

# NICOP's Support To Leather And Garment Value Chains

## 01 Business Member Organisation (BMO) identification

- The two largest leather goods production clusters in Nigeria (Kano and Aba) were identified from background scoping study for NICOP
- Relevant BMOs and associations within these clusters were identified for support with a special focus on gender i.e. AFDEC, MADAFa and to institutionalise support i.e. LEPMAAS, KALAPMA

## 02 Technical, entrepreneurship and marketing training provided

- Needs assessment conducted with BMOs to identify priority skill gaps and for alignment with their priorities
- Collaborations established with formalised training institutions (public & private) to use existing training materials and drive trainings
- Enterprise development and marketing trainings deployed

## 03 Quality improvement

- Achieved through a combination of technical training to improve production skill and access to appropriate production equipment within shared facilities
- Embedded within training curriculum/manuals

## 06 Access to market

- Dedicated marketing support to initiate and mentor on engagements with offtake markets
- Exposure to exhibitions and trade fairs to increase product visibility
- E-commerce linkages in collaboration with Jumia

## 05 Quality improvement support

- Achieved through a combination of technical training to improve production skill and access to appropriate production equipment within shared facilities
- Embedded within training curriculum/manuals

## 04 Product development support

- Assessment of market potential for products from supported groups
- Introduction of technical expertise within clusters to drive product innovation trainings targeting products for niche markets

## 07 Savings and loans groups (internal funding)

- Gender based initiative with focus on women groups in leather goods production
- Saving and loans approach introduced to reinforce financial discipline, reinforce record keeping and create a record history
- Groups selected from recommendations by apex BMOs (KALAPAMA and MADAFa)
- Female groups trained on savings and loans group formation, processes and management of savings and loans

## 08 Access to finance (external funding)

- Preselected enterprises recommended and prepared by SME Loop coaches in Aba and by enterprises recommended by BMO's in Kano
- Financial institution supported to design and launch financial product specifically addressing needs and constraints of beneficiaries
- Financial literacy training provided to selected beneficiaries that were further supported in the loan process
- Support to business formalisation provided where required (i.e. Corporate Affairs Commission registration, etc)
- Eligibility checks independently conducted by financial institutions (Bank of Industry, Jaiz Bank, NIRSAL MFB)

## 09 Empowering of BMOs

- Introduction of technical support to build service capacity of BMOs
- To enable associations to continue providing professional business services and support to all their members

## 11 Improved Business Enabling Environment for leather value chain

- Support to NILEST with Public Private Dialogues in Aba and Kano and Business to Business meetings in Kano to encourage dialogue and trade
- Support to the launch and the implementation of leather policy with vice president endorsement
- Capacity building for public and private sector actors on policy implementation
- Associations empowered to continue advocacy process

## 10 Introduction of technology and innovation

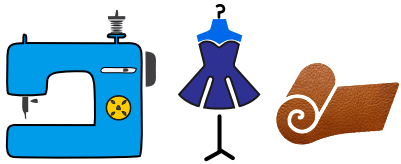
- Introduction of technical support to build service delivery capacity of BMOs
- Clusters trained on business development and value addition with introduced innovation



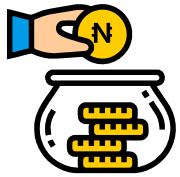
## IMPACT RESULT



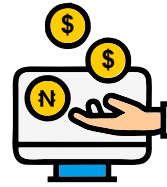
25 Business Support Organisations Partnerships supported



Over 1,900 beneficiaries are MSMEs and artisans 36% are women, have been supported with SME Loop, grow your business and other trainings tailored towards improved finished products.



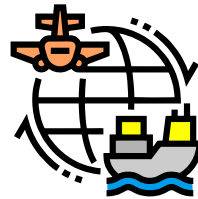
25 saving and loan groups setup with over 400 members in Kano state only.



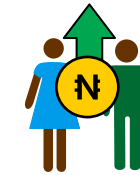
They have also been supported with product aggregation services and support for the Jumia e-commerce platform



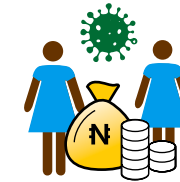
65% of beneficiaries trained on entrepreneurship are women



90 SMEs supported to take part in export promotion and experience exchange missions



79% of beneficiaries increased their income up to 20%



Over 700 beneficiaries, 42% are female, accessed various finance and investment options, including COVID-19 stimulus funds, worth over 55 million naira



About 74% of finance accessed are from Jaiz bank, 21% from COVID-19 stimulus funds and 5% from the Self Financing Communities (Saving groups), and other finance options

# NICOP's Journey in the Agricultural Value Chains to Increase Competitiveness and Trade: A Comprehensive and Sustainable Approach Focused on Inclusivity and Innovation



01

## Farmer identification and selection

- Screening and selection of lead farmers and small holder farmers
- Selection and identification of small and medium size processors with an inclusive business approach
- Identification of agricultural input suppliers providing innovation and inclusivity

