



Co-funded by the European Union



The Nigeria Competitiveness Project (NICOP)

Improving competitiveness and exports through value chain development



The Challenge

In pursuit of decent jobs and improved livelihoods, it is critical for Nigeria to improve its competitiveness in non-oil sectors to enable them participate in the global export market. Longstanding challenges deriving from individual firms' limited capacity in production processes, skills development, management and technology are exacerbated by inefficient allocation of human and financial resources and market distortions within the existing business environment. Insufficient capacity and infrastructure to provide essential services required for quality output, market and export development as well as access to finance and investment have limited intra- and extra-regional trade creating an overreliance on imports. Opportunities for entrepreneurial success, gainful employment, economic diversification and growth have all diminished in recent years as a result.

Our Approach

The Nigeria Competitiveness Project (NICOP) is a four-year project commissioned by the German Ministry for Economic Cooperation and Development (BMZ) and co-funded by the European Union under the West African Competitiveness envelope. It is being implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH through the Pro-Poor Growth and Promotion of Employment in Nigeria Programme - SEDIN.

NICOP is designed to support the key value chains in Nigeria of tomato, ginger, chili and leather and garment production to promote structural transformation, improve coordination and address linkage failures to improve access to regional and international markets. Innovative, sustainable and inclusive approaches accommodating social and environmental concerns are fundamental to NICOP's strategy. NICOP will assist micro, small and medium-sized enterprises (MSMEs) to take advantage of opportunities to add value and migrate to new and higher-level tasks along selected value chains.

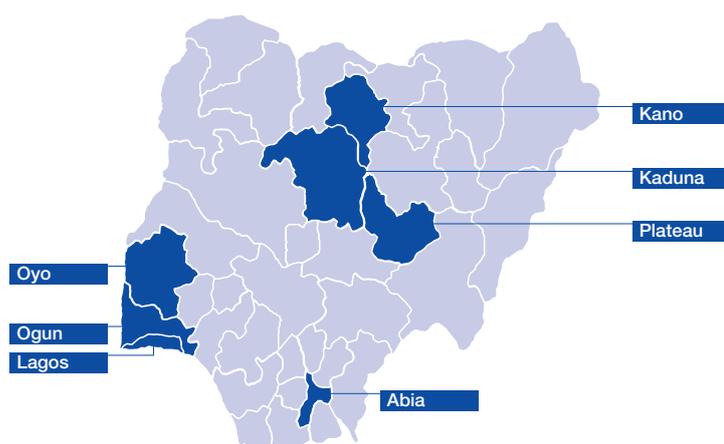
Project name	Nigeria Competitiveness Project
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ), co-financed by the European Union (EU)
Implemented by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Project Area	Nigeria
Political Partners	Federal Ministry of Budget and National Planning (FMBNP) and Federal Ministry of Industry, Trade and Investment (FMITI)
Project Duration	August 2018 to July 2022
Financial Volume	11 million Euro

This will be done through a four-tier approach; (1) enhancing the competitiveness at firms' level, especially through work with industrial clusters, with a combination of market development and entrepreneurial training and coaching, (2) strengthening intermediate organisations and inclusive businesses to improve and expand service delivery to MSMEs including quality control and standards certification, greenhouse solutions, market access, competitive pricing of inputs, access to technology and IT-based solutions, (3) supporting advocacy and reforms of regional, federal and state-level policies and regulations to deliver industrial and agricultural competitiveness, and (4) supporting value chain actors to achieve easier access to finance and investment through the adaptation of existing financial products and also through the introduction of innovative sources of finance including crowdfunding, franchising, diaspora and impact investment solutions.

NICOP will assist actors to access funds for investment, in particular with regard to modernising and upgrading production capabilities to forge strong and durable partnerships with key public and private sector stakeholders across focal states to ensure that ownership and commitment is secured and the multiplying impacts of the programme provide the required systemic and sustainable changes.

Where we Work

NICOP is working at federal level and in seven focal states of Abia, Kano, Kaduna, Lagos, Ogun, Oyo and Plateau.



Value Chains and Intervention Areas

NICOP is focusing on four value chains namely: tomato (including pepper and chilli), ginger, leather and garments.

Tomato and Chilli Value Chains

The focus here is on processing and preservation. This includes production of tomato paste and sauces, drying and canning of tomatoes and chillies and other end-consumer products. This is implemented through engagement with large and medium level processors of tomatoes and chilli with established capacity and work with them on increasing their production efficiency through production, aggregation and delivery models for processing through linking the processors with small scale farmers through cooperatives and farmer associations and empowering them to forge lasting and fair business relationships in outgrowing and contract farming schemes.

At the same time, NICOP aims at improving quality and productivity through entrepreneurial skills development with Farmer Business Schools and Good Agricultural Practice training. NICOP will support the introduction of innovative technologies for artisanal and small-scale processing in a bottom-up approach in collaboration with cooperatives, private sector actors, and women's groups. The certification of new products with the relevant regulatory agencies will enhance access to formal domestic and regional markets. Also, export options will be evaluated, and market access will be facilitated if deemed feasible.

Ginger Value Chain

This value chain is supported by addressing the challenge of declining yields and enhancing productivity through improving agronomic practices, technological innovations, as well as strengthening the capacity of actors to competitively engage in the international trade. The focus on technological innovations has led to the introduction of ginger planters and harvesters, processing equipment for various products as well as drying equipment. To further harness the benefits from the international markets, the project is also supporting production, processing and exportation of certified products while exposing actors to requirements of various export markets and working with relevant regulatory bodies to ensure they get the requisite registrations to competitively trade in the international markets. With an inclusive approach, NICOP works with small holder farmers through cooperatives and clusters, medium sized amalgamators, processors, various service providers and exporters to improve practices.

Leather and Garment Value Chains

The focus here is placed on finished leather goods and finished garments. A key intervention is the entrepreneurial training and coaching for MSMEs and clusters in these sectors. NICOP is looking to improve the quality, knowledge and ability to manufacture finished leather goods and garments with emphasis on rapid customisation, mechanisation, division of tasks, product design, production at scale as well as assurance of uniform quality. NICOP also focuses on improving market linkages and supporting the development of domestic brands within the leather and garments clusters, giving particular attention to African prints and designs. BMOs are supported in establishing centres for technical services required in the production clusters.



Business Enabling Environment and Trade Policy Reform

Improving the business enabling environment by removing constraints and filling gaps in the regulatory and administrative support mechanisms is central to any comprehensive competitiveness strategy for the targeted value chains. NICOP is therefore addressing specific regulatory and policy constraints affecting all areas of the selected value chains at local, state and federal levels. The project is doing this through its support to a comprehensive policy and regulatory environment review, Public-Private Dialogues, private sector advocacy and technical support to implementation of reforms by the public sector. In addition to regulatory aspects, improving the access to public incentive schemes and support programs is an aim of NICOP's policy and advocacy support.

Access to Finance and Investment

Throughout the value chains, adequate and suitable access to finance and investment will be facilitated through partnership with commercial banks, microfinance banks, development banks and public financing schemes as well as other forms of innovative finance, including franchising, crowdfunding, impact investment and Public-Private Partnerships. Financial solutions will be customised for each financing requirement, from seeds, inputs, and farming technology to storage solutions, marketing and investment in processing and packaging facilities. For each value chain, additional opportunities will be considered such as the fostering of agricultural-based initiatives through investment (i.e. tomato paste processing, cold chain, innovation) and the improvement of processing facilities to achieve international quality standards.



Key achievements as at October 2020



+12,000

beneficiaries trained across value chains, 29% female



+13,300

instances of training across states



+500

MSMEs trained on finished leather goods production skill improvement or entrepreneurship SME Loop



+3,000

beneficiaries supported in access to finance and investment options



+6,500

beneficiaries supported in the access to funds from various COVID19 stimulus packages/other initiatives



+100M

naira funds facilitated to various actors across value chains from different sources of finance



+80

legislations analysed at local, state and/or federal level



6

measures introduced to protect and enhance the resilience of MSMEs, vulnerable workers and farmers versus COVID19



1+1

one weather insurance product specifically developed for ginger and one medical cover insurance for farmers



COVID19 Impact Consortium launched for aggregated impact and National Advisory Board for impact investment supported

Published by

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

SEDIN/NICOP Nigeria
No. 20 Haile Selassie Street
Asokoro, Abuja, Nigeria
T +234 (0) 8055299996
giz-nigeria@giz.de
www.giz.de

As at

January, 2021

Contact

Ana Vinambres, Head of Project, NICOP@giz.de

Author

Jonne Bruecher, Ana Vinambres, Akin Omoware

Design

Helmut Viertel

Photo credits

GIZ Nigeria, Symbols images: Flaticon.com

On behalf of

German Federal Ministry for Economic Cooperation and Development (BMZ), co-financed by the European Union (EU)

In cooperation with

Nigerian Federal Ministry of Budget and National Planning and Federal Ministry of Industry, Trade and Investment (FMITI)