National Enterprise Development Programme

NEDEP - Release 1.0
“... a new way of delivering enterprise development and building an ENTERPRISE NATION”
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For Nigeria to truly develop and attain the transformational agenda my administration is striving towards, the fruits of our current economic growth must be felt not just by the few but by everyone of the millions of talented Nigerians. The entrepreneurial spirit which is present across Nigerians, irrespective of region, gender or religion is recognized as a distinguishing and positive asset across the world and can be seen day to day on the streets of our great nation. In each one of the many countries I have visited, there are successful Nigerians in the diaspora thriving. To ensure this spirit is utilized to its maximum potential, the National Enterprise Development Programme has been devised. This programme will be a change agent, not only training millions of young able Nigerians and harnessing the unbridled entrepreneurial energy in our society but also providing them with affordable and accessible finance to act as a catalyst for their ambitions and enable them to achieve their dreams. This programme will lift a generation to attain the peak of their potential.

There is no doubt as to the importance of MSMEs to the development of our nation. This can be seen through the relevance and impact of the over 17 million MSMEs in our great nation and the over 30 million people they currently employ. As our country approached the centurian, we are moving into a new era of development, a new area of sustainable and inclusive growth in our real sector. With NEDEP, Nigeria has begun its journey... a journey where by we do not just implore our youth to "go out and attain employment" but rather we say to them “go out and create employment, employ yourselves, employ others, become the employers this great nation needs”. In empowering these young and vibrant generation of Nigerians, we empower the future of Nigeria and in so doing we empower the future of Africa.

The bridge between the high investment returns achievable in Nigeria and the improvement in the livelihood of the everyday Nigerian can only be achieved through the strengthening of our countries MSMEs, a point that has been proved and that can clearly be seen in the development of similar nations.

Through NEDEP we start a crucial process of enablement. We equip and empower our people to become employers of labour. We re-educate the nation on the importance of entrepreneurship and we begin the process of breaking the shackles of poverty currently holding back our many potentially successful entrepreneurs. The NEDEP program is an example of what can be achieved through collaboration between Federal, State and Local Governments across the country and across all political lines, joined with a common mission, driving towards a common vision of creating jobs and eradicating poverty.

Too many young Nigerians are settling for less than their potential and capabilities. The NEDEP will lift them from mediocrity into a position of achieving their potential, attaining what they are
truly capable of and in the process transform our economy and the lives of millions of Nigerians. We begin our journey today, we begin to wield one of our greatest assets today - the entrepreneurial Nigerian spirit.

This programme should give hope to every Nigerian here today and will touch the lives of every Nigerian who will be here tomorrow.

Thank you.

President Goodluck Jonathan, GCFR
Foreword by the Nigerian Minister of Industry, Trade, and Investment

The average Nigerian is creative, intelligent, resourceful, business savvy and most of all, enterprising by nature. It is evident in the high number of micro, small and medium enterprises we see across the country. These enterprises are the creator of jobs, the source through which millions of families are fed in the country and ultimately the backbone of our economy.

According to the World Bank, fostering high growth entrepreneurship and innovative activity are critical in achieving high productivity and job creation in any country. For many years however, the needs of this sector have not been fully met and efforts to develop the MSMEs have not been felt at the grass root level. Hence, whilst we have recorded an average GDP growth of about 7 % over the past decade, the economic growth has not been as inclusive as we would have wanted. Under the Transformation Agenda of Mr. President, Dr Goodluck Ebele Jonathan, GCFR, this sector is now being prioritized and nurtured in order to ensure sustainable and inclusive economic growth.

The National Enterprise Development Programme (NEDEP) has been designed to address the challenges that are stifling the growth of the MSME sector in Nigeria. It pulls together public sector capacity and private sector expertise in addressing these challenges. With the rigorous implementation of the program, NEDEP expects to create an average of one million jobs per year. Under NEDEP, all stakeholders are engaged to ensure a holistic framework is put in place to directly address these barriers. For example, the Industrial training fund (ITF) will ensure that MSMEs have the requisite skills; the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) will provide business support services working with MSMEs to prepare bankable business plans and the Bank of Industry (BOI) will provide funding for eligible small businesses.

The Nigerian consumer appetite is large…. With a population of 167 million that is expected to reach 220 million by 2020; it is clear that there is the necessary local consumer base required for MSMEs to grow their enterprises. NEDEP will ensure enhanced productivity of MSMEs, improve the quality of their products and ensure that the importations of substandard products are significantly reduced or eliminated.

Dr Sam Ortom (Honorable Minister of State) and I would like to take this opportunity to thank the Development Financial Institutions (DFI’s) and the private sector for their support and commitment to this program.

Join us on this journey of innovation, creativity and strategic discipline as we look to unleash and support the innate entrepreneurial spirit in the average Nigerian.

Honorable Minister Olusegun Aganga, CON
1.1 State of MSMEs in the country

Micro, Small and Medium Enterprises (MSMEs) play a pivotal role in the economy of most countries. The International Finance Corporation (IFC) states that MSMEs contribute an average of 50% to global employment. It is now globally recognized that this sector is critical to the improvement of living standards and economic development.

In Nigeria, during the colonial era in 1946, there was a ten year development plan to lay the groundwork to address welfare issues in the country. This was to be done through the empowerment of local small businesses. It was viewed however that the administration showed more preference to large scale industries in a bid to promote industrialization in the country. As a result exchange rate policies as well as enabling environment were prioritized in favour of the large firms to pave way for large industries as catalyst for Nigeria’s industrialization. In spite of this, it was still difficult for the manufacturing sector alone to drive the Nigerian economy.

To further drive industrialization, the import substitution policy was introduced post the colonial period. The objectives of the policy were focused on incentives for mass production...
industries and failed to include MSME production. To attract Foreign Direct Investment FDI, policies such as profit tax holidays, import duty relief which allows firms to import raw designated materials under duty free and concessional arrangements, accelerated depreciation on capital investment and tariff protection. There were also monetary incentives such as the establishment of financial institutions for loans and subsidies. A number of financial institutions were drafted to oversee these arrangements such as, Nigeria Industrial Development Bank, and Nigeria Bank for commerce and Industry. Generally, both trade and infrastructural policies favoured the large scale industries.

The collapse of the oil market in the 1980s and the inability for the Nigerian manufacturing sector to achieve the necessary economies of scale required to boost the economy, the Nigerian government was forced to seek a bailout from international credit institutions, International Monetary Fund and World Bank.

As one of the pre-conditions and requirements for such credit facilities, the economy embarked on Structural Adjustment Programme (SAP). In order to drive home the policy objectives of the SAP, an inward-looking policy that emphasised the use of local raw materials was introduced to encourage local producers, particularly Small and Medium Enterprises (SMEs).

