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NEXTT
Nigeria Expanded Trade and Transport

NIGERIA EXPANDED TRADE AND TRANSPORT PROGRAM (NEXTT)

QUARTERLY PROGRESS REPORT#3

APRIL - JUNE 2013

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NIGERIA EXPANDED TRADE AND TRANSPORT PROGRAM (NEXTT) QUARTERLY REPORT #3

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ACRONYMS AND 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
AWEP	African Women’s Entrepreneurship Program
BDS	Business Development Services
BLP	Nigerian Better Life Program
CBN	Central Bank of Nigeria
CEMA	Customs Excise Management Act
CMG	Corridor Management Group
COP	Chief of Party
CRFFN	Council for the Registration of Freight Forwarders of Nigeria
DCG	Director Comptroller General
DFID	Department for International Development
DIV	Development Innovation Ventures
ECOWAS	Economic Community of West African States
EDC	Entrepreneurship Development Centre
EMIT	Economic Management Implementation Team
EMMP	Environmental Mitigation and Monitoring Plan
FERMA	Federal Roads Maintenance Agency
FMITI	Federal Ministry of Industry, 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
GSA	Global Shea Alliance
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
MFI	Micro-finance Institutions

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
NEXTT	Nigeria Expanded Trade and Transport Program
PBC	Performance Based Contracts
PMP	Performance Management Plan
PPP	Public-Private Partnership
Q1	Quarter One (October-December 2012)
Q2	Quarter Two (January-March 2013)
Q3	Quarter Three (April-June 2013)
Q4	Quarter Four(July-September 2013)
RAMP	Rural Access and Mobility Project
SME	Small and Medium Enterprise
SMS	Short Message Service
SON	Standards Organization of Nigeria
SPS	Sanitary-Phytosanitary
TA	Technical Assistance
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
USTR	United States Trade Representative
VC	Value Chain
WATH	West Africa Trade Hub
WTO	World Trade Organization

EXECUTIVE SUMMARY

The third quarter of the NEXTT Project, beginning April 1, 2013 and ending June 30, 2013, saw the completion of major foundational activities, analysis, and institution building efforts which will underpin NEXTT's strategy and results for the remainder of the project.

For example, in support of NEXTT's LAKAJI Corridor Improvement work, the project completed two critical and labor-intensive analyses this quarter: (1) An Assessment Study for the LAKAJI Agricultural Growth Corridor, which provides a blueprint of potential agribusiness and supporting infrastructure projects with investment potential, and; (2) A Baseline Transport and Logistics Assessment, which measures the time and cost to transport goods along the LAKAJI Corridor.

The Baseline Transport and Logistics Assessment served to set new Performance Management Plan targets for reducing the time and cost to move goods along the LAKAJI Corridor, two critical indicators for the project. It also served as a convening tool used by NEXTT to bring together 95 existing and potentially new members of the Corridor Management Group (CMG) in Lagos. We successfully met the workshop objectives of: (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 operationalizing the CMG, and; (4) Prioritizing the policy priorities to address that can make progress on reducing the time and cost to trade goods along the LAKAJI Corridor.

The LAKAJI Agricultural Growth Corridor Assessment findings will serve as the centerpiece for a high-level Agricultural Growth Corridor Investment Summit planned in Abuja in August 2013, the logistics of which the NEXTT team has been diligently planning over the last quarter. We expect participation from multiple Ministers, the U.S. Ambassador, donors, financial sector actors from Nigeria and beyond, and hundreds of current and future private sector investors at this event. The successful culmination of this Investment Summit will allow NEXTT to prioritize next steps towards finalizing the proposed Catalytic Fund and to identify potential Development Innovation Ventures, both of which will contribute to stimulating new agribusiness and infrastructure investments along the corridor.

In support of NEXTT's Trade Policy and Trade Facilitation work, this quarter NEXTT and USDA jointly hosted a meeting in collaboration with the Ministry of Health to establish consensus among public and private sector organizations in Nigeria around the food safety policy put forward by the Federal Government. Over 100 stakeholders participated in this multiple-day event, which re-launched the National Food Safety Management Committee (NFSMC), tasked with the role of overseeing the food safety policy and implementation in Nigeria. This activity assisted the project make progress on two PMP indicators; the number of legal, regulatory or institutional actions taken to improve compliance with international trade agreements; and the number of public and private sector standards-setting bodies that have adopted internationally accepted guidelines for standard setting.

Also under Component 2, this quarter NEXTT continued to work with the Nigerian Federal Government to push through the Customs Act of 2011 so this obtains Presidential approval, and also supported the Federal Government to implement activities as follow up to the US-Nigeria trade discussions and the World Trade Organization (WTO) self-assessment workshop. NEXTT team members also made progress towards strengthening the relationship with key Ministries to obtain the needed collaboration and buy-in before re-invigorating expired trade policy and trade facilitation coordination groups, and to host critical trainings scheduled for later this year.

Under its export development mandate, NEXTT's team made significant progress towards completing two, critical, export-related assessments this quarter; (1) An assessment of the supply and demand of business development services for exporters, and; (2) The selection of one target, value chain that will guide the development of a strategy to support the Nigerian Government increase exports of this value chain. Final reports of both assessments will be completed during the next quarter, thereby contributing to meeting indicator 3.1.2, the number of trade and investment capacity building diagnostics conducted. NEXTT's export development team also provided capacity building support to 10 export firms this quarter, which has contributed to increased exports worth \$165,665, contributing to indicators 3.1.1 and 3.3.1, the number of firms receiving capacity building assistance to export, and the value of exports by NEXTT client firms facilitated.

Last, NEXTT's team has also diligently followed the activities listed as part of its gender implementation plan and environmental mitigation plans this quarter, ensuring that the LAKAJI Corridor Assessment considered environmental implications in each of its proposed investments, recording numbers of female participants in all its events, and actively seeking female participation in speaking roles at trainings, workshops and summits.

PERFORMANCE INDICATORS¹

Task	Indicator	Unit of Measure	Baseline	Q3	Year 1		
				FY2013	(Oct 2012-Sept 2013)		
				Achieved	Target	Achieved	Achieved
%							
Component 1: LAKAJI Corridor Improvement							
1.1: Provide Technical Capacity and Support to the Lagos-Kano-Jibiya Transport Corridor Management Group (LAKAJI CMG)	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	0%	10%	0	0%
1.2: LAKAJI Agricultural Growth Corridor	1.2.1 Number of new agribusinesses established along LAKAJI Corridor as result of project support	Enterprises	0	0	3	0	0%
	1.2.2 Value of new agricultural investments facilitated along the LAKAJI Corridor as a result of project support.	US Dollars	0	0	\$.75M	0	0%
	1.2.3 Number of Development Innovation Venture proposals submitted	Proposals	0	0	1	0	0%
	1.2.4 Value of investments mobilized by catalytic fund	US Dollars	0	0	\$ 2 M	0	0%
Component 2: Trade Policy and Trade Facilitation Support							
2.1: Provide technical capacity and support to the Federal Ministry of Trade and Investment	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	2	1	2	200%
	2.1.2 Number of participants in trade and investment trainings	Individuals	0	103	40	F-39 M-64	258%
	2.1.3. Person hours of training completed in trade and investment capacity building supported by USG assistance	Hours	0	3,144	TBD**	F-1160 M-1194	TBD**
	2.1.4. Number of days of USG supported technical assistance in trade and investment capacity provided to counterparts or stakeholders.	Days	0	405	TBD**	TBD**	TBD**

PERFORMANCE INDICATORS Continued

Task	Indicator	Unit of Measure	Baseline	Q3	Year 1 (Oct 2012-Sept 2013)		
				FY2013 Achieved	Target	Achieved	% Achieved
2.2:Support Customs Modernization	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: Institutional Capacity Building: Standards Infrastructure for Food and Agricultural Products	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	9	1	9	900%
Component 3: Expanded Export Support							
3.1: Increased capacity of public export promotion bodies to coordinate and implement national export strategies.	3.1.1 Number of firms receiving capacity building assistance to export	Firms	0	10	20	68	340%
	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	0	40	F-85 M-52	343%
3.2: Establishment of a viable network of BDS providers for export and agricultural enterprises	3.2.1 Number of Capacity Building Service Providers receiving USG assistance	Service Providers	0	1	10	F-2 M-3	50%
	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: Increased competitiveness of exporters in target value chains	3.3.1 Value of exports by NEXTT client firms facilitated as result of project assistance	US Dollars	0	\$166,165	\$ 1M	\$166,165	17%
	3.3.2 Value of investments in NEXTT client firms facilitated as a result of project assistance	US Dollars	0	0	\$ 2 M	0	0%

¹The Performance Management Plan indicators were modified, at the request of USAID, in Q3.

* The initial baseline figures for the cost/time to trade goods were developed with data from the USAID MARKETS LAKAJI Transport Corridor Performance analysis, conducted in June 2010. These have been updated in Q3 to reflect the findings of the NEXTT Baseline Transport and Logistics Assessment. The unit of measurement is 20-foot container (TEU).

