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, manpower, 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:

- 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:
- EnhancingCapabilitiesofTradePromotionAgenciesandSMESupportInstitutionsatITC

**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](http://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.
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:

<table>
<thead>
<tr>
<th>CLIENT REQUEST</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assistance</td>
<td>114</td>
</tr>
<tr>
<td>Information on Machinery Equipment</td>
<td>87</td>
</tr>
<tr>
<td>Capacity building related</td>
<td>40</td>
</tr>
<tr>
<td>Information on raw materials</td>
<td>41</td>
</tr>
<tr>
<td>General business information</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>407</td>
</tr>
</tbody>
</table>

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.
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 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.
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

<table>
<thead>
<tr>
<th>S/NO</th>
<th>COURSE TITLE</th>
<th>LOCATION AND DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Feasibility studies and investment analysis workshop</td>
<td>9th-11th May, ASCON</td>
</tr>
<tr>
<td>2</td>
<td>Training needs analysis assessment workshop</td>
<td>20th-24th June, CMD</td>
</tr>
<tr>
<td>3</td>
<td>Modern trends in official communication skills</td>
<td>13th-17th June, ASCON</td>
</tr>
<tr>
<td>4</td>
<td>Pension management &amp; administration</td>
<td>13th-17th June, CMD</td>
</tr>
<tr>
<td>5</td>
<td>Modern trends in official communication skills</td>
<td>13th-17th June, ASCON</td>
</tr>
<tr>
<td>6</td>
<td>Financial Management &amp; Expenditure control course</td>
<td>13th-24th June, NCEMA</td>
</tr>
<tr>
<td>S/NO</td>
<td>COURSE TITLE</td>
<td>LOCATION AND DATE</td>
</tr>
<tr>
<td>------</td>
<td>------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Annual Conference of the United States Association for Small Business and Entrepreneurship (USASBE)</td>
<td>Florida, USA 13th – 16th January 2005</td>
</tr>
<tr>
<td>2</td>
<td>Public Administration and Civil Service Management Course</td>
<td>Galilee College, Israel 16th – 31st January 2005</td>
</tr>
<tr>
<td>3</td>
<td>16th International Conference on Small and Medium Sized Enterprises</td>
<td>Bucharest, Romania 15th – 18th May 2005</td>
</tr>
<tr>
<td>No.</td>
<td>Event Description</td>
<td>Location/Date</td>
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<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4</td>
<td>Design and Evaluation of Innovation Policy in Developing Countries</td>
<td>UNU-INTECH, Netherlands 24th – 28th October 2005</td>
</tr>
<tr>
<td>6</td>
<td>50th Anniversary and World Conference of the International Council for Small Business (ICSB)</td>
<td>14th-18th June, Washington DC, USA</td>
</tr>
<tr>
<td>7</td>
<td>Design and Innovation Policy in Developing Countries</td>
<td>23rd -27th May, Maastricht, Netherlands</td>
</tr>
</tbody>
</table>

**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)

<table>
<thead>
<tr>
<th>S/N</th>
<th>CENTRE NAME</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Katsina BSC</td>
<td>Investment House, IBB Way, opposite Unity Bank, Katsina State</td>
</tr>
<tr>
<td>2.</td>
<td>Sokoto BSC</td>
<td>5 Star State Secretariat, Ministry of Commerce and Industry, Sokoto bye-pass, Sokoto State</td>
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<tr>
<td>3.</td>
<td>Bayelsa BIC</td>
<td>Suite G1-G14, Bayelsa State Government Secretariat Annex, Road Safety Road, Yenagoa, Bayelsa State</td>
</tr>
<tr>
<td>4.</td>
<td>Uyo BSC</td>
<td>Ministry of Commerce and Industry, No. 51, Ikot Abasi Street, Uyo, Akwa Ibom State</td>
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<tr>
<td>6.</td>
<td>MAN BSC Lagos</td>
<td>House 77, Obafemi Awolowo Way, Ikeja Lagos</td>
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<tr>
<td>7.</td>
<td>Abia State University BSC</td>
<td>Abia State University</td>
</tr>
<tr>
<td>8.</td>
<td>Ilorin BSC, Kwara State</td>
<td>Government House Road, Ilorin</td>
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<tr>
<td>10.</td>
<td>Akure Business Support Centre, Ondo State</td>
<td>Industrial Park, Onyearugbule Market, Along Akure-Ilesa-Ibadan Road, Akure, Ondo State</td>
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</table>

