



**MARKET  
DEVELOPMENT  
IN THE NIGER DELTA**

**DFID** Department for  
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Funding for this programme  
is provided by the United Kingdom's  
Department for International  
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■ **Monograph Series Vol. 11**

# FINAL POLITICAL ECONOMY ANALYSIS UPDATE REPORT

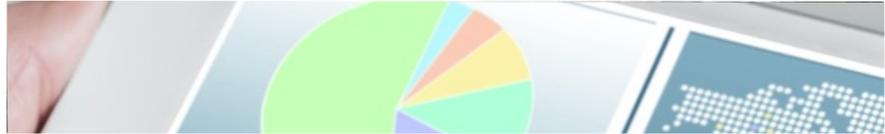


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November 2016

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The MADE monograph and learning series is planned to help provide information and knowledge for dissemination.

We believe the information will contribute to sector dialogues and conversations around development in Nigeria.

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## Abbreviations and acronyms

ADPs	Agricultural Development Programmes
APC	All Progress Congress
APP	Agricultural Promotion Policy
ATA	Agriculture Transformation Programme
BOA	Bank of Agriculture
CACS	Commercial Agriculture Credit Scheme
CBN	Central Bank of Nigeria
GES	Growth Enhancement Support Scheme
IFS	Integrated Farmers' Scheme
IITA	International Institute for Tropical Agriculture
LEPMAS	Leather Products Manufacturers Association of Abia State
M4P	Making Markets Work for the Poor
MADE	Market Development in the Niger Delta
MFBs	Micro-finance banks
MSMEDF	Micro, Small and Medium Enterprises Development Fund
NBFI	Non-Bank Financial Institution
NDDC	Niger Delta Development Commission
NDA	Niger Delta Avengers
NGO-MFIs	Non-Governmental Micro-finance Institutions
NIFOR	Nigerian Institute for Oil Palm Research
NISRAL	Nigeria Incentive-Based Risk Sharing System for Agricultural Lending
NRCRI	National Roots Crops Research Institute
PAN	Poultry Association of Nigeria
PDP	Peoples Democratic Party
PEA	Political Economy Analysis
PPSP	Production, Processing and Support Programme
SADI	Strategic Agriculture and Rural Development Initiative
STEP	Student Entrepreneurship Programme
WADEP	Women Agriculture Entrepreneurship Development Programme
YAGEP	Youth Agricultural Empowerment Programme



## Executive Summary

MADE has an ambitious long-term target of increasing the income of 150,000 beneficiaries (with women being 50%) and lifting them out of poverty over the lifetime of the project. Working in a difficult environment, MADE is making steady progress towards achieving its long-term target. MADE is working under an increasingly suffocating operating environment characterized by several elements.

A pervasive political ideology of patronage politics has continued in the region despite declining oil revenues. The public expenditure pattern of the states still neglects concerns of the poor such as agriculture, public education, health care facilities, potable water, rural roads, and communications. Rather, elite projects such as dualisation of urban roads, construction of airport, etc. and huge recurrent expenditure that fund the salaries and allowances of public offices are given prominence.

There is a deteriorating conflict and insecurity situation in all the states. Dimensions of conflict include piracy which affects fisheries in particular, communal conflicts between farming communities especially in Abia, violent militancy mostly in riverine oil producing states undermining investor interest in the area, and most pervasive of all, the menace of herdsmen that has negative impact on cassava value chain in particular. Altogether a climate of insecurity defines the operating environment across the states visited by the consultants

Fragile intergovernmental relations characterize government efforts to provide support for operators in the various value chains. Collaboration between various tiers of government in supporting service delivery is weak in all states. The National Root Crops Research Institute, Umuahia, Abia State is doing good work albeit with little linkages with state government agencies. The Consultants were in the field when the Federal Government released the Agriculture policy. None of the state Ministries of Agriculture visited had knowledge of the content of the document, which nevertheless has articulated clear policy statements regarding the value chains MADE is supporting.

Whilst some states have made efforts to construct interstate highways, there is a general neglect of infrastructure to support transportation and processing of farm produce. As a result, many farmers interviewed complained about selling farm produce at giveaway prices. Related to poor infrastructure are anemic extension services. All the states have Agriculture Development



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Programmes (ADPs) with a clear mandate to provide extension services to farmers. But most ADPs visited by the consultants are in various shades of institutional incapacitation.

Across the states visited, farmers in the various value chains face a range of multiple taxes and illegal levies on agricultural produce. A combination of formal and informal rules are applied to extort funds from farmers, thus increasing the cost of production across the value chains affected. Multiple taxation and the collection of illegal levies by government officials and touts is a major disincentive for persons engaged in agricultural production. The situation is exacerbated by the deepening economic recession. Many stakeholders interviewed expressed the view that rising costs of inputs associated with prevailing foreign exchange regimes translate to high cost of production, which in many cases is affecting demand for products. Albeit, the devaluation of the Naira is also shifting demand in favor of core crops like cassava. In all states there is a huge backlog of salaries and pensions, altogether depreciating general purchasing power. Logically, a fall in demand would result in declining profits for farmers and other investors, with possible scaling back in further investments if it persists for a long time. This has implications for MADE, as a fall in the productivity of its beneficiaries would undermine its objective of poverty reduction.

There is a growing sense of “entitlement” and benefit capture at all levels. This is the downside of patronage politics. The expectations of handouts, noted by the initial PEA as a critical political economy risk to MADE is still very relevant. The note by the initial PEA that farmers and producer associations were set up to capture benefits arising from agricultural support programmes remains a crucial issue that needs to be tackled by MADE.

The initial PEA had counseled MADE that state governments that do not share its private sector led approach might obstruct its programmes. Following this and leaning heavily on its private sector principle, MADE has adopted a fatal ‘leprous’ or touch not government approach. The programme has thus operated without any input from government and this has made its intervention alien to nearly all the state governments. This robs the programme of benefits arising from partnerships in agricultural extension services and input supply to farmers<sup>1</sup>. MADE’s approach needs to be reviewed, at least to the extent that government should be adequately informed of its presence and activities in the states.

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<sup>1</sup> This document was prepared and submitted to MADE by: James Zasha, Ibaba Samuel Ibaba and Timothy Effiong

## Implications for MADE's approach

The tendencies in the operating environment pose a threat to MADE's journey towards achieving its long-term objectives. MADE is on course in taking measures to deliver results in a hostile environment, including diligent implementation of previous recommendations. MADE has maintained a geographic focus, working in the core Niger Delta states of Rivers, Bayelsa, Akwa Ibom, Edo and Delta, whilst also progressing with interventions in Abia, Imo, Ondo and Cross River. MADE is also taking steps to conflict proof its investments and develop Value Chain Theories of Change aligned to the overarching Theory of Change. To sustain its effectiveness and deliver in the environment MADE needs to:

- Develop a politically smart engagement/communication strategy with state governments to ensure that governments know about MADE's operations and activities with a view to developing partnerships for agricultural extension services and input supply to farmers.
- Finalize revision of the Value Chain Theories of Change and results frameworks to help maintain a strategic line of sight.
- Regularly review and update its risk mitigation strategy in view of the volatility of the operating environment.
- Increase efforts to make access to finance available to more beneficiaries and engage lending institutions to re-negotiate credit terms to create a match between repayment and harvesting of crops. The programme may also seek to access finance from initiatives like the Micro, Small and Medium Enterprises Development Fund (MSMEDF) and Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL). Laying emphasis on creating access to credit from credit institutions takes off some burden from MADE
- Evolve creative strategies to support the beneficiaries to address the challenge of access to markets.



## 1. Introduction

Market Development in the Niger Delta (MADE) is a 4.5-year UK DFID-funded programme applying the Making Markets Work for the Poor (M4P) approach to generate pro-poor and inclusive economic growth in selected non-oil value chains in the Niger Delta. The programme's stated objective is to raise the incomes of at least 150,000 poor people, of whom 50 per cent will be women, by at least 40-50 per cent. The programme is currently in its second year of implementation across the nine states of the Niger Delta, working in five value chains, namely: Cassava, Palm oil, Fisheries, Micro and small scale poultry, Finished leather goods as well as and crosscutting Agricultural inputs, Access to finance and Gender components.

In November 2013 MADE commissioned a political economy analysis of the Niger Delta. The objective was to undertake a political economy and conflict analysis of the Niger Delta, and the results of that analysis was to be integrated into the design of MADE. The PEA was undertaken and its findings fed into the preparation of the Business Case. In 2016 the present PEA study was commissioned to update the initial PEA.

### Terms of Reference

An update of the original political economy analysis, incorporating elements of a conflict analysis, is required to ensure that the changes in the external context, MADE's geographical focus and subject matter scope has been factored into how the programme implements in general, and how it manages risk in particular. Specific objectives are as follows:

- Update the overarching regional level political economy analysis
- Provide the interplay between formal informal rules and norms, power structures, vested interests and incentives (positive and perverse) within selected market systems;
- Working from the market systems analyses, undertake a review of key stakeholders, identifying the most influential actors, what their interests and incentives are, and how these shape the overall dynamics of the selected market systems.
- Review the programme's efforts to conflict proof its investments and identify methods by which MADE can maximize the links between the programme and the reduction of conflict.
- Assess the political economy to identify how best a market based intervention could impact on human trafficking and forced labour
- Review the Value Chain Theories of Change in the light of the analysis and recommend

changes that will make these more robust.

- Review and recommend changes to the project's risk mitigation matrix.
- Work with the M&E manager to review how the findings can be incorporated into an analysis of the results being obtained by the project and how this can be taken forward so that future reporting results and is better contextualised.

## **Methodology**

The Consultants undertook a desk review of previous political economy study, Literature on Niger Delta, as well as relevant MADE programme documents. The Consultants also undertook 2-Day field visits to 6 Niger Delta States: Delta, Edo, Akwa Ibom, Cross River, Bayelsa, and Rivers. The Consultants held semi-structured interviews and focus group discussions with key stakeholders in each of the states visited.

Also, consultations were held with DFID Advisers in Abuja, and MADE Programme Leads in Port Harcourt. Two consultants undertook a two-day visit to Benin and held in-depth interviews with key informants on human trafficking and forced labour in Edo. Findings are reported as Annex 4,

## **1. The political economy context of the Niger Delta**

The political economy context of the Niger Delta has not changed significantly from what was reported in the initial PEA. The impacts of oil and gas production on the environment and economy, the linkage between oil revenues, patron-client politics and warlike electoral contests, and governance deficits; etc., appear entrenched. This has continued to impact negatively on the political and business environment.

### **1.1 The effect of oil and gas production and revenues**

The effects of oil spills (caused by operational failures and sabotage) and gas flaring on the Niger Delta environment has not changed from the point noted by the initial PEA and corroborated by several literature. The combined effects of oil spills and gas flares have continued to decimate the environment and hinder fisheries and agricultural production in affected areas of the region. A significant outcome is that the critical value chains that support livelihoods are still at risk.



Jobs have not been created by the oil industry and community development projects, and vocational training skills provided by the oil companies have not made significant impact on livelihoods and quality of life. Government interventions have overlooked the environment-poverty nexus in the region; for example, agricultural policies only focus on supply of inputs – pesticides, improved variety of seedlings, fertilizer and access to credit. The critical facts of oil impacted lands being put out of use for between 10 - 15 years or the loss of soil nutrients to oil spills have not been captured. There are no improved variety of crops that are resistant to oil spills or gas flares, neither are there species of fishes that are immune to marine pollution. Consequently, the exploration and production activities of the oil companies have continued to create an environment that is not friendly to investment in agriculture.

