

PREFACE

The government of Nigeria under the leadership of President Olusegun Obasanjo (GCFR) recognized that small and medium enterprises are major contributors to the diversification of our economy, and a vital tool for the creation of wealth, poverty alleviation, employment generation and rural development and as such created the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN).

The Agency is therefore determined to stimulate and support enterprise development and growth and help businesses overcome barriers to growth in order to actualize the objectives of government under the New Economic Empowerment and Development Strategy (NEEDS) and other developmental initiatives.

Pioneer Director-General

As the Pioneer Director- General, I have been operating an Agency devoid of bureaucratic bottlenecks, with a slim but efficient members of staff and network with strategic partners in the Public and Private sectors to address the challenges confronting enterprise development in the country.

We shall continue to provide a better awareness of business opportunities and how to capture these opportunities and start new businesses. We shall continue to support innovation, facilitate access to all the factors of production, (i. e. raw materials, man power, machinery and technology, capacity and management skills, finance, market and work space) and monitor the general health of the enterprise community.

For effective reach, Business Support/Information Centers, are being established in all the States of the federation, to bridge the various operating gaps facing small and medium businesses and make available all necessary SME development support services.

The development of small and medium enterprises in Nigeria is a challenge for all, but it is a challenge that this Agency is determined to overcome.

Mrs. Modupe A. Adelaja

Director General

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SMEDAN ACTIVITIES [2003-2007]

Background/Establishment

The Small and Medium Enterprises Development Agency of Nigeria [SMEDAN] was created vide the **Small and Medium Scale Industries Development Agency (Establishment) Act 2003** and charged with the responsibility for promoting and facilitating the development programmes in the small and medium scale industries sub-sector and for connected purposes. The Act enacted by the National Assembly came into force on 19th June, 2003.

Vision

The vision of the Agency is to establish a structured and efficient micro, small and medium enterprises sector that will enhance sustainable economic development of Nigeria.

Mission

To facilitate the access of micro, small and medium entrepreneurs to all the resources required for their development.

Those We Serve

Our target beneficiaries include:

- Micro, small and medium enterprises;
- Prospective entrepreneurs;
- SMEs support institutions;
- Non-Governmental Organizations [NGOs] and Business Membership Organizations [BMOs] in the MSME sub-sector of the economy;
- The Federal government [through a functional feedback mechanism].

Our Mandate

The mandate of SMEDAN as contained in the enabling Act can be summarized as follows:

- Stimulating, monitoring and coordinating the development of the MSMEs sector;
- Initiating and articulating policy ideas for small and medium enterprises growth and development;
- Promoting and facilitating development programmes, instruments and support services to accelerate the development and modernization of MSME operations;
- Serving as vanguard for rural industrialization, poverty reduction, job creation and enhanced livelihoods;
- Linking SMEs to internal and external sources of finance, appropriate technology, technical skills as well as to large enterprises;
- Promoting and providing access to industrial infrastructures such as layouts, incubators, industrial parks;
- Intermediating between MSMEs and Government[SMEDAN is the voice of the MSMEs];
- Working in concert with other institutions in both public and private sector to create a good enabling environment of business in general, and MSME activities in particular.

The Agency also provides **Business Development Support Services** such as Entrepreneurial Training & Education, business clinics/counselling, coaching and mentoring. These services are delivered at SMEDAN Head Office in Abuja and the **Business Support Centres (BSCs)** and **Business Information Centres (BICs)** established by the Agency and its public-private sector partners across the country. Moreover, the Agency offers extension services to business clusters and takes advantage of forums organized by other private and public sector organizations to deliver business development services.

Our Operating Strategy

- A core of lean, trained, competent and highly motivated staff;
- An ICT driven operating process;
- Partnership that works: Public-public
 Public-private
 SMEDAN-International community
- Complimentary services of certified Business Development Service Providers [BDSPs].

Organizational Structure

SMEDAN has seven major departments/groups under the office of the Director-General/Chief Executive:

- Planning, Research and Library;
- Enterprise Promotions Management and Extension Services;
- Engineering, Technology and Infrastructure;
- Finance and Accounts;
- Administration;
- Monitoring and Evaluation; and
- Corporate Affairs.

There is a Legal Unit as well as ICT/Data Processing Unit attached to the Office of the Director-General/Chief Executive.

Commencement of Operations [June-December 2003]

In June 2003, Mrs. Modupe Adelaja was appointed the pioneer Director-General/Chief Executive Officer of SMEDAN.

Desk Studies

The Director-General started operating in a room at her residence with two officers. They embarked on a study of the Agency's mandate as stipulated in the enabling Act as well as comparative studies of similar Agencies in other countries of the world like United States of America [USA], United Kingdom [UK], Israel, Indonesia, Malaysia, Japan, India, and others.

Study Tours

The same year, the Director-General and one officer attended as observers the 14th International Conference on Small and Medium Enterprises [ICSME] Tel-Aviv, Israel, in September 2003, organized by the World Association of Small and Medium Enterprises [WASME] to catch up with trends at the global level. It was another opportunity to learn about experiences of the SME sector in other countries. The Agency also participated in the following:

- Trade and Investment Forum in Indonesia, 15th-19th October 2003.
- International Technology Fair organized by National Small Industries Corporation Ltd, New Delhi, India, 14th-27th November 2003.

Meeting with Public Sector Stakeholders

On returning from the Study Tour, the Director-General and her team initiated and held series of meetings with relevant stakeholders in the public sector comprising representatives of Federal Ministries and extra-Ministerial Departments in order to build mutual understanding and support for the task ahead.

Economic Management Team

The Agency is a foundation member of the Economic Management Team established by President Olusegun Obasanjo in June 2003.

Push for Amendment of SMIDA Act 2003

From the benefit of experience as well as local and international studies, the Director-General set in motion the process for the amendment of the Small and Medium Scale Industries Development Agency [Establishment] Act 2003 to change the Agency's nomenclature from SMIDA to SMEDAN.

Activities in 2004

Census/Survey/Studies of SMEs

Due to the importance of data/information in development planning, the next step the Agency took was a nationwide census/survey of MSMEs in Nigeria that took the Director-General and her team to 34 states of the Federation. This was followed by a number of other studies listed as follows:

- Administration, Collation and Analysis of SME Survey in 36 States of the Federation and the FCT;
- Inventory of Available Machinery and Technology for Small and Medium Enterprises;

- Criteria for MSMEs Credit Risks Analysis;
- Development of Blueprint for ONE VILLAGE, ONE PRODUCT [later changed to ONE LOCAL GOVERNMENT, ONE PRODUCT].
- A Study of SME Clusters in Otigba [Ikeja], Aba, Nnewi, Abeokuta/Oshogbo, and Kano.

Consequently, SMEDAN now has a Databank on Micro, Small and Medium Enterprises [MSMEs] sub-sector.

Re-focusing of Industrial Development Centres The Agency visited and assessed all the 22 Industrial Development Centres (IDCs) nationwide with a view to refocusing them in line with the new vision of the Administration which is mainly to curb wastage of resources and allowing the private sector to drive the economic process. To this end, an inventory and valuation of the machines, equipments and other assets of the existing 22 IDCs was conducted. The study was sponsored by the United Nations Development programme (UNDP).

IDC Equipment (Sokoto)

Preparation for Establishment of Industrial Parks under PPP

In line with our mandate to facilitate access to all factors of production, of which work space is one, the Agency initiated and completed comprehensive feasibility studies on the viability of Industrial Parks for SMEs to form the basis for wooing private investors (in partnership with interested State Governments) to set up Industrial Parks. SMEDAN contracted seven (7) consultants to develop concept designs and bankable business plans for the establishment of Industrial Parks (one per geopolitical zone and the FCT). A marketing scheme for both private sector investors and interested State Governments was initiated to stimulate wider investment interests in the development of IPs across the nation. The studies were carried out at the following

locations: Port-Harcourt (South-south), Yola (North-East), Zaria (North-West), Abuja (North-Central), Owerri (South-East), Abeokuta, Lagos (South-West).

Acquisition of Office Accommodation

In April 2004, the Agency moved operations from the Director-General's Guest House in Mabushi to a three-room office accommodation at the NIPC Building on Aguiyi-Ironsi Street, Maitama, Abuja, courtesy of the NIPC Executive Secretary, Engr. Mustafa Bello. However, the Agency was able to acquire a building to serve as the Corporate Head Office towards the end of 2004. The process of renovation of the building and procurement of office furniture was set in motion.

Amendment of SMIDA ACT 2003

On May 18th 2004, the Federal House of Representatives passed the SMIDA Amendment Bill while the Senate passed it on 16th December 2004. The Act changed the name of Small and Medium Scale Industries Development Agency [SMIDA] to Small and Medium Enterprises Development Agency of Nigeria [SMEDAN] and effected consequential amendment in the Principal Act.

Staff Recruitment

Within the year under review, the Agency began the process of recruitment of competent staff that would assist the Agency deliver the desired services to the SME community.