The SAP enabled the MSME sector to be a key focus of the country which in turn resulted in the emergence of an increasing number of MSMEs in that era. As a form of encouragement, policies were adopted to use the sector as a stepping stone for both job creation and industrialization. With the increased focus on this sector, industrial development centres and industrial estates were put in place to further encourage the growth of the sector.

Currently, in Nigeria there are 17,284,671 micro, small and medium enterprises. These enterprises are mostly located in Lagos and Kano which can be attributed to their large population density.
The sector currently contributes 75% to employment.

The MSMEs are predominately in the Agriculture sector which is as a result of the fact that the majority of these businesses are micro enterprises. Please refer to 1.2 below.

The sector is a positive contributor to the Gross Domestic Product and to the contribution to employment. Globally MSMEs contribute between 40-55% of GDP and 50-80% of employment. The World Bank states clearly that the labour intensity is 4 to 10 times higher for small enterprises thus this is where jobs are created. In Nigeria, MSMEs contribute 75% of total employment in the country, which is higher than the global average of 50%. This therefore shows the impact this sector has on job creation and therefore the need to develop it accordingly.

1.2 Definition of Micro, Small and Medium Enterprises

According to the National Policy on MSME, the definition for micro, small and medium enterprises is as follows:

The definition adopts a classification based on dual criteria, employment and assets (excluding land and buildings) as shown below.

If there exists a conflict on classification between employment and assets criteria the employment-based classification will take precedence.

Of the 17,284,671 MSMEs in the country, there are approximately 17,261,753 or 99.87% micro enterprises, 21,264 or 0.12% small enterprises, while approximately 1,654 or 0.01% are medium enterprises. The micro sector (informal sector) represents the majority of the enterprises in the country. This could be a reflection of the possibility that certain economic conditions may have either forced small enterprises to go informal or that more unemployed persons are engaged in informal activities.

When looking globally, it is evident that the Nigerian MSME sector is currently underdeveloped as the bulk of our enterprises are concentrated in the bottom of the pyramid. This limits the capacity of the MSMEs and limits the number of jobs they create as a whole.

1.3 Importance of micro, small and medium enterprises

It is evidently clear that the micro, small and medium enterprises could play a catalytic role in the economic transformation of Nigeria. The role includes substantial contribution of the sector to GDP growth, employment generation, export promotion, increasing local value addition and technological advancement. Other measures advanced by the advocates of micro, small and medium enterprises development in the country include:
i. The low level of capital required in the establishment of the enterprises.

ii. The large number of the establishment and their labour intensive modes of operation guarantees employment for a large number of persons (labour intensive).

iii. Inventions, adaptations, and general technological development are common in these enterprises.

iv. A more equitable distribution of income is usually achieved through this sector.

v. Industrial diversification and a relatively more balanced regional development are assured.

vi. The evolution of indigenous enterprise is common amongst these establishments.

vii. General enhancement of the tempo of industrial development is visible among these enterprises.

viii. Tendency among these enterprises to become feeders of large-scale enterprises and service products made by the latter.

The significance of Micro, Small and Medium enterprises (MSMEs) for the growth, productivity and competitiveness of the economies of developing countries is universally recognized. Not only do they provide employment and income for the bulk of the population, as well as the primary source of new jobs, they have been acknowledged as critical breeding and nurturing grounds for domestic entrepreneurial capacities, technical skills, technological innovativeness and managerial competencies for private sector development.  

1.4 The challenges faced by the sector

For decades, this sector has been operating below its potential in Nigeria. This is attributed to factors such as: production technology, cost structure and financing, entrepreneurship, firm characteristics, management structure, marketing strategies, poor infrastructures (roads, electricity, energy, communication, manufacturing environment); economic environment (venture capital, fluctuating value of the Naira, etc); production inputs (raw materials, equipment, land, energy, etc); government policies; It is the complex interaction of these factors and variables that determines the success or failure of both SMI operations and the attendant public policy interventions.
The major challenges as identified in the 2010 collaborative survey are as follows:

1. **Affordable finance:**

   Studies have shown that the majority of start up funds from MSMEs are obtained from personal savings and less than 5% of start up finance is from financial institutions.

   Current commercial bank lending rates in the country are between 25-30% for MSMEs, due to the deemed high risk of the sector, which is unaffordable for start-up businesses. As a result the 2012 access to finance survey revealed that less than 1% of SMEs have accessed bank finance in the last three years.

   (II) Lack of basic business capacity (knowledge, skills & attitude)
   (III) Lack of standardization of products
   (IV) Lack of access to available markets

   Studies have shown that the majority of the market penetrated by the MSMEs is within the same locality, town and state. Less than 20% trade within Nigeria and less than 3% of their goods are exported.

   (V) **High operating costs**

   One of the main causes of disproportionately high operating costs for this sector is the lack of constant power in the country. This results in production being dependent on alternative sources of power which increases production cost.
2.1 Goals and Objectives

The National Enterprise development programme is a new and strategic way of delivering enterprise development in the country by directly addressing the critical factors that have inhibited the growth of the sector. NEDEP is a holistic plan that cuts across all tiers of enterprise and provides the tools to assist enterprises grow from micro to small, small to medium and medium to large.

NEDEP aims to create a minimum of 1 million jobs annually by strengthening the existing MSMEs in the country and making them employers of labour and by creating new and sustainable enterprises in the country.

This is the first time that three agencies under the Ministry of Industry, Trade and Investment (“The Ministry) will come together to address enterprise development. The implementing agencies for NEDEP are: The Bank of Industry (BOI), The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the Industrial Training Fund (ITF). The three agencies have individually piloted schemes in some states and through NEDEP, they will combine these efforts and scale these up to all states of the Federation.

NEDEP will:

(i) Create 3.5 direct million jobs in 3 years
(ii) Increase contribution to GDP to 54%
(iii) Increase MSME export by 100%
(iv) Reduce the formal – informal sector gap by 50%
2.2 **NEDEP Priority Agenda**

NEDEP is a direct response to the challenges identified by the 2010 MSME Collaborative survey performed by SMEDAN and NBS. It will therefore address the barriers to growth in this sector and act as the catalyst for increased economic performance of these enterprises.

To achieve the objectives of NEDEP, a priority agenda has been developed as follows:

(i) Strengthening Institutional Framework
(ii) Developing a revised national Policy on MSME
(iii) Implementation of a robust delivery and monitoring structure
(iv) Increasing access to affordable finance
(v) Increasing access to markets
(vi) Developing business development skills
(vii) Developing technical skills
(viii) Promoting Youth Inclusion
(ix) Reducing High Operating costs

NEDEP will work to address each of the above priority agenda points and will coordinate efforts of MDAs and the private sector towards enterprise development.
In order to achieve the objectives of NEDEP and for the programme to have the impact on the mass population, it was necessary to strengthen key institutions under the ministry.

