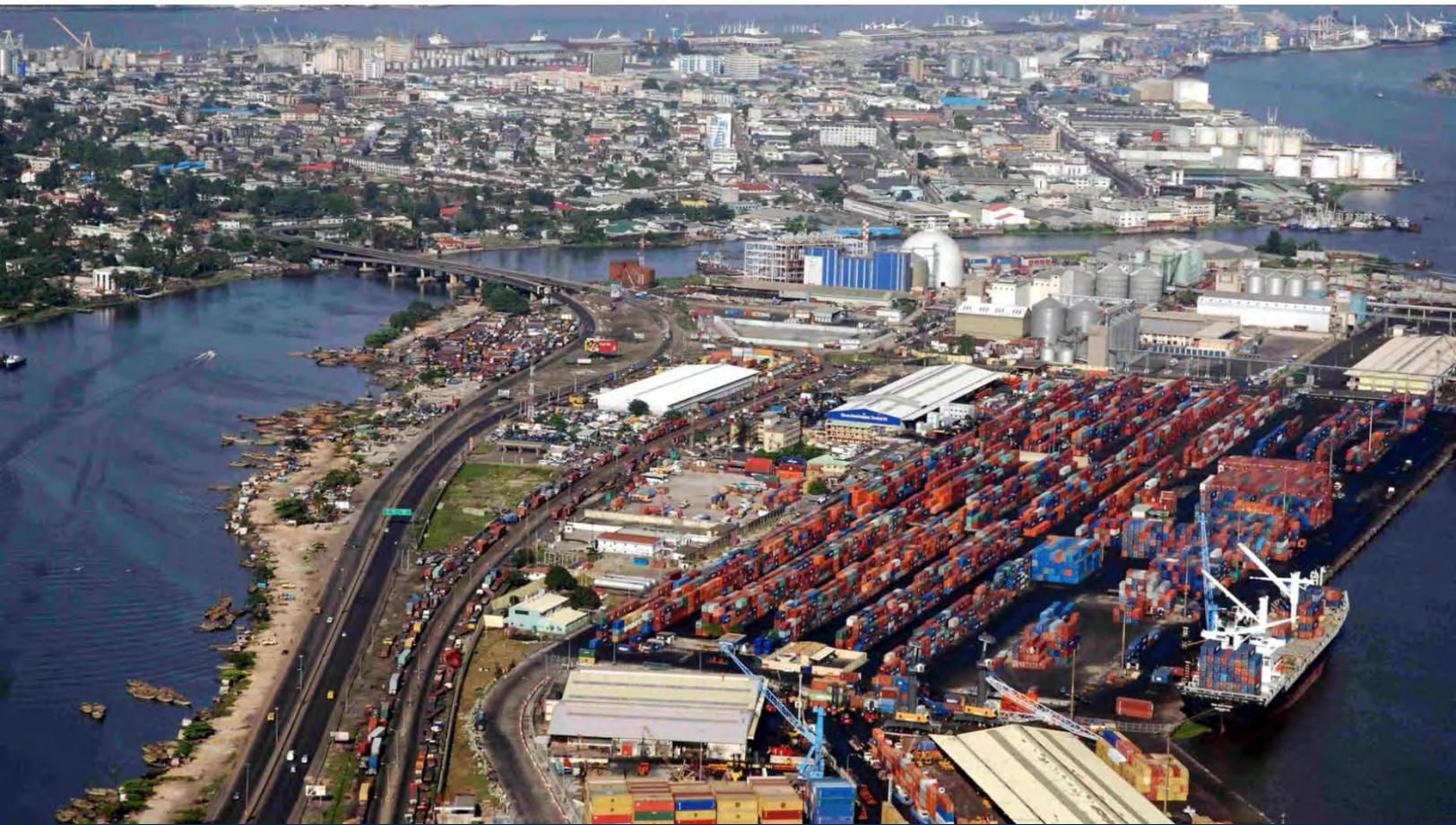




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MID-TERM PERFORMANCE EVALUATION OF THE NIGERIA EXPANDED TRADE AND TRANSPORT (NEXTT) PROJECT FINAL REPORT

August, 2015

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MID-TERM PERFORMANCE EVALUATION OF THE NIGERIA EXPANDED TRADE AND TRANSPORT (NEXTT) PROJECT

**INCREASE NIGERIA'S CAPACITY TO TRADE AGRICULTURAL PRODUCTS
DOMESTICALLY, WITHIN THE ECOWAS SUB-REGION AND BEYOND,
AND IMPROVE TRADE EFFICIENCY AND INCLUSIVENESS**

August, 2015

Prepared by USAID/Nigeria's
Monitoring and Evaluation Project II (MEMS II)
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The Mitchell Group, Inc. (TMG)

Final Report

DISCLAIMER

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- Federal Government of Nigeria
- Governments of Kwara and Kano States
- Private Sector Representatives visited
- Association Members visited

ACRONYMS

ACA	African Cashew Alliance
AfDB	African Development Bank
AGOA	African Growth Opportunity Act
ALTTFP	Abuja - Lagos Trade and Transport Facilitation Project
APS	Annual Program Statement
BDS	Business Development Services
CBN	Central Bank of Nigeria
CMG	Corridor Management Group
COP	Chief of Party
DFID	Department for International Development
DIV	Development Innovation Ventures
ECOWAS	Economic Community of West African States
EEG	Export Expansion Grant
EDC	Entrepreneurship Development Centre
EGE	Economic Growth and Environment
EMMP	Environmental Mitigation and Monitoring Plan
FERMA	Federal Roads Maintenance Agency
FGD's	Focus Group Discussions
FGN	Federal Government of Nigeria
FMARD	Federal Ministry of Agriculture and Rural Development
FMoF	Federal Ministry of Finance
FMIT&I	Federal Ministry of Industry, Trade and Investment
FtF	Feed the Future
GCCA	Global Cold Chain Alliance
GDP	Gross Domestic Product
GMP	Good Manufacturing Process
GON	Government of Nigeria
ICT	Information and Communication Technology
IP	Implementing Partners

LAKAJI	Lagos – Kano-Jibia Corridor
LGA	Local Government Area
LDA	LAKAJI Development Alliance
LEAD	Leadership, Empowerment, Advocacy and Development Project
LOP	Life of Project
M&E	Monitoring and Evaluation
MAN	Manufacturing Association of Nigeria
MARKETS	Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites
MDG	Millennium Development Goals
MOU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MTSS	Medium Term Sector Strategy
NAFDAC	National Agency for Food and Drug Administration and Control
NAQS	Nigerian Agricultural Quarantine Services
NCS	Nigerian Customs Services
NACCIMA	National Chambers of Commerce, Industry, Mines and Agriculture
NEEP	Nigeria Expanded Export Program
NEPC	Nigeria Export Promotion Council
NEXTT	Nigeria Expanded Trade and Transport Program
PDF	Project Development Facility
PMP	Performance Management Plan
PPP	Public Private Partnership
KWACCIMA	Kwara State Chamber of Commerce, Industry, Mines and Agriculture
RAMP	Rural Access and Mobility Project
SME	Small and Medium Enterprises
SON	Standard Organization of Nigeria
SPS	Sanitary and Phytosanitary
TFTF	Trade Facilitation Task Force
TPAC	Trade Policy Advisory Council

UNIDO	United Nation Industrial Development Organization
US	United States
USAID	United States Agency for International Development
VC	Value Chain
WATH	West African Trade Hub
WCO	World Customs Organization
WTO	World Trade Organization
KII	Key Informant Interview
FDG	Focus Group Discussion
MEMS II	Monitoring and Evaluation Project II
TMG	The Mitchell Group
USG	United States Government
FCT	Federal Capital Territory

EXECUTIVE SUMMARY

BACKGROUND

USAID/Nigeria as part of its economic growth objective of increasing jobs and incomes in rural areas is implementing the Nigeria Expanded Trade and Transport Project (NEXTT) a four year \$14.8 million project started in October, 2012. NEXTT's principle objective is to improve Nigeria's overall trade and transport competitiveness, through addressing Nigeria's trade and transport challenges along the Lagos-Kano-Jibiya (LAKAJI) Corridor; improving and facilitating trade policy; and expanding exports.

PURPOSE OF THE EVALUATION

The purpose of the NEXTT midterm performance evaluation is to assess the strengths and weaknesses of the project's approach to addressing Nigeria's trade and transport challenges along the Lagos-Kano-Jibiya (LAKAJI) Corridor and to objectively assess the project's progress toward delivering its key outcomes. Evaluation findings will inform managerial adjustments during the remaining LOP as well as potential future trade facilitation program interventions.

METHODOLOGY

The evaluation was done using qualitative methods, including extensive review of project documents, field visits, focus group discussions and key informant interviews.

KEY FINDINGS

Evaluation questions were grouped into three categories, design, implementation and management.

Design: Trade Policy appears to be the most successful component of NEXTT. Four out of six indicators had values high above targets. The adoption of Food Safety Policy approved by the Federal Executive Council was a key outcome. Lakaji Corridor Improvement was the least successful component. Values for only three of nine indicators were recorded. The Corridor Management Group, the principle Nigerian counterpart organization, had engaged in no activities that would reduce the time or cost of goods transiting the LAKAJI corridor. Export *Expansion* recorded modest success. With a goal of \$30 million in exports and \$25 million in new investments during LOP; only 22% and 21% were achieved, respectively; two years into the project. FY 2015 first quarter report showed positive results with \$4.6 million in exports.

Conceptually the NEXTT design is relevant, however, contradicting project interventions; sequencing of activities, inadequate resources, short time frame, as well as prolonged institution development have impeded project effectiveness.

A key flaw in the design is the lack of financial, institutional, and human capacity by the Government of Nigeria to successfully improve trade and investment and to develop the

LAKAJI corridor. In addition the business environment in Nigeria is extremely poor, as ranked by the World Bank. USAID and other donors are funding trade capacity programs to address the institutional and human capacity constraints, but there is no formal coordination process. No donor appears to be comprehensively addressing the poor business environment, which is a key constraint to meeting the objectives of NEXTT.

Implementation: Fifty-seven percent of beneficiaries rated corridor performance Not Effective. Only 21 out of 55 activities planned under LAKAJI Corridor Improvement were completed and 55% of KII respondents rated LAKAJI Corridor Improvement activities as not doing well. However, capacity building, trade facilitation, food safety, and export promotion together comprise 82% of the “doing well” response from the beneficiary perspective. Export marketing assistance has resulted in \$1.1 million in cashew exports to Dubai and Vietnam. However, stakeholders in northern states, such as Kano reported no knowledge of the project. Only 31% of beneficiaries believed that the FGN demonstrated sufficient ownership of the project. USAID was very slow in providing funding for the Project Development Facility. Funding occurred in October, 2014, in year three of the program. This has been a key area of concern among stakeholders and has limited the impact of NEXTT.

Management: Overall program management has been ineffective over the period examined due to the inconsistent implementation of project activities, the numerous unmet performance indicators and based on key informant interview responses. There are a number of factors that have impacted project performance. These include: Lack of strategic alignment between NEXTT management and USAID; lack of managerial focus by NEXTT and USAID; ineffective human resource management, including lack of sufficient staff with the qualifications to perform effectively; delays in USAID approvals and hindrance in establishing a Website; poor selection of GON counterparts, as well as erratic counterpart engagement on the part of NEXTT and USAID.

Major Conclusions

- USAID has had success with The Trade Policy activities. However, given the conceptual as well as implementation challenges encountered, it is doubtful NEXTT interventions will lead to an increased capacity to trade for Nigeria within the current LOP.
- The Government of Nigeria’s financial, institutional and human resources capacity to support the development of non-petroleum economic sectors is very low and Nigeria’s business environment is extremely challenging. NEXTT and the donor community do not appear to be addressing these fundamental issues in a comprehensive manner.
- There appears to be is little buy-in from the FGN for the LAKAJI Corridor. Individual States, along the corridor, should be involved in corridor development.

- Given the complexity of doing business in Nigeria, it is unlikely NEXTT can implement the PDF studies and formalize investments over the remaining LOP.
- NEXTT activities have not been implemented in the north. Most officials are unaware of the project.
- Management systems and oversight need to be improved. More attention needs to be placed on the needs of federal and state government and the private sector. The contractor needs to improve the quantity and quality of its staff and consultants.
- Unclear attribution standards, inconsistencies between results reported in project reports as well as spreadsheet errors make NEXTT project data quality unreliable.

Key Recommendations

- The USAID/Nigeria should exert a higher level of involvement and direction in NEXTT project management to ensure core results are achieved. Problems are in the areas of communications, enhanced project oversight, human resources, and coordination with the donor community.
- USAID should determine project priorities for the remaining LOP as regards the LAKAJI Corridor Development. Key policy initiatives need to be identified. USAID should explore addressing business environment. It is essential that the Mission work through the appropriate existing GON policy setting mechanisms and establish inter-ministerial committee, under the Ministry of Finance, to coordinate and support trade policy, infrastructure development, and private sector investment.
- Work should be through existing Nigerian entities and mechanisms.
- NEXTT Performance Monitoring Plan needs to be reviewed to make the project results-driven. Indicators should be examined to eliminate vagueness. MEMSII can assist the EGE office in this.
- Regarding the Lakaji Corridor, USAID first assess USAID/Washington's appetite for the long-term commitment of resources required to develop the corridor, at the same time it determines the commitment of the Nigeria's government – Ministry of Finance, National Planning Commission, Office of the President and the private sector. A first step would be to assist the GON and the private sector to develop a strategic plan for corridor development. Support should also be given to develop an effective partnership between federal and state governments and the private sector.

EVALUATION PURPOSE & EVALUATION QUESTIONS

EVALUATION PURPOSE

The objectives of the Nigeria Expanded Trade and Transport Project (NEXTT) are to increase Nigeria's capacity to trade agricultural products domestically, within the ECOWAS sub-region and beyond, and improve trade efficiency and inclusiveness. The purpose of the midterm performance evaluation is to:

- Assess the strengths and weaknesses of the project's approach in addressing Nigeria's trade and transport challenges along the Lagos-Kano-Jibiya (LAKAJI) Corridor; and
- Objectively assess the project's progress towards delivering its key outcomes.

USAID will use the evaluation findings to make any needed adjustments during the final 14 months of implementation. The result of this evaluation will be used by the USAID EGE Office to provide specific and targeted guidance on the management and future orientation of the project. Copies of the evaluation report will be shared with relevant supporting offices.

Evaluation Questions

1) Of the three project components, which have been the most (and least) successful and why? Success is defined as meeting PMP indicator targets, approved work plans, and the project's stated objectives. In answering this question, address what, if any, evidence exists to verify that project activities have (or will) lead to an improvement in Nigeria's capacity to trade.

1a) How relevant is the project's design with respect to the integrated approach adopted – transport corridor improvement, trade policy/facilitation, and export promotion? In answering this question, address the factors outside the project's control, which may impact the project reaching its objectives. Also address which (if any) of the projects objectives should be scaled back (or up) and why (or why not).

2) How effectively has NEXTT implemented program activities under each component? What has it done well and what are some areas for improvement? In answering this question, the evaluation team should address the following:

- Note what has worked/didn't work in specific activities such as improving corridor performance, trade facilitation, access to finance and expanding exports, etc.

- To what extent has the project's activities fostered a sense of ownership of reforms and buy-in among GON counterparts? When answering this question specify how you are gauging the concept of buy-in.
 - To what extent have beneficiaries (including women and youth) benefited from the project?
- 3) What are the key factors that have determined project performance? Given these, evaluate whether the project can meet the overall objective and its contractual results, deliverables and PMP indicator result targets within the remainder of the project life.
- 3a) Assess the effectiveness of NEXTT's management structures and overall program management. How have the current structures affected progress to date? In answering this questions identify specific strengths and weaknesses.

Project Background

The Development Context

Nigeria is Africa's largest economy with a gross domestic product (GDP) of over US \$510 billion. Since 2005, the average annual growth rate has been 6%. This rise comes on the heels of increased non-oil sector growth. Despite this development, Nigeria's business environment is considered harsh as business owners and entrepreneurs must contend with trade facilitation and other regulatory challenges such as the obsolete customs law of the Nigeria Customs Service; physical infrastructure bottlenecks such as poor road conditions; absence of intermodal transportation systems; and the absence of advocacy groups to address transportation problems. These have continued to present major obstacles to domestic and international trade, making the cost of products (whether imported or for export) expensive. The country's list of items prohibited for import and the incorrect declaration of goods by importers result in 95% of containers being physically examined. This delays and increases the cost of the clearing process. Companies state that high tariffs, nontransparent valuation procedures, frequent policy changes, and unclear interpretations by the Nigerian Customs Service continue to make trade difficult and expensive, and often create bottlenecks for commercial activities. Reportedly, many importers resort to undervaluing or smuggling to avoid paying full tariffs.

As part of its strategy to address the country's trade facilitation problems, the Government of Nigeria has put measures in place to reform and modernize its customs service, including the passage of a new Customs Act. The Act will provide a legal basis for sustaining the reform and modernization processes already undertaken and will bring Nigeria's custom services in line with international best practices as recommended

by the World Customs Organization and the Revised Kyoto Convention. Nigeria has also set up an inter-ministerial Trade Facilitation Task Force (TFTF), which resides in the Federal Ministry of Industry, Trade, and Investment. TFTF was created to address non-tariff barriers and bottlenecks along Nigeria’s trade corridors. Among other objectives, the task force provides a platform for dialogue between the public and private sectors on measures to improve trade facilitation. Its Action Plan also provides a rallying point for mobilizing donor resources and assistance to address trade facilitation challenges.

At the micro, small and medium enterprise (MSME) level, limited access to finance and a lack of access to export markets has limited the ability of small and medium enterprises to tap into export markets and take advantage of opportunities within the West African sub-regional market and with the United States under AGOA. Consequently, the contribution of non-oil exports to total GDP remains low despite the GON’s declarations regarding the diversification of the economy and increasing the contribution of exports to total GDP.

In 2009, USAID/Nigeria’s MARKETS project initiated trade and transport intervention activities with a focus on transport improvement of the LAKAJI Corridor. USAID activities also supported the drafting of a new customs code. In 2010, under the Nigeria Expanded Trade and Transport (NEEP) project, USAID/Nigeria began a two-year pilot program to strengthen capacity at the enterprise level and expand trade in exportable products such as cashew, shea, and processed agricultural products.

In October 2012, the NEXTT project was launched implemented in the eight¹ states to build on USAID/Nigeria’s past trade and transport interventions with the objective of improving Nigeria’s overall trade and transport competitiveness. The continuation of these initiatives under NEXTT is an opportunity for USAID/Nigeria to provide a long-term focus on trade and transportation improvement and move toward greater sustainability of reforms.

NEXTT was designed to address trade and transport constraints in ways that are catalytic, transformative, and supportive of the GON and the private sectors’ efforts. The project goal feeds into two intermediate result areas covered by the Mission’s previous Economic Growth Results Framework: IR 1.2 – “Reduced Infrastructure Bottlenecks” and IR 1.3 – “Improved agriculture and trade enabling environment at state and federal level.” Both IRs contribute to and feed into

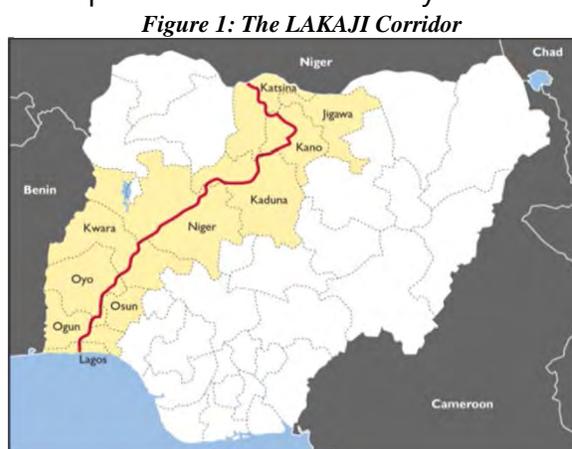


Figure 1: The LAKAJI Corridor

¹ The eight Nigerian States along the LAKAJI Corridor from south to north are Lagos, Ogun, Oyo, Kwara, Niger, Kaduna, Kano and Katsina.

the Mission's Economic Growth Objective of increasing rural incomes and jobs in targeted areas. This objective is predicated on the belief that by linking increased agricultural competitiveness to improvement in trade and transport competitiveness, economic opportunities in rural communities will increase. In addition, by working to reform Nigeria's business enabling environment and working to pass a new Customs Act, the cost of trading and doing business in Nigeria will be reduced. The establishment of the LAKAJI Corridor Management Group with a functional secretariat will support advocacy efforts that help improve trade efficiency (measured by time and cost) along Nigeria's key trade corridor.

NEXTT's intended results are to:

- 1) Reduce delays and bottlenecks from the ports in Lagos through Kano up to Jibiya at the Niger border by 30% by 2016;
- 2) Support the establishment of new agribusinesses valued at US \$25 million along the LAKAJI corridor over the life of the project;
- 3) Improve the capacity of GON officials to address Nigeria's trade policy, trade facilitation constraints, and address implementation issues; and
- 4) Support the capability of small and medium enterprises to contribute meaningfully to Nigeria's non-oil export revenues by helping assisted firms generate US \$30 million from exports of cocoa, cashew, shea nut, sesame seeds, processed agricultural foods, home décor, fruits and vegetables, leather, garments, and seafood products to regional and international markets. Strengthen capacity of export service providers and the export promotion agency to support exporters.

NEXTT supports these objectives by working on the following three components:

- 1) Lagos-Kano-Jibiya Corridor Improvement;
- 2) Trade Policy and Trade Facilitation Support;
- 3) Expanded Export Support.

NEXTT implements the following five actions:

- 1) The establishment of an advocacy oversight organization that functions to facilitate improved transport along the Lagos-Kano-Jibiya interstate road system.
- 2) The facilitation of agribusiness investments through the establishment of an agricultural growth corridor initiative around the LAKAJI corridor. The objective of this is to support investors in establishing new agribusinesses, value-added projects, and logistics infrastructure such as cold storage and warehousing facilities.

- 3) Recognizing the role of trade facilitation and its implications on the ease of doing business, the project's approach includes supporting the government's efforts to coordinate trade facilitation through direct technical support to the Ministry of Industry, Trade, and Investments' Trade Facilitation Task Force. A key outcome of this effort is to decrease hold time (or release time) at the ports in Lagos and at the Seme Border post to make cross-border trade quicker and easier. Part of this effort also includes assistance to the Ministry of Finance to enact the Nigeria Customs Services Act and to increase revenue collection by the Nigeria Customs Service (NCS).
- 4) Strengthen business development services to exporting enterprises to increase jobs and export sales.
- 5) Provide institutional capacity building to public sector agencies such as the Nigeria Export Promotion Council, and public-private sector groups such as the LAKAJI Corridor Management Group and industry associations such as the National Cashew Association of Nigeria.

The NEXTT Performance Monitoring Plan dated April 2013 did not include the standard results framework (RF) containing intermediate results (IR) and sub IRs. Rather, it included components and performance indicators. This was accompanied by a PMP tracker that indicates the components, tasks, and indicators. Following MEMS II reviews, a formalized RF was suggested, which would include the project's goal, IR, and sub IRs and reflect the same performance indicators as those contained in the PMP. The suggested RF is outlined in Figure 2.

