OFFICE OF THE AUDITOR-GENERAL FOR THE FEDERATION

NIGERIA

TRANSPARENCY, ACCOUNTABILITY, INTEGRITY AND PROFESSIONALISM

PERFORMANCE REPORT OF THE AUDITOR-GENERAL OF THE FEDERATION

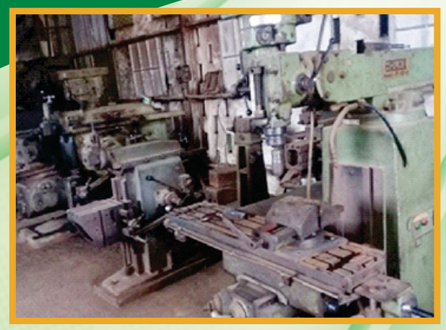
PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL FOR THE FEDERATION

On

LINKAGE AND ACCESS OF MSMEs TO SOURCES OF FINANCE AND OTHER RESOURCES BY SMALL AND MEDIUM ENTERPRISES AGENCY OF NIGERIA (SMEDAN)









May, 2019

Our Mission

To audit the nation's accounts
in the most professional and
transparent manner,
ensuring value for money
in government financial
activities for the benefit
of the Nigerian people.

Our Vision

To be a foremost audit institution,
applying best professional practices
towards fostering good governance
and providing leadership to other
Supreme Audit Institutions (SAIs)



Wares displayed at a workshop in IDC, Owerri





Pictures taken at IDC Owerri and Osogbo respectively

AUDITOR-GENERAL'S MESSAGE

20th June, 2019

The President of the Senate,
The Speaker, House of Representatives,
Federal Republic of Nigeria,
National Assembly,
Abuja.

In accordance with Section 85 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and Financial Regulations 109(i)(d) (Revised edition 2009), I have undertaken a performance audit on the linkage and access of MSMEs to sources of finance and other resources by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and hereby submit this report.

Performance Audit is an independent, objective and reliable examination of whether Government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. The audit seeks to provide new information, analysis or insights and where appropriate, recommendations for improvement.

Performance Audit together with Financial and Regularity Audit form the three-pillar audit assurance framework that I have established to give focus to the varied and wide scope of audit work done by my Office. The framework is intended to give assurance to stakeholders that public resources are not only correctly disbursed, recorded and accounted for but that they also have positive impacts on the lives of all Nigerians. The overriding goal of this performance audit is to promote efficient and effective service delivery to Nigerians. This audit report responds to that goal in a direct way. My office intends to carry out a follow — up at an appropriate time regarding actions taken in relation to the recommendations in this report.

I would like to thank my staff: The Directors of Audit, Mr. Chuks S. Nwagboh, FCNA, Mr. T. O. Olatunde, FCNA, Mr. Adewale Owolo, FCA, Mr. James O. Agada, Chief Auditor and the Team Lead Mr. Clement A. Ojile, FCA - Assistant Chief Auditor. Others are Mrs. Yerima Salomi Kalba, CNA, - Senior Auditor and Mr. Japheth D. Azoom, ACA, - Senior Auditor, who unde rtook this audit.

I would also like to thank the Management and staff of SMEDAN for the assistance offered to my staff during the period of the audit.



ANTHONY MKPE AYINE, FCA
AUDITOR-GENERAL FOR THE FEDERATION

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ABBREVIATIONS

ABGS	-	Anchor Borrowers Guarantee Scheme
ACGS	-	Agriculture Credit Guarantee Scheme
ADM	-	Audit Design Matrix
AuGF	-	Auditor-General for the Federation
BDCs	-	Business Development Centres
BDSP	-	Business Development Service Provider
BOA	-	Bank of Agriculture
BOI	-	Bank of Industry
BSCs	-	Business Support Centres
CAC	-	Corporate Affairs Commission
CBN	-	Central Bank of Nigeria
CEO	-	Chief Executive Officer
DFI	-	Development Finance Institutions
DG	-	Director- General
EDP	-	Enterprise Development and PromotionDepartment
FIIRO	-	Federal Institute of Industrial Research Oshodi
FIRS	-	Federal Inland Revenue Service
ICT	-	Information Communication Technology
IDCs	-	Industrial Development Centres
INTOSAI	-	International Organization of Supreme Audit Institutions
ITC	-	International Trade Centre
MBO	-	Membership Business Organizations
MDAs	-	Ministries, Departments and Agencies
MSMEDF	-	Micro, Small and Medium Enterprises Development Fund
		MSMEs - Micro, Small and Medium Enterprises M&E - Monitoring and Evaluation
NASS	-	National Assembly
NDE	-	National directorate of Employment
NEDEP	-	National Enterprise Development Programme
NGO	-	Non-Governmental Organization
NIRSAL	-	Nigeria Incentive-Based Risk Sharing for Agricultural Lending
NISDP	-	National Industrial Skills Development Program
OAUGF	-	Office of the Auditor-General for the Federation
RED	-	Results Framework Document
SIWES	-	Students Industrial Work Experience Scheme
SMECGS	-	Small and Medium Enterprises Credit Guarantee Scheme
SON	-	Standards Organization of Nigeria
SMEDAN	-	Small and Medium Enterprises Development Agency in Nigeria
UNDP	-	United Nations Development Programme

UNIDO	-	United Nations Industrial Development Organization
ZIP	-	Zonal Intervention Projects/Programmes

DEFINITION OF TERM

Assessment Criteria These are reasonable and attainable standards of performance against which the economy, efficiency and effectiveness of the activities of an audited entity or organization can be assessed

Cluster The Growth of MSME's by creating healthy symbiotic ecosystem for the small businesses through interactive partnership. The MSMEs offer networking opportunities which lead to a competitive advantage through specialization, resource sharing, inter-firm collaboration and knowledge spill-overs.

Economy The principle of *economy* means minimising the costs of resources. The resources used should be available in due time, in and of appropriate quantity and quality and at the best Price.

Efficiency The principle of *efficiency* means getting the most from available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality and timing.

Economic development Improvement in quality of life and living standards, e.g. measures of literacy, life-expectancy and health care.

Economic growth The potential of increase in the sub-sector's contribution to the National GDP and trade, as well as prospect for employment generation. It also includes increase in real national income and national output.

Effectiveness The principle of effectiveness is concerned with meeting the objectives set and achieving the intended results.

Linkage Facilitate large enterprises, government Agencies, etc, to come in contact with micro, small and

medium enterprises for the purpose of channelling financial resources, transfer of technology, knowledge and skills for enterprise development.
Sebrae A Brazilian MSME development agency
Zonal Intervention Fund These are funds voted at the National Assembly (NASS) by Law Makers to support development of MSMEs at their constituency level. SMEDAN carries out the projects and programmes for MSMEs development on behalf of the NASS.

EXECUTIVE SUMMARY

Background

This Performance Audit on the linkage and access of Micro, Small and Medium Enterprises (MSMEs) to sources of finance and other resources by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), was conducted in accordance with Section 85 of the Constitution of the Federal Republic of Nigeria. The mandate is amplified by section 109(d) of the Financial Regulation (2009), which requires the Auditor-General to carry out value for money (performance) audit to ascertain the level of the economy, efficiency and effectiveness derived from Government projects and programmes.

SMEDAN is an Agency under the Federal Ministry of Trade and Investment. It is the apex institution with the statutory responsibility of facilitating the promotion and development of the MSMEs sub-sector in Nigeria. The Agency which was established in 2003 is responsible for linkage and access of MSMEs to sources of finance and other resources. It is also responsible for the coordination of activities of other Government Agencies implementing MSMEs development programmes. The Agency has a statutory obligation to monitor and report on the developments in the sector on annual basis.

The total capital funding of SMEDAN in the three years period covered by this audit (2014 to 2016) amounted to **N37,443,096,922.00**. This was made up of the sum of **N3,622,729,991.00** released from the total of N5,273,204,581.00 appropriated capital budget of SMEDAN, and the sum of **N33,820,366,931.00** released to the Agency out of the appropriated sum of N36,717,055,180.00 for Zonal intervention projects across the Country.

The audit was conducted in accordance with AFROSAI-E standards. These standards require that a performance audit should be planned in a manner which ensures that an audit of high quality is carried out in an economic, efficient and effective way and in a timely manner. Data collection methods used include: document reviews, physical observations, analytical reviews and interviews.

Motivation

The Micro, Small and Medium Enterprises (MSMEs) play a key role in the development of the Nation's economy. The MSME sub-sector contributes significantly to improve living standards of the general public and brings substantial local capital formation. It is equally responsible for driving

innovation and competition in developing economies.
Lack of access to finance and other resources however impinges on the growth and development of the sub-sector. Micro Small and Medium Enterprises are expected to be linked to institutions and agencies that provide finance, capacity building, and technological development. However, linkage and access of MSMEs to sources of finance and other resources remains a challenge despite numerous Government interventions in the sub-sector. According to the National MSME Survey report of 2013, the greatest challenge being faced by MSMEs is access to finance. The National Bureau of Statistics (NBS) report indicated that lack of access to finance ranked the highest among major challenges militating against enterprises development in Nigeria.

Despite several Government interventions through SMEDAN and other Agencies implementing MSME programmes, much is still required. The gaps include insufficient linkage of MSMEs to sources of finance and other resources, inadequate coordination of MSMEs development activities as well as low monitoring and evaluation of MSMEs interventions. The audit covered three financial years 2014 to 2016.

Summary of Major Findings

The Management of SMEDAN was unable to effectively and efficiently provide linkage and access of MSMEs to sources of finance and other resources in the period 2014 to 2016 covered by this audit. We arrived at this conclusion after due consideration of the economic resources, legislation, policy framework and institutional arrangement put in place by Government to enable the Agency carry out its functions effectively. Our conclusion was based on critical evaluation of the activities of the Agency vis-a-vis its core mandate to provide effective linkage and access of MSMEs to sources of finance and other resources. The effectiveness of the Agency is determined by the number of MSMEs that were not only linked to relevant institutions but obtained finance and other resources needed for the development of the subsector. We found that SMEDAN's success rate in this regard was very low, and we set below the factors we considered to be responsible for the failure of the Agency to meet its objectives.

1. Memorandum of Understanding (MOU)/Joint Venture Agreement with Relevant Institutions.

The Agency has the statutory power to enter into joint venture agreements with relevant institutions for the effective discharge of its functions under its establishment Act. There are two major institutions that are relevant to the issue of linkage and access to finance and other resources, which is the

core mandate of SMEDAN. These institutions are the Bank of Industry (BOI) and the Industrial Training Fund (ITF). While the ITF has the training facilities for MSMEs, BOI has the financing resources. Audit confirmed that SMEDAN did not sign an MOU, or joint venture agreement, or any other type of agreement with these institutions which could facilitate the discharge of its functions effectively. An MOU clarifies the strategy, roles and responsibility of participating Agencies. The absence of an MOU resulted in blame shifting by SMEDAN and other relevant Agencies of Government. Consequently, the function of the Agency to link MSMEs to sources of finance and other resources was not effectively discharged.

2. Low awareness of MSMES about available funding sources

SMEDAN did not create sufficient awareness about available funding sources to MSMES in Nigeria. The Agency has the obligation to create awareness of its activities and financing sources to support the growth and Development of MSMEs subsector. SMEDAN carries out Business Clinics across the country as a means of bringing MSMEs together to discuss issues affecting business setup and operations, and for other stakeholders to share and provide information on all policies and programs that have been initiated in the country to encourage activities of MSMEs. This includes creation of awareness to MSMEs who lack business ideas, need access to finance but do not know where to go to, or lack the knowledge to develop business plans. Despite the Business Clinic, it was observed that SMEDAN had not created sufficient awareness of its activities and of the numerous financing windows available to MSMEs in Nigeria. This inadequate sensitization of the numerous financing sources that are available to MSMEs has resulted in low patronage by MSMEs of the numerous financing products that are available in Government institutions, NGOs and international Agencies.

3. Coordination of the Industrial Development Centres (IDC)

The twenty-three (23) Industrial Development Centres spread across the Country are the institutional framework to provide skills development to MSMEs. These Centres are under the management of SMEDAN however, SMEDAN does not have adequate control over the IDCs, because the staff salary, discipline and promotion of staff of the IDCs are handled by the Federal Ministry of Industry, Trade and Investment (FMITI). The facilities at the IDCs are in a deplorable state and are unable to provide the skills development support needed by MSMEs. As a result, the Agency is yet to make the best use of the IDCs and tap into the abundant potential of the Centres.

4. Access to finance under NEDEP

SMEDAN has the statutory mandate to provide linkage and access of Federal Government incentives to MSMEs under the National Enterprises Development Programme (NEDEP). The Agency did not provide sufficient linkage for MSMEs to access over N220 billion made available by Government to develop the MSMEs. Stakeholders such as the Bank of Industry stated that this was due to poor packaging of loan applications by SMEDAN, as their submissions did not meet the requirements for funding. We ascertained from review of document that in 2014, ninety-three percent (93%) of the business plans of MSMEs sent by SMEDAN to Bank of Industry (BOI) were not approved. Six (6) percent of the applications were approved, while one percent (1%) had access to finance.

This issue was raised with SMEDAN who stated that the conditionalities set by BOI for loans were too high. It was however unclear what further steps (if any) SMEDAN took to address this issue.

Furthermore, the Agency was unable to provide data as to the number of applications that were successfully packaged, forwarded and funded by the Bank of Industry or any other funding institution between 2015 and 2016.

5. Lack of Synergy with other Agencies Implementing MSME Programmes

The SMEDAN Act and the National Policy on MSMEs, empowers the Agency to coordinate the activities of other agencies implementing MSME programmes in the Country. SMEDAN was unable to coordinate the activities of other Government Agencies implementing MSMEs development programmes, and we found no synergy among the Agencies responsible for developing MSMEs. Consequently, there was duplication of efforts and increased cost of governance. For example, BOI, ITF and SMEDAN, all engaged in the training of MSMEs. Furthermore, we found no evidence of coordination with the Growth and Employment (GEM) project being implemented by FMITI or with the Business Innovation and Growth (BIG) platform which was deployed for the use of MSMEs under the GEM project. The GEM project is a World Bank Assisted project to support MSME operating in different high potential sectors throughout the Country.

6. Ineffective distribution of MSMEs-oriented equipment under Zonal Intervention Projects (ZIP)

SMEDAN did not effectively coordinate the implementation of the Zonal Intervention projects across the Country. National Assembly Members (NASS) usually advise SMEDAN on the nature of programme/project to be executed, the location and the beneficiaries in their Constituencies. It was

noted that SMEDAN state offices could not track equipment provided under the ZIPs to active MSMEs in their locality. As a result of this, State Managers of SMEDAN were unable to provide any record of MSMEs that benefited from the interventions and were therefore unable to track and monitor their usage.

SMEDAN was unable to evaluate the impact of Zonal Intervention Projects for the period under review, although the Agency stated in its result framework document that it would carry out regular Monitoring and Evaluation (M&E) of all its programmes/projects, including Constituency Projects. A total of **N33,820,366,931.00** was released to SMEDAN to implement the Zonal Intervention Programmes/projects for the years under review for the development of the MSME sub-sector. SMEDAN could not produce evaluation report(s) for years 2014 and 2016 to show how the sum was expended and how it impacted on the MSMEs. The report of the Agency produced in 2015 was silent on the impact of Constituency Projects on the MSMEs. The absence of evaluation report(s) made it difficult to determine whether Government objectives of addressing the equipment needs of the MSMES were met through the Constituency projects.

