

# Systems Readiness for Improved Monitoring and Evaluation with Specific Reference to the Micro Small and Medium Enterprises Sector in Nigeria

Emmanuel Idemudia Ilori\*, Maurice Oscar Dassah and Chux Gervase Iwu

*Faculty of Business and Management Sciences, Cape Peninsula University of Technology, Cape Town, South Africa*

**Abstract:** The Federal Ministry of Industry, Trade and Investment (FMITI) is mandated by law to provide support services and creating conducive business environment that supports the transformation of both small and large scale industries in Nigeria. The FMITI mandate and task is facilitated through its subsidiary, the Small Medium Enterprises Development Agency of Nigeria (SMEDAN). This is against the background that the parastatal will facilitate development (if well supported) by triggering production, employment opportunities and growth. Especially in Nigeria, where the informal sector employs more people than the formal sector, but with declining affluences of micro and small businesses, questions must be asked concerning the effectiveness of the institution's programmes and policies in revitalising, sustaining as well as growing the micro, small and medium enterprises (MSMEs) sector. In this paper, literature on monitoring and evaluation (M&E), legislative framework linked to the functioning of small and medium business sector is extensively reviewed. Furthermore, this paper will critically evaluate SMEDAN mandate to provide support services that will transform the informal sector of the Nigerian economy using existing monitoring and evaluation systems of selected programmes and policies put in place by the agency to indicate readiness (or lack thereof) of the current system to further develop the micro, small and medium enterprises (MSMEs) sector of the economy. This paper adopts qualitative and quantitative methodologies. It is anticipated that findings from this research-based paper will present lessons which can be harnessed to better reposition monitoring and evaluation systems hence, ensure effectiveness of future programmes and policies that will generate employment opportunities through SMEDAN.

**Keywords:** Monitoring and Evaluation, Systems, Micro, Small and Medium Enterprises (MSMEs).

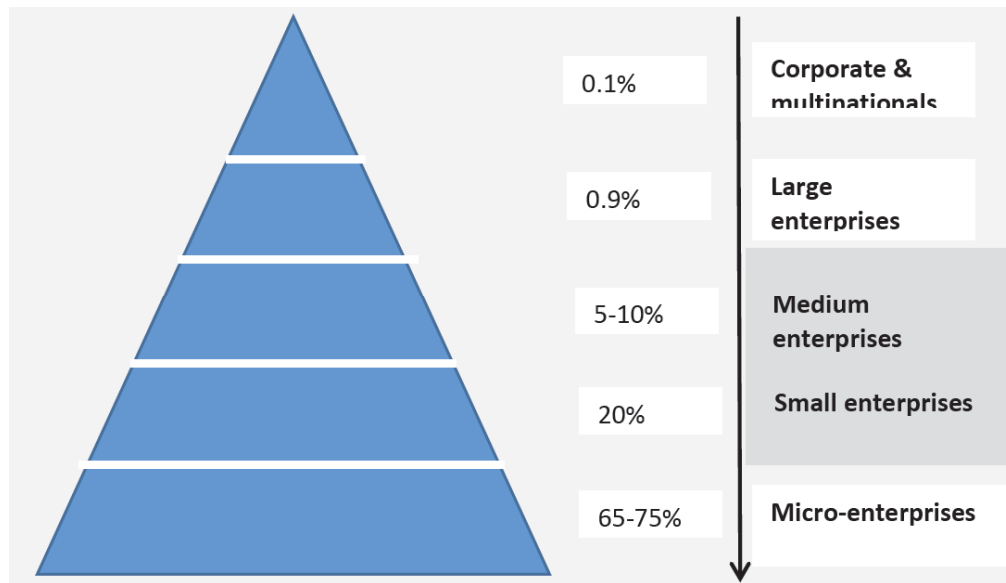
## INTRODUCTION

The decline in the price of crude oil globally in recent times has critical impact in national economies that solely depend on oil and gas as their main source of revenue. The over dependence on crude oil has often exposed Nigerian economy to macro-economic uncertainty due to the effects of external shocks of crude oil prices in international market in recent times. The global economic meltdown which led to plunge in crude oil price has placed a big toll on the nation's accounts and resources. The impacts reduced the nation's capacity to financially support capital projects, the development of non-oil sectors (including the informal sector) payments of public workers' salaries, development needs, and infrastructures that enrich the standard of living of Nigerians. This research-based paper proposes to examine SMEDAN systems readiness for improved monitoring and evaluation framework in the MSMEs sector in Nigeria, and if there is any put in place, that is operational, goal oriented and results-based. The relevance of small medium enterprises for prosperity, productivity, growth and efficiency of economies in Sub-Sahara Africa and other

developing states across the globe is universally recognised. The MSMEs sector contributes significantly to nations Gross Domestic Product (GDP). A published report by Vision 2020 National Technical Working Group in 2009 places Nigeria's Gross Domestic Product (GDP) at a slow rate of 2.2% in parallel with a population growth rate of 2.5%. The trends plunge the nation into severe economic recession, which led to massive job loss; most private and public organisations were cutting cost, many manufacturing companies left the shores of Nigeria due to high cost of production and huge losses accumulated running into billions of naira in their financial books and balance sheets. According to Subair (2013), in the work of Emmanuel Ilori and Isioma Ile (2015:81), youth unemployment rate in Nigeria stands at 38% while underemployment rate stands at 22%, yet a total number of four million persons enter the labour market after completion of tertiary education.

