


# Strategic Framework and Implementation Plan for Job Creation and Youth Employment in Nigeria



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# Strategic Framework and Implementation Plan for Job Creation and Youth Employment in Nigeria



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Nigeria needs a clear strategic framework to guide its job creation agenda. The framework was developed in collaboration with stakeholders across the private, public and civil sectors.

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Each region of Nigeria has the potential to advance its competitiveness and create jobs across the four sectors that are the focus of this framework.



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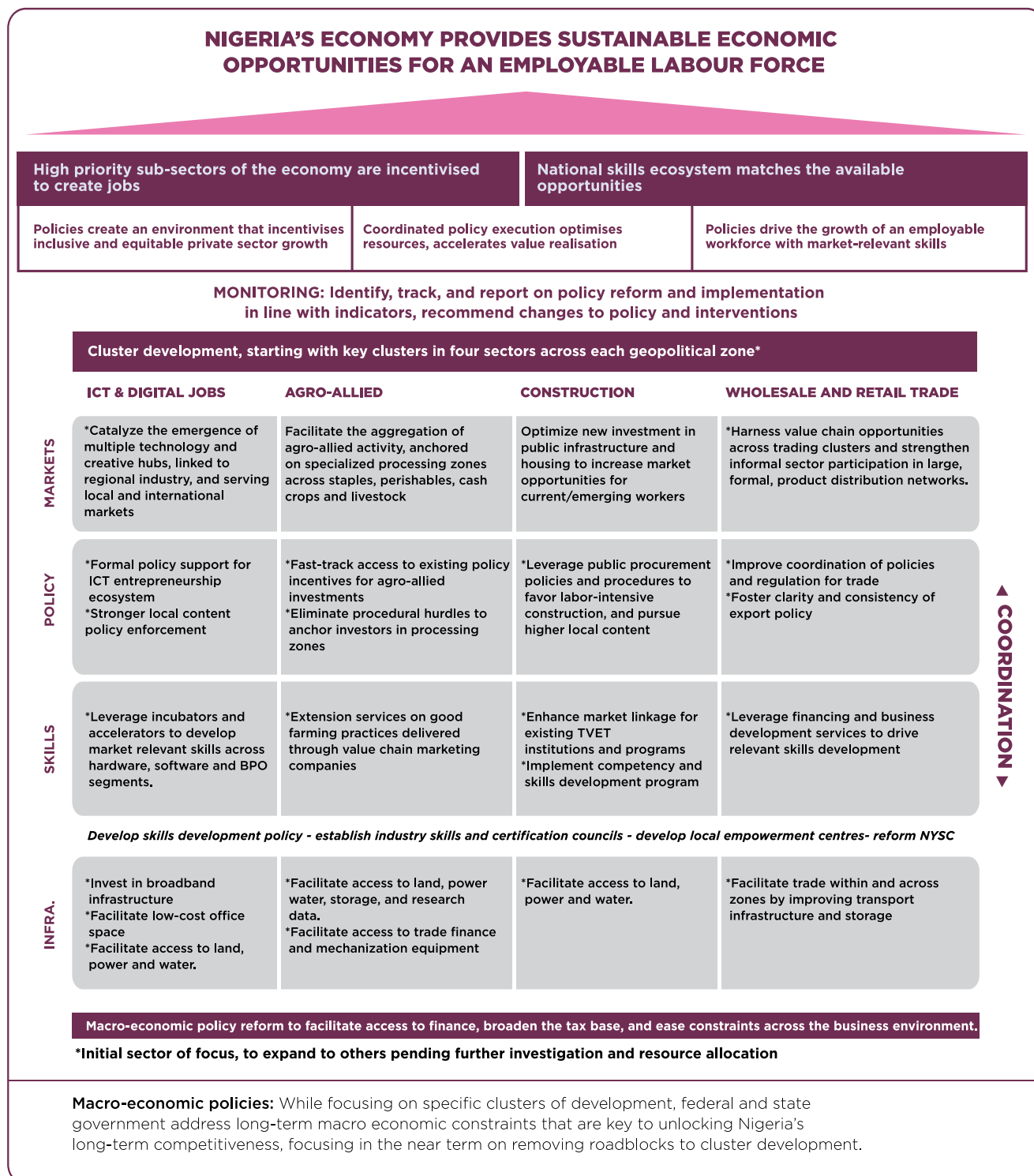
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# Strategic framework on job creation for Nigeria

Figure 1. Proposed strategic framework on job creation in Nigeria



# 1. Executive Summary

**Nigeria has experienced a sustained period of economic growth in the last decade without a corresponding improvement in employment.** Twenty-five percent of the labour force are either unemployed or underemployed, casting a gloomy prognosis on the country's future. The depth of Nigeria's unemployment crisis is particularly evident amongst youths, with two in five youths between the ages of 15 and 35 affected. With an economy at risk of a recession in the face of dwindling oil prices, tackling youth unemployment is an urgent imperative. Nigeria needs to create many more jobs (and many more jobs of decent quality) as young people continue to join the workforce en masse over the next 8 – 10 years. In response to the need for a strategic approach to job creation, a Job Creation Unit (JCU) has been set up within the Presidency to effectively coordinate activities and interventions aimed at driving near to medium-term job creation across Nigeria. The role of the JCU will be to coordinate, facilitate and elevate promising growth strategies within specific clusters of economic activity that have been targeted to stimulate job creation. This unit has led a collaborative effort involving stakeholders from across the public, private and civil sectors, to develop a strategic framework to underpin the country's approach to tackling job creation and youth unemployment over a three year period (2016 – 2018).

The strategic framework has five key thrusts:

1. Selection of **priority economic sectors** as anchor sectors to which policy and programmatic interventions will be directed to catalyse job creation within and beyond the sectors
2. Identification of **specific geographical clusters of focus** within each of the defined anchor sectors in order to leverage existing comparative advantages within the clusters, optimize resource allocation, and ensure equitable distribution of job creation interventions across Nigeria's regions
3. Defining specific interventions to **address skill development issues and talent supply gaps** to ensure that the local labour force can fill available and emerging job positions in the short to medium term
4. Identification of **policy and infrastructure enablers** required to address structural constraints, to attain competitiveness across each of the focus sectors in the long term
5. **Coordinated implementation of defined interventions** across federal and sub-national governments, driven by the Job Creation Unit, a coordination hub in the Presidency, resourced by stakeholders from the private, public and development sectors

In developing the strategic framework for the JCU, four high-growth sectors were selected and evaluated, in order to assess what interventions are required within the sectors to create mass employment opportunities while providing a foundation for long term transformation of Nigeria's economy. The selection of focus sectors reflects the need to prioritize informal sector employment opportunities, and ensure that locations most acutely affected by youth unemployment (particularly Northern Nigeria) are not neglected. The four selected sectors that present interesting opportunities for job creation and the rationale for their selection is summarized below:

*Selected Priority Sectors:*

**Economic Transformers**

**Construction**



- Required to respond to infrastructure and housing constraints
- Significant program of works planned by public sector in upcoming semesters


**ICT**



- Transformative impact on labour productivity and creation of new industries
- Major emerging sector for employment and economic growth.


**Mass Employers**

**Agribusiness and agro-allied industries**



- Mass employer in formal and informal sectors nationally
- Large domestic demand and potential for import substitution
- Increased income potential through increasing yield and processing

**Wholesale and retail trade**



- Mass employer with low barriers to entry and potential for growth in the sector
- Major lever for formalisation and improvement of market linkages

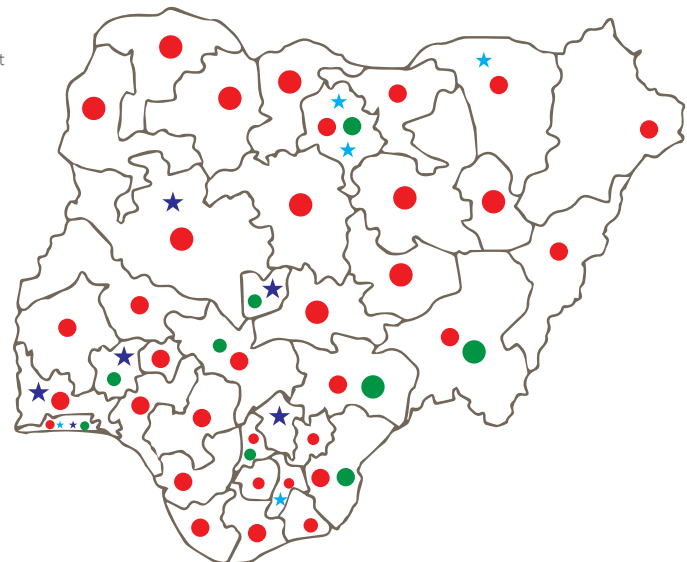
SOURCE: Dalberg analysis.

Across each of the above sectors, specific clusters have been identified as priority clusters of focus for interventions aimed at growth and employment generation. The figure below highlights these clusters:

*Selected Priority Clusters*

- **AGRIC AND AGRO-ALLIED**
  1. Kadawa Tomato Cluster, Kano
  2. Gassol Rice Cluster, Taraba
  3. Makurdi Citrus Cluster, Benue
  4. Agadu-Alape Cassava Cluster, Kogi
  5. Abuja Crop Processing Cluster, FCT
  6. Badeggi Rice Cluster, Niger
  7. Osogbo Poultry and Feed Cluster, Osun
  8. Ketu-Ereyun Corridor Aquaculture Cluster, Lagos
  9. Oban Pineapple Cluster, Cross River
  10. Omor Rice Cluster, Anambra
  11. Kebbi Rice Cluster
- ★ **WHOLESALE & RETAIL TRADE**
  1. Kurmi Artefacts Retail Cluster, Kano
  2. Dawanau Grains Retail Cluster, Kano
  3. Potiskum Livestock Retail Cluster, Yobe
  4. Alaba Retail Cluster, Lagos
  5. Ariaria Leather Products Cluster, Abia

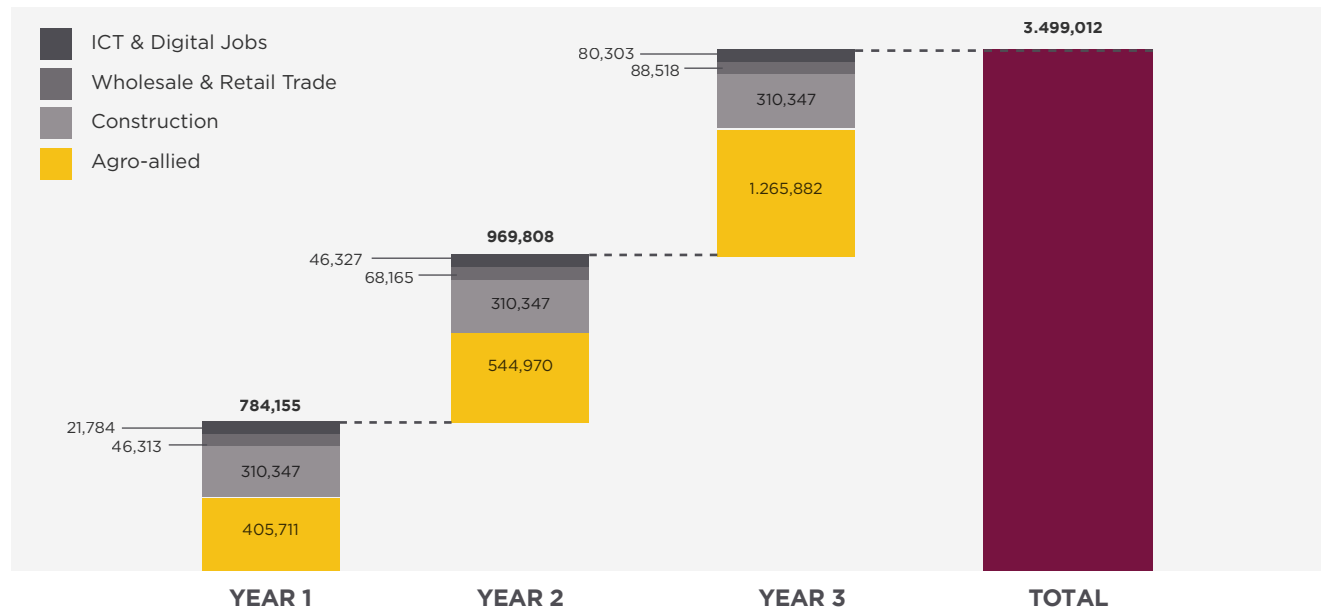
- **CONSTRUCTION**
  1. Infrastructure development in all 36 States + FCT
  2. Housing construction in 36 states + FCT
- ★ **ICT**
  1. Tech content and BPO in Lagos
  2. Hardware, Software and BPO in Kaduna
  3. Hardware and Software in Osun
  4. Tech content development in Abuja
  5. BPO in Enugu
  6. BPO in Ogun





A set of priority interventions has been defined to be executed in phases as part of an implementation roadmap for growth and job creation within each of these clusters. It is expected that successful implementation of the recommended interventions will create nearly 3.5million jobs over three years (2016-2018).

*Directional estimates for job creation targets (2016 – 2018)*



**A functional skills development ecosystem is required to optimize the expected investments in the above clusters and ensure that the current labour force has the appropriate pathways to the created jobs.** A number of interventions will be pursued to address the identified issues on the supply side of the unemployment equation. At the core of these interventions is the development of a coherent national skills policy that prioritises demand-driven training, coordination, and industry led skills delivery and certification. The implementation of this policy is expected to address skills challenges related to standards and qualifications, and engender greater private sector ownership and involvement. In addition to the above, specific interventions aimed at skilling up organizations will be pursued, including support for small businesses and individual entrepreneurs. Additionally, interventions aimed at leveraging existing channels to extend the reach and impact of skill-up programs will be undertaken, such as reforms to the National Youth Service Corps scheme and the creation of local empowerment centers to improve access to functional and occupational training for millions of Nigerian youths.

Nigeria’s economy is faced with a number of structural issues, constraining economic competitiveness across all sectors. Recommendations to address these constraints constitute the foundation of inclusive economic growth that will encourage the expansion of key sectors of the economy, create higher quality jobs, and transition new entrants into employment at a higher rate. In addition to addressing the supply side issues, deliberate action is required on these structural impediments to inclusive growth. This report provides broad recommendations on actions needed in this regard, and offers a number of specific policy recommendations aimed at improving access to finance, enhancing the competitiveness of Nigeria’s business environment, and encouraging innovation to create jobs.

In order to ensure efficiency in implementation, the coordinating entity, has been designed along the following principles:

- 1. The unit is a partnership between the public and private sector to continually engage in tackling Nigeria's employment problem*
- 2. The unit is designed to be politically and ideologically neutral as much as possible to limit undue influence by political leadership. The role and composition of the Steering Committee is aimed at limiting political interference as well as undue influence from any single private sector organisation*
- 3. The unit will have a structure that is lean and efficient. To ensure that it can be supported (resource-wise and financially) by private sector organisations and donors*

The role of the Job Creation Unit will be to coordinate, facilitate and elevate promising growth strategies in key sectors. Rather than implementing those strategies itself, the unit will work closely with responsible MDAs across the federal government and state governments. The country's performance with respect to executing the strategy and implementation plan will be guided by a performance dashboard and a detailed monitoring and evaluation plan.

## 2. Introduction and context



**Nigeria has experienced a sustained period of jobless growth that has left an estimated five to twelve million young people unemployed.** Twenty-five percent of the labour force are either unemployed or underemployed, casting a gloomy prognosis on the country's future. Further, educational attainment appears to have limited impact on job prospects, with similar unemployment/underemployment rates amongst Nigerians without primary education and those educated up to and beyond secondary level (27% vs 29%). Unemployment/underemployment is worse amongst females than males (32% vs 23%), and contrary to widely held notions, worse in the rural areas than urban areas (30% vs 21%). The depth of Nigeria's unemployment crisis is particularly evident amongst youths, with 38% of youths between the ages of 15 and 35 affected. With an economy at risk of a recession in the face of dwindling oil prices, tackling youth unemployment is an urgent imperative. With nearly 45% of its population under age 15 (UN World Urbanization Prospects, 2014), Nigeria has a significant "youth bulge" compared to the rest of sub-Saharan Africa. Nigeria will need to create many more jobs (and many more jobs of decent quality) as young people continue to join the workforce en masse over the next 8 – 10 years. Already, millions of people are joining the workforce yearly and the population of youth—new labour market entrants—looking for work is growing more quickly than jobs are being created. The vast majority of jobseekers are primarily accessing positions in the informal sector (which currently accounts for two-thirds of the nation's jobs), with significant implications for the quality and stability of their employment. Recent studies indicate that young people across Nigeria disproportionately take jobs in the informal sector, have limited networks and knowledge of how to access more stable economic opportunities due to prevalent information asymmetry, and are becoming disillusioned with the limited prospects of accessing such opportunities in the future. The current situation can be attributed to a number of factors, including economic dependence on the extractive sector which has limited linkages to labour-intensive industries. In addition, structural roadblocks to broad-based economic growth remain, and public sector jobs are declining due to privatization.

Figure 2: Nigeria's Growth (2007 – 2014)



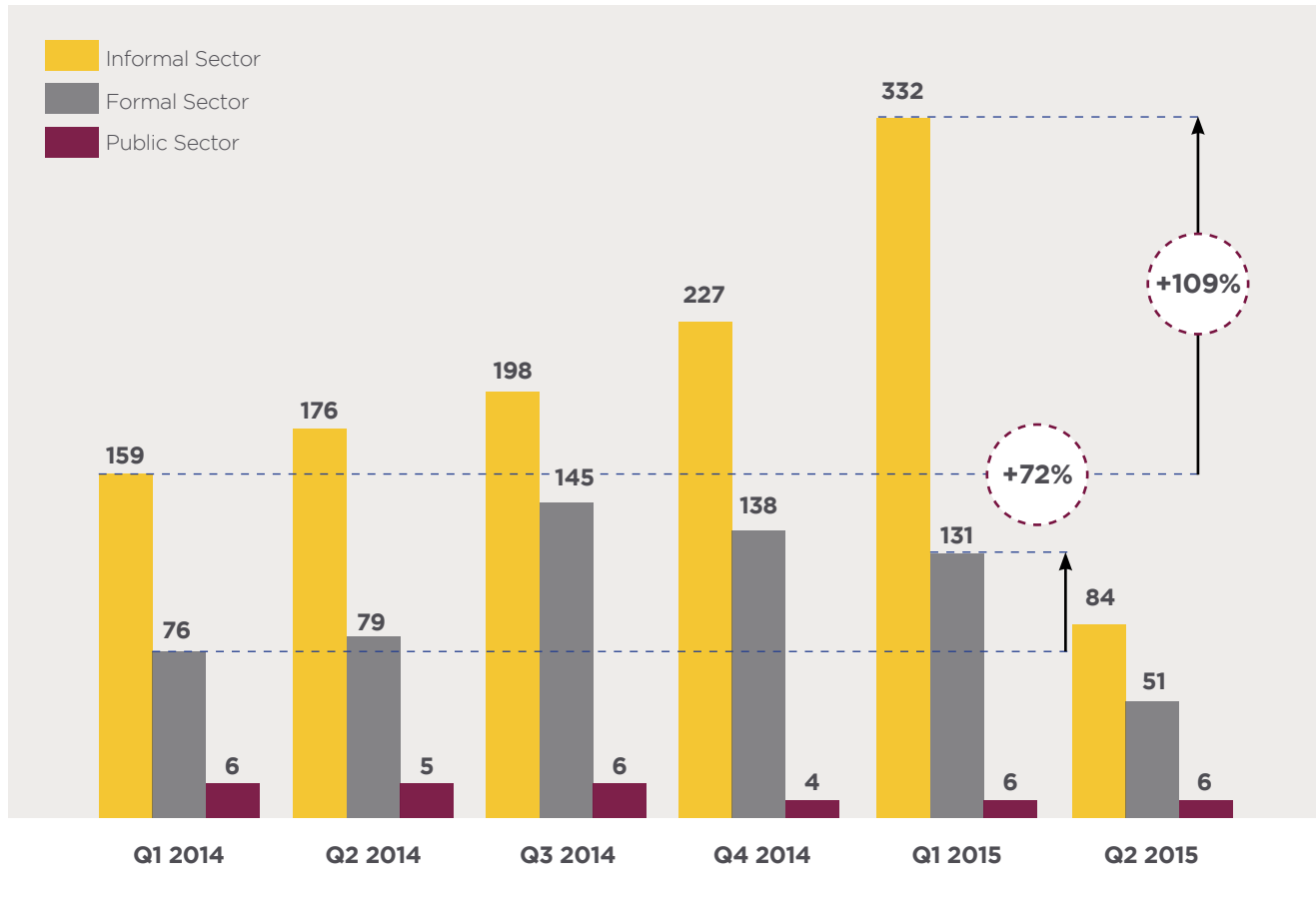
**There is an urgent need for the government to support sustainable employment opportunities.** Indeed, the country's response in dealing with the structural obstacles to increased employment will define Nigeria's economic trajectory in the near and medium term. Previous global employment studies on government policies and interventions indicate two pathways that governments utilise to stimulate near-term job creation: (1) direct public sector employment and (2) use of regulatory instruments and policy incentives to encourage private sector job creation. Given the current economic context in Nigeria—declining government revenues and a high public sector wage bill—direct public sector employment is an unlikely lever for sustainable job creation. Incentivizing the private sector to create jobs is thus the critical thrust of Nigeria's job creation drive. These two levers are not exhaustive; despite the urgent need to tackle the problem of five to twelve million youth currently unemployed, longer-term interventions and investments will also be required.

Similar to many African countries, Nigeria's workforce comprises predominantly of informal workers, with 4 in every 5 workers informally employed. Due to low barriers to entry, the informal sector has historically not been as constrained as the formal sector in its ability to create jobs for young people. Between January 2014 and March 2014, quarterly informal sector job creation more than doubled, peaking at 332,000 new jobs in the first quarter of 2015, compared to 137,000 formal sector jobs. This surge was followed by a sharp drop in the second quarter of 2015, as the effect of Nigeria's macroeconomic headwinds began to impact business activity across most industries.

Figure 3: Jobs created by sector, Q1 2014 - Q2 2015

### Jobs created by sector, Q1 2014 - Q2 2015

Thousand People

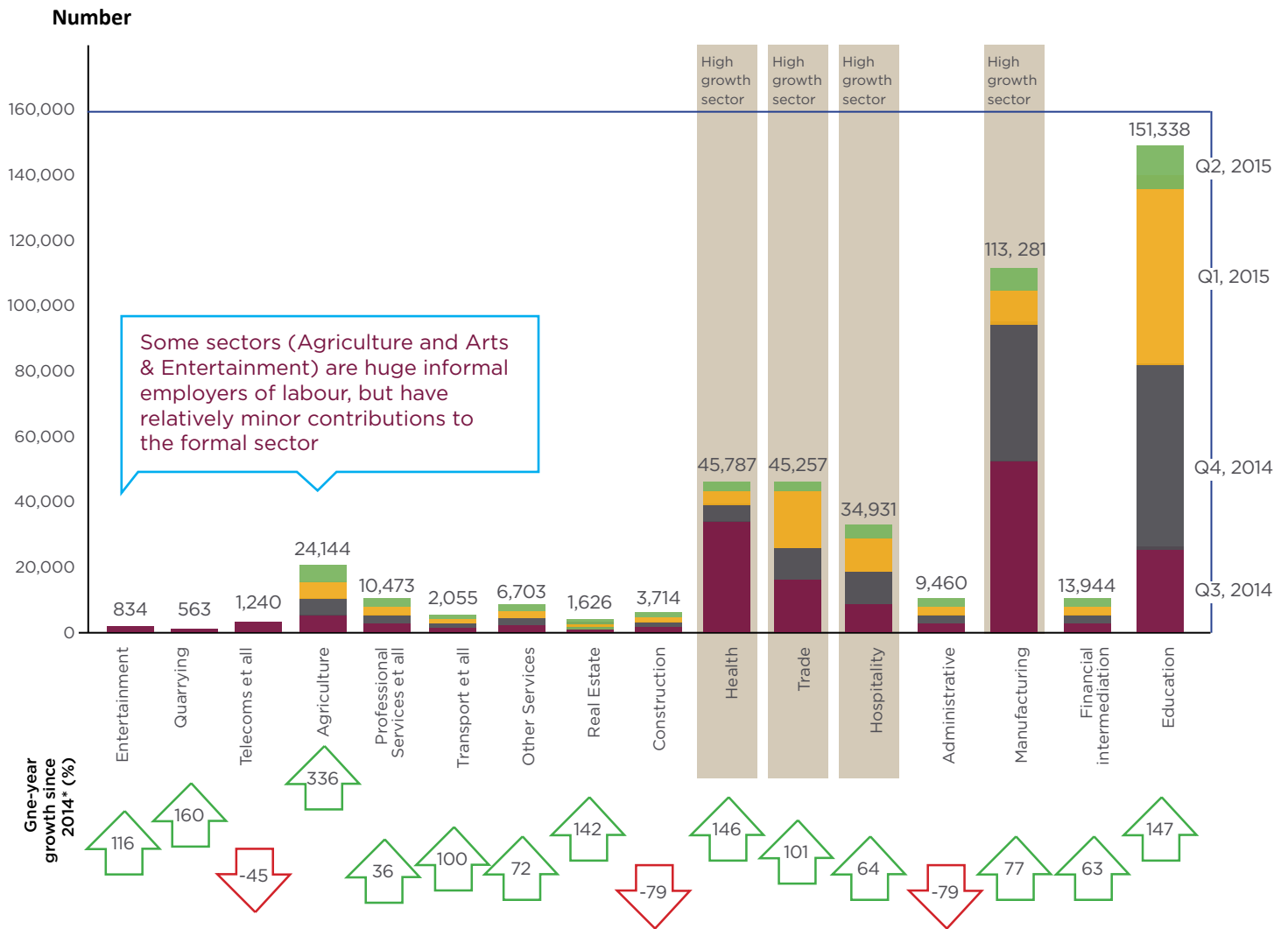


Majority of the informal sector jobs generated during this period were in two industries - agriculture and wholesale/retail trade. For formal sector employment, the composition of new jobs reflected growth in five industries - education, manufacturing, social services, trade, and hospitality, while public sector job creation remained minimal, reflecting spent public treasuries and limited political desire to expand the bureaucracy.

The structure and composition of employment generation in Nigeria in recent years as described above highlight the importance of a multi-pronged approach to job creation that recognizes the importance of formal sector jobs and pursues formal job creation from multiple industries, **while placing strategic focus on the informal sector and the key industries that drive informal sector job growth.**

Figure 4: Composition of formal sector job creation, Q3 2014 - Q2 2015

**Formal Jobs created per sector, Q1 2014 - Q2 2015**



**In response to the need for a more strategic approach to job creation, a Job Creation Unit (JCU) has been set up within the Presidency to effectively coordinate activities and interventions aimed at driving near to medium-term job creation across Nigeria.**

To support the new unit, the UK Department for International Development (DFID), through its Policy Development Facility programme (PDF II), engaged the services of Dalberg Global Development Advisors, a global strategy and policy advisory firm, to assist the unit in undertaking analysis across Nigeria’s six geopolitical zones to identify specific clusters of economic activity that can be targeted to stimulate job creation. Dalberg has been tasked with identifying opportunities, constraints, and structural limitations to job creation across specific economic sectors, and with providing recommendations on how best to address these.

**The role of the JCU will be to coordinate, facilitate and elevate promising growth strategies at the cluster level in key sectors, rather than implementing those strategies itself.**

**There are two sections to the present document:**

### 1. A strategic framework for job creation in Nigeria

- A mapping of four high-growth sectors with job creation potential, ensuring that the mapping reflects the comparative advantage of each of the six regions
- A description of the Nigerian skills ecosystem and the relevant skills and competencies required to fill potential new jobs created

### 2. A high-level implementation plan

- A logical roadmap for the government to support job creation over the next three years.
- A monitoring tool for tracking implementation progress and ensuring stakeholder coordination

This document provides a strategic framework for Nigeria as well as an implementation roadmap and monitoring plan. **It has been developed as a living document to serve as a basis for further refinement.**

## 2.1 Methodological approach

### 2.1.1 Stakeholder engagement

In light of DFID's support to the Job Creation Unit in developing a strategic framework and implementation plan, Dalberg and the Office of the Vice President engaged over 100 stakeholders through two workshops held over the course of a month. The first event, on November 20, 2015, was hosted with the DFID/PDF II team and attended by government representatives, as well as other donors and NGOs. The donor roundtable provided an opportunity for Dalberg to receive feedback on the project approach and high-level analytical framework, as well as gather perspectives from the donor community on ongoing initiatives that could strengthen the implementation plan.

Following the initial donor roundtable, Dalberg validated this approach through interviews with over fifty stakeholders across the private, public, and social sectors. The team supplemented this outreach by attending a number of events on job creation (DFID/PDF II Jobs Summit); sector-specific growth (Chatham House event on retail/trade, Agra Innovate conference on agriculture/agribusiness in Nigeria); and micro, small, and medium enterprise (MSME) development (FATE Foundation Policy Dialogue on MSME growth). The team solicited input from a significant number of stakeholders during these events.

A further, broad-based convening took place on December 16 2015, bringing together over 100 participants from a range of private sector, government, and non-profit entities. Stakeholder input helped shape the development of the strategic framework; in particular, stakeholders emphasised the following points:

- Keep analysis grounded in regional competitiveness to ensure sustainable private-sector driven jobs;

- Strategic framework should provide a clear vision for enhancing medium- to long-term competitiveness and identify the key activities needed in the short term to support the vision;
- Strategy should build upon and strengthen existing initiatives and projects;
- Strategy should adequately capture the different dynamics across the geopolitical zones while clearly defining target beneficiaries; and
- The Job Creation Unit should play a coordinating role across the various tiers of government and also engage businesses in order to secure private sector funding for proposed interventions.

In addition, three private sector industry convenings were held in the last week of January 2016 to solicit input into the implementation roadmap.

Dalberg previously engaged Nigerian youth directly in 2014 through two countrywide studies of youth employment and vocational education at the secondary level. While these insights are incorporated into the intervention design, the team also engaged a range of stakeholders actively working with thousands of youth across the country. Further engagement of a number of ministries, departments, and agencies (MDAs) of government also informed the design of specific cluster-focused recommendations.

Our research methodology focused on arriving quickly at the drivers of impactful implementation. We completed a significant literature review across each of the economic sectors, the macroeconomic environment, as well as past efforts to increase employment opportunities in Nigeria.

### 2.1.2 Learning from the past

**Beyond the direct stakeholder engagement, Dalberg carried out a rapid review of past job creating strategies and schemes in Nigeria and across the African continent.** A number of schemes and programmes have been developed by the government of Nigeria in the past with aims to reduce unemployment in the country. Our analysis helped distil six principles that are key to the success of the proposed strategic framework for sustainable job creation:

1. Government needs a **job creation strategy**.
2. Government needs to **coordinate and not execute** the job creation strategy—deep-seated inefficiencies and corruption affect service delivery where government directly runs programmes.
3. Government should focus on **key policy reforms** to enable inclusive growth in key clusters, as well as **removing economy-wide bottlenecks**.
4. Government should **engage with the private sector** but ensure that terms are fair for all.



- 5 Job creation should aim to **increase the sustainability of existing jobs as well as provide opportunities for the jobless to enter the workforce**—i.e., the aim should be to balance the quantity and quality of jobs.
- 6 **Regular reporting** of key job creation initiatives should be done at the government level through a centralised point

## 2.2 Strategic framework and initial sectors of focus

The strategic framework was developed through a rapid assessment of four key components of Nigeria’s economic landscape, which are critical to job creation: i) markets and industries, ii) skills, iii) policy, and iv) infrastructure. We applied a regional competitiveness analysis lens across to guide the development of the framework. This assessment entailed the following:

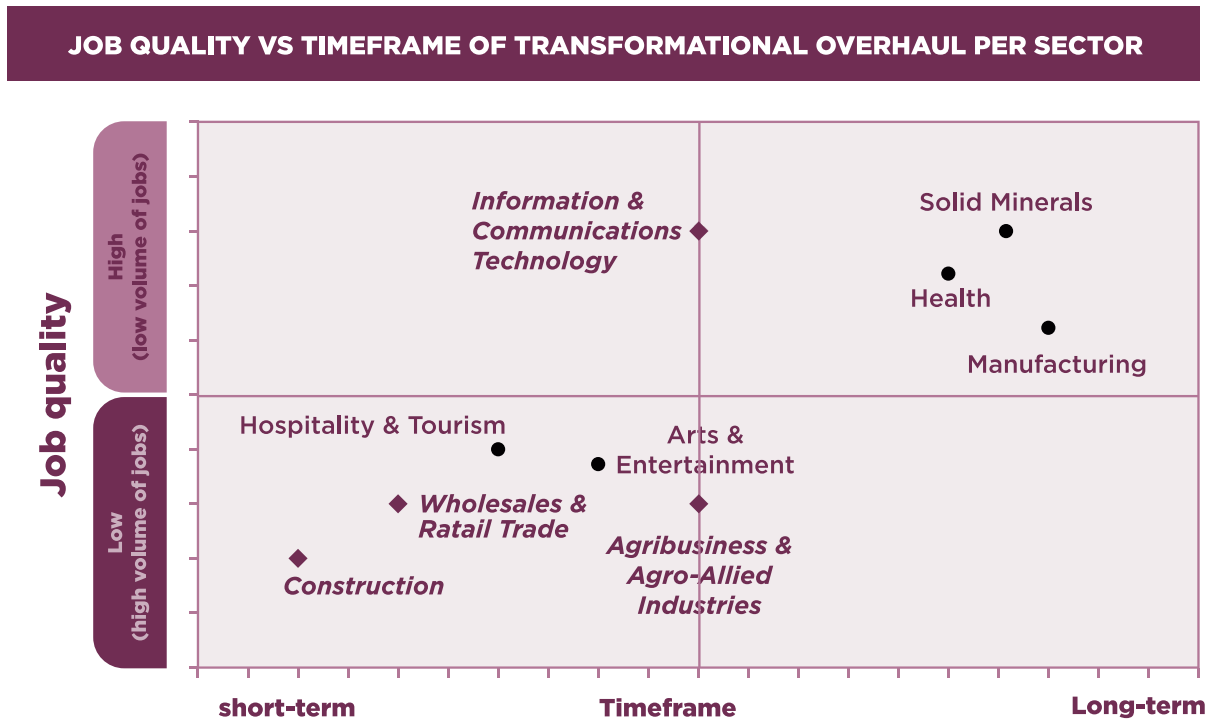
Figure 5: Outline for the development of a strategic framework



1. **Policy:** Assessing existing federal and state level policies, directives, and laws that support inclusive growth in Nigeria across the focus sectors and the economy as a whole.
2. **Markets and industries:** Evaluating economic sectors to understand job creation potential as well as the specific agglomerations of economic activity that provide job creation opportunities in a given geographic location, or may have the potential to do so.
3. **Skills:** Assessing the ability of the labour force to fill available and emerging job positions, as well as the investments needed to fill any gaps.
4. **Infrastructure:** Examining the availability of supporting infrastructure, including hard and soft infrastructure such as access to financial services, roads, rails, ports, broadband access, etc.


Given the urgency of this engagement, we selected four initial sectors for further investigation through a qualitative assessment of job quality and timeframe for creating significant employment opportunities. This selection, however, should not be viewed as final. The four key sectors chosen for initial investigation are: agribusiness and agro-allied industries, ICT and digital jobs, wholesale and retail trade, and construction. Manufacturing was purposefully excluded—though the sector features in ICT, agribusiness, and trade—given the long-term requirements of power and cost of production.

