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# NIGERIA EXPANDED TRADE AND TRANSPORT PROGRAM (NEXTTT) QUARTERLY PROGRESS REPORT Q1 (Y2)

OCTOBER 2013 – DECEMBER 2013

**January 2014**

**This publication was produced for review by USAID|Nigeria and prepared by CARANA Corporation**

# NIGERIA EXPANDED TRADE AND TRANSPORT PROGRAM (NEXTT)

## QUARTERLY PROGRESS REPORT

Contract No. AID-620-C-13-00002

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# ACRONYMS & ABBREVIATIONS

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

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

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# EXECUTIVE SUMMARY

The first quarter of the NEXTT Project's second year, beginning October 1, 2013 and ending December 31, 2013, saw the implementation of key activities and the development of systems that will be instrumental in supporting NEXTT to meet program objectives.

For example, in the area of NEXTT's LAKAJI Corridor Improvement work, the project mobilized more than 100 committed stakeholders to join the LAKAJI Corridor Advisory Council (LCAC), the membership body that will guide the Agricultural Growth Corridor Initiative (AGCI). The project held the first LCAC Plenary meeting in November, focusing on issues related to investment, transport, and trade facilitation on the corridor. The AGCI is now on strong footing, with a diverse and committed member-base, clear goals and objectives, and fully-functional working groups that are now meeting regularly to identify and implement solutions to improve the LAKAJI Corridor. The project also made significant progress improving the CMG's functionality and diversifying its member base. With NEXTT's support, the CMG is now formally registered and integrated into the broader umbrella of the Agricultural Growth Corridor Initiative.

In support of NEXTT's Trade Policy and Trade Facilitation work, this quarter NEXTT leveraged resources from local institutions and overseas counterparts to facilitate knowledge transfer on best practice models in trade policy, standards infrastructure and trade facilitation processes in Nigeria. During this quarter, the project made significant progress in the following areas:

- NEXTT assisted the GON with the creation of public-private platforms for dialogue between the GON trade and policy Ministries, Departments and Agencies (MDAs), the Organized Private Sector (OPS) and the Enlarged National Focal Point (ENFP) to prepare Nigeria for the WTO 9<sup>th</sup> Ministerial Conference held in Bali, Indonesia between December 3 – 6, 2013.
- NEXTT fostered a collaborative policy formulation environment by hosting a workshop to finalize the Nigerian Food Safety Policy and Implementation Strategy in December, 2013.
- The project provided a series of trainings to GON officers to enhance their capacity in and knowledge of trade analysis, trade facilitation and modern customs practices.

Under the project's Export Development mandate, NEXTT continued to build on its three-pronged export reform strategy: establishing a viable BDS market, building capacity within export promotion bodies, and providing technical support to export firms. NEXTT further refined its access to finance strategy under its Expanded Export System (EES) by developing a request for proposals (RFP) for BDS service providers specializing in transaction facilitation. The resulting BDS network will link the demand for BDS services in access to finance to a strategically-selected, high-capacity supply of services through performance based contracts (PBCs). We expect that competitively-selected BDS providers will facilitate \$5 million in finance to exporting firms by the end of FY 2014. This quarter, NEXTT also continued to develop its pipeline of exporting firms, and provided technical assistance to lead exporters, in conjunction with NEPC, through a workshop on trade show marketing and logistics.

With the solid foundation set in Q1 with regards to strengthened institutions on the LAKAJI Corridor; new, collaborative platforms for trade policy formulation; and a systemic approach in place for export and investment facilitation, NEXTT is well positioned to achieve significant results in the year ahead.

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# BACKGROUND

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

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

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

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

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

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

# PERFORMANCE INDICATORS

Task	Indicator	Unit of Measure	Baseline	Q1	Year 2		
				FY2014	(Oct 2012-Sept 2013)		
				Achieved	Target	Achieved	Achieved
Component 1: LAKAJI Corridor Improvement							
<b>1.1: Provide Technical Capacity and Support to the Lagos-Kano-Jibiya Transport Corridor Management Group (LAKAJI CMG)</b>	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%	5%	0%	0%
	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%	5%	0%	0%
	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%	2%	0%	0%
	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%	2%	0%	0%
	1.1.5 Increase in membership of CMG	Members	7	0%	15%	0	0%
<b>1.2: LAKAJI Agricultural Growth Corridor</b>	1.2.1 Number of new agribusinesses established along LAKAJI Corridor as result of project support	Enterprises	0	0	5	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	\$1,250,000	0	0%
	1.2.3 Number of Development Innovation Venture proposals submitted	Proposals	0	0	2	0	0%
	1.2.4 Value of investments mobilized by PDF	US Dollars	0	0	\$ 5 M	0	0%
Component 2: Trade Policy and Trade Facilitation Support							
<b>2.1: Provide technical capacity and support to the Federal Ministry of Trade and Investment</b>	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	2	2	100%
	2.1.2 Number of participants in trade and investment trainings	Individuals	0	50	40	50	125%
	2.1.3. Person hours of training completed in trade and investment capacity building supported by USG assistance	Hours	0	1,743	4,500	1,743	39%
	2.1.4. Number of days of USG supported technical assistance in trade and investment capacity provided to counterparts or stakeholders.	Days	0	82.5	150	82.5	55%

Task	Indicator	Unit of Measure	Baseline	Q1	Year 2 (Oct 2012-Sept 2013)		
				FY2014	Target	Achieved	% Achieved
				Achieved			
<b>2.2:Support Customs Modernization</b>	<b>2.2.1</b> Number of Customs harmonization procedures implemented in accordance with internationally accepted standards as a result of US assistance	Procedures	0	0	2	0	0%
<b>2.3: Institutional Capacity Building: Standards Infrastructure for Food and Agricultural Products</b>	<b>2.3.1</b> 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	1	1	1	100%
<b>Component 3: Expanded Export Support</b>							
<b>3.1: Increased capacity of public export promotion bodies to coordinate and implement national export strategies.</b>	<b>3.1.1</b> Number of firms receiving capacity building assistance to export	Firms	0	37	100	37	37%
	<b>3.1.2</b> Number of Trade and Investment capacity building diagnostics conducted	Diagnostics conducted	0	0	1	0	0%
	<b>3.1.3</b> Number of participants in USG supported trade and investment capacity building trainings	Individuals	0	37 M-31 F-6	40	37 M-31 F-6	93%
<b>3.2: Establishment of a viable network of BDS providers for export and agricultural enterprises</b>	<b>3.2.1</b> Number of Capacity Building Service Providers receiving USG assistance	Service Providers	0	2	25	F-0 M-2	8%
	<b>3.2.2</b> Number of firms receiving USG assistance that obtain certification with international quality control, environmental and other process, voluntary standards or regulation	Firms	0	0	3	0	0%
<b>3.3: Increased competitiveness of exporters in target value chains</b>	<b>3.3.1</b> Value of exports by NEXTT client firms facilitated as result of project assistance*	US Dollars	0	\$2,469	\$ 6M	\$2,469	0.04%
	<b>3.3.2</b> Value of investments in NEXTT client firms facilitated as a result of project assistance*	US Dollars	0	0	\$ 5 M	0	0%

\* At the time that this report was submitted, NEXTT was still waiting for data from supported firms on the value of exports facilitated and the value of investments facilitated this quarter. NEXTT will include this data in the next quarterly report.

# SUMMARY OF NEXTT ACTIVITIES

## OCTOBER 2013 – DECEMBER 2013

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

### COMPONENT 1: LAKAJI CORRIDOR IMPROVEMENT

Activity	Date
<b>Task 1 - Provide Technical capacity and support to the Lagos-Kano-Jibiya Transport Corridor management and development</b>	
NEXTT met with the Corridor Management Group (CMG) to discuss its role in the 'Big Tent' approach to the LAKAJI Corridor improvement	Oct – Nov 2013
NEXTT facilitated meetings with the LCAC and Nigerian Railway Corporation (NRC) regarding priorities for expanding rail traffic	Oct – Dec 2013
NEXTT participated Borderless Alliance of Nigeria meetings on various agenda items, including advocacy, fund-raising, and membership recruitment	Oct – Dec 2013
NEXTT provided technical assistance to the Borderless Alliance to prepare for the 2014 Global Conference	Nov – Dec 2013
NEXTT recruited new members for the Nigerian Chapter of the Borderless Alliance.	Nov – Dec 2013
<b>Task 2 - LAKAJI Agricultural Growth Corridor</b>	
NEXTT facilitated the first plenary meeting of the LCAC and development of short and long term priorities for the group	Nov 2013
NEXTT developed a roadmap for finalizing membership in LCAC and the formation of its Executive Committee	Nov 2013
NEXTT recruited LCAC members (34% female and 66% male).	Oct – Nov 2013
NEXTT hosted meetings to discuss the PDF concept, management requirements and platform to review fund proposals.	Nov – Dec 2013
Formation of the Working Groups for the LCAC namely: the Transport Working Group; Trade Facilitation Working Group; and Investment Facilitation Working Group.	Nov – Dec 2013
Worked with the Federal Ministry of Communications Technology (FMCT) on appropriately scope the Ministry's TechLaunchPad initiative.	Oct – Dec 2013
Supported the LCAC to evaluate how to support sound GoN decisions related to rail freight in Nigeria linking inland container depots (ICDs) on the corridor	Dec 2013
Defined relationship between Federal Ministry of Agriculture and Rural Development (FMARD) in order to optimize the Ministry's Agricultural Transformation Agenda (ATA).	Dec 2013

## COMPONENT 2: TRADE POLICY AND TRADE FACILITATION SUPPORT

Activity	Date
<b>Task 1: Provide technical Supports to the Federal Ministry of Industry</b>	
Facilitated multi-stakeholder workshops in preparation for the 9 <sup>th</sup> WTO Ministerial Conference, bringing together the FMITI, ENFP and the OPS and developing background studies.	Oct - Dec 2013
Conducted training workshop on trade and tariff analysis for economist and trade analysts of the GON.	Dec 9 – 13, 2013
Initiated process for reform of TFTF with NCS and Nigeria Shipper Council: two meeting were held the two institutions discuss a new structure for the TFTF with NCS and NSC at its nucleus.	Nov 2013
<b>Task 2: Support Customs Modernization</b>	
Supported NCS to continue the development of the organizational strategic plan for improved Risk Management and ensure NCS' ownership of the plan.	Oct – Nov 2013
Conducted a Train the Trainer event for NCS officers to facilitate internal risk management awareness seminars for Customs staff across the organization.	Nov 2013
Conducted another Train the Trainer event for NCS to facilitate trade focused seminars, with private sector stakeholders, highlighting changes in Customs and private sector responsibilities.	Nov 2013
Reviewed the draft strategic Risk Management Plan with officers of Risk Management Unit.	Nov 2013
<b>Task 3: Provide Institutional Capacity Building on Standards Infrastructure for Food Agricultural Trade</b>	
Facilitated the finalization of the National Policy on Food Safety and its Implementation Plan.	Dec 9 – 13, 2013

## COMPONENT 3: EXPANDED EXPORT SUPPORT

Activity	Date
Expand pipeline of exporters and confirm demand for export service provision.	Oct – Dec 2013
Provide technical assistance and other support to facilitate export transactions.	Oct – Dec 2013
Developed Request for Proposals to hire (through competitive process) 10 BDS providers and STTA consultants to provide immediately demanded BDS services, as “transaction facilitators”.	Nov – Dec 2013
Provide technical assistance to lead exporters (in conjunction with NEPC) on trade show marketing and logistics.	Dec 2013

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# **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, and increase investment in agricultural production and processing. Through NEXTT's support of the LAKAJI CMG (Task 1) and the Agricultural Corridor Initiative (Task 2), NEXTT is bringing together public and private sector stakeholders into efficient institutions that can advocate for Corridor improvements, propose solutions to reduce transport inefficiencies, monitor improvements, and facilitate new private investment.

This quarter NEXTT successfully mobilized the Nigerian private sector into a cohesive advocacy group for Corridor improvement and investment, and facilitated strong linkages between the LAKAJI CMG and LAKAJI Corridor Advisory Council (LCAC). Through public/private dialogue and partnership, these institutions have sharpened their focus on:

- Reducing time, cost and other inefficiencies to transit goods along the Corridor;
- Triggering a more competitive enabling environment on the Corridor; and
- Supporting business investment along the Corridor.