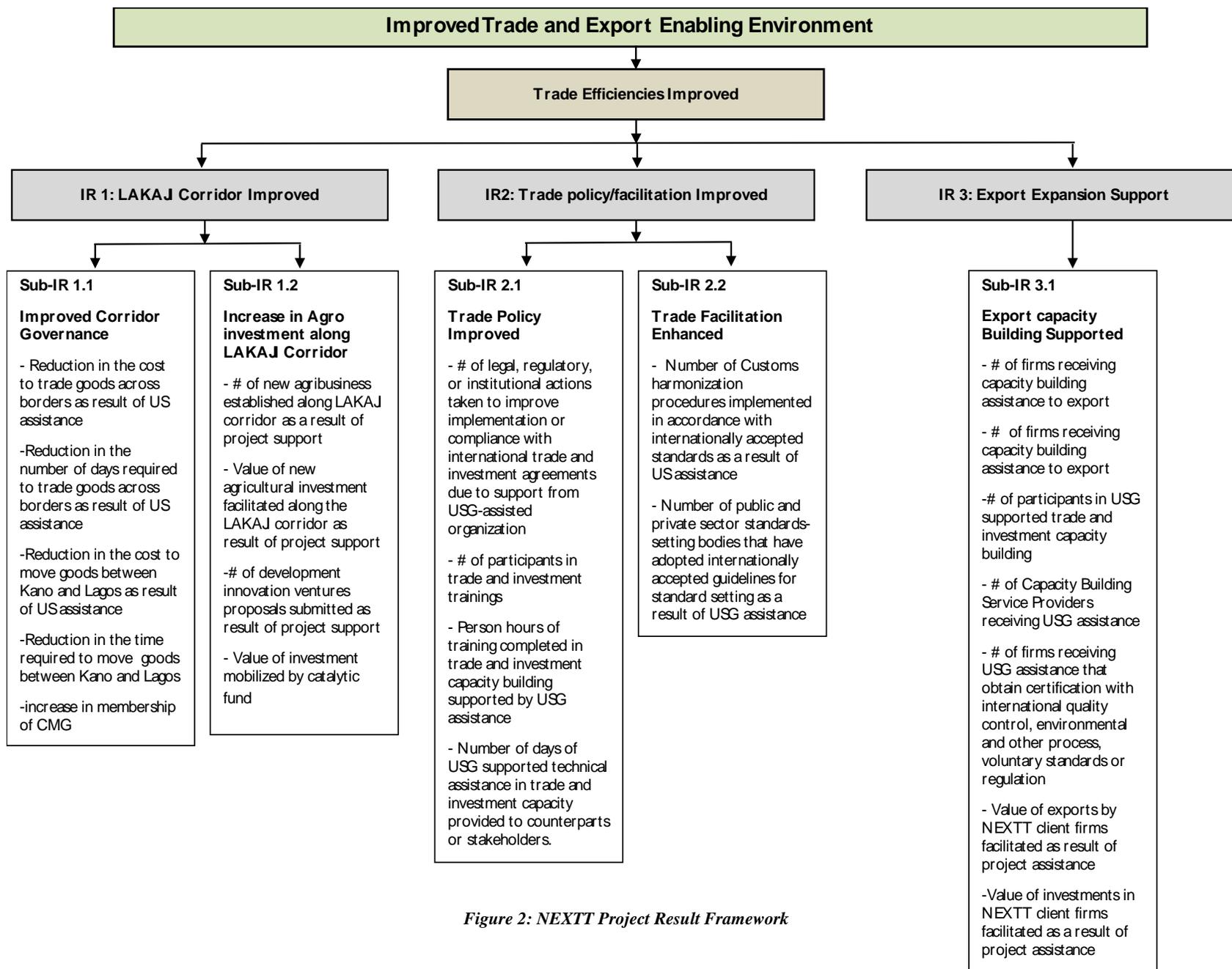


Figure 2: NEXTT Project Result Framework

EVALUATION METHODS & LIMITATIONS

The Evaluation Team developed a detailed work plan and methodology to answer the evaluation questions. Specifically the following actions were carried out to assess and evaluate project design, implementation, and management.

- Assessed the project's results against defined targets contained in the approved Performance Monitoring Plan (PMP);
- Assessed the effectiveness of the project's interventions;
- Assessed the quality of the project's management,
- Assessed the impact of frequent changes of project management to the project's implementation and performance;
- Assessed the impact of coordination and collaboration on the results achieved; and
- Provided guidance in moving NEXTT forward in the final years of program interventions.

A. Evaluation Design and Methodology

The Evaluation Team used combined quantitative and qualitative approaches to gain insight into the evaluation questions and accomplishment of the Intermediate Results and indicators as presented in the Performance Management Plan (PMP). The methodology consisted of key informant interviews (KII) and focus group discussions (FGD) with NEXTT management, project partners, private sector groups, project beneficiaries, non-project beneficiaries, and key government officials involved in the implementation of NEXTT. These were augmented by a thorough desk study of relevant documentation and performance indicators. Interviews and discussions were held in four locations: Lagos, Kwara, Kano, and Abuja.

The evaluation adopted a three-staged approach. In the first stage, the Evaluation Team reviewed project-related documents, including the project's deliverables, and relevant literature on Nigeria's trade environment.

In the second stage, a Team Plan Meeting (TPM) was held, during which the Evaluation Team completed a number of tasks, including the following:

- Met representatives of USAID, including staff from the Office of Economic Growth and Environment, to review all aspects of the SOW;
- Reviewed available information to identify information gaps and refine data collection tasks accordingly;
- Designed data collection instruments for individual interviews and focus group

discussion;

- Designed discussion guides for stakeholder roundtables;
- Developed outlines for the deliverables mentioned in the SOW and assigned responsibilities among team members;
- Finalized the SOW, including any needed clarification or refinement of the evaluation questions;
- Developed a detailed work plan for USAID approval; and
- Planned the logistics of the evaluation field work.

In the third stage, the following three sets of activities were concurrently undertaken. Additional information on these activities is provided below in the sections on data collection and analysis:

- Primary data were collected through individual key informant interviews and focus group discussions in four locations: Lagos, Kwara, Kano, and Abuja. This data collection covered both direct project beneficiaries and non-direct project beneficiaries along the LAKAJI Corridor. The individual interviews with identified stakeholders in the NEXTT project were selected based on recommendations of NEXTT and availability. It was estimated that 20-25 individual interviews would be conducted with stakeholders within these locations. Focus group discussions were convened to provide additional data to answer the evaluation questions and to bring together stakeholders involved with the project.
- Secondary data were collected through review of all project-related documents.

B. Implementation

The Evaluation Team reviewed 59 documents and interviewed a total of 77 people across the four locations visited, comprising 22 people in Abuja (FCT), 40 people in Lagos, 5 in Kwara, and 10 in Kano State. (See Annex VIII- List of Persons Contacted).

The Evaluation Team conducted two focus group discussions with project beneficiaries, non-beneficiaries, and organizations one each in Lagos and Kano. A detailed methodology matrix is provided in Annex I. The key approaches that were used to collect and analyze data for the evaluation are as follows:

Review of Background Materials: Project documents relevant to the evaluation were collected for review and analysis, including project designs, scopes of work, annual reports, and annual work plans.

Review of Relevant Documentation: The Evaluation Team reviewed key documents relating to the objectives of the evaluation. The desk work, including document review, evaluation design, and other team planning meetings took place in Abuja from April 20–

24, 2015.

Interviews and Field Visits: The Evaluation Team conducted both individual interviews and focus groups. These included meetings with USAID staff in Abuja and NEXTT project management and staff. The Evaluation Team conducted field work in Lagos from April 27–May 1, in Ilorin, Kwara State from May 4–6, in Abuja, FCT from May 4–8 and in Kano from May 11–13.

C. Data Analysis Methods

Data from the individual interviews with both NEXTT stakeholders and roundtable participants were analyzed using standard qualitative data methods developed and reviewed with USAID/Nigeria. Data tables, as agreed upon in the analysis plan, were generated and analyzed.

D. Methodological Strengths and Limitations

The evaluation methodology has several strengths. The first is the availability of baseline information on the Lagos-Kano-Jibiya (LAKAJI) Corridor that aided in measuring the changes made over time along the Corridor. The second is the opportunity to interview several key informants and focus group discussions with project beneficiaries across locations of the LAKAJI Corridor

Some of the limitations of this methodology include:

- 1) Selection of government officials for individual interviews and participants in the roundtables was based on recommendations from the NEXTT project and on individual willingness to participate. This selection method was not random and was subject to potential bias from the project identified interviewees.
- 2) Limited interviewee population provided entirely by the NEXTT project was too small to sample effectively. Consequently, the Evaluation Team strategy was to reach all of the project identified beneficiaries and to seek out additional beneficiaries / non-beneficiaries and other stakeholders.
- 3) No contact information for Business Development Services (BDS) beneficiaries was provided by the project and none were interviewed.
- 4) Evaluation fieldwork in Lagos and Ilorin was combined with NEXTT project COR field visits, which, at times, limited interviewee candidness.

FINDINGS, CONCLUSIONS & RECOMMENDATIONS

FINDINGS

Question 1: Of the three project components (referred to as Intermediate Results), which have been the most (and least) successful and why? Success is defined as meeting PMP indicator targets, approved work plans, and the project's stated objectives. In answering this question, address what, if any, evidence exists to verify that project activities have (or will) lead to an improvement in Nigeria's capacity to trade?

Summary Findings

Intermediate Result 2 – Trade Policy/Facilitation Improved, appears to be the most successful based on a review of PMP indicators, work plans, stated objectives, and beneficiary interviews. Intermediate Result 1 – LAKAJI Corridor Improved is the least successful.

IR-2: Five out of six total indicators had reported values. Of the five, four indicators had achievements ranging from 200–300% above targets. Three of the performance indicators are related to training or capacity building; number of participants, person hours of training completed and number of days of USG supported technical assistance. One of the key outcomes of these capacity building initiatives was the adoption of Food Safety Policy approved by the Federal Executive Council. Prominent among the public and private sector standard setting bodies that have adopted internationally accepted guidelines for standard setting include Standard Organization of Nigeria, National Agency for Food and Drug Administration and Control, Federal Ministry of Health, Nigerian Institute for Food Science Technology, and Consumer Protection Commission. The project is able to exert a higher degree of management control over the activities that relate to these indicators. Project beneficiaries gave IR-2 the highest beneficiary rating with 69% of respondents classifying related activities as successful. However, while making progress at the output level, it is doubtful that two out of the three objectives of the IR will be achieved in the time remaining.

IR-1: Only three of nine indicators recorded values during the review period. Membership in the LAKAJI Corridor Management Group (CMG) increased by 300%. The CMG has only managed to register itself, constitute a board, and grow from 7 to 13 members. The CMG has not produced any regulatory, infrastructure, or transportation outcomes or policies that would reduce the time or cost of importing into, exporting from, or transiting through the LAKAJI corridor. The Evaluation Team could discern no causal link between project activities carried out by CMG and the performance

indicators outside of growth in the CMG membership. The value of new agricultural investments facilitated along the LAKAJI corridor as a result of project support, indicator 1.2.2, is suspect. Discussions with beneficiaries indicated that the investment of \$8 million recorded in the third quarter of FY 13 actually occurred before the NEXTT intervention. The remaining investment of \$34,000 could not be verified by the Evaluation Team. Similarly, the Evaluation Team could not verify the number of reported new agribusinesses established along the LAKAJI corridor as result of project support. IR 1 was rated as unsuccessful by project beneficiaries, with 57% responding as "Not Successful." Interview respondents identified the relatively slow roll-out of the Project Development Facility and the slow pace of establishing the LAKAJI corridor.

IR 3: Expanded Export Support

All seven performance indicators had reported values during the review period. However, four indicator results were below cumulative targets for Years 1 and 2. With a goal of \$30 million in exports, and \$25 million in new investments during LOP, only 22% and 21% have been achieved respectively two years into the project. \$1.55 million in export values were reported.. FY 2015 first quarter report showed positive results with \$4.6 million in exports, yet unverified. Indicator 3.3.2 shows a total \$1.41 million in investments facilitated by NEXTT from KD Foods and Spring View Integrated Textiles.

The Evaluation Team has found little evidence that the NEXTT will lead to an improvement in Nigeria's capacity to trade. It is unlikely, given the project resources and the remaining LOP for NEXTT to meet its intermediate results much less overall objectives. Little has been done at the strategic level to improve the capacity of the government's institutional and human resources to assist the non-oil sectors and to address the constraints to doing business in Nigeria. Certain processors and business people will benefit from funding and technical assistance and limited government functions may improve. However, the Evaluation Team sees little potential for the project to meet its overall objectives.

Detailed Description

IR 1: LAKAJI Corridor Improved

The LAKAJI Corridor is a 1,225 km transport route that runs from Lagos in the south to Kano in the north, and then on to Jibiya at the border of Nigeria and Niger. The corridor has strategic importance for foreign, domestic, and regional trade. It is the main transport route used to move imports to northern Nigeria and exports to Lagos ports. The corridor links the country's largest agricultural production market in the north (Kano) and the largest consumer market in the south (Lagos), serving as a vital conduit

for domestic food products.

IR 1 objectives are to strengthen regional corridor governance and development planning, through new and dynamic LAKAJI Corridor institutions. One institution is the LAKAJI Corridor Management Group an independent, member-run organization comprised of public and private sector membership. CMG's core function is to serve as a platform for dialogue to be able to identify, implement, monitor, and evaluate corridor improvement initiatives. The LAKAJI Agricultural Growth Corridor Initiative (AGCI) seeks to stimulate agribusiness investment. One of the objectives of NEXTT is the transition of the CMG into a sustainable Public-Private-Partnership (PPP) that facilitates both the improvement of a transport corridor and its related infrastructure and services, and also promotes investment and cluster development to benefit a much larger population.

The LAKAJI Development Alliance (LDA) is a private sector-led initiative with a focus on advocacy for the creation of the LAKAJI Corridor as a special economic development zone for enhanced trade and competitiveness. In the Year 1 and 2 annual reports, the LAKAJI Development Alliance is presented as taking up the role of the secretariat of the LAKAJI Agricultural Corridor Initiative. However, it is neither composed of agribusinesses nor does agricultural investment feature on its agenda. The LDA's three working groups are Investment Facilitation, Transport and Logistics, and Enabling Environment.

As Figure 3² shows, only three of the nine performance indicators had values during the review period.

Indicator 1.1.5, CMG Membership Increased, was 200% above target through Year 2, and NEXTT has had several consultative meetings with the group. During the period of March – April 2013, NEXTT conducted a baseline assessment of the time and cost of movement of goods along the LAKAJI corridor. It found that it costs \$3,041 and takes 12.5 days to export a 20 foot container and \$4,737 and 19.5 days to import the same. Results from NEXTT's follow-up corridor assessment, in which the CMG participated, are due to be released July 2015. CMG has also participated in the August 2013 LAKAJI Agricultural Growth Corridor Investment Summit that brought together 230 Nigerian and international participants representing agribusinesses, banks, investment funds, logistics firms and development partners. It detailed the potential of the Lagos-Kano-Jibiya Corridor to become a magnet for investment in Nigeria's agricultural sector. Despite the high level of interest generated by the summit, the CMG failed to materialize as an effective force and NEXTT has not made any substantial follow-up. Consequently, these activities have had no significant impact on the performance of the LAKAJI Corridor during the reporting period. By the end of 2014, the LAKAJI CMG had only managed to register itself, constitute a board, and grow from 7 to 13 members. The CMG has not produced any regulatory, infrastructure or transportation outcomes or

² Source: NEXTT PMP Performance Indicator Tracker / NEXTT FY15 Quarterly Reports

policies that would reduce the time or cost of importing into, exporting from or transiting through the LAKAJI Corridor. The Evaluation Team could discern no causal link between project activities carried out under this sub-IR and the performance indicators beyond growth in the CMG membership.

Reported results under indicator 1.2., "Number new agribusinesses established along LAKAJI Corridor as result of project support," include: Farm Net, Valency International (cashew processing), Jon Tudy Interbiz (spice processing), and Strange Industries (shea nut dryers). However, the Evaluation Team could not determine whether these businesses existed before the start of the NEXTT project. Targets for FY 2015 have not been met through the end of the second quarter as no results have been reported on any of these indicators. However, implementation of the PDF facility should lead new agribusinesses by the end of the project.

Values reported for indicator 1.2.2, "Value of new agricultural investments facilitated along the LAKAJI Corridor as a result of project support," are overstated. Discussions with beneficiary Valency International indicated that the total investment of \$8 million occurred before the NEXTT intervention. Without the Valency investment, NEXTT has achieved only 1.7% of the \$2 million cumulative investment target for Years 1 and 2. An investment in Farm Net accounted for most of the remaining \$34,000 but could not be verified by the Evaluation Team.

Indicator 1.2.4 involves a \$2 million Project Development Facility (PDF), designed to mobilize private capital for investments in agribusiness, transport, logistics, or infrastructure along the LAKAJI Corridor. The PDF has not produced any investments to date due to the late release of funding, but will be important for the project going forward. Three applications have been approved, but not yet implemented as of the third quarter of FY 15.

In./No.	Performance Indicators	Cumulative (FY13 & FY14)		% Cumulative Achieved	FY15	
		Target	Actual		Target	Actual Q2
1.1.1	Reduction in the cost to trade goods across border as a result of US assistance	0	0	0	15%	0
1.1.2	Reduction in the number of days required to trade goods across borders as a result of US assistance	0	0	0	15%	0
1.1.3	Reduction in the cost to move goods between Kano and Lagos as a result of US assistance	0	0	0	5%	0

In./No.	Performance Indicators	Cumulative (FY13 & FY14)		% Cumulative Achieved	FY15	
		Target	Actual		Target	Actual Q2
1.1.4	Reduction in the time required to move goods between Kano and Lagos as a result of US assistance	0	0	0	5%	0
1.1.5	Increase in membership of CMG	2	6	300%	20%	0
1.2.1	Number of new agribusinesses established along LAKAJI Corridor as result of project support	8	4	50%	5	0
1.2.2	Value of new agricultural investments facilitated along the LAKAJI Corridor as a result of project support. (\$M)	2.00	8.034	417%	1.25	0
1.2.3	Number of Development Innovation Venture proposals submitted	0	0	0%	3	0
1.2.4	Value of investments mobilized by project development facility (\$M)	2.00	0	0%	8	0

Figure 3: IR 1 “LAKAJI Corridor Improved” Performance Indicator Results

IR 2: Trade Policy / Facilitation Improved

The objective of this IR is to align the formulation, coordination and implementation of trade policies, regulatory frameworks and facilitation services in ways that maximize competitiveness, supporting expanded trade, investment and job opportunities. By the end of NEXTT, improvements in trade policy and facilitation should be reflected in: 1) Effective mechanisms for stakeholder engagement in the prioritization, coordination and follow-up of the most critical constraints to trade and investment; 2) Measurable performance improvements in customs and port/border post clearance times to reduce costs and time to market for traders, and; 3) a process for the development of food safety standards and infrastructure that facilitates agricultural trade and meets international standards.

Under IR2, five out of the six indicators had reported values during the review period as shown in Figure 4³, and the results of four of these indicators exceeded targets by 200% – 300%. Three of the Trade Policy and Trade Facilitation performance indicators are related to training or capacity building; number of participants, person hours of training completed and number of days of USG supported technical assistance. One of the key

³ Source: NEXTT PMP Performance Indicator Tracker / NEXTT FY15 Quarterly Reports

outcomes of these capacity building initiatives was the adoption of Food Safety Policy Approved by Federal Executive Council. Prominent among the public and private sector standard setting bodies that have adopted internationally accepted guidelines for standard setting include Standard Organization of Nigeria, National Agency for Food and Drug Administration and Control, Federal Ministry of Health, Nigerian Institute for Food Science Technology, and Consumer Protection Commission, The project is able to exert a higher degree of management control over the activities that relate to these indicators relative to the other two IRs.

Figure 4: IR 2 “Trade Policy / Facilitation Improved” Performance Indicator Results

In./No.	Performance Indicators	Cumulative (FY13 & FY14)		% Cumulative Achieved	FY15	
		Target	Actual		Target	Actual Q2
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 organizations	3	5	167%	2	3
2.1.2	Number of participants in trade and investment trainings	80	205	256%	80	126
2.1.3	Person hours of training completed in trade and investment capacity building supported by USG assistance	4,500	4,456	99%	6,000	1,193
2.1.4	Number of days of USG supported technical assistance in trade and investment capacity provided to counterparts or stakeholders.	150	288	192%	150	34
2.2.1	Number of Customs harmonization procedures implemented in accordance with internationally accepted standards as a result of US assistance	3	0	0%	2	0
2.3.1	Number of public and private sector standards-setting bodies that have adopted internationally accepted guidelines for standard setting as a result of USG assistance	3	11	367%	2	1

IR 3: Expanded Export Support

IR 3 is designed to support the growth of a business development services (BDS) ecosystem. NEXTT strategy has been to improve the quality and effectiveness of service providers, raising awareness among exporters of available BDS services, improving the Nigeria Export Promotion Council's capacity to deliver export services, and establish a BDS network to continuously improve this BDS ecosystem. The export trade capacity building initiatives have centered around four key areas: Market linkages, access to finance, international trade fair facilitation and conferences. The project also conducted sector assessments to inform government and private sector players and to stimulate exports and investments. The value chain assessment conducted was in line with GON revenue source diversification focusing on agricultural commodity exports. The assessment identified shea, sesame, cocoa, cashew, and cassava as leading candidates for NEXTT intervention. Shea and sesame value chains hold the strongest prospects for NEXTT intervention in terms of impacting rural income generation and labor (emphasis on female) engagement for the States in southern Nigeria.

NEXTT also attempts to build capacity within national agencies to galvanize private enterprises to take advantage of market opportunities. Expanded Export Support activities are expected to lead to the strengthening of 40 BDS providers supporting a target of 200 export firms, \$30 million in exports, and \$25 million in new investments

Figure 5⁴ shows that all seven Expanded Export Support performance indicators had reported values during the review period. However, four indicator results were below cumulative targets for Years 1 and 2. With a goal of \$30 million in exports, and \$25 million in new investments during LOP, only 22% and 21% have been achieved respectively two years into the project. Of the \$1.55 million export values reported under indicator 3.3.1, \$1.27 million (82%) was due to cashew exporters KD foods, Valency International and Universal Quest. FY 2015 first quarter report showed positive results with \$4.6 million in exports, yet unverified. Indicator 3.3.2 shows a total \$1.41 million in investments facilitated by NEXTT from KD Foods and Spring View Integrated Textiles.

⁴ Source: NEXTT PMP Performance Indicator Tracker / NEXTT FY15 Quarterly Reports

Figure 5: IR 3 “Expanded Export Support” Performance Indicator Results

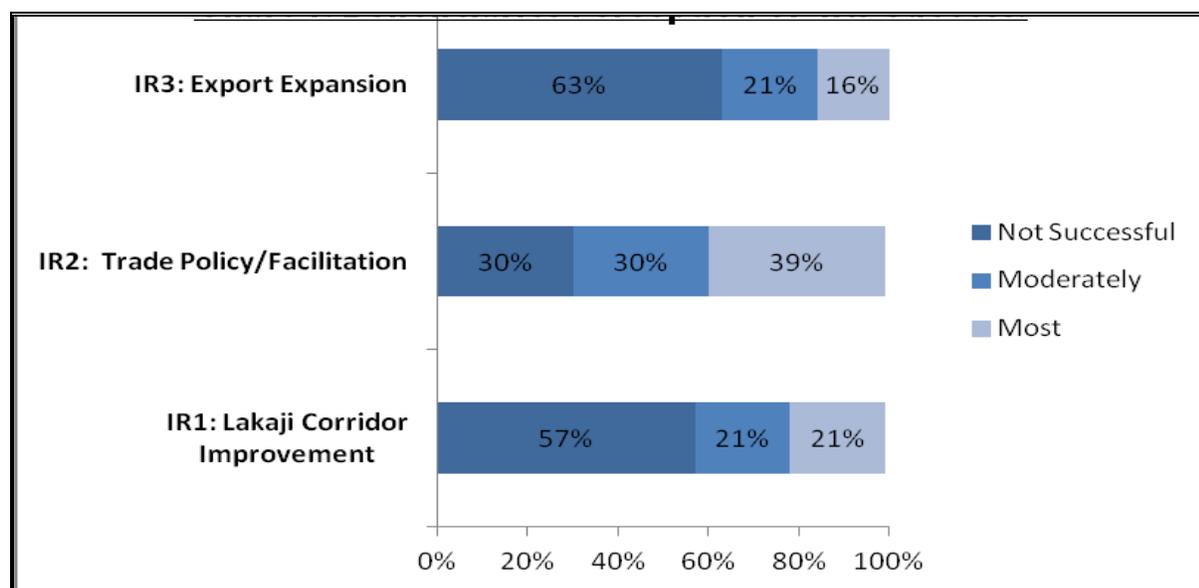
In./No.	Performance Indicators	Cumulative (FY13 & FY14)		% Cumulative Achieved	FY15	
		Target	Actual		Target	Actual Q2
3.1.1	Number of firms receiving capacity building assistance to export	120	116	96%	150	122
3.1.2	Number of Trade and Investment capacity building diagnostics conducted	3	4	133%	1	1
3.1.3	Number of participants in USG supported trade and investment capacity building trainings	80	167	209%	80	35
3.2.1	Number of Capacity Building Service Providers receiving USG assistance	35	31	89%	25	56
3.2.2	Number of firms receiving USG assistance that obtain certification with international quality control, environmental and other process, voluntary standards or regulation	4	0	0%	1	1
3.3.1	*Value of exports by NEXTT client firms facilitated as result of project assistance (\$M)	7.00	1.55	22%	8.00	4.59
3.3.2	**Value of investments in NEXTT client firms facilitated as a result of project assistance (\$M)	7.00	1.41	21%	8.00	0.00

* Value corrected for cell reference error in PMP spreadsheet. ** Excludes \$8 million Valency cashew factory investment.

