



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



COVID-19
RESPONSE



Covid-19 Recovery **UPGRADING OF PPE PRODUCTION IN NIGERIA**

2021
2023

Achievements and impacts
of the joint MSME support programme



International
Labour
Organization



World Health
Organization



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Background

Project title

“Strengthening the capacity of local micro, small and medium-sized enterprises (MSMEs) and manufacturers to produce high-quality personal protective equipment and healthcare products”.

 <p>DURATION July 2021 – March 2023</p>	 <p>IMPLEMENTING AGENCIES</p> <ul style="list-style-type: none"> › UNIDO (lead)  › ILO  › UN Women  › WHO 
 <p>GOVERNMENT COUNTERPART Federal Ministry of Industry, Trade and Investment (FMITI)</p>	 <p>DONOR One UN COVID-19 Response Basket Fund</p>
 <p>BUDGET</p> <ul style="list-style-type: none"> ▪ UNIDO: USD 1,600,000 ▪ Total: USD 3,000,000 	



The project was implemented through an integrated service package following UNIDO’s approach to promote industrial upgrading through Enterprise Modernization and Innovation (EMIP), which can be readily applied to health industries. The project was also based on UNIDO’s COVID-19 Industrial Recovery Programme (CIRP), which builds on the EMIP approach and has recovery and modernization of the SMEs at its core.



Context

During the COVID-19 pandemic, the demand for imported healthcare products and personal protective equipment (PPEs) has reached unprecedented levels in many countries, including Nigeria, while the procurement of essential medical supplies became very difficult especially for developing countries. Meanwhile, Micro, Small and Medium-sized Enterprises (MSMEs) have been particularly affected, including through disruption of production lines, layoffs, and loss or reduction of income, while many fell short of the required quality and standards for production of PPEs and healthcare products.

To address these challenges, the Government of Nigeria initiated a project under the UN COVID-19 Response Basket Fund aiming at strengthening the capacity of local MSMEs and manufacturers to produce high-quality PPEs and healthcare products, including cloth facemasks, disposable surgical masks, alcohol-based hand rubs and other protective items.



Objective

OVERALL OBJECTIVE: to contribute to increasing the resilience of Nigerian MSMEs in the context of COVID-19 pandemic, support the creation of decent jobs/employment, improve supply chains, and promote transformative economic recovery and growth.

EXPECTED OUTCOME: to strengthen the capacity of selected local MSMEs / manufacturers, including at least 30% women-led and 20% youth-led businesses, to upgrade the production processes and adopt standards and technical regulations as a reference for production of high-quality PPEs and healthcare products to meet local demand and for export to ECOWAS sub-region.



Targets

- MSMEs (with focus on women and youth-owned) operating in the manufacturing of PPEs and healthcare-related products
- Employees/workers of these MSMEs
- Standard Organization of Nigeria (SON)
- Nigerian public and private institutions
- Users and consumers of PPEs and healthcare-related products

