



## 2013 Niger Delta Development Forum - Recap of Day 1



## Opening Session

- ▶ Delayed start due to late arrival of dignitaries and many participants
- ▶ Commenced with a Welcome address by the Executive Director of PIND Foundation
- ▶ There were 2 opening remarks by the Commissioner for Agric and a Snr Special Assistant in the SSG's office
- ▶ The key note address by DG of SMEDAN highlighted the importance of MSMEs to Nigeria's economy, the key challenges they face and some SMEDAN programs to MSME development



- 2 background papers on Access to Finance
- Paper 1 by Paul of CBN highlighted the programs and incentives of the bank to support lending to the MSME sector
- These include – NIRSAL, ACGS, Trust Fund Model, Interest drawback
- Paper 2 by Farouk examined the constraints faced by small farmers in accessing credit and some programs of MARKETS II in enhancing the capacity of farmers to access credit
- Additionally, Farouk’s paper mentioned the training programs for Commercial banks to strengthen their lending to small farmers

- A background paper on Enabling Environment for Business Development by Bayo
- Paper also analyzed the constraints facing MSME operators – energy, lack of access to credit, corruption, low labor productivity
- Strong and well functioning BMOs are key to MSME operators’ ability to cope – “power in numbers”
- BMOs have performed poorly in promoting better business environment

## Concurrent Panel Sessions – Access to Finance

- Though CBN has several schemes, the MFBs have difficulty accessing these funds
- NIRSAL does not seem to be working because the loans by the commercial banks are not fully secured
- Credit is both inaccessible and unaffordable due to high interest rates and lack of knowledge by MSME operators
- Since the credit market is not working for MSMEs need to explore other alternatives
- Examples – private equity financing, equipment leasing, and cooperatives or associations



## Concurrent Panel Sessions – Enabling Environment

- Government has a role to play in providing infrastructure especially electricity and good roads
- There's need for appropriate policies that can enhance the growth of MSME sector
- BMOs are key intermediaries between the public sector and the private sector
- BMOs must develop their collective bargaining power and become strong advocates for change in the sector

