

Pro-Poor Growth and Promotion of Employment in Nigeria Programme - SEDIN

Strengthening Nigeria's business environment and increasing the capacity of micro, small and medium-sized enterprises to increase income and employment

The Challenge

The lack of employment represents a serious challenge for the Nigerian economy and society. About 60% of the population lives below the poverty line and 44% of the working age population are either unemployed, underemployed, or have retracted from the labour market. Especially for young people it is difficult to find full and productive employment and decent work. While micro, small and medium-sized enterprises (MSMEs) provide for 84% of employment and 50% of economic growth, inadequate framework conditions and entrepreneurial skills as well as lack of access to financial services constrain their sustainable growth.

Our Approach

SEDIN supports implementation partners in improving the employment and income situation of MSMEs. The programme cooperates with partners at the federal, state and local levels. It has been concentrating its field work in the federal states of Ogun, Niger and Plateau, and in the potato, cassava, rice and housing value chains. Co-financing by the European Union since October 2018 allows the programme to expand to the federal states of Lagos, Oyo, Abia, Kano and Kaduna, and to the tomato, ginger, garment and leather value chains. SEDIN supports the capacity development of people and organisations by providing training to MSMEs, young people and other target groups to improve their entrepreneurial skills and financial literacy. Implementation partners such as microfinance banks (MFBs) and business development service providers are supported to improve their services. Furthermore, SEDIN facilitates linkages between stakeholders, through the online platform SMEline and public-private sector dialogues to improve the business environment.



Project Name	Pro-Poor Growth and Promotion of Employment in Nigeria Programme - SEDIN
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Implementing Organisation	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Project Area	Federal States of FCT, Niger, Plateau, Ogun, Lagos, Oyo, Kaduna, Kano, and Abia
Executing Partner Agency	Nigerian Ministry of Budget and National Planning
Project Duration	April 2017 to July 2022 (third phase)
Funding Budget	€ 31.1 Million, including € 9 Million co-financing of the European Union (third phase)

SEDIN promotes access to finance and MSME development. The programme works with the Central Bank of Nigeria and other stakeholders to increase access to client-oriented financial services for MSMEs and the low-income population. It supports capacity building of MFBs to improve product development, risk management and social performance on the supply side, and the financial education of MSME owners, farmers, women and the youth on the demand side.

To promote MSME development, SEDIN urges stakeholders to create an enabling business environment in areas such as business registration, land acquisition, construction permits and taxation. SEDIN supports the development of one-stop-shops that provide a bundle of services to MSMEs. To support the capacity development of MSMEs, SEDIN uses the "SME Loop" approach; a six-month training and coaching cycle.



Left picture: Aisha Yusuf, participant of the SME Loop, managing accounts in her office

Right picture: Students gaining entrepreneurial skills in extracurricular clubs that were implemented by SEDIN



Left picture: Jerry Isaac Mallo, participant of the SME Loop and winner of the MSME Award of the Year 2018 on his construction site
Right picture: Cassava processing

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Results in Figures ...

15 strengthened MFBs with 266,315 depositors

- 31% increase in number of borrowers (2016-2018) to 59,352 borrowers, of which 59% are women
- 13% increase in total loan portfolio to Naira 3.1 billion (2016-2018)
- 47% income growth of the supported MFBs (2016-2018)

Improved financial literacy

- 69,827 participants (42% women) trained in financial literacy
- Financial literacy integrated into the curriculum for primary and secondary schools

Improved business environment

- 37 business advocacy groups established and active
- Tax harmonisation laws enacted in Niger, Ogun and Plateau States
- In Plateau the number of taxes, fees and levies required to be paid have been reduced from 64 to 21 with the new law
- 50-65% reduction in time required for obtaining construction permits in Ogun State
- The time to acquire land from customary owners has been reduced from two to four years to six weeks in Niger State

Improved entrepreneurship skills

- 561 MSMEs successfully participated in the “SME Training and Coaching Loop”, including the MSME of the year 2018
- Eight organisations across Niger, Ogun and Plateau States are testing start-up trainings (Start-Up Loop) and developed business models to include the training into their curriculum
- 14,859 students (56% girls) in 388 secondary schools gained entrepreneurship skills in extracurricular clubs
- 973 stakeholders in the potato and cassava value chain received trainings and capacity building measures
- 5,366 new jobs were created through support of agricultural value chains in the partner states

... and Stories

Financial literacy: National Youth Service Corps (NYSC)

In collaboration with the Federal Ministry of Youth and Sports Development, financial literacy was introduced into the NYSC scheme. Nigerian university graduates are enabled to raise financial literacy awareness and become multipliers. The Financial Inclusion Community Development Service integrates financial literacy into the NYSC scheme and foresees that about 2,000 corps members will undergo financial literacy training every year. To date 3,840 corps members have been trained.

A group loan for the Zazawamari Women Group

Pana Microfinance Bank in Niger State was assisted to introduce group lending in 2015. The 20 women of the Zazawamari Women Group in Nukuchi village used a group loan as working capital for their melon and rice businesses. The additional income enabled the women to repay their loans and gain access to further loans. They were able to set money aside for the education of their children as well as to pool money for paying the salary of one secondary school teacher in their community.

A tractor from Nigeria

Jerry Isaac Mallo is a young entrepreneur with strong interest in technology and machines. After studying in the UK, he established his own engineering company, Bennie Agro, to support farmers with more suitable and affordable machinery. SEDIN supported him with entrepreneurship training, which eventually allowed him to register his business and to obtain loans from a partner MFB. He now builds several agricultural processing machines and constructs tractors in a new production site in Jos. The company's annual income has increased 23-fold and he has created five permanent and 15 part-time jobs. In 2018, Bennie Agro received the National MSME Award of the Year, from the Federal Government of Nigeria.