7. Monitoring and evaluation of MSMEs development activities.

Contrary to international best practice, SMEDAN does not have in place a clear performance monitoring and evaluation framework, and a credible baseline for gauging the impact of the Agency's programmes on MSMEs. The M&E framework document would show key performance indicators, like the number of businesses assisted, number of active lending partners, and financing gap closed. The absence of this framework document has resulted in the inability of the Agency to produce an annual MSMEs development report as required by the National Policy on MSMES.

8. The Way Forward

We have made recommendations in this report to correct the issues raised above. In our opinion, faithful implementation of those recommendations will enhance the operational effectiveness and efficiency of the Agency. We forwarded a copy of the draft report to Management of SMEDAN for their comments on the audit findings. Their responses to the audit assertions have been included in this report. A major remark received from the Agency was that two sister entities under the supervision of FMITI; namely BOI and ITF are operating outside their mandates.

We propose a round-table discussion among the critical stakeholders; namely FMITI, BOI, ITF, FIRRO, SMEDAN and representative of the MSMEs, to

fashion out an effective modality to address the problems of the MSMEs. It is not enough for SMEDAN to forward applications of MSMES to BOI or ITF for finance and other resources. **It is more important to ensure that those MSMEs actually get the resources – finance and otherwise, they need to grow. This is the core mandate of SMEDAN.**

It is my sincere hope that if the recommendations contained in this report are implemented, the problem of linkage and access of MSMEs to sources of finance and other resources in Nigeria will be ameliorated to a great extent. Secondly, this will reduce the problem of unemployment, optimum utilisation of idle facilities at the IDCs and enhance the contribution of the MSMEs economic subsector to the Nation's Gross Domestic Product (GDP).

CHAPTER ONE

1.0 Introduction

1.1 Background

Micro, Small and Medium Enterprises (MSMEs) play a pivotal role in the development of a Nation's economy. The MSME sub-sector contributes significantly to improve living standards of the general public and brings substantial local capital formation. It is also responsible for driving innovation and competition in developing economies.

Lack of access to finance and other vital resources however impinges on the growth and development of the sub-sector. Micro Small and Medium Enterprises are expected to be linked to institutions and agencies that provide finance, capacity building, and technological development. However, linkage and access of MSMEs to vital resources remains a challenge. According to the National MSME Survey report of 2013, the greatest challenge being faced by MSMEs is access to finance. According to the report, lack of access to finance ranked the highest among major challenges militating against enterprises development in Nigeria.

In Nigeria, the Small and Medium Enterprises Development Agency (SMEDAN) is the apex institution with the statutory responsibility of facilitating the promotion and development of MSMEs sub-sector in an efficient and sustainable manner. The Agency is responsible for linkage and access of MSMEs to finance and other vital resources. It also coordinates the activities of other Government Agencies implementing MSMEs development programmes. The Agency is under statutory obligation to monitor and report on the development in the sector on annual basis.

1.2 Motivation

This audit was motivated by the challenges and constraints within SMEDAN as reported in the local media and within documents reviewed at the start of the Audit. The Senate Committee on Industry had lamented on the poor state of Industrial Development Centres (IDCs) in the Country,

[2] National Bureau of Statistics/SMEDAN – National MSME Survey Report 2013

[4] Micro, Small & Medium Enterprises Development Fund (MSMEDF) Guidelines (Revised – August, 2014)

when it stated: "It is disheartening that the IDCs which are supposed to make positive impact on the employment generation of beneficiary, small scale business as well as training of entrepreneurs and their staff including management training are in deplorable state and left to waste away"[3].
The Federal government, through the Central bank of Nigeria (CBN), recently launched a Micro, Small and Medium Enterprises Development Funds (MSMEDF) for the development of MSMEs with a seed capital of N220billion.

The annual budgetary allocation for SMEDAN for the years 2014 to 2016 amounted to N5,273,204,581, and the sum of N3,622,729,991, representing 68.7% of the budgeted amount was released to the Agency. Additionally, a total of N36,717,055,180.00 was budgeted for Zonal Intervention projects across the Country, and, N33,820,366,931 representing 92.1% of the budgeted amount was released to SMEDAN for MSME development.

Despite government intervention through SMEDAN, there appeared to be significant gaps in the linkage and access of MSMEs to sources of finance, finance, capacity building, and technological development. This performance audit was aimed at finding the root causes and proffering solutions to the gaps. It was against this background that we found it necessary to conduct a performance audit on the subject matter.

1.3 Audit Objective

The audit objective was to assess whether SMEDAN has put in place measures to facilitate linkage and access of MSMEs to sources of finance, capacity building and technological development. Outlined below are the specific objectives:

i. To ascertain if MSMEs are linked and able to access finances.

ii. To ascertain whether SMEDAN is able to link MSMEs to appropriate technology.

iii. To establish whether SMEDAN has put in place the framework document necessary to facilitate linkage of MSMEs to entrepreneurial, managerial and technical training with relevant institutions.

iv. To assess whether the Federal Government intervention and other SMEDAN programmes/projects are well coordinated to achieve the desired objective.

v. To ascertain the institutional framework put in place by SMEDAN for monitoring and evaluation of MSMEs activities.

1.4 Audit scope

The Audit reviewed measures put in place by SMEDAN to facilitate linkage and access of MSMEs to sources of finance, capacity building and technological development.

The team visited nine (9) States with at least one State from each of the six geopolitical zones of the Country. The States – Benue, Kano, Lagos, Osun, Imo, Akwa– Ibom, Bauchi, Plateau and Kaduna States were selected because of the number of MSMEs activities in them as indicated in the recent National MSMEs Survey Report. The team also visited six (6) Industrial Development Centres (IDCs) to observe activities at the IDCs and the state of equipment in the Centres being managed by SMEDAN. In addition, the team visited critical stakeholders in the development of MSME sub-sector including the Federal Ministry of Industry, Trade and Investment, Bank of Industry (BOI), Federal Institute of Industrial Research Oshodi (FIIRO), Central Bank of Nigeria (CBN), and Industrial Training Funds (ITF).

1.5 Audit Questions

Below are the audit questions:

i. Are MSMEs linked and able to access finances meant for them?
ii. Are MSME's aware of available finance provided by the government? iii. Do MSMEs have access to appropriate technology?
iv. Is there framework for capacity building of MSMEs for growth and development of the sub sub-sector?
v. Are the federal government intervention and other SMEDAN programmes/projects for development of MSMEs sub-sector wellcoordinated?
vi. Is there institutionalized framework for monitoring and evaluation of

MSMEs activities by SMEDAN?

1.6 Audit Criteria

The Audit used specific and reasonable standards of performance in the evaluation of the economy, efficiency and effectiveness of operations of SMEDAN. These criteria were drawn from different sources as shown below, while specific details are contained in Appendix i.

- The Act establishing SMEDAN
- National Policies on MSMEs, 2015
- National MSME Survey Report 2013
- Implementation Framework – Conversion of 23 Industrial Development Centres (IDCs) in Nigeria to Industrial Clusters
- SMEDAN Strategic Imperatives
- Budgetary allocation and/or financial reports
- SMEDAN's Result Framework Document
- The National Enterprise Development Programme (NEDEP) document

1.7 Audit Methodology

The Team conducted the audit in accordance with the Performance Auditing Guidelines set by the International Organization of Supreme Audit Institutions (INTOSAI) and Audit Policies and Procedures established by the Office of the AuditorGeneral for the Federation (OAuGF). These Guidelines and Policies conform with International Standards of Auditing.

1.8 Methods of Data Collection

The following methods were used to collect data during the audit:

i. Documentary Review;
ii. Interview, and
iii. Observations/physical Inspection

Documentary Review

Various documents, as detailed in Appendix ii, were reviewed to extract data relating to linkage and access of MSMEs to sources of finance and other resources, in order to assess the measures, put in place by SMEDAN in this regard.

Interviews

A total of 146 interviews were conducted with different Stakeholders and officials of SMEDAN Headquarters, Zonal/State Offices, and IDCs across the nine (9) States visited. See Appendix iii for details of the number of interviews conducted. Responses from the interviews, which were first-hand information, were used to confirm those gathered through the review of documents. MSMEs, their representatives and organised business groups were interviewed to understand their challenges in accessing finance and other vital resources. Officials of other agencies responsible for financing and training MSMEs like the Bank of Industry, ITF, Bank of Agriculture and Central Bank of Nigeria, FIRRO, and ITF were also interviewed to understand their respective roles and the challenges encountered in the course of linking MSMEs to access vital resources of need.

Observation /Physical Inspection

Physical inspection/observations were carried out at the six (6) Industrial Development Centres visited. This was to give the Auditors first-hand information about the activities carried out by MSMEs at the Centres, especially whether they are able to tap into the equipment installed at these Centres to boost production.

1.9 Limitations to the Study

It was not possible for the Audit team to interact with all the stakeholders identified in the National Policy on MSMEs. There are many stakeholders and operators in the MSMEs subsector who play multiple roles, but with focus on specialised areas.

We also found instances where stakeholders did not respond to audit requests. For instance, the Bank of Agriculture also implements MSME programmes, but did not reply to our request for Audit.

CHAPTER TWO

2.0 Description of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

2.1 Background of the Audit Area

SMEDAN is the apex national institution responsible for all matters relating to starting, supporting and growing MSMEs in Nigeria. This involves, among other functions, providing linkage and access of MSMEs to sources of finance, capacity building and technological development.

SMEDAN was established in 2003, as an Agency under the Federal Ministry of Industry, Trade and Investment. It has six (6) Zonal Offices in the six geo-political zones, and State Office in each of the 36 States of the Country.

Vision
The vision of SMEDAN is "to establish a structured and efficient Micro, Small and Medium Enterprises subsector that will enhance sustainable economic development of Nigeria".

Mission
The mission of SMEDAN is "to facilitate the access of Micro, Small and Medium Entrepreneurs and investors to all resources required for their development".

2.2 Functions of SMEDAN

The functions of SMEDAN, as contained in its Act among others, include:

I. Linking MSMEs to internal and external sources of finance, appropriate technology, technical skill development and management;
ii. Providing and promoting strategic linkages with small and medium scale industries;
iii. Overseeing, coordinating and monitoring developments in the small and medium industries sub-sector;
iv. Promoting and facilitating development programmes, instruments and support services to accelerate the development and modernization of MSME operations; and
v. Awareness creation/business sensitization & information provision – for attitudinal changes and effective business decisions.

2.3 Organizational Structure

SMEDAN is headed by the Director-General who is answerable to the Governing Board. There are six (6) directorates headed by Directors who report to the DirectorGeneral. There are other units who report directly to the DG's Office. These are Corporate Affairs, Information Communication Technology, Internal Audit, Legal, Procurement and IDC Industrial Development Centre (IDC) coordinators. Details of departments are contained in the organogram in Appendix iv.

The Director-General/CEO, SMEDAN

The Director-General is the Chief Executive and Accounting Officer of the Agency and is responsible for the execution of the policy and the day-to-day administration of the Agency.

Strategic Partnership & Liaising Department

The Department is responsible for seeking viable partnership with external bodies that will fast-track the development of MSMEs. Such bodies include United Nations Industrial Development Organization (UNIDO), United Nations Development programme, and Non-Government Organizations (NGOs).

Enterprise Development & Promotion Department

The Department is responsible for Trainings, Competency and Entrepreneurship development, access to finance/financial services, financial programs, guarantees, grants, venture capitals, competitiveness, and credit rating, economic opportunity, credit risk analysis and management.

Administration & Finance Department

The Department is responsible for the provision of administrative support to all other departments. It keeps records of funds received and manages the financial resources for the Agency. It is responsible for managing and servicing the human and financial resource needs of the other departments like career development, staff training, funding. The Department collates budget information from other departments and harmonizes the budget into an action plan for the agency.

Planning, Research, Monitoring & Evaluation Department

The Department is responsible for the planning, research, monitoring and evaluation of all programmes and activities of the Agency. It monitors

and evaluates actual performance of programmes and activities against the planned target. It is responsible for the preparation and rendition of annual MSMEs development report.

Policy, Advocacy & Coordination Department
The Department is responsible for articulation of policies, review and implementation of government programmes. It coordinates National and State Council on MSMEs. It also identifies appropriate incentives for MSMEs, such as tax, business registration and advocacy for a conducive operating business environment for MSMEs.

Engineering Technology & Infrastructure Department
The Department is responsible for the engineering technology and infrastructure component of the MSMEs.

2.4 SMEDAN Zonal and State Offices

The Zonal offices collate reports on activities of the Agency at the States levels. All requests for finance and other services are pooled at the zonal office and sent to SMEDAN Headquarters in Abuja. The Zonal coordinator renders periodic report to the Headquarters on all activities of SMEDAN in the zone. The report includes summary of cooperative societies formed and registered, business plans sent to Bank of Industry and job creation. The State Offices interfaces with the Organized Business Groups. They provide service to the MSMEs at the state level in the area of capacity building, business counselling and mentoring. The State Manager monitors, evaluates and sends periodic report(s) to the Zonal Offices on programmes and projects of SMEDAN being implemented at the State.

Staffing
The table below depicts the staff strength of SMEDAN for the three (3) years covered by the audit.

Table 1: Staff strength of SMEDAN (2014-2016)

year	No. of staff
2014	292
2015	291
2016	282

Source: SMEDAN Nominal Roll (2014 – 2016)

Based on our physical observation at the state offices, we were of the view that the state Offices are understaffed in view of the national responsibilities of SMEDAN and the impact it is intended to achieve.

2.5 Funding of SMEDAN

In the period from 2014 to 2016, SMEDAN received allocations amounting to N37,443,096,923.00 (thirty seven billion, four hundred and forty three million, ninety six thousand, nine hundred and twenty three naira only) for its capital projects, and Zonal Intervention Projects/Constituency capital projects insertions by members of the National Assembly as shown on Table 2 below.

Table 2: Releases for ZIP and main Capital for SMEDAN

Year	Constituency Project	Capital Project	Total
	₦	₦	₦
2014	16,856,375,967	1,133,023,587	17,989,399,554
2015	8,011,270,998	778,000,000	8,789,270,998
2016	8,952,719,967	1,711,706,404	10,664,426,371
TOTAL	**33,820,366,932**	**3,622,729,991**	**37,443,096,923**

Source: SMEDAN - Summary of Zonal Intervention Projects

2. 6 Roles and Responsibilities of other Key Players

Federal Ministry of Industry, Trade and Investment

The Federal Ministry of Industry, Trade and Investment is responsible for the supervision of the key Government institutions that are responsible for the MSMEs programmes. The agencies include SMEDAN, BOA, ITF, CAC, among others. The Ministry sets policy direction and ensures that the Agencies operate in synergy for effective service delivery to the MSMEs.