Figure 6: Qualitative selection of initial sectors



These four initial sectors fit into two major categories: economic transformers and mass employers.

Figure 7: Categorisation of four initial sectors

| Economic Transformers   | Mass Employers  |
|---|---|
| <p><b>Construction</b></p>  <ul style="list-style-type: none"> <li>Required to respond to infrastructure and housing constraints</li> <li>Significant program of works planned by public sector in upcoming semesters</li> </ul> | <p><b>Agribusiness and agro-allied industries</b></p>  <ul style="list-style-type: none"> <li>Mass employer in formal and informal sectors nationally</li> <li>Large domestic demand and potential for import substitution</li> <li>Increased income potential through increasing yield and processing</li> </ul> |
| <p><b>ICT</b></p>  <ul style="list-style-type: none"> <li>Transformative impact on labour productivity and creation of new industries</li> <li>Major emerging sector for employment and economic growth.</li> </ul>              | <p><b>Wholesale and retail trade</b></p>  <ul style="list-style-type: none"> <li>Mass employer with low barriers to entry and potential for growth in the sector</li> <li>Major lever for formalisation and improvement of market linkages</li> </ul>   |

### 2.2.1 Pre-empting possible concerns over the selection of priority economic sectors

**Nigeria is a country with strong economic potential across almost every economic sector. Hence the definition of priorities is bound to be subject to different perspectives on the basis for determining what sectors should be considered more strategically important or accorded more urgent attention.** We have highlighted some of the key stakeholder concerns in this aspect and provided additional information and context:

- 1. Concerns that the Services sector was not selected despite job creation potential.** The team adopted a sector classification taxonomy derived from the classification system in use by the Nigeria Bureau of Statistics for its Gross Domestic Product (GDP) series. The NBS's system recognizes 46 distinct pieces of economic activity under 19 sub-headings, of which 13 sub-headings are synonymous with economic activity (i.e. do not have any sub-headings). The 19 sub-headings are typically abstracted further into three broad categories by the NBS for analytical purposes – Agriculture, Manufacturing & Services. Based on the above broad definition of Services, the team mapped all non-manufacturing and non-agriculture sectors to identify service activities that fit into each of the four priority sectors, and considered them in the study. E.g. for construction, building services which include painting, welding, plumbing and similar trades, make up a significant percentage of the expected jobs.
- 2. Concerns around the non-inclusion of manufacturing as a priority sector.** Given the structural issues and infrastructural challenges affecting manufacturing output in Nigeria, the team concluded that it was more important to prioritise specific manufacturing sub-sectors for which immediate interventions can yield near term outcomes. As a result, several manufacturing activities were included within the four priority sectors and assessed for their job creation potential. They are: agro/food processing (Agriculture & Agro Allied), light device assembly and manufacturing (ICT/Digital Jobs), cluster specific production e.g. Leather Goods at Ariaria (Trade), and production of building accessories and fittings such as doors, windows, tiles, etc. (Construction).
- 3. Concerns around non-inclusion of Hospitality, Arts and Entertainment as a priority sector.** Underpinning this decision is the need to consider existing implementation capacity while developing the strategy. It was agreed that while recognizing the huge job creation potential of these sectors, there was a risk that implementation of more than four priority areas could overstretch resources available to effectively coordinate implementation, creating room for program failure. Hence these sectors have been marked as priority for a subsequent wave of implementation likely to commence in 2018.

### 3. Strategic framework for job creation in Nigeria



#### 3.1 Overview of strategic framework

**Nigeria needs a clear strategic framework to guide its job creation agenda. The framework was developed in collaboration with stakeholders across the private and public sectors, and anchored in a thorough review of past government strategies.** The framework outlines how activities across the private sector and can lead to economic opportunities for an employable labour force. It balances activities across the four sections of the analytical framework: policies, markets, skills, and infrastructure.

Although formal sector job growth is slow, there are a few emerging sectors that present interesting opportunities for job creation. The selection of sectors of focus balances the need to prioritize informal sector employment opportunities, with a national perspective in order to ensure that locations (particularly Northern Nigeria) most acutely affected by youth employment are not neglected. The framework outlines activities for cluster development in four of these sectors, outlined above.

**The cluster approach takes into account the lengthy timeframe for developing the full set of initiatives that will structurally transform the economy.** Given the urgent need to drive job creation and employment in the near term, the key thrust of the strategy is to focus Nigeria's limited resources on targeted economic zones (with ownership from state governments). Developing clusters of competitiveness provides companies an opportunity to associate or "cluster" with other companies operating in the same or related value chains and unlocks significant economic potential. It also provides significant opportunities for federal and state governments to create new jobs through improved coordination with the private sector.

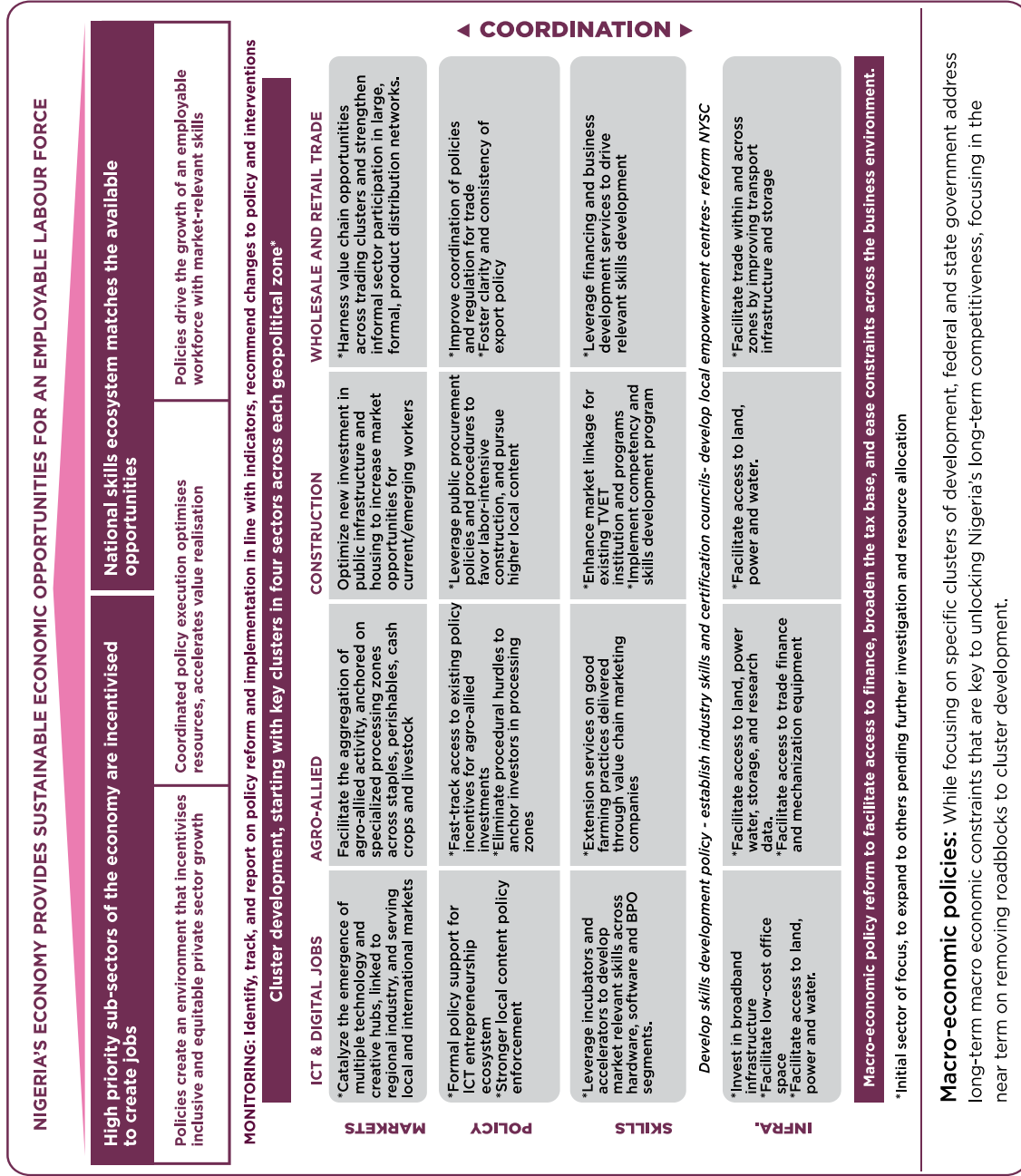


**Job creation alone will not solve the unemployment challenge in Nigeria.** Similar to other countries in sub-Saharan Africa, there is a mismatch between the talent required by industry and the supply of talent by the training institutions, leading to a situation wherein further investment in training is required to match the unemployed with available jobs. In Nigeria, **employment efforts across public and private sectors are largely uncoordinated.** Training programmes are designed and delivered without a link to market needs and demands, leaving the labour force short of “employable” skills. Further, training programmes are typically evaluated based on outputs (e.g. number of people trained) rather than the outcomes (e.g. job placements). Data on skills levels across the workforce is generally of poor quality, and reliable data for workforce planning is not widely available.

**The strategic framework does not specifically address the tension or balance between the quality and quantity of jobs.** However, it aims to achieve this balance through the selection of sectors and geographic focus of clusters. Some sectors—for example, construction—have a transformative effect on the economy, and are labour intensive, but offer mostly low wage jobs. Other sectors—such as ICT and digital jobs—offer high wage jobs, but require relatively less manpower. Balancing the support given to these sectors will help achieve the overall goal of providing sustainable economic opportunities for Nigeria’s workforce.

The figure below provides an overview of the strategic framework for job creation in Nigeria, including the vision, outcomes, and key activities to create jobs and reduce employment.

Figure 8: Proposed strategic framework for job creation in Nigeria



## 3.2 Sector-specific analysis and cluster identification

### 3.2.1 Agribusiness and agro-allied industries

#### 3.2.1.1 Rationale for the sector

**Job potential:** Agribusiness and agro-allied industry is one of the largest employers in Nigeria, particularly in the areas most affected by unemployment—approximately 30% of all employment in Nigeria is in agriculture. Significant opportunities exist across the value chain, driven by the country’s growing domestic consumption and spurred by Nigeria’s agro-ecological potential. Domestic consumption is primarily fed by imports, providing opportunities for substitution and value chain development.

**Socioeconomic improvement:** Nigeria is dependent on imported foods to meet domestic needs as yields are low due to a reliance on low-technology, rain-fed farming and inadequate or poor quality farming inputs. Given significant agro-ecological potential in Nigeria, there is considerable opportunity to increase the yields and incomes of farmers.

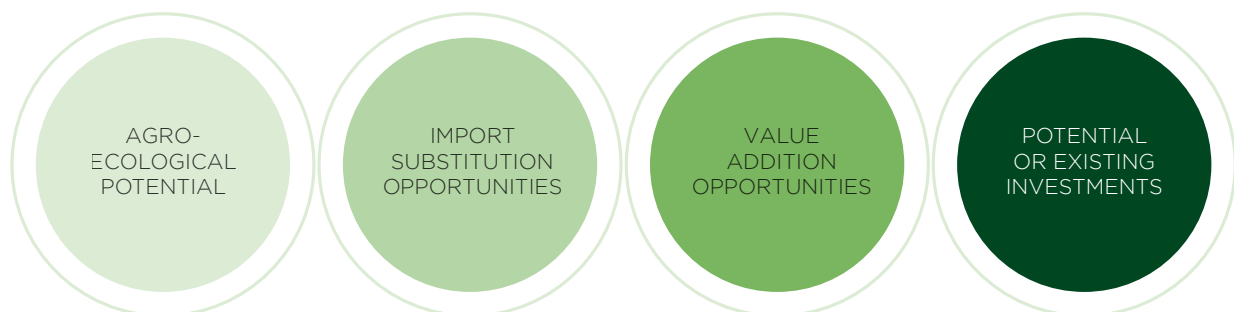
**Economic impact:** The sector accounts for 42% of Nigeria’s GDP and has seen increased private sector investment in industrial processing of local produce. Agro processing provides opportunities to reduce dependence on imports while also generating economic returns from the sale of value added products, whether on local or export markets. Agricultural exports can promote Nigeria’s balance of trade by reducing the current trade deficit while also increasing foreign exchange supply in the economy.

#### 3.2.1.2 Framework for analysis

To analyse opportunities to boost employment creation in agribusiness and agro-allied industry, we assessed the natural ecological endowment for agricultural commodities in Nigeria, import substitution opportunities, value addition/industrial processing opportunities, and existing or planned investments.

Private sector investment (existing or planned) as an anchor for the intervention will ensure the sustainability of the endeavour.

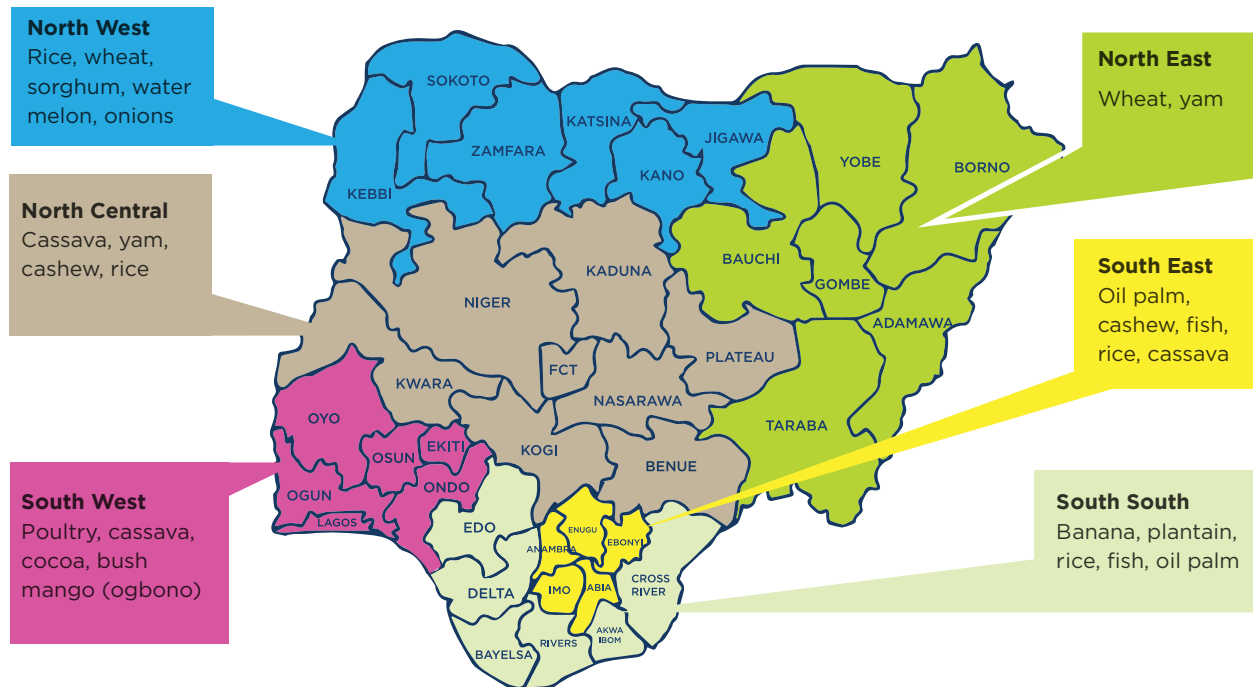
Figure 9: Framework for agriculture and agro-allied sector



### 3.2.1.3 Potential clusters for intervention

Below is a selection of agriculture clusters identified from Dalberg’s research and highlighted by experts and stakeholders in workshops held in December 2015 and January 2016.

Figure 10: Selection of clusters for agriculture and agro-allied interventions



### 3.2.1.4 Crosscutting sector-wide constraints and areas of potential focus

The agribusiness and agro-allied sector faces a wide range of constraints across infrastructure, policies, and skills. Below is a list of crosscutting sector challenges that participants highlighted as priorities during stakeholder discussions.

**Product yields are low.** Product yields are often below global averages, largely due to poor farming practices and the use of inadequate or poor quality inputs. Outgrower models, with the provision of inputs and technical assistance through agriculture extension programmes, improve farming practices and, as a consequence, increase product yields.

**Post-harvest loss is high.** Where farms have poor or limited on-farm storage and are not in close proximity to processing facilities, significant volumes of harvested produce are lost. In addition to the long distances between farm and processing centres, poor road infrastructure increases access challenges. Similarly, poor harvesting practices lead to lower output. Investment in on-farm or near-farm storage facilities as well as the provision of training on improved post-harvesting practices are ways to tackle the post-harvest loss issue.

**Processing capacity is limited and underutilised where available.** Several agro value chains are broken, leading to limited value addition to, and industrial processing of, local agricultural produce. While access to processing facilities is a common challenge faced by farmers across the country, some value chains have significant processing



capacity unutilised. The government has initiated a number of high-impact agro-industrial processing initiatives to improve linkages between farms and processing facilities. Most are yet to be implemented, and should be fast-tracked. Some of these projects can be expected to generate stimulus for private sector investments. They include the acquisition of 10 integrated rice mills and six cassava mills by the Federal Government and the mechanisation project of the Federal Ministry of Agriculture and Rural Development (FMARD), which will distribute tractors to 120 hiring centres, thereby increasing harvest volumes to feed into local processing facilities.

**Farming populations are aging.** As farming and other agricultural value chain jobs are not considered prestigious or well paid, interest in (or preference for) employment in the sector is limited among the youth population, which constitutes a majority of the labour force. As a result, the average age of the farmer population in Nigeria is widely considered to exceed 50 years. In recognition of this constraint, a number of interventions are currently being executed to encourage more youths to take up commercial farming as a profession. They include the Youth Employment in Agriculture Program (YEAP), driven by the Federal Ministry of Agriculture and Rural Development.

**Finance is inaccessible.** It is difficult for agribusiness players to access long-term finance from traditional finance sources, such as commercial banks. Accessibility to longer-term finance or patient capital—and potentially grants—will have a fundamental impact on increasing the scale of operations within the sector. The government should consider various funding mechanisms, including providing cleared land or financing land clearance, which typically costs up to USD 1,000 per hectare.

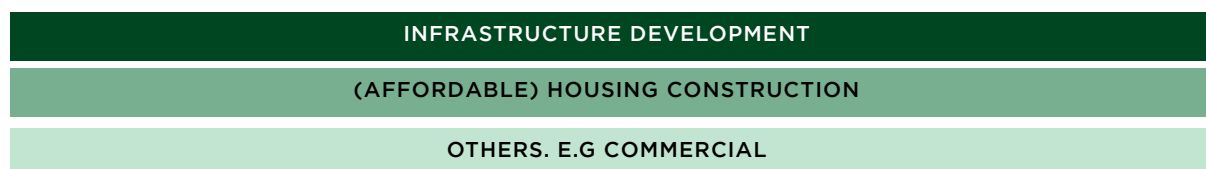
**Previous government programmes have been unsustainable and short-term in nature,** marked by land allocation under one administration being taken away by another and plans being discontinued. This has effectively stifled the appetite of actors considering entering agriculture or expanding agribusinesses sustainably. There is a need for continuity on government policy and sustainability of commitments, and mechanisms for enforcing the sanctity of contracts need to be put in place.

### 3.2.2 Construction

#### 3.2.2.1 Rationale for the sector

The construction sector is currently one of the leading employers within Nigeria, accounting for 6.9 million workers distributed throughout the country. Although the sector is doing poorly at the moment, shedding between 20,000 and 70,000 jobs over the last 8 months of 2015, the forecast is sanguine for private and public sector demand for varied construction services—nearly 1.5 million new jobs are expected to be created over the next four years. The construction sector offers a unique opportunity for government to directly intervene in job creation in the areas of (affordable) housing and public infrastructure development. The sector’s current constraints (e.g., high cost of inputs; lack of oversight on quality; skills deficits at the artisanal, technical, and managerial levels; and corruption and leakage within public contracts) must be addressed in order to unlock the full job creation potential of infrastructure spending and mass housing development planned by the government of Nigeria from 2016.

Figure 11: Framework for construction sector analysis



The construction sector is a major contributor to economic activity, both directly as a source of employment and a contributor to GDP (4% in Q2 2015) and indirectly as an enabler of other sectors—through the provision of housing, facilities, power, water, transportation, and other infrastructure. Nigeria’s current economic trajectory is curtailed by limited access to electricity (150 kWh consumed per capita) and insufficient road and rail networks (15% of roads paved), which increases the cost of commercial and industrial activity by companies of all sizes and in all sectors. Improved infrastructure will support the long-term growth and profit potential of players in the sector, further spurring related sectors such as trade, manufacturing, and agriculture. Furthermore, there is a housing deficit of 17 million units in Nigeria, with the highest demand in fast-growing cities like Lagos and Abuja (with 3 – 6% annual population growth, above the Nigerian average) and surrounding areas. The sector can potentially produce 8 – 10 total jobs per house built, as well as develop artisanal skills in the Nigerian workforce applicable to other construction projects. Finally, improved metropolitan housing will increase labour access to economic centres of activity.

### 3.2.2.2 Framework for analysis

To analyse opportunities to drive employment creation in Construction, we focused on two sub-sectors – engineering, procurement and construction services for public infrastructure works, and building services for housing construction, with emphasis on affordable housing construction.

The above selection is aimed at optimising the short-medium term opportunities in anticipated public spending across both sectors, given the stated intent of the current administration to increase public spending on housing and infrastructure to reflate the economy. This approach recognizes the potential for commercial and private residential construction to drive employment creation in construction, but lowers expectation from this segment given the uncertainty around the eventual effect of prevailing macro-economic conditions on private sector appetite for investment in the near term.

### 3.2.2.3 Potential clusters for intervention

Urbanisation, where demand is most concentrated, is a key driver for cluster identification in the construction sector. Existing clusters include the Federal Capital Territory (driven by growth in Abuja), Lagos state (driven by rapid urbanisation of Nigeria’s capital city) and Rivers state (driven by the oil and gas sector) in and around Port Harcourt. It should be noted that given rapid migration to these urban centres, there are often “spill-over effects” into neighbouring states as land becomes increasingly rare and expensive. Another driver is the advent of road infrastructures that then connect these urban centres with neighbouring outlying areas—for example, the planned A2 corridor will connect the Federal Capital Territory (FCT) with neighbouring states in the north such as Kano, Kaduna and Zamfara, while “coastal activity” is supporting spill-over effects between Lagos and River states.

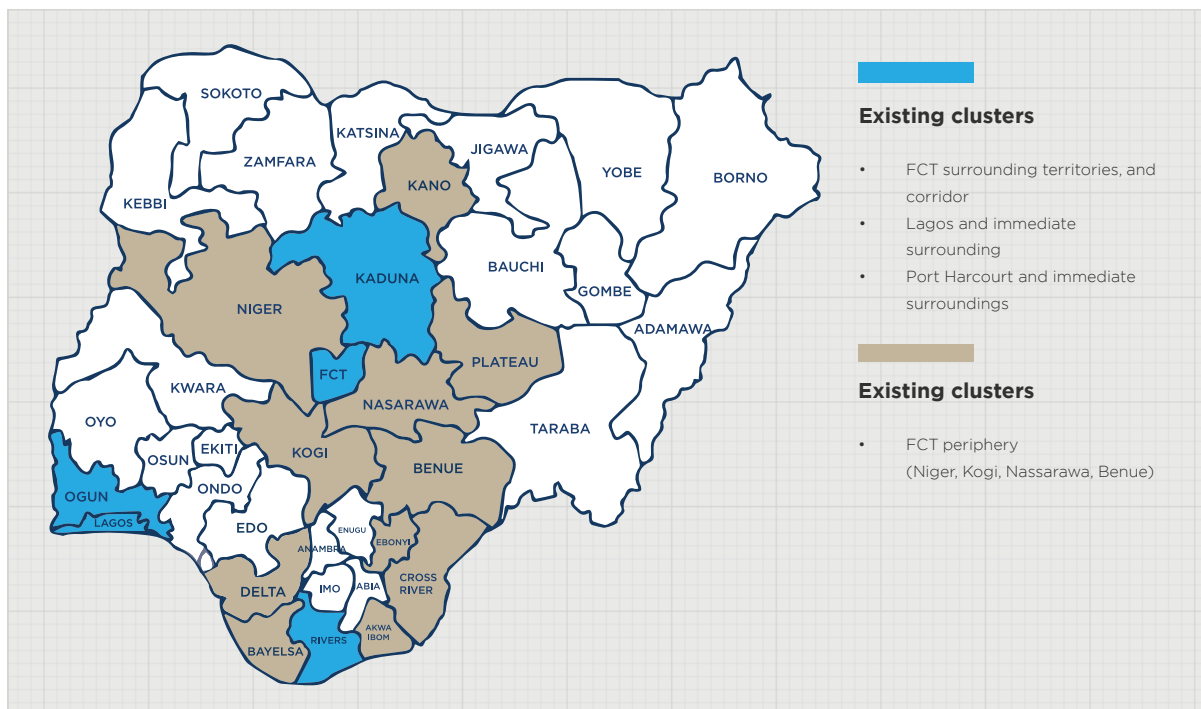
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<sup>1</sup> National Bureau of Statistics (NBS): Nigerian Construction Sector SUMMARY REPORT: 2010-2012.

<sup>2</sup> Dalberg analysis.

<sup>3</sup> NBS: Labour Force and GDP Statistics, 2015

Figure 12: Map of current and emerging clusters of activity



### 3.2.2.4 Crosscutting sector-wide constraints and areas of potential focus

Key stakeholders in the sector highlighted a range of constraints which impede the growth of the sector and undermine its job creation potential, along with key areas where policy focus can be directed to address these constraints to growth.

**There is a major skills deficit across trades in construction and building services.** The construction sector in Nigeria has seen a growing influx of expatriates, typically from neighbouring countries in the region such as Togo and Ghana. On the lower end of the skills spectrum, occupations such as day labourers, drivers, and painters continue to be required but typically garner lower and more cyclical wages given the low levels of skills required and the sheer number of workers available. As such, there is a significant opportunity to upskill this segment of the workforce to meet the growing demand for a more specialised skillset in areas such as masonry, bricklaying, carpentry, and plumbing, all of which require significant practical and technical training. Given the growing urbanisation of cities across the country, high-end skills such as project managers, designers, site superintendents, and planners are also lacking. Measures are required to ensure that the labour supply at this skills level meets the needs of local markets, creating pathways for more local Nigerians to enter these high skilled segment, which have relatively high and stable wages.

**The prevailing enabling environment hampers job growth in the sector.** Public utilities such as water and power are prerequisites for construction activity and when unreliable or unavailable, costs of construction are higher, with a deterring effect on investors. Further, access to finance, particularly for local companies, remains a key barrier as they are often “crowded out of the market” by high input costs that diminish their ability to be competitive. This dynamic is further exacerbated by the need to import input materials (especially in building services), and the associated challenges with import processing.

### Significant opportunities exist to drive job creation through standardization and maintenance policies.

Stakeholder consensus exists on the need to address subsisting policy constraints regarding import tariffs on construction materials and land use, and the need for more effective strategies to increase local content (manpower and materials) in the construction industry. Two key opportunities were highlighted to drive near term job creation in the sector. First, the use of building regulation, standards and codes to strengthen the market for locally produced goods and services required for housing construction. For instance, defining and enforcing standards for doors, windows, and plumbing accessories in a manner that focuses the energies of tradesmen, artisans and manufacturers towards acquiring the skills required to meet these standards could improve linkages between local demand and local supply in a transformational way. Secondly, developing and enforcing policies around maintenance of both private and public buildings, and public infrastructure could create an entirely new industry with the capacity of providing stable, long term job, while simultaneously providing a market based incentive for Nigerians to develop the relevant skills.

### 3.2.3 ICT and digital jobs

#### 3.2.3.1 Rationale for the sector

**Economic potential:** The ICT and digital jobs sector is a key contributor to growth and employment. Importantly, it also serves to optimise efficiency in the performance of key sectors including agriculture, education, finance, and health. Research shows that ICT-enabled expansion of the service sector can contribute between 0.4% and 1% to GDP growth.<sup>4</sup>

**Sector growth:** The sector is surging in Nigeria, averaging 31% annual growth between 2009 and 2014 while contributing an average of 11% to GDP annually from 2010 to 2014.<sup>5</sup> This growth is driven by high demand (in a nation of roughly 180 million), competitive pricing, and available substitutes for ICT products. Enabling policies, investments in telecommunications (an estimated USD 6 billion between 2011 and 2013), and co-location have further contributed to burgeoning innovation and income generation from content and service application firms—such as Hellofood, Jumia, Whiz Tech, and TrackIt—that are facilitating ease of service and improving profitability.<sup>6</sup>

**Job potential:** The sector employs more than 370,000 people directly.<sup>7</sup> Indirectly, the number of jobs provided, in the absence of reliable data, is estimated to be as many as 1.0 – 1.9 million.<sup>8</sup>

#### 3.2.3.2 Framework for analysis

The sector was analysed through segmentation into four sub-sectors: device manufacturers, distributors and retailers (including hardware repair and service support providers), technology content developers, and technology-enabled services.

In addition, three crosscutting sub-sectors namely network operators, support services (including business

<sup>4</sup> Spiezia, V. "ICT investments and productivity: Measuring the contribution of ICTs to growth", OECD Journal, Economic Studies, Vol. 2012/1, 2012.

<sup>5</sup> Dalberg analysis from CBN data: Central Bank Statistical Bulletin: 2014.

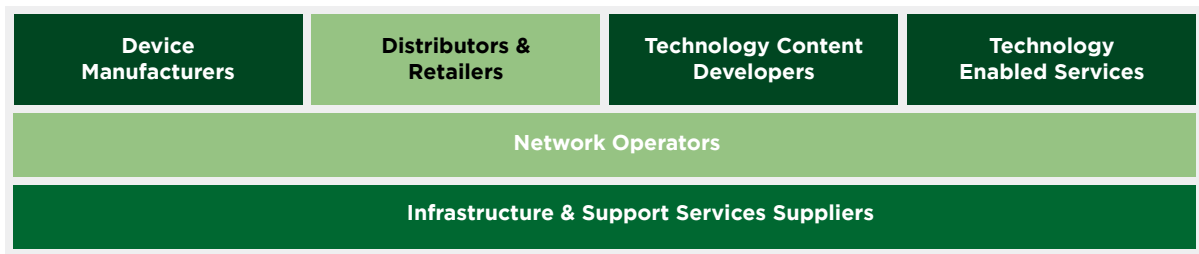
<sup>6</sup> Okonji, E. NCC: Telecoms will surpass 25% contribution to GDP by 2025. <http://www.thisdaylive.com/articles/ncc-telecoms-will-surpass-25-contribution-to-gdp-by-2025/224397/>, 2015.

<sup>7</sup> NBS, National Manpower Stock and Employment Generation Survey, 2010-> most recent/reliable data source.

<sup>8</sup> Dalberg interview – indirect jobs in ICT about 3 to 5 for every 1 direct job; <http://sloanreview.mit.edu/article/the-multiplier-effect-of-innovation-jobs/>.

process outsourcing (BPO) services), and infrastructure suppliers provide an enabling layer of services for the entire industry.<sup>9</sup> Among the different segments, device manufacturers—together with their distributors and retailers—contribute the greatest share of jobs, employing an estimated 50%<sup>10</sup> of all formal and informal workers in the sector. For example, the Otigba Market in Lagos—which specialises in the trade, repair, and service of hardware, with some assembly activity—employs over 40,000 workers.<sup>11</sup> Network operators, support services, and infrastructure providers employ about 25% of workers in the sector. For example, in 2014, mobile network operators including Airtel, Etisalat, Globacom, and MTN employed 14,073 people.<sup>12</sup> Finally, technology content developers and technology-enabled services provide another 25% of ICT sector jobs.<sup>13</sup>

Figure 13: ICT & digital jobs sector segmentation



### 3.2.3.3 Potential clusters for intervention

Following detailed analysis and stakeholder consultations, three sub-sectors were identified as priority based on their potential to create jobs within the ICT sector and enable further employment generation across other sectors of the economy. They are technology content development, manufacturing and repairs, and technology enabled services, with emphasis on BPO. The key factors considered in identifying clusters across the country for each of the three sub-sectors is outlined below:

**Technology content development clusters:** proximity to institutes of higher learning, existing entrepreneurship culture, access to market demand for technology content offerings, presence of software development activity, and affordable living environments for entrepreneurs and their families.

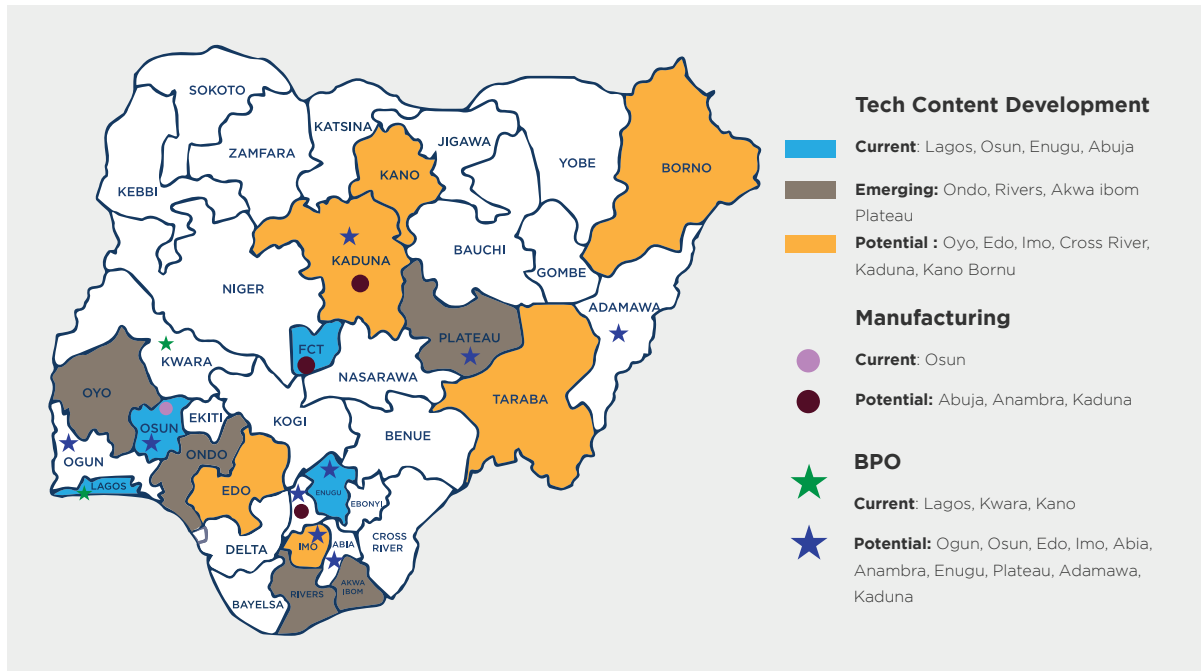
**Repair and build clusters:** existing mobile device/computer retail and repair services, access to markets demand for products, a level of general manufacturing activity, and the existence of government support; excluding the popular Otigba market in Lagos, four small proposed ‘repair and build’ clusters exist in Osun; Anambra; Abuja; and Kaduna.

**Information Technology Enabled Services (emphasis on Business Process Outsourcing) clusters:** the presence of skilled workers, affordable cost of living, ability to serve regional markets and availability of stable electricity.

<sup>9</sup> NITDA, “Draft Framework and Guidelines for Nigerian Content in Information Technology.” 2013; Dalberg analysis, refined through Dalberg interviews with industry experts and practitioners.  
<sup>10</sup> Dalberg interview.  
<sup>11</sup> Zeng, D.Z. Knowledge, Technology, and Cluster-Based Growth in Africa. Washington, DC: World Bank, 2008.  
<sup>12</sup> NBS. Nigerian Telecommunications Sector. Updated Q1 2015 Summary Report, 2015.  
<sup>13</sup> Dalberg interview.