Huge oil revenues have alienated the political leadership from citizens and destroyed the social contract, which has become severe due to declining oil revenues. The political leadership largely uses the state as a rent-distribution “canteen” or “slaughter slab” and has focused on struggles for resource capturing, rather than service delivery to citizens. Consequently, the development of socio-economic infrastructure is poor, contributing to high unemployment and poverty rates. Worse, states in the region are now unable to pay salaries due to declining oil revenues, poor internal revenue generation and bloated bureaucracy that gulps over 70 percent of revenues. These, added to poor social infrastructure and increase in tax rates due to aggressive drive for internal revenue has reduced personal incomes and reduced purchasing power. One consequence of this is declining profits and productivity that tend to impact negatively on investments.

The initial PEA reported that collection and use of oil and gas revenues have created a culture of governance that fails to promote economic development, efficient service delivery, transparency and accountability in governance. This view was predicated on the effects of ‘Dutch Disease’ and the ‘Resource Curse’ that were noted to have shifted the attention of the political leadership from other viable sectors of the economy to focus only on oil, and the breeding of a culture of corruption.

However, the ‘Dutch Disease’ and Resource Curse’ challenge associated with use of oil revenues as noted by the initial PEA has changed marginally. The fall in oil price and economic recession, which followed, has shifted the focus of government (at all levels) from oil to agriculture. The reducing value of the Naira is now making agricultural production in the Niger Delta much more competitive against imports. The devaluation of the naira, and the subsequent high cost of imported food items has influenced the patronage of local products. For example, the demand

for local rice has increased. The Federal and state governments in the region (particularly Delta State) have made policy statements and also taken practical steps to invest in agriculture. Nearly all the value chains supported by MADE have been captured in the new vision of Niger Delta state governments' investments in agriculture. This has reinforced the incentive for MADE's investments. Governments have also shown strong interests in generating internal revenues through other non-oil sectors such as taxation. Reforms are being made to bring more persons into the tax net and to also make the collection process more efficient. A point to note here however is the likely consequence of multiple taxation or higher taxation rates that may add to cost of production and reduced purchasing power. Governments' show of interest in the non-oil sector and increased reliance on tax revenues may in the long run elicit citizen's interests in transparency and accountability. This may further diminish the influence of the 'Dutch Disease' and Resource Curse'.

## **1.2 Patronage politics**

The initial PEA drew attention to the issue of patronage politics and its damaging impact on politics and the economy. Huge oil revenue inflow, citizen's lack of demand for accountability, winner-takes-all nature of political competition, commoditization of votes in the electoral process, the lack of capacity of influence and regulation by checks and balance institutions such as the legislature, judiciary and civil society organizations, and weak political parties were blamed for the patronage politics.

Patronage politics has continued in the region despite declining oil revenues. The public expenditure pattern of the states still neglects concerns of the poor such as agriculture, public education, health care facilities, potable water, rural roads, and communications. Rather, elite projects such as dualisation of urban roads, construction of airport, etc., and huge recurrent expenditure that funds the salaries and allowances of public offices are given prominence. Public expenditures still neglect pro-poor concerns, as basic needs such as clean water, health services, and education are not given high priority. Because funds are stolen through the award of contracts, Governors in the region take more interest in allocating funds for the execution of projects, not minding the economic or socio-economic benefits.

Governors in the region use political appointments as avenues for patronage, just as the benefits of programmes and policies, which should benefit the poor, are captured by the political elites. Public funds are used to placate and secure/sustain client groups such as political associates, ethnic/youth groups and patrons (godfathers) of the Governors. Fundamentally, the interests

of the political leaders do not resonate with the interests of the people hence no consideration is given to promote and the expectations and aspirations of the people. This context explains the recurring violence in the region.

Despite the general trend in the political economy, there are significant variations among the states, relating to the influence of godfathers, development efforts and some positive policies on poverty and agricultural development, and sensitivity to violence (details of these variations are provided and summarised in the Annex 1).

### 1.3 Economic context of agricultural policies and investment climate

The economies of the Niger Delta States are characterised by high level of urban and rural poverty, short farming season due to long rainy season (November to March), low farm yields, difficult terrain with large areas made of creeks in States like Bayelsa, Delta and Rivers (with the attendant high cost of logistics and transportation through the waterways), increasing crime rate; etc. In all the States, public servants are being owed salaries and other remunerations. Depending on the State, amounts owed consist of either one or a combination of monthly salaries and allowances, gratuity, pensions and salaries and allowances of local government staff. This situation has significantly reduced purchasing power in the States and has further increased the level of poverty.

Recently the Nigerian economy has experienced a downturn, which has led to a recession. The recession in the larger national economy has adversely affected economic activity and agricultural production in the Niger Delta States. The recession has caused constraints such as low purchasing power and cash crunch; high cost of production – increasing cost of most inputs arising from the general increase in prices and the importation of raw materials for some inputs, labour (in Nigeria cost of labour rises with other prices irrespective of the existence of a higher level of unemployment) and transportation; etc. All these result in low profitability to farmers and producers.

However, the current economic recession also has some positive effects for the intervention of the MADE programme. People who hitherto would not want to build their capacity on new methods of undertaking economic activity are now ready to acquire capacity and engage in agricultural and other forms of production, as a means of survival. Examples of these are retired civil servants and persons moving from other failed businesses into agriculture.



The initial PEA reported that governments in the region have very low interest in agricultural development as policies were written but not implemented, or simply used as instruments of benefit capturing.

This situation remains largely the same, but with significant variations among the states. In Abia, Akwa Ibom, Bayelsa, Rivers and Delta states, the governments have in response to the fall in oil revenue and their grim reality that dictates the embrace of agriculture, made policy pronouncements to indicate a desired change in agricultural development. Policies on input supply to farmers (improved variety seedlings, fertilizer, herbicides and pesticides, fingerlings, poultry feeds, fishing gears), extension services and creation of access to loans have been supported although with very little monitoring and evaluation. This has resulted in gaps that are subject to corruption. In Delta State however, practical steps have been taken by the government through key programs such as the Production, Processing and Support Programme (PPSP), and the Youth Agricultural Entrepreneurship Programme (YAGEP).

The culture of entitlement among farmers and the associated sharing of the national cake syndrome remains intact. The note by the initial PEA that farmers and producer associations were set up to capture benefits arising from agricultural support programmes remains a crucial issue that needs to be tackled by MADE. Significantly, however, the present economic downturn has created understanding on the need for government to invest in agriculture, just as it has whipped up a “go-to-farm” consciousness among individuals. This has created a conducive atmosphere for a meaningful conversation on the development of agricultural value chains.

Failed expectations of previous government policies have also continued to have damaging effect on interest in agricultural policies and programmes. The most recent is the Growth Enhancement Scheme (GES) of the Agricultural Transformation Agenda (ATA) which is indebted to farmers to an estimated sum of 39 billion naira. Most farmers noted the usefulness of GES but regret that the failure of the government to pay creditors has stalled the growth of many producers. The present government has introduced the Agricultural Promotion Policy (APP), which seeks to correct the gaps associated with ATA; including the issues relating to GES. Significantly however, several stakeholders are yet to fully understand the policy thrust of APP which on paper has huge potentials for the development of agriculture and the MADE project.

#### **1.4 Implications of the political economy context for MADE's approach**



The risk that MADE's work will be obstructed by state governments, who do not share its private sector led approach and instead seek to maintain policies based on government intervention, public ownership and dispensing patronage has made MADE to adopt a fatal 'leprous' or touch not government approach. The programme has thus operated with little input from government and this has made its intervention alien to nearly all the state governments visited by the consultants in the course of this PEA update. The operations of MADE appears to have jettisoned the counsel of the initial PEA which noted that: "MADE will be most effective where it can attain more active support from state governments. Active support could be evident at several levels. At a basic level this would require a level of coordination to ensure that MADE and government activities are not working at cross purposes. At a higher level, this would entail state governments supporting MADE's work by revising regulatory frameworks, providing complementary infrastructure, engaging in strategic public-private partnerships and curtailing hand-outs." The strategies which were recommended to help achieve this collaboration are still relevant and are re-stated here:

1. MADE will need to be very clear in its communication with state and local government to explain its approach and to manage expectations.
2. MADE may be able to advocate the merits of private sector led and market based development strategies and encourage reforms to agricultural policies and programmes that are consistent with this approach. Advocacy work will need to be undertaken sensitively avoiding an adversarial and lecturing approach, and working to a large extent through local organisations who share MADE's perspective.
3. MADE may be able to act as a change agent by demonstrating the results of its approach. This will work best where MADE is not in direct competition with government programmes and can find space to operate without interference.

MADEs intervention appears to have reshaped the orientation of some beneficiaries who now think for instance that engaging in agriculture is more useful than being a politician. In Delta, Edo and Abia States, some stakeholders indicated clear preference for agriculture, overlooking pecuniary gains from politics or having a share in the national cake. This shift in orientation is linked to the training programmes of MADE, and the visible achievements or progress made by some beneficiaries. For example, manufacturers of leather products in Abia State noted that the training in entrepreneurship and loan administration and management has enhanced the understanding of members in financial management; making them to see a loan as an investment funds and not as share of the national cake.



## **1.5 Conclusions**

The effect of oil and gas production on the Niger Delta economy and society has remained a sore point. Oil spills phenomenon (caused by operational failures and sabotage) and gas flaring has remained a blight on the Niger Delta environment affecting livelihoods of rural communities. The oil industry has continued to hinder the growth of rural communities, as alternative sources of livelihood have not been provided. Generally, there are no robust job creation initiatives, and jobs are not being created to absorb agitated and restive youths. The 'Dutch Disease' and Resource Curse' challenge associated with use of oil revenues is changing marginally. The fall in oil price and economic recession, which followed, has shifted the focus of government (at all levels) from oil to agriculture.

Political patronage is fast becoming an ideology across the region irrespective of which political party is in office. Limited external accountability pressure from citizens, making room for public officials to use oil revenues to deliver "patronage goods" to supporters as well as buy votes is the down side of patronage politics and an emerging culture of entitlement among farmers and producer associations. Political Patronage psychology undermines any serious attention to making and implementing effective agriculture policies and initiatives across the region. Failed expectations and aspirations of citizens, especially youths, and associated frustrations tend to fuel anger that finds expression in violent militancy.



## **PART 2. Political economy of value chains**

Agriculture value chains in the Niger Delta as elsewhere in Nigeria, operates under a policy environment dominated by patronage politics. Whilst formal rules represented by well-articulated policies and programmes suggest programme/people-driven politics, informal rules, norms and practices that define patronage politics tend to affect the implementation of otherwise well designed initiatives. Patronage politics directly or indirectly negatively affects the agriculture value chains in the different states of the Niger Delta. The point is that under the patronage system, which has become a defining feature of Nigeria's social structure, federal and state initiatives such as agriculture loan schemes, women and youth empowerment schemes, and input provision initiatives that can be otherwise legitimately demanded under a social contract scenario are often delivered as "patronage goods." At the local level the fate of value chain initiatives tends to be affected by open or hidden interests, incentives and power relations among local actors. The current devaluation of the Naira has a positive impact across the value chains. The devaluation of the Naira is altering the consumption patterns in the country as a whole, as there is an increasing willingness to shift demand to local products. Therefore, the devaluation is engendering a sort of import substitution.

