



4 April, 2011

FEDERAL REPUBLIC OF NIGERIA

**EXPANDING EXPORT OF SESAME SEED AND SHEANUT/BUTTER
THROUGH IMPROVED CAPACITY BUILDING FOR PUBLIC AND PRIVATE
SECTOR**

PROJECT STDF 172

A PROJECT FINANCED BY STDF AND NEPC

FIRST PROGRESS REPORT

1st October 2010 – 31st March 2011

**This report has not been formally edited by the
International Trade Centre**

1 October 2010 – 31 March 2011

Project Name:	EXPANDING EXPORT OF SESAME SEED AND SHEANUT/BUTTER THROUGH IMPROVED CAPACITY BUILDING FOR PUBLIC AND PRIVATE SECTOR		
Implementing Agency:	Nigerian Export Promotion Council	Project supervisor:	International Trade Centre (ITC)
Project description:	<p>The overall objective of the project is expanding Nigeria's Food exports of sesame seed and Sheanut/butter through improved SPS capacity building for Private and Public Sector Organizations and improved quality control along the supply chain. It is aimed at addressing some urgent needs related to quality control in the supply chain of sesame seeds and shea nut/butter in Nigeria to the level that meet Sanitary and Phytosanitary (SPS) measures in importing markets especially the EU and U.S markets.</p> <p>The focus of the project is on developing an effective aflatoxin control system for Sesame Seed exports and effective Free Fatty Acid (FFA) and impurities control system for Shea butter export. It is expected that the quality control system established would provide quality control for all stored cereals and pulses for local consumption and export.</p> <p>The specific objectives of the project are to:</p> <ul style="list-style-type: none"> • Improve documentation for current practices of quality control for sesame seed and shea products for exports with a focus on field level production, processing, storage, transport to ports of export and to make recommendations • Implement a robust field quality control system for sesame and shea products for exports to include: <ul style="list-style-type: none"> - Installation of processing equipments including driers and storage silos in strategic production areas to eliminate or reduce occurrence of <i>aflatoxin</i> - Establishment of a HACCP and traceability system within the Nigeria shea nut and sesame seed production and supply chain. • Implement a Contract laboratory analyses and certification system for quality control for sesame and shea products to meet importing country standard requirements. • Train Producers, Traders, Exporters and Standards Enforcement Officers to adopt and implement the improved Food Quality Management System • Disseminate project information, studies and results to all stakeholders To strengthen the public-private dialogue and partnership in the Nigeria shea nut and sesame seed sector. 		

	<ul style="list-style-type: none"> Strengthen the public-private dialogue and partnership in the Nigeria shea nut and sesame seed sector. 		
Project Start Date:	1 st October, 2010	Project End Date:	31 st September, 2012

1. Budget overview

Description	STDF Contribution to NEPC (USD) 65%	NEPC Contribution (USD) 35%	Total (USD)	% of Total project cost
Projected Total Project Budget (USD)	324,240 ¹	180, 800	505, 040 ²	100 %
Total expenditure to date (USD)	43, 019	31, 518	74,537	14.7%
Expenditure for reporting period (USD)	43, 019	31, 518	74,537	14.7%
Unspent funds (USD)	281,221	149, 282	430,503	85.3%

First Instalment (25% of total budget from STDF and 100% of total budget from NEPC)

Description	STDF Contribution (USD) 65%	NEPC Contribution (USD) 35%
Total sum received from STDF or NEPC	81, 200	180, 800
Expenditure for reporting period (USD)	43, 019	31, 518

¹ This does not include USD 15,000 to cover ex-post project evaluation. The total STDF contribution is USD 339,240 including ex-post project evaluation.

² This does not include USD 15,000 to cover ex-post project evaluation. The total project budget is USD 520,040 including ex-post project evaluation.