**NEXTT will be submitting a revised PMP in Q4 including annual targets for indicators added at the request of USAID.

SUMMARY OF NEXTT ACTIVITIES:

APRIL – JUNE 2013

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

Component 1: LAKAJI Corridor Improvement	
Task 1: Provide Technical Capacity and Support LAKAJI CMG	Date
Concluded the Baseline LAKAJI Corridor Transport and Logistics Assessment	May
Held Validation Workshop for the Baseline Corridor Transport and Logistics Assessment with existing and potential new CMG members.	June
Task 2: LAKAJI Agricultural Growth Corridor	Date
Submitted Agricultural Growth Corridor Assessment and concluded preparations for a LAKAJI Growth Corridor Investment Summit to share the Investment Blueprint with potential investors and other stakeholders	June
Designed framework for roles of Agricultural Growth Corridor Initiative key partners and a roadmap for implementation of the initiative	June
Continued collaboration with the Nigerian National Chapter of the Borderless Alliance	April – June
Component 2: Trade Policy and Trade Facilitation Support	
Task 1: Provide technical Supports to the Federal Ministry of Industry	Date
Provided technical assistance to GoN on the draft Nigeria Trade Policy, 2012	April – May
Delivered technical assistance to GoN on the Nigeria's Trade Strategy	May-June
Provided assistance to the USTR on its mission on US-GoN discussion on Nigeria-US bilateral trade	May
Provided technical assistance to GoN on the feasibility study for the Okerete Trans-national border market	June
Established platforms for practical donor cooperation with GIZ	April – June
Task 2: Support Customs Modernization	Date
Provided support and technical advice the NCS and Inter-Ministerial Working Group regarding the passage of the 'CEMA Bill' through the National Assembly	June
Assessed NCS's current needs with respect to preparation for participation in external forums, specifically the meetings of the TTF, with recommendation that a Customs TTF consisting of NCS and its key stakeholders be reinstated	June
Undertook an assessment to define trade facilitation work by NEXTT with NCS and FMITI	June
Provided input for the requirement of MOU's between NEXTT, NCS and FMITI	June

Began initial analysis on the performance of valuation and classification activities within the NCS against international benchmarks and standards.	June – July
Undertook initial analysis of the development of an NCS plan for training needs on customs clearance procedures	July
Undertook legal analysis of the dependencies and requirements to be able to initiate the drafting of implementing regulations for AEO and ETLs	June
Task 3: Provide Institutional Capacity Building on Standards Infrastructure for Food Agricultural Trade	Date
Held 5-day workshop on national food policy and associated implementation plan.	June
Provided technical assistance during review of draft policy on national food safety;	March
Initiated collaboration amongst the key ministries relevant to food safety	April
Held meetings and interviews with relevant MDAs on the gap analysis of compliance processes for food and agricultural products and the desk review on “best practices” for such processes.	April – June
Engaged relevant MDAs that have responsibility for food safety on “Needs Assessment”	April – June
Component 3: Expanded Export Support	
Completed preliminary value chain assessment of Nigeria's long term advantage in priority value chains	April
Completed field surveys for BDS sector diagnostic	June
Investigated relationships with SME firms in key value chains to determine technical assistance and BDS needs	March - July
Provided technical assistance (market linkages) to SMEs in key value chains	March - July
Began country assessment on AGOA opportunities for Nigeria in apparel, textiles, and leather wear	June-July
Prepared an information note on prospect of utilizing export houses as a BDS vehicle to achieve expanded exports for USAID mission	June

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

OVERVIEW

Component I of the NEXTT project aims to strengthen transport corridor governance and development planning which will support the improvement of transport infrastructure and services along the LAKAJI Corridor (hereafter referred to as the “Corridor”). NEXTT is bringing together public and private sector stakeholders into efficient institutions that can advocate for Corridor improvements, propose solutions, monitor improvements, and facilitate new private investment.

Task I: Provide Technical Capacity and Support to LAKAJI CMG

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.

This quarter, NEXTT completed a major baseline transport and logistics assessment and validation workshop, which were used as convening tools for identifying corridor improvement priorities and to generate momentum on the development of the CMG.

RESULTS

Corridor Performance Monitoring

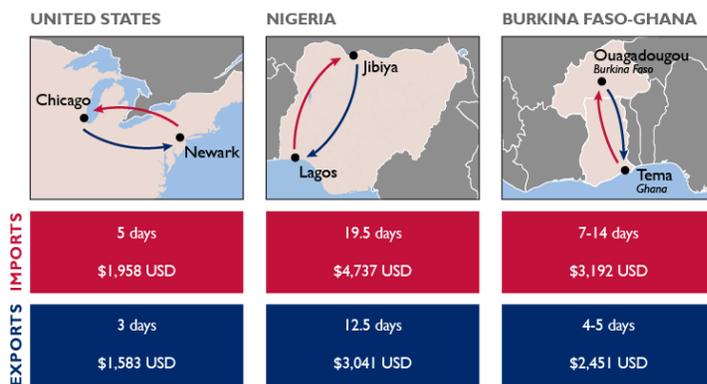
In Q3 the NEXTT project completed a foundational baseline assessment on the time and cost of importing and exporting goods along the LAKAJI Corridor. The goal of the report was to provide an objective snapshot of the current situation in terms of cost and time of moving goods, which could be used to motivate a constructive public-private dialogue on corridor governance and investment priorities. Time and cost figures for import, export, and transport between urban markets are also baseline indicators against which NEXTT’s success in reducing the cost to trade goods will be tracked.

On-site data collection for this report was conducted by a core team of five researchers who traveled the length of the corridor in a series of visits beginning in the second quarter of the project, from February to April 2013. The team 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. Additional follow-on research and phone interviews were conducted with dozens of firms and institutions through May.

The assessment team faced a number of challenges obtaining data which extended the fieldwork period. 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. Most private sector stakeholders were enthusiastic about sharing information on time and cost to trade goods, but some key interviewees were skeptical. Several Port Terminal Operators were worried they would be blamed for high cargo dwell time, though large component delays at this logistics stage were caused by lengthy customs inspection procedures. After several exchanges, in which the team emphasized that the assessment methodology would segment observed time and cost for each activity in order to pinpoint inefficiencies throughout the entire logistics chain, these stakeholders were more willing to share information. 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.

Assessment Findings

The baseline assessment found that major inefficiencies, the bulk of which are experienced primarily 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.

The study identified “extra costs”, or all informal charges and observed costs deemed unnecessary, unjustified, or too expensive, in comparison to international benchmarks. 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.

Based on the assessment findings, the report included recommendations to improve corridor performance, including institutional and policy reforms such as the implementation of 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. Moving forward, 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. An important next step will be identifying institutional homes for the working groups, including the CMG, the Borderless Alliance, the CRFFN, and the National Trade Facilitation Committee. NEXTT will hold discussions with representatives from these and other organizations over the next quarter.

Baseline Data Validation Workshop

On June 27 in Lagos, NEXTT, in collaboration with the GIZ-SEDIN program, hosted the LAKAJI Baseline Assessment Validation Workshop. The goals of the workshop included: i) validate the baseline data ii) establish Corridor improvement priorities and iii) generate momentum for the institutional development of the CMG, including the identification of new CMG “champions.” 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 lively discussion on the findings of the baseline assessment, the implications of the findings with regard to facilitating trade and investment, the future role of trade facilitation entities, and best practices in corridor management.

The participants validated the report as an accurate picture of costs and inefficiencies experienced by shippers. They also offered additional perspective on the root drivers of inefficiencies identified, corridor improvement priorities, and recommendations for future action. For example, it was emphasized that lengthy and complicated trade procedures are a major source of delay for exporters, and that implementing a Single Window would merely transplant this inefficiency into an electronic system. A resulting suggestion was the creation of a working group to determine how best to re-structure and streamline procedures, to complement efforts to create a Single Window Environment. Break-out groups also pointed to high levels of informality, hidden fees, and bribe payments as the cause for high freight forwarding fees. To address this, it was suggested that a combination of incentives and control

mechanisms be created that can induce greater transparency and professionalism. These could include the provision of training and support to registered firms which publish fees on their website through associations such as the Council of Registered Freight Forwarders (CRFFN), and regular audits of firms and customs agents to identify transactions where bribes were paid to reduce tariff payments.

The workshop was also successful in meeting its broader goals of using the assessment report as a platform to bring together stakeholders to establish priorities for corridor management and identify “champions” who can drive the institutional development of the CMG. Representatives from the Nigerian Shippers Council and the Federal Road Maintenance Agency (FERMA), both current 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. Both of these institutions are important champions within the CMG with which NEXTT intends to work closely over the next quarter and beyond.

The GIZ-SEDIN program 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. The system can easily be up-scaled and deployed along the LAKAJI corridor to support CMG’s data monitoring and advocacy work.



Participants at LAKAJI Corridor Baseline Validation Workshop

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

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.

In addition to the specific issue-based recommendations noted above, participants had broader recommendations about the institutional development and function of the CMG. A key point was that the CMG needs to further define its role, value-add, and complementarity to existing trade facilitation entities in Nigeria. To this point, NEXTT intends to help the CMG develop a strategic plan which elaborates upon its established mandate. Obtaining the support of state governments was viewed as a key prerequisite for translating advocacy into action. Participants underscored the importance of transforming the LAKAJI Corridor into an 'economic zone,' rather than a transport route. This highlights the complementarity of NEXTT's LAKAJI Agricultural Growth Corridor Initiative to the work of the CMG. It was also emphasized that an efficient port plays a fundamental role in transforming the corridor into an economic zone, and improvements in and around the port area must be a top priority for the CMG's agenda.

