shea entrepreneurs, business development providers and financial institutions on the subject of access to finance.	Mar 2013
Identified lead firms in the key value chains to determine technical assistance and BDS needs.	Dec 2012 – Oct 2013
Provided Technical Assistance (market linkage) to identified firms in support of business expansion & export development.	Dec 2012 – Oct 2013
Developed a preliminary access to finance (A2F) strategy to support exporters via performance based contracts, using the West Africa Trade Hub A2F methodology. Held initial meetings with potential financial facilitators, funds, and other international partners.	Jan – Mar2013
Developed institutional partnerships with GON Ministries, Departments & Agencies towards strengthening export development capacity.	Dec 2012 – Oct2013
Developed Institutional Partnerships with Donor Agencies/Programmes supporting Value Chain Development.	Dec 2012 – Oct 2013
Developed relationship with commodity alliance platforms (ACA, GSA, COLEACP) towards strengthening national associations and Value Chain development.	Dec 2012 – Oct2013
Completed preliminary VC assessment.	May 2013
Prepared an information note on prospect of utilizing export houses as a BDS vehicle to achieve expanded exports for USAID mission.	June 2013
Completed BDS Mapping Assessment.	Sept 2013
Completed target VC Mapping Assessment & Selection.	Aug 2013
Co-sponsored the African Cashew Alliance 2013 annual meeting, delivering technical assistance and training to Cashew entrepreneurs, business development providers and financial institutions on the subject of access to finance.	Sept 2013
Marketed USAID Development Innovation Ventures (DIV) funding opportunities to Nigerian entrepreneurs/researchers.	July – Oct 2013

COMPONENT I: LAGOS-KANO-JIBIYA (LAKAJI) CORRIDOR IMPROVEMENT

OVERVIEW

This year NEXTT successfully launched the first ever Agricultural Corridor Initiative in West Africa, garnering participation from over 70 multi-national firms, investors, Nigerian SMEs, development partners and public institutions. The project undertook two foundational assessments, built a pipeline of over 35 commercially viable agricultural investment opportunities, resulting in \$25,000 dollars of investment and 2 new agribusinesses within the Corridor initiative's first few months, held two major events with over 345 total participants, developed partnerships with the Ministry of Trade and Investment, the Ministry of Agriculture, and the Ministry of Information Communications Technology, and commitments from these institutions to leverage several million dollars of funding for NEXTT's Corridor Improvement work. Most fundamentally, this year NEXTT has laid a foundation for sustainable corridor management institutions capable of maximizing the potential of the LAKAJI Corridor as a conduit for agricultural development.

THE LAKAJI CORRIDOR

The LAKAJI corridor is Nigeria's busiest, facilitating the movement of 30 million tons of goods per year valued at more than US \$6 billion, and accounting for 36% of the country's total throughput. More than 90 million Nigerians live along the corridor, making it the most important transport route in the country from both a food security and export perspective. The corridor connects West Africa's largest agricultural market in Dawanau, Kano, with the region's largest consumer market in Lagos, and links key production and processing zones for strategic exports to the Lagos ports. Investment in agribusiness activity along the corridor continues to be constrained, however, by high transport and logistics costs and delays in moving agricultural products, which reduce the competitiveness of producers and processors. NEXTT found that exporting a 20' container from Jibiya via the LAKAJI Corridor costs \$3,041 and takes 12.5 days. It costs an astounding \$4,737 and takes 19.5 days to import a 20' container via the LAKAJI Corridor. Similarly, investment in transport and logistics services is severely constrained by administrative barriers to efficient operations and poorly maintained infrastructure. Improving the flow of goods on the corridor is would improve the competitiveness of exporters and have broader effects on the Nigerian economy: In their 2008 study of transport costs in Africa for the World Bank, Teravaninthorn and Raballand found that trade is highly sensitive to transport costs; a 10 percent drop in transport costs increases trade by 25 percent.

TRANSPORT CORRIDOR GOVERNANCE AND DEVELOPMENT

NEXTT's corridor development component aims to transform the LAKAJI Corridor transport route into economic zone. The corridor is conceived as not just a means of moving goods but also as a tool for stimulating economic and social development by ramping up industry and employment. This vision includes the transformation of the corridor from a congested single strand of roadway to a multi-strand combination of road, rail, air, power and ICT - a multimodal trade expressway with junctions for off-corridor states and other key agri-processing clusters.

The primary thrust behind NEXTT's strategy for LAKAJI Corridor Improvement, as laid out in the Year I work plan, is to build new and effective Corridor Institutions which will strengthen corridor governance and development planning. Through NEXTT's support of the LAKAJI CMG (Task 1) and the Agricultural Corridor Initiative (Task 2), NEXTT is facilitating policies and investments which will reduce logistics inefficiencies and increase production and processing activity. Key to both institutions is dynamic private sector participation and public sector support.

TASK 1: PROVIDE TECHNICAL CAPACITY AND SUPPORT TO THE LAKAJI TRANSPORT CORRIDOR MANAGEMENT GROUP (CMG)

INTRODUCTION

Central to NEXTT's strategy to improve the flow of goods along the Corridor and support regional Corridor governance is to ensure that the LAKAJI CMG, an independent, member-run organization created under a prior USAID project, is functioning optimally. NEXTT intends to transition the CMG into a sustainable Public-Private-Partnership (PPP) with a strong management framework and platform for dialogue to be able to identify, implement, monitor and evaluate Corridor improvement initiatives.

During the first year of the project, NEXTT undertook foundational activities to build the CMG's member-base and functionality, assess transport and logistics constraints and priorities for action, and mobilize support for corridor improvement efforts among the private sector, key Ministers, and Corridor State Governors.

RESULTS

Corridor Performance Monitoring:

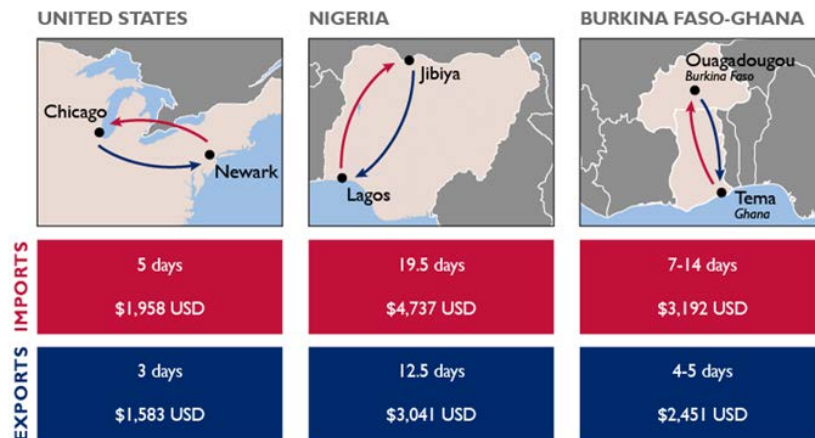
In Q2 and Q3 **NEXTT conducted a comprehensive baseline study on the time and cost to trade goods** along the LAKAJI Corridor. The assessment report provides an objective snapshot of the current situation in terms of cost and time of importing and exporting, and was used to motivate constructive public-private dialogue on corridor governance and investment priorities. Time and cost figures calculated for import, export, and transport between urban markets are baseline indicators against which NEXTT's success in reducing the cost to trade goods will be tracked over the LOP (*Indicators 1.1.1., 1.1.2, 1.1.3, 1.1.4*).

On-site data collection for this report was conducted by a core team of five researchers, who interviewed over one hundred people in the eight major Corridor states, including representatives of shipping companies, freight forwarders, transportation companies, truckers, train operators, dry port operators, rail operators, and numerous state and federal government representatives. Difficulty in obtaining data from public agencies (for ex. the Ministry of Transport, Nigerian Customs Service, Nigerian Ports Authority) necessitated additional follow-on research and phone interviews, which were conducted with dozens of firms and institutions through May.

At NEXTT's outset, it was intended that the baseline report would be published by the CMG, and that the result of the report could be used train the CMG secretariat in corridor data collection and analysis. However, the CMG did not have the personnel or training commitment to be able to lead such a complex analysis. In Year 2 NEXTT will provide CMG membership with training on the methodology of the transport and logistics study, with the goal that this group can eventually take on this task as its capacity grows.

Key Findings, Lagos-Kano-Jibiya (LAKAJI) Corridor Performance: Baseline Assessment Report on the Time and Cost to Trade Goods

Major inefficiencies, the bulk of which are experienced in the Lagos area, are driving up the time and cost of importing and exporting goods in Nigeria. Exporting a 20' container from Jibiya via the LAKAJI Corridor costs \$3,041 and takes 12.5 days. It costs an astounding \$4,737 and takes 19.5 days to import a 20' container via the LAKAJI Corridor. These statistics compare unfavorably to corridors of similar length elsewhere in West Africa and in North America (see graphic below).



Approximately 60% of the time required to import and export goods via the LAKAJI corridor is attributable to delays, while approximately 50% of the cost to import and 40% of the cost to export is attributable to inefficiencies or informal payments. For imports, a staggering 15 out of 19.5 days are attributable to delays in the port (most of which have to do with border clearance procedures), and the short transport segment from the port to Lagos warehouses, where goods are typically transferred to trucks destined for all points north. In terms of cost, transport from Lagos to Kano (\$1,548) and freight forwarding fees (\$885) incurred at the ports are the largest components. Export costs are lower, but similarly distributed, with transport from Kano to Lagos (\$837) and freight forwarding (\$587) also comprising the largest components.

“Extra costs”, or all informal charges and observed costs deemed unnecessary, unjustified, or too expensive, in comparison to international benchmarks, are substantial. On the import side, extra costs related to yard handling fees (which include demurrage and storage) are driven by lengthy border clearance times of customs and other government entities and yard handling procedures by terminal operators. Extra costs related to transport from the port to Lagos warehouses are driven by congestion, transportation policies, and limited reliance on containers for shipments once in-country. For the same reasons, the major driver of extra costs on the export side is also transport between Lagos warehouses and the ports.

Key recommendations to improve corridor performance include institutional and policy reforms such as implementing a Single Window, Customs Risk Management Reform, streamlining of trade procedures, and improved trucking safety standards; priority areas for private investment, such as container tracking systems, online freight exchanges, investment in loading parks, and development of truck GPS tracking systems; and priority issues for trade facilitation entities, such as bribe monitoring, data collection on transport and logistics performance, and advocacy platforms which can serve as a strong voice for the private sector on improved transparency and efficiency.

Mobilized Stakeholders

In Year I NEXTT initiated an intensive mobilization campaign with existing and potential new members of the CMG. Between November 2012 and September 2013, **NEXTT held 24 meetings with the original steering committee members of the CMG to understand the status of this entity, learn about the entity's priorities for the corridor, and develop a plan of action to support its development.** However, NEXTT found that the initial CMG lead, the Council of Registered Freight Forwarders, had been unable to lead the CMG to formalize the entity's registration or develop an agenda for corridor improvement. Given this situation, alternative "champions" to lead the CMG were sought. The Nigerian Shippers Council and FERMA were identified as potential champions within the existing membership. The Baseline Transport and Logistics Assessment was also used raise awareness about the potential role of the CMG among the 100 stakeholders interviewed.

NEXTT, in collaboration with the GIZ-SEDIN Program, held a Baseline Data Validation Workshop in June 2013, which satisfied several objectives: (1) validating the findings of the data collected during the Baseline Assessment; (2) identifying new, potential members of the CMG; (3) re-generating momentum around the CMG and (4) prioritizing the policy actions which can lead to significant reductions in the time and cost to trade goods along the LAKAJI Corridor. **With over 95 participants, 20% of which were women,** and widespread participation from members of the private and public sector, including shippers, transporters, freight forwarders, representatives from Federal Road Management Agency (FERMA), the Nigerian Shippers Council, and the Nigeria Chapter of the Borderless Alliance, the workshop generated discussion on the findings of the baseline assessment, the implications of the findings with regard to facilitating trade and investment, and best practices in corridor management.

Participants offered additional perspective on the root drivers of inefficiencies identified, corridor improvement priorities, and recommendations for future action, including the streamlining of trade policy processes and introduction of incentives and control mechanisms to induce greater transparency in freight forwarding.

The GIZ-SEDIN program, which co-sponsored the event, presented the TRIMS project, a crowd-sourced incident reporting system delivered through Global System of Mobile Services (GSM) to map, trace and aggregate trade route corruption incidents online. Given the high incidence of informal checkpoints on the LAKAJI Corridor (see Figure 1 below), improved road transport governance will result in savings to shippers, both in terms of reducing direct bribe payments and lowering the opportunity cost of delays. Since the workshop, NEXTT and GIZ-SEDIN have been meeting to determine how NEXTT can support a scale-up and deployment of this GSM system along the LAKAJI corridor.

Figure I: Regional Comparison: Checkpoints and Fees on the LAKAJI Corridor



The workshop used the baseline assessment results as a convening tool to discuss the CMG’s mandate with a wide swath of the transport and logistics industry. Also, representatives from the Nigerian Shippers Council and the Federal Road Maintenance Agency (FERMA), both original CMG members, delivered presentations on the roles of their respective institutions in trade facilitation, and communicated the importance of the CMG as an umbrella body which can encourage public-private cooperation to identify, discuss and resolve transport challenges. The majority of workshop attendees expressed their willingness to commit time and energy to the important task of improving corridor management. Several participants said that the CMG needed to further define its role, its proposition for value-addition, and complementarity to existing trade facilitation entities in Nigeria.

The Chairperson of the **Nigeria Chapter of the Borderless Alliance** presented the Borderless Alliance West Africa’s achievements using evidence-based advocacy to reduce non-tariff barriers to trade along investigated trade routes by up to 53 percent, reducing the collection of illicit fees by up to 70 percent in some jurisdictions and decreasing the length of delays at critical crossing points by up to 61 percent. The newly established Nigerian Chapter of the Alliance will extend this work to Nigeria, and will be an important partner of the CMG as it works to facilitate dialogue and initiate reform to reduce non-tariff barriers.

The workshop also generated significant media coverage, exposing trade inefficiencies and the role of corridor management institutions to a much broader audience (see attached press highlights).



Chinwe Uzu, President of Nigeria Chapter of the Borderless Alliance, spoke on the role of the Borderless Alliance in corridor management

After the workshop, NEXTT met with a diverse group of attendees, including dozens of freight forwarders, terminal operators and shippers, to determine their interest in joining the CMG, and selling them on participation in this entity. As a result, **NEXTT has increased CMG membership 86% during the first year of the project**, to include 6 new private sector members, thereby surpassing the Year 1 target of 10% increase in membership, (*Indicator 1.1.5: Increase in CMG members*).

When NEXTT was launched, all CMG members were public ministries or para-statal bodies. In order to transition the CMG into a genuine PPP, NEXTT prioritized new recruitment of private sector members. As of October 2013, membership is now 46% private, and includes an exporter, two traders, and several logistics specialists and business advisory service providers. Please refer to the table below for the new CMG members recruited in Year 1.

Table 1: CMG Membership

Original CMG Members	New CMG Members
The Council for the Regulation of Freight Forwarding in Nigeria	CVS Consultants
The Nigerian Shippers Council	John Tudy International
Federal Roads Maintenance Agency	New Dawn Africa
Federal Roads Safety Commission	Crownworth Consulting
National Association of Nigerian Traders	Davgl Group
Manufacturers Association of Nigeria	Inside Watch Africa
Federal Ministry of Transport	

Operationalization of CMG Governance Structure:

A prerequisite for operationalizing the CMG was the identification of leadership which could be supported to articulate a clear vision of corridor management and finalize operational issues, such as the CMG’s registration, and the setting up of an office. Despite new private sector members and renewed commitment among several of the existing CMG members, formal registration of the CMG was not achieved in Year 1. Without formal CMG registration, NEXTT was limited in its ability to begin formation of a Board of Directors, support the hiring of technical staff, or provide assistance in

establishing financial accounting and possibilities for CMG revenue collection. On the office issue, following the baseline data workshop, the Nigerian Shippers Council renewed their commitment for support of the CMG, going as far as to offer space in the Council's offices for the CMG to set up a headquarters office and support the steering committee to develop a strategic plan. Ultimately, this commitment was never realized, due to a series of bureaucratic bottlenecks and inability of the steering committee members to overcome these.

Nonetheless, NEXTT was able to re-generate momentum and dialogue among CMG members after a year of relative inaction by the CMG, coinciding with the end of the MARKETS project, and the start-up of the NEXTT project, specifically:

- NEXTT held 24 meetings with the CMG, including 10 meetings with the full steering committee and 14 meetings with individual members.
- NEXTT engaged the CMG prior to the baseline transport and logistics assessment to get input on data to be collected, during the assessment and validation workshop as presenters and attendees, and after the assessment, to brief the steering committee on the results of the workshop. NEXTT delivered CARANA's presentation on assessment results to CMG members who were not in attendance, and described participant feedback on the role of corridor management institutions in Nigeria.
- At regular meetings, NEXTT briefed the CMG steering committee on existing corridor management structures and relevant events. These included the CWC Logistics West Africa Conference in Lagos in November 2012, which introduced the Nigeria Borderless Alliance Chapter, and the launch of West African Trade Hub/Nigeria Shippers Council's Border Information Centre (BIC) at the Seme/Krake border in December 2012.
- NEXTT held meetings with individual Steering Committee members – CRFFN, NSC, FERMA, MAN and FMoT – to understand the depth of commitment of these members to the CMG.
- NEXTT approached the Shippers Council to set up an office for the CMG on their premises. Though it took several months for the Shippers Council to identify space, as of October 2013 they agreed to provide the CMG with a desk in the Nigerian Shippers Council office.
- NEXTT engaged the CMG to participate in both the LAKAJI Agricultural Growth Corridor Assessment and Investment Summit.
- After the CRFFN was not able to get forward movement on the CMG's registration, the NEXTT team liaised with the Corporate Affairs Commission and the Federal Ministry of Justice Registration to try to push through the bottlenecks preventing registration. Efforts to date have been unsuccessful to seal registration, so NEXTT will continue to exert pressure on this process in Year 2.
- NEXTT began assisting the CMG to develop a communications strategy.

Despite the challenges faced in Year 1, NEXTT remains committed to the vision of a CMG that can facilitate corridor improvements through its membership. At the same time, NEXTT must also weigh the effort and cost of pushing a structure and an agenda onto an institution and membership that has not demonstrated dynamic leadership to date. In the short term, NEXTT will continue to work with both the CMG membership and the emerging membership of the LAKAJI Agricultural Growth Corridor Initiative, to determine an appropriate structure and home for both entities, so that both corridor improvement and corridor investment facilitation is undertaken at an accelerated pace via a dynamic public-private partnership.