This background provides a perspective for understanding the national, state, and local level initiatives and actors highlighted under each value chain below. Each section provides an analysis of stakeholder incentives and influence and a mapping of power and interests.

### **2.1 Cassava**

#### **National, State and Local issues and initiatives**

Cassava remains a high profile commodity for production and export in government's agricultural policy. Following the Presidential Initiative on cassava during the Obasanjo administration, and the Agriculture Transformation Agenda (ATA) of the Jonathan administration, which made cassava one of the leading value chains, the Agriculture Promotion Policy (APP) of the Buhari administration, has also prioritized cassava production. Cassava is one of the five crops (the others are Oil Palm, Cocoa, Sesame, and Gum Arabic) targeted for export production. The Obasanjo administration set out an initiative to promote the production of 20 per cent composite cassava flour that was intended to boost local output of high quality cassava flour (HQCF) and also save foreign exchange. Unfortunately, the policy was frustrated by a combination of factors including, resistance by big players, mainly wheat importers and millers, high cost of processing composite cassava flour and product quality challenges.

It appears that State governments in the Niger Delta are not providing adequate support to farmers for the production of cassava. The supply of inputs such as vitamin A cassava stems and extension services falls below the expectations of farmers. However, Delta State government supports cassava farmers with land and inputs under its Production, Processing and Support Programme (PPSP). All the other states provide improved cassava stems and the usual extension services support, but is not effective at the moment due to poor funding.

The difficulties experienced by women in relation to access to land has not changed as the cultural practice which reserves land ownership for men is still in place. Other constraints in the cassava value chain include poor road infrastructure which affects the movement and profitable sale of farm produce, poor supply and distribution network of agricultural inputs, packaging of agricultural input in bags that are too big for smallholders' needs, and are not affordable to smallholder farmers, poor access to improved varieties, and weak linkages between smallholder farmers and other off-takers.

### **Actors**

The value chain consists of production (land preparation, planting, management and harvesting), processing (conversion of cassava tubers to products such as HQCF, edible and industrial starch, garri, ethanol, 'kpokpo' garri), and marketing. The actors include land owners, farmers, processors, marketers and associations (Producers association, marketers association, processors association). The corporate and institutional players in the this value chain include agricultural input companies like Harvest Plus, state ADPs and Ministries of Agriculture, Bank of Agriculture (BoA), flour mills, bakers, industrial starch companies, and research institutes such as the National Root Crops Research Institute (NRCRI) and International Institute for Tropical Agriculture (IITA).

The implementation of the HQCF initiative by government was frustrated largely by the monopoly of power exerted by flour mills who were not willing to use HQCF and ensured that the price of HQCF was fixed at N79, 000 per ton until recently. This situation had a negative impact on the profitability of HQCF production thereby limiting industrial demand for cassava, leading to a glut at a point. Also, the focus of government was on production of cassava while neglecting policy issues which addressed the funding of processors and bakers as well as ensuring demand and uptake from millers.

The initial PEA noted that "local cassava market associations ..... exert cartel-like behaviour affecting the price paid to farmers. Tubers and Garri are generally not marketed directly to

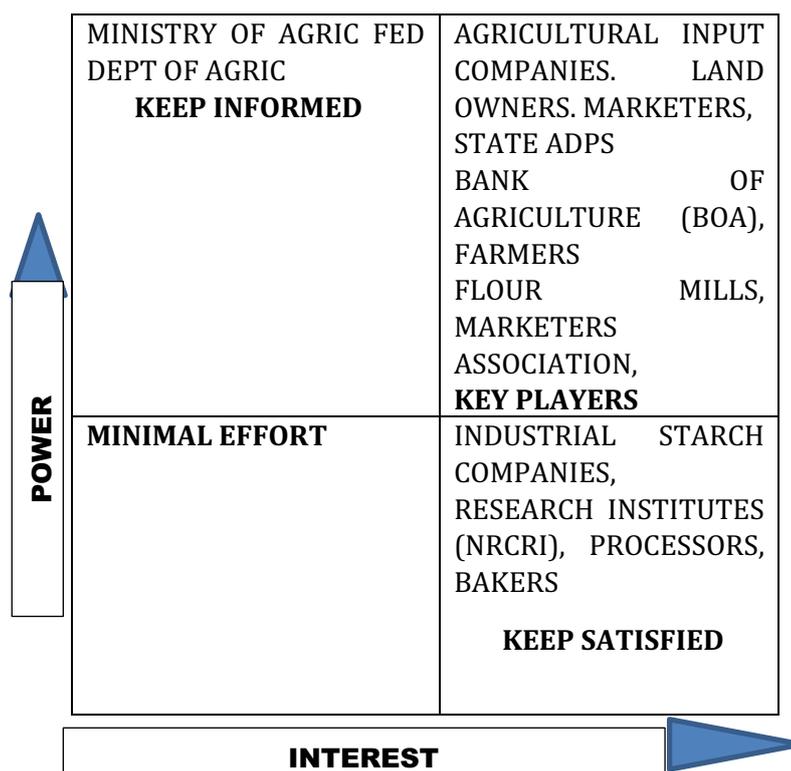
consumers, and producers and processors are compelled to trade with members of associations (generally women)". The PEA update study notes that while this is true, it has context, as it is not applicable in all localities. In several communities, cassava farmers/producers also engage in processing and marketing. In other localities, the producers sell the farm to processors who process the tubers and sell to middlemen or directly to consumers, depending on the scale or volume of production. Unlike capture fishermen and fish farmers, the farmers and producers are not subjected to the whims of the marketers association. Cassava farmers, particularly in the rural areas are mainly women, just as the processors who buy the cassava tubers, and those who sell the end products (garri, etc.) are women. Because cassava can remain in the soil for as long as the farmer wants (in the upland areas except for some areas in Ikwere land in Rivers State where the tubers rot after about nine months), they are able to sell at a convenient price. However, farmers in the swamp land are forced to harvest and sell during the flood and rainy season and this forces them to sell below the prevailing market price.

The cassava products sellers association, prominent among whom are the garri seller's association (made of wholesalers and retailers) exercise great influence at the point of sales (particularly wholesale markets). The garri producers bring their products to the market but only members of the garri sellers association (wholesalers) are allowed or permitted to buy at pre-fixed (by wholesale buyers association) prices. Garri producers cannot sell to anybody who is not a member of the sellers association, and members of the association who buy at prices higher than the fixed rates pay a fine equivalent to the value of a bag (or bags) of garri. However, because garri is not perishable like fish, garri producers in some localities regulate the volume of garri supplied to the market in order to bargain for higher prices. Sometimes, they keep their products at home and invite buyers who are willing to buy (whether they are members of the buyers association or not). Thus the relationship of influence between the producers and the sellers is near co-equal and fluid. Garri producers exercise greater influence during the planting/dry season when garri is not produced in abundance, while the buyers exercise more influence in the rainy season when garri is in abundance due to premature harvest of cassava usually caused by seasonal flooding; in addition to the abundance of other staple foods such as yam and cocoyam that can be used as substitutes for garri.

The diagram below shows the various stakeholders, their interests and power, and highlights key stakeholders that MADE should engage with, and those that should be kept informed.

### **Power and Interest**





## 2.2 Palm oil

### National, State and Local issues and initiatives

The initial PEA reported the neglect of the palm oil sector by the national government. Unfortunately, this has continued despite the great potential the sector holds for national economic recovery. However, the APP by the current administration has prioritized oil palm for export, and the organizational themes of the APP (access to land, soil fertility, access to inputs, processing, marketing and trade, access to finance, agro-business development, among others) will most likely create a conducive environment for oil palm production if implemented effectively. However, there are no sufficient incentives for these important provisions to be implemented. Similar provisions were made under the GES scheme, but implementation suffered for lack of diligent release of funds for both dry and wet season farming. There are no guarantees that things will work differently whether for palm oil value chain or other value chains. Thus although the current focus of government is on agricultural production, there may be challenges in the diligent implementation of this policy intent.

The policy of prioritising palm oil exports seems irrational considering the fact that there is massive illegal and informal import of over 700,000 metric tons of palm oil annually into the country; but there is local potential for producing enough palm oil to meet local and

international demand. What is important is increased local production as there is considerable internal demand for palm oil that is not yet met, before exports.

Most oil palm companies established by State governments in the region have been privatised and new oil palm plantations are being developed with foreign investments in the sub-sector. Examples of these are PZ-Wilmar in Cross River, PRESCO in Edo and Delta, etc. Abia State is resuscitating its Abia Palm by planting new palm trees while Bayelsa Palm which was established by the Bayelsa State government is dormant, as it has been abandoned. In addition, the State government supports small operators with inputs such as seedlings.

Oil palm is largely produced by private individuals who use crude or local technology. The processing methods are poorly done and has resulted in poor quality oil that is not patronised beyond the local market. Production is limited by land that is inadequate and difficult to access or secure, due to the land tenure systems that encourage land fragmentation and insecurity of tenure. The support by MADE has helped some beneficiaries to improve their knowledge on production and acquisition of equipments such as the mechanically adjustable harvester, Malaysian knife and the small scale processing equipment. However, producers still find it difficult to purchase the equipment due to lack of funds. Providing access to credit will thus be very useful to the farmers. Increased local production would be encouraged by the significant increase in the price of palm oil in the recent past.

Some respondents made the point that poor quality of oil is a major limiting factor to gaining access to the national and international market. Consequently, they make poor sales and depend on middlemen who short change them. Assisting farmers to address the issues of poor quality of oil and dependence on middlemen which exploit them, are thus critical as MADE moves forward with its intervention in oil palm production. The issue of access to land may be resolved with the Delta and Cross River States' government approach of sourcing and securing land for farmers. The value chain also faces other constraints like lack of access to, and adoption of improved harvesting and processing equipment by smallholder farmers and processors; poor access to, and high cost of inputs – fertilizers, herbicides, labour; and limited linkages between small scale plantation owners and large scale integrated mills. These constraints are not significant enough to warrant MADE changing its investment in the value chain.

## **Actors**

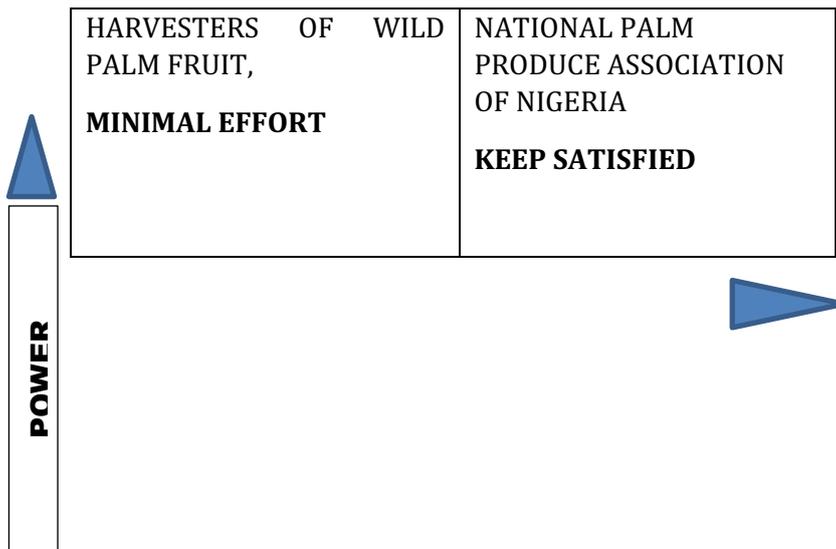


The value chain is made of production, processing, secondary processors, and marketing. The actors include land owners, individual farmers, harvesters of wild palm fruit, processors, wholesalers, and retailers. The marketers deal in either the palm fruit or the oil, and the interest groups include, Community Palm Dealers Association, peddlers, merchants, and speculators. Institutional players include agricultural input companies, NIFOR, state ADPs and Ministries of Agriculture, Oil Palm Dealers Association, National Palm Produce Association of Nigeria, and companies such as Okumo Oil and Presco Nigeria Limited which are involved in primary and secondary processing of palm oil.