To complement the quantitative analysis, beneficiary perception of success of each intermediate result was captured in the KII questionnaire. As Figure 6⁵ indicates, IR2 garnered the highest beneficiary rating with 69% of respondents classifying related activities as “Moderately Successful” (30%) or “Most Successful” (39%). GON respondents, the principal recipients of IR Two Technical Assistance and Capacity building, contributed greatly to the positive response. Both IRs 1 and 3 were rated as unsuccessful by project beneficiaries, with 57% and 63% “Not Successful” respectively. Interview respondents identified the relatively slow roll-out of the Project Development Facility and the slow pace of establishing the LAKAJI Corridor Management Group as well as the LAKAJI Development Alliance as the principal drivers of these perceptions.

⁵ Source: KII Analysis

Figure 6: Beneficiaries' Perception of IR Success



Most of NEXTT activities would lead to an improvement in Nigeria’s capacity to trade only if they are fully implemented. Given the resources available as well as the remaining project LOP, it is unlikely NEXTT will meet its intermediate results and overall project objectives. There has been no activity at a strategic level to improve the capacity of the government’s institutional and human resources to support non-oil sectors and address the constraints to doing business in Nigeria. A few individual processors and business people will benefit from funding and technical assistance and certain government functions may improve.

As Figure 7, shows, 72% of respondents believe that the project activities in which they have been directly involved will lead to an improvement of Nigeria’s capacity to trade. GON beneficiaries comprised 65% and 56% of those who “Strongly Agreed” or “Agreed Somewhat” with the question, whereas the private sector accounted for the majority of the neutral and all of the negative responses.

Narrative accounts were more cautious however. Private sector interviewees noted that Nigeria’s capacity to trade could increase only to the extent NEXTT is able to successfully execute project interventions

Figure 7: Will Activities Lead to Increased Capacity to Trade?

	Strongly Agree	Agree Somewhat	Neutral	Disagree Somewhat	Strongly Disagree
Total Respondents	36%	36%	20%	4%	4%
<i>Comprised of</i>					
Government	67%	56%	40%	0%	0%
Private Sector	33%	44%	60%	100%	100%

Activities to Date

Project activities under IR1 – LAKAJI Corridor Improvement – have not led to an improvement of Nigeria’s capacity to trade. Beneficiary interviews and a review of project activities detailed in the annual reports show that the LAKAJI CMG and the LDA have met only sporadically during Years 1 and 2. PDF funds were not made available until October, 2014. A follow-up to the well-received baseline corridor study was not carried out; consequently, training in corridor surveillance did not transition into any practical application.

Project activities under IR2 – Trade Policy and Trade Facilitation Support – may lead to a sustained improvement of Nigeria’s capacity to trade. Intrinsically, training and capacity building initiatives are limited by the will of the receiving institution to adopt the new skills and employ new regulations, standards, and procedures. Eight public sector institutions reported receiving some form of training from NEXTT, with FERMA, MITI and NEPC having received two or more trainings. Topics ranged from internationally accepted food safety standards to post-clearance customs audits to product packaging for export markets. The recently inaugurated National Food Policy (inter-ministerial) Committee is an admirable example of technical assistance and capacity building that has had an institutional impact on the GON. To ensure that initiatives with the NCS, MITI, NIPC and the NEPC, among others, result in an expanded capacity for trade, the NEXTT project will have to remain engaged with the counterpart institutions to shepherd through new policies, processes and procedures.

Project activities under IR3 - Expanded Export Support – have led to a limited improvement to Nigeria’s capacity to trade but much more could be done to broaden the impact of this IR. Technical assistance at the firm-level to facilitate market linkages

and institute food safety and quality standards had a direct impact on the individual beneficiaries involved. NEXTT has coordinated visits to cashew buyers in Vietnam and to Dubai (Indian market linkages) and fifteen exporters, primarily of cashew, have expanded exports, or penetrated new markets through project technical assistance. To its credit, NEXTT has coordinated with the NEPC in its export promotion activities and NEPC officials have participated in the export marketing visits.

Question 1a: How relevant is the project’s design with respect to the integrated approach adopted – transport corridor improvement, trade policy/facilitation, and export promotion? In answering this question, address the factors outside the project’s control, which may impact the project reaching its objectives. Also address which (if any) of the projects objectives should be scaled back (or up) and why (or why not)?

Successful trade corridors result from meticulous strategic planning as well as advantageous geography and demographics. The concept of the Lagos to Kano to Jibia (LAKAJI) trade corridor is not only unique in the sub-continent due to its large population, geographic diversity and the existing volume of trade but could be the continent’s leading trade route, given the right strategic planning, macroeconomic conditions and policies. This will take significant buy-in from political and government leadership at the national and state level.

Nigeria is emblematic of Africa’s great economic potential it is also a summation of the continent’s shortcomings. The political and economic ramifications of the “resource state” run deep and have bequeathed not only political instability but a public sector unable to systematically address non-petroleum trade and economic policy. Historically, government and petroleum have not only crowded out investment in areas such as agriculture and manufacturing but have resulted in clutter of ad hoc policies investors find difficult to navigate.

The development of a trade corridor running the length of the country conjures images of significant infrastructure development and policy reforms in trade and transportation. The Government of Nigeria is practically constrained in its financial, institutional, and human resource capacity, to support the non-petroleum sectors including the establishment of the LAKAJI Corridor.

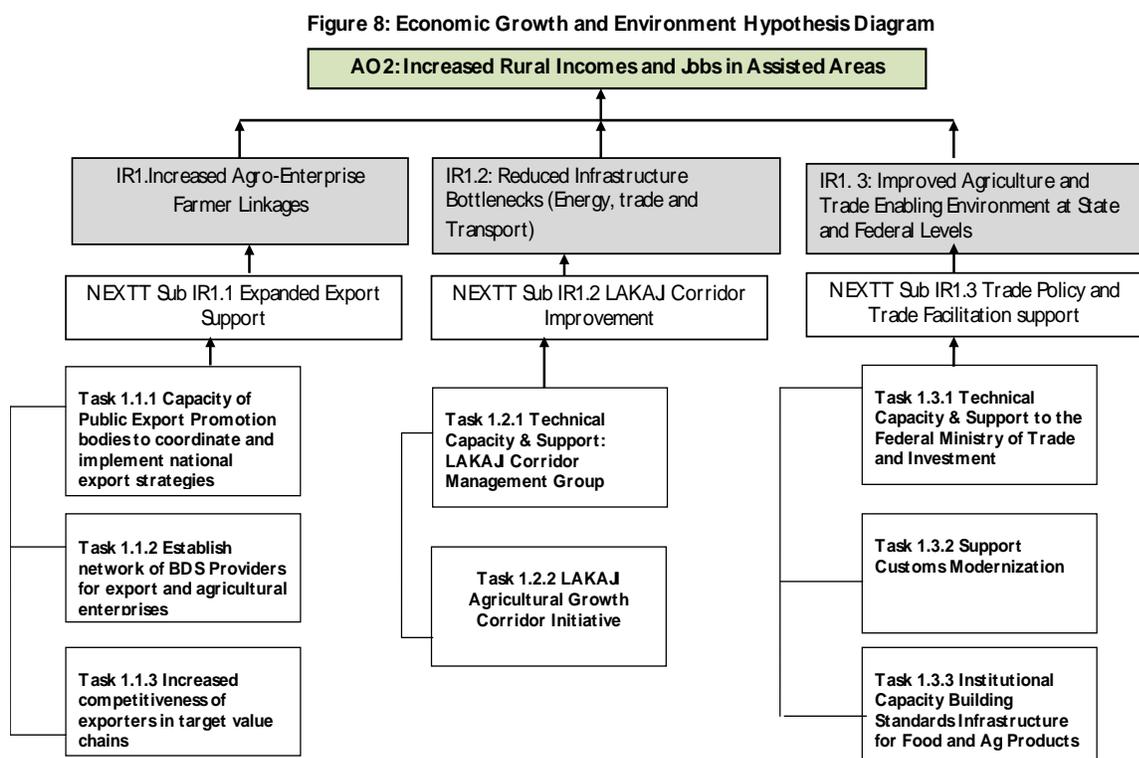
USAID’s interest in the corridor development must be long-term, deliberate and focused on specific outcomes, with the understanding that the process, including strategic alignment with the GON, coordination with bilateral and multilateral donors, as well as proper sequencing of initiatives, is as important as the goal itself.

NEXTT has performed significant work providing crucial measurement and analysis of

corridor trade logistics as well as assessments of high-potential agricultural value chains. Yet, overall the project has failed to achieve many of its performance targets; it has not stimulated significant agricultural investment, developed any specific policy aimed at corridor development, nor has it brought about a reduction in the time and cost to trade along the LAKAJI Corridor. This is due to a series of causes starting from flaws in design but also including poor project management and ineffective project monitoring. The window of opportunity for the NEXTT project to accomplish results of any consequence is closing and USAID will have to re-prioritize IRs and Sub-IRs, closely supervise implementation, and enhance monitoring and evaluation (M&E) during the remaining life-of-project (LOP) to realize outcomes.

Contradicting project interventions, sequencing of activities, inadequate resources, a short time frame, as well as prolonged institutional development have impeded project effectiveness.

USAID/Nigeria’s Assistance Objective Two “Increased Rural Incomes and Jobs in Assisted Areas” supports a wider agency goal of broad-based sustainable economic growth. The following Intermediate Results IR 1.1 “Increased Agro-enterprise-farmer linkage”, IR 1.2 – “Reduced Infrastructure Bottlenecks” and IR.1.3 – “Improved Agriculture and Trade Enabling Environment at State and Federal level” are vital to realizing the Mission’s Assistance Objective 2. The results framework shown in Figure 8 illustrates how the NEXTT project tasks feeds into outcomes that support the EGE IRs.



The NEXTT project's intended results are:

- 1) Reduction of delays and bottlenecks through the LAKAJI Corridor border by 30% by 2016;
- 2) Establishment of new agribusinesses valued at US\$25 Million along the LAKAJI corridor;
- 3) Improve the capacity of GON officials to address trade policy and trade facilitation constraints; and
- 4) Helping assisted firms to generate US\$30 million from exports of cocoa, cashew, shea nut, sesame seeds, processed agricultural foods, home décor, fruits and vegetables, leather, garments and seafood products to regional and international markets.

NEXTT appears to be well elaborated with intended results clearly flowing into the larger Assistance Objective. However a more detailed analysis demonstrates that project design, objectives, and resources are not well aligned.

1. Sequencing: Evidence from Ghana and Uganda strongly suggests that starting with policy and business environment reforms is a necessary prerequisite for effective firm level assistance. The private sector should first be encouraged to participate in existing national policy reform mechanisms in an organized and constructive fashion to achieve the best possible outcomes. Consequently, more emphasis on policy and addressing constraints to doing business in Nigeria is needed before firm level assistance can be successful. There is extensive literature on trade and investment principles and programs over the past thirty years. Fundamental to a successful country programs is getting the policies right.

This includes:

- Appropriate exchange rates
- Low inflation
- Free market domestic policies
- Production principally in the hands of the private sector.

While essential to trade and investment, experience has shown that there is a relatively low pay-off for just following a reform agenda. Countries need to identify catalytic agents that put a cumulative process in motion; this involves continuous upgrading of the productive capacity of firms. This is done through

- Favorable export policies
- Fostering export oriented foreign investment

- Establishing linkages between local firms and foreign markets
- Greater collaboration between Government and the private sector, as well as collaboration between firms, in terms of clustering.

Effective Trade and Investment programs include the following:

- An appropriate policy framework
- Establishing linkages between firm and foreign buyers, foreign investors, and suppliers
- Information on foreign market requirements
- Cost sharing programs for firm level assistance of new experimental activities.

Outside of policy reform, experience has shown that assisting government has had little impact. It is more productive to work through trade associations, if these exist, or through individual firms.

NEXTT was designed to address both policy and investment at the same time. In concept there is nothing wrong with this, but in reality the Nigeria business environment remains extremely difficult, making concerted assistance to the business sector problematic. Nigeria ranks 170/189 in countries participating in the World Banks "Doing Business Index." KII survey responses to the question "Do you think the integrated approach adopted for implementing NEXTT will ensure project objectives are attained?" showed that 100% of those who responded "Neutral", "Disagree Somewhat or" "Strongly Disagree" came from the private sector, while 83% of those who "Strongly Agreed" were from Federal and State governments. More must be done to improve the business climate before business development assistance can be effective.

For example, the owner of the modern Valency Cashew Processing Company is considering moving his plant to another West African country because of red tape and a lack of access to electricity from the grid. He stated, "If this factory fails then Nigeria has failed."

In sum, trade facilitation literature, KII beneficiary responses, and numerous consultations with sector stakeholders demonstrate that the integrated approach that forms the basis of the NEXTT project design does not adequately address the constraints from an unduly harsh business enabling environment confronting Nigeria's private sector.

2. Scale: The NEXTT project is too small to achieve its broad development objectives. USAID appears to not have invested enough in absolute terms for its trade facilitation programs to have a significant impact given Nigeria's size and a comparison of historical budget obligations to Nigeria against its development assistance peers. According to USAID's Trade Capacity Building Database, total USAID trade facilitation obligations to

Nigeria between 2008 and 2013 were \$33.7 million, yet Rwanda, Ghana and Uganda, dwarfed by Nigeria's regional importance, economy, and population, each received more over the same period. Ethiopia, with roughly half the population and one-tenth the GDP of Nigeria, has been obligated 5 times as much. Nigeria's obligations were slightly above those of Indonesia, \$31.0 million, the only country in the database with a larger population and economy. Yet Indonesia's manufacturing and agriculture sectors are markedly advanced relative to Nigeria's. The disparity is even starker when the same obligations are calculated as a percentage of 2013 GDP. Rwanda led Africa in this regards with 2008-2013 trade facilitation obligations amounting to 0.52% of GDP, while Nigeria received the least, 0.006%, as a proportion of its GDP. When this metric is applied against other regions, again only Indonesia compares with Nigeria (Figures 9 and 10).

Figure 9: USAID Trade Facilitations Obligations in Africa

	<i>\$ Millions</i>	<i>\$ Billions</i>		<i>Millions</i>	
Country	Obligations 2008-13	2013 GDP	% of GDP	2013 Population	Obligation / Capita
Ethiopia	156.7	47.5	0.330%	94.1	\$1.67
Egypt	69.9	272.0	0.026%	82.1	\$0.85
Tanzania	45.5	43.6	0.104%	49.3	\$0.92
Uganda	43.2	24.7	0.175%	37.6	\$1.15
Ghana	43.2	48.1	0.090%	25.9	\$1.67
Rwanda	39.0	7.5	0.519%	11.8	\$3.31
NIGERIA	33.7	521.8	0.006%	173.6	\$0.19
Mozambique	25.5	15.6	0.163%	25.8	\$0.99
Kenya	17.6	55.2	0.032%	44.4	\$0.40

Source: USAID EADS Trade Capacity Building Database / World Bank Data Sets

Figure 10: USAID Trade Facilitations Obligations in Selected Countries

Country	<i>\$ Millions</i>	<i>\$ Billions</i>		<i>Millions</i>	
	Obligations 2008-13	2013 GDP	% of GDP	2013 Population	Obligation / Capita
Colombia	120.0	378.4	0.032%	48.3	\$2.48
Dominican Republic	60.8	61.2	0.099%	10.4	\$5.85
Georgia	39.1	16.1	0.242%	4.5	\$8.71
Guatemala	38.8	53.8	0.072%	15.5	\$2.51
NIGERIA	33.7	521.8	0.006%	173.6	\$0.19
Jordan	32.0	33.7	0.095%	6.5	\$4.96
Indonesia	31.0	868.3	0.004%	249.9	\$0.12

Source: USAID EADS Trade Capacity Building Database / World Bank Data Sets

There are approximately 70 million people living in proximity to the LAKAJI Corridor. The corridor traverses Nigeria's five most populous states and it accounts for about 44% of GDP or \$230 billion. Daily traffic estimates are between 5,000 and 17,000 vehicles. Any initiative that could reduce the time and cost of imports, exports and transit through the LAKAJI Corridor by 30% would be comprised of targeted policy reform, infrastructure investment and institutional development. Of the \$14.8 million NEXTT budget, \$2.8 was expended on the corridor over the first 29 months of the project. The sheer scale of the proposition of addressing bottlenecks along the corridor, including the infrastructure chokepoints identified between Ibaden and Lagos, suggests that a budget the size of the NEXTT project could only have a limited impact, at best, on corridor performance. Paradoxically, successful implementation of export and investment sub-IRs would actually add traffic to the corridor increasing the pressures to achieve the objective of reducing time and costs of transport.

3. Mixed Institutional Roles: The LAKAJI Corridor Management Group and the LAKAJI Development Alliance are responsible for improvements along the LAKAJI Corridor. The former depends upon road, rail, and other infrastructure investment and the latter was intended to focus upon investment in large-scale agribusiness. Each of these initiatives in and of themselves is sufficiently daunting to warrant its own structure.

The capacity building focus of the LAKAJI Corridor improvement has been a slow process of bringing together a group of GON technocrats to measure corridor performance. This group would then advocate to the GON for policy changes that would, in turn, be implemented and change how the corridor is managed, thereby reducing the time and cost of transportation. The operations of the CMG have been

ineffective to date. The Evaluation Team understands that there was little awareness of the development of the corridor at the national and state level under the past government. Without interest and support on the part of the government the CMG will have little impact.

4. Lack of Causation: NEXTT project activities related to corridor improvement have no causal link with the time and cost of goods moving along the corridor. For example, the Year 2 approved work plan for Sub-IR 1.1- Provide technical capacity and support to the LAKAJI Corridor Management Group, lists the following activity categories:

- 1) Operationalizing the CMG governance structure
- 2) Finalizing state government commitments
- 3) Supporting the CMG to carry out corridor improvement actions (training on corridor monitoring)
- 4) Building capacity for stakeholder advocacy through a strong Nigerian Borderless Alliance

None of the capacity building initiatives will directly impact LAKAJI Corridor improvement time and cost performance indicators. A deeper flaw is that the project design inflexibly designated the corridor development body to be supported even before conducting a baseline assessment to understand the sources of the bottlenecks that drive the transit times and costs. As a result, the NEXTT project was locked into an ultimately ineffective strategy with respect to corridor development and has been undertaking activities that do not address the root causes of the problem it is intended to address.

5. Other findings include:

- The initial number of 11 value chains was unrealistic given NEXTT resources. Despite the value chain assessments of 11 crops some of which grow in many of the eight LAKAJI states, the three selected value chains, shea, cashew and cocoa, are not widely cultivated in the north of the corridor contributing to the complete lack of project activity in that region.
- Only one private sector respondent was contacted during NEXTT project design phase and, it is not surprising that the private sector beneficiaries provided the lowest ratings on project implementation.

Other donors particularly the European Union (EU), GIZ, DFID, and UNIDO are funding similar programs in trade and investment.

EU is funding the Nigerian Competitiveness Support Program, which is supporting the diversification of the economy away from oil. This is 19 million euro projects which will last four years. The project has three components

- 1) Support Trade Support Institutions. This is implemented by GIZ and is meant to strengthen national capacity to comply with ECOWAS trade policy.
- 2) Investment Climate: Working in land registration and business licensing in Kano. Work through the State Ministry of Lands and Ministry of Commerce. Implemented through DFID
- 3) Quality Infrastructure implemented through UNIDO and assists the GON in complying with national and regional standards.

GIZ works on capacity building with the Ministry of Trade and Investment, the Customs Service and the Export Promotion Board. It supports the private sector through capacity building with the Manufacturing Association of Nigeria, Nigeria Association of Small and Medium enterprises and the Nigerian Association of Small Scale Industry. It has piloted a Trade Route Incident Mapping System in Ogun and will pilot another mapping study in Lagos this year. The mapping is done by the private sector in which they report incidents of corruption and non-trade barriers in the state through the use of mobile phones. GIZ also supports trade policy with the Ministry of Trade as well as supporting the Trade Facilitation Task Force.

UNIDO is implementing part of the EU-funded Program to help Nigeria boost trade and improve productive capacity. The program is intended to improve the competitiveness of the country's economy in the non-oil-related sectors, boost trade and productivity, create jobs, and reduce poverty. Core areas of intervention are strengthening Nigeria's trade support institutions; and support to the national quality infrastructure.

The Evaluation Team noted that there appears too little if any formal coordination between USAID and other donors on trade and business development. USAID should consider focusing and concentrating its remaining resources and time on the best way to facilitate trade policy and improve the business environment. This will involve formal coordination with other donors as well as working closely with the government of Nigeria at the national and local levels and the private sector.

Additional support to the LAKAJI Corridor is not warranted unless: 1) there is real interest and political will for its development on the part of the new government; 2) USAID is willing to provide long-term (at least ten years) support for the development of the Corridor and is willing to provide sufficient financial resources to complement those of the GON, the private sector and other donors

Question 2: How effectively has NEXTT implemented program activities under each component? What has it done well and what are some areas for improvement? In answering this question, the evaluation team should address the following:

- **Note what has worked/didn't work in specific activities such as improving**

corridor performance, trade facilitation, access to finance and expanding exports, etc.?

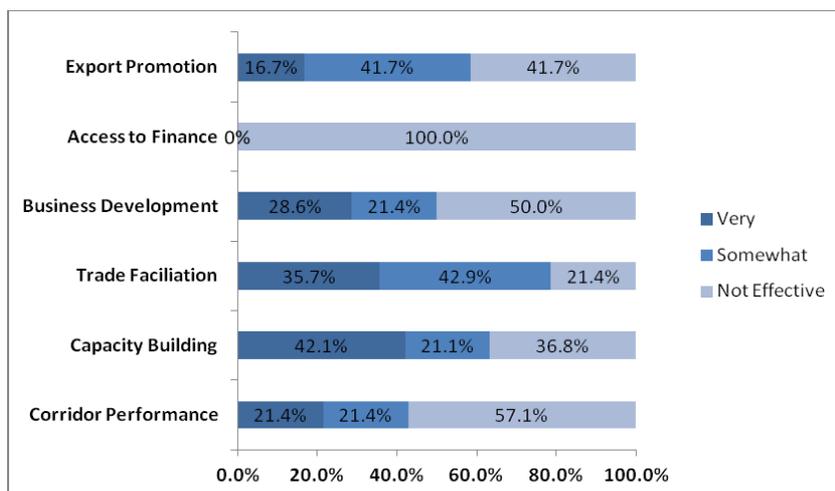
- **To what extent has the project’s activities fostered a sense of ownership of reforms and buy-in among GON counterparts? When answering this question specify how you are gauging the concept of buy-in.**
- **To what extent have beneficiaries (including women and youth) benefited from the project?**

Findings were determined from an analysis of activities, performance indicators, and key informant interviews.

