

# Public-Private Synergies in SME Development: The Nigerian Experience

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*Abstract- As part of Nigeria's economic diversification, SMEs play an important role in employment, innovation and GDP. But, there are persistent barriers—failing access to finance, infrastructure deficits, and fragmented policies—that limit their growth potential. In examining the impact that public-private synergies can have on SME growth in Nigeria, I review the link between state interventions and private sector dynamic. Based on the theoretical foundations of public-private partnerships and Institutional Synergy Theory, the study presents a conceptual model for understanding collaborative governance in SME ecosystems. In contrast, a mixed-methods analysis utilizes secondary data obtained from reports of the Central Bank of Nigeria, Bank of Industry, SMEDAN and World Bank reports as well as primary interviews with policymakers and entrepreneurs. The results show that while Nigeria has established many PPP initiatives such as BOI intervention funds, LSETF and NIRSAL credit guarantees, their impact has little to do with any of them because of coordination failures, regulatory absence, and data fragmentation. But, existing opportunities for hybrid institutional collaboration include fintech-led SME financing, digital incubation networks, and state-level innovation clusters. As part of their policy approach, this research suggests a Policy Framework for Sustainable SME Synergies that emphasizes institutional coherence, accountability, performance-based partnerships. As it concludes, effective SME development in Nigeria entails moving away from isolated interventions to integrated public-private ecosystems that promote resilience, innovation and inclusive growth.*

## I. INTRODUCTION

### 1.1 Background and Context

These small and medium-scale businesses are vital to the development and employment of developing countries, generating income, and innovation. Nigeria's NBS and SMEDAN 2022 estimate that in the United States, SMEs account for 48% of GDP, 96% of businesses, and 84% of total employment. Although the number of SMEs in Nigeria is high, there are persistent problems including inadequate

financing, infrastructure barriers, limited access to markets and inadequate business regulation in the country's economy (World Bank, 2020; BOI, 2022).

They include the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), the Bank of Industry (BOI) and Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) from the government of Nigeria. But private sector actors such as banks, fintech startup, and business associations have provided digital finance platforms, training programs and innovation hubs. But, these interventions sometimes operate in silos and have few coordination and duplication of efforts (Oyelaran-Oyeyinka, 2020).

At its core problem is that support programs do not constitute enough, or even enough, synergy, between public and private sources of funding. On average, emerging economies are rapidly heading toward innovation-driven growth; public and private collaboration is indispensable in scaling up entrepreneurs, fostering clusters and achieving inclusive development goals (Evans, 1996; OECD, 2021).

### 1.2 Problem Statement

In spite of a series of government reforms, Nigerian SMEs are still facing low productivity and high mortality rates – with more than 70% failing within five years (Adeniran & Johnston, 2021). Large scale restructuring undermines scale efficiency and regulatory blockage impedes innovations in funding models. The result is an ecosystem of institutional fragmentation, information exchange, and minimal policy continuity in the SME ecosystem (Uzonwanne 2022).

To remedy these constraints, we must understand how public-private synergies can be used to build institutional coherence and improve SME outcomes.

### 1.3 Rationale and Objectives

The research is motivated by the growing consensus that sustainable SME development in Nigeria cannot be achieved through isolated policy intervention. Instead, this requires a holistic approach with government agencies, private investors and intermediary organizations working together to mobilize finance, technology, and knowledge resources (OECD, 2019).

It aims to: SEE the development of Nigerian SME by measuring the evolution and effectiveness of public-private synergies. Find institutional and policy models that create sustainable collaboration. Propose an example for supporting coordination and policy consistency between public and private actors.

### 1.4 Research Questions

1. How have public-private partnerships, PPPs been a factor in the growth and competitiveness of SME enterprises in Nigeria?
2. How do institutional, financial, and regulatory conditions enable or limit synergy?
3. What policies can sustain public-private collaboration in SME development?

### 1.5 Structure of the Paper

Six sections are included in the paper. After this introduction, Section 2 presents the theoretical and conceptual frameworks underlying public-private synergy in the development of SME. Section 3 describes the research methodology and data sources. Section 4 explores the history of public-private partnerships in Nigeria's ecosystem of SME businesses. Section 6 concludes with policy recommendations and sets out a logical path for sustainable synergy between public-private partners.