Membership of WASME

From being an observer in 2003, the Agency formally joined the World Association of Small and Medium Enterprises [WASME] during the 15th International Conference on Small and Medium Enterprises [ICSME] held in Abuja in 2004. SMEDAN is now an institutional member of WASME.

National Stakeholders Conference

In 2004, the Agency set up a Stakeholders' Committee to draft a National Policy on Micro, Small and Medium Enterprises. This was followed by a National Stakeholders Conference held at the Arewa House, Kaduna, to x-ray the problems of the sector and chart the way forward. The Conference emphasized the need to have a workable National Policy that would serve as road map for MSME development.

Mrs. Modupe Adelaja, DG, SMEDAN; Governor Makarfi of Kaduna State; and Alh. Mohammed Magaji, the Minister of Industry, during the stakeholders' conference.

Study Tours

During the period under review, the Agency embarked on study tour of Counterpart Institutions and MSME Best Practices in America and Asia. The Asia countries visited are China and Malaysia. This afforded the Agency the opportunity to sign a Memorandum of Understanding (MOU) with the Small Business Administration of the United States of America on technical cooperation.

Other Tours and Conferences

The Agency also participated in the following international events:

- Enhancing Capabilities of Trade Promotion Agencies and SME Support Institutions at ITC Headquarters, Geneva, Switzerland, January 26-29, 2004.
- 2nd OECD Conference on SME/Accelerating Women Entrepreneurship Forum, June 3-7, 2004, Istanbul, Turkey.
- 49th World Conference of International Council for Small Business (ICSB), Johannesburg, South Africa, June 20-23, 2004.
- China International Fair for Investment and Trade in Xiamen, September 8-11, 2004.
- 2nd African-Polish Economic Forum, Staszow, Poland, September 22-24, 2004.
- International Small Business Congress, Warsaw, Poland, September 26-29, 2004.
- World Political Forum [an Annual General Assembly on World Poverty Alleviation] held in Stressar, Italy, October 22-23, 2004.

MOU with Chinese Motorcycle Company

The Agency signed Memorandum of Understanding with Jincheng, a Chinese Motorcycle Manufacturing Company for local assembly of Completely Knocked Down [CKD] parts and out-sourcing of manufacturing of some component parts to local firms. When implemented, the move would strengthen local firms and create more jobs.

Activities in 2005

The year 2005 marked a significant milestone in the history of the Agency with the commencement of full operations at the headquarters with a flurry of activities and epoch-making events. The Agency had been operating from a small office at

the Nigerian Investment Promotion Commission in Maitama Abuja, with about 13 members of staff. The activities within the year under review are as follows:

Commissioning of the Agency's Head Office building

The operational headquarters of the Agency was commissioned on the 28th of February, 2005 by the President, Commander in Chief of Armed Forces, who was represented by his Vice, Alhaji Atiku Abubakar. This marked a milestone in the history of the Agency. The ceremony was graced by eminent Nigerians including the Secretary to the Government of the Federation [SGF], Obong (Sir) Ufot J. Ekaette; the FCT Minister, Mallam Nasir Ahmad el-Rufa'i; the then Chief Economic Adviser, Prof. Ode Ojowu; Former Minister of State for Defence[Army], Alhaji Lawal Tukur Batagarawa; the then Special Adviser to the Vice President on Economic Matters, Prof. Mike Kwanashie; Executive Secretary of NIPC, Engr. Mustafa Bello; Former Minister of State for Science and Technology, Mrs. Pauline Tallen; and a host of other dignitaries.

SMEDAN Corporate Headquarters, Abuja

Agency's Website was Launched

To further fulfill her vision of providing MSMEs with all the necessary resources for their growth, the Agency launched her user-friendly and interactive website and multi-media facility. The website address is www.smedan.gov.ng. The launch was part of the activities marking the official commissioning of SMEDAN Head Office.

Recruitment of Staff

On March 1, 2005, the Agency commenced official activities at the new Head Office Building with the first batch of newly recruited staff. After a competitive selection exercise conducted on behalf of the Agency by a Human Resource consulting firm, the Agency deployed about 100 personnel with good qualifications and varied experience to different Groups.

Staff training on Cluster Support Systems

In order to have a larger impact on the MSME sector, the Agency adopted a strategic approach and consequently embarked on cluster development. To this end, she trained her staff in the area of Cluster support initiatives in order to equip them with the necessary skills to provide Business Development Service to enterprise clusters.

Engagement of Business Development Service Providers (BDSPs):

Having identified the merits of exploring the Public-Private Partnership approach in executing her projects, the Agency engaged 16 private firms to provide business development and support services to micro, small and medium entrepreneurs around the country. Their main role was to help the Agency train and build the capacity of the MSMEs in the areas of A-Z of business, business plan preparation, book-keeping and accounts, management, marketing, Information and Communication Technology (ICT), team building and self development, human resource management, legal and regulatory issues, engineering and production

issues. The functions of these BDSPs include Training, Counselling, Mentoring, and helping with access to finance.

The establishment of Business Information Centres (BICs)

The Agency established two Business Information Centres [BICs] in 2005. One was established in partnership with the Computer and Allied Products Dealers Association of Nigeria [CAPDAN] at 21 Kodesoh Street, Ikeja, within the ICT Cluster popularly known as Computer Village in Lagos State. The purpose was to upgrade the status of the cluster and fast-track the growth of ICT industry in Nigeria. Another Center was established in Ibogun-Olaogun, in Ogun State to facilitate the growth of agro-processing industry in the rural community.



BIC Ibogun, Ogun State

The setting up of a Business Clinic at the Agency

The Agency set up a Business Clinic at its Head office to offer specialized one-on-one business counseling to MSMEs and provide general business information on raw materials, machinery/equipment, etc. Within the period under review, a total of 407 MSMEs with different categories of demands visited the clinic for assistance as follows:

CLIENT REQUEST	NUMBER
Financial assistance	114
Information on Machinery Equipment	87
Capacity building related	40
Information on raw materials	41
General business information	22
Total	407

Faith-based Initiative for SME Development

Under its Faith-based initiative, the Agency introduced in 2005 a scheme that is expected to trigger entrepreneurial activities among various religious groups. Already, the Agency is networking with some of the major religious groups including:

- Ansaruddeen Society of Nigeria;
- Cherubim and Seraphim Movement;
- The Catholic Archdiocese of Abuja;
- Full Gospel Businessmen's Fellowship (All the Lagos Chapters);
- Church of Nigeria (Anglican Communion) Abuja;
- RCCG Central Parish, Aminu Kano Crescent, Wuse II Abuja.

Faith based initiative with members of a Muslim Group

Over 10,000 persons have been reached under the initiative. The Agency has begun to establish BICs with religious groups that are ready to partner with it in that regard.

SME Technology/Research and Development EXPO Abeokuta and SME Product Fair Owerri

On March 8-10, 2005, SMEDAN organized an SME Technology/Research and Development EXPO in Abeokuta, Ogun State to create awareness and encourage the utilization of local technology, research and development findings for job and wealth creation. The Expo attracted about 50 institutional/corporate participants. Participants at the EXPO apart from the MSMEs, include local machinery/equipment fabricators, researchers from the Universities, Polytechnics and other specialized research institutes across the country, Trade Groups, Service/Support Organizations, Relevant Government Ministries and existing/prospective investors.

Pottery products on display, at the SME Product Fair.

On March 21-23, 2005, the Agency organized an SME Product Fair in Owerri, Imo State, with the theme: “**Enhancing Micro Small and Medium Enterprises (MSME) Products Quality**”. The Fair was declared open by the Executive Governor of Imo State, His Excellency Chief Achike Udenwa. The Fair attracted participants from nine states of the federation, mainly from the South-south and South-east geopolitical zones. Products showcased spanned across seven sectors of the economy, from food and Beverages to General Goods and Services.

SMEDAN utilized the opportunity of these programmes to establish useful network among the MSMEs, as well as between them and equipment fabricators/R&D Institutions. These were part of the efforts to link MSMEs to factors of production such as market, raw materials, research & development results, machines and equipment, finance as well as legal/regulatory requirements for starting and running successful and sustainable businesses. The two events were successful as participants later testified that their businesses got some lifts and mileage.



Governor Udenwa of Imo State, Other dignitaries at the SME Product Fair.

