**REPORT OF THE 5TH D8 GOVERNMENTAL BODIES MEETING HELD AT TRANSCORP HILTON HOTEL, ABUJA ON THE 18TH AND 19TH NOVEMBER, 2014**

*Theme: Promoting Green SMEs for sustainable Development.*

The D8 member countries: Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

The 5th D-8 SMEs Governmental Bodies Meeting was organized by the Small & Medium Enterprises Development Agency of Nigeria (SMEDAN) from 18-19 November 2014 in Abuja. The meeting was attended by delegates from Egypt, Indonesia, Iran, Nigeria, Pakistan and Turkey. The list of participants is contained in***Annex I****.*

1. **OPENING CEREMONY**

The welcome address was presented by the host Country. The Director General of SMEDAN, Hon. Bature Umar Masari welcomed all countries present, dignitaries seated, all MDAs & BMOs present. He reiterates that today’s achievement would not have been possible without them. The welcome address of the Director General of SMEDAN is in ***Annex II.***

The Governor of Kogi State, Capt. Wada Idris, ably represented by his Deputy, Arch. Yomi Awoniyi, The Nigerian Association of Small Scale Industrialists (NASSI) & National Association of Small and Medium Enterprises (NASME), Comptroller General of Nigerian Immigration representative, Steven Fimibama, all gave goodwill messages. Key high lights of the messages were: MSMEs is the tool to create sustainable wealth, the intervention programmes of the Government both past and present were instruments interjected to strengthen the MSME sector, accessible finance is a major challenge looming on MSMEs, the high risk nature of SMEs is still a major challenge inhibiting financial institutions to assist MSMEs.

Various initiatives have and are still been implemented such as deliberate reduction in carbon emission, reduction in deforestation and collaborative intervention programme like GEMS & Eco fair in Kogi State to ensure a healthy environment. Also, the need for D8 to take Special interest in SME growth by convening annual conference for MSMEs is imperative.

On behalf of D-8 Secretary General, Mr. Mohammed Zakkariya Bin Mulkiaman, D-8 Director 1, delivered the statement regarding status of D-8 cooperation on MSMEs and the key role of MSMEs in transition and development process. He emphasized that it was hoped that the draft MOU will be given to participating countries. He concluded by urging everyone to concentrate on concrete mode of actions from the meeting. The Statement by the representative of Secretary General of D-8 as in ***Annex III****.*

Hon. Minister & Deputy Chairman, National Planning Commission-Dr Abu Bakar Suleman Olanrewaju in his speech commended SMEDAN for anchoring the meeting. He stated that this meeting was remarkable because it would witness the signing of the MOU that will accelerate the growth of the MSME sector across D8 member countries.

The Honorable Minister of Industry, Trade and Investment, H.E. Olusegun Aganga CON, delivered a paper emphasizing the high potential of Nigeria to become an economic giant through SMEs. He enumerated the various policies, strategic decisions such as the repositioning of SMEDAN and instruments that have been activated to empower MSMEs growth and development in Nigeria. Some of the initiatives were the decentralization of SMEDAN activities and its presence in the 36 States of the federation , the conversion of Industrial center to Industrial parks, introduction of programmes like NEDEP and more funding instruments to assist the SMEs i.e. 220 billion SME funds by the Central Bank of Nigeria amongst others. The Keynote address by the Honourable Minister is in ***Annex IV****.*

Closing remarks was given by Ambassador Hussein Abdullah representing the Perm Secretary, Federal Ministry of foreign Affairs.

1. **TECHNICAL SESSIONS**

**1ST TECHNICAL PAPER: Financial and Technological Challenges of MSME of D8 Countries In The 21st Century (THE NIGERIAN EXPERIENCE) Joint presentation by NASSI & NAMSE**

The presenter noted that their membership strength that is over 5,000 MSMEs are confronted by several challenges ranging from low knowledge of ICT, poor business management, inability to formalise, multiple taxation, low market access and host of others

* He equally enumerated some of the government reforms targeted at MSMSEs to include the CBN 220 billion fund, National Financial Inclusion Policy, Commercial Agriculture Credit Guarantee Scheme.
* In their recommendations they posit the possibility of designating SME clusters as Priority Economic Zones (PEZ), interest sharing and guarantee by relevant government agencies, need for the convocation of SME annual conference coordinated by the D8.