MOUs with State Governments

Obtaining clear commitments from State Governments to support corridor improvement efforts is important for both Task 1 and Task 2 objectives. In order to open a window of dialogue which could be used to outline state priorities for MOUs with NEXTT, the project created Corridor State Working Groups (CSWGs) with various public sector actors in eight Corridor states (Kaduna, Kano, Katsina, Kwara, Niger, Kwara, Ogun and Lagos). The CSWGs helped NEXTT access five Governors, three of which came physically to the LAKAJI Agricultural Growth Corridor Investment Summit (Niger, Kano, and Katsina) while one sent a high ranking official as a representative (Kwara). NEXTT has made important inroads to formalizing cooperation, including public commitments by the Katsina and Niger State Governors to work with project. In spite of these efforts, NEXTT was unable to finalize and sign MOUs with the key State Governors to guide their participation in corridor improvement in Year 1. NEXTT will renew efforts to engage with these actors in Year 2, with the expectation that these will be signed before the end of the first quarter of the calendar year.

Supported Borderless Alliance

NEXTT has supported the Nigerian Chapter of the Borderless Alliance with membership drives, through direct referrals and by providing forums to engage a broader audience. NEXTT's COP is an ex-officio member of the Borderless Alliances' Nigeria chapter, and NEXTT representatives participated in a number of Borderless Alliance meetings in Year 1. As the Corridor Assessment team traveled the length of the Corridor conducting interviews, they discussed the role of the Alliance with stakeholders in Kano, Abuja, Kwara, Oyo and Lagos. Borderless outreach was integrated into meetings with the CWGSGs throughout Year 1. NEXTT also used the Validation Workshop as an opportunity to mobilize support for the Alliance among key members of the private sector in Lagos. NEXTT asked the Nigerian Chapter President to articulate the Alliance's platform and successes in fact based advocacy not only to glean lessons learned that can be applied to the CMG, but also to give the Alliance a platform to speak in front of a wide body of potential new members.

Since June 2013 NEXTT has been supporting the Nigerian Chapter Borderless Alliance to prepare for the regional Borderless Alliance Annual Conference, to be held in February 2014 in Lagos, Nigeria. Through regular meetings with the Executive Committee of the Nigerian Chapter, NEXTT has supported borderless to develop a work plan for event preparation. NEXTT will be helping Borderless implement its communications plan, and conduct outreach over the coming months, including posting regular updates on the event on the NEXTT website.

ANALYSIS

Evidenced by the prohibitively high costs incurred by shippers identified in NEXTT's Baseline Assessment, transport and logistics inefficiencies are greater in Nigeria than almost anywhere else in the region. These inefficiencies increase supply chain costs directly, through high formal and informal prices, and indirectly, through opportunity costs and financial costs of delay. Higher supply chain costs in turn reduce the competitiveness of exporting firms and increase prices paid by domestic consumers.

The benefits of improved flow of goods along the LAKAJI Corridor are numerous: exporters will be better positioned to compete in world markets; efficiency savings by importing companies and traders will be passed onto consumers in the form of lower prices; and reduced cost of food products in the domestic market will have a positive impact on food security. In order to implement concrete solutions, the LAKAJI Corridor needs a strong management framework, with private membership that is a) directly affected by corridor inefficiencies and thus has a clear stake in making improvements b) has the

leverage to push for investment and policy reform, and committed public sector membership which can implement reform priorities.

In the first year of the project, NEXTT used the baseline assessment's snapshot of trade inefficiencies to identify priority areas for intervention, communicate and validate these with relevant stakeholders, and mobilize support for implementation. In Year 2 NEXTT intends to apply the successful experience of the USAID-funded West Africa Trade Hub in developing topical working groups on specific issues that were identified, such as high freight forwarding costs, trucking standards, and export process reform, which can engage relevant stakeholders to implement workable solutions. These working groups will be facilitated through the CMG and the LAKAJI Agricultural Growth Corridor Initiative Advisory Council.

One lesson coming out of NEXTT's baseline corridor performance assessment was the lack of current and valid data on corridor performance, the dearth of capacity to collect data, and the reticence of public institutions to provide what data is available. The Nigerian Ports Authority (NPA), for example, collects data on port performance which is supposed to be made public through annual reports. However, these have not been published since 2008 and it took the assessment team repeated follow-up and persuasion over several months to obtain even basic data on cargo throughput. This is a testament to the important role the CMG can play generating dialogue on the value of open data, and facilitating the collection, analysis and dissemination of information on corridor efficiency. To make this happen, NEXTT will re-double efforts to energize the CMG in Year 2. Once registered and driven by a dynamic member base, this sorely needed institution can fill an important void.

Perhaps the most important lesson coming out of the first year of the project is that there is a) a multitude of concrete policy, investment and institutional solutions which can effectively reduce the high time and cost of trading goods in Nigeria, and b) a real desire on behalf of the private sector for a platform upon which can engage the public sector on issues that constrain competitiveness. This affirms the potentially transformational role an effective, sustainable, Corridor Management Group can play in Nigeria. Though NEXTT was able to recruit a more diverse member base for the CMG, there is potential to engage far more stakeholders in this work. A host of LCAC members have conveyed interest in working to improve transport and logistics efficiency. These stakeholders will continue to be engaged by NEXTT throughout Year 2, as efforts are made to help the CMG articulate its platform.

NEXTT's original premise of ending Year 1 with a fully operational, dynamic CMG did not come to fruition, which has also delayed NEXTT's original vision to support its membership in performance monitoring (e.g. training the CMG to conduct time and cost studies to import and export), as well as to establish revenue schemes and administrative systems within the CMG. In light of the challenges the NEXTT team experienced in moving the CMG closer to being a fully functional institution, we believe we may need to consider the viability of engaging the CMG in the highly labor and time intensive effort to collect data for a Year 2 transport and logistics cost assessment, particularly when the CMG has not yet had a chance to address the corridor policy challenges identified within the original baseline assessment. Rather, NEXTT will consider (in conversations with USAID) the possibility of re-focusing the CMG's remaining energy towards addressing number of the policy reform efforts that can improve corridor performance quickly in Year 2, and then holding the second data collection effort, hopefully led by the CMG, in Year 3. Discussions on the Year 2 transport and logistics cost assessment will take place over the next quarter with USAID to determine the correct path forward for transport and logistics cost data collection.

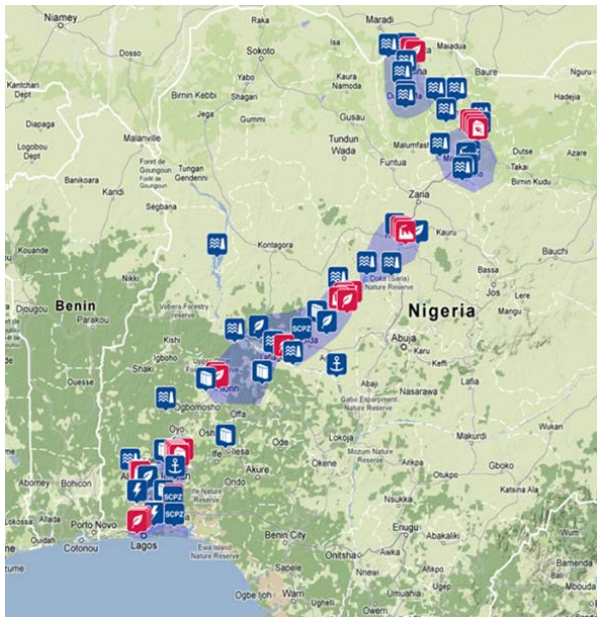
TASK 2: LAKAJI AGRICULTURAL GROWTH CORRIDOR

INTRODUCTION

The LAKAJI Agricultural Growth Corridor Initiative (AGCI) seeks investments in areas which will improve the Corridor's performance and allow Nigeria to better capitalize on the potential of its agricultural sector. Ramping up trade and processing activity along the Corridor will depend heavily on investment in logistics services, as well as hard and soft infrastructure that link the production and processing areas in the foods industries with each other through the main truck route. Those investments will also have broader development impacts, including food security for urban areas that rely on food grown and processed along the Corridor.

Through the leadership of the LAKAJI Agricultural Growth Corridor Advisory Council (LCAC) and Executive Committee, the initiative will focus primarily on investment promotion, with additional responsibilities added over time as the LCAC builds capacity. Specifically, we envision the LCAC to eventually provide leadership on all of the following activities:

- **Investment Promotion** – Supporting and facilitating (via a Catalytic Fund) new pipeline of agribusiness investments along the LAKAJI Corridor. Investment promotion assumes communication activities (i.e. developing a brand for the corridor and marketing it)
- **Public / private dialogue** – Facilitating constructive dialogue between the public and private spheres related to the corridor
- **Technical Support** – Having the capacity to research, highlight critical corridor issues and make recommendations
- **Advocacy** – Serving as a focal point for the private sector to voice its involvement in evidence-based advocacy
- **Policy** – Supporting the development of policies that are supportive of the corridor vision, achieving consistency and continuity in policy development



Map developed through the Agricultural Corridor

In the first year of the project, NEXTT officially launched the initiative, obtaining commitments and widespread support from private agribusiness actors, key ministries, including the Ministry of Trade and Investment, the Ministry of Agriculture, and the Ministry of Information Communications Technology, and the Governors of the 8 corridor states.

Year I activities focused on creating a comprehensive picture of investment needs on the corridor, mobilizing the support for the initiative, obtaining agreement on the roles of key partners, establishing a plan for implementation, and launching a pipeline of investments on the corridor.

NEXTT also directly facilitated the creation of 2 new agribusinesses on the corridor, and provided direct support to these to access investment capital.

RESULTS

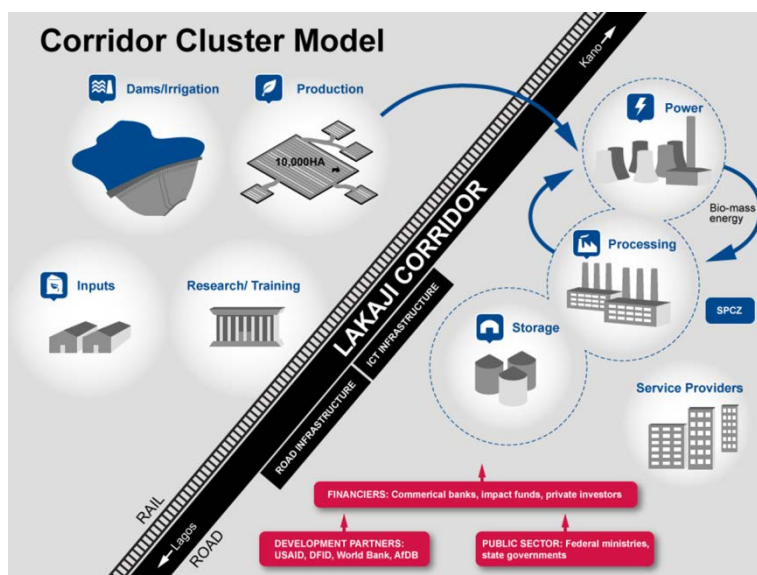
Conducted LAKAJI Agricultural Growth Corridor Assessment

To better understand constraints to agribusiness investment and identify priority needs and opportunities, NEXTT undertook a comprehensive assessment throughout the eight corridor states. The assessment was a major undertaking involving CARANA staff and consultants, and three of NEXTT's subcontractors (Integra, GCCA, and RBS), with research and follow-on work conducted across three continents. The bulk of the field work for this report was completed during the second quarter, in February and March of 2013, by the 13 team members who traveled the length of the Lagos – Kano – Jibiya Corridor. The team met with 179 representatives of agribusiness firms, prospective agribusiness investors, representatives from the Nigerian Federal and State governments, donor agencies, non-governmental associations, consulting firms, and banking and finance institutions.

The assessment results were outlined in the LAKAJI Agricultural Growth Corridor Assessment Report, which provides i) an analysis of agricultural logistics services and infrastructure inefficiencies and investment needs along the corridor, ii) an investment blue print, or set of profiles of high-priority investable opportunities and iii) recommendations for how to frame an “agricultural growth corridor initiative” to align the efforts of private investors, development partners, and government institutions active along the corridor.

The Corridor has many attractive features from an agricultural investment standpoint, including large tracts of arable land, a number of special economic zones designed to promote agribusiness (notably the Staple Crop Processing Zones (SCPZs), major irrigation schemes and several large grain storage facilities. Production and processing centers along the corridor also benefit from proximity to dense urban population centers that provide end markets for domestic goods, as well as the human resources for value addition.

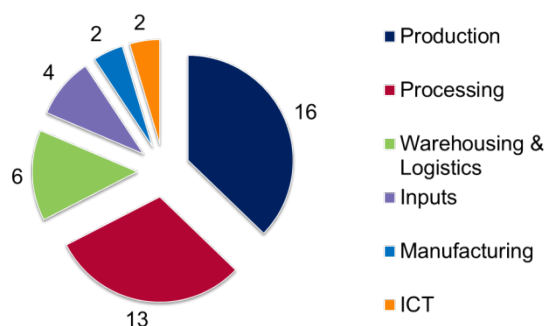
A number of logistics services gaps, infrastructure inefficiencies, and other unmet investment needs are limiting agricultural competitiveness. These include: a lack of warehousing/storage facilities, poor road conditions, unexploited rail and inland waterway systems, a shortage of agricultural financing, and limited access to inputs. To address these constraints, the assessment report advocates for a “cluster” investment model, with production and processing centers in geographic clusters, and strong infrastructure and service links tying together processors, nucleus farms and smallholder out-growers. Clustering allows for cost-effective service delivery to a geographically proximate and dense network of users of logistics services, irrigation infrastructure, bulking facilities, financial services and other amenities that are too costly to provide in a dispersed model.



The report’s investment blue print identifies an initial total of 33, commercially viable and relevant agribusiness investment opportunities throughout the 8 states visited, organized by state and by investment categories, including: Inputs, Production, Processing, Warehousing & Infrastructure, and Information and Communication Technologies (ICT). The profiles include opportunities in the follow value chains: cotton, vegetable oil, tomatoes, inputs (such as seeds and fertilizer), rice, maize, soybean, shea, honey, spices, cassava, cashew, cocoa, poultry, aquaculture, horticulture, and livestock. In particular, there are abundant untapped production and processing opportunities across several value chains with products destined for the domestic market (see Table 2 below).

Table 2: Opportunities Identify by Investment Type and Value Chain

Investment Type	Value Chains
Production	Cashew, Cassava, Cocoa, Fruits, Cotton, Fish, Honey, Maize, Rice, Sorghum, Soybean, Horticulture
Processing	Cashew, Cassava, Cocoa, Fruits, Cotton, Fish, Honey, Maize, Oils, Poultry, Rice, Shea, Soybean, Horticulture
Warehousing & Logistics	Cassava, Cotton, Dairy, Fish, Frozen foods, Fruits, Fruit Juices, Maize, Poultry, Prawns, Rice, Sesame, Sorghum, Soybean, Horticulture
Inputs	Fertilizer, Infrastructure, Poultry Feed (Maize, Soy and other Grains), Seeds, Transportation
Manufacturing	Farm Infrastructure (Tractors), Infrastructure (mineral and agro-allied equipment), Transportation (trucks)
ICT	Infrastructure



Exemplary opportunities which were identified as having high potential include:

- Tomato Production in Kano: A nucleus commercial farm with an outgrower network and facilities for aggregation, sorting and packaging. Dansa Foods is constructing a modern tomato paste factory and series of greenhouses in Kano that could supply up to one third of Nigeria’s domestic market for processed tomato products. The facility will process 1,200 MT of raw tomatoes daily, making it a stable market for investment in commercial production. Dansa is considering arrangements where it would supply seedlings to contract farmers of tomatoes with offtake agreements.
- Rice production in Niger State: An integrated nucleus rice farm supported by a network of outgrowers and rice husk power generation facility, co-located with the GON’s SCPZ site in Niger state. The GON is planning to pilot a rice project bringing 20,000 HA under production, with Central Bank of Nigeria and NIRSAL support for financing, including subsidies for fertilizer and improved seed varieties.

Developed Institutional Arrangement and Partnerships:

The 2013 **LAKAJI Agricultural Growth Corridor Investment Summit**, held August 28-29, in partnership with two corporate sponsors – Wilbahi Investments Limited and Dansa Foods (Dangote Group) - brought together **230 Nigerian and international participants** representing agribusiness firms, agro-allied industries, farmers, banks, investment funds, business development services providers, logistics services providers, and development partners. High profile government officials in attendance included the Minister of Trade and Investment, the Governors of Kano, Niger, and Katsina State, and the US Charge D’Affaires. The Summit featured in-depth discussion of the potential of the Lagos-Kano-Jibiya Corridor to serve as a magnet for investment in Nigeria’s agricultural sector.



“One of the problems we have identified which the LAKAJI project will help in addressing is post-harvest wastages. Production is not the issue, the issue is making sure what is produced first of all doesn’t get wasted “that is when” it is properly and efficiently moved to the consumers” –Olusegun Aganga, Minister of Trade and Investment

The lack of a clear vision of corridor development and a range of enabling environment constraints have stifled both private and public investment. Summit speakers articulated that vision during the morning plenary sessions and the participants loudly endorsed it. Afternoon breakout and closing sessions promoted increased collaboration between project developers, banks, investors, government actors and donors along the corridor: that collaboration must be at the center of investment attraction efforts.

Private investors and project promoters expressed interest in the numerous high-potential opportunities identified by the assessment team, and many other investment opportunities emerged during the Summit’s breakout sessions. High ROI opportunities are being left on the table by project promoters and investors. These include opportunities for outsourced services such as warehousing and logistics, seedling production, raw material aggregation, out-growers aggregation and contract farming to name a few.



Gov Kwankwaso (Kano), Trade Minister Aganga and US Ambassador (Rtd) Brennan at the LAKAJI Agricultural Corridor Investment Summit

The initiative received resounding support from government officials in attendance. **The Minister of Trade and Investment, Olusegun Aganga**, urged investors to invest in the LAKAJI corridor, given that it cuts across 10 states of the federation. The Minister observed that the Summit would bring about growth in agriculture partnership and also fast track development in the sector. **Gov. Rabiu Kwankwaso of Kano State** commended USAID for establishing the LAKAJI investment corridor, emphasizing that the agricultural potential of the state was grossly under-utilized and would benefit from investment. In his remarks, **Gov. Babangida Aliyu of Niger** explained that the summit was instructive to the state’s renewed determination to strengthen its economic base. The summit also received widespread coverage in the Nigerian press (see attached press highlights).

Immediately following the Summit, NEXTT began working with a group of **77 stakeholders (64 private and 13 public)** which volunteered to lead the Agricultural Growth Corridor Initiative

Advisory Council (LCAC) (see Table 3 below). NEXTT is convening a core group of interested parties to plan the first LCAC general meeting, scheduled for November 2013. NEXTT will be facilitating and encouraging the highly committed LCAC to provide leadership in setting the agenda, planning the event, and ultimately defining the roles of key partners and a roadmap for implementation.

