

# FINAL REPORT

## NIGER DELTA DEVELOPMENT FORUM: COLLABORATIVE EFFORTS FOR STIMULATING INVESTMENTS AND INCLUSIVE ECONOMIC GROWTH IN THE NIGER DELTA.

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Tuesday, November 17 – Wednesday, November 18, 2015  
Asaba, Delta State

Supported by Niger Delta Partnership Initiative (NDPI) and the Foundation for Partnership Initiatives in the Niger Delta (PIND)



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# 1 THE NIGER DELTA DEVELOPMENT FORUM

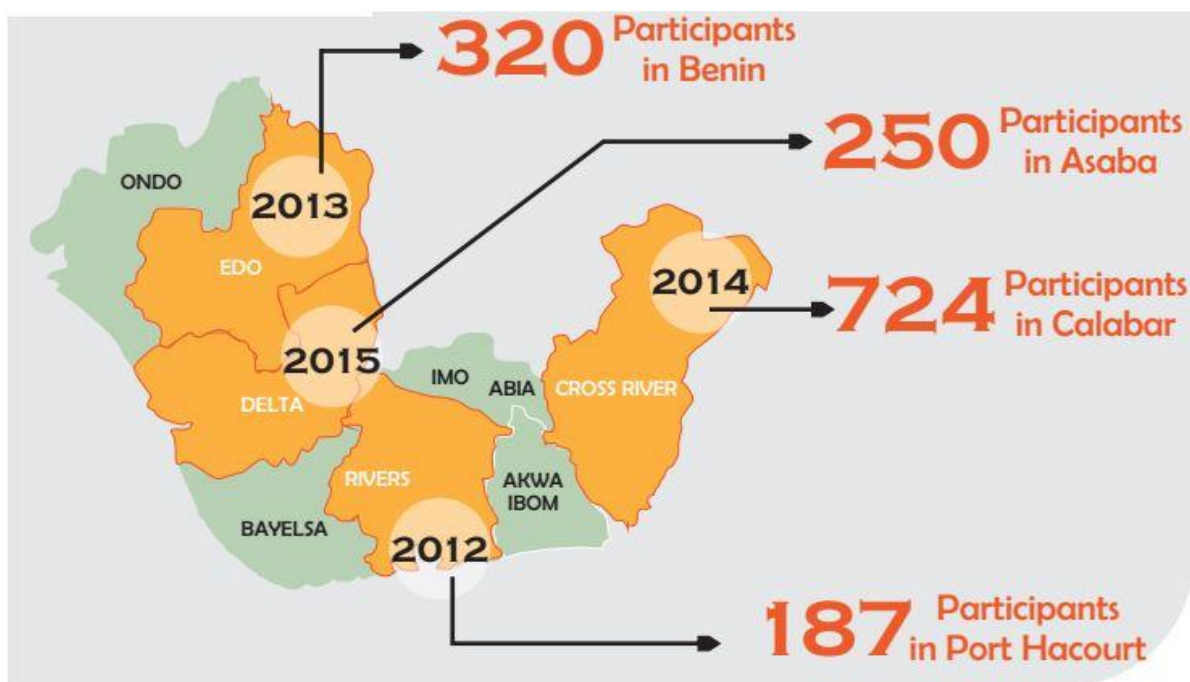


The vision of the Niger Delta Development Forum (NDDF) is a Niger Delta region where all persons that are economically active are able to generate income and employment and take full advantage of existing resources and opportunities, unhindered by constraints from within and outside the

market system. The Forums are catalytic information sharing and collaboration opportunities for government, private sector, and civil society organizations pursuing approaches for equitable economic growth in the Niger Delta. For many participants, the NDDF provides a platform to connect with other partners to collectively pursue improved development policies and practices in the Niger Delta.

The first NDDF was held in November 2012 in Port Harcourt and has since become an annual event with three more forums holding in Nigeria, two in Washington D.C. and one in London. In 2014 the first international NDDF was held in Washington D.C. and this year (2015), NDDF was held in London, UK in June and another one in Washington D.C. in October The November Forum which took place in Asaba, Delta State was the fourth forum ever held in Nigeria.

The Forums are organized by the Niger Delta Partnership Initiative (NDPI) Foundation, the Foundation for Partnership Initiatives in the Niger Delta (PIND) and members of the DEMAND ALLIANCE.



*NDDF Participation numbers from 2012 – 2015*

The 2015 Niger Delta Development Forum (NDDF) in Nigeria was a watershed moment in the Niger Delta. With the recent elections in Nigeria, there were shifts in leadership at many levels, including in at least five of the nine Niger Delta states. This offered a unique opportunity for this year's Forum to frame and influence the discourse, priorities and flagship initiatives in the region for the next four years – building synergy of effort around government and private sector investments as well as citizens priorities as we collectively moved to explore the imperatives of inclusive economic growth and economic diversification in the Niger Delta. By gathering key decision makers from the public and private sphere, as well participants across infrastructure planning, finance and development, this NDDF Asaba aimed to reach balanced and practical insight into the opportunities and solutions. The theme for this year's NDDF in Asaba, Delta state was ***“Collaborative efforts for stimulating investments and inclusive economic growth in the Niger Delta.”***

NDDF Asaba sought to leverage the tradition of a value-added space where interested and committed development actors - public, private sector, development practitioners, and international development actors alike - convene to take actions to promote growth while seizing the huge opportunity to influence the development agenda for the region. It will also sought to build on earlier Forums in 2015 - London, UK (June) and Washington, DC (October) - to connect interested international investors and development actors with the opportunities and networks on the ground in the Niger Delta to work around specific initiatives.

## 2 NDDF 2015 OBJECTIVES

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The objectives of this year's NDDF were -

- Increase level of awareness and shared understanding among stakeholders of systemic constraints and enablers that shape delivery of non-oil and pro-poor initiatives for inclusive economic growth in the Niger Delta region
- Increase opportunities for advancing inclusive economic growth and development in the Niger Delta region through evidence based policy influence at the state level
- Facilitate commitment of key actors (i.e. government, private sector, civil society, donor community) through dialogue, collaboration with diverse stakeholders and ongoing engagement activities with DEMAND Alliance partners for more inclusive pro-poor development initiatives in the Niger Delta
- Support achievement of the objectives of the overall global NDDF platform and the ongoing global and local economic growth initiatives by promoting multi-sector partnerships for development and investment in the Niger Delta region, focusing on creation of national and regional platforms for reflection among development actors and interested stakeholders.