OTHER FAIRS AND EXPOS SMEDAN ATTENDED

The Agency successfully attended and exhibited at the following Fairs and Expos:

- ✓ NEPAD Fish-For-All Summit Abuja-August 2005
- ✓ Kano International Trade Fair-December 2005

The Agency's participation in SME Conferences and Seminars

The Agency partnered with other public and private sector institutions to organize exhibitions and other promotional forums such as NEPAD Fish Summit and Exhibition. Within the period under review, SMEDAN honoured several invitations to speak at conferences and workshops where the following papers, among many others, were presented:

- I. SMEs and Entrepreneurship in Nigeria
- II. The Role of SMEDAN in the SME sector
- III. The Role of SMEDAN in the growth of the MSMEs sub-sector
- IV. Funding and Management of Small and Medium scale Food Industries for National Development- NIFST
- V. The Role of ICT in the Development of SMEs- NITDA
- VI. Understanding the Peculiar Characteristics of Microfinance Clients- CBN's Launch of Microfinance Policy and Regulatory Guidelines

Inventory and valuation of Industrial Development Centres (IDCs) prelude to the conversion of the IDCs to Industrial Parks

The Agency with the assistance of the UNDP contracted six consultants who successfully carried out the inventory and valuation of the machines, equipment and other assets in the existing 22 IDCs located in different parts of the nation.

Fabricator – beneficiary of SMEDAN Business Training

Formal presentation of One Local Government, One Product (OLOP)

Nigeria is endowed with significant agricultural, mineral, marine and forest resources. Her multiple vegetation zones and moderate climate allow for production of diverse food and cash crops and abundant raw materials spread over the 774 LGAs in Nigeria. To harness these potentials and stimulate the emergence of enterprises (especially at the local economic level), SMEDAN initiated and successfully launched the OLOP scheme on November 14, 2005. The

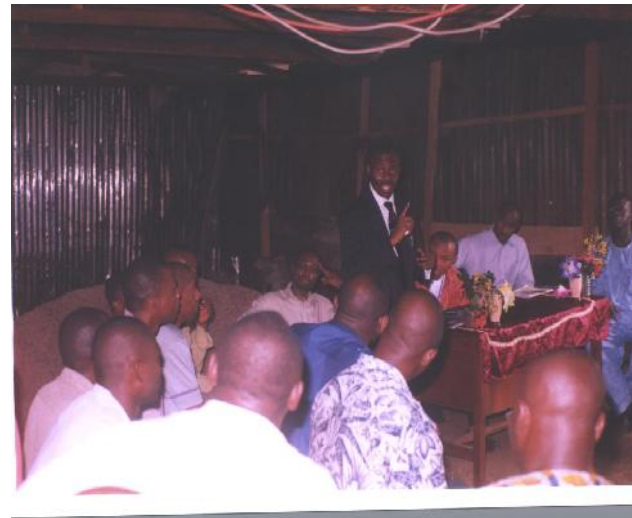
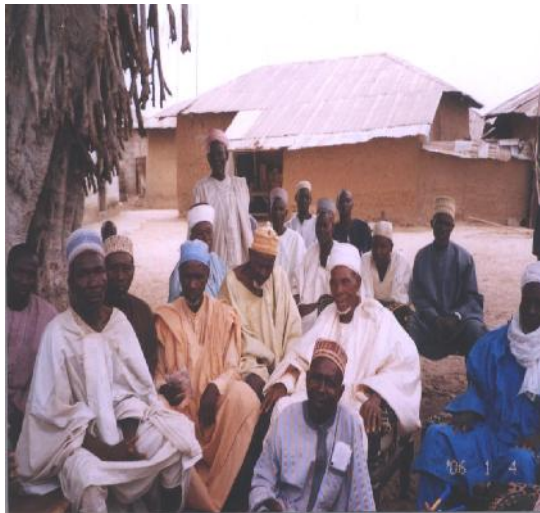
Dignitaries at the presentation & samples of OLOP CD on display.

scheme takes into cognizance, the prevailing level of indigenous knowledge, technology and the ingenuity of the people coupled with the natural endowment resident within each locality.

The commencement of the Cluster Development Programme

The Agency embarked on a strategic action of developing enterprise clusters at different parts of the country. The rationale behind it is that working with MSMEs located within a cluster allows the Agency to impact on a larger group of entrepreneurs rather than dealing with individual enterprises. To this end, the Agency commenced Business Development Service with the following clusters:

- VII. The Otigba computer village
- VIII. The Aba garment cluster
- IX. The Nnewi auto parts cluster
- X. The Bida/ Baddegi rice cluster
- XI. Fish Clusters in Akwa Ibom and Cross River States.



Training of Rice Cluster members at Bida, Niger State Training of Fish Cluster members, Akamkpa, Cross River State.

SME sensitization and public enlightenment

The Agency embarked on massive awareness creation, sensitization and public enlightenment aimed at stimulating the enterprise spirit in Nigerians, campaigning for value re-orientation regarding the establishment and running of small businesses. The Agency has addressed various stakeholders in this respect, students, self-help groups, faith-based groups, government workers, etc.

Production in progress at Omatek Computer Company Ltd, Lagos.

Launching of ICSB in Nigeria

As part of international networking for best practices in the SME sector, the Agency championed the formation and launching of the Nigeria Chapter of the International Council for Small Business [ICSB]. Membership of the ICSB Nigeria Chapter is drawn from the public and private sectors and the academia. During the inaugural meeting held at Ikeja, Lagos, in August 2005, the Director-General of SMEDAN, Mrs. Modupe Adelaja, was elected the pioneer President to pilot the affairs of the Chapter.

Memorandum of Agreement with the National Research Development Corporation [NRDC] of New Delhi, India and Visit of the Chairman

In November 2005, SMEDAN on behalf of the Nigerian Government, and the National Research Development Corporation, New Delhi, on behalf of the Government of India, signed a Memorandum of Agreement [MOA] for the establishment of a Demonstration/Fabrication Center in Ondo State, Nigeria. The Nigerian host would arrange site and facilities for the Center while the India Government would facilitate the fabrication of the machines to be displayed and train Nigerians in machine fabrication.

R-L: Dr. Gosh (Indian) other dignitaries during the signing of the MOU

Entrepreneurship Development Programmes

The Agency in September 2005, organized a Fish Culture Forum in collaboration with other government agencies. Out of 102 registered participants in the Forum, 40 have taken off with fish farming as at the end of March 2005. More are expected to start.

Manpower Development and Training

The Agency believes in sharpening the skills and developing the competence of its staff to deliver the much needed services. During the period under review, the following local and international training programmes, workshops, seminars and conferences were attended by staff:

LOCAL TRAINING PROGRAMMES 2005

S/NO	COURSE TITLE	LOCATION AND DATE
1	Feasibility studies and investment analysis workshop	9 th -11 th May, ASCON
2	Training needs analysis assessment workshop	20 th -24 th June, CMD
3	Modern trends in official communication skills	13 th -17 th June, ASCON
4	Pension management & administration	13 th -17 th June, CMD
5	Modern trends in official communication skills	13 th -17 th June, ASCON
6	Financial Management & Expenditure control course	13 th -24 th June, NCEMA

7	Microsoft database Administration	13 th -24 th June, INFO SYSTEM LIMITED
8	Total Quality Management (TQM) in public & private sectors organization	11 th -15 th July, NCEMA
9	Budgeting & budgetary workshop	4 th -15 th July, CMD
10	Communication & public relations manager course	11 th -13 th July, NIPR
11	Targets-setting workshop for manager	25 th -29 th July, ASCON
12	Entrepreneurship development programme for retiring officers	11 th -22 nd July, ASCON
13	Setting up a new business	18 th -20 th July, CMD
14	Research Methods, Survey Methodology & Data Management	1 st -12 th August, NCEMA

FOREIGN TRAINING PROGRAMMES 2005

S/NO	COURSE TITLE	LOCATION AND DATE
1	Annual Conference of the United States Association for Small Business and Entrepreneurship (USASBE)	Florida, USA 13 th – 16 th January 2005
2	Public Administration and Civil Service Management Course	Galilee College, Israel 16 th – 31 st January 2005
3	16 th International Conference on Small and Medium Sized Enterprises	Bucharest, Romania 15 th – 18 th May 2005

4	Design and Evaluation of Innovation Policy in Developing Countries	UNU-INTECH, Netherlands 24th – 28th October 2005
5	Quality Enhancement Review of the Micro, Small and Medium Enterprises Project of the World Bank	Washington D.C., USA 29th – 30th November 2005
6	50 th Anniversary and World Conference of the International Council for Small Business (ICSB)	14 th -18 th June, Washington DC, USA
7	Design and Innovation Policy in Developing Countries	23 rd -27 th May, Maastricht, Netherlands

Strategic Partnerships

To promote and facilitate SME development, the Agency developed a number of strategic partnerships: one with Niger-Delta Development Commission (NDDC) on SME Development and Youth Empowerment, and another with the Energy Commission of Nigeria (ECN) on Solar Energy Promotions for SMEs to provide alternative sources of energy to SMEs.

Hosting of Prime Minister of Sao Tome & Principe

The Agency played host to the Prime Minister of Sao Tome & Principe, Her Excellency Madam Maria do Carmo Silveira, who was on official visit to Nigeria.

She expressed her willingness to collaborate with SMEDAN and understudy the Agency in order to replicate the Nigeria experience in her own country.

SMEDAN D-G and Prime Minister, Sao Tome and Principe, Her Excellency Madam Maria Do Carmo Silveira.