The power relations and exercise of influence of this value chain centre mainly on the supply of palm fruits. Those who purchase wild palm fruit locally control the chain, subjecting both the harvesters and processors and millers to their terms. The harvesters do not have access to the processors' and thus sell their fruits to palm fruit dealers who buy them off and sell to the processors. Conversely, the processors are prevented from buying directly from the harvesters by the dealers who most often form community based associations to regulate the market. In some localities, harvesters also engage in processing or speculation. Where they process, the palm dealers are not relevant but they now get involved in a relationship with palm oil dealers who regulate and control the market the same way the palm fruit dealers do. Sometimes a prominent harvester buys palm fruits from fellow harvesters and plays a middleman role between harvesters and palm fruit buyers. Local processors of palm fruit who produce palm oil reasonably, control price due to the availability of local storage methods. Palm fruits are usually scarce during the rainy season, and consequently the supply of palm oil is limited, leading to a hike in price. They therefore, produce and store palm oil during the dry season, and make them available for sale in the rainy season, thereby making more income. Wholesale buyers of palm oil also do the same. The interests here are defined by profit maximization and each group works to out-do the other. The power relationship is however narrowed when it involves plantation owners who plant, harvest, process and sell.

### **Power and Interest**

MINISTRY OF AGRIC FED DEPT OF AGRIC <b>KEEP INFORMED</b>	PALM DEALERS ASSOCIATION, FARMERS, AGRICULTURAL INPUT COMPANIES STATE ADPS. LAND OWNERS, RETAILERS WHOLESALERS. OIL PALM DEALERS ASSOCIATION, PROCESSING COMPANIES KEY PLAYERS
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### 2.3 Fisheries

National, State

**INTEREST**

The APP of the current administration has listed fish as one of the high priority commodities targeted for development and export. The policy seeks to 'enhance sustainable fisheries and fish production' with a combination of measures including to review the enforcement of regulations to control pollution and over fishing, supporting production through research and development of new breeds, and creating access to land, finance, improved processing and storage, access to markets, fisheries equipment as well as information and knowledge. It is, however, anticipated that the effective implementation of this policy intent would be a challenge.

State governments have supported fisheries and fish production through a number of policies and initiatives. In Delta State, the YAGEP has fish farming as one of its key components. It is planned that 200 beneficiaries will be trained per year and thereafter provided with three fish ponds, 600 juveniles, feeds and stipends for six months. In other states like Akwa-Ibom and Bayelsa, the government provides fishing gear (boats and nets) to fishermen/women while those engaged in fish farming are supported with new and good quality breeds (fingerlings or juveniles) and feeds. Extension officers have also been given the mandate to equip fish farmers with new information and knowledge in all States. MADE has also contributed to providing capacity building that has made fish farmers more productive.

Fish farming is largely done by individuals who use their own labour and capital. The initial PEA had noted access to land as a crucial limiting factor. While this is still the case, the problem has been eased by the introduction and use of tarpaulin and GP tank ponds. These ponds use a small

space and more importantly, they are moveable, making relocation easy and at minimal cost. But the problems associated with processing, storage and access to marketing are yet to be resolved. Fish farmers still depends on buyers who determine the time of harvesting and consequently the price. The buyers association usually fix the price and direct their members not to buy at higher prices. Sometimes, they place embargo on buying to force fish farmers to sell at prices dictated by them (the buyers). This is a common practice in Bayelsa State. In Delta State, a practice of developing fish clusters who harvest on rotational basis and periods set by the producer association appear to dealing with this challenge. The strategy is to control the volume of fish harvested with a view to control the price to the advantage of the fish farmers. The buyers and sellers association is mainly made of women, and membership is restrictive. Criteria including ethnicity or ethnic groups are sometimes used to admit members. This point was made by the initial PEA and it still persists. Significantly, these market associations play very influential roles in the value chain. They restrict volume of fish in the market, fix the price, determine when a fish farmer will harvest his/her pond and prevent non-members from selling. Their activities pose a serious threat to fish farming as it acts as a disincentive. Again whilst this is important, it does not provide sufficient grounds for MADE changing the way it works in the value chain.

### **Actors**

The fishery value chain includes – production (fish farming and capture fishing), processing, storage, and marketing. The actors in fish farming include landowners, feed producers and suppliers, fisheries service providers, hatcheries, producers and farmers, processors and owner of storage facilities, and marketers (market women). For capture fishing the actors include the fishermen, processors and owners of storage facilities, and marketers. The government and its relevant agencies (for example the ADP and or fisheries department in Ministry of Agriculture) regulate and provide support for the development of the value chain. Other actors include producer and non-producer associations such as the Nigeria Union of Fishermen and Sea Food Dealers, Fish Sellers Association, Cat Fish Farmers Association.

Power relations in the value chain are along the broad divide of producer and non-producer associations. In practice, the different actors have organized themselves into associations that regulate entry into the business and how to operate. The motives and incentives are defined by the desire for profit maximization while the influence and control they wield is determined by their position in the value chain and the weak development of other chains. For example, the marketers association exercises the greatest control in the entire value chain because of the weak development of the storage and processing components of the value chain. Significantly,

whereas the producers are mainly men with very few women, the marketing association is virtually made up of women. This implies that women wield the greatest influence or control in the value chain.

In most cases, the marketing association decides what to buy, when to buy and the price to buy. They have rules governing who to buy from, what day and quantity to buy in a design to ensure that the volume of fish supplied is more than the number of buyers. This usually forces down the price in favour of the marketers. Members of the marketing association who flout this rule are either suspended or pay a fine equivalent to the amount of fish bought, or the quantity of fish bought is confiscated by the association and sold to other members while the proceeds go into the purse of the association. To counter this, fish farmers (in Delta State) have organized themselves into clusters; with a cluster having a quota to sell at particular periods or harvesting limited to rotation tied to particular periods. However, the producers association is not as efficient as the marketers association due to poor organization and difficulty in bringing every producer under a common umbrella due to their widely dispersed locations. The action of the marketers distort the market, reduces income and profitability, and thus poses a serious risk to the business, as some producers think that the occupation is not profitable. For example, even though the cost of production has gone very high due to the exorbitant cost of feeds caused largely by the economic recession, the women marketers association insists on buying fish at the old price, resisting any price change by producers to reflect current production realities.

**Power and Interest**



**2.4 Micro and small scale poultry**  
**National, State and Local issues and initiatives**



The initial PEA had noted that 'National level policies are generally supportive of large scale poultry production, for example the imposition of an import prohibition on poultry meat and eggs.' This has not changed as government's interests in poultry have continued to rise, especially under the current economic recession.

Akwa Ibom and Delta States have developed and implemented elaborate policies on poultry. In Akwa Ibom, the government has built a hatchery to support the growth of poultry while the Delta State government has through YAGEP, encouraged youths to go into poultry. The YAGEP programme trains beneficiaries, builds the poultry farm or house, stocks it with laying birds, provides feed and pays young farmers a stipend for six months. The expectation is that the new farmers will begin to earn an income at the end of six months, and thereafter invest in their business to ensure growth and expansion.

Individuals engaged in poultry face challenges ranging from high cost of feeds, access to land, poor sales and limited market. Other constraints are inadequate knowledge about best practices of good poultry keeping among household poultry keepers, poor supply and distribution network of vaccines and other poultry products in rural areas of the Niger Delta, lack of access to and use of vaccination and other poultry services and products by household poultry keepers, etc.

Capacity building on good agricultural practices and access to veterinary services and vaccinations has assisted poultry farmers to improve their outputs. MADE's intervention focuses on household poultry production and small-scale farmers, not on large farmers. The intervention has helped beneficiaries to acquire new knowledge and understanding of the business. This has brought about significant reduction in mortality and a boost in yields. But the programme's intervention is yet to impact on productivity significantly as the myriad of problems faced by farmers are yet to be tackled. There is scope for increased production of poultry in the region. The ban on imported poultry by government, led to increased demand for local poultry and the price increased, although it is going down currently.

### **Actors**

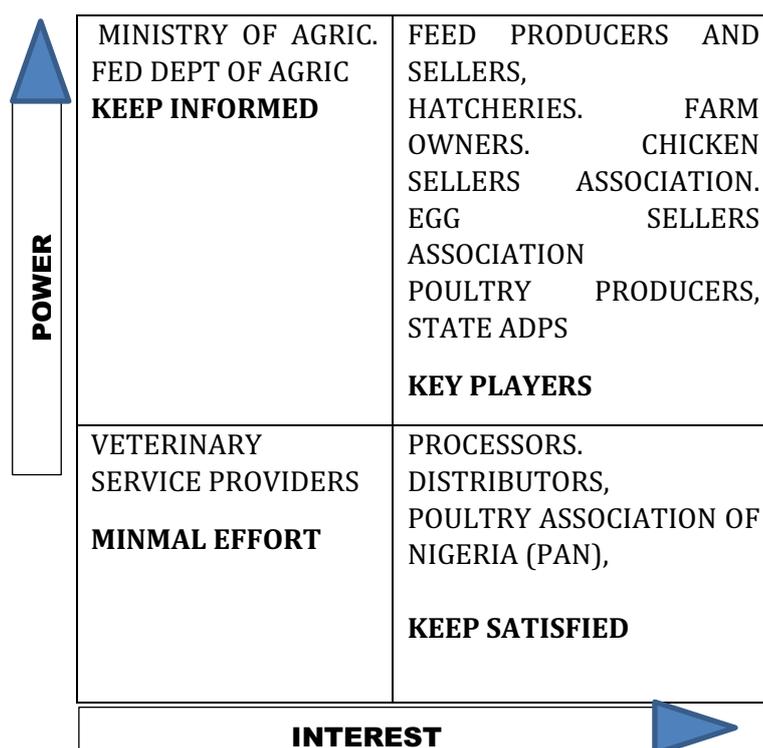
Actors in the value chain include feed producers and sellers, hatcheries, distributors, farm owners and poultry producers, eggs sellers, live bird sellers, and processors. Other players are the Poultry Association of Nigeria (PAN), state ADPs and ministries of Agriculture, Egg Sellers Association as well as Chicken and Birds Sellers Association. The sector is supported by



veterinary service providers involving vaccination of birds and extension services provided by state ADPs, Ministries of Agriculture and MADE.

The large farm owners such as Zartec, Obasanjo Farms, etc. exercise strong influence over the sale of birds while the egg sellers do same for eggs. The egg sellers take advantage of the perishable nature of eggs and the lack of storage facilities.

### **Power and Interest**



## **2.5 Finished leather goods**

### **National, State and levels issues and initiatives**

There appears to be no national policy on leather production. The only point noted is the government policy which prohibits the export of animal hides and skin.