Most importantly for the institutional development of the CMG, the majority of workshop attendees expressed their willingness to commit time and energy to the important task of improving corridor management, generating momentum for NEXTT's work to recruit a broader member base and operationalize the LAKAJI CMG.

CMG Stakeholder Mobilization

Prior to the workshop this quarter, NEXTT leadership had several meetings with existing members of the CMG to regenerate forward movement. A few champions were identified, including the Nigerian Shippers Council and FERMA, whom NEXTT brought on as resource persons and panelists for the Baseline Transport and Logistics Validation workshop (as discussed above). It became clear that in order to get the CMG on stronger footing, NEXTT needed to use the Baseline Transport and Logistics Validation Workshop as a rallying point for broader membership recruitment. After the Validation Workshop, NEXTT followed up with a diverse group of attendees who conveyed immediate interest in joining the CMG, including dozens of freight forwarders, terminal operators and shippers. It is our intention that by the fourth quarter of the project many of these interested parties will be registered as official members, and NEXTT will surpass its Year 1 target of 10% membership increase in the CMG. *(PMP Indicator 1.1.5: Increase in membership of CMG)*

Operationalize the CMG's Governance Structure

Before NEXTT could focus on operationalizing the CMG, the project needed to identify new champions and develop a platform for engaging a broader member base. Now that the validation workshop successfully sparked dialogue around priorities for corridor management, re-energized existing CMG members, and identified new private sector stakeholders interested in membership, NEXTT will turn its attention to operationalizing the CMG's governance structure. Immediate priorities include supporting the CMG's steering committee to finalize the registration process, and supporting new and existing members to develop a strategic plan which will elaborate and expand upon the CMG's mandate. NEXTT is planning a series of meetings to be held in the fourth quarter which will jump start this process.

MOUs with State Governments

This quarter NEXTT completed the establishment of the Corridor State Working Groups (CSWGs) in the eight Corridor states (Kaduna, Kano, Katsina, Kwara, Niger, Kwara, Ogun and Lagos). The CSWGs bring together various public sector actors, with the initial objective of outlining State priorities for cooperating with NEXTT, in order to obtain MOUS with State Governors (a key milestone in the Year 1 work plan). Given that the support of Corridor State Governments will be fundamental to both the work of the CMG, in facilitating the implementation of policies and investments which can improve the of goods along the corridor, and the Agricultural Growth Corridor Initiative, in supporting agricultural investors seeking projects along the corridor, NEXTT envisions that the MOUs will target state support for both of these initiatives. The CSWGs have opened an important window of dialogue for this aim.

Support Borderless Alliance

NEXTT used the Validation Workshop as an opportunity to mobilize support for the Nigerian Chapter of the Borderless Alliance among stakeholders in Lagos. NEXTT asked the Alliance to articulate its 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. NEXTT is supporting the Nigerian Chapter Borderless Alliance as it prepares for the regional Borderless Alliance Annual Conference, to be held in February 2014 in Lagos Nigeria. This quarter planning efforts included a June meeting of the Executive Committee of the Nigerian Chapter at the NEXIM Lagos office. NEXTT will be supporting efforts to mobilize stakeholders in Abuja and Kano in the coming months.

ANALYSIS

NEXTT's Baseline Transport and Logistics Assessment resulted in a clear picture of the constraints to efficiency along the LAKAJI Corridor which reduce the competitiveness of Nigerian exporters and increase the cost of goods in the domestic market. Participants at the validation workshop confirmed that the astonishingly high logistics costs observed in the study are accurate. In GIZ's co-sponsorship of the workshop, the event also demonstrated the mutual benefits of collaborating with and leveraging the efforts of other development partners. Given the complementarity of NEXTT and GIZ-SEDIN's work in trade facilitation, we have identified additional areas for collaboration for the upcoming quarter.

As the findings of the baseline transport and logistics report illustrate, there are 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 the CMG's development stalled due to limited private sector involvement and ineffective leadership, new champions both within and outside the CMG have been identified for this important work. NEXTT's approach to re-energizing the CMG depended on catalyzing momentum through the validation workshop, which we anticipate

will lead to a 'home grown' institution that can evolve organically, sustainably, and with increasing speed over the next quarter and beyond.

Once the CMG is operational, NEXTT will be training CMG members on the transport and logistics assessment methodology, so that the CMG can implement the next assessment. This will also allow the project to track progress made on indicators related to the time and cost to trade goods (*Indicators 1.1.1, 1.1.2, 1.1.3, and 1.1.4*).

By the end of the third quarter, NEXTT had already begun planning a series of meetings with existing and potential new members of the CMG, using the priorities identified in the baseline assessment as a convening tool for discussion. We have also approached the Nigerian Shippers Council about taking a desk at the Shippers Council office in order to fast-track CMG institutional development efforts. Next quarter the NEXTT team's primary focus will be getting interested stakeholders officially registered as members of the CMG, assisting the CMG to develop a strategic operation plan which further elucidates its role and mandate, and obtaining the crucial support of State governors through the signing of MOUs with the project.

Task 2: LAKAJI Agricultural Growth Corridor

The 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.

This quarter NEXTT completed the LAKAJI Agricultural Growth Corridor Assessment Report and Investment Blueprint and prepared for the formal launch of the Agricultural Growth Corridor Initiative at the Investment Summit to be held in August, 2013.

RESULTS

LAKAJI Agricultural Growth Corridor Assessment

During the current period of performance NEXTT completed the LAKAJI Agricultural Growth Corridor Assessment Report. The assessment was a major undertaking involving three of NEXTT's subcontractors (Integra, GCCA, and RBS), with research and follow-on work conducted across three continents.² 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 visited the eight major Corridor states, and met with 179 representatives of agribusiness firms, prospective agribusiness investors, representatives from the Nigerian Federal and State governments, donor

² Although formally invited, USAID's MARKETS II project and the GoN declined to participate in this assessment.

agencies, non-governmental associations, consulting firms, and banking and finance institutions. Additional research and phone interviews were conducted this quarter as the assessment team finalized the report.

Assessment Findings

The assessment report 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 LAKAJI 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.

However, the assessment team found 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.

Develop Institutional Arrangement and Partnership

The next major step toward developing the institutional arrangement and partnership for the Agricultural Corridor Growth Initiative is the Agricultural Growth Corridor Investment Summit, scheduled to be held August 28-29 at the Transcorp Hilton in Abuja. NEXTT will be showcasing the opportunities profiled in the investment blueprint, as a means to mobilize potential partners and link the right people so that investment deals along the Corridor that can be facilitated immediately.

The goal of the summit is to provide a platform for investors, project promoters, government agencies and donor partners to move forward with these critical investments in a coordinated way. During the third quarter NEXTT began targeting participation from over 200 members of Nigeria's business community, public sector, donor community and representatives from domestic and international banks, equity and investment funds. The NEXTT team has also been actively recruiting sponsors to leverage additional funds for the workshop and obtain key partners for the initiative even before the workshop is held. NEXTT is offering several sponsorship levels, which will afford varying levels of leadership in the initiative as members of the executive committee and advisory council. After jumpstarting the partnership at the summit, NEXTT will focus on further defining the roles of key partners and a roadmap for implementing the initiative.

Develop platform for DIV Funding and Corridor Investment

The Corridor Assessment identified over 30 high-priority, immediate investment opportunities, all of which need financing to move forward. NEXTT anticipates that the catalytic fund, once operationalized, can leverage significant investment dollars into many of these projects which may be beyond the risk tolerance of traditional financial sectors. The Assessment Report included recommendations on the role and size of a catalytic fund, and this quarter NEXTT and CARANA staff have held follow-on discussions with USAID about the prospects for launching the fund. Once the fund is created, NEXTT will be able to jump-start the creation of new agribusinesses and facilitate investment, and make significant progress on related NEXTT PMP indicators (*Indicator 1.2.1. Number of new agribusinesses established along the LAKAJI Corridor; Indicator 1.2.2. Value of new agricultural investments facilitated along the LAKAJI Corridor; and Indicator 1.2.4. Value of investments mobilized by catalytic fund*). Moreover, we believe that the fund has the potential to induce systemic change in Nigeria, by demonstrating the viability and profitability of agricultural investment to more traditional finance vehicles, such as commercial banks.

While we wait for direction on the catalytic fund, NEXTT has continued to provide direct technical assistance to corridor projects, in order to facilitate the creation of new agribusinesses and drive investment along the corridor. Although these deals still in development, NEXTT has made significant progress on a number of projects. A few highlights from the last quarter include:

- **Oyo Cashew Extension Initiative:** NEXTT is supporting ACET, a Nigerian cashew processor in Oyo state, to develop a cashew extension initiative. ACET operates a small cooperative scheme in a productive area of Oyo state. They face several difficulties that could be alleviated with the proper use of ICT, so the NEXTT team and implementing partner Integra have been developing a cashew extension initiative to provide e-extension services to farmers in the area. ACET brought in the Cocoa Research Institute of Nigeria (CRIN), experts in tree crops that would potentially be able to host the knowledge database that would need to be created, and be the source of the information disseminated to farmers. Together, the three parties, ACET, CRIN, and

NEXTT, are developing a project proposal that we will submit to the Nigeria Ministry of Agriculture for funding.