In a related opinion, the International Labour Organisation (ILO) asserted that, unemployment is the major menace in Nigeria as it has affected the nation's social stability with a disturbing rate put at 38% whereas the global rate stands at 5.6% (ILO 2012). This is a critical issue that needs urgent intervention and solution from government and stakeholders. It is very alarming and unemployed youths put the nation at

\*Address correspondence to this author at the Faculty of Business and Management Sciences, Cape Peninsula University of Technology, Cape Town, South Africa; Tel: +27214603876; Fax: 021-4405711; E-mail: IloriE@cput.ac.za



**Figure 1:** MSMEs contribution to formal country employment.

**Source:** National Enterprises Development Programme (NEDEP, 2014).

high risk of social ills. The impact of the informal sector on the nation's economy has been economic development and transformation and has long been recognised. The MSMEs are recognized as critical breeding and nurturing grounds for domestic's entrepreneurial capabilities, technological innovativeness, technical skills, and managerial competencies for both public and private sectors growth (Ilori, Ile and Allen-Ile, 2018:902). The idea of transforming the MSMEs sector in Nigeria was a conceived plan emanating from the establishment of National Development Plan for a period of 25 years beginning from 1962 to 1987 by successive administrations in Nigeria. The government provides better incentive to encourage better participation in the small business sectors and seeks to resolves the glitches encountered by entrepreneurs in Nigeria. The initiative was to assist businesspersons with the golden opportunity to meaningfully increase their momentous contribution to the Gross Domestic Product (GDP) and the nation's economy at large. The small and medium enterprises is organised through other relevant key sectors such as solid minerals, agriculture, manufacturing to mention a few and thus have a robust linkage with the entire array of the nation economic events.

The MSMEs sector boosts employment opportunities and thus enhances industrialized growth and development. The World Bank Report published in 2013, highlighted that internationally, the informal sector contributes between 50–55% of GDP and 55 -

80% of job opportunities while in Nigeria, the SMEs sector contributes 75% of entire employment. Consequently, it is imperative to see the impact of the SMEs sector concerning employment generation within the informal sector and urgent need to transform the sector accordingly. It is evidently clear that the informal sector plays a catalytic role in transforming Nigerian economy through substantial contribution to employment prospects, internal and external investment opportunities, technological development and consequently contributes to GDP growth.

#### **A PRÉCIS OF THE MICRO, SMALL AND MEDIUM ENTERPRISES SECTOR IN NIGERIA**

The micro, small and medium enterprises sector comprises 96% of all the businesses in Nigeria and contributes 75% of the entire nation workforce (National Policy Framework on Small and Medium Enterprises 2003:17). In addition to the aforementioned, there are presently 17.2 million SMEs functioning in Nigeria and over 15 million are classified as micro –enterprises. Hence, the development in the sector is directly linked with growth in the economy. The micro, small and medium enterprises sector has been considered as the most significant sector in Nigeria economy due to its impact in developing and transforming the nation's economy rapidly (Deutsche Bank Research Report, 2014:2). A well-structured MSMEs sector generates job opportunities, wealth creation, poverty alleviation and sustainable economic development (Ogujiuba, Ohunche and Adenuga 2004:19). Micro, small and medium enterprises are key

generators of informal employment, innovation and idea generation, socio-economic transformation and growth. The Deutsche Bank Report published in 2014, ranked Nigerian economy as the biggest in African continent with a nominal GDP of \$510 billion, per capita income of \$2,410.

This statistics appear remarkable particularly in highlighting a mix of economic development indicators. However, Ilori & Ile 2015 show that unemployment remains high in Nigeria today with majority of the citizens living in abject poverty, and less than \$US1 per day and the figure has actually increased. Nigeria is abundantly endowed with enormous abundant and dynamic human and natural resources; business and investment opportunities yet majority of the citizens live in abject poverty and suffering. Effective utilisation of the aforementioned resources involves the capability to identify perhaps useful and economically viable fields of endeavours with good policies to accelerate development (Ile *et al.*, 2015:2). Therefore, it is basically essential for Nigerian government to re-think and emphasis more on strategies required overhauling and developing the MSMEs sector appropriately. A favourable business environment, sustained with satisfactory infrastructures, constructive policies and programmes will support the MSMEs sector to achieve its potentials. Consequently, this will boost the creation of more job opportunities, human empowerment, and sustainable livelihood as well as increasing the nation's Gross Domestic Product.