To do so, studies were completed on similar global agencies and key strategies from these agencies were adopted to restructure some of the relevant agencies under the ministry.

3.1 The Small and Medium Enterprises Development Agency of Nigeria

- The small and medium enterprises development agency of Nigeria (SMEDAN) is responsible for stimulating, monitoring and coordinating the development of the MSMEs sub-sector.

When compared to Sebrae (the Brazilian MSME development agency), it is evident that there is a need for the MSME development capacity of SMEDAN to be enhanced. Sebrae is able to reach approximately 1.6 million MSMEs annually whereas SMEDAN reaches 20,000 MSMEs annually. The success of Sebrae can be attributed to the fact that the agency is spread all over the country and therefore has the ability to reach enterprises in all areas of the country. It has market focused objectives which increases its ability to assist MSMEs sustain and build their capacity as well as help build new SMEs.

For SMEDAN to effectively deepen its presence in the country and reach enterprises in most areas, 80% of their staff were based in the states with only 20% of the staff in the headquarters in Abuja. To increase the effectiveness and reach of the agency, SMEDAN offices were opened in each state of the federation.

Two departments have been created in SMEDAN being: an access to finance & markets department and an innovation & technology department. The aim of the access to finance & market department is to work with the private sector, international development partners and all tiers of government to derive available markets for MSMEs as well as to source multiple funding streams for these enterprises.

The innovation and technology department is primarily to assist MSMEs grow by providing them with the latest technology that can increase their production / reduce their cost of operation etc. This department will work closely with the science and technology university to develop innovative technologies for MSMEs.
3.2 Corporate Affairs Commission

The corporate affairs commission (CAC) has a mandate to regulate the formation and management of companies in Nigeria.

Formalisation of enterprises is one of the major objectives of NEDEP and to achieve this CAC has has been able to streamline its processes to make it easier for businesses to register. There is no longer a need for a lawyer to register a business which in turn has removed the additional financial burden on enterprises to formalise.

CAC has adopted the 24 hour business name registration process in four of its key locations being: Lagos, Abuja, Port Harcourt and Enugu. Currently business name searches can be performed online and there are plans for an entire business name search, registration and payment process to be in effect by the end of Q1 2014.

The cost of registration for small businesses has been reduced by 50%. NEDEP will capitalise on these reforms and will further facilitate the registration of small enterprises. Please refer to the Investment Climate in NIRP.

3.3 The Bank of Industry

The Bank of Industry is the Federal’s Government’s development financial institution with the core mandate to provide financial assistance for the establishment of large, medium and small projects; as well as expansion, diversification and modernization of existing enterprises; and rehabilitation of ailing industries.

Prior to 2006, BOI’s operation was skewed in favour of the big-ticket items (i.e. Large Enterprises) with 70 percent of the funding support as compared to the 30 percent for MSMEs (Micro, Small, and Medium Enterprises).

The BOI has made a major paradigm shift since refocused 85% of its funding to this sector to further fuel the growth of the sector and the economy.

The BOI introduced the bottom of the pyramid scheme whereby the bank lends to partner microfinance banks to on-lend to MSMEs at the grass root across the country at single digit interest rate per annum. (refer to Chapter 5)

The introduction of the cooperative lending scheme further unlocks access to finance as it reduces the collateral requirement on the MSMEs. This model has been adopted in similar economies such as India, Bangladesh and Brazil and has been used to distribute financing to the heart of the economy.

Cost of borrowing in Brazil has historically been quite high. The Development bank of Brazil BNDES has therefore played a crucial role in the accessing of finance by the Brazilian industries, resulting in its place as a bigger bank than the World Bank in terms of assets and disbursements.

As a result BOI has partnered with BNDES in order to (i) provide capacity building to BOI staff and (ii) jointly fund financing projects. This will increase the capacity of the BOI and increase the funding available to disburse to the real sector.
One key factor that is needed to properly guide the sector is a comprehensive and robust national policy that addresses the current MSME environment. The original National Policy on MSMEs was developed and launched in 2007, with provisions for its review every 4 years. The successful implementation of the original policy was limited as a result of: Weak stakeholder buy-in from public and private sector institutions, lack of strong commitment to MSME development by all tiers of Government, weak synergy amongst institutions involved in MSME development, Ineffective funding of the MSME development process. Given the change in economic conditions in Nigeria and the domestic and global emphasis on the development of MSMEs, it is therefore the opportune time to develop a revised National Policy on MSME. The revised policy will take on board more adequately the peculiarities of this sector, the current economic conditions and will aim to provide solutions to the challenges being faced by this sector.

The key highlights of the reviewed Policy are as follows:

a. Government past efforts at developing the MSMEs sub-sector.
b. New national classification of MSMEs.
c. General policy areas (Finance; Institutional, Legal & Regulatory Framework; Human Resources Development; Technology, Research & Development; Extension & Support Services; Marketing; Infrastructure).
d. Priority target areas.
e. Establishment of the National and State Councils on MSMEs.
f. Stakeholders in MSMEs development.
g. Implementation strategies and action points

The policy will give the necessary sturdy framework and guidance for the MSME stakeholders and will create an enabling environment for MSMEs to thrive. Similar economies with buoyant MSME sectors such as South Africa, India, Brazil, Malaysia and China have benefited from having a well-structured and implemented National policy on SMEs. We can see the positive effects of this in the contribution of these MSMEs to their country’s GDP and in the national patronage of their MSMEs’ products. The draft policy will aim to create a similar effect on the Nigerian MSME sector. It has been developed using the 2010 NBS and SMEDAN Collaborative Survey as a baseline and as a strong indicator of the current MSME climate in Nigeria and in accordance with international best practices and by taking on board the best practices we have seen in the countries we have visited and making them applicable to our environment.

Please refer to the National Policy on MSME

Chapter 4.0: National Policy on MSME
Chapter 5.0: Access to Finance

5.1 Historic Financing schemes

Over the past few years, the Federal Government has introduced a number of financing schemes in order to increase access to finance for the MSME sector.

The small and medium equity investment scheme (SMEIS) was launched in 2001 by the Central bank. This scheme mandated all banks operating in the country to set aside 10% of their profit after tax (PAT) to invest in equities of SMEs. This scheme recorded limited success as banks set aside funds but did not expend all the monies in investing in equities of banks. Some banks moved their non performing loans under this scheme. The scheme was discontinued in 2008.