- Kwara ICT and Livestock Initiative: NEXTT is working with 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. 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).
- Collaboration with MCT: NEXTT is collaborating with the Ministry of Communications Technology (MCT) on developing innovative ICT for Agriculture initiatives as a part of the Agricultural Corridor Initiative. The Ministry has expressed desire to partner with the NEXTT project in several areas. These include funding innovative ICT for Agriculture initiatives through partnership with MCT's TechLaunchPad program, supporting the expansion of Internet connectivity infrastructure to unserved areas, and working on ICT training in rural areas. A significant opportunity NEXTT intends to explore is working with the Ministry of Communications Technology to provide fiber optic Internet infrastructure in agricultural clusters along the LAKAJI Corridor. Further, USAID/Washington's Global Broadband and Innovations program (GBI), a fully separate instrument, may be willing to co-invest with MCT in providing this infrastructure.
- 'E-Choupal' Nigeria: NEXTT has been working with AVM Consultants, a Nigerian consulting firm, to develop an ICT solution for crop aggregation based on the highly successful "E-Choupal" system deployed in India by the ITC Corporation. After encouraging early progress brokering a relationship between AVM and ITC, progress slowed this quarter when ITC expressed they no longer wanted to be involved with AVM or NEXTT due to a reportedly negative experience working with a USAID project in Kenya. Despite repeated efforts, we could not re-engage their interest. Nonetheless, AVM still wishes to proceed with development of an ITC solution for crop aggregation, and NEXTT is continuing to support this venture.
- ICT for Logistics Fleet Management Initiative: NEXTT is helping VOC Royal Resources Ltd, a Nigerian food company, to develop an ICT and GPS solution to improve the efficiency of their fleet management. VOC Royal is working out the specifications required for the system, after which NEXTT will match the firm with solution providers to procure or develop an ICT platform that meets VOC's needs affordably.
- Doreo Partners Mobile Payment System: This quarter NEXTT assisted Doreo Partners with advice on a mobile payments system for their Baban Gona agriculture scheme in Kaduna.

Develop Platform for DIV Funding and Corridor Investment

A deliverable of NEXTT's component I work is the feeding of proposals into the Development Innovation Venture (DIV) mechanism (*indicator 1.2.3. Number of DIV proposals submitted as a result of project support*). Several of the projects described above may be candidates for DIV funding, including the e-Choupal and Cashew extension project. NEXTT began evaluating the prospects for these over the last quarter. Since the NEXTT project intends to include DIV as one of the funding windows of the Agricultural Growth Corridor Initiative, we plan to invite representatives from USAID's DIV unit to present the DIV initiative at the Investment Summit. Beginning in Q4 we will also market the mechanism through Abuja Enterprise Agency and similar organizations.

ANALYSIS

Agricultural growth corridor initiatives have been launched in East and Southern Africa to crowd in and coordinate investments in agriculture and supporting infrastructure. With the launch of the Agricultural Growth Corridor Initiative at the Investment Summit in August, NEXTT will be supporting the first agricultural growth corridor initiative in West Africa. This represents an opportunity for investors to capitalize on a more coordinated approach by government, project developers and donors to realizing the LAKAJI corridor's agricultural potential. As the Assessment Report indicates, Government and donor initiatives are paving the way for investment in agriculture along the corridor through dedicated Staple Crop Processing Zones, support for improved productivity and organization of smallholders, credit enhancement and project development grants.

The Investment Summit will be critical in setting the stage for the Corridor Initiative, in terms of identifying specific deals, mobilizing funds, recruiting members, and helping us to determine how to structure the partnership going forward. The NEXTT team, CARANA staff, and a number of international consultants spent a great deal of time planning this key event during the third quarter.

Even though the Catalytic Fund is not yet operational, NEXTT continued moving forward in helping firms establish new ventures along the corridor. We have enough momentum that during the fourth quarter we will be reporting results in number of business created and amount of investment facilitated along the corridor. However, NEXTT is waiting to receive clarity from USAID on the grant component of the Catalytic Fund. If the fund is created before the Investment Summit, NEXTT will have a major opportunity to jump-start investment and agribusiness creation.

COMPONENT 2: TRADE POLICY AND TRADE FACILITATION SUPPORT

OVERVIEW

The overall goal of Component 2 of NEXTT is to strengthen trade policy and trade facilitation environments that promote development of Nigeria's non-oil export (in particular agribusiness) sectors. Its purpose is to facilitate creation of an inclusive system of trade policy formulation and implementation through capacity-building for public and private institutions to drive trade facilitation and trade competitiveness in Nigeria. NEXTT is designed to achieve the goals of Component 2 through three interrelated tasks: capacity building for trade policy formulation and implementation; support for customs modernization; and support for institutional capacity building on standards and food safety.

Task 1: Provide Technical Support to FMITI³

NEXTT's Component 2 Task 1 work includes the provision of capacity-building for trade policy formulation and implementation among various public and private institutions, as well as groups dealing with trade policy issues-including the implementation of AGOA and other related trade preferences and multilateral commitments on trade.

In Q3 NEXTT planned a workshop to kick-start dialogue on Nigeria's TPP and disseminate the outcomes of the TPP survey, designed a training on tariff impact analysis for GoN economists in coordination with GIZ, and provided direct TA to GoN agencies on trade policy and trade facilitation issues.

RESULTS

Strengthening of National Trade Policy Coordination

The mapping of Nigeria's trade policy formulation mechanism in the second quarter highlighted that the two structures supporting the Trade Policy Process (TPP) in Nigeria (the Trade Policy Advisory Council or TPAC, and the Trade Facilitation Task Force, or TFTF) have functionally ceased to exist. NEXTT worked in the third quarter to plan a workshop on International Trade Issues for policy officials, in order to kick start dialogue on Nigeria's TPP and share the results of the mapping report. This workshop was planned for May but is now postponed to early September 2013 to account for bureaucratic delays on the GoN side, and allow ample time to engage the Federal Ministry of Industry, Trade and Investment (FMITI) and obtain the Ministry's support and sponsorship. The interactive three-day workshop will:

- Present TPP and encourage recommendations from stakeholders on necessary reform so it is functional.

³ The Ministry referred to in NEXTT's Year One Work plan as the FMIT&I (Federal Ministry of Trade and Investment) changed its name during this quarter to now be Federal Ministry of Industry, Trade and Investment, or FMITI.

- Provide training on benchmarking effectiveness of trade facilitation metrics and the implications of these for customs modernization.
- Gather feedback from stakeholders on training needs and priorities.

The Department of Trade proposed to set up an inter-agency committee to facilitate collaboration between NEXTT and FMITI. The committee will house about 35 agencies, to be overseen by a four-man secretariat chaired by NEXTT. NEXTT is also currently working with the Department to design a strategy for meaningful engagement and to improve the TPP in Nigeria.

In Q3 NEXTT also provided direct technical support to GoN agencies on trade policy and trade facilitation issues. The project provided technical input and comments on various government policy documents: the 2012 Nigeria Trade Policy, the National Trade Strategy, and the Feasibility Studies for the establishment of the Okerete Transnational Border Market. In addition, NEXTT offered direction to the GoN on necessary follow up actions to the WTO Self-Assessment workshop, co-sponsored by USAID, IFC and the WTO. NEXTT also provided significant assistance to the United States Trade Representative (USTR), Washington team during its visit to the GoN. This assistance included guidance on trade policy issues and how to effectively engage the GoN on common interests.

Capacity Building for Tariff Analysis

NEXTT and GIZ are collaborating to hold a training module on tariff impact analysis for GON economists. It will draw 10 trainees from the FMITI, 10 from the Nigeria Customs Service (NCS), two from the Federal Ministry of Finance, Office of the Economic Adviser to the President of Nigeria, another two from the Ministries of Agriculture and Foreign Affairs, and two persons from the private sector. NEXTT and GIZ are setting trainee qualifying criteria in collaboration with FMITI. The four-day training is scheduled for the first week of September, 2013 and will address the following deliverables:

- Conduct workshop on tariff impact analysis with CGE and other analytical tools
- Provide assistance to FMITI on scoping of tariff impact assessment for selected commodities

Support the Trade Facilitation Task Force (TFTF)

NEXTT has been working with SANAA Consulting⁴ to access necessary background information on the Enlarged National Focal Point on Trade (ENFP) and Trade Facilitation Task Force (TFTF). It was found that the two committees have not been able to function in Nigeria without donor assistance. The interactions with SANAA and some TFTF's members helped NEXTT understand the composition, function, sustainability and systems of engagement of the two committees. NEXTT also obtained feedback on the TPP report and the GoN's trade capacity needs, which will be integrated into trainings next quarter.

⁴ SANAA Consulting is leading in interfacing between the GoN and DFID to provide technical and financial assistance to the government on trade policy and trade facilitation.

AGOA Strategy Implementation

The FMIT&I is pursuing a strategy of increased local production under its Industrial Revolution Plan with an emphasis on a number of products including Textiles/Apparel as well as Leather Wear. In support of this initiative, and at the request of USAID, NEXTT began work on an assessment report on “best practices” in the apparel and leather wear value chain that the GoN can encourage to take advantage of AGOA. The assessment will be completed next quarter.