The implementation of NEXTT has stagnated in key areas. Levels of performance vary by component as well as from year to year. Some output indicators targets were met and surpassed, while many others particularly in component 1 and 3 are far behind the PMP targets. Additionally, a number of activities detailed in the annual reports have no bearing on outcomes and thus no tangible impact on the NEXTT project’s strategic objectives.

The beneficiary perception of the effectiveness of NEXTT project implementation confirms this finding. Figure 11⁶ shows the assessment of the effectiveness of key activities implemented under the three components by the interviewed beneficiaries. Fifty-seven percent (57%) rated Corridor performance Not Effective. Remarkably, 100% of respondents indicated that Access to Finance activities have been “not effective.” This is certainly due to the fact that most investors and exporters who desire NEXTT assistance to access funds have not been successful in gaining finance and the delayed initiation of the PDF.

Figure 11: Respondents Effectiveness Assessment of NEXTT Activities



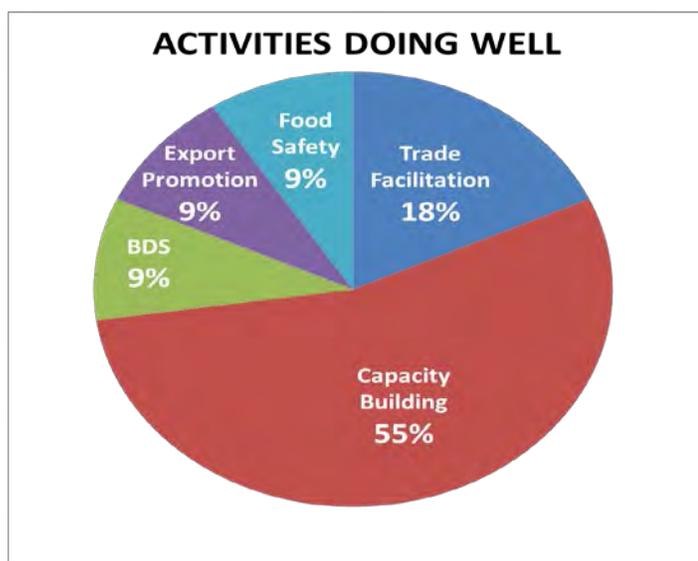
⁶ Source: KII Analysis

The low execution rates on some key activities also contributed to the public perception of the Not Effective response in project implementation. An analysis of project implementation in the Years one and two, indicates that out of 55 activities planned under LAKAJI Corridor Improvement, only 21 were completed. Similarly, of the 9 outputs indicators targeted for achievement only 3 were completed. Under Trade Policy and Trade Facilitation 32 activities out of 83 were completed at the end of year 2. However, 4 of the 6 output indicators targets for the two years were met. For Business Expansion and Export Support, 18 out of the 36 planned activities were completed, while only 3 of the 7 indicators were met during the reporting year.

Beneficiary responses on project implementation also indicate that only capacity building, particularly with the public sector, under trade policy and facilitation and expansion support to be doing well. On the other hand 55% of respondents rated LAKAJI Corridor Improvement activities as not doing well.

As Figure 12⁷ indicates, capacity building, trade facilitation, food safety, and export promotion together comprise 82% of the “doing well” response from the beneficiary perspective. This view is reinforced by the indicators and activity tracking examined above. This success is linked to the fact that NEXTT worked closely with a number of key public sector institutions, such as the Federal Ministry of Industry, Trade and Investment, the Nigeria Customs Service, the Nigeria Export Promotion Council.

Figure 12 NEXTT activities that are doing well



Key informant interviews and a review of project documentation revealed a relatively

⁷ KII Analysis

low level of Government ownership of reforms and buy-in to project activities, varying by IR.

Government of Nigeria buy-in for the LAKAJI Corridor Improvement is extremely limited. Only 31% of GON beneficiaries believed that the GON demonstrated sufficient ownership of the project activities in which they were engaged.

The Federal Government has not officially recognized the LAKAJI Corridor as a government initiative nor has it enacted any policies to support its development. Consequently, the GON has not made any specific budget allocations for the LAKAJI Corridor infrastructure nor for a coordinating body. Only three of the eight state governments along the corridor (Katsina, Kano, and Niger) have signed a Memorandum of Understanding (MoU) with NEXTT on its development. LAKAJI CMG members from the GON represent agencies or ministries that are unable to influence the highest levels of government and make the LAKAJI corridor a GON priority.

Trade Policy and Trade Facilitation has garnered a relatively higher level of GON buy-in and ownership. NEXTT has contributed to an update of the 1957 Customs Law currently before the National Assembly as well as the Food Safety Policy enacted in late 2014. The GON convened an inter-ministerial food safety committee to draft regulations around the new policy and put them into operation. NEXTT technical assistance to the Nigeria Customs Service modernization, particularly the adoption of World Trade Organization and World Customs Organization standards has the support of the Comptroller-General of Customs and a dedicated senior level staff.

GON buy-in for Export Promotion is restricted to individual assistant director level counterparts at the Nigeria Export Promotion Council, Nigeria Investment Promotion Commission, and the Federal Ministry of Agriculture and Rural Development.

For the private sector, the beneficiary experience has varied widely not only by IR but also at the sub-IR level. With \$1.1 million of cashew exports in Years 1 and 2, participants in the Vietnam and Dubai export marketing activities express that they have benefitted from the project. NEXTT, with partners National Cashew Association of Nigeria and NEPC, set up buyer-seller meetings in Vietnam and in Dubai for eight exporters in support of the NEPC Cashew Export Development Strategy which aims to export close to 100,000 metric tons in 2015. On the other hand, stakeholders in Kano, with the exception of one Kano State Ministry of Commerce representative, reported no knowledge of the NEXTT project. Private sector logistics and transportation investors, such as Crescent House and APM Terminals indicated that they have attended a number of meetings relating to the LAKAJI corridor but have seen no substantive results.

The Evaluation Team has limited empirical evidence to determine the extent to which women and youth have benefitted from NEXTT project activities. Of the 27 beneficiaries provided by the NEXTT for the mid-term evaluation only four were women, none of

whom were from the private sector, and none were youths. Training and capacity building activities with the GON have included women and are recorded in the PMP tracker. NEXTT supported agribusinesses may have secondary level gains for women and youth. For example, the Valency Cashew factory employs over 300 women in cashew splitting and cleaning. Similarly women and youth are also engaged in the picking of cashew and shea nuts at the farm level.

Question 3: What are the key factors that have determined project performance? Given these, evaluate whether the project can meet the overall objective and its contractual results, deliverables and PMP indicator result targets within the remainder of the project life.

The following factors are driving poor project performance:

1. Lack of Strategic Alignment between NEXTT and the Mission

Despite clear annual work-plans, the EGE Office and NEXTT project leadership could not come to a practical understanding on the strategy to implement the LAKAJI Corridor Improvement IR. With a clear mandate to develop and support the moribund LAKAJI Corridor Management Group the NEXTT project instead encouraged a second, more active body, to drive infrastructure, logistics, and transportation investment in the corridor. This second group, called the LAKAJI Development Alliance (LDA) was led by private sector participants from the trade, transport, logistics, and investment sectors with some GON participation from the Nigeria Investment Promotion Commission and the Federal Ministry of Finance. Further complicating the matter, the LDA was billed as performing the role of leading the Agriculture Growth Corridor Initiative in annual and quarterly project reports, when, in fact, they were primarily active in transportation and logistics. Unable to dissuade the NEXTT COP from his approach, the Mission restricted project funding for an LDA investment seminar on the LAKAJI Corridor that was planned for August 2014 and issued a cure notice in September 2014 to the CARANA Corporation. Finally and with the involvement of CARANA's global CEO, the COP in question was relieved of his duties in November, 2014. As a result, NEXTT lost about a year of project time; suffered reduced credibility, clarity, and direction from the standpoint of counterparts; incurred additional project expenditures relating to severance, recruitment and international relocation; as well as underwent a lull in productivity that comes with a change in project leadership.

2. Lack of Managerial Focus

Stakeholders have complained that follow-up by the project on activities under the LAKAJI Corridor Improvement and the Expanded Export Support IRs has been inconsistent. Both private and public sector respondents stated that long periods would pass between initial stakeholder engagement, at a large workshop or seminar, and subsequent implementation of initiatives. Others have indicated that they are unaware

of the project's plan to implement the activities in which they are engaged. Erratic project engagement and communication was cited by private sector interviewees as hindering implementation of activities, while it was an impediment to programming and activity planning for the public sector. Poor data quality including documentation of data sources, consolidation of data in spreadsheets and inconsistencies between data in annual reports, PMP Tracker and the USAID Performance Reporting System point to ineffective oversight of this key function.

3. Ineffective Human Resources Management

NEXTT management suffers from high rates of staff turnover, non-resident technical advisors, and frequently changing roles within the organization. As Figure 13⁸ indicates, in January 2015, the NEXTT project received its third Chief of Party in just over two years, and, while some degree of turnover is expected for any project, NEXTT's three Component Leads, the Finance and Administration Manager, and the Monitoring and Evaluation Manager, among others, have left the project. The Export Expansion Support lead position has been vacant since February 2015 and the Project Development Facility Team had not yet been formed. It currently consists of one short-term consultant who is also responsible for project operations. This degree of turnover has clearly hindered project performance, particularly in the M&E function, LAKAJI Corridor Improvement and Expanded Export Support where a majority of performance indicators have not been met.

Figure 13: NEXTT Staff Turn Over

Key Positions / Times Turned Over		Last Turned Over
Chief of Party	3 rd	January 2015
LAKAJI Improvement Lead	2 nd	July 2014
Trace Policy/Facilitation Lead	2 nd	March 2014
Expanded Export Lead	2 nd	February 2015
Finance & Admin Manager	2 nd	July 2013
M&E Manager	2 nd	February 2015

4. Overreliance on technical expertise from abroad has slowed Value Chain Development.

The cashew and shea value chain technical advisors under Expanded Export Support were foreigners and not Nigerians. The cocoa advisor is a local consultant who is not in-house. The cashew value chain is the only value chain that has shown any level of

⁸ Source: NEXTT Staff Profile

project activity. Nonetheless, beneficiaries have remarked that even this technical assistance has been intermittent. Furthermore, some staff have been assigned responsibilities unrelated to their position at NEXTT or previous experience. The Program Assistant, with a background in Human Resources, recently assumed the role of M&E manager and is also acting as the Shea Value Chain manager.

The turnover and quality of staff has affected how the project is managing M&E tasks. For instance, the PMP has not been updated to meet the required USAID standards, inconsistencies were found in the data captured in to the PRS database and what has been reported in periodic reports. Similarly there have been changes in the unit of measure with regards to indicators that report time and costs of transporting goods along the LAKAJI Corridor. Initial measure used absolute numbers while the current measure is on percentage basis.

5. Impediments from the USAID/Nigeria Mission

The Project Development Facility funds were only made available to the NEXTT project towards the end of Year 2. Coupled with the change in COP mentioned above, there remains little more than a year to vet, approve, procure services, and solicit bank or other investor financing for the projects in the pipeline. Nigeria is a notoriously difficult country in which to operate. Using the World Bank Doing Business Index for Nigeria, the Evaluation Team measured the number of days required to engage in some of the basic steps to establish and operate a business enterprise - see Figure 14. The data implies that the PDF and subsequent investment process would have to transpire flawlessly for each applicant for the NEXTT project to arrive at the point of registering an investment, not to mention the additional work to generate exports. Consequently, the project runs an acute risk of not completing the PDF process in the remaining LOP.

Figure 14: Doing Business Ranking

2015 World Bank Doing Business Ranking: Nigeria (in days)			
Open a Business	28.0	Register Property	77.0
Construction Permits	116.0	Enforcing Contracts	477.0
Getting Electricity	260.0	Loan processing times*	90 to 180
*Source: Adeoti (University of Ibadan)			

By barring NEXTT from publishing a website, USAID also negatively impacted project performance, as communication with key stakeholders and the public in general was hindered. An official website would facilitate publicizing job openings; distributing PDF

materials; sharing the numerous corridor and value chain assessments; maintaining a weblog (blog) to encourage stakeholder dialog; and posting details on upcoming project activities.

Well into the third year of the project, the Kwara State Public Private Partnership Office indicated that they had not received a response to the draft of the MoU document that they had submitted in 2014, this despite the fact that was reported as having been signed in the Year 2 Annual Report. The expectations of the Kwara State Government were raised as it initially negotiated the terms of the MOU directly with the NEXTT project. However, as the Mission has assumed the role of the counterparty signatory to State government MoU's, the process slowed and months passed without any communication from the project or the Mission to the Kwara PPP Office, leaving their officers unclear of USAID/NEXTT's intentions.

6. Selection of Appropriate Counterparts

NEXTT design explicitly required that support be provided to the LAKAJI Corridor Management Group. However the CMG failed to move as quickly as it should to establish itself and to begin the policy advocacy that would invigorate the development of the LAKAJI Corridor. The leadership of the CMG was drawn from the Council for the Regulation of Freight Forwarding in Nigeria (CRFFN), a subsidiary agency within the Federal Ministry of Transport, and was not positioned to champion a large scale inter-ministerial initiative with potential budgetary implications. Substantive policy actions require Executive commitments (Presidential or Ministerial) not Directors in Ministries or Parastatals. The Evaluation Team believes that the most effective approach is to work through existing high-level FGN mechanisms, including the National Economic Management Team and the Federal Executive Council.

7. Level of Counterpart Engagement

Buy-in to NEXTT activities by the GON has depended upon the recognition by GON agency leadership of the benefits of the proposed project activities. NEXTT project management and sub-contractors indicate that the GON beneficiary agencies that have dedicated a senior level officer, Assistant Director and above, to work specifically on project activities have been more engaged than agencies that assign officers on an impromptu basis. Nonetheless, Human Resources and other back-office departments within the said GON agencies are involved in assigning individuals or approving travel for trainings. Planned trainings have been delayed at the Federal Ministry of Industry Trade and Investment and the Nigeria Customs Service because officers have not been assigned by their respective HR offices and future customs modernization activities depend on internal approvals. Consequently, the silo-like nature of these agencies obliges the repeated engagement with busy agency leadership to overcome bureaucratic inertia.

8. Other Exogenous Factors

The exogenous influences on program implementation include the deteriorating macroeconomic environment in Nigeria resulting from the fall in the world price for crude petroleum, which drastically reduced GON revenues and capital budget expenditures, weakened the Naira against major world currencies, and created a highly uncertain environment for business trade and investment. The cost and availability of electricity and fuel, political uncertainty due to the April 2015 election, prolonged insecurity in the north of the country, ad-hoc trade policies, Nigeria's poor reputation internationally, rampant corruption and vested interests were also cited as impacting project performance and private sector beneficiaries in particular.

At the end of the second year of the project, nine out of 22 performance indicators targets were at serious risk of not being met. (See Figure 15). It has also proven difficult to make accurate comparison with LOP targets because of inconsistencies in performance data reporting.

Figure 15 Performance Indicators at Risk

INDICATOR	% Mid Point	% LOP
1.1.1 Reduction in IMPORT / EXPORT cost	0%	0%
1.1.2 Reduction in days to IMPORT / EXPORT	0%	0%
1.1.3 Reduction in cost between LAGOS & KANO	0%	0%
1.1.4 Reduction in time between LAGOS & KANO	0%	0%
1.2.2 Value of new agricultural investments**	2%	1%
1.2.4 Value of PDF investments mobilized	0%	0%
2.2.1 No. of Customs harmonization procedures implemented	0%	0%
3.3.1 Value of exports by NEXTT client firms facilitated*	28%	6%
3.3.2 Value of investments in NEXTT client firms facilitated **	36%	10%
<i>**Excludes \$8M Valency Cashew Processor included in PMP Tracker</i>		

IR-1 LAKAJI Corridor Improvement: There is a high probability that six out of the nine indicators for this IR will not be met over the LOP. Indicators 1.1.1 through 1.1.4 in the table above relating to the time and cost to import into, export from, and transit goods through the LAKAJI Corridor have not been measured since the baseline assessment took place in Year 1. An update to the assessment is to take place in July, 2015. However, given the inactivity of the LAKAJI Corridor Management Group and the LAKAJI Development Alliance, it is doubtful that any changes, positive or negative, could be reasonably attributed to the project. Indicators 1.2.2 and 1.2.4, tracking new agricultural investment and PDF investments mobilized respectively, are also at risk because the project's strategy to stimulate agricultural investment relied entirely on the technical and feasibility studies that would be partially funded through the PDF, which was only made available to the NEXTT project after October 2014. Though three PDF projects have been approved in 2015, achieving the LOP agricultural investment target of \$25 million would require flawless execution of the PDF and an unusually swift bank loan approval process given the approximately 14 months of remaining LOP. In the table above, the Evaluation Team discounts the inclusion of the \$8 million Valency Cashew Processing Factory investment as the owner refutes the significance of project technical assistance and because it existed before project involvement.

IR-2 Trade Policy and Trade Facilitation: Indicator 2.2.1, number of customs harmonization procedures implemented, has recorded a zero value in Years 1 and 2. According to the NCS counterpart, the NEXTT project has provided substantial technical assistance and capacity building, particularly on Post Clearance Audit, a new Authorized Economic Operators program, new Risk Management methods, as well as general NCS policies and procedures. Yet the NCS Comptroller General has not acknowledged having received these services in writing and, as such, they cannot be included in the project results. Furthermore, elements of this technical assistance will only be legally recognized once the NEXTT supported and politically contentious Custom and Exercise Management Act (CEMA) currently before the National Assembly is enacted into law.

IR-3 Expanded Export Support: The two indicators, 3.3.1 Value of exports by NEXTT client firms facilitated and 3.3.2 Value of investments in NEXTT client firms facilitated, are impacted by the delayed PDF implementation as the project planned to use the PDF mechanism to stimulate investments and to a lesser extent, exports. As the table shows, only 6% export value and 10% investment value of the LOP have been achieved based on FY13 and FY14 data.

Question 3a: Assess the effectiveness of NEXTT's management structures and overall program management? How have the current structures affected progress to date? In answering this questions identify specific strengths and weaknesses.

Overall program management has been ineffective over the period examined due to the inconsistent implementation of project activities, the numerous unmet performance indicators, and key informant interview responses.

Beneficiary opinion of the effectiveness of NEXTT project management was graded on a scale of 1 to 5, with 1 being 'least effective' and 5 being 'most effective', and scored a rating of 2.84 or just 57%. 75% of those rating the NEXTT project either a four or a five came from the GON while all but one of the private sector respondents rated NEXTT management as three or less.

The NEXTT project organizational chart (Annex V) has a total of 16 technical and administrative positions and eight of this report directly to the Chief of Party. There is no one designated as the Deputy COP nor is there a full-time M&E Manager. The PDF is a task under the LAKAJI Corridor Improvement IR. Nonetheless, it will be overseen by the COP and not the technical component lead. Since the Export Expansion Support technical lead position is currently vacant, the COP also manages this area of the project. In the current configuration, the COP performs administrative, reporting, and technical as well as relationship duties and, as a result, the project effectiveness to a large extent is hinged to the COP's overall effectiveness.

CONCLUSIONS

1. The evaluation analysis showed that the Trade Policy and Trade Facilitation IR has been the most successful and the LAKAJI Corridor Improvement has been the least successful project IR. Given that approximately 14 months remain in the life of the project and the implementation, management, and programmatic issues identified, it is doubtful whether NEXTT interventions will lead to an increased capacity to trade for Nigeria.
2. The Government of Nigeria's financial, institutional and human resources capacity to support the development of non-petroleum economic sectors is very low and Nigeria's business environment is extremely challenging. Beneficiaries complained about the poor legal and regulatory environment, inadequate private sector engagement and the lack of basic infrastructure such as electricity, which drives up production costs. Nigeria ranks toward the bottom of the World Banks Doing Business Index. NEXTT does not appear to be addressing these fundamental issues critical to trade and investment.
3. There is little buy-in from the Government of Nigeria on the concept of the LAKAJI Corridor. It is not an approved government activity and no funding exists for corridor development. The individual States, which should be involved in corridor development, have not been appropriately engaged in NEXTT programming. Given the lack of government support at the federal and state levels it is improbable that the corridor

component of NEXTT can be successful, particularly regarding the CMG's meager results to date and lack of working synergy between the CMG and the LDA.

4. Investment and export performance targets depend upon the implementation of the PDF which only began in Year 3 of the project. Given the complexity of doing business in Nigeria, it is unlikely that the project could execute the PDF studies and analysis and formalize the resulting investment during the remaining LOP.

5. Formal donor coordination for trade policy and investment has not taken place. This is essential, since other donors are working in the same technical areas within the same ministries as NEXTT. A synchronized and strategic donor approach may be more successful in getting key legislation passed such as the Customs and Exercise Management Act, Food Safety Policy and WTO standards, than the current support from bureaucratic and technical level GON counterparts.

6. Almost all of NEXTT project activities have occurred in the four southernmost LAKAJI Corridor states. The evaluation team found no project activities implemented in the north, beyond the reported MOUs with Niger, Kano and Katsina states. NEXTT has not undertaken any agribusiness investment, export support or trade capacity building initiatives in the north and many key officials are not aware of the project interventions.

7. Management systems and oversight need to be improved. USAID needs to be more responsive to federal and state government and private sector inquiries and more attentive to their needs. CARANA needs to improve the quantity and quality of its staff and the consultants that it provides under the projects.

8. Unclear attribution standards, inconsistencies between results reported in tracking spreadsheets, the USAID project reporting system and annual/quarterly reports as well as spreadsheet errors make NEXTT project data quality unreliable.

RECOMMENDATIONS

Prioritization of Project Activities

Mission must determine project priorities for the remaining LOP and, in doing so, decide if the LAKAJI Corridor development will be a part of USAID's future trade and agribusiness strategy. If the Mission feels that it is unable to generate the desired outcomes for the corridor given the current project structures and future funding prospects then, it should withdraw from IR 1 LAKAJI Corridor Improvement entirely, with the exception of the PDF and USAID Development Innovation Ventures related tasks. Under such a scenario, the Mission should scale down support to the LAKAJI CMG and the LAKAJI Agricultural Growth corridor institutions, reassess status of policy initiatives to improve the business environment, to identify those that could be influenced during

the remaining LOP and increase firm level assistance, targeting medium to large scale agro-processing.

In pursuit of policy reforms, USAID and the NEXTT project should direct support through the GON's existing mechanisms for economic decision-making, the National Economic Management Team (NEMT) and Economic Management Implementation Team, and make them more responsive to private sector needs rather create new policy bodies. At the state level, the project should identify the appropriate state government policy formulation bodies and engage with them. Technical assistance to the GON and state governments should be demand-driven and better aligned with GON and stakeholder planning cycles. To support private sector participation in the policy formulation process NEXTT should work through and seek to build the capacity of a working organization such as the Organized Private Sector, the Nigeria Economic Support Group or the Manufacturers Association of Nigeria. The National Chamber of Commerce, Industry, Mines and Agriculture works at both the national and state levels. The Mission should have to assess which private sector association would be most suitable to advance the trade policy agenda. Finally the project should coordinate with the EU, GiZ and DFID on trade facilitation, customs modernization and food safety where they are currently implementing interventions in the same areas.

The NEXTT project should consider channeling private sector and firm level assistance through investment banks, consulting firms, or private-sector arms of donor agencies (i.e., the IFC, African Development Bank, etc.). Doing so would lessen the managerial burden on the project and has the potential to extend the impact of program activities well beyond the life of the project. For example, the project could outsource the management of the PDF to a local investment bank. It could also structure a five to ten year USAID Development Credit Authority loan guarantee facility, targeting agribusinesses within a specific geography, with one or more local banks. Nigerian Institute for Social and Economic Research could be a local source of policy analysis. Finally the project should combine efforts with USAID regional and other donor supported initiatives such as:

- a) West Africa Trade Hub – Arranging capital for investment ready projects,
- b) Ministry of Agriculture/World Bank/UNIDO – Staple Foods Processing Zone initiative,
- c) DFID – Kano-Jibia-Maradi Northern Corridor Initiative.