In order to deepen financial inclusion in the country and set a framework for those lending to people at the Bottom of the Pyramid (BOP), a national Microfinance policy was launched in 2005, by the Central Bank. This policy has been revised in 2011. After the launch of this policy, there were over 800 micro finance banks that were licensed by the CBN. However, there have been issues regarding meeting capital requirements in most of these MFBs, and it is estimated that only about 250 MFBs are currently in full operation.

State Development banks - Currently, there are two major state development banks, namely Bank of Industry (BOI) and Bank of Agriculture (BOA). These banks are funded by the government through budgetary allocations. There are a number of commentators that believe that these state banks should actually be providing wholesale funding to private sector commercial and microfinance banks in order to increase the efficiency of the intermediation process and also increase their reach. These three banks are still in existence and continue to provide support to SMEs in the agricultural, trading, manufacturing and industrial sector of the economy.

Nigerian incentive based risk sharing system for agricultural lending (NIRSAL) - This is an Innovative financing scheme to de risk lending to the agricultural sector. It is agribusiness initiative that involves collaboration between the CBN, Ministry of Agriculture, and Ministry of trade, international development partners and the Bankers committee. It focuses on providing risk management solutions in the entire agribusiness landscape. This scheme is still running.

The Agriculture credit guarantee scheme (ACGS) was launched in 1977. This was a scheme designed to guarantee lending by banks to the agriculture sector. The scheme is still running and has recorded mixed success. This scheme is still running.

In 2010, an SME Credit Guarantee scheme (CGS) was launched. This scheme guarantees
deposit money banks (DMBs) for loans given to SMEs. It’s a partial risk guarantee as it covers 80% of the loan value. The response by DMBs has not been as encouraging and the scheme not as impactful. There is a need to tweak this scheme to achieve the desired impact. This scheme is still running.

In 2010, the CBN also launched a NGN 200bn manufacturing refinancing & restructuring facility managed by the Bank of Industry (BOI). This loan is given to deposit money banks (DMBs) to refinance their existing loans to manufacturers. The loan is given at a single digit rate and for a maximum of 10 years. This scheme is still running.

5.2 Current commercial bank lending to MSME

All the micro finance banks that are in operation have a mandate to serve the bottom of the pyramid, as the CBN has specified that 80% of their activities should be targeted at the micro entrepreneur. So this window is available for SMEs.

All the 23 commercial banks in the country have SME desks and products designed for SMEs with varying degrees of success. There are some banks that have mapped out this area as a strategic fit, especially as the SMEs help them to explore linkages between their large corporate clients. In 2010, it was estimated that SME loans accounted for 5% of commercial banks overall loan portfolio. This dropped to less than 1% in 2012. There is a need to drive a concerted effort by all stakeholders towards ensuring that commercial bank lending to SMEs is increased markedly.

The lending rates in Nigeria have made access to finance a severe issue particularly amongst the MSMEs. Typically commercial lending rates in the country are between 20% and 30% which is well above other similar economies. NEDEP will work in line with NIRP to address the issue of availability of affordable finance.

5.3 Partnership with commercial banks

NEDEP is working closely with commercial banks that have existing MSME lending platforms to achieve the following:

(i) Develop risk acceptable criteria as a guide for referral of NEDEP beneficiaries to the banks for review and possible funding
(ii) Develop strategies for reducing the rate of lending to MSMEs. NEDEP will work with the Central Bank of Nigeria to refresh the SME credit guarantee scheme. NEDEP will also work with international partners that could potentially provide guarantees to the commercial banks
(iii) NEDEP will ensure that its partner banks provide capacity building for the MSMEs in order to increase their financial literacy
and further reduce their risk. This process could potentially be used as a platform for determining the credit rating for MSMEs.

(iv) NEDEP will work with the commercial banks to design products that will assist the MSMEs that are part of the supply chain programme (Refer to Chapter 6 below)

5.4 BOI Bottom of the Pyramid financing

The Bottom of the Pyramid (BOP) Scheme is to promote financial inclusion by indirectly lending to the underserved/underbanked population through Micro Finance Banks. Through NEDEP, BOI has partnered with 9 micro finance banks by providing loans to these MFBs at 5% for on-lending to the economically active, but disadvantaged entrepreneurs at single digit interest rates. NEDEP will increase the number of MFBs that are part of this scheme in order to further increase the reach of the BOI thereby increasing the developmental impact in the country.

5.5 BOI Cooperative Lending

The cooperative lending model effectively reduces the collateral burden on MSMEs in an ecosystem. The cooperative groups are able to access up to 10 million naira without traditional collateral but by using guarantors. The BOI lends to cooperative groups at an all-inclusive interest rate of 9% per annum which is well below commercial bank rates in the country.

5.6 BOI State counter-part matching scheme

In order to increase lending to MSMEs in the states, the BOI-State counter-part matching fund was developed. This is a mutual fund whereby the state pledges an amount for lending to MSMEs and BOI matches this. The interest rate on the loans disbursed to the beneficiaries at a rate of between 5-10% per annum. NEDEP will aim to increase participation in this scheme from 17 states (contribution of over 14 billion naira) to all states of the Federation. This scheme promotes inclusiveness of the state government in the promotion of enterprise development in their states.
5.7 Other Initiatives to Unlock Finance

5.7.1 Crowd Funding

Crowdfunding is a new phenomenon that has gained popularity over the last decade. It uses small amounts of capital from a large number of individuals to finance new business ventures across the world. There are currently three forms of crowdfunding that exist globally: Equity based, Debt based and Donation based. In Europe and the USA all three forms are typically administered however equity based is the least popular as it requires legislation to protect the investor interest.

The USA is the most active hub for crowdfunding globally. There are over 200 crowdfunding portals at present with a total disbursement of 60 million angel networks in the country. The world’s most popular crowdfunding website is Kickstarter which was founded in 2009 and has launched 86 thousand creative projects.

In Africa, Kenya and Ghana are in the early stages of crowdfunding adoption whereby their main focus is donation based funding. NEDEP is working with renowned existing crowdfunding portals to create windows for Nigerian micro enterprises to be featured on their portal.

In the long-term, NEDEP will work with the private sector to promote indigenous crowdfunding portals in the country and also with the securities exchange commission to work on some regulation for the sector.

5.7.2 Private Equity and Venture Capital

NEDEP will leverage off the detailed work performed by the NIRP to increase early stage funding in the country by reforming the venture capital and private equity environment. By removing the barriers to growth of this industry, we will be able to create an enabling environment for more funds to commence operations and invest in high potential small and medium enterprises.

