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POLICY PAPER

Integrating science and technology into microfinance schemes: from subsistence living to small scale enterprises

# Transformation of micro-finance schemes from subsistence living to small-scale enterprises in Nigeria

## Analysis of policies for integration of science and technology into the clients' activities

Kalu O. Oji (PhD)

United Nations Educational, Scientific and Cultural Organization

INTERSECTORAL PROGRAMME POVERTY ERADICATION

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United Nations Educational, Scientific, and Cultural Organization Nairobi.
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# Preface

In 2004 UNESCO Nairobi Office initiated a project with the objective to facilitate the growth of activities financed through Micro-credits. Most of these activities tend to remain at the subsistence level, unable to create employment or generate a multiplier effect. The UNESCO project is intended to facilitate the transformation of these activities from the level of subsistence living to small-scale enterprises. The role of technology as a driving force for such transformation was recognised. Hence, it was concluded that policies that encourage the adoption of technology (skills, knowledge and hardware) are likely to facilitate the transformation process. Thus the strategy used in the project was to identify and disseminate information on good policies and practices that encourage the adoption of technology and the growth of small-scale enterprises.

Accordingly, the project embarked on a series of activities which included the survey of policies that are likely to promote the adoption of technology and the growth of small-scale enterprises. The studies were not restricted to only policies of micro-finance institutions (MFI). They also covered many macro-policies and government's sectoral

policies such as the science and technology policy and those on promotion of small-scale enterprises.

This document is one of the outcomes of the studies. It is an extract from a bigger report on the study conducted in Nigeria. It gives a quick overview of the policy issues relating to the transformation of activities financed through MFI. The findings and recommendations contained in this document could be useful for review of policies governing or affecting small-scale enterprise development. It will therefore be of use to government officials as well as managers of Microfinance institutions.

Joseph G.M. Massaquoi
Director
UNESCO Nairobi office

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# Target audience

The following agencies at both the National and sub-national (state) levels constitute the primary target audience for this paper:

1. Ministry of Trade and Industry
2. Ministry of Finance and Planning
3. Ministry of Science and Technology.
4. Ministry of Commerce
5. Ministry of Labor and Human Resources.
6. Ministry of Education
7. Budget Office of the Presidency
8. Non-Governmental Organizations (NGOs)
9. Micro-Finance Institutions (MFIs)
10. The Central Bank of Nigeria (CBN).
11. Commercial Banks
12. Development Banks
13. The National Assembly
14. Research &Development Institutes
15. Standards and Regulatory Institutions (eg. National Agency for Foods, Drugs Administration and Control (NAFDAC), Standards Organization of Nigeria (SON), etc.)
16. Donor Agencies

# 1 Introduction

Microfinance Institutions (MFIs) are set up to provide funding for the enterprising poor. Through cycles of loans and repayments it is expected that the poor are increasingly empowered to move out of poverty. This, however, is made possible by the injection of technology into the enterprises of the poor. Unfortunately:

1. Microfinance Institutions' (MFIs) policies do not favor the financing of technology;
2. The source, nature and size of their funding do not enable MFIs to finance technology;
3. MFIs are not sensitized about the potential roles of Small and Medium Enterprises (SMEs). SMEs contribute a larger percentage to total Gross Domestic Product (GDP) than any other sector;
4. There is lack of awareness about the role of technology in enhancing the growth of SMEs;
5. Also, favorable policies for technology acquisition by SMEs are lacking.

## Proposed option

The proposed option is to change some of the policies to favor the acquisition of technology by SMEs, and the growth of SMEs. There is need for Implementation of the chosen policies, as well as strengthening institutional framework during implementation.

# 2 Context

## Where

The recommendations of this study apply to the environments where small and medium enterprises are found in the country and in particular the following areas:

1. All of Nigeria.
2. States, Local Governments, Communities, and Villages.
3. Urban, Peri-Urban, City outskirts, accessible Rural areas.
4. Inlands, mountainous regions, coastal areas, islands.

### Why is the problem not addressed?

The following are the some of the reasons why the problem is not currently being addressed: Presently in the country, the following are noticeable:

1. **General Lack of policy focus on technology and the poor:** The country's growth strategy emphasizes exports of oil and primary commodities with little or no attention to technology as a source of growth. In particular there is no attempt to integrate technology into the activities of the poor who constitute the majority of primary producers.