The Bank of Industry (BOI)

The BOI is responsible for the provision of financial assistance for the establishment of large, medium and small projects, as well as the expansion, diversification and modernization of existing enterprises. The Bank manages special purpose Federal Government intervention funds and other grants meant for the development of MSMEs. Some of these special purpose funds include:

i) N5 billion Federal Government NEDEP intervention fund ii) N 3 . 4 4 billion Federal Government Cassava Bread Intervention Fund iii) N1.1 billion Cottage development Fund

iv) N235 Billion CBN Intervention fund for manufacturing re-financing and restructuring facilities of Bank's Loans.

v) N5 billion Dangote Foundation/BOI fund for MSMEs

The Industrial Training Fund (ITF)
The ITF is the Agency responsible for managerial and entrepreneurial capacity building in Nigeria. The ITF is expected to provide managerial capacity building support to MSMEs. The NEDEP document states that ITF will provide managerial and entrepreneurial capacity building to MSMEs, while working with SMEDAN.

The Bank of Agriculture (BOA)
The BOA is responsible for the provision of credits to support all activities of MSMEs in the agriculture value chain, non-agriculture micro-credit to the poor segment of the society, comprising rural artisans, petty traders etc. The Bank is also responsible for capacity building for the promotion of co-operatives and agricultural information systems, as well as boosting of opportunities for self-employment in the rural areas to stem rural-urban migration.

Central Bank of Nigeria (CBN)
The CBN is the apex regulatory financial institution in Nigeria. The Bank plays a leading role in the promotion of MSMEs. The Federal Government's N220 billion intervention and other funds to support the development and growth of MSMEs in Nigeria, are managed by CBN. SMEDAN is a member of the Management Committee for the disbursement of the N220 billion MSMDF Fund.

Federal Institute of Industrial Research, Oshodi (FIIRO)

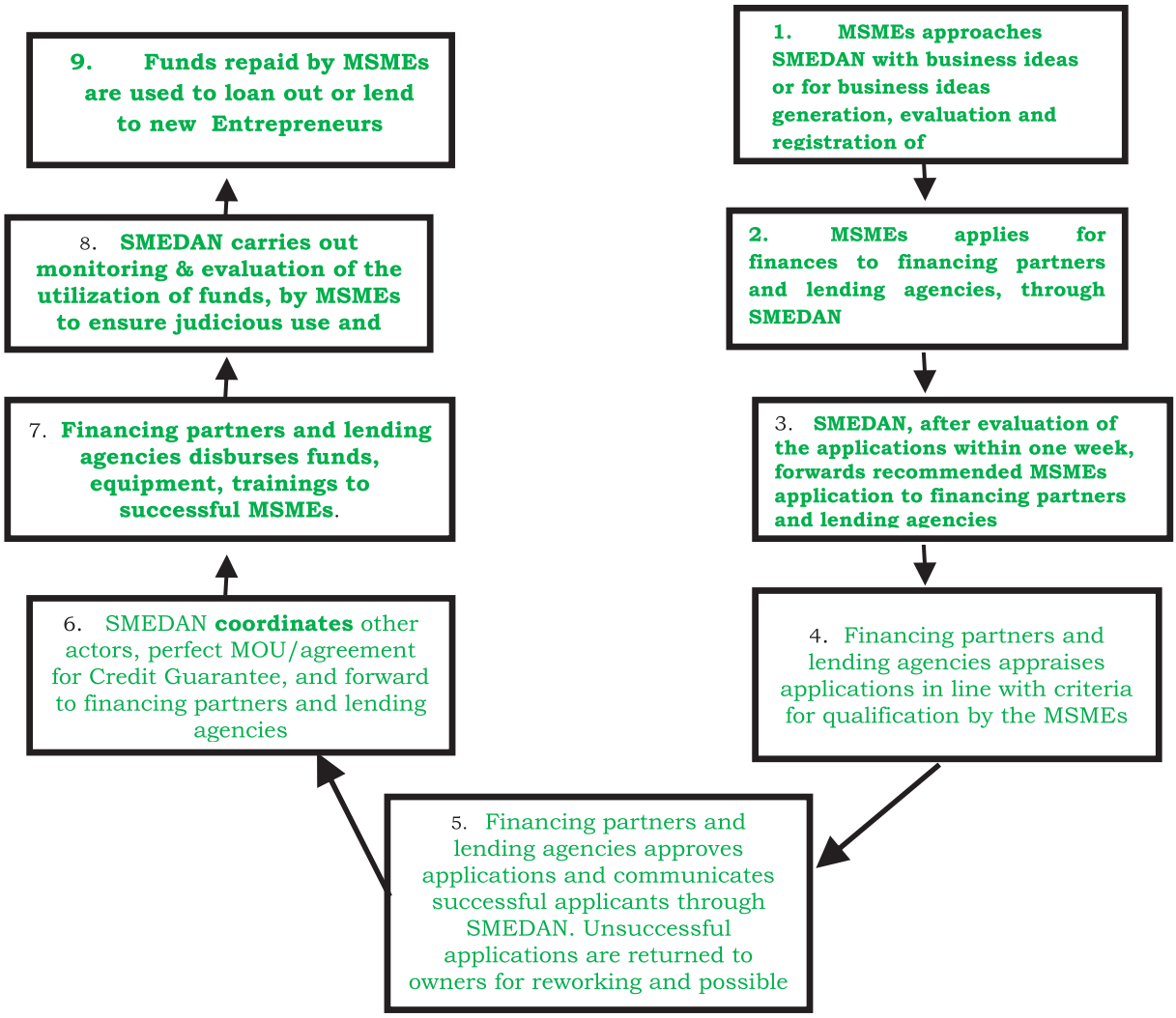
FIIRO is responsible for the provision, identification and characterization of local raw materials for use in industries, development of appropriate technologies, upgrading indigenous technologies in the area of food and agro-allied processing. The Institute provides support to MSMEs in the area of research. SMEDAN is expected to partner with the Institute in the area of research needs of MSMEs, and to link interested MSMEs to the Institute to acquire the modern technology needed for their production

Business Associations /Organisations/ Educational Institutions /NGOs
These are MSMEs organised under different names, associations, institutions, nature of business, gender, trades, faith, etc. The Chamber of Commerce is the umbrella body of these associations. The Associations or organisations generate business ideas, write proposals and seeks financial and other assistance from Government through SMEDAN.

2.7 System/Process Description of MSMEs Linkage

The process of linkage and access of MSMEs to sources of finance, capacity building, and technological development requires the following steps. The process is dependent on the resources the individual or group of MSMEs wants to be linked to, and the institution that provide the required resources.

2.7.1 Process Flow chart for linkage of MSMEs to needed resources



2.7.2 Summary description of the flow chart

The process of linking MSMEs to sources of finance, technology and other resource is intended to function in the sequence stated below.

1. The process for linkage starts with awareness creation through business clinics organized by SMEDAN. The business clinics provide information to MSMEs, on available sources of finance, capacity building and other vital resources. The process for linkage starts with the prospective MSMEs applying through SMEDAN to CBN, BOI, BOA, ITF, etc. SMEDAN is expected to assist the MSMEs in the development of business plans, registration with CAC, NAFDAC, or SON. The Agency is also to link MSMEs to institutions that have facilities for skills upgrade and other essential managerial and entrepreneurial skills needed to efficiently use the fund.

2. SMEDAN appraises the MSME's application to affirm financial and technological viability of the request.

3. SMEDAN recommends and forwards MSMEs' applications to the appropriate funding Agencies, like CBN, BOI, BOA, ITF etc, according to the needs of the respective MSMEs.

4. CBN, BOA, BOI, ITF, etc, appraises the application recommended and forwarded to it by SMEDAN.

5. CBN, BOA, BOI, ITF, etc approves applications and communicates approval to MSMEs, through SMEDAN. Applications not approved are also returned to SMEDAN for reworking.

6. SMEDAN coordinates, perfects arrangements from States, or Specific funding programmes (SPV), and forwards perfected application to CBN, BOA, BOI, ITF, etc.

7. CBN, BOA, BOI, ITF, etc disburses funds to successful MSMEs, conducts training of enlisted entrepreneurs, engages in the distribution of needed equipment, etc.

SMEDAN is to carry out regular monitoring and evaluation of the utilization of funds, usage of equipment as well assessments of skill level of entrepreneurs, etc.

CHAPTER THREE

3.0 FINDINGS

In this chapter, findings, on the linkage and access of MSMEs by SMEDAN are presented in reference to the audit objectives.

3.1 Memorandum of Understanding (MOU) /Joint Venture Agreement with Relevant Institutions under NEDEP.

The SMEDAN Act 2003, Section 9(1)(b) requires SMEDAN to enter into joint-venture arrangements and draw up memoranda of understanding and similar agreements with relevant institutions and organizations for the promotion and development of small and medium scale industries.

We noted from our review of documents that SMEDAN had MOUs with some institutions and State Governments for the development of MSMEs. An MOU specifies the objectives, the strategies and definition of roles of parties-in-alliance to address the MSMEs development challenges.

Audit however established through document review and interview that SMEDAN did not sign any MOU with the key relevant Institutions for the implementation of the National Enterprise Development Programme - NEDEP programme (i.e. ITF, BOI). Officials of ITF disclosed to the auditors during interview that there is no MOU between ITF and SMEDAN. The Officials informed us that the NEDEP programme was intended to bring three Agencies, namely ITF, BOI, SMEDAN to work together to address the problems of the MSMEs. Furthermore, officials of the BOI disclosed to audit during interview that there is no memorandum of understanding between BOI and SMEDAN.

SMEDAN is also expected to partner with the Federal Industrial Research Institute, Oshodi (FIRRO) in the area of research needs of MSMEs and link them to the needed technology for their production. Audit did not see any evidence of an MOU between SMEDAN and FIIRO.

The absence of an MOU among these Agencies made it difficult to determine the extent of the work to be executed by the agencies involved in the NEDEP, and this resulted in blame shifting among the agencies. As a further consequence, audit found that MSMEs were not effectively linked to the BOI or the ITF - two relevant Government Agencies

[5] MOU BETWEEN SMEDAN/ITF/MM & E CONSORTIUM CONSULTACY 21/10/2011

[6] NEDEP is a major MSMEs development programme implemented within the audit period

that provide finance and capacity skill development for MSMEs.

The Audit team observed that the MOU between SMEDAN and the Osun State Government impacted positively on the development of MSMEs in the State, as the objective, the strategies and roles were clearly defined.

Management Comment

*(i) The NEDEP scheme was deliberately conceived and placed under the coordination and direct supervision of the then Honourable Minister of Trade and Investment, **Olusegun Aganga**, as such there were no MOUs signed between participating entities i.e. SMEDAN, ITF and BOI, as the Minister was responsible for the operationalization of all inter-Agency working arrangements and interplay under the NEDEP scheme*

(ii) SMEDAN and IITA jointly developed a catalogue of agro equipment particularly cassava, and this was widely distributed nationwide to MSMEs through various information/sensitization channels

(iii) SMEDAN has also partnered with FIIRO in several commercialization endeavours

Audit considered the responses received from SMEDAN on this issue and concluded that they did not adequately address the issues raised.

3.2 Linkage and Access to Sources of Finance

3.2.1 Creation of access to Finance and Markets Department

According to the National Enterprise Development Programme (NEDEP) Release No.

1.0, strengthening institutional framework, two departments were to be created in
SMEDAN, namely;

- The Access to Finance & Markets Department and an Innovation, and;
- The Technology Department.

The aim of the Access to Finance & Market Department was to work with the private sector, international development partners and all tiers of

government to drive available markets for MSMEs as well as to source multiple funding streams for these enterprises.

Audit established from interviews with Directors of SMEDAN that there was no department solely responsible for access to finance and markets. Furthermore, at time of audit, access to finance/financial services was a function under the Enterprise Development & Promotion Department. However, it was stated in the National Policy on MSMEs that a distinct Department was to be created for Access to Finance to align SMEDAN to international best practice.

The absence of a Department on Access to Finance made it difficult for SMEDAN to harness the numerous opportunities that are available with participating financial institutions, private sector and NGOs in the Country.

Management Comments

(i) The establishment of an Access to Finance and Markets Unit was a requirement under the NEDEP operational framework, to address the challenges of business finance and market access by MSMEs. The unit was domiciled in the ED&P department of the Agency.

(ii) On many occasions, qualified MSMEs have been linked with financing opportunities across the financial sphere, however, accessing these funds is the prerogative of the financial institutions and they usually set difficult/unattainable requirements/criteria for borrowing

(iii) Contrary to the Audit Report assertion that the absence of the Access to Finance and Markets Unit is the reason for the Agency's inability to harness numerous opportunities within financial system, the establishment of a loan portfolio as well as the ability to draw counterpart funding will more likely effectively convince financial institutions to lend to MSMEs within such a framework as the NEDEP scheme.

(iv) SMEDAN has also had fruitful working relationships with the CBN, World bank, DFID-GEMS3, DFID-MAFITA, Commercial and Microfinance Banks, geared towards the provision of affordable and accessible financing opportunities for qualified MSMEs. In the same vein, the Agency has assisted over 1000 MSMEs to develop

bankable business plans which were forwarded to BOI for funding considerations.

(v) *Again, SMEDAN has in the 2018 budget set up a* ***Counterpart/Matching Fund*** *instrument with two (2) SME-friendly commercial banks to provide non-interest credit facilities to MSMEs. This will be monitored closely to ensure sustainability and success.*

From our review of the responses obtained above from SMEDAN, we concluded that our findings on the absence of a Unit or Department on access to finance making it difficult for SMEDAN to harness numerous opportunities, is sustained. We further asked SMEDAN to provide evidence of successful outcome from the "fruitful relationship" they noted above. SMEDAN was unable to provide information on clear, successful outcomes.

3.2.2 MSMEs' awareness of available funding sources

One of the functions of SMEDAN as contained in the National Policy on MSMEs, paragraph 5.4.1 is awareness creation/business sensitization and information provision for MSMEs to facilitate effective business decisions. This is further reiterated by the recommendation of the Committee on the Implementation Strategies of the NEDEP, which enjoined SMEDAN to explore other funding sources, from BOI/State Matching & Managed funds, Government intervention funds, BOI Bottom of Pyramid Fund, Ethical (Non-interest) Banking products, commercial banks partnership. Other sources of funds with the CBN include the Micro, Small and Medium Enterprises Development fund (MSMEDF), Anchor Borrowers Guarantee Scheme (ABGS), Nigeria Incentive-based Risk Sharing Agricultural Loans (NIRSAL), Small and Medium Enterprises Credit Guarantee scheme (SMECGS).

Audit noted that SMEDAN organizes Business Clinics across the country. SMEDAN carries out these Business Clinics as a means of bringing MSMEs together to discuss issues affecting business setup and operations, and for other stakeholders to share and provide information on all policies and programs that have been initiated in the country to encourage activities of MSMEs. This includes the creation of awareness among MSMEs who lack business ideas, need access to finance but don't know where to go to, or lack the knowledge to develop business plans. A review of documents showed that there are over fifty (50) sources of funding

available to MSMEs in Nigeria.

The 2014 -2016 annual report of the BOI showed that the Bank alone manages 27 funds for various states, apart from its various loan products. Furthermore, the finances available at the end of the years 2015 and 2016 in the BOI alone amounted, to N44,657,840,000.00 and N19,472,236,000.00 respectively as detailed in Appendix V.

Audit held interviews with groups of MSME participants at the Technology and Innovation Expo, a trade fair organised by National Board for Technology incubation between 3rd – 7th April, 2017, held in Abuja in April, 2017 to ascertain their level of awareness of the activities of SMEDAN. The results revealed moderate awareness about SMEDAN's activities but very low awareness of the numerous sources of finance available to MSMEs. The Table below depicts the responses obtained from a cross section of 38 MSMEs at the Trade Fair. Sixty-three percent (63%) of the MSMEs interviewed indicated that they were aware of SMEDAN's activities, while 37% said they do not know about SMEDAN's activities.

