SMEDAN

Blueprint for the Digital Transformation of MSMEs in Nigeria

A Strategic Framework for Inclusive Digital Adoption and Competitiveness



german cooperation
DEUTSCHE ZUSAMMENARBEIT

Co-funded by the European Union

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

Implemented by giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

NITDA

Imprint

Published by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, on behalf of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

Registered office: Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Zone C16, Industrial Area 1 Ext, Plot 900 Chris Chigbo Rd, Cadastral, Idu, Abuja, Nigeria

Contact: info@smedan.gov.ng

Acknowledgement: The research was carried out by Ubulu Africa, appointed by the GIZ Digital Transformation Center in Nigeria.

Unless otherwise noted, the reuse of this document is authorised under the Creative Commons Attribution 4.0 International (CC BY 4.0) licence (https://creativecommons.org/licenses/by/4.0/). This means that reuse is allowed provided appropriate credit is given and any changes are indicated.

Authors: Ubulu Africa

Editors: T. Diwani, E. Oladele, and V. Ayele (GIZ)

Proofreading, design, and layout: Redic Insight Consulting Limited (RICL)

Photos and graphics: GIZ, SMEDAN, and RICL

Date published: October 2026

Commissioned by: The German Federal Ministry for Economic Cooperation and Development (BMZ). Co-funded by the European Union (EU) and the Ministry of Foreign Affairs of Denmark.

About GIZ Digital Transformation Center (DTC) Nigeria: The Digital Transformation Center Nigeria (DTC Nigeria) is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and co-funded by the European Union (EU) and the Ministry of Foreign Affairs of Denmark, and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The project focuses primarily on digitalisation, innovation, entrepreneurship, and employment. It aims to improve the capacity of the Nigerian economy to utilise digital innovations for growth by strengthening Nigeria's ability to leverage digital innovation across sectors.

Contents

List of Figures v

List of Tables vi

Abbreviations and Acronyms vii

Executive Summary 1

What the Evidence Shows 1
The Blueprint's Approach 2
Priorities for Immediate Action 3
An Operational Toolkit 3
A Living Framework 3
Note on Evidence and Sources 4

1 Introduction and Justification 5

1.1 Background and Context 6
1.2 The Digital Transformation Imperative 7
1.3 Purpose and Objectives of the Blueprint 8
1.4 Building on Existing Work 9
1.5 Structure of the Blueprint 10

2 Research Approach and Findings 12

2.1 Research Design and Methodology 13
2.2 The Nigerian MSME Digital Landscape 15
2.2.1 Scale, Structure, and Informality 15
2.2.2 Digital Infrastructure and Connectivity 17
2.2.3 Policy and Institutional Landscape 17
2.3 Key Findings: MSME Digital Adoption and Behaviour 18
2.3.1 From Awareness to Action: The Adoption Gap 18
2.3.2 Functional Clusters of Digital Use 19
2.3.3 Barriers to Deeper Adoption 20
2.3.4 Enablers and Success Factors 21
2.4 The Support Ecosystem: Strengths and Gaps 22
2.4.1 Scale and Composition 22
2.4.2 Digital Support Capacity 22
2.4.3 Collaboration and Coordination 23
2.4.4 The Fundamental Misalignment 24
2.5 Why Past Interventions Have Had Limited Impact 25
2.6 MSME Archetypes: A Segmented Understanding 26
2.6.1 Strategic Reinventors 27
2.6.2 Social Adaptors 27
2.6.3 Traditional Sceptics 27
2.6.4 Invisible Nanos 28
2.6.5 Why Segmentation Matters 28
2.7 Synthesis: What the Evidence Tells Us 28

3 The Ecosystem Approach 30

3.1 From Fragmented Interventions to Ecosystem Thinking 31
3.2 The Three Levels of Intervention 32
3.2.1 Macro Level: Policy and Enabling Environment 32
3.2.2 Meso Level: The Support Ecosystem 32

3.2.3 Micro Level: MSMEs and End Beneficiaries....33
3.3 Functional Relationships: How the Levels Connect....33
3.3.1 Macro to Meso: Mandates, Resources, and Standards....34
3.3.2 Meso to Micro: Services, Trust, and Accompaniment....35
3.3.3 Micro to Meso: Demand, Feedback, and Evidence....35
3.3.4 Micro to Macro: Data, Outcomes, and Accountability....36
3.3.5 Macro to Micro: Incentives, Protection, and Public Goods....36
3.3.6 The System as a Whole....37
3.4 Guiding Principles....37

4 The Blueprint: Strategies by Level of Intervention....39
4.1 Macro Level: Policy and the Enabling Environment....41
Strategic Vision....41
4.1.1 Strategy Area: Infrastructure and Affordable Access....41
4.1.2 Strategy Area: Finance and Incentives for Digital Adoption....43
4.1.3 Strategy Area: Trust, Consumer Protection, and Data Governance....45
4.1.4 Strategy Area: Policy Coherence and Institutional Coordination....47
4.1.5 Strategy Area: Digital Skills and Capabilities at Scale....48
4.1.6 Strategy Area: Inclusion and Equity in Policy Design....50
4.2 Meso Level: The Support Ecosystem....51
Strategic Vision....51
4.2.1 Strategy Area: Reorienting the Support Ecosystem Towards Non-Tech MSMEs....51
4.2.2 Strategy Area: From Training to Adoption Support....53
4.2.3 Strategy Area: Archetype-Sensitive Service Design....54
4.2.4 Strategy Area: Ecosystem Coordination and Referral Systems....56
4.2.5 Strategy Area: Monitoring, Learning, and Impact Measurement....57
4.3 Micro Level: MSMEs and Enterprise-Led Transformation....59
Strategic Vision....59
4.3.1 Strategy Area: Reframing Digital Transformation at the Enterprise Level....59
4.3.2 Strategy Area: Building Minimum Viable Digital Discipline....60
4.3.3 Strategy Area: Deepening Adoption from Social-First to Operational Integration....61
4.3.4 Strategy Area: Trust, Confidence, and Digital Safety at the Enterprise Level....63
4.3.5 Strategy Area: Collective Structures and Peer Learning....64
4.3.6 Strategy Area: Formalisation Through Digital Practice....65
4.4 Cross-Cutting Integration: How the Levels Reinforce Each Other....66