Recommendations for LAKAJI Corridor Improvement

Given the budget constraints facing the Agency, the Mission should first assess USAID/Washington's appetite for the long-term commitment of resources required to

develop the LAKAJI corridor.

To ensure commitment at the highest levels of government and the private sector, Mission leadership should then employ a strategic/political approach, particularly towards key officials in the Ministry of Finance and the Office of the President, in parallel to the EGE Office's current bureaucratic/technical approach. The advent of recently inaugurated Buhari administration and new state level governments provide a unique window of opportunity to interface with an attentive host country audience eager to find solutions to the challenges facing the country.

A first step toward crystallizing the concept of the LAKAJI Corridor would be to work with the GON to develop a strategic plan for corridor development. The analysis would identify key policy, infrastructure, and institutional requirements, quantify necessary private sector support and develop appropriate assessments, feasibility studies and funding analysis. Such a document could assist the GON to make the necessary arguments to advocate for the Corridor internally and amongst the impacted states. It could also guide donors and private sector investors toward investment opportunities.

It is essential that the Mission work through the appropriate existing GON policy setting mechanisms and not attempt to create new ones under its programs. Within the GON, the LAKAJI Corridor improvement initiative should be housed under a powerful ministry with broad authority across government. At the same time, state governments are integral players and need to be involved in planning and implementation.

Fiscal constraints at the federal level signify that the LAKAJI corridor is best developed as a partnership between federal, state, and private sector. Studies commissioned by USAID and evaluations of trade and investment programs in Ghana and Uganda show that the government's role should be limited to policy and effective regulation. Vibrant private sector participation is central to ultimate success but will not be forthcoming without a conducive policy framework.

In addition to the above, the Evaluation Team recommends the following guidelines be considered:

- 1) Interventions must be based on evidence based research. At the outset, efforts should be made to identify the key constraints and determine how best to address them. In doing so, past and current analysis need to be thoroughly reviewed and built into a LAKAJI technical and financial feasibility study.
- 2) The project needs to work at the State, as well as, the National level, since many constraints to trade are State imposed. States could work to improve trade within their own borders, the next step would be a more regional approach. At the same time, federal ministries and agencies could implement reforms in the field. Starting with Nigeria's two largest states Lagos and Kano, support could be given

to the State Ministries for Trade, as well as private sector groups and regional offices of federal agencies.

- 3) The private sector should champion LAKAJI Corridor development and support should be channeled through existing influential groups, such as the Nigeria Economic Support Group, that have access to senior political and government leaders and could lobby for progressive trade policies. Appropriate state-level private sector groups to work with the State governments must also be identified and engaged.
- 4) A Federal Inter-ministerial committee chaired by the Ministry of Finance would be the best mechanism to oversee policy formulation, prioritize activities and track progress around the LAKAJI corridor. The Ministry of Finance convenes the National Economic Management Team (NEMT) and the Economic Management Implementation Team through its Economic Research and Policy Management Department. These bodies deliberate economic policy and present recommendations to the Office of the President.

Project Management

The USAID/Nigeria Mission should exert a higher level of involvement and direction in NEXTT project management during the remaining life of the project to ensure core results are achieved.

Communication

USAID and NEXTT should undertake the following steps to improve communication with key stakeholders and beneficiaries:

- 1) Mission leadership should use the occasion of the recently inaugurated Buhari administration to identify and engage key counterparts at the Director/Permanent Secretary level and above that could hasten buy-in and support for key project objectives.
- 2) Technical office leads should maintain regular contact with GON counterparts engaged in project implementation to accelerate the feedback loop and quickly overcome any hurdles.
- 3) The Mission should lead stakeholder outreach and communication when major changes in personnel or project implementation occur, particularly with GON officials.
- 4) The NEXTT project, should develop a project communication plan for the remaining LOP to include a project website for which the Mission should obtain waiver and a periodic web-log /newsletter highlighting project activities and upcoming plans.

- 5) The NEXTT project must also continuously involve parent ministries when engaging GON agencies such as the NEXIM Bank, Customs or the Federal Road Management Agency.

Project Oversight

To enhance project oversight, a member of the EGE team leadership should participate in weekly management meetings with the COP and should meet periodically with the sub-contractors. Such meetings would be best located at the premises of the NEXTT project. Field visits should be increased as well as interactions with clients and beneficiaries. Milestones for the implementation of key initiatives, such as the Project Development Facility and state level engagement, must be enumerated and tracked independently on a weekly basis.

Human Resources

The Mission should regularly review and monitor the staffing pattern of the project. Existing foreign based technical advisors should commit to a set schedule of in-country work days linked to project contractual outcomes and any strategy to fill existing or future staffing gaps should rely on locally available expertise. Given the short remaining LOP, NEXTT should outsource project activities wherever feasible. Local consulting firms could be contracted to deliver the BDS training or export promotion services freeing up manpower for other project activities.

Donor Community

The Mission should meet periodically (quarterly) with the trade and investment donor community with the objectives of sharing information and enhancing operational coordination between implementers. Following from the above, the NEXTT project should set objectives and report on how it is collaborating with other implementers as an agenda item in the weekly meetings.

Review Performance Monitoring Plan and M&E Plan

NEXTT project IRs and indicators need to be reviewed to make the project results-driven as opposed to output-driven. In addition, the USAID EGE staff considers wording in some indicators as vague and easily open to interpretation. These need to be tightened and made more vigorous. Tasks should be appraised in light of their future applicability. Duplicative indicators, such as 1.2.3 Number of Development Innovation Venture proposals submitted, 1.2.4 Value of investments mobilized by project development facility and 3.3.2 Value of investments in NEXTT client firms facilitated as a result of project assistance need to be rationalized

The M&E plan is incomplete and must be reviewed and made compliant with USAID/PPL M&E policies, per the April 2013 PMP Review conducted by MEMS II. Moreover, clear attribution criteria should be defined to avoid uncertainty around

project results as the project generally facilitates but is not fully responsible for exports and investments. A data quality review for all custom indicators is necessary to ensure consistency between all project reporting and the integrity of the data aggregation process. The PMP Tracking Spreadsheet must be thoroughly reexamined to eliminate all cell reference and calculation errors and to ensure that data, once entered, clearly states its source and is difficult to change. To implement needed M&E improvements, the project will need a dedicated full-time M&E staff. The Mission should exploit the MEMS II project, engage USAID/PPL, or enlist a consultant to expedite this process.

ANNEX I: EVALUATION STATEMENT OF WORK

I. BACKGROUND INFORMATION

A. Project Identification Data

Development Objective:

Increase Nigeria's capacity to trade agricultural products domestically, within the ECOWAS sub-region and beyond, and improve trade efficiency and inclusiveness.

Project Title:

Nigeria Expanded Trade and Transport (NEXTT)

Award Number:

NO. AID-620-C-13-00002

Award Dates:

11 Oct, 2012 - 10 Sept, 2016

Funding:

US\$ 14,820,178

Implementing Partner (s):

CARANA Corporation (Prime)

COR/Activity Manager:

Roland Oroh

B. Purpose

The NEXTT project provides support to strengthen Nigeria's trade capacity. The purpose of the midterm performance evaluation is to, 1) assess the strengths and weaknesses of

the project's approach in addressing Nigeria's trade and transport challenges along the Lagos-Kano-Jibiya (LAKAJI) Corridor; and 2) to objectively assess the project's progress towards delivering its key outcomes. The Mission will use the evaluation findings to make any needed adjustments during the final two years of implementation.

C. Development Context

Project Summary

To address Nigeria's trade facilitation problems, the Government of Nigeria (GON) is working to reform and modernize its customs service, which will include the passage of a new Customs Act. The Act will provide a legal basis for sustaining the reform and modernization and will bring Nigeria's custom services in line with international best practice as recommended by the World Customs Organization and the Revised Kyoto Convention. The GON has also set up an inter-ministerial Trade Facilitation Task Force (TFTF), which resides in the Federal Ministry of Industry, Trade and Investment. The TFTF was created to address non-tariff barriers and bottlenecks along Nigeria's trade corridors. The task force provides a platform for dialogue between the public and private sectors on measures to improve trade facilitation amongst other objectives. At the enterprise level, limited access to finance and a lack of access to export markets has limited the ability of small and medium enterprises (SMEs) to tap into export markets and take advantage of opportunities within the West African sub-regional market and with the United States under AGOA.

In 2009, USAID/Nigeria's MARKETS project initiated trade and transport intervention activities with a focus on transport improvement of the LAKAJI Corridor. USAID activities also supported the drafting of a new customs code. In 2010, under the Nigeria Expanded Trade and Transport (NEEP) project, USAID/Nigeria began a two year pilot program to strengthen capacity at the enterprise level and expand trade in exportable products such as cashew, shea, and processed agricultural products. In October 2012, the NEXTT project was awarded to build on USAID/Nigeria's past trade and transport interventions with the objective of improving Nigeria's overall trade and transport competitiveness. The continuation of these initiatives under NEXTT is an opportunity for USAID/Nigeria to provide a long-term focus on trade and transportation improvement, and move toward greater sustainability of reforms. The NEXTT project contributes to the Trade and Investment Program Area, and the Trade and Investment Enabling Environment and Capacity Program Elements.

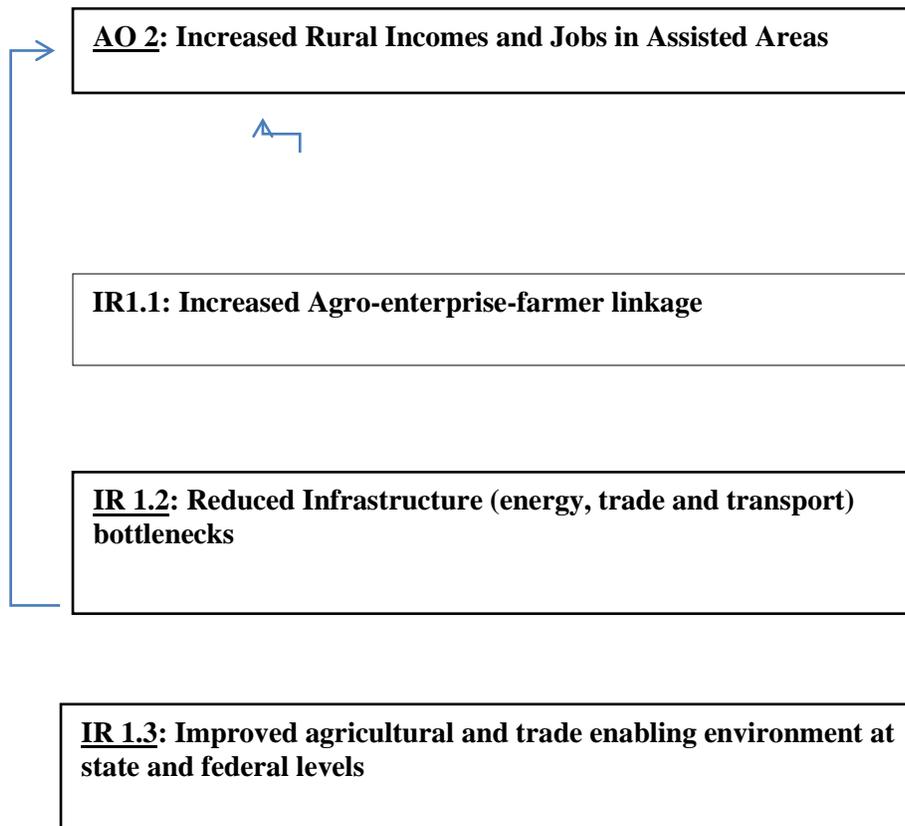
The map below shows the key geographical focus of the project.



Development Hypothesis

The NEXTT project was designed to address trade and transport constraints in ways that are catalytic, transformative, and in support of the government and private sectors' efforts. The project goal feeds into two intermediate result areas covered by the Mission's previous Economic Growth results framework: IR 1.2 – "Reduced Infrastructure Bottlenecks" and IR.1.3 – "Improved agriculture and trade enabling environment at state and federal level". Both IRs contribute and feed into the Mission's Economic Growth Objective of increasing rural incomes and jobs in targeted areas. This objective is predicated on the belief that by linking increased agricultural competitiveness to improvement in trade and transport competitiveness, economic opportunities in rural communities will increase. In addition, by working to reform Nigeria's business enabling environment and working to pass a new Customs Act, the cost of trading and doing business in Nigeria will be reduced. The establishment of the LAKAJI corridor management organization with a functional Secretariat will support advocacy efforts that help improve trade efficiency (measured by time and cost) along Nigeria's key trade corridor.

Economic Growth and Environment Hypothesis Diagram:



D. Results

The project's intended results are:

1. Reduce delays and bottlenecks from the ports in Lagos through Kano up to the Jibija at the Niger border by 30% by 2016;

2. Support the establishment of new agribusinesses valued at US\$25 Million along the LAKAJI corridor over life of the project;
3. Improve the capacity of GON officials to address Nigeria's trade policy and trade facilitation constraints and address implementation issues; and
4. Support the capability of small and medium enterprises to contribute meaningfully to Nigeria's non-oil export revenues by helping assisted firms to generate US\$30 million from exports of cocoa, cashew, sheanut, sesame seeds, processed agricultural foods, home décor, fruits and vegetables, leather, garments and seafood products to regional and international markets. Strengthen capacity of export service providers and the export promotion agency to support exporters.

The NEXTT project's theory of change assumes that it will achieve its objective of supporting Nigeria's capacity to expand trade by working on the following three components:

The three components are:

- 1) Lagos-Kano-Jibiya Corridor Improvement;
- 2) Trade Policy and Trade Facilitation Support;
- 3) Expanded Export Support.

E. Approach and Implementation

The approach to implementing this project involves the following five steps:

- 1) The establishment of an advocacy oversight organization that functions to facilitate improved transport along the Lagos – Kano - Jibiya inter-state road system.
- 2) The facilitation of agribusiness investments through the establishment of an agricultural growth corridor initiative around the LAKAJI corridor. This objective of this is to take advantage of the improving cost of transport along the corridor to support investors setting up new agribusiness, value addition projects, and logistics infrastructures such as cold storage and warehousing facilities

- 3) Recognizing the role of trade facilitation and its implications on the cost of doing business, the project's approach includes supporting the government's efforts to coordinate trade facilitation through direct technical support to the Ministry of Industry, Trade and Investments' Trade Facilitation Task Force. A key outcome of this effort is to decrease hold time (or Release Time) at the ports in Lagos and at the Seme Border post, to make cross border trade quicker and easier. Part of this effort also includes assistance to the Ministry of Finance to enact the Nigeria Customs Services Act and to increase revenue collection by the Nigeria Customs Service (NCS).
- 4) Strengthen business development services to exporting enterprises to increase jobs and export sales.
- 5) Provide institutional capacity building to public sector agencies such as the Nigeria Export Promotion Council, and public-private sector groups such as the LAKAJI Corridor Management Group and industry associations such as the National Cashew Association of Nigeria.

The project has had some implementation challenges. Within two years, it has had two Chiefs of Party as well as other staff turnover. The project has had some trouble reaching some of its performance targets in the first two years.

Project Modifications

Significant modifications to the project are pending, which will include an extension of the scope and increase of the cost of the NEXTT project from \$12 Million to \$15 Million to include a Project Development Facility (PDF) to support the establishment of socially-oriented agribusinesses located along the corridor. The objective of launching a LAKAJI Project Development Facility is to mobilize private capital for high priority investments along the corridor at a more rapid pace. The Facility will support development of projects to the point where they are investment-ready, primarily by leveraging the analytical capabilities of Nigerian and regional business development service (BDS) providers to overcome investor fears and fill information gaps. With this approach, several pipeline projects can be brought to funding stage and indeed become operational at a much faster pace with strong and convincing project documents such as feasibility studies and business plans.

F. Existing Data

A detailed list of documents to be made available to the contractor conducting the evaluation could be found in annex 1. These documents will be made available by USAID/Nigeria.

II. EVALUATION RATIONALE

A. Audience and Intended Users

The result of this evaluation will be used by the USAID EGE Office to provide specific and targeted guidance on the management and future-orientation of the project. Copies of the evaluation report will be shared with relevant supporting Offices like the Office of Acquisition and Assistance, Office of Financial Management, Program Office, and implementing partners. USAID will develop a dissemination plan in accordance with the Evaluation Policy as specified in Automated Directives System (ADS) Chapter 203.

B. Evidence of Participatory Approach

The evaluation questions were compiled based on input from the stakeholders involved in the project's implementation such as the Federal Ministry of Industry, Trade and Investment, the Nigerian Export Promotion Council and selected members of the LAKAJI Corridor Management Group. It is expected that the evaluation team will involve direct and indirect beneficiaries of the project from both the public and private sectors during the evaluation. See detailed list of stakeholders in annex 1.

Dissemination Plan

The final report will be published in hard and electronic copies and distributed within USAID/Nigeria, the Implementing Partner, the MEMS II project, and relevant primary stakeholders.

C. Evaluation Questions

In addressing the objectives of the evaluation, the following key evaluations questions, under three broad categories, should be answered:

Design

1. Of the three project components, which have been the most (and least) successful and why? Success is defined as meeting PMP indicator targets, approved work plans, and the project's stated objectives. In answering this question, address what, if any, evidence exists to verify that project activities have (or will) lead to an improvement in Nigeria's capacity to trade?

1a. How relevant is the project's design with respect to the integrated approach adopted – transport corridor improvement, trade policy/facilitation, and export promotion? In answering this question, address the factors outside the project's control, which may impact the project reaching its objectives. Also address which (if any) of the projects objectives should be scaled back (or up) and why (or why not).

Implementation

2. How effectively has NEXTT implemented program activities under each component? What has it done well and what are some areas for improvement? In answering this question, the evaluation team should address the following:

- Note what has worked/didn't work in specific activities such as improving corridor performance, trade facilitation, access to finance and expanding exports, etc.?
- To what extent has the project's activities fostered a sense of ownership of reforms and buy-in among GON counterparts? When answering this question specify how you are gauging the concept of buy-in.

- To what extent have beneficiaries (including women and youth) benefited from the project?

Management

3. What are the key factors that have determined project performance? Given these, evaluate whether the project can meet the overall objective and its contractual results, deliverables and PMP indicator result targets within the remainder of the project life.

3a. Assess the effectiveness of NEXTT's management structures and overall program management? How have the current structures affected progress to date? In answering this questions identify specific strengths and weaknesses.

III. EVALUATION DESIGN AND METHODOLOGY

A. Evaluation Design

The evaluation design will use qualitative approach to collect, analyze and, interpret primary data in order to answer the evaluation questions. The study design will involve document review, key informant interviews, and focus group discussion in three locations – Lagos, Kwara, and Abuja – where the project has more concentration of activities. Secondary data will be collected through review of project related documents.

The evaluation will adopt a staged approach. In the first stage, the evaluation team will review project-related documents, including the project's deliverables, as well as relevant literature on Nigeria's trade environment.

In the second stage, a Team Plan Meeting (TPM) will be held, during which the evaluation team will complete a number of tasks, including the following:

- Meet representatives of USAID, including staff of the Office of Economic Growth and Environment, to review all aspects of the SOW;
- Review available information to identify information gaps and refine data

- collection tasks accordingly;
- Design data collection instruments for individual interviews and focus group discussion;
 - Design discussion guides for a stakeholder roundtables;
 - Develop outlines for the deliverables mentioned in the SOW and assign responsibilities among team members, including for report writing;
 - Finalize the SOW, including and needed clarification or refinement of the evaluation questions;
 - Develop detailed work plan for USAID approval; and
 - Plan the logistics of the evaluation field work.

In the third stage, two sets of activities (on which additional information is provided below in the sections on data collection and analysis) will be undertaken concurrently after the TPM:

- The team will conduct individual interviews with stakeholders in the NEXTT project who are identified in the target areas and groups section of this SOW.
- Individual interviews will be complimented with a focus group discussion (roundtable discussion). These group discussions will seek to answer the evaluation questions and bring together stakeholders involved with the project.

B. Data Collection Methods

Evaluation questions will be answered using qualitative approach and review of secondary data.

Qualitative method would include:

- Key informant interviews
- Focus Group Discussion (roundtable meeting); and

Secondary data will be collected by the team through review of all project-related information, including its deliverables, which NEXTT will provide. Primary data will be collected through a Focus Group Discussion to be held in Abuja. This will be complimented by individual interviews (key informant interviews) in three locations (e.g.

Lagos, Kwara, and Abuja) along the LAKAJI Corridor. The interviewees will be selected based on recommendations of NEXTT and availability. It is estimated that 20-25 individual interviews will be conducted with stakeholders within these locations. The individual interview guides will include items related to the evaluation questions. MEMS II will coordinate and provide administrative support for the roundtable discussion.

C. Data Analysis Methods

Data from the individual interviews with both NEXTT stakeholders and roundtable participants will be analyzed using standard qualitative data methods. USAID expects the Evaluation Team to develop an analysis plan and review with USAID/Nigeria for input. The plan should detail the types of analyses and analytical software to be used. For each question, the Evaluation Team will explain how evaluation data will be analyzed. Data tables, as agreed upon in the analysis plan, will be generated and analyzed.

D. Methodological Strengths and Limitations

The evaluation methodology has several strengths. One is the availability of baseline information on the Lagos-Kano-Jibiya (LAKAJI) Corridor that will aid in measuring the changes made over time along the Corridor. Two, is opportunity to interview several key informants and focus group discussion with several project beneficiaries across several locations of the LAKAJI Corridor. Some of the limitations of this methodology include: One, inability of the evaluation team to travel to certain parts in the north due to security considerations. Two, selection of government officials for individual interviews and participants in the roundtable will be based on recommendations from NEXTT and individual's willingness to participate. This selection method is not random and is subject to potential bias in the individuals recommended by the NEXTT project and participants' self-selection.

Table 2: Methodology Matrix

		Data Collection			
Evaluation Questions	Type of Answer	Source	Method	Sampling	Data Analysis

					Methods
<p>1. Of the three project components, which have been the most (and least) successful and why? Success is defined as meeting PMP indicator targets, approved work plans, and the project's stated objectives. In answering this question, address what, if any, evidence exists to verify that project activities have (or will) lead to an improvement in Nigeria's capacity to trade?</p> <p>1a. How relevant is the project's design with respect to the integrated approach adopted – transport corridor improvement, trade policy/facilitation, and export promotion? In answering this question, address the factors outside the project's control, which may impact the project reaching its objectives. Also address which (if any) of the projects objectives should be scaled back (or up) and why (or why not).</p>	Normative and Descriptive	<p>Statement of Work</p> <p>Work Plans</p> <p>Progress Reports</p> <p>Project staff</p> <p>USAID staff</p>	<p>Document review</p> <p>Individual interviews</p> <p>FGDs</p>	Purposive/convenience by location and stakeholder group	Qualitative data analysis
<p>How effectively has NEXTT implemented program activities under each component? What has it done well and what are some areas</p>	Normative and Descriptive	<p>Statement of Work</p> <p>Work Plans</p> <p>Progress Reports</p>	<p>Document review</p> <p>Individual interviews</p>	Purposive/convenience by location and stakeholder group	Qualitative data analysis

<p>for improvement? In answering this question, the evaluation team should address the following:</p> <p>Note what has worked/didn't work in specific activities such as improving corridor performance, trade facilitation, access to finance and expanding exports, etc.?</p> <p>To what extent has the project's activities fostered a sense of ownership of reforms and buy-in among GON counterparts? When answering this question specify how you are gauging the concept of buy-in.</p> <p>To what extent have beneficiaries (including women and youth) benefited from the project?</p>		<p>Project staff USAID staff</p>	<p>FGDs</p>		
<p>3. What are the key</p>	<p>Normative</p>	<p>Project</p>	<p>Document</p>	<p>Purposive/convenience</p>	<p>Qualitative</p>

<p>factors that have determined project performance? Given these, evaluate whether the project can meet the overall objective and its contractual results, deliverables and PMP indicator result targets within the remainder of the project life.</p> <p>3a. Assess the effectiveness of NEXTT's management structures and overall program management? How have the current structures affected progress to date? In answering this questions identify specific strengths and weaknesses questions identify specific strengths and weaknesses.</p>	<p>and Descriptive</p>	<p>beneficiaries Statement of Work Work plans Progress reports Project staff USAID staff</p>	<p>review Individual interviews FGDs</p>	<p>by location and stakeholder group</p>	<p>data analysis</p>
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IV. EVALUATION PRODUCTS

A. Deliverables

The following deliverables will be submitted to USAID/Nigeria. The timeline for

submission of deliverables will be finalized and agreed upon with the contractor.