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

### **INTRODUCTION**

Central to NEXTT's strategy to improve the flow of goods along the Corridor is to strengthen the capacity of the LAKAJI CMG to address corridor governance and improvement efforts. NEXTT intends to ensure that the CMG is functioning optimally as 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.

In Q1 of Y2, NEXTT conducted activities in support of this task in the areas of:

- Operationalizing the CMG governance structure
  - Finalizing state government commitments
  - Supporting the CMG to carry out corridor improvement actions
  - Building capacity for stakeholder advocacy through a strong Nigerian Borderless Alliance
- Chapter

### **RESULTS**

*Operationalize Governance Structure*

In order to improve the CMG's functionality, this quarter NEXTT focused on engaging the CMG to renew their focus on prioritizing issues and actions for corridor improvement related to transport and logistics, while simultaneously working to sort institutional and governance issues.

On the latter objective, progress was made in terms of formalizing the CMG as its own entity, as well as integrating the CMG into the broader umbrella of the Agricultural Growth Corridor Initiative, thereby improving the institution's functionality, increasing its credibility, and diversifying its member base:

- In November 2013, the CMG was formally registered with Nigerian Corporate Affairs Commission as LAKAJI Corridor Management LTD/GTE.
- The CMG actively participated in the development of the Agricultural Growth Corridor Initiative, and the Initiative's leadership body, the LAKAJI Corridor Advisory Council (LCAC). Supporting the objective of public-private dialogue / partnership, as a means of achieving more efficient LAKAJI Corridor performance, members of the CMG group joined the LCAC during the LCAC's first plenary meeting, held in November 2013. The group identified the Trade Facilitation break-out group and the resulting Working Group, as the area where they can make the greatest contribution, and subsequently assumed a leadership role. Members of the Group who attended the Plenary included the Nigerian Shippers Council, the Federal Road Management Agency (FERMA), Jon Tudy, Interbiz, and Crownworth Consulting. Other members of the group are participating in the next LCAC meeting, being held in February in Abuja.
- By bringing the CMG into the broader LCAC group, NEXTT helped to carve out a broader platform for support for the CMG, especially with the private sector. As a result, key stakeholders are viewing the CMG as a credible and important entity, empowering the CMG to better realize goals and objectives moving forward. NEXTT anticipates this will also result in recruitment of new members (and thus further progress on Performance Indicator 1.1.5.: Increase in membership of CMG).

On the former objective, through the Transport and Trade Facilitation Working Groups of the LCAC, **NEXTT supported the CMG to prioritize the most important issues in transport and logistics that can be effectively addressed over the course of the next year.**

Taking into consideration the inefficiencies of road transport that were identified in NEXTT's Baseline Transport and Logistics Assessment on the time and cost to trade goods (especially prohibitive bottlenecks in Lagos), the Transportation Working Group of the LCAC has identified the development of Nigeria's rail system as a priority action area. The working group sees the opportunity provided by recent large scale investments in rail in Nigeria as a way to decongest the ports and the road by 'spreading the load' across a bi-modal system, thus allowing both road and rail transport modes to operate more efficiently. Rail is also viewed as a more appropriate transport mode for hauling large amounts of cargo over long distances, thereby having strategic importance for NEXTT's objective of facilitating more efficient trade flows between Kano and Lagos.

**Through the LCAC, NEXTT began facilitating issue specific working group meetings among the CMG membership to develop action plans for corridor improvement**

In Q1 NEXTT began working with the CMG and LCAC to develop agendas and issue specific action plans for working group meetings. In the area of Rail, there is urgent need for private sector

participation in the GoN's effort to make rail the major mover of freight over long distances, linking all inland container depots (ICDs) to the rail network. NEXTT is working with the CMG and the LCAC to identify how private sector advocacy and dialogue with the Nigerian Railway Corporation (NRC) can help guide government decisions.

The group has held several meetings with Nigerian Railway Corporation to identify priority action areas. They identified the need to expand and 'balance' rail traffic - especially from Northern Nigeria, from where most wagons return empty. They also see the need to rapidly expand the NRC fleet of flat wagons and locomotives and install better on-board communications for safe, efficient operations. Additionally, the Transport Working Group sees need for sidings and passing loops for manufacturing sites and shipside at port terminals, in order to increase frequency and speed of trains and service to major industrial centers along the corridor.

Transport Working Group and the CMG are working closely to evaluate practical measures which can be taken to address the needs identified.

### *MOUs with State Governments*

Next quarter the project will be implementing a plan to support the CMG in negotiating and signing MOUs with eight state governments. In Q1 NEXTT identified a qualified Nigerian consultant that will help lead this process, and with CMG registration now finalized, MOUs can be signed with a formal entity. These MOUs will be instrumental moving forward as NEXTT supports the CMG in efforts to seal deals with federal and state governments for corridor improvements (for example, Rail PPP).

### *Corridor Performance Monitoring and Action*

In consultation with the LCAC and the transport working group, NEXTT will be mobilizing a rail expert to conduct an assessment on actionable steps to make rail freight economically viable and sustainable in Nigeria. The assessment will also include metrics on rail performance, and a cost-benefit analysis of possible investments to improve the rail system. It is intended that the result of the analysis will be used as an advocacy tool by the CMG and Transport Working Group to develop an action plan to institute corridor improvements and push for change with the NRC. It is anticipated that these reforms and investments will lead to lasting reductions in the time and cost to trade goods (and thus progress on NEXTT Performance Indicators 1.1.1, 1.1.2, 1.1.3, and 1.1.4)

This assessment will be conducted in lieu of NEXTT's annual transport and logistics assessment. As proposed in NEXTT's Y2 work plan, NEXTT intends to provide CMG membership with training on NEXTT's transport and logistics methodology on the time and cost to trade goods at the end of Y2, so that the institution has the necessary training required to undertake the rigorous data collection and analysis effort required by the transport and logistics study in Y3.

### *Support Borderless Alliance*

In Q1 NEXTT supported the Nigeria Chapter of Borderless Alliance to prepare for the 3rd annual Borderless Alliance Conference, being held February 26-28, 2014. Under the theme, "Enabling Growth," the conference will bring together stakeholders from across West Africa and beyond to discuss strategy and collaborate to enable growth and sustainable economic development.

In terms of technical assistance provided, NEXTT developed an event brief for the Alliance, identified several marketing and event planning firms and connected these with the event planning committee, and is recruiting conference participants through NEXTT-supported institutions, including the LCAC and CMG. NEXTT will also be advertising conference information on the project website.

NEXTT has also provided membership recruitment assistance to the Borderless Alliance. This quarter, six of the seven private sector members of the CMG have applied for Borderless membership, widening the CMG's network. NEXTT is also encouraging the wider group of participants in the LCAC to become involved in the Alliance. The transport and trade facilitation working groups of the LCAC are a particularly relevant member recruitment pools for the Alliance, given the aligned interests of ensuring improved efficiency in the processes of trading goods.

## **ANALYSIS**

With the registration of the CMG finalized, and the institution now integrated into the broader umbrella of the AGCI, the CMG now has greater legitimacy, clearer vision, and more support among key private sector figures. The CMG working together with the Transport Working Group of the LCAC is a formidable force to improve the performance of the LAKAJI Corridor and its services and infrastructure. As a result, the CMG is now poised to contribute strongly to the realization of the strategic objectives it was created for.

NEXTT's contribution to this is on two fronts: First, the project is assisting the CMG to develop opportunities and incentives for increased private sector investment and participation along the LAKAJI Corridor; and second, the project will support the work of CMG in expanding, modernizing and improving transport infrastructure and service on the Corridor to include road, rail, ports, inland waterways, border posts, terminals, ICDs, communication systems and other related facilities. With strong private sector support and the new focus on rail freight, prospects for real change and development on the Corridor are realistic and imminent.

Moving forward, NEXTT will be supporting the CMG to further develop its role within the AGCI, continue to recruit new private members from the broader LCAC, and strengthen the CMG's relationships with corridor governments that will be instrumental for implementing corridor improvement proposals. NEXTT will also be scheduling and implementing a technical training for the CMG this year so this institution has the capacity to measure the time and cost of trading goods along the corridor, and develop appropriate intervention strategies to address deficiencies.

## TASK 2: LAKAJI AGRICULTURAL GROWTH CORRIDOR

### INTRODUCTION

The LAKAJI Agricultural Growth Corridor Initiative (AGCI) aims to facilitate and coordinate investments in processing, aggregation and related infrastructure in targeted clusters on the LAKAJI corridor. 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. To date, more than 100 private and public sector stakeholders have joined the LAKAJI Corridor Advisory Council (LCAC), which will guide the initiative as it aims to maximize the potential of the LAKAJI corridor as a conduit for agricultural development.

This quarter, NEXTT supported the LCAC to recruit new members, refine its platform and structure, and articulate its priorities for action.

### RESULTS

#### *Building the AGCI Institutional Platform*

#### **NEXTT hosted a number of meetings to finalize membership in AGCI LCAC and Executive Committee, culminating in the LCAC Plenary Meeting held in November.**

NEXTT reached out to the 250 participants that attended at the Agricultural Growth Corridor Investment Summit held in August, and recruited a group of committed stakeholders as initial members. In addition to the initial 30 volunteers that signed up at the Summit, NEXTT mobilized 76 more stakeholders in the following weeks, for a total of 106 members (more than 75% of which are from the private sector).

The project convened a small, but highly committed, facilitation group to plan the first LCAC General Meeting and provide leadership in setting the agenda. 16 attendees from 10 organizations were present: Nigerian Railway Corporation (NRC), Legacy Investment & Management Co, Association of Nigerian Shippers, Connect Rail Services Ltd, TechoQuip Ltd, Lisabi Mills Ltd, Nigerian Shippers Council, Flour Mills of Nigeria PLC, and APM Terminals Ltd.

The first Plenary of the LCAC was held on November 28, 2013 in Lagos, with over 70 participants (34% female and 66% male). NEXTT organized participants into breakout sessions with three themes, Transport, Trade Facilitation and Investment Facilitation, which were identified by key stakeholders as primary issues on the corridor. The breakout groups were set up to develop pragmatic proposals on how to immediately reduce transport time and cost of trading goods on the LAKAJI Corridor, as well as identifying trade facilitation and investment promotion activities and strategies. Each group identified three short-term and three long-term priorities for improving the competitiveness and efficiency of the Corridor:

### TRANSPORT

Short-term priorities:

- Mobilize a rail PPP expert + pressure group to facilitate rail development

- Harmonize current rail freight and related services (sidings, inland terminals, etc.), based on public/private inputs
- Improvement in rail / multi-modal (road, rail and waterways) service delivery

Longer-term priorities:

- Repeal of Railway Act 1955 + Corridor Master Plan
- Construction of standard gauge on all new projects for rail freight
- Extension of rail lines to other ports, besides Lagos

## TRADE FACILITATION

Short-term priorities:

- Immediate implementation of Customs single-window platform
- Admission of investors to the 'Fast-Track' Facility - PAAR program
- Enforce procedures - trade, import/export, duties (SAN, NAFDAC, NCS etc.)

Longer-term priorities:

- Ongoing awareness & transparency - info, comm. PR/media, training
- Remove 2<sup>nd</sup> gate, Lagos Port - 2<sup>nd</sup> check, roadblocks, checkpoints, (ensure free flow of trade by removing impediments, procedures, inappropriate fees, etc.)
- Effective & consistent import/export procedures/clearing

## INVESTMENT FACILITATION

Short-term priorities:

- Create trade (B2B) networking platform - spearhead advocacy for enabling policy environment
- Review LAKAJI Investment profiles to evaluate current status of investment opportunities
- Identify nodal states for pilot scheme - profile investment incentives available
- Financial intervention package for investors - Project Development Facility (PDF)

Longer-term priorities:

- Passage of Corridor States Legislation - 'Single Linear Entity'
- Pursuit of Agric. Commodity Exchange - to guarantee offtake

The breakout group approach encouraged participants to start talking about concrete, short term priorities that can be turned into successes, building further momentum and enthusiasm for the initiative.