#### **EFFORTS BY GOVERNMENT TO SUPPORT THE MICRO, SMALL AND MEDIUM ENTERPRISES SECTOR IN NIGERIA**

The MSMEs operational environments in Nigeria are not immune from challenges and constraints. It is the responsibility of policy makers and responsible government vis-à-vis the Federal Ministry of Industry, Trade and Investment, SMEDAN and key relevant stakeholders to support the transformation and growth of the informal sector in Nigeria with an enabling business environment, infrastructures, intervention funds and policies that will sustain the transformation of SMEs sector. The exit of military administration in Nigeria to a democratically elected government in May 29, 1999 saw numerous programmes and policies introduced and put in place by government and other key stakeholders. The programmes were supported by multinational, regional and donor agencies to encourage the development and growth of micro, small and medium enterprises sector. The development of

the MSMEs sector facilitates employment opportunities, integrated rural development as well as intensive use of local materials for production. These measures increased the number and sizes of small and medium scale enterprises and they became the focus of stable industrialization, income and employment opportunities aimed at improving the standard of living and economic well-being of the people of Nigeria.

In recognition of the above-mentioned vital roles played by MSMEs, the government in Nigeria put in place numerous initiatives targeted at promoting the well-being of the MSMEs sector across the six geo-political zones across the nation. The monetary and fiscal policy programmes and the industrial policy measures were adopted to promote the development of MSMEs sector (NPMSME 2015:21). Other initiatives by government include venture capital, commercial finance, research and development support initiatives, entrepreneurial skills, training, infrastructure and facility development and tax holiday initiatives to mention a few were all apparatus put in place by government. The most insightful among the different encouragement packages was improving the financial prospects for the MSMEs sector. Institutions and agencies were enacted by law in Nigeria to support the micro, small and medium enterprises sector. The establishments and openings established by government to support MSMEs growth and development within a space of 35 years encompass the following:

1. Credit Guideline MSMEs (1970)
2. Small Scale Industries Credit Guarantee Scheme (1971)
3. Agricultural Credit Guarantee Scheme (1973)
4. Nigeria Agriculture and Co-operative Bank (1973)
5. Nigeria Bank for Commerce and Industry (1973)
6. Rural Banking Scheme (1977)
7. The World Bank Assisted SME 1 (1985)
8. The World Bank Assisted SME II (1990)
9. Peoples Bank (1989)
10. National Economic Reconstruction Fund (1982)
11. Small and Medium Scale Enterprises Loan Scheme (1982)

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>12. Family Economic Advancement Programme (1997)</p> <p>13. African Development Bank- Export Stimulation Loan Scheme (ADB-ESL) in 1988</p> <p>14. Bank of Industry (BOI) – (Comprising of NIDB, NERFUND and NBCI merger of 2001)</p> <p>15. Nigerian Agricultural Co-operative and Rural Development Bank (NACRDB) – Comprising of Peoples Bank, NACB, and Family Economic Advancement Programme (FEAP) merger</p> <p>16. Microfinance Banks Establishment</p> <p>17. Small and Medium Enterprises Credit Guarantee Scheme for MSMEs 2010</p> | <p>i. To coordinate, stimulate and monitor the growth of the SMEs sector.</p> <p>ii. SMEDAN initiates favourable policy and ideas for MSMEs growth and development.</p> <p>iii. To facilitate the promotion of infrastructures, accelerate the growth and transformation of MSMEs functional activities.</p> <p>iv. To create a platform for generating employment opportunities, improving rural livelihoods, rural industrialization and serving as a vanguard for poverty reduction,</p> <p>v. To establish a platform that links MSMEs and large businesses to local and foreign assistance, suitable technology and technical know-how</p> <p>vi. To act as intermediary between government and MSMEs</p> <p>vii. To partner with private and public institutions to creating an enabling business environment for small businesses to develop</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Successive governments have made various attempts to stimulate and revive the development of MSMEs sector in Nigeria after numerous years of desertion. A research study conducted in 1987 by the World Bank recommended to the government of Nigeria then, the need for a coordinating agency responsible for micro, small medium enterprises sector.

All efforts by government to realize this vision failed up until 2003, when the National Assembly enacts and established the Small and Medium Scale Industry Development Agency (SMIDA) Act. The bill was later amended in December, 2004 and the Act led to the change of SMIDA name to the Small Medium Enterprises of Nigeria (SMEDAN).

#### **BACKGROUND OF SMALL MEDIUM ENTERPRISES DEVELOPMENT AGENCY OF NIGERIA**

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established under the administration of President Olusegun Obasanjo and passed by the National Assembly under act No 16 of the laws of the Federal Government of Nigeria in June 19, 2003 (NPMSME, 2004:4). SMEDAN is the apex establishment in Nigeria today with the statutory obligation of stimulating, coordinating and monitoring the development and transformation of the small and medium enterprises sector vis-à-vis articulating and initiating policy innovations for revamping the informal sector of the nation's economy. SMEDAN primary mandate is to stimulate, facilitate and overhaul developmental programmes that braces the micro, small and medium enterprises sector in Nigeria. Besides the above-mentioned, other responsibilities of the agency include but not limited to the following:

The establishment of SMEDAN is seen as a colossal pace in reformation, transposing and restoring MSMEs sector into mainstream of the nation's economy. Nevertheless, this institution has not yet fulfilled its mandate in transforming the SMEs sector efficiently due to many constraints especially ineffective performance system put in place, thus affecting the agency productivity.

