

Pro-poor Growth and Promotion of Employment in Nigeria Programme (SEDIN)



Funding: German Federal Ministry for Economic Cooperation and Development (BMZ)

Programme Area: Federal level and three selected states of Nigeria

Programme Partner: National Planning Commission

Programme Duration: April 2011 - March 2014 (first phase)

Context

The regulatory and institutional framework as well as access to financial services in Nigeria is inadequate for the effective development of micro, small and medium-sized enterprises (MSMEs). In line with Nigeria's national development strategy, the Vision 20:2020, and the Financial System Strategy 2020 (FSS 2020), the Pro-poor Growth and Promotion of Employment in Nigeria Programme (SEDIN) attempts to address these problems by enabling key actors from the public and private sector to plan and implement reforms to improve the business and investment climate, enhance competitiveness and add value to domestic resources, as well as improving access to financial services for MSMEs.

Objective and Target Groups

The objective of the SEDIN Programme of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) is to increase employment and income generation in MSMEs. As a federally owned enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development. The target groups of SEDIN are the owners and employees of MSMEs as well as members of other economically active low-income households. The measures supported at federal level are supposed to have an impact on the entire country. Measures at state and local levels will target three selected states (Niger, Ogun and Plateau States).

Programme Outline and Approach

The programme objective is pursued via three components:

Component 1 - Financial sector reform: Support to improve the regulatory environment for microfinance and the performance of selected microfinance banks, facilitate the introduction of microinsurance products, as well as activities to foster financial literacy and consumer protection.

Component 2 - Business Enabling Environment Reforms: Support to improve the business environment for MSMEs on three administrative levels (federal, state, local). This includes reforms in land and company registration, the taxation system for MSMEs as well as the promotion of selected value-chains (see below).





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Component 3 - Support to Nigeria regarding regional economic integration in the West African sub-region (ECOWAS): Promotion of the implementation of ECOWAS protocols and programmes in the fields of trade facilitation and tax harmonisation as well as improving financial sector regulation/supervision in West Africa.

The promotion of agricultural and non-agricultural value chains (VCs) will help to diversify the economy and enable the programme to ascertain the effects of the reforms promoted in all three components and design reforms in line with target group needs and conditions. SEDIN has selected 4 VCs: sheanut-butter in Niger, cassava in Ogun, potato in Plateau and construction as a cross-cutting non-agricultural VC in all states; with a focus on the low-cost housing sector. The programme adopts an integral capacity development approach at the interfaces between the public and private as well as between the real and the financial sector.

To raise the effectiveness and sustainability of these measures, up-scaling has been planned from the outset. Experience from promoting selected value chains, especially with regards to improved access to finance and the regulatory framework, will be transferred where possible to other value chains. The results of the supported pilot measures of individual states will be disseminated to other states via peer-learning to set an example and enhance the sustainability and broad impact of reforms.

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