The LCAC Plenary meeting was followed up by a series of targeted meetings to continue to align the Advisory Council with the unified vision of the corridor as the key to improving Nigeria's competitiveness.

## **NEXTT Formed AGCI LCAC working groups, and finalized initial workshop topics and upcoming meeting agendas**

The three breakout groups from the LCAC Plenary were successfully transitioned into working groups, which will seek forward action on the short and long term priorities established. These are the Transport Working Group, the Trade Facilitation Working Group, and the Investment Facilitation

Working Group. Working Group Chairs have been selected and the Groups began convening in early Q2 in order to refine the priorities they have set and turn them into more detailed work plans, so that Nigeria can see some immediate improvements to transport, trade facilitation and new investment.

Though membership is already expansive and diverse, NEXTT will continue to support the LCAC to expand membership as needed over the course of the NEXTT year.

### *Operationalize the Project Development Fund*

**NEXTT continued dialogue with various public, private and development institutions that have made initial offers to make funding windows available for the PDF.**

In Q1, NEXTT met with various entities (including the Fund for Agricultural Financing in Nigeria (FAFIN); the ECOWAS Bank for Investment and Development (EBID); the Federal Ministry of Communication Technology (FMCT); and the Federal Ministry of Agriculture and Rural Development (FMARD)), with the aim of finalizing PDF commitments. Though discussion is still ongoing regarding the level of funding available, and the types of projects each entity will support, NEXTT aims to outline commitments in MOUs in Q2.

**NEXTT hosted LCAC meetings to obtain input on the Project Development Fund concept, management requirements and platform to review fund proposals and continuously develop new pipeline**

While NEXTT waits for a decision from USAID on the financing of the PDF, the project obtained input from LCAC members on the types of technical assistance the PDF should consider financing, as activities that will address significant unmet needs for mobilizing private investment. These fall into two categories:

- Phase I TA: Multi-client or early phase TA that is used for opening the door to multiple investors to capitalize on opportunities. The results of these assignments will be accessible to all interested parties and/or used as the basis to support advocacy by the LAKAJI Steering Committee to remove bottlenecks to certain types of investments (e.g. private investment in rail services). In these cases, the PDF will generally pay for most or all of the cost of the TA, provided the results will catalyze major investments with transformative impact. Where applicable, public funding and/or their access to advisory services (for ex., from NRC, Ministry of ICT) could also complement PDF in funding and staffing TA initiatives used to support enabling environment improvements.
- Phase II TA: Technical support to facilitate specific investment plans of investors. Investments can be either in agribusiness or in transport, logistics or infrastructure services on the LAKAJI Corridor. The 33 investment opportunities identified by NEXTT and outlined in the LAKAJI Corridor Investment Blueprint are an ideal starting point for commercially viable projects. Investors would be required to pay at least 50% of cost of TA (or incorporate performance-based fees), but in return results would be confidential and the “client” would have a say in the selection of the BDS provider.

A proposed design for implementing the PDF was developed by NEXTT and submitted to USAID with support from CARANA’s CEO, following his trip to Nigeria to participate in the LCAC plenary meeting. The approach is based on the experience of similar facilities elsewhere in Africa, input and feedback received from USAID, and the outcome of meetings held with LCAC members. It also included examples of specific projects that have already been identified and would be ideal candidates for PDF support as well as newly emerging potential projects/investors.

Projects supported by the PDF are expected to unlock investment capital at a minimum 4:1 finance-to-grant ratio. Illustrative examples of Phase I and Phase II TA needs identified for Corridor projects, and the anticipated impact of PDF funds, are outlined in the table below.

Project	Type of TA	Objective	Level of PDF Funding Required	Investment capital to be mobilized by PDF	Anticipated Impact
Best practice models for facilitating PPPs in rail-related services based on existing law	Phase I	Provide international expert to coordinate with NRC advisor in proposing recommended rules of the game for facilitating private investment and PPPs in rail related services	\$30,000 (100% of cost funded by PDF)	Multiple firms prepared to invest	Steering committee to advocate best ways for private firms to invest services that enhance capacity and service based on existing track (e.g. private spurs, sidings, privately owned and operated rolling stock, multi-modal nodes), reducing cost and improving quality of rail service as alternative to trucks
Support for new Rail law and standard gauge rail line	Phase I	Technical support for effective advocacy of new Rail Law and regulations leading to cost-effective PPP approach to new freight line and services	\$150,000 (100% of cost funded by PDF)	Several billion dollars over 10 years	Promote cost-effective freight alternative to Chinese financed track inefficiently operated by NRC
Investment in rail-related services	Phase II	Help private investors such as AMFacilities, Connect Rail Services, and others to develop and finance commercial rail facilities and services. PDF funds would be used for Performance Based Contract (PBC) to Nigerian BDS provider.	\$30,000 per engagement (client to cover max. of 50% of client fees)	\$5-10 million in short term improvements	Creation of new rail-services enterprise; improved access to rail transport for agribusinesses on the LAKAJI corridor and lower transport and logistics costs; development of Nigerian BDS market
Kano horticulture project	Phase II	Support major Nigerian agribusiness company in preparing business plan, technical specifications and buyer linkages for major horticulture project for export and domestic market; involves nucleus farm and small scale outgrowers	\$75,000 (50% of cost funded by PDF)	\$5-\$10 million, including cold storage at airport, packing house, greenhouse, drip irrigation	Exports to Europe utilizing currently empty air freight; quality source of fresh produce for domestic market; tripling of income per hectare for farmers in North; significant job creation
Grain supply chain development	Phase II	Support multinational and Nigerian food companies in developing business plans and financing for supply chain development to replace imports	\$75,000 per intervention (50% of cost funded by PDF)	\$1-5 million per intervention	Business model for outgrower schemes that stimulate investment all along supply chain, including local storage and improved farmer productivity and incomes
Mobile supply chain solutions SME	Phase II	Access Mobile, a mobile supply chain management solutions provider active in East Africa is considering investing in a new company in	\$20,000 (50% of cost funded by PDF)	\$1 million initial investment in new agricultural	Creation of new agricultural services enterprise; agribusinesses on the LAKAJI Corridor will be able to access

		Nigeria. PDF funds would be used to share cost of initial feasibility research, in order to accelerate this investment.		services SME	mobile technology solutions to improve data flow and communication, operational insight and efficiency
Air freight service	Phase II	Help logistics company plan expansion of domestic and export oriented air-freight by linking to other investors	\$38,000 (50% of cost funded by PDF)	\$1-5 million in new domestic air freight capacity and product handling facilities	Alternative transport option for higher value/lower volume items (e.g. fresh produce)

The LCAC, through the Working Group on Investment Facilitation, is working as a consultative group to ensure the PDF supports investments in high-priority LAKAJI Agricultural Growth Corridor projects.

Following the receipt of new resources to put in place the USAID piece of the PDF, NEXTT will hire a Fund Manager to initially manage this fund, with the intention of passing management duties to the AGCI Secretariat in the long run.

### *Supporting Continued Corridor Investment*

Over the last quarter, the project met with numerous private and public sector entities to identify opportunities for investment. In addition to the opportunities described in the table above, and the 33 opportunities profiled through NEXTT’s Agricultural Growth Corridor Assessment in Y1, NEXTT has identified specific opportunities with more than 20 additional companies on the Corridor, including: APM Terminals, Nestle Nigeria, Alpha Mead Facilities, Maersk Line, Zambeef, Nigerian Breweries Limited, Honeywell Nigeria Limited, Coca-Cola Nigeria, Teragro, GlaxoSmithKline, Guinness Nigeria/Diageo, Lafarge Cement, Dangote Group, Odua Investments Company, Flour Mills of Nigeria, Cadbury Nigeria, DHL (special focus on airfreight), Shoprite Nigeria, Legacy Investments, African Exchange (Tony Elumelu Group), Armajaro Trading Ltd, Dantata Foods & Allied Products and Lisabi Foods.

Among the many leads NEXTT is continuing to explore with these firms, are the following:

- The Nigerian Shippers’ Council’s new executive mandate to work on development of inland container depots on the corridor;
- Nigerian Railway Corporation’s willingness to explore existing Railway Act for avenues that can be used for private sector engagement, while awaiting approval of the new Railway Act;
- Flour Mills of Nigeria’s agro-allied expansion scheme on the Corridor that aligns with the LAKAJI Corridor development plan;
- Maersk Line’s readiness to lend support to the Advisory Council in developing the LAKAJI Corridor and is investing in part of the development scheme that is a value-fit for them;
- British American Tobacco Foundation offer to work with NEXTT on their small and medium scale Agropreneurs scheme.
- Nestle Nigeria is planning to double capacity and needs assistance in structuring this growth at farm level. They have already developed local supply chains for soybeans, maize and white sorghum, now seeking suppliers of onion powder.
- AM Facilities are looking to invest in and manage rail sidings/terminals and related facilities. Their partner on rail is Asset Rite, a UK firm. They need regulations that enable PPPs as well as some support in structuring deals.

- Shoprite Nigeria is working with 54 Nigerian farmers for fresh produce; provide seeds, contract and schedule. They have a working out-grower model for the *last mile* to the farmer. They are also planning a new distribution site in Abuja
- AFEX (Africa Exchange Holdings) is starting a warehouse receipts program and are interested in expanding this to more commodities (e.g. cassava) and supply chains
- Dangote Group is in discussion with a logistics firm out of Kenya for distribution in Europe and DHL for air shipment to Brussels
- ENL Consortium and other private operators at the Apapa port, Lagos are examples of what can be achieved in a short time by the private sector either alone or in PPP, given the right conditions - a possible model for rail.
- Prospects for interesting Bolloré Group (French based Logistics group) in rail operations, transport/logistics, plantations and agri-processing on the LAKAJI Corridor. They already operate two rail networks in West Africa - Cameroon and Cote d'Ivoire / Burkina Faso

In Q1 NEXTT prepared to mobilize an Agribusiness Consultant who will be deployed in the coming months to outline the concrete steps that need to be taken in order to finalize the highest priority investments that NEXTT and the LCAC have identified. These steps will be converted into Scopes of Work for additional technical assistance to move forward specific investments.

Key corridor investments currently supported by NEXTT team members with technical assistance include:

#### *AVM FarmNet Virtual Commodities Exchange*

NEXTT continued to support the development of a key corridor investment facilitated in Year 1, the AVM FarmNet Virtual Commodities Exchange. This quarter, AVM CEO Alfred Martins brought on four advisors, developed and submitted a funding application to the Nigerian Universal Service Provision Fund, created a detailed business model for FarmNet, recruited an Indian Commodity Exchange Operator to co-invest with AVM in the project, finalized an agreement with mobile payments provider Cellulant to partner with the project, and developed a draft MOU for AVM's relationship with NEXTT. NEXTT is supporting AVM to outline the steps that will be taken leading up to the pilot deployment in Niger state.

#### *Access Mobile*

NEXTT is supporting Access Mobile, a mobile supply chain management solutions provider active in East Africa, to invest in a new company in Nigeria. Access mobile started in Uganda and recently rolled out a successful platform for coffee processors in Rwanda. In Nigeria, they are targeting two industries: dairy and poultry. NEXTT is working with Access Mobile to evaluate how the project can support them to conduct requisite due diligence and develop a business plan for their investment to the tune of \$500,000.

#### *Google Connectivity*

NEXTT is in discussion with Google Nigeria about setting up a long-range wireless network to supply connectivity to areas along the LAKAJI corridor. Google Nigeria requires additional time to do project development work, thus this may be a longer-term investment.

#### *ICT for Logistics*

NEXTT has been supporting VOC Royal with suggestions on platforms for an ICT Logistics initiative. VOC Royal has been unresponsive as of late, thus NEXTT is evaluating the extent to which this initiative can be rolled out with another partner.