We are of the view that the percentage that is not aware of SMEDAN's activities is too high.

Table 3: Participant responses on awareness of SMEDAN's Activities

	MSMEs awareness of SMEDAN & its activities		
	Yes	**No**	**Total**
Interview responses	24	14	38
% of response	63%	37%	100%

Source: As compiled by the Audit, 2017

Furthermore, interviews with organised business associations and MSMEs across the nine states visited revealed that their level of awareness of financing sources is also very low.

Management Comments

i) SMEDAN provides business information through several channels with regards to resources needed for business growth and sustainability. Some of the channels employed include:

I. Sensitization/awareness during entrepreneurship development trainings ii. Trade fairs and exhibitions iii. Business clinics and

mentoring sessions iv. Fliers and banners
v. Sponsored television programmes and many others

*(ii) The National MSME Survey of 2010 and 2013 equally identified a **moderate awareness** of SMEDAN's activities; however, there has been an upsurge in positive media projections of the Agency's programmes and activities lately, as evident in the increased number of entrepreneurs visiting its business clinics and Business Support/Information Centres nationwide. Moreover, the Agency is making more effort at increasing the level of awareness generally*

*(iii) The Agency has also created a number of online windows for providing business information and services to entrepreneurs, thereby complementing other platforms like TV and Radio; these include: SMEDAN Credit Information Portal, e-College to provide online capacity building for MSMEs and SMEDAN Cloud platform to enhance market access for small businesses. There is also the MSMEs Online Registration Portal to encourage business registration and formalization of operations and publications on **Marketing Your Small Business***

3.2.3 MSMEs Access to finance under NEDEP

The SMEDAN Act 2003, Section 8(i) stipulates that SMEDAN is to link small and medium scale industries to sources of finance, technology, technical skills development and management. The NEDEP document further stated that SMEDAN will provide business support services working with MSMEs to prepare bankable business plans and the Bank of Industry (BOI) will provide funding for eligible MSMEs.

Audit observed from the review of documents at the FMITI that the objectives for which NEDEP was set up was to create 3.5 million jobs between 2013 and 2015, and this objective was not met. There was also no record to show how many jobs were created through the programme.

Further review of records at SMEDAN showed that MSMEs were trained on how to prepare bankable business plans after which a total of 2,816 business plans to the tune of N24.03 billion were forwarded to BOI for approval and financing as at May, 2014. We requested for more up-to-date information to cover the period of audit up to 2017 and found that none was provided.

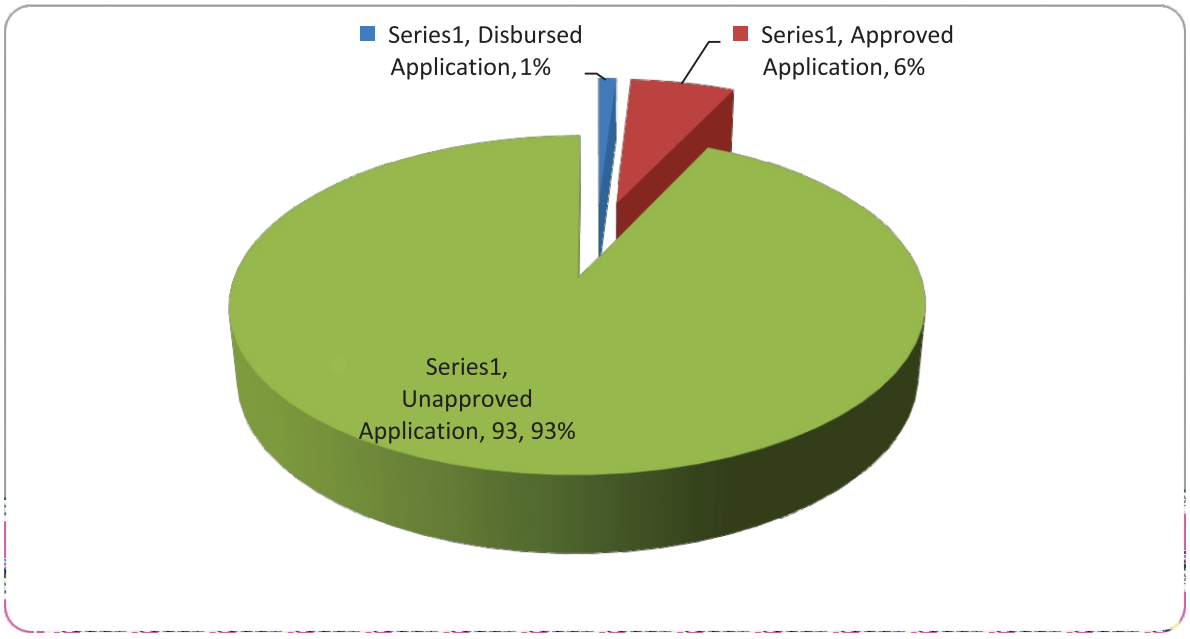
It was noted from documents reviewed that only four hundred and fifty (450) of the business plans were approved, and the funding applications amounted to N1.36 billion. We further noted that twenty-nine (29) of the approved business plans were disbursed the sum of N140.85 million. The table and chart below show the relationship between the number of applications, approvals and actual financing.

Table 4: Loan applications/business plans submitted by SMEDAN to BOI under NEDEP, 2014

Status of Applications as at June 30, 2014	Numbers of Applications.	Value of Applications (₦)	% on total applications
Disbursed Applications	29	140,850,000	1
Approved Applications	450	1,360,000,000	6
Unapproved Applications	2337	22,529,150,000	93
Total Applications Submitted	**2816**	**24,030,000,000.00**	**100**

Source: Documents reviewed at SMEDAN Head Office

Chart 1: Business plans submitted, approvals and financed



Source: Documents reviewed at SMEDAN Head Office

The chart above shows that only six percent of the total applications/business plans sent to BOI by SMEDAN were approved, and that the number for which funds were eventually disbursed was only about one percent of the total applications/business plans of MSMEs submitted by SMEDAN.

From the analysis above, ninety-three percent of the MSMEs

applications submitted by SMEDAN were not approved.

The audit team was not provided with any other information relating to the number of applications/business plans submitted by SMEDAN to BOI or other financing agencies. We further noted the following;

- The Technical Committee on the Implementation Strategies of NEDEP noted that the majority of MSMEs were unable to prepare bankable business plans, and could not meet other bank loan requirements set by the Bank (such as documentation).
- Responses from interviews held with officials of the BOI showed that most of the business proposals sent by SMEDAN on behalf of MSMEs were returned, for failure to meet lending requirements. The business plans were said to have been poorly packaged and without the necessary supporting documents, hence they were rejected. Responses from interviews held with MSMEs and their representatives revealed their view that the requirements by the BOI for MSMEs to access funds were usually stringent. The BOI loan requirements for Micro, Small and medium enterprises respectively is shown in Appendix VI.
- It was also observed from 80% of the responses from interviews conducted with MSMEs and their representatives in the states visited, that even when all the requirements for accessing loans were met, BOI sometimes failed to finance the loans. Furthermore, the financing sometimes comes after the entrepreneur has lost interest and had withdrawn the application. This was most prevalent among those who seek funds to carry out businesses that are seasonal.
- Further review of documents at the SMEDAN head office showed that some of the business plans/applications approved and disbursed by BOI were for amounts far less than what was requested by the MSMEs. While some decline the funding on this basis, others reluctantly take the loans because they have no alternative. All these resulted in entrepreneurs not being able to do much because the financing fell short of their needs. Out of the sum of N152,835,663.33 from the twenty-nine (29) business plans/applications, only N68,217,540.48 representing forty-five percent (45%) was approved and disbursed, while the balance of N84,618,122.85 representing fifty-five percent (55%)was not granted. SMEDAN's response to this issue is set out below.

Management Comments

(I) The Bank of Industry determines what business plans/proposals are funded based on their requirements. SMEDAN on its own, has prepared and forwarded a good number of business plans to BOI for funding consideration, but unfortunately, the bank has not been favourably disposed to funding them based on stringent conditions.

Audit found the response from SMEDAN did not take account of SMEDAN's responsibility to ensure the applications it submits meet the requirements of the lenders.

3.3 MSMEs Access to Appropriate Technology

Section 8(b) of the SMEDAN Act requires the agency to serve as a vanguard and focal point for technological acquisition and adaptation. The SMEDAN Results Framework Document (RFD) also requires SMEDAN to facilitate MSMEs access to equipment.

Audit review of the SMEDAN Result Framework Document of 2016 revealed that there was no target set for the number of MSMEs the Agency would support to access appropriate technology within the year. Although the documents we reviewed indicated that MSMEs business plans and applications were usually inclusive of equipment, there was no record from SMEDAN, availed to Auditors to show the number of MSMEs the Agency was able to link to access appropriate technology for the period under review. Responses from interviews held with MSMEs showed that 87% of the approved applications were not financed as at the time of audit in October 2017. Consequently, the appropriate technology or equipment component in the MSMEs proposal could not be financed. Audit also noted that MSMEs had preference for working capital to be disbursed to them instead of machineries and equipment. This preference was contrary to BOI's loan disbursement criteria which was a direct payment to suppliers after delivery, installation and successful test-runs of equipment.

It was noted from the documents reviewed from SMEDAN that the total of N16,236,011,258.00 was expended by SMEDAN, under the Constituency Projects, for the procurement of tools and equipment for

[7] Page 6

MSMEs throughout the country for the period 2014 to 2016 as detailed in table 5 below. These equipment included Sewing machines, Tricycles, Motor cycles, Grinding Machines, Hair dressing Machines, Water Pumps, Computers, Welding Machines, Block moulding Machines, Vulcanizing Machines, etc.

Table 5: Analysis of expenditure on Constituency Projects

Years	Appropriation (N)	Releases (N)	Exp. On Equipment Supply (N)	Exp. On training & Others (N)	% of Equipment supply on Releases.	Remarks
2014	17,221,685,646.00	16,856,375,967.00	6,012,055,599.00	10,844,320,368.00	0.36	Nationwide
2015	8,304,469,576.00	8,011,270,998.00	5,721,390,303.00	2,289,880,695.00	0.71	Nationwide
2016	11,190,899,958.00	8,952,719,966.00	4,502,565,356.00	4,450,154,610.00	0.50	Nationwide
TOTAL	36,717,055,180.00	33,820,366,931.00	16,236,011,258.00	17,584,355,673.00		

Source: Expenditure Details from SMEDAN Head Quarters

States/Zonal Coordinators disclosed during interviews that the equipment distribution was usually handled by SMEDAN Headquarters. The State Managers further disclosed that Contractors/Consultants engaged by SMEDAN usually send a list of the beneficiaries directly to SMEDAN Headquarters hence the State/Zonal offices do not have information about the beneficiaries

The State Managers further disclosed that Contractors/Consultants engaged by SMEDAN, in line with Public procurement Act, usually send a list of the beneficiaries directly to SMEDAN Headquarters hence the State/Zonal offices do not have information about the beneficiaries. Responses from 89% of SMEDAN staff from the states visited revealed that they were only involved in the supervision of training at the state or zonal levels. Responses from 11% of the staff indicated that they supervised both the capacity buildings and distribution of equipment to MSMEs, but these staff could not verify the exact recipients of the equipment. The Audit team was therefore, unable to inspect or validate the projects executed/equipment distributed to MSMEs from the above expenditure in the states visited.

Auditors noted that SMEDAN developed an equipment catalogue in 2006. The catalogue provided information about modern technology and where such equipment could be bought by interested MSMEs, and is to be a veritable source of information to the MSMEs, if the document

is updated regularly. However, it was disclosed to audit that the catalogue was outdated and has been overdue for update for ten years. The availability of up to date information on available technology is important as many MSMEs are still struggling with manual or outdated means of production that hamper their productivity. This also leads to sub-standard products which fail to meet the required standard of the market and eventually leads to low patronage.

Management Comments

(i) By standard practice, access to equipment is generally at the instance of the entrepreneur with proper guidance and linkage by the Agency.

(ii) A brochure of agricultural equipment was prepared in conjunction with Board of Survey. Moreover, MSMEs were referred to some fabricators and equipment vendors.

(iii) The NASS Zonal Intervention Programmes are approved by NASS and go through the procurement process as stipulated in the procurement Act.

(iv) Selection and distribution of equipment to beneficiaries under the Zonal Intervention Programmes are determined by NASS members responsible for those constituencies. The programmes are approved and implemented based on recommendations by NASS, however in strict alignment with the ambits of the Procurement Act.

The responses provided by SMEDAN were examined and found not to adequately address the issue raised.

3.4 MSME Access to Capacity Building

The SMEDAN establishment Act Section 8(w) requires SMEDAN to provide and facilitate technical and managerial training to small and medium scale industries. Furthermore, SMEDAN's Results Framework Document (RFD) indicated that SMEDAN will collaborate with the ITF for the development of the technical skills of MSMEs.

The National Policy on MSMEs also requires SMEDAN to institute an accreditation/registration process for Business Development Support Providers (BDSP) in order to have a pool of professionals that can deliver special non-formal education and training courses and programmes for MSMEs owners.

From our review of documents submitted by the ITF we found that throughout the period 2014 to 2016, SMEDAN did not send any application or proposal to the ITF for the training of MSMEs.

Responses from interviews held with officials of the ITF revealed that the ITF as a Training Institution usually arranges training for interested entrepreneurs without SMEDAN's input. Audit observed that though NEDEP was one strategic programme implemented by SMEDAN which laid emphasis on capacity building for MSMEs in the period under review, and was a collaborative programme between BOI, SMEDAN and ITF, SMEDAN did not forward applications for MSMEs to the ITF for technical and vocational trainings.

Further review of documents from ITF revealed that throughout the period covered by the audit, (2014 -2016) no MSME was nominated by SMEDAN to be trained by the Fund. The documents indicated that the ITF organized trainings of MSMEs and invites SMEDAN to provide business support services to MSMEs, and to assist them in preparing bankable business plans. Further review of the documents revealed that for the period 2014 to 2016, the ITF was able to organize and train a total of 48,843 interested entrepreneurs under the National Industrial Skills Development Program (NISDP) and other programmes as detailed in the table below.

Table 6: Training offered by the ITF (without input from SMEDAN)

S/N	Nature of Training	Year	Number of Trainees
1	Accessing Business Finance and Computer Application for unemployed youths	2014	220
2	Entrepreneurship Development programme component of NISDP	2014	37,000
3	Capacity Building for Youth Empowerment on Entrepreneurship Training	2015	400
4	Sensitization Awareness Forum on MSMEs	2015	400
5	Training Needs Assessment for MSMEs	2015	400
6	Business Support Services	2016	440
7	Entrepreneurship Development programme component of NISDP	2016	9,500
8	Entrepreneurship Development component of Women Skills Empowerment Programme (WOSEP)	2016	483
	Total for the three years		48,843

Source: Information supplied by ITF *(unaudited)*

Audit noted from the Results Framework Document of SMEDAN that the Agency targeted to train 9,739 and 8,500 MSMEs in the years 2015 and 2016 respectively. However, SMEDAN was only reported to have trained a total of 1184 MSMEs as reported in the 2015 Monitoring and Evaluation Report submitted to Auditors. We further noted that the 2015 M& E

report was scanty and not fit for purpose. Information for the number of MSMEs trained for the period 2014 and 2016 was also not availed to Auditors.