Hosting of the Australian High Commissioner

The Agency also received the Australian High Commissioner to Nigeria, His Excellency Iain Dickie who visited the Agency. He said his country would be pleased to share her technological experience and managerial expertise in livestock farming and dairy production with Nigeria.

Memorandum of Understanding with Chinese Group/Firms

Within the period under review, SMEDAN entered into two separate agreements with two Chinese firms and the China International Cooperation Association of Small and Medium Enterprises [CICASME], a move expected to promote economic, technological and trade cooperation between SMEs in both countries. An MOU the Agency signed with a Chinese manufacturing giant, **JIANGSU SKYRUN INTERNATIONAL GROUP COMPANY LIMITED** and Nigeria Golden Gate Group of Companies [a Chinese Holding Company operating in Nigeria] would ensure the establishment of Skyrun Industrial Park for manufacturing of household and electronic appliances on a joint venture basis. The role of SMEDAN in the Joint

Venture Agreement is to facilitate sub-contracting and ancillary services to be provided by Nigerian SMEs and to ensure that the partnership is carried on in accordance with terms of the JVA and the provisions of the relevant laws in Nigeria. The Company has since commenced assembling of Air-conditioners at Calabar Free Trade Zone.

Inaugural Meeting of the Governing Board

A further highpoint in the year was the constitution of the Agency's Governing Board which held its inaugural meeting December 6, 2005 at the Agency's Headquarters. Members of the Board are: Chief C. M. Ibeto (**Chairman**), Engr. M.T. Ahmed, Alhaji Sanusi Maijama'a, Alhaji Usman M. Masanawa, Mr. A Akinkugbe, HRH Igwe Sampson Nnamani(JP), Engr. (Dr.) D.D. Yusuf, Alhaji Shittu Bamaiyi, Hon. Chinyere Igwe, Engr. Ikem Osanakpo, Chief (Mrs.) Titi Oluyede, Mr. Bankole Oyeniyi, Engr. I.J. Gana and Mrs. Modupe Adelaja. Speaking at the inaugural meeting, the Chairman expressed the Board's commitment to achieving the mandate of the Agency.

Members of the Governing Board

Activities in 2006

Bolstered by the impact the Agency's crucial interventions in the MSME sub-sector achieved in preceding years, Management was propelled to widen the scope and reach of some programmes in 2006 while commencing others in accordance with the Agency's Five Year Strategic Action Plan.

This renewed determination was centered on the Agency core mandate which are:

- Information and Advisory Services
- Business Development Services,
- Enterprise Linkages, Cooperation and Clustering;
- Advocacy and Operating Environment Issues.

Consequently, the Agency's programmes were pursued with vigour. The programmes were:

Establishment of Business Support Centres (BSCs) and Business Information Centres (BICs)

The Agency partnered with some state governments for the establishment of Business Support Centres (BSCs) at the state level and with local governments and communities to establish Business Information Centres (BICs) at the Local Government and community levels. The Agency also worked with Industrial clusters and Business Membership Organizations (BMOs) for the establishment of BICs within the clusters and BMO Headquarters. A BSC has been established at the Headquarters of the Manufacturers' Association of Nigeria[MAN] in Ikeja

and another at the Small Business Estate in Matori, also in Lagos State. BSCs are major outreaches for delivering Business Development Services (BDS) to enterprises.

Akure Business Support Center

A Business Support Centre (BSC) was commissioned **on February 6, 2006** and is operational in Akure in partnership with Ondo State Government. The Agency signed separate Memoranda of Understanding [MOU] with Katsina, Sokoto and Kebbi States respectively for collaboration in SME Development which includes the establishment and running of BSCs and Business Information Centres (BICs). The Agency concluded the furnishing and equipping of the Sokoto and Katsina Centres before the end of 2006.

The Abuja Enterprise Agency (AEA), a Business Support Centre, was commissioned on **February 12, 2006** and is running effectively. SMEDAN, in conjunction with the Federal Capital Territory Administration (FCTA) and United Kingdom's Department for International Development [DFID] established the Abuja Enterprises Agency (AEA) to cater for the needs of the enterprises resident in the Federal Capital Territory (FCT) in the area of access to finance, mentoring, information, model business plans and other business development services.

Similarly, the Agency in collaboration with Enugu State government and the DFID established the Enugu SME Centre. Other Centres recently established include: Uyo [Akwa Ibom], Yenagoa [Bayelsa] and Abakaliki[Ebonyi]. The establishment of BSCs and BICs across the Country has further widened the access of MSMEs to key information and advisory services. As at the end of 2006 eleven (11) BSCs and twenty one (21) BICs were established across the Country; this was made possible with active collaboration of relevant stakeholders.

LOCATIONS OF BUSINESS SUPPORT CENTRES (BSCs)

S/N	CENTRE NAME	LOCATION
1.	Katsina BSC	Investment House, IBB Way, opposite Unity Bank, Katsina State
2.	Sokoto BSC	5 Star State Secretariat, Ministry of Commerce and Industry, Sokoto bye-pass, Sokoto State
3.	Bayelsa BIC	Suite G1-G14, Bayelsa State Government Secretariat Annex, Road Safety Road, Yenegoa, Bayelsa State
4.	Uyo BSC	Ministry of Commerce and Industry, No. 51, Ikot Abasi Street, Uyo, Akwa Ibom State
5.	Ebonyi BSC	Ministry of Commerce and Industry, Abakaliki, Ebonyi State.
6.	MAN BSC Lagos	House 77, Obafemi Awolowo Way, Ikeja Lagos
7.	Abia State University BSC	Abia State University
8.	Ilorin BSC, Kwara State	Government House Road, Ilorin
9.	Matori BSC Lagos	Small Business Industrial Estate, Fatai Atere Way Mushin, Lagos
10.	Akure Business Support Centre, Ondo State	Industrial Park, Onyearugbulem Market, Along Akure-Ilesa-Ibadan Road, Akure, Ondo State
11.	Abuja Enterprise Agency FCT	22 Kudang Street, Off Monrovia street/Aminu Kano Crescent, Wuse II, Abuja.

LOCATIONS OF BUSINESS INFORMATION CENTRES (BICs)

S/N	CENTRE NAME	LOCATION
1.	IBOGUN	IBOGUN OLAOGUN, OGUN STATE
2.	OWU-IJI	BEHIND THE OBA'S PLACE, OWU-IJI, OGUN STATE
3.	SAINT MATHEW'S GWARINPA ESTATE PARISH	1ST AVENUE GWARINPA ESTATE ABUJA FCT
4.	ISIN L.G.A., KWARA	C/O SECRETARY, ISIN LOCAL GOVERNMENT, OWU ISHIN, KWARA STATE
5.	UMUCHU COMMUNITY AGUATA L.G.A Anambra State	HIS ROYAL HIGHNESS IGWE GODSON EZECHUKWU OKWULORA 1, TRADITIONAL RULER OF UMUCHU.
6.	MOTHER UNION GUILD, DIOCESE	BISHOP'S COURT, P.O.BOX 11, LOKOJA, KOGI STATE

	OF LOKOJA	
7	THE FEDERAL POLYTECHNIC, OKO	THE DIRECTOR CONSULTANCY SERVICES, FEDERAL POLYTECHNIC, OKO, ANAMBRA STATE
8	AGO ARE COMMUNITY	IFELODUN AGO-ARE PARAPO, AGO-ARE TOWN HALL, P.O.BOX 1, AGO-ARE, OYO STATE.
9	REMO CHAMBERS OF COMMERCE OGUN STATE	OLAJIDE OJOYE STREET
10	ANGLICAN WOMEN'S GUILD AND MOTHERS' UNION, DIOCESE OF ABUJA	DIOCESE OF ABUJA ANGLICAN COMMUNION, 21 DOUALA STREET, WUSE ZONE 5, P.O.BOX 212, ABUJA FCT
11	ONDO STATE CHAMBER OF COMMERCE	TRADE FAIR COMPLEX IGBATORO ROAD P.O.BOX 4048, AKURE ONDO STATE
12	TAWAKALITU ALAALAI ISLAMIC CENTRE, LUGBE	APC PLAZA, SUITE 00512, CAPE TOWN STREET, OFF IBB WAY, BY KABO HOUSE, WUSE ZONE 4, ABUJA FCT
13	ABUCCIMA	KM 8, AIRPORT ROAD P.M.B 86, GARKI, ABUJA
14	PEACE DEVELOPMENT CENTRE, UYO	NO. 134, ORON ROAD, UYO-AKWA IBOM STATE
15	AWKA, ANAMBRA	NO. 34, IGWE CHUKWUDI OFFOR ROAD, AWKA , ANAMBRA STATE
16	OUT' EYOTOR (MULTI-PURPOSE CO-OPERATIVE SOCIETY LTD)	EDPA BUILDING, SOKPONBA ROAD, P.O. BOX 8001, BENIN CITY, EDO STATE
17	ST. PETERS CHURCH, FAJI-LAGOS	3, AJELE STREET (FAJI), LAGOS STATE
18	AGULU BIC,	ANAOCHA LGA, ANAMBRA STATE
19	ALL CHRISTIAN FELLOWSHIP MISSION AGULU ANAOCHA LGA BIC	PLOT 261 NILE STREET, MAITAMA, ABUJA.
20	OSOSA	ST. JOHN'S ANGLICAN CHURCH CENTENARY HALL, OSOSA-IJEBU, OGUN STATE
21	ODU-OFOMU BIC	DEKINA LGA, KOGI STATE