Table 3: Current Members of the LCAC

LAKAJI AGRICULTURAL CORRIDOR ADVISORY COUNCIL (LCAC)			
PUBLIC SECTOR/DEVELOPMENT PARTNERS			
1	Kano State Government	6	Bureau of Public Enterprises
2	Katsina State Government	7	FMoT
3	Niger State Government	8	World Bank Nigeria
4	NEPC	9	Kwara State Government
5	NIPC	10	University of Ilorin
11	Cargo Defence Fund		
12	Nigerian Shipper's Council		
13	Lagos State MAC		
PRIVATE SECTOR PARTNERS			
14	NASPAN, Abuja	36	NACCIMA, Lagos
15	AWEP, Abuja	37	Lagos Business School
16	FACAN, Abuja	38	Inside Watch Africa
17	IBB University, Lapai, Niger	39	ICLED, Lagos
18	Borderless Alliance, Abuja	40	CPSPD, Lagos
19	AVM Consults Limited, Abuja	41	AcresAfrica, Lagos
20	Nagsul Nig Ltd, Abuja	42	Los Angeles Schools
21	Ebisu Investment, Abuja	43	Legacy Investments
22	Agro Systems, Abuja	44	Accenture, Lagos
23	MicroEnterprise Consultants	45	Trans-Capital Inc. Ltd
24	Strange Industries, Abuja	46	Syngenta Nigeria Limited
25	Wilbahi Investments, Abuja	47	Notore
26	DAGVL Group, Abuja	48	FMNPLC, Lagos
27	Ark Global Essentials Ltd	49	Dangote Group, Lagos
28	Flex Finity Media, Abuja	50	Multi-Trex Int. Foods Plc,
29	Agricnat Consultant, Abuja	51	Jon Tudy International Bus
30	Popular Radio, Abuja	52	Lisabi Foods, Lagos
31	Songhai Kastina	53	Chi Limited, Lagos
32	Dantata Foods, Kano	54	Seven-Up Bottling Compar
33	Sir Ahmadu Bello Foundation, K	55	Burley Consulting, Lagos
34	Gritas Limited, Kaduna	56	BlueBird Capital, Lagos
35	TERAGRO, Benue	57	Ernest & Young, Lagos
58	AVS Business Advisory Services		
59	OneStreet Consulting		
60	Crownworth Consulting		
61	Caterina de Medici Africa		
62	Sifax Group		
63	ENL Consortium		
64	AP Moller-Maersk		
65	NRC		
66	MultiMix Logistics		
67	FAO Road Engineers		
68	Techno-Quip Ltd		
69	Dizengoff		
70	Ecobank Nigeria Limited		
71	UBA		
72	First Bank		
73	British American Tobacco		
74	Connect Rail Services Limited		
75	Bazee Nigeria Limited		
76	EBID, Togo		
77	Blumberg Capital Partners, US		

CONNECTIVITY

NEXTT has developed a strategic partnership with the **Federal Ministry of Communications Technology (FMCT)**, and has supported this Ministry in defining the scope of their agriculture entrepreneurship initiative, and in supporting this Ministry to leverage federal government resources to benefit the LAKAJI Corridor. The FMCT has agreed to partner with NEXTT on a range of initiatives including the deployment of fiber-optic backbone infrastructure to LAKAJI corridor clusters identified in the NEXTT assessment of investment opportunities, and on the launch of an activity called “TechLaunchPad” which will provide funding for entrepreneurs to develop innovative approaches to utilize ICT to tackle agricultural challenges.

The FMCT has agreed to ensure that the Nigerian government invests in providing Fiber to the corridor cluster sites identified, and towards this goal, NEXTT has provided the Ministry with the coordinates of the Ministry of Agriculture’s SCPZ sites co-located with corridor investment clusters. The mechanism for this investment is a public entity called the Universal Service Provision Fund (USPF). USPF collects an excise tax from licensed telecommunications operators, and is legally obligated to use those funds to facilitate the extension of ICT connectivity to rural areas of Nigeria. Through the partnership with FMCT, NEXTT is ensuring that the Nigerian government is channeling its federal resources to benefit the Corridor Clusters on the LAKAJI Corridor that were prioritized by NEXTT. NEXTT has therefore leveraged approximately **\$10 million in Nigerian public spending in FY 2014** towards accomplishing NEXTT’s goals and objectives

NEXTT has concurrently commenced developing a partnership with Google Nigeria to bring additional levels of connectivity to LAKAJI corridor clusters by transmitting long-range wifi signals over TV bands to rural schools, which would then be used as distribution points for transmitting the signal to surrounding businesses and the community.

MULTIMODAL TRANSPORT

AP Møller (Maersk Group) is a key member of the LCAC, given the **\$3 billion in investment** they are currently making along the corridor. These include:

- Mega-port development at Badagry, Lagos
- Kano inland container port; new railway sidings/container storage - ongoing
- Ibadan; new inland container terminal and storage - planned
- New shipside, railway sidings at APM terminal at Apapa - in cooperation with Nigerian Railway Cooperation (NRC)

NEXTT’s vision for the LAKAJI Corridor and the LCAC are well aligned with APM’s plans. APM will be joining a Facilitation Group of 5-7 persons from vital interest corridor players, as a preliminary gathering to prepare for the first full meeting of the LCAC. APM has already made a positive contribution by promoting the corridor vision/LCAC to their key contacts and customers nationwide, which has resulted in drawing more big players into the LCAC circuit. They also offered APM facilities and assistance in planning and organizing the inaugural meeting of LCAC.

Developed platform for DIV Funding and Corridor Investment:

While NEXTT and USAID Nigeria continue to discuss the prospect and potential design of the project development facility (or PDF, formerly called ‘Catalytic Fund’), throughout Year I NEXTT has consulted with Investors, GON, State Government agencies and key donors on the potential for integrating

multiple funding windows into the PDF. Sources of financing identified include: USAID; the Fund for Agricultural Financing in Nigeria (FAFIN); the ECOWAS Bank for Investment and Development (EBID); the Federal Ministry of Communication Technology (FMCT); and the Federal Ministry of Agriculture and Rural Development (FMARD). NEXTT is particularly encouraged by the commitments made by the FMCT to support the PDF; USPF Nigeria has agreed to incorporate their “**Stakeholder Initiated Projects**” (SIP) fund as a funding window under the PDF once it is fully scoped. The SIP fund is endowed with \$6 million annually.

NEXTT is developing a strategic relationship with the FMCT to assist this entity re-align its **TechLaunch Pad (TLP) Initiative towards agriculture**. The first round of the TLP Initiative focused on technology solutions for the Oil & Gas and the banking industries. However, in part because of NEXTT’s discussions with FMCT, this Ministry agreed to focus the second round of TechLaunch Pad funding towards technology solutions for agriculture. NEXTT advised the TLP initiative on developing its scope, and facilitated interaction between the FMCT and our LAKAJI corridor agribusiness stakeholders, to ensure that these can play a role on the selection committee for TechLaunchPad, and also market the initiative among their peers.

NEXTT also began feeding proposals into the Development Innovation Venture (DIV) mechanism in Year 1, one of the funding windows of the Agricultural Growth Corridor Initiative. With NEXTT’s support, AVM Consultants submitted a DIV application in Q4, satisfying NEXTT’s Year 1 target for *Indicator 1.2.3. Number of DIV proposals submitted as a result of project support*.

Though only one DIV application was formally submitted in Year 1, NEXTT is working with a host of other firms to develop strong applications to be submitted in Year 2. NEXTT marketed the mechanism at the Agricultural Growth Corridor Investment Summit, and as a result received Letters of Interest (LOIs) from several firms, including SNF Consult and SNV Limited. The SNV project looks particularly promising: DIV funds would support technical innovations that would enable greater utilization of the cashew fruit to produce flavor extracts for domestic use and exports. The National Cashew Association (NCA) estimates that Nigeria produces up to 2,000,000 mt of cashew fruit per annum, though over 80% of the cashew fruit produced is wasted. Effective technology to harness unused fruit would significantly impact the size and depth of the value chain, and the incomes of thousands of households. NEXTT is supporting SNV to further define the project concept.

Agribusiness Creation on the LAKAJI Corridor:

While NEXTT moved forward with USAID and other partners to define the most appropriate structure and size of the Project Development Fund, the project provided direct support to a pipeline of deals identified in the first year, immediately resulting in the creation of **2 new agribusinesses** (*Indicator 1.2.1. Number of new agribusinesses established along LAKAJI Corridor as a result of project support*). NEXTT also directly facilitated **\$25,000 dollars of private investment** in these projects, even though the PDF was not yet operational and the LCAC was still in a formative stage. (*Indicator 1.2.3. Value of Investments mobilized by the PDF*).

- NEXTT Stimulated the creation of the **FarmNet Nigeria virtual commodities exchange**, which is set for a launch in FY 2014. This initiative, spearheaded by Nigerian consulting firm AVM Consultants, will work through a network of internet-enabled kiosks in rural locations to collect information on local produce and make it available for national buyers. In the first six months since the idea was hatched, the project leader has incorporated a new company to run the project (Atrion Solutions Ltd.), assembled a team at Atrion, negotiated agreements with several of the needed service providers, and developed a business and implementation plan.

AVM has already invested an estimated \$25,000 of its own capital in these planning activities to date. Significantly more investment will be made in the upcoming project launch.

- NEXTT supported ACET, a cashew processor in Oyo state, to develop an **ICT Extension Initiative**. The Initiative will provide e-extension services to farmers in ACET's cooperative scheme, allowing them to easily access information. NEXTT engaged the Cocoa Research Institute of Nigeria (CRIN), and Technoserve, which is running a non-ICT based cashew extension service under a grant from Walmart foundation in the geographic area ACET would like to target. NEXTT is leveraging this existing extension service to provide e-services to farmers.

Additional, new agribusiness concepts which NEXTT began supporting in Year 1, and we hope to finalize in Year 2, include:

- **Logistics Fleet Management:** NEXTT is supporting VOC Royal Ltd., a Nigerian food company, to develop an ICT and GPS system to improve the efficiency of their fleet management. NEXTT researched ICT solutions to identify and launch the appropriate system. VOC Royal is developing a consortium of firms to increase the number of systems purchased and share training costs. NEXTT is matching the firm with solution providers to procure or develop an ICT platform that meets their needs.
- **Kwara ICT and Livestock Initiative:** NEXTT is forming a relationship with a U.S. firm Intel Corp to create an ICT-integrated livestock processing center along the LAKAJI Corridor, replicating Intel's experience on a similar project in Gombe State. NEXTT identified Kwara State as a likely place for this intervention, and suggested that rather than build a new center from scratch, Intel and the government could, along with NEXTT, work with an existing operation called Shonga Farms. To realize this vision, NEXTT is brokering meetings between Intel and representatives from Kwara and from Shonga Farms. Further, the Nigeria Universal Service Provision Fund, USPF, has agreed to consider a proposal for such a venture through its Stakeholder Initiated Projects Fund (SIP), leveraging additional investment from existing resources along the corridor.
- NEXTT supported GIZ to develop a project agreement with a major mobile network operator, Globacom, to scale up **GIZ's TRIMS** project, which will be deployed on the LAKAJI Corridor.
- **Doreo Partners Mobile Payment System:** NEXTT is supporting Doreo Partners to roll out a mobile payments system for their Baban Gona agriculture scheme in Kaduna.

ANALYSIS

As articulated in the GoN's Agricultural Transformation Agenda (ATA), growth in agribusiness has the potential to drive future economic growth, wealth generation, and employment in Nigeria. The LAKAJI Corridor represents a clear opportunity to implement the ATA, given its attractiveness to investors as a link between the largest consumer market in West Africa (Lagos) with some of the highest potential agricultural zones in the region.

Clear demand exists for an effective platform for private and public dialogue on mutual goals and challenges related to moving projects forward on the corridor. The alignment between the GoN's agricultural development strategy, robust investor interest, and the facilitation role that NEXTT and the LCAC can provide, suggests that the Agricultural Growth Corridor Initiative is poised to play a transformational role in Nigeria's economic development.

Launch of the Agricultural Growth Corridor Initiative:

The launch of the Agricultural Growth Corridor Initiative was met with resounding support from both the private and public sector. NEXTT is highly encouraged by the emergence of a dynamic Agricultural Growth Corridor Initiative Advisory Council (LCAC). This fast-growing group includes the actors with the most immediate interest and motivation in improving corridor performance quickly in Nigeria.

A fresh vision for the Corridor which emerged from the Agricultural Corridor Investment Summit is the transformation of the LAKAJI Corridor from a congested single strand of roadway into a multi-strand combination of Road, Rail, Air, Power and ICT – a Multi-Modal Trade Expressway with junctions for off-corridor states and other key Agri-processing clusters. The concept envisages the entire corridor from Jibiya to Lagos (1,150 km) designated as a Free Zone for agri-processing and related services. Promoted in combination with Nigeria’s other investment features, appropriate pro-business policies and improved trade facilitation, the corridor can attract significant investment and become a model for the rest of the country in implementing the Agricultural Transformation Agenda (ATA) of the Government of Nigeria (GON).



Building on the Staple Crops Processing Zones of the Government of Nigeria’s Agricultural Transformation Agenda (ATA), NEXTT will assist LCAC to sustain the tempo from the Investment Summit to take the lead in building a pipeline of investments along the corridor by facilitating partnerships with key agribusiness, government, financial and donor organizations, and in raising capital for high priority investments identified by the corridor assessment. The LAKAJI Corridor Advisory Council and the Corridor Management Group (CMG) will support one another in creating the enabling environment through advocacies on policies, laws and

incentives that will encourage all round investments on the Corridor.

It is envisioned that the launch the Project Development Facility in Year 2 will act as a catalyst for setting in motion many of the private investments required to realize the LCAC’s vision. However, the absence of this facility has not stymied NEXTT from facilitating new investment in agribusiness along the corridor, stimulating new agribusiness creation, or leveraging other resources to contribute to corridor development and investment.

ICT has emerged as an important element of NEXTT’s strategy for new agribusiness investment along the LAKAJI Corridor. The new agribusinesses supported by NEXTT along the corridor all have some element of IT as a centerpiece. Using ICT to tackle the logistics and transportation issues that are inhibiting movement of goods along the corridor and investment in agribusiness is a unique strategy, and one that complements the goal of quick investments in new agribusinesses along the corridor, as well as providing a venue for possible employment for Nigeria’s IT-saavy, younger workforce. It is also a strategy that, if effectively rolled out, can assist the country not only feed itself more efficiently, but also to assist the country “leapfrog” into a new era of more efficient movement of goods along the corridor.

COMPONENT 2: TRADE POLICY AND TRADE FACILITATION SUPPORT

OVERVIEW

In Year 1 NEXTT developed cooperative relationships with GON partners and donor institutions, positioning the project as a crucial and relevant source of technical assistance in the sphere of trade policy facilitation and institution building in Nigeria. NEXTT conducted several assessments to identify priorities for institutional reform, including a **comparative assessment of the Trade Policy Process (TPP) in Nigeria**, and an **AGOA Opportunity Assessment**, identifying “best practices” in the apparel and leatherwear value chains that the GON can apply to take full advantage of AGOA.

Though NEXTT’s institutional implementing partners, including the Trade Policy Advisory Council (TPAC) and the National Food Safety Management Committee (NFSMC), were not functioning at the start of the project, NEXTT nonetheless made significant strides establishing mechanisms for stakeholder engagement in the prioritization, coordination and follow-up of the most critical constraints to trade and investment in Nigeria. In the area of Food Safety Standards, the project brought together the Federal Ministry of Health, the Federal Ministry of Agriculture and Rural Development (MARD), the FMITI, the Federal Ministry of Environment and the Federal Ministry of Science and Technology and led a workshop that **operationalized the NSFMC** and led to the production of a new **Draft National Food Safety Policy and Implementation Strategy for Nigeria**, that focuses on the modernization of existing standards and improving implementation coordination between the main actors. NEXTT also facilitated the creation of inter-ministerial and legislative working groups to push forward the legislative ratification process of the **Customs and Excise Management Act (CEMA) 2011**, which was passed by the Nigerian Senate in June 2013.

NEXTT also contributed to greater and improved cooperation among trade agencies of the GON by providing **direct technical assistance to the Federal Ministry of Trade, Industry and Investment (FMITI) and the Nigerian Customs Service (NCS)** in key areas of trade policy and trade facilitation and the **completion of four trade policy and trade facilitation policy documents**. Additionally, NEXTT made significant contributions to prepare the FMITI to defend Nigeria’s interests ahead of the 9th World Trade Organization Ministerial Conference in Bali, Indonesia in December 2013.

NEXTT’s Approach to Trade Policy Facilitation

Component 2 is designed to promote the development of Nigeria’s non-oil export sectors by strengthening trade policy and facilitating improvements in the Nigeria’s trade environment. The objective is to create an inclusive system of trade policy formulation and implementation through capacity building for public and private institutions and to drive trade facilitation and trade competitiveness in Nigeria.

Through this Component, NEXTT is aligning the formulation, coordination and implementation of trade policies, regulatory frameworks and facilitation services in ways that maximize market-driven competitiveness, supporting expanded trade, investment and job opportunities. NEXTT’s approach to Component 2 is built around the following key principles:

- Prioritizing trade reform issues that will energize stakeholders, make the greatest difference to the LAKAJI Corridor development and export program bottom-line objectives of agricultural investment and increased export competitiveness and encourage further change.

- Building public and private sector stakeholder engagement and commitment to priority activities and initiatives, with measurable targets, communication of results and corresponding adjustments to strategies and tactics.
- Building on international best practices, as well as previous and on-going initiatives introduced by the Nigerian Government, USAID, other donors and the private sector (i.e. the World Bank, DfID, GIZ, Oxfam, UNIDO, the Borderless Alliance).

NEXTT is designed to implement this approach through three interrelated tasks:

- Task 1: Capacity building for trade policy formulation and implementation

Through Task 1 the project looking to improve trade policy and facilitation as reflected in the establishment of functioning mechanisms for stakeholder engagement in the prioritization, coordination and follow-up of the most critical constraints to trade and investment, especially in opportunities with the greatest potential for creating jobs and improved livelihoods.

- Task 2: Support for customs modernization

Under Task 2, NEXTT will support customs modernization by providing assistance to the NCS so it can better engage stakeholders and work with other government trade programs to develop improved performance metrics. The project aims to encourage measurable performance improvements in customs and port/border post clearance times to reduce costs and time to market for traders.

- Task 3: Support for institutional capacity building for standards and food safety

NEXTT will support the nascent National Food Safety Management Committee (NFSMC) towards becoming an entity that can serve as a single point of interaction between government standards bodies and the industries they regulate and support. This task will contribute to establishing a process for the development of food safety standards and infrastructure that facilitates agricultural trade and meets international standards.

TASK 1: CAPACITY BUILDING FOR TRADE POLICY FORMULATION AND IMPLEMENTATION

Task 1 of Component 2 is designed to provide capacity-building for trade policy formulation and implementation among various public and private institutions. Under this task the project undertook a **comprehensive study and comparative assessment of Nigeria’s trade policy process (TPP)**, summarized in the *Trade Policy Process in Nigeria and Recommendations for Improvements* report¹. The report became and remains a relevant reference document to the GON and donors for guiding its trade policy process reform and building the capacity of governmental trade institutions and analysts. The project also presented the FMITI with a **review of best-practice principles and recommendations that Nigeria should apply to take advantage of the African Growth Opportunity Act (AGOA) and bolster its textile/apparel and leatherwear exports**.