### 3 ABOUT THE DEMAND ALLIANCE PARTNERS

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The Partnership Initiative in the Niger Delta (PIND) recognized that development programs in Nigeria have had limited impact thus far owing to lack of understanding of the complexity of the problems, approaches that often conflict with one another and crowd each other out. In the Niger Delta, there is a rare opportunity to create a fairly consistent and collaborative approach to economic development in the region as they start up, which can greatly enhance the impact from donor and government programs targeting the development potential for the region.

With that background and context in mind, the DEMAND Alliance was created in 2012 with the purpose of laying out a framework and guidelines for collaboration by like-minded donor agencies that are funding overlapping programs on economic development in the Niger Delta. DEMAND stands for Developing Market Alliances in the Niger Delta. DEMAND can lead to greater coordination in project design and implementation by organizations with shared interests, greater sharing of information and resources. A direct result will be more effective influence on the overall development agenda in the Niger Delta, and enhanced development of local implementation capacity within the Niger Delta.



***“The theme for NDDF this year had a key word – inclusive – which meant that for all involved in the planning process, our visions and inputs were carefully considered and implemented.” – Charles Abani, Chief of Party, USAID SACE***

## 4 NDDF 2015 FORMAT AND PROTOCOL

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For 2015, NDDF in Nigeria was an “invite-only” event aimed at targeting the right key stakeholders, decision-makers, private sector, and civil society organizations. It was conducted over two days, providing a space to open up the issues around inclusive economic growth using focused leading presentation papers on 4 topic areas that allowed for in-depth discussions in the breakout sessions. The 4 topics for discussion at the Forum were:

- Session 1: Funding and investment opportunities for economic infrastructure and diversification
- Sessions 2: Skills development for women and youth as a priority for the region in the next four years
- Session 3: Strengthening agricultural/market value chains
- Session 4: Governance and accountability



*From left to right: Simon Gusah, Urban Development Planner, Urban Base Consulting (Session 1); Tammie Kammonke, Executive Director, Gender Perspectives (Sessions 2A and 2B); Dr. Chuma Ezedinma, Agribusiness Lead Specialist, UNIDO (Session 3); and Ambassador Nkoyo Toyo, Special Adviser to Cross Rivers Governor on the SDGs.*

Key recommendations will be given further impetus through a range of follow-up actions after the event:

- High-level Governors’ Roundtable in 2016, facilitated by BRACED Commission and Professor Patrick Utomi
- Support for PIND Foundation and her partners’ initiatives to carry the work forward through the existing suite of projects and the DEMAND ALLIANCE, and;
- Core activities/initiatives emerging from the networking, partnership discussions, and collaborations engendered through the national and international Forums;
- Holding engagement meetings with key stakeholders on how to push forward the recommendations from the Forum.



## 5 SESSION 1: FUNDING AND INVESTMENT OPPORTUNITIES FOR ECONOMIC INFRASTRUCTURE AND DIVERSIFICATION.

**Lead paper presenter:** Simon Gusah, Urban Development Planner, Urban Base Consulting. Paper presentation “[Cities of Refuge](#)”.

**Moderator:** William Grant, Global Practice Lead, Market Systems, DAI

**Panelists:**

- Senator Emmanuel Aguariavwodo, Senior Advisor to Delta State Governor on Infrastructure and Housing
- Chantelle Abdul, CEO, Mojec International
- Anita Laz-Nwaokafor, Immediate past executive director for Rivers State PPP Bureau
- Lawrence Okezie Odoemelem, Senior Special Assistant to Abia State Governor on Investment Promotions

### Background:

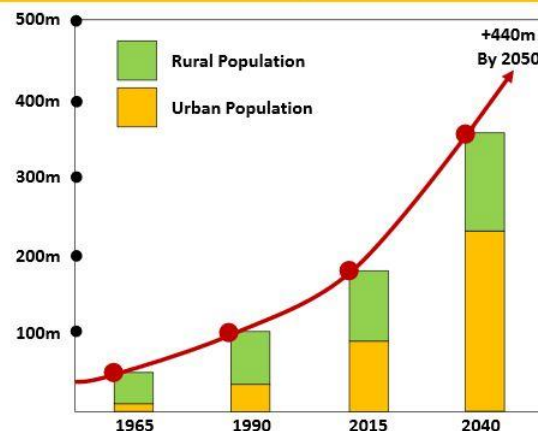
The Niger Delta is suffering from “energy poverty”, with limited or no access to electricity for the majority of the population. A severe lack of coordination has led to the large gap between demand and supply of energy in the region. The Nigerian Government invested in ten National Independent Power Projects; three of which are located in the Delta region and are at the lowest state of completion, creating the largest actual power deficit despite the abundance of available energy sources.

With increasing urbanization, the Niger Delta region ought to be looking at urban areas as the main poles of growth and ensuring sufficient supply of goods and food from rural areas is closely linked. Government has its role to play in the planning and laying out of the basic enabling environment, however it cannot take on all of the infrastructure finance. Recognizing that the private sector will ultimately be the financier and operator of most of the economic infrastructure, a strong value proposition is critical to guarantee investors.

### Problem/Opportunity Statement:

## The Population of Nigeria Doubles Every 25 Years

YEAR	Population	Median Age	Rural/Urban
1965	50,238,570	18.9	80-20%
1990	95,617,350	17.5	65-35%
2015	183,523,432	17.7	48-52%
2040	350,720,062	19.8	34-66%
2050	440,355,062	21.4	29-71%



Data Source: UN Department of Economic & Social Affairs, Population Division – World Population Prospects, 2012 Revision (Medium Fertility Variant)  
<http://www.un.org/en/development/desa/population/theme/trends/index.shtml>

A slow-changing political environment to investment promotion is happening in the Niger Delta. Rivers and Cross Rivers both have had Public Private Partnership (PPP) units that have driven investment promotion to their States for years (notably modeled after the Lagos state unit), with other States starting to follow suit (Bayelsa, Abia, and Delta states). Both Abia and Delta states currently have legislation pending to lay the statewide legal framework for such investment. With these new PPP units popping up, they are helping to lay out a blueprint for growth for multiple sectors and how to rationalize under-utilized assets.

