

Resilience for MSMEs: Report on the MSME Recovery Advocacy Project

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► BACKGROUND

Introduction & Background

Up to 96% of businesses in Nigeria are Micro, Small and Medium Enterprises (MSMEs) .



The small business economic activities in Lagos have the potential to contribute largely to the growth of the non-oil sector, employment generation, and the creation of sustainable entrepreneurship.

- Despite the large number of MSMEs in the State, the impact is yet to be fully felt as challenges and bottlenecks continue to plague the industry.
- This ranges from inadequate funding and semi-skilled manpower to infrastructural deficits.
- We believe that tackling these challenges will create a thriving environment for Micro, small and Medium Enterprises in Lagos State and ultimately boost the State's economy through job creation, economic diversification, creativity and income redistribution.

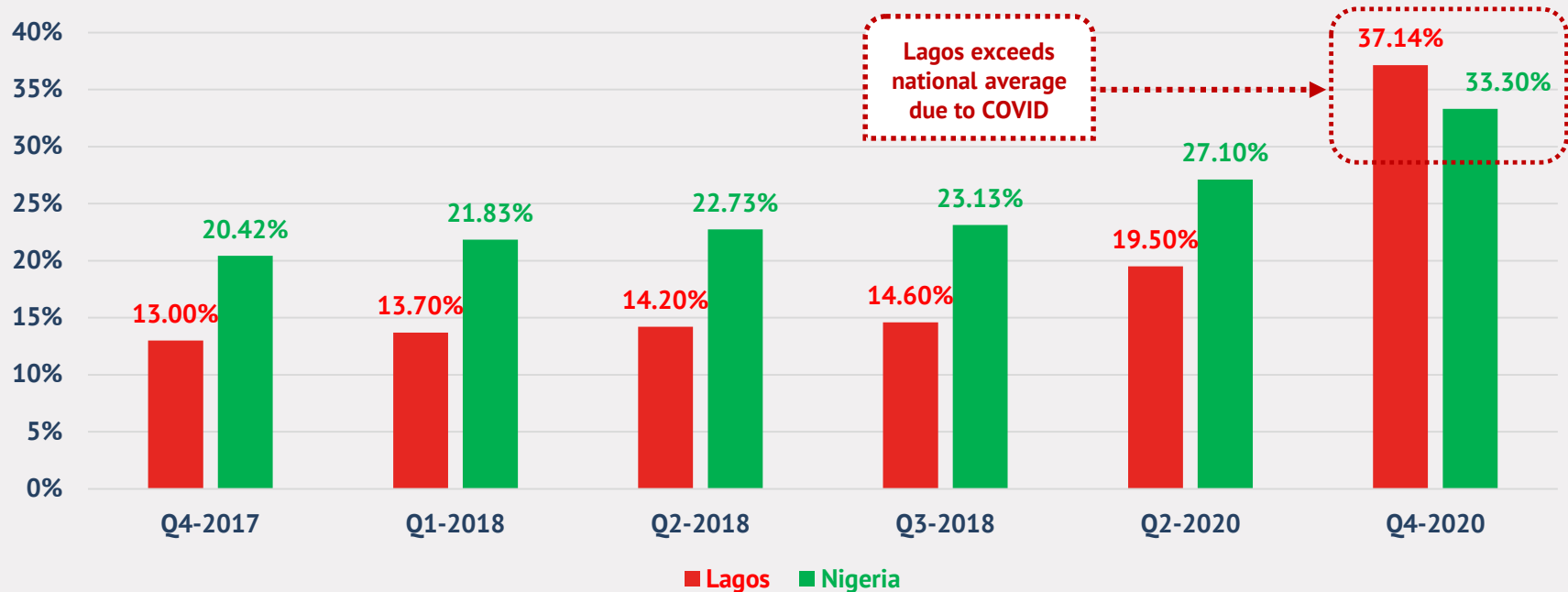


Key Risks faced by MSMEs in Lagos State



Key Risks faced by MSMEs in Lagos State

Unemployment Data: Lagos Vs. Nigeria



Source: NBS

Key Risks faced by MSMEs in Lagos State





► POLICY RECOMMENDATIONS

The Thrust of the Policy Brief

Building Back Better

- Strong recovery
- Strong post-Covid growth
- Sustainability of growth



Fast-Track Regulatory Process

- Priority Sectors
- Digitise
- Reduce Physical Interphase

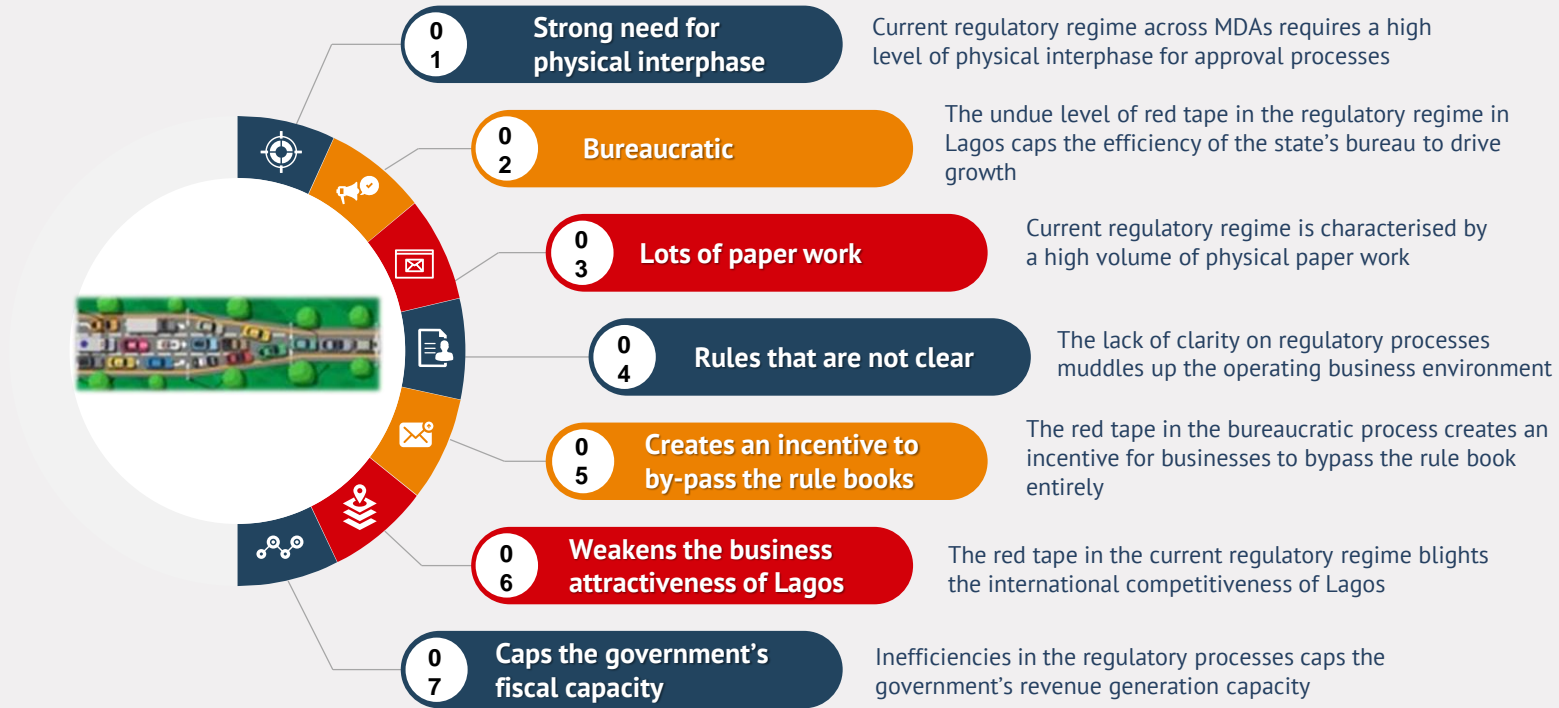


Promote Alternative Access to Finance

- Create the Lagos COVID Recovery Grant Fund
- Alternative Access to Finance
- Knowledge sharing