## II. THEORETICAL AND CONCEPTUAL FRAMEWORK

### 2.1 Theoretical Underpinnings

The concept of public/private synergy in SME development, based upon a variety of theoretical approaches: collaborative governance, institutional complementarity, and shared value creation, draws from multiple theoretical traditions. The study is grounded in three basic frameworks: Public-Private Partnership Theory, Institutional Synergy Theory, and Systems Thinking in SME Ecosystem Development.

#### a. Public-Private Partnership (PPP) Theory

PPP theory argues that collaboration between public and private sectors can maximize resource allocation, mitigate risk, and improve service delivery (Grimsey & Lewis 2004). PPPs in SME development are not limited to infrastructure projects but also financial inclusion projects, business incubation, and entrepreneurial capacity-building (World Bank 2020). This theory reinforces complementarity; government agencies provide regulatory conditions and private players provide innovation, efficiency, and capital (Hodge & Greve, 2017). In Nigeria, such collaborations include the BOI-Dangote Empowerment Scheme and LSETF-Access Bank Partnership, involving public policy mandates, funding, operational expertise, which is combined with private sector funding and operations skills.

#### b. Institutional Synergy Theory

Based upon the work of Evans (1996), Institutional Synergy Theory reports that development gains are improved when state and societal institutions are integrated. Although synergy theory is not viewed as autonomous from society, it emphasizes relational governance, at which trust in shared information exchanges and mutual accountability has a positive impact on development. In Nigeria, institutional synergy is the result of formal partnerships (i.e., joint SME funding programs) and informal networks (i.e., industry associations). But, institutional trust, policy continuity and bureaucratic efficiency are factors that drive synergy (Rodrik, 2008).

c. Systems Thinking in Development of SME Ecosystem

The systems perspective frames the SME sectors as a complex adaptive system including interconnected actors: government institutions, moneyed individuals, business associations, and financial intermediaries (Jackson, 2019). Development of the SME sector thus requires a systemic mode of coordination, with a dynamic interplay between policies, markets and supporting institutions. Within this view, fragmented approaches disincentivize synergy while connected networks improve or amplify collective outcomes.

2.2 Conceptualizing SME Synergy

In this study, we use the phrase “public–private synergy” to note the mutually reinforcing interaction between government institutions and private sector entities that reinforces capacity, access to finance and improved competitiveness for SMEs. The construct extends beyond traditional Public-Private Partnerships (PPPs) to multi-stakeholder collaboration, innovation ecosystems and co-governance arrangements.

Synergy can be categorized into three dimensions:

Dimension	Description	Examples (Nigeria)
Financial Synergy	Joint financing, credit guarantees, blended funds	BOI–CBN SME Fund, NIRSAL partnerships
Infrastructural Synergy	Co-investment in industrial parks, technology hubs, logistics	Lekki Free Trade Zone, Enugu SME Innovation Hub
Capacity-Based Synergy	Collaborative training, digital skills, business mentorship	SMEDAN–Microsoft Digital Literacy Program

Table 1: *Typology of Public–Private Interventions in SME Development*

2.3 Framework for the SME Synergy

The framework illustrated in Figure 2 brings together the relationship between public policy instruments, private sector inputs, and the resultant outcomes for SMEs.

Figure 1: Framework for Public–Private Synergy for SME Growth

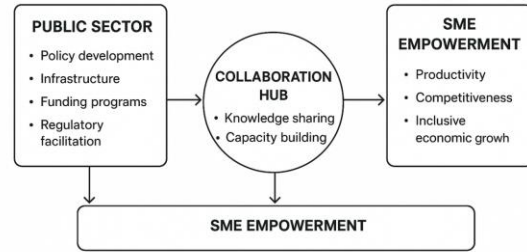


Figure 1: Framework for Public–Private Synergy for SME Growth

The Framework identifies three key links:

1. Public Sector Inputs — policy supports, funding mechanisms, business registration, and infrastructural investment.
2. Private Sector Inputs — innovation, entrepreneurship, funding, and market links.
3. Synergizing Mechanisms — co-funding, institutional coordination, and policy feedback loops.