Unspent funds for reporting period (USD)	38,181	149, 282
% of expenditures of 1 st instalment	53 %	17 % ³

Additional Expenditure outside the budget⁴

Description	STDF	NEPC
Other expenditure within the reporting period (USD)	Nil	26, 715

³ This % is calculated on the 100% contribution already made to the project by NEPC. If this is calculated on the first six-month contribution e.g. USD 45,200, the expenditures of 1st instalment would be 70%

⁴ For further information, see “Section D: Other comments”

2. General Reporting

A. BROAD PROGRESS ACHIEVED TO DATE:

The first six months of the project were devoted to complete the project start-up phase and to build the ground for an effective and efficient implementation of the project activities. The main work achieved to date consists, *inter alia*, of the following: (i) finalisation of contracting actions between NEPC, WTO and ITC as supervisory agency; (ii) strengthening of the commitment and definition of roles and responsibilities of the relevant stakeholders; (iii) selection and appointment of the International Consultant; (iv) consolidation of NEPC administrative procedures for contracting International Consultant; (v) commence of project activities as per the work plan

B. BROAD PROGRESS ACHIEVED THIS PERIOD (OCTOBER 2010 – MARCH 2011) :

The STDF Project 172 commenced on 1st October, 2010 with the signing of the contract between the WTO and NEPC.

- The Project Coordination meeting and start-up meeting took place immediately, specifically on 14th October, 2010 (Component 5 “Collaboration and Sustainability”). Twenty eight participants comprising Trade Groups, Research Institutes, and other Stakeholders attended the meeting. Minutes of the meeting are available at NEPC.
- The WTO had within the period under review released the first trench of the Grant to the NEPC to the tune of Eighty One Thousand and Two Hundred Dollars (USD81, 200) only.
- The first out of the four missions by ITC to Nigeria was conducted from 24th – 27th January, 2011. During the mission several meetings were held between the representative of the Supervising Agency (ITC) and the Implementing Agency (NEPC) including one held between the ITC representative and the Executive Director/CEO NEPC. Another meeting between the Supervising Agency representative and all the Stakeholders involved in the STDF Project (35 participants) was held on 26 January 2011. Minutes of the meetings with the ITC Representative are available with NEPC.
- The TOR for the International Consultant (IC) was developed and advertisement for the assignment was published in two Nigerian newspapers (Punch and DailyTrust) and on the website of the NEPC. More than sixty applications were received and reviewed. Five candidates were finally shortlisted. Phone interviewed were undertaken with shortlisted candidates. None of the candidates could be engaged due to unavailability or specific technical experience/expertise. NEPC and ITC engaged to work together to activate respective network and identify suitable candidate. Dr Bruno Doko is the selected International Consultant; the selection was done based on his broad experience in Africa and Nigeria and expertise on food safety of the value chain in the two related fields and positive

reference. The contract for the engagement of the IC has already been drawn up.

- Component 1 *“Improve documentation for current quality control practices for Sesame seed and shea products for exports”*:
 - The study to characterise sesame and sheanut along the value chain has been concluded by the lead research Agency (NCRI) in collaboration with the Trade groups and other Stakeholders. The report of the study was received by the Secretariat. The 45 different samples of Sheanut, Shea butter and Sesame Seed have been delivered to NAFDAC the lead agency for the next activity; which is laboratory test to characterise the two products.
- Component 2 *“Implementation of a robust field quality control system for sesame and shea products for exports”*: In preparation for implementation of Component 2 the Secretariat has gone ahead to visit the Ministries of Agriculture and Ministries of Commerce of all the eight beneficiary states in order to (i) Sensitise the state stakeholders of the project and the immense benefits to be derived; (ii) Solicit their support in the overall implementation of the project; (iii) Secure space for the installation of the machines. The costs of these visits were born by the NEPC.

The above-mentioned activity has yielded positive response; all the States have expressed their enthusiasm to partake in the project and have indicated their interest to give all the necessary support. The States have also been able to provide information about the production areas in their locality and some have also provided the Local Government and locality to put up the machines.