Leather production in the zone is an activity that mainly takes place in Abia and Imo States, but the state governments have not yet implemented a policy to support its growth and development. The leather producers and marketing association, Leather Products Manufacturers Association of Abia State (LEPMAAS), have organised members to take advantage of MADE's intervention, particularly in the area of entrepreneurship training and

access to credit. MADE's intervention has helped in promoting access to credit to the association. Twenty-seven co-operatives with membership strength of 390 persons have benefited from loans provided by Bank of Agriculture (BOA), facilitated by MADE. The intervention has also given special focus to women by supporting them to gain access to credit. One major gain from MADE's intervention is the training of producers to have clear understanding of financial management, payment of bank loans and operating profitably.

The main constraints of the value chain are difficulty in accessing credit, poor supply of electricity, limited access to international market outlets, lack of industrial space and interference in the affairs of the association through the market officer that is usually appointed by government. MADE's intervention is currently addressing the challenge of access to credit to the producers of leather products. The programme may further need to assist the producers in improving their access to local and international market outlets.

Capacity building on improved business operations to leather goods producers as well as record keeping has assisted to improve the productivity of beneficiaries. In addition, the maintenance of good operating records by beneficiaries has helped them to plan and operate profitably. By organising beneficiaries in co-operative groups MADE's intervention provides several benefits to individual members. These include networking to share knowledge on good practices and access to market, working together to meet requirements of financial institutions to access credit, working in groups to avail themselves of required input and services.

### **Actors**

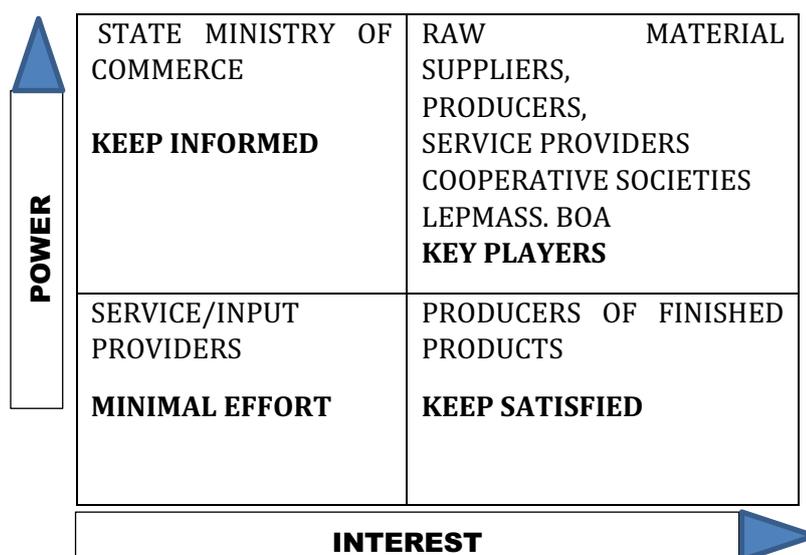
The value chain is made of raw material suppliers, producers, and numerous service providers (weavers, stickers, smoothers, wood works, etc.). The value chains are independent and their activities are coordinated by value chain specific cooperative societies and the umbrella body LEPMASS. LEPMASS regulates entry, quality control, and facilitates access to finance and markets. The government however has an overarching control through the Market Master. The BOA is an active player in this value chain through the granting of loans to the artisans.

The value chain actors share a co-ordinate relationship as they supply different inputs or provide services that are not independent of each other. However, respondents noted that the 'producer' or 'manufacturer' who assembles the different components into a finished product, for example shoe, exercises control over other actors. The 'producers' are fewer than the other actors. Also, the producers have access to the market and are the ones who get purchasing orders or requisition from traders who sell shoes and other products such as bags and belt. Because the products of the other actors cannot stand alone, they depend on the producer to

earn income, and because they are many, the producer chooses whom to deal with on terms and prices that are suitable to him or her. This suggests that the producer of finished goods largely determines the price and terms of trade for other components and services provided by other stakeholders.

The leather product business is dominated by men, and the few women in the business largely deal on ancillary products or services. This indicates that in this value chain, men exercise control and influence. Unlike fisheries where women dominate marketing, leather products are sold by both men and women in large numbers, but with the men having the greater number. The Abia State Government exercises control over the value chain through the appointment of the Market Administrator who determines the direction of development in the market, in terms of initiatives in the provision of appropriate infrastructure to support production.

### **Power and Interest**



## **2.6 Cross-cutting work streams**

### **Agricultural inputs**

MADE partners with private sector organisations to provide agricultural inputs and services to target beneficiary farmers. These organisations include Saro Agro Sciences, PZ Wilmar, Springfield Agro, Agri Project Concept, Miriam Nurtures Hatchery, Momoh Fish Multiplier, Aquaton Ltd, Kingdom Obuza, Sygenta and Harvest Plus. The agriculture inputs companies provide farmers with good agriculture practice (GAP) training for the different crops as well as proper use of fertilizers and other inputs. This enables the farmers to achieve increased productivity and yields as well as increased income from agricultural production.

Major constraints faced by the value chain are lack of information about the benefits and proper usage of agricultural inputs by farmers; poor supply and distribution network of agricultural inputs; and agricultural input packaged in bags that are too big for smallholders' needs, and are not affordable to smallholders. MADE is making efforts to deal with this issue, which at the moment is a hindrance to the productivity of farmers.

### **Access to Finance**

The access to finance work stream facilitates linkages between micro-finance institutions (MFI) and development finance institutions (DFIs) with MADE's beneficiaries, and works on improving pro-poor financial product offerings and reach within the Niger Delta. It also provides capacity building for beneficiaries to enable them meet the funding requirements of financial institutions as well as delivers business development support services to potential clients of financial institutions. Thereafter, the value chain undertakes loan monitoring after disbursements.

Commercial banks also known as deposit money banks have the largest flow of funds to finance economic activity in the country. However, they are almost entirely absent in financing beneficiaries of the various value chains supported by MADE in the Niger Delta. In fact, according to the Central Bank of Nigeria (CBN), lending to agriculture and related value chains constitute only about 2% of the total lending of commercial banks in Nigeria. Some of the reasons why banks do not lend to agriculture include poor pricing of risks involved in agriculture, limited understanding of the sector, inadequate staff capacity on agricultural lending, rigid credit assessment processes, etc. However, beneficiaries of interventions by MADE in the various value chains could access finance from the following initiatives supervised by CBN:

- **Micro, Small and Medium Enterprises Development Fund (MSMEDF):** The fund provides N220 billion of long term, and low-interest (9% per annum) financing that can be accessed through microfinance banks (MFBs), Non-Governmental organisation micro-finance institutions (NGO-MFIs), cooperative finance organisations and finance companies. Among other activities, the fund can be applied for agricultural value chain (production, processing, storage, marketing, input supply, etc.), and cottage industries.
- **Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL):** This provides USD 500 million to “de-risk” agricultural lending and encourages banks to lend to agriculture value chains. The funds are to be administered by a non-bank financial

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institutions (NBFI) with a Board chaired by CBN; and it would manage a set of facilities including insurance and risk-sharing to enable banks lend to customers.

MADE's intervention in linking beneficiaries to financial institutions which provide them with credit as well as the provision of grants to some beneficiaries has enabled them to implement and improve their businesses. However, there are several beneficiaries yet to be availed with credit. This calls for increased efforts to make finance available to more beneficiaries, especially those that need to acquire processing equipment. In some cases, the terms of finance obtained, such as moratorium for repayment of credit, does not suit the planting and harvesting cycle of farmers. Therefore, there may be need to engage lending institutions to re-negotiate credit terms to create a match between repayment and harvesting of crops, or access funds from initiatives like MSDEDF and NIRSAL.

### **Gender**

The gender intervention is one of the cross cutting value chains of MADE. It seeks to influence negative socio-cultural practices which limit the economic empowerment of women as well as identify and mobilise women cooperatives for value chain intervention activities. It is through this value chain that MADE seeks to achieve the programme's impact of taking 75,000 women out of poverty and increase their income.

Constraints faced by the gender stream include socio-cultural factors that determine the production roles and the scale of enterprises women and men engage in, unequal gender representation dynamics in the value chains, lack of access to production resources and finance, and unequal awareness among women about existing opportunities, access, use and adoption of improved processing machines.

The focus of the MADE programme on mainstreaming gender in its intervention has provided an opportunity for women to effectively participate in the various value chains. Generally, in rural communities most women are farmers. The intervention has enabled significant participation of women in the cassava, poultry, fishery and leather goods value change. The programme should sustain the efforts to further challenge traditional norms and practices that tend to inhibit the ability of women to engage in economic activities like their male counterparts.

## **2.7 Common Trends Affecting the Value Chains**



There are some common trends and challenges that affect the value chains. These are summarised in Annex 2. These include economic recession, herdsman-farmers conflict, militancy and sea piracy conflict, other conflict dimensions such as kidnapping and armed robbery, communal clashes and rape of women in rural farming communities, multiple and illegal taxation, and marginalisation of women.

## **2.8 Potential Partnerships**

In the course of consultations with stakeholders in the various Niger Delta States, the consultants identified corporate and individual stakeholders whose interests, incentives and power relations are not largely driven by the entitlement and benefit capture syndrome. MADE stands to gain by collaborating with these stakeholders in providing support to farmers in relevant value chains.

### **Corporate stakeholders:**

- Delta State Job Creation Office: provides a model for implementation of poverty reduction initiatives. The Chief Job Creation Officer for the state, Professor Eric Eboh specifically requested MADE to evaluate the state job creation initiatives and provide feedback for improvement.
- National Root Crops Research Institute (NRCRI), Umudike, Umuahia: provides research and extension services to farmers, especially in agricultural value chains supported by MADE.
- Agricultural Development Programmes (ADPs) in the States: set up to provide extension services to farmers especially in agricultural value chains being supported by MADE.
- Nigerian Institute for Oil Palm Research (NIFOR), Benin City: provides research into the genetic improvement, production and processing of oil palm, coconut, raffia and other palms crops.

### **Individuals:**

- Dr. Edna Akpan, Department of Agriculture Akwa Ibom State University: has been involved with MADE over the years as a Resource person in capacity building services on good agricultural practices for cassava as well as the use of cassava products for the preparation of confectionaries and other products.
- Mr. Ekanem Inyang, Applicants Welfare and Development Centre, Uyo: An NGO which provides pro-poor support services to reduce poverty among the very poor.

- Raymos Guana, Raymos Farms, Delta State: A large-scale rice farmer, knowledgeable in agricultural produce marketing networks.
- Mr. Paul Okpue, Panicenduwell Limited, Delta State: A vegetable farmer for short-term income generation and provider of capacity building services on good agricultural practices.



## **Part 3. Review of value chain theories of change, conflict and risk mitigation strategies**

### **3.1 Value chain theories of change**

In line with the recommendations of the 2015 Annual Report, MADE has prepared Value Chain Theories of Change for all the value chains and crosscutting issues. The Consultants reviewed the Value Chain Theories of Change in separate meetings with relevant Intervention Managers and provided feedback for improvement. Theories of Change reviewed include those for Fisheries, Cassava, Finished Leather Goods, Poultry, Palm Oil, Media, Access to Finance, and Media. The objective of the review was to take account of emerging findings, in particular the increasingly difficult operating environment, and to ensure that the Value Chain TOCs were aligned with the overarching MADE Theory of Change.