2. **Lack of emphasis on SMEs and the SME sector as a source of growth:** There is also a general lack of attention to SMEs and the SME sector as an important source of economic growth and industrialization.
3. **Lack of funds for technology development, research, and SME development:** In the country presently, and even before now, research and technology development take a lower order of priority as reflected in the ever-declining governments' budgetary allocations to the S&T sector. This is compounded by the fact that there are no incentives to encourage private sector operators to fund research and technology generation.
4. **MFIs concentrate on quick turn-over enterprises:** The Microfinance institutions concentrate their funding on quick-yielding and quick-turnover enterprises of clients (eg trading, repairs, etc.), to the neglect of productive ventures. This is because they want their essentially unsecured loans to their clients to be repaid as soon as possible. The acquisition of most technologies requires longer term loans.
5. **No studies have been done to focus on technology for SMEs.:** Small and Medium Scale enterprises' studies in the country have largely focused on their potentials, growth prospects, and constraints, with little or no focus on technology for the SMEs.

### Who are affected by the problem?

The following are primarily affected by the problem:

1. **Microfinance Institutions (MFIs):** Their loan policies are not effective as SMEs are not enabled to grow. Through technology acquisition, SMEs are enabled to grow, repay loans, and request for bigger loans. These translate into

bigger profits, greater returns on investment, greater outreach and sustainability for the MFIs, which are not presently the case. Consequently, the growth of MFIs are impaired.

2. **Small and Medium Enterprises (SMEs):** Without the injection of technology into their activities SMEs are equally affected because their capacity and prospects for growth, competitiveness, output and profitability are undermined. This results in low efficiency, high costs, and high mortality rates among the SMEs.
3. **Society (government):** The society loses because the jobs that would have been created with the expansion of the SME sector following technology adoption are lost. Also, the increased outputs following technology injection into SMEs are not realized.

### With what?

1. **Technical resources:** The problem will be addressed with technical resources -- the provision of technical knowledge and information about the context, nature, stakeholders, and consequences of the problem to enable affected parties, institutions, and agents to take action. The critical stakeholders include the MFIs, SMEs, the government (through the Central Bank of Nigeria (CBN)), Research and Development (R&D) Institutions, and the donor community.
2. **Legal resources:** In addition, the country can craft necessary legislations, regulations and policies as may be required to implement the recommendations.

# 3 Legal framework in place

This section provides some information about the existing policies and legal framework in the country that are relevant to the problem.

**Current Policy.**

1. **S&T policies:** Nigeria has a science and technology (S&T) policy, which was introduced in 1986, and a Ministry of Science and technology with a serving minister and several units, and research institutes in the ministry. According to the policy document (FMST, 1986) the overall goal of the policy is to provide direction and co-ordination for scientific and technological activities, as well as the development of manpower, creation of science culture in the society, intensification of basic and applied research, and the application of research findings to developmental activities in agriculture, healthcare, industry, defense and security, and the provision of employment for the citizens. The policy made provisions covering different aspects including education, capital goods, minerals, raw-materials, energy, technology, environment, international co-operation, and promotional activities.

2. **MFI policies:** These refer to the internal policies of MFIs especially relating to loan eligibility criteria, and loan management policies. In terms of eligibility criteria, most MFIs require that a client or prospective client must be a member of a recognized group that is registered with the MFI, attend group meetings regularly, have a business/an income- generating activity, be poor and an adult, reside in the locality or operational area of the MFI, be introduced by a client of the MFI, have a recognized member of the community as surety, and must have saved for a minimum period of at least 3 months with the MFI. Others may include participation in specific training and mobilization workshops. There are also policies relating to loan size, loan terms and conditions, first and subsequent loans, repayment installments and plans, etc. The formal sector MFIs and banks usually require the opening and operation of regular accounts by clients, and collateral requirements in support of the loan.

3. **SMEs policies:** Nigeria has no explicit policy for the SME sector. SME policy in the main it treated as part of the country's industrial policy. However, the government recently established the Small and medium Enterprises development Agency (SMEDAN), to facilitate the growth of the small and medium enterprises sector. The establishment of SMEDAN is the closest to an SME promotion policy for the country, although it is actually an SME support institution.

4. **Macro-economic Policies**: The relevant macro-policies include the monetary and fiscal policies of government as well as financial sector policies. These also include other macro Science and technology (S&T)-related policies.