- Component 4 *“Disseminating project information, studies and results to all stakeholders”*:
 - A **website** for the project was developed with the intention of creating awareness for the project. The website was initially hosted using the web address www.law-union.com/stdf172. However from February, 2011 after securing the domain name the website is now hosted under the following name www.sesame-shea-stdf172.org.ng. ITC provided inputs to review the temporary website before its finalisation. A **flyer** of the two products was designed for the project. It contains complete details of the project. It highlighted the objectives, component, outputs and the Stakeholders. The flyers have been sent to the entire eight beneficiary States. Copies were given to the State Ministry of Commerce and Industry, the Ministry of Agriculture and also the Agriculture Development Project (ADP) in each of the eight States. They were also distributed at other relevant fora e.g. the World Bank/NEPC Forum on signing of MOU for agricultural development in four States of the Federation also at the Central Bank of Nigeria and other Stakeholders Forum on Shea The ADPs

have also been informed to start the process of translating the flyer into local languages within their states especially in the producing areas where the project will be situated.

- The Secretariat has already gone ahead to **create awareness** on the project. The first step taken is to mention the project during programmes organised by the Council and programmes where the Council is playing some role or delivery a paper or address. The second step taken was through a press release on the Project that was issued by the secretariat on behalf of the Executive Director/CEO, NEPC. The release was aired by radio and Television stations and was also carried by some newspaper. The Council intends to do this from time to time.

C. BROAD WORK REMAINING FOR NEXT PERIOD AND BEYOND:

The next six months will focus on the implementation of major key components/ activities as outlined in the project document. It is expected that within the period under review the International Consultant would have been engaged and commenced work.

The Project Steering Group will have its inaugural meeting by the third week of April and it is expected that the International Consultant will visit Nigeria on the first Mission out of the two foreseen Missions and will be part of the meeting.

The focus of the Project teams will be geared towards the implementation of the other components lined up for execution within the next six months and beyond. The activities are as follows:

1. Baseline Documentation

- WP 1.2b: Laboratory test by NAFDAC to characterise Sesame and Sheanut
- WP 1.3: Development of simple predictive model for aflatoxin and fungi control will be undertaken by International Institute for Tropical Agriculture (IITA). Meanwhile the Institute has requested that a contract agreement be endorsed between itself and NEPC as a condition for participation in the programme. The NEPC's Legal Department has been working on the Agreement Paper.
- WP 1.4a: Formulation of recommendation to update existing manual of safety and quality

2. Quality Control and Traceability

- WP 2.1-2.11: Procurement/Construction test running and commissioning of machines and training.

3. Information Sharing and Empowerment

- WP 4.2: Website maintenance and update
- WP 4.3: Publications
- WP 4.4: Advertisements TV and Radio Programmes

D. OTHER COMMENTS:

The NEPC has been working tirelessly towards the success of this project. This is confirmed by the fact that the Board and Management of the Council have given their full commitment to the successful implementation of the Project. Accordingly the NEPC has contributed immensely both human and above its 35% financial contribution to the project implementation. The financial contribution by the Council outside the Project budget is as follows, and for a grant total of USD 26, 715:

- Duty tour allowance, transport/air ticket given to NEPC staff to attend STDF meetings from their various duty posts - USD7, 780
- Placement of newspaper advertisements seeking the engagement of International Consultant - USD4, 972
- Advocacy visit by NEPC Staff to all the relevant Ministries of the eight beneficiary States USD13, 963

The following were taken from the provision under Component 5.7 (hiring of conference room and miscellaneous expenses).

- Cost of postage (registered mails) of flyers to the Ministries of Agriculture, Ministries of Commerce and ADPs in all the eight States - USD300
- Cost of transporting the samples collected from the field to the NAFDAC Central Laboratory in Lagos USD 423

The Governing Board of the NEPC has approved the financial contribution of the Council totally USD180, 800. This money has already been deposited in the account.

1. The issue of inadequate funding for Component 2 “Implementation of a robust field quality control system for sesame and shea products for exports” is given high priority and is being discussed extensively among stakeholders especially as it relates to the aspect of machine fabrication, installation and training. In view of the limited budget approved (cost variations since the project was developed) it might be necessary to consider different options such as reduction in the number of States where the machines would be installed, co-sponsorship and co-funding with participating States and donors.