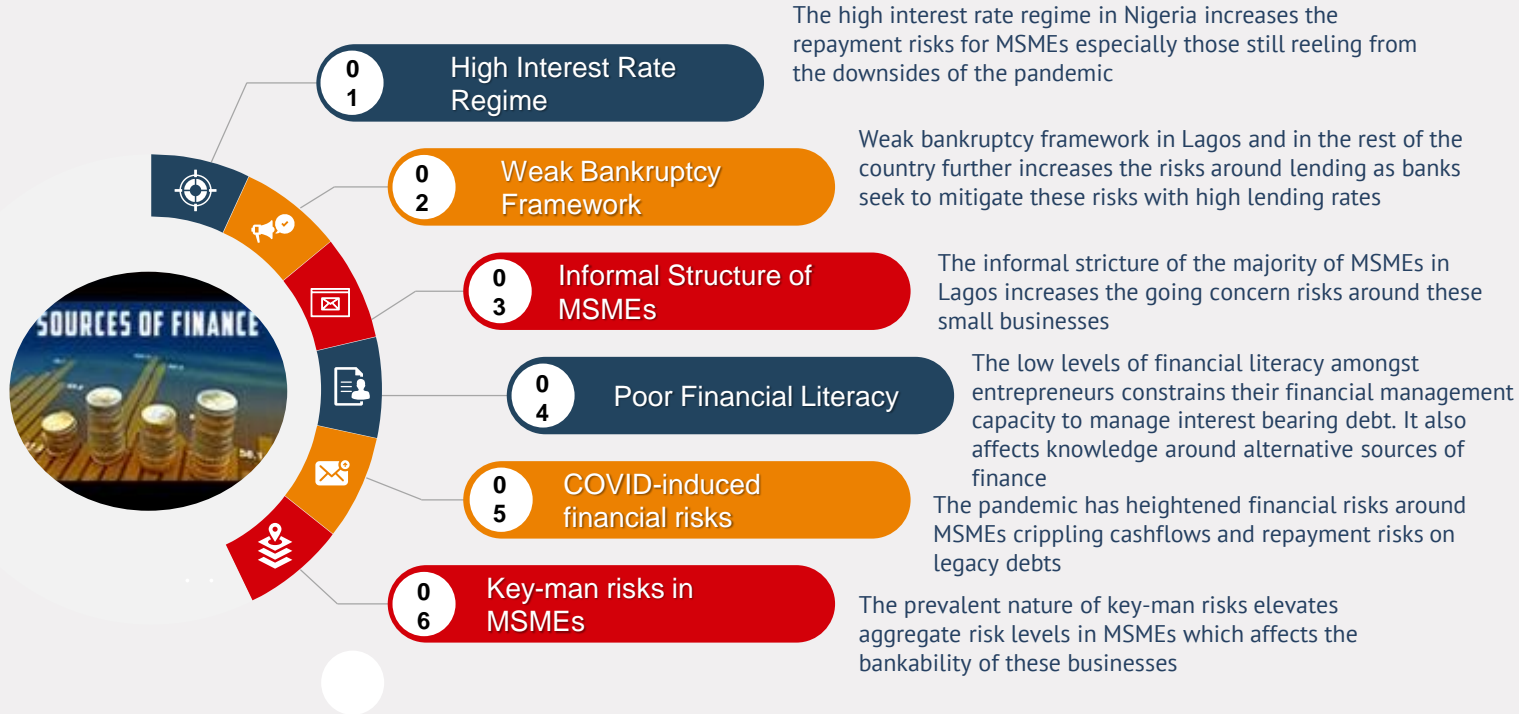
Fast-track Regulatory Processes & Approvals: The Issues & Challenges



Fast-track Regulatory Processes & Approval: Recommendations



Promote Alternative Access to Finance: The Issues & Challenges



Promote Alternative Access to Finance: Recommendations



Establish Grant Fund

- The Grant Fund will seek to cushion COVID induced cashflow constraints
- The creation of a “Lagos COVID Recovery Grant Fund”.



Promote Alternative Access to Finance

- Facilitation of alternatives access to finance.
- Particularly equipment leasing and factoring



Improve Financial Literacy

- Improving financial literacy will help MSMEs navigate funding complexities
- Increasing knowledge sharing with MSMEs on alternative sources of finance



Instituionalise

- Instituionalise reform initiatives to help deepen alternative sources of finance.
- Legislation may also be required to help institutionalise these reforms



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