5 Summary and Conclusion....68
5.1 What This Blueprint Has Established....69
5.2 Priorities for Immediate Action....70
5.3 Stakeholder Roles and Shared Responsibility....71
5.4 A Living Framework....72
5.5 Concluding Vision....72

References....74

Annexes....75
Annex A: MSME Digital Transformation Toolkit Compendium....76
A.1 How to Use the Toolkits....76
A.2 Toolkit for MSMEs: Building Digital Foundations and Staying Competitive....80
A.3 Toolkit for ISOs, ESOs, and BSOs: Designing, Delivering, and Scaling MSME Digital Support....86
A.4 Toolkit for Policymakers and Institutions: Enabling and Orchestrating MSME Digital Transformation....91

List of *Figures*

Figure 1:	Blueprint at a glance: MSME digital transformation ecosystem architecture	4
Figure 2:	Geographic coverage of the primary research	13
Figure 3:	Sector distribution of surveyed MSMEs	15
Figure 4:	Ownership of surveyed MSMEs by gender	16
Figure 5:	MSME digital adoption by functional cluster	19
Figure 6:	Barriers to deeper digital adoption	20
Figure 7:	Collaborators within the support ecosystem	23
Figure 8:	Collaboration methods rated effective by support organisations	23
Figure 9:	How MSMEs learn about digital tools	24
Figure 10:	Four MSME digital archetypes	26
Figure 11:	The ecosystem architecture	33
Figure 12:	Strategy architecture overview	40
Figure 13:	MSME Digital Adoption Fund: tiered instrument design	43
Figure 14:	Archetype support pathways	54

List of *Tables*

Table A.1:	Summary of the 21 toolkit instruments	77
Table A.2:	MSME digital readiness self-assessment	81
Table A.3:	Weekly micro-digitalisation routine	83
Table A.4:	MSME digital stack template	83
Table A.5:	MSME continuity and security plan	84
Table A.6:	MSME digital record template (illustrative entries)	61
Table A.7:	Reflection and peer-learning template	85
Table A.8:	Service-design canvas for digital support	86
Table A.9:	Core modules of the programme portfolio	87
Table A.10:	Monitoring and impact dashboard (illustrative values)	88
Table A.11:	Inclusion and accessibility checklist	88
Table A.12:	Referral and partnership tracker (illustrative entries)	89
Table A.13:	Basic data-protection template	89
Table A.14:	Sustainability and revenue planning sheet	90
Table A.15:	Policy implementation matrix (illustrative entries)	92
Table A.16:	Coordination and governance checklist	93
Table A.17:	Digital readiness assessment template for programmes	93
Table A.18:	MSME data dashboard framework	94
Table A.19:	Policy communication and awareness framework	95
Table A.20:	Financing and sustainability tracker (illustrative values)	95
Table A.21:	Inclusion and equity policy lens	96
Table A.22:	Risk and accountability log	96

Abbreviations and *Acronyms*

AEDIB|NET	Africa-Europe Digital Innovation Bridge Network
AfCFTA	African Continental Free Trade Area
BMZ	German Federal Ministry for Economic Cooperation and Development
BOI	Bank of Industry
BSO	Business Support Organisation
CAC	Corporate Affairs Commission
CBN	Central Bank of Nigeria
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DCED	Donor Committee for Enterprise Development
DIH	Digital Innovation Hub
DTC	Digital Transformation Center
ERP	Enterprise Resource Planning
ESO	Enterprise Support Organisation
EU	European Union
FCT	Federal Capital Territory
FGD	Focus Group Discussion
FIRS	Federal Inland Revenue Service
FMF	Federal Ministry of Finance
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GSMA	Global System for Mobile Communications Association
ICT	Information and Communication Technology
IFC	International Finance Corporation
InfraCo	Infrastructure Company
ISO	Innovation Support Organisation
KII	Key Informant Interview
LGA	Local Government Area
M&E	Monitoring and Evaluation
M4P	Making Markets Work for the Poor

MDAs	Ministries, Departments, and Agencies
MFB	Microfinance Bank
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprises
MTNDP	Medium-Term National Development Plan
NBS	National Bureau of Statistics
NCC	Nigerian Communications Commission
NDEPS	National Digital Economy Policy and Strategy
NDPA	Nigeria Data Protection Act
NGO	Non-Governmental Organisation
NITDA	National Information Technology Development Agency
OECD	Organisation for Economic Co-operation and Development
POS	Point of Sale
PPP	Public-Private Partnership
SIM	Subscriber Identity Module
SME	Small and Medium Enterprises
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SMS	Short Message Service
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UPS	Uninterruptible Power Supply
VAT	Value Added Tax