It was observed that the Value Chain Theories of Change were aligned with the structure and logic of the overarching MADE Theory of Change. Each Value Chain Theory of Change demonstrated credible linkages between activities and Outputs, between Outputs and Outcomes, and Outcomes to Impact. Whilst activities, Outputs and outcomes differed between Value Chains, all Value Chain Theories of Change had impact level statements consistent with the overarching MADE Theory of Change. Most Theories of Change downplayed the issue of conflict and insecurity both in terms of risk and in the area of assumptions. Whilst specific feedback was given to individual Intervention Managers to improve their Value Chain TOCs, the following were the main recommendations:

- Consistent with the overarching MADE Theory of Change, each Value Chain TOC should articulate robust assumptions for each level of vertical link, rather than bundling assumptions in one place.
- The dominant effect of militancy, piracy and herdsmen on relevant value chains should be acknowledged as a major risk and reflected under the risk heading
- The Theory of Change Template should note constraints and risks to ensure that each is reflected in its proper place.

### **3.2 Efforts to conflict proof investments and risk mitigation by the Programme**

The programme is conflict proofing investments with the use of indigenes of communities to facilitate activities. While this is working at the moment, it appears not to be a sustainable approach. For example, it cannot be an appropriate remedy for herders-farmers conflict that destroys crops and other investments. The other point is the insistence on insurance cover by

lending institutions such as the BOA; but again, the conflict environment discourages lenders. This certainly is a threat to MADE's investments and is one reason why MADE should develop a strong partnership with government which has the capacity and responsibility to deal with insecurity. Furthermore, MADE can collaborate with other programmes such as the Nigeria Stability and Reconciliation Programme (NSRP) and its partners working on community peace-building to secure investments.

**Review of MADE Programme Risk Matrix:** MADE has a robust programme risk matrix. The matrix can be strengthened by taking account of the risks posed by activities of herdsmen and pirates that have increased in intensity over the last two years. The suggested addition is presented below.

Risk or Issue	Probability/Impact	Mitigation
<b>Insecurity</b>		
Disruptive activities of herdsmen and pirates affect operators in the value chains, especially cassava and fisheries	Medium / high	Beyond immediate control of MADE. However MADE needs to be abreast of government efforts to contain the phenomenon

### 3.3 Findings and effect on analysis and reporting of results

Based on a review of the findings of the PEA with MADE's Monitoring and Results Measurement team, the following are recommendations that can be taken forward in future reporting of results:

- MADE's quarterly and annual reports should include some analysis of the context of operation. The analysis may include recent government policies, status of infrastructure, change in the economic environment, such as increases in prices, exchange rate changes, etc. For example, in the cassava value chain, the state of infrastructure could affect the ability of farmers to move their produce to markets within the 24-hour window for cassava processing into high quality cassava flour by off-taker SME processors. Also, in the fisheries and poultry value chain, the general increase in prices and high exchange rate has significantly raised the cost of feeds and this has implications for lowering gross margins.
- The Programme may consider reducing the conversion rate from one level of result to the next level in order to increase outreach targets for each year. From a PEA perspective, the programme should consider leveraging on government programmes as a means of increasing outreach, especially as the Programme works in an environment of growing instability.

### 3.4 Overall implications for MADE

MADE has maintained a geographic focus, working in the core Niger Delta states of Rivers, Bayelsa, Akwa Ibom, Edo and Delta, whilst also progressing with interventions in Abia, Imo, Ondo and Cross River. MADE is also taking steps to conflict proof its investments and develop Value Chain Theories of Change aligned to the overarching Theory of Change. To sustain its effectiveness and deliver in the environment MADE needs to:

- Develop a politically smart engagement/communication strategy with state governments to ensure that governments know about the operations and activities of MADE with a view to developing partnerships for agricultural extension services and input supply to farmers.
- Finalise revision of the Value Chain Theories of Change and results frameworks to help maintain a strategic line of sight.
- Regularly review and update its risk mitigation strategy in view of the volatility of the operating environment.
- Increase efforts to make access to finance available to more beneficiaries, and re-negotiate credit terms with lending institutions to create a match between repayment and harvesting of crops. Laying emphasis on creating access to credit from credit institutions takes off some burden from MADE.
- Evolve creative strategies to support the beneficiaries to address the challenge of access to markets.



## Annexes

### Annex 1. Variation in Political Trends of the Niger Delta States

#### Abia

The incumbent Governor was put in place by a godfather and he is in his first term. He appears to be driving a development agenda that might be different from his predecessors in the long run. Although patron-client politics is evident, there is a general expectation that the present administration will impact on the concerns of the poor more than any other government has, if the Governor remains focused. The State government has developed some initiatives in support of agricultural value chain. The initiatives may be a means of distributing patronage, and are likely to be subject to benefit capture. These include:

**Strategic Agricultural and Rural Development Initiative (SADI):** Under the initiative, farmers are supported to carry out poultry production and plantain multiplication. Farmers are provided with subsidized day old chicks and inputs in term of feeds and medication, and supported to find buyers for the output. Also, high breed plantain suckers from the International Institute for Tropical Agriculture (IITA) are also distributed at subsidized costs.

**Provision of subsidized input to farmers:** This involves the distribution of improved cassava stems and fertilizer to farmers to raise the level of agricultural production.

#### Akwa Ibom

The incumbent is a first term Governor. There is citizen discontent over the incumbent Governor's perceived dependence on his predecessors. He is seen by some as a 'baby' governor whose 'umbilical cord' is yet to be severed from the former Governor. As in other cases, godfathersim of this kind diverts attention from service delivery issues, as focus is on satisfying high cost pecuniary interests of the godfather. Although he has made some efforts to provide infrastructure, the general view is that he has thus far concentrated development projects in his ethnic homeland. There is very little expectation that the governor will drive the common aspirations of the people. Agricultural value chain initiatives implemented by the State government include the following:

**Women Agriculture Entrepreneurship Development Programme (WADEP):** Under the programme women are sensitized, trained and empowered with seed capital.

**Integrated Farmers Scheme (IFS):** This scheme sensitizes, trains and provides youth with seed capital to engage in agricultural production.

**Commercial Agriculture Credit Scheme:** This provides credit to medium and large farmers, including agro-allied companies and co-operatives.

**Agriculture Loans Board:** The Board provides loans of up to half a million Naira to small farmers and companies. Schemes of this nature have the potential to make MADE's more commercially driven approach less attractive than access to loans that are seen more in terms of benefit capture. On the other hand if the scheme works, it will complement MADE's objective of reducing poverty.

### **Bayelsa**

The incumbent Governor is in his second term and was brought to power by the former President and his wife, who are thus his godparents. However, the loss of power of the former President has freed him from their grip. Consequently, the general view is that he will most likely not continue to patronize them at the expense of the State. However, his ambition to be the leading political figure in the state is leading him to build a political empire which does not resonate with the interests of the people. His emperor-like leadership has alienated him from some members of the political class and ordinary citizens. The government has embarked on several gigantic projects that are widely known but they have not added value to the quality of life. Citizens' expectations for the remaining years of his second tenure are thus very low. Although the Governor won second term elections, the loss of the elections by the former President resulted in the growth of an opposition party in the state. This resulted in a fierce, desperate and bitter electoral contest between the incumbent Governor and a former Governor, who is the leader of the opposition party. This reactivated dormant militants and cultists who were used to prosecute the elections. The consequence was the widely reported violence during the December 2015 and January 2016 (supplementary) Governorship elections, and resultant increase in sea piracy, cultism, and robbery, now made worse by the return of militant activities.

### **Cross-River**

The incumbent Governor is in his first term and does not appear to be loyal to any God-father. It is perceived that he emerged as the highest bidder in the political patronage system which produced him as the gubernatorial candidate of his party in the last election. Thereafter, he has freed himself from the burden of patronizing party chieftains. However, the current government in the State has no blueprint. The general perception of citizens is that the development initiatives pursued are idealistic and elitist. There appear to be no deliberate focus on a pro-poor development strategy. The main initiatives implemented by the State Government in the agricultural value chain are:

**Commercial Agriculture and Rural Empowerment Scheme:** This entails an oil palm out-growers scheme and a pineapple out-growers scheme.

**Commercial Agriculture Credit Scheme (CACs):** It provides credit to commercial farmers for crop and livestock production as well as processing.

**Provision of subsidized input to farmers:** Smallholder farmers are provided with improved cassava stems and input such as fertilizer to support increased crop, poultry and fisheries production. Nevertheless there are no robust monitoring and evaluation systems and reports to determine the success of this initiative.

## **Delta**

The incumbent is a first term Governor and he is a product of godfathers. Although there is visible political patronage, the economic and development policies of the administration makes many respondents think that it will provide service delivery to citizens and impact their welfare. Clear and practical steps and guides have been put in place to promote economic growth and reduce poverty. The state has shown great interest in poverty reduction with the following programmes:

**Youth Agricultural Empowerment Programme (YAGEP):** The programme targets youths from age 18-35, and focuses on agricultural and entrepreneurship training. It has three components.

**Poultry:** This is designed to benefit 250 youths per year for four years. The component includes the following: The government builds a poultry, stocks it with 600 laying birds, provides feeds for them for 3-4 months to stabilize them for egg laying, provides veterinary health care service, and also pays a monthly stipend of ₦10, 000.00 to beneficiaries. The stipend is paid as a survival/coping allowance for the incubation period of the poultry.

**Piggery:** The component includes the following: Government builds a pen, provides eight pigs that are at different stages of pregnancy, provides two male pigs, provides money for compound feeds, and also pays ₦10, 000 survival and coping allowances.

**Fisheries:** Government builds earthen ponds for those in the riverine areas and concrete ponds for those located in the upland and urban areas, provides 2000 juveniles, feeds, and water bore hole and pays survival and coping allowance.

**Crop Production:** This is focused on the production of cassava, plantain, potatoes, and vegetables. It encourages inter-cropping in the appropriate combinations as defined by location and suitability of mixing. In addition to production, it also entails training in agro processing. Beneficiaries are given two hectares of land and all required inputs.

**Student Entrepreneurship Programme (STEP):** This is a vocational skills acquisition programme focused on several trades – fashion designing, upholstery making, etc. It targets 500 persons per year for four years and trains on a mentorship basis. Trainees who are certified competent, are given starter packs. Shops and workshops are rented for them and they are also paid allowances for six months.

**Production, Processing and Support Programme (PPSP):** This programme targets existing farmers, and seeks to enhance production and processing. Inputs and other supports are given to beneficiaries

## Edo

The incumbent Governor whose tenure will soon end, had no burden of a godfather given the way he came into power. But as his administration winds down, he now appears to be the godfather of Edo politics. From the look of things, Edo state may be gripped in the claws of godfather politics if either candidate of the two major political parties (PDP and APC) wins the election. However, citizens rate the incumbent Governor's performance highly. Below are some initiatives implemented in the agriculture value chain by the State government.

**Edo Youth Farming Scheme:** The scheme provides credit facilities and other farm services to targeted youths through the Edo State Agricultural Trust Fund.

**Provision of input to farmers:** Under the initiative, improved, high yielding, early maturing and disease resistant seeds and other planting materials are made available to farmers.