## **NEXTT supported the FMCT to stimulate new agribusiness ICT investments and the Techlaunchpad Initiative (Oct-Dec 2013)**

This quarter NEXTT worked with the FMCT to leverage this institution's vast resources to support NEXTT objectives, by helping it appropriately define the challenge to be addressed by the TechLaunchPad initiative. At NEXTT's suggestion, the FMCT is adopting an approach with two primary characteristics: 1) the initiative will specify two tracks – ICT tools for agriculture productivity and ICT tools for agriculture commercialization, and 2) the initiative will avoid prescribing too narrowly the scope of the projects that can be submitted for funding. At the FMCT's request, NEXTT developed a description of SlimTrader, as an example of an ideal project that will be included in the TechLaunchPad materials. Techlaunchpad is slated to begin accepting applications in early 2014.

NEXTT also provided the FMCT with the coordinates of the Ministry of Agriculture's Staple Crop Processing Zones (SCPZ) sites for inclusion in the Universal Service Provision Fund's 2014 budget. If approved, the FMCT would ensure the deployment of fiber-optic backbone infrastructure to LAKAJI corridor clusters identified in the NEXTT assessment of investment opportunities.

### *Public Sector Champions*

This quarter NEXTT explored ways to make the work of the LCAC more impactful through its relationship with public sector champions. NEXTT is working with the GoN to creating a better enabling environment for private sector operations, and evaluate ways existing services can be deployed faster and more efficiently.

NEXTT continued to work with the following GoN agencies to create a viable LAKAJI Corridor:

- Federal Ministry of Industry Trade & Investment
- Federal Ministry of Agriculture and Rural Development
- Federal Ministry of Communications Technology – employing ICT to make development of road and rail infrastructure as well as farming and access to markets better;
- Federal Ministry of Transportation – through our work with the Nigerian Railway Corporation and the Nigerian Shipping Council;
- Federal Ministry of Finance – through our engagements with the Nigerian Customs Services;
- The eight States Governments on the Corridor – through the Corridor States Working Groups

A key relationship NEXTT is cultivating is that with the Federal Ministry of Agriculture and Rural Development (FMARD). In Q1, NEXTT and FMARD further defined how both parties can work together, and establish procedures to facilitate effective ongoing dialogue. Both institutions prioritized the following activities:

- Aligning NEXTT's State Junction/Cluster Initiative with the goals and objectives of FMARD's Agricultural Transformation Agenda's Staple Crop Processing Zones (SCPZ) and linking the LAKAJI Corridor with the SCPZs.
- Jointly developing a private sector and donor partnership plan. FMARD would enlarge investment prospects defined by NEXTT's agribusiness profiles and work with NEXTT's Project Development Facility for agribusiness development;
- Collaborate on a strategy for engaging the public sector and organizing a meeting with the Minister of Agriculture and Rural Development to underwrite this.

Other public sector players which NEXTT will collaborate with going forward include; The Federal Ministries of Aviation, Power, National Planning, Lagos State Government and the Nigerian Ports Authority.

## **ANALYSIS:**

The first plenary meeting of the LCAC on Thursday, November 28, 2013, highlighted the strong commitment of public and private sector stakeholders to the LAKAJI Corridor Initiative, and high expectations for what the initiative can achieve. As the National Competitiveness Council of Nigeria (NCCN) stressed, the LAKAJI Corridor has the potential to become the backbone for improved national competitiveness in Nigeria.

The Project, through the LCAC, is creating an unmatched value proposition for attracting investment, creating jobs and generating wealth. Moreover, the AGCI is poised to play a fundamental role in achieving GoN objectives and generating sustainable economic growth:

- A well-developed corridor providing access to markets and encouraging investment in value-added production and processing is required for achieving the GON's Agricultural Transformation Agenda (ATA)
- A viable alternative to road transport must be developed; else Nigeria risks disinvestments by large players due to the high cost of doing business driven by infrastructure failure.
- Through the dialogue platform provided by the Initiative, the public and private sectors will no longer remain in silos. Current fragmentation will give way to the benefits of an integrated approach.
- Investments will no longer remain supply-side driven, as the values of a joined-up corridor and strong market linkages/offtake is fully harnessed.

The Initiative is on strong footing, with a diverse and committed member-base, clear goals and objectives established by the members, and fully-functional working groups that are now meeting regularly to identify and implement solutions to improve the LAKAJI Corridor. With a solid foundation established, in Q2 NEXTT will be turning its attention to facilitating investment in the many promising projects that have been identified on the Corridor, and supporting the LCAC to coordinate and implement workable solutions in transport and trade facilitation.

NEXTT is also looking forward to the launch of the PDF. Growing expectations for what the initiative can achieve have brought new urgency for a mechanism that can be quickly deployed to demonstrate results to private partners and sustain momentum generated to date. As the PDF is implemented, NEXTT in will be strongly positioned to assist firms establish new ventures along the corridor.

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# COMPONENT 2: TRADE POLICY AND TRADE FACILITATION SUPPORT

## OVERVIEW

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

Through this Component, NEXTT is aligning the formulation, coordination and implementation of trade policies, regulatory frameworks and facilitation services in ways that maximize market-driven competitiveness, supporting expanded trade, investment and job opportunities. NEXTT relies on three interrelated tasks to achieve its goals:

- Task 1: Capacity building for trade policy formulation and implementation;
- Task 2: Support for customs modernization; and
- Task 3: Support for institutional capacity building for standards and food safety.

This quarter NEXTT developed strategies to overcome the institutional partner challenges experienced in Year 1, by adopting a private sector driven strategy to reform trade policy and trade facilitation mechanisms. The project successfully leveraged resources from local institutions and overseas counterparts to facilitate knowledge transfer on best practice models in trade policy, standards infrastructure and trade facilitation processes in Nigeria. During this quarter, the project made significant progress in the following areas:

- NEXTT assisted the GON with the creation of public-private platforms for dialogue between the GON trade and policy Ministries, Departments and Agencies (MDAs), the Organised Private Sector (OPS) and the Enlarged National Focal Point (ENFP) to prepare Nigeria for the WTO 9<sup>th</sup> Ministerial Conference held in Bali, Indonesia between December 3 – 6, 2013.
- NEXTT fostered and supported a collaborative policy formulation environment by providing a platform to finalize the Food Safety Policy and its Implementation Strategy in December, 2013. The policy document will enable greater compliance of export goods to international standards and food safety requirements by.
- The project provided a series of trainings to GON officers to enhance their capacity in and knowledge of trade analysis, trade facilitation and modern customs practices between October and December 2013.

Varying levels of commitment from within the GON to support reforms and modernization of TPP, food safety, and trade facilitation continued to hinder implementation of several key activities planned for this quarter. Despite these constraints, however, NEXTT successfully brokered cooperation among donor partners and trade institutions (including GIZ, the EU, USDA and NCS) to provide trade related assistance to the GON, and engaged the private sector partners to support project objectives.

## TASK 1: CAPACITY BUILDING FOR TRADE POLICY FORMULATION AND IMPLEMENTATION

Our goal in this work is to support the reform of Nigeria's trade policy process (TPP) and trade facilitation mechanisms (TFMs) to create a more inclusive system of trade policy formulation, and ultimately generate a significant reduction in the time and costs of doing business along the LAKAJI Corridor.

This quarter NEXTT continued to provide capacity building in trade policy formulation and implementation to various public and private institutions and groups dealing with trade policy issues. The project commenced collaboration with the AGOA desk of the Bank of Industry, a platform created by the GON, to support the capacity of Nigerian firms and exporters to effectively utilize the preferential market access under AGOA. Per the Year 2 Work Plan, NEXTT implemented the following activities in support of the Task 2 objectives:

- Provided technical assistance to FMTI on the implementation of trade policy, trade strategy and tariff analysis unit
- Conducting a training workshop on tariff impact analysis for GON economists
- Coordinated with relevant stakeholders to redesign GON TFTF;
- Supported African Growth Opportunity Act (AGOA) Strategy Implementation

### RESULTS

#### *Strengthening National Trade Policy Coordination*

##### **NEXTT provided technical assistance to the FMTI on the implementation of trade policy and trade strategy**

During Q1 of Year 2, NEXTT collaborated with other donors to achieve significant results in assisting the Government of Nigeria (GON) to improve the trade policy and trade facilitation environment. In partnership with GIZ, the EU Delegation in Nigeria, and the Centre for Trade and Development Initiatives (CTDI), the project prepared Nigerian delegates for the WTO 9<sup>th</sup> Ministerial Conference in Bali, thus improving GON capacity to participate in the global trade policy formulation and negotiation process. The Conference is an important event that levels the playing field for the trade negotiations in the global trade arena. Key FMITI officials that received support acknowledged that Nigeria's delegates had never received guidance in the past in this capacity, and thanks to NEXTT support, they were better equipped to participate in and contribute to this Ministerial Conference.

Given that necessary support structure for trade policy coordination remains lacking in Nigeria, NEXTT, GIZ, the EU Delegation in Nigeria and CTDI drafted a comprehensive agenda and put together three workshop sessions that brought all relevant agencies together to position Nigeria well for the global trade policy process.

- The first session was an introduction meeting with relevant MDAs of the GON.
- The second session focused on obtaining input from the OPS on perceived key interests for Nigeria. The OPS was represented by the Manufacturers Association of Nigeria (MAN), the Nigeria Chambers of Commerce, Industry and Agriculture (NACCIMA), the Nigerian Association of Small and Medium Enterprises (NASME) and the Lekki Concession Company (LCC).

- The third session was a joint stakeholder’s forum to establish the best approach to represent the interests of the ENFP and TPAC. The workshop provided inclusive and transparent systems of as recommended by the multi-stakeholder model and the WTO principle itself.

NEXTT and its partners drafted background studies and supported preparation of Nigeria’s proposals and responses to other countries’ proposals to be tabled during the global trade policy negotiations on agriculture, trade facilitation and development.

**NEXTT prepared for a multi-stakeholder workshop on TPP and recommendations for reform**

NEXTT had scheduled to implement the multi-stakeholder workshop on TPP during Q1 of Y2; however, the workshop was postponed at FMITI’s request, as the Ministry was prioritizing preparation for the WTO Ministerial Conference. With the WTO Conference completed, NEXTT is preparing for the workshop to be held in the second quarter.

*Conduct Capacity Building for Tariff Analysis*

This quarter NEXTT supported the improvement of the trade ecosystem through its intervention in the capacity building of GON economists for trade policy making and analysis.

**Along with GIZ, the EU and Equilibria Consulting, NEXTT held the first module of training on trade and tariff analysis.**

The module’s focus was on enhancing the capacity of trade economists of the GON to analyze trade issues and contribute to trade facilitation policy. A greater capacity to complete those mandates is meant to translate into reduced transport costs and transit time for goods traded across the Nigerian borders.

The five-day training workshop took place at the Nigerian Customs Service Command and Staff College in Gwagwalada, Federal Capital Territory from December 9 – 13, 2014. 24 participants attended the training, facilitated by six experts. The participants were carefully pre-selected from the Tariff Units of the FMITI, Ministry of Agriculture, NCS, Ministry of Finance, Manufacturers Association of Nigeria (MAN) and Nigeria Economic Summit Group (NESG) and the private sector.



**Participants and Facilitators at the Trade and Tariff Modeling Training Workshop**

The event successfully exposed the participants to basic analysis and understanding of relevant trade and tariff policy analysis tools. Both the private and public sector participants indicated that they were better equipped after the training to provide evidence-based policy advice to the GON. In addition, the training workshop offered an opportunity to chip away at the non-cooperative approach to trade policy that has been historically employed by the GON, and establish a multi-stakeholder model of trade policy reform.

The training on trade and tariff analysis equipped the participating economists and trade analysts with the skills to carry out various analyses on the implications of tariff imposition on various economic agents, including consumers, the government, producers and traders. The event also exposed participants to a modern tool used for trade and tariff policy analysis, the computable general equilibrium (CGE) model.

### *Support the Evolution of the Trade Facilitation Task Force (TFTF)*

#### **NEXTT Coordinated with relevant stakeholders to redesign GON TFTF**

During Q1 of Year 2, the project cooperated with the senior echelon of NCS and the Nigeria Shippers' Council to explore avenues to either revive the TFTF or create a similar functional platform for effective trade facilitation. NEXTT is developing a mechanism that would make the NCS and Nigerian Shippers' Council (NSC) the main nucleus of TFTF in Nigeria. The Team held several meetings with the NCS authorities, including the Comptroller General (CG), to discuss the Partnership for Trade Facilitation (PTF), review NEXTT intervention activities to date and further explore necessary areas of assistance. The PTF is a flexible funding facility set up to allow for rapid assistance to developing countries' customs authorities to implement trade facilitation in line with WTO rules.