The map below indicates current and emerging/potential clusters in these segments.<sup>14</sup>

Figure 14: ICT Current and emerging/potential clusters



### 3.2.3.4 Crosscutting sector-wide constraints and areas of potential focus

Key stakeholders in the sector highlighted a range of constraints which impede growth and undermine its job creation potential, along with key areas where policy focus can be directed to drive near term job creation objectives.

**Multiple infrastructure constraints limit growth potential.** Poor power supply and limited access to high-quality broadband connectivity are two key infrastructure constraints that limit the development of ICT in Nigeria. High cost of real estate is also a major challenge for ICT companies. Private investment in broadband infrastructure is constrained by multiple taxation at various levels of government and ‘right-of-way’ costs and barriers, with attendant high costs to consumers. Low commercial returns and heightened security alerts also prevent companies from providing infrastructure where needed. The rapidly growing technology innovation hub in Yaba, Lagos, where a private technology incubator services provider (Co-Creation Hub) and a broadband Service provider (MainOne), collaborated with the State government to extend fibreoptic connectivity to parts of the Yaba district, is an excellent example of the value of infrastructure to growth in the ICT sector.

**There is a disconnect between market demand for ICT skills and talent supply.** Many Nigerian trained computer scientists and engineers leave higher institutions without sufficient knowledge of computing basics, and applied computing. These graduates require a significant degree of training investment to meet industry demands, and potential employers find this a difficult cost to cover. There is also the issue of lack of data, and poor coordination among the many private, public, and non-governmental agencies offering training in ICT skills. Many of these training programs do not link trainees with jobs or equip them with actual skills required in the workplace.

<sup>14</sup> Benchmarking it against Technopolis, a tech park in Morocco that has grown to 15,000 employees over eight years. <http://www.technopolis.ma/en/about-us/key-figures-technopolis-park-outsourcing-rabat-morocco.html>. Current number of employees in Yaba technology cluster is est. 3000 people – Stakeholder Discussion.

**Significant opportunities exist to drive job creation through information technology enabled services, notably BPO.** Stakeholders in the ICT sector are convinced that technology enabled services offer the most compelling opportunities for job creation in the short–medium term, with BPO recommended as a priority segment for policy makers to focus on. Providing businesses with greater room to focus on their core businesses and reduce cost, BPO holds great potential for medium-term job creation in Nigeria. The evidence of latent demand for BPO services in Nigeria can be found in the increasing number of global BPO companies serving Nigerian businesses in the last 5 years. BPO opportunities in Nigeria include outsourcing of logistics and transportation, human resources management, information technology services, customer service/call centre operations, insurance claims processing, and specific banking/financial services. A proxy for the size of the opportunity can be found in IT services outsourcing (ITO), currently one of the key job creators within ICT with an estimated market size of \$107m per annum, forecasted<sup>15</sup> to hit a market size of \$172m annually by 2017. In addition to BPO, several other job creation opportunities through technology enabled services exist. The creative industry for example has considerable demand for technology enabled services driven by demand for high quality video rendering, animation creation and new media based distribution, the success of the Iroko TV platform, provides further evidence of the potential for value addition and growth in this sector.

### 3.2.4 Wholesale and retail trade

#### 3.2.4.1 Rationale for the sector

**Job creation potential:** Wholesale and retail trade is a labour-intensive sector, currently employing approximately 13 million Nigerians.<sup>16</sup> The sector contributed 45,000 formal jobs between Q1 2014 and Q2 2015, accounting for 30% of all formal job creation.<sup>17</sup> Wholesale and retail trade businesses constitute 22% of all small and medium-sized enterprises (SMEs) and are a major driver of informal job creation, which reached 330,000 jobs in Q1 2015.<sup>18,19</sup> Existing trade clusters support up to tens of thousands of entrepreneurs with ambitions to scale businesses and distribution networks, ultimately improving the quality and quantity of jobs available within the sector for current or aspiring players. Shopping malls employ over 1000 people directly, and about 8,000 – 9,000 people indirectly. FMCG companies, e-commerce, and others with large distribution chains employ tens of thousands of small-scale suppliers; these distribution chains could be further leveraged to support formalization, business support, and scaling.

**Current trade demand and economic impact:** The sector currently accounts for 17% of all economic activity as of Q2 2015, of which 60% is produced by MSMEs.<sup>20,21</sup> Demand for wholesale and retail trade products is growing quickly across the country (5.5% compound annual growth rate (CAGR) between Q3 2010 – 2015), buoyed by rising incomes, urban population growth, and changes in preferences for new tradable goods (particularly FMCG and processed foods). The country's sizeable middle class, with increasingly sophisticated taste, also presents a growing retail opportunity. There is also significant latent unmet demand due to challenges in affordability and distribution of products.

<sup>15</sup> IDC confidential report

<sup>16</sup> NBS: Labour Force Statistics, 2010

<sup>17</sup> NBS: Job Creation Reports 2014, 2015

<sup>18</sup> SMEDAN, 2013

<sup>19</sup> NBS: Job Creation Report Q1 2015

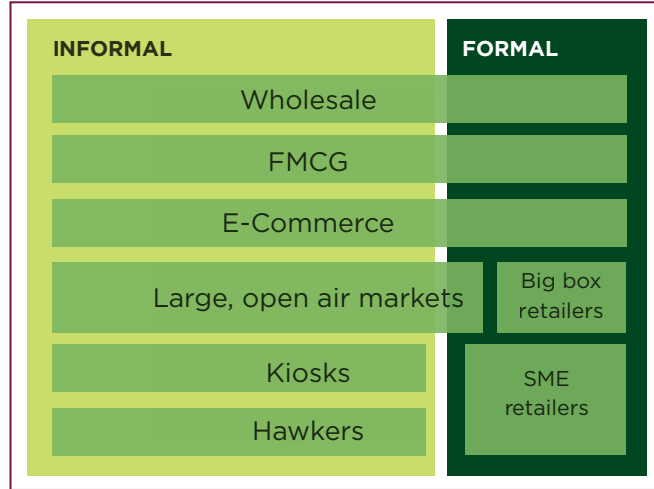
<sup>20</sup> NBS: Labour Force and GDP Stats 2015

<sup>21</sup> SMEDAN, 2013

### 3.2.4.2 Framework for analysis

In the wholesale and retail trade sector, trade is defined to include both formal and informal sector trade such as wholesale, FMCG, e-commerce, large/open-air markets, big box retailers, kiosks, hawkers, and SME retailers.

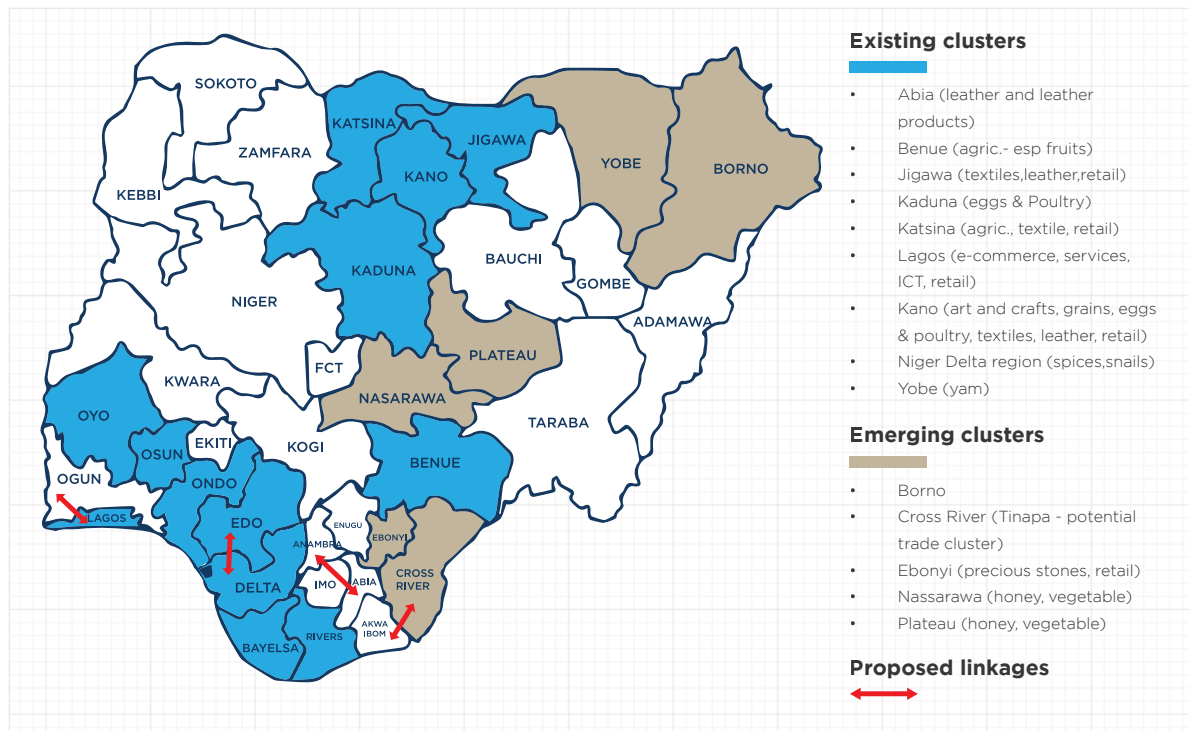
Figure 15: Framework for retail/trade sector



### 3.2.4.3 Potential clusters for intervention

In identifying informal trade clusters, participants identified the largest agriculture markets, non-agriculture markets, and mixed product markets that have the largest opportunities for growth. In the formal wholesale and retail sector, a number of FMCG and other companies with large distribution networks operate across the country and should be the focus of implementation efforts.

Figure 16. Map of sector clusters





#### 3.2.4.4 Crosscutting sector-wide constraints and areas of potential focus

A range of economy-wide constraints, including infrastructure and fiscal and monetary policy inefficiencies, affect wholesale and retail businesses. The following are some of the constraints and areas of focus with more specific relevance to the retail sector.

**Access to finance is a challenge for retail businesses.** Medium to long-term financing is one of the largest obstacles to growth and investment for SMEs, including retail businesses. Interest on SME loans from commercial banks is high and microfinance institutions (MFIs) charge even higher interest rates. This makes it difficult for traders to access the lines of credit often necessary for purchasing merchandise, contributing an additional burden to the already high cost of doing business in the country. Movable asset registries and related collateral regulations are one way to ease access to finance by tackling the collateral issue, which is a major constraint. Since the Central Bank of Nigeria released the Collateral Registry Regulations, in 2014, moveable asset registries have been operable in the country.

However, given the largely informal nature of the wholesale and retail trade sector, it remains impossible for some businesses to benefit from this reform. Experts recommend a revision of the regulation to permit participation of informal businesses, or a simplification of the business registration process to facilitate wider-spread formalisation within the sector.

In addition to the areas of focus highlighted above, traders are a potential vector for increasing digital payments penetration, thereby improving access to finance for others. To kick-start the process, the NGN 5,000 conditional cash transfer to be paid by the federal government could be disbursed via mobile money platforms. Petty traders should be registered mobile money agents, allowing them an extra stream of income, potentially larger than their sales revenues.

**Several locally made goods are widely perceived to be of poor quality.** The lack—or ineffective enforcement—of quality standards, and weak mechanisms for signalling quality limits patronage of local products. The limited retail market for local products restricts business opportunities for retailers, especially the small and medium-sized companies that employ the larger share of the population working in this sector

**Informal retail firms lack business and management skills.** Retailers largely lack the level of business acumen required to successfully run a retail trading company. For instance, there is inadequate exposure to basic accounting and inventory management principles, which are key to retail operations. Ability to make informed business decisions is therefore limited, hindering growth and external investment interest. The government should incentivise the creation of business development schemes for small businesses along the sales and distribution value chain of large corporations. A sample model would be the USD 100 million three-year joint initiative of the International Finance Corporation (IFC) and Coca-Cola. Another way to promote skills development is to formalise the apprenticeship model and ensure the training includes management skills along with trade skills.

**Bureaucracy / inefficiency of customs service stifles import / export trade.** Nigerian businesses are required to produce 9 – 13 documents to send an export shipment or bring in an import consignment.<sup>22</sup> The inherent inefficiencies of the customs system also exacerbates the effect of such bureaucracy on local businesses, hindering expansion.

<sup>22</sup> Chatham House, 2015

Export taxes were also highlighted as a hindrance to exportation, with suggestions to undertake a robust review of this policy. Other policy avenues to improve export competitiveness, such as fiscal subsidies, should also be an area of focus.

**There are a number of opportunities to create synergies with other sectors, such as agriculture, through warehousing and logistics.** Partnerships between product manufacturers and farmers / raw material suppliers have the potential to produce benefits for all parties. Stakeholders suggest developing a system whereby warehouses and transport / logistics are jointly funded or managed.

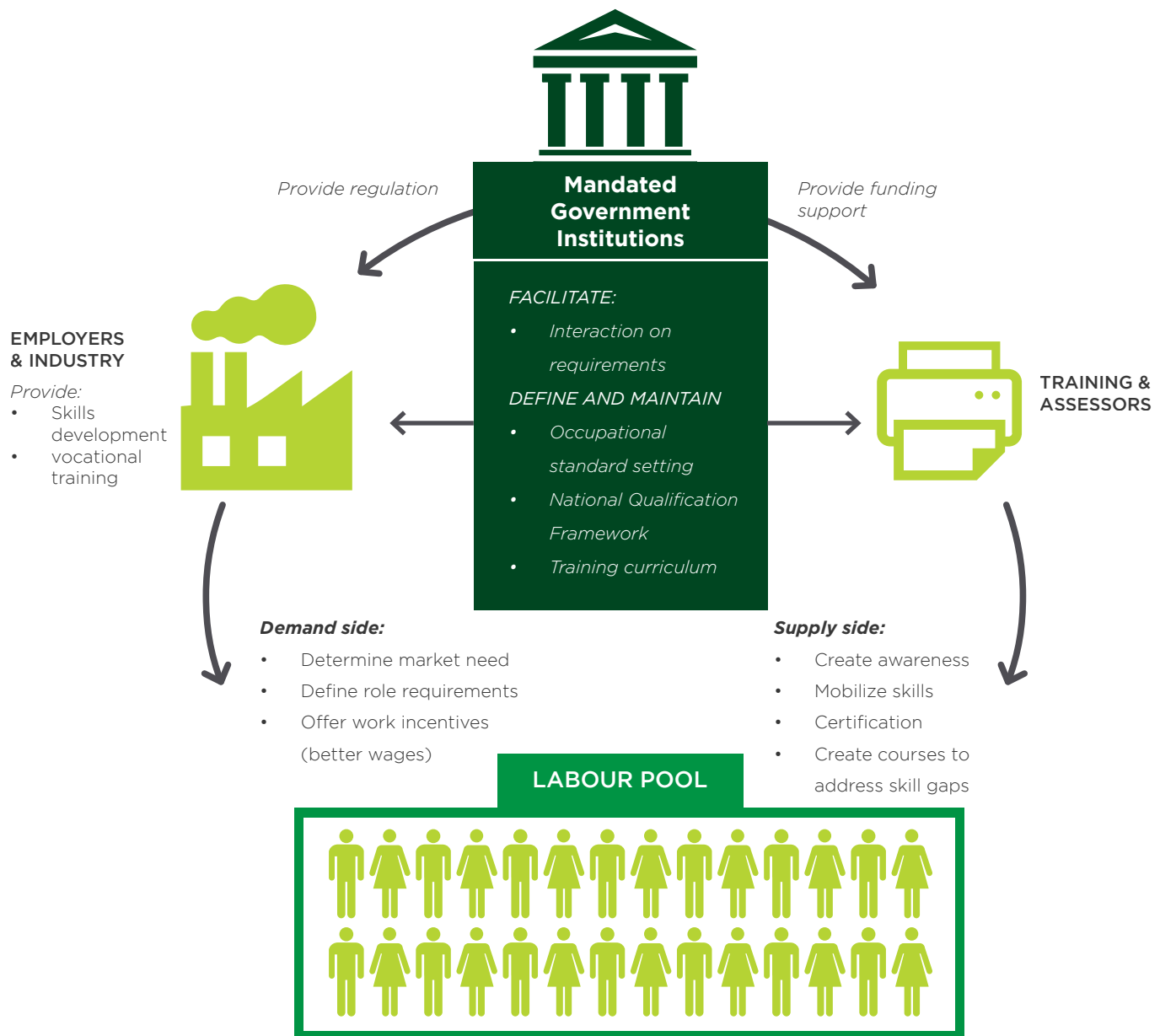
**Market development interventions are critical to job creation in the trade sector.** Other opportunities for catalysing job creation in this sector include provision of targeted financial and human resource support to informal businesses operating within major trade clusters and corridors with a view to formalizing these businesses, thereby increasing their access to key markets which in turn drives business growth. Opportunities also exist to use market development mechanisms within these trade clusters to facilitate linkages across disparate value chains such that efficient intermediation of goods and services occur within these markets, linking farm gates to markets, and creating synergy between the activities of small scale input producers, local manufacturers and domestic/foreign consumers.

### 3.3 Skills Ecosystem

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A comprehensive skills ecosystem is required to ensure that the current labour force has the appropriate pathways to employment.

A skills development ecosystem requires closely coordinated engagement with high-quality training providers, entities that deliver support services (e.g., resume writing, work readiness), standard-setting agencies, and job placement organizations that link the supply of talent with jobs. The skills development ecosystem should shift from a focus on training for training's sake to job-placement oriented services.



*Illustration adapted from Labour Market Information System – State of Maharashtra, India*

The skills gap in Nigeria is the biggest challenge with respect to the supply of labour.

**The skills gap in Nigeria is the biggest challenge with respect to the supply of labour.** In part due to the failing formal education and training systems, as well as limited private sector linkages, the unemployed largely do not have “employable” skills and competencies.

Based on our analysis of this sector, there is a lack of work-appropriate skills across the board, with a particular shortfall in the low- and medium-skilled labour force. The challenges with training delivery are explored in the following section. The table below highlights the distribution of skills across the four sectors studied, and the key skills-related issues for each sector

Table 1: Skills distribution by sector and key gaps

Table 1: Skills distribution by sector and key gaps

| Sector/Reflections  | Skills distribution   |
|---|---|
| <p><b>Agribusiness and agro-allied industries</b></p> <p><b>Farmers require</b></p> <ul style="list-style-type: none"> <li>improved farming practices—in planting (especially around use of farming inputs), harvesting, and storage—in order to produce the quality and quantities needed by buyers / processors</li> <li>practical applications for, and access to, inputs they have been trained to use.</li> </ul> <p><b>Processors require</b></p> <ul style="list-style-type: none"> <li>exposure to improved technologies with more efficient processing systems in order to increase the quality of outputs and reduce losses during processing.</li> </ul> | <p><b>JOB DISTRIBUTION</b></p> <p><b>LOW SKILL</b></p> <ul style="list-style-type: none"> <li>Farmers</li> <li>Farm laborers</li> <li>Truck loaders</li> <li>Crop sprayers</li> <li>Factory hands at processors</li> <li>Retailers</li> <li>Aggregators</li> </ul> <p><b>MEDIUM SKILL</b></p> <ul style="list-style-type: none"> <li>Farmers</li> <li>Drivers</li> <li>Agro-distributors</li> <li>Machinery operators (on farm)</li> <li>Machinery operators (off farm)</li> <li>Extension workers</li> </ul> <p><b>HIGH SKILL</b></p> <ul style="list-style-type: none"> <li>Agronomists</li> <li>Mechanical engineers</li> <li>Accountants</li> <li>Lawyers</li> </ul>  |
|   | <p><b>Construction</b></p> <p>Characterised by low skills base locally, with low skills and medium skills coming from neighbouring countries such as Togo and Benin. Skills required include</p> <ul style="list-style-type: none"> <li>attention to detail</li> <li>professionalism, e.g., timeliness</li> <li>integrity</li> <li>knowledge of and adherence to standards.</li> </ul> <p>Beyond these skills, high-level skills in construction are also in demand in other sectors — e.g. oil &amp; gas, mining, etc.</p>   |
|   | <p><b>JOB DISTRIBUTION</b></p> <p><b>LOW SKILL</b></p> <ul style="list-style-type: none"> <li>Brick-layer</li> <li>Construction worker</li> <li>Driver</li> <li>Trade laborer</li> </ul> <p><b>MEDIUM SKILL</b></p> <ul style="list-style-type: none"> <li>Electrician</li> <li>Plumber</li> <li>Welder</li> <li>Crane operator</li> <li>Painter</li> <li>Master carpenter</li> <li>Construction estimator</li> <li>Liner-walker</li> <li>Exterior and interior</li> <li>Mason</li> </ul> <p><b>HIGH SKILL</b></p> <ul style="list-style-type: none"> <li>Site superintendent</li> <li>Project manager</li> <li>Architect</li> <li>Structural or civil engineer</li> <li>Surveyor</li> </ul>                            |
| <p><b>ICT and Digital jobs</b></p> <p>Technology content developers</p> <ul style="list-style-type: none"> <li>face a constant lack of adequately skilled personnel, particularly of software developers</li> <li>require training in coding and software development.</li> </ul> <p>Manufacturers</p> <ul style="list-style-type: none"> <li>Lack formal skills and are unable to benefit from knowledge transfer opportunities that would exist of large OEMs undertook device manufacturing and/or assembly locally</li> </ul>   | <p><b>JOB DISTRIBUTION</b></p> <p><b>LOW SKILL</b></p> <ul style="list-style-type: none"> <li>Sales person e.g. recharge card</li> <li>Driver</li> <li>Digger</li> <li>Easy hardware repairmen</li> </ul> <p><b>MEDIUM SKILL</b></p> <ul style="list-style-type: none"> <li>Program developer</li> <li>Category procurement manager</li> <li>Networking/system administrator</li> <li>Break and fix engineer</li> <li>Data entry clerk</li> <li>Customer service</li> </ul> <p><b>HIGH SKILL</b></p> <ul style="list-style-type: none"> <li>Enterprise architect</li> <li>Internetworking engineer</li> <li>Project manager</li> <li>Computer engineer</li> <li>Accountant</li> <li>Business process manager</li> </ul> |
|   | <p><b>Wholesale and Retail Trade</b></p> <p>Skills are primarily gathered through on-the-job experience in the informal sector, which has one of the lowest barriers to entry. Key requirements include</p> <ul style="list-style-type: none"> <li>customer service</li> <li>entrepreneurship</li> <li>general business management skills, including numeracy</li> </ul> <p>Higher-end skills are limited in Nigeria, but normally developed in the formal sector through training programmes, e.g., management trainees. In this category, many international outlets retain international talent and then develop Nigerian talent.</p>  |
|   | <p><b>JOB DISTRIBUTION</b></p> <p><b>LOW SKILL</b></p> <ul style="list-style-type: none"> <li>Hawker</li> <li>Strait-halter</li> <li>Bagger</li> </ul> <p><b>MEDIUM SKILL</b></p> <ul style="list-style-type: none"> <li>Personal sales agent</li> <li>Floor manager</li> <li>Procurement agent</li> <li>Warehouse manager</li> <li>Cashier</li> <li>Driver</li> </ul> <p><b>HIGH SKILL</b></p> <ul style="list-style-type: none"> <li>Account officer</li> <li>In-house accountant</li> <li>Regional store manager</li> <li>Marketing analyst</li> <li>Logistics manager</li> </ul>  |

### 3.3.1 Key challenges regarding the supply and delivery of training programs

**Employers, regardless of sector, say that the skills gap in Nigeria is a critical bottleneck for job creation,** resulting from limited private sector linkages to training service providers and a mismatch in curriculum topics and workplace needs. Supply-focused interventions are not demand-driven, i.e., those running training programs do not have ongoing relationships with the private sector to ensure that there is demand for the skills their training programs emphasise. The lack of connection between employers and trainers creates a mismatch wherein evolving workplace skills requirements are not being captured and transmitted in training courses. For example, assessment and evaluation of students in technical and vocational education and training (TVET) institutions remain largely “academic” in spite of a global trend towards industry-based standards, where industry plays an active role in providing practical experience and assessment. Currently, less than 1% of interventions in Nigeria are implemented as in-house training. Where in-house interventions are aligned with industry demands, they are very expensive, and less common than other mainstream technical and vocational training programmes.

**The skills development marketplace is fragmented and characterised by overlaps in skills delivery,** especially in the public sector. There are currently at least ten MDAs that deliver training or incubation services. These include agencies such as the National Directorate of Employment (NDE), National Board of Technology Incubation (NBTI), National Board for Technical Education (NBTE), Industrial Training Fund (ITF), Small Medium Enterprises Development Agency (SMEDAN), and National Youth Service Corps (NYSC), among others. There is currently no coordinating body ensuring alignment nor pursuing economies of scale for these agencies’ efforts, leading to inefficiencies and multiple overlaps.

**There is an overall lack of appropriate trainings and standards.** While everyone wants training or a short-course qualification of some sort, the lack of harmonised standards limits an employer’s ability to evaluate the skill level of trainees and generally fosters distrust of the certificates and “papers” given. Educational attainment thus does not necessarily “open doors” in Nigeria as it can in other markets.

**Programme reach is insufficient both in terms of scale and geography.** There are not enough interventions to cover all the youth that require skills development. For example, as of November 2014, SURE-P’s Graduate Internship programme was oversubscribed by more than four times. It is difficult to measure and ascertain the demand for different trainings, which limits the willingness of programme implementers to expand their geographic reach. Although the infrastructure to carry out trainings may exist, there are challenges to finding people who are willing to go into rural areas to carry them out effectively. In Kano, the state government has set up more than 20 vocational training centres but cites difficulty in finding appropriate teachers and instructors as a binding constraint.

**Jobseekers have a tendency to pursue inappropriate or unnecessary qualifications.** The social premium placed on a university degree, coupled with the shortage of jobs in the formal sector, encourages youth to pursue university degrees over other types of qualifications, even where degrees are not needed. Given that there are more than 3.5 million tertiary graduates in the labour market, jobs that would go to secondary graduates are going to those with tertiary qualifications because there are so many graduates and so few jobs. As a result, youth are being “forced” to acquire advanced degrees as a way to differentiate themselves in the labour market, even though this may not be necessary from a skills development perspective.

**Teacher quality is poor across the education sector:** Instructors and teachers across the education sector lack appropriate skills, while working in an environment characterised by low wages, limited opportunities for personal development, and lack of supporting tools for teaching and instruction.

### 3.3.2 Opportunities to address skills challenges

**Addressing skills challenges related to standards and qualifications requires private sector ownership and involvement.** Inputs from private sector actors should form the basis of a skills development policy focused on identifying the skills and training for different levels of mastery in an industry or field. Formalising private sector contributions—e.g., through development of skills boards—will help to ensure appropriate ownership of training curricula, certification of training providers, etc. Matching private and public investments will also help overcome the funding gaps that affect the abilities of MDAs such as NBTE to complete certification and monitoring activities.

**Beyond the issue of standards, fragmentation in the skills development marketplace calls for more transparent coordination of the skills agencies and more clear standards for training delivery.** Two interventions can help address these challenges: creating required matching services and developing local empowerment centres. Matching programmes will support the NYSC in placing its graduates into employment after the conclusion of service and will assist local empowerment centre-trained youth in accessing employment opportunities and entrepreneurship support after completing training courses. Local empowerment centres will serve as one-stop shops for skills, information, and business support to ease doing business constraints and put underutilised training centres to use.

**Given the potential for MSMEs to drive job creation, supporting businesses in addition to the individual entrepreneurs may help existing businesses to employ more people.** As part of strengthening skill levels and building capacity, an effective market for business development services is critical, combining results-driven business support with finance for MSMEs. Traditional approaches to MSME support have not worked, in large part due to inconsistent standards, poor quality training and lack of accountability, an absence of mentorship, poor access to markets, and lack of access to finance. This approach would create a results-driven marketplace for business development services (BDS) at the cluster-level, coupled with innovative financing mechanisms that leverage venture capital and angel investing.

Figure 17. Proposal for cluster-specific business development services (BDS)

**Vision:** An open, results-driven marketplace for BDS provision at cluster-level, coupled with innovative financing mechanisms to break through the ceiling of limited scale and poor quality jobs. Key components include: online portal for training providers, standards for training, monitoring of results, and a funder of funds structure with venture capitalist/angel invest or slant.

|                 | Key components of BDS:                      | Challenges to traditional MSME support:  | Proposal for BDS plus marketplace:  |
|-----------------|---|--|---|
| <b>A2F</b>      | <b>Access to finance</b>                    | Single biggest constraint to SME growth-current system not working given multitude of small funds not linked to broader MSME support     | <b>Coherent MSME funder</b> of funds approach, including orientation towards venture capital and/or angel investment.   |
| <b>TRAINING</b> | <b>Access to market</b>                     | Poor advice on providing access to markets that is <b>misaligned to market demand</b> and not specific to sector clusters.               | <b>Open market place</b> for business support providers, adhering to <b>standards for training</b> , with continued activity contingent on <b>result for impact</b> |
|                 | <b>Business strategy and system support</b> | Poor quality business strategy and support systems advice that is <b>misaligned to market demand</b> and not specific to sector clusters |   |
|                 | <b>People training &amp; development</b>    | <b>Poor quality training</b> that is <b>misaligned to market demand</b> and not specific to sector clusters                              |   |
| <b>POST</b>     | <b>Mentorship &amp; networking</b>          | Limited initiatives to support mentorship and network for new and/or existing businesses   | <b>Scale-up/replicate</b> high-performing mentorship initiatives, with a focus on <b>sector/cluster support</b>   |

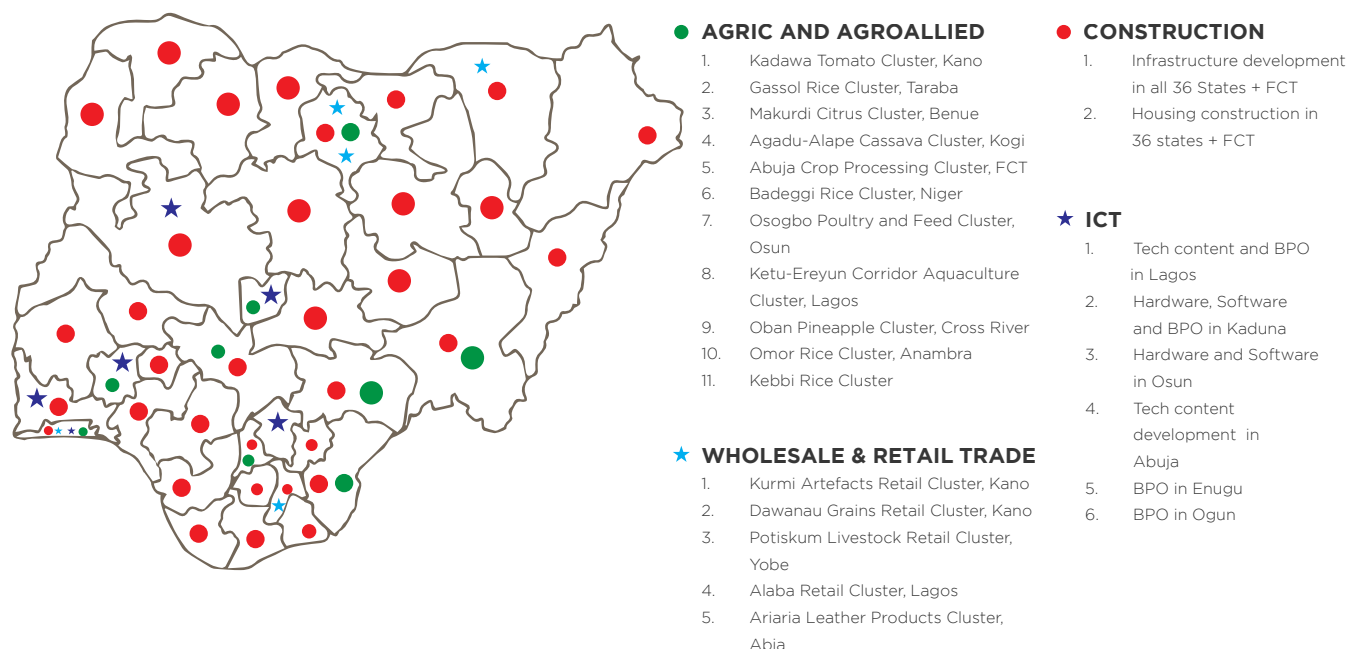
## 4 Implementation plan



### 4.1 Overview of regional competitiveness

Each region of Nigeria has the potential to advance its competitiveness and create jobs across the four sectors that are the focus of this framework. In the South East and North West, the agro-allied and trade sectors provide opportunities to build on and deepen historically strong industries. In the South South, North Central, and North East, further investment in processing capacity and market linkages continue to provide significant opportunities for the growth of agro-allied clusters. In the South West, opportunities arise across all sectors. A range of stakeholders identified the priority clusters included in Figure 18 as those with the greatest potential to create jobs over the next three years (2016 – 2018). The cluster interventions detailed in this section were selected based on job potential, current or planned private investment, and geographic location.

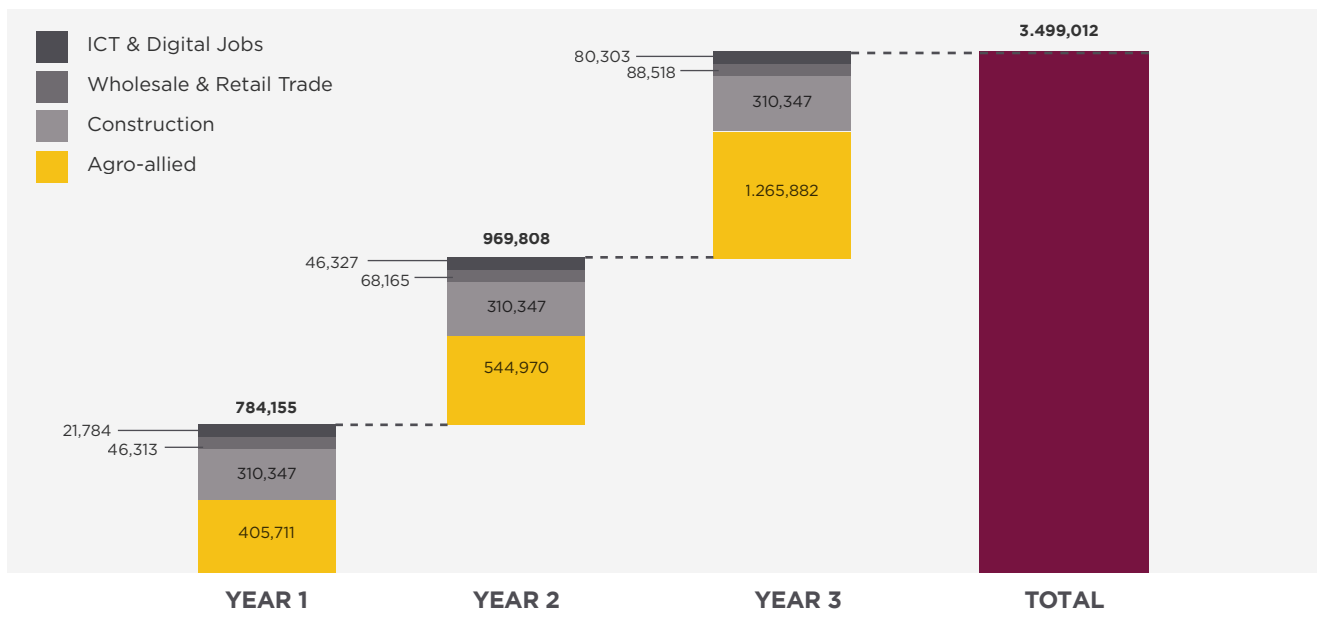
Figure 18. Overview of priority clusters across the country for the four selected sectors



Over three million jobs could be created over the next three years if each of the cluster interventions were implemented successfully.