## LOCATIONS OF BUSINESS INFORMATION CENTRES (BICs)

<table>
<thead>
<tr>
<th>S/N</th>
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<td>IBOGUN</td>
<td>IBOGUN OLAOGUN, OGUN STATE</td>
</tr>
<tr>
<td>2.</td>
<td>OWU-IJI</td>
<td>BEHIND THE OBA’S PLACE, OWU-IJI, OGUN STATE</td>
</tr>
<tr>
<td>3.</td>
<td>SAINT MATHEW’S GWARINPA ESTATE PARISH</td>
<td>1ST AVENUE GWARINPA ESTATE ABUJA FCT</td>
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<tr>
<td>4.</td>
<td>ISIN L.G.A., KWARA</td>
<td>C/O SECRETARY, ISIN LOCAL GOVERNMENT, OWU ISHIN, KWARA STATE</td>
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<tr>
<td>5.</td>
<td>UMUCHU COMMUNITY AGUATA L.G.A Anambra State</td>
<td>HIS ROYAL HIGHNESS IGWE GODSON EZECHUKWU OKWULORA 1, TRADITIONAL RULER OF UMUCHU.</td>
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<td>6.</td>
<td>MOTHER UNION GUILD, DIOCESE</td>
<td>BISHOP’S COURT, P.O.BOX 11, LOKOJA, KOGI STATE</td>
</tr>
<tr>
<td></td>
<td>Name</td>
<td>Address</td>
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<td>7</td>
<td>The Federal Polytechnic, Oko</td>
<td>The Director Consultancy Services, Federal Polytechnic, Oko, Anambra State</td>
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<tr>
<td>8</td>
<td>Ago Are Community</td>
<td>Ifeolodun Ago-Are Paraopo, Ago-Are Town Hall, P.O.Box 1, Ago-Are, Oyo State</td>
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<td>9</td>
<td>Remo Chambers of Commerce Ogun State</td>
<td>Olajide Ojoye Street</td>
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<tr>
<td>10</td>
<td>Anglican Women’s Guild and Mothers’ Union, Diocese of Abuja</td>
<td>Dioece of Abuja Anglican Communion, 21 Douala Street, Wuse Zone 5, P.O.Box 212, Abuja FCT</td>
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<td>11</td>
<td>Ondo State Chamber of Commerce</td>
<td>Trade Fair Complex Igbatoro Road P.O.Box 4048, Akure Ondo State</td>
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<td>12</td>
<td>Tawakalitu Alaalai Islamic Centre, Lugbe</td>
<td>Apc Plaza, Suite 00512, Cape Town Street, Off Ibb Way, By Kabo House, Wuse Zone 4, Abuja FCT</td>
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<td>13</td>
<td>Abuccima</td>
<td>Km 8, Airport Road P.M.B 86, Garki, Abuja</td>
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<td>14</td>
<td>Peace Development Centre Uyo</td>
<td>No. 134, Oron Road, Uyo-Akwa Ibom State</td>
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<td>15</td>
<td>Awka, Anambra</td>
<td>No. 34, Igwe Chukwudi Offor Road, Awka, Anambra State</td>
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<td>16</td>
<td>Out’ Eyotor (Multi-Purpose Co-operative Society Ltd)</td>
<td>Edpa Building, Sokponba Road, P.O. Box 8001, Benin City, Edo State</td>
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<td>17</td>
<td>St. Peters Church, Faji-Lagos</td>
<td>3, Ajele Street (Faji), Lagos State</td>
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<td>18</td>
<td>Agulu Bic,</td>
<td>Anaoca Lga, Anambra State</td>
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<td>19</td>
<td>All Christian Fellowship Mission Agulu Anaoca Lga Bic</td>
<td>Plot 261 Nile Street, Maitama, Abuja.</td>
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<td>Ososa</td>
<td>St. John’s Anglican Church Centenary Hall, Ososa-Ijebu, Ogun State</td>
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<td>21</td>
<td>Odu-Ofomu Bic</td>
<td>Dekina Lga, Kogi State</td>
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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*

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<th>STATE</th>
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<td>Cassava &amp; Rice</td>
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<td>Rice &amp; Cassava</td>
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<td>Akure Cassava</td>
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<td>Romis</td>
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<td>Ugbokolo Cassava</td>
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<td>Out Eyor Tor Cassava</td>
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Note: The table represents various artisan and farmer groups across different locations, with columns for name of location, industry type, and number of participants.
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</table>
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 [Nasarawa 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**

<table>
<thead>
<tr>
<th>S/NO</th>
<th>COURSE TITLE</th>
<th>LOCATION AND DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>All you need to know about planning your event</td>
<td>28th–29th April, Transcorp Hilton Hotel, Abuja</td>
</tr>
<tr>
<td>2</td>
<td>National workshop on corruption in the Nigeria Public Service way forward</td>
<td>Jos</td>
</tr>
<tr>
<td>3</td>
<td>A Framework for manpower Budgeting in the public service</td>
<td>17th – 20th July, Shiroro Hotel Minna, Niger</td>
</tr>
</tbody>
</table>
challenges and prospects | State
---|---
4 | Understanding and getting equipped for the supervisory and clerical aspects of public sector accounting and internal Auditing today | 24th-27th July, Ikeja, Lagos State
5 | Web design and development training (SPECIAL INTENSIVE) | 19th-30th June, Ikeja, Lagos State
6 | Train-the-trainer Programme on ICT | 12th – 16th June, Abuja

**FOREIGN TRAINING PROGRAMMES 2006**

<table>
<thead>
<tr>
<th>S/NO</th>
<th>COURSE TITLE</th>
<th>LOCATION AND DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Business development Service Providers for Micro finance</td>
<td>30th Oct. – 8th Dec. 2006, India</td>
</tr>
<tr>
<td>2</td>
<td>International Training on Creating and Enabling Environment SME development</td>
<td>16th- 27th Oct. 2006, International Training Centre of the ILO Turin, Italy</td>
</tr>
<tr>
<td>3</td>
<td>Comprehensive and Integrative Support System for SME Development NEGEV Institute for Strategies of peace and Development</td>
<td>15th-30th March, 2006, Beersheba, Israel</td>
</tr>
</tbody>
</table>
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>
<thead>
<tr>
<th>Activity</th>
<th>Number of Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building</td>
<td>365</td>
</tr>
<tr>
<td>Counseling</td>
<td>116</td>
</tr>
<tr>
<td>Information and Enquiries</td>
<td>2,698</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,179</strong></td>
</tr>
</tbody>
</table>

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:

- 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
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
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.

SAMEDAN 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**

**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.
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.

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’ Enterpreneurship 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