



USAID
FROM THE AMERICAN PEOPLE

NEXTT
Nigeria Expanded Trade and Transport

LAKAJI Agricultural Growth
Corridor Investment Summit
2013

August 28-29 | Abuja, Nigeria



SUMMIT LAYS FOUNDATION FOR AGRIBUSINESS INVESTMENT ON LAGOS-KANO-JIBIYA CORRIDOR

LAKAJI Corridor Investment Summit Report

The 2013 LAKAJI Agricultural Growth Corridor Investment Summit brought together 230 Nigerian and international participants representing agribusiness firms, agro-allied industries, farmers, banks, investment funds, business development services providers; logistics services providers, government agencies and development partners. The Summit featured in-depth discussion of the potential of the Lagos-Kano-Jibiya Corridor to serve as a magnet for investment in Nigeria's agricultural sector. The corridor in fact **represents a mega-opportunity for investors**, linking the largest consumer market in West Africa (Lagos) with some of the highest potential agricultural zones in the region.

The lack of a clear vision of corridor development and a range of enabling environment constraints has stifled both private and public investment. Summit speakers articulated that vision during the morning plenary sessions and the participants loudly endorsed it. The fresh vision features: transformation of the LAKAJI Corridor from a congested single strand of roadway into a multi-strand combination of Road, Rail, Air, Power and ICT - a Multi-Modal Trade Expressway with junctions for off-corridor states and other key Agri-processing clusters. The concept envisages the entire corridor from Jibiya to Lagos (1,150 km) designated as a Free Zone for agri-processing and related services.

Promoted in combination with Nigeria's other investment features, appropriate pro-business policies and improved trade facilitation, the corridor will attract significant investment. For more details of this concept please refer to the attached graphics from the NEXTT presentation at the Summit.

Afternoon breakout and closing sessions promoted increased collaboration between project developers, banks, investors, government actors and donors along the corridor: that collaboration can and must be at the center of efforts to attract investment. The main themes central to the LAKAJI Agricultural Growth Corridor Initiative included:

1. There is clear pent up demand for **an effective platform for private and public dialogue** on mutual goals and challenges related to moving projects along the corridor forward.
2. The USAID NEXTT LAKAJI assessment team catalogued numerous high-potential investments along the corridor and many other investment opportunities emerged during the Summit's breakout sessions. **High ROI opportunities are being left on the table by project promoters and investors.** These include opportunities for outsourced services such as warehousing and logistics, seedling production, raw material aggregation, out-growers aggregation and contract farming to name a few.
3. **Limited access to finance for agricultural and agro-related investments is a major constraint to investment** that the corridor initiative must address if it is to be successful. The finance constraint is particularly acute at the level of SMEs and more generally for long-term project finance. This finance constraint contrasts with commercial bank frustration over the lack of bankable projects on which an expansion of their loan portfolios would depend. It also underscores **the strong need for business development services and a project development facility** to assist in preparing projects.



USAID
FROM THE AMERICAN PEOPLE

NEXTT
Nigeria Expanded Trade and Transport

LAKAJI Agricultural Growth
Corridor Investment Summit
2013

August 28-29 | Abuja, Nigeria



4. **Innovative and effective models for financing agriculture have been piloted** along the corridor in recent years. A cocoa input credit scheme in Ogun state and a cashew cluster financing scheme in multiple corridor states are among the models presented at the Summit. The LAKAJI Agricultural Growth Corridor Initiative can play a key role in cataloguing and working with banks to take these models to scale.
5. **Effective marketing is critical to the success of ventures along the corridor and to attracting investors to the corridor (and Nigeria) generally.** Nigeria's image and related misconceptions, coupled with a lack of focus on marketing in business and investment attraction, all combine to limit the potential of the corridor economy. The LAKAJI Agricultural Growth Corridor Initiative should integrate marketing and market-led initiatives as a central element of its platform. Meeting customer and user expectations must rapidly become the new mantra of all who are involved in corridor-related activities. A strategic shift is required to align the centre of gravity for Corridor business more closely with market realities. For the Corridor itself, a high level Public/Private marketing team supported by an intensive communications and media campaign will be needed to get the new message out and rebrand investment in Nigeria.
6. The **punishing cost of doing business due to the seriously poor state of infrastructure**, in particular roads and electricity, is a major constraint to the competitiveness of Nigerian agribusiness. This requires continuous public-private dialogue on infrastructure investment priorities and real action by government on bringing those investments to fruition. The corridor clusters and SCPZs present logical starting points for targeting of energy and water projects, while the corridor itself requires a vision of transport infrastructure (road, rail, air) that transcends any one state.
7. **Lack of information dissemination platforms** that transmit opportunities and requirements to buyers and sellers of both products and services along the corridor is dramatically increasing transaction costs. The corridor initiative should explore technology solutions to this information gap in the product and service markets that make up the LAKAJI corridor's agricultural economy.

In the wake of the Summit, the USAID NEXTT project is working with a distinguished group of 40 public and private sector participants who have volunteered to join the inaugural LAKAJI Agricultural Growth Corridor Advisory Council. The Council will take on the above agenda, translating the vision and themes emerging from the Summit into an action plan for the Initiative. Already, the USAID NEXTT project is working with the Federal Ministry of Agriculture and Rural Development (especially to align with its Agricultural Transformation Agenda), the Federal Ministry of Industry, Trade and Investment, as well as the Federal Ministry of Communication Technology detailing points of alignment with their related Government of Nigeria programs. Other key partners include the Federal Ministry of Transport, the Federal Ministry of Aviation, the Federal Ministry of Planning, the Federal Ministry of Finance, the Federal Ministry of Power and the Governors of the eight Corridor states. Development partners include UNIDO, GIZ, MARKETS II, DFID, World Bank, IFAD and others.

The NEXTT project invites other private and public sector partners to join the LAKAJI Agricultural Growth Corridor Initiative as the Advisory Council gets off the ground.

For further information, including requests to participate in the Advisory Council, please contact:
Osita Aniemeka <oaniemeka@nigerianextt.org>