Across all of Component 2, NEXTT offered **141 days of technical assistance in trade and investment capacity building** (*Indicator 2.1.4*). This includes all hours of technical support provided by NEXTT’s field team, short-term technical assistance, and partner institutions. NEXTT also supported 73 stakeholders (30% of which were women) with trade and investment trainings (*Indicator 2.1.2*), facilitated two major regulatory and legal actions taken to improve compliance with international trade and investment agreements (*Indicator 2.1.1*).

RESULTS

Strengthening of National Trade Policy Coordination

During the assessment Nigeria’s TPP, NEXTT met with critical private sector representatives and Nigerian government officials involved in the trade policy arena and set out to conduct a thorough mapping and assessment of Nigeria’s trade policy formulation. The exercise also provided a platform to introduce USAID|NEXTT project to GON agencies involved in trade and trade policy formulation.

The main agencies involved included, among others, FMITI, the Federal Ministry of Finance (MOF), MARD, the Federal Ministry of Transport (MOT), the Economic Management Implementation Team (EMIT) and the Office of the Economic Advisor to the President. The key non-governmental stakeholders and partners contacted in during the fact findings phase of the study include the National Association of Nigeria Traders (NANTS), the CRFFN, the Manufacturer Association of Nigeria (MAN), the EU, the World Bank, UNIDO, DFID, ECOWAS and OXFAM.

The main finding of NEXTT’s audit of Nigeria’s TPP was that the Nigeria must develop a better coordinated, multi-stakeholder-driven trade policy process, with improved decision making ability based on understanding and use of modern analytical techniques.

The TPP report showed that existing trade policy making and implementation structures lack the key qualities of global best practices. The development of trade policies is done through a “club” model dominated by internal bureaucratic consultations with little private sector representation; whereas international best practices favor a more inclusive, transparent, multi-stakeholders approach. The mapping of Nigeria’s TPP also highlighted that the two main structures supporting the process, the Enlarged National Focal Point (ENFP) and the Trade Facilitation Task Force (TFTF), have functionally ceased to exist. The report thus recommended the following interventions to improve Nigeria’s TPP and bring it close to global best practices standards:

1. Establish a small professional trade secretariat to improve coordination and input on trade policy issues.
2. Restructure the Enlarged National Focal Point (ENFP) to make it more effective.
3. Establish a multilevel review for the TPP.
4. Increase the capacity of analyst at FMITI and other key MDAs to analyse trade issue and use modern analytical techniques.

NEXTT's continuous and sustained dialogue and interactions with the FMITI is producing useful results towards moving Nigeria's TPP closer to a multi-stakeholder model. FMITI recently proposed a 35-people inter-agency consultative committee to work together to identify priorities for engagement. The committee has a four-man coordinating secretariat comprising one representative each from NEXTT, the Trade Department, the Investment Department and the Industry Department of FMITI. NEXTT is currently strategizing to use the proposed committee as a platform for reforming ENFP and TTF. The four-man secretariat could eventually play the role of the small trade policy coordinating secretariat recommended in the *Trade Policy Process in Nigeria and Recommendations for Improvements* report.



Public-Private Sector Dialogue on Trade Policy

Capacity Building for Tariff Analysis

In collaboration with GIZ, NEXTT has been developing training modules and capacity building programs² for trade policy analysts and economists from relevant MDAs in the GON. **The project finalized the course content for the first training module on trade and tariff impact analysis³, which was subsequently endorsed by GIZ and FMITI.** The training modules are informed by the analysts' current capacity and identified needs. The trainings and technical assistance planned will be guided by the recommendations of the TPP study and the policy constraints identified during the baseline assessment of time and cost to trade goods along the LAKAJI Corridor.

NEXTT established a set of qualifying criteria to be met by participants selected to receive the trainings and capacity building programs. The qualifying criteria have been endorsed by our partner GIZ and the FMITI and prospective participants from the FMITI, MOF, MARD, NCS and the OPS have been assessed accordingly. Based on the preliminary assessment 28 analysts and economists were selected to receive the first training module early in Year 2: 10 from FMITI, 10 from the NCS, two each from the MOF, MARD, Office of the Economic Advisor to the President and the OPS. This first training will build the capacity of the participants to analyze trade data and apply it to trade policy formulation. The module content includes four components:

- Familiarization of participants with various sources of trade data;
- Identification of areas where specific data are relevant;
- Introduction of participant to basic trade models and their application to trade analysis policy formulation;
- Introduction to basic interpretation of model results.

This first training module will mark the beginning of a series of training workshops set up to significantly improve the capacity of the GON agents to analyze tariff impact and use other analytical tools to ultimately lead a tariff impact assessment for selected commodities.

Provision of Direct Technical Assistance

In Year I NEXTT provided the GON with opportunities to formulate national trade policy and trade strategy in line with the ground reality of the economy and informed by accurate trade data. NEXTT offered technical assistance to the GON with the development of four policy documents⁴: Trade Policy, 2012; the National Trade Strategy; a Feasibility Study on the Okerete Trans-National Border Market; and a WTO Trade facilitation Self-Assessment. The recommendations from NEXTT's TTP study and the outcomes of the baseline assessment of investment opportunities and hindrances along the LAKAJI Corridor project provided practical data and information that were used in the GON's Trade Policy, National Trade Strategy and WTO Trade Facilitation Self-Assessment, among other policy documents developed during the first year of the project.

NEXTT offered direction to the GON, through the FMITI, on necessary follow up actions to the WTO Self-Assessment Workshop co-sponsored by USAID, IFC and the WTO. The project also provided assistance to the United States Trade Representative (USTR) Team from Washington D.C during its visit to the GON. The assistance included an overview of prevalent trade policy issues and suggestions on how to effectively engage the GON on common interests in trade policy and trade facilitation.

NEXTT and GIZ prepared Nigeria for 9th WTO Ministerial Conference in Indonesia. The preparation for the conference was structured in three stages and was grounded in ensuring the process was inclusive. The first stage involved meetings with the relevant MDAs of the GON, the second one focused on obtaining input from the OPS, including MAN, NACCIMA, NASME and LCCI, and finally a third meeting was held in the form of a joint stakeholders' forum to represent the ENFP as required by the WTO. A series of multi-stakeholders workshops were organized to prepare GON, followed by another series of forums which brought together the government, organized private sector and NGOs to jointly identify and finalize Nigeria's main interests and guide the trade negotiators' defence.

Support the Trade Facilitation Task Force (TFTF)

From its collaboration and interaction with SANAA Consulting⁵ NEXTT gathered that the Enlarged National Focal Point on Trade (ENFP) and Trade Facilitation Task Force (TFTF) had not been able to function as mandate, especially due to the withdrawal of donor, shining light the unsustainability of their current structure. NEXTT thus engaged the GON to improve the current state the trade policy coordination and existing trade facilitation mechanisms. In line with the TPP report NEXTT actively establish dialogue with the FMITI to revive and reform the ENFP, pushing to make it more inclusive and to create a functional secretariat that would coordinate inputs from public and private stakeholders.

The project has also been in fruitful partnership with various donors with similar areas of interest. NEXTT is in regular collaboration with GIZ to provide training and technical assistance to GON economists and analysts on trade policy reform, trade negotiation and trade and tariff analysis. In addition, NEXTT is collaborating with DFID through SAANA Consulting to revive Nigeria’s trade facilitation framework in the country.

African Growth Opportunity Act (AGOA) Strategy Implementation

The FMITI is pursuing a strategy of increased local production under its Industrial Revolution with emphasis on textiles/apparel and leatherwear products. In support of this initiative, and at the request of USAID, NEXTT completed an assessment report of “best practices” in the apparel and leatherwear value chains that the GON can apply to take full advantage of AGOA. The assessment reviewed strategies adopted by other African nations (Ethiopia and Lesotho) to boost their leather and textile exports and detailed actions to be taken by public and private sectors that could drive non-oil exports.

The assessment confirmed that Nigeria does have a competitive advantage in apparel and leather (leather in particular) due to its physical proximity to the U.S. market over other African competitors, resource endowment, and human capacity. However, global competitiveness in textiles/apparel and leatherwear is driven primarily by cost and speed to market, which in turn are determined largely by a country’s enabling environment. In this respect, Nigeria must make significant strides to match the success enjoyed by Ethiopia and Lesotho.

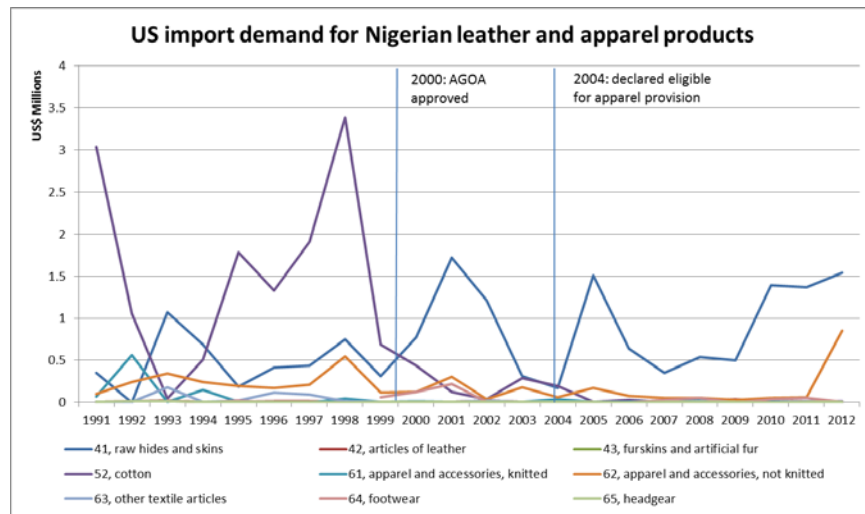


Figure 3: U.S. Import Demand for Nigerian Leather and Apparel Products

⁵ SANAA Consulting is leading in interfacing between the GON and DFID to provide technical and financial supports to the government on trade policy and trade facilitation.

The interventions recommended focused on improving Nigeria's trade enabling environment and enforcing policies to improve competitiveness. The recommendations are further described below:

Improve Critical Infrastructure/Enabling Environment

- Develop priority oil/gas pipelines to reduce the cost of electricity in industrial clusters
- Implement the recommendations stemming from the USAID NEXTT assessment of the time and cost to transport along the Lagos-Kano-Jibiya (LAKAJI) corridor

Enact/Enforce Policies to Improve Competitiveness

- Institute preferential tariffs for manufacturing sectors to help offset high power costs
- Enforce the application of tariffs on textile/apparel imports
- Offer additional incentives to attract investment
- Consider shifting the Cotton, Textiles and Garment Initiative to the USAID NEXTT Catalytic Fund, which will provide critical support to ensure maximum impact of fund investments
- Implement and enforce ECOWAS Trade Liberalization Scheme (ETLS) and Common External Tariff (CET) policies to strengthen Nigeria's role in regional supply chains
- Collaborate with the private sector and donor institutions to engage in targeted capacity building and workforce development

ANALYSIS

Trade policies and facilitation capacity in Nigeria have a major impact on business costs, investment decisions and the ability of Nigerian companies to export. Nigerian exporters require more than twice the documentation and time to export as their peers, metrics which have seen no improvement over the past four years. Nigeria is currently ranked 134th out of about 156 countries surveyed for Trading Across Borders, significantly worse than the regional average. This makes it imperative to have public-private dialogue and analytical processes that focus on the most significant cost drivers for private companies.

NEXTT sees the implementation of an improved TPP as a necessary foundation for creating an enabling environment for trade facilitation in Nigeria. To realize the Government's ambitions for improving performance in trade facilitation, NEXTT has prioritized identification of gaps and the provision of technical assistance to FMTI, ENFP and TFTF.

When NEXTT's Year I work plan was designed, the project was operating under the assumption that a functioning Trade Policy Advisory Council (TPAC) existed, and was responsible for coordinating participation of relevant public and private sector partners in the formulation of trade policies, as recommended by the WTO to all member countries. However, instead of the TPAC, the GON had in place two other entities: the Enlarged National Focal Point (ENFP) and the Trade Facilitation Task Force (TFTF), which have proved to be unable to function without outside funding. In light of the identified lack of functioning existing instructional frameworks, institutions and governmental "buy-in" required to ensure real impact of NEXTT's training and capacity building support, the project was not able to roll out all the activities planned for Task I for its first year. The implementation strategy of the Trade Policy and Trade Facilitation Component was therefore adjusted accordingly.

In Year I, NEXTT shifted its focus toward efforts to build the institutional relationships necessary to obtain appropriate buy-in and commitment from the GON. The project expanded its networks to include donor partners and projects with similar interests in trade policy formulation and trade facilitation, and evaluated the capacity of partner GON institutions to better identify needs and establish where intervention would have a higher and more lasting impact. The cooperative relationships that

NEXTT developed through Year 1 have laid the ground work for easy roll out of the Year 2 activities and the activities that were not achieved under task 1 this year.

NEXTT's *Trade Policy Process in Nigeria and Recommendations for Improvements* was submitted for input and follow up action to the FMITI and played a crucial role in introducing the project to the GON and setting it as a relevant source of support and capacity building. Since then NEXTT has remained in active dialogue with the FMITI to revive the ENFP and the TTF. As a follow up to the findings of TPP report, NEXTT facilitated formal exchange of ideas and dialogue between GON agencies and private sector actors to encourage a move towards the multi-stakeholders model in Nigeria's trade policy formulation process. This model will foster a more transparent and inclusive process and consequently the project is collaborating with various GON agencies and donors to achieve to achieve this move.

NEXTT's provision of technical assistance and capacity building to the GON falls in line with the project's assessment of the current institutional capacity of Nigerian trade MDAs and its goal to improve trade policy and trade facilitation environment. NEXTT aims to guide the FMITI through the production of four other key policy documents on trade and trade facilitation in addition to the TPP report, which is currently serving a guide to the GON, private sector actors and donors for evolving towards a multi-stakeholders-led trade policy process.

NEXTT has built on lessons learned in Year 1 to develop a plan to overcome institutional constraints experienced to date to achieve our activities in the Year 2 work plan. The project will adopt a private sector driven, public policy making system to reform trade policy and trade facilitation mechanisms. In collaboration with other donors, NEXTT will work closely with established private sector actors including the Borderless Alliance, National Association of Nigerian Traders (NANTS) and trade policy training institutions, among others, to create private sector-led frameworks for trade policy and trade facilitation. Key activities in Year 2 will involve:

- Strengthening National Trade Policy Coordination through redesign of the ENFP/TPAC and TTF;
- Conducting capacity building for tariff analysis;
- Supporting the evolution of the TTF;
- Conducting broad trade issues training;
- Supporting the development of an AGOA export strategy via technical assistance to the GON to utilize preferences offered under AGOA from the USG to African countries.

TASK 2: SUPPORT CUSTOMS MODERNIZATION

The goal of Task 2 of Component 2 is to support the Nigerian Customs Service (NCS) to enact the NCS Act 2011 and train NCS staff on developing a strategic plan to improve its risk-based operating procedures. In addition, NEXTT seeks to reform Nigerian customs processes to conform to international best practices through improvement of risk management procedures, valuation and classification methodologies, automation and clearance procedures and accreditation procedures.

NEXTT's customs work this year supported the modernization of customs operations by **assisting NCS with engaging inter-ministerial and legislative working groups on passage the Customs and Excise Management Act (CEMA 2011)** and drafting an implementation procedure upon the final signing of CEMA into law. CEMA 2011 repeals the existing CEMA of 1958 and will support the development of the NCS as a professional organization under the supervision of the MOF and a governing board; and provide the legal foundation for the implementation of modern customs procedures.

The project also assessed the training needs of NCS for improvement of the following customs procedures: risk management, classification and valuation, tariff analysis, post clearance audit and rules of origin.

RESULTS

Support the Legislative and Process Modernization

NEXTT provided support to key stakeholders with vital interests in CEMA 2011. Through NEXTT's support contentious issues in the Act were resolved which was eventually passed by the Nigerian Senate in June 2013. However CEMA 2011 contains variances to the version of the Act passed by the House in June 2012 and as such two differing versions of CEMA currently exist.

The NEXTT team trained NCS on the implications of specific differences in the two versions and in doing so equipped the NCS with the knowledge and technical assistance that would enable it to steer the joint sittings of the legislature to arrive at harmonized customs legislation. This assistance was provided and informed by a review of the key differences in the two versions of CEMA. NCS will target its lobbying on stressing the key issues that would maximize functionality and performance of customs services should a harmonized CEMA pass and be implemented.

The team held meetings with the Department of Trade, NCS, the ECOWAS Representative on Trade Facilitation, SAANA Consulting and the donor agencies involved with the TTF. TTF, which has been facing difficulties following the withdrawal of donor funding, is a public-private sector stakeholder group with the objective of improving trade facilitation in Nigeria but has only managed to meet periodically over the 2010 – 2012 period. Analysis indicates that its current structure comprised of a large committee of public and private stakeholders' representatives is dysfunctional and not conducive to effective decision-making. As is TTF's work plan is overly broad and requires greater focus. NEXTT is thus recommending that a TTF be restructured to focus mainly on customs issues and ensure that NCS is fully prepared to take ownership of the new CEMA when ratified and to implement the recommended trade facilitation measures.

Improve Valuation and Classification Methodologies

NEXTT conducted a detailed analysis of the performance levels and operating practices within NCS' Valuation and Classification departments and both units were found to be operating at high levels of

competence and professionalism. However, gaps were still identified in their ability to communicate needs to private sector stakeholders.

The project engaged with both NCS and CRFFN, both of which acknowledge the existence of gaps in their understanding and capacity to implement customs requirements and have plans in place to develop skills training for their members on customs requirements. NEXTT will develop and deliver the core elements of the trainings planned, particularly for the sessions relating to the relationship between customs the private sector and how NCS can better support private sector stakeholders.

Improve Risk Management

A draft Strategic Risk Management Plan was prepared through NEXTT's direct engagement with the NCS Senior Management and Risk Management unit. This recognizes the steps taken to date by NCS to implement risk management measures across its organization and outlines the steps yet to be taken to fully implement an effective Strategic Risk Management Plan. A series of workshops to be facilitated by the project have been scheduled. The output of these workshops will be an NCS-owned action plan that will be fully implemented to improve risk management across NCS.

Training for Valuation, Classification and Risk Management

An analysis was undertaken early in Q4 to examine the training needs for NCS' Valuation and Classification and Risk Management units. Following discussions with both units and an assessment of how training received is put into place in practice, NEXTT was able to establish that the majority of the current training programs in place for the NCS in the areas of risk, valuation and classification do satisfy existing needs. The analysis did however identify an unmet need which would enable the NCS to improve its capacity in the areas of risk, valuation and classification if properly addressed; which would require the following twofold measure:

- Development and delivery of a risk awareness training module for wider promulgation to NCS staff to increase the knowledge of risks as the NCS adopts better risk based controls through the move to the Pre-Arrival Application System (PAAR); and
- Development and delivery of a one day training module for the private sector on how to access the materials and develop the skills necessary to host educational seminars on theme of 'Working in Partnership for a More Rapid Clearance' and the purpose and importance of raising private sector partners awareness of key customs process.