**2ND TECHNICAL PAPER:** **Driving MSME Development in Nigeria, Constraints and Prospects Presented By SMEDAN**

* Nigerian definition of MSMEs and conducted sector analysis of MSMEs in Nigeria bordering on location, financial inclusion, gender and employment.
* Enumerated the challenges embracing weak infrastructure, low access to finance, low market access, poor managerial skills, dearth of workspace.
* Government intervention efforts in SME development in the past and new initiatives. One of the new initiatives was the National Enterprise Development Programme jointly facilitated by 3 institutions namely SMEDAN, Bank of Industry and Industrial Training Fund.
* NEDEP has the potential to create one million jobs annually and willrevitalize the rural economy, improve employment opportunities, create wealth and alleviate poverty in rural areas in Nigeria.
* Already 55,605 cooperatives have been formed and registered, 7,568 business plans submitted to funding partners and 340,560 new jobs created.

The slide presentation by SMEDAN is in ***Annex V.***

**3rd TECHNICAL PAPER: SMEs and Green: Promoting Sustainable Manufacturing and Eco-innovation in Small Enterprises by SMEDAN**

* Need for MSMEs to move towards sustainable enterprise using eco-friendly sources. This can be achieved through partnerships and alliance, which would accelerate the adoption of sustainable practices among member countries.
* Tackling SMEs knowledge and skill gaps in relation to green technologies, practices and business models and enhancing SMEs access to the emerging markets of environmental goods and services.
* Need for innovative ways to attract MSMEs to go green and adopt renewable energy options thereby saving the environment.

**4th TECHNICAL PAPER: The Role of Government in Sustainable Development through Green MSMEs Support by NESREA**

The presenter pointed out that MSMEs globally contribute to environmental hazards despite their economic relevance; there is the need to redirect them towards sustainable development. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

She pointed out that NESREA is perceived more as an enforcement agency, hence the need for other stakeholders like SMEDAN to partner in educating the populace especially MSMEs to begin to go green and save the habitat.

1. **PRESENTATION BY MEMBER COUNTRIES**

Egypt

* Social Fund for Development (SFD) established by a Presidential Decree in 1991, to act as a Mechanism for Social and Economic Development.
* SFD focused on job creation, through MSEs development and employment creation projects by forming a synergy between International Development Partners, Banks and Non-Governmental Organizations.
* SFD provides Financial, Non-financial and Policy interventions.

The slide presentation by Egypt is in ***Annex VI***.

Turkey

* One of the learning outcomes from Turkey presentation was the KOSGEB CREDIT SUPPORT, whereby Banks covers the risk while KOSGEB covers the interest rates on behalf of the MSMEs.
* Another learning point was the provision of Laboratory Services for MSMEs for Metal Engineering, Plastic and Oil Engineering and Environment/Eco-textile engineering. This is worthy of emulation by other member countries.

The slide presentation by Turkey is in ***Annex VII***.

1. **RECOMMENDATIONS:**
2. Need for more private sector involvement in the development of MSMEs
3. Upgrade of database and statistics to reflect quality and quantity to ensure appropriate interventions.
4. Need to develop an eco-system that links government bodies, higher institutions and the MSMEs to stimulate appropriate policy outputs targeted at MSMEs.
5. Encourage technology on recycling & re-use of waste.

1. Need to increase buy in through effective sensitization on SMEs products.
2. Government intervention on interest rates on behalf of MSMEs thereby reducing the risk on the banks and stimulate more lending to MSMEs.
3. Need for a stronger synergy to exist between the Research and Development Institutions and MSMEs, leveraging on innovations to solve environmental challenges.
4. Knowledge sharing on machineries on that could destroy undegradable materials; this will be better achieved after the signing of Memorandum of Understanding.
5. Need to take advantage of the youth populations in developing innovative and sustainable MSMEs.
6. Accelerate the creation of Industrial Parks as agreed by member countries.
7. Member States are required to submit the status of their SMEs development to the Secretariat latest before end of February 2015.
8. Member States are requested to submit their comments/feedback (if any) on the draft of Memorandum of Understanding (MoU) on SMEs latest before end of December 2014. The draft MOU is attached as ***Annex VIII***.
9. **TIME AND VENUE FOR THE NEXT MEETING**

The meeting discussed the time and venue for the next meeting and proposed for the esteemed Government of Republic Arab of Egypt to consider holding the next SMEs meeting some time in third quarter of 2015.

1. **ADJOURNMENT OF MEETING**

The Chairman expressed thanks and appreciation to the all delegates for their attendance, contribution and fruitful discussion during the meeting.