#### **THE CONCEPT OF MONITORING AND EVALUATION**

The dawn of globalization requires government and departments to be effective and more responsive to the demands of both internal and external stakeholders for transparency, accountability, good governance, effectiveness, efficiency, optimum services and delivery of noticeable results (Public Service Commission Report (2008). Stakeholders are more interested in better service performance and this can be achieved through enhanced monitoring and evaluation of programmes and policies in public sector. Policies and programmes are essential tools for enhancing governance and delivery functions, as these steer implementers bringing about the anticipated change and thus improving the quality of life of citizen in a certain nation (Ile, Eresia- Eke, and Allen- Ile, 2012:01). Monitoring and evaluation (M&E) are tools mostly used by government departments to achieve desired results

through good performance feedback mechanism. Though, there has been recent development in the concept of monitoring and evaluation encompassing a shift from traditional implementation based approaches to new results based approaches. Evaluation should be viewed as a systematic procedure when linking explicit and implicit policy objectives with the real or anticipated results (Cloete, Wissink and De Coning, 2006). The effective utilization of systems which includes programme evaluation and review methods can enrich the success of policy implementation. Evaluation culture can be enriched through commitment and provision of high quality services to the society by public officials. According to Public Service Commission Report (2008:03), monitoring is seen as a continuous function that uses a methodical collection of data on measured indicators that provide stakeholders and management of an ongoing development interference with indications of the extent of progress and achievement of objectives in the use of allocated resources while evaluation on the other hand, is a systematic and objective assessment of an on-going or completed project, course, policy, design, implementation and results. The purpose is to decide the relevance and accomplishment of objectives, effectiveness, development efficiency, impact and sustainability. An evaluation should offer information that is reliable and beneficial. That is, enabling the integration of lessons learned in the decision making process of both recipients and donors. It is a systematic method of determining the significance of an activity, programme or policy.

#### **PURPOSE OF MONITORING AND EVALUATION**

Monitoring and evaluation ensures that solid results are achieved in government establishment. Monitoring and evaluation are used for various purposes which determine the particular direction of each evaluation. Monitoring and evaluation (M&E) core purposes are influenced by the particular orientation of each evaluation. According to Public Service Commission Report (2008:05), the purpose includes the following:

- i. Making decision at managerial level
- ii. Responsibility
- iii. Organisational learning
- iv. Seeking assistance for programmes
- v. Transparency
- vi. Supporting advocacy

#### **RESEARCH METHODOLOGY AND DATA ANALYSIS**

This research-based paper embraces a mixed approach, encompassing both qualitative and quantitative approaches. According to Myers (2009:649), "research methodology is an idea of inquiry, which moves from the underlying assumptions to research design and data collection." Likewise, Leedy and Ormrod (2001:14) opined that a technique or approach a researcher adopts when carrying out the research project is basically referred to as research methodology. Mouton (1983:124) proclaimed that research methodology is a procedure whereby the anticipated research is appropriately planned and completed. Leedy (1996:9) articulates that, "research methodology consolidates the research study which determines the procurement of data assembles them in logical relationships by setting up a method of improving new data, formulating an approach so that meanings that lie below the surface of collected data become apparent and lastly issues an assumption that will improve the development of knowledge". This paper adopts the triangulation method vis-a-vis mixing qualitative and quantitative approaches. Triangulation according to (Blaikie, 2000), comprises the use of numerous procedure and measures of experimental phenomenon to overcome glitches of bias and validity. Yin (2003:28) acquiesces that triangulation method uses various sources of data and method which as well as informants such as participant observations and focus groups to gather numerous opinions on the same matter in order to gain additional and all-inclusive knowledge of the phenomena.

According to Ile (2007:38), "the benefit of triangulation is that it takes advantage of the different methodological viewpoints and arrives at a more accurate discussion." Fundamentally, triangulation is the use of multiple methods— primarily qualitative and quantitative methods—in studying the same phenomenon for the purpose of increasing credibility. This proposes that triangulation is the combination of two or more theoretical perspectives, methodological approaches, data sources, and investigator analysis methods to study the same event (Denzin, 1970:156). The paper adopts the use of questionnaires and interview schedules for data collection purpose. These instruments are critical in this study because they are highly utilized by researchers and scholars to safeguard studies related to the social sciences discipline (Golafshani, 2003:604). This research-based paper present lessons which can be harnessed to better reposition monitoring and evaluation systems

**Table 1: Frameworks that Assist SMEDAN in Conducting Effective and Efficient Roles and Responsibilities in the Development of SMEs Sector**

SMEDAN framework for efficiency and effectiveness	Frequency	Percent (%)
Engagement with stakeholders feedback	1	7.1
Facilitation of SMEs development through intervention programmes	5	35.7
Implementation of the contents in the policy document strictly	3	21.4
The SMEs framework is not effective and efficient	5	35.7
Total	14	100.0

within SMEDAN and ensure effectiveness of future programmes that will generate employment opportunities in Nigeria.