These inputs lead to outcomes surrounding the enablers and outcome-based measures for SMEs that include productivity, jobs created, export growth, and innovation adoption. Moderators include the regulatory quality, trust, and information asymmetry.

2.4 Summary of Theoretical Implications

The combined theory indicates that not only is SME development in Nigeria dependent not on policy reform or financial supplies, but on institutional collaboration. PPP theory forms the framework of cooperation; synergy theory explores relationships; and systems thinking integrates both in a holistic governance model.

These insights serve as an analytical guide to understand the evolution of the public-private SME structures in Nigeria in subsequent sections.

### III. METHODOLOGY

#### 3.1 Research Design

The present study utilizes a mixed-method research design, incorporating quantitative data on SME performance indicators and qualitative data with stakeholders. This approach allows us to analyze data from governmental institutions (e.g., Central Bank of Nigeria, SMEDAN, BOI) and the private sector (e.g., MAN, NECA, financial institutions) to provide a multi-dimensional approach to understand public-private synergies for impact on SME development.

This study employs a sequential explanatory design (Creswell & Plano Clark, 2017):

Phase I - Quantitative Data: exploring the relationships between policy interventions and access to finance, with performance indicators relating to SMEs.

Phase II - Qualitative Data: an exploration of semi-structured interviews with public officials, SME operators and private investors to draw inferences to the patterns identified in phase one.

■ A mixed-method approach provides a better sense of triangulation, which enhances validity and supports theoretical generalization.

#### 3.2 Population and Sampling

The population of focus consists of Small and Medium Enterprises (SMEs) registered under SMEDAN and CAC across the six geopolitical zones of Nigeria — with a targeted population in the manufacturing, agribusiness, trade, ICT, and service sector clustering.

A multi-stage sampling technique was used:

Stage	Procedure	Output
1	Selection of 3 geopolitical zones (South-West, North-Central, South-East)	3 zones
2	Selection of 2 states per zone (based on SME concentration)	6 states
3	Random selection of 20 SMEs per state	120 SMEs
4	Key informant interviews with 10 stakeholders (policy and private sector)	10 interviews

Table 3.1: *Sampling Framework for SMEs and Stakeholders*

#### 3.3 Data Sources

Data from primary and secondary sources were collected.

##### Primary Data:

SME owners/managers questionnaires. The key informant interviews with BOI, SMEDAN and commercial bank representatives. Focus group discussions (FGDs) with private SME associations (NASME, MAN).

##### Secondary Data:

SME performance indicators of SMEDAN and NBS. Annual reports from BOI, CBN and Ministry of Industry, Trade and Investment (MITI). Policy documents: National MSME Policy (2021), Industrial Revolution Plan (2014).

#### 3.4 Data Collection Instruments

##### a. Questionnaire Design

It had closed and open-ended questions that were structured as four dimensions; Policy and Institutional Support Financial and Infrastructure Access Capacity Development and Innovation Public-Private Collaboration Experiences Results were recorded on a 5 point Likert scale ( 1 = Strongly Disagree, 5 =

Strongly Agree) to measure perceptions of synergy effectiveness.

b. Interview Protocol

Semi-structured interviews included themes such as: Coordinated institutions between government and private sector. PPPs and joint SME initiatives are effective. The barriers to synergy were trust, bureaucracy, funding gaps.

3.5 Methods of Data Analysis

Quantitative Analysis

The quantitative data were analyzed in SPSS (Version 25) and STATA (Version 17). Techniques used in analysis included:

Descriptive Statistics: mean, standard deviations, frequency distributions.

Inferential Analysis: multiple regression to test the connections between SME performance and public-private partnership synergy indicators.

Correlation Analysis: to examine the interdependencies between institutional variables.

Regression Model Specification:

$$SME_{perf} = \beta_0 + \beta_1 FIN + \beta_2 INST + \beta_3 CAP + \beta_4 POL + \epsilon$$

Where:

$SME_{perf}$  = SME Performance Index

FIN = Access to finance

INST = Institutional coordination

CAP = Capacity development

POL = Policy support

$\epsilon$  = Error term

Qualitative Analysis

Interview data were transcribed and analyzed using thematic analysis (Braun & Clarke, 2006). Coding was conducted under pre-determined themes—policy alignment, institutional trust, financial inclusion, and partnership models. NVivo 12 software was used to identify emerging sub-themes and frequency of stakeholder perspectives.