5.7.3 Listing on the stock exchange

The Alternative Securities Market (ASEM) is a recent initiative by the Nigerian Exchange to enable SMEs with high growth potential to raise long term funds through Nigeria’s capital market. It is pertinent to note that even though the ASEM is branded as new, it is actually a move to improve upon a similar initiative embarked upon by the exchange in 1980 through the creation of the Second Tier Securities Market (SSM). Essentially, the ASEM is meant to be an improvement over the previous efforts to create an alternative/second tier exchange for mid-sized companies.

Some of the features which the ASEM has introduced as an improvement to the SSM formed in the 1980s are;

- The use of Designated advisers (These are financial advisers who will help listed firm meet pre and post listing requirements)
- Institutional service providers (These are firms who will help the prospective SMEs to clean up their accounting, corporate governance and strategic framework)
- Growth Ambassadors These are large companies or successful business individuals who will help in driving the brand of the ASEM and encouraging SMEs to take advantage of the exchange.

Since the launch of ASEM in April 2013, no company has raised funds from the exchange. However, there is a strong pipeline of potential SMEs that can raise funds from the ASEM.

Benefits of ASEM

The immediate and obvious benefits of the ASEM are;

1. This will enable a number of SMEs raise long term capital at affordable rates, thereby helping to solve an aspect of the problem bedeviling SMEs in Nigeria
2. This will be a means of crating wealth for the average Nigerian as investors in this company will benefit from potential upside
in the share price of the company.
3. This will encourage a number of SMEs to formalise their business operations (accounting, tax, corporate governance) – Also helping to solve a major problem of informal SMEs in Nigeria
4. This will serve as a veritable exit for PE/VC backed firms, and will further help develop the PE/VC industry.

Key Challenges

i) A number of countries have various tax incentives for SMEs that want to list on the exchange, including granting of amnesty of previously unremitted tax in return for commitment to pay for future taxes after a defined moratorium. Nigeria needs to develop something similar in order to encourage companies to list on the exchange.

ii) In order for SMEs to be listed on the exchange, they will need to go through an institutionalization service that will ensure that their corporate governance, operational structures and financial architecture are up to global best standards in order to protect the integrity of the overall stock market. Most of the SMEs don’t have this in place, and there is a cost to get them to this level. This has stalled a number of companies from pursuing this option.

NEDEP will therefore work with SMEs to increase their corporate governance to prepare them for listing on ASEM. NEDEP will also assist to publicise this section of the exchange so that SMEs can view this as a veritable option to commercial bank lending. NEDEP will also work with the stock exchange to develop tax incentives that give tax breaks to SMEs that want to list on the stock exchange.

5.7.4 National Assembly zonal outreach intervention programmes

Currently, through the National Assembly zonal outreach intervention, a total of 97 million naira has been provided to various cooperatives in Osun, Oyo and Ekiti States. This has been good for developing MSMEs in these respective states. NEDEP will work with other National assembly members to facilitate their contribution to this scheme to assist MSMEs in their states.

5.7.5 Moveable collateral registry

The moveable collateral registry has been developed by many countries as an avenue for increasing access to finance. Given the importance of collateral for accessing funds in Nigeria, there is a need to widen the collateral that is acceptable by the lending institutions. The World Bank is therefore assisting to create this registry in Nigeria with the central bank of Nigeria, the corporate affairs commission and other MDAs.

Essentially, NEDEP will leverage off existing schemes to improve financing to the MSME sector. It will also latch on the the work being done by NIRP in improving the entire financing value chain in order to unlock finance for local businesses.

NEDEP will engage stakeholders in the financial service ecosystem in order to de risk the MSME sector and to scale up the level of funding available to MSMEs.
As mentioned in chapter 1, MSMEs typically have a limited market which in turn affects their profitability and growth. NEDEP has developed focused initiatives that will increase access to local, regional and international markets for MSMEs as follows:

6.1 SPX Nigeria – International Access

The Programme is a unique enterprises-linkage tool by UNIDO for promoting investments, subcontracting, out-sourcing and match making for products and enterprises in the MSME sector. It links the MSME sub-sector in a host country to a credible global database of manufacturing concerns that is beneficial to both manufacturers and buyers of goods both within and outside the country. This is a global network of more than 75 SPXs in 41 countries. The 1st SPX in Nigeria was established by UNIDO in partnership with SMEDAN.

The objective of SPX is to support SMEs in Nigeria to gain a competitive edge to participate in the global supply chain through recognition, participation and involvement of domestic and foreign buyers who are operating at the national, regional and the international level. NEDEP, through SMEDAN, will work to assist MSMEs to benefit from the Spx programme.

6.2 Market Access Nigeria (MAN) – Local Market Access

The MAN programme is a partnership between the Federal Ministry of Industry, Trade and Investment, SMEDAN, EDC (Pan Atlantic University and ETISALAT Nigeria. The purpose of the programme is to link Small and Growing Businesses (SGBs) to the value chains of Large Enterprises (LEs) for the purpose of enlarging the market of SGBs and for capacity enhancement. In 2012 and 2013, the MAN programme was held once a year in each of the following cities: Abuja, Lagos, Port-Harcourt and Calabar. About 1,200 SGBs benefitted from this project.

6.3 Supply Chain Programme – Local Market Access

To properly position MSMEs and ensure their sustainability, it is necessary to create linkages between this sector and the large industries. NEDEP will ensure that MSMEs are used as suppliers along the supply chain of all priority sector of the NIRP. The priority sectors identified by the NIRP are as follows:
• Agro-Allied sector
• Metals & Solid Minerals
• Oil and Gas Industrial Activities
• Bulk Consumables and Services

Through NEDEP, private sector large industries will identify the areas in their supply and value chain that can be filled by MSMEs. The capacity of these MSMEs will be strengthened through the NEDEP framework and the private sector training. This process ultimately gives the small businesses long term off takers.

NEDEP is working with the commercial banks to design bespoke LPO products for this scheme.

6.4 Nigeria Diaspora Export Programme

This initiative capitalizes on the fact that there is a large Nigerian presence all over the world. Studies show that one in every five black persons is a Nigerian. Currently Nigeria exports 117 products to 113 countries. However many exporters still face a number of common barriers to supply international markets, due primarily to challenges in assuring and proving compliance with specific market requirements in food safety and environmental sustainability along the supply chain. As a result this programme capitalizes on the Nigerian presence globally and provides a window for Nigerians in the diaspora to promote Nigerian products in their domiciled country. This will open the international market to the local producer which in turn increases the non-oil export in the country and contributes to the GDP. The local MSMEs will export their products based on the demand of the Nigerian in the diaspora who will set up consignment centres in their domicile country. The consignment centres will be used as the trading hub to market and sell Nigerian products abroad.