The Audit team observed that Osun State Government was able to construct seats for its students using the facilities at the IDCs Oshogbo following an MOU the State signed with SMEDAN in 2013. The MoU also provided for training of MSMEs by the specialist staff of the IDCs. The pictures below show one of the Machines installed in the workshop, and sample of the school desk constructed for students.

Picture 1a: Wood work Machine



Picture 1b: Sample School Desk constructed



Source: Pictures taken @ the Osogbo IDC in October

Audit established from the IDCs visited in various states, that IDCs have the potential to provide managerial and technical assistance to indigenous large- and small-scale companies, as well as individuals and institutions. Furthermore, review of documents at IDC Zaria revealed that, even though the facilities were dilapidated, they still served the training needs of some institutions like Ahmadu Bello University, Zaria, Kwara Polytechnic and others, because of the importance attached to the equipment and the IDC in general. At the Kano Industrial layout, Audit also observed series of business activities going on. Some MSMEs established businesses in form of clusters, where trainings were also given to entrepreneurs after which they are able to start their own businesses or continue working for others.

The picture below shows the facilities in a groundnut oil processing company at the Industrial layout Kano. These facilities are not being used by SMEDAN, although other institutions have found them useful.

Picture 2: Groundnut processing company in Kano



Source: Picture taken at the Kano industrial layout during audit

It was also observed that the Kano State government provided a Common Facility Workshop for leather and shoe making. The facility was used to train entrepreneurs in shoe making after which they were supported with equipment to start their own shoe making businesses. Audit also observed a few students in the mechanical workshop on Industrial Training (IT) at the IDC, Owerri and the IDC Osogbo, where the team observed training of women in the production of Ceramics products, Soap making, and textile products as shown in the pictures below. The actual number of trainings offered to entrepreneurs by the IDCs for the period 2014 to 2016 was however, not provided to auditors.

Pic.3a: Wares displayed at a workshop in IDC, Owerri; **Pic.3b**: Textile workshop @ IDC Osogbo;



Pic. **3c:** Sample of assorted creams, soap and manual soap mixer @ Osogbo IDC





Sources: Pictures taken @ IDC Owerri and Osogbo respectively.

Audit observed from the situation at the IDCs that SMEDAN was not doing much with the Centres, however, all the staff in the IDCs are staff of the FMITI and were still drawing salaries from the Ministry. We also noted that the Agency does not have full control of the Centres as the Coordinators report to the Permanent Secretary, FMITI.

We further noted that as an alternative to revamping the IDCs to provide adequate training to the MSMEs, SMEDAN outsourced the training of MSMEs to contractors. See resolutions of SMEDAN Management dated 30th June, 2016, as contained in Appendix vii.

Management Comments

i) SMEDAN is the principal Agency of Government saddled with the responsibility of supporting and sustaining MSMEs in Nigeria. This is largely done through specialized capacity building/training. ITF and BOI, in this case, have been operating outside their core mandates by developing and delivering MSME capacity building programs without due recourse to SMEDAN.

(ii) SMEDAN surpassed its trainee targets for the period under reference and review

Audit noted that SMEDAN's response did not address the issue of underutilised facilities at the IDCs.

3.5 Synergy among Agencies Implementing NEDEP

According to the NEDEP document, three agencies of Government under the supervision of Federal Ministry of Trade and Investment,

namely SMEDAN, BOI, and ITF, were to synergise to ensure seamless access of MSMEs to sources of finance and other resources. These three Agencies have individually piloted schemes in some states and through NEDEP they were to combine these efforts and scale these up to all States of the Federation. The Industrial Training Fund (ITF) was to ensure that MSMEs have the requisite skills; SMEDAN was to provide business support services, working with MSMEs to prepare bankable business plans, and; the Bank of Industry (BOI) was to provide funding for eligible MSMEs. As an added responsibility the SMEDAN Establishment Act Section 8(e) requires SMEDAN to oversee, coordinate and monitor development in the small and medium industrial sub sector.

Audit observed that the three agencies in charge of driving NEDEP were working in isolation and without coordination. This was primarily because each of them was working solely in line with her established mandate. Audit noted from interviews held with officials of SMEDAN, BOI, ITF, and FMTI that the agencies were operating separately to support MSMEs within the ambit of their respective legal mandates, and without any form of coordination by SMEDAN.

Specifically, audit found from our review of communications between the BOI and SMEDAN that the BOI returned over 90% of MSMEs applications sent by SMEDAN on account of poor packaging.

We believe that if SMEDAN had achieved better quality of loan packaging, the level of returned applications will be far lower. We further believe that if SMEDAN had fulfilled its coordination role under NEDEP, it would be clearer on the requirements of the BOI and therefore achieve more successful loan applications.

Officials of FMITI disclosed during interview that there was a lack of synergy among the agencies implementing MSMEs, but this would be addressed in the next phase of the NEDEP which was expected to commence from 2017.

Audit concluded that the absence of synergy among the agencies implementing the NEDEP programme was partly responsible for the low impact of the programme on MSMEs. In particular, business plans for MSMEs, packaged by SMEDAN during the NEDEP, fell short of the standards required by the BOI, thus leading to non-financing of the

applications. The ITF on the other hand was engaged in both Entrepreneurship Development programmes, and disbursing finance in the form of starter packages to MSMEs. These roles are expected to be carried out by SMEDAN and the BOI as well.

Audit noted that the agencies (SMEDAN, BOI, and ITF) within the control of FMITI, have similar mandates and are performing similar functions. There was duplication of efforts and functions in the area of entrepreneurial capacity training for MSMEs and financing, and having all three agencies engaged in managerial and entrepreneurial training programmes for MSMEs may not augur well, especially as it increases the cost of governance.

Management Comments

(i) The NEDEP scheme was directly under the coordination and supervision of the then Minister of Trade, Industry and Investment (FMITI) as such SMEDAN had no control as to how the scheme was implemented

(ii) Business plans forwarded to BOI were well written and packaged, the challenge was meeting the stringent requirements set by BOI to access their loans

(iii) The issue of program/policy overlap, or duplication is beyond SMEDAN. Several spirited efforts have been initiated by SMEDAN through the Ministry to remedy this anomaly, however not much has been achieved in that regard. However, SMEDAN will not relent in this effort.

Audit was of the view that the responses from SMEDAN did not address the issues raised. In particular, SMEDAN appeared not to understand the stated lapses in the quality of loan applications and business plans and maintained that BOI requirements were too stringent.

3.6 Coordination

3.6.1 Coordination of Zonal Intervention Projects

According to Para 5.1 of the National Policy on MSMEs, SMEDAN is responsible for coordinating the implementation of National MSME Policy. SMEDAN Act section 8(e) requires SMEDAN to coordinate development in the small and medium industries subsector. SMEDAN's

Offices at the State level are expected to coordinate activities of MSMEs at the grass root level, as well as intervention projects.

Review of SMEDAN's performance report for the period 2014 showed how MSMEs were assisted under the zonal intervention programmes. This included entrepreneurship development trainings, vocational training, other enterprise support, post-seasonal intervention and support programme for ailing enterprises etc.

Responses from interviews held with Official of SMEDAN at the State Offices visited revealed that zonal intervention projects/programmes were handled by the Headquarters of SMEDAN in conjunction with the National Assembly Members. The legislators decide what project/programmes should be executed, the location and beneficiaries, and the contractors executing the projects are not accredited Business Development Service Providers (BDSP) who are conversant with MSMEs.

It was noted from an interview with Officials of SMEDAN that National Assembly (NASS) Members are responsible for including Zonal Intervention Projects (ZIPS) in SMEDAN's budget so as to assist their constituent's members who are MSMEs. It was therefore difficult for SMEDAN to coordinate how the ZIPs sponsored by the NASS are being implemented. Officials of SMEDAN at the States were usually directed by the Headquarters to witness the event/programmes for the execution of the ZIPs and send evaluation report to Headquarters. They do not have input as to who benefits or receives resources provided under the project, the nature of interventions and/or the locations of projects/programmes. Consequently, it is difficult to ascertain if the ZIPs actually had any impact on the MSMEs.

Management Comments

(i) The National Policy on MSMEs provides an articulate framework for the harmonious and consistent interplay by all stakeholders in the MSME sub-sector including the National Assembly (NASS) by virtue of their approved Constituency Programmes (CP) and Zonal Intervention Programmes (ZIP) that are MSME-related. SMEDAN usually accepts responsibility for the implementation of these programmes within the guidelines set out in the Procurement Act and carries out field monitoring/documentation of actual projects execution. These are documented in the Agency's Zonal Intervention Programmes

Monitoring Reports, Annual Reports or Stores Inventories.

Audit was of the view that the responses from SMEDAN did not address the issues raised. In particular, SMEDAN appeared not to accept its responsibility for ensuring there is clear evidence of the use of the ZIP funds, and for the tracking of the impacts achieved through the ZIPs.

3.6.2 Coordination of the Industrial Development Centres

Section 8 (p) of the SMEDAN Act requires the Agency to establish and co-ordinate the institutional development and activities of the Industrial Development Centres in Nigeria. According to the NEDEP documents, there are twenty-three (23) IDCs across the country whose activities SMEDAN is expected to coordinate for the growth and development of the MSMEs.

Audit established from review of SMEDAN's report to the Technical Committee on Strategies for the Implementation of NEDEP that "lack of well-equipped business development facilities at the State and Local Government levels" was militating against the development of the MSME sub-sector. Audit team observed during the visit to six (6) of these Centres that SMEDAN does not coordinate the activities at the Centres. It was also discovered that staff of the all Centres draw their salary from FMITI. According to the Coordinators, neither SMEDAN nor FMITI sent overhead for maintenance of the facilities at the Centre for the years under audit.

Physical observation of the IDCs revealed that the IDCs were characterised with under-utilized, obsolete, rusting equipment and/or dilapidated structures. The Coordinators of the IDC in Uyo told the Audit team that the IDC land was being encroached upon because the Centre was not fenced. According to her, the natives are demanding the use of the land since IDC could not develop nor fence it. "Someone has already sued the Centre in court and SMEDAN was informed of this development", the Coordinator disclosed.

During inspections carried out at 6 of the 23 IDCs and documents reviewed, it was noted that the IDCs were meant to provide managerial and technical assistance for the capacity development of MSMEs. Interviews conducted with Staff of the Centres revealed

that some of the machines have never been put to use since installation. The pictures below show the condition of the IDCs in Osogbo, Osun State and Owerri, Imo State.

Pic. 4a: Blown off roof at the Textile workshop, IDC, Osogbo.



Pic. 4b: Fallen ceiling at the Metal Workshop, IDC Owerri



Source: Pictures taken from Osogbo and Owerri IDCs

The pictures below show some of the facilities that have not been put to use since installation, according to the staff of the IDCs.

Pic. 5a: Heavy Woodwork equipment lying idle at IDC, Osogbo.



Pic 5b: Dilapidated textile workshop at IDC, Owerri



Source: Pictures taken at Osogbo and Owerri IDCs during audit

Management Comments

(i) Industrial Development Centres (IDCs) were established as capacity development facilities for technical skills in the areas of commerce and industry. 23 IDCs were established within a 20 year period spread across the 6 geopolitical zones. The Federal Ministry of Industry, Trade and Investment partially handed over the IDCs to SMEDAN in 2011.

Though the IDCs were handed over to SMEDAN, save the IDC staff members who remained on the payroll of the Ministry. The IDCs still remained grossly under-funded as observed in the Audit Report, however, the 2017 appropriation made provision for minor facilities upgrade and these were successfully executed in the following centres: IDC Zaria, IDC Owerri, IDC Katsina, IDC Benin, IDC Ikorodu and IDC Idu-Abuja Fct.

3.6.3 Coordination of State/Zonal Offices MSMEs Activities

The NEDEP document states that for SMEDAN to effectively deepen its presence in the country and reach enterprises in most areas, 80% of its staff are to be based in the states, while 20% of the staff are to be retained in the headquarters for administrative duties.

To increase the effectiveness and grass-root reach by the Agency, SMEDAN opened offices in each state of the Federation. According to the National Policy on MSME, SEBRAE (the Brazilian MSMEs Development Agency) was able to reach approximately 1.6 million MSMEs annually, while SMEDAN reaches 20,000 MSMEs annually. The success of SEBRAE was attributed to the fact that the agency is spread all over the country and therefore, has the ability to reach enterprises in all areas of the country. It has market focus objectives which increases its ability to assist MSMEs sustain and build their capacity as well as help build new SMEs.

Audit observed that the SMEDAN's State Offices, in most cases, have one State Manager, supported by one to three staff members. This number was seen to be inadequate to meet the demand of the MSMEs at the States and the Local Governments. The insufficient number of staffs at the state had also resulted in inadequate coverage of the state, local government and villages. This led to SMEDAN not having adequate and comprehensive documentation of their activities to allow for proper coordination and linkage of MSMEs at the states. Hence, monthly returns of activities carried out at the States were sometimes not available for review.

Management Comments

(i) SMEDAN, apart from its State office outlets, has other platforms operating at the state level; these include Business Support

[9] 3.1, page 15

Centres, Business Information Centres and in many cases, the State SME Development Agencies. All these entities largely complement the effort and presence of SMEDAN in the states.

(ii) SMEDAN also partners with other stakeholders at the State-level like NGOs, BMOs, and CBOs to widen outreach and deepen impact.

3.7. Monitoring and evaluation of programmes

3.7.1 Strategies put in place for monitoring and evaluation of MSME Programmes

According to Section 5.6 of the National Policy on MSMEs, the National Council on MSMEs is to institutionalize a systematic monitoring and evaluation (M&E) framework. SMEDAN as the Secretariat of the National Council on MSME is expected to put in place a clear and measurable evaluation framework, as well as a credible baseline for gauging the impact of the Agency's programmes on MSMEs. The M&E framework document should show key performance indicators, for example, the number of businesses assisted, number of active lending partners, number of jobs supported and financing gaps closed, in line with best practices.