3.6 Reliability and Validity

Reliability: Cronbach’s alpha coefficient ( $\alpha$ ) was computed for each construct; values above 0.70 indicated internal consistency.

Content Validity: Ensured through expert review from academic and industry professionals.

Construct Validity: Assessed via factor analysis to verify dimensionality of synergy indicators.

Triangulation: Achieved by integrating quantitative and qualitative findings for cross-validation.

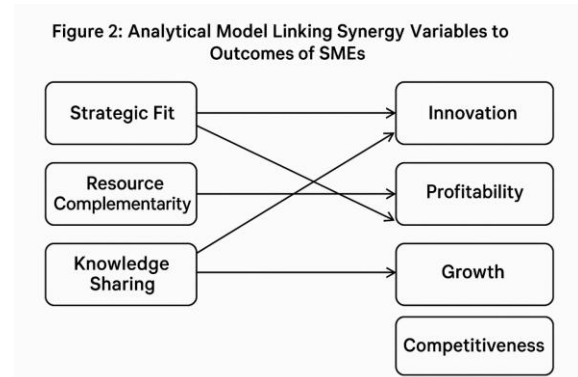


Figure 2: Analytical Model Linking Synergy Variables to Outcomes of SMEs

Table 3.2: *Reliability Coefficients of Research Constructs*

Construct	Cronbach's Alpha ( $\alpha$ )	Interpretation
Policy & Institutional Support	0.81	Reliable
Financial Synergy	0.77	Reliable
Capacity Development	0.74	Acceptable
Overall Scale	0.83	Strong reliability

### 3.7 Ethical Considerations

Throughout the study, ethical protocols were followed. The participants were made aware of the purpose of the study, the confidentiality of their responses, and the voluntary nature of their participation. The participants signed a consent form before data collection. During analysis, all personal identifiers were removed from the data.

Institutional ethical clearance was obtained from the University Research Ethics Committee, and permission to access records from the SMEs was granted by the SMEDAN and BOI regional offices.

### 3.8 Limitations of Methodology

The methodology has limitations, despite having designed an appropriate methodological approach, and these include:

(a) Difficulties of gaining access to data, particularly for the informal SMEs that are not captured in official statistical records, which may prevent a complete separation of SMEs as well as an in-depth understanding of the full extent of the impact of public-private collaboration for certain sectors of SMEs.

(b) Regional bias, as data were sourced from three zones, which may affect the extent to which these generalize to the rest of the national context.

(c) Time and limited budget available for field work limited the number of sites that could be explored.

Each of these limitations implies that data analysis could be either contextual or contextual/contrived at best; however triangulation and the use of multiple data sources were employed to mitigate this.

### 3.9 Summary

The methodology encompasses both quantitative and qualitative approaches to capture both the complexity of public-private interaction in Nigeria's SME ecosystem. The methodology presented provides a valid and rigorous basis for assessment of policies effectiveness, institutional collaboration, and performance of SMEs presented in the next chapter.

## IV. EMERGING TRENDS IN PUBLIC-PRIVATE SYNERGIES IN NIGERIA

### 4.1 Historical Context

#### Early Policies for SMEs (1960s–1980s)

In Nigeria, a state-directed model dominated the early orientation to SME development, driven by the aspirations for industrial self-sufficiency as a product of independence. As the main form of support for SMEs, the Industrial Development Centres (IDCs) were created from 1962–1985 and served as the central point of promoting SME development through providing training for the promotion of industrial activity, extension services and providing access to machinery for associated production (Ajakaiye & Tella, 1994).

However, even then, the policies in support of SMEs were limited by a mixture of bureaucratic limitations, limited engagement of the private sector, and reliance upon public funding for development. In this case, the role of the private sector was limited, and the government dominated all production and capital.