In addition to these industry-led jobs, the government has recently pledged to create 1 million social jobs (500,000 teachers and 500,000 artisans). Within the industry-led jobs below, the agro-allied sector has the highest potential to absorb talent, followed by construction, trade, and ICT.

Figure 19. High-level directional estimates for select cluster interventions over three years



## 4.2 High-level implementation roadmap

### 4.2.1 Engaging youth

**One of the key failings of job creation interventions in the past is the limited engagement of the target population—youth.** This lack of engagement means that youth’s perceptions, opinions, and voices are not incorporated into intervention design and the strategies developed are less likely to succeed. In addition, sectors that could absorb larger numbers of youth, i.e., agribusiness and vocational sectors, are not attractive to most youths, given their aspiration towards white-collar jobs. Youth engagement is therefore critical to mobilise the energies and interests of youth in the job creation drive. A positive jobs campaign could be rolled out to paint a more attractive picture of the opportunities in vocational and technical sectors.

**Youth engagement summits complemented by digitally enabled monitoring will be held across the country to engage youth in a creative way.** By establishing a forum for the youth to connect and form partnerships, as well as providing a platform for youth to communicate their own strategies, the present strategy would be anchored in the youth perspective. A number of organisations (e.g. the British Council) are interested in designing and holding these summits, with interested co-investors, and could act as a guardian of the process in the short term. In the medium term, however, identification of youth champions and continued ownership by the Ministry of Youth and Sports and state governments would be necessary to sustain success.

**Youth campaigns will be launched to drive demand for technical and vocational education.** Currently, demand for technical and vocational education is low. TVET institutions point out that there are not enough young people taking up vocational skills offerings, despite the potential for vocational sectors to absorb the unemployed. This lack of demand is partly driven by negative perceptions of vocational sector jobs. Part of the solution may involve mass publicity campaigns involving examples of individuals who have achieved economic success and social progression through vocational/technical jobs, with a view to shifting mindsets.



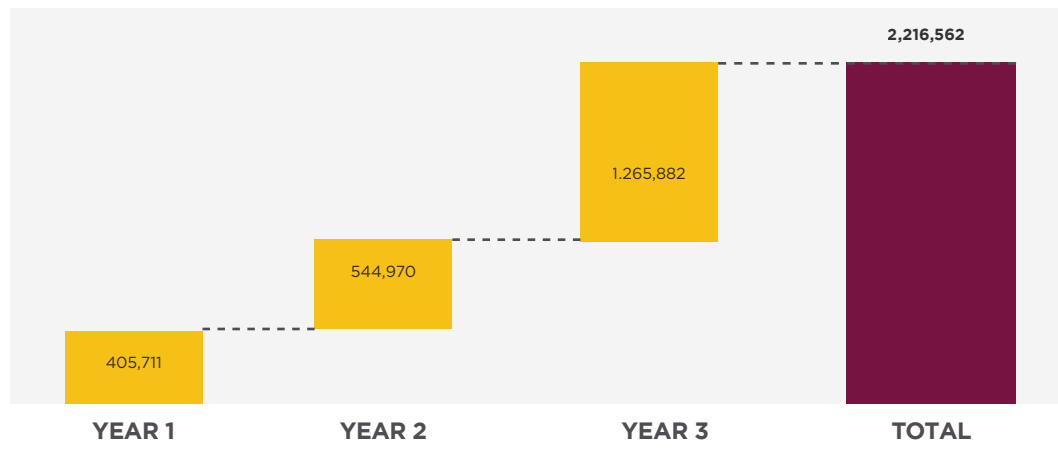
## 4.2.2 Industry-led job creation

### 4.2.2.1 Agribusiness and Agro-allied Industries

The agribusiness and agro-allied industry is one of the largest employers in Nigeria, employing approximately 30% of the labour force. This potential is driven by the country's significant and growing domestic consumption, and spurred by Nigeria's significant agro-ecological potential. Operationalizing existing Staple Crop Processing Zone (SCPZ) master plans, expanding existing processor-based outgrower models, financing youth agropreneurs, and piloting the Federal Ministry of Agriculture and Rural Development (FMARD)'s agro-industrial processing park concept will help achieve the job creation potential of existing agriculture clusters. If a combination of these efforts are implemented across select clusters, over two million new jobs could be created in a three-year period.

Figure 20. Directional estimates for job creation in agriculture-agro-allied clusters

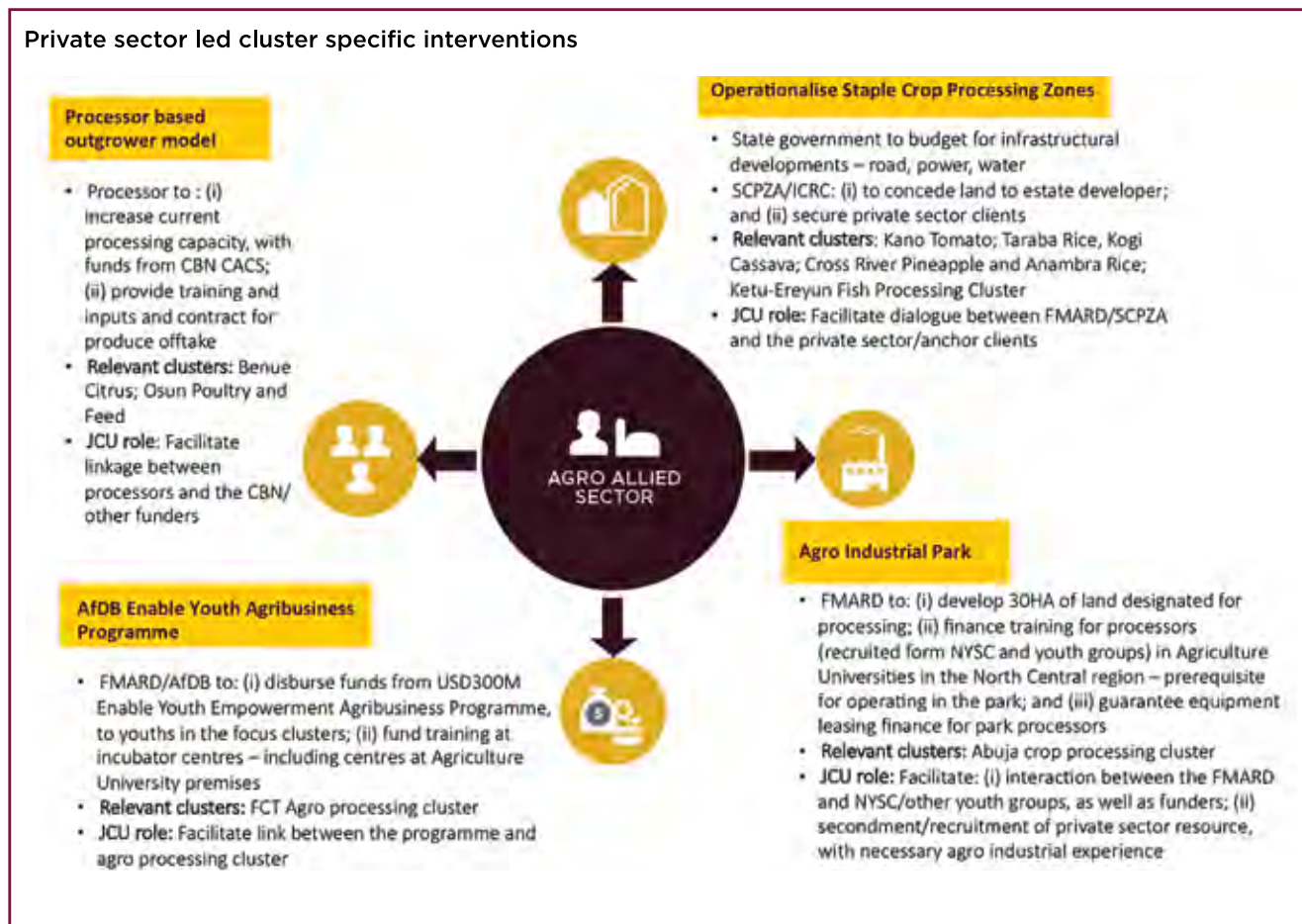
#### Jobs forecasted from private sector led out grower interventions in selected agriculture clusters (2016-2018)



#### 4.2.2.1.1 Driving agro-processing and agro-preneurship clusters through private-sector anchors

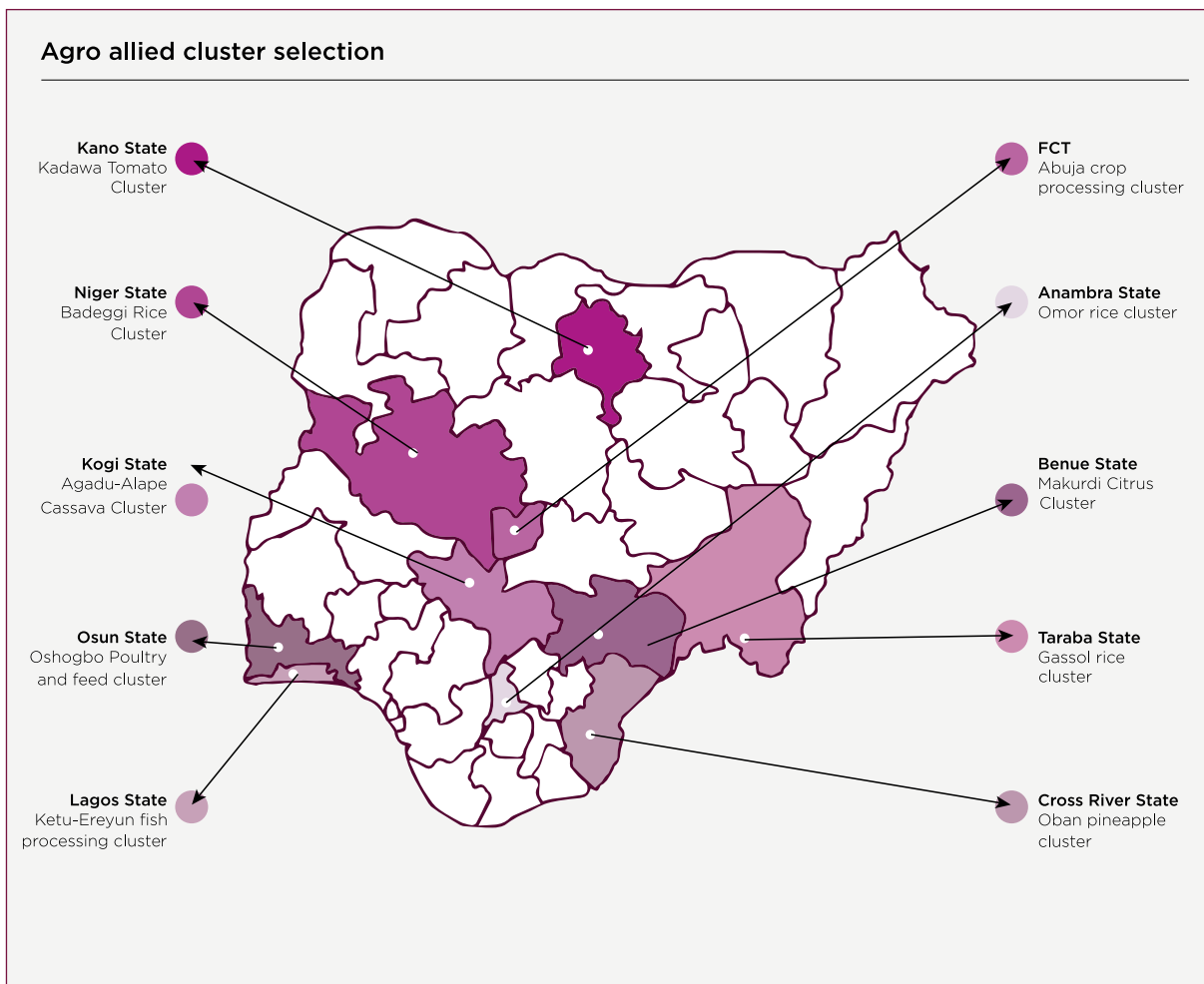
Three key interventions, anchored in a private sector processor and targeted at the cluster level, aim to sustainably drive inclusive agricultural growth. In complement, a fourth intervention supports the growth of agropreneurs through incubation and finance. Creating new jobs and enhancing the quality of existing jobs form the dual focus of each of the interventions below.

Figure 21. Cluster specific interventions to drive job creation in agriculture and agro allied clusters



Ten clusters have been selected for initial study based on job creation potential, private sector interest, and implementation timeframe. This selection remains open, with ongoing discussions concerning several other agriculture value chains with high job creation potential in the longer term. One such crop is oil palm. Oil palm in the South- South region is a high-potential crop for import substitution and job creation. However, current tree growth has suboptimal yields and is mostly wild. Further, more land will be required to scale-up cultivation. Given critical land bottlenecks at the state level and the time required to grow new oil palm trees, developing an oil palm cluster would be a longer-term undertaking.

Figure 22. Selected clusters for the agriculture/agro-allied across Nigeria's geopolitical zones

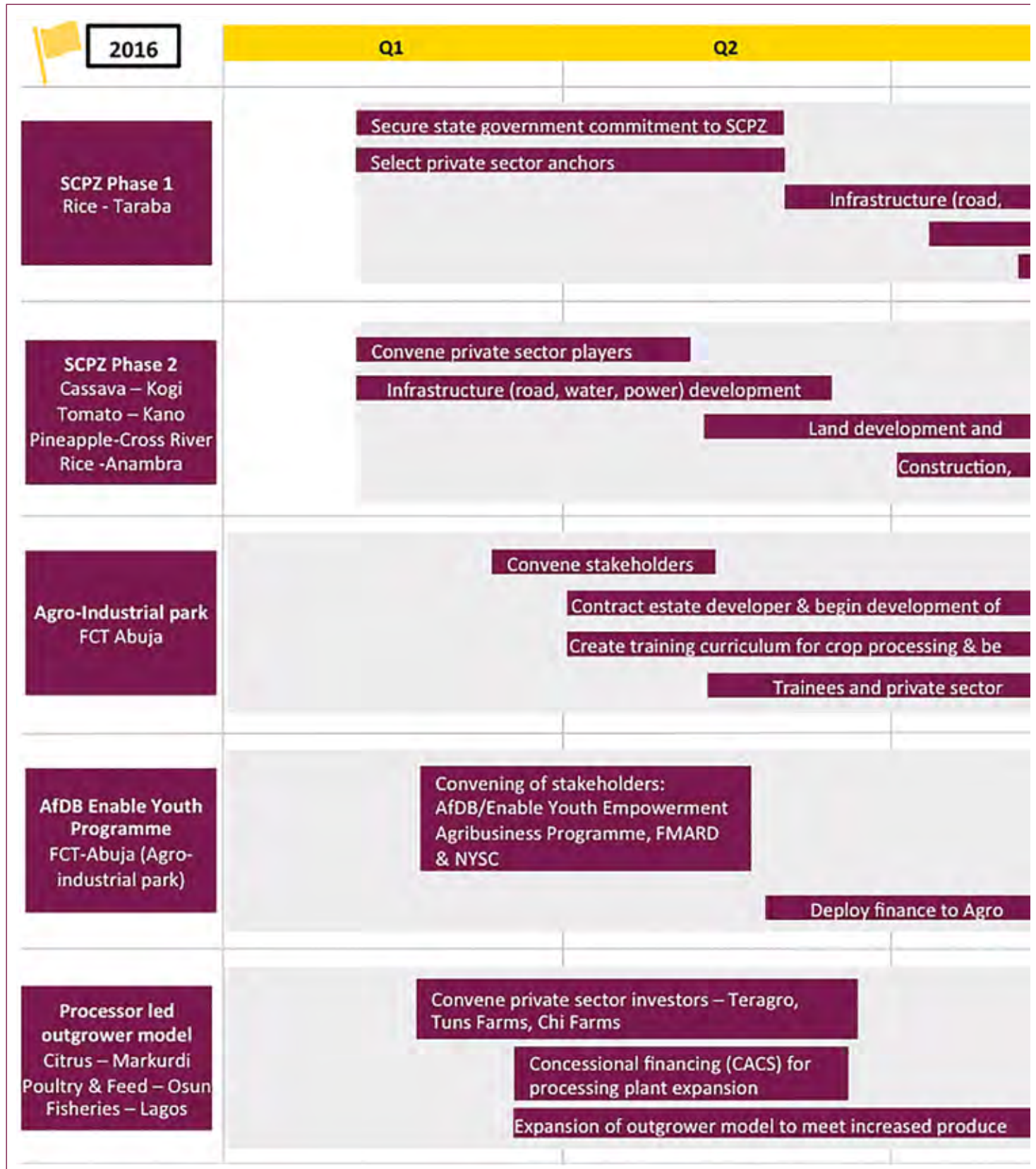


#### 4.2.2.1.2 Required action, roles, and responsibilities

The implementation of the interventions and timeline for rollout will reflect the fact that the ten clusters are at different stages of development and the nature of operations within each cluster differs. The primary recommendation for the clusters with SCPZ master plans is to operationalise the SCPZs. The SCPZs are at different development phases, with some further along in securing state government commitment and private sector interest. These are **phase II SCPZs and can be operationalised within one year**. The others are at the beginning phases of rollout and can be operationalised in two years—for example, the Taraba rice cluster. There are agro-processing clusters that will be developed using finance interventions and supported by expanding farmer outgrower programmes to fulfil increased produce demand. Implementation timeline for the various cluster types is outlined in the figure below.

Figure 23. Implementation timeline and key roles and responsibilities (agriculture and agro-allied sector)

**Agro allied Clusters: Implementation: Timeline, roles and responsibilities**



| Q3  | Q4 | KEY PLAYERS & MILESTONES  |
|---|----|---|
| <p>water, power) development</p> <p>Land development and allocation</p> <p>Construction, installation, operations</p> |    | <ul style="list-style-type: none"> <li>• <b>FMARD:</b> Secure stakeholder commitment</li> <li>• <b>State govt:</b> Provide infrastructure</li> <li>• <b>ICRC/SCPZA:</b> commission development</li> <li>• <b>Estate developer:</b> Develop property</li> <li>• <b>Processor:</b> Bid, construct/install, operate</li> <li>• <b>JCU:</b> Facilitate dialogue between parties and escalate issues where necessary</li> </ul>              |
| <p>allocation</p> <p>installation and operations</p>  |    | <ul style="list-style-type: none"> <li>• <b>FMARD:</b> Secure stakeholder commitment</li> <li>• <b>State govt:</b> Provide infrastructure</li> <li>• <b>ICRC/SCPZA:</b> commission development</li> <li>• <b>Estate developer:</b> Develop property</li> <li>• <b>Processor:</b> Bid, construct/install, operate</li> <li>• <b>JCU:</b> Facilitate dialogue between parties and escalate issues where necessary</li> </ul>              |
| <p>designated 30HA land</p> <p>gin training</p> <p>investors to procure processing equipment</p>                      |    | <ul style="list-style-type: none"> <li>• <b>FMARD:</b> Secure stakeholder FCT ministry's commitment</li> <li>• <b>FCT Ministry:</b> Provide infrastructure</li> <li>• <b>NIRSAL, BOI:</b> Finance equipment acquisition</li> <li>• <b>FIIRO (research institute):</b> create training curriculum</li> <li>• <b>JCU:</b> Facilitate dialogue between parties and escalate issues where necessary</li> </ul>                              |
| <p>Industrial park processors &amp; NYSC corpors</p>  |    | <ul style="list-style-type: none"> <li>• <b>FMARD:</b> Secure commitment of stakeholders (AfDB, NYSC) and provide pool of participants (agro industrial park processors)</li> <li>• <b>AFDB:</b> Finance youth agropreneurs</li> <li>• <b>NYSC:</b> Provide pool of potential applicants</li> <li>• <b>JCU:</b> Facilitate dialogue between parties and escalate issues where necessary</li> </ul>                                      |
| <p>demand</p>   |    | <ul style="list-style-type: none"> <li>• <b>FMARD:</b> Secure commitment of stakeholders - FIIRO (research institute) &amp; private sector players (Terragro, Tuns Farms, Chi Farms); collaborate on curriculum</li> <li>• <b>CBN/NIRSAL:</b> Finance outgrower expansion</li> <li>• <b>FIIRO:</b> create training curriculum</li> <li>• <b>JCU:</b> Facilitate dialogue between parties and escalate issues where necessary</li> </ul> |

#### 4.2.2.1.3 Agro skills development plan

Upskilling for the agriculture-and agro allied sector will be anchored on practical learning, such as the training elements of the outgrower schemes and youth agropreneur financing / incubation initiatives.

#### 4.2.2.1.4 Structural reform

The following business environment and policy/regulatory issues need to be addressed in order to increase the chances of business success and growth in agriculture clusters, and thereby achieve target job creation.

**Government commitment** (land and access to finance): Government action must align with the voiced commitment to improving the agriculture sector. The government should be seen to be deploying the resources within its means to address the challenges plaguing the sector. An example is land provision. Efforts in the direction of providing access to cleared land for agro-allied purposes can catalyse growth in the sector.

**Insurance reforms:** The currently available insurance products and their applications are inappropriate for the current stage of agri-business in Nigeria. There is need for broad sectoral reform to introduce products better suited to the agriculture industry and boost agriculture expertise within the insurance sector.

**Market infrastructure:** There is a need to enhance market linkages and information symmetry within the agriculture industry. The Nigerian Commodity Exchange is currently performing sub optimally in terms of creating an efficient market for agricultural commodities. Optimising this institution will potentially unlock several growth opportunities.

#### 4.2.2.1.5 Key risks and mitigation plan

**Lack of private sector ownership:** To secure private sector ownership and facilitate government commitment, the JCU will convene gatherings of relevant parties early on, and ensure adequate interaction between the private and public sector, to make certain that incentives are provided where necessary.

**Lack of state and federal buy-in:** For the successful implementation of any of the above cluster interventions, state (and federal) buy-in will be critical. The JCU is well placed to play a liaison role between private sector and government, ensuring that bottlenecks are minimised by convening the relevant players at the outset and facilitating regular meetings throughout the course of the implementation phase.

**Loan default / high non-performing loan ratio:** To guard against high rates of loan defaults and non-performing loans, the government (FMARD) will guarantee concessional loans to agro-industrial park tenants. Recipients of the loans from the AfDB Enable programme will mostly be attached to the agro-industrial park or NYSC participants. NYSC certificates can serve as collateral, as modelled in past programmes with loans to NYSC participants.

#### 4.2.2.1.6 Replicability

These interventions are replicable across clusters with similar characteristics in terms of stage of development and nature of operations.

#### 4.2.2.1.7 Further considerations

The focus of this strategy is to drive private-sector-led initiatives for job creation in the sectors of focus. Experts and stakeholders have recommended a range of additional interventions that, though relevant to job creation, will require policy / regulatory changes and should therefore be led by the public sector—these interventions also have longer implementation and impact timeframes. We highlight these recommendations below for further consideration by the JCU and relevant public and private sector players.

- **Fast track implementation of approved government programmes:** The government has approved high-impact projects that have yet to be implemented. Experts advise fast-tracking implementation of these. Some of these projects will generate stimulus for private sector investments. Two such projects are the acquisition of 10 integrated rice mills and six cassava mills with and the FMARD mechanisation project to distribute tractors to 120 hiring centres.
- **Incentivise youth training and employment in agriculture:** Government should incentivise local commercial farms to train youth cooperative groups and hire their members. The government can also enter PPP arrangements wherein commercial farm operations are jointly established for the primary purpose of training and employing youth.
- **Develop Growth Enhancement Support Scheme (GESS) farmer groups into processing and marketing cooperatives:** Under the Growth Enhancement Support Scheme, the FMARD, in collaboration with Cellulant, developed a database of farmers. These farmers make up 44,000 groups across 19 states. Experts recommend that the government develop these groups into product processing and marketing cooperatives, improving access to larger markets and creating new jobs in each zone.
- **Strengthen partnership with the International Institute for Tropical Agriculture (IITA):** One of the world's leading research partners in tropical agriculture, it is imperative for the Federal Ministry of Agriculture to facilitate greater synergy between the country's agribusiness community and the IITA.

#### 4.2.2.1.8 Preliminary stakeholder list

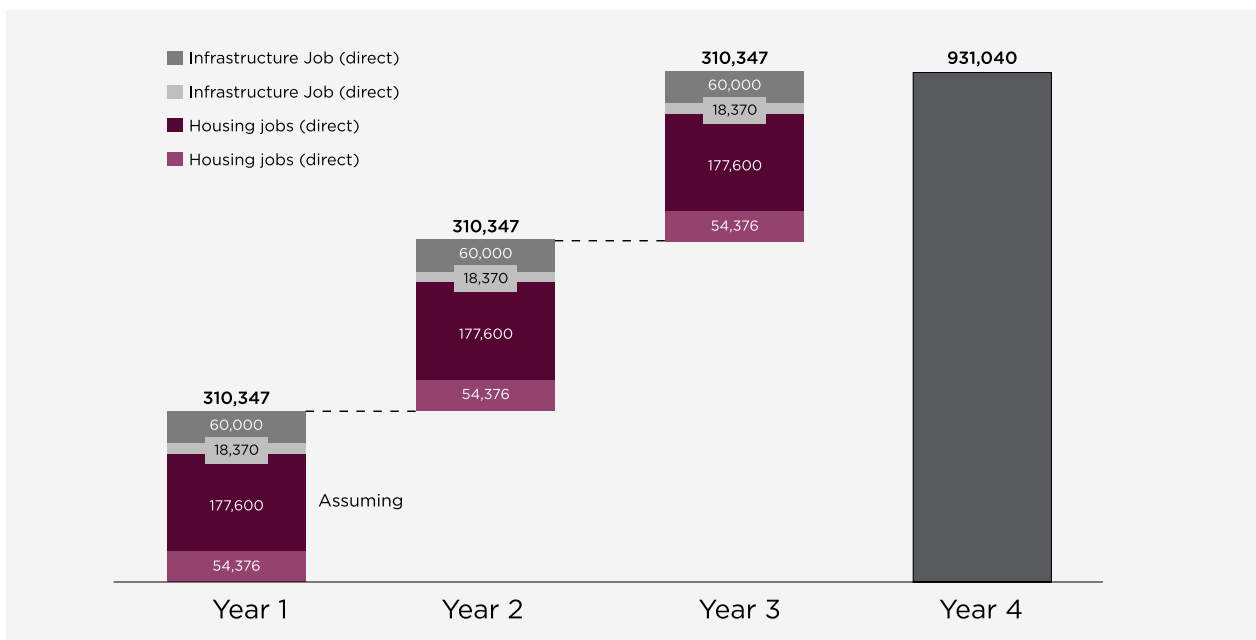
- Agribusinesses, e.g., FMN, TGI, Terragro, Dangote Group / Dansa, etc.
- Government and MDAs, e.g., FMARD/ SCPZA, NYSC, state governments, Federal Institute of Industrial Research, Oshodi (FIIRO)
- Development partners, e.g., AfDB, United Nations Industrial Development Organization (UNIDO),
- International Institute for Tropical Agriculture (IITA)

#### 4.2.2.2 Construction

##### 4.2.2.2.1 Rationale

The construction sector is one of the leading employers within Nigeria, though the sector has recently confronted financing challenges leading to the loss of up to 70,000 jobs in 2015. The federal government intends to direct significant public and private capital into roads, rail, and mass housing, and has plans to set up a USD 25 billion infrastructure fund. New public investments in infrastructure and affordable housing have led to a four-year forecast of high private and public sector demand for varied construction services and projections of nearly 1.5 million new jobs. To optimise the job creation potential of this programme, a number of priority interventions are required to ease constraints across planning, procurement and input costs, management, financing, and skills development at the artisanal, technical, and managerial levels.

Figure 24. Directional estimates for indirect and direct jobs in infrastructure and affordable housing over the next three years<sup>23</sup>



##### 4.2.2.2.2 Specific high-potential interventions that will drive job creation in this sector

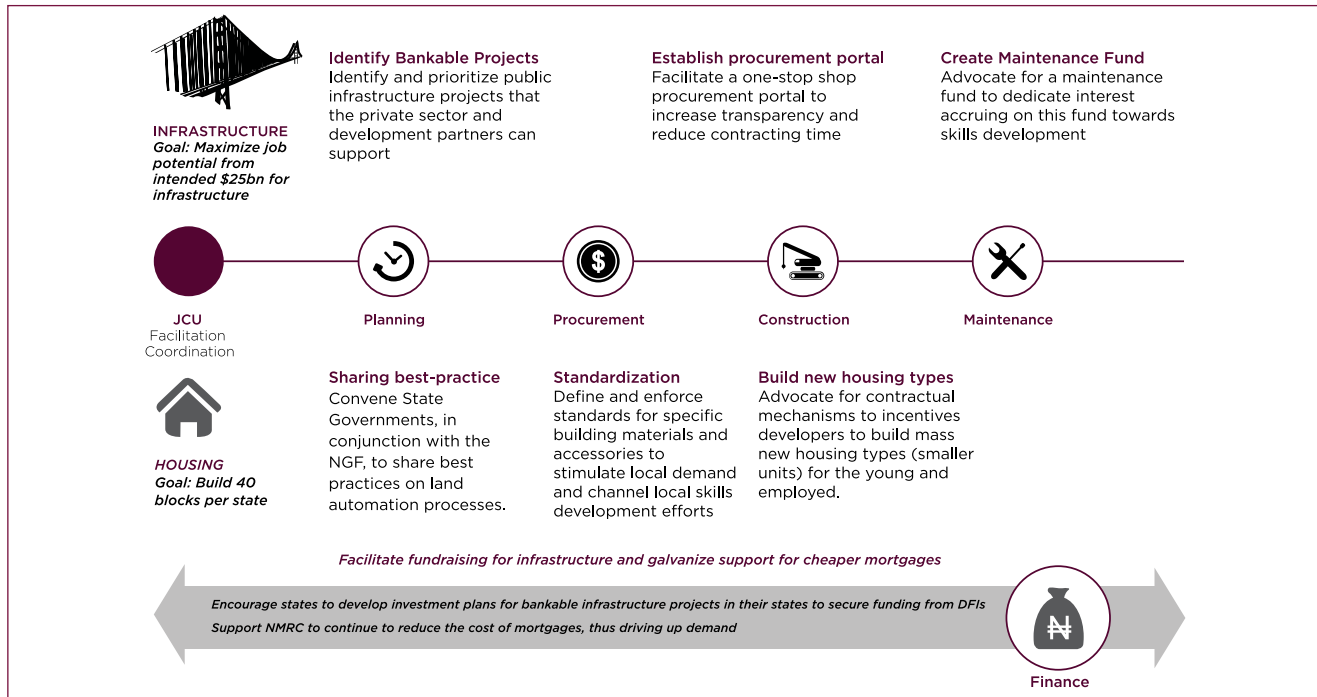
Interventions to maximise the job potential creation from the government's plans are outlined below.<sup>24</sup>

<sup>23</sup> Assuming 6000 kilometers of road, at 30 workers per kilometer, and 480 flats built per state, at 40 blocks per state, applying an indirect multiplier of 0.31, equally distributed across the three years.

<sup>24</sup> Plan to build 40 blocks per State is based on 2016 plan for the Ministry of Power, Works & Housing. Source is interview with Special Assistant to the Minister.



Figure 25. Key initiatives - public infrastructure and affordable housing



#### 4.2.2.2.3 Key players, roles, responsibilities, and financing required

These interventions will be executed through a close collaboration between the federal government (including the Ministry of Power, Works, and Housing), state governments, and private sector actors, including developers, financiers, training institutions, and development partners. Their roles and responsibilities are outlined below.

Figure 26. Implementation timeline and key roles and responsibilities

|                              | Jan - March  | April - June  | July - Aug  | Sept - Dec   | 2017  |
|------------------------------|--|---|---|--|---|
| ROLES OF THE PLAYERS         | <ul style="list-style-type: none"> <li>Convene State Governments to share best practice on land automation</li> <li>Identify bankable Infrastructure projects</li> <li>Design procurement portal</li> <li>Launch skills development council</li> </ul> | <ul style="list-style-type: none"> <li>Convene potential investors</li> <li>Encourage building of new housing types</li> <li>Advocate for a maintenance fund</li> <li>Design effective financial tools</li> </ul> | <ul style="list-style-type: none"> <li>Launch procurement portal</li> <li>Support land automation and registration</li> <li>Strengthen NMRC to lower costs of mortgage</li> </ul> | <ul style="list-style-type: none"> <li>Support land automation and registration</li> </ul>         | <ul style="list-style-type: none"> <li>Support land automation and registration</li> </ul>          |
| JCU                          | <ul style="list-style-type: none"> <li>Convene key government partners and monitor progress</li> </ul>   | <ul style="list-style-type: none"> <li>Organize convening to attract investment</li> </ul>  | <ul style="list-style-type: none"> <li>Evaluate progress at the 6-month mark</li> </ul>   | <ul style="list-style-type: none"> <li>Monitor Progress</li> </ul>                                 | <ul style="list-style-type: none"> <li>Monitor Progress</li> </ul>                                  |
| Federal and State Government | <ul style="list-style-type: none"> <li>States to participate and federal may support convening</li> <li>Launch skills council</li> </ul>   | <ul style="list-style-type: none"> <li>Approve maintenance fund from capital budget</li> <li>Test procurement portal</li> </ul>   | <ul style="list-style-type: none"> <li>Upload plans on the procurement portal</li> </ul>  | <ul style="list-style-type: none"> <li>Oversee construction</li> </ul>                             | <ul style="list-style-type: none"> <li>Oversee construction</li> </ul>                              |
| Private Sector               | <ul style="list-style-type: none"> <li>May support convening conversations, especially by offering perspectives for reform</li> </ul>  | <ul style="list-style-type: none"> <li>Participate in convening</li> <li>Can invest in skills development</li> </ul>  | <ul style="list-style-type: none"> <li>Express interest in projects</li> <li>Finalize negotiations and contracting</li> </ul>   | <ul style="list-style-type: none"> <li>Construction of houses and public works commence</li> </ul> | <ul style="list-style-type: none"> <li>Construction of housing and public works continue</li> </ul> |
| Development Partner          | <ul style="list-style-type: none"> <li>Support best practice sharing from ongoing work with states on land reform</li> </ul>   | <ul style="list-style-type: none"> <li>May support in financing and sourcing additional funds for the states</li> </ul>   | <ul style="list-style-type: none"> <li>May provide funding and investment in projects</li> </ul>  | <ul style="list-style-type: none"> <li>May provide funding and investment in projects</li> </ul>   | <ul style="list-style-type: none"> <li>May provide funding and investment in projects</li> </ul>    |

#### 4.2.2.2.4 Construction Skills development approach

Set up an industry led skills development council aimed at improving the quality and quantity of skilled construction and building services professionals, increasing investments in the skills development ecosystem, and creating a marketplace that rewards and incentivises trained professionals. The council will have two main focus areas:

- **Providing relevant technical training.** The council will focus on the creation and rollout of a competency-based curriculum and training of teachers and assessors to deliver quality and relevant technical training.
- **Improving financial access for TVET students, institutions, and professionals.** Here, the council will focus on creating innovative and sustainable financing products for students, graduates, and institutions, including bursaries and loan products that encourage investment in skills training.