#### ***African Growth Opportunity Act (AGOA) Strategy Implementation***

The Bank of Industry is the designated institution for the implementation of AGOA in Nigeria. NEXTT commenced collaboration with the Bank of Industry to put in place and implement a strategy to take better advantage of AGOA. NEXTT will work with the Bank of Industry to analyze the utilization of AGOA preferential terms of trade by Nigerian firms and exporters, and to address the constraints that prevent Nigeria from making the most of AGOA. Full collaboration on AGOA is set to commence during the next quarter.

## **ANALYSIS**

This quarter, a major focus for NEXTT was to provide and capacity building support to the GON for a specific event: the WTO 9<sup>th</sup> Ministerial Conference. The project played a crucial role in developing the GON Delegates' confidence and familiarity with the proceedings of the Ministerial Conference and thus ensured more effective participation. The assistance provided by NEXTT, GIZ, EU and CTDI empowered the GON to prepare its positions for the conference in a coordinated, multi-stakeholder driven, and informed manner. Although institutional coordination remains weak, the events organized by NEXTT with other donors brought together various actors to agree on the best way to prepare for the trade negotiations and the best strategy to adopt.

The preparation process for the Conference has now been adopted by FMITI as the standard for other similar events. The studies and texts prepared by the donor group supporting the conference, with input and guidance from NEXTT, are now important inputs into trade policy and trade facilitation reforms of the GON. These studies on various topics—including the competitiveness of Nigeria's agricultural sector and trade policy vis-à-vis other competitors, the effectiveness of instruments of trade facilitation currently applied in Nigeria, and the state of trade related infrastructural development and capacity to support reduction in time and cost of trading goods—were the basis of preparation offered to the GON.

For the first time the GON obtained vital and useful inputs and insight from the private sector and NGOs on Nigeria' multilateral trade policy. The greatest achievement, however, was in bringing together the private sector, the GON, MDAs and the ENFP to discuss trade policy positions. The project has now established a strong relationship with FMITI, which will prove important as the project strives to catalyze trade reforms.

In the same vein, the Trade and Tariff Modeling Training Workshop provided a platform for interaction between trade policy analysts from different government departments and private sector actors, and serves as an example of efficient public-private dialogue for future efforts. Although training needs were originally expressed solely by FMITI, NEXTT ensured that the training sessions brought together other trade and tariff MDAs and private sector actors. NEXTT is confident that this first training module and subsequent ones will ultimately enable trade and tariff agencies and other stakeholders to effectively assess consumers and private sector concerns and take them in consideration when designing and implementing trade policies.

## TASK 2: SUPPORT CUSTOMS MODERNIZATION

Task 2 of Component 2 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 train 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 and international obligations for free trade.

As demonstrated this quarter, project implementation is characterized by an increased engagement with private sector actors to ensure that change is managed in a collaborative approach between the NCS and various actors such as the NCS and the Freight Forwarders’ Association. Ultimately, NEXTT strives to go beyond support for the customs system alone and will also assist in capacity building for all relevant actors in the trade facilitation field in Nigeria.

This quarter NEXTT implemented the following activities in support of Task 2 objectives:

- Provided technical assistance to NCS in implementing its own TTF, to plan the implementation of trade facilitation measures in CEMA;
- Provided mentoring support to the NCS Risk Management Unit in enhancing core function;
- Held a risk management Training of Trainers workshop, to raise the awareness of risk management across all areas of NCS business
- Conducted a sensitization workshop between NCS and private sector to publicize changes in customs clearance procedures, changes in practice and other relevant news

## RESULTS

### *Support Legislative and Process Modernization*

#### **NEXTT provided technical assistance to NCS in implementing its own TTF, to plan the implementation of trade facilitation measures in CEMA**

CEMA 2011 has not been passed into law, despite Year 1 NEXTT support to the NCS to resolve the contentious issues previously observed in CEMA. As a result of this support, CEMA 2011 was ratified by the Nigerian Senate and by the House. However, the draft Act has stalled and is awaiting final Presidential Approval. The majority of planned activities for this Task in Year 2 are tied to the passing of this legislation. This includes the redrafting of customs procedures to align with the new Act, drafting the regulations for the implementation of the AEO program and trader sensitization. The Year 2 work plan is being reviewed and activities will be revised to ensure that some progress is still made while the ratification of CEMA 2011 is pending.

The delay in CEMA 2011 receiving the Presidential sign-off is a setback, as once passed, the new legislation will open the pathway for the NCS to implement an enabling environment to operationalize modern customs practices in line with 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). Although the delay has impacted the timeline of key activities, NEXTT is working to ensure that critical inputs, including AEO procedures and analysis of existing NCS procedures, are developed in anticipation of the enactment of CEMA, thus enabling the NCS to move forward quickly with implementing its own TTF and modernizing when this happens

### *Improve Risk Management*

#### **NEXTT provided mentoring support to the NCS Risk Management Unit in enhancing core functions**

The project supported to the Nigerian Customs Service (NCS) in areas of risk management, classification, valuation and rules of origin, and the overall modernization of its activities. NEXTT assisted NCS with the preparation of a risk management strategy document to enhance capability of the Service to take-over container scanning and verification duties from private contractors. In addition, NEXTT facilitated a training of trainers (ToT) workshop on risk management, classification and valuation, thereby scaling-up NCS' capacity to operate effectively. This will be critical, once full responsibility for risk selection has been transferred from the existing pre-shipment inspection service providers to the NCS.

A key constraint to modernizing customs in Nigeria is human resource capacity and skills – and addressing the gaps in human resources is a primary objective of NEXTT. Through the November workshop, 26 Nigerian Customs Service trainers, seven of them female, learned about Risk Management Awareness and Knowledge, Information and Partnership Approach to increasing compliance, especially in matters of Valuation for Customs, Tariff Classification, and Rules of Origin, in the Freight Forwarding Value Chain in Nigeria. Two former British Customs operational managers and employees of Crown Agents, a partner to the NEXTT project, facilitated the workshops; combined, they have more than 50 years of customs experience.

During the workshop, participants from many Customs areas including front line enforcement, HQ, ICT and the training unit considered how they could best balance the demands of revenue collection and protection of society with trade facilitation, through the adoption of the principles of the WCO's Revised Kyoto Convention and SAFE Framework of Standards. In the second week, participants developed a "Facilitator's Module" to impart knowledge and information to 'the trade' (importers, exporters and Customs brokers) and would help to develop a more joined up, partnership approach to increasing compliance, said Janice Barnet, a workshop facilitator.

The training was very well received and the participants added significant value thanks to their enthusiasm and awareness and knowledge of the issues discussed.



**Participants at the Training of Trainers Workshop for Risk Management held at the Nigeria Customs Command and Staff College, Gwagwalada, Abuja, Nigeria.**

The project also continued to support the development of NCS’s Organizational Strategic Plan. The Risk Management Workshop held in November 2013 was the second capacity building input undertaken by NEXTT’s risk management experts. The workshop built on the findings and recommendations of the NCS’ previously conducted Risk Management Assessment, which had informed the development of a draft Risk Management Plan. Through the workshop, the NCS established key milestone dates, and assumed ownership of activities identified in the plan - a major stepping stone in capacity building for NCS Risk Management Unit (RMU).

Support for improving risk management capacity also addressed the development of the Information Communication Technology (ICT) capacity that will be required to enable the NCS’ RMU to function efficiently and effectively. This will be critical, once full responsibility for risk selection has been transferred from the existing pre-shipment inspection service providers to the NCS.

*Private Sector Training and Sensitization*

**NEXTT conducted a sensitization workshop between NCS and the private sector to publicize changes in customs clearance procedures, changes in practice and other relevant news**

A second Training of Trainers (ToT) workshop was held by NEXTT in November, entitled “Working in Partnership for More Rapid Clearance”, which was designed for the NCS trainers to facilitate private sector awareness of procedures and processes. The need for NCS to facilitate awareness workshops was identified and detailed in the TNA and the valuation assessment undertaken in August 2013. The goal of the workshop was aimed at increasing the competence and capacity of private sector brokers and agents to comply with customs rules and requirements.

*Support Automation and Clearance Procedures*

**Undertake AEO cost benefit analysis**

One key trade facilitation tool is the applicability of the AEOs system in the current business environment in Nigeria. CEMA 2011 provides the underpinning legislation to enable the system and the

development and implementation of draft regulations and procedures for Authorized Economic Officers. The delay in the ratification has therefore significantly impacted this Task. However, NEXTT will be undertaking a cost benefit analysis of the Nigerian trading community to enable the foundation for this activity to start. The analysis will include an evaluation of the likely appetite and take up of the AEOs system.

## **ANALYSIS**

NEXTT's support to NCS was geared heavily this quarter towards improving its risk management capacity with a particular focus on mentoring its RMU officers. The work undertaken to date on Risk Management, has helped develop the capacity of the NCS RMU, in preparation for the transfer of all goods clearance duties and customs control from private sector service providers to NCS in December 2013. Despite the gains made to date, further capacity building work will be required to build upon these foundations and continue the incremental development of NCS capacity and of its Risk Management Unit staff in particular.

In the absence of the new CEMA, NEXTT will need to work very closely with NCS to review existing procedures and operating practices and ensure that they are fit for purpose, aligned to international best practices (as per the WCO standards) and are based upon existing law. Consideration will need to be given to how the NCS will respond to the changing challenges of the dynamic world of global trade while maintaining revenue streams, protecting society, for example from dangerous counterfeit goods, and protecting local.

Task 2 activities during Year 1, particularly those designed to build capacity through the delivery of training and the assessment of the NCS valuation capability, have demonstrated that some of the perceived weaknesses are not just within the NCS but are also reflected in the skills and knowledge base of private sector agents. Therefore additional sensitization programs will be designed to support skill-building of private sector stakeholders as well. This will include supporting the NCS in providing direct input into private sector training initiatives with key bodies such as the Nigerian Shippers Council. The intervention will have a two-fold effect: 1) It will improve NCS performance on time involved in goods clearance, and 2) It will encourage improved compliance from the private sector, where a lack of experience and understanding of customs process has previously caused and contributed to significant delays.

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

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

NEXTT plans to map Nigeria standards and compliance procedures as part of the gap analysis and needs assessment of current food safety practices in food and agricultural production, processing and trade. NEXTT will also provide training and capacity building to relevant institutions, traders and exporters. In addition, the project seeks to upgrade the capacity of Nigeria laboratories to ensure that food products comply with food safety standards. Ultimately, the project is looking to create a production environment in Nigeria that supports compliance of agricultural exports with international standards and food safety requirements.

This quarter, NEXTT implemented the following activities: Planned Task 3 activities this quarter included:

- Following up with relevant Government departments to adopt the revised Food Safety Policy and Implementation Strategy at the highest political level; and
- Collaborating with NFSMC and relevant stakeholders (including NAFDAC, SON and the organized private sector) on mapping and gap analysis of compliance process for food and agricultural products, including needs assessment for strengthening.

## **RESULTS**

### *Mapping Standards and Compliance Procedures*

#### **NEXTT followed up with relevant Government departments to adopt the revised Food Safety Policy and Implementation Strategy**

With NEXTT's support, the GON had successfully held an all-inclusive food safety stakeholder workshop to produce a Draft Food Safety Policy and Implementation Strategy in Year I. This quarter, the project facilitated the finalization of the policy and in a workshop held in collaboration with USDA. The meeting took place in Abuja from December 9 to 12, 2013. The four-day workshop brought to the table representatives from the GON's Ministries, Department and Agencies (MDAs) and the private sector. The GON recognizes the importance of standards and food safety for international market access and domestic market consumption and is therefore keen to put policy in place to guide the Nigerian food safety control system. The workshop was facilitated by four experienced experts led by Maritza Colon-Pullano from USDA and NEXTT's International Standards and Food Safety Expert.

The final version of the policy document contains four chapters as follows:

- Chapter 1: Policy Framework. This chapter set the policy framework and clarifies the mandates of the institutions involved in the implementation of different components of Nigeria's food safety control system.