6.5 Trade Strategy

The Trade strategy of the Federal Ministry of Industry, Trade and Investment will create the enabling environment for the MSMEs to increase their trade activity. NEDEP will also work with agencies such as NAFDAC and SON to ensure the standards of MSME goods comply with those required to access the specific markets. NEDEP will therefore work with existing MSMEs to enable them retail their products in large retail chains in the country.

6.6 The NEDEP marketplace

NEDEP is leveraging on the increased use of internet in Nigeria by creating virtual market places. As at the end of 2012 there were 56 million internet users in Nigeria which made it the largest internet user in Africa. As a result, NEDEP is assisting MSMEs market and sell their products on the NEDEP market place website. This virtual store opens the regional and international markets to the MSMEs. The market place will provide the space through which businesses can trade with ease. NEDEP will partner with other providers of virtual market places to help MSMEs promote their products.
7.1 Operating Cost

One of the many challenges faced by this sector is the high cost of operation which have been identified mainly as high rental prices, transportation, high power costs, multiple taxation and levies for MSMEs. These factors in turn increased the cost of production for the MSMEs which in turn reduces their competitiveness. NEDEP is therefore working with NERC to reduce the electricity tariffs offered for MSMEs. In addition, NEDEP will work with the NERC to facilitate reduced rates for MSMEs operating in shared cluster spaces.

7.2 Industrial Clusters

The industrial development centres were developed between 1970 and 1975 as a means for government to provide extension services to the MSMEs, especially as they relate to product development, entrepreneurial training, and technical appraisal of loan applications as well as managerial assistance. There are 23 IDCs which were originally under the Federal Ministry of Industry, Trade and Investment but were transferred to SMEDAN in 2007. At the peak of the IDC’s existence, they were able to provide managerial and technical assistance to the following indigenous medium and large scale companies:

- Broken Agro Allied Industry – Industrial Layout Owerri
- Yabagi Metal works Kaduna
- Nubatorch Soap and Chemicals Ltd. Oshogbo
- Otukpo Rice Mills
- Femi Odutola Cassava processing Industry Abeokuta
- Emcco Metal Fabrication – No 4 Christian road Owerri
- Kam Wire Industries Ilorin
- Mesba Engineering, Ilorin
- Dr. Emeka Agric – Engineering Department, FUTO
- Sokomba Gari processing Minna
- Okene weaving and Textile Mill
- Wambai Leather Works
- Ramadan Press Bauchi
Currently the IDC structures are heavily underutilised due to lack of funding to sustain their productivity. As such, NEDEP plans to convert these into industrial clusters around products with competitive and comparative advantages in the location.

Many countries have embraced the cluster approach for supporting MSMEs, as it has proven to be a more effective and efficient way of reaching MSMEs instead of focusing on one MSME at a time. Clusters provide a healthy symbiotic ecosystem for small businesses. They offer networking opportunities which lead to a competitive advantage through specialization, inter-firm collaboration and knowledge spill-overs. MSMEs in India operate mostly from clusters.

The cluster redeveloped will be executed on a PPP basis; as such NEDEP will promote these structures to local and foreign investors. The MSMEs in the cluster will share common work facilities which will reduce their overhead. NEDEP will ensure that reduced electricity charges are in effect in the cluster zones. The ecosystem will also include on site shared services such as HR, accountancy, banking etc. NEDEP will also work with the commercial and development banks to obtain funding for MSMEs groups that are within the clusters. By sharing these facilities and services, the operating cost of the enterprises will reduce, skill set and innovation can be shared and additionally the profitability of the enterprises can increase.

<table>
<thead>
<tr>
<th>S/N</th>
<th>IDC</th>
<th>AVAILABLE TRADES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Abeokuta</td>
<td>Metal Works, Automobile, Wood Work</td>
</tr>
<tr>
<td>2.</td>
<td>Akure</td>
<td>Metal Works, Automobile, Wood Work</td>
</tr>
<tr>
<td>4.</td>
<td>Benin</td>
<td>Metal Works, Automobile, Wood Work, Textile</td>
</tr>
<tr>
<td>5.</td>
<td>Enugu</td>
<td>Metal Works, Electrical Electronics, Wood Work</td>
</tr>
<tr>
<td>6.</td>
<td>Idu (FCT)</td>
<td>Wood Works, Food &amp;Chemical, Metal Works, Ceramics</td>
</tr>
<tr>
<td>7.</td>
<td>Ikorodu</td>
<td>Textile, Food &amp;Chemical, Ceramics, Electrical Electronics</td>
</tr>
<tr>
<td>8.</td>
<td>Ilorin</td>
<td>Leather, Electrical Electronics, Metal Works</td>
</tr>
<tr>
<td>10.</td>
<td>Kano</td>
<td>Leather Works, Electrical Electronics, Metal Works</td>
</tr>
<tr>
<td>11.</td>
<td>Katsina</td>
<td>Leather Works, Electrical Electronics, Metal Works, Ceramics</td>
</tr>
<tr>
<td></td>
<td>City</td>
<td>Industries</td>
</tr>
<tr>
<td>---</td>
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<td>-------------------------------------------------</td>
</tr>
<tr>
<td>14.</td>
<td>Minna</td>
<td>Leather Works, Electrical Electronics, Metal Works, Automobile</td>
</tr>
<tr>
<td>15.</td>
<td>Ogoja</td>
<td>Wood Works, Electrical Electronics, Metal Works</td>
</tr>
<tr>
<td>18.</td>
<td>Port Harcourt</td>
<td>Wood Works, Electrical Electronics, Metal Works</td>
</tr>
<tr>
<td>19.</td>
<td>Sokoto</td>
<td>Leather Works, Electrical Electronics, Automobile</td>
</tr>
<tr>
<td>20.</td>
<td>Uyo</td>
<td>Wood Work, Textile</td>
</tr>
<tr>
<td>21.</td>
<td>Wukari</td>
<td>Under Construction??</td>
</tr>
<tr>
<td>22.</td>
<td>Yola</td>
<td>Metal &amp; Foundry, Automobile, Leather Works</td>
</tr>
<tr>
<td>23.</td>
<td>Zaria</td>
<td>Wood Work, Leather Works, Automobile, Electrical Electronics, Ceramics</td>
</tr>
</tbody>
</table>

Figure 17: Table of available industrial trade in the country

*Entrepreneurship Development Institute of India (2011) Draft National Entrepreneurship Policy*
Chapter 8.0: Business Development

8.1: Cooperative formation

NEDEP encourages formalization by developing cooperative groups throughout the country. The groups have members in the range of 15-20 individuals who have known each other for a considerable time period and operate in the same line of business.