#### 4.2.2.2.5 Required Structural reforms



**Pursue the review and reform of certain laws that act as constraints on activity and the flow of capital in the sector.** These include:

- The Land Use Act;
- The Pension Act, particularly the limits it specifies for investments in the sector;
- Financial sector regulations / laws, e.g., in order to allow the formation of real estate investment trusts (REITs); and
- Planning laws / regulations, e.g., to allow more optimal land use in areas with infrastructure.

#### 4.2.2.2.6 Key risks and mitigation plan

Figure 27. Key risks and mitigation actions (construction)

##### Key Risks and Mitigation for Clusters

|  | RISKS  | MITIGATION  |
|--|--|---|
| <br><b>INFRASTRUCTURE</b> | <ul style="list-style-type: none"> <li>• Lack of federal government funding</li> <li>• Lack of transparency around contracting and procurement</li> </ul>  | <ul style="list-style-type: none"> <li>• Identify bankable projects that DFIs will like to fund</li> <li>• Set up one-stop procurement portal</li> </ul>                |
| <br><b>HOUSING</b>        | <ul style="list-style-type: none"> <li>• Lack of State and private sector commitment to build houses</li> <li>• Potential mismatch in time frame to get the right skills for the increased number of projects</li> </ul> | <ul style="list-style-type: none"> <li>• Support NMRC to reduce cost of mortgage</li> <li>• Set up sectoral skills development council to address skills gap</li> </ul> |

#### 4.2.2.2.7 Preliminary stakeholder list

##### *Infrastructure and Housing*

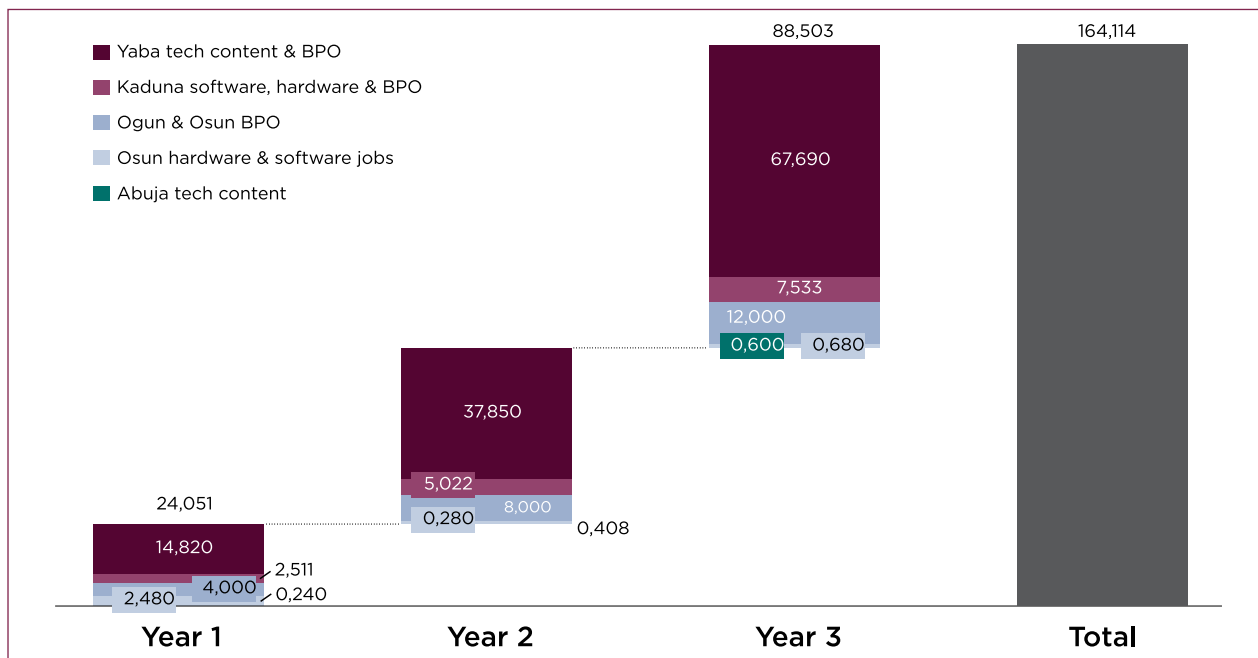
- Ministry of Power, Works, and Housing
- Relevant state governments
- Development partners
- Construction companies
- Development partners, e.g., Shelter Afrique, United Nations Human Settlements Programme (UN-Habitat), The Deutsche Gesellschaft für International Zusammenarbeit (GIZ), Millard Fuller Foundation
- Implementers / developers, e.g., First World Communities (implementers of the Lagos state CHOIS program)
- Private mortgage companies, e.g., Aso Savings / Union Homes

### 4.2.2.3 ICT and Digital Jobs

#### 4.2.2.3.1 Rationale

The ICT sector in Nigeria has experienced rapid growth over the past 15 years, driven by private investment in terrestrial network infrastructure and rising demand for IT-enabled services across other sectors, most notably financial services, retail, trade, and transportation. The inclusion of ICT as one of the initial sectors of focus for job creation in Nigeria is predicated on its transformative effect as a primary enabler of economic growth. Nigeria’s technology-enabled service firms are already tapping into ICT’s economic potential by increasingly facilitating higher levels of efficiency and improving profitability across other sectors of the economy.

Figure 28. Directional estimates for new direct and indirect job creation through ICT cluster interventions



#### 4.2.2.3.2 Specific high-potential interventions that will drive job creation through ICT and digital jobs

Five interventions will drive job creation in the ICT and digital jobs sector over the next two years. These interventions include (i) expanding the existing tech content development and BPO cluster in Yaba; (ii) establishing hardware and software clusters in Osun; (iii) establishing a new software, hardware, and BPO cluster in Kaduna; (iv) stimulating the technology content development cluster in Abuja; and (v) establishing BPO clusters in Ogun and Enugu.

The clusters in Yaba, Osun, and Kaduna have been selected for the first year of implementation based on their potential to scale, time needed for implementation, and evidence of commitment by one or more actors critical to the successful development of the clusters. Abuja, Enugu, and Ogun can be implemented in the second year.

Figure 29. Key interventions to drive job creation across ICT clusters

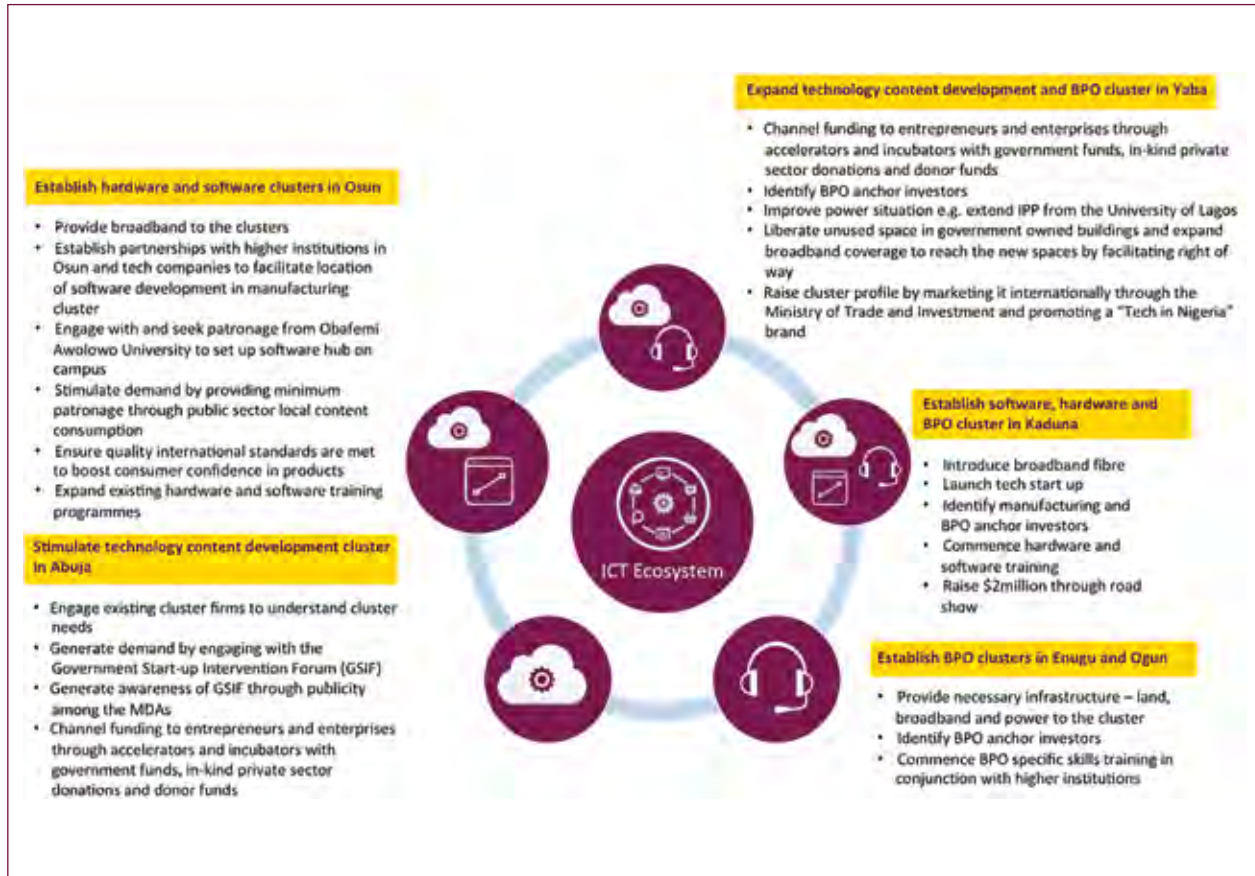


Figure 30. Selection criteria for clusters of initial focus

| Focus clusters and selection criteria    |                    |  |                         |                                   |
|--|--------------------|--|-------------------------|-----------------------------------|
|  | Geopolitical Zone  | Potential Partner(s)                       | Existing Infrastructure | Implementation/ Impact time frame |
| Tech content development and BPO in Yaba | South West (SW)    | Start up companies represented by CcHub    | Yes                     | 6 Months                          |
| Manufacturing and software in Osun       | South West (SW)    | RLG  | Yes                     | 1 Year                            |
| Software, Hardware and BPO in Kaduna     | North East (NE)    | Coders4Africa<br>Draperdarkflow            | Yes                     | 6 Months                          |
| Tech content development in Abuja        | North Central (NC) | NITDA - OIIE<br>Enspire Emerging Platforms | Yes                     | 1 Year                            |
| BPO in Enugu                             | South East (SE)    | To be identified                           | TBD                     | TBD                               |
| BPO in Ogun                              | South West (SW)    | To be identified                           | TBD                     | TBD                               |

### 4.2.2.3.3 Required action, roles and responsibilities

Figure 31. Implementation timeline and key roles and responsibilities (ICT)

#### ICT Clusters: Implementation: Timeline, roles and responsibilities

| 2016                                     | Q1   | Q2 | Q3 | ROLES RESPONSIBILITIES   |
|--|--|----|----|--|
| Tech content development and BPO in Yaba | <ul style="list-style-type: none"> <li>Free unused space in government owned buildings and extend broadband coverage</li> <li>Improve power situation</li> <li>Channel funding to entrepreneurs and enterprises through accelerators and incubators</li> <li>Raise cluster profile by international marketing</li> <li>Support ongoing skills gap study</li> <li>Identify BPO investor</li> </ul>  |    |    | <ul style="list-style-type: none"> <li>JCU/OOVP: Raise awareness of cluster</li> <li>NITDA: Support for accelerators and incubators</li> <li>Lagos State gov't: Space liberation</li> <li>Ministry of Trade and Investment &amp; Ministry of Comms. &amp; Tech: Marketing</li> <li>Private sector: Advisory, Broad band, investments, BPO investor to be identified</li> </ul> |
| Manufacturing and software in Osun       | <ul style="list-style-type: none"> <li>Provide broadband to clusters</li> <li>Stimulate demand by providing minimum patronage</li> <li>Establish software hub at OAU and manufacturing cluster through partnerships with higher Institutions and technology companies</li> <li>Ensure quality international standards</li> <li>Expand existing hardware and software training programmes</li> </ul>  |    |    | <ul style="list-style-type: none"> <li>JCU: Secure state government commitment to infrastructure development</li> <li>Osun State government: Finance and roll out infrastructure development; provide minimum patronage</li> <li>RLG: Manufacture, training</li> <li>Higher institutions and technology firms: software development</li> </ul>                                 |
| Software, hardware and BPO in Kaduna     | <ul style="list-style-type: none"> <li>Introduce broadband fibre</li> <li>Launch tech start ups overseen by Draper Dart Flow</li> <li>Raise \$2 million through road show</li> <li>Identify manufacturing and BPO anchor investors</li> <li>Commence hardware and software training</li> </ul>   |    |    | <ul style="list-style-type: none"> <li>JCU/OOVP: Support fund raising</li> <li>Kaduna State government: Finance and roll out infrastructure development</li> <li>NITDA: Support for accelerator and incubators</li> <li>Draper dark flow: Hub manager; hub development</li> <li>Coders4Africa: Hub manager, training</li> </ul>  |
| Tech content development in Abuja        | <ul style="list-style-type: none"> <li>Engage existing cluster firms to understand cluster needs</li> <li>Generate demand by engaging with the Government Start-up Intervention Forum (GSIF)</li> <li>Generate awareness of GSIF through publicity among the MDAs</li> <li>Channel funding to entrepreneurs and enterprises through accelerators and incubators with government funds, in kind private sector donations and donor funds</li> </ul> |    |    | <ul style="list-style-type: none"> <li>JCU/OOVP: Support fund raising</li> <li>Abuja minister of state: Finance and roll out infrastructure development</li> <li>NITDA OIIE &amp; Enspire: Drive cluster development</li> <li>CcHub Advisory, share learnings from Yaba</li> </ul>   |
| BPO in Enugu and Ogun                    | <ul style="list-style-type: none"> <li>Provide land, power and broadband</li> <li>Identify BPO anchor investments</li> <li>Commence BPO specific skills training in conjunction with higher institutions</li> </ul>  |    |    | <ul style="list-style-type: none"> <li>JCU/OOVP: Raise cluster awareness</li> <li>Enugu and Ogun State government: Finance and roll out infrastructure development</li> <li>Private sector: BPO Investor to be identified, broadband, investments</li> <li>Training institutions: BPO specific skills training</li> </ul>  |

### 4.2.2.3.4 ICT Skills development approach

**Actively encourage matching, incubation, and acceleration programs for ICT.** The JCU will work with relevant federal agencies and state governments to secure dedicated funds to further develop the market for the provision of ICT-related human resource development programs.

### 4.2.2.3.5 Required structural reforms

**Use of fiscal policies** to a) provide greater incentives for ICT hardware manufacturers and OEMs to produce locally and b) reduce overheads for start-up companies.

**Government incentives for technology start-ups:** To reduce operational and administrative burdens faced by new technology companies thereby encouraging new entrants and increasing their success rates.

### 4.2.2.3.6 Key risks and mitigation plan

The table below highlights the key risks and mitigation strategies for each of the clusters.

Figure 32. Key risks and mitigation plan (ICT)

### Key Risks and Mitigation for Clusters

|  | RISKS  | MITIGATION  |
|--|--|---|
| Tech content development and BPO in Yaba | <ul style="list-style-type: none"> <li>Weak flow of fund due to macroeconomic challenges</li> <li>Delay in liberating public space and ensuring consistent power supply</li> </ul> | <ul style="list-style-type: none"> <li>JCU facilitated roadshow to fund raise</li> <li>JCU and Cchub to reach out to FMCT, LASG &amp; Eko Distribution Company to workaround to power and space Issues</li> </ul> |
| Manufacturing and software in Osun       | <ul style="list-style-type: none"> <li>Weak product demand due to international competition</li> </ul>   | <ul style="list-style-type: none"> <li>JCU to work with State governments to provide anchor contracts to sustain activity</li> </ul>  |
| Hardware, Software and BPO in Kaduna     | <ul style="list-style-type: none"> <li>Weak investor demand due to poor perception of Kaduna as a destination for manufacturing and BPO services</li> </ul>                        | <ul style="list-style-type: none"> <li>JCU to work with State governments to undertake investor roadshow to raise awareness</li> </ul>  |
| Tech content development in Abuja        | <ul style="list-style-type: none"> <li>Weak demand due to relatively low access to private sector markets</li> </ul>   | <ul style="list-style-type: none"> <li>JCU and OIIE-NITDA to work with MDAs to generate demand for the hub (specifically for government IT services)</li> </ul>   |
| BPOs in Enugu and Ogun                   | <ul style="list-style-type: none"> <li>Weak investor demand due to poor perception of Enugu as destination for BPO services</li> </ul>   | <ul style="list-style-type: none"> <li>JCU to work with State governments to develop business case and undertake investor roadshow to attract BPO investors</li> </ul>  |

#### 4.2.2.3.7 Replicability

This set of cluster interventions constitutes an initial focus, given private sector interest. However, there are a number of other emerging clusters across the country that have the potential to create jobs in ICT, and to which similar interventions to those listed above can be applied. For full list, please see the annex.

#### 4.2.2.3.8 Preliminary stakeholder list

- Incubator operators and tech-enabled service providers, e.g. CCHub, IDEA Hub, Coders4Africa, Andela Emerging Platforms
- OEMs, e.g. RLG
- Infrastructure developers, e.g. Main One
- Investors / venture capital, e.g. Draper Dark Flow
- Universities, e.g., Obafemi Awolowo University
- MDAs, e.g., National Information Technology Development Agency, Ministry of Industry, Trade, and Investment, Ministry of FCT
- State governments, e.g., Osun state, Ogun state, Kaduna state, Lagos state

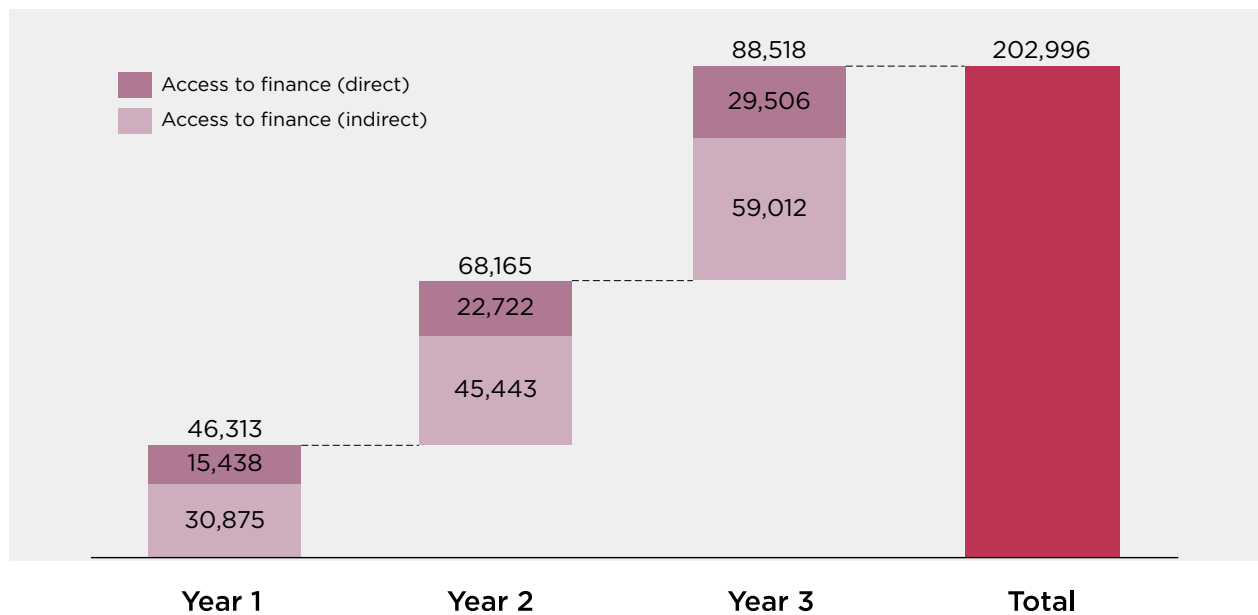
#### 4.2.2.4 Wholesale and Retail Trade

##### 4.2.2.4.1 Rationale

Wholesale and retail trade currently employs 13 million Nigerians, mostly in the informal sector. Trade also created 45,000 formal jobs between Q1 2014 and Q1 2015, accounting for 30% of formal sector jobs created in that period. Yet constraints to accessing finance, in addition to market infrastructure and management/operational challenges, inhibit trade clusters in Nigeria. The country’s “ease of doing business” ranking is poor—169th place (World Bank, 2015). Improving business environment competitiveness rankings by 20 to 30 positions would yield an increase of 2 – 4 percentage points in GDP growth rate.

In order to boost the job creation potential of trade clusters, the JCU could support the Federal Ministry of Industry, Trade and Investment in achieving its vision of acting as a business “enabler”, but with a focus at the cluster level. Access to finance is the third leading constraint to doing business in Nigeria. It is simply difficult for businesses to acquire loans—the World Economic Forum ranks Nigeria 135th in terms of ease of access to loans. To contribute to easing this constraint, the JCU could support the development of a Wholesale and Retail Trade Financing and Business Support Facility, targeted at trade cluster development. The facility would increase market access and reduce operational inefficiencies, creating over 200,000 new jobs in three years. As a complement to facilitating this cluster-specific flagship intervention, the JCU could support the Ministry of Industry, Trade, and Investment in easing constraints across the business environment by reforming tax and investment promotion at the local level. To this end, the JCU could support the re-purposing of dormant National Directorate of Employment (NDE) skills centres into “Empowerment Centres”, able to register businesses and reduce the administrative burden of tax filing at a local level.

Figure 33. Directional estimates for realisable jobs through trade interventions such as facilitating access to finance

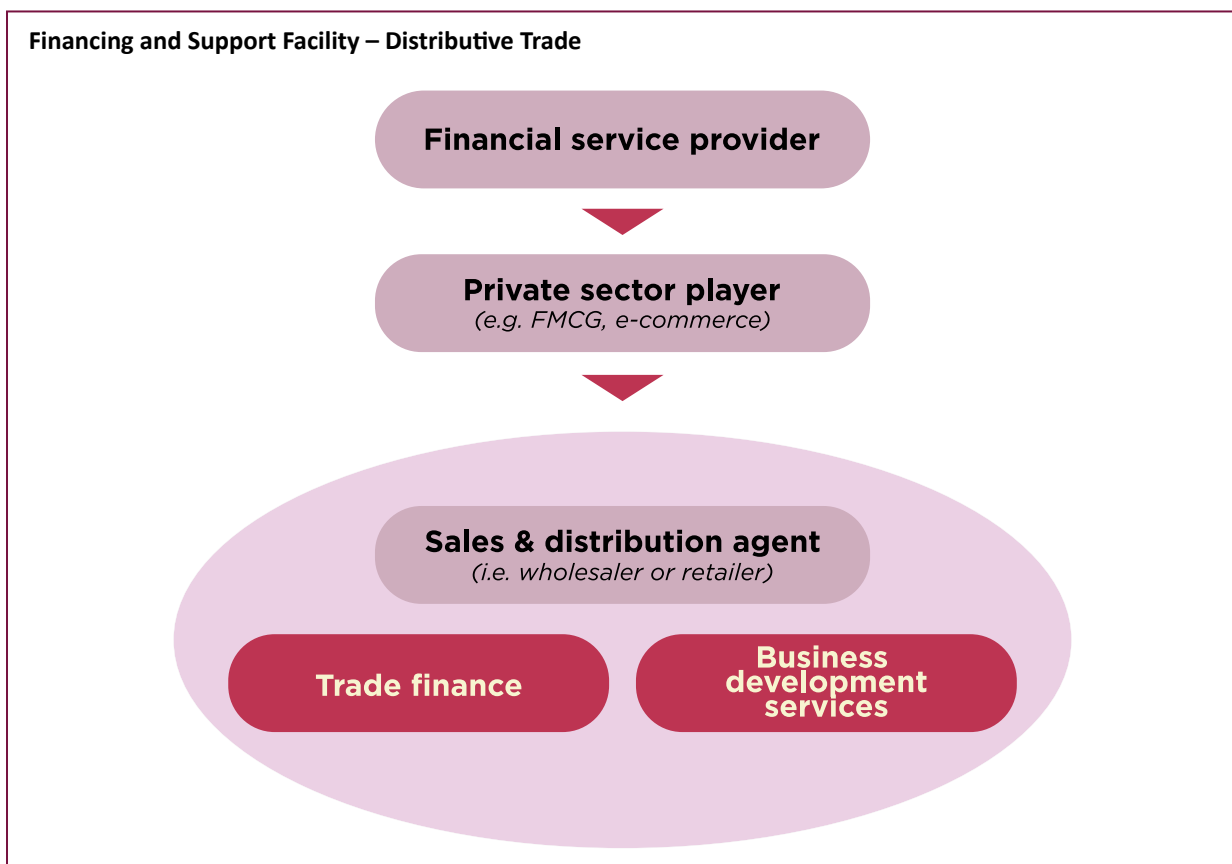




#### 4.2.2.4.2 Wholesale and Retail Trade Financing and Support Facility

The Wholesale and Retail Trade Financing and Support Facility intervention model would include two tracks. The first would be led by a private sector player (e.g., an FMCG or e-commerce company), who would partner with a financial investor or donor to fund the expansion of sales and distribution value chains and provide business support to the traders. This is immediately actionable, and not cluster specific. The second track would be specific to each trade cluster and would involve (i) creating coordinating entities to drive cluster development; (ii) developing a financing facility for in-cluster production, trade, and market infrastructure, where necessary; (iii) providing technical/business development support; and (iv) the introduction of quality standards for cluster products. Accessing the financing facility would be contingent upon receiving business development support and compliance with the quality standards. The BDS providers would work in collaboration with the financial facility funders.

Figure 34. Concept illustration – wholesale and retail trade financing and support facility



#### 4.2.2.4.3 Key players, roles, responsibilities, and financing required

These interventions will be executed by a partnership comprising the JCU, UNIDO, cluster-specific trader associations, BDS providers, state governments, and investors (such as DFIs and SME focused banks). The Standard Organisation of Nigeria (SON) will also play a key role in enforcing product quality standards. The diagram below outlines the roles and responsibilities of each of these partners. Foreign investors could also play a key role, contributing to the financing facility.

Figure 35. Key elements of trade financing and support facility

### Cluster based Trade Financing and Support Facility



#### 4.2.2.4.4 Required action

Five wholesale and retail clusters have been selected from five geopolitical zones, based on job creation potential as judged by the size of the market, the current scale of operations, and the opportunities to scale up. These clusters are:

- Abia (Ariaria) leather products cluster
- Lagos (Alaba) electronics retail cluster
- Kano (Dawanau) grains retail cluster
- Kano (Kurmi) arts and crafts retail cluster
- Yobe (Potiskum) livestock retail cluster

Given the level of advancement of the Ariaria leather product retail cluster in Abia State, as well as the state government's commitment to its development and foreign investment interest, we recommend rolling out the intervention model in this cluster immediately, where it can serve as a pilot. The initiative will then be rolled out in other trade clusters, with adjustments to reflect lessons learnt during the Ariaria phase and specific characteristics of each cluster.

#### 4.2.2.4.5 Role of the JCU and timeline for action

Figure 36. Proposed sequence for implementing trade interventions for key clusters

#### Sequence of implementation per cluster (for cluster based interventions)

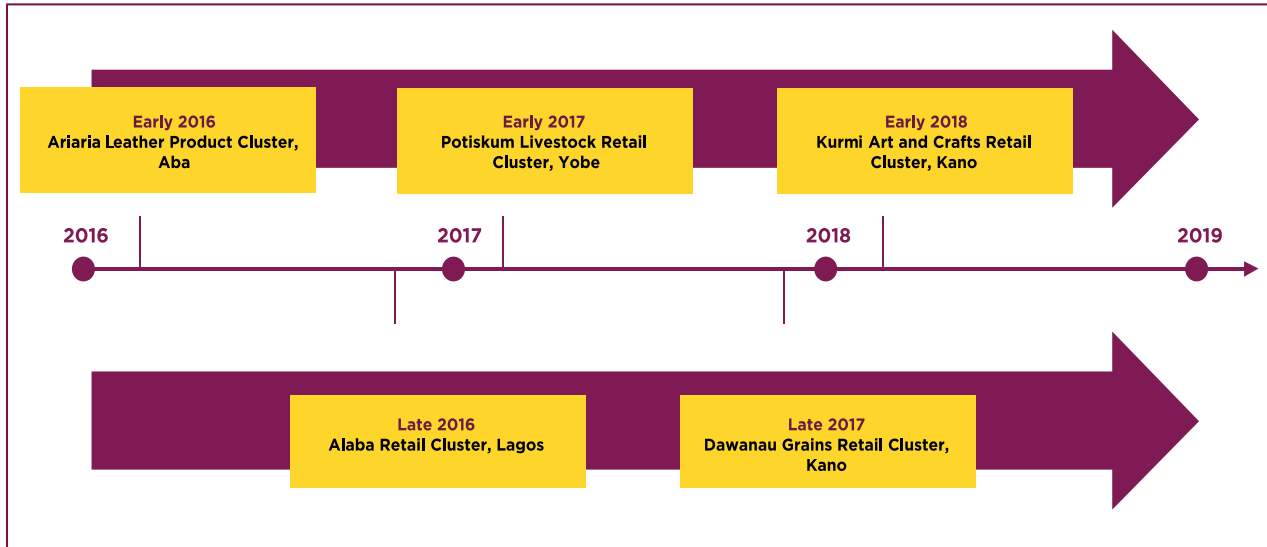


Figure 37. Timeline and key roles and responsibilities for trade interventions led by selected private sector players

#### Private Sector Led: Intervention implementation: Timeline, roles and responsibilities

| 2016                                  | FEBRUARY   | MARCH | APRIL | MAY | JUNE | JULY | KEY PLAYERS & ROLES   |
|---------------------------------------|--|-------|-------|-----|------|------|---|
| WHOLESALE & RETAIL SUPPORT ACTIVITIES | Private sector convening: Convene interested FMCGs (e.g. Nigerian Breweries, Unilever, P&G), supermarket/retail chains (SPAR, Shoprite, DIA) and e-commerce (Konga, jumia) |       |       |     |      |      | <ul style="list-style-type: none"> <li>• <b>Private sector owners/ anchors:</b> Attend convening and commit to the initiative</li> <li>• <b>JCU:</b> Host convening and escalate issues where necessary</li> </ul>  |
|                                       | Identify financing partner – whether commercial (e.g. Access Bank, Diamond, Fidelity) or DFI (e.g. IFC, AfDb)  |       |       |     |      |      | <ul style="list-style-type: none"> <li>• <b>Private sector owners/ anchor:</b> Seek Partnership with financial service provider</li> <li>• <b>JCU:</b> Facilitate Interaction between funders and players, escalating issues as necessary</li> </ul>                    |
|                                       | Deploy finance and technical support to sales and distribution agents  |       |       |     |      |      | <ul style="list-style-type: none"> <li>• <b>FI/Private sector:</b> Draft and execute necessary agreements</li> <li>• <b>Agents:</b> join Programme</li> <li>• <b>JCU:</b> Facilitate Interaction between funders and Players, escalating Issues as necessary</li> </ul> |

Figure 38. Timeline and key roles and responsibilities for trade interventions led by cluster development agencies (CDAs)

Cluster based intervention implementation: Timeline, roles and responsibilities

|            | 2016                              | FEB  | MAR   | APR   | MAY  | JUNE   |   |
|------------|-----------------------------------|--|---|---|--|--|---|
|            |                                   | Preparatory phase/ coordinating entity selection/constitution  |   | Finance facility creation phase   |  |  |   |
|            |                                   |  | Business Development Support phase  |   |  | Quality standards creation phase   |   |
|            |                                   |  |   |   |  | First disbursement   |   |
| KEY ACTORS | JCU                               | <ul style="list-style-type: none"> <li>Convene all players - to test level of interest and secure partnership commitments for CCE training, finance facility contribution and BDSs services</li> <li>Identify CCE - In partnership with stakeholders.</li> </ul> | <ul style="list-style-type: none"> <li>Draft agreements with investors in the finance facility, reflecting incentives for investments</li> <li>Pool funds and lodge in commercial bank of choice</li> </ul> | <ul style="list-style-type: none"> <li>Continue engaging private sector investors</li> <li>Monitor BDS services through reports provided by CCE</li> <li>Progress reporting</li> </ul>                            | <ul style="list-style-type: none"> <li>Continue engaging private sector investors</li> <li>Monitor BDS services through reports provided by CCE</li> </ul>   | <ul style="list-style-type: none"> <li>Continue engaging private sector investors</li> <li>Monitor BDS services through reports provided by CCE</li> <li>Progress reporting to private investors and other stakeholders</li> </ul> |   |
|            | UNIDO                             | <ul style="list-style-type: none"> <li>Initiate cluster development agent selection process from the resident trader/ business membership association</li> <li>Train agents</li> </ul>   |   | <ul style="list-style-type: none"> <li>Advisory support on curriculum</li> </ul>  | <ul style="list-style-type: none"> <li>Advisory support on formulation, implementation and endorsement methodology</li> </ul>  |  |   |
|            | Cluster Coordinating Entity (CCE) |  | <ul style="list-style-type: none"> <li>Collaborate with JCU to make business case for investments</li> </ul>  | <ul style="list-style-type: none"> <li>Contract BDS service providers</li> <li>Create curriculum in collaboration with selected supplier, with advisory support from UNIDO</li> <li>Progress reporting</li> </ul> | <ul style="list-style-type: none"> <li>Consult major/bulk buyers on preferred quality standards</li> <li>Create quality standards and enforcement methodology, in collaboration with Min. of Trade &amp; Inv., with advisory support from UNIDO</li> </ul> | <ul style="list-style-type: none"> <li>Facilitate disbursement - ensure BDS certification is valid and quality standards are being complied with</li> </ul>  |   |
|            | Private Investors                 | <ul style="list-style-type: none"> <li>Attend JCU convening</li> </ul>   | <ul style="list-style-type: none"> <li>Sign agreements - stating amount committed and terms or repayment</li> <li>Transfer funds to designated account</li> </ul>   |   |  |  | <ul style="list-style-type: none"> <li>Approve applications</li> <li>Approve disbursements</li> </ul> |
|            | BDS Service Provider              | <ul style="list-style-type: none"> <li>Attend JCU convening</li> </ul>   |   | <ul style="list-style-type: none"> <li>Create curriculum with input from CCE</li> <li>Begin providing business development support</li> </ul>   | <ul style="list-style-type: none"> <li>Cordinate closely with CCE, Min. of Trade &amp; Inv. to ensure BDS facilitates traders/producers adoption of standards</li> </ul>   | <ul style="list-style-type: none"> <li>Provide proof of BDS participation to investors</li> </ul>  |   |
|            | Min. of Trade & Development       | <ul style="list-style-type: none"> <li>Attend JCU convening</li> </ul>   | <ul style="list-style-type: none"> <li>Collaborate with JCU on drafting agreement</li> </ul>  |   |  | <ul style="list-style-type: none"> <li>Advise creation of quality standards and enforcement methodology, in collaboration with CCE &amp; UNIDO</li> </ul>  |   |

#### 4.2.2.4.6 Structural reforms - Improving the business environment

**Become one of the world's top 100 countries to do business.** A range of structural reforms aimed at enhancing trade and investment competitiveness would centre on a drive to achieve a major leap up the global rankings for business environment. Currently ranked 169 out of 189 countries, identifying critical actions needed to eliminate existing barriers to trade and investment will be accorded priority. The JCU will work with the Federal Ministry of Industry, Trade and Investment to coordinate interventions at the federal level and across the sub-national governments. Potential actions include:

- Coordinating investment promotion across federal and state governments
- Eliminating bottlenecks for business registration and licensing by leveraging technology and creating feasible internal incentives (e.g. amongst CAC staff) that ensure staff support for new technology
- Integrating business registration and tax compliance activities and procedures
- Increasing access to one-stop shops for businesses to access government services. Underutilised government - owned real estate (e.g. skills centres) can be used to ensure that businesses can more easily access these services

#### 4.2.2.4.7 Key risks and mitigation plan

As with any endeavour, there are risks associated with implementing the Wholesale and Retail Trade Financing and Support Facility. These risks and mitigations are highlighted below:

- **Ownership:** To secure private sector ownership, the JCU will convene gatherings of relevant private sector players early on, and ensure adequate interaction between the private and public sector to ensure that incentives are provided where necessary.
- **Loan default / high non-performing loan ratio:** There is the risk of default by SMEs borrowing from the financing facility. To guard against this, lending will be done in collaboration with the entity coordinating cluster development and traders' association to ensure those receiving loans are held accountable.