Cross-cutting Component 2 PMP Indicators

In Q3 NEXTT facilitated two separate institutional actions to improve compliance with international trade and investment agreements, thereby doubling the Year 1 target for PMP Indicator 2.1.1. The first action is the passage of Customs and Excise Management Act (CEMA) 2011 by the Nigerian Senate. The second is the production and adoption of a draft Policy on Food Safety and Implementation Strategy, including a resolution signed by various standards setting bodies to incorporate a food safety budget into budget planning for 2014. These accomplishments are further detailed in the sections on Task 2 and Task 3.

This quarter the NEXTT project completed 405 days of technical assistance in trade and investment capacity building (refer to Indicator 2.1.4). This indicator includes all hours of technical support provided by the NEXTT field team, by visiting STTA, and by partner institutions. Methodology for capturing this indicator will be included in the revised PMP, to be submitted to USAID in early Q4.

ANALYSIS

In Q3 NEXTT strengthened relationships with key Ministries and in doing so, NEXTT also created an avenue to formally offer direct technical guidance to the FMIT&I's Department of Trade. The creation of an interagency committee will further these relationships and give NEXTT the buy-in needed to move forward with the critical trainings scheduled this year.

The “Trade and Tariff Analysis” training to be held with GIZ will improve GoN agency capacity to understand implications of trade agreements and policies ratified by the GoN. More importantly the relevant departments will depend less on services of consultant to understand and implement basic trade policy issues. The greater insight gained this quarter into TTF's activities will enable the project strategize its support to the GoN reinvigorate and restructure the task force and ENFP.

Task 2: Support Customs Modernization

The customs component of NEXTT seeks to support enactment of new legislation for the NCS, through Customs and Excise Management Act (CEMA) 2011. The Act repeals the existing Customs and Excise Management Act of 1958. It will support the development of the Nigeria Customs Service (NCS) as a professional organization under the supervision of the Ministry of

Finance and a governing Board; and provides the legal foundation for the use of modern customs procedures.

In addition, NEXTT seeks to reform 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. Finally NEXTT seeks to gain and assist the trading community through the implementation of a “trusted trader” concept, through the implementation of the Authorized Economic Operator (AEO) scheme and the ECOWAS’ Trade Liberalization Scheme (ETLS) which additionally will enable the GoN to meet its ECOWAS obligations for free trade.

RESULTS

NEXTT attended the WTO Trade Facilitation Self-Assessment Workshop held May 6 – 10, 2013. The workshop covered all aspect of our tasks under Customs Modernization and Trade Facilitation, and revealed where the Nigeria and NCS currently are versus to where they should be.

Support the Legislative and Process Modernization

In Q3 NEXTT provided support to key stakeholders with legitimate and vital interests in the new Customs and Excise Management Act (CEMA) 2011. While NEXTT support early in this quarter helped the NCS to resolve the contentious issues previously observed in CEMA (see Q2 report), this has still not received final Presidential Approval. CEMA 2011 was passed by the Nigerian Senate in June 2013, however, this contained variances to the version of the Act passed by The House in June 2012 and as such two differing versions of CEMA exist.

The NEXTT team provided technical assistance to the NCS on the implications of specific differences in the two versions and in doing so equipped the NCS with the knowledge that would enable them to steer the joint sittings of the legislature to come up with informed decision in arriving at a harmonized, customs legislation. NEXTT provided this through an assessment of and technical advice to the NCS in respect of the key differences in the 2 versions of CEMA, which will enable the NCS to undertake effective lobbying on key issues for the Service that will maximize functionality and performance when being reviewed by the legislature.

The team held meetings with the Department of Trade, NCS, the ECOWAS representative on trade facilitation, SAANA and the donor agencies involved with the TFTF which has faced difficulties, following the withdrawal of donor funding. The Trade Facilitation Task Force (TFTF) is a public-private sector stakeholder group with the objective of improving trade facilitation in Nigeria and has only managed to meet periodically over the period 2010-2012. Analysis indicates that in its current structure as a large committee of public and private stakeholder representatives, is dysfunctional as it is not conducive to effective decision-making, its work plan is overly broad

NEXTT provided supports to various actors with vital interests in the new Customs and Excise Management Act (CEMA) 2011, contentious issues in the Act were resolved and the Act eventually passed by the Nigerian Senate

and requires better focus. NEXTT is recommending that a Customs TTF consisting of NCS and its key stakeholders be reinstated to fill any gap and ensure that the NCS are fully prepared to take ownership of and commence the implementation of trade facilitation measures once CEMA is ratified.

Improve Risk Management/Improve Valuation and Classification Methodologies

A detailed analysis of the performance levels and operating practices within the Valuation and Classification departments has been undertaken and will be completed in Q4. Plans are being developed with the NCS for a quick mobilization of support to enable the delivery of the training within the agreed timeline.

ANALYSIS

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

GoN of Nigeria is looking forward to the NCS taking full control of the goods clearance from the service providers being expensively engaged currently by the GoN to facilitate goods clearing processes. This will provide saving for the GoN in the long term. To enable this NEXTT will need to work in close support of the NCS, once CEMA is passed, to ensure that all existing procedures are reviewed for currency against CEMA 2011. New procedures and operating practice will need to be developed where these are deemed to be outdated or gaps covering more modern customs operations are identified. In addition to the training already identified within the Year one plan, NEXTT will need to assess the need and develop plans to provide trainings to the NCS in the key areas identified where change is most significant. The training should have direct positive impacts on the key metrics of trade facilitation, improving on NCS performance against the time taken and cost of goods clearance, and position the NCS to deliver world class customs operations effectively. While we have been able to commence the activity to “Develop NCS plan for training needs on customs clearance procedures”, this cannot be progressed further until CEMA has been fully ratified by the GoN and implementation begun through the NCS.

One key trade facilitation tool is the applicability of the Authorized Economic Operators (AEOs) system in the current business environment in Nigeria. CEMA is again the driver for this, in that it provides the underpinning legislation, to enable the implementation of draft regulations and procedures for Authorized Economic Officers. The delay in the ratification of CEMA has impacted this task, in that it has not been able to start. This is a significant piece of work and if to be implemented successfully must be given the time and resource to ensure that it is fully embedded into both the NCS operation and trading community. In moving to implement such a system the impact of this must be clear, not just in terms of operating procedures for examples on the NCS Single Window system and Pre-Arrival Assessment

Report (PAAR) process, but also in terms of the time required by the trading community to implement the measures necessary to achieve AEO status. To provide the necessary information for this, it has been recommended by Crown Agents that a cost benefit analysis of the Nigerian trading community be undertaken. 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 this is accepted, and evidences that this is in the best interest of the GoN and USAID, the full implementation of the AEO system, should then as suggested by the NEXTT Trade Policy and Capacity Building Manager, be undertaken in year 2.

Finally the implementation of the ECOWAS' Trade Liberalization Scheme (ETLS), which involves 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, is also subject to a number of factors external to the control of NEXTT. A 2011 USAID gap analysis identified four main areas where ETLS has not been implemented in Nigeria. A consultant to both the TFTF and ECOWAS on trade matters is of the view that ETLS work in Nigeria should focus on improving intra-ECOWAS transit and enhancing "convergence". As such, this is dependent upon either the creation of the NCS TFTF, or the restructuring and refocusing of the existing TFTF.

Task 3: Provide Institutional Capacity Building on Standards Infrastructure for Food Agricultural Trade

A key element of NEXTT's Component 2 work is the support of reform in core standards institutions, particularly the Standards Organization of Nigeria (SON) and the National Agency for Food and Drugs Administration and Control (NAFDAC). The project intends to conduct mapping of standards and compliance procedures as part of a gap analysis and need assessment in the areas of standards in agricultural production and trade. Based on these, NEXTT intends to conduct trainings and capacity building for relevant institutions, traders and exporters. In addition, the component seeks to upgrade laboratory capacity and strengthen the National Food Safety Management Committee (NFSMC) committee.

RESULTS

Task 3 of the NEXTT project stipulates close collaboration with the NFSMC. However, once the project began it became clear that the NFSMC was not functional, resulting in a non-cooperative standards and food safety control system. During Q3, NEXTT created a forum for previously non-collaborating MDAs and the private sector to work together on food safety issue. Through the Food Safety Summit, NEXTT made an important first step toward the systemic improvement of food safety control in Nigeria.

Before the project came on-board, different government departments and agencies claimed separate but not clearly differentiated statutory mandates to regulatory standards and safety assurance for food consumption and food trade, domestically and internationally. Several interactions between NEXTT and private sector stakeholders revealed that the reigning non-

cooperative approach to food safety concerns has been at the expense of the private sector, with the costs of rejected food trade at foreign borders borne by Nigerian exporters. Domestically produced food and general tradable goods remain unable to compete with their imported counterparts.

In response to the GoN request for assistance finalizing and adopting food safety policy in Nigeria, NEXTT and the GoN collaborated with the United States Department of Agriculture (USDA) to host a four-day workshop on food safety policy and implementation in Nigeria. NEXTT brought the following actors in food safety issues together for the workshop: the Ministry of Health, with statutory responsibility for drafting food policy; the Ministry Trade, statutorily responsible to coordinate the NFSM; the Ministry of Agriculture, with responsibility for Quarantine Services; and the Ministry of Environment, with cross-cutting mandates to the three key ministries on food safety. The project also explored cooperation with international agencies.