Rivers state PP unit was successful in establishing the following:

- Getting the security environment in the state right – investing in security forces to make the towns, roads, and rivers safer places to live and work
- Laying a realistic blueprint for growth
- Establishing policies and regulations to promote investment and to protect investors
- Sponsoring strategic investments in the state
  - Demonstrations to show how businesses can work better and stimulate proper training
  - Targeting key business investments that can drive a cluster development
  - Allocating land to the people who can use it in an equitable process
  - Privatization of the Brewery, linking in SAB Miller to take it over
  - Privatization of Rizonpalm, a non performing palm plantation that has been leased to SIAT (which is now operational).

### Challenges

- On the State level, a continuing challenge of engaging on infrastructure projects between State and Federal level agencies has to do with the fact that power, ports, and roads remain under the control of the Federal government
  - The Federal government sets the laws on the energy sector (from generation to transmission to distribution) making energy a national issue and difficult for the States to promote internally. Because all power that gets produced gets transmitted onto the national grid, States investing in power generation do not see direct benefits, yet this is the most important binding constraint for States.
  - The Niger Delta is a coastal and riverine area. Ports are critical to their growth and dynamism. African cities projected to thrive in the next decade are port cities with better connectivity to global markets. Federal government can incentivize use of secondary ports through lowering tariffs to users of these ports, and providing more incentives to States to invest in their local facilities. Port Harcourt presents good opportunities for development with its existing two sea ports and ocean terminal. If properly utilized it will allow commerce, which is currently blocked in Lagos.

Within the power sector, there are a number of opportunities for private businesses to increase the efficiency of the value chain. The inefficiencies in power generation (where up to 50% of the available generation capacity is not working) and energy distribution (where the DISCOs are losing money and are unable to collect from their customers for the power they have distributed to them) is large. With new investment in infrastructure, some examples of business opportunities to address these problems are:

- Assistance to the generation plants to help them solve their regular breakdown issues
- Introduction of better metering systems to improve counting of power usage
- Introducing new business models, such as buying power at wholesale prices and then retailing it to customers, most likely using pre-paid cards to ease the repayment problems.



## Recommendations

- There are specific economic infrastructure investments in each state that are ripe for investment. In Abia state, a leather cluster in Aba currently employs up to 110,000 people. The State is currently driving investment to the infrastructure needed to service the leather workers with a common facility center.
- Promoting “Made in Nigeria” products and better branding of products can lead to greater recognition and awareness in domestic and international markets.
- Hold a conference to bring together all the key actors in the power sector to discuss strategies and models for power/energy generation in the region. Key stakeholders would include policy makers, GENCOs, DISCOs, generator manufacturing and sales companies, investors, and service providers.
- Nigeria currently ranks 169 out of 189 countries on the Ease of Doing Business rankings, with Niger Delta states performing poorly when compared to the rest of Nigeria. Niger Delta state governments should prioritize working on the indicators for doing business collectively to make region more attractive to foreign and local investors.
- There are low hanging fruits to make existing infrastructure operational, such as unbundling state owned assets (breweries, oil palm estates, processing clusters) and getting them privatized and operated commercially by investors who can turn them into profitable businesses.
- Lack of infrastructure is key to unlocking the problem of lack of development opportunities in the region; trade within and outside the region is limited by current trading routes and complex trading zones.
- The enabling environment has been a tricky thing to get right in the Niger Delta. Nigeria has had a long history of infrastructure projects that have never been finished, where people have opportunistically gotten contracts that they have never completed. How do we incorporate a culture of transparency and accountability with infrastructure contracts and government agencies that oversee these contracts?
- Develop clearer plans for alternatives for the import and distribution of goods away from Lagos through investment to make port areas more responsive to the needs of the new poles of growth. These could include moving goods through secondary ports (such as Port Harcourt, Warri, Calabar), which are less expensive, but ensuring that there is adequate infrastructure to use them. One incentive to shippers could be to reduce costs by lowering the port tariffs for ports in Port Harcourt, Warri, and Calabar.
- Access to financing and availability of sources of capital is a critical enabler of socioeconomic development, whether from development funds, or micro finance or commercial banks. There is a significant “missing middle” tier of finance for medium and large sized enterprises in the Niger Delta. There are many micro finance banks for which regulation restrictions limit the maximum amount of investment, therefore narrowing funding sources for medium-sized enterprises whose proposals are too small for consideration from commercial banks.
- Security is a vital public good, enabled by strong infrastructure and public services. The high cost of criminality to firms acts like a tax and produces an unsustainable cost to local businesses. Increased domestic security would create an economy of its own, but the main challenge is implementing security initiatives in an economic and political environment which thrives on instability and insecurity.

## 6 SESSION 2: SKILLS DEVELOPMENT FOR WOMEN AND YOUTH AS A PRIORITY FOR THE REGION FOR THE NEXT FOUR YEARS

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**Lead paper presenter:** Tammie Kammonke, Executive Director, Gender Perspectives. Paper presentation [“Skills Development for Women & Youth.”](#)

**Moderators:** Mfon Nnang Tayo (Executive Director, Primus Preston Global Services) and Bassey Archibong (Director, Household Economic Strengthening, USAID Nigeria MARKETS II Project)

**Panelists:**

- Bose Eitokpah, Capacity Building Manager, PIND Foundation
- Vernice Guthrie, CEO, West Africa Development
- Edosa Oviawe, Advisor, Policy & Advocacy, IPAS
- Godson Ohuruogo, CEO/C-Founder, FocusHub
- Olere Llubebey, Executive Director, MindAfrica
- Honorable Remy Chukwunyere, Director, Imo State Job Directorate
- Adaku Ekpo, Director/Consultant, National 4H Council

### Background

Assuming that state and federal skills development initiatives are targeted at the underprivileged and often marginalized women and youth, that skills development in itself is not enough to create sustainable economic development except when it is combined with other economic opportunities and resources that translate to successful enterprise, the theme therefore of NDDF Asaba of “collaborative efforts for stimulating investments and inclusive economic growth in the Niger Delta” further reinforces the premise that certain structural factors have historically tended to exclude vulnerable stakeholder groups (including women, female and male youth) from equitably participating in and benefiting from economic development processes.