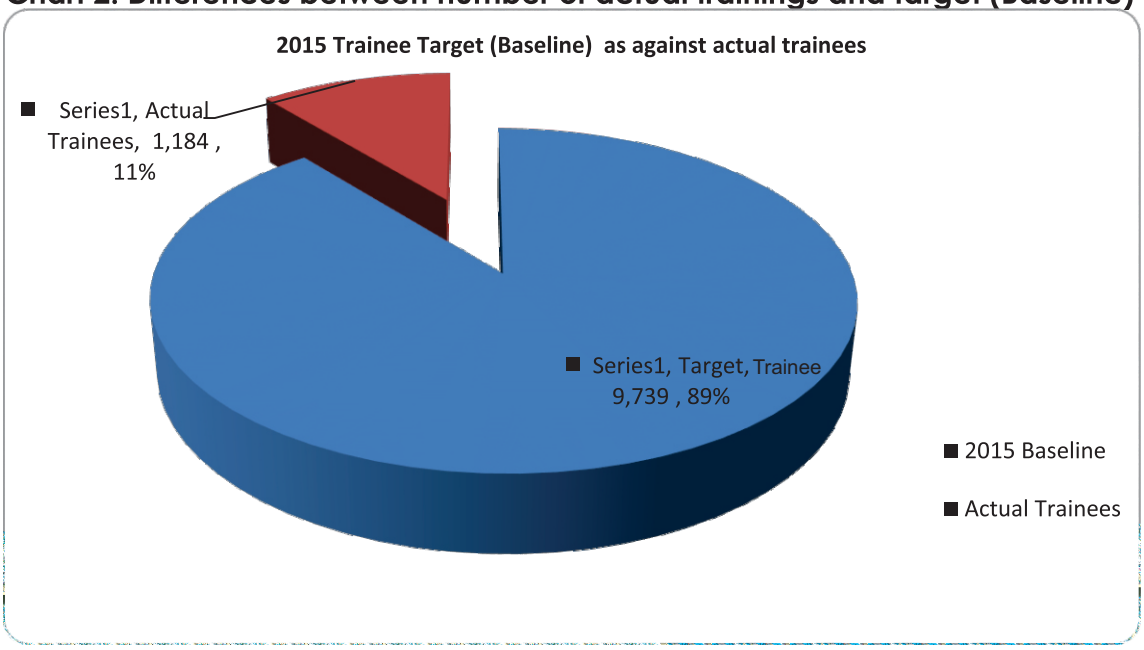
Audit established from SMEDAN's Result Framework Document that the Agency stated that it would monitor and evaluate the performance of its programmes towards the achievement of its set performance targets, and publish same on an annual basis to keep the Nigerian public informed. However, in the period covered by the audit, (2014 – 2016) SMEDAN only provided a monitoring report for year 2015. There was no monitoring report for 2014 and 2016.

Audit further noted that the SMEDAN M&E report of the 2015 failed to report or evaluate the Agency's actual performance against the projection contained in the results framework document for 2015 to 2016. According to the RFD, the Agency projected to:

i. Train 9,739 MSMEs in 2015 and 8,500 in 2016
ii. Evaluate business plans and refer to BOI, 91 business plans in 2015 and 100 business plans in 2016. iii. Consolidate annual monitoring and evaluation report for all programmes running in 2016.

Review of the 2015 M&E Report however showed that only a total of 1,184 MSMEs were trained as against the 9,739 trainees established as the target to be trained in the 2015. The number trained was 11% of the target as shown in the chart below.

Chart 2: Differences between number of actual trainings and target (Baseline)



Source: FMITI Results Framework Document for SMEDAN Performance year: 2016/2017 and SMEDAN Monitoring Report on 2015 Capital Programmes/Projects Implementation.

It was further observed from the M&E report that instead of delivering an average of 5 days for the training of MSMEs as prescribed by the Agency, an average of 3 days of training was delivered. This shows a deficit in the volume of training/counseling that was delivered.

Furthermore, the report did not indicate anywhere that MSMEs were given equipment to aid them in developing themselves, even though the appropriation for the Agency included this and provision was made for distribution of equipment to MSMEs under the subhead of Constituency insertions. Audit team further noted that the M&E report had no recommendations on the way forward, or on how to address the shortcomings witnessed in the course of linking MSMEs to sources of finance and other resources.

[10] FMITI Result Framework document (RFD) for SMEDAN Performance Year 2016/2017 Pg 4.

Management Comments

(i) SMEDAN's Annual Reports provide a comprehensive report of the activities of the Agency, cited in the Audit report. The total number of MSMEs trained across our Capital Interventions (In-house/NASS constituencies/NEDEP) as well as Zonal Intervention Programmes (ZIP) is ***12,262(****2015) and* ***31,728*** *(2016). Kindly note that the figures exclude trainees from other collaborative activities which are given separately as* ***1,415*** *(2015) and* ***183*** *(2016). Consequently, the Agency by far exceeded the targets set in the Results Framework Document (RFD) of the FMITI under reference.*

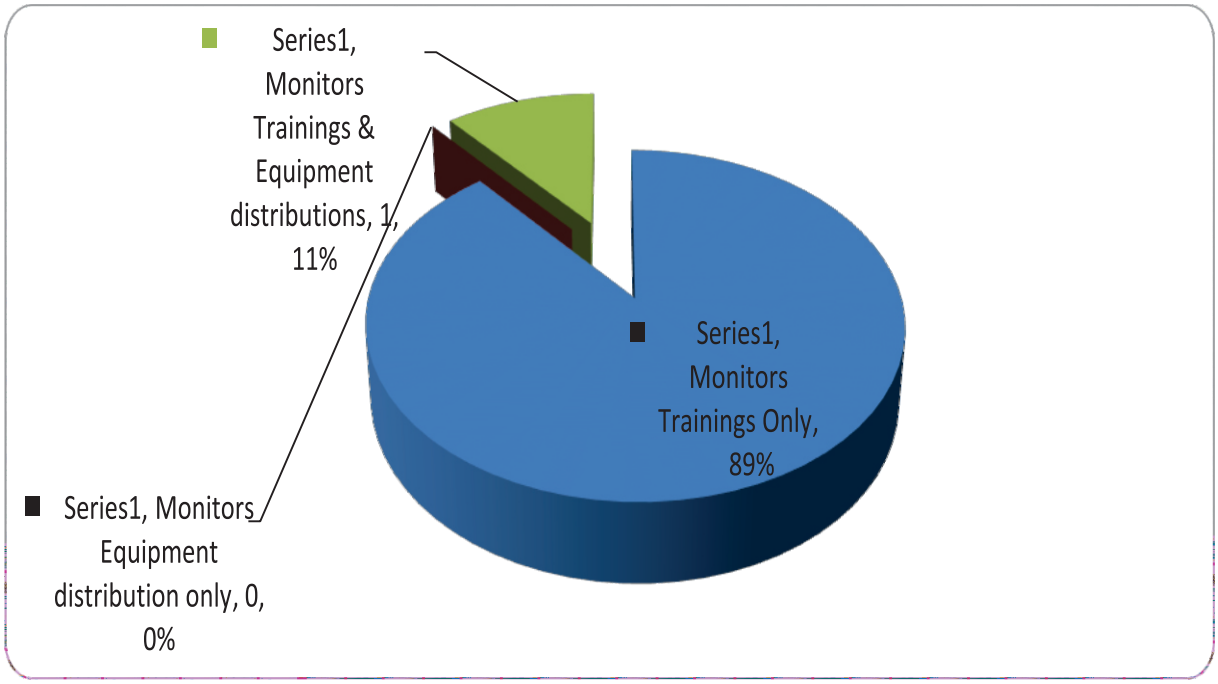
The Management's response is silent on equipment given to MSME, and the disparity in the number of days paid for and number of training days conducted. The figures reported in the audit was obtained from SMEDAN'S M & E report of 2015. The Agency did not make available report of 2014 and 2016, even though it was demanded by the Audit team.

3.7.2 Monitoring and evaluation of Zonal intervention programmes/projects

Section 8(u) of SMEDAN Act requires SMEDAN to monitor the implementation of, and compliance with, Federal Government directives, incentives and facilities for development of other functions of the Agency. The Federal Ministry of Industry, Trade and Investment Results Framework Document (RFD) for SMEDAN also indicated that SMEDAN shall carry out regular M&E of all programmes/Projects of the Agency, including Constituency Projects/Zonal Intervention Projects (ZIPs).

Review of documents from the states visited revealed that there was no record of M&E report on the ZIPs. It was also noted from 21 responses (81%) from interviews conducted with SMEDAN officers in the 9 states visited, that State Officers only carried out monitoring and evaluation of trainings of MSMEs initiated through the Zonal Intervention projects/programmes (ZIPs) and other interventions. Only five (5) respondents or 11% indicated that they monitor both trainings and distribution of equipment to MSMEs. See the chart below which depicts responses from officers from the states visited. Reports of the monitoring and evaluation exercise carried out at the respective offices were also not produced when requested. The SMEDAN officers in States/Zonal offices stated that M&E reports were usually produced and submitted to SMEDAN's head office without keeping a copy at the states/zonal offices due to paucity of funds. **Audit found this explanation to be implausible.**

Chart 3: Percentage of SMEDAN state Offices that monitor either Trainings, Equipment distributions or both

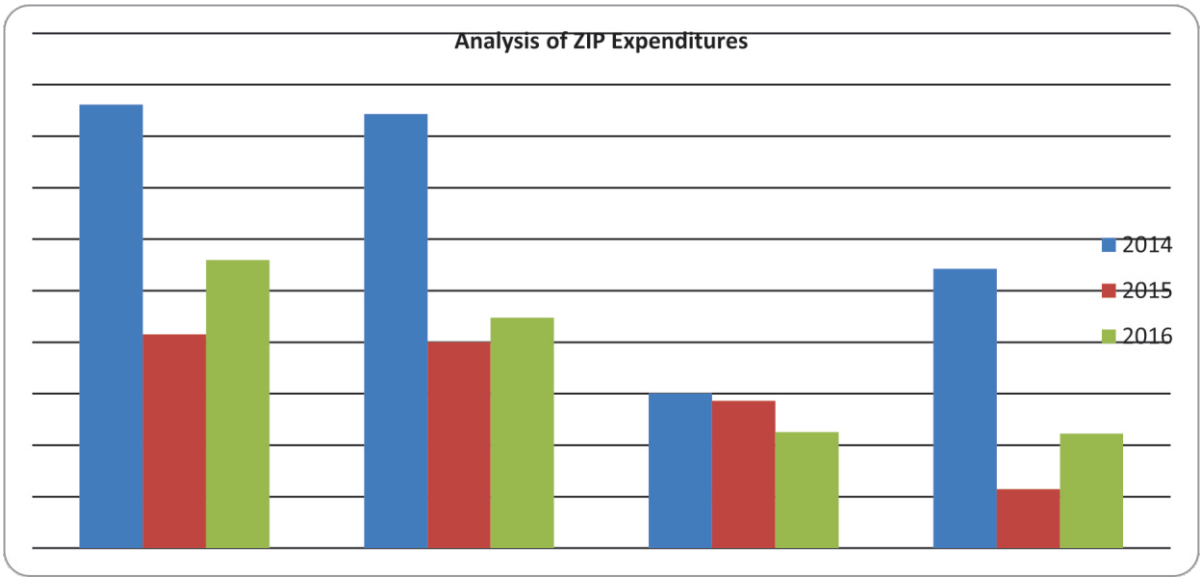


Source: Analysis of responses from interviews conducted at SMEDAN State/Zonal Offices visited

Audit review of the Monitoring Report submitted by SMEDAN on Capital Programmes/Project implementation for year 2015 revealed that training was conducted in 32 states and the FCT, but the report was silent about distribution of equipment to MSMEs across the zones.

Audit confirmed from records made available by SMEDAN that a total of N33,820,366,931.00 was released for the ZIPs for years 2014 to 2016, to develop the MSMEs sub-sector from which the sum of N16,236,011,258.00 was purportedly used for the provision of equipment to MSMEs across the country under the ZIPs. The Chart below shows details of the appropriation, releases and expenditures for the supply of equipment to MSMEs as well as training provided to MSMEs and other ancillaries. The SMEDAN monitoring report did not show any impact created through this major federal government intervention for the years under review.

Chart 4: Analysis of Funds allocated, released and purportedly expended for ZIP for the years 2014 to 2016.



Source: Releases to SMEDAN & Expenditure Profile supplied by SMEDAN

The non-availability of M&E reports on training provided to MSMEs or on the distribution of equipment to MSMEs from Zonal Intervention Projects showed the low level of attention that the management of SMEDAN paid to the M&E of MSMEs support activities. It is therefore not possible to conclude that the funds expended annually under Zonal Intervention Projects for the periods 2014 to 2016, for the development of MSMEs met the objective of developing the MSME subsector.

Management Comments

(i)SMEDAN monitors two sets of related but independent monitoring activities viz: monitoring and evaluation of won/in-house programmes and monitoring and evaluation of all stakeholders' programmes in the sub-sector. The latter is by virtue of the Agency, being the secretariat of the National Council of MSMEs. While the 2018 budget now provides for funds for the execution of the latter, the PRM&E department relies on annual feedback to assess own/in-house programmes. Similarly, the PRM&E department is charged with feedback on training-related projects, the Stores Unit with supplies/Stores items and the ET&I Department with engineering-type/small works projects; as such, the Monitoring Report of the PRM&E Department does not provide a comprehensive account. Finally, on the observation of 3 training/counselling days (instead of 5 days) – in your own admission, it was aptly captured in our Monitoring Report (for the purpose of eliciting future correction).

CHAPTER FOUR

4.0 CONCLUSIONS

4.1 Memorandum of Understanding (MOU) /Joint Venture Agreement with Relevant Institution under NEDEP

SMEDAN did not execute an MOU with relevant institutions during the implementation of the NEDEP programme. SMEDAN has not entered into MOUs with most State Governments and relevant Institutions that are implementing MSMEs development programmes.

4.2 Linkage and Access to Sources of Finance

4.2.1 Creation of access to finance and Markets Department

SMEDAN has not created an Access to Finance & Markets Department dedicated to MSMEs.

4.2.2 MSMEs' awareness of available funding sources

We conclude that there is low awareness of SMEDAN's activities and funding sources available to MSMEs,

4.2.3 MSMEs Access to finance under NEDEP

i. SMEDAN was not effective in linking MSMEs to sources of finance under NEDEP. This was mainly as a result of poor application packaging by SMEDAN.

ii. MSMEs were unable to access loans under NEDEP and this was stated by SMEDAN to be due to stringent loan conditions.

4.3 MSMEs access to Appropriate Technology

i. SMEDAN did not play the role as vanguard and focal point for technology acquisition and adoption for MSMEs.

ii. The Zonal Intervention Projects (ZIPs) of the National Assembly (NASS) failed to adequately provide technological equipment to support the MSMEs in their drive for appropriate technology.

iii. SMEDAN was not able to confirm that the equipment supplied under ZIPs got to active MSMEs.

iv. SMEDAN has not created awareness about modern equipment for the MSMEs, especially as their equipment catalogue is outdated.

4.4 MSME Access to Capacity Building

i. SMEDAN is not collaborating with the ITF and other relevant institutions in the training of MSMEs.
ii. SMEDAN has not taken full advantage of the IDCs to provide trainings to MSMEs.
iii. SMEDAN does not have registered Business Development Service Provider (BDSPs) BDSPs to effectively handle the MSMEs and track their progress.

4.5 Synergy among Agencies Implementing NEDEP .

i. There is no synergy among the Agencies responsible for developing MSMEs especially under the NEDEP.

4.6 Coordination of Intervention Projects

4.6.1 Coordination of Zonal Intervention Projects

I. SMEDAN is not properly coordinating the ZIPs.
ii. Contractors handling ZIP are not accredited BDSPs.
iii. There is no track record of jobs created by SMEDAN through the ZIP at the State level.

4.6.2 Coordination of the Industrial Development Centres

i. SMEDAN did not properly coordinate the activities at the IDCs, hence the potential of the Centres has not been tapped by MSMEs.
ii. SMEDAN does not have full control over the IDCs. iii. IDCs are yet to be converted into clusters for maximum benefits.
iv. SMEDAN is not doing much with the IDCs, especially as all the staff in the IDCs are staff of the FMITI and are still drawing salaries from the ministry.