NEXTT facilitated the creation of unique frameworks for cooperation in two areas, namely, collaboration among relevant GoN agencies and private sector actors, and donor cooperation to support the upgrade of food safety policies and

Key issues presented and discussed at the plenary included:

- Overview of National Food Safety Policy
- International Best Practices in Legal/Regulatory Framework for National Food System
- International Best Practices of Food Safety System
- Food Safety Systems in Nigeria, Food Safety Policy and its action plan.

In response to the lacunae identified in the food safety management and control system in Nigeria, NEXTT collaborated with GoN and USDA to strategically assemble an expansive stakeholders' forum. The forum was tasked to review the draft policy proposed for adoption by the GoN and produce a brand new "National Food safety Policy and Implementation Strategy".

The participatory segment of the workshop started with five break-out groups which addressed key objectives and implementation issues, the production of new policies, and corresponding implementation strategies for the GoN. Group discussions were divided by theme:

- Group 1 – Goal 1; To Modernize Nigeria 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; Policy and Food Safety Management Committee

The workshop engaged 103 participants (39 women) from relevant GoN institutions, private sectors and NGOs involved in the food safety and value chain and control systems. Significant contributions were made by participants from the private sector, including women.

Participants discussed at length the appropriateness of the existing food safety management and control value chain and the capacity of the existing to solve the complex problems within the structure of food production, consumption and trade in Nigeria. During the workshop the NEXTT team facilitated multiple discussion sessions and breakout groups, which culminated in an agreement to integrate the new draft policy into sector activities and policy decisions. The project further used the opportunity to commence needs assessment for food safety governance, institution and infrastructure in Nigeria.

The project also provided platform for a thorough review of a food safety management organogram, as well as a stakeholder-led proposal for creating an inter-ministerial structure tasked with overseeing the activities of the NFSMC as well as the entire food safety control system. This proposal for a new and inclusive NFSMC was adopted, and the stakeholders (including 9 different standards-setting bodies, see table below) produced and signed communique as a testimony of their endorsement of meeting results. This positive outcome fulfills the NEXTT project’s Task 3 indicator for Year 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*, positioning the project well for future successes in food safety and policy activities.

	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
	ACHIEVED: Draft Policy on Food Safety and its Implementation Strategy was produced, including a resolution by all ministries to incorporate a food safety budget into their budgetary planning from 2014.
Name of Standards-Setting Body	Consumer Protection Council (CPC)
	Federal Ministry of Agricultural and Rural Development (FMARD)
	Federal Ministry of Industry, Trade and Investment (FMITI)
	Federal Ministry of Environment (FMOENV)
	Federal Ministry of Health (FMOH)
	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)

The workshop also resulted in NEXTT surpassing its Year 1 target of 40 individuals at trade and investment trainings (*Indicator 2.1.2*). With four, eight-hour days of training completed and 103 participants the first day, 101 the second, 94 on the third and 95 on the fourth, the person hours of training completed totaled: 3,144. Women completed 1,160 hours, men completed 1,194 hours, and youth completed 112 hours.

ANALYSIS

In the third quarter, NEXTT brokered a unique platform for inter-agency collaboration on food safety by providing technical, financial and institutional support for an inclusive and sustainable model for food safety governance. NEXTT facilitated cooperation in two key areas in order to support the upgrade of food safety policies and practices in Nigeria, namely: collaboration among relevant GoN agencies and private sector actors, and collaboration among donor agencies. In partnership with USDA, NEXTT helped revise the membership, mandate, cooperation and functionality of the NFSMC. One of the groups created by NEXTT during its food safety meeting produced a thorough analysis of 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 food safety committee. Moving forward, NEXTT will be working with the committee to conduct a needs assessment for standards on agricultural products, provide safety process improvement recommendations, and conduct trainings on accreditation, certification, conformity assessments and SPS measures.

NEXTT identified major deficiencies in the draft food safety law proposed for ratification by the GoN. In response, NEXTT, the GoN, and USDA used the stakeholders' forum to review the draft policy proposed for adoption by GoN to produce a "National Food Safety Policy and Implementation Strategy for Nigeria." In the fourth quarter, NEXTT will be providing technical support to key ministries to ensure that the policy is adopted and implemented.

NEXTT utilized the workshop to kick start the process of delivering on activities for Task 3 in the Year 1 work plan. This strategy was largely successful, as the meeting produced a framework for a more functional and inclusive NFSMC in Nigeria.

COMPONENT 3: EXPANDED EXPORT SUPPORT

OVERVIEW

NEXTT Component 3 aims to facilitate improvements in the competitiveness of Nigerian export firms and their capacity to meet market requirements through effective production, financing and marketing of goods and services, both domestically and internationally. The goal within the life of the project is provide requisite technical assistance (TA) to over 40 BDS providers who would, in turn, assist at least 120 firms to generate over US\$30 million in new trade. Within the first year of operations, NEXTT is projected to facilitate US\$1 million in new investments and an additional US\$2 million in new exports. In order to ensure the necessary institutional support is made available to export firms, work under Component 3 has continued to explore opportunities to strengthen the capacity of the NEPC (foremost national trade promotion agency) to better link the supply and demand of export services, while also working to establish new (and strengthen existing) value chain alliances/associations. These efforts have also helped, and will continue to do so, identify a pipeline of market opportunities within each of the Value Chains (VCs) which can immediately be capitalized upon. These activities together are expected to ensure export BDS providers embedded within the VCs are able to effectively deliver a value proposition to export firms that is both comprehensive and cost effective.

RESULTS

Mapping of the Export Business Development Services Sector

During the third quarter NEXTT's local subcontractor, Development Associates (DA), conducted field work for a mapping of the supply and demand for export business development services (BDS). The survey targeted agribusiness, trade associations and government institutions operating along or whose operations are tangential to activities along the Lagos Kano Jibiya (LAKAJI) corridor. The exercise identified three major zones (Lagos, Kano, Abuja) based on initial mapping of active SMEs within the agro commodity export sector and interviewed a total of 60 respondents from an initial population of 200 sampled. These included 25 private BDS providers, 10 regulators and 25 export-led firms. Focus Group Discussions were also facilitated in Lagos, drawing on the membership of the Agriculture and Non-Oil Export Group of the Lagos Chamber of Commerce (LCCI). DA submitted a preliminary report at the end of the third quarter, which NEXTT found to be a good initial stepping stone for understanding the BDS market in Nigeria. However, additional follow on research is required in order to have a better understanding of market size and the needs and opportunities for functional BDS categories (i.e. market linkages, product development, access to finance). As such, the submission of the BDS report will be delayed until the fourth quarter of the project.

NEXTT, in partnership with subcontractor Development Associates, has been working diligently to develop a database of BDS providers. The BDS assessment identified a number of firms who have been added to the database, which will eventually be published on the NEXTT

and NEPC websites in order to raise awareness among exporters of available BDS services. This database will also be instrumental in identifying prime candidates for NEXTT's marketing and development of demand-based export services through performance based contracts, and capacity building trainings for BDS providers.

Market and Develop Demand-Based Export Services

Once the BDS Assessment is completed, identifying unmet demand in the BDS service market, NEXTT will be able to move forward with trainings and seminars to help bridge these gaps, in areas such as product development, access to finance, market support, and project development. In the meantime, NEXTT worked directly with ATTW Group, a BDS Consulting Firm, to help generate linkages between exporting Nigerian firms and importing US firms. NEXTT is now halfway toward meeting its Year 1 target of supporting 10 BDS providers (*Indicator 3.2.1. Number of Capacity Building Service Providers receiving USG assistance*).

In Q3 the NEXTT team also directly supported several firms in the area of certification with quality control, in order to meet NEXTT's year one target for *Indicator 3.2.2: Number of firms receiving USG assistance that obtain certification with international quality control, environmental and other process voluntary standards or regulations*. Two firms receiving support in this area include Fumman and Strange Industries. Though they have not officially obtained certification at this juncture, NEXTT is working to facilitate this process in Q4, and expects, at the minimum, to meet our Year 1 target.

Develop a Pipeline of Export Opportunities in 10 Target Value Chains

In this 3rd quarter NEXTT made progress towards formalizing its cooperation with the Nigerian Export Promotion Council (NEPC), which we expect will be signed in early Q4. The process required considerable back and forth with NEPC to outline areas of cooperation and the framework for which NEXTT would support NEPC to more effectively implement national export strategies. We anticipate that the MOU will be signed in the coming weeks. The conclusion of this task marks a significant milestone in the formal engagement of the United State Government with the Government of Nigeria on export development under the Nigeria Expanded Trade and Transport (NEXTT) project.

As described in Component 2, during Q3, the NEXTT team responded to requests from the Honorable Minister of Trade, Investment and Industry (FMITI) to investigate present "best practice" principles on how Nigeria can take advantage of the African Growth Opportunity Act (AGOA) via apparel and leatherwear exports reviewing the success stories of other African nations. The study will provide a road map for the Ministry of best practices that should drive export expansion in those two export value chains. This is also a key task identified under Component 3.