1. Evaluation work plan and timeline: The evaluation work plan and timeline will be developed in consultation with USAID/Nigeria.

2. Detailed Report Outline: This will be agreed upon during the team presentation meeting.

3. Questionnaire/guidelines for conducting key informant interviews/focus group discussion guides: These documents will be prepared and submitted to USAID/Nigeria for review and approval prior to the initiation of key informant interviews and site visits.

4. Other Evaluation Materials (list of proposed sites, and list of respondents): Some of these materials such as list of sites to be visited will be shared with USAID/Nigeria prior to visiting the field. List of respondents interviewed as key informants especially will also be provided upon return from field visit.

5. Interview Notes and completed surveys: All interview notes and completed survey instruments used for the evaluation will be submitted to USAID/Nigeria. The data used for analysis will also be submitted to USAID/Nigeria.

6. Debriefing(s): The Team Leader will regularly debrief USAID/Nigeria on the progress being made with the evaluation during field work. At the end of field work, a debriefing meeting will occur with USAID/Nigeria (EGE Team) and include the evaluation team's findings, conclusions and recommendations, before they leave Nigeria. Power-point presentations (one electronic copy as well as hard copies) for the debriefing will summarize findings, conclusions, and recommendations and will be distributed during the meeting.

7. Draft Evaluation Report: A synthesized draft report will include, at a minimum, the following: scope and methodology used; important findings (empirical facts collected by evaluators); conclusions (evaluators' interpretations and judgments based on the findings); recommendations (proposed actions for management based on the conclusions); and lessons learned (implications for future designs and for others to incorporate into similar programs). The evaluation team will provide USAID/Nigeria with a draft report that includes all the components of the final evaluation report within 10 days after their departure from Nigeria. USAID/Nigeria will provide written comments on the draft report to the evaluation team within 10 working days of receiving the draft report.

8. Final Evaluation Report: The final report will address the comments provided by USAID/Nigeria and other stakeholders on the draft report. The Evaluation Team Leader will revise the draft report and deliver a final revised version to USAID/Nigeria within three weeks of receiving USAID feedback. The final report in both hard and electronic format will be submitted to USAID/Nigeria and approval given before submission to the Development Experience Clearinghouse (DEC).

B. Reporting Guidelines

USAID's evaluation policy requires that all evaluation SOWs include USAID's *Criteria to Ensure the Quality of the Evaluation Report* (see USAID Evaluation Policy, Appendix I). The policy also indicates that the report will outline in detail, any additional expectations USAID has regarding a report's structure, format, and length.

The format for the evaluation report is as follows (number of pages is illustrative):

- Executive Summary (2 pp.)
- Table of Contents (1 pp.)
- Introduction (1 pp.)
- Background (2-3 pp.)
- Methodology (1 pp.)
- Findings/Conclusions (17- 20 pp.)
- Issues and Challenges (1-2 pp.)
- Recommendations/Future Directions (10 pp.)

References

Annexes

Data set

Draft reports will be submitted in two hard copies and one electronic copy. The final report will be submitted in five hard copies and one electronic copy. All reports will be in the English language.

The report must:

- Distinguish clearly between findings, conclusions (based strictly on findings) and recommendations (based clearly on the evaluation findings and conclusions);
- Comply with USAID's Evaluation Policy;
- Be submitted to the DEC after finalization;

- Include a Table of Contents, a list of acronyms, an Executive Summary, a section describing the project to be evaluated and purpose of the evaluation, a section on the methodology employed, a section discussing the findings and conclusions, a section on recommendations, and a lessons learned;
- Annexes: Vital source documents consulted and any other relevant materials that cannot be part of the body of the report, including this SOW, tools/data, and sources cited.

V. TEAM COMPOSITION

The Evaluation Team will consist of four members, including at least one (1) international consultant (who will lead the team) and two or three local consultants. The team members should represent a balance of several types of knowledge and expertise related to trade capacity and transport/corridor improvement, trade facilitation and investment facilitation in Nigeria and or West Africa. In the team should be someone with understanding of cultures and traditions of the various states within the project geographical focus.

The technical members must all have significant national/international trade facilitation and trade capacity building experience. They should have some Nigeria or Africa regional experience, along with comparative experience in Trade Capacity and Transport/Corridor Improvement.

Team Leader: The Team Leader will be responsible for the overall management of the evaluation, including coordinating and packaging the deliverables. The team leader will develop the outline for the draft report, present the report, and after incorporating USAID/Nigeria staff comments, submit the final report to USAID/Nigeria within the prescribed timeline.

In addition to the responsibilities outlined above, the Team Leader will:

Preparations

1. Finalize and negotiate with USAID/Nigeria the team's work plan.
2. Establish assignment roles, responsibilities, and tasks for each team member.
3. Ensure that the logistics arrangements in the field are complete.

Management

1. Take the lead on preparing, coordinating team member input, submitting, revising and finalizing the assignment report.

2. Manage the process of report writing.
3. Manage team coordination meetings in the field.
4. Coordinate the workflow and tasks and ensure that team members are adhering to the schedule.

Communication

1. Handle conflict within the team.
2. Serve as primary interface with USAID/Nigeria and serve as the spokesperson for the team.
3. Debrief USAID/Nigeria as the evaluation progresses, and organize a final debriefing.
4. Keep the USAID/Nigeria apprised of progress challenges, work changes, team travel plans in the field, and report preparation via phone conversation or email at least once a week.
5. Serve as primary interface with USAID/Nigeria for the submission of draft and final reports and deliverables to USAID/Nigeria.
6. Make decisions in conjunction with USAID/Nigeria about the safety and security of the team.

Direction

Assume technical direction lead, as required, in order to ensure quality and appropriateness of assignment and report content

Skills and Experience

Qualifications for the Team Leader:

- An Advanced degree in Economics, Business Administration or related field.
- At least ten years of experience assessing or evaluating USAID-supported trade and investment, transport corridor improvement, and agricultural value chain projects.
- Previous experience serving as an evaluation Team Leader on a USAID-supported trade and investment project.

- Previous experience working in Africa.
- Experience in facilitation and providing leadership in collaborative and participatory evaluations with multiple stakeholders.
- Excellent writing, communication and presentation skills.
- The ability to produce preliminary and final reports on time.

Deputy Team Leader: Objectively understand the complex and dynamic trade capacity building systems in Nigeria.

Qualifications for the Deputy Team Leader:

- Advanced degree in Economics, Business Administration, Sociology or related field
- At least eight years of experience in evaluating USAID-supported trade capacity building projects.
- Previous experience in evaluating development project in Nigeria.
- Previous experience working in Africa.
- Excellent verbal and writing skills.

Data Collectors: Will support data collection, note-taking, during focus group discussion and interviews. Experience working with beneficiaries from project focus areas is essential. Ideally interviews and focus group discussions will be led by members of the same gender as the participants.

VI. EVALUATION MANAGEMENT

A. Logistics

The Evaluation team will work under the technical direction of USAID/Nigeria. A six-day work week is authorized for the evaluation team while in Nigeria. USAID/Nigeria will provide overall direction to the team, provide key documents, background materials, and help arrange presentation and debriefing. Logistics and support will be provided by the Mission's M&E contractor.

USAID/Nigeria will:

- Provide names and contact information for possible evaluation to team members. USAID/Nigeria’s will approve final team composition and members;
- Approve final evaluation statement of work and final evaluation report;
- Approve country clearances for the Evaluation Team members and approve all subsequent internal travel by road and air by team members;
- Provide the evaluation team with USAID essential contact information, and facilitate initial and subsequent communications and letters of introductions;
- Provide the evaluation team with background documents and project documentation.

B. Scheduling

The illustrative schedule for the evaluation will involve three categories of tasks, as outlined in the table below:

Table 3: Schedule of Tasks

Task	Schedule
Pre-field Travel Tasks	
Review project documents and reports	April 2015
Design evaluation framework	April 2015
Develop data collection tools	April 2015
Identify sample to be interviewed	April 2015
Develop a schedule for data collection	April 2015
Field Tasks	
Review additional project documents and reports; meetings in Abuja	April 2015
Visit field sites and interview beneficiaries and other key stakeholders	April 2015

Review data collected and draft report	May 2015
Send out first draft of report	May 2015
Presentation/debrief to USAID/MEMS II	May 2015
Presentation/debrief to other key stakeholders	May 2015
Post-field Travel Tasks	May 2015
Review report and address comments	May 2015
Draft report	May 2015
USAID/Nigeria review comments due	June 2015
Finalize report and submit (3 weeks)	June 2015

C. Budget

Level of Efforts and Duration

The expected in-country timeframe for this task is approximately April – June, 2015. Specific start and end-dates, travel dates, and due date for deliverables will be determined in collaboration with USAID/Nigeria and based on the availability of the consultants.

The Level of Efforts (LOE) for the Team Leader, Deputy Team leader, and data collectors are indicated in the Table below.

Table 4: Level of Efforts (LOE) (Work days):

Tasks	Team Leader	Deputy Team Leader	Data Collectors
Travel time for international consultant Team Leader	4	NA	NA

Review of project documents and consultation with USAID/ Nigeria	3	3	NA
Develop evaluation work plan and timeline; develop data collection instruments and list of people to be interviewed; letter of introduction; data analysis methods; report outline; and finalize logistical / administrative arrangements	2	2	2
Conduct field visit for data collection and interviews	12	12	12
Review data collected, analyze and prepare a presentation, and debrief for USAID / Nigeria	3	3	3
Draft report	3	3	NA
Finalize report	1	1	NA
Total	28	24	17

VII. CONTACT INFORMATION

Mr. Roland Oroh (NEXTT Project COR - roroh@usaid.gov), and Mr. James Lykos (NEXTT Project Alternate COR - jlykos@usaid.gov) will be the points of contact for this evaluation.

ANNEX II: LIST OF PUBLIC AND PRIVATE SECTOR STAKEHOLDERS

Stakeholders: Components 1, 2 & 3	
Public Sector	Private Sector
Federal Ministry of Industry, Trade and Investment	Members of the LAKAJI Corridor Management Group
Federal Ministry of Agriculture	African Women Entrepreneurship Program (AWEP)
Nigeria Export Promotion Council	Borderless Alliance
Nigeria Investment Promotion Commission	African Cashew Alliance
National Agency for Food and Drugs Administration and Control	Valency International Limited
Federal Ministry of Transport	AVM Consults
Kwara State Government	Connect Rail Services Limited
Niger State Government	National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)
Kano State Government	Lagos Chamber of Commerce
Nigerian Shippers Council	Manufacturers Association of Nigeria
Federal Ministry of Communications Technology	Flour Mills of Nigeria Plc
Council for the Registration of Freight Forwards of Nigeria	Legacy Investments Limited
Nigeria Customs Service	National Cashew Association of Nigeria
Bank of Industry	Shea nut Association of Nigeria
NEXIM Bank	Shea Radiance Limited
Federal Ministry of Finance	Foodpro Limited
	Integrity Farms Limited
	Esteema Global Diamonds Limited
	Ethnocentric Limited
	Strange Industries Limited

ANNEX III: EVALUATION METHODS AND LIMITATIONS

The Evaluation Team developed a detailed work plan and methodology to answer the evaluation questions. Specifically the following actions were carried out to assess and evaluate project design, implementation, and management.

- Assessed the project's results against defined targets contained in the approved Performance Monitoring Plan (PMP);
- Assessed the effectiveness of the project's interventions;
- Assessed the quality of the project's management,
- Assessed the impact of frequent changes of project management to the project's implementation and performance;
- Assessed the impact of coordination and collaboration on the results achieved; and
- Provided guidance in moving NEXTT forward in the final 2 years of program interventions.

A. Evaluation Design and Methodology

The evaluation team used combined quantitative and qualitative approaches to gain insight into the evaluation questions and accomplishment of the Intermediate Results and indicators as presented in the Performance Management Plan (PMP). The methodology consisted of key informant interviews (KII) and focus group discussions (FGD) with NEXTT management, project partners, private sector groups, project beneficiaries (as well as non-beneficiaries) and key government officials involved in the implementation of NEXTT project backed up by a thorough desk study of relevant documentation and performance indicators. Interviews and discussions were held in four locations where the project has a greater concentration of activities, namely; Lagos, Kwara, Kano, and Abuja.

The evaluation adopted a three (3) staged approach. In the first stage, the evaluation team reviewed project-related documents, including the project's deliverables, as well as relevant literature on Nigeria's trade environment.

In the second stage, a Team Plan Meeting (TPM) was held, during which the evaluation team completed a number of tasks, including the following:

- Meet representatives of USAID, including staff of the Office of Economic Growth and Environment, to review all aspects of the SOW;

- Review available information to identify information gaps and refine data collection tasks accordingly;
- Design data collection instruments for individual interviews and focus group discussion;
- Design discussion guides for stakeholder roundtables;
- Develop outlines for the deliverables mentioned in the Scope of Work (SOW) and assign responsibilities among team members, including for report writing;
- Finalize the SOW, including any needed clarification or refinement of the evaluation questions;
- Develop detailed work plan for USAID approval; and
- Plan the logistics of the evaluation field work.

In the third stage, the following three sets of activities (on which additional information is provided below in the sections on data collection and analysis) were concurrently undertaken:

- Primary data were collected through individual key informant interviews and focus group discussions in four locations of Lagos, Kwara, Kano and Abuja covering both direct project beneficiaries and non-direct project beneficiaries along the LAKAJI Corridor. The individual interviews with identified stakeholders in the NEXTT project were selected based on recommendations of NEXTT and availability. It was estimated that 20-25 individual interviews would be conducted with stakeholders within these locations. Focus group discussions were convened to provide additional data to answer the evaluation questions and to bring together stakeholders involved with the project.
- Secondary data were collected by the team through review of all project-related documents.

B. Implementation

The evaluation team reviewed 51 documents and interviewed a total of 77 people across the four locations visited, comprising 22 people in Abuja (FCT), and 40 people in Lagos, 5 in Kwara and 10 in Kano States respectively (See Annex I- List of Persons Interviewed).

The Team conducted four focus group discussions with project beneficiaries and organizations in Lagos, Kwara and Kano States. A detailed methodology matrix is provided in Annex II. The key approaches that were used to collect and analyze data for the evaluation are as follows:

- Review of Background Materials: Project documents relevant to the evaluation were collected for review and analysis, including project designs, scopes of work, annual reports, and annual work plans.
- Review of Relevant Documentation: The Evaluation Team reviewed key documents relating to the objectives of the evaluation. The desk work on document review, evaluation designs and other team planning meetings took place in Abuja from April 20-24, 2015.
- Interviews and Field Visits: The Evaluation Team conducted both individual interviews and focus groups. These included meetings with USAID staff in Abuja and the NEXTT project management and staff. The Evaluation Team conducted field work in Lagos from April 27 – May 1, in Ilorin, Kwara State from May 4-6, in Abuja, FCT from May 4-8 and in Kano from May 11-13.

D. Data Analysis Methods

Data from the individual interviews with both NEXTT stakeholders and roundtable participants were analyzed using standard qualitative data methods developed and reviewed with USAID/Nigeria. Data tables, as agreed upon in the analysis plan, were thereby generated and analyzed.

E. Methodological Strengths and Limitations

The evaluation methodology has several strengths. One is the availability of baseline information on the Lagos-Kano-Jibiya (LAKAJI) Corridor that aided in measuring the changes made over time along the Corridor. Two, is opportunity to interview several key informants and focus group discussions with project beneficiaries across locations of the LAKAJI Corridor

Some of the limitations of this methodology include:

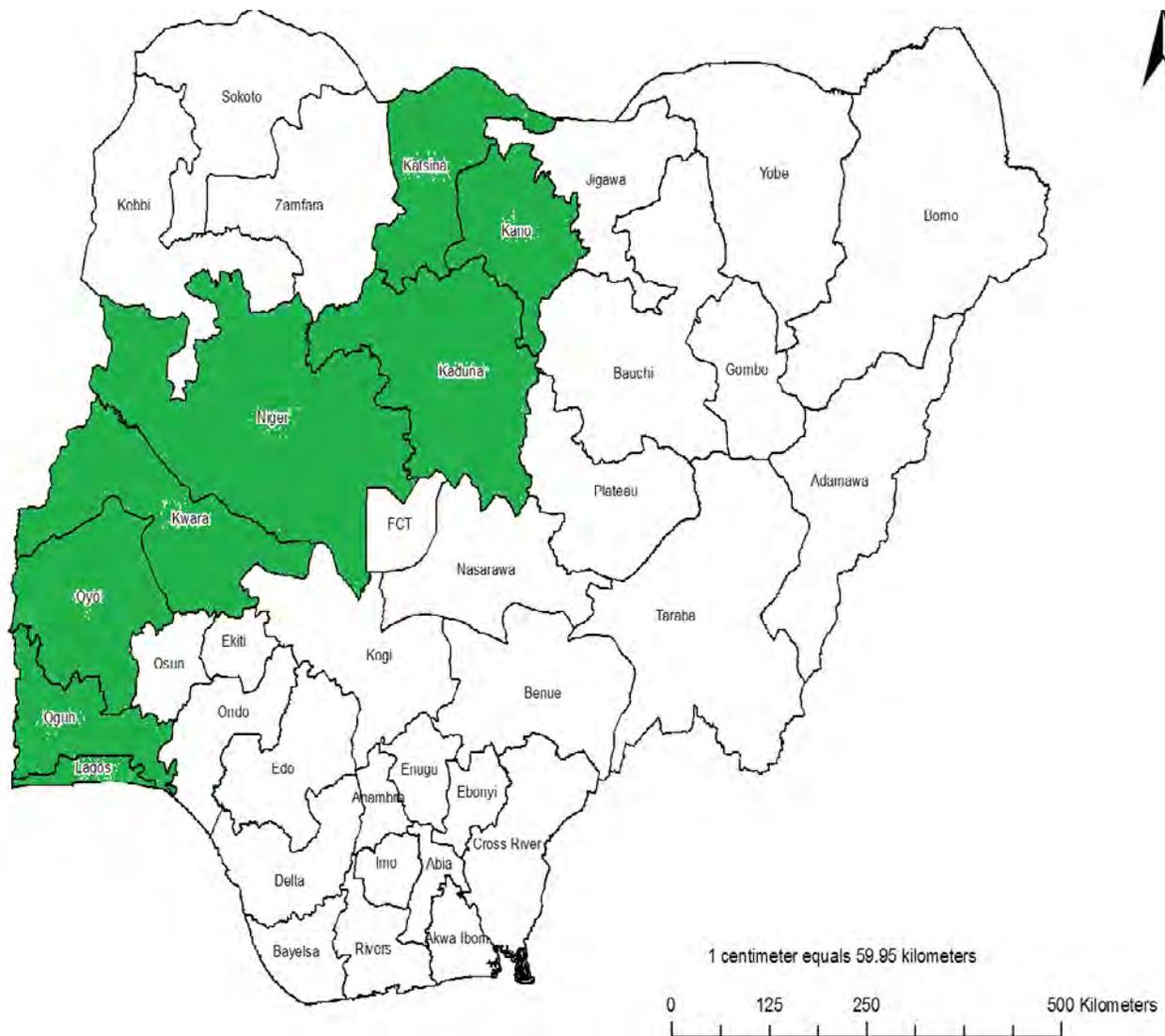
- 1) Selection of government officials for individual interviews and participants in the roundtables was based on recommendations from the NEXTT project and on individual willingness to participate. This selection method is not random and is subject to potential bias from the project identified interviewees.
- 2) Limited interviewee population provided entirely by the NEXTT project was too small to sample effectively. Consequently, the Evaluation Team strategy was to reach all of the project identified beneficiaries and to seek out additional beneficiaries / non-beneficiaries and other stakeholders ad-hoc.
- 3) No contact information for Business Development Services (BDS) beneficiaries were provided by the project and none were interviewed.
- 4) Evaluation fieldwork in Lagos and Ilorin was combined with NEXTT project COR field visits at times limiting interviewee candidness.