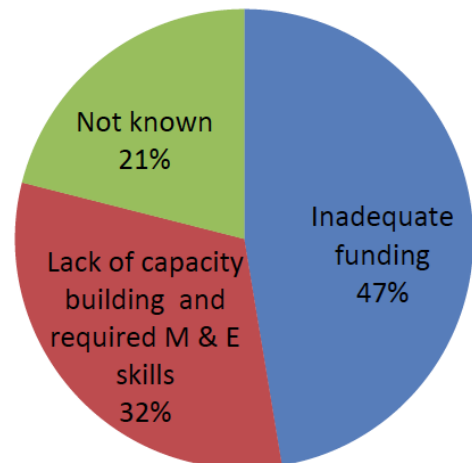
**PARTICIPANTS**

The participants were drawn from micro, small and medium enterprise owners and SMEDAN staff. A total of 17 members of staff from the agency and 160 micro, small and medium business owners from the agricultural/allied sectors participated in the study respectively. SMEDAN personnel represent (male 57.9%, female 42.1%), and all base in Abuja, Nigeria while SMEs operators/owners (male 64.2%, female 35.8%). The methodology adopted by the researcher is determined by the precision of data gathered which mainly depend on the cautious design of the questionnaire contents, structure, and the form of response. Thus, to achieve the objective of this is research-based paper; the researcher presented the following findings:

Table 1 acknowledged that only 35.7% of the respondent (SMEDAN staff) specified that the MSMEs National Policy Framework is not effective, hence achieving the desire results for the success of MSMEs sector in Nigeria was problematic to achieve. The facilitation of MSMEs development vis-a-vis the intervention programmes showed 35.7% only while 21.4 % of the respondent were of the opinion that SMEDAN strictly follow and implement the policy document. To sum up, 7.1% agreed that SMEDAN engages with stakeholder’s feedback. From the table above, it is clearly shown that the agency framework for SMEs development is not effective and efficient, thus, to achieve the agency mandate and goals (the formation, restoration, stimulation, transformation, development and growth of the informal sector) cannot be actualized in due time.

The results presented in Figure 2, revealed that the agency’s M&E unit encounters several challenges

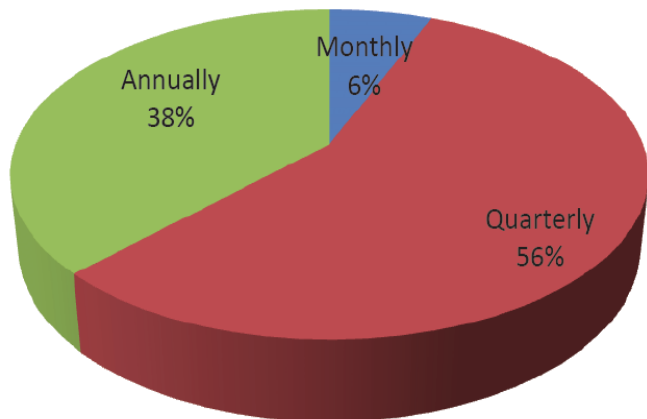
affecting the unit operations. 32% of the respondents (SMEDAN employees) specified that M&E staff lacks capacity building and the necessary required M&E skills to function effectively well. Hence, discharging their duties and responsibilities meritoriously is a colossal task. Similarly, 47% admitted that funding is a major challenge and setback for the agency to function well. M&E unit have enormous challenges affecting their operations. The agency’s M&E division requires adequate funding from its supervising ministry, government, donor agencies/ partners to discharge its duties and responsibilities appropriately. The penury budgetary allocation received from government is not substantial enough for the agency to achieve its purpose and goal. Therefore, the impact affects results and outcome of the institution. So, the mandate to facilitate the growth and transformation of the micro, small and medium industries subsector in Nigeria is questionable and uncertain to accomplish the agency’s responsibility.



**Figure 2:** The challenges facing SMEDAN Monitoring and Evaluation Unit in discharging its duties and responsibilities discharg.

The result presented in Figure 3 shown that, SMEDAN M&E unit have three supervisory checks namely monthly, quarterly and annually on

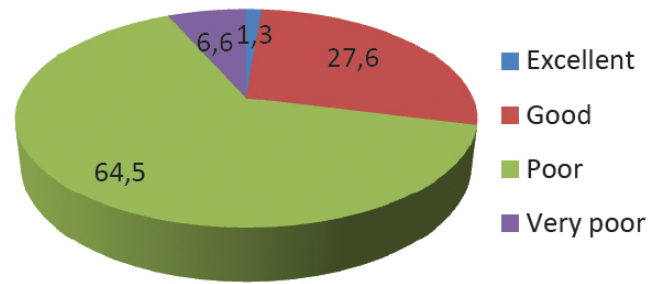
beneficiaries of their various programme. 38% of the respondent indicated that the M&E unit monitors beneficiaries annually, and 6% indicated monthly supervision while 56% stated quarterly supervision. SMEDAN staff indicated that the M&E system put in place to supervise programmes are archaic practice and oftentimes, the agency don't update their system to determine the activities and progress report of beneficiaries. With the aforementioned approach adopted by the M&E unit, it is noticeable that results cannot be achieved. Hence, governance, transparency, accountability, efficiency, effectiveness, optimum services delivery of tangible results will be problematic and enormous task to achieve. This is far from the yardstick set aside by the agency in order to overhaul the informal sector for efficiency and results based oriented.