The overall goal of monetary policy in Nigeria remains price and exchange rate stability, and the instruments are those consistent with a deregulated financial system. Monetary policy in Nigeria has been mainly short term in perspective and thrust, but the Central Bank of Nigeria recently moved to a medium term framework for the conduct of monetary policy (NPC, 2004). Nigeria currently maintains a deregulated and market-determined interest and exchange rates. A deregulated and market-determined interest rate policy promotes financial deepening, removes price distortions, and ensures that resources flow into projects with high rates of returns. Similarly, a market determined exchange rate through the competitive bidding at the weekly Dutch Auction System (DAS) ensures that SME exports are competitive by removing the problem of currency overvaluation.

The Central Bank of Nigeria regulates the finance industry through regulatory policies in form of regulatory requirements, prudential guidelines, and monetary and exchange rate policies issued from time to time. There are also guidelines on the operation of specific development finance schemes such as the Agricultural Credit guarantee Scheme Fund (ACGSF), Small and Medium Enterprises Equity Investment Scheme (SMEEIS), etc. There is also a draft microfinance policy that will soon be promulgated.

Also, Nigeria has a public procurement policy known as the Budget Monitoring and Price Intelligence Unit (BMPIU) located in the presidency. The work of the unit is to ensure that public procurement; tendering and contract awards follow due process or are transparent. Thus all contract awards and procurements for the government must be vetted and verified by the unit before funds are released. It is one of

the agencies created to realize the goals of the economic policy of the present government (NPC, 2004).

The country has an Educational Policy structured along the 6-3-3-4 duration system. The policy makes provision for three major types of education for the citizenry: Basic education (for everybody), Vocational education (for self-employment), and Higher education (for economic growth, and self improvement). Furthermore in order to entrench a scientific culture necessary for economic growth in a developing country, the admission policy for students into the nation's universities is in the ratio of 60:40 in favor of science-based courses. Thus with the option of vocational training at the lower levels and emphasis on science-based courses at the tertiary level of education the policy is expected to result in the production of graduates that are technologically-minded and self-reliant.

### Policy Experiences (Results of current policy)

Unfortunately, the existing policy framework suffers from the following problems, inadequacies and challenges:

1. Some of the policies are not being implemented by the statutory body or bodies;
2. There is evidence of under-funding of some policies (eg. S&T, SMEDAN, etc.) resulting in the non-implementation of several aspects of the policies;
3. Many provisions of some policies are cross-cutting themes that encroach on the mandates of several ministries and departments of government thereby resulting in role confusion;
4. The implementation strategies of some policies did not specify policy targets for purposes of policy monitoring.

Consequently, most of the policies are not monitored or reviewed regularly;

5. Most policies especially those of S&T and SMEs do not have clearly spelt-out implementation structure, roles and responsibilities for the different tiers of government and stakeholders of the policy;
6. There is considerable evidence of policy elasticity, as policy directions change with every change of government (Idachaba, 1998; 2000).

### Policy options

The following are possible ways of dealing with the problem. These include the introduction of the following:

1. A policy that will encourage technology financing by MFIs.
2. Policies that encourage the technological growth of the SME sector.
3. Policies that provide the enabling environment for the SMEs in the country.
4. Policies that encourage entrepreneurship and the development of a knowledge-based economy.

### Recommendations.

Accordingly, the following recommendations for dealing with the problem are proffered (Oji, 2005):

a. MFIs should introduce loan products and strategies targeted at financing technology acquisition by SMEs.
b. Science and technology (S&T) should be an integral part of the country's strategy policy document on poverty eradication and wealth creation.
c. The national budget should allocate higher proportions of resources for technology development.
d. Universities and other research institutions should be facilitated to develop and disseminate appropriate

technologies. Universities' and higher institutions' curricula should be restructured to incorporate courses on science- based entrepreneurship.

e. SME support and training institutions should be strengthened and properly funded.

f. MFIs should increase the duration of their clients' loans, or spread the repayment over a longer period, or increase the moratorium. This will enable the clients to have greater use of the loan over a longer period for the acquisition of capital assets and technology.

g. Clients and the MFIs should ensure that equipment and machinery purchased with loans are appropriate to the skills level of workers, and the available infrastructure. Useful advice can be obtained from the equipment manufacturers/ dealers either by or on behalf of clients.

h. MFIs should reduce their lending rates, or spread the interest payments over a longer period to encourage the acquisition of capital assets and technology.