## Rivers

The incumbent is a first term Governor and he shares similar fate with the Governor of Bayelsa State. The former President and his wife who are his godparents are no longer in a position to breathe down his neck. He appears to be free from the godfather influence. Significantly, he appears to be building a political empire to be headed by him, and this will most likely strengthen patronage politics. The bitter rivalry between him and the immediate past Governor of the State may also continue to undermine the stability of the state. Gangs, cults and militant groups which were not visible during the tenure of the administration of the former Governor have now re-emerged, and are used as instruments of political engagement by different political groups and political parties. Worse still, beyond using these groups as thugs for elections, some of their leaders, particularly militant leaders are now representatives in the State House of Assembly while others have been appointed as Chairmen of Local Government Caretaker Committees and aides to the Governor. The point was made that because some of these persons sit in the State Security Council meetings, it tends to undermine the security of the state, as they

would most likely pass on security information to their groups/followers. This situation has been largely influenced by the defection of the former Governor to the ruling party at the Federal level (APC), and the split of the political class of the state along these two party lines (PDP and APC).



## Annex 2. Common Trends Affecting the Value Chains

The trends highlighted here are factual, even though they may not be up to a scale that requires any radical changes in the way MADE works. They are nevertheless trends to watch and track as MADE progresses with its work.

<b>Trends and Challenges</b>	<b>Effects</b>
Economic recession	The current economic recession has impacted negatively on all the value chains. It has increased cost of production for all producers as the cost of inputs (poultry and fish feeds, fertilizer, vaccines, pesticides/herbicides, and transportation) have gone up. Significantly, producers cannot raise prices to adequately reflect this rising cost of production as the declining purchasing power of people, which has reduced sales, and profits may become worse. This means that profits, and consequently incomes have declined. However, the recession has also forced many to go into agriculture, thus boosting production in the value chains, particularly fishing, poultry, and vegetables farming. Also, cassava growers are making out of the recession. MADE can take advantage of this to strengthen its interventions.
Herdsmen-farmers conflict	The encroachment on farms by herders is a major conflict issue that has affected agricultural output. Cassava farmers across all the states have been victims of destruction caused by cattle. The case of a farmer who lost 10 hectares of cassava farm and another who realized a paltry sum of ₦200, 000.00 from a ₦4.5 million investment were cited as classic examples of losses to cattle encroachment on farms. Also, the rape and assault of women by Herders has created fear and insecurity, forcing women to go to farm in groups, a situation that undermines their productivity. There is an urgent need to protect farm investments from this menace. The concern for MADE here is to develop appropriate conflict proof methods for investments in cassava, vegetables and other product grown in the open field.
Militancy and sea piracy conflict	Militancy occurs mainly in oil producing communities. Militants also operate as sea pirates and criminal gangs and attack fishermen and women in Akwa Ibom and Bayelsa States. They take away money, boats,

	and rape women. In Akwa Ibom, they also impose levies on the fishing communities, while in Bayelsa (particularly in the Nembe-Brass area); they attack the fishing camps and take away their food. This has made fishermen and women unsafe, and have consequently affected their activities in capture fishing in the coastal communities of Akwa Ibom and Bayelsa States
Other conflict dimensions - kidnapping and armed robbery, communal clashes and rape of women in rural farming communities.	There is an escalating situation of kidnapping and armed robbery, which has made personal security a challenge for everyone in the Niger Delta. Communal clashes over land, which affects farmlands are noticeable in parts of Abia and Cross River States and Ogoni axis of Rivers State. The rape of women in farmlands is reported in some rural communities in Abia State.
Multiple and illegal taxation	Multiple taxation and the collection of illegal levies by government officials and touts is a major disincentive for persons engaged in agricultural production. The current economic recession has compelled the states in the region to look inwards to raise revenue. In doing this, some (Edo State) have widened the tax net while others have in addition to widening the tax net (Abia and Bayelsa) either increased taxation rates or introduced new taxes or levies. This increases cost of production and depletes the profits of farmers and other producers.
Marginalisation of women	In all the states visited, women face a number of challenges (social, economic, cultural, and political) that inhibit their full involvement in economic activities; including agricultural production. Inheritance practices alienate women from land ownership, as only male children are entitled to inherit land. Although women can buy or lease land, this is limited by their poor economic status as well as the seeking and granting of their husbands' consent and approval before they can purchase land. Because land is the major means of production, particularly in the rural communities, this constrains the productivity of women, and by extension undermines their capability to walk out of poverty. This has been exacerbated by the oil industry which has promoted an easy money making mentality that encourages prostitution. The conspicuous consumption lifestyle of oil company workers has attracted women to them. There are cases where mothers encourage their female children into prostitution. In Bayelsa, Delta,

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	<p>Akwa Ibom, and Rivers State, oil workers induced prostitution is very rampant, as young girls flock around oil production facilities to be patronized by the male oil company workers. In Edo, the trafficking of young girls for prostitution is the common feature. “Italo babes” (prostitutes in Italy) as they are widely known are successful prostitutes who are either models to young girls or have lifestyles that incentivize prostitution. Families in Edo state raise money to provide for logistics to facilitate the trafficking of their female children to Europe for prostitution. In Abia, women have been turned into baby machines, as they are camped in what is widely known as baby factories. A man jokingly called “impregnator” is hired to impregnate these women, whose children are sold from N250,000.00 – N1,000,000.00; depending on the sex and status of the buyer. One major consequence of this is the disdain or disrespect they show for hard work or dignity in labour.</p>
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### Annex 3. List of Stakeholders Consulted

#### DFID and MADE Officials: 12 & 15 August and 8 September, 2016

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## **Annex 4: Human Trafficking and Modern Day Slavery in Edo State**

### **1. Introduction**

#### **1.1 Aim and methodology**

This annex is a report of an additional piece of work undertaken to complement a broader update of Political Economy and Conflict Analysis of the Niger Delta. The specific objective of the additional work was to assess the political economy to identify how best a market-based intervention could impact on human trafficking and forced labour in Edo state. The work involved a desk review of the literature on human trafficking in Edo state and a two-day field visit by two Consultants to Benin to hold interviews with key informants familiar with the operation of human trafficking in Edo.

A desk review of human trafficking in Edo state reveals a discernable pattern and “value” chain that derives its sustenance from the commodification of a segment of humanity in the area.<sup>2</sup> It is clearly a picture of a well-organized market. The literature traces the historical context of human trafficking in Edo way back to the mid-twentieth century when Edo women started travelling to Europe on legitimate business transactions, but over the years were compelled by changing economic circumstances to gradually settle in prostitution, often coming home to recruit siblings, friends and relatives. Several factors have been identified as responsible for the existence of the market. These include the demand factor in Europe, especially in Italy, without which there would not have been a supply. But in Edo the supply side of the market is driven by such socio-economic factors as poverty, limited employment opportunities, value orientations, family structures, low level of education by victims, and perception of prostitution as an alternative means of livelihood both by victims, parents, and human traffickers. The “procurement” process involves girls offering themselves to agents, parents urging and sponsoring their daughters to go into prostitution, agents sourcing and luring victims to go to Europe. Local agents procure girls and organize travel mostly through dangerous land routes and supply to “Madams” abroad who take custody of the girls. Once in Europe, the girls are used mostly as prostitutes, earning money for the owners.

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<sup>2</sup> *Christiana E.E. Okojie et al* Trafficking of Nigerian girls to Italy report of field survey in Edo state, Nigeria July 2003; Catherine Enoredia Odorige, *The Dark Side of Migration Remittances and Development: The Case of Edo Sex Trade in Europe*, *Pécs Journal of International and European Law* - 2016/1 ; Geir Skogseth *Trafficking in Women – Fact-finding trip to Nigeria (Abuja, Lagos and Benin City) 12-26 March 2006*



Informed by the perspectives from the desk review, the MADE Consultants undertook a two-day field visit to Benin in October and held in-depth, semi-structured interviews with key informants with close knowledge of the operations of the market. The discussions focused on understanding **why** the market exists, **how** the market works, **who** are involved, **what** is being done to discourage the market, and the feasibility of interventions such as MADE to provide sustainable market based alternatives that take the girls off the market. Findings in the field are discussed here under four main sections: Background to the market; Operation of the market; Interventions to address the phenomenon; and a suggested approach for MADE.

## **2. Background to the Market**

### **2.1 Historical and cultural perspective**

Edo women have been exposed to Europe for a long time. Far back in history Edo women travelled to Europe, particularly Italy, to buy goods for sale in Nigeria. Some of these women experienced failed businesses and stayed back in Italy to do menial jobs to survive. Most of them later ventured into prostitution and over time they became 'Madams' and started recruiting young women, especially siblings and friends from Edo communities abroad as prostitutes.

Polygamy is prevalent in the Edo society, particularly in Benin City and the neighbouring communities. The situation produces many families with several children, including girls. In most cases it is women who toil by engaging in farming and trade, to take care of their families and children. Some of those families have competitive polygamous wives who seek to do better than each other in generating income. In some cases, parents of the polygamous families look forward to their children taking care of the family. Under the circumstances, prostitution is perceived as a reliable family revenue-generating alternative. After a period of exploitation by their importers, the women become free to make money for themselves, which they remit home. Unlike communities in the Northern Nigeria where girls are given out to marriage early, this practice is minimal in Edo communities.

### **2.2 Economic perspective**

The economic perspective appears to be a strong factor that explains the continued existence of human trafficking in Edo state. Some of the economic reasons given by stakeholder interviewed include the following:



- **Lack of or low level of education and skills:** Most victims of human trafficking are girls and women without education or those with very low levels of education. These include school dropouts as well as primary and secondary school leavers. Without education and skills, the most lucrative option for the girls is to be involved in prostitution. However, at the moment even girls and women with Ordinary National Diplomas (OND) and those with skills in hairdressing and dressmaking get involved as victims with the desire of making it big. The age bracket is 16 to 20 years or a little older. It is difficult to find educated girls and women as victims of the business. Educated girls and women have some hope of being employed and do not participate in the business.
- **Unemployment:** Lack of jobs and the high rate of unemployment is a factor which encourages the girls and women to participate in the business to take care of themselves as well as their families.
- **Poverty:** Associated with lack of education and skills as well as unemployment is poverty. Girls and women from very poor homes show very high desire to get involved in the business.
- **The role of women perceived as role models:** Several girls and women who have participated in the business return with wealth to build big houses in their communities. They also send money to their parents who are obviously very wealthy in the communities. Other poor girls and families who see these display of wealth are encouraged to participate in the business.
- **Low value system of several families:** Several families do not care to find out the source of wealth of their wealthy members. These families celebrate wealth without any regard to their sources. Families that place less value on material wealth are less likely to allow their children to participate in the business.

### 3. Operation of the Market

#### 3.1 Market operation and recruitment methods

For many years in the operation of the market, the girls and their families were lied to by the recruiters and they ignorantly thought they were travelling to Europe to be employed as housemaids, care givers and store attendants. Overtime, the girls and their families became aware of the goals of the recruiters but willingly continued participating in order to generate foreign earnings. Currently, parents play very active roles in the trafficking of their girls and women. Several girls and women are trafficked with the active connivance of their parents, due to poverty while some others raise funds to sponsor their girls and women to embark on trips

to serve as prostitutes and remit earnings home. There are cases of couples with five or more children who agree that the wives should be trafficked and be involved in sex slavery to source foreign earnings.