E. TARGET DELAY NOTES

The selection of the International Consultant (IC) for the Project is a very important activity within the implementation cycle of the Project. However due to unforeseen circumstances, some delays were experienced in the process of the engagement of the International Consultant.

About 60 applications were received, five candidates were shortlisted and the number one candidate indicated that he would not be available within the period. The number two candidate was contacted, it was however discovered during the discussions that his expertise is only in one product

(Sheanut/butter) and has little or no experience in sesame seed. Another qualified candidate was considered but was dropped due to the realisation that he was part of the group that drew up the STDF Project 172 Document; therefore there was fear of clash of interest.

Further to the above, attempts by NEPC and ITC to source for an IC turned out to be difficult due primarily to the fact that the project is focusing on two products and it was difficult to come up with a Consultant that has expertise in the two areas and ready to work for the amount as provided in the budget.

This problem was finally resolved with the acceptance by Dr Bruno Doko to serve as the Consultant to the Project. It is expected that the contract between the International Consultant and NEPC will be signed within the next few days. Plans are underway to invite the IC to the inaugural meeting of the Project Steering Group slated for the third week of April in Abuja.

3. Deliverable / Targets Table *(Log-frame)*

Item ID	Item Description	Target Finish Date	Actual or Forecast Finish Date	Status: (% Complete)	Comments
1	Preparation of Project Document	September 2010	1 st October 2010	Complete	
2	Preparation of TOR and Procurement of Services of Project Consultant	September 2010	14 th October 2010	Complete	
3	Preparation of Contract Agreement for timely release of funds for the project between the Project Coordinator and Project Consultant.	September 2010	March 2011	In progress 90%	The delay in the engagement of IC was due to the unavailability of the one that was initially selected
4	Study to characterize Sesame Seed and Sheanut value chain by selected Consultant/Body	November 2010	January 2011	Complete	
5	Preparation of questionnaire and other research instruments	January 2011	9 th February 2011	Complete	
6	Workshop to brief	February	April 2011	Not	Though the field report

	field team	2011		started	is ready, the brief will be organised when the laboratory test are out
7	Physical characterization of the Nigerian Sesame Seed and Formulation of Strategy along the value chain to the port of exit	March 2011	March 2011	In progress 80%	
8	Laboratory test by NAFDAC to characterize the Nigerian Sesame Seed and Sheanut along the value chain before the intervention of STDF	June 2011	17 th June 2011	Process started	TOR and Payment already dispatched to NAFDAC
9	Development of a simple predictive model for aflatoxin and fungi control in Nigeria Sesame and Shea production chain based inter alia, on the review of existing data from STDF-Benin Project 67 to identify critical control point for aflatoxin contamination by IITA	August 2011	19 th August 2011	Not started	Contract between IITA and NEPC is yet to be signed
10	Formulation of recommendation to Update existing manuals of safety and quality on Nigerian Sesame and Shea	September 2011	30 th September 2011	Not started	Will write to the Lead Agency and others to remind them and get them prepared.
11	Data entry, analysis and summary report of study of Sesame and Shea	October 2011	31 st October 2011	Not started	
12	Workshop to review result of field study and laboratory tests	November 2011	15 th December 2011	Not started	

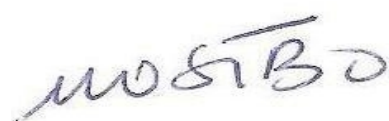
13	Publication of field and laboratory results and report on predictive modeling	November 2011	15 th December 2011	Not started	
14	Production of charts for guidelines on Critical Control Points	November 2011	January 2012	Not started	
15	Procurement/construction, training Test running and Commissioning of mobile threshers.	June 2011	31 st August 2011	In progress	1. The beneficiary states have been visited to secure space for the installation of the machines 2. Some States have indicated places to be used for installation 3. Specification of machineries have been requested from relevant institutions 4. Two have responded
16	Procurement/construction, training, Test running and Commissioning of rotary sesame seed drier	June 2011	31 st August 2011	In progress 20%	Same as above
17	Procurement/construction, training Test running and Commissioning of 5 ton capacity storage containers	June 2011	31 st August 2011	In progress 20%	Same as above
18	Procurement/construction Test running, training and Commissioning of Fermentation/Parboiling tank,	June 2011	31 st August 2011	In progress 20%	Same as above