ANALYSIS

A number of activities remain outstanding from Year 1 and will be addressed in Year 2, including the provision of technical assistance to NCS to design procedures to implement CEMA 2011; implementation of capacity building activities for NCS to improve risk management; and roll out of training and capacity building activities to support improved valuation and classification, automation and improved clearance procedures.

Notwithstanding the variation between the two versions of CEMA as stated earlier, there is increased optimism towards a nearing agreement and passage of CEMA 2011. Once passed, the new legislation will open the pathway for NCS to implement an enabling environment to operationalize modern customs practices in line with global standards as set by the World Customs Organization (WCO), along with stronger trade facilitation measures as mandated by the WTO.

The GON is looking forward to the NCS taking full control of the goods clearance monitoring from the service providers currently engaged currently by the GON to facilitate goods clearing processes. To

facilitate this transition NEXTT will work in close collaboration with the NCS once CEMA is passed. New procedures and operating practices will need to be developed where deemed outdated or where gaps on modern customs operations have been identified. In addition to the training needs already identified, NEXTT will assess the need and develop plans to provide trainings to the NCS in the key areas where change would be most significant. The training will be designed to have direct positive impacts on the key metrics of trade facilitation, improving NCS' performance against the time taken and cost of goods clearance, and position NCS to deliver world class customs operations effectively.

One key trade facilitation tool is the applicability of the Authorized Economic Operators (AEO) program in the current business environment in Nigeria. The AEO program is a voluntary program for global supply chain security and trade facilitation. The program introduces unified standards for the security, compliance and financial viability of the global supply chain were introduced; greatly facilitating global trade. CEMA is again the driver for this, in that it provides the underpinning legislation, to enable the implementation of draft regulations and procedures for AEOs. The delay in the ratification of CEMA has significantly impacted the implementation this program. For the AEOs program to be implemented successfully it must be given the time and resource to ensure that it is fully embedded into both NCS operations and Nigeria's trading community.

In moving to implement the program its impact must be made clear, not just in terms of operating procedures for examples on the NCS Single Window system and PAAR process, but also in terms of the time required by the trading community to implement the measures necessary to achieve AEO status. The project thus intends to conduct a cost benefit analysis of the Nigerian trading community. This will include an evaluation of the likely appetite and take up of such a scheme to ensure that the implementation of this will deliver value for money not just for the GON, but also USAID as the funding agency. If there is evidence that there is demand and value from implementing an AEO program, NEXTT will further lead efforts in this direction in Year 2.

NEXTT will also be looking to improve trade facilitation by addressing existing constraints in the implementation of ECOWAS' Trade Liberalization Scheme (ETLS), which facilitates free movement of transport, goods and persons in the 15-nation ECOWAS region; including the removal of all tariff and non-tariff barriers to trade A 2011 USAID gap analysis identified four main areas where ETLS has not been implemented in Nigeria and the general consensus from ECOWAS and TTF is that ETLS work in Nigeria should focus on improving intra-ECOWAS transit and enhancing "convergence". As such, NEXTT efforts to further ETLS implementation will be tied to its work on restricting TTF, building its capacity and increasing its focus on customs issues.

Consequently, in Year 2 NEXTT will support NCS to design procedures for CEMA 2011's implementation. The project will support a systems approach to solving trade facilitation problems in Nigeria, focusing not only on the NCS, but involving all agencies as stakeholders in the trade facilitation "common" window. Year 2 will bring a focus on the outstanding issues listed to achieve modernization of procedures aimed at improved clearance times in support of a greater trade facilitation role. There will be an increased engagement with private sector actors to ensure change is managed as a partnership approach between the NCS and the various actors.

TASK 3: PROVIDE INSTITUTIONAL CAPACITY BUILDING ON STANDARDS INFRASTRUCTURE FOR FOOD AND AGRICULTURAL PRODUCTS TRADE

A key element of NEXTT's Component 2 Task 3 is to support reform in core food safety standards institutions particularly the Standards Organization of Nigeria (SON) and the National Agency for Food and Control (NAFDAC) and provide institutional capacity building of the nascent National Food Safety Management Committee (NFSMC) towards becoming an entity that can serve as a single point of interaction between government standards bodies and the industries they regulate and support.

In Year 1, NEXTT improved the functionality of the NFSMC and facilitated the creation of unique frameworks for collaboration among relevant GON agencies and private sector actors and donor cooperation to support the upgrade of food safety policies and standards. The project brought together **nine public and private sector food safety standards-setting bodies** that ultimately agreed on and adopted a set of guidelines for standard setting and for supporting the NFSMC. A **Draft Policy on Food Safety and Implementation Strategy** were ultimately produced, including a resolution by all ministries to incorporate a food safety budget into their budgetary planning from 2014 on.

RESULTS

Mapping Standards and Compliance Procedures and Strengthening of the NFSMC

Task 3 is designed to establish close collaboration with the NFSMC but from the onset it became clear that the NFSMC was not functional and that the existing food safety control system was marred by non-cooperation and a lack of coordination on standards and enforcement of compliance. NEXTT concentrated on addressing these constraints and successfully created a forum for previously uncoordinated institutions and the private sector to come together and work streamlining their mandates to efficiently address food safety issues. Through the Food Safety Summit, NEXTT took important steps towards ensuring systemic improvement of food safety control system in Nigeria.

Before NEXTT's involvement, different government departments and agencies claimed separate but not clearly differentiated statutory mandates to regulate standards and ensure food safety, domestically and internationally. Several interactions between NEXTT and private sector stakeholders revealed that the reigning non-cooperative approach to addressing food safety concerns has been at the expense of the private sector; due to the high costs incurred for having food meant for export rejected at foreign borders. On the domestic market, locally produced food and tradable edible goods have also been unable to compete with their imported counterparts.

In response to a GON request for assistance with finalizing and adopting a new national food safety policy, NEXTT and GON collaborated with the United States Department of Agriculture (USDA) to host a four-day workshop on food safety policy and implementation. The workshop was tasked with reviewing the draft policy proposed for adoption by the GON and producing a new **National Food safety Policy and Implementation Strategy**. Key issues presented and discussed during the workshop include:

- Overview of the existing National Food Safety Policy and its action plan
- International best practices in legal and regulatory framework for the national food system
- International best practices of food safety system
- Food safety systems in Nigeria



Group Discussion towards Drafting New Food Policy

The participatory segment of the workshop started with five break-out groups which addressed the key objectives, potential implementation issues and corresponding implementation strategies of the National Food Safety Policy. The group discussions were divided in the following themes and goals:

- Group 1 – Goal 1: modernize Nigerian’s food safety regulatory framework in line with international best practices;
- Group 2 – Goal 2: minimize the incidence of risks associated with physical, chemical and biological hazards in foods and water;
- Group 3 – Goal 3: strengthen institutional capacity for food safety;
- Group 4 – Goal 4: improve information and communication systems for food safety;
- Group 5 – Goal 5: define mandate of the policy and food safety management committee.

The workshop engaged **103 participants, 39 of them women**, from GON institutions, the private sector and NGOs involved in the food safety and control systems. Of the 103 participants, 73 completed the entire 4 day workshop (Captured in *Indicator 2.1.2*). Significant contributions were made by participants from the private sector. Discussions focused at length on the appropriateness and relevance of the existing system and solutions to the problems within the current structure of food production, consumption and trade in Nigeria. The NEXTT team facilitated the multiple rounds of discussions and break-out group sessions, which culminated in an agreement to integrate the new draft policy into sector activities and policy decisions.

The Draft National Food Policy identified the key challenges constraining the enhancement of food safety standards and compliance, offers two strategies for the implementation of the policy and describes the new framework that would ensure effective monitoring and evaluation of food safety along the food supply value chain. The draft also offers an exhaustive overview of the existing regulatory framework and the mandates of the relevant public institutions.

NEXTT also provided a platform for a thorough review of a food safety management organogram, as well as a stakeholders-led proposal for creating an inter-ministerial structure tasked with overseeing the

activities of the NFSMC and the broader food safety control system. This proposal for a new and inclusive NFSMC was adopted and the stakeholders (nine standards-setting bodies listed below) produced and signed a communiqué meant to serve as testimony of their endorsement of the meeting's results. This positive outcome positions the project for future success in the implementation of Component 2 Task 3 activities. It also fulfilled the NEXTT project's Task 3 indicator for Year 1, *Indicator 2.3.1. Number of public and private sector standards-setting bodies that have adopted internationally accepted guidelines for standard setting as a result of project assistance.*

Standards-setting bodies involved in the production of a new Draft Policy on Food Safety and an Implementation Strategy

Consumer Protection Council (CPC)

Federal Ministry of Agricultural and Rural Development (MARD)

Federal Ministry of Industry, Trade and Investment (FMITI)

Federal Ministry of Environment (MOENV)

Federal Ministry of Health (MOH)

Federal Ministry of Science and Technology (FMST)

National Agency for Food and Drug Administration and Control (NAFDAC)

Nigerian Institute of Food Science and Technology (NIFST)

Standards Organization of Nigeria (SON)

Standards Training for Traders and Exporters

The project commenced fact findings on training and capacity needs in the areas of standards and food safety in February 2013 with series of visits to the SON, NAFDAC and MAN. This exercise was locked in bureaucratic bottlenecks until the food safety summit held during Q3 of the project. The project used the summit to effectively launch training and capacity gap analysis activities for standards and food safety.

NEXTT completed information gathering for the analysis and prioritization of relevant needs in Q4. The project is collaborating with the SON develop code of standards and with NAFDAC to obtain laboratory certification and capacity for cashew production, processing and trade. The SON requested assistance to build capacity to attain Global G.A.P. for standards and food safety. NEXTT discussed with the SON to the relevance of Global G.A.P. for Nigeria and in collaboration with the Europe-Africa-Caribbean-Pacific Liaison Committee (COLEACP) of the Brussels-based EU-ACP, the project assessed the relevance of the Global Good Agricultural Practice (Global G.A.P.) certification for Nigeria. Global G.A.P. sets voluntary standards for the certification of agricultural products with the aim to facilitate certification and market access for producers and provide reliable sourcing and processing for retailers. NEXTT facilitated an analysis of the conditions countries must fulfill to qualify for Global G.A.P. certification and recommended that Nigeria use the Local G.A.P. standard as a stepping stone. Local G.A.P. covers minimum requirements for food safety and hygiene consistent with international standards but excludes control points and conditions that Nigeria is unlikely to meet in the short term⁶.

NEXTT initiated a close collaboration with the Lagos State Food Safety Management Committee (LSFSMC) which was acknowledged by SON and NAFDAC as a provider of benchmarks for standards and food safety. The LSFSMC is providing to be a case study for improving the operations of NFSMC and NEXTT will continue to share successful experiences from the state committee to shape standards and food safety control system, policy and strategy at the national level.

ANALYSIS

The development of food safety standards and infrastructure is a cornerstone of NEXTT's strategic vision to facilitate agricultural trade and meet international quality and safety standards. When NEXTT developed its Year 1 work plan, the project was operating under the assumption that the NFSMC had been launched and was functionally coordinating compliance with food safety standards. However, the NFSMC was not fully operational, and the level of commitment from within the GON to set and enforce food safety standards was weak.

In face of the limited capacity of the NSFMC and the little coordination between the Nigerian food policy and standards institutions, NEXTT shifted from collaborating with the NSFMC on mapping standards and compliance procedures for food and agricultural products to building the institutional framework, capacity and cooperation needed to allow NSFMC to effectively carry out its mandate. During its first year, NEXTT brokered a unique platform for inter-agency collaboration on food safety by providing technical, financial and institutional support to facilitate an inclusive and sustainable model for food safety governance. In partnership with USDA, NEXTT helped revise the membership, mandate, cooperation and functionality of the NFSMC.

One of the break-out groups created during the workshop led by NEXTT produced a thorough analysis of the specific activities and actors along various branches of the food safety value chain to come up with a proposal on the new and more inclusive NSFMC. Moving forward, NEXTT will be working with the Committee to carry out the gap analysis and needs assessment for standards on agricultural products, provide safety process improvement recommendations and conduct trainings on accreditation, certification, conformity assessments and sanitary-phytosanitary (SPS) measures.

NEXTT identified major deficiencies in the Draft Food Safety Law proposed for ratification by the GON which were addressed during the stakeholders' workshop. NEXTT provided technical support to key ministries to ensure that the policy is adopted and implemented and utilized the workshop to kick-start the process of delivering on activities for Task 3. The project recently concluded information gathering from relevant agencies and private sector to determine priority needs for food safety. The technical report will be finalized early in Year 2 of the project.

In Year 2 NEXTT will also conduct a gap analysis of the compliance process for food and agricultural value chains selected by Component 3 in Year 2, as well as a needs assessment for strengthening the capacity of the National Food Safety Management Committee. The results of these analyses will be shared with the NFSMC and a training curriculum for traders and exporters on compliance will be developed. The NFSMC will be engaged actively on the vision of the LAKAJI Corridor initiative and the relevant value chain selected by the project.

NEXTT will provide a "Training of Trainers" to the NFSMC on accreditation and certification procedures and a lab certification training for the National Agency for Food and Drug Administration and Control (NAFDAC) and the Standards Organization of Nigeria (SON) on international quality standards and systems development for international certification (ISO: 17,025). By the end of the year, the project expects an internal quality team within the NFSM will be functional.

COMPONENT 3: BUSINESS EXPANSION AND EXPORT SUPPORT

OVERVIEW

In NEXTT's first year the project successfully undertook foundational activities, assessments, and relationship building efforts with key private sector and public sector players in Nigeria's export sector. NEXTT completed the work behind two major assessments to better understand the BDS sector and Nigeria's comparative advantage in key export value chains, engaged key Government of Nigeria (GON) players in the export arena to strengthen the scope and quality of institutional support available to the export sector, and provided direct support to 25 exporting firms in the areas of access to finance, market linkages, food safety and quality standards. As a result of these activities, NEXTT built a BDS provider database, and developed a pipeline of exporting firms in key value chains. NEXTT provided technical assistance and trade and investment capacity building to 25 exporting firms, leading to \$810,945 in new exports from the apparel, shea, cashew, textiles, yam and sesame value chains, and \$1.4 M in new investment in the apparel and yam value chains.

The Government of Nigeria's current export drive is underpinned by a desire to diversify the country's export base beyond oil to include a larger share of agricultural commodities. The success of the government's economic transformation agenda is predicated on effectively incentivizing the private sector to respond to market opportunities. Under the ATA, micro, small and medium scale enterprises (MSMEs) are expected to catalyze inclusive growth, leveraging agriculture and agribusiness as key drivers. In order to achieve these goals it is imperative to address the inherent market failures and skills gaps that limit MSME access to both markets (local and international), such as limited and poor quality service provision for exporters, and difficulty in exporters accessing finance and investment.

The goal of NEXTT's Export Support Component is to facilitate improvements in the competitiveness of Nigerian export and near export firms and their capacity to meet market requirements through effective production, financing and marketing of goods and services, both domestically and internationally. NEXTT is designed to accomplish this through a three-pronged strategy of establishing a viable BDS network of quality service provision for exporters, building the capacity of public export promotion bodies to implement national export strategies and by supporting exporting firms directly to increase their competitiveness in key value chains.

RESULTS

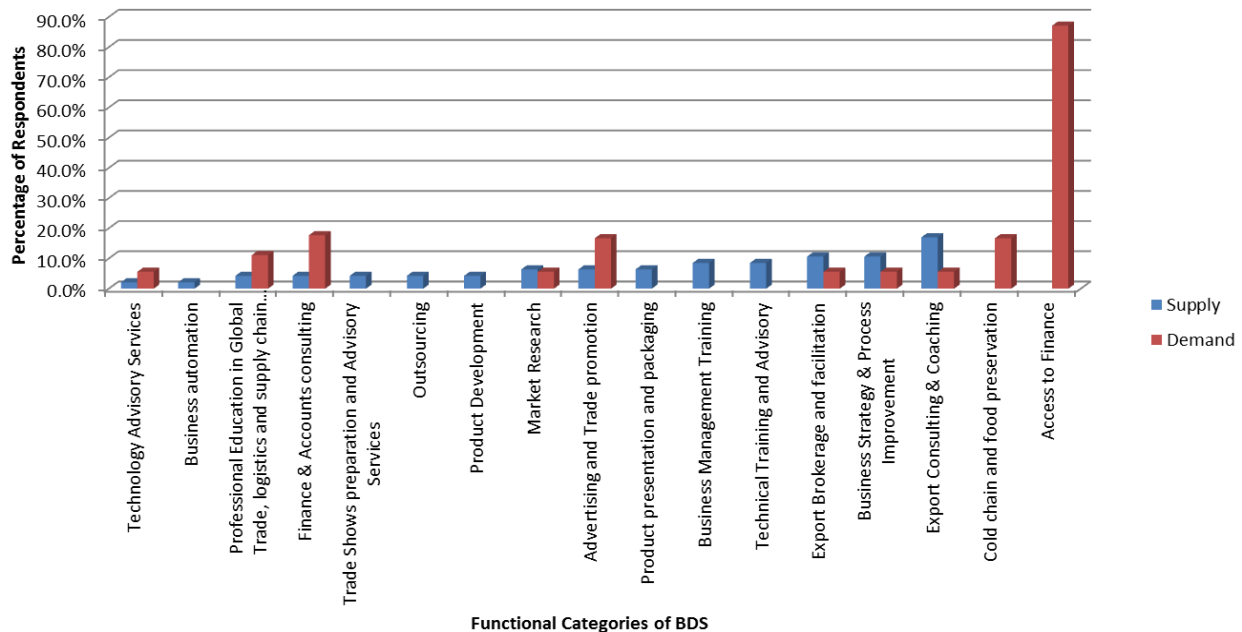
Completed Mapping and Assessment of the Export BDS Sector

Central to NEXTT's strategy for increasing exports and investment in Nigeria is strengthening the market for demand-based export services. To better understand market dynamics in this sector, NEXTT's implementing partner, Development Associates (DA), **conducted a mapping and assessment of supply and demand for export business development services**, beginning in March 2013. The assessment targeted agribusinesses, trade associations, and government institutions operating along or whose operations are tangential to activities along the LAKAJI Corridor. After mapping active SMEs within the agro commodity export sector in three primary zones (Lagos, Kano, Abuja), the assessment team interviewed 50 respondents and 11 key informants from an initial population of 200 stakeholders. These included 25 private BDS providers, 11 regulators and 25 export-

led firms. Focus groups were also conducted in Lagos, drawing on the membership of the Agriculture and Non-Oil Export Group of the Lagos Chamber of Commerce (LCCI).