Business Development Service Provision (BDSP)

In line with the mandate of the Agency to provide business development services (BDS) to MSMEs, Business Development Service Providers (BDSPs) were appointed and assigned to specific locations to mentor, counsel, provide entrepreneurship training, information on markets, machinery/equipment to MSMEs. During the period under review, the following states and groups have benefited from the Agency's Business Development Service [BDS] activities and interventions:

Business Training Sensitization at Ososa, Ogun state * Focus Group Meeting and Sensitization at Abakaliki Rice Cluster

STATE	LOCATION	TARGET	INTERVENTION				BDSPs
			Sensitization	Information	Training	Counsel	
Nasarawa	➤ Lafia & Keffi Cassava & Rice	Farmers	180	16	177	32	KKK Consult
	➤ Nassarawa & Doma Rice &	Farmers	-	32	152	18	
	➤ Akwanga & Nassarawa Egon Rice & Cassava	Farmers	-	54	19	108	
Niger	Bida Rice	Farmers	96	15	3	16	Michael Jacobs
Ebonyi	Abakaliki Rice & Rice Millers	Farmers	136	34	21	12	Nobels & Lesley
Ondo	Akure Cassava	Farmers	213	76	91	90	Romis
Benue	Ugbokolo Cassava	Farmers	359	176	87	80	Consolidated Management
Ogun	➤ Ijebu Ososa Cassava	Farmers	32	57	21	19	Akintayo & Associate with IITA
	➤ Iji Owu	Farmers	54	34	19	23	
	➤ Abeokuta Tie & Dye	Artisans					Rosequeen
	➤ Other Trade groups	Mixed trade groups			-	16	
					-	65	

Cross River	➤ Calabar (catfish)	Farmers	109	65	-	107	Adebola Shobanjo
	➤ Ovonum	Farmers	98	68	38	82	
	➤ Eket	Farmers	89	53	-	327	
	➤ Ogoja	Farmers	90	60	90	171	
Akwa Ibom	Ikot Ekpene	Farmers	98	87	76	124	Adebola Shobanjo
Delta	Delta Women Farmers (ASHERLIFE)	Mixed Trade	-	104	-	90	Adebola Shobanjo
Kebbi	➤ Kebbi Catfish	Fisher	78	45	47	28	CISME
	➤ Argungu	Farmers	184	67	56	57	
	➤ Yauri	Farmers	76	65	50	5	
Anambra	➤ Awka Cassava	Farmers	410	210	108	53	Issachar Consultants & Advisers
	➤ Nnewi Automotive	Artisans	310	107	1906	116	
Edo	Out Eyortor Cassava	Farmers	1002	450	468	204	J. K Consulting
Borno	Cassava, Rice, Vegetable Clusters	Farmers	540	201	102	149	Road Master Link
Katsina	➤ Katsina	Farmers & Merchants	29	54	40	39	Compass
	➤ Funtua	Farmers	39	34	47	32	
	➤ Malumfashi	Farmers	47	35	48	30	
Osun	➤ Oshogbo Tie & Dye	Artisans	63	50	-	64	Rosequeen
	➤ Other trade groups	Mixed Trade	58		56	225	
Kano	Kano Leather	Artisans	64		70	69	Rosequeen
Abia	Aba Shoe/Leather	Artisans	50	50	-	73	Nobel & Lesley

Lagos	Lagos ICT Ofigba	Artisans	60	56	70	87	Technopol
Enugu	➤ Anieeri Rice	Farmers	148	98	97	39	Nobel Lesley
	➤ Enugu Palm Kennel/Oil & Fabricators	Processors	158	78	76	54	
	➤ Orji River Palm Oil	Farmers	134	87	65	56	
	➤ Nnsuka Mechanic	Artisans	65	91	65	65	
FCT	Kugbo Furniture Mararaba	Artisans	65	63	87	65	BCG
Taraba	➤ Jalingo Cassava	Farmers	67	32	40	21	KKK Consult
	➤ Wukari Cassava	Farmers	34	23	32	32	
	➤ Bali Cassava	Farmers	45	23	31	23	
Adamawa	➤ Yola Artisans & Craft	Artisans	32	29	32	45	KKK Consult
	➤ Fufure Cassava	Farmers	32		38	-	
	➤ Song Cotton	Farmers	39	39	-	43	

Oyo	➤ Ogbomoso, Saki Cassava & Shea-Butter	Farmers	126	97	91	90	Akintayo & Associates
	➤ Ibarapa Cassava	Farmers	98	86	87	89	
	➤ Ibadan CASSAVA	Farmers	76	79	89	101	
Kogi	➤ Ankpa Cassava	Farmers	56	45	67	49	Consolidated Management
	➤ Kabba Bunu	Farmers	34	30	57	50	
	➤ Okene	Farmers	45	59	49	59	
Kaduna	➤ Kafanchan Ginger	Farmers	98	78	59	60	Compass
	➤ Kwoi	Farmers	76	59	59	50	
	➤ Kagarko	Farmers	67	58	69	50	
Total	➤ Total	Total	6,059	3,478	5,012	3,652	

Focus Group Meeting on Palm & Cassava Production, Abia state

The above table indicates that SMEDAN sensitized 6,059 on entrepreneurship using the BDSPs. The Agency provided business information to 3,478 persons on factors of production. A total of 5,012 persons received entrepreneurship training while 3,652 received counseling services.

Cluster Development:

The pivot of the programme is the co-location of different size of enterprises within a geographical location.

This affords the enterprises the opportunities to pool resources in order to reap the benefit of economy of scale, gain knowledge spill-over, specialized skills and achieve greater innovation capabilities. The Clusters study that was earlier conducted by the Agency was one of the basis of deployment of BDSPs to specific locations across the Country. These clusters are: Kano Leather, Aba Footwear, Abeokuta and Oshogbo tie and dye, Aba Garment and fashion; and Otigba Information and technology Cluster.

Business Development Training for fish farmers at Lake Alau Jere LGA, Borno State

Business Sensitization/ Development programme at Aba Garment Cluster, Abia State

However, in the year under reference an aggressive cluster development programme was pursued to facilitate the establishment of new clusters around the country. Efforts to promote new enterprise clusters across the country were intensified.

Activity lines such as the cassava and the rice value chains were covered across state. Focus Group Discussions (FGDs) were initiated to assess status and determine urgent intervention areas. The FGDs were held and intervention programmes initiated within the following clusters:

- Lafia Rice & Cassava [Nassarawa State];
- Bida Rice [Niger State];
- Abakaliki Rice [Ebonyi State];
- Akure Cassava [Ondo State];
- Ugbokolo Cassava [Benue State];
- Ijebu Ososa Cassava [Ogun State];
- Iji Owu Cassava [Ogun State];
- Calabar Catfish [Cross River State];
- Awka Cassava [Anambra State];
- Maiduguri [Lake Alau]Cassava, Rice & Vegetable [Borno State].

The objective was to nudge them with good business orientation through Business Development Services for intervention. **A total of 2,914 operators were reached in the ten clusters.** The programme is, however, still running.

Faith-based Initiative

This initiative is conceptualized to trigger off entrepreneurial activities among the various Religious groups in the Country. In 2006, the under-listed religious bodies were reached under this initiative:

- Muslim Empowerment and Welfare Foundation
- Cherubim and Seraphim Movement Kubwa Abuja;
- Redeemed Christian Church of God Central Parish, Aminu Kano Wuse 2 Abuja;
- Daughters of Zion Foundation Jigo Bwari Abuja
- All Saint Anglican Church Wuse Abuja
- Some members of Pentecostal Fellowship of Nigeria (PFN)
- The Catholic Archdiocese of Abuja;
- Full Gospel Business Men's Fellowship (Lagos Chapters)

Faith –based initiative for Church of Nigeria (Women Fellowship), Wuse Abuja.

Staff Capacity Building

To acquaint the staff with legal and regulatory issues in the sector and in order to equip them with sufficient knowledge to deliver quality services to SMEs, the Agency in collaboration with the British Council organized a training programme for about 45 members of staff of the Agency in March and April 2006. The Agency also organized small business counseling training for its staff and stakeholders in May 2006 at the Lagos Business School. This was held in collaboration with the Acadia Centre for Small Business and Entrepreneurship, Canada.

Cross section of staff during a training session with Facilitator.