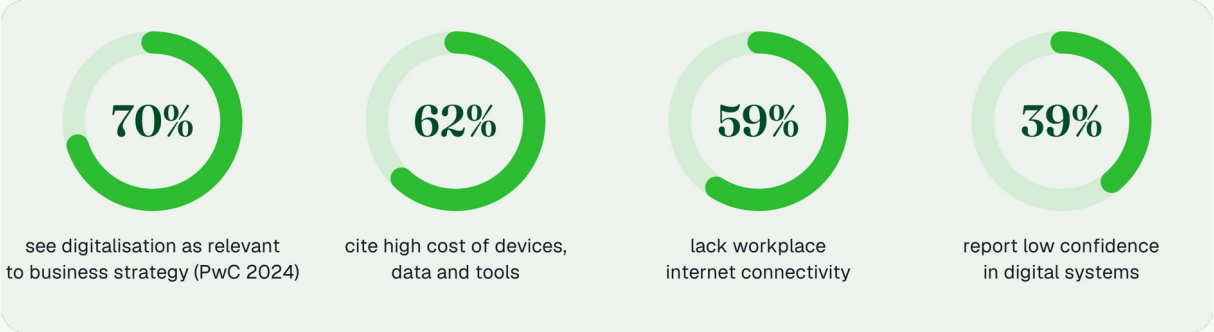
Executive *Summary*

Nigeria's Micro, Small, and Medium Enterprises (MSMEs) are the economy's most consequential sector. Yet while Nigeria's digital economy expands rapidly at the macro level, in fintech, telecommunications, and e-commerce, the vast majority of these enterprises remain excluded from meaningful digital transformation.

This Blueprint, commissioned by the GIZ Digital Transformation Center (DTC) Nigeria, provides a strategic framework to close this gap. It is grounded in one of the most extensive empirical investigations of MSME digitalisation in Nigeria to date, which engaged over 1,600 MSMEs and ecosystem actors across nine states and the Federal Capital Territory (FCT), spanning five of Nigeria's six geopolitical zones.

What the Evidence Shows

The research overturns several prevailing assumptions about MSME digital transformation in Nigeria. PwC Nigeria's 2024 MSME Survey found that 70% of respondents considered social media and digitalisation relevant or very relevant to their business strategies. This recognition highlights the potential for digital solutions to address business challenges, provided MSMEs can overcome barriers to adoption. The dominant barrier is cost: over 62% cite the high price of devices, data, and tools as the primary obstacle. It is infrastructure: 59% of MSMEs lack workplace internet connectivity, and unreliable power costs the economy an estimated $28 billion annually. And it is trust: 39% report low confidence in digital systems, driven by fraud, unresolved scams, and system failures that key informants describe as "digital trauma."



Digital adoption is already widespread, but shallow. Most MSMEs use social media (69.5%) and digital payments, but only 13% have adopted operational tools, such as accounting software, inventory systems, and e-commerce platforms, where productivity gains are greatest. The pattern is "social-first" adoption that has not progressed to operational integration.

The support ecosystem is substantial but misaligned. Innovation hubs, agencies, and support organisations exist, but they are oriented primarily towards tech startups. Only 3% of MSMEs learn about digital tools through hubs; 63% rely on friends and family. One-third of MSMEs have no interaction with any support organisation. Past interventions have been fragmented, generic,

and unsustained: training without follow-up, one-size-fits-all design, and poor coordination across agencies.

Critically, MSMEs are not a homogeneous group. The research identifies four distinct archetypes: *Strategic Reinventors* (advanced, scaling digitally), *Social Adaptors* (moderate, using social and payment tools but not operational systems), *Traditional Sceptics* (low adoption, risk-averse, trust-constrained), and *Invisible Nanos* (negligible engagement, survival-focused, largely excluded). Each requires a fundamentally different intervention approach.

The Blueprint's Approach

The Blueprint adopts an ecosystem approach, recognising that MSME digital transformation cannot be achieved through isolated, single-actor, or single-level interventions. It organises its strategy across three interdependent levels:

Macro Level: Policy and Enabling Environment. Government acts as platform builder: investing in affordable infrastructure and connectivity, restructuring MSME financing around a dedicated Digital Adoption Fund with archetype-calibrated instruments, building digital trust through consumer protection and cybercrime enforcement, establishing institutional coordination across Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), National Information Technology Development Agency (NITDA), Nigerian Communications Commission (NCC), and Central Bank of Nigeria (CBN), scaling digital skills through a national framework in major Nigerian languages, and embedding inclusion as a design criterion across all policy instruments.

Meso Level: The Support Ecosystem. Support organisations reorient from programme delivery to transformation enablement: expanding hub mandates to serve non-tech MSMEs, shifting from one-off training to structured adoption support with diagnostics, mentoring, and follow-up, designing services that are differentiated by MSME archetype, building referral systems and coordination mechanisms across the ecosystem, and measuring outcomes rather than outputs.

Micro Level: MSMEs and Enterprise-Led Transformation. MSMEs are supported as active agents of their own transformation: reframing digitalisation around specific business pain points, building minimum viable digital discipline (starting with consistent record-keeping), progressing from social-first to operational digital use, building trust through peer demonstration and practical digital safety, leveraging collective structures and peer champions for scaled adoption, and using digital practice as a pathway to gradual formalisation.

The three levels are connected by explicit functional relationships: flows of resources, information, authority, and accountability that ensure macro investment translates through meso services into micro outcomes, and that micro-level evidence flows back to inform policy and programme design.