- **Low disbursement due to poor BDS deployment:** BDS will be structured to suit the preferences of the finance facility management team. Participants will then be candidates for the funds on completing the programme.
- **Implementation of the intervention is not adequately nuanced:** The primary responsibility of the cluster development agency is to coordinate all cluster development efforts and make sure they are reflective of the cluster-specific realities.
- **Cluster development entity selection:** The identification of entities to be tasked with coordinating cluster development should be highly collaborative, involving the State government, relevant trade associations and trade support development partners (e.g. UNIDO) to ensure that the right entities are selected.

#### 4.2.2.4.8 Replicability

The BDS led model is replicable across all wholesale and retail clusters. Implementation should be nuanced to reflect the specific cluster's level of development, including infrastructure development, current market size, experience level of the producers/traders, and the nature of the product traded.

#### 4.2.2.4.9 Further considerations

The focus of this strategy is to drive private-sector-led initiatives for job creation in the priority sectors, with probability of implementation within the medium to short term. Experts and stakeholders have recommended a range of additional interventions that, though relevant to job creation, will require policy / regulatory changes and should therefore be led by the public sector—these interventions also have longer implementation and impact timeframes. We highlight these recommendations below for further consideration by the JCU and relevant public and private sector players.

**Passmovable asset registry regulation reforms:** Modern secured transactions laws and collateral registries have been proven to generate positive economic development impact. Allowing the use of movable and non-fixed assets as loan collateral lowers the access-to-finance hurdle for SMEs. Since the Central Bank of Nigeria released the Collateral Registry Regulations, in 2014, moveable asset registries have been operable in the country. However, given the largely informal nature of the wholesale and retail trade sector, it remains impossible for some businesses to benefit. Experts recommend a revision of the regulation to permit the participation of informal businesses, or simplification of business registration process to facilitate more formalisation within the sector.

**Improve export competitiveness:** Re-evaluate export taxes to encourage exportation while exploring other policy avenues to improve export competitiveness, such as fiscal subsidies.

**Formalise and replicate the apprenticeship model:** The apprenticeship model has been successful in the South East's trading sector, training and launching many participants into trading businesses of their own. This model should be replicated in other geopolitical zones and more widely adopted.

**Warehouse and logistics cross-sector partnerships:** Partnerships between product manufacturers and farmers / raw material suppliers have the potential to benefit all parties. Stakeholders suggest developing a system whereby warehouses and transport/logistics are jointly funded or managed.

#### 4.2.2.4.10 Preliminary stakeholder list

- Wholesale and retail trade businesses, e.g., Artee Group, Dangote Group, Nestle, TGI, etc.
- Relevant trade / market association
- Business development support providers, e.g., FATE Foundation, Pan-African University Enterprise Development Centre, LEAP Africa
- Financial service providers, e.g., Fidelity Bank, Diamond Bank, venture capital and private equity funds, other non-bank financial institutions, Bank of Industry (for SMEs involved in production)
- Government and government agencies, e.g., Ministry of Industry, Trade, and Investment's Standard Organisation of Nigeria (SON), relevant state governments, National Investment Promotion Council (NIPC)
- Development partners, e.g., UNIDO.
- Growth and Employment Scheme (GEMS 3 & 4- tax reform and investment promotion' agro-allied trading clusters)

### 4.2.3 Social jobs

Both elements of the social jobs programme are included in the 2016 budget proposal to the National Assembly, and focus on direct employment and training of 1 million youths. The jobs are temporary in nature, serving as transition points into the formal economy for young, unemployed graduates.

Further analysis will be conducted over the coming months to ensure alignment between the social jobs and industry-led jobs being created under the remit of the Job Creation Hub (JCHub).

#### 4.2.3.1 *Teacher Corps – delivering 500,000 social jobs*

*Teacher Corps* is a direct intervention to reflate the economy and strengthen the teaching pool by providing temporary jobs for 500,000 graduates and Nigerian Certificate in Education (NCE) holders.

**Teacher Corps will be a competitive and voluntary programme open to unemployed graduates and NCE certificate holders, to teach students at the primary and secondary level for a maximum of two years.** It draws inspiration from the National Youth Volunteer Programme in Ghana, where a one-year optional extension to NYSC is provided with training and one-year placements to 40,000 corps members each year. Though voluntary, the participants are provided a stipend.

**During the programme, Teacher Corps participants receive intensive training, delivered digitally to reduce costs.** Training over a five-day period will comprise different forms of pedagogy including topics in the core subjects they will teach and instruction styles such as activity-based learning. Furthermore, ongoing training will be provided on (i) critical thinking, personal and professional development, and how to take the lessons learnt during their participation in the programme to other jobs and community service; and (ii) softer skills needed to succeed professionally, interview training, CV development, and how to improve their employability. Volunteers will be given the opportunity to teach where they can speak the local language—preferably in their state of origin or where they live. At the end of the programme, some will choose to continue teaching while others will go on to work in other professions. Given the continuous nature of the training, participants should be better placed to succeed in the employment market.

**The programme will be domiciled within and championed by either the Ministry of Education or the Ministry of Labour and Employment.** The JCU can work closely with either Ministry to share the concept note with development partners, and seek financial and technical support. A body of master tutors selected from the existing workforce, as well education experts, can serve as the core working group. Once identified in the first three months following the launch of the project, this group will embark on developing initial training content, recruitment material, and performance evaluation tools, taking account local differences. The group can help to introduce educational software and programs that can be used to advance quality education in government schools. The team can be set up in regional ‘knowledge hubs’ across the country, and from there facilitate volunteer trainings through local NDE centres in the states. Active recruiting across the states will begin ideally six months after the launch of the programme and three months after the working group convenes.



**Given the size of the programme—with 500,000 teachers to train in one year—there are three main risks that should be mitigated to ensure success.**

To ensure that this programme is desirable for young graduates and able to deliver on its promise, adequate planning and resources will be necessary. To mitigate this first risk, a concept note should be developed and pitched to different development partners to secure funding. A second risk is that federal, state and local government must buy in to the programme to ensure its quality and longevity. To mitigate the risk of pushback or indifference, multi-stakeholder discussions should be held from the start to highlight the goal of creating jobs and strengthening of existing systems, not displacing what is already in place. Finally, a third risk is the lack of motivation on the part of the newly recruited teacher—the potential that young people may see the programme as just “something to do” while they wait for better options. To mitigate this risk, high quality training and monitoring to incentivise the young recruits could be combined with a rigorous screening process for the programme.

#### **4.2.3.2 Build Nigeria – capacity development for 500,000 artisans**

The initiative aims to develop the market for a wide range of artisanal jobs in construction and housing, and across all other economic sectors (e.g., masonry, plumbing, carpentry, welding, electrical technicians, motor vehicle technicians, commercial printers, beauty services etc.) to increase the number of available job opportunities, improve incomes, and increase the attractiveness of these jobs to Nigerian youth.

There is currently a significant deficit of skilled manpower in the housing and construction sector, leading to poor quality of local services and an influx of foreign workers to the domestic market. High private and public sector demand for varied construction services—with 1.5 million new jobs expected over the next four years—is expected given renewed public spending on infrastructure and housing. Although bridging the skill gap in the building services and construction industries is a priority, addressing low incomes from artisanal work across other occupational trades is imperative to creating jobs within these sectors, hence the Build Nigeria program will be open to interested participants from a range of trades, with emphasis being on trades where clustering or aggregation of activity in specific locations is already evident.

Build Nigeria is an accelerated training and certification programme for artisans and craftsmen. Professionals already working in these occupations across the country and those interested in doing so will be able to access the programme, which will create opportunities for them to rapidly and affordably acquire professional training and certification by accredited training institutions.

The programme will be open to individuals who are able to provide verifiable evidence of more than five years of qualifying work experience in a given discipline. Those who meet the defined experience threshold will be given vouchers to attend special finishing programs in accredited certifying institutions across the country. The finishing programs will be designed to address specific skill gaps common across the various artisan professions in Nigeria, and will be delivered by training institutions duly recognised and accredited by relevant vocational training institutions. Those who do not meet the experience threshold but are interested in being trained in these disciplines will be able to access training and subsequent certification.

A cluster based approach will be used to drive selection and engagement of participants to foster communal ownership. An initial, non-exhaustive list of target industries and associated trades is provided below.

Table 2: Build Nigeria: Selected industries and sample trades

| No. | Focus Industries                              | Sample Occupations   |
|-----|---|--|
| 1   | Building Services                             | Electrical installation, plumbing, heating and ventilation, air conditioning |
| 2   | Construction                                  | Masonry, carpentry, joinery, plastering , tiling etc.                        |
| 3   | Hospitality & Catering                        | Professional cookery, Hospitality management                                 |
| 4   | Built Environment Services                    | Cleaning services, Facility maintenance                                      |
| 5   | Hairdressing, Beauty & Complimentary Services | Barbing, Beauty services, Salon management                                   |
| 6   | Utilities & Engineering                       | Street utility works, Confined spaces, Mechanical repairs                    |

The initiative will be anchored on three key components:

**A targeted intervention to increase access to professional training and certification.** First, vocational and technical training organisations (and their accredited providers) will develop special programs tailored for the Nigerian building services and construction market. Second, the program (through vouchers) will provide financial incentives for 250,000 experienced artisans to attend finishing programs and obtain formal certification. Further, the program will provide financial support (including fundraising) for an additional 250,000 unskilled people to be trained and certified across disciplines in building and construction services, incorporating an apprenticeship model with skilled craftsmen / mentors.

**A communication/advocacy campaign** aimed at emphasizing the importance of formal certification, while encouraging unemployed youth to pursue training and certification in these institutes. Unemployed youth seeking training will need to register with Build Nigeria; the programme will aim to seek sponsorships for those who are unable to afford the training fees, while negotiating discounts or advance employer commitments.

**A demand-generation campaign**, where Build Nigeria participants are accorded priority for staffing on government-funded construction projects. Development authorities across the country will issue rules that require contractors on building and construction projects to employ or staff a percentage of the unskilled workforce from Build Nigeria certification holders.

*How will it work?*

#### **Groundwork**

- A nationwide vocational and technical skills assessment should be undertaken to identify and document key skills gaps common with blue collar trades across the country
- The JCU will work with relevant MDAs and vocational and technical training organisations (and their accredited training providers) to develop special programs tailored to address identified gaps
- The JCU will work with relevant MDAs to secure funding for the first batch of 250,000 beneficiaries
- The JCU will work with relevant MDAs to design the three components of the intervention program— an access subsidy programme (via voucher system); a strategic communications campaign, and demand-generation activities. A full implementation work plan will then be developed, after which execution will commence

### **Funding**

- Private funding – experienced artisans will be expected to pay a percentage of the total training cost; the ability to make this payment will be a prerequisite for receiving the vouchers. The Build Nigeria programme will also i) encourage advance employer commitments for those contractors hiring from Build Nigeria to cover the cost of their future employees, e.g., through payroll deductions financed by commercial banks, and ii) encourage sponsorships by private organisations, donors, and individuals, which will involve all or part of training costs being borne by interested stakeholders on behalf of the beneficiaries (e.g., an adopt a Build Nigeria trainee program).
- Earmarked government funding – can be sourced partly from the Industrial Training Fund, and paid through a voucher system, i.e., vouchers given to students and Build Nigeria private training institutions paid on student graduation (or placement)
- Discounted training fees - training and certification providers will be expected to provide significant discounts due to the large volume of demand for their services the Build Nigeria programme is likely to generate

### **Monitoring**

- The Build Nigeria programme will be domiciled within the Job Creation Unit with the Ministry of Power, Works, and Housing providing the institutional support to ensure effective coordination with other relevant MDAs and private training institutions
- The steering committee will include all relevant TVET-focused MDAs, with inputs from the relevant National Assembly Committees
- All funds received, spent, and retained by the programme will be made available for public review and consumption, e.g., through a data sharing agreement with the BudgIT public governance organisation

### **Exit**

- The voucher programme and the communications campaign will run for three years, after which it will be terminated, having created the necessary demand and awareness. The demand-generation initiatives will be expected to continue, driven by the Ministry of Power, Works, and Housing, and physical development authorities across each of the states

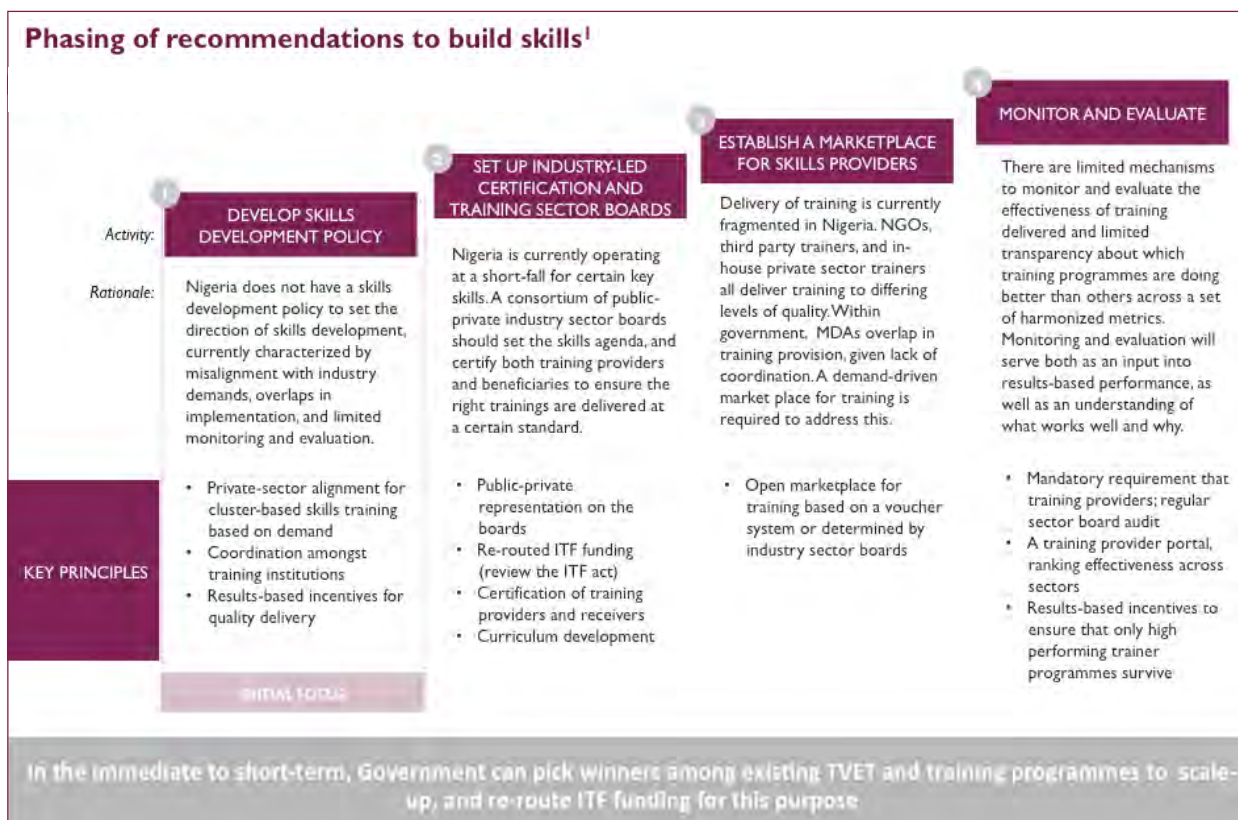
## 4.3 Skills development reforms

Three interventions will support the unemployment challenges caused by having either inappropriate skills for open positions across the four sectors or having talent without the networks or knowledge of how to access available opportunities. Each of these interventions must be driven by private sector leaders, given its direct linkage to the labour market, with development and non-development finance and government support on coordination and enforcement.

### 4.3.1 A National Skills Policy and Skills Sector Boards

To address these challenges, skills development should be governed by a coherent skills development policy that prioritises demand-driven training, coordination, and private sector skills delivery and certification. A skills sector council will set the skills agenda for each sector by determining which skills should be pursued and by certifying training providers. The skills council should launch an open tender to foster an open marketplace of quality training services providers. Funds from the Industrial Training Fund (ITF) should be redeployed to these training providers and continued business in this space will be contingent on performance, judged by the number of trainees that have been placed in jobs following training. Standardised monitoring and evaluation should be a key requirement for all training institutions.

Figure 39. Phasing of recommendations to build skills



<sup>1</sup>In the longer term, overhaul of the education system is required. Focus here is on vocational education. Further information can be found from the Dalberg report on *Transforming Secondary Education in Nigeria*

### 4.3.2 Matching skills to employment

**In Nigeria, a skills mismatch exists in the labour market between employers, employees, and training providers.**

On the one hand, employers find it difficult to find suitably skilled people; on the other, potential hires either do not possess the right skills or do not know which jobs they are qualified to do. This mismatch is compounded by a training ecosystem that is not effectively aligned to the human resource needs of industries and markets. As such, a mechanism is needed to bridge the gap between the supply and demand of labour.

**Matching the supply and demand of labour through placement-oriented training aims to get the right people to the right jobs.** This can be done in a number of different ways, including online matching platforms and placement bureaus.

For example, the Harambee Youth Employment Accelerator (“Harambee”) in South Africa is particularly relevant for Nigeria as its matching and assessment process maximises on-the-job performance and retention. It does this by identifying the behaviours, competencies, and potential for success needed within a particular job and environment and maps these to the potential and capability of assessed candidates. Over the last four years, Harambee has placed 15,000 young South Africans with over 150 corporate employers. Other successful examples include Angie’s List, a U.S.-based service that provides crowd sourced reviews of local business/labour; Assured Labour, a Latin American firm that offers mobile-based recruitment solutions in emerging markets; and Babajob, an Indian digital job exchange for informal sector and entry-level workers.

**Matching interventions in Nigeria take the form of labour market intermediaries that match youth with jobs.**

Websites such as Jobberman or Aiki.ng are popular ways for young people to learn about new opportunities and easy ways for employers to source their talent. Reqit Nigeria acts as the official LinkedIn Talent Solutions Partner and is able to identify candidates that match employers’ requirements. Reqit Nigeria has plans to expand and link university students with internship opportunities. Missing from the landscape of interventions are those that promote a youth orientation in labour market policies and institutions. Although there are government policies in place that do focus on youth, the integration of the youth agenda into wider economic strategies is missing. Other challenges to scale include lack of trust around the quality of some services provided and business models that are not yet sustainable.

To improve matching offerings in Nigeria and ensure that they reach the scale necessary to provide the missing link in the current skills landscape, the JCU can work closely with the Ministry of Education and the National Council for Education to:

- **Convene all matching providers** to understand current constraints to scale and quick win solutions
- **Improve unemployment data collection** by leveraging Empowerment Centres and the NYSC platform to understand skillsets and aspirations
- **Utilise the skills sector boards** as repositories of the types of skills required within each sector
- **Provide feedback to training institutions** around the skills required for each sector, in addition to approved sector-board curricula.

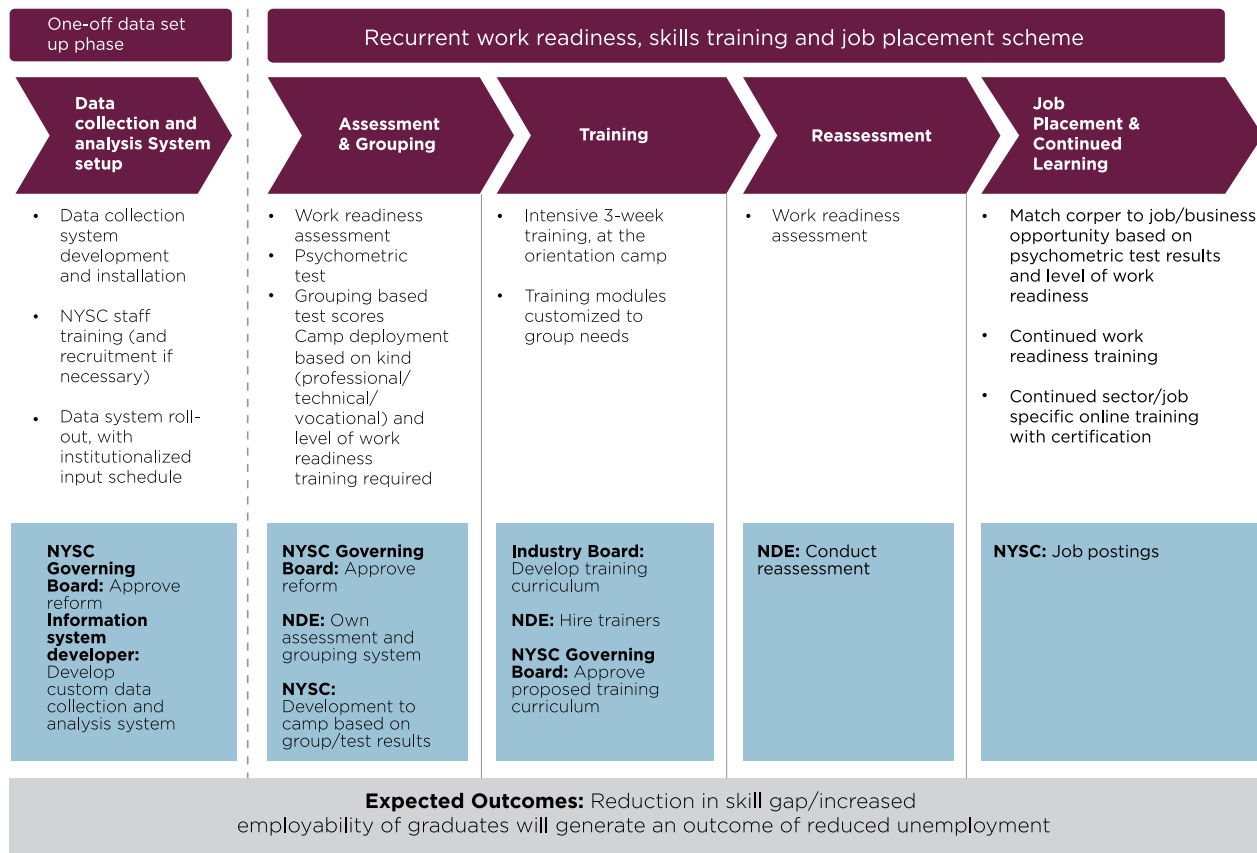
#### 4.3.2.1 For Graduates: The National Youth Service Corps

The National Youth Service Corps (NYSC) was established in 1973 to promote national unity and integration following the end of a bloody civil war, fostering a culture of service in the nation. Today, the challenges of modern Nigeria are qualitatively different, with youth unemployment and underemployment a critical bottleneck for growth and prosperity for all. As such, NYSC presents an opportunity to adjust its mandate to meet this challenge, bridging the skills gaps in order to better prepare graduates for employment by:

- Filling the skills data gap, ensuring that a robust back-end system collects data on every corps member to understand qualifications, skills, gaps and aspirations. A psychometric test could also be applied at this stage to orient placement matching, and once again at the end to monitor results.
- Designing an online learning/certification programme in collaboration with industry skills sector councils, taken by the corps members over an 11-month period while deployed to their various places of primary assessment, complimented by technical and vocational components that can be delivered by the private sector.
- Serving as a critical pathway back into Nigeria's institutions and sorely needed curriculum reform, ensuring that skills development at school is aligned with what Nigerian industry needs.
- Matching corps members with existing jobs based on performance over 11 months, which can be validated through quarterly assessment/testing and scoring. Those who have performed well over the course of their 11-month programme will be picked up by employers, who will provide training and subsequent matching to jobs, based on scientific determination of best fit.

Given the scope and target of the NYSC (youth and graduates), the programme has the potential to tackle the unemployment challenge, which is severe in the youth demographic and particularly high among university graduates. The programme is also positioned at a crossroads between a university education and entrance into the workforce, presenting an opportunity to facilitate development of skills to better prepare graduates for the world of work.

Figure 40. High level plan for NYSC reform



#### 4.3.2.2 For Non-graduates: Local Empowerment Centres

Thousands of existing public sector training facilities, currently underutilised, will be repurposed as empowerment centres. These centres will be operated through public-private partnership arrangements, underpinned by specific job placement targets being the primary measure of performance. Given this goal, three sources of financing may be available:

- Industrial Training Fund** – private employers can come together to access ITF funds for the purposes of training future employees at the empowerment centres
- Advanced employer commitments** – empowerment centres will enter contracts with and access financing through future employers. For example, students can access a loan facility guaranteed by a future employer for the amount of the training. The employer repays the facility out of the employee's salary, e.g., over the course of the first year of employment
- Voucher programme** – for those trades in the informal sector, or for entrepreneurial pursuits, the federal or state government can issue vouchers to students to access training facilities. Payments to the facilities are only made when evidence of matching is provided, i.e., through job placement or initial start-up capital

The existing NDE infrastructure provides an opportunity to roll out interventions to resolve these challenges. Through the centres, the government can provide business registration assistance while also running skills development programmes and job placement programmes on the premises. This model of utilisation will develop a service delivery culture for other MDAs to follow.

#### 4.3.2.2.1 Service delivery model

- One centre in every local government area (LGA) – utilising existing NDE infrastructure.
- One-stop shop for investment and business support – providing business registration, tax registration, tax returns, and enquiries, enabled by a custom-built online platform
- Job placement – candidates who have duly undertaken the training programmes will then be placed in jobs matched to their skills and natural inclinations. Potential employees will include some of the companies participating in the learning centre.
- Jobseeker registration and assessment – registration of jobseekers with interest in receiving job placement services. Registered candidates will then take psychometric tests to determine jobs they are naturally disposed to fill
- CV clinic and interview coaching – consultation session with resident advisors on CV editing and coaching on interview skills
- Work-readiness training and certification programme – training on soft skills and important work readiness principles
- Learning centre – a private sector element of the delivery model, where companies second staff members to provide sector-relevant training and career advice at the empowerment centres

#### 4.3.2.2.2 Impact of empowerment centres in other countries

Variations of the empowerment centre model have been deployed globally, generating a range of positive impacts. Localising government services and adopting technology platforms for deployment have seen great efficiency gains, such as reduction in public service delivery lead-time (e.g., business registration and licensing). The job placement model has also made significant contributions to addressing unemployment challenges in both developed and developing economies. Sample case studies include:

- **United Kingdom Jobcentre Plus:** The UK's Jobcentre Plus provides a combination of employment and social security or benefits services. While operational, the centre provided job placement support for unemployed citizens of a working age and provided financial assistance to the unemployed within that age bracket. Over a 2-year period, the centre made 700,000 job placements and had over 1 million claimants receiving benefits. The services provided by the centre are now the responsibility of the Department of Works and Pensions.



- **Huduma centres, Kenya:** In an effort to bring service delivery closer to the citizen, and combat corruption and bureaucracy, the government of Kenya has set up the Huduma centres, a “one-stop shop” for public service delivery. As a result, there has been a **reduction in waiting time and elimination of the need to make long or multiple journeys** in order to access a public service.
- **Timor-Leste one-stop shop for business registration:** In 2016, Timor-Leste made the greatest leap in its “doing business” ranking. This is largely due to setting up a one-stop shop for business registration, reserving a company name, submitting company documents, applying for registration, and publishing company statutes. By doing so, Timor-Leste has **reduced the number of days required for starting up a business from 94 to just 10 days.**

## 4.4 Further economy-wide reforms

Nigeria's economy is faced with a number of stumbling blocks, constraining competitiveness across all sectors. Over the years, a number of policy recommendations have focused on unlocking economy-wide constraints to economic growth with mixed results. Recommendations to address these constraints constitute the foundation of inclusive economic growth that will encourage the expansion of key sectors of the economy, create higher quality jobs, and transition new entrants into employment at a higher rate. The table below highlights macroeconomic issues that constrain inclusive growth in Nigeria. This list is based on stakeholder interviews, past work by Dalberg on developing a job creation policy for Nigeria, and past reports and articles on Nigeria's macroeconomic environment.

*Table 3: Nigeria's macroeconomic environment constraints*

| Activity             | Constraint   | Potential interventions  |
|----------------------|--|--|
| <b>Power</b>         | Old transmission systems and restrictions on independent power producers (IPPs)          | <ul style="list-style-type: none"> <li>• Increase the ring fence for embedded power generation, allowing generation of up to 20 megawatts to be off-grid</li> <li>• Privatised power transmission network but retain sovereign guarantee to enable it to raise debt for network expansion</li> </ul>                                   |
| <b>Rail</b>          | Deteriorated rail network; legal environment unattractive to private investments         | <ul style="list-style-type: none"> <li>• Attract new entrants into the rail sector by breaking the Nigeria Railway Corporation (NRC) monopoly</li> <li>• Organise planned rail network around four geographical zones—prioritised for agricultural and industrial strength—and prioritise key lines for private investments</li> </ul> |
| <b>Roads</b>         | Bad road network driven by inadequate policy framework and institutional coordination    | <ul style="list-style-type: none"> <li>• Determine mandates of road agencies—who owns concessions. Embark upon new concessionary processes</li> <li>• Amend concessionary process to include mandatory maintenance provision</li> </ul>  |
| <b>Ports</b>         | Congested ports; prices unregulated; long customs clearance and dwell times              | <ul style="list-style-type: none"> <li>• Create an independent regulator by reviewing the Nigeria Ports Authority Act. Separate asset ownership from regulation</li> <li>• Review and enforce minimum investment requirements for concessions, e.g., 10% p.a. mandatory reinvestment in modernisation</li> </ul>                       |
| <b>Fiscal policy</b> | Wastage in some recurrent expenditure; insufficient funds in job-creating infrastructure | <ul style="list-style-type: none"> <li>• Digitise government payments to plug leakages</li> </ul>  |

|  |  |   |
|--|--|---|
| <b>Monetary policy</b>                   | High interest rates hinder growth in key sectors, support “short-term” sectors         | <ul style="list-style-type: none"> <li>• Improve coordination between fiscal and monetary policy</li> </ul>   |
| <b>Ease of doing business regulation</b> | High business regulation, with multiple compliance required at state and federal level | <ul style="list-style-type: none"> <li>• Set up a Presidential Council on the Ease of Doing Business in Nigeria to review and streamline business laws and regulations</li> </ul>   |
| <b>Access to land</b>                    | Undocumented opaque land policies and rights with limited options for recourse         | <ul style="list-style-type: none"> <li>• Provide support for publishing information leaflets on land administration processes, community registration in rural areas, development of rules to simplify and rationalise interpretation of the LUA, and a land and investment policy</li> </ul> |

#### 4.4.1 Finance

**Given that finance is the number one constraint to growth cited by Nigerian small and medium-sized enterprises (SMEs), this document provides special emphasis on how the JCU could unlock the growth of innovative financing in Nigeria.**

The extent of financial intermediation in the economy remains low when compared to economies of similar status. This lack of finance has historically meant that financial institutions have multiples of applications for each loan or facility they disburse. Further, limited concessional capital exists in the market, e.g., through government and non-government led funds. This type of concessional capital has been used in other markets to drive SME development, whereas in Nigeria SMEs cite particular challenges with the timeline, availability, and terms of finance to meet their needs. An average of 6.9% of firms are able to access formal finance for their investments while another 16.9% are able to access finance for working capital. SMEs in emerging economies generally contribute significantly to employment; access to finance for SMEs can unlock job creation and GDP growth opportunities.

Across each of the sectors identified, private companies and government MDAs cited access to finance— whether equity or debt—as a primary constraint to deepening private sector investment and driving up employment in Nigeria. Each sector has peculiarities in financing, some of which are identified in the previous sections. The rest of this section lays out some opportunities across sectors to develop and deepen financing flows for job creation in Nigeria.

##### **Framework for analysis**

In order to deepen the financial markets, there needs to be an increase in the amount of capital and further diversity in the types of vehicles available in the market to suit the needs of a range of business types.

##### *Interventions to increase the amount and diversity of capital in the market*

**Central Bank of Nigeria (CBN) intervention funds** have been deployed in the past for development initiatives of the federal government (e.g., industrial development, commercial and small-scale agriculture, etc.). A few actions can be taken along this line:

- Deploying additional government funds — at the terms required for business operations to support large businesses to scale more quickly. However, these intervention funds are not seen as long-term solutions. The aim is to use these funds to catalyse bank activity into a sector.
- Encouraging further inflows of private capital with similar sectoral requirements, and reviewing collateral requirements for some sectors, in order that these funding activities continue.

**Private, non-bank capital facilities** can help incentivise private capital from Nigerian and international investors—including **pension funds, development finance institutions**, and others—to flow to the focus sectors for job creation. Key activities include:

- Initial investments (whether from the Ministry of Finance, Ministry of Agriculture, Ministry of ICT, and other donor partners) to support fund strategy, design, launch, and fundraising of **commercial and impact investing facilities**. While initial interventions seeded by Bank of Industry, Omidyar, KfW Development Bank, Nigeria Sovereign Investment Authority (NSIA), and others are seeing a growth in non-bank finance available in the market, more debt and equity finance of different rates, tenures, and return targets are required to sustainably grow Nigeria’s businesses.
- Developing **formal venture capital**, a nascent investment category in Nigeria, which, in addition to commercial and impact investing facilities, can spur SME growth. While informal lending and support to businesses of friends and families are prevalent in Nigeria, formalised structures to deploy investment capital to small and growing businesses has generally been non-existent. Actions required to develop formal venture capital include:

- Encouraging initiatives such as the Lagos Angel Network to increase their scope and impact in order to deepen flexible capital pools—e.g., requiring minimum capital commitments for investment each year from its members

Providing further support to formal groups (cooperatives, associations, business networks) to pool capital and make individual investments through regulatory review on costs of registration and administration for investments, judicial reforms to ease small claims settlement, and potential tax benefits to investing. Beyond the potential business case for these private, non-bank funds, **sources of capital need to be made to move and work for job creation** in Nigeria. A few opportunities exist in Nigeria to deploy existing capital for job creation:

- Strengthen the systems of and vetting process for companies to list on the Nigerian Stock Exchange (NSE)
- Incentivise listing on the NSE through tax rebates and holidays
- Increase requirements for public assets to trade on the NSE
- Require (and back) pension fund investments in private equity funds through more stringent requirements to access government debt or incentive structures for risk sharing.

### *Encouraging the capital to flow*

Beyond the CBN interventions, which aim to pave the way for private capital, a few government-led interventions may help ease the flow of finance. **Insurance** products that guarantee assets and are properly structured will ease

private capital in some sectors. Support on structuring regulation including assets and coverage requirements with direct inputs from industry councils will help ensure that relevant guidelines are in place. **In addition, a range of other products can help deepen investment flows and job creation potential**—e.g., partial and full credit guarantees (for example, through structures such as NIRSAL), currency swaps, results-based financing (such as a social impact bond), etc. Working with the Ministry of Finance and development actors active in Nigeria, these facilities and a range of others can be structured to facilitate capital flow to target sectors of the economy.