- Chapter 2: Institutional Arrangement discusses the best institutional arrangement for an effective and result oriented interventions implementation within the National Food Safety System (NFSS). It set ground rules for collaboration and proposes a new structure for the NFSSMC.
- Chapter 3: Implementation Strategies. This section of the document identifies the structures to be created to improve capacity to undertake effective science-based risk analysis in line with international standards. It proposes actions to modernize NFSS, foster progressive collaboration and coordination, minimize incidences physical, chemical and biological hazards in food and water, and improve information and communication systems.
- Chapter 4: Monitoring and Evaluation. The last chapter offers a framework for tracking the progress made in ensuring compliance with food safety practices at regular intervals. It also identifies relevant agencies that should be involved in the monitoring, evaluation and quality control system for food safety.



**Some of the Participants at the Food Safety Policy and Implementation Strategy Finalization Workshop**

## **Stakeholder and Donor Cooperation**

During QI NEXTT effectively coordinated close working collaborations among the institutions of the GON and private sector actors to improve the framework of the food safety control system in Nigeria. The project facilitated improved collaboration among the FMoH, FMITI, FMoE, FMARD, the National Quarantine Services (NAQS), the National Agency for Food and Drugs Administration and Control (NAFDAC), SON, the Nigerian Institute of Food Science & Technology (NIFST), Agricultural Research Council of Nigeria, Manufacturers Association of Nigeria, All Nations Associates and Royal Life Saving Society of Nigeria, to create a sustainable framework for food safety management in Nigeria. The participation of the Agricultural Research Council of Nigeria and their commitment to adopting the Food Safety Policy and Implementation Strategy also effectively increased the number of public and private sector standards-setting bodies committed to adopting internationally accepted guidelines for

standard setting to date from nine to 10, and thereby meeting NEXTT's performance indicator target for Y2 (Indicator 2.3.1).

NEXTT is now leading in the coordination of intervention for food safety management. The project facilitated various meetings of experts within Nigeria and from outside during Q1. The project is also finalizing discussions with UNIDO towards joint activities targeting the capacity building of institutions within the food safety control system. Likewise, NEXTT facilitated collaboration between national and state standards setting institutions. The team is coordinating establishment of relationships between the Lagos State Food Safety Management Committee (LFSMC) and SON to improve trade standard and food safety at the Lagos end of the LAKAJI corridor. LFSMC is currently lauded as an excellent model of food safety control system in Nigeria.

## **ANALYSIS**

NEXTT succeeded in facilitating reform of the long neglected policy framework for food safety control system in Nigeria. The finalized policy document, which is awaiting presentation to the GON through the relevant MDAs, represents a comprehensive food safety management guideline and implementation plan. The involvement of seasoned, country-based and international experts provided the necessary guidance to produce a policy informed by international standards. The final document and its Action Plan will be presented to the GON through the Ministers of FMOH, FMITI, FMARD, and FMOE next quarter.

Improved coordination of the food policy process has created a unique platform for stakeholder and institutional collaboration rather than the usual competition within the food safety control system. This will, in due course, eliminate process duplication and silos, which are endemic in the national policy making processes in Nigeria. Problems associated with clear identification of food safety needs and coordination for intervention are gradually being solved by NEXTT's through the provision of recommendations for an more inclusive NSFMC and a jumpstarting of discussions around reforming its secretariat.

The project's intervention in the areas of donor and stakeholder coordination for food safety has created potential for regular flow of technical and financial resources to build capacity and reform of the national food safety control system. In addition, it has created a framework for efficient management of donor funding for food safety management which eliminates duplication of efforts.

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# COMPONENT 3: BUSINESS EXPANSION AND EXPORT SUPPORT

## OVERVIEW

In the first quarter (Q1) of year two (Y2), NEXTT continued to build on its three-pronged export reform strategy: establishing a viable BDS market, building capacity within export promotion bodies, and providing technical support to export firms. Furthering private sector engagement in export development is a cornerstone of this strategy, which will be enhanced through cross-component collaboration in Y2. This quarter, NEXTT took steps to position the project for growth in this area: holding meetings with a number of stakeholders in the shipping, food and beverage, and transportation industries, as well as exporting firms, and generating opportunities to deliver capacity building assistance to exporting firms (indicator 3.1.1.). These tasks will help NEXTT shape its partnership with the Nigeria Export Promotion Council (NEPC), which is critical to creating sustainable growth in Nigeria's export sector. Collaboration with NEPC is expected to extend the reach of project-supported trade and investment capacity building trainings (indicator 3.1.3.) and improve service provider access to USG assistance (indicator 3.2.1.).

This quarter, NEXTT further refined its access to finance strategy under its Expanded Export System (EES) by developing a request for proposals (RFP) for BDS service providers specializing in transaction facilitation. The resulting BDS network will link the demand for BDS services in access to finance to a strategically-selected, high-capacity supply of services through performance based contracts (PBCs). This framework was built on strategies successfully deployed by CARANA under the USAID-funded West Africa Trade Hub (WATH), and the USAID-funded Financing Ghanaian Agriculture Project (FinGAP) in Ghana. We expect that competitively-selected BDS providers will facilitate \$5 million in finance to exporting firms by the end of FY 2014.

## RESULTS

### *Extracted lessons from BDS mapping exercise*

#### **NEXTT validated the outcomes and recommendations of the BDS mapping exercise**

Given that access to finance was identified in NEXTT's BDS mapping report as a primary concern among exporting firms, NEXTT determined that access to finance was a strategic starting point for its BDS network activities. After finalizing the BDS mapping report, NEXTT conducted additional follow-on research to validate the key findings and typical fee structures for financial facilitation contracts.

Additional validation research is required to determine what are critical exporter needs in other key support areas for exporting firms, including logistics, supply chain management, advertising and trade promotion, and finance and accounting counselling. This research, to be conducted in Q2, will include:

- Identification and prioritization of service requirements
- Identification of additional premium BDS providers supporting agri-business in high demand areas (other than access to finance)
- Investigation of transaction size & acceptable fee structures

- Identification of opportunities to strengthen gender inclusion in export development activities

The goal of the above research is to select and hire more BDS providers to join the NEXTT BDS network and expand critical services to exporters.

**NEXTT laid the groundwork for hiring, through competitive process, 10 BDS providers and STTA consultants to provide immediately demanded BDS services, as “transaction facilitators”**

Following the completion of the BDS assessment study, NEXTT developed an RFP to award performance-based contracts (PBCs) to select BDS providers specializing in access to finance. Through this procurement process, the team expects to elicit proposals from Nigerian firms willing to offer transaction facilitation services to exporting (or export-ready) agribusinesses on the LAKAJI Corridor. It is anticipated that the PBCs will result in increasing client firms’ value of exports by US\$5 million (indicator 3.3.1) and their value of new investments by US\$6 million (indicator 3.3.2).

In early Q2, the team will review proposals and issue contracts to those firms selected. Looking ahead, the project is conducting research to develop additional RFPs targeting other areas of need, including supply chain development.

**Developed database of trained and certified BDS providers, to be published on the NEXTT and NEPC websites**

NEXTT continued to populate its database of BDS providers over Q1, and will collect further relevant information on BDS providers selected during the RFP process noted above. Upon selecting BDS providers from the submitted proposals, NEXTT will move forward with building and launching its online database of identified BDS providers on the NEXTT and NEPC websites. In anticipation of this activity, NEXTT has begun scheduling capacity building events to bring the selected BDS providers together to bridge identified gaps in product development, access to finance, market support, and project development. This quarter next provided capacity building support to two additional BDS providers: Trans Africa Business Associates & Consultants (TABAC), a BDS firm that specializes in SME development, and Star Capital Partners Limited, which specializes in financial facilitation and SME development (contributing to Indicator 3.2.1.).

As BDS providers undergo formal training and certification to ensure a robust, consistent network of service provision, NEXTT will update the database accordingly. The goal of this activity is to promote transparency and ease of access to service providers among exporter firms seeking capacity building and access to finance assistance.

**NEXTT is collaborating with MARKETS II, to leverage their support of export financing training for financial institutions for NEXTT-supported firms.**

NEXTT has proposed a financial institution export-oriented training in partnership with the USAID Markets II project, to take place in Q3 (Y2). USAID Markets II has successfully organized value chain financing sessions for banks. A joint training session is anticipated to establish and strengthen export desks within participating banks and financial institutions so that these organizations have the appropriate capacity to process agricultural loans. One proposed model is designating a specific officer or team of officers as an export specialist. By narrowing the officers’ scope of work the project anticipates an increase in the level of expertise, and the rate of efficiency. Additional training activities

potentially include improving a financial institutions' understanding of value chain timeframes, needs and limitations with the goal of improving the understanding between the lender and the borrower.

The scope of these trainings is being defined by the results of field research. In Q1(Y2) the project responded to requests from RegCharles Finance and Capital Limited (formerly Alex Finance and Trusts Limited), a non-banking financial institution based in Lagos to support identified cooperatives in Oyo, Ogun State to:

- Enhance marketing and risk management capacity
- Broaden access to market and finance
- Negotiate and strengthen off-taker agreements with key buyers and suppliers
- Strengthen farm management practices
- Recommend strategies to cut overhead costs and expenses

One such cooperative, with a membership of 500 farmers but limited export capacity, was found to have existing offtake agreements with larger processing firms including:

- Ekha Agro Farms – cassava processor
- Eagle Flour Mill – local off-taker (lead firm)
- Nigerian Castor Processors

The NEXTT team determined that its market linkages services to this cooperative would be significantly enhanced by the involvement of the partner institutions USAID MARKETS II and Partnership for Development (PFD), and subsequently linked this cooperative to responsible officers in each project. The project will continue to identify and facilitate appropriate linkages with similar projects and development partners to ensure that agribusinesses have access to USG and other donor sponsored technical and financial assistance where it cannot be directly delivered through NEXTT (indicator 3.2.2.).

### *Developed and maintained pipeline of export opportunities in 10 target value chains*

Continuing its efforts to support the NEPC and other GON entities as they improve their level of service provision to Nigerian exporters, the NEXTT project is implementing its Expanded Export System (EES). Guided by a private sector-led and demand-driven model of facilitating export growth, the approach is defined by the following objectives:

- Expand the pipeline of Nigerian exporters that NEXTT can support
- Identify critical success factors that we can address to facilitate new exports, financing and investment
- Facilitate high quality service provision to exporters

Underscoring these objectives is the 80:20 principle: identifying and supporting the needs of the top 20 percent of exporting firms will deliver 80 percent of the expected results. NEXTT has identified firms interested in project assistance through the LCAC activities under Component I, and is working with each company to identify specific areas of need and means for providing support. These firms are listed in the table below

### **Expanded pipeline of exporters and confirm demand for export service provision**

Promoting cross-collaboration within the project components, NEXTT's export team targeted its support to the pipelines and firms identified under Component I. In addition to the 25 firms that

NEXTT began supporting in Y2, the following 37 firms received support and/or training from NEXTT this quarter and have been integrated into the project's EES (Indicator 3.1.1.).