**Figure 3:** SMEDAN Monitoring & Evaluation Unit task and supervision of beneficiaries.

Figure 4 publicised respondents (MSME owners) insights about rating the agency's programmes to supporting the transformation and development of MSMEs sector. 64.5% of the respondents poorly rated the agency with regards to service delivery, and 27.6% stated that the agency has done well in terms of transforming the SMEs sector in Ondo State. 6.6% opined that SMEDAN has extremely done poor in ensuring the development of the sector. Furthermore, 1.3% of the responded stated that the agency has done excellently well in discharging their duties and responsibilities. Bearing in mind Figure 4 facts gathered from the respondent's perspective, it is obvious that the agency could not sustained its mandates as benchmark, ensuring the development and transformation of MSMEs sector in Ondo State since a total of 71.1% respondents rated the agency poor. Amongst the respondents who claimed that the agency has extremely done good and excellent were

the few privileged business owners with the right information, contacts and network within the agency.



**Figure 4:** Rating SMEDAN programmes in supporting MSMEs development in Ondo State Nigeria.

**SMEDAN LIMITATIONS IN ENHANCING MICRO, SMALL AND MEDIUM ENTERPRISES EFFECTIVENESS IN NIGERIA**

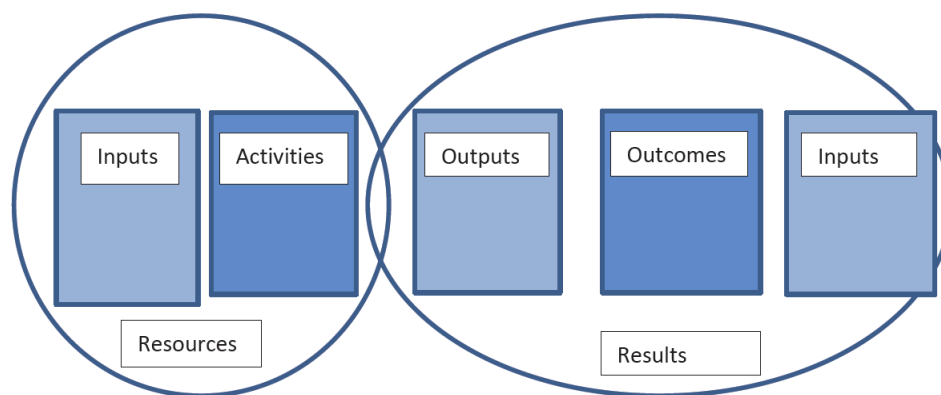
The objectives of SMEDAN as empowered by legislation is to restore, stimulate, transform, facilitate, develop, grow and assist micro, small and medium enterprises sector in Nigeria. With the significant potentials and availability of human, capital and material resources in Nigeria if effectively utilized, it will definitely support the transformation of the MSMEs sector. Up till now, the agency has failed to achieve its goals as a result of internal and external factors. Evidence from data collected, revealed SMEDAN problems to include the following:

1. Inadequate infrastructural facilities
2. Lack of access to funds and credit facilities
3. Bureaucracy and administration bottlenecks
4. Lack of good policies and legal regulatory framework
5. Ineffective and inefficient M&E system
6. Corruption and nepotism
7. Multiplicity of regulatory agencies
8. Non-functional monitoring and evaluation unit
9. Irregularity in government policy and governance
10. Inadequate qualified and competent personnel with necessary skills

**RECOMMENDATIONS AND CONCLUSION**

With the establishment of SMEDAN about 14 years ago, much has not been recorded thus far with regards





**Figure 5:** Result chain for Monitoring and Evaluation.

**Sources:** Emmanuel Ilori (2018).

to the transformation and growth of MSMEs sector based on available facts and records gathered from respondents. As pondered earlier in this research-based paper, evaluation according to Mostahari (2012:17), is a systematic procedure centred on logical and management norm. Therefore, to ensure accountability, improvements, efficiency, service delivery of programmes and evident results, SMEDAN Monitoring and Evaluation Unit requires an integrated and holistic system model/framework for performance purposes. The agency dysfunctional approach without a detailed M&E system/framework integrated into the agency's planning and programmes inhibits the development of MSMEs developments in Ondo State Nigeria. Therefore, there is need for turn-around strategy that will address the problem facing MSMEs development and accordingly provide the basic support in transforming the sector. So, it is advisable for SMEDAN to construct a results chain that will logically indicate the approach in which results are expected and achieved. This will support the agency tremendously with a clear understanding of the means and ends of developmental initiatives. The results chain comprises of inputs, the outcomes and impacts.