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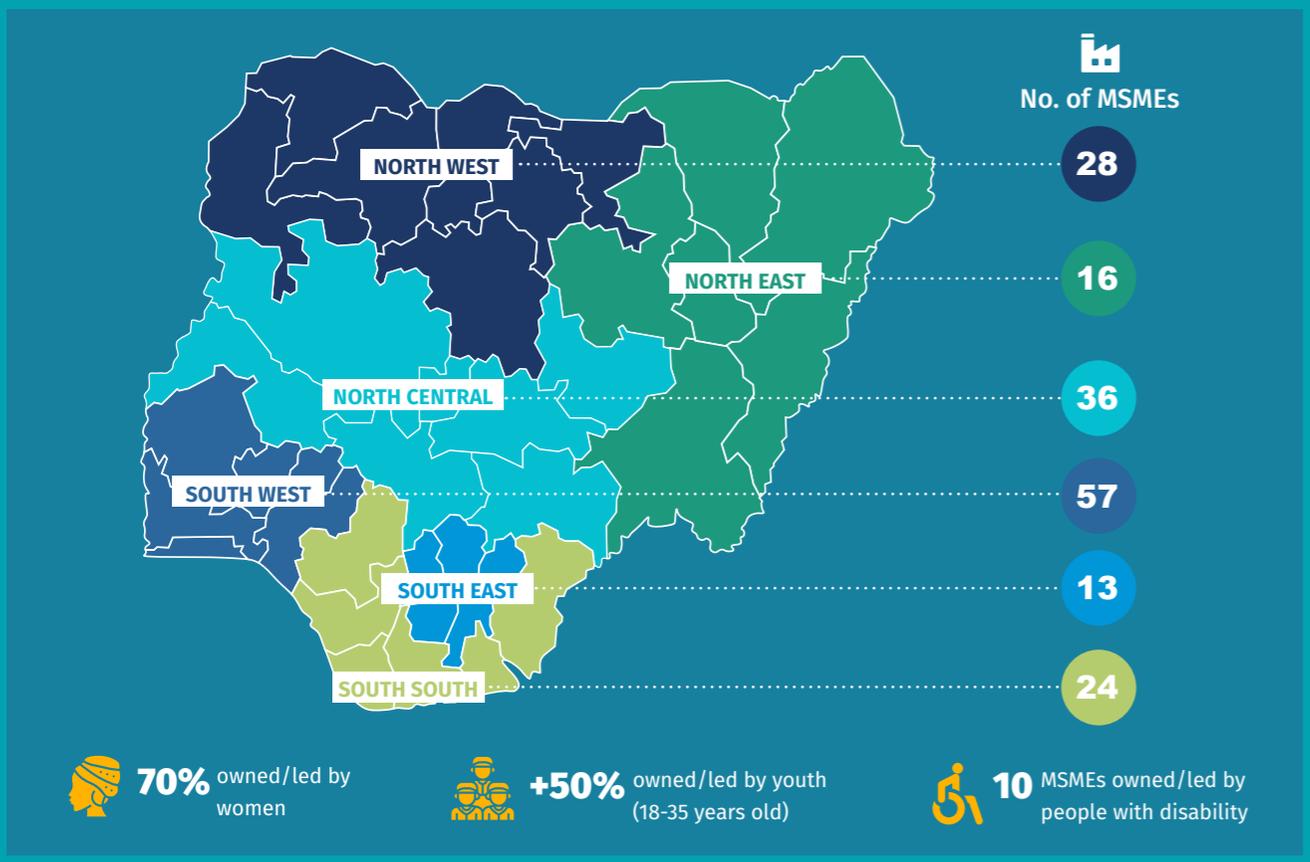
Project achievements and impacts



MSME LEVEL

174 Nigerian MSMEs assisted/trained by UNIDO and other partner UN agencies to comply with market requirements, standards and technical regulations, and ensure production of PPEs and healthcare products that can meet local demand and export to the ECOWAS sub-region.

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AREAS OF INTERVENTION

ACHIEVEMENTS/IMPACTS

- Quality management, Standard Operating Procedure (SOPs)**
 - Improved production processes and quality management systems through specific capacity-building activities.
 - **54 MSMEs** assisted for initiating certification of their products with the National Agency for Food & Drug Administration and Control (NAFDAC) and the Standard Organization of Nigeria (SON).

- Production, equipment management**
 - Increased production capacity through:
 - › formulation and adoption of equipment management and maintenance plans;
 - › procurement of **+300** equipment items to **124** eligible MSMEs, including sewing machines, labelling machines, alcoholmeters, mixing machines, generators, storage tanks, etc;
 - › setup of a production hub by several MSMEs to share equipment items supplied by the project, thus generating more income.

- Strategic marketing**
 - Improved marketing position through strategic alliances between MSMEs, formulation of market surveys, development of marketing plans, creation of e-commerce websites, etc.

- Financial management, access to finance, business planning**
 - Improved financial management through:
 - › adoption of organized financial record keeping and financial reporting;
 - › development, evaluation and adoption of business and financial plans.
 - Increased access to finance (bank loans).

- Groupings, clusters, business linkages**
 - Clustering process under way with **6 groups/clusters** identified (109 MSMEs).
 - **90 MSMEs** supported to form new cooperative societies or join existing ones.