Priorities for Immediate Action

Six actions carry particular urgency:

1. **Establish a formal inter-agency coordination mechanism** for MSME digital transformation across SMEDAN, NITDA, the NCC, the CBN, and relevant ministries. This is the single most important systemic intervention.
2. **Launch the MSME Digital Adoption Fund** with tiered instruments calibrated to archetype-specific needs, directly addressing the dominant cost barrier.
3. **Reorient Digital Innovation Hubs** to include non-tech MSMEs, expanding the reach of existing infrastructure at relatively low marginal cost.
4. **Scale peer champion and cluster-based adoption programmes**, operationalising the most powerful adoption driver the research identified.
5. **Deploy digital starter packs for micro and nano enterprises**: affordable devices, data, and portable power bundled with local-language training.
6. **Pilot adoption-linked incentive design** within existing programmes, rewarding demonstrated digital practice rather than workshop attendance.

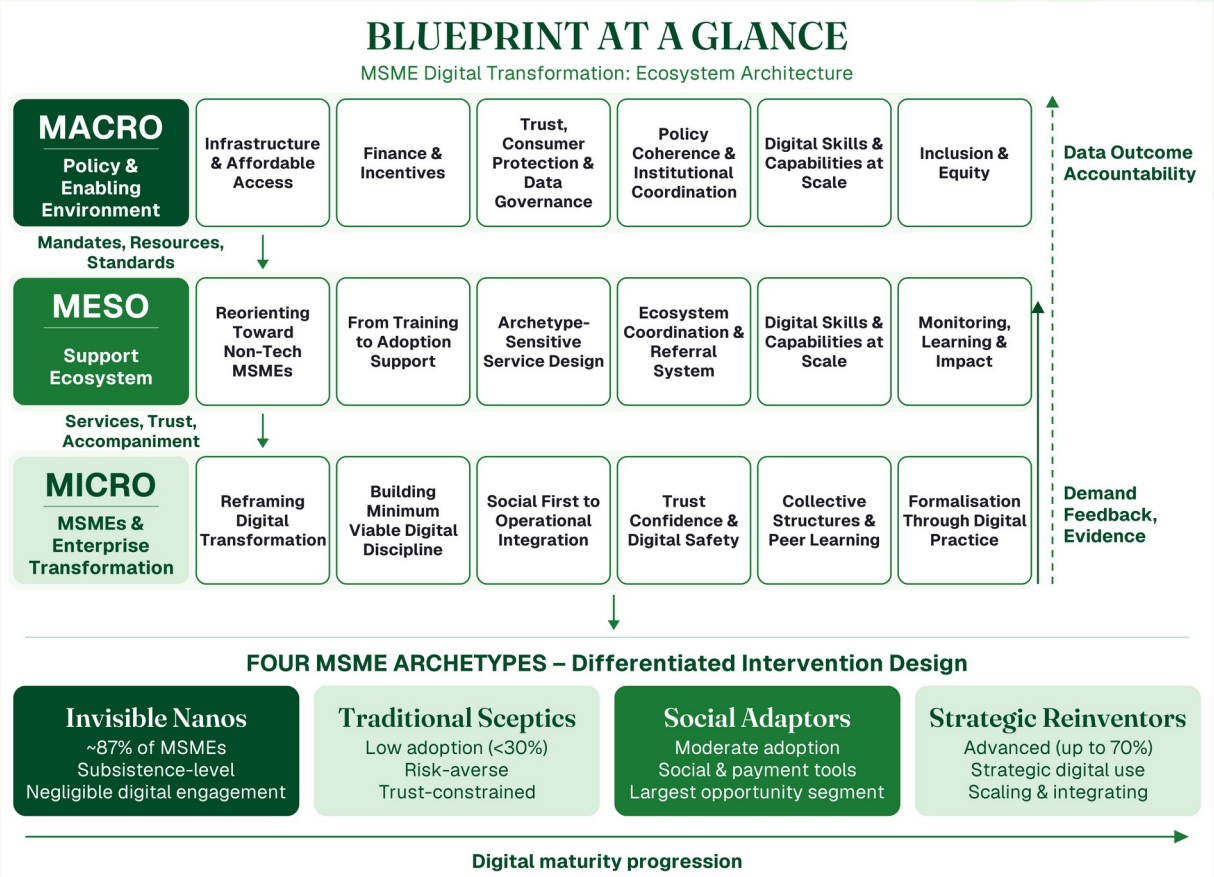
An Operational Toolkit

The *MSME Digital Transformation Toolkit Compendium*, presented in Annex A, is a modular collection of 21 operational instruments, diagnostic tools, templates, and planning frameworks for MSMEs, support organisations, and policymakers. It translates the Blueprint's strategies into day-to-day practice and is cross-referenced throughout.

A Living Framework

This Blueprint is designed as a national strategic framework, not a time-bound project document. It proposes a national MSME digital transformation dashboard to track progress, and recommends 18-month review cycles to adapt strategies on the basis of new evidence. Its measure of success is not adoption as a document but impact in the economy: whether Nigerian MSMEs find it easier, safer, and more rewarding to take their next digital step.

Figure 1: Blueprint at a glance: MSME digital transformation ecosystem architecture



The Blueprint organises intervention across three interdependent levels (macro, meso, micro), connected by five directional flows of resources, information, authority, and accountability. Four MSME archetypes provide the segmentation framework for different intervention designs across all levels.
Source: Authors' elaboration based on the primary research.