SMEDAN is responsible for forming cooperative societies in all states and keeping regular contact with them in order to understand the issues being faced by their sector and interventions that the government could develop to reduce these.

8.2 One Local Government One Product (OLOP)

The One Local Government One Product programme is based on the One Village One Product Programme developed by the Japanese Government. OLOP is being executed by SMEDAN with the objective of OLOP is to revitalize the rural economy and improves employment opportunities. OLOP identifies one product, with competitive and or comparative advantage, in each of the 774 local governments in the country.

1. Identification of MSMEs/Entrepreneurs along the value-chain of identified products in each of the Local Government Areas.
2. Formation and registration of cooperative societies and trade associations from identified MSMEs/Entrepreneurs.
3. Assisting formed and registered Cooperative societies and trade associations to develop bankable business plans.
4. Forward Cooperative societies and trade associations, with business plans, to Bank of Industry (BOI) for funding.
5. Follow-up with BDS delivery and Monitoring & evaluation.

Cooperative societies and trade associations are being formed & registered and assisted to develop bankable business plans as a prelude to access to finance, markets and machinery/equipment. To fulfill NEDEP’s objectives of one million jobs per annum, NEDEP is targeting 50,000 successful business plans to be funded annually. The funds are provided by the BOI cooperative lending scheme. NEDEP is seeking to increase the funds available by sourcing funds from the private sector and international development partners. For further details, please refer to the Guide to OLOP document.
**8.3 Partnership with private sector Business Development Service Providers**

NEDEP, in conjunction with USAID, has developed a credible data base of Private sector Business development support providers. This network is to support the smedan structure and provide the necessary capacity building to the MSMEs all over the country. The structure is such that a BDS provider will be allocated to enterprises in each state. This will ensure the sustainability of the on-going training in the states and the business plan development and submission.

NEDEP will work with other MDAs and International partners to develop an accredited BDS provider certification in Nigeria. In the longer term, this certification will also serve as an input for determining the credit rating of MSMEs as MSMEs that have been trained by certified BDS providers would be deemed less risky.
NEDEP will focus on technical and vocation skills development and will support the NIRP in its reformation strategies for the Industrial Training Fund. Currently, based on the 2013 “Assessment of Skills in Nigeria” survey, 101 vocational trades were in demand but in short supply in the country. The survey also outlined that approximately 40 vocational trades were scarce in the economy which was caused by:

a. Inadequate provision of facilities,
b. Wide gap between theory and practice in TVET,
c. Poor funding of Vocational and Technical Programmes,
d. Over emphasis on Certificates rather than Skills, and
e. Epileptic power supply.

Objectives of NISDP

The objectives of the National Industrial Skills Development Programme (NISDP) is to turn Nigeria’s quantitative human and physical resource advantage to productive advantage, while the specific objectives of the programme are to:

1. Provide the skills to support the National Industrial Revolution Plan (NIRP).
2. Train and develop highly skilled entrepreneurial workforce for Small and Medium Enterprises (SMEs) in areas where we have competitive and comparative advantage.
3. Reduce or minimize youth restiveness.

Chapter 9.0: Technical Skills
through provision of gainful/self-employable skills.
4. Contribute immensely to wealth creation, poverty reduction and enhance national security.

The NISDP is implemented by the ITF and is predicated on a Skills Gap Survey conducted jointly by the ITF and UNIDO, which uncovered skills shortages in various sectors of the Nigerian economy, particularly in Manufacturing, Construction and Agro-Allied Sectors. Trades in which skills were provided were determined by the ITF in conjunction with various stakeholders based on comparative economic advantage in each State. Thirty trades were identified as the priority trades (based on the requirements of the state and private sector) and 1000 young persons were trained in those skills.

The NISDP trains its beneficiaries with the necessary technical skills to assist them gain employment. Under NEDEP, graduates from the NISDP are also formed into cooperatives, trained by SMEDAN and then assisted in the preparation of bankable business plans for accessing finance.

**Figure 18: Key trade areas in each state**

<table>
<thead>
<tr>
<th>S/N</th>
<th>FIELD OFFICE</th>
<th>STATE</th>
<th>TRADE AREA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Aba</td>
<td>Abia</td>
<td>Tailoring and Garment Making, ICT</td>
</tr>
<tr>
<td>2.</td>
<td>Awka</td>
<td>Anambra</td>
<td>Welding and Fabrication, Tiling</td>
</tr>
<tr>
<td>3.</td>
<td>Makurdi</td>
<td>Benue</td>
<td>Tiling, Cassava/Yam Processing and Rice Processing</td>
</tr>
<tr>
<td>4.</td>
<td>Kano</td>
<td>Kano</td>
<td>Plumbing, Autotronics</td>
</tr>
<tr>
<td>5.</td>
<td>Ibadan</td>
<td>Oyo</td>
<td>Tiling, Autotronics, Talent Art, Fruit Processing</td>
</tr>
<tr>
<td>6.</td>
<td>Jos</td>
<td>Plateau</td>
<td>Autotronics, POP Production, Welding &amp; Fabrication</td>
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<td>7.</td>
<td>Abuja</td>
<td>FCT</td>
<td>Tiling, Plumbing</td>
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<tr>
<td>8.</td>
<td>Bauchi</td>
<td>Bauchi</td>
<td>Cell Phone Repairs, Generator Repairs</td>
</tr>
<tr>
<td>9.</td>
<td>Ikeja</td>
<td>Lagos</td>
<td>ICT, Autotronics</td>
</tr>
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<td>10.</td>
<td>Yenagoa</td>
<td>Bayelsa</td>
<td>Fish Farming, ICT, Tailoring and Garment Making</td>
</tr>
<tr>
<td>11.</td>
<td>Ilorin</td>
<td>Kwara</td>
<td>Tiling, Catering Services, Welding and Fabrication</td>
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<td>12.</td>
<td>Benin</td>
<td>Edo</td>
<td>Autotronics, Computer Hardware Maintenance, Pastry</td>
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<td>14.</td>
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<td>Akwa Ibom</td>
<td>ICT, Fish Farming, Poultry Farming</td>
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<td>Cell Phone Repairs, Autotronics</td>
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<td>17.</td>
<td>Lokoja</td>
<td>Kogi</td>
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</tr>
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<td>Services</td>
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<td>-----</td>
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<td>-------------------------------------------------------------------------</td>
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<td>Poultry Farming, Tiling, POP Production</td>
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<td>21</td>
<td>Katsina</td>
<td>Katsina</td>
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<td>23</td>
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<td>Computer Repairs &amp; Maintenance, Catering and Events Decoration, Block Moulding, Welding &amp; Aluminium Fabrication</td>
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<td>Maiduguri</td>
<td>Borno</td>
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<td>Enugu</td>
<td>Ebonyi</td>
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<td>Ekiti</td>
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<td>29</td>
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<td>Imo</td>
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<td>Kano</td>
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<td>31</td>
<td>Sokoto</td>
<td>Kebbi*</td>
<td>*Yet to flag-off due to lack of formal approval from State Government</td>
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<td>32</td>
<td>Jos</td>
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<td>Ibadan</td>
<td>Osun</td>
<td>Tiling, Event Management, Horticulture</td>
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<td>Port Harcourt</td>
<td>Rivers</td>
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<td>Taraba</td>
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<td>Maiduguri</td>
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<tr>
<td>37</td>
<td>Gusau</td>
<td>Zamfara</td>
<td>Tailoring and Garment Making, Knitting, Welding and Fabrication</td>
</tr>
</tbody>
</table>