AREAS OF INTERVENTION

ACHIEVEMENTS/IMPACTS



Occupational Safety and Health (OSH), labor standards, HRM

- National Action Checklist on OSH for MSMEs developed, launched and adopted by the Federal Ministry of Labour and Employment (FMLE).
- Improved OSH management and labor standards in MSMEs through:
 - › distribution of the action checklist to **140 MSMEs**;
 - › knowledge transfer on the control of hazards arising at workplace;
 - › rearrangement of the positions of safety materials at factories;
 - › adoption of labor standards and decent working conditions.



Women and youth mainstreaming

- Enhanced roles and capacities of women through targeted capacity building activities (gender responsive procurement, product development, access to markets, etc.).
- Provision of raw materials to **63** women-owned MSMEs.
- **70%** of supported MSMEs run by women.
- **+50%** of supported MSMEs run by young women and men.



Business registration

- **34 MSMEs** supported to successfully register with the Corporate Affairs Commission (CAC).

As a result of the project's interventions, it is estimated that jobs have increased by more than **30%** and revenues by **25%** in the beneficiary MSMEs.

INSTITUTIONAL LEVEL



- **Improved institutional capacities for MSME development** through:
 - › certification of **18** trainers on ILO's "Start and Improve Your Business" modules (who supported themselves **114** MSMEs on business development) and **24** trainers on OSH;
 - › training of **24** financial institutions to provide easier access to finance for MSMEs;
 - › procurement of **7** high-quality equipment items to SON's laboratory in Lagos, leading to enhanced capacity for testing, inspecting and certifying PPEs and healthcare products according to national and regional quality standards and requirements.

VISIBILITY AND AWARENESS



- **PPEs/healthcare products from the selected MSMEs promoted and awareness on quality/certification raised** through a large visibility campaign, including **3** large awareness-raising events organized in Abuja and Lagos with all project stakeholders, including beneficiaries, and national media.



3 Beneficiaries testimonials

BUKOLA ADEOGUN
Lagos



“It happened that I have not been consistent with my accounting. But after the training, which was a big eye opener, I started putting things in order in my business, being consistent with my inventory keeping, my bookkeeping, and my invoices”.

Watch testimony



JUDE ONYIA
Enugu



“UNIDO, ILO, WHO and UN Women helped us to improve our products, make savings and enhance our marketing, thus helping us to manufacture hand sanitizers in Enugu state”.

Watch testimony



RASHIDAT UMAR
Abuja



“All these training that I’ve gone through over the past few months have really improved my business, the marketing, the financial aspect and the standard of operating procedure. I am optimistic that I will be able to produce high-quality products that will be export-ready as well asides from the Nigerian market”.

Watch testimony



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The way forward and recommendations

CONSIDERING THAT:

-  The project succeeded to create among the target MSMEs full awareness of the need for introducing and enhancing best quality management practices and to generate concrete processes and actions as a result of the delivered technical assistance, training and equipment, including establishment/consolidation of existing networks (groupings/clusters) for joint cooperation and integration.
-  While originally conceived and designed as a COVID-19 emergency intervention, the project turned into a private sector development support programme for MSMEs to face a number of challenges in quality management, groupings/clustering, production management, marketing etc.
-  As such, the project succeeded to introduce new business development models applicable as a possible reference for other health and industrial productive sectors in Nigeria.
-  However, the scope of the project did not allow to address all issues and challenges relevant to the growth and development of MSMEs in Nigeria.



THE FOLLOWING ACTIONS ARE RECOMMENDED:

To provide further technical support to project assisted MSMEs (including on product quality and certifications) and complete the procurement of some equipment to effectively contribute to their medium-long term sustainability.

To further strengthen the capacities of the MSMEs in the areas of digitalization (including digital marketing) and innovation to remain resilient and competitive, both on local and foreign markets.

To support the relevant government agencies to consolidate and expand the project achievements in terms of MSMEs competitiveness, quantity and quality of products, regional integration and access to markets, with focus on women, youth and vulnerable groups.



To identify practical and innovative solutions to facilitate access of MSMEs to affordable business finance.

- To support actual or potential identified groups/clusters of MSMEs for:
- > Establishing governance structure and legal frameworks;
 - > Formulating and implementing joint strategies (common quality certified material supply, co-production plans, product distribution plans, etc.).





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