Note on Evidence and Sources

Unless otherwise attributed, all data, statistics, and findings presented in this Blueprint are drawn from the primary mixed-methods research conducted for this project across nine Nigerian states and the Federal Capital Territory (Abia, Akwa Ibom, Anambra, Kano, Lagos, Ondo, Plateau, Rivers, Sokoto, and the FCT) in 2024–2025. This research comprised quantitative surveys of 1,247 MSMEs and 221 support organisations, over 20 Focus Group Discussions engaging more than 500 participants, Key Informant Interviews with senior ecosystem actors, and extensive desk research synthesising published data from national and international institutions. The methodology is summarised in Section 2.1.

Where findings are drawn from external published sources, such as the NBS, CBN, the World Bank, the Organisation for Economic Co-operation and Development (OECD), or other institutions, these are attributed in footnotes.



01

1 Introduction and Justification

1.1 Background and Context

The 2021 NBS/SMEDAN National Survey of MSMEs counted 39.7 million MSMEs (the earlier 2017 survey recorded 41.54 million; the difference reflects methodological changes between survey rounds rather than a contraction of the sector). These enterprises represent 96.9% of all businesses recorded in the national MSME survey, contributing 46.3% of Gross Domestic Product (GDP) and employing 88% of the national workforce[1]. They are the primary vehicles for income generation, poverty reduction, and economic inclusion across urban, peri-urban, and rural communities. In scale and reach, no other segment of the Nigerian economy touches as many livelihoods or sustains as many households. Four years and several macroeconomic shocks later, 67% of those enterprises report declining demand, with over half citing prices their customers can no longer afford.[2] The sector's structural importance to Nigeria is unchanged. The conditions under which it operates are not.

At the same time, Nigeria is experiencing a profound digital shift. Mobile subscriptions have expanded to make it the largest mobile market in Sub-Saharan Africa;[3] the fintech ecosystem has emerged as one of the most dynamic on the continent, with fintech platforms processing over ₦600 trillion in annual transactions,[4] and digital payments, logistics platforms, and cloud-based services are reshaping how goods and services are produced, marketed, and delivered. National policy frameworks, including the National Digital Economy Policy and Strategy (NDEPS) 2.0,[5] the Medium-Term National Development Plan (MTNDP) 2021–2025,[6] and Nigeria's Agenda 2050, have positioned digital transformation as a strategic priority for economic diversification and global competitiveness.

Yet a fundamental paradox persists. While digital momentum accelerates at the macroeconomic level, the vast majority of MSMEs remain excluded from meaningful digital transformation. The digital tools that have reshaped Nigeria's banking, telecommunications, and technology sectors have not penetrated the everyday operations of the enterprises that employ most Nigerians. Where digital adoption has occurred among MSMEs, it is overwhelmingly shallow, concentrated in basic communication and social media marketing, rather than embedded in the operational, financial, and strategic functions where productivity gains are greatest.[7]

This gap is not a matter of awareness. Most MSMEs recognise the value of digital tools and express willingness to adopt them. It is, fundamentally, a gap of affordability, infrastructure, trust, and institutional support. Some 62.7% of MSMEs identify the high cost of devices, tools, and data as the primary obstacle to deeper digitalisation. Bridging this gap is not merely a technology challenge. It is a national economic imperative, one that demands coordinated, evidence-driven, and systemic intervention across multiple levels of the economy.

[1] NBS and SMEDAN (2021).
[2] PwC Nigeria (2024).
[3] GSMA (2024).
[4] CBN (2024).
[5] Federal Ministry of Communications and Digital Economy (2020).
[6] Federal Government of Nigeria (2021).
[7] World Bank (2023a).

1.2 The Digital Transformation Imperative

Digital transformation for MSMEs is not principally about technology adoption. It is about building the conditions under which enterprises can use digital tools to improve productivity, access new markets, manage risk, make better decisions, and participate more fully in formal economic systems.

The stakes are substantial. Globally, small and medium enterprises in developing countries lag behind larger firms by 30 to 40 percentage points in the adoption of even basic digital technologies such as cloud computing, enterprise resource planning, and e-commerce.[8] The World Bank's *Digital Africa* report identifies digital transformation of MSMEs as one of the most significant levers for job creation, productivity growth, and economic resilience on the continent.[9] In Nigeria, where MSMEs account for nearly half of GDP but operate with thin margins, low productivity, and limited resilience to economic shocks, the potential returns from even modest improvements in digital capability are substantial.

The risk of inaction is equally clear. As regional and global value chains become increasingly digitised, enterprises that cannot transact digitally, maintain digital records, or participate in online marketplaces face progressive exclusion. The African Continental Free Trade Area (AfCFTA), which promises expanded market access for Nigerian businesses, depends in significant part on digital trade facilitation, standardised record-keeping, and interoperable payment systems, capabilities that most Nigerian MSMEs currently lack. Inefficient trade logistics and limited digital integration of procurement processes constrain Nigerian MSMEs' ability to participate fully in the opportunities created by the AfCFTA.[10] Without deliberate intervention, the digital divide will not narrow organically. It will widen, concentrating gains among larger, urban, and already-digitised firms while leaving the majority behind.

Three features of Nigeria's MSME landscape make this imperative particularly urgent.

First, the dominance of micro and informal enterprises. According to the 2017 NBS/SMEDAN survey, Nigeria had an estimated 41.54 million MSMEs, of which 99.8% were classified as micro-enterprises, many operating as nano-businesses. The 2021 survey recorded 39.7 million; this Blueprint uses the 2017 structural breakdown where the micro/small/medium classification is cited, as the 2021 survey did not replicate it at the same level of detail.[11] Many lack formal registration, standardised record-keeping, or access to formal financial services. A financing gap of ₦13 trillion ($32.2 billion) persists for MSMEs, and only 1% of total commercial bank credit is directed towards small businesses.[12] Digital transformation for this segment cannot assume existing digital literacy, formal business systems, or stable infrastructure. It must be designed from the ground up, meeting enterprises where they are.