According to the British Council Gender in Nigeria report 2012, Nigeria ranks 118 of the 134 countries in the gender equality index. The report indicates that majority of Nigerian women live and work in rural areas, constituting 60 – 79% of the rural work force, which is predominantly in agriculture, with only 21% of women working in non-agriculture labor force. To compound matters, only 7.2% of women (in the Niger Delta) own the land they farm on, a factor that limits their ability to access credit and constraints their entrepreneurship/business development. It’s not surprising then that Nigeria is reported to have one of the lowest female entrepreneurship rates in Sub-Saharan Africa.

Nigerian youth are generally perceived as being too young to take key decisions and responsibilities for their future, a negative reflection of the gender roles. Consequently, certain institutional arrangements also do not favor youth entrepreneurship. This perception also affects the roles assigned to male and female youth by politicians. The vulnerable young men are engaged in “transactional politics” as thugs or vehicles of violence against political opponents. Some of the political leaders see the male youth as transactional and limited to political campaign seasons without feeling any sense of obligation to them once they have “settled them” during the campaigns. Vulnerable female youth on the other hand are perceived as “sex objects” to be “used” by men during political campaigns.

The PIND Niger Delta Region Youth Assessment conducted October 2011 highlights the following:

- Youth under the ages of 30 constitute over 60% of the Nigerian population and nearly two thirds of the Niger Delta population.
- 69% of University and Polytechnic graduates in Nigeria are unemployed.
- Employers in Nigeria consider graduates as lacking needed workplace skills and therefore unemployable.
- The unemployment rate of Niger Delta youth between the ages of 15 and 24 is put at 40%, which exceeds the national average of 14%.
- Extreme poverty is pervasive in the region and 70% of youth in the region live below the poverty line.
- Unemployment and under employment of youth have become key drivers of conflict and impediments to peace building and sustainable development.
- Niger Delta youth hold the government & the oil companies responsible for the under development of the region and their unemployment and therefore owe them a compensation.

**How can we interrogate the prevailing narrative that makes simplistic assumptions between unemployed youth and security?**

- Government should create opportunity for youth to participate in government decision-making processes, especially during law making processes. Youths should be allowed to participate in public forums where their views are heard and articulated.
- Engagement with government agencies or actors must be done in a constructive manner rather than outright opposition and confrontation. The need to seek a middle ground, find commonalities on areas are critical to breeding an environment of collaboration. CSOs can play a vital role in capacity building around this issue.
- Examples of what works in engagement tactics should be shared widely. The Youth Alive Association in Akwa Ibom state, through an aggressive and popular social media campaign, was successful in engaging with the Akwa Ibom state legislature to present a policy brief on setting aside 10% of funds exclusively for youth development.

**How can we create practical, sustainable awareness for youth and women to create and scale-up economic opportunities?**

- ICT has the potential to drive economic growth in the region. Youth need to find innovative ways of applying technology to help solve problems in their local communities. For example, in Kenya text messages are used to send information on weather conditions and market opportunities to farmers.
- In order to build entrepreneurship mentality in children, it needs to start with teachers. Teachers themselves do not have this entrepreneurship mentality and may discourage children from building up this attitude.
- Capacity building for women in businesses should be addressed at all levels; creation of enabling environment with appropriate policy and legal frameworks.
- Government institutions should strive to work more closely with local CSOs and businesses around policy creation, especially in the areas of talent development with human resources agencies, in ensuring that policies on gender equality are carried out from the hiring processes to leadership or managerial positions in organizations and businesses.
- Engage with the Ministry of Education to encourage entrepreneurship skills are included in all schools' curriculum. Changing mindsets from "job seekers" to "job creators" will ultimately lead to economic development for the region.

- There is a need to build and expand on already existing structures, amplifying online platforms for youths in the Niger Delta to share employment information and exchange ideas on businesses.

#### **Bridging the funding gap for youth entrepreneurs: what financial services or options are available?**

- Of the first 3 prerequisites for starting a successful business, funding does not even come among the first three. Most Nigerian youth fall into the default behavior of expecting to be hand-held throughout the process, the “entitlement mentality” does not allow for innovative and creative thinking that entrepreneurship demands.
- The idea of crowd funding and cost sharing vital resources like office space and Internet is a new wave of startups in the country that vastly reduces the initial startup costs of businesses. Insisting on going it alone for fear that “someone might steal your idea” means that the cost of startups or any small business doubles. Facilities like FocusHub in Port Harcourt make it easy for entrepreneurs to share basic resources like generator, Internet, office space at a low cost.
- Financial literacy is extremely low with this demographic – increased knowledge and capacity building in this area would go a long way in creating the right economic environment for businesses to thrive.

#### **Sowing the seed for future entrepreneurs: changing the mindset of the next generation of youth entrepreneurs. Are there examples of effective models that have worked?**

- Enterprise Development Centers (EDCs) through the Central Bank of Nigeria (CBN) established during the Obasanjo administration complements CBN’s microfinance policy in supporting the development of micro, small and medium enterprises (MSMEs) development. Such initiatives like the Small and Medium Enterprises Agency of Nigeria (SMEDAN), National Directorate of Employment (NDE), National Poverty Eradication Program (NAPEP) and Industrial Training Fund (ITF) came out of the EDCs.
- A major policy thrust of President Goodluck Jonathan administration was the design and implementation of the Youth Enterprise with innovation in Nigeria (YouWIN), a youth employment scheme to combat high youth unemployment and promote entrepreneurship among youth. YouWIN was an innovative business plan competition aimed at job creation for young women and men between the ages of 18 and 45years.
  - An interesting feature of the YouWIN initiative was mainstreaming gender equality by addressing gender disparity through a gender specific (women-specific approach) tagged “YouWIN Women” which targeted only young women in the second batch, while targeting women and men in the first and third batches.
- Nigeria Youth Employment and Social Support Operation (YESSO) scheme. This is a World Bank funded youth employability project that targets poor youth and the poorest 10% of households in key states. It aimed at creating opportunities for work and skilled training for youth aged 18 – 35 and improved access to social services for the vulnerable.
  - It is targeted at 20 States including four Niger Delta States of Abia, Cross River, Imo and Ondo States.
- A most recent youth project for female and male youth in the Niger Delta is Youth Leadership, Entrepreneurship Access and Development (YouLead). It is a project funded by the Canadian Government through the Department of Foreign Affairs Trade and Development (DFATD) and implemented by CUSO International in collaboration with Mennonite Economic Development Associates, Canada (MEDA Canada) and selected Cross River State (CRS) Implementing Partners (IPs).