Key firms that began receiving NEXTT support in Q1 (Y2)

FIRMS RECEIVING CAPACITY BUILDING ASSISTANCE TO EXPORT			
	Firm Name	Sector	Support Provided by NEXTT
1	Justy Confectionary & Foods Ltd	Processed foods	Access to Markets/training
2	UAC Foods Ltd	Processed foods	Access to Markets/training
3	Tiger Foods Ltd	Processed foods	Access to Markets/training
4	Rokanna Industry	Health & Hygiene	Access to Markets/training
5	Bio Phytomedice Ltd	Health & Hygiene	Access to Markets/training
6	Evans Medical Plc	Health & Hygiene	Access to Markets/training
7	Kisoral & Co	Health & Hygiene	Access to Markets/training
8	Rely Supply Ltd	Health & Hygiene	Access to Markets/training
9	Impact Pharmaceuticals	Health & Hygiene	Access to Markets/training
10	Amipego Nig. Ltd	Manufactures – Vegetable Oil	Access to Markets/training
11	Belphins Nig. Ltd	Ginger	Access to Markets/training
12	El Shaddai Foods Nig Ltd.	Processed Foods	Access to Markets/training
13	Alhemo Nig Ltd.	Shea	Access to Markets/training
14	Kings Global Energy Services	Handicrafts	Access to Markets/training
15	DayoComm Ent. Ltd	Health & Hygiene	Access to Markets/training
16	Juhel Nlg. Ltd	Health & Hygiene	Access to Market/training
17	Schub Nig Ltd	Manufactures - tricycles	Access to Markets/training
18	West African Ceramics	Manufactures – sanitary equipment	Access to Markets/training
19	JayKay Carpets	Manufactures - carpets	Access to Markets/training
20	Kubsnoma Glory Co.	Manufactures – rubber gloves	Access to Markets/training
21	Reliable Steel & Plastics	Manufactures	Access to Markets/training
22	N. N Fems Industries Limited	Manufactures	Access to Markets/training
23	Emmylink Nig Ltd	Manufactures – Leather Shoes	Access to Markets/training

24	Nocsino Industries Ltd	Manufactures – Travelling bags	Access to Markets/training
25	Thethy Global Investment	Cashew, Sesame Exports	Access to Markets/training
26	Treniks Capital & Partners	Ginger Exports	Access to Markets/training
27	Grand Cereals Plc	Manufactures – Vegetable Oil/ Animal Feed	Access to Markets/training
28	Posh International Company	Cosmetics	Access to Markets/training
29	Havittol Resources Ltd	Logistics	Business Development/training
30	Lisabi Mills	Processed Foods	Business Development/Access to Finance
31	SNV Consult	Cashew	Business Development/DIV Application
32	Bende Export Import Limited	Cashew, Ginger, Cocoa Exports	Technical Assistance
33	John Tudy	Food Exports	Access to Finance
34	RegCharles Finance & Capital	Financial Services	Business Development
35	Dantata Foods	Horticulture	Supply Chain Development
36	Nigeria Flour Mill	Cassava	Supply Chain Development
37	Wakman Golden Heritage Ltd.	Cashew Exports	Access to Finance/Access to Markets

**Provided assistance to obtain certification with international quality control, environmental and other voluntary standards and regulations**

Targeting indicator 3.2.2., the NEXTT team participated in the second European Union/Nigeria Business Forum in Lagos, 2-4 October, and met with a delegation of the COLEACP. In conjunction with the event, a market access workshop involving the Honorable Minister of Agriculture & Rural Development (FMARD) was organized to discuss concerns in the area of quality control and standards regulation and generate possible solutions. The NEXTT team seized this opportunity to present its scope and activities, focusing on its work in the Horticulture Value Chain. This event, and subsequent engagements between the NEXTT team and delegates from the Standards Organization of Nigeria (SON), stimulated SON to begin the process of developing local quality standards for the cashew industry, setting the framework for a sector-specific export strategy and furthering NEXTT's efforts to establish cashew clusters (indicators 3.3.1., 3.3.2.). These activities are instrumental in positioning the project to realize its target annual investment and export values in client firms. A renewed relationship with GON entities under new leadership and the momentum developed from YI activities are anticipated to generate positive results in line the project's PMP in Year 2. In Q2, the project anticipates formalizing its selection of the cashew value chain as the focus of a specific export development strategy, to be designed in collaboration with the NEPC and lead firms and associations.

**Prepared for NEPC sponsored workshop on strategy for tradeshow participation, strengthening the institutional framework for exporters**

Execution of this activity is pending the formal signing of NEXTT's MOU with the NEPC. Currently, both bodies are discussing the terms of financing for proposed workshops. Meanwhile, the NEXTT project has proposed three distinct types of workshops, to be launched in Q2:

- Identifying strategic products, value chains and markets for Nigeria to support in a tradeshow capacity
- Developing tradeshow marketing and logistics capacity among export firms
- Introducing stakeholders in the selected target value chain (objective 3.3) to the project's VC export and cluster development strategy

### **Provided technical assistance to lead exporters (in conjunction with NEPC) on tradeshow marketing and logistics**

In Q1 NEXTT partnered with NEPC to build marketing capacity among 37 lead firms that attended the 7<sup>th</sup> ECOWAS International Fair, improving participants' abilities to reach an international audience and secure follow-on business through contracts of sale.

Following this quarter's deployment of USAID/Nigeria's new Mission Director and the confirmation of the NEPC's new Executive Director, NEXTT is prepared to formalize the MOU defining the relationship between both institutions. Formalizing this document marks a significant milestone in the USG and GON's position on export development strategies under the NEXTT project, and will allow the project to move forward with projected tradeshow training and support.

A key challenge to formal trade within the sub-region is knowledge of trade practices and a weak transportation logistics framework. Putting the MOU into effect, NEXTT and NEPC will provide technical assistance in trade show participation/marketing and logistics to lead exporters identified through NEPC internal records, building on the support provided in Q1. The project will also be addressing transport and logistics concerns in its corridor development work (Component 1) and through its partnership with the Borderless Alliance. As a result of NEXTT and NEPC support, firms assisted are expected to gain:

- Increased capacity in participants to export processed agricultural produce, plastics and leather wear, especially to the regional market
- Increased understanding of the need for effective preparation ahead of trade event participation
- Increased understanding of regional trade dynamics and customs procedures

The NEXTT project continues to pursue lines of communication and collaboration with NEPC to further activities outlined for Q1. Discussions are under way to host a NEPC-sponsored workshop that brings together lead firms, industry alliances, GON agencies and counterpart projects on tradeshow strategy to discuss and design improvements to commodity associations' and alliances' capacity for market access.

### **Prepared for demand-driven capacity building to additional agencies to strengthen the institutional framework available to exporters**

Following the formalization of the MOU, the project plans to provide trainings to GON entities within the export sector, such as SMEDAN, to better link the demand for BDS providers to a capable and reliable provider network and drive business growth. Towards this end, NEXTT met with the SMEDAN management personnel and officers at the Ministry of Investment, Trade and Industry (FMITI) in Year 1 and submitted a proposal for collaboration in this area. The project is currently awaiting a formal request for support.

## **Provided technical assistance and other supports to facilitate export transactions**

Furthering its collaboration with USAID MARKETS II, NEXTT participated in a two-day (12 -13 October, 2013) field visit to commercial fish farms in Lagos, Oyo, Ogun State. The team explored opportunities to assist the farmers with identifying buyers, and market linkages for smoked and dried catfish in the US and Europe. Dried smoked fish is an essential ingredient in West African cuisine and therefore it is in great demand among the diaspora. Consequently, processed food exports are becoming a significant growth area in West Africa; in 2013, the Government of Ghana demonstrated its support by launching a sector-specific development strategy.

Following the formalization of NEXTT's MOU with NEPC, and the launch of the BDS provider network, NEXTT will be aggressively extending its technical assistance services and other supports to export firms and private and public sector players along target value chains. Meanwhile, during this quarter NEXTT successfully furthered the ambitions of multiple export-ready companies (ERCs).

### **Success stories: export support provided to ERCs**

## **SPRINGVIEW INTEGRATED TEXTILE COMPANY LIMITED (SITCO)**

Springview Integrated Textile Company Limited, an expansion project of Springview Garment Nigeria, was introduced to the project by the USAID Mission in Q4. SITCO approached NEXTT with an idea for a project that has the potential to generate in excess of \$5M in annual sales under AGOA through retail outlet sales in the United States. VF Corporation, a market leader with \$1.1Bn in annual sales, issued a letter of Intent (LOI) to offtake production from the factory. The firm requested support from NEXTT to access US\$400,000 to facilitate the completion of its factory premises in Akure, Ondo State, and free up US\$1.7M negotiated through the Bank of Industry for machinery & working capital. NEXTT undertook a due diligence visit to the factory site and reviewed the proposed business plan/marketing channels before submitting the completed application package to NEXIM Bank on behalf of the client. Successful implementation of this project would improve Nigeria's utilization and maximization of AGOA trade concessions, strengthen the local cotton value chain with strong offtake and provide significant employment opportunities within the state.

## **ESTEEMA DIAMONDS GLOBAL INVESTMENTS LIMITED**

NEXTT continued to provide market linkages and facilitate "capacity to export" (CapEx) financing for Esteema Diamonds Global Investments to support expansion of the company's processing capacity in Q1. The firm successfully completed the installation and test running of its processing line under the supervision of Cashew Specialist Jide Anjorin (ACET Nig. Ltd.). Following a successful test run, the firm is now set to commence cashew processing operations in the new season commencing February 2014. Discussions initiated with ACA member Richard Franco Agency in Q4 led the company to secure an MOU, guaranteeing offtake on production of agreed specifications. This offtake commitment would in turn facilitate the firm's access to US\$500,000.00 in pre-shipment finance arranged with Impact investor Root Capital, and the Nigeria Export Import Bank. The MOU is expected to be finalized in early Q2.

## *Developing export development strategy for one value chain*

### **Confirmed VC selection with NEPC and USAID**

In Year 1, the NEXTT team undertook a preliminary ‘high altitude’ assessment to review long-term comparative advantages in 11 key VCs, and established a methodology to prioritize three VCs from which a single VC could be selected. Following the initial assessment, the project engaged international agribusiness expert to conduct an in-depth assessment of the final three value chains and develop an informed recommendation for a single one. The final report will be submitted to the USAID Mission and other key stakeholders early in Q2 for final review and selection of the target value chain.

### **Initial preparation for stakeholder forum to assist NEPC and lead firms/associations develop a strategy to increase exports in the priority value chain**

NEXTT continued to hold discussions with several stakeholders in order to gain a clearer understanding of the structure and dynamics of key VCs of interest (e.g. cashew in Kwara and shea in Niger State). Through these discussions, the project gathered information on ongoing initiatives and identified opportunities for incorporating crop cluster strategy into its VC development work. To this end, development partners as well as the export promotion and public private partnership offices in Niger and Kwara states were engaged to discuss the terms and specific state government incentives necessary for such a strategy to attract new investments in agribusiness. The Kwara and Niger state governments were selected because significant activity is already ongoing in these production areas along the LAKAJI Corridor; both governments have also shown a willingness to engage the private sector to pursue a development program for the sectors in question.

The establishment of agricultural clusters, or nodes, along the LAKAJI Corridor will serve as agglomerations for interconnected companies, storage & warehousing specialized suppliers, service providers, and associated institutions supporting the VC. These clusters will in turn serve as strategic entry points for targeted development assistance.

The project intends to submit its strategy for increasing exports from the priority value chain after consultation and consensus on the target value chain with stakeholders by the end of Q2.

### **Support and monitor implementation of the export promotion strategy**

Following a preliminary recommendation and in anticipation of the NEPC and USAID’s confirmation on a target value chain, the project began the process of engaging a Cashew Sector Specialist to work with NEPC and lead firms/associations on developing a strategy to increase exports in a priority value chain and conduct a workshop on strategy for increased exports for relevant stakeholders.

A global cashew expert is currently being engaged to support the development and implementation of an export strategy for Nigeria’s cashew value chain in line with NEXTT’s EES, moving forward specific deals by linking investors and to promising opportunities. Furthering collaboration among other project components, this expert will assist NEXTT to develop a strategy for implementing a cashew investment cluster in Kwara State, supporting the Agricultural Growth Corridor Initiative (Component I

### **NEXTT Cashew extension initiative in partnership with IBM and Technoserve**

While NEXTT works to support the GoN and lead firms to develop a broader cashew sector strategy, the Project is also facilitating new investment in the cashew sector, to further stimulate new exports.

NEXTT has developed an initiative in partnership with Technoserve and IBM to create and pilot voice activated extension services via a software platform to cashew farmers. NEXTT's implementing partner, Integra, identified the IT need in discussion with cashew processors in Nigeria, and approached IBM to develop the software, and Technoserve to provide technical extension data. IBM's research lab in Nigeria is developing the software platform for this technology, which will serve to provide appropriate extension services to improve the quality and quantity of raw cashews required by buyers and processors, thereby increasing the value of cashews sold to these, as well as improving the sourcing possibilities among processors for high quality cashew nuts. The software will be piloted in Kwara state with supported farmers. NEXTT has also linked in the African Cashew Alliance (ACA) into this initiative, with the idea that ACA may be interested in marketing this software platform among processors involved in its extension services project with cashew processors in Nigeria getting underway now. The technology has the potential to be rolled out to cashew processors throughout the region as a method to improve the supply of high quality cashews to processors, a problem plaguing cashew processors internationally.