The assessment report, submitted in Q4, identified that there is strong awareness and understanding of business development services among export led firms, but a mismatch between types of services demanded and the supply of services available. Though there is a relatively large base of experienced BDS suppliers along the LAKAJI corridor and exporting firms procuring BDS have shown high satisfaction and retention rates, exporters not able to access the types of services most needed to expand their business. Financial facilitation was identified as a highly demanded service by over 85% of survey respondents, though hardly any BDS providers in the survey offer this type of support. Additional gaps in types of services offered were identified in the areas of cold chain and food preservation, advertising and trade promotion, finance and accounting counseling, logistics and supply chain management, and technology advisory services (See Figure 4 below)

Figure 4: Supply and Demand for Export BDS by Functional Categories of Service Offerings



Additional market weaknesses observed include the reluctance of suppliers to reach certain market segments (for example rural-based firms), inadequate market information available to suppliers, proliferation of free services, a lack of standards in BDS supply, few women- and youth-led BDS providers, limited diversification of products/service by providers, and a weak monitoring and mentoring system for improving service delivery. Factors limiting the demand of export BDS include inadequate information about the types of services available, prevailing perceptions that BDS are expensive, inadequate knowledge of benefits of BDS, inaccessibility and very low participation of women- and youth-led firms.

To bridge the gap between supply and demand for BDS, the report advocates for a number of activities that will reduce information asymmetry, demonstrate the potential profitability of diversified service offerings and market segments to BDS providers, and manage the cost of service delivery for exporting firms. These include:

- A BDS directory and information portal to be housed at NEPC, with information on specific services and suppliers, and opportunities for registration, accreditation, and training
- Development of risk-sharing mechanisms for the cost of product development and advertising for new consumer segments in rural areas, in partnership with national networks (such as FACAN, ANE, NACCIMA) and national institutions (such NEPC, NEXIM, and CBN)
- Technical assistance and trainings provided to suppliers to make service offerings more responsive to export sector demand, and include “wrap-around” packages of services.
- Issuance of smart subsidies in Performance Based Contracts (PBCs) to highly qualified BDS providers who are paid upon the successful completion of financing deals with export ready companies. Given the unmet demand for BDS in access to finance, PBCs should be prioritized in this market segment, to demonstrate potential profitability and increase supply of services.
- Assist suppliers to develop payment options for services (e.g., payment in installments or credit, group purchasing mechanisms through associations and cooperatives).

NEXTT conducted follow-on research on the capacity and service offerings of BDS providers identified in the BDS mapping assessment. After narrowing the original list and identifying others through additional outreach to firms supporting the export market, **NEXTT has built a database of over 28 BDS providers** which we will continue to refine in the coming months and **publish on the NEXTT and NEPC websites** in Year 2.

Table 4: List of Key BDS Providers Identified and Areas of Engagement

BDS PROVIDER	SERVICE AREA
Koinonia Ventures Limited	Export Consulting/Training
Sahel Capital	Fund Managers (FAFIN)
Oiko Capital	Fund Managers/Business Consulting
Octave Partners	Investment/Management Consulting
Doreo Partners	Investment Consulting/Value Chain Development; Agriculture impact investing, business development, access to finance, strategic guidance services
McAkins Consulting Limited	Group Formation Supply Chain Development
Quick Projects Limited	Institutional & corporate performance improvement, strategy, training & capacity building services , supply chain management, human resource management, financial management, access to finance
Cranes R Us	Logistics Management
Pinnacle Int’l Logistics	Logistics Management
3T Impex Consulting	Financial Consulting
XPT Logistics	Export Consulting & Logistics, including export management, haulage and freight services, liaising with export institutions
Chevy Chase Limited	Financial Consulting: trade financing, business consulting
R&S Consulting Limited	Export Consulting/Training
Blue Bird Capital	Business Development
RBS Consulting	Market Linkages and Supplier Linkages
Finders Consulting Limited	Business Development
Diamond Development Initiative	Project design and development, monitoring and evaluation, business plan development, strategic planning, access to finance
Toki Mabogunje	Due diligence, capacity building, business plan development, Corporate Strategy, Business Advisory, Legal Advisory, Project Development and Finance, Growth Management, Access to Finance, Knowledge and Skills Management
Sucesory Nigeria	Business Management Services, Microfinance, Poverty Management Training, Capacity Building

EDP/OIC International	Export Consulting/Training
ICLED	Agriculture impact investing, business development, strategic guidance services
UHY Maaji	Strategy services, human resource services, financial services, tax consulting
Legacy Investment Management	Deal sourcing and structuring; transaction management and advisory services; Investment management and advisory services
Growing Business Foundation	Export BDS
Growing Business Capital	Export BDS
Community Development Foundation	Services in access to finance (microcredit), institutional capacity building and research, targeting the rural poor.
New Nigeria Foundation	Platform for mobilizing public-private collaboration. UN Foundation and UNDP funded.
ATTW Group	Export Consulting/Market Linkages

Market and Develop Demand-based Export Services

Work commenced early March 2013 to develop NEXTT’s framework for increasing demand-based export services through PBCs. NEXTT’s strategy for this work, modeled after CARANA Corporation’s successful deployment of similar instruments through the West African Trade Hub (WATH), hinges upon clear understanding of the market to develop appropriate financial structures. The BDS Mapping Assessment was designed to provide this information, but delay in its delivery and gaps in terms of pricing information pushed back the project’s implementation timeline to design tenders for BDS providers in Year 1. Without the requisite market information, NEXTT could not issue RFPs for service provision, or sign contracts with initial providers. In response, NEXTT sought to bridge the gap and directly offer technical assistance to individual projects that emerged from our foundation work during the year.

At the end of Year 1 NEXTT conducted additional research on the levels of subsidies required in performance based contracts with BDS providers to incentivize these to move into the agro export sector. The RFP will be issued in Year 2.

BDS Capacity Development and Certification

As summarized in the BDS Assessment Report, a weak business development services (BDS) ecosystem gives minimal support to agricultural and export enterprises in investment facilitation, innovation and expansion into new markets. With the BDS Assessment completed, NEXTT is now positioned to move forward with Training of Trainer Workshops (ToTs) and seminars to help bridge identified gaps in service provision for exporters, such as in new product development, access to finance, market support, and project development.

While NEXTT waited for the BDS Assessment results, the project facilitated trainings through Industry Alliance Workshops and **provided direct capacity development support to 9 BDS providers.** As a result, the project was able to meet 90% of its Year 1 for target for *Indicator 3.2.1. Number of Capacity Building Service Providers receiving USG assistance.* Examples of support are listed below:

- NEXTT provided Access to Finance training to MC Akin Consulting, BIK Advisory, SME Consulting and Financial Intermediation and IDDO Liquid Resources Limited through the Global Shea Alliance Conference in Q2.
- NEXTT worked with ATTW Group, a BDS Consulting Firm, to help generate linkages between exporting Nigerian firms and importing US firms in Q3.

- Finders Consulting, a local BDS firm, participated in the NEXTT supported Access to Finance training at ACA Conference in Accra, in September, 2013. Following the conference, NEXTT has continued to engage them to participate in the project's cashew cluster development work.
- NEXTT has supported Sahel Capital, Doreo Partners, and Koinonia Venture Capital Ltd to identify business opportunities. These three firms participated in the LAKAJI Agricultural Growth Corridor Investment Summit in Q4, through which they benefited from the market linkages with SME project promoters.

Developed and maintained a pipeline of export opportunities in 10 value chains

NEXTT's Year 1 strategy for developing a pipeline of export opportunities was to channel support through public export promotion bodies, in order to build their capacity to coordinate and implement national export strategies, and to concurrently provide direct support to exporting firms in key value changes.

Export Opportunity Development through Institutional Support

NEXTT's export development team moved early to explore opportunities to strengthen the capacity of Nigerian Export Promotion Council (NEPC), Nigeria's foremost national trade promotion agency, and to formalize NEPC's cooperation with NEXTT. The process required considerable back and forth with NEPC to outline areas of cooperation and the framework for engagement. NEXTT developed an **MOU with NEPC targeting its support for tradeshows**, which was finalized in Q4. At the end of the project year, the signing of the MOU was awaiting the deployment of the new USAID Mission Director to Nigeria. NEXTT anticipates the MOU will be signed early in Year 2.

The delays in formalizing NEPCs relationship with NEXTT pushed back NEXTT's timeline for supporting NEPC in the area of trade show identification and preparation. During this time, NEXTT also further identified the difference in vision between NEXTT and NEPC in terms of preparing exporters for participation in trade shows. NEPC's strategy to date seems to be "casting a wide net" in terms of preparing a vast group of exporters for participation in a wide range of trade shows in multiple sectors, which translates into provision of generalized trade show preparatory training. NEXTT's vision for trade show preparation however, is laser-targeted; focusing on specific sectors with the most comparative advantage to the country, and to participate in specific trade shows in key markets that are most likely to assist participants seal export deals and purchase orders. Therefore, NEXTT worked over the last year to introduce NEPC to this market-driven approach to trade show preparation. However, the budgeting process of NEPC and rigidity in re-programming resources within NEPC made it difficult to significantly alter prior commitments for trade show preparatory training. The recent change in leadership at NEPC provides a new opportunity to re-initiate discussions with NEPC on the most effective strategies for trade show preparation in Year 2.

Given challenges and delays experienced in Year 1 working with NEPC, the NEXTT team also engaged the Federal Ministry of Industry, Trade and Investment (FMITI) and the Small and Medium Enterprise Development Agency (SMEDAN), who are also working to implement export strategies. SMEDAN provides free capacity building support across the country through a network of regional offices. These initiatives offer support in the areas of business management, export procedure and documentation and market opportunities. NEXTT is working with SMEDAN to come up with a strategy to improve the quality, utility and relevance of the services they offer. Also this year, NEXTT responded to a request from the FMITI to assist Nigeria understand how it can best take advantage of AGOA in apparel and leather value chains, based on other African country experiences, and Nigeria's competitive advantages. The study was undertaken by various NEXTT team members and consultants, and presented to USAID

for later submission to the Nigerian government in September of 2013. The study provides recommendations for immediate actions Nigeria can take to expand exports of these items to the U.S., and also lays out the critical elements of the enabling environment that Nigeria should consider if it wants to compete “head to head” with other African countries in these value chains.

Export Opportunity Development through Direct Support to Exporting Firms

While NEXTT built a framework for supporting exporting firms through public export promotion bodies, the project provided direct support to two dozen exporting firms across several value chains, including cashew, cotton, honey, moringa, sesame, shea, textiles, yam and home décor. A summary of technical assistance support provided to these firms is outlined in Table 5 below.

Table 5: Key Firms Receiving NEXTT Support in Year I

FIRMS RECEIVING CAPACITY BUILDING ASSISTANCE TO EXPORT			
	Firm Name	Value Chain	Support provided by NEXTT
1	ABOD Success	Cashew Processor	Business Development
2	ACET	Cashew Processor	Access To Finance, Investment, ICT Support
3	Arewa Cotton	Cotton, Textiles & Apparels	Market Linkages, Increased Farm Productivity
4	Coopitalia	Varied Food Exports	Identifying Potential Exporters
5	Esteema Diamonds Global Investments	Cashew Exports/Processing	Access to Markets/Market Linkage, Export Support
6	Frijay Consulting	Yam Exports	Export Packaging & Logistics
7	Full Green Nigeria Limited	Shea Exports	Supported Business Planning
8	Fumman	Shea	Standards
9	Havillah Global Services	Cashew Exports	Supported Business Planning/Market Linkage
11	Joint Heirs Limited, Global Export Market Access & Expo	Home Décor Exports	Market Linkages, Export Support
12	KD Foods Processing Company	Cashew Exports	Supported Business Planning,
13	Ladgroup	Shea Processor	Market Linkages, Supply Chain Productivity
14	Loders	Shea Buyer	Supply Chain Support
15	Multitrex Integrated Foods Plc	Cocoa Processor	Access to Markets
16	NELSAG Nig. Limited	Shea	Supported Business Planning

17	Reconcile Nigeria Limited (NCAN VP West)	Cashew Exports	Access to Finance
18	REMNANT	Moringa	Market Linkage, Export Support
19	Shea Blossom/Hayloft	Shea	Value Chain Consolidation, Export Support
20	Shea Radiance	Shea Processor	Supported Business Planning
21	Sigwa Group	Sesame Processor	Market Linkages, Export Support
22	SOKAIKO Shea butter & Agro Processing Co. Ltd	Shea	Market Linkage
23	Spring View Integrated Textiles	Textiles & Apparel	Access to Finance
24	Strange Industries	Honey	Standards
25	Wakman Golden Heritage Ltd.	Cashew Exports	Access to Finance/Access to Markets

Supported Exporting Firm Logos



In Year 2, these firms and others will be integrated into NEXTT’s Export Support Scheme (ESS), a platform to channel BDS and financial services to key exporters in target value chains, with an emphasis on exporters located on the LAKAJI corridor.

Examples of support provided to exporting firms in Year I are provided below. Over the year, NEXTT has provided technical assistance to exporting firms in the key areas of access to finance, integration of international production standards, developing market-oriented export strategies, supporting value-added processing, and facilitating market linkages.

Access to Finance

Access to Finance remains a critical obstacle challenging business development and export growth among agriculture-focused firms in Nigeria, particularly MSMEs. Larger enterprises are able to leverage cash flows and assets to access finance from traditional lending banks and financial institutions; however, smaller firms are not usually able to fulfill requirements to borrow from these traditional institutions and are thus in need of more flexible financial products. In Year I, NEXTT supported the demand side and the supply side of access to finance; identifying financing needs of SMEs, and building relationships with multiple financial institution partners (i.e. banks, equity funds, social impact investors, etc.) that can potential provide financing solutions for exporters. Examples of key financiers in NEXT’s EES include:

- **Sahel Capital Partners and Advisory Limited** is a fund manager and advisory firm involved in the Fund for Agricultural Financing in Nigeria (FAFIN) initiative that seeks to transform the landscape of agriculture finance in Nigeria. Sahel Capital focuses on agribusiness and could issue up to \$400,000 in loans to viable SMEs.
- **Bluebird Capital Limited** is an investment banking firm which offers financial advisory services to SMEs and works with the Bank of Industry to improve the attractiveness and bankability of SME ventures. It has access to the African Guarantee Fund set up by the African Development Bank and Mara Adventure Capital Fund, a total funding potential of \$US100 million.

SNAPSHOT OF PROVISION OF ACCESS TO FINANCE TO ERCs (Export Ready Companies)

Esteema Diamonds Global Investments Limited



NEXTT is supporting Esteema Diamonds Global Investments, a Nigerian cashew trading company, with market linkages support, and support to access “capacity to export” (CapEx) financing to expand their processing capacity.

During the NEXTT-supported African Cashew Alliance (ACA) event in Accra in September 2013, the NEXTT team was introduced to the CEO of Esteema Diamonds Global Investments. The firm is seeking to expand their current annual turnover of US\$600,000, through the development of a factory in Ayetoro Village Ogun State with a capacity to process 3000 MT of export grade Cashew Kernels.

After conducting a factory visit to validate production numbers, NEXTT linked the company with impact investor Root Capital, in an effort to broker financing for pre-commencement costs and to stockpile raw cashew nuts (RCN) prior to the 214 cashew season. Root Capital is currently conducting due-diligence on the financing deal. If the deal is finalized, NEXTT will have contributed to the creation of 350 new jobs for workers drawn from the local community with indirect impact on a network of farmer associations in Ogun and Osun States from where the company sources raw cashew nuts. In addition to facilitating this relationship, NEXTT is supporting the company to identify buyers for cashew nuts produced.

Integrating Standards in Food Production

The certification of Nigerian farms and export factories to meet quality and tractability standards will allow exporters to access key regional and international markets.

NEXTT is supporting a number of firms to obtain certification for international standards on quality control and food safety. Once these certifications are finalized, NEXTT will be able to report results on *Indicator 3.2.2. Number of firms receiving USG assistance that obtain certification with international quality control, environmental and other voluntary standards or regulations*. Specifically, in Year I NEXTT began:

- Supporting Esteema Diamonds Global Investments Limited to obtain an ACA seal on their new cashew processing facility.
- Brokering a relationship whereby the Europe-Africa-Caribbean-Pacific Liaison Committee (COLEACP) will provide support to FUMMAN Agricultural Products Industries Limited to introduce production standards into its orchards and out-grower farms.
- Working with the National Agricultural Quarantine Service to support Yam exporters to meet certifications required for export.
- In collaboration with COLEACP, providing technical assistance to Standard Organization of Nigeria (SON) on Local GAP and Global GAP standards for exporters.

SNAPSHOT OF SUPPORT TO ERCs IN STANDARDS IMPROVEMENT

FUMMAN Farms and FUMMAN Agricultural Products Industries Limited

NEXTT has connected FUMMAN Farms Limited with institutional standards and research bodies that are providing firm-level support to integrate production standards, allowing the firm to access untapped markets.

FUMMAN Farms Limited is mid-sized horticulture enterprise with 400 acres of Oranges, Pineapples, Mango and Guava orchards. The focus of its proprietor Chief Emmanuel Adeyemi is ‘to be able to sell fruits to the emerging mega supermarkets and possibly export, while being a role model for other farms around and young people who may be interested in agriculture’. The farms are affiliated with FUMMAN Agricultural Products Industries Plc., a fruit processor and marketer of Fumman fruit juices, established in 1994 with the acquisition of Lafia Canning Factory.



*Products of FUMMAN
Agricultural Products Industries
Ltd*

NEXTT connected FUMMAN Farms with the Ladoko Akintola University of Technology (LAUTECH) in Ogbomoso Osun State and the Agricultural Food Growers & Exporters Association (AFGEAN), a nascent platform for the development of the Fruits and Vegetable export value chains targeting markets the Europe. Through this platform, FUMMAN has contacted the Europe-Africa-Caribbean-Pacific Liaison Committee (COLEACP), to access firm level support to introduce Local Good Agricultural Practices on its orchards and its network of out-grower farms that feed the fruit processing factory.

FUMMAN is now able to supply local buyers, such as Shoprite Stores, with its brand of fruit juice but can also sell their products internationally. NEXTT, working with international partners such as Coopitalia, a major Italian cooperative store with over 4000 outlets across Europe, is facilitating market access opportunities for firms like FUMMAN.

Chief Adeyemi appreciates NEXTT’s support, stating, “Thanks for putting (the) resources at my (sic) disposal and for your keen interest in the network that will assist the growth and prosperity of agribusiness in Nigeria.”