A major milestone towards providing structure for the MSME sub-sector was achieved in 2006. The four (4) day Training for Small Business Counselors was the first in a series of trainings to be conducted for staff of the Agency and Business Development Service Providers (BDSPs) that will in turn form the crux of small business counselors in Nigeria.

The Agency's staff also benefited from the following capacity building programmes: the National Clusters Training Workshop; World Bank/FGN funded MSME Project [MSME Development and Promotion Workshop] and Nigeria/UNESCO Workshop on Design and Evaluation of Innovation Policy in Developing Countries. Others manpower development and training programmes benefited by SMEDAN staff include:

LOCAL TRAINING PROGRAMMES 2006

S/NO	COURSE TITLE	LOCATION AND DATE
1	All you need to know about planning your event	28 th -29 th April, Transcorp Hilton Hotel, Abuja
2	National workshop on corruption in the Nigeria Public Service way forward	Jos
3	A Framework for manpower Budgeting in the public service	17 th – 20 th July, Shiroro Hotel Minna, Niger

	challenges and prospects	State
4	Understanding and getting equipped for the supervisory and clerical aspects of public sector accounting and internal Auditing today	24 th -27 th July, Ikeja, Lagos State
5	Web design and development training (SPECIAL INTENSIVE)	19 th -30 th June, Ikeja, Lagos State
6	Train-the-trainer Programme on ICT	12 th – 16 th June, Abuja

FOREIGN TRAINING PROGRAMMES 2006

S/NO	COURSE TITLE	LOCATION AND DATE
1	Business development Service Providers for Micro finance	30 th Oct. – 8 th Dec. 2006, India
2	International Training on Creating and Enabling Environment SME development	16 th - 27 th Oct. 2006, International Training Centre of the ILO Turin, Italy
3	Comprehensive and Integrative Support System for SME Development NEGEV Institute for Strategies of peace and Development	15 th -30 th March, 2006, Beersheba, Israel
4	International Training Programme on Business Development Service Providers for managing Micro Enterprises and Micro-Finance	30 th Oct.-8 th Dec. 2006, Entrepreneurship Development

Signing of MOU with Akwa Ibom State Government

National Policy on MSMEs

In furtherance of the National Policy on MSMEs formulation process, a draft policy document was presented to key stakeholders at a two day retreat held in Kaduna from November 24-26, 2006.

Informal Sector Report Presentation

The study was initiated by the Agency with the assistance of UNDP to design strategies for integration of the informal sector to the mainstream economy. The outcome of the study was presented to the public at Rockview Hotel, Abuja on 14th November, 2006. Subsequently, intervention programmes would be designed for implementation around the recommendations contained in the Report.

Collaboration with National Bodies

In the course of the year, the following strategic collaborations were entered into with Nigerian Economic Summit Group (NESG) to develop a road map for MSME development in Nigeria and with National Agency for the Prohibition in Trafficking in Persons (NAPTIP) for rehabilitation of victims of human trafficking through assistance in the establishment small businesses. Other collaborations include, among others:

Collaboration with NYSC

- Collaboration with National Information Technology Development Agency [NITDA] on development of ICT for SMEs.
- Collaboration with National Poverty Eradication Programme [NAPEP] on Multi-party Micro Credit Scheme.
- Collaboration with Bank of Industry on financing of SMEs and financing of Industrial Park establishments.
- Collaboration with the Nigeria Agricultural Cooperative and Rural Development Bank [NACRDB] on financing of agro-based enterprises.
- Collaboration with National Automotive Design and Development Council, the Integrated Transport Initiative/Unilag Consult on automotive capacity manufacturing.
- Collaboration with Energy Commission of Nigeria [ECN] on developing renewable energy sources as alternatives to energy supply from the national grid for SMEs and domestic consumption.

The Agency's ICT Project

The ICT Project which commenced in 2005 entered its second phase in the year under review. The second phase involves re-designing of the Agency's website to make it more interactive and user friendly. The linking of the website with all existing BSCs/BICs to the Agency portal is in progress.

The Agency's Business Clinic

The business clinic that was started in 2005 with the aim of providing business information and advisory services to MSMEs and prospective entrepreneurs witnessed an unprecedented visitation rate in 2006. A total of three thousand, one hundred and seventy nine (3,179) clients utilized the services of the clinic as against four hundred and seven (407) clients in 2005.

TABLE OF ACTIVITY AT THE AGENCY'S BUSINESS CLINIC

Activity	Number of Attendees
Capacity Building	365
Counseling	116
Information and Enquiries	2,698
Total	3,179

Updating the Agency's Database

The activities of the Agency's Business Development Service Providers (BDSPs) and activities at the Business Clinic and the various Business Support Centres (BSCs) and Business Information Centres (BICs) provided additional source of data. Consequently, the Agency database was robustly enriched in the course of the year.

Catalogue of Post Harvest Equipment on Cassava Processing

In accordance with the Agency's function in the area of provision of information on technology[machines and equipment] and other factors of production and in complementing the effort of the Federal Government geared towards Cassava and allied products processing, the Agency in collaboration with International Institute for Tropical Agriculture [IITA] Ibadan put together a compendium of post harvest equipment to serve as guide and reference for entrepreneurs.

Corpers Entrepreneurship Programme (CEP)

The programme aims at equipping university graduates with entrepreneurial competence and requisite skills to effectively start-up and run an enterprise profitably. The Programme was flagged off in 2006 with **one hundred and five (105) corps members** attending a three (3) months training session. Every Saturday, between May 6 and July 29, 2006, the Agency in collaboration with the National Youth Service Corps [NYSC] and CGMIE consulting organized an entrepreneurship development programme for serving corps members in Abuja. The objective of the programme was to provide university and polytechnic graduates with world class investment and entrepreneurial education and practical skills that would make them self-reliant. The programme was very successful.

Cross section of Corps members during Entrepreneurship training

Entrepreneurship Awareness Creation/Sensitization

The Agency intensified action on the provision of information in support of new enterprise creation and the expansion/improvement of new ones. Information scope includes sources of raw materials, product markets, sources of machines and equipments.

The Agency produced over 200 Business Profiles and other information leaflets which are available at the BSCs and BICs nationwide as well as the Agency's Head Office. SMEDAN continued to produce and distribute business sensitization leaflets at major high traffic points in the country. This is aimed at stimulating entrepreneurial consciousness among Nigerians and giving them proper guidance in the establishment and operation of their own business. These leaflets include:

- The A-Z of Doing Business.
- What SMEDAN Can do For You
- Answers to Frequently Asked Questions (FAQs)
- How to Start a Small Business [with translations in Igbo, Hausa and Yoruba].

Entrepreneurship Development Programmes

The Agency organized Capacity Building programmes in April-July 2006 on Fish Farming, Bee-keeping/Honey Processing, Hats & Beads, Poultry Farming, Waste Recycling and Snail Farming for prospective entrepreneurs.

The objectives of the programmes were to create awareness of business opportunities in those areas; impart on prospective entrepreneurs the basic knowledge/principles of the business; prepare prospective entrepreneurs for effective business entry and lead them to practical demonstration of certain aspects of the business. It generated a lot interest and recorded huge success. **A total of 152 persons participated in the programmes.** They are being followed up by the Enterprise Promotions Department, Monitoring and Evaluation Department and some of the Business Development Service Providers [BDSPs].

SME Opportunities Fair

The Agency organized the SME Opportunities Fair from October 30-November 5, 2006 at the premises of Lagos Television, Ikeja. The fair which was strongly supported by MTN Nigeria attracted a good number of MSMEs, Business Development Service Providers [BDSPs], Machine/Equipment fabricators, development finance institutions, investors, and customers. The Fair was declared open by the Minister of State for Agriculture and Rural Development, Otunba Bamidele Dada and graced by many dignitaries from both the private and public sectors. About 100 organizations from private and public sectors participated in the Fair while over 2000 persons trooped into the venue during the week-long Fair which featured business clinics, mentoring, counseling and networking sessions.

Local Bronze Products & Detergents on Display at the SME Opportunity Fair

Katsina Economic Summit

The Agency participated in the Katsina Economic Summit held in 2006 and used the occasion to extend the frontiers of our collaboration with the State. Business Development Services are being deployed to complement the state's micro finance programme, in order to ensure programme sustainability.

Kano Trade Fairs, SME Expos, etc

The Agency participated in the Kano Trade Fair, Nassarawa Agric-Solid Mineral exhibition and Zuma Film Festival within the report period. The Agency used the occasions to showcase its services as well as to update itself with the trends in the SME sector. Other Fairs and Expos participated by the Agency include:

Products of Aba Leather Cluster, one of the clusters being promoted by SMEDAN

SMEDAN ATTENDED FAIRS AND EXPOS

The Agency has successfully attended and exhibited at the following fairs and expos:

- ✓ Nassarawa State Agricultural Expo-April 2006
- ✓ 1st Abuja International Trade Fair-May 2006
- ✓ 1st MTN SME Expo Lagos-July 2006
- ✓ Africa Small Business Summit Abuja-July 2006
- ✓ 3rd Abuja International Film Festival –Abuja-September 2006
- ✓ Kwara International Trade Fair-September 2006
- ✓ NEPAD 2nd International Business Conference Abuja-November 2006

- ✓ Cocoa Summit in Calabar 2006.

The Agency also attended The 'WORLD SME EXPO' which took place in Hong Kong November 2006

SAGE World Cup in Shanghai, China

SMEDAN sponsored the National Competition of the **Student for the Advancement of Global Entrepreneurship [SAGE]** held in Abuja in June 2006. The Agency facilitated the maiden participation of Nigeria in the **SAGE World Cup** which took place in Shanghai, China, from August 3-6, 2006. The competition which entered its 4th year in 2006 was organized to provide youths, particularly students, all over the world with the opportunity of gaining confidence in entrepreneurial skills and the rudiments of small scale business operations. Eight countries took part in the competition, namely: United States of America, Ghana, Nigeria, South Africa, Kazakhstan, Russia, Ukraine and China. Nigeria, represented by Grays International College, Kaduna, came fourth in the competition. Nigeria's participation was financed by Dangote Group, Globacom and Zenith International Bank, courtesy of SMEDAN's facilitation.

DG, SMEDAN & the SAGE Team

Supplementary Staff Recruitment

In order to strengthen the Agency's capacity to further deliver on its mandate an additional twenty three (23) staff were recruited in 2006.

Official Opening of Enugu SME Centre

The Enugu SME Center which became operational in 2005 was officially opened. The occasion featured the release of one information material [book]- “Business Information Guide for Nigerian SME Managers” which is meant to bridge the information gap for enterprise start-ups as well as meet the information needs of both existing and prospective SME operators. It is a quick reference material.

Enugu SME Centre

Part-Sponsorship of Strategic Summits

The Agency co-sponsored the **7th Leon Sullivan Summit** held in Abuja on July 17-20, 2006. The Director-General addressed the summit. The Agency collaborated with the **Commonwealth Business Council**, other public and private sector organizations to organize the **1st African Small Business Summit** organized in Abuja at the middle of the year. Also the Agency participated in the NEPAD Summit on SME held in Abuja in 2006.

Activities in 2007

While consolidating on the achievements of the last three years, SMEDAN continued its on-going programmes and new programmes are being initiated. The 2007 activities at the Agency are as follows:

Public Presentation of Draft National Policy on MSME in Kano and Lagos.

The initial draft National Policy on Micro, Small and Medium Enterprises (MSMEs) was developed by the African Institute for Applied Economics (A.I.A.E) commissioned by SMEDAN in collaboration with the United Nations Development Programme [UNDP]. The Policy is expected to provide the road map for MSME development.

After the Stakeholders' Retreat in Kaduna, the public presentation of the draft National Policy on MSME to stakeholders was done at two different locations in the country – Kano [January 25, 2007] and Lagos [February 2, 2007], giving stakeholders several opportunities to make submissions and/or contributions to the document. The final amended draft was submitted to the President, who directed that a memorandum be brought to the Federal Executive Council (FEC) on it.

NATIONAL POLICY ON MSME

The draft National Policy on MSME was presented to the Federal Executive Council and was approved on the 10th May, 2007. The Agency intends to officially launch the policy, distribute it generously and champion its implementation.

Training for Small Business Counselors

The ACSBE Training for Small Business Counselors was designed for small business trainers and coaches in the SME sector and was developed to professionalize small business counseling and sustain the growth and competitiveness of micro, small

and medium sized enterprises. It is a prelude to accreditation and registration of professional Business Development Service Providers [BDSPs] by SMEDAN.

Group Photograph of SMEDAN trained Small Business Counsellors

The 2007 Training was in two batches: First batch comprising those who did the first four modules of the training in May 2006 in Lagos and were to complete the last four modules. This took place from **26th February to 2nd March, 2007** in Abuja. A total of 35 participants were recorded in this batch made up of Agency staff and Business Development Service Providers. The second batch of trainees comprised prospective Business Development Service Providers and some SMEDAN staff, 92 in all - doing the first four modules of the training. They had their training from **5th-7th March, 2007**. The second component of the training for this batch will be coming up later in the year.

Business Sensitization at Kirikiri Medium Security Prison in Lagos.

To reach the relevant beneficiaries of her services, the Agency took her business sensitization programme to the Kirikiri Medium Security Prison, Lagos, with a view to teaching the inmates basic business management skills. Business sensitization is the first step in the Entrepreneurial Development Programme of the Agency.

Dignitaries and Inmates During the Sensitization Exercise

The prison carry the social stigma of harbouring criminals and undesirable elements and even their products are denied certain rights and privileges in the society. Probably, this accounts for why a large percentage of ex-convicts find themselves back in the prison a short period after their release. Since there is no concerted and properly institutionalized effort made to rehabilitate this group of people to enable them fit properly into society, the Agency packaged a well thought out programme and action plan for the reformation of the products of prisons. This is aimed at equipping them with entrepreneurial education and training that would make a positive impact on them. The skills derivable from the process would enable them to start and run small businesses successfully, to the benefit of the society at large. It is our desire to duplicate this programme in other prisons across the country over time.

Establishment of BICs

The Business Information Centres (BIC) are micro versions of the Business support Centre (BSC), and as the name implies, are primarily platforms for provision of information - in both print and electronic form. The office accommodations are usually provided by the host Local Government, Enterprise Cluster or any micro/small enterprise group in the locality. Also, two staff from the locality would be employed and thereafter trained by the Agency to manage the BIC.

Two BICs were established between January and March 2007. They are:

- Mothers' Union/ Women Guild Makurdi BIC

- Mothers' Union/Women Guild Otukpo BIC

Introduction and Test-running of the Voucher System in the Public Service Entrepreneurship Development

The Voucher System is a payment instrument that uses redeemable vouchers with security features, date, validity period, amount and space for names of beneficiary and Business Development Service providers (BDSP). It is a very transparent way of delivering subsidy to jump-start the BDS market in Nigeria. With effect from 2007, the pilot run for the Voucher System (VS) is being implemented by the Agency, beginning with the Public Service Entrepreneurship Development Training held March-April 2007.

Amendment of SMEDAN ACT, 2004

The Agency submitted a proposal for the amendment of the SMEDAN ACT, 2004 on the 16th January, 2007; The Ministry of Justice prepared the amended draft and submitted same to the President for his endorsement and onward delivery to the National Assembly. It is viewed that when approval is granted by the National Assembly, and the Small and Medium Enterprises Commission Act, 2007 is passed; the Agency will be better positioned to face its challenges and achieve its mandate.

Public Service Entrepreneurship Development Training

As a result of the on-going public sector reforms, many public servants find themselves on the fringe of retirement. The Agency has packaged a special programme for civil servants that are retired or about to retire, which will enable them actualize their entrepreneurial potentials.

Training Session and Group Photograph during the Public Service Entrepreneurship Training.

Entrepreneurship Sensitization at NYSC Orientation Camps

The Agency sent out its officers/representatives to sensitize Corp members in the six geo-political zones of the country, on the relevance of entrepreneurship and the need to develop entrepreneurial skills and put same to productive use and earn income, becoming an employer of labour rather than waiting for the white collar job that may not come. This exercise was a prelude to the Corpers' Entrepreneurship Programme [CEP] being packaged to start later in the year.

Corpers Entrepreneurship Development Programme[CEDP]

This is the training phase that normally follows the sensitization programme and has started in May. Some 155 corps members in Lagos and 170 serving Lagos [a total of 325 corps members have indicated interest in the 2007 CEDP.

SMEDAN Programme Officers Sensitizing Corps Members

Collaborative Efforts with other Organizations

The Agency has a good working relationship with several organizations that are also interested in the development of the MSME sector of the Nigerian economy. Some of them include;

- African Development Bank (ADB)
- National Poverty Eradication Programme (NAPEP)
- Raw Materials Research and Development Council (RMRDC)
- Millennium Development Goals (MDGs) office
- Various Ministries and parastatals
- National Universities Commission (NUC)
- National Board for Technical Education (NBTE)
- Nigeria Maritime Authority and Safety Agency (NIMASA) etc

NIMASA-SMEDAN Sensitization for Maritime SME Operators

In a bid to boost SME activities in the maritime sector, SMEDAN in collaboration with the Nigeria Maritime Administration and Safety Agency [NIMASA] delivered entrepreneurship sensitization and also assessed the training needs of the maritime SME operators in three zones, which are:

- Eastern zone (Port Harcourt), 7th - 8th February, 2007; with seventy (70) participants in attendance;
- Central zone (Warri), 14th – 15th February, 2007; with one hundred and three participants in attendance;

- Western zone (Lagos), 28th February – 1st March, 2007; with one hundred and twenty-five participants in attendance

The next stage of this collaboration is the training of the maritime SME operators, which is scheduled immediately after the national elections.