### ***African Cashew Alliance (ACA)***

To support the cashew sector, the project will be partnering with the African Cashew Alliance (ACA) to deliver the 4<sup>th</sup> annual conference of the Nigeria Cashew Cluster Finance Scheme (NCCFS) proposed for early Q2 in Lagos. The NCCFS is a platform midwifed by the ACA and the USAID West African Trade Hub to improve access to finance for cashew processing units in Nigeria by fostering awareness and cooperation between financial institutions and SME promoters. This platform presents a unique opportunity for NEXTT to solidify bank commitments for financing new processing investments in cashew and facilitating an expansion of value added export in processed cashew kernels. Transaction facilitators to be engaged by NEXTT will directly support the initiative by increasing the pipeline of financing deals.



A F R I C A N  
C A S H E W  
A L L I A N C E

## *Building capacity of BDS providers*

In Q2, NEXTT will draw on the results of the BDS validation exercise and, through its MOU with NEPC, will provide services to improve NEPC's capacity to deliver export services, and expand private financial institutions' services to exporting firms. These approaches, in particular the pool of BDS providers on PBCs, will be scaled in line with market demands. To promote the concept of sustainable growth, NEXTT will also provide regular trainings on various aspects of the BDS ecosystem to reflect changes in the export industry. These capacity building events will be scheduled as Year Two activities, taking advantage of key value chain events and encouraging BDS firms to add value to SMEs via:

- Training of Trainer (ToTs) for BDS providers in logistics/linkages, access to finance, market support, quality/standards, product and project development in collaboration with NEPC and other GON institutions
- Develop strategy for BDS provider network
- Conduct semi-annual seminars for BDS providers on growth opportunities in non-oil export sectors and trends in demand for services among non-oil export firm.

### **Preparation for training of trainers (ToTs) for BDS providers on product development, access to finance, market support, and project development in collaboration with NEPC and other GON institutions**

NEXTT intends to hold 4 ToTs over Y2. These have been tentatively scheduled however confirmation and execution is pending the formalization of the project's MOU with NEPC.

### **Preparation for quarterly events to shape potential of BDS network, and to ensure understanding of growth opportunities in non-oil export sectors**

These events, currently pending formalization of the project's MOU with NEPC, will be tied to events hosted by industry alliances and associations. In particular, the project anticipates aligning activities with the annual conferences by NCAN, ACA and GSA in order to strengthen relationships and capacity for growth along these value chains. Key BDS providers identified through NEXTT's RFP will also be engaged in these events in order to develop their understanding of value chain needs and opportunities for support.

## **ANALYSIS**

Under Component 3 NEXTT is strategically developing the capacity of public export promotions bodies to implement national export strategies, facilitating improved competitiveness within Nigeria's export sector. As discussed in the annual report, delays in the development of relationships with key GON entities compromised attainment of Y1 goals. This quarter, however, the NEPC's new director has indicated a commitment to formalizing a MOU with the project on trade show initiatives. With the new management in place, NEXTT is optimistic that initiatives involving collaboration with NEPC and other GON entities will move forward more efficiently in the area of capacity building activities and trainings, increasing the project's overall effectiveness.

NEXTT took critical steps in Q1 (Y2) to position itself for rapid mobilization on key activities in Q2 (Y2). Having rolled out its RFP for the BDS provider network early in Q2, the project will soon begin issuing PBCS to select BDS providers for transaction facilitation, therefore responding to a primary

concern among exporters and creating a strong foundation for further growth in the export sector. The project anticipates that these agreements will accelerate the project's rate of achievement under Component 3 and in line with Objective 3.2. Simultaneously, NEXTT has made a strong recommendation for a select value chain to meet Objective 3.3 and is prepared to implement its export strategy for this commodity. STTA support and partner organizations have already been identified to contribute to this Objective.

## CROSS-COMPONENT COLLABORATION

Moving into Y2, NEXTT anticipates increased momentum from cross-fertilization between the results and activities of each component. Establishing a viable BDS network of quality service providers for exporters, and supporting exporting firms directly to increase their competitiveness in key value chains, are two major objectives under Component 3 that will benefit other project initiatives. Corridor development and institutional reform activities will be informed by the development of an export strategy for a select value chain, and supported by the development of the BDS network. Similarly, Component 3 is building on work completed under Component 1's LCAC activities by reaching out to firms identified along the Lakaji Corridor and discussing potential areas of needed technical assistance.

## OPERATIONS

NEXTT has decided to strategically increase its presence in Lagos to push forward the project's export development efforts. Through Q1, the project made concerted efforts to identify suitable office accommodation in Lagos to support its BDS development activities and provide dynamic operational support for ongoing corridor development work. While an office was selected in Y1, its location on the outskirts of the city have since become inconvenient now that NEXTT is primarily focusing on collaboration with the private sector. This means a greater need for staff to work in Lagos, meet with client companies, host regular meetings and move about efficiently to achieve project goals. Several properties and locations were reviewed in Q1 (Y2) before the Ikoyi location was proposed for its proximity to commercial operators and service providers with which the project is now engaging. The location is also well-situated near the airport and preferred hotels, an important consideration in a high-traffic and high-risk area such as Lagos. Initial discussions are currently ongoing with the Management of the Nigerian Export Import Bank (NEXIM) for the allotment of suitable workspace in their Lagos Office on a cost share basis. Expected benefits of utilizing this office space include:

- Providing on-site trade facilitation support for Customs
- Providing a secretariat for the LAKAJI Corridor Advisory Council to mobilize private sector engagement
- Strengthening Business and Export Development activities through more regular networking engagements with individual companies, private sector associations and business platforms.
- Onsite support and follow-up within the Lagos area for Rail and Ports Authorities to improve corridor efficiencies
- Providing workstations for Abuja staff while on assignment in Lagos.

A co-locating on the bank premises will additionally facilitate closer collaboration on corridor development, export facilitation and Borderless Alliance initiatives.

# PLANNED ACTIVITIES

JANUARY 2013 – MARCH 2013

## COMPONENT 1: LAKAJI CORRIDOR IMPROVEMENT

Activity	Date
<b>Task 1 - Provide Technical capacity and support to the Lagos-Kano-Jibiya Transport Corridor management and development</b>	
Continue to support the CMG to develop an action plan to institute corridor improvements related to rail	Jan-Feb 2014
Host issue specific working group meetings among the CMG to develop action plans for corridor improvement	Jan-March 2014
Support Nigeria Chapter of Borderless Alliance to host 2014 Global Conference in Nigeria	Jan-Feb. 2014
Sign MOUs with State governments	Feb 2014
Conduct assessment on actionable steps to make rail freight economically viable and sustainable in Nigeria	Feb – Mar 2014
Support Borderless Alliance of Nigeria to expand membership.	Jan – Mar 2014
<b>Task 2 - LAKAJI Agricultural Growth Corridor</b>	
Host working group meetings and workshops on various topics (e.g., rail, connectivity, SCPZs, etc.)	Jan – Sept 2014
Continue to support LCAC to expand membership as needed.	Jan – Mar 2014
Finalize private and regional Project Development Facility Commitments and sign appropriate MOUs.	Feb 2014
Develop and implement selection process to define 4 more states to add to the corridor to optimize SCPZs and ATA	Jan-March 2014
Design Project Development Fund tenders	Feb-March 2014
Recruit and hire a Project Development Fund manager (pending new USAID resources)	
Provide technical assistance to the LCAC to develop a pipeline of opportunities for Development Innovation Venture (DIV) support	March – May 2014

## COMPONENT 2: TRADE POLICY AND TRADE FACILITATION SUPPORT

**Component 2: Trade Policy and Trade Facilitation Support**

<b>Task 1: Provide technical Supports to the Federal Ministry of Industry</b>	<b>Date</b>
Conduct multi-stakeholder workshop on TPP and its recommendation for reform	February– March 2014
Provide proposal for re-design of TPP and relevant implementing institutions	March 2014
Work with FMIT&I to establish small secretariat for coordination of TPP	February 2014
Coordinate with FMIT&I to hold meetings of the TPP Committee and ENFP/TPAC Secretariat	March 2014
Coordinate with the NCS and Nigeria Shipper Council to redesign TFTF	February 2014
Provide technical assistance to FMIT&I to develop an AGOA Implementation Strategy (with qualification of agricultural exports for AGOA)	January – March 2014
Conduct second module of 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	February 2014
Re-design the TPP and relevant implementing institutions (ENFP/TPAC)	February 2014
Establish a small secretariat for the coordination of TPP and ENFP/TPAC	March 2014
Hold TPP working group meetings of public and private stakeholders	February – March Sep. 2014
Engage GON to review trade training priorities and provide regular assistance on implementation of trade policy, trade strategy and trade facilitation issues.	January – Mar 2014
<b>Task 2: Support Customs Modernization</b>	<b>Date</b>
Provide technical assistance to NCS in in implementing its own TFTF and ensuring that all procedures are compliant with the new CEMA, when ratified	January – March 2014
Provide technical assistance to NCS in developing the Post Clearance Audit capability	February – March 2014
Provide mentoring support to the NCS risk Management Unit, in enhancing core function	February – March 2014
Develop the NCS intelligence capability	February 2014
Provide mentoring support to help NCS identify capability gaps, develop enhancements and implement changes	February – March 2014
Undertake AEO cost benefit analysis	February 2014
Assess the Fast Track clearance process operating in Lagos Port and evaluate as a pilot in the transition to implementation of AEO	February 2014
Continue to conduct sensitization workshop between NCS and private sector to publicize changes in customs clearance procedures, changes in practice and other relevant news	January – March 2014
Provide mentoring support to help NCS HQ Policy Unit identify capability gaps, develop enhancement and implement changes	February – March 2014

Provide technical assistance to NCS to influence and provide input to training initiatives underway in the Nigerian Shippers Council and Freight Forwarders Association	January – March 2014
<b>Task 3: Provide Institutional Capacity Building on Standards Infrastructure for Food Agricultural Trade</b>	<b>Date</b>
Submit recommendations to NFSM Committee and relevant agencies on process improvements and streamlining	February 2014
Work with NFSM Committee and relevant agencies to identify candidates within testing labs to serve on internal quality teams	January – March 2014
Follow up with relevant agencies of the GON to facilitate adoption of National Policy on Food Safety and its implementation plan	February 2014
Produce needs assessment report for food safety control system	January 2014
Conduct workshop with relevant agencies of GON on the findings of needs assessment	March 2014
Submit recommendations to the relevant agencies of the GON on the needs assessment	March 2014

### COMPONENT 3: BUSINESS EXPANSION AND EXPORT DEVELOPMENT

<b>Activity</b>	<b>Date</b>
Further validate the outcomes and recommendations of the BDS Mapping Exercise.	Feb 2014
Hire (through competitive process) 10 BDS providers and STTA consultants to provide immediately demanded BDS services, as “transaction facilitators”.	Jan – Feb 2014
Monitor service provision of BDS firms and BDS STTA and support deal facilitation.	March 2014
Publish database of BDS providers on the NEXTT and NEPC Websites.	Feb 2014
Expand pipeline of exporters and confirm demand for export service provision.	Jan – March 2014
Provide technical assistance and other support to facilitate export transactions.	Jan – March 2014
Provide demand-driven capacity building to additional agencies to strengthen the institutional framework available to exporters	Jan-Sept 2014
Provide technical assistance and other support to facilitate export transactions	Jan-Sept 2014

Hold stakeholder forum to assist NEPC and lead firms/associations develop a strategy to increase exports in the priority value chain.	Feb -March 2014
Support and monitor implementation of the export promotion strategy	March-Sept 2014
Hold Training of Trainers (ToTs) for BDS providers on product development, access to finance, market support, and project development in collaboration with NEPC and other GON institutions	Feb – March 2014
Host quarterly events to shape potential of BDS network, and to ensure understanding of growth opportunities in non-oil export sectors	Feb - March 2014