

**“Building Stakeholders Synergy for Growth of the Equipment Leasing Industry” by Markus Wauschkuhn, Head of GIZ-SEDIN Programme**

*Protocol:*

The Chairman, Equipment Leasing Association of Nigeria (ELAN)

Distinguished guests of honour and special guests

Esteemed guest speakers

Gentlemen of the press

Ladies and gentlemen; permit me to stand on the existing protocol.

I am very pleased to be in your midst this evening, to join you to appreciate and celebrate the laudable contributions of stakeholders to the growth and development of the Nigerian leasing industry, and to speak briefly on the topic “Building Stakeholders Synergy for Growth of the Equipment Leasing Industry in Nigeria.”

I bring you warm greetings from GIZ Nigeria and the Sustainable Development Cluster of GIZ Nigeria. The Pro-poor Growth and Promotion of Employment in Nigeria - SEDIN Programme (including the Nigeria Competitiveness Project – NICOP, funded by the European Union) is one of GIZ's programmes in Nigeria. The overall objective of SEDIN is to improve the employment and income situation of micro, small and medium-sized enterprises (MSMEs). The programme cooperates with partners at the federal, state and local levels. It has been concentrating its field work in the federal states of Ogun, Niger, and Plateau and with a Co-financing by the European Union for the “Nigeria Competitiveness Project” (NICOP) since October 2018, the programme expanded to the federal states of Lagos, Oyo, Abia, Kano and Kaduna as well as a “Migration and Reintegration” component focusing on Lagos and Edo States. In order to achieve the overall objective, SEDIN is working with both private and public institutions to improve the framework conditions, business enabling environment and promote policies in favour of MSMEs, employment and local economic development. In addition, the programme is facilitating local economic development, strengthening selected value chains, and fostering economic literacy and entrepreneurship competencies for start-ups and existing businesses as well as improving the employment situation of returning and potential migrants. The specific needs of women are considered in all fields of action and the target groups of SEDIN are the owners and employees of MSMEs as well as members of other economically active low-income households.

The SEDIN Programme has since 2011 been providing support and technical assistance to partners at the national level towards improving the access to finance for MSMEs in Nigeria. The Programme has supported the development of innovative financing options for MSMEs

in close coordination with various trade and financial sector stakeholders to stimulate awareness and access to finance in Nigeria. We are now upscaling our approach to include increased search for solutions, particularly looking at alternative sources of finance for MSMEs in Nigeria, by exploring different instruments including factoring, crowdfunding, franchising, equipment leasing among others.

One of the key approaches we are adopting in our work with stakeholders is building coalition of relevant stakeholders around a topic of interest for engagement, consensus building and joint advocacy. We recognise that several stakeholders have different interests, fears, roles and responsibilities, varying level of influence and strengths with respect to a particular topic. By pulling and working together, we can understand the interests of all stakeholders and address their fears and build consensus while leveraging on their collective strengths to achieve common goal. This approach has proved successful in different sectors and that is why I accepted the request to speak on how best to use this approach for the growth of equipment leasing in Nigeria.

Equipment leasing no doubt is an important instrument for bridging the financing gap for small and large businesses. However, as you all are industry experts and you know more than I do when it comes to the importance and benefits of equipment leasing to businesses and the much talked about industrialisation, I will skip all that and rather focus on why stakeholders' synergy is important for the growth of the industry.

According to the publication of your noble association (*The Nigerian Leasing Industry: More Than a Decade of Growth and Resilience published in March 2022, published in March 2022*), "Nigerian Leasing Industry has consecutively and consistently recorded growth in business transactions. The industry has further displayed its resilience and ability to support economic investment and development, either in times of boom or challenges. After recording a sharp decline in growth from 14.5% in 2019 to 4.3% in 2020, (the year of high prevalence of the covid 19 pandemic), the industry recovered with a 28.65% growth in 2021." While the consecutive and consistent growth of the industry is commendable and we must appreciate all stakeholders particularly members of this noble association who have made this possible, which is why we are here today; we must also admit that the industry is still far behind in terms of its potential in Nigeria. With the renewed drive towards industrialisation and the need to expand our production capacity to leverage on the African market under the African Continental Free Trade Agreement (AfCFTA), equipment leasing can play more vital role than it is currently playing in driving production. To achieve the much needed growth of the industry, we must address some of the key challenges of the industry particularly, the regulatory

framework and business enabling environment for players and poor awareness and capacity of stakeholders particularly the end users.

To address these challenges, we must build coalition of relevant stakeholders around these issues for engagement, consensus building and joint advocacy. For example, since Equipment Leasing Act was enacted in 2015, implementation has remained an issue. The Equipment Leasing Registration Authority established under the law with some relevant functions to drive the growth of the industry is yet to be put in place 7 years after. How do we get all the relevant stakeholders on board around this? We have proposed a stakeholders' forum on this to bring all the relevant stakeholders together to look at this, discuss the challenges, fears and interests and build a consensus on the need for this authority to be set up immediately. Where required, we could also have a joint advocacy to the Ministry of Finance on this since the power to set up this authority rests with the Minister.

Similarly, on addressing the awareness of end users particularly the MSMEs in the different sectors, there is the need to collaborate more with different business associations like All Farmers Association of Nigeria (AFAN), National Association of Small Scale Industrialists (NASSI), Manufacturers Association of Nigeria (MAN), Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA) among others not only to drive awareness among members of these associations but also to drive advocacy for the use of this instrument in Nigeria. Similarly, on the public sector side, there is the need for more collaboration and synergy with public sector actors like Small and Medium Enterprises Development Agency (SMEDAN) and state SME agencies and other business support agencies for increased awareness on the relevance of this instrument to business support and growth.

We are quite confident that ELAN is strategically positioned and also capable of driving these needed linkages and synergy building among relevant stakeholders to enhance the growth of equipment leasing in Nigeria.

Mr Chairman, ladies and gentlemen, an event like this cannot happen overnight. The wheels started rolling years ago. To the stakeholders, we want to say thank you for your laudable contributions to the Nigerian leasing industry, and we look forward to throwing our full support behind ELAN towards improving the framework conditions for equipment leasing in Nigeria and growing the market. Also, a special recognition to the team of very motivated and dedicated individuals of ELAN who know their job and are result oriented.

Thank you very much for having GIZ as a Guest Speaker on this occasion.