

## BRIEF: TRANSFORMING the NIGERIAN RED MEAT & LEATHER INDUSTRY



Implemented over 5 years (2011-15) by the Ministry of Trade and Investment, the Growth and Employment in States (GEMS) Project is jointly funded by the World Bank and DFID. Its aim is to increase growth and employment, especially for poor men and women, by improving competitiveness in strategically important Nigerian industry clusters in selected states and nationally, as well as through business environment reform. Wholly funded by DFID, the GEMS1 component is targeting the meat and leather industry.

As in other target markets, GEMS1 uses the Making Markets Work Better for the Poor (M4P) approach targeting sustainable improvements in market outcomes by altering the incentives that the market as a system provides to participants. It addresses major government and market failures in the system thus bringing about systemic change. Improving the incomes of the poor, especially women and the young, is an explicit goal of M4P programmes.



### GEMS1 RED MEAT and LEATHER INDUSTRY STRATEGIES...

The **target impact** of GEMS 1 is “to increase growth, income and employment, especially for poor men and women, in meat and leather markets in selected states and nationally”. The **target outcome** is to “improve the performance and inclusiveness of meat and leather sector market systems that are important for poor people”.

Complementing the strategies of the Nigerian Beef, Smallstock and Leather Transformation Agendas while ensuring high local ownership by the private sector, and responsive to resolving major industry competitiveness constraints while exploiting major growth and employment opportunities, the core red meat and leather industry strategies of GEMS1 are:

**Red Meat Industry:** Strengthening chain efficiency and quality by supporting markets and linkages for the following interdependent areas:

- **Strengthening Chain Efficiency by Increasing the Adoption of Livestock Feed Finishing:** Working with partners involved in feed finishing livestock and those that supply inputs and services to develop and implement feed finishing techniques that are cost-effective, and to develop appropriate feed finishing business models.
- **Improving Red Meat Quality:** Working with partners involved in processing improved quality red meat products (edibility, food safety and hygiene) to develop and establish sustainable business models.

Other important areas of potential intervention in the red meat industry under consideration include: (1) supporting access to information and training to increase herd productivity; (2) supporting markets and linkages for improved red meat marketing; and, (3) strengthening support functions to improve sector coordination and information management.

#### Leather Industry:

- **Finished Leather Goods (FLGs) for Domestic and Export Markets:** Working with partners both in the local leather goods manufacturing sector and those that supply services to the sector to improve marketing, develop access to improved materials and implement improved production techniques, especially to increase competitiveness vs. Chinese imports.
- **Skin Supply to Tanneries:** Working with partners both in the skin trading value chain and those that supply goods and services to create linkages and develop and implement improved techniques for reducing skin damage and improving skin preservation and sorting and increase skin value.
- **Production of Finished Leather for Export:** Working with partners in the tanning sector (those that manufacture crust and finished leather) and those that supply services to the sector to develop improved manufacturing processes and market access for finished leather including manufacturing process and market access improvement.

Other important areas of potential intervention in the leather industry under consideration include: (1) supporting markets and linkages for the export of quality finished leather goods; and, (2) strengthening support functions to improve sector coordination and information management.

# BRIEF: TRANSFORMING the NIGERIAN RED MEAT & LEATHER INDUSTRY

## Crosscutting Support:

GEMS1 is supporting Business Membership Organizations (BMOs) in both the red meat and leather industries including advocacy for improving the business environment, facilitating increased access for members to commercial and concessional finance, and strengthening business networking (including trade shows, networking events and other).

## GEMS 1 TARGET IMPACT and OUTCOME INDICATORS...

### Target Impact:

Indicators	Baseline 2011	Target 2015	Sources of Verification for Indicators
1. Number of people recording positive change in incomes <i>Notes: data to be disaggregated by formal /informal. Average total annual income increase to reach 15% or more</i>	0	30,000	Programme/intervention monitoring information; enterprise surveys of a representative sample of target and control group firms, and intervention control frameworks (containing impact summary)  GEMS1 applies the Donor Committee For Enterprise Development (DCED) results measurement and reporting standards including Value for Money (VfM)
# of POOR	0	10,500	
# of WOMEN	0	900	
2. Aggregated change in cumulative income (GBP) <i>Notes: data to be disaggregated by formal /informal.</i>	0	15.0m	
# of POOR	0	5.25m	
# of WOMEN	0	0	
3. Change in employment (FTE jobs) <i>Notes: to be further disaggregated by: jobs created /people into employment; formal /informal.</i>	0	5,650	

### Target Outcome:

Indicators	Baseline 2011	Target 2015	Sources of Verification for Indicators
4. Number of firms with increased sales <i>Notes: disaggregated by: male /female managed or owned firms; formal /informal; informal /formal sector Interventions -</i>	0	25,000	Impact assessments sub-sector guides; sub-sector analysis and baselines; intervention control frameworks (containing impact summary)
5. Increase in sales amongst targeted firms (GBP) <i>Notes: disaggregated by: male /female managed or owned firms; formal /informal; informal /formal sector Interventions</i>	0	55.0m	<b>Outcome Assumptions:</b>
6a. Percentage of new or improved products and services, introduced through project facilitation, that are established in the market 12 months after project support has ended	0	40%	- <b>Macro-economic:</b> global and national economic conditions remain conducive to construction sector growth; - <b>Security</b> in target areas does not deteriorate;
6b. Percentage of new or improved regulations or reforms, introduced through project facilitation, that are established in the market 12 months after project support has ended	0	40%	- <b>Competition environment</b> does not deteriorate, especially through regulatory change; - <b>Political economy</b> for development within the sector especially with regard to impact of corruption and patronage networks does not deteriorate.

Additional information on GEMS1 Target Outputs is provided in separate Output Fact Sheets currently covering each of: Livestock Feed Finishing; Red Meat Processing and Retailing; Finished Leather Goods; Finished Leather for Export; and, BMOs and Advocacy.

Prepared by GEMS1, the DFID-funded programme supporting the Nigerian Meat and Leather Industry implemented by GRM International Limited