- The project is targeted at 12,000 young women and men between the ages of 18 and 35 years and is to be implemented over a 5-year period between April 2014 and March 2019.
- *YouLead* plans to build the capacity of partners and stakeholders to deliver gender responsive skills training, technical support in value chain enhancement and youth entrepreneurship and improved financial services and products as well as promote green jobs in a green economy through collaboration with CRS Government.

### Recommendations

- Women and female and male youth in the Niger Delta to embrace skills driven enterprise development and commit to transitioning from livelihoods to wealth creation.
- Multi-stakeholder (individuals, communities, Govt. & or Civil Society) supported cluster farming/business, which have the potential to eliminate issues of lack of access to and control over land by women and female/male youth and optimize resource utilization.
- The Nigerian National Gender policy equally highlights women’s lack of access to critical resources such as education, finance, labor, entrepreneurial skills and most importantly, lack of control over their valuable time as being responsible for the feminization of poverty.
- There are cultural limitations that impede women empowerment. Cultural and societal barriers against women should be reviewed through policy recommendations and legislation and through robust advocacy campaigns by CSOs.
- Women’s invisibility in statistics culminates in their being robbed of their “voice” and “agency” (opportunity to be heard and reckoned with) leading to exclusion from development processes. There is a need to be conscious of how the gaps in national and regional statistics can inadvertently lead policies and interventions that can, in fact, be harmful to women.
- Women skill development is everyone's responsibility; men, women, youths.
- The idea of crowd funding and cost sharing vital resources like office space and Internet is a new wave of startups in the country that vastly reduces the initial startup costs of businesses. Insisting on going it alone for fear that “someone might steal your idea” means that the cost of startups or any small business doubles. Facilities like FocusHub in Port Harcourt make it easy for entrepreneurs to share basic resources like generator, Internet, office space at a low cost.
- Engagement with government agencies or actors must be done in a constructive manner rather than outright opposition and confrontation. The need to seek a middle ground, find commonalities on areas are critical to breeding an environment of collaboration. CSOs can play a vital role in capacity building around this issue.
- Capacity building for women and youth needs to be increased in the following areas:
  - Adoption of ICT such rural telephone for marketing purposes.
  - Use of crowd funding for enterprise scale up
  - Development/promotion and adoption of micro-franchising for women and youth
  - Gender and disability mainstreaming into all skills and enterprise development initiatives for women and youth

## 7 SESSION 3: STRENGTHENING AGRICULTURAL AND MARKET VALUE CHAINS

**Lead paper presenter:** Dr. Chuma Ezedinma, Agribusiness Lead Specialist, UNIDO. Paper presentation “[Strengthening Agricultural and Market Value Chains](#)”.

**Moderator:** James Elekwachi, Market Development Project Manager, PIND Foundation

**Panelists:**

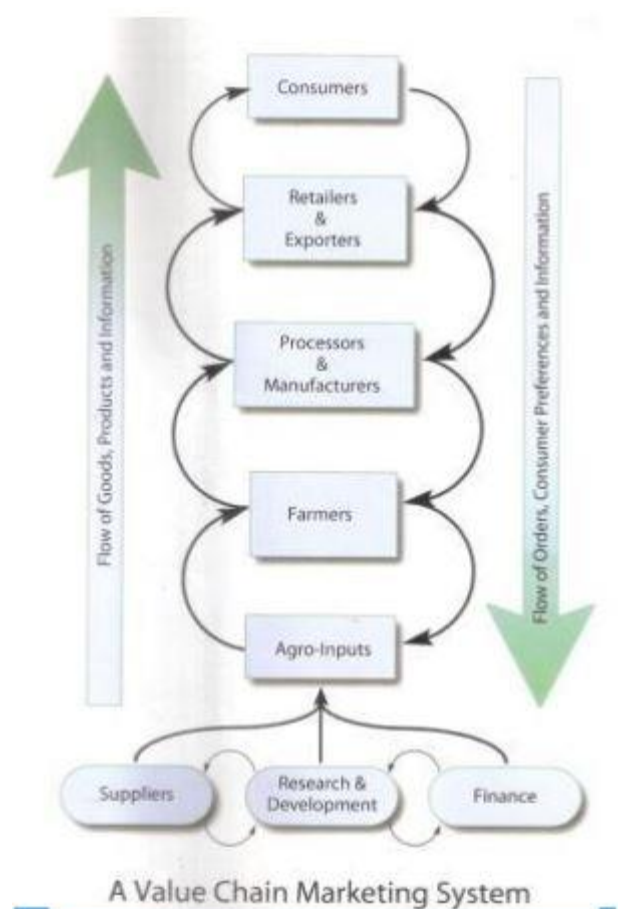
- Peter Idaewor, MD/CEO, Idaewor Farms Ltd.
- Emeka Ile, Business Development Director, USAID/NIGERIA MARKETS II
- Kayode Faleti, Senior Program Manager, USAID/NIGERIA MARKETS II

### Background

Agriculture value chains empowers farmers to shift from subsistence farming to an entrepreneurial business. It gives them the tools they need to take ownership of the process and build sustainable markets. A market-oriented agriculture encourages farmers to invest in their fields in order to increase yields while decreasing production costs. The input value chain encompasses those involved in the steps leading up to the harvest – these include agro-dealers, who sell farmers agro-inputs and provide information on their use or producer organizations that help farmers learn more effective farming techniques. The output value chain encompasses all the steps that an agricultural product takes, from its point of origin to the consumer.