While implementation of these initiatives **takes private sector interest, leadership, and ownership**, the **government of Nigeria and JCU can speed up this process** by working with the MDAs to identify champions and support private capital facilities through seed capital, first loss guarantees, and technical assistance funds to support investee businesses. In doing so, the government can encourage a range of financial instruments by monitoring and continuing to share in risk—e.g., social impact bonds, advance market commitments, and business development services (or “technical assistance”) directly linked to finance.

#### 4.4.2 Strengthening competitiveness and implementing tax reform

**In order to be competitive on a global level, Nigeria needs a national competitiveness policy based on the strategic framework identified in this document.** This policy will guide economy activity across the country and is not limited to any one sector. A competitive regime leads to increase in foreign and domestic investment, reduces the scope for public sector corruption and private sector market dominance, while reflecting a positive signal of the government’s commitment to a stronger and more efficient economy. Since 2002, the government has made six unsuccessful attempts to establish a national competitiveness policy. However, significant strides have already been made, including the formulation of a Competition and Consumer Protection Policy by the Federal Ministry of Industry, Trade, and Investment supported by the GEMS program, and the passage of a competition legislation. Potential partners include GEMS3-BIC and the National Competitiveness Council of Nigeria.

**While many benefits exist to having a well-functioning, taxpayer-friendly and efficient tax system**<sup>25</sup>—among them, increased revenue and reduced dependence on oil revenues, progressive taxing mechanisms that reduce the burden on the poor and small businesses, and sending the right signals for domestic and international investment. Nigeria has yet to optimise the benefits of tax collection. Currently, the country ranks 179<sup>th</sup> in the ‘paying taxes’ indicator of the World Bank’s 2015 Doing Business Survey, which measures time to comply, number of tax payments, and total tax rate.

Three key areas which the federal government can prioritise are: (i) a comprehensive review of the tax system to understand what reforms should be undertaken; (ii) a rollout of state and local tax harmonization and process improvement; and (iii) reform of key federal tax legislation to create a modern and effective tax code for Nigeria, which will lead to a coherent and taxpayer-friendly stamp duty law that makes transactions in the country easier. GEMS3 is well positioned to help guide reform across the states in Nigeria, having experience working in eight states covering four of the country’s geopolitical zones.

<sup>25</sup> This analysis draws heavily from the work of GEMS3.

**However, the government cannot go into this area lightly, as there are costs and benefits to any policy shift that (positively or negatively) affect businesses or government revenues.** Indirect benefits and costs are particularly important given the high dependence on imports, high cost of production, and potential for abuse. Further research and analysis on each individual tax proposed should be required before implementation.

#### **4.4.3 ITEMJob: government-funded innovation**

**The Indigenous Technology Entrepreneurship for Manufacturing Jobs (ITEMJobs) is an initiative aimed at cataloguing and broadcasting the depth of R&D financed by the government of Nigeria since independence.**

The ITEMJob initiative seeks to coordinate and disseminate existing indigenous technology to spur entrepreneurship oriented towards manufacturing and job creation. The basic premise is that Nigerians have already manufactured and patented technologies that can substitute for imports or at least enhance productivity, but that these technologies are often siloed across government agencies, with limited or no private sector interaction to drive refinement and potential adoption. As such, ITEMJobs proposes to catalogue and disseminate the vast number of innovations from across a range of MDAs including: the industrial cluster project of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), the raw materials-based SME cluster programme of the Raw Materials Research and Development Council (RMRDC), the Ward Based Cluster Project (WBCP) of the Federal Ministry of Science and Technology, and the Technology Incubation Programme of the National Board for Technology Incubation (NBTI).

## 4.5 Job Creation Unit Organisational Structure

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**The socioeconomic and demographic diversity across Nigeria's six geopolitical zones introduces significant complexity, which must be duly considered in the implementation of a nationwide job creation strategy.**

Action required to implement specific initiatives will need to be taken across the three tiers of government, both simultaneously and in sequence. The private sector is expected to play a central role, and the diversity of private interests provides additional dimensions of complexity. Consequently, effective coordination (inter/intra government and public-private) is critical to the successful execution of this strategy.

Conceived as an institution within the Presidency, the Job Creation Unit (JCU) is mandated to facilitate the coordinated execution of this implementation plan, operating as an information and resource hub. Its primary mandate is to ensure that all stakeholders relevant to the execution of the plan are equipped with (i) clarity of strategic direction, (ii) access to information, (iii) access to resources and (iv) access to institutional support required for efficient execution of their respective responsibilities within the plan.

**To achieve its mandate, the JCU will be governed by two key operational restraints**

1. The unit will operate as a coordinating entity and a facilitator of employment generation across the public and private sectors; it will not directly execute job creation programs
2. All activities of the unit will be governed by an inter-ministerial committee (Job Creation Steering Committee) comprising select government institutions (federal and state), private sector stakeholders from the four priority sectors, and other stakeholders from the development community

In line with the above, the proposed organisation structure for the JCU was designed along the following principles:

- 1. The unit is a partnership between the public and private sector** to continually engage in tackling Nigeria's employment problem. Hence private sector participation in the governance and administration of the JCU is provided for in the organisation structure
- 2. The unit is designed to be politically and ideologically neutral** as much as possible to limit undue influence by political leadership. The role and composition of the Steering Committee is aimed at limiting political interference as well as undue influence from any single private sector organisation
- 3. The unit should have a structure that is lean and efficient** to ensure that it can be supported (resource-wise and financially) by private sector organisations and donors.

Figure 41. Proposed organisational structure for Job Creation Unit

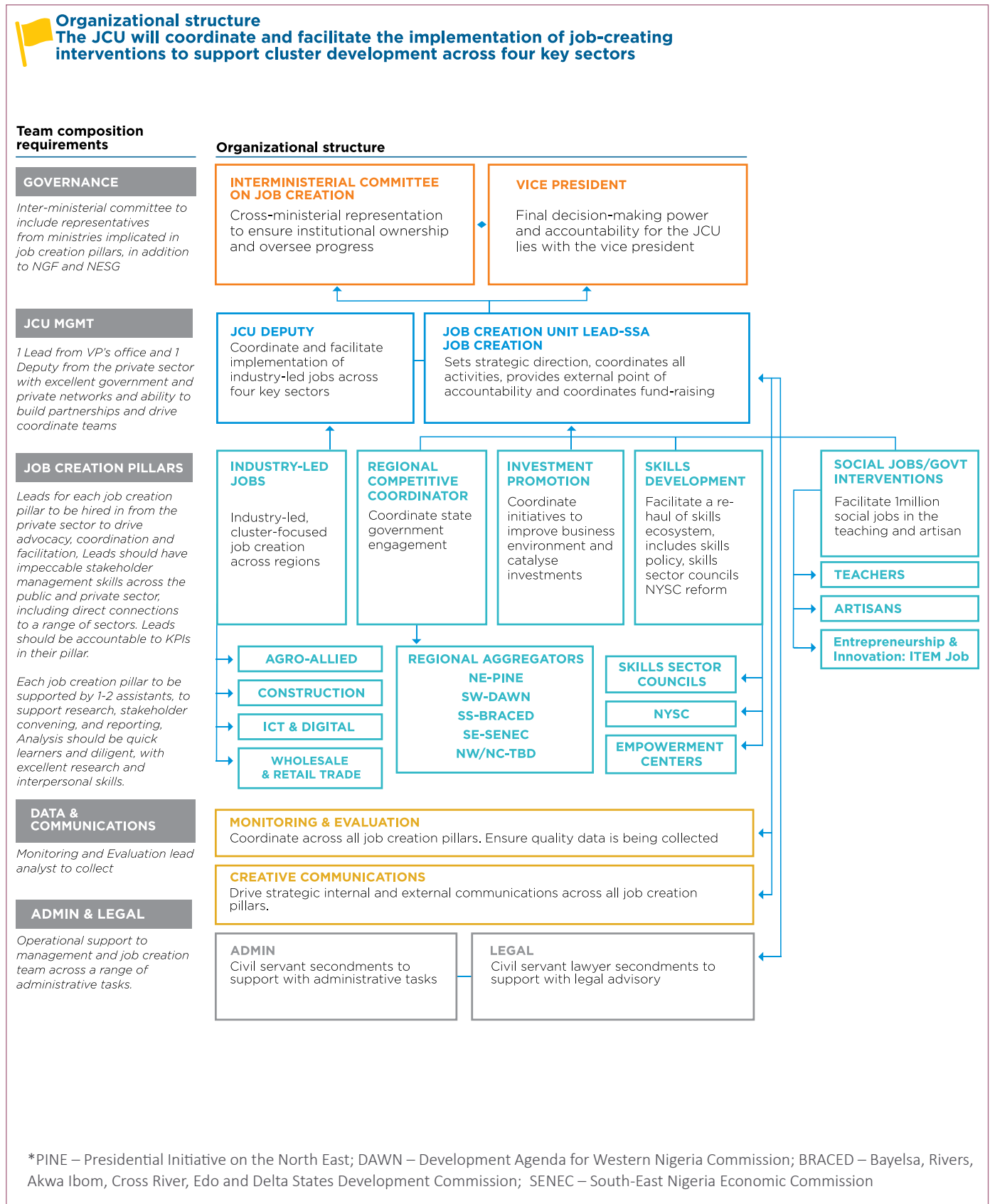
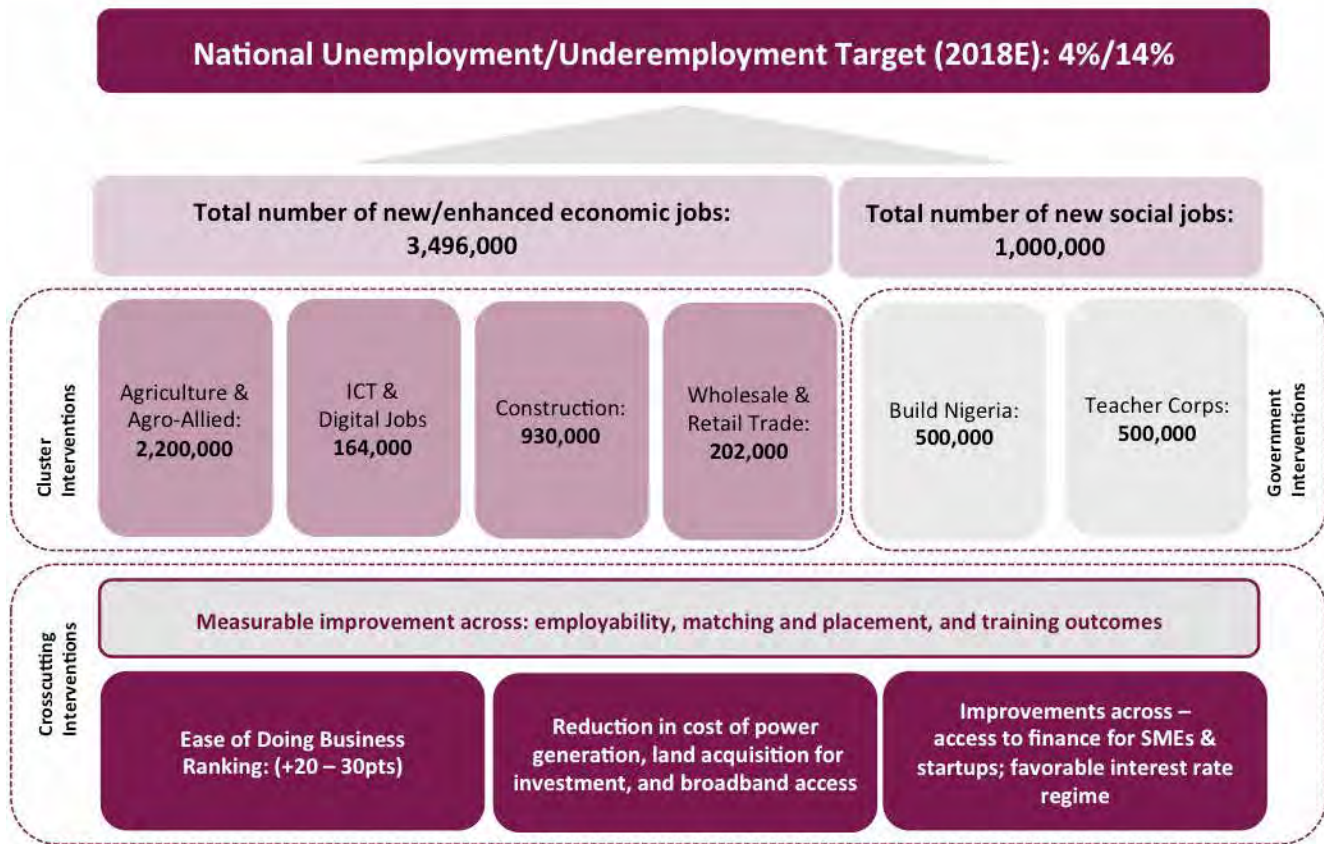




Figure 42. High level performance dashboard for Job Creation Unit



## 4.6 Monitoring approach

The monitoring and evaluation approach must present results transparently and capitalise on the JCU’s coordination role for job creation. As such, the monitoring plan will need to meet the following objectives:

1. **Ensure that the reporting efforts are fully aligned with key activities outlined in the *strategic framework for job creation in Nigeria***, so reporting can both guide the direction of key initiatives and inform future areas of improvement;
2. **Collect and present results transparently according to a standardised framework** in order to support results-based accountability;
3. **Incorporate the perspectives of a variety of stakeholders**, including internal stakeholders; and;
4. **Execute using a straightforward, actionable process**, accounting for the variety of stakeholders operating across a myriad of economic clusters

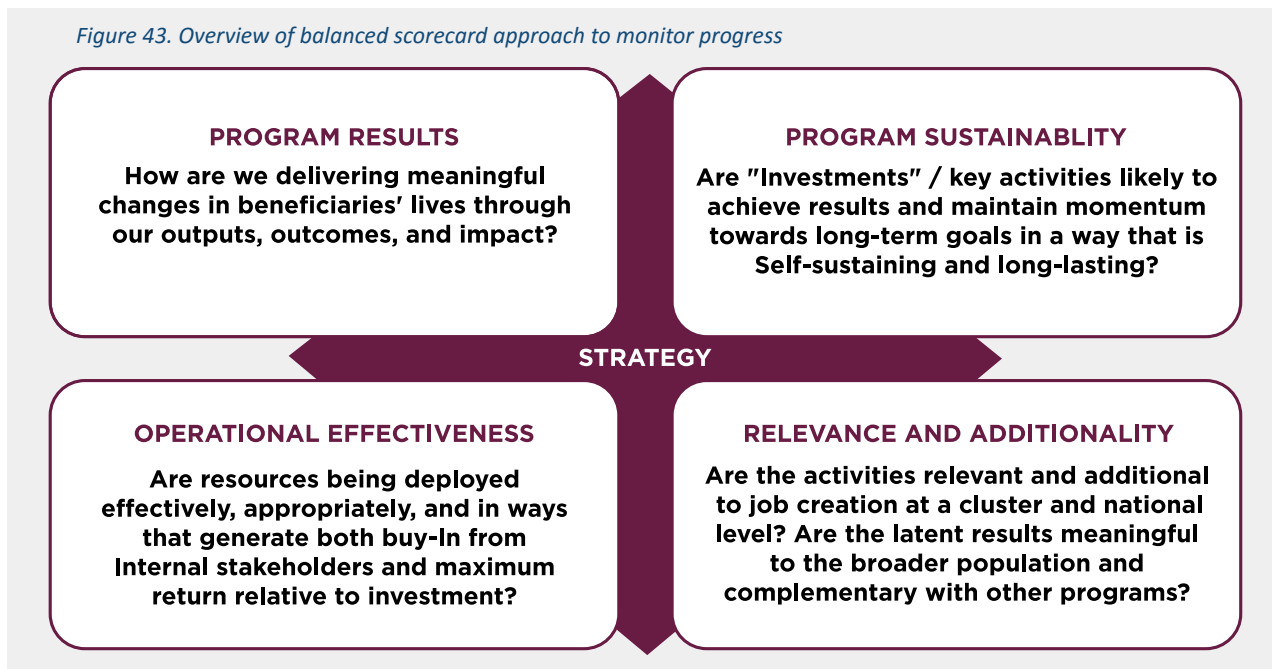
The following sub-section provides additional detail on the each objective outlined above.

### 4.6.1 Objective 1: Align reporting efforts

**Ensure that reporting efforts are fully aligned with key activities as outlined in the strategic framework for Job Creation in Nigeria**

The proposed approach uses the “Balanced Scorecard” concept to ensure that partners (and the JCU) are tracking a complete set of strategic priorities and not just programme outputs. A balanced scorecard is a tool used to translate strategy into action while regularly examining performance against a set of ‘priorities’. Key priorities can be grouped in four reporting areas each responding to key questions as outlined in the figure below.

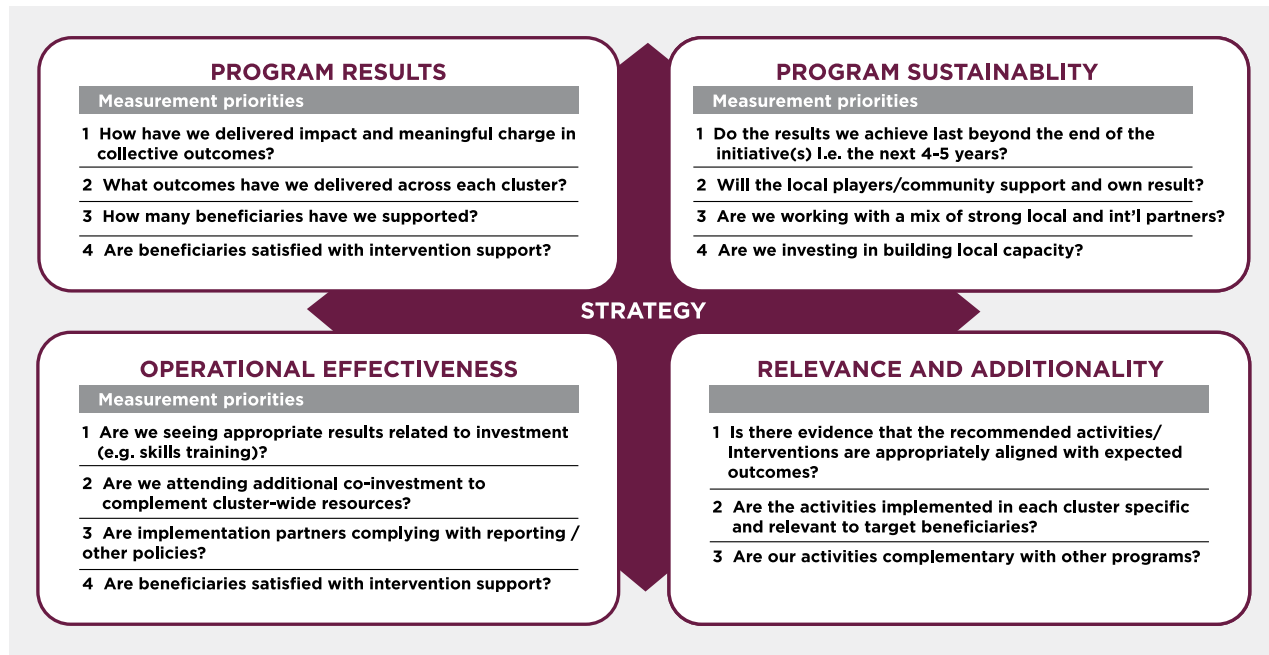
Figure 43. Overview of balanced scorecard approach to monitor progress



Within each of these reporting areas, we have defined specific priorities that can be aligned with project-specific indicators to give tangible evidence of progress towards job creation in Nigeria.

While the specific indicators tracked can be adapted, the priorities and reporting areas will be common across all partners. While key indicators will be finalised during Phase 2 of this engagement (slated to kick off in January), the figure below provides an illustration of key questions that will subsequently lead to definitive measures across economic clusters.

Figure 44. Priority indicators to monitor progress



#### 4.6.2 Objective 2: Transparently collect and present results

**Transparently collect and present results according to a standardised framework in order to support a full range of communications efforts**

The standard reporting template provides a means to capture and store qualitative and quantitative evidence across all of the reporting priorities; with these data, the JCU can then track and report on progress, both internally and externally. It should be noted that standardised communications templates will need to be implemented to allow each “cluster”, and those that are supporting them, to report on targeted quantitative results and qualitative evidence of achievement in key areas. Figure 45 outlines how the balanced scorecard should be developed to support monitoring and evaluation of the key activities within the strategic framework and the communication of these efforts.

Figure 45. How to develop a balanced scorecard

| 1. Support a variety of communication efforts |   |                        | 2. Principles of JCU support  |
|---|---|------------------------|---|
| <b>Summary view</b>                           |   |                        |   |
| Output  | Objective   | Attendees/Contributors | The monitoring approach set out by the JCU should:  |
| <b>Annual briefs on job creation</b>          | Communicate successes and lessons learnt at a high level                                | <i>To be confirmed</i> | <ul style="list-style-type: none"> <li>Establish the overall goal of the monitoring program, ensuring a comprehensive and adaptable methodological approach</li> </ul>                |
| <b>Monthly briefs on job creation</b>         | Track execution of job creation initiatives and guide the evolution of JCU's engagement | <i>To be confirmed</i> | <ul style="list-style-type: none"> <li>Set the tone for the coordination of stakeholder involvement to make sure the monitoring program is feasible and enforceable</li> </ul>        |
| <b>Internal/external newsletters</b>          | Ensure understanding, buy-in and support for activities across key stakeholders         | <i>To be confirmed</i> | <ul style="list-style-type: none"> <li>Provide the fact base that can systematically and more objectively shape decisions across key clusters/sectors in Nigeria's economy</li> </ul> |
| <b>Project/Initiative "fact sheet"</b>        | Data collection and convey detailed information to varied stakeholders                  | <i>To be confirmed</i> | <ul style="list-style-type: none"> <li>Offer the relevant avenues to highlight areas for improvement and opportunities to scale 'winning' programs and initiatives</li> </ul>         |

#### 4.6.3 Objective 3: Incorporate stakeholders' perspectives

**Provide a way to incorporate the perspectives of a variety of stakeholders, including internal stakeholders.**

Successful implementation depends on the cooperation of several stakeholders—citizens of Nigeria, potential co-investors and development partners, and a myriad of government entities. With this in mind, the monitoring and evaluation component of the framework will need to continuously capture and track the perspectives of these stakeholders. As such, the following activities should be taken into account when doing so:

- Newly employed:** Channelling perspectives of the newly employed under the *Programme Results* reporting area under the *Relevance and Additionality* metric.
- Potential co-investors:** Tracking co-investment amounts and other forms of external support
- Governments institutions:** Tracking evidence of government and institutional support under the *Programme Sustainability* reporting area, as measured by factors such as government endorsements, policy changes, and government and local institution co-funding.

#### **4.6.4 Objective 4: Execute transparency and pragmatically**

**Execute using a process that is both transparent and practical, accounting for the variety of stakeholders operating across a myriad of economic clusters.**

The focus of the monitoring and evaluation tool will need to keep in mind potential resource limitations that may exist for participating actors within a 'job creation' ecosystem, as this is unlikely to change in the short term. To this end, the monitoring and evaluation tool will need to be:

**Designed to meld with existing monitoring practices of selected partners, rather than replace them.** For example, indicators should be discussed with key partners rather than being imposed upon them. This will allow the level of flexibility required across the ecosystem while also taking into account the fact that some measurements will be phased in over time, in line with partner capacity.

**Implemented at a low cost, without setting up a customised system.** Key clusters will be constrained by the necessary infrastructure to support an automated and customised tracking system. As such, consideration will need to be given to alternative tracking templates that can account for more remote locations across the country.

**Share the workload between key partners while allowing for critical analysis, synthesis, and presentation of highlights.** Sharing the workload for data collection and performance measurement will strengthen collaborative relationships between all entities involved with implementation and limit the day-to-day administrative burden on the JCU.

## 5 Conclusion

Each region of Nigeria has the potential to advance its competitiveness and create jobs across the four sectors that are the focus of this framework. Over three million jobs could be created over the next three years if each of the cluster interventions were implemented successfully.

We believe two key factors are critical to successful implementation

1. A collaborative process for identifying a sub-set of clusters (from the defined list of priority clusters) that the JCU should focus on. This process should be led by the Steering Committee/Inter-ministerial Committee on Job Creation and undertaken on an annual basis subject to biannual reviews. The sub-set identified should reflect immediate priorities and level of activity within the cluster. The number of clusters selected should match the resources available for the JCU to coordinate implementation
2. An active role for the JCU in driving the implementation of cross cutting interventions such as supply-side skill issues, policy constraints, and data availability.

We have recommended a set of cluster specific interventions and cross cutting interventions to drive the first wave of the JCU's program for 2016. We recommend that the second and third waves (2017, 2018) are identified after the first half year review of the first wave, with due consideration given to changes to the macro-economic environment that have specific implications on the selected clusters and sectors.



**JCU – Wave 1 (2016) Focus Areas**

|                                   | Wave 1 Interventions (2016)  | Key Activities   |
|-----------------------------------|--|--|
| <b>Programmatic Interventions</b> | <p><b>1. Priority Clusters (2016)</b></p> <ul style="list-style-type: none"> <li>a. Agadu-Alape Cassava SCPZ (Ag/Agro Allied) – Kogi, North Central</li> <li>b. Ariaria Leather &amp; Footwear Cluster (Trade) – Abia, South East</li> <li>c. Kadawa Tomato Cluster (Ag/Agro Allied) Kano, North West</li> <li>d. Housing Program – Six States (Construction) – Ogun, Delta, Kaduna, Nassarawa, Adamawa, Enugu</li> <li>e. Oban Pineapple (Ag/Agro Allied) – Cross River – South South</li> <li>f. Potiskum Livestock (Trade) – Yobe, North East</li> <li>g. Yaba Tech Content &amp; BPO (ICT) – Lagos, South West</li> <li>h. Oshogbo Poultry – (Ag/Agro Allied) Osun, South West</li> <li>i. Agro-Industrial Processing Park (Ag/Agro Allied) – Abuja, North Central</li> <li>j. Kebbi Rice – (Ag/Agro Allied), Kebbi, North East</li> </ul> <p><b>2. Initial Focus Areas (Cross-cutting)</b></p> <ul style="list-style-type: none"> <li>b. NYSC Reform</li> <li>c. Youth engagement program</li> <li>d. Sector skills councils</li> <li>e. Empowerment centres (2 private sector led)</li> <li>f. NBS strengthening at State level</li> </ul> | <ul style="list-style-type: none"> <li>• Convening and facilitation events and related activities for cluster specific interventions, e.g., with donors, private sector, and advocacy, etc.</li> <li>• Economic investment development for potentials/existing opportunities in these clusters</li> <li>• Programmatic direct execution support for cross cutting initiatives leveraging expert resource pool</li> </ul> |

# Annex

## List of clusters

Below is the list of possible clusters collated from desk research, expert opinions, and stakeholder convening events and workshops. Construction clusters exist across all 36 states and FCT and is therefore not included in the table. Clusters reflect various levels of activity—economic activity is currently happening at some, while others are emerging or have the potential to become clusters in their sector.

| No. | Sector      | Cluster                       | Status    | Region |
|-----|-------------|-------------------------------|-----------|--------|
| 1   | Agriculture | Abia Oil Palm Cluster         | Current   | SE     |
| 2   | Agriculture | Akwa Ibom Oil Palm Cluster    | Current   | SS     |
| 3   | Agriculture | Anambra Rice Cluster          | Current   | SE     |
| 4   | Agriculture | Bauchi Rice Cluster           | Current   | NE     |
| 5   | Agriculture | Benue Citrus Cluster          | Potential | NC     |
| 6   | Agriculture | Borno Leather Cluster         | Current   | NE     |
| 7   | Agriculture | Borno Sorghum Cluster         | Current   | NE     |
| 8   | Agriculture | Cross River Cassava Cluster   | Current   | SS     |
| 9   | Agriculture | Cross River Oil Palm Cluster  | Current   | SS     |
| 10  | Agriculture | Cross River Pineapple Cluster | Current   | SS     |
| 11  | Agriculture | Cross River Rubber Cluster    | Potential | SS     |
| 12  | Agriculture | Delta Oil Palm Cluster        | Current   | SS     |
| 13  | Agriculture | Ebonyi Rice Cluster           | Current   | SE     |
| 14  | Agriculture | Edo Cassava Cluster           | Current   | SS     |
| 15  | Agriculture | Edo Rubber Cluster            | Current   | SS     |
| 16  | Agriculture | Ekiti Cassava Cluster         | Current   | SW     |
| 17  | Agriculture | Ekiti Poultry Cluster         | Potential | SW     |
| 18  | Agriculture | Enugu Oil Palm Cluster        | Current   | SE     |
| 19  | Agriculture | Enugu Rice Cluster            | Current   | SE     |
| 20  | Agriculture | Imo Oil Palm Cluster          | Current   | SE     |
| 21  | Agriculture | Jigawa Cassava Cluster        | Current   | NW     |
| 22  | Agriculture | Jigawa Leather Cluster        | Current   | NW     |
| 23  | Agriculture | Jigawa Sesame Cluster         | Current   | NW     |
| 24  | Agriculture | Kaduna Cassava Cluster        | Current   | NW     |
| 25  | Agriculture | Kaduna Pepper Cluster         | Current   | NW     |
| 26  | Agriculture | Kaduna Rice Cluster           | Current   | NW     |
| 27  | Agriculture | Kaduna Tomato Cluster         | Current   | NW     |



|    |             |                              |           |    |
|----|-------------|------------------------------|-----------|----|
| 28 | Agriculture | Kano Cassava Cluster         | Current   | NW |
| 29 | Agriculture | Kano Leather Cluster         | Current   | NW |
| 30 | Agriculture | Kano Pepper Cluster          | Current   | NW |
| 31 | Agriculture | Kano Rice Cluster            | Current   | NW |
| 32 | Agriculture | Kano Tomato Cluster          | Current   | NW |
| 33 | Agriculture | Kebbi Cassava Cluster        | Current   | NW |
| 34 | Agriculture | Kebbi Onion Cluster          | Current   | NW |
| 35 | Agriculture | Kebbi Rice Cluster           | Current   | NW |
| 36 | Agriculture | Kogi Cassava Cluster         | Current   | NC |
| 37 | Agriculture | Kogi Rice Cluster            | Current   | NC |
| 38 | Agriculture | Kogi Sesame Cluster          | Current   | NC |
| 39 | Agriculture | Kwara Cassava Cluster        | Current   | NC |
| 40 | Agriculture | Lagos Aquaculture Cluster    | Potential | SW |
| 41 | Agriculture | Lagos Cassava Cluster        | Current   | SW |
| 42 | Agriculture | Lagos Horticulture Cluster   | Potential | SW |
| 43 | Agriculture | Lagos Poultry Cluster        | Potential | SW |
| 44 | Agriculture | Lagos Rice Cluster           | Current   | SW |
| 45 | Agriculture | Nasarawa Cassava Cluster     | Current   | NC |
| 46 | Agriculture | Nasarawa Sesame Cluster      | Current   | NC |
| 47 | Agriculture | Niger Aquaculture Cluster    | Current   | NC |
| 48 | Agriculture | Niger Cassava Cluster        | Current   | NC |
| 49 | Agriculture | Niger Rice Cluster           | Current   | NC |
| 50 | Agriculture | Ogun Cassava Cluster         | Current   | SW |
| 51 | Agriculture | Ogun Poultry Cluster         | Potential | SW |
| 52 | Agriculture | Ondo Cassava Cluster         | Current   | SW |
| 53 | Agriculture | Ondo Oil Palm Cluster        | Current   | SW |
| 54 | Agriculture | Ondo Poultry Cluster         | Potential | SW |
| 55 | Agriculture | Osun Poultry Cluster         | Potential | SW |
| 56 | Agriculture | Oyo Cassava Cluster          | Current   | SW |
| 57 | Agriculture | Oyo Poultry and Feed Cluster | Potential | SW |
| 58 | Agriculture | Oyo Soy Cluster              | Current   | SW |
| 59 | Agriculture | Plateau Rice Cluster         | Current   | NC |
| 60 | Agriculture | Plateau Tomato Cluster       | Current   | NC |
| 61 | Agriculture | Rivers Aquaculture Cluster   | Current   | SS |
| 62 | Agriculture | Sokoto Cassava Cluster       | Current   | NW |
| 63 | Agriculture | Sokoto Leather Cluster       | Current   | NW |
| 64 | Agriculture | Sokoto Rice Cluster          | Current   | NW |
| 65 | Agriculture | Taraba Cassava Cluster       | Current   | NE |
| 66 | Agriculture | Taraba Rice Cluster          | Current   | NE |
| 67 | Agriculture | Yobe Sesame Cluster          | Potential | NE |
| 68 | Agriculture | Yobe Wheat Cluster           | Potential | NE |
| 69 | Agriculture | Zamfara Leather Cluster      | Current   | NW |

|     |                          |   |           |    |
|-----|--------------------------|---|-----------|----|
| 70  | Agriculture              | Zamfara Rice Cluster                          | Current   | NW |
| 71  | Wholesale & retail trade | Abia- Anambra Market Linkage cluster          | Potential | SE |
| 72  | Wholesale & retail trade | Abia (Ariaria) Leather Products Cluster       | Current   | SE |
| 73  | Wholesale & retail trade | Anambra (Onitsha) Retail Cluster              | Current   | SE |
| 74  | Wholesale & retail trade | Benue (Zaki Biam) Yam Retail Cluster          | Current   | NC |
| 75  | Wholesale & retail trade | Borno Retail Cluster                          | Potential | NE |
| 76  | Wholesale & retail trade | Cross River (Tinapa) trade Cluster            | Potential | SS |
| 77  | Wholesale & retail trade | Cross-River- Akwa Ibom Market Linkage cluster | Potential | SS |
| 78  | Wholesale & retail trade | Delta-Edo Market Linkage cluster              | Potential | SS |
| 79  | Wholesale & retail trade | Ebonyi Precious stones Cluster                | Potential | SE |
| 80  | Wholesale & retail trade | FCT Retail Cluster                            | Potential | NC |
| 81  | Wholesale & retail trade | Jigawa Leather Cluster                        | Current   | NW |
| 82  | Wholesale & retail trade | Jigawa Retail Cluster                         | Current   | NW |
| 83  | Wholesale & retail trade | Jigawa Textiles Cluster                       | Current   | NW |
| 84  | Wholesale & retail trade | Kaduna Eggs and Poultry Cluster               | Current   | NW |
| 85  | Wholesale & retail trade | Kano- Dawanan Grains cluster                  | Current   | NW |
| 86  | Wholesale & retail trade | Kano (Kurmi) Artefacts Retail Cluster         | Current   | NW |
| 87  | Wholesale & retail trade | Kano Eggs and poultry Cluster                 | Current   | NW |
| 88  | Wholesale & retail trade | Kano Retail Cluster                           | Current   | NW |
| 89  | Wholesale & retail trade | Kano Textiles Cluster                         | Current   | NW |
| 90  | Wholesale & retail trade | Katsina Retail Cluster                        | Current   | NW |
| 91  | Wholesale & retail trade | Katsina Textile Cluster                       | Current   | NW |
| 92  | Wholesale & retail trade | Lagos- Ogun Market Linkage cluster            | Potential | SW |
| 93  | Wholesale & retail trade | Lagos (Alaba) Retail Cluster                  | Current   | SW |
| 94  | Wholesale & retail trade | Lagos E-commerce Cluster                      | Current   | SW |
| 95  | Wholesale & retail trade | Lagos Services Cluster                        | Current   | SW |
| 96  | Wholesale & retail trade | Nasarawa Honey Cluster                        | Potential | NC |
| 97  | Wholesale & retail trade | Nasarawa Vegetable Cluster                    | Potential | NC |
| 98  | Wholesale & retail trade | Ogun (Ota) Wholesale and Retail Cluster       | Current   | SW |
| 99  | Wholesale & retail trade | Plateau (Jos) Retail Cluster                  | Current   | NC |
| 100 | Wholesale & retail trade | Plateau Honey Cluster                         | Potential | NC |
| 101 | Wholesale & retail trade | Plateau Vegetable Cluster                     | Potential | NC |
| 102 | Wholesale & retail trade | Rivers (Oil Mill) Retail Cluster              | Current   | SS |
| 103 | Wholesale & retail trade | Yobe (Potiskum) Livestock Retail Cluster      | Current   | NE |
| 104 | Wholesale & retail trade | Yobe Retail Cluster                           | Potential | NE |
| 105 | ICT & digital jobs       | Lagos tech content development                | Current   | SW |
| 106 | ICT & digital jobs       | Osun tech content development                 | Current   | SW |
| 107 | ICT & digital jobs       | Enugu tech content development                | Current   | SE |
| 108 | ICT & digital jobs       | Abuja tech content development                | Current   | NC |
| 109 | ICT & digital jobs       | Ondo tech content development                 | Emerging  | SW |
| 110 | ICT & digital jobs       | Rivers tech content development               | Emerging  | SS |

|     |                    |  |           |    |
|-----|--------------------|--|-----------|----|
| 111 | ICT & digital jobs | Akwa Ibom tech content development       | Emerging  | SS |
| 112 | ICT & digital jobs | Plateau tech content development         | Emerging  | NC |
| 113 | ICT & digital jobs | Oyo tech content development             | Potential | SW |
| 114 | ICT & digital jobs | Edo tech content development             | Potential | SS |
| 115 | ICT & digital jobs | Imo tech content development             | Potential | SE |
| 116 | ICT & digital jobs | Cross River tech content development     | Potential | SS |
| 117 | ICT & digital jobs | Kaduna tech content development and BPO  | Potential | NW |
| 118 | ICT & digital jobs | Kano potential tech content development  | Potential | NW |
| 119 | ICT & digital jobs | Borno potential tech content development | Potential | NE |
| 120 | ICT & digital jobs | Osun manufacturing                       | Current   | SW |
| 121 | ICT & digital jobs | Lagos manufacturing                      | Potential | SW |
| 122 | ICT & digital jobs | Abuja repair and build                   | Potential | NC |
| 123 | ICT & digital jobs | Anambra repair and build                 | Potential | SE |
| 124 | ICT & digital jobs | Kaduna repair and build                  | Potential | NW |
| 125 | ICT & digital jobs | Lagos BPO                                | Current   | SW |
| 126 | ICT & digital jobs | Ibadan BPO                               | Current   | SW |
| 127 | ICT & digital jobs | Kwara BPO                                | Current   | NC |
| 128 | ICT & digital jobs | Kano BPO                                 | Current   | NW |
| 129 | ICT & digital jobs | Ogun BPO                                 | Potential | SW |
| 130 | ICT & digital jobs | Osun BPO                                 | Potential | SW |
| 131 | ICT & digital jobs | Edo BPO                                  | Potential | SS |
| 132 | ICT & digital jobs | Imo BPO                                  | Potential | SE |
| 133 | ICT & digital jobs | Abia BPO                                 | Potential | SE |
| 134 | ICT & digital jobs | Anambra BPO                              | Potential | SE |
| 135 | ICT & digital jobs | Enugu BPO                                | Potential | SE |
| 136 | ICT & digital jobs | Plateau BPO                              | Potential | NC |
| 137 | ICT & digital jobs | Adamawa BPO                              | Potential | NE |