The input includes resources-human/material and financial required for programmes/projects implementation while the output determines the level of achievement made so far by putting the entire resources together. Outputs are consequential upon consumption of resources and conclusion of all programmes. The next phase is the outcome which is concomitant to behavioural change of beneficiaries. That is what comes out of the programme or project executed while the last phase is impact which has to do with the society as a whole. The impact basically addresses how the programmes have improved the lot in the society and the result chain model is an

extremely remarkable way to subsequently bring the changes that might realise into perspective.

Also, building a traditional and a focused results base M&E requires the institution to organize a needed input, embark on agreed activities and accomplish it with the essential inputs to deliver the intended outputs while focusing on how to assess the programmes /projects with responsibility. This approach involves stakeholders, policy makers and managers with a clear understanding and knowledge of all the activities in the project and programme. At the end, a result- based system provides actual outcome. According to the World Bank Report published in 2009, for an effective and efficient result-based M&E system, the following factors must be put into consideration

1. Goals and outcome formulation
2. Selecting the outcome indicators to monitor
3. Gathering the baseline information on the present situation
4. Set precise targets to reach and dates for accomplishment
5. Regular collection of data to measure whether the objectives set are met
6. Analysing and reporting the results

The results-base monitoring and evaluation approach is cyclical processes which comprise the following:

- i. Envisioning: There must be a clear articulation of the anticipated goal. SMEDAN as a government institution should envision what they intent to achieve and how to realise the programmes through developmental interventions



- ii. Definition of results: The vision of SMEDAN are broad, hence there is need to define results because it assists to translate the agency's vision to measurable and specific terms. Therefore, defined results become indicators for SMEDAN to track and attain definitive results
- iii. Planning for monitoring and evaluation: Planning for monitoring and evaluation will assist the agency to shed more light to issues that might be taken for granted. Apart from systematically outlining the various activities, M&E need to embark on a project or programme, it also discloses resources such as material, man, machine and money required to effectively and efficiently undertake monitoring and evaluation process.
- iv. Execution of M&E activities: SMEDAN should embark on the key relevant blue print which will assist in developing a good plan for M&E systems. Therefore, extent of activities will include actions such as identification of indicators, baselines and target determinations, data sourcing and collection, data analysis and performance report information
- v. Managing M&E information is key and very essential for the success of programmes and projects. So, information generated from M&E activities will help SMEDAN managers regulates how well or bad their performances are in a precise regard. Well utilized information will help the organization improve performance(s) and achieve the desire objectives.
- i. SMEDAN should conduct a readiness assessment- This is considered as a problem-solving tool that determines whether SMEDAN or other government institutions are essentially equipped and capable of using and sustaining monitoring & evaluation system going forward
- ii. The agency should agree on choosing outcomes to monitor and evaluate – SMEDAN needs to set their goals and objectives irrespective of having the capability to conduct M&E as it is the first stage including readiness assessment in developing a framework. It is also essential for all relevant stakeholders both internal and external to be actively involved and engaged.
- iii. The institution should select key indicators for outcome monitoring- This is essential because the indicators are the variables (qualitative and quantitative) used in measuring the goals achieved. Therefore, the agency should ensure that indicators are developed for all levels of the results based M & E system. The key indicators are essential for monitoring the progress and feedback with reference to inputs, activities, outputs, outcomes, and impacts. Also, the indicators must be clear, relevant, economic, adequate as well as monitorable
- iv. There should be a baseline for data indicators by SMEDAN- The baseline are generated from outcomes and indicators. They provide information about the data required for monitoring and evaluation. It is therefore required for SMEDAN to acquired baseline information for each performance indicator on each of the outcome
- v. SMEDAN should plan for improvement in selecting results. This involved a logical reasoning and the set targets are based on outcome. Therefore, selecting the targets should involve all the stakeholders in the participatory process and the target sets should be visible and doable with the necessary resources
- vi. SMEDAN should monitor for results- building a result based monitoring system requires key fundamental principle to monitor results performance and this requires data collection and analysing the performance of the data. Therefore, an effective and results based monitoring and evaluation system framework need an indicator, a baseline, a target, data

Results-based monitoring and evaluation system increased transparency and enhanced accountability. RBM&E also assist government departments, policy makers, and decision- makers' emphasis on and examining the outcomes and impacts because they are critical and seek the interest of government and stakeholder's involvement. Results- based M&E systems are instrument used by government, public institutions and organization to demonstrate accountability and transparency, responsibility and achieve results.