Second, the compounding effect of macroeconomic volatility. The period from 2023 to 2024 was particularly disruptive for MSMEs, with the Naira Redesign Policy, removal of fuel subsidies, and currency devaluation creating severe liquidity constraints and cost escalation. Fuel prices increased by an estimated 159%, significantly affecting transportation, production, and logistics-

[8] PwC Nigeria (2024).
[9] World Bank (2023a).
[10] World Bank (2020); UNCTAD (2023).
[11] NBS and SMEDAN (2017); NBS and SMEDAN (2021).
[12] NBS and SMEDAN (2021); Central Bank of Nigeria data.

dependent enterprises.[13] In this environment, the cost of digital investment competes directly with working capital needs, and the perceived risk of new technologies is heightened. Any digital transformation strategy must account for the real financial pressures MSMEs face.

Third, the infrastructure deficit. Nigeria's fixed (wired) household broadband penetration rate stands at 0.04%, although mobile broadband penetration exceeds 40% nationally. The distinction matters for MSMEs: mobile broadband, while widespread, is often unreliable, expensive per megabyte, and poorly suited to the sustained, data-intensive use that business applications require.[14] Electricity generation capacity remains substantially below peer economies, estimated at approximately 140 kWh per capita compared to 229 kWh in Kenya and 3,566 kWh in South Africa, and unreliable power supply costs the economy an estimated $28 billion (₦10 trillion) annually.[15] Field research conducted for this Blueprint found that approximately 59% of surveyed MSMEs do not have internet connectivity at their place of work, with the figure rising to 69% in construction-related enterprises. These are not secondary considerations. They are structural preconditions that must be addressed in parallel with demand-side interventions.

Taken together, these realities demand a digital transformation approach that is realistic about the constraints MSMEs face, grounded in evidence about what actually drives adoption, and systemic in its design, addressing not only the behaviour of individual enterprises but the ecosystem of infrastructure, services, policy, and support that surrounds them.

1.3 Purpose and Objectives of the Blueprint

This Blueprint sets out a strategic framework to accelerate the digital transformation of non-tech MSMEs in Nigeria. It is designed to serve as both a policy compass and an implementation guide, providing the evidence base, strategic direction, and intervention architecture needed to move from fragmented pilot initiatives towards coordinated, scalable, and sustainable transformation.

The Blueprint is grounded in an extensive body of primary and secondary research, including field engagement with over 1,600 MSMEs and ecosystem actors across nine states and the FCT, spanning five of Nigeria's six geopolitical zones. It translates this evidence into a structured intervention framework organised around three levels: macro (policy and enabling environment), meso (support ecosystem and service providers), and micro (MSMEs and end beneficiaries). Lasting digital transformation requires coordinated action across all three.

The overarching objective is to accelerate the digital transformation of Nigerian MSMEs by addressing systemic barriers and strengthening enabling conditions across five interconnected pillars:

[13] NBS price data (2023).
[14] NCC (2024).
[15] World Bank (2023b). The $28 billion (₦10 trillion) estimate is widely cited in Nigerian infrastructure and economic analyses.

Infrastructure and Connectivity. Ensuring affordable, reliable access to broadband, power, and devices, the foundational prerequisites without which digital adoption cannot be sustained.

Digital Capabilities and Skills. Equipping MSMEs with the practical competencies to adopt, adapt, and benefit from digital tools in their daily operations, moving beyond generic awareness to applied, context-specific capability.

Finance and Incentives. Mobilising innovative financing instruments and fiscal tools to de-risk digital investment for MSMEs, recognising that cost is the single most cited barrier to deeper adoption.

Trust, Data, and Security. Building the digital confidence that MSMEs need to rely on digital systems, through data protection, consumer safeguards, dispute resolution mechanisms, and demonstrable reliability.

Policy Coherence and Coordination. Aligning efforts across ministries, agencies, development partners, and private sector actors to ensure that interventions are complementary, not duplicative, and that policy ambition translates into ground-level impact.

The intended audience for this Blueprint includes federal and state policymakers, national agencies such as SMEDAN and NITDA, development partners, innovation support organisations (ISOs), enterprise support organisations (ESOs), business support organisations (BSOs), financial institutions, technology providers, and MSMEs themselves. It is designed to be actionable at multiple levels and to provide each stakeholder group with a clear understanding of both its role and its dependencies within the broader ecosystem.

The *MSME Digital Transformation Toolkit Compendium* (Annex A) provides the operational instruments, frameworks, diagnostic tools, and templates required to translate the strategies outlined in this Blueprint into day-to-day practice. It is designed to be used alongside the main report and is cross-referenced throughout.

1.4 Building on Existing Work

This Blueprint does not emerge in isolation. It builds upon a substantial body of prior work undertaken by government agencies, development partners, academic institutions, and private sector actors to strengthen Nigeria's digital economy and MSME development ecosystem.

At the national level, NDEPS 2.0, the National Development Plan, and the mandates of institutions such as SMEDAN and NITDA provide the overarching policy architecture within which MSME digital transformation is situated. These frameworks articulate ambitious goals for digital inclusion, skills development, and infrastructure expansion. The MTNDP 2021–2025 sets targets including universal internet coverage and a tripling of the contribution of information and

communication technology (ICT) to GDP.[16] The challenge, as the evidence in this Blueprint demonstrates, lies in translating these ambitions into coordinated, ground-level delivery that reaches the enterprises that need it most.