### How do we strengthen agricultural value chains?

- Agricultural value chain project/activity has to be market driven – starting from the market. Nigeria needs to diversify her resources revenue generation with the topmost being Agriculture.
- In order to strengthen the agricultural value chains in Nigeria, we need to look at the kind of environment we have created over the years. The question therefore is whether our commodities value chains actually fit into the context of agricultural value chain.
- We cannot expand agricultural value chain if our focus is only on food market. Therefore, we need to create market for every single agricultural commodity we have in Nigeria. For example, we do not have textile industries in Nigeria hence we cannot drive the cotton value chain.
- When the policy of cassava flour inclusion in wheat bread under the former President Obasanjo’s administration failed, all the SMEs that invested in the production of HQCF got out of business. In order to stimulate growth of the agricultural sector in Nigeria, agricultural policies must be properly implemented while a conducive environment must also created.



### **What are the international investment opportunities in the Niger Delta?**

- Every investment has to be driven by the market. There must be a product that is highly demanded in the local markets. For example, Nigeria is the largest producer and consumer of cassava in the world. This fact alone can attract investors into the country, especially in the Niger Delta. However, as long as we still practice subsistence farming, the demand by industrial processors for cassava roots cannot be met. Cassava production must shift from subsistence farming to mechanized farming.
- Nigeria does not have a policy and an institution regulatory body that guides international investment in agriculture. There must be an enabling environment that will drive international investment in agriculture. Similarly, Nigeria does not have an institution that helps in exportation of agricultural products. Creating such institutions, as well as addressing logistics problem through provision of railway system and seaports, can promote exportation of agricultural products outside the country and the Niger Delta, in particular.
- Having the right relationship between investment and security can attract international investors into the country. There are potentials for growing rice in Bayelsa, pineapple in Cross Rivers, for example, but the enabling environment to attract foreign investors for these commodities is not there. Therefore, we need to create the right enabling environment to drive international investment in the Niger Delta.
- There are enormous international investment opportunities in the Niger Delta in the following areas:
  - Large scale farming
  - Logistics for transporting agricultural commodities
  - Agricultural input supply/warehousing
  - Agricultural financing.

### **What are the challenges in the agricultural value chains?**

- The flow of foreign investment in the Niger Delta is very low. We need to provide information for international investment opportunities at the right time and in the right place. Hence, there must be synergy between the actors in the public and private sectors to attract banks to finance willing investors with right partnerships that can work.
- Commitment is strategic to any successful agricultural value chain project. If there is a sustainable market, all agricultural commodities value chains can thrive well in Nigeria. There must be diversification by all actors along the value chain.
- Nigeria currently ranks 169 out of 189 countries on the Ease of Doing Business rankings, with Niger Delta states performing poorly when compared to the rest of Nigeria. One of the reasons for this is the high cost of production. Power (i.e. energy) amounts to about 30% of the total cost of production. This is one of the reasons why investments are pushed from Nigeria to Ghana where electricity is more stable.

### **What are the policies that affect the growth of agricultural value chains?**

- The three tiers of governments – Federal, State and Local governments -- must have a stake in agricultural policy and its formulation. Contrarily, in Nigeria both the state and local governments are not involved in the agricultural policy formulation. Policies are supposed to be formulated and implemented by the institutions. However, the institutions we have in Nigeria are very weak.
- In the Niger Delta, land allocation is usually a big issue. When it comes to agriculture there are no policy and institutions that help in allocating land for farming. Therefore, it is very important to



build incentives, as well as capable institutions, that can attract investors to invest in the Niger Delta.

- Inconsistency in policy will prevent investors from coming into the Niger Delta region. A good example is the policy on rice importation.

#### **What are the challenges of doing mechanized farming in Nigeria?**

- The major challenge to mechanized farming is our farming practice in Nigeria. We practice fragmented farming in Nigeria. The solution to land fragmentation therefore is cluster farms where farmers come together to cultivate in one location. Another way is to contract farms where land is opened up by government or private institutions and in turn allocated to interested farmers to cultivate in the same location.
- Youth can be attracted to mechanized farming through promotion of mechanized farming technology, however the problem with mechanization is maintenance of the tractors that are imported. We do not have maintenance workshops where these tractors are repaired and or maintained.

#### **Recommendations**

- All the value chain actors need to upgrade, upscale and expand our agricultural production in order to meet both the local and international market demand.
- There is need to have an institution or mechanism that provides the right information for prospective investors along the value chains.
- We need to have mechanism that can give incentive to Niger Delta indigenes who are interested in investing in the agricultural value chains in the Niger Delta.
- Investment in the Niger Delta can thrive with the right environment, adoption of right technology and support to institution like commercial banks.
- 5 key target areas for policy recommendations:
  - Assistance for the promulgation of a National Quality Policy (NQP) and improvements in ensuing legislation for the NQI
  - Establishment of a National Accreditation Body (NAB) and Capacity development for accreditation auditors
  - Establishment of a National Metrology Institute (NMI)
  - Improved private sector capacity to create and support conformity assessment bodies (CAB) in the NQI program
  - Extend the use of NQI services through awareness activities and better trained NQI's workforce

## 8 SESSION 4: GOVERNANCE AND ACCOUNTABILITY

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**Lead paper presenter:** Ambassador Nkoyo Toyo, Special Advisor to Cross Rivers Governor on SDGs

**Moderator:** Charles Abani, Chief of Party, SACE

**Panelists:**

- Clement Ofuani, Director General, Delta State Capital Territory Development Agency
- Chuks Ofulue, Chief Economist/Head of Economic Development, BRACED Commission
- Ambassador Nkoyo Toyo, Special Advisor to Cross Rivers Governor on SDGs

### **Driving questions for discussion during this session**

How does governance and accountability increase the potential for inclusive economic growth (and build investor confidence)? What are the key challenges and where are the low hanging fruit in the Niger Delta?

What is the nature of supra-institutions in the Niger Delta (NDDC, state DECs, Ministry of the Niger Delta Affairs, BRACED Commission)? Are rules and regulations clear and fair to all? To what extent are institutions depoliticized and legitimate? How do they work together for greater inclusive economic development in the region? What are the key transparency, accountability, and good governance issues that they must grapple with? How do they function at supra regional level and coordinate effectively with Federal, State, and LGA structures (are they parallel or integrated)? Are there clear division of roles and responsibilities and separation of powers?