i. In order to encourage technology acquisition, MFIs can categorize their loans into low and high interest loans. The conventional loans to clients can be maintained as high interest loans, while loans for capital assets or technology acquisition should be low interest loans, which can be secured by a mortgage over the fixed asset so acquired by the micro-borrower.

j. MFIs should consider introducing fixed asset loans products for the acquisition of equipment, machinery and technology by their clients.

k. MFIs should consider partnering with relevant technology, enterprise development, and skills training institutions to provide client-focused skills training to their clients.

l. There is need for regular training of MFI staff about basic technological issues and concepts. This can be done by technology policy institutions in partnership with

governments, NGOs, the donor community, and properly organized MFI associations and networks.

m. The Banking industry should facilitate the organization and emergence of an influential apex micro-finance association or network in the country.

n. In terms of policy on support services, MFIs should assist their clients to prepare business plans. They should also provide training on credit utilization, and information on government programs to clients.

o. The following macro policies are considered good practices that will lead to technological capability building and should be strengthened and encouraged: equity investment in SMEs, establishment of an enterprise development agency for SMEs, implementation of a national macroeconomic policy with emphasis on poverty reduction and enabling environment for SMEs, deregulated and market-determined interest and exchange rates, an Agricultural Credit Guarantee Scheme, a National S&T policy that is properly funded, and an educational policy with emphasis on scientific and entrepreneurship education.

p. Action should be expedited in introducing a National microfinance policy and a National Credit Guarantee Scheme for SMEs. These will help the process of injecting technology into the SME sub-sector.

q. The country should start the process of preparing and implementing a National policy for the SME sector, and a public procurement policy that stipulates minimum levels of content of local materials.

# 4 Change initiative

This section indicates the proposed change and how will it address the problem.

## Proposed change

**Basic initiative:** Proposed change is for MFIs to develop loan products and policies that will help SMEs to acquire technology. These include the use of longer term loans, low interest loans, larger loans sizes, loan moratoriums or grace periods, training on credit utilization, assisting clients with their business plans, and the introduction of equipment/ asset loans.

**Reasons why this will address the problem:** These basic initiatives will address the problem because:

1. The study has demonstrated that technology enhances the growth of SMEs;
2. These technologies were acquired using credit provided by the MFIs; and,
3. To ensure that credit were effectively utilized the MFIs provided support services and training along with the loans.

### Intended Effects:

The policy will enable SMEs to acquire the necessary technologies, equipment and machinery for their operations. This will enhance their productivity; increase their rate of output, competitiveness, and profitability. Consequently, they will repay their loans, expand their operations, employ more resources (including labor) and thereby request for bigger loans. This process creates more business for the MFIs, as they will expand their loan portfolios, which enable them to render other ancillary services more profitably. The greater outputs by the SMEs using more efficient technologies translate to reduced costs and product prices for consumers. Also, the acquisition of technology creates markets for the technology suppliers/ dealers, repair and servicing technicians, and enhances the prospects of building domestic technological capability in the relevant sub-sector.

### Aspects of implementation

1. **Advocacy using this policy paper:** This policy paper will form the basis for advocacy to implement the recommendations. Accordingly a workshop will be organized where results of this study will be presented to MFI managers, government officials, and other relevant stakeholders. This policy paper will be distributed at the workshop. Also participants will be acquainted with the UNESCO website which contains detailed information and lessons from other country case studies on the subject. (These studies were also sponsored by UNESCO). During the workshop MFI managers will be encouraged to organize similar in-house training workshops for their staff. The e-mail addresses of the workshop participants will be collected and soft copies of the paper will be sent to them. The communiqué of the workshop will be widely publicized.

2. **Journal Articles:** At least three (3) articles will be published from this study in reputable scientific journals in order the share the results with the scientific community. In all the articles, the support of UNESCO for the study will be acknowledged.
3. **Newspaper articles:** Articles from this study will also be published in the local print media.