GIZ DTC Nigeria, which commissioned this Blueprint, has been instrumental in building practical foundations for digital ecosystem development in Nigeria. Through its work on strengthening participatory frameworks for digital policy implementation, establishing and strengthening Digital Innovation Hubs, building the capacity of innovation support organisations, developing the AEDIB|NET network for inter-hub collaboration, promoting digital literacy and skills training, including targeted programmes for women and youth, and facilitating linkages between digital solution providers and MSMEs, GIZ DTC Nigeria has generated both institutional knowledge and operational infrastructure that inform the strategies set out in this document.[17] Where relevant, the Blueprint draws on these experiences as evidence of what works and as building blocks for scaled intervention.

The research underpinning this Blueprint, a comprehensive, multi-state, mixed-methods study engaging over 1,600 MSMEs and ecosystem actors across nine states and the FCT, represents one of the most extensive empirical investigations of MSME digital transformation in Nigeria to date. Its findings, detailed in Section 2, provide the evidentiary foundation for every recommendation and strategy that follows.

1.5 Structure of the Blueprint

This Blueprint is organised into five main sections, each building on the last to move from evidence through strategic framework to actionable intervention.

Section 1, Introduction and Justification (this section), establishes the context, purpose, and rationale for the Blueprint, situating MSME digital transformation as a national economic priority.

Section 2, Research Approach and Findings, presents the evidence base: the methodology employed, the state of MSME digital adoption in Nigeria, the barriers and enablers identified, the role of the support ecosystem, and the four MSME archetypes that emerged from the research. This section demonstrates that the Blueprint's strategies are grounded in rigorous, field-validated evidence.

Section 3, The Ecosystem Approach, articulates the strategic logic of the Blueprint: why systemic, multi-level, multi-

Section 4, The Blueprint: Strategies by Level of Intervention, is the core strategy section. It sets out, for each level,

[16] Federal Government of Nigeria (2021).

[17] GIZ Digital Transformation Center Nigeria programme documentation, 2020–2025. DTC Nigeria is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and co-funded by the European Union (EU) and the Ministry of Foreign Affairs of Denmark. It focuses on digitalisation, innovation, and entrepreneurship ecosystem development in Nigeria.

stakeholder intervention is necessary, how the three levels of intervention (macro, meso, micro) relate to one another, and what principles guide the design of the Blueprint's strategies.

macro (policy and enabling environment), meso (support ecosystem), and micro (MSMEs), the strategic objectives, key strategy areas, detailed implementation pathways, and success indicators that together constitute the national framework for MSME digital transformation.

Section 5, Summary and Conclusion, consolidates the Blueprint's core propositions, identifies priorities for immediate action, and articulates the shared responsibility of all stakeholders in moving from strategy to impact.

Annex A presents the *MSME Digital Transformation Toolkit Compendium*, which contains the operational instruments for implementation.



02

2 Research Approach and Findings

2.1 Research Design and Methodology

The evidence base for this Blueprint was developed through a comprehensive, multi-state research programme combining desk research with extensive primary fieldwork. The study was designed to answer four core questions: what is the current level and nature of digital adoption among Nigerian MSMEs; what factors drive or constrain this adoption; how effectively the support ecosystem is positioned to enable MSME digital transformation; and what these findings imply for the design of a scalable, inclusive intervention framework.