These days a majority of the victims and recruitment agents look out for opportunities to meet each other. The recruitment agents go to communities and look for ways to engage potential victims for recruitment. There are several cases where girls and women get involved and are trafficked without the knowledge of their parents and families. At the moment, community, traditional, political leaders and even religious leaders (by holding thanksgiving services for prospective sex slaves and wealthy returnees) have benefitted from the business and tolerate it. The returnees are women who have been granted freedom by their importers, who claim to have travelled to Europe to work or undertake businesses. Members of the communities perceive most of such women who visit home regularly from their abode with suspicion.

Initially, air travel was the main route of trafficking prospective sex slaves. But awareness and tighter control by the Immigration service has drastically reduced tendency of trafficked girls and women to travel by air. Currently, over 98% of movement is through land routes. The victims are usually taken from Edo State to Kano or Sokoto with local means of transport. Agents then take them to Libya and lately Morocco. Thereafter, another set of agents take them to Italy or other European countries. The major importers or 'Madams' in European cities ultimately pick up the sex slave victims.

There are two methods of recruitment. Some of the victims are recruited by field agents who go into communities to identify the girls and women as well as engage their parents. In other cases, the importer 'Madams' visit Edo communities once in a while and go to communities to engage in recruitment.

On arrival in Europe the human trafficking victims are handed over to the Nigerian importer who states the terms of the business to them. The girls and women work by engaging in prostitution to re-pay the expenses incurred in transporting them from Nigeria to Europe. Some of the girls and women have reported that they have lived in one residence without access to the streets for long periods of up to seven years. In some cases, after a long period of service to their 'Madams' they are granted freedom and they also become importer 'Madams' themselves.

### **3.2 Key actors**



There are several actors in the human trafficking and sex market. The actors include gainers and potential losers in the event of the market diminishing with time. They are outlined as follows:

- Main importers 'Madams' or principals who reside and operate from Europe;
- Principals who reside in Nigerian cities outside Edo State or other West African cities, who provide collection points for the girls and ladies recruited in Edo communities. They could be wholesale agents of the main principal or could recruit, sell and export the girls and women on wholesale basis to the European based principal;
- Middlemen or agents usually called "trolleys" who identify and recruit the victims in communities;
- Transport agents who move the victims to collection points in Nigeria or border cities in Nigeria, or a West African city such as Accra, Ghana or Bamako, Mali;
- Transport agents who move the victims to Libya or Morocco;
- Transport agents who traffic the victims across the Mediterranean Sea to the shores of Europe; and
- The human trafficking and sex slavery victims and their parents.

The key principals or drivers in the market are the importers or 'madams' in Europe. The key principals are quite powerful since they fund upfront the initial cost of trafficking girls and ladies from their homes to the destination, provide facilities for the custody of girls and ladies that are trafficked and make the necessary arrangements to create opportunities for the trafficked women to be involved in sex trade. In addition, the main importers pay for the services of the middlemen and agents. The main importers make their money by exploiting the trafficked girls and ladies. Payments for the services provided to clients by the women are made directly to the importers who accommodate the women or in circumstances when payments are made to the women, they render returns to the importers. This goes on for a long while until the trafficked women are granted freedom by the importer 'madams'.

It is estimated that on the average each girl makes about 200,000 Euros for the importer during the period of exploitation. Also, on the average about 30 young girls and ladies are trafficked out of Edo State every month.

#### **4. Interventions to address human trafficking**

##### **4.1 Current intervention efforts**



In a national effort to address the menace of human trafficking in Nigeria, the Federal Government established the National Agency for the Prohibition of Trafficking in Persons (NAPTIP) in 2003. Also at the national level a non-governmental organisation, Women Trafficking and Child Labour Eradication Foundation (WOTCLEF) was established in 1999. The NGO is dedicated to the eradication of trafficking in persons, child labour and violent abuses of the rights of women and society, as well as HIV/AIDS. The significant landmark activity of WOTCLEF was the enactment of the NAPTIP Act and the setting up of the Agency. NAPTIP is currently not performing effectively due to challenges, including funding.

The Edo State Law Against Human Trafficking and Prostitution was passed in 2001, and the Edo State Committee Against Human Trafficking was set up to implement the Law by the brief Osunboh administration. A Senior Special Assistant on Human Trafficking to the Governor was appointed to head the Committee. However, the Committee stopped functioning after the Osunboh administration was removed from office.

At the international level there is the International Organisation for Migration (IOM) established in 1951 and it has a Nigerian office. It set up a shelter to temporarily keep repatriated migrants, including victims of human trafficking, and the facility has been handed over to NAPTIP.

Some of the girls and ladies are repatriated when they are arrested during raids by law enforcement agents in Europe or when they commit crimes or have any cause to come in contact with law enforcement agents, who identify them as illegal immigrants. When they are arrested in such circumstances they are sent to detention camps and taken through immigration tribunals which order their repatriation. In some cases, the repatriated immigrants are assisted by IOM up to their arrival in Nigeria.

The following NGOs and private sector companies are making some efforts to intervene in the human trafficking and sex slavery in Edo State:

- IDIA Renaissance;
- Initiative for Rehabilitation and Care (INRECA); and
- LAPO Microfinance Bank (It also supports INRECA).

NGOs train and empower young women through field workers who identify targeted potential victims of human trafficking as beneficiaries. In collaboration with religious bodies, community health workers as well as community youth and women leaders they embark on advocacy on

the dangers of parents allowing their daughters to be exported for prostitution. The outcome of such advocacy indicates that communities where NGOs are working have experienced reductions in the number of young women who are trafficked. In some cases NGOs embark on picking stranded victims in Libya and making them beneficiaries of their training and empowerment activities. Victims of human trafficking deported to Nigeria are also picked up by NGOs and provided with training and empowerment. The training enables the victims to acquire skill, after which they are empowered to start small businesses. Such women run their businesses and resettle in society and over time some of them get connected to their families.

IDIA Renaissance has a skill acquisition centre in Benin City, which was set up with the assistance of United Nations Children Fund (UNICEF), to train repatriated victims and vulnerable young women. Edo State also has a Skills Acquisition Centre, which is a general facility and not targeted at vulnerable young women and repatriated victims of human trafficking.

## **5. Suggested approach of market based intervention by MADE**

### **5.1. Learning from what is working well**

Two key challenges face efforts at making a market-based intervention to impact on human trafficking and forced labour in Edo state. The first relates to the losers/gainers equation. The second relates to the mindset of the girls and women at stake. First, diverting attention from trafficking to alternative economic activities for potential victims in the short term produces more losers than gainers. Powerful vested interests including in some cases traditional rulers, politicians, trafficking agents, criminal networks and even the girls and women in question will lose the immediate benefits of the market. Such benefits come from payments made to various parties by importers of trafficked women and revenue generated by trafficked women who have been granted freedom by the importer. And these powers and interests are not likely to give up without some form of resistance. Investments have been made in hiring properties in Nigeria and abroad, establishing networks, securing transport arrangements, even borrowing from banks to implement business arrangements. Human trafficking in Edo is a commercial industry.

The second major challenge is the mindset of the potential victims: the women and girls. Most of the vulnerable young women and repatriated victims wished to leave their poor farming communities, and indeed willingly left the rural areas in search of a better life in cities and abroad. Many of them currently have a phobia for agriculture as it is practiced. Therefore, general agriculture value chains are not attractive to them.



However, some NGOs have recorded modest successes in their interventions and have been able to divert potential victims to alternative sources of income. They are doing this through careful awareness creation, rehabilitation of repatriated victims, and training/empowerment of vulnerable young women. Thus certain things are going on well in the current interventions by NGOs. These include the following:

- In communities where NGOs are carrying out awareness and enlightenment activities as well as training and empowerment of vulnerable young women, there are reductions in recruitments of human trafficking and sex slaves victims – this serves as a prevention effort;
- The activities of NGOs that are involved in intervention efforts have rehabilitated several repatriated victims of human trafficking;
- The training and opportunity to own small businesses has enabled vulnerable young women and repatriated victims to engage in legitimate economic activity and earn their living.
- There is modest emerging evidence that participation in public awareness and enlightenment interventions by NGOs can dissuade vulnerable young girls and women from falling victim to human trafficking

## **5.2 Working with and through local actors**

MADE's approach is in general suitable for making a market-based intervention to impact on human trafficking and forced labour in Edo state. MADE management is currently developing a strategy that aims at mentoring local organisations to work effectively with the poor to improve their livelihoods and get them out of poverty. The existence of local organisations making modest inroads into the human trafficking market provides opportunity for collaboration. There is need to significantly raise the attraction of agriculture value chains and markets to create and sustain interest in the young women and victims. Specifically, there are opportunities for MADE to:

- Identify and work with, local NGOs that are already making an impact on human trafficking in Edo including mentoring them. These include IDIA Renaissance, and Initiative for Rehabilitation and Care (INRECA). Advocacy and awareness creation strategies of these NGOs can be useful tools.

- Deploy its demonstrated training capabilities to strengthen the skills of identified willing, vulnerable women and girls to enable them settle in productive commercial activities.
- Utilize its robust communications strategy, including sharing success stories demonstrating examples of vulnerable women lifted out of poverty and flourishing in the value chains MADE is supporting in carefully planned advocacy initiatives. This will go a long way in making agriculture less unattractive to potential victims of trafficking.
- Bring lessons learned from its efforts in lifting women out of poverty to bear on making an impact on human trafficking.

## 6.0 Recommendations for further study

This piece of work was done within a short period involving only two days in the field. Therefore, it is but a light touch analysis. It should therefore be taken as a starting point. A deeper study is required to gain a better understanding of the dynamics of the market.

The issues to be addressed in the recommended study should include, but not be limited to, the following:

- At the macro level, analyse the size of the problem (and of the market). Are we talking about hundreds of women per year? Thousands? Any sense of the overall value of the “industry” to Nigeria? And the value to the “beneficiaries”?
- At the micro level, what is the average “value” of a transaction to the family, because any other effective solution would need to focus on this.
- Explore questions about the actual transactions – values, means of transactions (payment up front, payment over time), cash flow, and who makes the actual payments, the segmentation of the actual reasons – how many of each type of group there are (and who they are), which is really important for understanding the most appropriate solution. If families want to replace the earnings flow, they will need something comparable.
- The study should help determine how to work with existing partners to:
  - i. analyse and understand the problem better;
  - ii. design some pilot interventions in conjunction with MADE local partners; and
  - iii. implement the pilots.

# Human Trafficking Value Chain

End market	These are the buyers of the services provided by the girls, either for labor or for sex (two separate end markets). There will probably be different market segments for the sex
Retailers	These are the sellers of the services of the young girls either for labor or for sex (two separate end markets). These firms can probably be disaggregated by the market they serve and the
Importers	Human trafficking is a global value chain. These importers deal with supply from all over the world. This is probable the criminal element in the destination countries that controls the relevant industry – Mafia, organized crime, etc. They have the major relationships with the exporters and control the government bodies that should be pursuing them.
Exporters	These are the main business element in the country of origin. They will be big businessmen/organised crime with strong ties to government and other regulatory/influential parties. They may have branches in other countries, may be Nigeria wide, or may be just Edo state based. They will have to organise the mode of shipping of the girls from Nigeria. What is their link to the importers??
Aggregators	These are the businesses/agents who do the actual identification of the potential families to target or the girls in particular. They probably have some sort of criminal element to them (area boys?)
Producers	These are the households that are supplying the young girls for the trade. We need to understand their characteristics and why they are doing it, what they get from it (do they get paid for selling the girls), and what they do with the money that they get. Are they forced to do it by criminal elements or are the children kidnapped?