In Ambassador Toyo's presentation she highlighted the key trends, challenges, and potential opportunities she sees in governance in the Niger Delta. Her presentation provided a lot of food for thought and produced more questions than answers, which in turn lead to a very fruitful session discussion with the panelists.

- What should be the [new] agenda for the region? When it comes to articulating a collective agenda for the region, it should include stringent economic planning and a need for evidence based planning (best practices, accountability, leadership, etc.).
- Economic growth in the region is restricted by not only a paucity of information and market research, but also a lack of analysis and validation of information, whether public or private. As such greater understanding is needed of the ways that information can be used to properly stimulate investment and build competitiveness.
- Rent-seeking has come to dominate the economy of the Niger Delta through political patronage, extortion and illegal and industrial-scale oil bunkering. The consequences of trying to live on these forms of rent-seeking include lawlessness, increased income inequality, insecurity and economic disaster for legitimate businesses. As this type of illicit behavior is a fundamentally domestic circumstance, the region's governments need to be proactive in driving major behavioral change and change of expectations.
- There are no shortage of development ideas for the Niger Delta. Perhaps the issue is that the region may be "over planned".
  - Cause of low productivity in the region is the heavy reliance on the Federal government, leaving the region largely unexplored
- The Niger Delta does not exist in a vacuum; whatever is happening in the region must be contextualized with what is happening nationally and internationally. There are no "new" problems when it comes to the Niger Delta. We must learn to decipher "body language" and work in concert with others.

### **How do we move forward? What are the new frameworks for engagement with government?**

- A new partnership model for collaborating on development projects is needed.
  - Rather than competing (in some instances for the same pool of funds), NDIs should find ways to leverage their resources and work together for the entire benefit of the region
  - Budget swapping between governments of the region to improve information flow and promote cross learning
- It's not difficult to find out how citizens want to be engaged and how they feel about initiatives in the region. What is lacking, however, are tools and mechanisms to track engagement.
  - CSOs and other development partners can leverage their expertise in educating citizens and office holders alike on advocacy and communication strategies
- It may be time to have a rethink of the Niger Delta Action Plan.
- Peer Review Mechanism – a platform for governors, key stakeholders in the region to share global best practices, celebrate success and provide support towards greater ownership of development initiatives.
  - Strong political will is critical for such a mechanism to be successful

### **Governance**

- Niger Delta states are broke; majority of them are unable to pay salaries and other basic expenditures for their states.
  - Reduce the number of political appointees
  - Reduce/eliminate duplicate roles for civil servants
- Capacity building is recommended for first-time office holders on general legislative matters
- A strong recommendation for Niger Delta states to take steps towards providing open budgets and effective budget implementation monitoring.
  - Accountability is only effective if there are associated penalties, which is currently lacking.
  - Recommendation to create a joint committee to prepare joint budgets and coordinate activities across the region
  - The issue of entitlement is not unique to the Niger Delta, it is a national headache
    - Government machineries are bloated as political office holders need to compensate political supporters with juicy appointments.
- NDDC law reform
  - A review of the law establishing NDDC to be done by two representatives from the region (government) and in the National Assembly
  - Reduce competition among Niger Delta institutions for contracts based on interests rather than on needs of the populace
  - Governments of the Niger Delta should be more aware of the fact that they have huge resources locked up at both NDDC and the Amnesty program which could be leveraged upon to accelerate development of the region
    - Governments could be engaged using the NDDC Advisory Council
- Project implementation and wastage of resources is a chronic issue in the region
  - Better project management capacity should be built into government policies and mechanisms

## 9 SUMMARY OF KEY POINTS, CONCLUSIONS AND RECOMMENDATIONS FROM NDDF ASABA

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### **Session 1: Funding and investment opportunities for economic infrastructure and diversification**

- Lack of infrastructure is key to unlocking the problem of lack of development opportunities in the region; trade within and outside the region is limited by current trading routes and complex trading zones.
- The enabling environment has been a tricky thing to get right in the Niger Delta. Nigeria has had a long history of infrastructure projects that have never been finished, where people have opportunistically gotten contracts that they have never completed. How do we incorporate a culture of transparency and accountability with infrastructure contracts and government agencies that oversee these contracts?
- Develop clearer plans for alternatives for the import and distribution of goods away from Lagos through investment to make port areas more responsive to the needs of the new poles of growth. These could include moving goods through secondary ports (such as Port Harcourt, Warri, Calabar), which are less expensive, but ensuring that there is adequate infrastructure to use them. One incentive to shippers could be to reduce costs by lowering the port tariffs for ports in Port Harcourt, Warri, and Calabar.
- Nigeria currently ranks 169 out of 189 countries on the Ease of Doing Business rankings, with Niger Delta states performing poorly when compared to the rest of Nigeria. Niger Delta state governments should prioritize working on the indicators for doing business collectively to make the region more attractive to foreign and local investors.
- There are low hanging fruits to make existing infrastructure operational, such as unbundling State owned assets (breweries, oil palm estates, processing clusters) and getting them privatized and operated commercially by investors who can turn them into profitable businesses.
- Access to financing and availability of sources of capital is a critical enabler of socioeconomic development, whether from development funds, or micro finance or commercial banks. There is a significant “missing middle” tier of finance for medium and large sized enterprises in the Niger Delta. There are many micro finance banks for which regulation restrictions limit the maximum amount of investment, therefore narrowing funding sources for medium-sized enterprises whose proposals are too small for consideration from commercial banks.
- Hold a conference to bring together all the key actors in the power sector to discuss strategies and models for power/energy generation in the region. Key stakeholders would include policy makers, GENCOs, DISCOs, generator manufacturing and sales companies, investors, and service providers.
- Security is a vital public good, enabled by strong infrastructure and public services. The high cost of criminality to firms acts like a tax and produces an unsustainable cost to local businesses. Increased domestic security would create an economy of its own, but the main challenge is implementing security initiatives in an economic and political environment which thrives on instability and insecurity.