Table 4.1: *Timeline of Early SME Policy Evolution in Nigeria (1960–1985)*

Period	Key Institution/Policy	Objective	Limitations
1962–1970	Industrial Development Centres (IDCs)	Provide SME technical support and training	Poor coordination, limited outreach
1976	Small Scale Industries Credit Scheme (SSICS)	Offer subsidized credit to SMEs	High default rate, weak monitoring
1980	National Directorate of Employment (NDE)	Tackle youth unemployment through skills development	Inadequate private sector collaboration

#### Structural Adjustment and Private Entrepreneurship (1986–2000)

Nigeria's Structural Adjustment Programme (SAP) implemented in 1986 represented a significant shift from a state-driven economy to one that is market-driven. During this period, private entrepreneurship was stimulated, there was a stable economy characterized by open markets and trade, and government deregulation of the financial sector (Iyoha & Oriakhi, 2002).

Within the SAP there were significant increases in private investment in manufacturing and trading, while SMEs continued to experience inadequate credit (or access) and high-interest rates. Later on—after the NBCI and the NIDB, both supported by the government, merged—the BOI was conceived in 2000, initiating a new period of public-private cooperation in SME financing (BOI, 2019).

#### Post-2000 Institutional Reforms

The 2000s heralded a larger consolidation of institutional support for SME development with the following:

1) The creation of SMEDAN in 2003. This agency aimed to streamline the entire process of coordinating activity and policies that support SME development.

2) With the implementation of the NIPC, investors had a heightened sense of confidence. NIPC encouraged and supported private sector investment towards developing industrial clusters.

3) BOI transitioned to a commercially driven development finance institution, which made it possible to attract blended financing from commercial banks and private equity firms financially (CBN, 2021).

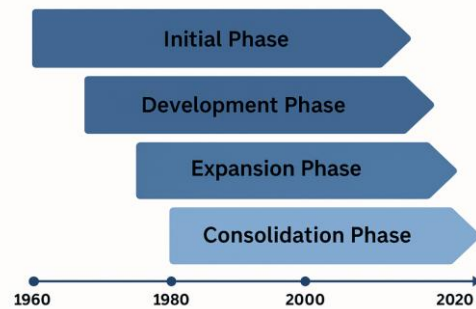


Figure 4.1: The Evolution of the Institutional Support for SMEs in Nigeria (1960–2020)

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#### 4.2 Major Initiatives and PPP Programs

##### BOI and Private Sector Credit Partnerships

The Bank of Industry (BOI) has initiated several Public–Private Partnership (PPP) programs to bridge the credit chasm for SMEs by establishing partnerships with commercial banks, development agencies, and fintech firms to implement credit facilities marrying private sector efficiency with an element of public sector risk guarantee.

Two key examples of this are the

- BOI–GTBank SME Fund which was a ₦5 billion co-financing program aimed at providing finance to SMEs in the agribusiness and manufacturing sectors and the
- BOI–AFREXIM partnership which was aimed at providing investment to export-oriented SMEs with a \$750 million credit line (Annual Report 2021).

These programs have contributed to increasing access to finance, but the challenges remain mainly under collateral requirements and information asymmetry.

**SMEDAN–NIRSAL Partnership on Access to Finance**

The collaboration between the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) is a terrific example of synergy to reduce credit risks for SMEs. Several initiatives from the office have focused on nurturing the environment through risk-sharing guarantees, credit information, and capacity building for NIRSAL that has put rural and agro-based SMEs in a position to have access to formal credit (NIRSAL 2022).

Amongst some of the initiatives are:

- ₦120 billion has been disbursed to 40,000 agro-based SMEs from 2016 to 2022.
- Credit guarantee offices were set up to support financial institutions that serve nanos and micro enterprises.
- Credit-scoring metrics were established by making use of alternative data (e.g., history of cash flow, farm productivity, etc.).

Table 4.2: *Selected Public–Private SME Financing Initiatives in Nigeria*

Program	Partners	Focus Sector	Financing Volume (₦ billion)	Key Outcome
BOI–GTBank Fund	BOI, GTBank	Manufacturing, Agro-processing	5	Improved SME formalization
SMEDAN–NIRSAL	SMEDAN, NIRSAL	Agribusiness	120	Risk sharing, rural inclusion
LSETF	Lagos State Gov’t, Private Sector	Startups, Youth Enterprises	25	15,000 jobs created

**Model of Lagos State Employment Trust Fund (LSETF)**

Launched in 2016, the Lagos State Employment Trust Fund (LSETF) provides an example of a sub-national PPP model to finance SMEs. The fund operates through co-investment with private backers and corporate partners and provides microloans and equity financing to startups and SMEs.