As NEXTT formalizes a platform for increasing the capacity of NEPC to coordinate and implement export strategies, the project has been actively supporting a number exporting firms with direct technical assistance. This quarter NEXTT provided assistance to 10 different firms (*Indicator 3.1.1. Number of firms receiving capacity building assistance to export*).

FIRMS RECEIVING CAPACITY BUILDING ASSISTANCE TO EXPORT DURING Q3		
FIRM NAME	Value Chain	SUPPORT PROVIDED BY NEXTT
ACET	Cashew Processor	Access to finance, investment, ICT support
Ladgroup	Shea Processor	Market linkages, supply chain productivity
Loders	Shea Buyer	Supply chain support
Shea Radiance	Shea Processor	Supported business planning
Fumman	Shea	Standards
Shea Blossom	Shea	Value chain consolidation, export support
Strange Industries	Honey	Standards
Coopitalia	Varied food exports	Identifying potential exporters
Sigwa Group	Sesame processor	Market linkages, export support
Joint Heirs Limited, Global Export Market Access & Expo	Home décor exports	Market linkages, export support

Increased competitiveness of exporters in target value chains:

NEXTT supported firms saw \$166,165 in exports in the last quarter. Progress made on NEXTT Indicator 3.3.1. *Value of exports by NEXTT client firms facilitated as a result of project assistance*, is detailed in the chart below:

FIRM NAME	VALUE of EXPORTS in Q3 (USD)
Shea Radiance	58,000
Sigwa Nigeria Limited	50,040
Strange Industries Limited	n/a
ACET	55,000
Hayloft Limited	3,125
TOTAL	\$166,165

NEXTT supported firms did not report any investment facilitated this quarter (*Indicator 3.3.2 Value of investments in NEXTT client firms facilitated as a result of project assistance*). Supporting firms in our export pipeline to obtain finance will be a primary focus of the NEXTT project in Q4.

In Q3 NEXTT met the project's Year 1 target of completing two trade and investment capacity building diagnostics (*Indicator 3.1.2. Number of Trade and Investment capacity building diagnostics conducted*), with the completion of the BDS Assessment and the Value Chain Assessment.

Export Development Strategy for Priority Value Chain

During the period the NEXTT team undertook the task of reviewing long term comparative advantage in 11 key VCs and established a methodology to prioritize 3 VCs from which a single VC can be selected. The selection and prioritization of value chains was carried out based on a

matrix of key issues that has an impact on industrial development and the capacity of the country to competitively produce and export manufactured products.

The task followed a four step methodology towards selecting the 3 “winning” VCs. This comprised a desk research to survey the VCs from secondary data sources drawing from the body of work prepared by the GON and donor partners which lent itself to the generation of sector specific Fact Sheets summarizing key statistics, product/sector performance against agreed selection criteria, as well 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. Early in the fourth quarter, an international agribusiness export conducted field work for the narrowing of the value chains from 3-1. NEXTT will be submitting the final report in the coming weeks.

Develop and Leverage Value Chain Alliances (Global Shea Alliance and African Cashew Alliance)

NEXTT’s sponsorship of the 2013 Global Shea Alliance meeting in Abuja was an important first step for the project to learn more about the Shea industry in Nigeria, to identify pressing BDS needs, as well as identify potential BDS providers that are experts in the field of Shea processing and production.

It is this level of impact that the project will seek to achieve through its engagement with the African Cashew Alliance (ACA) at the World Cashew Festival & Expo 2013 which was recently moved from Lagos, Nigeria to Accra, Ghana. Cashew nuts, currently grown in over 12 states across the federation, has an annual estimated production of 120,000 MT with over 300,000 farmers benefiting directly from harvesting activities. A high impact crop with significant gender employment potentials, NEXTT has identified this crop as strategic and will seek to attract new investments into the value chain in strengthening local production and processing capacity as well as availability of BDS support across the VC and access to finance. With NEXTT proposed Agricultural Investment Summit scheduled for August 28 – 29 also provide an opportunity to show case the investment opportunities in the VC.

The Ministry of Agriculture states that only 5% of total fruit and vegetable production is processed in the country while 40 -50% account for wastage of the total output as about 55% is consumed fresh by Nigerians.

“The overall objective of the Ministry is therefore to boost production and increase productivity. Value chain efficiency will play a key role in this

Exploring the opportunities to develop Horticulture exports especially Oranges, Pineapples and Mangoes, NEXTT participated in a series of meeting with representatives of the Agricultural Fresh Produce Growers & Exporters Association of Nigeria (AFGEAN), a private sector initiative with a vision to develop the horticulture sector and champion fruits/vegetable exports to Europe. The association is pursuing a 3 pillar strategy that will address issues of standards and certification, supply chain and logistics development and finally market access. During this period the project explored opportunities to partner with AFGEAN, the Federal Ministry of Agriculture and Rural development (FMARD) and COLEACP Liaison Committee for Europe-Africa-Caribbean-Pacific, to deliver a Food Safety protocol/regime for Nigeria, which will enable the export of Fresh Produce from Nigeria to Europe. COLEACP is an Inter-professional network promoting sustainable horticultural trade, gathering together ACP producers/exporters and EU importers of fruit and vegetables, flowers and ornamental plants, and other partners operating in the ACP/EU horticultural industry. NEXTT support 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. Leveraging the work of the European Union in this area NEXTT worked to develop commercial partnerships with large franchises across Europe interested in buying fresh fruits and vegetables from Nigeria. Further to this NEXTT assisted key industry players active in horticulture 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.

ANALYSIS:

Completing the Assessment of Supply and Demand for Business Development Services (BDS) is a critical activity that, once completed, will drive many of the activities moving forward to support the development of a BDS ecosystem. However, NEXTT's local subcontractor conducting this work has struggled to complete this activity in line with the Scope of Work, and as per the originally agreed schedule. NEXTT team members will work with the local subcontractor to complete this assessment during the next quarter, setting the stage for prioritizing BDS activities most demanded by exporters, and developing a strategy for the BDS provider network, an important deliverable for Year 1.

Bureaucracy within the Nigerian Federal Government has also conspired to slow the progress of signing a NEXTT-NEPC memorandum of understanding, the first draft of which was presented to NEPC early last quarter. All obstacles to signing this agreement have been since been overcome, and a signing of this agreement is scheduled for the next few weeks, after which NEXTT can begin developing the content of trainings scheduled for NEPC this year.

NEXTT made significant progress towards selecting one target value chain this quarter with support of an international expert, the results of which were presented to the NEPC in July 2013. NEXTT will finalize the value chain selection report in Quarter 4, so the project team

members can move forward with supporting the NEPC on developing a strategy for increased export in this selected value chain also during Quarter 4.

Last, as we move forward to provide technical assistance to exporting firms, we are finding overlap between exporting firms receiving technical assistance from Component 3, and firms implicated in our LAKAJI corridor work, requiring close collaboration between Component teams. For example, Shea Radiance, a U.S. shea processor that imports all their raw materials from Nigeria, is interested in collaboration with NEXTT on multiple levels; in receiving technical assistance to streamline sourcing from new exporters, in establishing a shea processing factory along the LAKAJI Corridor, and in potentially serving as a BDS provider on export promotion activities for the NEPC. This firm also happens to form part of the leadership of the West Africa Trade Hub-supported Global Shea Alliance. We expect more similar, overlapping experiences as we move forward with implementation of activities in Components 1 and 3.

MONITORING AND EVALUATION

NEXTT monitoring and evaluation (M&E) has the responsibility of collecting, recording and reporting information on all aspects of NEXTT performance to all stakeholders for the purpose of feedback and sound decision making through:

- quarterly beneficiary surveys;
- systemic quarterly review of official sources; and
- activity levels tracking

At the request of USAID, NEXTT developed a Results Framework which illustrates how the project's micro-level indicators are connected to and help achieve the broader project objectives. The PMP tracks project impact in terms of trade cost and time, partner participation and business expansion, provision of financial and technical support, and training delivery and participation – according to the project's three intermediate result areas. Cumulatively, the outcomes of the result areas demonstrate the project's success in achieving its overall goals: *improving trade efficiency and expansion on domestic, regional and international levels*. The newly developed Results Framework provides a visual representation of this flow of impact and the connectivity between project activities and NEXTT's intended economic and development impacts.

At the suggestion of USAID, NEXTT added five indicators to the project PMP:

- **Reduction in the cost to move goods between Kano and Lagos as a result of USG assistance.** Measuring the year-over-year change in the cost to import and export a standardized basket of goods to and from Nigeria along the LAKAJI corridor (in USD) is critical to evaluating the efficiency of trade flows. As the dominant transport corridor in Nigeria, the efficiency of the LAKAJI Corridor directly impacts Nigeria's competitiveness, food security and export volume.
- **Reduction in the time required to move goods between Kano and Lagos as a result of USG assistance.** Measuring the year-over-year change in calendar days

needed to comply with all logistics and procedures for importing and exporting a standard basket of goods to/from Nigeria along the LAKAJI Corridor is as critical to evaluating the efficiencies of the cost of trade flows. The cost of transporting goods increases exponentially with time, thus driving up the market price.