Agricultural Fresh Produce Growers & Exporters Association of Nigeria (AFGEAN)/ COLEACP Liaison Committee for Europe-Africa-Caribbean-Pacific

GAWA Capital, as part of a global partnership with Coopltalia (one of Italy's largest food retailers), approached NEXTT early in the year to explore a partnership that would allow the retail chain to source fresh produce from Nigerian agribusiness firms that directly or indirectly support African smallholders. GAWA Capital is developing a fund that can support the expansion of capital to agribusiness firms to meet the quality and quantity requirements of the buyer, Coopltalia. Coopltalia and GAWA Capital are working in partnership with Technoserve to provide technical assistance to farmers to increase their productive capacity and be able to supply quality product to European markets. However, given GAWA Capital and Technoserve's limited inroads in the Nigerian agribusiness space, GAWA contacted NEXTT to provide assistance in identifying potential exporters that could meet the quality standards of Coopltalia in tropical fruits. In support of this initiative, NEXTT participated in a series of meetings with representatives of the Agricultural Fresh Produce Growers & Exporters Association of Nigeria (AFGEAN),⁷ a private sector initiative with a vision to develop the horticulture sector and champion fruits/vegetable exports to Europe. NEXTT then explored opportunities to partner with AFGEAN, the Federal Ministry of Agriculture and Rural development (FMARD) and COLEACP⁸ Liaison Committee for Europe-Africa-Caribbean-Pacific, to deliver a Food Safety protocol/regime for Nigeria, which will facilitate the export of Fresh Produce from Nigeria to Europe, as food safety issues will need to be addressed before new exports to Europe can ensue. NEXTT support during the year included endorsement of a visit by a delegation of the network to Nigeria to meet with industry stakeholders and develop a participatory strategy for the development of the sector, targeting the establishment of national standards and certification for fruits and vegetable farms, the establishment of a National Technical Working Group and the development of a public/private sector platform which would drive engagement of local stakeholders with the COLEACP. It via this platform that NEXTT introduced FUMMAN and TERAGRO Commodities Limited (both operators of large fruit orchards) to improve their access to Good Agricultural Practice in Horticulture, and the extension of support service to farms that require the service. Traceability and national standards/certifications are critical to improving sales of fresh fruits and vegetable in the developed markets of the west.

SNAPSHOT OF NEXTT's SUPPORT IN DEVELOPING MARKET-ORIENTED EXPORT STRATEGIES

FRIJAY Consulting Limited



Packed Yams on sale in ethnic markets in

Current estimates of Nigerians diaspora (20 million) are creating a strong and growing market for ethnic foods in the EU and US. However, food exports from Nigeria are estimated by the World Bank to be less than 1.3 % of national merchandise exports, due to difficulties in meeting the high SPS standards required to access these markets. Tapping into this significant market opportunity requires specific knowledge of logistics procedures and standards certification requirements.

In August 2013, the NEXTT project supported 18 yam exporters (7 women) targeting the growing ethnic markets

AFGEAN is pursuing a 3-pillar strategy that addresses issues of standards and certification, supply chain and logistics development and finally market access.

⁸ COLEACP is an Inter-professional network promoting sustainable horticultural trade, gathering ACP producers/exporters and EU importers of fruit and vegetables, flowers and ornamental plants, and other partners operating in the ACP/EU horticultural industry

in the United States and Europe with capacity building assistance to improve competitiveness and sales.

NEXTT's event, organized in partnership with the Frijay Consulting Limited, an agro export firm in Nigeria, provided information on international best practices, packaging, fumigation as well as air and shipping methods. NEXTT identified an expert in logistics to provide training in conjunction with Frijay Consult Ltd., KSP Shipping Logistics, and the National Agricultural Quarantine Service. Also explored were the various world acceptable growing methods and certifications required for yam export.

Facilitating Value Addition and Supply Chain Integration: Shea Radiance

NEXTT is supporting Shea Radiance, a leading US based manufacturer of natural hair care and body care products formulated with unrefined shea butter, to strengthen their supply chain in Nigeria and establish an oilseed processing plant. Through this support, NEXTT is creating market opportunities for farmer associations and cooperatives predominated by women, and bringing significant value-addition to Nigerian shea sector.



Shea Radiance Products

Following the NEXTT-sponsored Global Shea Alliance (GSA) meeting in March 2013, NEXTT began working with Shea Radiance to identify opportunities to expand the firm's domestic sourcing and production. Shea Radiance was seeking credible partners on the ground that could supply the purchasing needs of the growing business ahead of the 2014 season and develop investment documents to facilitate the establishment of oilseed processing plant in southwest Nigeria. The establishment of the facility in Nigeria would give the firm greater control over the quality of its product and reduce costs of transporting bulky base product over long distances improving overall competitiveness.

NEXTT identified two local firms able to meet the supply needs of the company and facilitated linkage with BDS providers to work with the company to access the financing required for the processing plant. Having garnered significant experience and success marketing the Shea Radiance brand internationally, NEXTT is also exploring the possibility to engage Shea Radiance as a BDS provider in marketing, logistics and in trade show preparation.

Facilitating Market Linkages: SOKAIKO Shea butter & Agro Processing Co. Limited

NEXTT helped Sokaiko Shea butter & Agro Processing Co. Limited, a shea processor in Niger State, find a new buyer for its increased production, which resulted in a Local Purchase Order (LPO) with Ladgroup Oilseed Processing.

Sokaiko Shea butter & Agro Processing Co. Limited, an SME identified through the Global Shea Alliance 2013 event, is one of many SMEs operating in the Shea Value Chain in Nigeria. In addition to production and processing of shea, the proprietor is actively involved in group formation and gender engagement, leveraging the abundant resource availability in Niger State to produce Shea Butter and trade Shea Nuts

The NEXTT team facilitated the linkage between Sokaiko and Ladgroup Oilseed Processing, an anchor firm in the VC with an installed capacity to process 40,000 mt of oilseeds. Ladgroup's LPO with Sokaiko created a market opportunity for the firm to deliver an initial 1000 metric tonnes of premium quality sheanuts to the Ladgroup, while at the same time strengthening Ladgroup's supply chain. Ladgroup has a purchase order with international firm IOM Loders, one of the world's largest shea buyers, which is actively seeking new sources of quality shea in Nigeria, to be exported to Ghana, processed, and re-exported to Europe.

Increased competitiveness of exporters in target value chains

In spite of not completing the hiring process of BDS providers to support exporters in Year I, the NEXTT team was able to provide sufficient technical assistance to exporting firms, leading these firms to increase their exports by \$810,945 in Year I (the target for Year I exports was \$1 million). Progress made against NEXTT indicator 3.3.1 *Value of exports by NEXTT client firms facilitated as a result of project assistance*, is presented in the table below:

Table 5: Value of Exports Facilitated in Year I

FIRM NAME	VALUE OF EXPORTS
Shea Radiance	\$58,000
Sigwa Nigeria Limited	\$50,040
ACET	\$55,000
Hayloft/Shea Blossom	\$3,205
KD Food Processing Company	\$438,000
Frijay Consulting	\$206,700
TOTAL	\$810,945

NEXTT team members were also able to provide technical assistance to firms, while waiting for clarity from USAID on the creation of a project development fund, to support exporting firms obtain \$1,407,475 in investment during Year I (the target for exporter investment in Year I was \$2mn). Progress made toward indicator 3.3.2 *value of investments in NEXTT client firms facilitated as a result of project assistance*, is presented in the table below:

Table 6: Value of Investments Facilitated in Year I

FIRM NAME	VALUE OF INVESTMENT
Frijay Consulting	\$170,000
Spring View Integrated Textiles	\$1,237,475
TOTAL	\$1,407,475

Develop and Leverage Value Chain Alliances

Part of NEXTT's strategy for building a sustainable BDS ecosystem is to build upon existing partnerships and industry alliances, which can strengthen value chains and exporters located in Nigeria. In Year I, NEXTT co-sponsored the Global Shea Alliance Conference in March 2013 and the African Cashew Alliance World Cashew Festival and Expo in September 2013. Both events provided platforms from which NEXTT could market its offer of support to the Nigerian exporters in these value chains, thereby positioning the project as a credible partner in the country to support new exports of shea and cashew, and investments in firms in these industries in Nigeria.

Global Shea Alliance (GSA)



In partnership with the Global Shea Alliance, the USAID West African Trade Hub, the National Shea Producers Association of Nigeria (NSPAN) and the Niger State Government, NEXTT co-sponsored Global Shea 2013, the flagship forum of the Global Shea Alliance (GSA) in Abuja from 4 – 6 March, 2013 at the Sheraton Hotel & Towers. Participation at the forum exceeded all expectations with well over 530 delegates drawn from 20 countries including United Kingdom and United States, all working within the Shea value chain.

Facilitating access to finance to the members of the shea value chain, a critical concern voiced by the members of GSA, was the focus of the NEXTT support to the conference. The access to finance designed and facilitated by NEXTT included a larger plenary titled “International Opportunities and Challenges in Shea”, which generated significant interest and provided a platform to extend USG technical assistance to over 130 participants. **Of the 92 registered participants in the various A2F breakout sessions, 71% were female entrepreneurs and professionals.** Specifically, at the NEXTT-led session, 45 participants stayed the length of the course (26 men and 19 women), which NEXTT has included toward progress on *Indicator 3.1.3. Number of Participants in Trade and Investment Trainings.*

During interviews to complete the gender integration plan for NEXTT, NEXTT team members identified a dynamic BDS provider in a number of value chains including shea, the manager of which is a participant in international AGOA forums and member of the GSA local planning committee, the African Women’s Enterprise Network. Citing financial difficulty, this firm asked if NEXTT could sponsor a table so it could advertise its BDS services in the area of shea, and also provide some of its members an opportunity to promote their shea products. Given NEXTT’s interest in incorporating a gender lens to its export development work, NEXTT assisted this firm obtain a table at the GSA conference.



Shea Radiance Proprietors teaching delegates the theory of Cosmetic Formulation at the GSA conference in Abuja.

NEXTT’s involvement in the organization of Global Shea Alliance meeting in Abuja was an important opportunity for the project to identify pressing BDS needs in the shea VC, as well as to identify BDS providers that are experts in the field of Shea processing and production. Co-sponsoring this conference also allowed NEXTT to make progress on the work plan activity of supporting the Nigerian chapter of the shea alliance to integrate BDS providers into their strategies for industry growth.

Through the GSA Conference, NEXTT identified a number of investment leads and opportunities with select firms which were supported throughout the year including, Shea Radiance, Ladgroup, Sokaiko,

Strange Industries, NELSAG and more recently Full Green Limited, all of which are part of the ESS pipeline of companies in NEXTT's portfolio.

Also in support of this value chain, the NEXTT export development team worked this year to develop strategic partnerships with state governments along the LAKAJI corridor, specifically with the governments of Katsina, Kaduna and Niger States, to define new investment incentives that will attract new investment in shea in the respective states.

African Cashew Alliance (ACA)



AFRICAN
CASHEW
ALLIANCE

In September 2013, NEXTT co-sponsored three investment and finance sessions during the African Cashew Alliance's World Cashew Festival Expo 2013 held in Accra, Ghana. The event was attended by over 450 delegates from Europe, America and West Africa, all working within the cashew value chain. Eighty participants attended the NEXTT-sponsored sessions. The expo was an opportunity for the project to develop and strengthen relationships with representatives of financial institutions such as Oiko Credit, Triodos Bank and Root Capital, thus setting future

financing avenues for cashew processing and exports from Nigeria. The event, initially scheduled to be held in Lagos, Nigeria was moved to Accra, Ghana due to security concerns.

At the event, the NEXTT team members designed and facilitated presentations on the sustainability of cashew initiatives, as well as opportunities for finance and investment in the cashew value chain. Through Business 2 Business Forum, NEXTT identified a number of processors, farmers, exporters, financiers and international buyers of Nigerian Cashew. One processor identified during the conference was Esteema Diamonds Global Limited, which is currently being supported in the area of access to markets and access to finance.

Nigerian Cashew Association of Nigeria (NCAN)

In Year 1, NEXTT also began working with the Nigerian Cashew Association of Nigeria (NCAN). NEXTT is working with the leadership of the association to determine how best to build internal capacity and strengthen governance. NEXTT plans to support NCAN in preparation for their Global Cashew Conference & Expo in Lagos, Nigeria in December 2013.

Developed export development strategy for priority value chain

In Q3, the NEXTT team undertook a preliminary assessment of Nigeria's comparative advantage in 11 key VCs and established a methodology to prioritize 3 VCs from which a single VC could be selected. The task included a four step methodology towards selecting the 3 "winning" VCs, and comprised of desk research, the generation of sector specific Fact Sheets summarizing key statistics, product/sector performance against agreed selection criteria, and highlighting market opportunities and challenges. A second stage involved stakeholder interviews, identifying key informants to provide a market perspective from which to validate desk findings and support the ultimate 3 VCs selection. The third stage involved a scoring/ranking of value chains with a view to selecting "winners". The fourth stage analyzed and articulated the outcomes and findings of the selection exercise.

The process described above identified Shea, Sesame, Cocoa, Cashew and Cassava as leading candidates for NEXTT intervention and prioritized Shea, Sesame and Cashew value chains for further rigorous

study towards delivering the one VC around which a model export development strategy can be built. This Preliminary Value Chain Assessment was presented to USAID Mission in May 2013.

Early in the fourth quarter, NEXTT conducted field work towards completing a second, more in-depth assessment of Nigeria's long-term comparative advantage in these three value chains. Field work is still underway, and has consisted of interviews with processors, commodity associations, financial institutions, donor projects and government agencies, industry alliances and national, regional and international buyers of these commodities, and culminated in a presentation of initial findings and consultations with USAID, NEPC.

ANALYSIS

NEXTT achieved nearly all of its PMP targets for the Expanded Export Support component in Year 1 (with the notable exception of the total value of exports facilitated, where NEXTT was \$189,055 short of hitting its annual target of \$1 million). Meeting these targets points to the quality of firm selection by the NEXTT team (in part thanks to the linkages with industry alliances) as well as the ability of NEXTT team members to provide export services directly while the BDS system of support continued to evolve, and efforts continued to formalize a relationship with the Nigerian government to provide NEPC with export promotion support. However, continued, primarily direct service provision of export support by the NEXTT team is an unsustainable service provision strategy that must evolve in order to build on these initial export successes, and meet the expanded export component targets in Years 2-5.

Moving forward, NEXTT's Expanded Export System will provide the necessary platform to identify additional exporters to support (pipeline development), as well as be able to link these with the required services (BAS and Access to Finance) so that NEXTT can significantly expand its offer of service delivery to the Nigerian export sector, and meet higher export targets.

Supporting the Nigerian government in export promotion has proven challenging, given a range of capacity issues, bureaucratic hurdles, and an initial difference of opinion with NEXTT on the best ways to promote increased exports from Nigeria to the U.S. and the world. These differences of opinion have been addressed through efforts of the NEXTT team in Year 1, but more needs to be done so these are fully overcome, and NEXTT can provide world class support to Nigerian government entities involved in export promotion, focused on one priority value chain. Formalizing the agreement with the GON to provide NEPC with technical assistance on export facilitation, and focusing the design of world class, demand-driven and private sector-led export promotion around one value chain will be the focus of NEXTT's efforts with the Nigerian government in Year 2. Capacity building initiatives will in all cases be informed by expressed/identified needs on a cost share basis drawing from business networks, associations and alliances active within the target value chains. One such grouping the component will be involved with in shaping capacity building efforts is the LAKAJI Corridor Advisory Council (LCAC), which draws membership from businesses active along the LAKAJI Corridor.

While every effort will be made to engage across the spectrum of firms requiring technical assistance to expand and export, the project will seek to prioritize efforts and resources with an understanding of the "80:20" principle: Identifying and supporting the needs of the top 20 percent of exporting firms will deliver 80 percent of the expected results. Such 'momentum' projects will typically be medium to large enterprises on or feeding into the LAKAJI Corridor, situated within specific VCs or serving multiple VCs of interest and adding measurable value along the chain. These firms will be actively sought out and engaged with a view to launching them as viable businesses or improving the firm's operational efficiencies. Other non-momentum SME-feeder projects can be supported by NEXTT, however with an understanding that they feed into the VCs strengthening the supply chain of larger momentum businesses.

MONITORING AND EVALUATION

NEXTT's approach to monitoring and evaluation (M&E) in year I stressed building the capacity of partner institutions to monitor systemic change and generate feedback on the effectiveness of NEXTT activities. To monitor the impact the project frequently collected, recorded and reported data and information on implemented activities form and to stakeholders to sustain feedback and sound decision making. Quantitative and qualitative data was collected through:

- Quarterly beneficiary surveys;
- Systemic quarterly review of official sources; and
- Activity levels tracking.

The data collected is then analyzed and feedback from participants assessed. For example in the aftermath of the LAKAJI Baseline Validation workshop as well as National Policy on Food Safety workshop, participants expressed high rates of satisfaction (88% from the LAKAJI Baseline workshop and 85% from the Food and Safety training).

NEXTT's Performance Management Plan PMP was submitted in January 2013 and USAID suggested an inclusion of four additional indicators for inclusion, included in March 2013, in order to (a) track time and cost of moving goods between two major commercial cities (Lagos and Kano) along the LAKAJI corridor and (b) determine new agribusinesses established and value of investment along the corridor.

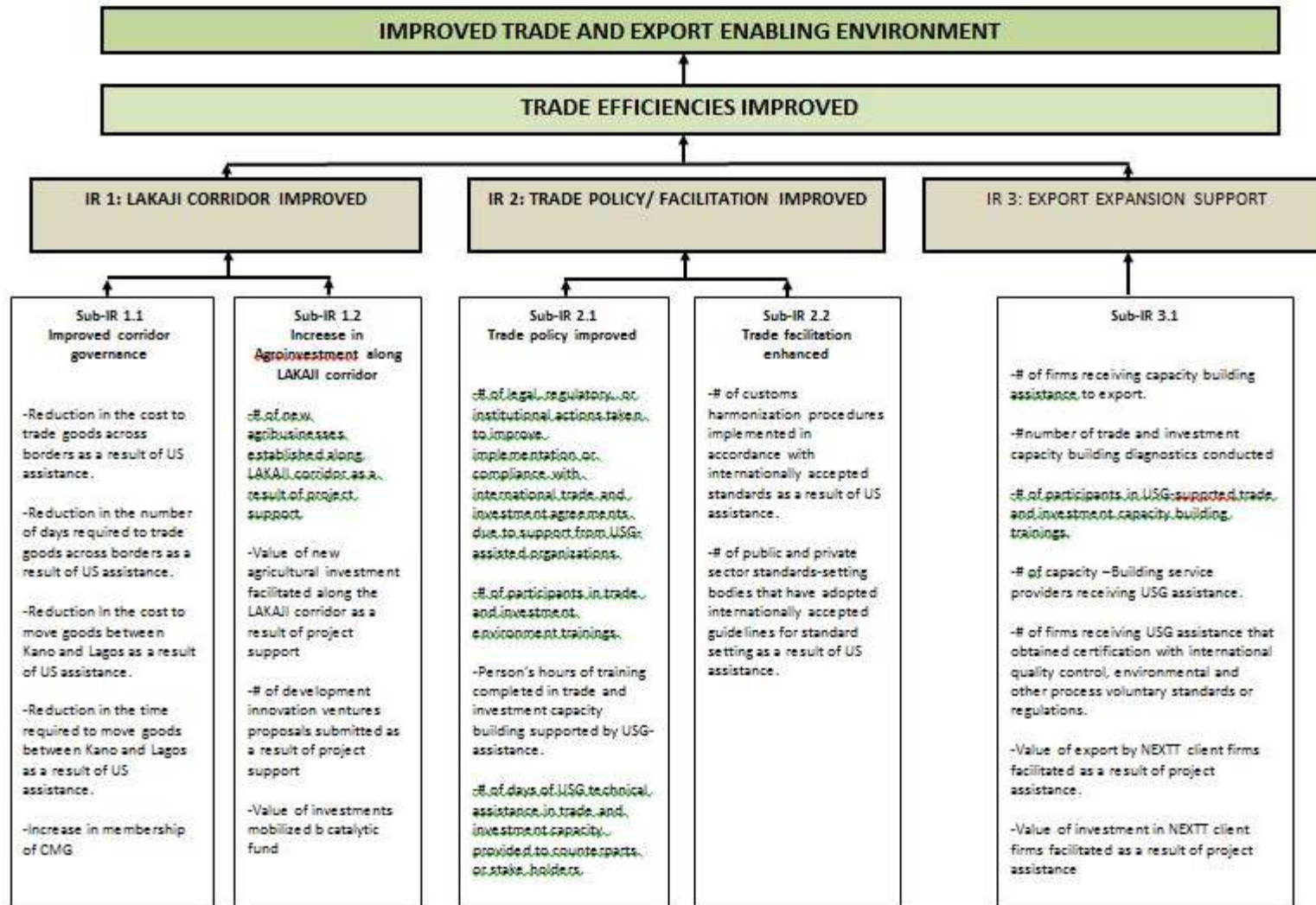
In quarter 3, following recommendation from USAID's Monitoring and Evaluation Management Services (MEMS), the project began tracking the following two NEXTT global indicators:

- Person hours of training completed in trade and investment capacity building supported by USG assistance; and
- Number of days of USG supported technical assistance in trade and investment capacity provided to counterparts or stakeholders.