### **Sessions 2: Skills development for women and youth as a priority for the region in the next four years**

- Capacity building for women in businesses should be addressed at all levels; creation of enabling environment with appropriate policy and legal frameworks.

- Government institutions should strive to work more closely with local CSOs and businesses around policy creation, especially in the areas of talent development with human resources agencies, in ensuring that policies on gender equality are carried out from the hiring processes to leadership or managerial positions in organizations and businesses.
- Engage with the Ministry of Education to encourage entrepreneurship skills are included in all schools' curriculum. Changing mindsets from "job seekers" to "job creators" will ultimately lead to economic development for the region.
- ICT has the potential to drive economic growth in the region. Youth need to find innovative ways of applying technology to help solve problems in their local communities. For example, in Kenya text messages are used to send information on weather conditions and market opportunities to farmers.
- Women and female and male youth in the Niger Delta to embrace skills driven enterprise development and commit to transitioning from livelihoods to wealth creation.
- The Nigerian National Gender policy equally highlights women's lack of access to critical resources such as education, finance, labor, entrepreneurial skills and most importantly, lack of control over their valuable time as being responsible for the feminization of poverty.
- There are cultural limitations that impede women empowerment. Cultural and societal barriers against women should be reviewed through policy recommendations and legislation and through robust advocacy campaigns by CSOs.
- Women's invisibility in statistics culminates in their being robbed of their "voice" and "agency" (opportunity to be heard and reckoned with) leading to exclusion from development processes. There is a need to be conscious of how the gaps in national and regional statistics can inadvertently lead policies and interventions that can, in fact, be harmful to women.
- The idea of crowd funding and cost sharing vital resources like office space and Internet is a new wave of startups in the country that vastly reduces the initial startup costs of businesses. Insisting on going it alone for fear that "someone might steal your idea" means that the cost of startups or any small business doubles. Facilities like FocusHub in Port Harcourt make it easy for entrepreneurs to share basic resources like generator, Internet, office space at a low cost.
- Engagement with government agencies or actors must be done in a constructive manner rather than outright opposition and confrontation. The need to seek a middle ground, find commonalities on areas are critical to breeding an environment of collaboration. CSOs can play a vital role in capacity building around this issue.
- Capacity building for women and youth needs to be increased in the following areas:
  - Adoption of ICT such rural telephone for marketing purposes.
  - Use of crowd funding for enterprise scale up
  - Development/promotion and adoption of micro-franchising for women and youth

### **Session 3: Strengthening agricultural/market value chains**

- Urgent need to create incentives in the agribusiness and agricultural sector in the region. Constituting a large proportion of the Nigerian economy worth a total of over \$500 billion; one dollar in every five is generated from agriculture, and yet still more can be done to make the sector more profitable in the future.
- Nigeria does not have a policy and an institution regulatory body that guides international investment in agriculture. There must be an enabling environment that will drive international

investment in agriculture. Similarly, Nigeria does not have an institution that helps in exportation of agricultural products. Creating such institutions, as well as addressing logistics problem through provision of railway system and seaports, can promote exportation of agricultural products outside the country and the Niger Delta, in particular.

- All the value chain actors need to upgrade, upscale and expand our agricultural production in order to meet both the local and international market demand.
- 5 key target areas for policy recommendations:
  - Assistance for the promulgation of a National Quality Policy (NQP) and improvements in ensuing legislation for the NQI
  - Establishment of a National Accreditation Body (NAB) and Capacity development for accreditation auditors
  - Establishment of a National Metrology Institute (NMI)
  - Improved private sector capacity to create and support conformity assessment bodies (CAB) in the NQI program
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#### **Session 4: Governance and accountability**

- The BRACED Commission can act (and has acted) as a governing body for Regional Governors to meet on a regular basis to discuss and update each other on development initiatives in the region. However, with no enforcing mechanisms built into the institution, it's convening and facilitating efforts carry no weight and therefore can be easily discountenanced. There is a need therefore to strengthen/empower the institution to enable it to act as the main nucleus for sharing information that comes out of NDDF and for ensuring all state governments and their respective institutions are well represented in the decision-making process. This effort can be supported by the input of PIND as a neutral and unbiased third-party organization.
- Engagement with Governors of the region should be done State-by-State, with state teams comprised of policy makers, agencies, and other stakeholders, tasked with tracking progress on key actions and policy recommendations from the Forum throughout the year.
- States are naturally inclined to look inward first when attempting to solve issues and may not naturally seek the collaboration or even interest of other Niger Delta States to tackle issues that are common across the region. NDDF can serve as a body for establishing a link and a need for Niger Delta State governments to begin to work more collaboratively with one another.
- Information in the Niger Delta is often considered a source of power and therefore citizens and organizations are not incentivized, or sometimes lack the appropriate systems, to share data and research findings. Improved systems for sharing information are essential to stimulate behavioral change among stakeholders, including to foreign and national investors who say a lack of data is reason for not investing in the region.
- Beyond sharing key takeaways from the Forum with participants, effort must be made to also share the report and key findings with the right stakeholders, including local, State, and Federal governments. Mode of information sharing can be modified depending on the stakeholder, for example, government officials and government institutions prefer hard copies of the report rather than digital formats.
- Economic growth in the Niger Delta region is restricted by not only a paucity of information and market research, but also a lack of analysis and validation of information, whether public or private. Greater understanding is needed of the ways that information can be used to properly stimulate investment and build competitiveness.

- The fall in oil prices and its impact on a reduction in rent-seeking behavior in the Niger Delta, (not only in the public and private sectors but also at community level) should be seized as a unique window of opportunity to change thinking and encourage wider development without increasing the region's dependency on the oil industry. All development actors in the region must recognize shared responsibility to find ways to collaborate to address rent-seeking behavior and promote economic diversification before oil prices rise again.
- To address the business and investment risks presented by the region it is essential that government at Federal and State levels demonstrate exemplary leadership and political will. There is no shortage of initiatives and ideas to promote development within the region (e.g. power generation and street lighting), but government must show commitment to actionable targets.
- Incorporate key findings and achievements from previous Forums when communicating about upcoming Forums as a way to drive interest and deepen engagement.
- For proper information sharing to be effective, especially at the local levels, there is a need to work more closely with the media from these communities.



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