## Additional suggested interventions for Government to drive in ICT/ Construction

| Sector       | Themes                              | Interventions   |
|--------------|-------------------------------------|---|
| Construction | Infrastructure demand               | <ul style="list-style-type: none"> <li>Establish exceptional permits issued by CBN for eased capital controls and facilitated import for speedy access to materials</li> <li>Coordinate with governors to exercise eminent domain where necessary to obtain all land identified for use in State Infrastructure Plans as precondition for federal funding</li> </ul>  |
|              | Public procurement practices        | <ul style="list-style-type: none"> <li>Coordinate with civic watchdog organizations (e.g. Anti-Corruption Network) for e-gov trackers of procurement results, project progress, and disbursement of funds</li> <li>Develop and enforce, in partnership with private sector providers, local content provision and minimum manpower requirements for increased utilization of Nigerian labor on public projects</li> </ul> |
|              | Stimulate mortgage finance industry | <ul style="list-style-type: none"> <li>Mandate ratio of first-home buyers in each cluster, with local mortgage provision requirement for commercial banks in order to unlock federal refinance facility</li> </ul>  |

| Sector               | Themes   | Interventions   |
|----------------------|--|---|
| ICT and Digital Jobs | Institute enabling policies to improve employability   | <ul style="list-style-type: none"> <li>Government should provide tax incentives e.g. Industrial Training Fund to enable skills training</li> <li>Acute shortage of software developers in the ICT industry is leading to poaching of skilled workers by bigger firms and available jobs left unfilled</li> <li>CC-Hub, IDEA for example are accelerators and incubators providing technical and business development service training, and can be assisted through tax breaks or subsidies e.g., Osun State recommends and funds trainees for RLG Communication's intel certified 6 month training</li> </ul> |
|                      | Stimulate local production and outsourcing of ICT hardware manufacturing                                 | <ul style="list-style-type: none"> <li>Government to reduce taxation on import of Semi-Knocked Down (SKD) components which are currently taxed at the same rate as final goods (in Ghana, the government reduced to 2.5% tax on SKD for local producer compared to 20% for other products)</li> </ul>   |
|                      | Provided conducive space to absorb increase in manufacturing from reduced taxes                          | <ul style="list-style-type: none"> <li>Support move to Lagos state government provided 15 hectares land in Katangowa</li> </ul>   |
|                      | Improve standard and quality of repair   | <ul style="list-style-type: none"> <li>NITDA and CAPDAN to work closely with Original Equipment Manufacturers on project to train and certify sales and repairmen in the clusters</li> </ul>  |
|                      | Spur the growth of select repair and build clusters like GSM village in Abuja to become regional centers | <ul style="list-style-type: none"> <li>State government to provide affordable land where the retailers and repairers can be co-located; this reduces overhead costs and enables competitive pricing on their goods</li> <li>- In Abuja, the government provided land in 2009 for the village after they had moved about 3 times. Rent ranges from 80k to 120k per annum compared to est. 1m in Banex Plaza</li> </ul>   |
|                      | Incentivize investment in the clusters   | <ul style="list-style-type: none"> <li>Incentivize original equipment manufacturers (OEMs) to locate repair centers within the clusters</li> </ul>  |

## Build Nigeria Program – Sample Identification of Trades & Occupation Clusters (Lagos State)

- Similar assessments will be replicated across the country to identify and select clusters of focus for Build Nigeria interventions

| Trade             | Occupations  | Clusters  | Remarks  |
|-------------------|--|---|--|
| <b>Automotive</b> | a. Auto Mechanics  | <ul style="list-style-type: none"> <li>- Multi-purpose Irewolede Cooperative Society located in Gbagada along Oshodi-Oworonshoki Express way (Somolu Local Government)</li> </ul> | <ul style="list-style-type: none"> <li>- This multi-purpose cooperative society is one of the biggest clusters for automotive trade. Also accommodates artisans from other trades such as welding and fabrication, furniture, carpentry and joinery. The cooperative has over 1000 members including apprentices and there is room for expansion.</li> </ul> |
|                   | b. Motor Vehicle Electrical/ Electronic Technicians  |   |  |
|                   | c. Motor Vehicle Body Repair Technicians   |   |  |
|                   | d. Motor Vehicle Body Spray Painters   |   |  |
|                   | e. Motor Vehicle Tire Technicians (Vulcanizers)  | <ul style="list-style-type: none"> <li>- Ilupeju/Cappa Automotive Trade Cluster is located in Ilupeju area of Mushin Local Government</li> </ul>                                  | <ul style="list-style-type: none"> <li>- The cluster, like many automobile trade clusters in Lagos is located in space under an electrical high tension wire and it is government approved.</li> </ul>   |
|                   | f. Motor Vehicle Upholsterers  | <ul style="list-style-type: none"> <li>- Ojekunle/Ladipo/Fatai Atere Automotive Trade Clusters are located around the same axis in Mushin Local Government area.</li> </ul>       | <ul style="list-style-type: none"> <li>- The cluster at Ojekunle is government allocated but big portion of spaces in the cluster are used as spare part shops thus making the spaces left too small for the auto trade artisans.</li> </ul>   |
|                   | g. Lathe Turners   |   |  |
|                   | h. Motor Vehicle Spare Parts Dealers   | <ul style="list-style-type: none"> <li>- Ilasamaja Automotive Trade Cluster is located between Itire junction and Ilasamaja on the Apapa-Oshodi Express Way.</li> </ul>           | <ul style="list-style-type: none"> <li>- This cluster is government allocated</li> </ul>   |
|                   | <ul style="list-style-type: none"> <li>- Ojota Automotive Trade Cluster located at Ojota</li> </ul>                          | <ul style="list-style-type: none"> <li>- This cluster is government allocated.</li> </ul>   |  |
|                   | <ul style="list-style-type: none"> <li>- Ogudu Automotive Trade Cluster is strategically located at Ogudu Estate.</li> </ul> | <ul style="list-style-type: none"> <li>- Ogudu Landlord Association wants the cluster out of the estate.</li> </ul>   |  |

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| <b>Building services</b>                | <ul style="list-style-type: none"> <li>a) Furniture Makers,</li> <li>b) Carpenters,</li> <li>c) Joiners,</li> <li>d) Plank Dealers,</li> <li>e) Woodwork Machine Operators</li> <li>f) Welders and Fabricators.</li> </ul> | <ul style="list-style-type: none"> <li>- Located at Gbagada by Westex Company on Oshodi-Oworonshoki Express Way.</li> </ul>   | <ul style="list-style-type: none"> <li>- Artisans in building/decoration trades and plank dealers numbering over 500 are estimated to work in this cluster. The cluster is one of the largest in Lagos and houses artisans of different related trades. Apprentices learn different trades in the cluster.</li> </ul>   |
| <b>Printing and related</b>             | <ul style="list-style-type: none"> <li>a) Pre-press,</li> <li>b) Press</li> <li>c) Post Press</li> </ul>   | <ul style="list-style-type: none"> <li>- Four key clusters <ul style="list-style-type: none"> <li>o Somolu,</li> <li>o Mushin (Ladipo Area),</li> <li>o Ilupeju/ Palmgrove</li> <li>o Ikate/Folawiyo Bankole</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>- Most workers in these trades have been trained through apprenticeship system. Most large companies are members of the Chartered Institute of Professional Printers of Nigeria (CIPRON)</li> </ul>  |
| <b>Aluminum &amp; glass accessories</b> | <ul style="list-style-type: none"> <li>a) Aluminum Profile</li> <li>b) Glass and Accessories</li> </ul>  | <ul style="list-style-type: none"> <li>- Located in Ikeja/Dopemu area of Lagos</li> </ul>   | <ul style="list-style-type: none"> <li>- The cluster covers forty one streets with over 3000 people engaged in different business activities in the cluster. It is one of the biggest trade clusters in Lagos State. The sector is considered part of the building services trade. Most workers in this sector are skilled through the apprenticeship system. The cluster is affiliated with the Aluminum Profile, Glass and Accessories Association</li> </ul> |
|   | <ul style="list-style-type: none"> <li>a) Photographic Material</li> <li>b) Photo frames</li> <li>c) Camera Repairs</li> </ul>   | <ul style="list-style-type: none"> <li>- Located at Aroloya area of Lagos Island</li> </ul>   | <ul style="list-style-type: none"> <li>- The cluster comprises graphic artists, photo framers, camera repair technicians and photographers. Majority of the people in this cluster were skilled through the apprenticeship system</li> </ul>  |

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| <b>Stone works &amp; allied materials</b>   | a) Marble , Granite and Allied Materials Trade               | - Located at Mile 2-Orile Express Road by Coker area.   | - This cluster comprises importers of marble, granite and allied materials, traders and different artisans working with marble and granite for flooring, wall cladding, lanterns, pulpits, furniture, tombstone, plaque etc. Considered part of the building services trade |
| <b>Textile</b>                              | a) Textile<br>b) Apparel and Furnishing                      | - Can be found in Idi-Araba area of Surulere, clusters of tailors are in Obalende, Yaba, Agege, Iponri, John Street, Tinubu, Lagos. Cluster of window treatment tailors and mass fashion wear producers are located in Tejuoso area of Yaba | - Most of these clusters are male dominated though these professions naturally attract women. Nigeria Union of Tailors and the Fashion Designers Association of Nigeria (FADAN) are well organized bodies recognized in these clusters                                      |
| <b>Crafts</b>                               | a) Basketry,<br>b) Cane,<br>c) Willow and Rope<br>d) Weaving | - Located at Maryland area of Lagos   | - Comprises male and female workers   |
| <b>Phones, Laptop, Desktop etc. Repairs</b> | a) Phones, laptop and desktop computers repairs technicians  | - Ikeja Computer Village, Ladipo phone market, Lawanson (Surulere) phone market, and Saka Tinubu (Victoria Island)  |   |



#### Notes from assessment

1. **The old LSDPC maintenance yard which is partly situated under the electricity high tension cable has been vacant for some time now and may be ideal for a multipurpose artisans' cluster. Artisans of different trades can be accommodated here creating avenue for hundreds of artisans in different trades training hundreds of apprentices in the cluster.**
2. **Other trades in Lagos State not included above include: event decoration, hairdressing and beauty, floral decoration, interior designing and decorating, graphics and multimedia, electrical trades, and transport trade**
3. **Other sectors considered suitable for apprenticeship based interventions in Lagos State include:**
  - a) **Agriculture, Fish Farming and Forestry Trades - There are many farms along the Agbowa-Epe Road Axis and Ikorodu. One of such farms is the Creative Farm Solution, Ikorodu. Creative Farms Solutions Ltd offers youth interested in poultry layer egg production practical technical know-how and a 20 page manual that covers basic knowledge of egg production and marketing. There are many fish farm operators under the Lagos State Catfish and Allied Farmers Association of Nigerian who could take apprentices for skill training. Also, the Oke-Aro Piggery Cluster could be considered.**
  - b) **Food Preparation, Food Processing and Related Trades - Included in the sector are food preparation and confectionery (bread, pastries, cakes, meat pies etc), catering and cooking, beverages (sachet water, zobo drink, yoghurt etc. This sector traditionally trains its workers through the apprenticeship system.**

## List of stakeholders consulted

| Organisation                              | Sector/Contribution |
|---|---------------------|
| Abaas Ltd                                 | Agro-allied         |
| Abdel Hadi A. Al-Qahtani & Sons Group     | Agro-allied         |
| AACE Foods                                | Agro-allied         |
| Adamore Nigeria Limited                   | Agro-allied         |
| Advanta Seeds (UPL)                       | Agro-allied         |
| AFGEAN                                    | Agro-allied         |
| Africare                                  | Agro-allied         |
| AG Leventis                               | Agro-allied         |
| AGCO                                      | Agro-allied         |
| Agribusiness and Investment Team (AIT)    | Agro-allied         |
| Agricultural Extension Society of Nigeria | Agro-allied         |
| Agritech Holdings Limited                 | Agro-allied         |
| Agri-Vie                                  | Agro-allied         |
| Agro Allied Ltd.                          | Agro-allied         |
| Agrofarms                                 | Agro-allied         |
| Alheri Seeds                              | Agro-allied         |
| All Farmers Association of Nigeria        | Agro-allied         |
| Amatheon Agri                             | Agro-allied         |
| AMG Logistics                             | Agro-allied         |
| Annes Rice Ltd                            | Agro-allied         |
| Apex Fish Farms Ltd                       | Agro-allied         |
| AquaModel Fish Farms                      | Agro-allied         |
| Areyodare Farms                           | Agro-allied         |
| Asmau Memorial Limited                    | Agro-allied         |
| Avian Specialities Limited                | Agro-allied         |
| Babban Gona                               | Agro-allied         |
| Bakrie Delano Africa Limited              | Agro-allied         |
| Bank of Agriculture                       | Agro-allied         |
| Bayou Farms                               | Agro-allied         |
| BelStar Capital Limited                   | Agro-allied         |
| Best Foods Farms                          | Agro-allied         |
| Biostadt                                  | Agro-allied         |
| Boar Feeds and Concentrates               | Agro-allied         |
| Brofain Farms                             | Agro-allied         |
| Bunge                                     | Agro-allied         |
| Catfish Experts Global Ventures Ltd.      | Agro-allied         |
| Cellulant                                 | Agro-allied         |
| Chayton Africa                            | Agro-allied         |
| CHI Limited                               | Agro-allied         |
| Choice Farms Nigeria                      | Agro-allied         |

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| Choppee Fruit Drink and Industries Limited                   | Agro-allied |
| Cocoa Research Institute of Nigeria                          | Agro-allied |
| Community of Agriculture Stakeholders of Nigeria (CASON)     | Agro-allied |
| Croplife Nigeria   | Agro-allied |
| CWAY Food and Beverage                                       | Agro-allied |
| Da-All Green Limited   | Agro-allied |
| Daddo Seed   | Agro-allied |
| DADTCO (Nigeria)   | Agro-allied |
| Dandani Farms  | Agro-allied |
| Dangote Group  | Agro-allied |
| Dansa Holdings   | Agro-allied |
| Dantata Foods  | Agro-allied |
| Dawacom International  | Agro-allied |
| Dengula Farms  | Agro-allied |
| Diageo   | Agro-allied |
| Dizengoff  | Agro-allied |
| Dominion Farms   | Agro-allied |
| Doreo Partners   | Agro-allied |
| Duchies Farms  | Agro-allied |
| Dufil  | Agro-allied |
| Durante Fish Industries Ltd                                  | Agro-allied |
| Ebony Agro   | Agro-allied |
| Efugo Farms  | Agro-allied |
| FAMAG-JAL Farms  | Agro-allied |
| FAO  | Agro-allied |
| Farm City  | Agro-allied |
| Federal Institute of Industrial Research Organisation (FIRO) | Agro-allied |
| Federal Ministry of Agriculture and Rural Development        | Agro-allied |
| FIRO   | Agro-allied |
| Flour Mills Nig. Plc   | Agro-allied |
| Food Concepts  | Agro-allied |
| FrieslandCampina   | Agro-allied |
| Grow Africa  | Agro-allied |
| Honeywell Group- Honeywell Flour Mills                       | Agro-allied |
| Inter Products Link  | Agro-allied |
| International Fertilizer Development Council                 | Agro-allied |
| International Food Policy Research Institute                 | Agro-allied |
| International Fund for Agricultural Development              | Agro-allied |
| International Institute of Tropical Agriculture (IITA)       | Agro-allied |
| M&K Agro Ltd   | Agro-allied |
| Mamacass Restaurant Limited                                  | Agro-allied |
| Maslaha Seeds  | Agro-allied |

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| Matna Foods Company Ltd  | Agro-allied |
| Miagro Ltd   | Agro-allied |
| Mikap  | Agro-allied |
| Milan Group  | Agro-allied |
| Ministry of Agriculture, Cassava Value Chain Team                        | Agro-allied |
| Ministry of Agriculture, Department of Agro Processing                   | Agro-allied |
| Ministry of Agriculture, Department of Co-operatives                     | Agro-allied |
| Ministry of Agriculture, Department of Finance and Accounts              | Agro-allied |
| Ministry of Agriculture, Department of Land                              | Agro-allied |
| Ministry of Agriculture, Department of Planning, Research and Statistics | Agro-allied |
| Ministry of Agriculture, Fisheries Value Chain Team                      | Agro-allied |
| Ministry of Agriculture, Horticulture Value Chain Team                   | Agro-allied |
| Ministry of Agriculture, Office of the Honorable Minister                | Agro-allied |
| Ministry of Agriculture, Department of Information                       | Agro-allied |
| Monsanto   | Agro-allied |
| Multi-Trex   | Agro-allied |
| Nagari   | Agro-allied |
| National Agricultural Seed Council                                       | Agro-allied |
| NEMACO Farms Ltd   | Agro-allied |
| Nigeria Starch Mill  | Agro-allied |
| NIOMR/African Regional Aquaculture Centre                                | Agro-allied |
| Notore Seeds   | Agro-allied |
| Nova Tech Nigeria Ltd.   | Agro-allied |
| Novus Agro   | Agro-allied |
| Okomu Oil Palms  | Agro-allied |
| Olam International Limited   | Agro-allied |
| Olasco Fish Farm   | Agro-allied |
| Omenna Nigeria   | Agro-allied |
| Onuvic Trading Company   | Agro-allied |
| Origin Group   | Agro-allied |
| Paragon Farms  | Agro-allied |
| PetroQuip Limited  | Agro-allied |
| Pezachi Feed Mills   | Agro-allied |
| Premier Seed   | Agro-allied |
| Propcom Maikarfi   | Agro-allied |
| Radio Vision Limited   | Agro-allied |
| Raw Materials Research and Development Council                           | Agro-allied |
| Rehoboth Agro Allied Ventures  | Agro-allied |
| Savannah Seed  | Agro-allied |
| SCOA Foods   | Agro-allied |
| Seed Project Company   | Agro-allied |

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| Shorebank International                      | Agro-allied  |
| Sobol Agro Konsult Ltd                       | Agro-allied  |
| Solod Farms                                  | Agro-allied  |
| Southern Rose Nigeria Ltd                    | Agro-allied  |
| Springfield Agro                             | Agro-allied  |
| Stallion Group                               | Agro-allied  |
| State Commissioner (Agriculture)- Ondo State | Agro-allied  |
| Sunbird Energy                               | Agro-allied  |
| Syngenta Nigeria Limited                     | Agro-allied  |
| TechnoServe                                  | Agro-allied  |
| Temilade Farms                               | Agro-allied  |
| Temitayo Farms                               | Agro-allied  |
| Teragro                                      | Agro-allied  |
| Terratiga Seeds Limited                      | Agro-allied  |
| Thai Farms International                     | Agro-allied  |
| The Candel Company                           | Agro-allied  |
| Tidoo(Finite) Farm                           | Agro-allied  |
| TLG Capital                                  | Agro-allied  |
| Tongaat                                      | Agro-allied  |
| Trappco                                      | Agro-allied  |
| Tuns Farm                                    | Agro-allied  |
| Umza International Farms                     | Agro-allied  |
| United Phosphorus Limited                    | Agro-allied  |
| USAID (NEXTT and MARKETS II)                 | Agro-allied  |
| Vakorede Nigeria Ltd                         | Agro-allied  |
| Valentine Chickens                           | Agro-allied  |
| Value Seeds                                  | Agro-allied  |
| VegeFresh                                    | Agro-allied  |
| VegFru                                       | Agro-allied  |
| Verod Capital                                | Agro-allied  |
| Vitadamsyl Industries Nigeria Limited        | Agro-allied  |
| Vital Products Ltm                           | Agro-allied  |
| WACOT  | Agro-allied  |
| White Gold Group                             | Agro-allied  |
| White Rhino Nigeria Ltd                      | Agro-allied  |
| Wilbahi Investments                          | Agro-allied  |
| Willy Ventures Ltd                           | Agro-allied  |
| Wilmar International                         | Agro-allied  |
| Yara International                           | Agro-allied  |
| Zong Fish Farms                              | Agro-allied  |
| Brunelli Construction Company                | Construction |
| Ceezali Nigeria Limited                      | Construction |

|  |                          |
|--|--------------------------|
| CoBuildIT  | Construction             |
| Dantata & Sawoe Construction Company                                 | Construction             |
| Deckard Tyler  | Construction             |
| El Alan Construction Company   | Construction             |
| Formwork Limited   | Construction             |
| HiTech Construction Company  | Construction             |
| Setraco Nigeria Limited  | Construction             |
| Monurent   | Construction             |
| National Association of Architects                                   | Construction             |
| National Society of Engineers  | Construction             |
| Urban BASE Consulting  | Construction             |
| Abuja Technology Village / Special Economic Zone (SEZ)               | ICT & digital jobs       |
| Accenture  | ICT & digital jobs       |
| Andela   | ICT & digital jobs       |
| Association of Licensed Telecommunications Operators of Nigeria      | ICT & digital jobs       |
| CCHub  | ICT & digital jobs       |
| CINFORES LTD   | ICT & digital jobs       |
| Computer and Allied Products Dealers Association of Nigeria (CAPDAN) | ICT & digital jobs       |
| Emerging Platforms Ltd   | ICT & digital jobs       |
| Enspire Business Incubator   | ICT & digital jobs       |
| Google   | ICT & digital jobs       |
| Halmo Group  | ICT & digital jobs       |
| IDEA HUB   | ICT & digital jobs       |
| Jobberman  | ICT & digital jobs       |
| L5LAB  | ICT & digital jobs       |
| Lagos Business School  | ICT & digital jobs       |
| Main One   | ICT & digital jobs       |
| Microsoft  | ICT & digital jobs       |
| National Board of Technology Incubators (NBTI)                       | ICT & digital jobs       |
| National Information Technology Development Agency (NITDA)           | ICT & digital jobs       |
| OIIE/NITDA   | ICT & digital jobs       |
| Omatek   | ICT & digital jobs       |
| Pagatech   | ICT & digital jobs       |
| Paradigm Initiative Nigeria  | ICT & digital jobs       |
| Rack Centre  | ICT & digital jobs       |
| RLG  | ICT & digital jobs       |
| Sagware  | ICT & digital jobs       |
| SAP Nigeria  | ICT & digital jobs       |
| Solo Phone   | ICT & digital jobs       |
| Venture Garden Group   | ICT & digital jobs       |
| Artee Group  | Wholesale & Retail Trade |

|                                      |   |
|--------------------------------------|---|
| Chellarams Plc                       | Wholesale & Retail Trade                      |
| Chi Limited/WACOT Ltd                | Wholesale & Retail Trade                      |
| Computer Warehouse Group             | Wholesale & Retail Trade                      |
| DSV Swift Freight                    | Wholesale & Retail Trade                      |
| Easysauces Nig. Ltd                  | Wholesale & Retail Trade                      |
| Export Trading Groups                | Wholesale & Retail Trade                      |
| Game                                 | Wholesale & Retail Trade                      |
| GEMS 4 (Wholesale retail sector)     | Wholesale & Retail Trade                      |
| Generation Enterprise                | Wholesale & Retail Trade                      |
| Jasek Communications                 | Wholesale & Retail Trade                      |
| KAYMU                                | Wholesale & Retail Trade                      |
| Konga.Com                            | Wholesale & Retail Trade                      |
| Massmart                             | Wholesale & Retail Trade                      |
| Nestle                               | Wholesale & Retail Trade                      |
| Nigerian Breweries                   | Wholesale & Retail Trade                      |
| Nigerian Bottling Company            | Wholesale & Retail Trade                      |
| Occupier Operations                  | Wholesale & Retail Trade                      |
| OLX                                  | Wholesale & Retail Trade                      |
| Procter & Gamble Nig. Ltd            | Wholesale & Retail Trade                      |
| PZ Cussons                           | Wholesale & Retail Trade                      |
| SABMiller                            | Wholesale & Retail Trade                      |
| Shoprite                             | Wholesale & Retail Trade                      |
| Sidmach Technologies Nigeria Limited | Wholesale & Retail Trade                      |
| Tiger Brands Ltd                     | Wholesale & Retail Trade                      |
| Unilever                             | Wholesale & Retail Trade                      |
| Yudala                               | Wholesale & Retail Trade                      |
| Accion Microfinance Bank             | Financial Services/Investment for Development |
| Actis                                | Financial Services/Investment for Development |
| African Capital Alliance             | Financial Services/Investment for Development |
| African Development Bank (AfDB)      | Financial Services/Investment for Development |
| ARM Investment Managers              | Financial Services/Investment for Development |
| Bank of Industry                     | Financial Services/Investment for Development |
| Business Innovation Facility         | Financial Services/Investment for Development |
| Cardinal Stone Partners              | Financial Services/Investment for Development |
| Central Bank of Nigeria              | Financial Services/Investment for Development |
| Diamond Bank                         | Financial Services/Investment for Development |
| Fidelity Bank                        | Financial Services/Investment for Development |
| Stanbic Bank                         | Financial Services/Investment for Development |
| Standard Chartered Private Equity    | Financial Services/Investment for Development |
| Sterling Bank                        | Financial Services/Investment for Development |
| UBA Plc                              | Financial Services/Investment for Development |

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| Federal Ministry of Finance   | Government – Industry Regulation/Policy Devt. & Mgt. |
| Federal Ministry of Health  | Government – Industry Regulation/Policy Devt. & Mgt. |
| Federal Ministry of Industry, Trade and Investment                  | Government – Industry Regulation/Policy Devt. & Mgt. |
| Federal Ministry of Labour and Employment                           | Government – Industry Regulation/Policy Devt. & Mgt. |
| Federal Ministry of Power, Works and Housing                        | Government – Industry Regulation/Policy Devt. & Mgt. |
| Federal Ministry of Youth and Sports                                | Government – Industry Regulation/Policy Devt. & Mgt. |
| Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) | Government – Industry Regulation/Policy Devt. & Mgt. |
| Delta State Government  | Government   |
| Kaduna State Government   | Government   |
| Nigerian Governor’s Forum   | Government   |
| Presidency  | Government   |
| Rivers State Government   | Government   |
| Corporate Affairs Commission  | Government- Enabling Environment                     |
| National Bureau of Statistics                                       | Government- Enabling Environment                     |
| Nigerian Investment Promotion Commission                            | Government- Enabling Environment                     |
| National Board of Technical Education                               | Government- Talent/Skills Development                |
| National Board of Technical Education                               | Government- Talent/Skills Development                |
| National Directorate of Employment (NDE)                            | Government- Talent/Skills Development                |
| National Youth Service Corps (NYSC)                                 | Government- Talent/Skills Development                |
| Industrial Training Fund (ITF)                                      | Government- Talent/Skills Development                |
| Fate Foundation   | Talent/Skills Development                            |
| MCS Consulting  | Talent/Skills Development                            |
| Workplace Ltd.  | Talent/Skills Development                            |
| Federal Public Administration Reform (FEPAR) Programme              | Intervention Program                                 |
| GEMS 3 (Business Environment)                                       | Intervention Program                                 |
| Market Development Programme (MADE)                                 | Intervention Program                                 |
| Presidential Amnesty Programme                                      | Intervention Program                                 |
| Bill & Melinda Gates Foundation                                     | Development Partnerships                             |
| DAWN Commission   | Development Partnerships                             |
| Development Agenda for West Africa                                  | Development Partnerships                             |
| Embassy of Switzerland in Nigeria                                   | Development Partnerships                             |
| European Commission Delegation to Nigeria                           | Development Partnerships                             |
| French Development Agency   | Development Partnerships                             |
| Ford Foundation   | Development Partnerships                             |
| GIZ   | Development Partnerships                             |

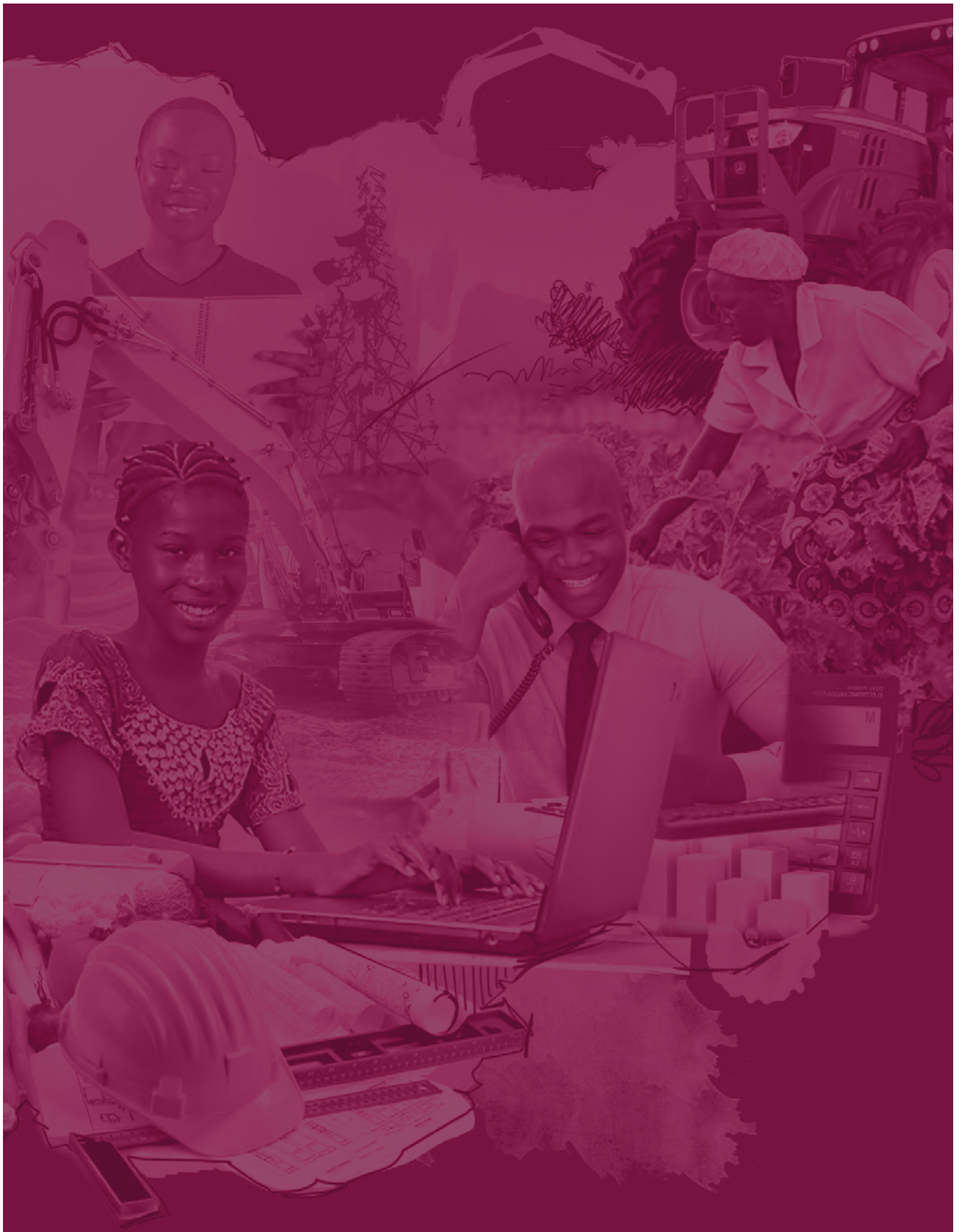


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|---|--------------------------|
| Japan International Co-operation Agency   | Development Partnerships |
| New Nigerian Development Company  | Development Partnerships |
| Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) | Development Partnerships |
| Nigerian Economic Summit Group (NESG)   | Development Partnerships |
| Office of Economic Devt.and Partnerships, Ogun State                                    | Development Partnerships |
| Partnership Initiative for the Niger Delta (PIND)                                       | Development Partnerships |
| Shell Nigeria   | Development Partnerships |
| Tony Elumelu Foundation   | Development Partnerships |
| UK Department for International Development (DFID)                                      | Development Partnerships |
| UK Trade and Investment (UKTI)  | Development Partnerships |
| United Nations Industrial Development Organisation                                      | Development Partnerships |
| World Bank  | Development Partnerships |



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Dalberg

Endorsed by:

