



Co-funded by the European Union



The Nigeria Competitiveness Project (NICOP)

Improving competitiveness and exports through value chain development

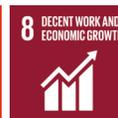
The Challenge

Exports are key in promoting sustainable and inclusive growth, creating decent jobs and fighting poverty in Nigeria. However, most non-oil sectors show a very weak competitiveness due to various challenges. Among these are unfriendly business environment for trade and investment, inefficient allocation of human and financial resources due to markets distortions, and limited competitiveness at firms' level in terms of production processes, skills, technology, management, linkages and market access capabilities. Furthermore, there is insufficient capacity and infrastructure to provide the important services required for quality output, market and export development as well as access to finance. These factors lead to limited intra- and extra-regional trade and thus to overreliance on imports thereby thwarting the opportunities for entrepreneurial success, gainful employment, economic diversification and growth as well as poverty reduction and development.

Our Approach

The Nigeria Competitiveness Project (NICOP) is a four-year project commissioned by the German BMZ and co-funded by the European Union under the West African Competitiveness envelope. It is being implemented by the GIZ Pro-Poor Growth and Promotion of Employment in Nigeria Programme – SEDIN. NICOP is designed to support key value chains in Nigeria to promote structural transformation, overcome coordination and linkage failures and to improve access to regional and international markets while taking social and environmental concerns into account. 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.

The project also aims at improving the performance, growth and contribution to industry, regional trade and export of selected value chains and improving the climate for businesses at national and regional levels. This will be done through a four-tier approach; (1) enhancing the competitiveness at firms' level, especially



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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

through work with industrial clusters, with a combination of market development as well as technical and entrepreneurial training and coaching approaches, (2) strengthening intermediate organisations to improve and expand service delivery to MSMEs, for example with regards to quality controls, norms and standards certification, new green 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 in favour of industrial and agricultural competitiveness, and (4) assisting the adaptation and introduction of appropriate financial services and supporting value chain actors to access funds for investment, in particular with regard to modernizing and upgrading production capabilities.

NICOP will 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, pepper and chilli value chain

The focus here is on processing and preservation. This includes production of tomato paste and sauces, drying and canning of tomatoes and chillies, making chilli oil as well as other end-consumer products. Considerable efforts will go into linking major



Leather and garment value chains

The focus for leather and garment value chain is placed on finished leather goods (FLG) and finished garments. A key intervention here is the entrepreneurial training and coaching for MSMEs and clusters in the sectors. In addition, the project is looking to improve the knowledge and ability to manufacture leather goods and garments with emphasis on rapid customization, mechanization, division of tasks, production at scale as well as assurance of uniform quality. The programme will also focus 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.

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 (PPDs), 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

Throughout the value chains, affordable, adequate and suitable access to finance will be facilitated through partnership with commercial banks, microfinance banks, development banks and financing schemes as well as other forms of finance, including crowdfunding, Public-Private Partnerships (PPP) among others. These financing options 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 meet up with international market standards. Access to finance for leather goods and garment manufacturers and tanning factories will be improved to allow them to fund the production cycle requirements.

large-scale processors with small-scale tomato farmers through empowering cooperatives and communities 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 (FBS) and Good Agricultural Practice (GAP) trainings. In addition to this market-led approach, the project will also support the introduction of innovative technologies for artisanal and small-scale processing in a bottom-up approach in collaboration with cooperatives, NGOs and women's groups. The certification of new products with the relevant regulatory agencies will enhance access to formal domestic markets. Also, the option for exports to West African and international markets will be evaluated and market access will be facilitated if deemed feasible.

Ginger value chain

The project is focusing its support to this value chain on improving productivity through mechanisation and improvement of seed rhizomes, good agricultural practices and entrepreneurial skills development to increase yields and productivity. The focus on mechanisation will lead to the introduction of technology including machines for soil preparation and harvesting as well as improved tools and machines for cutting and drying, ensuring higher quality of dried ginger for exports. Also, the project will support the introduction of technology for the production of other further processed consumer products such as ginger cake, ginger oleoresin (oil) and drinks. In addition to working with medium-sized amalgamators and exporters, cooperatives will be assisted to also move up in the value chain and gain more direct market access.

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