*Kebbi and Yobe States yet to flag-off due to lack of formal approval of the State Government.
10.1 The University Entrepreneurship Development Programme (UNEDEP)

The MSME Collaborative survey revealed that the majority of enterprise owners were aged between 36-50 years. This has shown that there is an obvious lack of entrenchment of entrepreneurial behavior amongst the youth in the country. Nigeria is a country that has 75% of its population represented by the youth sector.

The objectives of UNEDEP are to:

(i) Create future young entrepreneurs
(ii) Create jobs by promoting self-employment amongst youth
(iii) Inculcate and enhance credible values in the youth
(iv) Facilitate access of youth-owned and managed enterprises to adequate and affordable financing
(v) Promote and develop sustainable business ethics
(vi) Create a mentoring network and platform for successful entrepreneurs to mentor students
(vii) Reduce the incidence of poverty amongst the youth.

UNEDEP will achieve its goals by (i) running entrepreneurship clubs in every university, (ii) facilitating a mentoring platform between the students and successful entrepreneurs and (iii) running a business plan / operations competition, with the potential for debt / equity investment at the end of the business operations cycle. UNEDEP will analyse existing student enterprises and provide business financing to those with scalable potential as well as encourage the formation of new enterprises.

UNEDEP will link recent graduates to the NISDP so that they can acquire the necessary technical skills required for industry. UNEDEP will also link graduates to the partner industries for potential training and business financing opportunities.

10.2 SAGE partnership

The Student Advancement of Global entrepreneur is a global enterprise development programme that encourages young students to form and run social enterprise businesses or socially responsible. It engages young people in a hands-on learning process on how to create wealth, help others and their communities. Nigeria has won the world championship title six out of the seven years that she has competed. The objectives of SAGE to start entrepreneurship education and practical experience at a young age are in line with those of NEDEP. Therefore NEDEP will assist to scale this process by facilitating access to finance to increase their business size and also to introduce enterprise formation etc through secondary school.
Chapter 11.0:
Programme Monitoring

11.1 State Council on MSME

In order to ensure a seamless implementation of the NEDEP programme, an implementation structure has been developed. At the top of this structure is the National Council on MSMEs to be headed by the Vice President. At the State level, there is the State Council on MSMEs which is to be headed by the State Commissioner for Industry, Trade and Investment. The purpose of the state councils is to have a closer relationship with the enterprises in the states and ensure that all issues across the sectors in each state are addressed. The state councils will be comprised of key representatives from the public sector and presidents of key associations in the state. SMEDAN will act as the secretariat in all the state councils and will report to the National council. This will ensure that interventions and policies being derived at the National level will be inclusive of the needs of the state businesses. As part of NEDEP, state councils are being inaugurated throughout the country.

The terms of reference for the State Council on MSME are as follows:

a. Hold regular meetings preferably quarterly meetings
b. Coordinate the implementation of the National Policy on MSME in the State
c. Set specific targets of annual growth rate for the State and devise means of ensuring and measuring the attainment of these targets
d. Provide linkages and synergy between and among all the stakeholders for the purpose of ensuring a seamless implementation of all MSMEs development programmes in the State
e. Shall provide input for the annual MSME report for the State to be published by SMEDAN
f. Ensure that a report of the meetings/activities of the State Council on MSME is sent to SMEDAN/National Council on MSME for records and further actions
g. Organize annual MSMEs stakeholders’ workshops on MSMEs development in the State
h. Shall provide feedback to the National Council on MSME on challenges being faced in the key sectors in the state and on training needs and support required
i. Ensure the creation of an enabling environment to facilitate the development of MSME clusters, infrastructure upgrade, access to finance, MSME capacity building, etc
j. Ensure the effective execution of The National Enterprise Development Programme (NEDEP) in the state
k. Ensure the institution of an effective framework for monitoring and evaluating the impact of MSME policies, programmes, projects and initiatives
l. Reporting the Annual training and development strategy and budget to the National Council on MSME for review.
11.3 Monitoring Progress

A NEDEP project monitoring unit (PMU) will formed to monitor and report the progress of all the initiatives under the programme. The PMU will comprise of qualified personnel from each of the key implementing agencies and independent bodies from the private sector. The PMU will work with the National Bureau of statistics to validate results obtained from the programme.

NEDEP will track the following:

- The number of successful business plans approved by all partner funding agencies
- The number of newly registered MSMEs and cooperatives
- The number of trained enterprises every quarter
- The number of youth trained on technical skills acquisition
- The number of jobs created quarterly
- The number of MSME retail on the NEDEP marketplace and other virtual market places
- The number of private sector partnerships
- The amount of funds available for disbursement under NEDEP and how much has been disbursed etc

11.4 Implementation Timeline and Deliverables

Please refer to the Implementation Plan in the National Policy on MSME for the implementation timelines and deliverables for all NEDEP initiatives.
References

• 2010 MSME Collaborative Survey
• National Policy on MSME
• Internal Working Documents at the Small and Medium enterprises development agency of Nigeria on industrial development centres
• Internal Working Documents at the Industrial Development and Inspectorate division, of the Federal Ministry of Industry, Trade, and Investments
• Central Bank of Nigeria, Annual Reports (Prior years)
• Skills and Technological Development in the Early Stage of Industrialization – Implications from Japanese Experiences in the Meiji Era
• Industrial Revolution Plan (Inspectorate and Industrial Development Department of the Federal Ministry of Industry, Trade, and Investments)
• Private equity transactions in Nigeria: some legal considerations by Seyi Ogunro, Banwo & Ighodalo
• ChinaDaily.com.cn
• U.S. Energy Information Administration
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