ANNEX IV: NEXTT INTERVENTION SITES

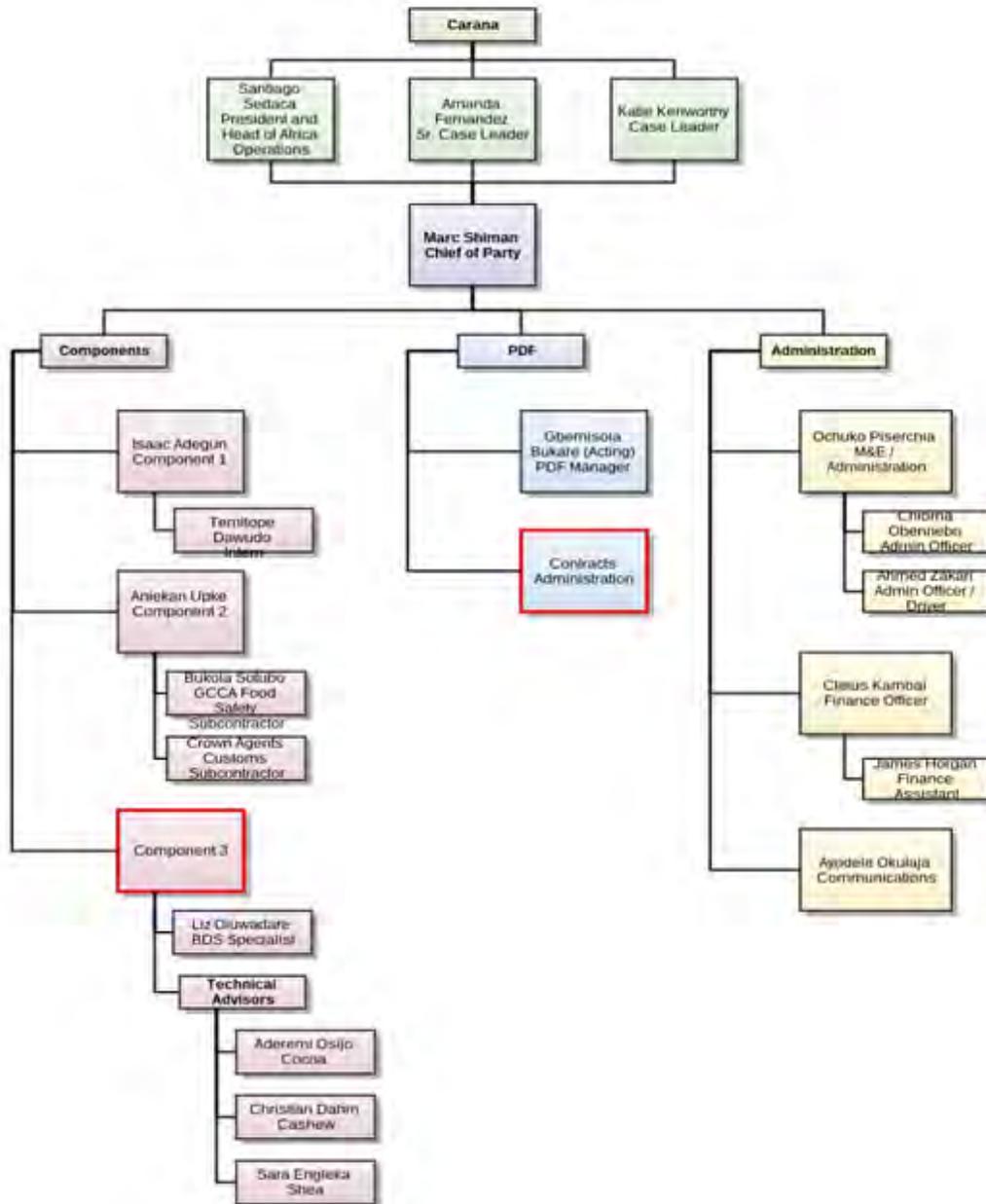
Midterm Performance Evaluation of the Nigeria Expanded Trade and Transport (NEXTT) Project,

Implemented by CARANA Corporation

Project's Intervention States



ANNEX V: NEXTT ORGANIZATIONAL CHART



ANNEX VI: NEXTT PERFORMANCE INDICATOR DATA

IR1: LAKAJI CORRIDOR IMPROVED

S/N o.	Performance Indicators	FY13		FY 14		FY15	
		Target	Actual	Target	Actual	Target	Actual Q1
1	Reduction in the cost to trade goods across border as a result of US assistance	0	0	0	0	15%	0
2	Reduction in the number of days required to trade goods across borders as a result of US assistance	0	0	0	0	15%	0
3	Reduction in the cost to move goods between Kano and Lagos as a result of US assistance	0	0	0	0	5%	0
4	Reduction in the time required to move goods between Kano and Lagos as a result of US assistance	0	0	0	0	5%	0
5	Increase in membership of CMG	1	6	1	0	20%	0
6	Number of new agribusinesses established along LAKAJI Corridor as result of project support	3	2	5	2	5	0
7	Value of new agricultural investments facilitated along the LAKAJI Corridor as a result of project support. (\$M)	\$750,000.00	25,000	\$1,250,000	\$8,008,714	1.25	0
8	Number of Development Innovation Venture proposals submitted	--	--	--	--	3	--

9	Value of investments mobilized by project development facility (\$M)	\$2,000,000.00	0	0	0	8	0
---	--	----------------	---	---	---	---	---

IR 2 – TRADE POLICY / FACILITATION IMPROVED

S/No	INDICATORS	FY 13		FY 14		FY 15	
		Target	Actual	Target	Actual	Target	Actual-Q2
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 organizations	1	2	2	3	2	3
2	Number of participants in trade and investment trainings	40	73	40	132	80	126
3	Person hours of training completed in trade and investment capacity building supported by USG assistance	0	0	4,500	4,456	6,000	1,193
4	Number of days of USG supported technical assistance in trade and investment capacity provided to counterparts or stakeholders.	0	0	150	288	150	34
5	Number of Customs harmonization procedures implemented in accordance with internationally accepted standards as a result of US assistance	1	0	2	0	2	0
6	Number of public and private sector standards-setting bodies that have adopted internationally accepted guidelines for standard setting as a result of USG assistance	1	9	2	2	2	1

IR 3 – EXPANDED EXPORT SUPPORT

S/NO.	INDICATORS	FY 13		FY 14		FY 15		FY15	
		Target	Actual	Target	Actual	Target	Actual -Q2	Target	Actual Q1
1	Number of firms receiving capacity building assistance to export	20	23	100	114	150	120	150	120
2	Number of Trade and Investment capacity building diagnostics conducted	2	2	1	2	1	1	1	1
3	Number of participants in USG supported trade and investment capacity building trainings	40	63	40	104	80	35	80	35
4	Number of Capacity Building Service Providers receiving USG assistance	10	9	25	22	25	56	25	56
5	Number of firms receiving USG assistance that obtain certification with international quality control, environmental and other process, voluntary standards or regulation	1	0	3	0	1	1	1	1
6	Value of exports by NEXTT client firms facilitated as result of project assistance* \$M	1.00	0.81	6.00	1.18	8.00	4.51	8.00	4.06

7	Value of investments in NEXTT client firms facilitated as a result of project assistance \$M	2.00	2.41	5.00	0.08	0.80	0.00	8.00	0.00
---	--	------	------	------	------	------	------	------	------

ANNEX VII: DATA COLLECTION INSTRUMENTS

Date:	
Location:	
Interviewer:	

Interviewee Name:	
Organization:	
Sector:	

KII Questions for Project Beneficiaries

DESIGN

1. Were you contacted during the design phase of the NEXTT project and to what extent?

YES		NO	
-----	--	----	--

If yes, please explain:

2. Do you think the integrated approach adopted for implementing NEXTT will ensure project objectives are attained?

Strongly Agree	Agree Somewhat	Neutral	Disagree Somewhat	Strongly Disagree
----------------	----------------	---------	-------------------	-------------------

Please explain:

- Do you believe that project activities in which you have participated will lead to improved capacity to trade in Nigeria?

Strongly Agree	Agree Somewhat	Neutral	Disagree Somewhat	Strongly Disagree
----------------	----------------	---------	-------------------	-------------------

Please explain:

IMPLEMENTATION

- What are the specific project assistance or activities that have benefited you?

Please List:

1.

2.

3.

- Since NEXTT commenced implementing, has it resulted in new investment and export opportunities? If yes, mention these opportunities?

YES		NO	
-----	--	----	--

If yes, please explain:

- In terms of performance and successes which of the activities would you rate as most successful and why? Moderately successful and why? Fairly successful and why?

Project Activity Areas	Most Successful	Moderately Successful	Not Successful
------------------------	-----------------	-----------------------	----------------

	ssful	Successful	ul
Capacity Building			
Business Development Services			
Corridor Performance			
Trade Facilitation			
Access to Finance			
Expanding Exports			

Explain:

4. Do you feel that the Government of Nigeria has demonstrated sufficient commitment to the implementation of NEXTT project activities?

YES		NO	
-----	--	----	--

Please explain:

- o To what extent has government involvement helped or hindered the project?

	Large Extent	Some Extent	Not at All
Helped			
Hindered			

Please explain:

- o What do you think the project should do to ensure buy-in and sustainability?

Explain:

MANAGEMENT

1. What is your assessment of the management of NEXTT in terms of Management of project and addressing the needs of your organization or business?

Excellent		Very Good		Good		Average		Weak	
-----------	--	-----------	--	------	--	---------	--	------	--

Please explain:

- a. Which aspect of the project activities do you consider doing well or not doing well?

Please list:

- 1.
- 2.
- 3.
- 4.

2. Give general observations and feedback that can enhance project implementation.

Open response:

Government of Nigeria/Public Sector Stakeholders [ONLY]

1. Have you benefited from any training/workshop organized by the USAID/NEXTT project? If yes, identify them. (*Probe: the extent to which the training and workshop increased skill levels among targeted groups? Testimonials?*)

YES		NO	
-----	--	----	--

If yes, list:

- 1.
- 2.
- 3.

2. What skills and techniques have you gained that you didn't have before?

List:

- 1.
- 2.
- 3.

3. Has the NEXTT project contributed to enactment of new policies or laws?

YES		NO	
-----	--	----	--

If yes, list:

- 1.
- 2.
- 3.

KII Questions for Government of Nigeria Partners and Beneficiaries

DESIGN

1. When were you introduced to the NEXTT project? Were you contacted during the design phase and to what extent?

YES		NO	
-----	--	----	--

If yes, please explain:

2. Do you think the integrated approach adopted for implementing NEXTT will ensure project objectives are attained?

Strongly	Agree	Neutral	Disagree	Strongly
----------	-------	---------	----------	----------

Agree	Somewhat		Somewhat	Disagree
-------	----------	--	----------	----------

Please explain:

- Do you believe that project activities in which you have participated will lead to improved capacity to trade in Nigeria?

Strongly Agree	Agree Somewhat	Neutral	Disagree Somewhat	Strongly Disagree
----------------	----------------	---------	-------------------	-------------------

Please explain:

IMPLEMENTATION

- What are the specific project assistance or activities that have benefited you?

Please List:

1.

2.

3.

- Since NEXTT commenced implementing, has it resulted in new initiatives or activities in your department?

YES		NO	
-----	--	----	--

If yes, please explain:

- In terms of performance and successes which of the activities would you rate as most successful and why? Moderately successful and why? Fairly successful and why?

Project Activity Areas	Most Successful	Moderately Successful	Not Successful
------------------------	-----------------	-----------------------	----------------

Capacity Building			
Business Development Services			
Corridor Performance			
Trade Facilitation			
Access to Finance			
Expanding Exports			

Explain:

1. Have you benefited from any training/workshop organized by the USAID/NEXTT project? If yes, identify them. *(Probe: the extent to which the training and workshop increased skill levels among targeted groups? Testimonials?)*

YES		NO	
-----	--	----	--

If yes, list:

- 1.
- 2.
- 3.

2. What skills and techniques have you gained that you didn't have before?

List:

- 1.
- 2.
- 3.

3. Has the NEXTT project contributed to enactment of new policies or laws?

YES		NO	
-----	--	----	--

If yes, list:

- 1.
- 2.

3.

4.

4. What else do you feel that the Government of Nigeria could do to advance the implementation of NEXTT project objectives?

a. LAKAJI Corridor

b. Trade Policy and International Standards

c. Investment and Export Promotion

5. What is the best approach for the private sector to contribute to policy formulation in Nigeria?

Please explain:

6. What do you think the project should do to ensure Government of Nigeria and State Government buy-in and sustainability?

Please Explain:

MANAGEMENT

1. What is your assessment of the management of NEXTT in terms of Management of project and addressing the needs of your organization or business?

Excellent		Very Good		Good		Average		Weak	
-----------	--	-----------	--	------	--	---------	--	------	--

Please explain:

a. Which aspect of the project activities do you consider doing well or not doing well?

Please list:

1.

2.

3.

4.

2. Please give general observations and feedback that can enhance project implementation.

Open response:

KII Questions for Donor Agencies

1. Does your agency currently have programs in the areas of Trade, Transportation, Trade Facilitation or Investment/Export Promotion?

If yes, please provide detail:

Type of Activity	Funding	Project Period

--	--	--

2 Does your agency participate in any donor coordination bodies in relation to the above?

Please explain:

3. What interaction, if any, has your agency had with USAID's NEXTT project?

Please explain:

Were you contacted by USAID during the design phase?

YES		NO	
------------	--	-----------	--

4. Are you aware of the NEXTT project's LAKAJI Corridor Initiative?

YES		NO	
------------	--	-----------	--

5. How does your agency approach policy change in Nigeria?

6. Given the above, how would you advise USAID on Trade, Transportation and Investment related activities?

Questions for NEXTT Management

DESIGN

1. From the point of view of project management, how would you rate each of the three components on a scale of 1 to 5, 1 being not successful and 5 being very successful?

COMPONENT	1	2	3	4	5
1. LAKAJI Corridor Improvement					
2. Trade Capacity Building					
3. Export Promotion					

- What are the reasons for the above?

2. Considering the project design, how effective has the integrated approach been towards attaining project objectives?

Very Effective	Somewhat Effective	Neutral	Somewhat Ineffective	Very Ineffective
----------------	--------------------	---------	----------------------	------------------

Please explain:

- Which specific component activities are not expected to achieve their targets or objectives?

Please List:

- 1.
- 2.
- 3.

3. What activities should be scaled up or scaled down in order to maximize NEXTT project results during the remainder of its implementation.

SCALE UP	SCALE DOWN

IMPLEMENTATION

1. What external / environmental factors have hindered the project from reaching its objectives?

Please List:

- 1.
- 2.
- 3.

2. What were the principal challenges to accomplishing planned activities and how did you manage them?

Please List:

- 1.
- 2.
- 3.

3. What were the **key factors** (positive or negative) that drove project performance?

Please List:

- 1.
- 2.
- 3.
4. What is the level of project ownership by the key stakeholders; GON and Private sector players?
- 5.

	High	Medium	Low	None
GON				
Private Sector				

Comments?

6. What has the NEXTT project done to ensure the participation of women and youth Beneficiaries?

Please explain:

7. Has NEXTT experienced challenges with funding?

Please explain:

8. Have you identified issues/concerns outside this project that should be addressed in terms of programming?

Please explain:

9. Is there anything important regarding the NEXTT project implementation that has not been asked?

Please explain:

MANAGEMENT

1. Do you think that the project can meet the overall objectives and contractual results, deliverables and PMP indicator targets within the next two years left in the project?

	Exceed Targets	Meet Targets	Below Targets
LAKAJI Corridor			
Trade Capacity			
Export Promotion			

Comments:

2. What changes in the NEXTT project structure would lead to better

performance?

Please explain:

ANNEX VIII: NEXTT MTE PEOPLE CONTACTED

S/NO.	NAME	INSTITUTION/ ORGANIZATION	BENEFICIARY/ NON- BENEFICIARY	EMAIL	PHONE
LAGOS					
1	Obidike Evelyn	NEPC	Beneficiary	evelynobidike@gmail.com	8033204799
2	Sotonye Anga	Universal Quest	Beneficiary	anga4000@yahoo.com	8035253959
3	Obiora Madu	Multimix Academy	Non-Beneficiary	amadu@multimixacademy.com	8033031166
4	Ademolu Kola	NACCIMA	Non-Beneficiary	kolade1010@gmail.com	8023220865
5	Omisore Janet	NACCIMA	Non-Beneficiary	janetomisore@naccima.com	8051261268
6	Oladunso Femi	NACCIMA	Non-Beneficiary	femiolad@naccima.com	8029099399
7	Agweven Rosemary	NACCIMA	Non-Beneficiary	rosemaryagweven@naccima.com	8033307934

8	Thomas Omoni	NACCIMA	Non-Beneficiary	research@naccima.com	8030664773
9	Jadesola Durotoye	Network of National Shea Cooperatives	Non-Beneficiary	jadesoladurotoye@gmail.com	8023057092
10	Victoria Oluwasanya	Network of National Shea Cooperatives	Non-Beneficiary	sheacocointernational@gmail.com	8109873992
11	Rotimi Bankole-Wilson	Network of National Shea Cooperatives	Non-Beneficiary	bankwilson2@yahoo.co.uk	8099624570
12	Eme Ugwuegbu	Network of National Shea Cooperatives	Non-Beneficiary	bubblesandscentSnigeria@gmail.com	8036671008
13	Raphael Ademulyi	Network of National Shea Cooperatives	Non-Beneficiary	dammy7miracle@gmail.com	8085766948
14	Adefuyi Wilhelm	Network of National Shea Cooperatives	Non-Beneficiary	adedejwilhelm@gmail.com	8121917288
15	Timi Idowu	Network of National Shea Cooperatives	Non-Beneficiary	idowutimi@yahoo.co.uk	7039345300
16	Idirenyin Eme Ugwuegbu	Network of National Shea Cooperatives	Non-Beneficiary	upwardever@gmail.com	8036671008
17	Egberongbe Olubumi	Network of National Shea Cooperatives	Non-Beneficiary	olubumi3@gmail.com	8055347240

18	Onabanjo Adedeji	Network of National Shea Cooperatives	Non-Beneficiary	bgd2010@gmail.com	8062760843
19	Taju Afolabi	Network of National Shea Cooperatives	Non-Beneficiary	--	8075074847
20	Idris Ibrahim	Network of National Shea Cooperatives	Non-Beneficiary	oyebode32@yahoo.com	8023191355
21	Bolaji Abijo	Network of National Shea Cooperatives	Non-Beneficiary	bolaji_abijo@yahoo.com	8023537076
22	Moses Oyebola	Nigeria Shippers Council	Beneficiary	mosoyebola@yahoo.com	8023056054
23	Christain Okon	Nigeria Shippers Council	Beneficiary	letchrist@yahoo.co.uk	8063558355
24	Enoche Ogenyi	Nigeria Shippers Council	Beneficiary	eogenyi@shipperscouncil.com	8033223238
25	Paman Kumar SVS	Valency Cashew Processing Ltd	Beneficiary	panandheer@vkkool.com	7081897058
26	Kayode Sopeju	BG Contracting Limited	Beneficiary	bernicegroup@yahoo.com	8033381294
27	Joseph Femi	Estemma Diamonds	Beneficiary	esteem_diamond@yahoo.com	8060140729
28	Tristam	APM Terminals	Beneficiary	tristam.denyer@apmterminals.com	7034141827

	Denyer				
29	Dami Agbaje	APM Terminals	Beneficiary	ayodamope.agbaje@apmterminals.com	8056596283
30	Edeme Kelikume	Connect Rail Services	Beneficiary	edeme.kelikume@connectrailng.com	7055000005
31	Margaret Eschiatt	Standards Organization of Nigeria	Beneficiary	megesciatt@yahoo.com	8023179774
32	Abdul Ganiyu Muhammed	Bank of Industry	Beneficiary	amohammed@boinigeria.com	8023030940
33	Adeyemi Adeniji	Starlink Global Ideal Ltd.	Beneficiary	adeadeyemi2000@yahoo.com	8033815800
34	Adesola Omidiran	Selema Foods Ltd.	Beneficiary	somidiran@selemafarms.com	8033257285
35	Babatola Faseru	Colossus Ltd.	Beneficiary	tolafash@yahoo.com	8037273608
36	Sir Mike Jukwe	Council for the Regulation of Freight Forwarding in Nigeria / CMG Chair	Beneficiary	mjukwe@crffn.gov.ng	8035897868
37	Femi Musa	Council for the Regulation of	Beneficiary	femimusa2002@yahoo.co.uk	8065543232

		Freight Forwarding in Nigeria			
38	Ehgr Opara Basiln	Council for the Regulation of Freight Forwarding in Nigeria	Beneficiary	bopara@crffn.gov.ng	8035519556
39	Ayodele Olajiga	FoodPro Ltd.	Beneficiary	ayodele.olajiga@rmn.com.ng	8083002890
40	Chukwougo Victor	VOC Foods	Non-Beneficiary	vocroyal2000@yahoo.com	8080408244
ABUJA					
1	Alhassan Dantata	Crescent House Limited	Beneficiary	babadantata@crescenthouse.com.ng	8161115989
2	Garko Dikko	KC Foods Processing Limited	Beneficiary	amohammed@boinigeria.com	8023083849
3	Alhaji Ali Saidu	Salida Agriculture Limited	Beneficiary	a.saidu@salidagriultureltd.com	
4	Aminu .S Takuma	Nigerian Investmentg Promotion Council	Beneficiary	takuma@nipc.gov.ng	8138444437
5	Olusegun	Nigerian Investmentg	Beneficiary	adigun1581960@gmail.com	8146407919

	Adigun	Promotion Council			
6	Gabriel Aduda	Federal Ministry of Finance	Non Beneficiary	gtaduda@hotmail.com	8051899719
7	O. B Alaba	Federal Ministry of Finance	Non Beneficiary	obalaba@gmail.com	8055114736
8	Tony Bello	Federal Ministry of Agriculture and Rural Development	Beneficiary	tonybello@ymail.com	8038094979
9	Adeyemo Grace O	Nigerian Custom Services	Beneficiary	graceobankss@gmail.com	8034030161
10	Engr Emeka Agbasi	Federal Road Maintenance Agency	Beneficiary	emeka.agbasi@mail.com	8033645300
11	Engr A. O. Ajayi	Federal Road Maintenance Agency	Beneficiary	alfredajayi62@gmail.com	8033835099
12	Faleke Babatunde	Nigeria Export Promotion Council	Beneficiary		
13	Ogbadu E. Joseph	EOS Farms	Non Beneficiary	josephejimaogbadu@gmail.com	8036123213
14	Ogbadu	EOS Farms	Non Beneficiary	oschosogbadu@yahoo.com	7038311891

	Andrewo				
15	Sule Okpanachi	EOS Farms	Non Beneficiary		70300580126
16	Chuma Ezedinma	UNIDO	Non Beneficiary	c.ezedinma@unido.org	8075316161
17	Bernard Tayoh	GIZ	Donor	bernard.tayoh@giz.de	8057600852
18	Raymond Dayara	GIZ	Donor	raymond.danyara@giz.de	8058054342
19	Amanda Archibong	SAANA Consulting/DFID	Non Beneficiary	amanda@saana.com	8035546107
20	Lola Fadumyo	SAANA Consulting/DFID	Non Beneficiary	lola@saana.com	7034997533
21	Frank Okafor	EU	Donor		
22	Juan Casal	EU	Donor		
KWARA					
1	Monsummola Bello	Kwara State Public-Private Partnership Office	Beneficiary	monsummola.bello@kwarastate.gov.ng	8097329521
2	Kunle	Food PRO Ltd	Beneficiary	kkehinde@foodpro.group.com	8034704693

	Kehinde				
3	Hezakiah O Adediji	President, Kwara State Chambers of Commerce Industry, Mines and Agriculture (KWACCIMA)	Non Beneficiary	adedijiho@yahoo.com	8035550300
4	Ahmed Maigida	Account/Financial Officer KWACCIMA	Non Beneficiary	kwaccima@yahoo.com	8181793652
5	Oluwadaisi Mary O	Secretary, KWACCIMA	Non Beneficiary	kwaccima@yahoo.com	8034488623
KANO					
1	Auwalu S. Umar	Ministry of Commerce	Non Beneficiary	umarauwalu@yahoo.co.uk	8036390797
2	Taiyeb I. Naabba	Ministry of Planning and Budget	Non Beneficiary	taiyebnaabba@yahoo.com	8037133685
3	Eng. Ibrahim Asanga	APMT Kano	Non Beneficiary	ibrahim.asanga@apmterminals.com	7034104237
4	Ali S. Madugu MNI	Manufacturers Association of Nigeria (MAN)	Non Beneficiary	alimadugu@yahoo.com	8023045770

5	El-Tayeb Ibrahim	Manufacturers Association of Nigeria (MAN)	Non Beneficiary	eltayeb.ibrahim@gmail.com	8056345956
6	Hamisu D. Sulaiman	Aateeq Trade Ltd	Non Beneficiary	hsdanguguwa@yahoo.com	8067488417
7	Faruk sani	NNFM	Non Beneficiary	farukdbt@yahoo.com	8035979703
8	Musa sani Danbatta	Jatau Global	Non Beneficiary	abba.danbatta@yahoo.com	8060712008
9	Abba Khamisu Bala	NTM	Non Beneficiary		8033711614
10	Safiyanu Baba	Manufacturers Association of Nigeria (MAN)	Non Beneficiary		8037868268
USAID					
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ANNEX IX: DOCUMENTS REVIEWED

USAID NEXTT Project Request for Proposal

1. USAID Request for Proposal – SOL-620-12-000001-NEXTT
2. NEXTT Scope of Work – Section C
3. NEXTT Results Framework

Monitoring & Evaluation

4. NEXTT Project Management Plan (PMP) Master Tracker
5. NEXTT Project Management Plan Review – April 2013
6. NEXTT Performance Indicator Report – 24 April 2015
7. USAID Nigeria Gender Report

Quarterly and Annual Project Reports

8. NEXTT Year 1 Quarterly Report – 20121231
9. NEXTT Year 1 Quarterly Report – 20130331
10. NEXTT Year 1 Quarterly Report – 20130630
11. NEXTT Year 1 Annual Report
12. NEXTT Year 2 Quarterly Report – 20131231
13. NEXTT Year 2 Quarterly Report – 20140331
14. NEXTT Year 2 Quarterly Report – 20140630
15. NEXTT Year 2 Annual Report
16. NEXTT Year 3 Quarterly Report – 20141231
17. NEXTT Year 3 Quarterly Report – 20150331

Annual Work Plans

18. NEXTT Year 1 Annual Work Plan
19. NEXTT Year 2 Annual Work Plan

20. NEXTT Year 3 Annual Work Plan

Assessments and Market Analysis

- 21. NEXTT LAKAJI Corridor Baseline Assessment Report
- 22. NEXTT Customs Risk Management Report
- 23. NEXTT Agricultural Opportunity Assessment
- 24. NEXTT Agricultural Opportunity Assessment
- 25. NEXTT Preliminary Value Chain Assessment Report
- 26. NEXTT Target Value Chain Selection Report
- 27. NEXTT Export Business Development Service Mapping Assessment of the LAKAJI Corridor
- 28. NEXTT LAKAJI Agricultural Growth Corridor Assessment
- 29. NEXTT Nigeria Customs Service Risk Assessment Report

Related USAID Projects

- 30. MARKETS FY15 Annual Work Plan
- 31. NEEP Project Final Report
- 32. Trade Sector: Donor Project Mapping
- 33. West Africa Trade Hub Quarterly Report – 20141231
- 34. West Africa Trade Hub Quarterly Report – 20140930
- 35. West Africa Trade Hub “Value Chain Selection Report”, May 2014
- 36. West Africa Trade Hub: “Value Chain Financing Constraints and Investment Opportunities Report”, October 2014

Success Stories

- 37. NEXTT Success Story – Food Pro-April 2015
- 38. NEXTT Success Story – Paving the Way for a Coordinated National Food Safety Policy
- 39. NEXTT Success Story – Reviving Nigeria's Cashew Industry
- 40. NEXTT Success Story – SALID Agriculture

Articles

41. The Economist: Article "Africa's Testing Ground"
42. The Economist: "Problems at the Pump"
43. Economist Intelligence Unit: Economic Review 2014 and Outlook 2015, Nigeria
44. Economist Intelligence Unit: Economist Risk Overview, Nigeria
45. Economist Intelligence Unit: Sovereign Risk, Nigeria

Research Papers and Studies

46. "Agricultural Technology Choice and Transport" World Bank Agriculture Global Practice Group, May 2015
47. "Articulating and Mainstreaming Agricultural Trade Policy and Support Measures" FAO 2011
48. "Infrastructure Financing Trends in Africa – 2013" World Bank, Infrastructure Consortium for Africa
49. Federal Republic of Nigeria, Country Strategy Paper 2013 – 2017 ORWA Department, African Development Bank, January 2013
50. "Nigeria-Africa Economic Outlook 2015" AFDB, OECD, UNDP, 2015
51. "Project Information Document (PID) Concept Stage: Nigeria Staple Crop Processing Zones Support Project (P148616)", World Bank, July 2014
52. Sub-Saharan Africa Transport Policy Program Working Paper No. 86 "Institutional Arrangements for
53. Transport Corridor Management in Sub-Saharan Africa" World Bank, EU, UNECA, October 2007
54. Policy Research Working Paper 7271: "Transport Infrastructure and Welfare an Application to Nigeria", World Bank, May 2015
55. Doing Business 2015 – "Economy Profile 2015 Nigeria", World Bank, 2015
56. "Making Cross-Border Banking Work for Africa" WB—Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, 2014

Documents from MTE Respondents

57. Bank of Industry: Business Development Service Provider Roster

58. Export House Concept Note – MultiMix Academy

59. "Proposal for a Certified International Trade Logistics Specialist Course to the Nigeria Export Promotion Council" MultiMix Academy, November 2014

ANNEX X: NEXTT INVESTMENT & EXPORT ATTRIBUTION REPORT

Attribution for NEXTT Export and Investment Indicators

Context

Agribusiness export development and investment promotion is occurring in Nigeria naturally, without the support of USAID development projects. However the scale of agribusiness exports and investment in Nigeria is severely limited by a number of factors and barriers (i.e. institutional, physical, financial) that USAID is attempting to influence through technical assistance to expand exports and investment far beyond their natural rate of occurrence.