NEXTT also developed a Performance Indicator Reference Sheet (PIRS) for all indicators.

The NEXTT team intends to continue with the successes and the better practices in monitoring and evaluation identified in Year I

NEXTT'S RESULT FRAMEWORK



CROSS CUTTING ISSUES

GENDER

NEXTT successfully integrated a gender plan into its activities in quarter 3 to fully account for the pivotal role of gender in production, processing and trade of agricultural commodities along the LAKAJI Corridor. Women remain disproportionately under-represented in formal employment and compose the majority of informal sector workers in Nigeria. NEXTT has been strongly committed to promoting gender balance in all of its operational and technical activities, including seminars, conferences, workshops, and capacity building events throughout year I.

In year I the team focused on establishing platforms for ensuring a strong enabling environment for the achievement of gender equality targets in all components and on engaging women for the significant role they have the potential to play in economic growth and development of the LAKAJI Corridor.

For example, the LAKAJI transport and logistics baseline assessment team interviewed business women in the transport and logistics sector along the corridor and representatives of women in agribusiness from all the LAKAJI Corridor states attended the 2013 LAKAJI Agricultural Growth Corridor Investment Summit. Throughout the projects' BDS mapping activities, NEXTT identified and documented female-led BDS providers and female export firms involved in the BDS ecosystem along the corridor and will follow-up with them regularly to update the record of their performance in the sector.

NEXTT successfully hosted the LAKAJI Baseline Validation Workshop and actively ensured greater gender parity among participants and presenters. Nearly 40% of the participants during the NEXTT-facilitated stakeholders' workshop on the National Policy on Food Safety and its Implementation Strategy were women.

In quarter 4, six new members registered with the Corridor Management Group, all from the private sectors and one of them led by women. The LAKAJI Corridor Advisory Council (LCAC) counts almost 30% of women volunteers and the NEXTT team is working to seriously ensure gender parity in the Council leadership, from both the private and public sectors.

ENVIRONMENT

NEXTT from inception has been designed to encourage, promote and facilitate activities that are environmentally friendly. To this effect the NEXTT team attaches great importance to the growing need to protect the environment and consistently uphold environmental conservation measures.

NEXTT completed an Environmental Mitigation and Monitoring Plan (EMMP) in Year I that was submitted and approved. The EMMP was developed by screening activities in the Year I Draft Work Plan against the project's governing Initial Environmental Examination (IEE)⁹ to identify NEXTT activities that were categorically excluded, considered Negative Determinations (with and without conditions); and those that were included in the IEE. Only the activities from the Year I Draft Work Plan that

⁹ IEE for USAID/Nigeria Economic Growth and Environment (EGE) office, Assistance Objective 2, "Increased Rural Incomes and Jobs in Assisted Areas," implemented under the Country Strategic Plan, October 2009 – September 2014. IEE includes activities under the following intermediate results: IR 1: Increased Agro-enterprise-farmer linkages; IR 2: Reduced infrastructure (energy, trade and transport) bottlenecks; IR 3: Improved agricultural enabling environment at state and federal levels.

qualified for a **Negative Determination with conditions** were included in the EMMP; no NEXTT activities were considered to have a Positive Determination.

As per the EMMP and over the past year, the NEXTT team conducted a **preliminary screening, ranking and analysis** of potential environmental impacts of the proposed agribusinesses and infrastructure investment projects highlighted in the LAKAJI Agricultural Growth Corridor Assessment report. This report was released at the end of Year 1, so future support to these agricultural investments will require more rigorous environmental screenings. NEXTT also included environmental concerns as screening criteria in the Component 3 work to select a value chain to support more intensely in Year 2. NEXTT issued no grants or subcontracts in Year 1 to third parties (to support agricultural investments or export promotion), so evaluating the environmental impact of these will be an activity to include in the updated EMMP for Year 2, as will be training in environmental issues for BDS provider.

YOUTH

Based on USAID Policy for youth development and considering youth population in Nigeria, estimated at 33.6 million representing 19.3 of the entire population, NEXTT staff and subcontractors have added a youth lens to all studies, selection processes and assessments that were conducted in year 1.

In response to the challenges facing Nigeria's unemployed youth and in response to a USAID mandate, the NEXTT project has included mechanisms in its activities, indicators and staffing practices to ensure that young people are given an equal opportunity to learn from and contribute to NEXTT's mission. The LAKAJI Corridor as envisioned will link major commercial cities and run through rural Nigeria impacting over 90 million Nigerians. The development of commercial agriculture therefore, is a vehicle which can be effectively leveraged to engage and empower the sizable youth demographic in Nigeria and provide redirection from ethnic, religious and economic tensions.

The LAKAJI Agricultural Corridor assessment also identified agribusiness potential along the corridor that will open up opportunities for youth participation in agribusiness such as out grower programs, young farmers clubs, animal fattening, poultry production and fisheries. The LAKAJI Baseline Validation Workshop and Stakeholders meeting on the National Policy on Food Safety and its Implementation Strategy sought to ensure integration of youth. NEXTT staff and subcontractors are already working on strategies to increase youth participation in all NEXTT subsequent activities/events in year 2 by ensuring that:

- More jobs are created for youth along the LAKAJI corridor in agribusiness and ICT related agribusiness.
- Youth participate in studies, assessment and selection processes that will be carried out by the NEXTT Project.
- NEXTT collaborates with youth empowerment programs in the corridor states.

PLANNED ACTIVITIES

OCTOBER 2013 – DECEMBER 2013

COMPONENT I: LAKAJI CORRIDOR IMPROVEMENT

Activity	Date
Task 1 - Provide Technical capacity and support to the Lagos-Kano-Jibiya Transport Corridor management and development	
Continue to host meetings with the CMG membership to agree on action plans and the CMG-LCAC relationship.	Oct – Dec 2013
Support the CMG develop a plan to negotiate and sign MOUs with Corridor States Governments.	Oct – Dec 2013
Participate in Borderless Alliance of Nigeria meetings to improve advocacy efforts	Oct – Dec 2013
Support the CMG to develop an action plan to institute corridor improvements related to rail.	Nov – Dec 2013
Support the Nigeria Chapter of Borderless Alliance in preparation to host their 2014 Global Conference in Nigeria.	Nov – Dec 2013
Support Borderless Alliance of Nigeria expand its membership.	Nov – Dec 2013
Task 2 - LAKAJI Agricultural Growth Corridor	
Host meetings to finalize membership in AGCI LCAC and its Executive Committee.	Oct – Nov 2013
Support LCAC to expand membership as needed.	Oct – Nov 2013
Finalize private and regional Catalytic Fund Commitments and sign appropriate MOUs.	Oct – Dec 2013
Convene the LCAC to agree on the platform and concrete actions to move forward existing and new investments on the corridor.	Oct – Dec 2013
Host AGCI/LCAC meetings to finalize the Catalytic Fund concept, management requirements and platform to review fund proposals and continuously develop new pipeline.	Nov – Dec 2013
Form AGCI/LCAC working groups and finalize initial workshop topics and upcoming meeting agendas.	Nov – Dec 2013
Support FMCT to stimulate new agribusiness ICT investments and the Techlaunchpad Initiative.	Oct – Dec 2013
Host working group meetings and workshops on various topics (e.g., rail, connectivity, SCPZs, etc.)	Dec 2013
Develop and implement selection process to define 4 more states to add to the corridor to optimize SCPZs and ATA.	Dec 2013
Recruit and hire a fund manager (pending new USAID resources).	Dec 2013

COMPONENT 2: TRADE POLICY AND TRADE FACILITATION SUPPORT

Activity	Date
Task 1: Provide Technical Supports to the Federal Ministry of Industry, Trade and Investment	
Conduct multi-stakeholder workshop on TPP and recommendations for reform.	Before Dec 2013
Provide technical assistance to FMIT&I on the implementation of trade policy, trade strategy and tariff analysis unit.	Oct – Dec 2013
Conduct three training workshops on tariff impact analysis for GON economists.	Nov – Dec 2013
Coordinate with relevant stakeholders to redesign GON TTF	Nov – Dec 2013
Task 2: Support for Customs Modernization	
Provide mentoring support to the NCS Risk Management Unit in enhancing core function.	Oct – Nov 2013
Conduct Sensitization workshops between NCS and private sector to publicize changes in customs clearance procedures, changes in practice and other relevant news.	Oct – Dec 2013
Provide technical assistance to NCS in implementing its own TTF, to plan the implementation of trade facilitation measures in CEMA	Dec 2013
Undertake AEO cost benefit analysis.	Dec 2013
Task 3: Provide Institutional Capacity Building on Standards Infrastructure for Food Agricultural Trade	
Follow up with relevant Government departments to adopt the revised Food Safety Policy and Implementation Strategy at the highest political level.	Oct – Dec 2013
Collaborate with NFSM Committee and relevant stakeholders including NAFDAC, SON and Organized Private Sector) on mapping and gap analysis of compliance process for food and agricultural products, including needs assessment for strengthening.	Oct – Dec 2013

COMPONENT 3: BUSINESS EXPANSION AND EXPORT DEVELOPMENT

Activity	Date
Validate the outcomes and recommendations of the BDS Mapping Exercise.	Oct – Dec 2013
Expand pipeline of exporters and confirm demand for export service provision.	Oct – Dec 2013
Provide technical assistance and other support to facilitate export transactions.	Oct – Dec 2013
Confirm VC selection with NEPC and USAID.	Oct – Dec 2013
Hire (through competitive process) 10 BDS providers and STTA consultants to provide immediately demanded BDS services, as “transaction facilitators”.	Nov – Dec 2013
Publish database of BDS providers on the NEXTT and NEPC Websites.	Nov – Dec 2013
Conduct NEPC sponsored workshop on strategy for tradeshow participation, strengthening the institutional framework for exporters.	Nov 2013
Hold Training of Trainers (ToTs) for BDS providers on product development, access to finance, market support, and project development in collaboration with NEPC and other GON institutions	Nov – Dec 2013
Provide technical assistance to lead exporters (in conjunction with NEPC) on trade show marketing and logistics.	Dec 2013
Monitor service provision of BDS firms and BDS STTA and support deal facilitation.	Dec 2013
Technical assistance to lead exporters in conjunction with NEPC on trade show marketing and logistics	Dec 2013
Hold stakeholder forum to assist NEPC and lead firms/associations develop a strategy to increase exports in the priority value chain.	Dec 2013

ANNEX I: KEY YEAR I DELIVERABLES

Date	Deliverable	Component	Summary
June 2013	Baseline Transport and Logistics Report	LAKAJI Corridor Improvement	Baseline assessment report on the time and cost to import/export goods along the LAKAJI Corridor. Includes transport and logistics cost findings as well as recommendations to improve trade efficiency at the ports, during transportation, and at the national level policy.
May 2013	Agricultural Growth Corridor Assessment Report	LAKAJI Corridor Improvement	Analysis of agribusiness, logistics, services, and infrastructure investment needs and opportunities on the LAKAJI Corridor. Report highlights include: i) identification of physical obstacles and soft obstacles; ii) an investment blue-print with 33 commercially viable opportunities; and iii) recommendations on how to frame the Agricultural Growth Corridor Initiative.
August 2013	Investment Summit Booklet and Profiles	LAKAJI Corridor Improvement	Executive summary of investment possibilities. Includes resource and policy recommendations to maximize the potential agricultural opportunity.
February 2013	Trade Policy Mapping Report	Trade Policy and Facilitation	The study provides specific recommendations for improvements of TPP. The suggestions for restricting of the Enlarged National Focal Point (ENFP) and improvement of other relevant structures of TPP in Nigeria follow careful benchmarking of the current TPP in Nigeria with the WTO principles and international best practices.
October 2013	AGOA Report	Trade Policy and Facilitation	The report reviewed strategies adopted by other African nations (Ethiopia and Lesotho) to boost their leather and textile exports and detailed actions taken public and private sectors that could drive exports in Nigeria. It confirmed that Nigeria does have a competitive advantage in apparel and leather (leather in particular) due to its physical proximity to the U.S. market over other African competitors, resource endowment, and human capacity. However, Nigeria must improve critical infrastructure, foster a more enabling environment and enact and enforce policies to improve competitiveness to match the success enjoyed by Ethiopia and Lesotho.
September 2013	Draft Food Safety Policy Document	Trade Policy and Facilitation	The Draft National Food Policy identified the key challenges constraining the enhancement of food safety standards and compliance, offers two strategies for the implementation of the policy and describes the new framework that would ensure effective monitoring and evaluation of food safety along the food supply value chain. The draft also offers an exhaustive overview of the existing regulatory framework and the mandates of the relevant public institutions.
May 2013	Preliminary Assessment of in 11 Priority Value Chains	Export Support	Review of Nigeria's long term comparative advantage in 11 key VCs from which 3 will be shortlisted and further assessed to eventually select one target VC for NEXTT's model export promotion strategy. The 3 shortlisted VCs were cashew, shea and sesame
August 2013	Target Export VC Selection Report	Export Support	Comparative analysis of the cashew, shea and sesame VCs to determine the VC with the most promising prospect for

			export success. The analysis identified cashew as the priority VC as it offers a better prospect for the expansion of trade and the increase of value added throughout the VC, while still having a significant impact on rural income generation and labor engagement.
October 2013	BDS Mapping Assessment Report	Export Support	Mapping assessment of the supply, demand, and system-wide opportunities as well as gaps in export-related Business Development Services (BDS) to agricultural value chains along the LAKAJI Corridor.

ANNEX II: EVENTS CONVENED AND SUPPORTED

Date	Event	Component	Summary
May 4-7, 2013	Global Shea Alliance Annual Conference	Export Support	Brought together 500 representatives of all points in the shea value chain, to plan the future of an industry whose global significant grows with every year. The Alliance elected a new president, Hajia Salima Makama.
June 27, 2013	LAKAJI Corridor Baseline Transport and Logistics Validation Workshop	LAKAJI Corridor	Researchers presented their findings from data collected through over 100 private and public sector representatives from eight corridor states. The primary purpose of the workshop was to provide an opportunity to seek stakeholder validation, feedback and advice, and generate a collective set of next steps to improve transport corridor performance.
August 28-29, 2013	LAKAJI Agricultural Growth Corridor Investment Summit Booklet	LAKAJI Corridor	230 participants, 70% from the private sector, a government minister, diplomats, and representatives from donor agencies were in attendance. They heard presentations on 33 LAKAJI Corridor investment profiles. The major constraints to investment and growth in the agricultural sector identified were limited access to finance.
March 4-6, 2013	Food Safety Roundtable	Trade Policy and Facilitation	In partnership with USDA, NEXTT convened a stakeholder mobilization workshop. The workshop finalized a food safety policy document.
August 23, 2013	Expanded Export Support workshop with Frijay Consult	Export Support	Trained 19 business people, including eight women, in preparing yams for export. Techniques learned included packaging and grater knowledge of cost insurance freight for both sea and air freight.
December 17, 2012	Borderless Alliance National Committee Launch	LAKAJI Corridor/Trade Policy and Facilitation	Aim is to facilitate cross border trade by addressing the various bottlenecks at border crossings between Ghana and its neighboring countries, especially for landlocked countries that used the country's ports for their import and exports needs
September 16-19, 2013	ACA Conference	Export Support	NEXTT co-sponsored three investment and finance sessions during the African Cashew Alliance's World Cashew Festival Expo 2013 held in Accra, Ghana during September 16 – 19. The event was attended by over 450 delegates from Europe, America and West Africa
September 3-5 2013	19 th Nigerian Economic Summit	LAKAJI Corridor/Trade Policy and Facilitation/Export Support	NEXTT presented at the 19 th Nigerian Economic Summit. The theme this year was 'Growing Agriculture as a Business to Diversify Nigeria's Economy' and the summit focused on Nigeria's I ATA.

ANNEX III: PRESS HIGHLIGHTS

Date	Title	Media Outlet	Link to article
09/01/13	FG reiterates commitment to reducing cost, time of doing business	Vanguard	http://www.vanguardngr.com/2013/09/fg-reiterates-commitment-to-reducing-cost-time-of-doing-business/#sthash.99INrnXL.dpuf
08/29/13	Lakaji Agricultural Growth Corridor Investment Summit	NAN	http://www.nanngonline.com/picture/lakaji-agricultural-growth-corridor-investment-summit-in-abuja
08/28/13	Gov. Shema Urgest USAID to help in linking more farmers to markets	NAN	http://www.nanngonline.com/section/agriculture/gov-shema-urges-usaid-to-help-in-linking-more-farmers-to-markets
09/01/2013	USAID, others embrace Lakaji programme	National Mirror	http://nationalmirroronline.net/new/usaid-others-embrace-lakaji-progra/
02/09/2013	FG'll reduce cost of Doing Business – Minister	The Nigerian Observer	http://nigerianobservernews.com/02092013/business/business1.html
08/30/2013	Investing in Trade will Improve Nigeria in Global Markets	Leadership	http://leadership.ng/news/300813/investing-trade-will-improve-nigeria-global-markets-usaid
08/30/2013	USAID partners Nigeria on agri-business	People's Daily	http://peoplesdailyng.com/usaid-partners-nigeria-on-agri-business/
08/28/2013	Shema urges more USAID to link more farmers to markets	AgroNigeria	http://agronigeria.com.ng/2013/08/29/shema-urges-usaid-to-link-more-farmers-to-markets/
06/27/2013	Lakaji Corridor baseline assessment validation workshop	Inside Watch Africa	See press highlights clippings.
/	Lakaji Corridor: How viable?	Acres Africa	See press highlights clippings.
08/25/2013	FG, US to	The Nation	http://thenationonline.net/new/fg-us-to-discuss-investment-at-

	discuss investment at Summit	on Sunday	summit/
/	USPF to enhance agriculture in rural Nigerian	Nigerian Telecom News	See press highlights clippings.