The model of LSETF can be understood by considering the principle of “crowding-in” public-private financing — a process whereby public funding intervenes to reduce risk, while simultaneously inciting additional private sector investments (UNDP, 2020).

Notable achievements of LSETF include:

Financing of over 12,000 SMEs;

Mobilization of ₦10 billion from corporate partners (including Access Bank, FirstBank); and

Specialized programs for women entrepreneurs and tech innovators (LSETF, 2022).

cooperation with the LSETF of Women Entrepreneurs, tech innovators.

Figure 4.2: LSETF's Public-Private Financing Model for SME Growth

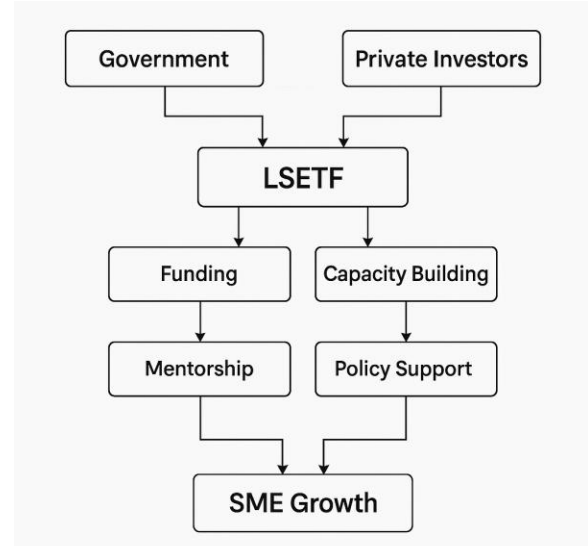


Figure 4.2: Public-Private Financing Model for SME Growth from LSETF, Figure 4.2.

#### 4.3 Sectoral Case Studies

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##### Agro-Processing and Value-Chain Financing

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Public-private synergies in Nigeria's agro-processing sector have increased through initiatives like the Anchor Borrowers Programme (ABP), whereby the Central Bank of Nigeria (CBN) partners with private providers and cooperatives. Through arranging and facilitating input credits and guaranteed offtake agreements, the initiative aligns smallholder farmers with processors (CBN, 2020).

In Nigeria, public-private synergies in the agro-processing sector have increased through efforts such as the Anchor Borrowers Programme, which allows the Central Bank of Nigeria (CBN) to collaborate with private providers and cooperatives. The program, which has organized and facilitated input credits and guaranteed offtake agreements, provides smallholder farmers with the same opportunities to meet processors (CBN, 2020).

The impact of ABP and asset financing is demonstrated by the following indicators:

- Financing of over 3.5 million farmers (rice, maize, and cassava);
- Establishment of 100 agro-processing clusters; and
- Increase in output of SMEs in the agro-sector by 15% (NBS, 2023).

These indicators indicate ABP and asset financing's impact: Over 3.5 million farmers, rice, maize and cassava, funded over 3.5 million farmers. 100 agro-processing clusters; and Up to 15% of SMEs' output in the agro-sector will be produced (NBS, 2023).

##### Model of Lagos State Employment Trust Fund (LSETF)

##### Tech Innovation Hubs (Lagos and Abuja)

In 2016, Lagos State Employment Trust Fund (LSETF), a sub-national PPP initiative, provides one example of a sub-national type of support to SMEs. The fund does so through a co-investment with private backers and corporate partners and provides microloans and equity financing to startups and SMEs.

As the growth of innovation hubs such as Co-Creation Hub in Lagos and Ventures Platform in Abuja show, public-private collaboration provides for digital entrepreneurs. As private investors and government grants support the creation of these hubs, SMEs obtain

The model for LSETF can be understood through the principle of "crowding-in" public-private financing – public funding intervenes to reduce risk while then attracting additional private sector investment (UNDP, 2020).

LSETF is notable for its success in some important areas: More than 12,000 SMEs were financing the project. Mobilization of 10 billion from corporate partners, including Access Bank, FirstBank; and In

venture capital, mentorship, and digital infrastructure through these centers (Adegbite & Machethe, 2021).

- Over 250 Startups were incubated.
- Made \$300 million in private investment during 2015-2018.
- Growing numbers of youth participating in digital economy.