19	Procurement/ construction, Test running, training and Commissioning of Parboiled Shea fruit digerster.	June 2011	31 st August 2011	In progress 20%	Same as above
20	Procurement/ construction, Test running, training and Commissioning of Shea nut bed drier	June 2011	31 st August 2011	In progress 20%	Same as above
21	Procurement /construction Test running training and Commissioning of Shea nut Cracker/shell separator	June 2011	31 st August 2011	In progress 20%	Same as above
22	Procurement/constru ction Test running, training and Commissioning of Shea nut roaster,	June 2011	31 st August 2011	In progress 20%	Same as above
23	Procurement/constru ction Test running, training and Commissioning of Shea nut milling Machine,	June 2011	31 st August 2011	In progress 20%	Same as above
24	Procurement /construction Test running, training and Commissioning of Oven,	June 2011	31 st August 2011	In progress 20%	Same as above
25	Procurement/constru ction Test running, training and Commissioning of Basket oil presser	June 2011	31 st August 2011	In progress 20%	Same as above
26	Establishment of HACCP Plan for shea nut and Sesame seed	February 2012	April 2012	Not started	
27	Development of traceability system for Sesame seed and shea nut	February 2012	April 2012	Not started	
28	Establishment of a	February	April 2012	Not	

	sampling plan for Sesame Seed and Shea nut	2012		started	
29	Contractual laboratory testing of samples and quality control	February 2012	April 2012	Not started	
30	Training of Trainers (Extension Workers) in Sesame and Sheanut production	May 2012	2 nd May 2012	Not started	
31	Training of 30 Traders, Exporters and Standards Enforcement Officers:	May 2012	31 st May 2012	Not started	
32	Website Development	January 2011	November 2010	Complete	
33	Website review and overhaul	May 2012	23 rd May 2012	Not started	
34	Website maintenance and ISP fees	January 2011	September 2012	On going	
35	Publications	December 2010	31 st August 2012	On going	
36	Adverts TV and radio programmes	October 2010	28 th September 2012	On going	
37	Project Coordination Meetings start-up meeting	October 2010	14 th October 2010	Complete	
38	Mid-term progress meeting	October 2011	19 th October 2012	Not started	
39	Project Completion Evaluation meeting	August 2012	23 rd August 2012	Not started	
40	Preparation of end of project report	September 2012	28 th September 2012	Not started	

First Six months financial statement

Items	Ref No.	STDF Contribution			NEPC Contribution		
		Actual costs (USD)	Original budgeted costs (USD)	Balance (USD)	Actual costs (USD)	Original budgeted costs (USD)	Balance (USD)
Preparation of TOR	1.1	1, 300	1, 300	Nil			
Characterisation of sesame and shea along the value chain	1.2a 1.2b	21, 200	21, 200	Nil			
Laboratory test by NAFDAC to characterise	2.15	8, 800	8, 800	Nil			
Website Development	4.1	4, 919	5, 000	81			
Publications	4.3	800	10, 000	9, 200			
Start-up meeting for 20 participants	5.1 5.2	6, 000	6, 000	Nil			
Hire of conference & room misc expenses	5.7				2, 718	14, 600	11, 882
Remuneration of project staff	5.9, 5.10, 5.11, 5.12				28, 800 Oct, 2010- March, 2011	151,200	122,400
Project Coordinator	5.9				9,000	36, 000	27,000
Technical Coordinator	5.10				0	36,000	36,000
Project Accountant	5.11				1,800	7, 200	5,400
10 part time institutional staff	5.12				18,000	72, 000	54,000
Grand Total		43, 019	52, 300	9, 281	31, 518	165,800	134,282


Omowunmi Osibo**Director/Project Coordinator (STDF 172)**