To ensure the provision of sustainable technical assistance practices, tools and methodologies that are possible far beyond the life of a typical USAID project cycle, USAID has begun to promote “light touch”, facilitative, technical assistance packages and solutions throughout the globe, and in particular in Africa via Feed the Future resources. A “light touch” technical assistance strategy intends for projects to play an initial facilitative role, but with the goal of supporting sustainable technical assistance provision outside the USAID project office, building the capacity of local actors (both public and private) to sustain technical assistance support in this case to the private sector (those most capable of expanding exports and creating new investment) during and beyond the life of project.

Nigeria is home to millions of entrepreneurs, and hundreds of thousands of small, medium and large enterprises that are investing and exporting daily. The challenge of the NEXTT project is to support the further development of institutions (CMG, National Customs Service) and technical assistance systems (NIPC, NEPC, MDAs, BDS providers) to provide these facilitation services to private sector actors to invest more and more quickly in agribusinesses along the LAKAJI corridor, and to increase significantly their agribusiness exports. In an effort to use funds most efficiently, NEXTT focuses its resources on supporting agribusiness firms that meet minimum criteria for support⁹, and with the capacity to achieve greater impact and scale in operations with limited

⁹ NEXTT uses a scoring matrix to select firms and sectors to provide technical assistance to for increased investment and exports, including ability to impact a large quantity of smallholders and vulnerable populations, such as women and youth, commercial viability, and high potential to address key logistics constraints affecting value chain efficiency.

USAID investment, rather than focusing project resources on a few firms or investment opportunities that would not be competitive without USAID support.

Investment in new agricultural transformation, services and trading facilities (i.e. new processing facilities, new companies, new storefronts) as well as infrastructure to support agricultural trade (i.e. roads, ports, inland container depots, electricity, etc.) can take anywhere from 3 months to 10 years to be completed from the moment the idea is conceived, to the moment the investment is inaugurated and fully-functional. This timeline depends on dozens of factors, not least of which is the scale of the investment, the approval requirements, whether or not the investor is already physically located in the country, existing infrastructure to build upon, an approved lender to finance an investment project, whether a business plan exists for the investment, a developed market to purchase goods, etc. Playing a facilitative role, NEXTT establishes and maintains relationships with dozens of agribusiness firms, with the goal of supporting new agribusiness investments that will have a significant impact on project priorities (i.e. exports, the time and cost to trade, investment, youth, women) and can be feasibly completed within the timeline of the project (ending September 2016). In line with best practices in the field of investment facilitation, and to ensure maximum flexibility in this facilitative role, NEXTT does not require signature of technical assistance agreements with the firms it supports to facilitate exports or investment. It develops a set of fluid relationships with firms, and expands this list of firms over time, continuously identifying investment opportunities to support at different points of the investment lifecycle, that require a wide range of support and facilitation to achieve closure before September 2016.

USAID has meticulously developed rigorous indicators for trade, sales and export data, as the agency has been working explicitly in these areas of intervention for the last 10 years via TRADE, and other economic growth initiatives. Indicators relevant to investment promotion and facilitation have not received similar attention, as USAID slowed financing for investment projects in the early 1990s, and indicator development has not evolved significantly since then, other than collecting FDI figures, and modifying investment indicators for Feed the Future projects.

While NEXTT has worked meticulously with USAID and MEMS in developing Performance Management Indicators and performance indicator review sheets for the NEXTT project, we have not yet held a discussion or have come to agreement with USAID Nigeria on the issue of attribution for exports and investment. It is within this context that NEXTT revisited attribution issues relevant to exports and investment, encompassed in this document.

Approved NEXTT Performance Management Indicators and Definitions Relevant to Exports and Investments

NEXTT INVESTMENT INDICATORS
Indicator 1.2.1: Value of new agricultural investments facilitated along the LAKAJI Corridor as a result of project support.
<p>This indicator is defined as the value of investments facilitated in new, agricultural-focused enterprises along the LAKAJI Corridor which have benefited from support provided by NEXTT and the LAKAJI Agricultural Growth Corridor Initiative. In addition to tracking the number of new agribusinesses established (indicator 1.2.1), NEXTT will track the value of investments in those new enterprises. New enterprises may include start-ups as well as new operating units within existing agribusinesses.</p> <p>Investment will be broadly defined and includes U.S. dollar amounts of finance facilitated for NEXTT supported firms via financial institutions (i.e. banks, non-bank financial institutions, social impact investors), investors (i.e. equity, quasi equity) and other sources of financing made to supported firms as part of NEXTT (reimbursable and non-reimbursable grants, donor funding).</p> <p>Care will be taken to ensure that this indicator is not double-counted with indicator 1.2.4, also tracking investment.</p> <p>The baseline for this indicator is set at zero.</p>
Indicator 1.2.4: Value of investments mobilized by the catalytic fund¹⁰
<p>The indicator is defined as the dollar value of investment made along the LAKAJI Corridor as a result of the catalytic fund and partnership. As the catalytic fund concept is yet to be refined, and the initial value of the fund, as well as the cost-share requirements from beneficiaries to access this fund remain in development, investment will be broadly defined, including U.S. dollar amounts of finance facilitated for NEXTT supported firms via the catalytic fund itself (possibly in the form of a grant), financial institutions (i.e. banks, non-bank financial institutions, social impact investors), investors (i.e. equity, quasi equity) and other sources of capital or</p>

¹⁰ At USAID's request, the name for the "Catalytic Fund" was later changed to the Project Development Facility, the financing of which is pending USAID approval.

financing (internal or external) to supported firms as part of NEXTT (i.e. reimbursable and non-reimbursable grants, donor funding, firm cost-share or new investments).

NEXTT will track the value of investments disbursed by and mobilized by the catalytic fund (as well as the number of investments made to female and youth led investees) in order to measure the fund's success in stimulating investment for new projects along the corridor, particularly in infrastructure and services.

The data source for this indicator will be the catalytic fund manager, investors and financial institutions, via written documentation, such as grant approvals, loan disbursement confirmation letters or other internal reports or documents.

The baseline for this indicator is set to zero.

NEXTT EXPORT INDICATORS

Indicator 3.3.1: Value of exports by NEXTT client firms facilitated as result of project assistance

This indicator is defined as the actual, U.S. dollar value of exports that are shipped overseas by project supported firms in key export sectors. The indicator captures the actual value of goods sold internationally, and is supported by verifiable paperwork, such as client invoices, freight forwarding records, customs records.

NEXTT envisions working closely with lead firms, industry alliances, GON agencies and counterpart projects to develop a pipeline of export opportunities in 10 value chains. NEXTT will then support exporting firms in a variety of ways (pre-tradeshaw training, marketing linkages, exhibition support, technical assistance via industry alliances) so that these are successful in their export expansion activities. The value of exports by firms supported by NEXTT and its partners as a result of the intensive export promotion pilot for one priority value chain will also be counted.

Data sources include export firms and industry alliances. Exporting firms that receive project support to increase exports will be required to submit information to NEXTT on the value of their firms' exports on a quarterly basis as part of a client survey. Company reporting on exports to NEXTT is mandatory and a requirement for future

support. NEXTT will also obtain written reports from industry alliance members on export successes. Firms and industry alliances will be asked to confirm the gender and age of the manager/owner of the exporting firms assisted by the project. NEXTT will conduct spot checks among supported exporting firms and industry alliances to ensure the accuracy of reports submitted quarterly. Information collected will be consolidated by NEXTT staff and included in quarterly reports to USAID.

The baseline for this indicator is set at zero.

Indicator 3.3.2: Value of investments in NEXTT client firms facilitated as a result of project assistance

This indicator refers to the US dollar amount of investment facilitated to exporting firms supported by the NEXTT project and its consortium partners. Investment is broadly defined, and includes finance facilitated for NEXTT supported firms via financial institutions (i.e. banks, non-bank financial institutions, social impact investors), investments (i.e. equity, quasi equity) and other sources of financing made to supported firms as part of NEXTT (reimbursable and non-reimbursable grants, donor funding).

NEXTT will create strategic partnerships with industry alliances, and will provide alliances with support to increase investment in key sectors (i.e. cashews and shea). Alliance members facilitating investment in client firms will be counted towards this indicator.

Business Development service providers provided support by NEXTT will provide support to exporting firms (i.e. industry alliance members and non-alliance members) to access finance and investment. The value of investment facilitated by BDS firms will also be counted by this indicator.

Data sources for this indicator includes BDS providers, exporting firms and industry alliances via reports and surveys, alliance reports, approval notices for funding from donors, and other verifiable investment documentation. BDS providers, firms and industry alliances must include the gender and age of the owner of the firm receiving new investment.

Information for this indicator will be collected quarterly by NEXTT staff, and will be

consolidated into quarterly reports for USAID. To verify the accuracy of data, project staff will conduct field monitoring spot checks each year.

The baseline for this indicator is set at zero.

The performance indicator review sheets (PIRS) developed by the NEXTT team for these indicators with MEMS support do not provide any additional information on baselines for these indicators, or methods for defining attribution.

USAID “Best Practices” in Determining Attribution in Exports and Investment

For **Exports**, the following indicators and attribution methodologies are recommended by USAID to its implementing partners to measure progress performance versus indicators:

- **Feed the Future (Exports):** Establish baselines for existing exports in both volume and value. Amounts reported above the baseline following the provision of assistance from the USG project are reported, and attributed to project support. It is essential to establish a baseline export data point to establish attribution. Currency should be converted to USD at the average market foreign exchange rate for the reporting year or more frequently if there is rapid devaluation of appreciation.
- **Trade Indicator Handbook (Exports):** Supported firms use a standard reporting format to track exports on a monthly or quarterly basis to the implementing partner. Indicator is reported by aggregating data from assisted firms. No baselines are required.

For **Investment**, the following indicators and attribution methodologies are recommended by USAID to its implementing partners to measure progress versus indicators:

- **Feed the Future (Investment):** Defined as any private sector resources intended to increase future production output or income, to improve sustainable use of agriculture-related natural resources (soil, water, etc.) to improve water or land management, etc. Inclusive of upstream (at level of production) and downstream investments (transformation, processing, machinery, transport, logistics). Investment to be reported is new investment within the reporting year leveraged within the scope of the USG activity. “Leveraged by Feed the Future implementation” indicates that the new investment was

directly encouraged or facilitated by activities funded by the Feed the Future initiative. Investments reported should not include funds received by the investor from USG as part of any grant or other award. New investment means investment made during the reporting year.

- **Trade Indicator Handbook (Investment):** Recommend use of nationally-reported foreign direct investment.

In CARANA's experience managing competitiveness projects with explicit investment facilitation mandates, we have utilized both the Trade Handbook and the Feed the Future Handbook indicator definitions and attribution processes. Notable examples include:

- **USAID West Africa Trade Hub 2007-2013 (Exports & Investment):** Followed the Trade Indicator Handbook for Exports. The total value of exports worldwide as well within the region were reported to USAID. Investment figures were gathered via surveys with firms supported with project technical assistance. No baselines were established for exports or investment.
- **USAID Productive Network Project I & II 2007-2013 (Investment & Exports):** Followed the Trade Indicator Handbook. No baselines were established for investments. The total value of investment commitments made during the reporting year by firms receiving support from project-supported investment attraction agencies were reported.

Best practices in the investment promotion field support the existing USAID indicator definitions and methods for assigning attribution for investment facilitated. Investment attraction agencies globally do not distinguish investments that have been closed through direct encouragement, or via investment facilitation; all support is geared towards the final result, the value of new investment commitments, and seeing these commitments through to become reality.

Investment promotion projects managed by CARANA with USAID resources build capacity of national and regional institutions involved in investment to support the private sector in all stages of the investment lifecycle, from promoting the viability of a new investment, to making new investment commitments (announcements similar to those made under the New Alliance process, or board resolutions), closing existing investment deals (financing and the transfer of resources between equity funds/banks/investors and firms), greenfield investment initiation (the beginnings of construction), or making an existing investment structure fully operational to keep an investor from disinvesting from a country. As facilitators, investment attraction agencies and entities report on investments resulting from all the above interventions, converted

into a figure of value of investment, regardless of when these entities entered the picture in terms of the investment lifecycle, and regardless of the forcefulness of or nature of their support.

Proposed Methodology in Determining Attribution of Export or Investment Results on the NEXTT Project

We suggest for NEXTT, we utilize the Feed the Future methods for attribution. In the case of exports, this means the project can modify its existing PMP definition and PIRS, and establish baseline figures using the reported information from exporting firms via export questionnaires and report incremental exports as the exports for a certain period minus the baseline. Reported figures can be confirmed via monitoring and evaluation visits.

In the case of investments, we also suggest use of the Feed the Future method for attribution, which is not to utilize baseline figures, but to report all investment figures that emerge as a result of direct encouragement or facilitation by the NEXTT project. Investment figures can be confirmed via required quarterly questionnaires from project-supported firms and monitoring and evaluation visits.

Under the Feed the Future definition, examples of NEXTT facilitated investments that would be considered attributable to the project include:

Support to create a new agribusiness Alfred Martins/AVM, \$25,000: During interviews conducted as part of the NEXTT agribusiness opportunity mapping exercise in early 2013, assessment team member Eric White (of NEXTT Subcontractor Integra) met with Alfred Martins, a software entrepreneur leading a firm called AVM. A discussion ensued about the merits of a LAKAJI Corridor approach, the importance of ICT in terms of facilitating new investment in agribusiness along the corridor, and the introduction of an ICT-based commodity purchasing model in India called E-Choupal, which has revolutionized the way large agribusiness firms purchase agricultural commodities from smallholder farmers. Mr. Martins was intrigued by this technological innovation brought to him by Mr. White, and asked for assistance from NEXTT in developing a similar pilot in Nigeria. In the months that ensued, Mr. Martin began the design of FarmNet, a pilot based on the E-Choupal experience. He has since received technical assistance from Mr. White in designing the pilot model, finding potential co-investors, and in accessing pro-bono technical assistance from a commodity exchange expert to support the design of the pilot. While business planning continues, AVM entered into partnership with Vanu

Inc., a U.S.-based telecommunication company, also facilitated by Mr. White, that will allow FarmNet pilot purchase sites in rural areas connect to the internet, providing Vanu with sites for its rural telecom equipment, and concurrently allowing AVM additional revenue from managing Vanu's equipment. So far, AVM has invested \$25,000 of its own resources into the FarmNet pilot, not including Vanu Inc.'s committed investment. In its search for investment capital, NEXTT supported AVM firm develop a Development Innovation Venture application for FarmNet worth \$81,000, but the application was not successful. Mr. Martins of AVM is now meeting with agribusiness buyers in an effort to line up partners who are interested in piloting the ICT-purchase platform for commodities produced by smallholders.

Support to an agribusiness firm to avoid folding/disinvesting in agribusiness – Valency International, \$8 million: Valency International is a Nigerian trading company with interest in cashew, cocoa, sesame, rice and steel. A NEXTT international STTA consultant provided this firm with a wide range of technical assistance following the project selection of cashews as a priority sector for support. The firm was not in a financial position to pay for technical assistance services provided by the African Cashew Alliance, so NEXT's intervention was critical. When first met by the NEXTT STTA consultant, Valency's owner had not yet finalized its new \$8 million cashew processing facility, which was still under construction. The provision of NEXTT technical assistance to this firm prior to its completing the processing facility was designed to ensure that once completed, the processing facility could run at maximum capacity, and successfully produce export-ready cashews at a profit. The owner reported facing challenges making the economics of the investment unfavorable and unsustainable, including high energy costs, limited local markets for cashew by products (husk, shell), low productivity of the staff, and an eroding profit margin based on the non-functioning of the Export Expansion Grant (EEG). STTA was therefore provided by NEXTT to Valency in the areas of food safety standards, worker compensation, industry benchmarks on kernel processing and marketing, price information, the fumigation of cashew kernels, market linkages and quality procedures for export, among other issues. Throughout the course of TA provision, Valency finalized the processing facility, and has since successfully exported 25,000mt of raw cashew nuts, generating approximately \$20m in export sales to India and Vietnam. The NEXTT project has since provided technical assistance to the NEPC, leading it's Director to commit to reinstate the EEG, helping firms like Valency have the competitive advantage they need to compete with international markets. The owner of Valency believes that without this technical assistance and support of NEXTT, his investment may have been rendered unprofitable, and disinvestment could have been the result. At full capacity, Valency will source cashews from 25,000 rural families and export \$20 million of cashews a year, impacting the income of an estimated 100,000

people (if each head of household supports 3 family members), and providing more than 1,000 new, formal jobs.

Supporting the finalization of an existing agribusiness investment: Caterina de Medici Africa Value \$8,714: NEXTT team members met with Caterina de Medici's founder, Foluke Michael, during the agribusiness opportunity assessment conducted in 2013. Ms. Michael had formed a Women Empowerment and Youth Organization that had organized a series of seminars in rural education, including Gari (Cassava Flakes), and the organization began to receive support from the government of Ekiti-State, the British Embassy, and UNDP. Ms. Foluke has also received support from USAID's MARKETS II on their Cassava Value Chain Development Project in South-West, Nigeria. NEXTT invited Caterina de Medici to participate in the Agribusiness Investment Summit it hosted in August 2013, where this firm was able to network with potential investors. To expand cassava cultivation, Ms. Michael began working with the government of Ondo State and Ogun State, and received support from the NEXTT team in 2014 to bring a new investment to conclusion; Mr. White of Integra provided Ms. Michael with technical assistance to acquire an ICT system for managing independent cassava farmers. The NEXTT project also provided communications and marketing support for the entity's new cassava production launch in Ogun state. In April 2014, the launch event took place, where the firm announced the inauguration of a 10 hectare pilot cassava farm, representing the first step in a US\$4 million investment on 4,000 hectares that will create 600 jobs for farmers and laborers. NEXTT continues to provide Caterina de Medici with technical assistance to access additional investment, and with market linkages support to develop new relationships with buyers, such as Thai Farms, an off-shoot of Nigerian Flour Mills.

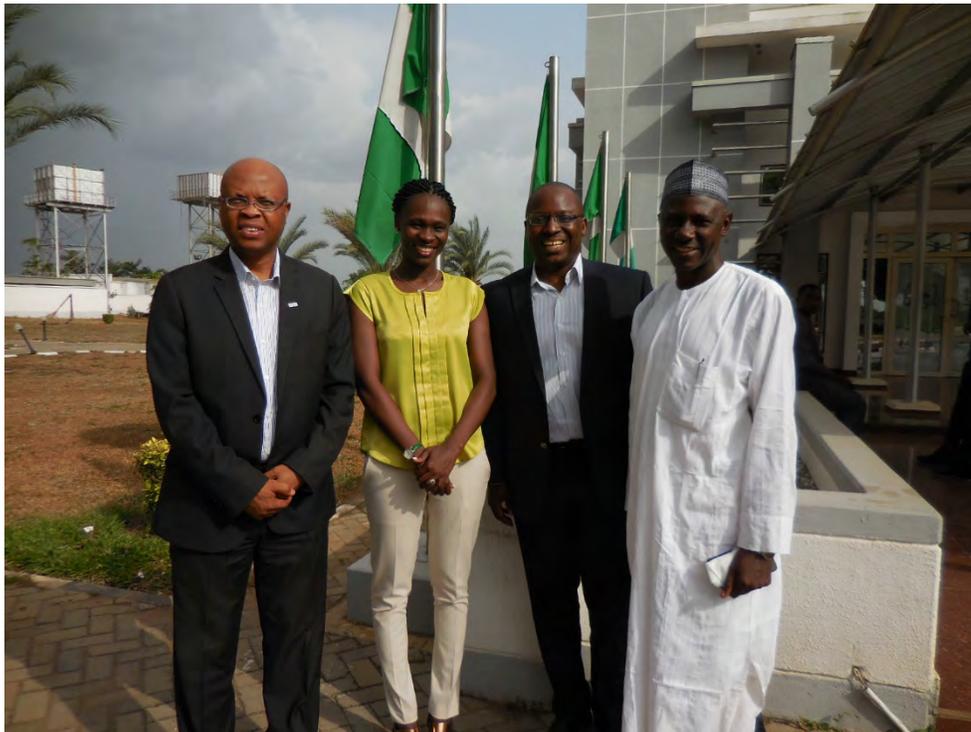
ANNEX XI: NEXTT MTE SELECTED PHOTOS



Nigerian Flags – Kwara State PPP Office, Ilorin, Kwara State



National Association of Shea Cooperatives – Bank of Industry,



Roland Oroh (USAID/Nigeria), Monsummola Bello (Kwara State PPP Office), Michael Jordan (NEXT MTE Team Leader), Yahaya Husseini (NEXT MTE) – Kwara State PPP Offices, Ilorin, Kwara State



Valency Cashew Factory, Ogun State