4.6.3 Coordination of State/Zonal Offices MSMEs Activities

i. SMEDAN State offices are not adequately staffed.
ii. There is inadequate documentation of activities of MSMEs at the state and local government levels. iii. SMEDAN has not created sufficient awareness of its functions at the state and Local Government levels.

4.7 Monitoring and evaluation of MSMEs development activities

4.7.1 Strategies put in place for monitoring and evaluation of MSME Programmes

i. Audit concludes that there is a very weak monitoring and evaluation framework.
ii. There is no M&E report to show that SMEDAN meets targets set in the RFD for linking MSMEs to access finance and other vital resource for the period under review.
iii. The Agency does not have monitoring and evaluation reports for the years 2014 and 2016.

4.7.2 Monitoring and evaluation of Zonal intervention programmes/projects

i. SMEDAN did not monitor or evaluate impact of Zonal Intervention Programmes for the period under review.
Audit concludes that SMEDAN did not track progress and impact of Zonal Intervention Programmes on-site for the period, 2014 to 2016.

CHAPTER FIVE

5.0 Recommendations

5.1 Memorandum of Understanding (MOU) /Joint Venture Agreement with Relevant Institution.

i. SMEDAN should execute MOUs or agreements with all relevant Agencies and State Governments in the discharge of its mandate.
ii. The MOUs should clarify the strategies, role and responsibilities of all the parties involved.

5.2 Linkage and Access to Sources of Finance

5.2.1 Creation of access to finance and Markets Department

i. Management of SMEDAN should create a Department that is solely dedicated to access to finance and Market, with a clear mandate and specific target to harness all financing windows available for MSMEs in Nigeria.

5.2.2 MSMEs' awareness of available funding sources

i. SMEDAN should implement new strategies to create more awareness of the available sources of financing for MSMEs. The results of these new strategies should be monitored and the impacts evaluated
ii. SMEDAN should engage the organised business associations to help in the dissemination of information about financing sources and guidelines on accessing them.

5.2.3 MSMEs Access to finance under NEDEP

i. SMEDAN should ensure that MSMEs applications are properly packaged, in line with the requirement of the financing agency.
ii. Where it is of the view that loan conditions are too stringent, Management of SMEDAN should advocate for relaxation of certain loan conditions, especially those that have been noted to be difficult for the micro and small business enterprises to meet. They should also make a case for the financing agencies to always

finance promptly, applications/business plans that met the requirements of the financing agency.

5.3 MSMEs access to Appropriate Technology

i. Management of SMEDAN should incorporate linkage of MSMEs to appropriate technology in its strategic/operational plans.

ii. SMEDAN should perform better in its management of the ZIPs of the NASS, keep accurate records of MSMEs that are empowered through the ZIPs and on the provision of equipment to the real MSMEs.

iii. SMEDAN should ensure that equipment to be provided to MSMES under the ZIPs are properly distributed to the intended MSMEs. A robust M&E framework should be implemented to track the impacts achieved through the ZIPs.

iv. SMEDAN should update its catalogue on equipment and disseminate same to the MSMEs.

5.4 MSME Access to Capacity Building

i. SMEDAN, being the Implementing Agency of the National Policy on MSMEs, should develop a framework to link MSMEs to access trainings available from other government agencies such as the ITF etc.

ii. SMEDAN should take advantage of the facilities at the Industrial Development Centres to link MSMEs to skills acquisition.

iii. SMEDAN should engage accredited BDSPs to work with the MSMEs to ease MSMEs linkage and access to sources of finance and other critical resources.

5.5 Synergy among Agencies Implementing NEDEP .

i. SMEDAN should develop a framework document that binds all the Agencies in the execution of NEDEP and other intervention programmes for the development of MSMES.

ii. There should be consensus as to deliverables to MSMEs over a period of time.

5.6 Coordination of Intervention Projects

5.6.1 Coordination of Zonal Intervention Projects

i. SMEDAN should be actively involved in the co-ordination of ZIPs, by involving the State Offices in the area of identification of MSMEs.

ii. SMEDAN should ensure that accredited BDSPs are used to handle the ZIP implementation.

iii. SMEDAN should undertake proper identification of trainees, and visit the various centres designated for entrepreneurship trainings for sensitization.

iv. SMEDAN should always conduct Needs assessments and selection of participants, since the agency has a mandate to identify the skills gaps of prospective participants in order to address the challenges facing MSMEs.

5.6.2 Coordination of the Industrial Development Centres

i. SMEDAN should coordinate activities at the IDCs.
ii. SMEDAN should link MSMEs to the Centre's closest to them for the purposes of skill acquisition.
iii. SMEDAN should make use of the hostel and workshop facilities at the Centres to incubate MSMEs. This will also help address the problem of encroachment on the land of IDCs.

5.6.3 Coordination of State/Zonal Offices MSMEs Activities

i. For effective linkage of MSMES, the number of staff in the state and zonal offices should be increased in order to cater for the teaming MSMEs at the grass root.
ii. The state offices need staff capacity building to be better able to link MSMEs for a sustainable growth and development.

5.7 Monitoring and evaluation of MSMEs development activities

3.7.1 Strategies put in place for monitoring and evaluation of MSME Programmes

I. Management of SMEDAN should develop a proper monitoring and evaluation framework which would show its annual performance targets and the relevant baselines.

ii. The Annual monitoring and evaluation report is to show accountability as they relate to targets set and percentage of achievement.
iii. The Agency should evaluate its performance, highlight its weaknesses, and suggest corrective actions it would take.
iv. The Agency should ensure timely preparation of its annual report, as a guide to decision making.

5.7.2 Monitoring and evaluation of Zonal intervention programmes/projects

SMEDAN should carry out regular and comprehensive M&E of ZIPs. They should produce reports from such M&E exercises which would include feedback about the number of trainings organized, number of MSMEs impacted and what equipment was given out. From these reports corrective actions can be taken to correct any anomalies that are highlighted.

Appendices

Appendix i: Audit criteria

i. *SMEDAN Act 2003, Section 9(1)(b) requires SMEDAN to enter into jointventure arrangement and draw up memorandum of understanding and agreement with relevant institutions and organizations for the promotion and development of small and medium scale industries.*

ii. *National Enterprise Development Programme (NEDEP) Release No. 1.0, strengthening institutional framework, stated that two departments created in SMEDAN namely, Access to finance & markets department and an Innovation & technology department.*

iii. *National Policy on MSMEs, paragraph 5.4.1 requires awareness creation/business sensitization and information provision by SMEDAN to facilitate effective business decisions of MSMEs.*

iv. *Committee on the Implementation Strategies of the NEDEP, enjoined SMEDAN to explore other funding sources, from BOI/State Matching & Managed funds, Government intervention funds, BOI Bottom of Pyramid Fund, Ethical (Non-interest) Banking products, commercial banks partnership.*

v. *SMEDAN Act 2003, Section 8(i) stipulates that SMEDAN is to link small and medium scale industrialists to sources of finance, technology, technical skills development and management.*

vi. *NEDEP document stated that SMEDAN will provide business support services working with MSMEs to prepare bankable business plans and the Bank of Industry (BOI) will provide funding for eligible MSMEs*

vii. *Section 8(b) of the SMEDAN Act requires SMEDAN to serve as a vanguard Agency and focal point for technological acquisition and adaptation.*

viii. *The SMEDAN Result Framework Document (RFD) Page 6 requires SMEDAN to facilitate MSMEs access to equipment.*

ix. *SMEDAN establishment ACT Section 8(w) requires SMEDAN to provide and facilitate technical and managerial training to small and medium scale industries.*

x. *SMEDAN's Result Framework Document (RFD) page 4 indicates that SMEDAN will collaborate with ITF for the development of Technical Skills of MSMEs.*

xi. *NEDEP document states that three agencies of Government under the supervision of Federal Ministry of Trade and Investment, namely SMEDAN,*

BOI, and ITF, should synergize to ensure seamless access of MSMEs to finance and other vital resources.

xii. *According to Para 5.1 of the National Policy on MSMEs, SMEDAN is responsible for coordinating the implementation of National MSME Policy.*

xiii. *SMEDAN Act section 8(e) requires SMEDAN to coordinate development in the small and medium industries sub-sector. SMEDAN Offices at the State level, is expected to coordinate MSMEs at the grass root level, as well as interventions.*

xiv. *Section 8 (p) of the SMEDAN Act, requires the Agency to establish and coordinate the institutional development and activities of the Industrial Development Centres in Nigeria.*

xv. *The NEDEP document 3.1 page 15, states that for 'SMEDAN to effectively deepen its presence in the country and reach enterprises in most areas, 80% of its staff are to be based in the states, while 20% of the staff are to be retained in the headquarters for administrative duties.*

xvi. *According to Section 5.6 of the National Policy on MSMEs, the National Council on MSME is to institutionalize a systematic monitoring and evaluation (M&E) framework. SMEDAN as the Secretariat of the National Council on MSME is expected to put in place that clear and measurable evaluation framework, and a*

credible baseline for gauging the impact of the Agencies programmes on MSMEs.

xvii. *Section 8(u) of SMEDAN Act requires SMEDAN to monitor the implementation of and compliance with Federal Government directives, incentives and facilities for development of small function of the Agency.*

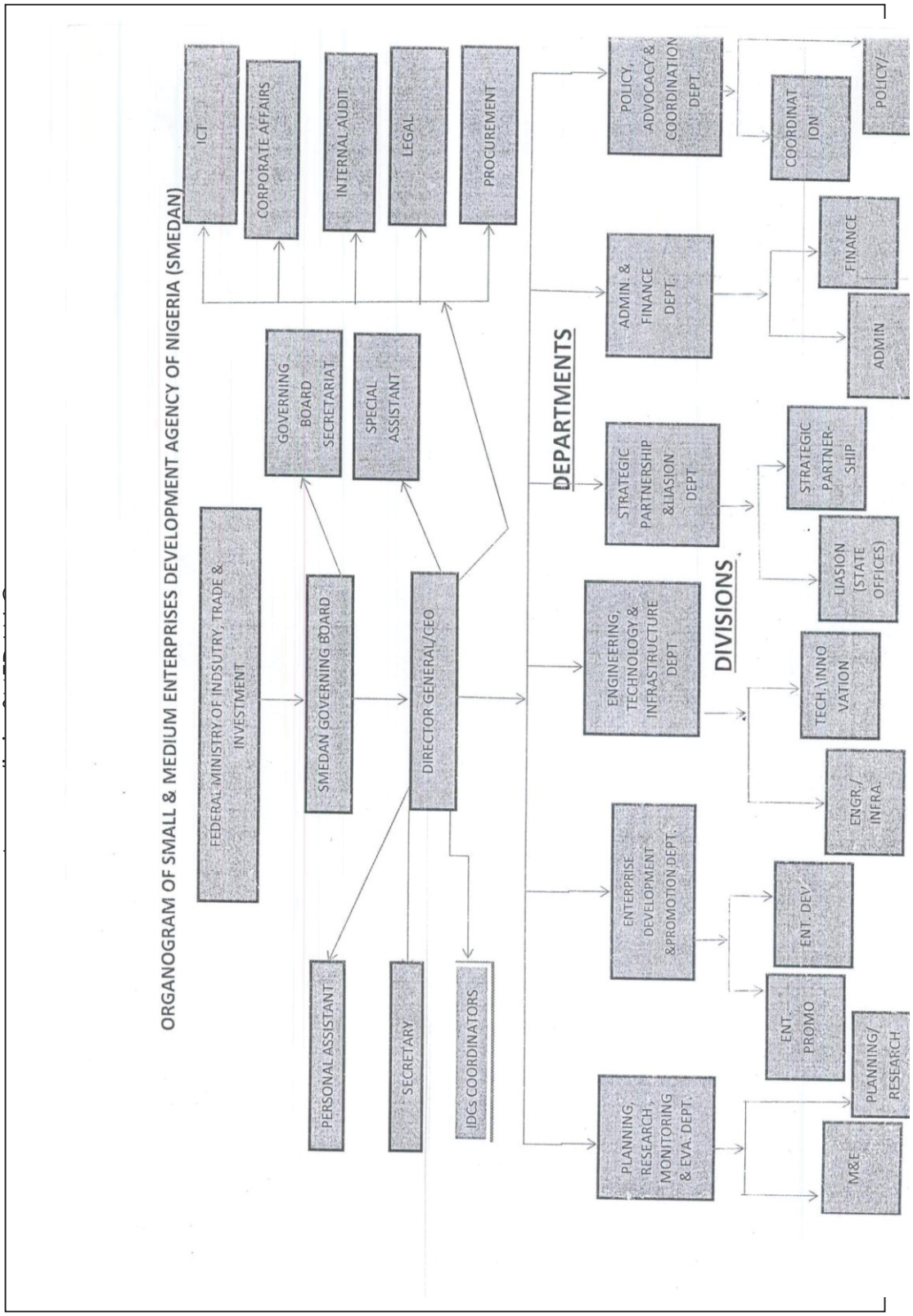
xviii. *The Results Framework Document (RFD) for SMEDAN also indicated that SMEDAN shall carry out regular M&E of all programmes/Projects of the Agency, including Constituency Projects/Zonal Intervention Projects (ZIP).*

Appendix ii: List of Documents Reviewed:

i. *National Policy on Micro, Small and Medium Enterprises (2005), Federal Republic of Nigeria.*
ii. *Micro, Small and Medium Enterprises Clinics for viable Enterprises, National MSME Clinics Hand Book, Office of the Vice President of Nigeria iii. SMEDAN Act, 2003*
iv. *Micro, Small and Medium Enterprises Development Fund (MSMEDF) Guidelines. Revised- August, 2014.*
v. *National Enterprises Development (NEDEP) (2015) Release No. 1*
vi. *Bank of Industry Annual Reports and Accounts.*
vii. *SMEDAN 2013 Annual Report*
viii. *Implementation Framework: Conversion of 23 Industrial Development Centres (IDC) in Nigeria to Industrial Clusters, August 2013*
ix. *National Policy on Micro, Small and Medium Enterprises 2015*
x. *SMEDAN Monitoring Report on 2015 Capital Programmes/Projects Implementation*
xi. *Bank of Industry (BOI) Annual Report 2014 to 2016*
xii. *Memorandum of Understanding between SMEDAN and ITF and MM & E Consortium Consultancy 2011*
xiii. *Memorandum of Understanding between SMEDAN and the Government of the State of Osun 2013*
xiv. *Feedback on the Follow up Exercise on NEDEP beneficiaries conducted from December 2015 – January 2016*
xv. *SMEDAN Monitoring and Evaluation Guide for Constituency Intervention Projects/Training -2015 xvi. Progress Report on National Enterprise Development Programme (NEDEP) - FMITI*
xvii. *Micro, Small and Medium Enterprises' Clinic (MSME): Status Summary Report -FMITI xviii. SMEDAN Work Plan: 2016 - 2020*
xix. *Federal Ministry of Industry, Trade and Investment Result Framework Document (RFD) for SMEDAN. Performance Year: 2016/2017*
xx. *Federal Government of Nigeria, Appropriation Act 2014 -2016.*
xxi. *Bank of Industry (BOI) MSMEs Check-List*
xxii. *SMEDAN Staff Nominal Roll as at September, 2015*
xxiii. *SMEDAN Annual Report for year 2013*
xxiv. *Industrial Training Fund (ITF) Annual Report for the year 2016*
xxv. *SMEDAN News Vol. 5 No1, September, 2012; (A Monthly Publication of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)*