## CONCLUSION

For SMEDAN to be competent in objectifying a system readiness for results-based monitoring and evaluation approach for its programmes, there is urgent need for the agency to take full responsibilities and ensure that the following steps are properly in place:

- collection strategy, reporting plan, data analysis and identified users
- vii. There should be role for evaluation which supports result based M&E because they complement each other and are highly needed. Evaluation information helps organisation for numerous purpose such as decision relating to allocation of resources, reconsidering casualty of problem, supporting in decision making when choosing amongst alternatives, identifying evolving problems as well as helping in restructuring public sector.
- viii. The institution should reports findings and judiciously use the findings to improve performance of programmes, projects and policies
- ix. The agency should be able to sustain the monitoring and evaluation systems within its reach. It will improve performance and thus decision making process because it helps to generate knowledge and learning within decision makers and the establishment
- x. Lastly, SMEDAN should ensure that the M&E system is sustained and employees are rewarded for achieving results. Sustaining the M&E encompasses a clear role and responsibility with capabilities, reliable information, trustworthy, capacity and accountability

## REFERENCE

- Adenuga, A.O., Ogujiuba, K.K., & Ohuche, F. K. (2004). Credit availability to small and medium scale enterprises in Nigeria: Importance of new capital base for banks—working paper (Retrieved on 17<sup>th</sup> July 2015) [www.valuefronteraonline.com/publications/jsp?](http://www.valuefronteraonline.com/publications/jsp?)
- Baskerville, R.L., & Myers, M.D. (2009). Fashion waves in information systems research and practice. *Mis Quarterly*, pp. 647- 662. <https://doi.org/10.2307/20650319>
- Blaikie, N. (2000). *Designing social research*. London: Polity.
- Cloete, F., Wissink, H., & De Coning, C. (2006). *Improving Public Policy: From Theory to Practice*. Pretoria: Van Schalk.
- Deutsche Bank Research Report (2004). *Small Medium and Enterprises Overview*.
- Denzin, N.K. (1970). *The research act in Sociology*.
- Federal Republic of Nigeria. (2014). *National Enterprises Development Program Bulletin. A new way of delivering enterprises development and building an enterprises nation*. Abuja.
- Federal Republic of Nigeria. (2003). *Micro Small and Medium Enterprises National Policy Report*, Abuja.
- Federal Republic of Nigeria (2015). *National Policy on Micro, Small and Medium Enterprises Report*, Abuja.
- Golafshani, N. (2003). *Understanding Reliability and Validity in Qualitative Research*. The Qualitative Report. University of Toronto: Toronto, Ontario, Canada. Retrieved from <http://www.nova.edu/ssss/QR/QR8-4/golafshani.pdf>.Vol.8 (Assessed on July 29, 2016. No. 4, pp: 997-604.
- Ilori, E.I., and Ile, I.U. (2015). Sustainability of small and medium enterprises development: the case of the National Directorate of Employment in Akure Nigeria. *African Consortium of Public Administration*, 8:81-91.
- Ilori, E.I., Ile, U.I and Allen-Ile, C. (2018). A review of the impact of the National Micro, Small and Medium Enterprises Policy on youth employment and enterprises development: A case of the Small Medium Enterprises Development Agency of Nigeria. *Journal of Reviews on Global Economics*, 2018.7, 901-912 *Life Science Global*. <https://doi.org/10.6000/1929-7092.2018.07.88>
- Ile, I.U., Eresia-Eke, C., & Allen-Ile, C. (2012). *Monitoring and evaluation of policies, programmes and projects*. Pretoria: Van Schaik Publishers Africa: 23-31.
- Ile, I.U. (2007). *A Public Administration Approach to Managing Intergovernmental Relations System in the Governance of the State: A case Review of Nigeria and South Africa*. University of Pretoria: South Africa.
- Ile, I.U., Eresia-Eke, C., & Allen, C. (2012). *Monitoring and evaluation of policies, programmes and projects*. Pretoria: Van Schaik Publishers Africa: 23-31.
- Karagiannis, D., Moser, C., & Mostashari, A. (2012). June compliance evaluation featuring heat maps (CEHM): A meta modelling-based approach. In *International Conference on Advanced Information Systems Engineering* (pp. 414-428). Springer, Berlin, Heidelberg. [https://doi.org/10.1007/978-3-642-31095-9\\_27](https://doi.org/10.1007/978-3-642-31095-9_27)
- Leedy, P.D., Newby, T.J., & Ertmer, P.A. (1996). *Practical research: Planning and design* (5<sup>th</sup> ed.). New York: Prentice Hall.
- Leedy, P.D., & Ormrod, J. E. (2001). *Practical research: Planning and design* (7<sup>th</sup> ed.). Upper Saddle River, NJ: Merrill/Prentice Hall.
- Leedy, P.D., & Ormrod, J. E. (2001). *Practical research: Planning and design* (7<sup>th</sup> ed.). Upper Saddle River, NJ: Merrill/Prentice Hall.
- Mouton, J. (1983). Qualitative and quantitative methodologies in the social sciences. *South African Journal of Sociology*.Vol.14 No.4, pp: 124-131. <https://doi.org/10.1080/02580144.1983.10433661>
- National Technical Working Group Report (2009). *Vision 2020 Nigeria National Working Group*. Abuja.
- Public Service Commission. (2008). *Basic concept in monitoring and evaluation*. Pretoria.
- World Bank Publication. (2013). *Report on Small Business Development*, Washington DC.
- Yin, R.K. (2003). *Case study research: Design and methods* (3<sup>rd</sup> ed.) Thousand Oaks, CA: Sage.