# 5 Proposed policy implications

## Lessons learnt

While this study was going on, UNESCO concurrently conducted similar studies in seven (7) other African countries namely: Zambia, Sierra- Leone, Ghana, Kenya, Uganda, Tanzania, and Rwanda, with similar results. The lessons learnt are as follows:

In **Ghana**, the following were identified by Oti-Boateng and Dawoe (2005) as good practices that will lead to the technological growth of Medium and Small enterprises (MSEs): homogenous group formation, Capacity building (Training at all levels for MFIs and MSEs), Timely disbursement of Credit, the use of demonstration farms (for agro-enterprises), development of collaboration, Linkages and Networks among technology developers, users, MFIs, Governments and, NGOs; advocacy at all levels; creation of enabling environment, and monitoring and evaluation of loans.

In **Uganda, Byaruhanga** (2005) found that MFI interest rates ranged from 28% - 48% pa. Most MFIs sourced capital for on-lending from Commercial Banks at rates ranging 18% - 22% and had to double the interest rate to Small Scale

enterprises (SSEs) borrowers in order to break even and make some profit. The purpose of the loans was mainly for working capital. The amounts were small and the pay back period was not more than six months with repayments being made weekly. Although the loans were fairly easy to access there were no grace periods. There were individual loans in some MFIs although most practiced the group lending system. Some MFIs had plans for technology funding to SSEs but were restricted by the Ugandan MDI policy-- Micro Deposit Taking Act 2003, which restricts loans to 24 months and defines an MFI as one giving loans that are not more than 24 months duration. MFIs could cut interest rates if they had alternative sources of cheaper capital. However, MFIs had a major role to play if the SSE sector is to grow because most SSEs cannot access credit from formal banks. The good practices identified were that some MFIs were funding technology-driven SSEs, reduction of interest rates, giving grace periods and longer loan repayment period to clients. Others include the use of special schemes such as asset leasing, making information about their products and services available to clients, and the use of ICTs by MFIs to operate more efficiently and reduce costs.

In **Kenya Kabecha** (2005) found that to encourage the technological growth of SMEs, MFI loan products were broadly classified into four: Group-based minimalist credit, Individual credit with collateral, Individual credit with training, and Asset financing and the provision of working sheds.

Similar findings and practices were identified in the other countries (see Wonani and Mbuta, 2005; Asman and Diyamett, 2005; Jalloh et al, 2005; Ruzibuka, 2005; and Aikins, 2005).

**Potential Problems/ barriers.**

1. **Inability/unwillingness of governments to implement the policies** (eg subsidies, R&D, etc). For instance where

subsidies and increased budgetary allocations may be necessary to implement the recommendation, government may be reluctant especially if policy priorities lie elsewhere.

2. **Resistance by Donors and MFIs to policy change:** Donors and the MFIs may resist the change especially as the risks associated with the policy have not been ascertained.
3. **Resistance to change by SMEs:** Most SMEs are essentially one-man, family-oriented businesses where decision-making is centralized and income generation is largely for subsistence and survival. Under such condition, a high degree of caution is exercised in embracing change.
4. **The technologies may not be available:** There may be instances where the technologies/ equipment/ machinery are not easily available in the local markets.

### Potential harmful consequences

The following are the potential harmful consequences of the recommended policy:

1. The proposed changes may not work at the SMEs level. This may be due to the failure of SMEs to acquire proper technology.
2. There may be likelihood of loan diversion. The loans may be diverted by the clients to other purposes and uses.
3. The MFIs may not be able to recover the loans. It is also possible that the SMEs may increasingly default in loan repayments thereby threatening the sustainability of the policy.
4. There may also be the likelihood of cannibalization of equipment acquired with the loan product. The equipment acquired with the loan may be cannibalized by unscrupulous clients.
5. In the case of Group lending, group members may not care much about equipment purchased with group loans. This could lead to equipment depreciation, mishandling, loss, or pilferage.

6. The enabling environment, infrastructures, and maintenance services needed to utilize the equipment may not materialize at the SME level.

### Plan for implementation

The suggested measures to ensure that the intended effects are realized, problems/ barriers overcome, and harmful consequences avoided include the following:

1. **Client appraisal:** The clients and their projects should be properly scrutinized before loans are made. In scrutinizing the client, such issues as client background, capability, potential, peers, and projects should be assessed.
2. **Direct payment to the supplier of technology:** When the loan is used for the acquisition of assets, it is advisable for the MFI to pay the supplier or suppliers directly to avoid loan diversion by the borrower.
3. **Monitoring &Evaluation:** Loan utilization should be regularly monitored by visits to the clients and groups. Some form of sanctions and rewards should be built into the loan management process. (eg. Barring from subsequent loans, praises and commendation, etc.).
4. **Group approach:** As much as possible loans should be extended to the group, rather than the individual to exploit the force of peer pressure of group members in ensuring loan repayments.
5. **Sensitization:** Workshops should be organized to sensitize the various stakeholders about the benefits of the proposed policy. This will help to reduce apathy and resistance on the part of the major stakeholders during the implementation.