02

## Training selected beneficiaries on group dynamics and cluster formation

- Training of lead farmers from identified groups
- Lead farmers cascaded down trainings to small holder farmers and let in group formation
- Training included Good Agricultural Practices (GAP), Farmer Business School (FBS), Integrated Soil Fertility Management (ISFM), Pest Management, Aflatoxin Control, Value Addition, Economics of Production, and others

03

## Contract management

- Key to guarantee a fair deal for small holder farmers and cooperatives, promote bankability and scalability
- Potential off takers interested in linking with small holders identified and their needs assessed
- Contract farming checklist developed to outline all possible risks and mitigation measures for inclusive outcomes. Checklist used to guide conversations with the offtakers and farmers' groups
- Contracts signed upon agreement by both parties
- Obligations of both parties monitored with regular review meetings to address emerging challenges

04

## Standards and Certification support to processors and offtakers

- Focused on standards and certification for food safety and trade promotion
- Partnership with Nigerian Export Promotion Council (NEPC) to explore and support registration and certification schemes
- Hazard Analysis Critical Control Point (HACCP) certification chosen as the most ideal since most SMEs engaged by the project are Food item processors
- Training conducted on the principles of HACCP to bridge the knowledge gap in implementing international food safety
- NEPC coaches trained to support SMEs on HACCP registration

05

## Equipment provision and training

- Promotion of value addition through equipment support to partners
- Cottage processing provided opportunity for linkage with smallholder farmers for improved supply chain
- Groups trained on the use of the equipment and on food safety
- Clusters supported to develop business and expansion plans with new produce with value addition to achieve new markets

09

## Improvement of the business enabling environment

- Ginger and tomato policies supported to improve value chains
- Alternative Dispute Resolution mechanisms introduced in selected states to easily address and resolve trade disputes and encourage trade flows
- Public private dialogues supported to provide a platform to discuss issues and grievances in an inclusive manner
- Specific and tailor made financial products specifically designed, launched and disbursed to selected beneficiaries with gender considerations
- Contract farming institutionalised to provide additional guarantees and certainty to all parties
- Kaduna dry port support to provide alternatives to congested sea ports
- Food security policies reviewed to provide more clarity and transparency to food processors
- State trade policies reviewed and supported to encourage trade

08

## Access to finance and investment

- Specific financial literacy materials developed for selected agricultural value chains
- Small holder farmers trained on financial literacy, record keeping and sources of finance
- Explored networking, matchmaking and loan facilitation with traditional sources of finance (i.e. commercial banks, microfinance banks, government schemes – CBN ABP, Bank of Agriculture) and innovative sources of finance (i.e. franchising, crowdfunding, impact investment, diaspora investment, etc)
- Specific and tailor made financial products specifically designed, launched and disbursed to selected beneficiaries with gender considerations
- Saving and loan group set up and successfully running and disbursing loans
- Insurance provision with traditional insurance and weather index insurance products
- Specific COVID19 relief facilities disbursed to small holder farmers across states

07

## Business Member Organisation (BMOs) and cooperative empowerment

- Business modelling for a sustainable framework to deliver all professional services to their members
- Empowerment of BMOs and cooperatives to deliver these professional services
- Support to revenue generation and service delivery (i.e. bulk raw inputs and equipment procurement, online and offline marketing, technical support, access to finance, etc)

06

## Market linkages

- Linkage of farmer groups to processors, aggregators, exporters and other off-takers
- Both empowered farmers and processors packaged as viable businesses through profiling and development of investment decks and fliers telling their stories
- Processors exposed to various market opportunities including trade fairs to stimulate demand for their products



# IMPACT RESULT



**+24,000** hectares of agricultural land managed sustainably

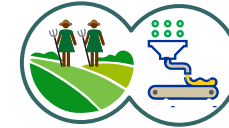
**+2,000** lead farmers trained



**+1,300** farmers trained on contract farming



**+200** farmers engaged in contract farming agreements



More than **10** large market linkages facilitated for both farmers and processors



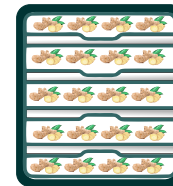
**+45%** more jobs created by NICOP beneficiaries



**+19,000** farmers trained on GAP, FBS, ISFM, IPM



**79%** of beneficiaries confirm their knowledge has improved and **94%** of beneficiaries recorded adoption and practice of lessons learned



**+ 50** innovations and technology equipment worth

**+ NGN 200,000,000**

provided to **+20** clusters

with **+10,000** beneficiaries utilizing them to reduce post harvest losses, add value and create additional products



**7** SMEs have so far been **certificated** with HACCP and another batch of 5 SMEs are currently undergoing the process of getting certified

The 7 SMEs certified covered only about 21% of the original cost of acquiring this certificate, thereby realizing cost savings of

**+ NGN 4,500,000** for these businesses.



**+110%** increase in yield and **+261,000** tons of tomato and ginger harvested



**77%** of beneficiaries have increased their income up to 20% by an average of **NGN 144,000** across the states