Initiatives for Women and Youth Entrepreneurship

The Entrepreneurship Programme with a gender-inclusive component, YouWin Connect, GGI and Tony Elumelu Foundation, Entrepreneurship Programme, have demonstrated how blended funding can benefit underrepresented populations (TEF, 2022).

- TEF Programme: Funded 15,000 entrepreneurs since 2015, with the majority of female-based SMEs.
- YouWin Connect: Federal PPP funded 4 billion of grants for youth-driven businesses between 2017-2020.
- GGI (World Bank & SMEDAN): Focused on improving access to training and markets for women entrepreneurs.

Table 4.3: Sectoral Case Studies of PPP-Driven SME Initiatives

Sector	Initiative	Partners	Outcome
Agriculture	Anchor Borrowers Programme	CBN, Processors, Cooperatives	Improved SME productivity
Technology	CcHub Ventures Platform	NITDA, Private Investors	Innovation & digital inclusion
Gender/Youth	TEF YouWin Connect	TEF, FMITL, SMEDAN	Empowerment & job creation

4.4 Summary

Nigeria’s trajectory in public–private collaboration has evolved from state-centered SME policies to dynamic multi-stakeholder partnerships that combine finance, innovation, and capacity building. Although structural challenges persist—such as inadequate infrastructure, regulatory delays, and limited private capital absorption—the increasing synergy between public institutions and private innovators offers a robust pathway for inclusive SME-led growth.

V. CONCLUSION

The development of public–private synergies (PPS) in Nigeria's SME sector evidences a deliberate but gradual transition from a historical state-centric industrial policy, towards a collaborative, multi-actor meaning of enterprise development. A review of historical moments - from the IDCs in the 1960s, through the LSETF and BOI–NIRSAL partnerships of the 2020s - shows how coordinated institutional actions can leverage financial innovations and mobilise the private sector as a key stakeholder in Nigeria’s SME ecosystem.

The evidence base from the initiatives discussed in the previous section supports the argument that synergistic partnerships provide better-structured access to finance, add managerial capacity, and improve productivity across multiple sectors including agriculture, technology, and manufacturing. The BOI–GTBank Fund and the SMEDAN–NIRSAL partnership provide empirical evidence of improved risk management and increased credit to finance SMEs. The innovation hubs established in Lagos and the hub in Abuja also illustrate how public sector incentives can mobilise and attract private sector venture capital to high growth (and high risk) niches of the SME ecosystem.

Nonetheless, there are challenges with respect to the implementation and legacy of the development of PPS and these challenges include weak coherence of the institutional environment, inconsistency of policy navigation, and low levels of transparency of data. Furthermore, there remain many SMEs that are informal and financially excluded businesses. The evidence suggests the challenges facing SME scaling will only be overcome through stronger connections

between public policies on fiscal policy, reforms in credit market systems and innovation systems.

To create a sustainable model of SME-led growth in Nigeria, three interconnected strategic imperatives must be pursued:

- **Institutional Deepening:** A PPP Coordination Framework at the National Level to coordinate policies at the federal, state, and local government levels to eliminate duplication and fragmentation.
- **Financial Innovation:** Encourage blended finance options that leverage DFIs, commercial banks, and fintechs to broaden credit access to SMEs, especially in rural and hard to reach areas.
- **Human Capital and Governance:** Prioritize human capital in relation to entrepreneurial skills, digital literacy, and transparency in the regulatory environment in order to improve SME competitiveness and investor confidence.

In summary, public-private partnership is not a static relationship it is an adaptive governance mechanism, a system of mutual reinforcement where government's development role complements the dynamism of the private sector. The Nigerian experience demonstrates that eradicating poverty and building an inclusive, resilient and innovation driven growth agenda for SMEs will take trust in institutions, coherence in policies and collective accountability.

In the future, the policy framework will need to be inclusive of behavioral economics in order to increase the likelihood of designing effective public sector schema, being inclusive of measurement of behavior and impact to track progress and implementing cross-sector coordination to deepen impact. These synergies, if implemented effectively, have the potential to revitalize Nigeria's SMEs, developing a suitable model of sustainable engine for Nigeria's industrialization, job creation and equitable growth.

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