### Replicability / Transferability

This policy has considerable potential for replicability and transfer to similar contexts. Technical assistance can be offered by successful MFIs to others using the proposed MFI networks. For instance Uganda, which happens to have success stories in technology financing for SMEs provided technical assistance to Tanzania and Kenya.

# 6 Monitoring and evaluation

This policy should be monitored by the Central Bank of Nigeria in conjunction with MFI and SME associations, and SMEDAN through their regular reports.

## Preliminary Evaluation

There is need for a preliminary evaluation of the MFI sector in the form of a SWOT analysis (strengths, weaknesses, opportunities, and threats) to benchmark further evaluations of the policy

## Indicators

In conducting the evaluations, indicators will be assessed at the levels of the SMEs, MFIs, Central Bank of Nigeria, and SMEDAN. At the SME level, the indicators of technological capability of SMEs to be assessed are: Value of machines, changes in production levels, changes in employment over time, changes in investments, number of technical training attended, number of loans obtained, loan duration, loan utilization, etc. At the MFIs level the relevant indicators are number and value of loan products for technology acquisition, number of beneficiaries of each product, number of training/ workshops on utilization of

technology loans, repayment record on technology loans, Number and frequency of loan monitoring visits, Number of groups benefiting from technology loans, Number of equipment dealers paid directly by the MFIs, Amount of loans for technology acquisition relative to the total loans of the MFI, Number and frequency of MFI participation in workshops/ network meetings on technology financing, etc.

At the level of the Central Bank of Nigeria, the relevant indicators are the number of registered MFIs, reports on MFIs technology financing, the establishment of the Microfinance policy, and the National Credit guarantee for SMEs.

At the level of SMEDAN, the indicators are the number of enterprise development workshops organized, the number of SMEs that participated in their technology workshops, number of enterprise financing training/ workshops organized and number of SME and MFI participants, and reports of their enterprise development activities.

### Feedback

The agents and parties involved are the Central Bank of Nigeria, MFIs, SMEs, MFI associations, SME associations, SMEDAN, and Donors. The feedback required is reports on the operation of the policy, including:

1. Examination MFI records to determine proportion of the loan portfolio given to SMEs to acquire technology.
2. Regular surveys to measure changes in performance of SMEs enjoying technology financing.
3. Report of the participation of the MFIs and SMEs in technology workshops/ networks by their respective associations.

4. Examination of the budgetary allocation to S&T and R&D institutions in the country.
5. Regular reports of the activities of the Small and medium Enterprises Development Agency (SMEDAN).
6. Regular reports by the Central Bank of Nigeria on the Microfinance sector.

### Control

There should be regular surveys by the Association of SMEs and Association of MFIs to assess the extent to which policies are being implemented.

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In response to the call by Member States for UNESCO to contribute to the Millenium Development Goals, especially Goal 1: that of halving extreme poverty by 2015, the Organization launched projects pertaining to the cross-cutting theme "the eradication of poverty, especially extreme poverty" in 2002.

Within the framework of this initiative, UNESCO supported more than 40 projects to address the poverty issue from a multisectoral point of view, in order to address freedom from poverty as a human right and to develop policy-oriented activities. In the implementation of these projects the organization brought together in-house experts in Education, Culture, Natural Science, Social Science, and Communication.

One of the projects was on the transformation of the activities of the clients of Micro-finance institutions (MFI) from subsistence level to micro-enterprises. This particular project commenced in 2004 and ended in 2006. The objective of the project was to facilitate the introduction of appropriate technologies into income-generating activities, financed by Micro-Finance Institutions (MFI). The specific objectives of the project were:

- To identify and compile information on best practice and policies for the growth and transformation of activities of clients of MFI.
- To disseminate and share information and experience on best practice among agencies involved in the administration of micro-finance schemes.
- To encourage micro-finance schemes in several African countries to adopt some of the policies and best practices identified in the project.

The project was a combination of research/study and advocacy at the national level. This policy document is one of the outputs of the project.

Additional information and copies of other policy documents from the project can be obtained from:

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