- **Value of new agricultural investment facilitated along the LAKAJI Corridor as a result of project support.** Measuring the value of investments facilitated in new, agriculture-focused enterprises along the LAKAJI Corridor which have benefited from NEXTT activities illustrates the market's response to project initiatives. This will highlight areas of project success as well as areas where further or different activities are required to realize success.
- **Person hours of training completed in trade and investment capacity building supported by USG Assistance.** The team will track the number of people completing trade and investment training courses from NEXTT supported export and trade promotion entities, multiplied by the total number of hours of each training course. Data collected under this indicator will be disaggregated by gender and age to illustrate the variety of beneficiaries reached.
- **Number of days of USG-supported technical assistance in trade and investment capacity provided to counterparts or stakeholders.** NEXTT will track the provision of both goods and services to counterparts or stakeholders, including the transfer of knowledge and/or expertise by way of staff, skills training, research and financing. Human and institutional resources, but not financial assistance, are included. This indicator enables the project to identify both a need for, or surplus of, resource applications.

These additional indicators will better inform the NEXTT project management approach to work planning, particularly in the crafting of trainings and informational materials. NEXTT continues to design tracking systems for data collection appropriate for each project activity, such as workshops, meetings, seminars, conferences and training/TA facilitated by NEXTT with due consideration to gender, youth and the environment.

As discussed in Component I section above, the LAKAJI Baseline Validation Workshop resulted in new baseline indicators for the time and cost of trading goods and were updated in the NEXTT PMP.

In order to better inform and align future planning and programming with project and stakeholder needs, NEXTT collects participant feedback from project activities and events. This quarter, the team collected and analyzed feedback from participants in the LAKAJI Baseline Validation Workshop as well as Stakeholders' Meeting on National Policy on Food Safety. Both events resulted in high rates of participant satisfaction (88% from the LAKAJI workshop and 85% from the Food and Safety meeting).

CROSS CUTTING ISSUES

Gender

Women in Nigeria face significant obstacles to development vis-à-vis their male counterparts. With high levels of illiteracy, low levels of financial access, and the fact that women constitute a majority of the rural agricultural workforce, Nigerian women are severely limited by minimal access to resources and control of assets. Additionally, national and international policies impact women differently than men according to cultural practices and standards, especially depending on economy and sector.

Given these challenges, NEXTT is attentive to opportunities for collaboration with women's organizations, donor-led projects, and national and state government gender initiatives. Gender considerations have also been incorporated into staffing practices and component analysis. Since the integration of the gender plan was carried out in quarter 2, NEXTT has been strongly committed to maintaining gender balance in all of its operational and technical activities, including seminars, conferences, workshops trainings and meetings. For example, the LAKAJI transport and logistics baseline assessment team interviewed business women in transport and logistics sector along the corridor and NEXTT is inviting representatives of women in agribusiness in all the LAKAJI Corridor states for the upcoming LAKAJI Agricultural Growth Corridor Investment Summit in August. 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 for input regularly.

NEXTT successfully hosted the LAKAJI Baseline Validation workshop and maintained gender balance among participants, presenters and working group sessions. A NEXTT-facilitated stakeholders meeting on National Policy on Food Safety and its Action Plan saw approximately 40% female participation with gender balance among the local and international consultants who facilitated meeting sessions.

Youth

In response to the challenges facing Nigeria's unemployed youth, 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. During the LAKAJI transport and logistics assessment, NEXTT staff will collaborate with LAKAJI corridor state Kastina, and will rollout activities with the youth craft school located there. The LAKAJI Agricultural Corridor assessment also identified agribusiness potential along the corridor that will open up opportunities for youth participation in agribusiness. The LAKAJI Baseline Validation Workshop and Stakeholders meeting on the National Policy on Food Safety and its Action Plan attempted to integrate youth, though the participation was low (5%). NEXTT staff and subcontractors are already working on strategies to increase youth participation in all NEXTT subsequent activities/event in future.

Environment

Since the rollout and integration of the Environmental Mitigation and Monitoring Plan in the second quarter, NEXTT staff continue to create awareness of the importance of the green economy and the implications of environmental degradation. The project is working to sensitize stakeholders to the use of adulterated agro-chemicals that cause damage to the soil and deplete nutrient base levels. As part of its advocacy, NEXTT staff discouraged a client from embarking on the charcoal business, introducing him instead to the Shea business. Shea nuts, used widely in food and natural cosmetic products, grow on wild trees that are critical to maintaining environmental stability in West Africa's Sahel region.

QUARTER 4 PLANNED ACTIVITIES

Component 1: LAKAJI Corridor Improvement	
Task 1: Provide Technical Capacity and Support LAKAJI CMG	Date
Conduct workshop on the CMG performance monitoring and service platform	September
Support CMG to establish final mandate, governance structure, revenue scheme, communication framework, and service offerings	September
Form CMG board of directors and produced 'scopes of work' for new CMG technical staff, to be approved by CMG board	September
Support CMG to develop Scopes of Work for new CMG technical staff	October
Assist CMG in recruiting personnel and members	October
Obtain signed MOUs with corridor state governors	October
Conduct three Borderless Alliance stakeholder mobilization workshops in Kano, Abuja, and Lagos on fact-based advocacy on transport policy, regulatory, and infrastructural reforms	October
Task 2: LAKAJI Agricultural Growth Corridor	Date
LAKAJI Agricultural Growth Corridor Investment Summit	August
Submit agreement of defining roles of key partners and a roadmap for implementation of the initiative	June
Provide technical assistance to establish the Agricultural Growth Corridor Initiative Advisory Board	Aug-Sept
Establish Agricultural Growth Corridor Initiative Advisory Board	September
Consultative process with investors, GON, state govt agencies and donors on operationalizing the catalytic fund	September
MOUs with catalytic fund investors signed	September
Technical assistance to the coordination office in building a pipeline of deals for the catalytic fund and DIV initiative	Sept-Oct 2013

Component 2: Trade Policy and Trade Facilitation Support	
Task 1: Provide technical Supports to the Federal Ministry of Industry	Date
Engage public and private stakeholder to access feedback from the TPP report and gather information on trade training needs of the GoN	July – September, 30
Engage the Department of Trade on a regular basis to continue providing support for evidence based trade policy and strategy	July - September
Actively engage FMIT&I to restructure the Enlarged National Focal Point on Trade and revamp the Trade Facilitation Task Force	July - September, 30
Conduct training on trade and tariff analysis for economists and trade analysts in the Department of Trade, NCS, Ministries of Agriculture, Finance, Foreign Affairs, and the Office of the Economic Adviser to the President	August 15 – September 15

Provide training on trade policy models for economists and trade analysts in the Department of Trade, NCS, Ministries of Agriculture, Finance, Foreign Affairs, and the Office of the Economic Adviser to the President	August 20 – September 30
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Task 2: Support Customs Modernisation	Date
Provide support and advice to NCS in the ratification of the 2 versions of CEMA	July -August
Provide technical assistance as needed to NCS in preparation for meetings and design of procedures related to CMA 2011	July -August
Undertake a 'training needs analysis' to inform the design and target of modules for Customs Risk and Valuation training	July -August
Design and delivery of training in Customs Risk and Valuation	August - September
Support NCS in developing the organizational strategic plan for improved risk management	August & September (2 separate inputs)
Conduct two workshops between NCS and private sector on risk management and process design in automated customs clearance process	August
Provide recommendations to NCS on the development of a tariff and valuation unit and obtain NCS agreement	August - September
Develop NCS plan for training needs on customs clearance procedures (subject to ratification of CEMA)	September onward
Cost benefit analysis for implementation of AEO system	September
Task 3: Provide Institutional Capacity Building on Standards Infrastructure for Food Agricultural Trade	Date
Provide technical support in producing a clean copy of the National Policy on Food Safety and its implementation plan	July
Follow up with key ministries to ensure adoption of Food Safety Policy and constitution of NFSMC	July - August
Engage Department of Trade to ensure first meeting of NFSMC is convened	July - August 15
Collaborate with NFSMC on mapping, gap analysis, and needs assessment for food and agricultural products	August
Submit recommendations to NFSMC on process improvement	August
Work with NFSMC to identify candidates within testing labs to serve on internal quality teams	July – August
Conduct “Train the Trainers” sessions to NFSMC on accreditation, certification, implementation of GMP, conformity assessments, and SPS measures	August
Conduct workshop to NFSMC on findings of mapping exercise	September

COMPONENT 3: Expanded Export Support	
Complete assessment of BDS capacity	August
Build database of BDS providers to be published on NEXTT and NEPC websites	August-September
Sign MOU with NEPC for targeting its support for tradeshows	August
Conduct NEPC sponsored workshop with lead firms, industry alliances, GON agencies on strategy for tradeshow participation	September
RFP for performance based contracts for BDS providers released, and contracts signed with ten initial BDS providers	September
ToTs for BDS providers on product development access to finance, market support	October
Develop strategy for BDS provider network, to be agreed upon by members	October
Conduct seminar for BDS providers on growth opportunities in non-oil export sectors	October
Conduct workshop for the African Cashew Alliance on integrating BDS providers into their growth strategy	September
Submit assessment of Nigeria's comparative advantage in 2-3 value chains	August
Assist NEPC and lead firms/associations with development of a strategy for increased exports for priority value chain	September-October
Conduct workshop on strategy for increased export from priority value chain	October
Country Assessment On AGOA Opportunities For Nigeria In Apparel/Textiles And Leather Wear	July - August