Appendix iii: Detailed number of interviews Conducted by the Audit Team

S/N	Location of the Interview	SMEDAN H/O	SMEDAN State/Zonal Offices	SMEDAN IDCs	Individual MSMES	Organised Body of MSMEs	Total
1	Benue State		2	2		6	**10**
2	Kano State		4			6	**10**
3	Lagos State - NASME; BOI		4			4	**8**
4	Osun State		2	21			**23**
5	Imo State		1	14	2		**17**
6	Akwa-Ibom State		4	3		1	**8**
7	Bauchi State		3	4	1	5	**13**
8	Plateau State; ITF		1			3	**4**
9	Kaduna State		5	18			**23**
10	FCT- SMEDAN H/O	23					**23**
11	FCT -FMITI					3	**3**
12	FCT- CBN					4	**4**
13	Kaduna State - BOA						**0**
14	Lagos State - FIIRO						**0**
	Total	**23**	**26**	**62**	**3**	**32**	**146**

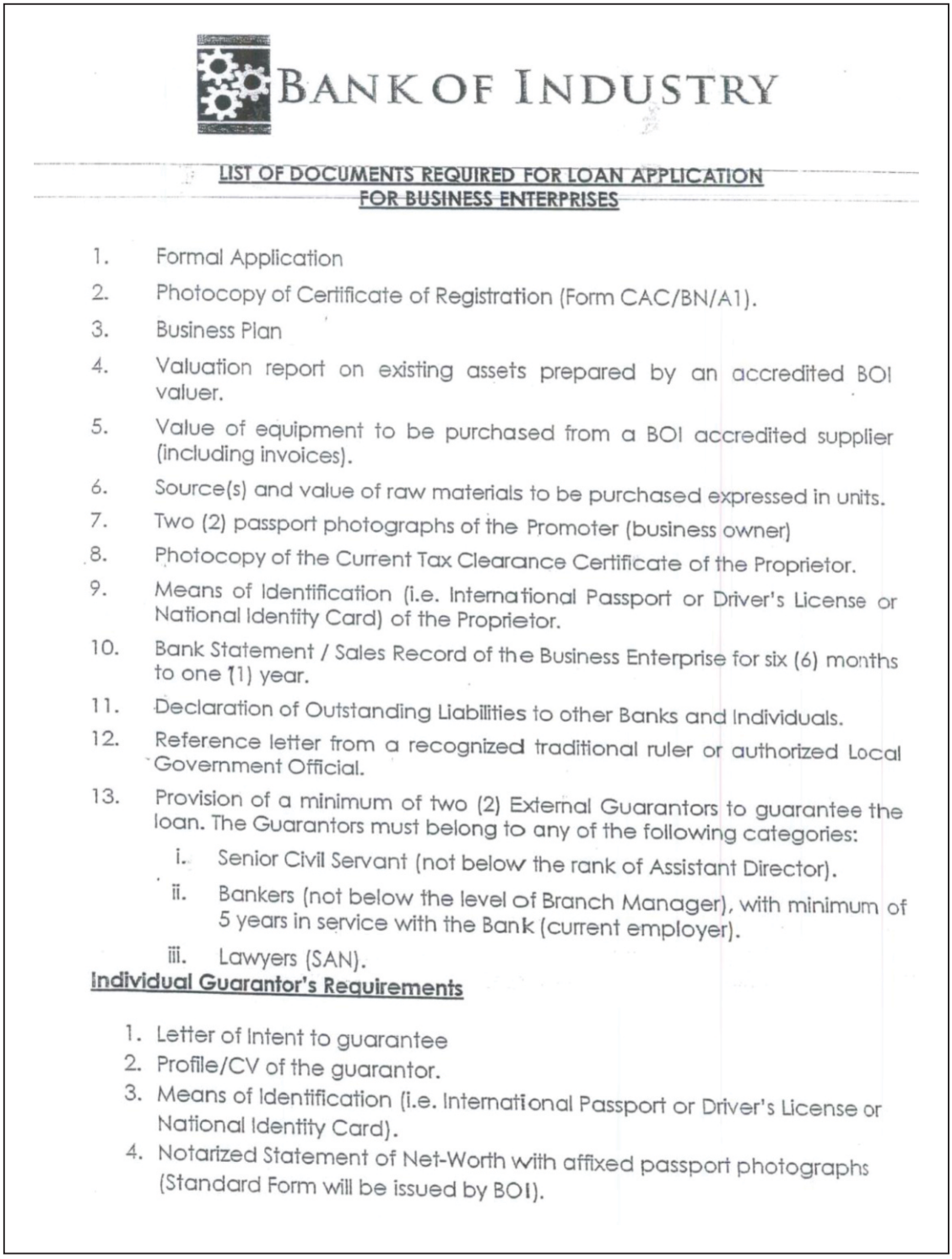

ORGANOGRAM OF SMALL & MEDIUM ENTERPRISES DEVELOPMENT AGENCY OF NIGERIA (SMEDAN)
FEDERAL MINISTRY OF INDSUTRY, TRADE & INVESTMENT
SMEDAN GOVERNING BOARD
DIRECTOR GENERAL/CEO
GOVERNING BOARD SECRETARIAT
SPECIAL ASSISTANT
ICT
CORPORATE AFFAIRS
INTERNAL AUDIT
LEGAL
PROCUREMENT
DEPARTMENTS
POLICY, ADVOCACY & COORDINATION DEPT.
ADMIN. & FINANCE DEPT.
STRATEGIC PARTNERSHIP &LIASION DEPT
ENGINEERING, TECHNOLOGY & INFRASTRUCTURE DEPT
ENTERPRISE DEVELOPMENT &PROMOTION DEPT.
PLANNING, RESEARCH, MONITORING & EVA. DEPT.
DIVISIONS
COORDINAT ION
POLICY/
FINANCE
ADMIN
STRATEGIC PARTNER-SHIP
LIASION (STATE OFFICES)
TECH\INNO VATION
ENGR./ INFRA.
ENT. DEV.
ENT. PROMO
PLANNING/ RESEARCH
M&E
PERSONAL ASSISTANT
SECRETARY
IDCs COORDINATORS

Appendix v: Funding stream available at Bank of Industry

S/N	Fund	2016	2015
		N'000	N'000
1	National Automotive Council fund	3,292,467	8,126,385
2	Anambra State Fund	438,953	451,888
3	Niger State Fund	111,029	158,441
4	Kogi State Fund	110,590	6,189
5	Osun State Fund	188,315	56,181
6	Edo State fund	157,921	175,761
7	Delta State Fund	351,344	148,987
8	Kaduna State fund	557,711	536,601
9	Taraba State Fund	366,121	348,928
10	Kano State Fund	155,459	217,732
11	Kwara State Fund	202,693	133,836
12	Ekiti State Fund	14,558	17,863
13	SMEDAN fund	65,197	54,665
14	Ondo State Fund	132,107	139,227
15	Ogun State	311,965	293,517
16	Dangote Fund	3,421,682	2,935,513
17	Gombe State Fund	42,560	62,065
18	Oyo State Fund	473,459	518,468
19	Enugu State Fund	212,570	212,958
20	Cross River State Fund	165,552	221,460
21	Business Development Fund for Women (BUDFOW)	33,777	53,510
22	Nigeria Sugar Industrial Development Fund	2,951,322	1,814,687
23	Sugar Levy Fund	249,622	797,621
24	Cement Fund	-	12,541,369
25	National Programme for Food Security (NPAFS) Fund	861,209	833,645
26	Federal Department for Agriculture (FDA) Cottage Fund	1,620,884	1,483,846
27	Rice Processing Fund	2,983,169	12,316,497
	Total	**19,472,236**	**44,657,840**

Source: BOI Annual Report and Accounts 2016

Appendix vi: BOI Loan Requirements (Check List)



BANK OF INDUSTRY

LIST OF DOCUMENTS REQUIRED FOR LOAN APPLICATION FOR BUSINESS ENTERPRISES

1. Formal Application
2. Photocopy of Certificate of Registration (Form CAC/BN/A1).
3. Business Plan
4. Valuation report on existing assets prepared by an accredited BOI valuer.
5. Value of equipment to be purchased from a BOI accredited supplier (including invoices).
6. Source(s) and value of raw materials to be purchased expressed in units.
7. Two (2) passport photographs of the Promoter (business owner)
8. Photocopy of the Current Tax Clearance Certificate of the Proprietor.
9. Means of Identification (i.e. International Passport or Driver's License or National Identity Card) of the Proprietor.
10. Bank Statement / Sales Record of the Business Enterprise for six (6) months to one (1) year.
11. Declaration of Outstanding Liabilities to other Banks and Individuals.
12. Reference letter from a recognized traditional ruler or authorized Local Government Official.
13. Provision of a minimum of two (2) External Guarantors to guarantee the loan. The Guarantors must belong to any of the following categories:
    i. Senior Civil Servant (not below the rank of Assistant Director).
    ii. Bankers (not below the level of Branch Manager), with minimum of 5 years in service with the Bank (current employer).
    iii. Lawyers (SAN).

Individual Guarantor's Requirements

1. Letter of Intent to guarantee
2. Profile/CV of the guarantor.
3. Means of Identification (i.e. International Passport or Driver's License or National Identity Card).
4. Notarized Statement of Net-Worth with affixed passport photographs (Standard Form will be issued by BOI).

BANK OF INDUSTRY

LIST OF DOCUMENTS REQUIRED FOR LOAN APPLICATION FOR A LIMITED LIABILTY COMPANY

1. Formal Application
2. Photocopy of Certificate of Incorporation
3. Certified true copy of Form CAC 2.3 (Particulars of Directors of the company).
4. Copy of certified true copy of Memorandum and Articles of Association of the company
5. Evidence of up-to-date payment of annual returns by the company.
6. Business Plan
7. Valuation report on existing assets prepared by an accredited BOI valuer.
8. Value of equipment to be purchased from a BOI accredited supplier (including invoices).
9. Source(s) and value of raw materials to be purchased expressed in units.
10. Two (2) passport photographs each of the Chief Promoter and a director of the company.
11. Photocopies of the Current Tax Clearance Certificate of the Company and two of its Directors.
12. Means of Identification (i.e. International Passport or Driver's License or National Identity Card) of two directors of the Company.
13. Bank Statement of the Company for six (6) months.
14. Declaration of Outstanding Liabilities to other Banks and Individuals.
15. Reference letter from a recognized traditional ruler or authorized Local Government Official.
16. Provision of a minimum of two (2) External Guarantors to guarantee the loan. The Guarantors must belong to any of the following categories:

i. Senior Civil Servant (not below the rank of Level 10).
ii. Bankers (not below the level of Branch Manager), with minimum of 5 years in service with the Bank (current employer).
iii. Any other Government parastatal (no below the rank of Assistant Manager).
iv. Other Staffs of well-known private firms who can show ability to repay.

Individual Guarantor's Requirements

1. Letter of Intent to guarantee
2. CV of the guarantor.
3. Means of Identification (i.e. International Passport or Driver's License or National Identity Card).
4. Notarized Statement of Net-Worth with affixed passport photographs (Standard Form will be issued by BOI).

Appendix vii: Resolution of Management of SMEDAN for Outsourcing of Trainings to Consultant

The Director General,

REPORT OF THE PROCUREMENT PLANNING COMMITTEE 2016, SMEDAN

The procurement planning committee held series of meetings (12th, 16th and 25th May, 2016) to deliberate on implementation strategies of the year 2016 capital Budget of the Agency as approved by the National Assembly.

The chairman reviewed the approved budget and expressed concern on the amount that was allocated to the Agency.

Technical committee was earlier constituted by Management to review and harmonize all the programmes and the cost estimates of the proposed programmes were also streamlined in order to ensure value for money and efficient utilization of lean resources.

He said that the Procurement Planning Committee is statutorily empowered to consider programmes to be implemented by the Agency and also decide procurement method to be adopted as the case may be.

He directed all members to go through the programmes and take note of any omission or correction before the Commencement proper.

Capital Implementation strategies:

- Departments/Units Plans and strategies.
- Reviewed existing Terms of reference of each programme, and deliberate the costing of programmes and other items.
- Made some recommendation to the SMC.

The Meeting deliberated on the Agency's Capital Programmes for 2016 and ten broad categories were highlighted Viz:

S/NO.	Programme	Implementing Department
1.	Entrepreneurship Development Training.	Enterprise Development &Promotion
2.	Other Enterprise Support Services.	Strategic Partnership &Liaison.
3.	Post Seasonal Intervention Programme	Policy, Advocacy and Coordination.
4.	Strategic Empowerment	Engineering, Technology

		&Infrastructure/Admin and Finance.
5.	Skill/Vocational Training	Engineering, Technology &Infrastructure.
6.	Match Making Made in Aba Fair.	Planning, Research, Monitoring & Evaluation.
7.	Ailing Enterprises.	Enterprise Development &Promotions.
8.	Supply of various categories of Goods	Administration & Finance
9.	Constructions.	Engineering, Technology &Infrastructure
10.	Grant/Micro Credit.	Enterprise Development & Promotions.

RECOMMENDATIONS

1. The implementation of programmes should be based on release of funds.
2. The Agency's programme should be implemented in-House by staff of the Agency.
3. The Zonal Intervention Programmes should be outsourced to consultants.
4. Planning, reaserch, Monitoring and evaluation Department will work with other department to monitor all the Programmes.
5. The Monitoring by Special Duties Department of SGF Office should be accommodated in the Agency's programme.
6. The technical departments should appoint desk officers to be stationed in the procurement unit to guide the consultants during the procurement process.
7. The costing template presented by all the departments should be harmonized to produce a common template for the Agency based on international standard.
8. Implementation period for the programmes should be a minimum of two weeks.
9. The Post-Training of the programmes should be anchored by the Agency staff.
10. Publicity component of the Made in Aba trade Fair should be anchored by the corporate Affairs Unit of the Agency.
11. Criteria to identify the most promising candidate on post intervention programme sensitisation and selection.

M.T. Abdulkadir
Chief Procurement Officer
30th June,2016

MINUTES OF SMEDAN TENDERS BOARD MEETING HELD ON FRIDAY 17TH MARCH 2017 AT THE AGENCY'S CONFERENCE ROOM , 35, PORT HARCOURT CRESCENT, AREA 11,GARKI ABUJA

PRESENT

1. **Mr. Wale Fasanya**
   Ag Director General/CEO — Chairman
2. **Engr. Abu Ozigi**
   Director (Engineering, Technology & Infrastructure Dept.) — Member
3. **Dr. A R Owaiye.**
   Director (Planning, Research, Monitoring & Evaluation Dept) — Member
4. **Monday Ewans**
   Director (Policy, Advocacy & Coordination Dept.) — Member
5. **Dr. Friday Okpara**
   Director (Strategic Partnership and Liaison Dept.) — Member
6. **Abdulmalik Toyin**
   Ag Director (Enterprise Development and Promotion Dept.) — Member
7. **Osho Babatunde**
   Ag Director (Admin and Finance Dept) — Member

IN ATTENDANCE

8. **B.E.Okimba** - DD(Special Duties)
9. **Nura Tella** - Deputy Director (DG Office)

SECRETARIAT

10. **Ali Musa** - Head (Procurement Unit)
    Secretary
11. **M. T. Abdulkadir** - CEO (Procurement Unit