

## 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 2014 - March 2017 (second phase)



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### Context

The regulatory and institutional frameworks as well as access to financial services in Nigeria are 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 supporting key actors from the public and private sector to plan and implement reforms that bring positive changes in 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 sustained 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 four fields of interventions, i.e. (1) financial system development; (2) business enabling environment reforms; (3) trade policy and facilitation; (4) value chain development, organized as Programme Units. These Units seek synergies around partners and collaborate to achieve the programme objectives. This is materialized through collective efforts and joint activities.

**Unit 1 - Financial System Development:** Support to improve the regulatory environment for microfinance and the performance of selected microfinance banks, assess possibilities to support financial institutions to increase their MSME lending activities, facilitate the introduction of microinsurance products, as well as activities to foster financial literacy and consumer protection in the financial sector.



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**Unit 2 - Business Enabling Environment Reforms:** Support to improve the regulatory and institutional environment for MSMEs at local, state and federal levels. This is being achieved by strengthening the capacities of stakeholders from the public and private sector in advocating and implementing reforms that result into better performing MSMEs with increased income generated and sustained employment. The reforms encompass the three administrative levels (federal, state and local) on: land acquisition; company registration, the taxation system for MSMEs, enforcement of contracts; policy formulation that directly impact MSMEs (federal level). Support the downward linkages of national advocacy platforms to state and local counterparts and sensitize about MSME issues through local radio stations.

**Unit 3 - Trade Policy and Facilitation:** Reducing administrative hurdles to domestic and intra-regional trade by removing physical trade barriers and supporting border management reforms; facilitating evidence-based policy making; sensitising the private sector including MSMEs on the potentials and procedures of intra-ECOWAS trade; as well as promoting Nigerian exports into the sub-region.

**Unit 4 - 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 four units and design reforms in line with VC-specific target group needs. SEDIN has selected four VCs: sheanut/-butter in Niger (after recorded success in five years, this value chain will be replaced by another VC to be selected soon), cassava in Ogun, potato in Plateau and construction with a focus on the low-cost housing sector as a cross-cutting non-agricultural VC in all states.

As to further maximize the achievement of the objectives of the SEDIN programme, it is complemented by two projects co-funded by the European Union: (a) 'Strengthening Nigeria's Trade Support Institutions' and (b) 'Economic Development for Peace and Stability in Plateau State'.

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Under its cross-cutting themes, SEDIN recognizes that women play a fundamental role in moving the Nigerian economy forward and therefore aims at increasing their participation in economic activities in its programme states. With her HIV mainstreaming strategy, it ensures that HIV does not negate the success and attainment of its goals and also contribute towards reducing the spread of HIV in its programme states.

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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