SME EXPO 2007

The Agency participated in the 2nd Abuja International Trade Fair held in February 2007. The Agency supported and participated in the 2nd MTN SME Expo 2007 from 22nd - 23rd March, 2007 in Abuja. The theme of the Expo is: “Finance and Infrastructure as Imperatives for SME Development in Nigeria”.

Product of some SMEs that benefited from SMEDAN’s Entrepreneurial Education

CLUSTER SUPPORT PROGRAMME

Six clusters were identified last year and were exposed to Business Development Services (BDS). This will be strengthened in 2007. In order to solve the problem of workspace for our ‘clusterpreneurs’, the Agency is championing the cause of establishing Cluster Parks under Public – Private Sector Partnership [PPP] arrangement. Already, the Federal Executive Council has approved a memo for the conversion of the 22 IDC sites to Cluster Parks under PPP arrangement.

Participants at one of the Public Presentation of National Policy & Focus Group Discussion (FGD), with Catfish Cluster Cross River state

ENTREPRENEURSHIP DEVELOPMENT IN UNIVERSITIES AND POLYTECHNICS

The Agency is continuing her collaboration with National Universities Commission (NUC), National Board for Technical Education (NBTE) and the Ministry of Education to ensure that Entrepreneurship Development is integrated into the curriculum of our schools, from secondary to tertiary institutions in all the geo-political zones.

BUSINESS DEVELOPMENT SERVICE PROVIDERS (BDSPs)

SMEDAN identified and exposed to essential training certain Consultants to provide vital Business Development Services (BDS) to our end beneficiaries (MSMEs), strengthen the already identified clusters and encourage the emergence of new clusters.

BDSPs training SME Cluster members at Maiduguri and Uyo.

Future Activities – Near Term

The Agency will continue to monitor and evaluate the progress/success of the programmes commenced since its inceptions. Some of the programmes are still running while others are being totally re-packaged for greater impact. The following are some of our on-going and/or near-term programmes:

- Launching of the National Policy on Micro, Small and Medium Enterprises.
- Business Sensitization and training of Prison inmates nationwide;
- Establishment of new Business Support Centres [BSCs] and Business Information Centres [BICs];
- Extension of BDS activities to some special groups such as victims of human trafficking and HIV/AIDS as well as women groups;
- Formal Launching/Implementation of the Voucher System;
- Public Service Entrepreneurship Development Programme;
- Corpers' [NYSC] Entrepreneurship Development Programme;
- NIMASA [Maritime] Entrepreneurship Development Programme;
- SME Opportunities Fair 2007;
- Faith-Based Entrepreneurship Development Programme;
- Student Entrepreneurship Promotion Scheme;
- Cluster Support Programme;
- Small Business Counsellors' Training III;
- Re-positioning of IDCs to Cluster Parks;
- Collaboration with Public and Private Sector Institutions.
- Partnership Activities on Alternative Energy Sources for MSMEs

Manpower Issues

In terms of size, the Agency operates a lean bureaucracy. However, we believe in training of our staff and building their capacity to deliver service. This is evident in the local and international training, conferences and workshops attended.

Consequently, the Agency can boast of a crop of efficient and well-motivated work-force. Notwithstanding, it has been difficult to attract and retain quality staff due to the existing poor salary structure. We have lost a number of competent hands to the private sector. In view of the specialized nature of SME development, the remuneration package of the Agency would require necessary upward adjustment to attract and retain desired skills.

Impact of SMEDAN's Activities on MSME Community

The Agency has recorded achievements in many areas. Due to our aggressive awareness creation and sensitization, Nigerians are increasingly getting to know about the existence and mandate of the Agency. Through our public education and enlightenment, thousands of Nigerians have become conversant with the basic tenets/principles of starting and running small businesses. **Under the Faith-Based Initiative for Enterprise Development alone, over 12,000 persons have been reached.** We have helped many Nigerians identify and develop business ideas and prepare their own business plans. These are routine activities in our Head office and the Business Support Centres [BSCs] nationwide. **A total of three thousand, one hundred and seventy nine (3,179) clients utilized the services of the Business Clinic at the Head Office in 2006 as against four hundred and seven (407) clients in 2005.**

Products of local fabricators impacted by SMEDAN (Akure & Owerri)

In 2006 alone, SMEDAN sensitized **6,059** on entrepreneurship using the BDSPs. The Agency provided business information to **3,478** persons on factors of production. A

total of **5,012** persons received entrepreneurship training while **3,652** received counseling services. A total of **2,914** operators were reached in **ten clusters**.

Of the **105** beneficiaries from the Corpers' Entrepreneurship Programme embarked upon in 2006, about **30** of them had started their own businesses. Some of them exhibited their products during the closing/graduation ceremony organized at the Chelsea Hotel Abuja in July 2006. Similarly, out of the **152 persons** that participated in our Entrepreneurship Development Programme in 2005/2006 at the Head Office, **40** have actually set up their own businesses. More are expected to start. The Agency is still facilitating the commencement of a lot of businesses.

Challenges and Constraints

In 2003

With only four complimentary staff, no budgetary allocation/take-off grant and no office accommodation, the Director-General was not deterred. The Agency operated from her official residence with an imprest of **N3million [Three million Naira]** from the Office of the Secretary to the Government of the Federation [SGF]. The initial 'cold cooperation' extended to the Agency by other government institutions turned out to be the fuel for the determination to succeed. Thus the Director-General had to move on in spite of all odds. She settled down to draw her Action Plan.

In 2004

During the period under review, the Agency was still grappling with poor understanding by both public and private sector stakeholders of what the mandate and mission of the Agency are and this led to frictions and hostility on certain occasions, particularly with poverty alleviation institutions in the public sector. The Agency also continued to contend with manpower and office accommodation challenges.

In 2005

The major constraint of the Agency during the period under review was inadequate funds to carry out its mandates, especially with a large population of enterprises requiring different forms of assistance to develop their businesses coupled with the challenge of covering a large country like Nigeria.

Low level of awareness on the activities of SMEDAN was also a challenge. Therefore, the Agency's major activities within this period were mainly that of awareness creation and entrepreneurship sensitization so that the Nigerian populace, which was obviously ignorant of the functions and essence of the Agency could get familiar with the activities of the Agency. The success was however limited, especially in term of mileage because of paucity of funds.

The uncooperative attitude of some State Governments and public sector institutions posed a major challenge to the Agency in its quest to emancipate MSMEs at the grassroots.

Dearth of data was a major snag. In designing specific intervention programmes for different segments of enterprises, the Agency required some data which will give baseline information on them. Unfortunately, there was insufficient data on these enterprises making decision-making a little more challenging.

In 2006

The Agency's major challenge was in the area of diminished budgetary allocation. The Agency has witnessed a steady decline in its statutory allocation whilst activities, awareness and demands are increasing, and this has significantly affected its programmes.

The cost of doing business in Nigeria is still high due to infrastructural inadequacies and weak operating capacities of the MSMEs. Expenses such as payment of commercial prices for training and capacity building sessions, meeting the registration conditions of institutions such as Corporate Affairs Commission (CAC), National Agency for Food and Drug Administration Control (NAFDAC) and SON are hardly affordable, especially by start-ups.

In 2007

Funding continues to pose very serious challenge and threat to service delivery and development of micro, small and medium enterprises [MSMEs]. As the Agency unfolds her programmes every year and encounters real life situations, the

challenge of funding becomes more glaring. These limitations are adversely affecting the level of impact the Agency is making.

Conclusion/Way Forward

The earlier proposal by SMEDAN for establishment of Small and Medium Enterprises Development Fund (SMEDEF) may have to be re-visited in order to deal with the challenge of MSME funding. Although both the Federal and State governments may need to contribute to this fund, the private sector would be the major contributors and managers of the fund. It is pertinent to note that some potential private sector investors are willing to be part of this move. This fund would serve both financial and non-financial (BDS) purposes.

There is also need for an improved funding of the Agency. If the Agency is to achieve its lofty objectives, like its counterparts in other part of the world, it has to be adequately funded. Other areas of immediate concern, in order to move the sector forward include:

- Funding of Business Development Services [BDS] which encompasses training, coaching, counseling and mentoring, helping to translate vocational skills into viable business enterprises.
- Improvement in infrastructure, especially power, transportation, water and communications
- Establishment of Cluster Parks as workspaces for MSMEs.

- Continuous review of the legal/regulatory regime to create a more business-friendly environment for small businesses to thrive.
- Continuously improving access of small businesses to third-party credit.
- Promoting Venture Capital and Private equity options of financing.
- Providing support for key Business Membership Organizations.
- Provision of technical assistance to the apex MSME development institutions.
- Promotion of enterprise linkages – both horizontally and vertically.
- Harnessing the virtues of the informal lending system with the formal.

The Director-General, management and staff hereby express their profound gratitude to His Excellency, Mr. President, for the opportunity granted them to serve this country and pioneer a very important Agency as SMEDAN.

SIGNED: MRS. M.A. ADELAJA
24th May 2007