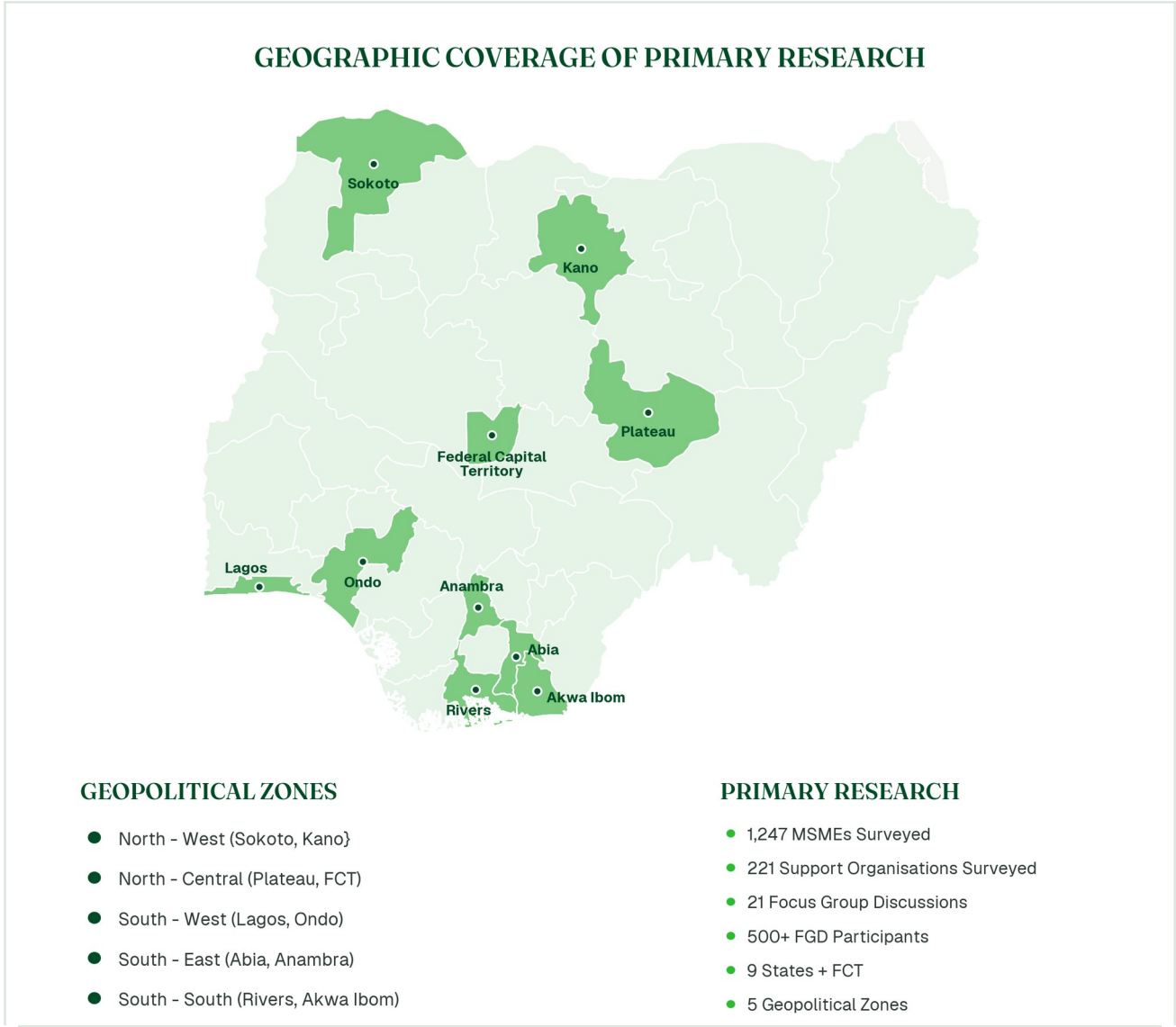
Research Methods. The study employed a mixed-methods, participatory approach integrating quantitative breadth with qualitative depth. Four primary methods were used:

- **Desk Research:** A review of national and international literature, policy documents, and prior studies on MSME development and digital transformation, providing contextual grounding and comparative benchmarks. Sources included NBS and SMEDAN surveys, World Bank and OECD analyses, Global System for Mobile Communications Association (GSMA) connectivity reports, CBN data, and prior assessments by GIZ DTC Nigeria and other development partners.[18]
- **Quantitative Surveys:** Two enumerator-led surveys were administered, Survey A targeting MSMEs and Survey B targeting MSME support organisations, generating comparable data on digital tool usage, capabilities, constraints, and support provision across states.
- **Focus Group Discussions (FGDs):** Over 20 structured group discussions were conducted with more than 500 participants, including MSMEs, cooperatives, business associations, innovation hubs, and support organisations, to explore lived experiences, behavioural patterns, and perceived barriers and opportunities.
- **Key Informant Interviews (KIIs):** In-depth interviews with government officials, policy advisors, hub founders, business association leaders, and private sector actors captured institutional perspectives and system-level dynamics.

Geographic Coverage. The study engaged MSMEs and ecosystem actors across nine states and the FCT, covering five of Nigeria's six geopolitical zones and a range of economic contexts. The states covered were Abia, Akwa Ibom, Anambra, Kano, Lagos, Ondo, Plateau, Rivers, and Sokoto, together with the FCT (Figure 2). This geographic spread was deliberate, capturing the diverse conditions (urban and rural, northern and southern, commercially advanced and emerging) under which MSMEs operate.

[18] Key desk research sources: NBS and SMEDAN (2021); OECD (2021); World Bank (2023a); GSMA (2024); CBN (2024); NCC (2024); PwC Nigeria (2024).

Figure 2: Geographic coverage of the primary research



The study engaged MSMEs and ecosystem actors across nine states and the Federal Capital Territory, spanning five of Nigeria's six geopolitical zones. The research comprised 1,247 MSME surveys, 221 support organisation surveys, more than 20 Focus Group Discussions with over 500 participants, and Key Informant Interviews with senior stakeholders.
Source: Primary research, 2024–2025.

Analytical Approach. Data analysis combined quantitative statistical analysis of survey responses with thematic coding of qualitative data from FGDs and KIIs. Findings were tri angulated across methods and cross-validated at the state level to ensure robustness. The participatory design was intentional: by engaging MSMEs directly alongside the organisations that support and regulate them, the study moves beyond abstract diagnostics to surface practical insights, tensions, and opportunities within the ecosystem.

Limitations. As with any large-scale field study, certain limitations apply. The research covered nine states and the FCT across five of Nigeria's six geopolitical zones (North-West, North-Central, South-West, South-East, and South-South). The North-East geopolitical zone (Borno, Yobe, Adamawa, Bauchi, Gombe, and Taraba) was not included in the

primary field research due to security and access constraints prevailing at the time of fieldwork. Findings and recommendations should be interpreted with this limitation in mind; the North-East's distinct conflict-affected context, displacement dynamics, and infrastructure challenges may require tailored approaches that this evidence base does not directly address. Variations in infrastructure, literacy levels, and language across the covered states influenced data collection modalities. The findings reflect conditions at the time of fieldwork and, while geographically broad, do not claim to capture every sub-national variation. These limitations are acknowledged transparently and do not materially affect the strategic conclusions drawn.

2.2 The Nigerian MSME Digital Landscape

2.2.1 Scale, Structure, and Informality

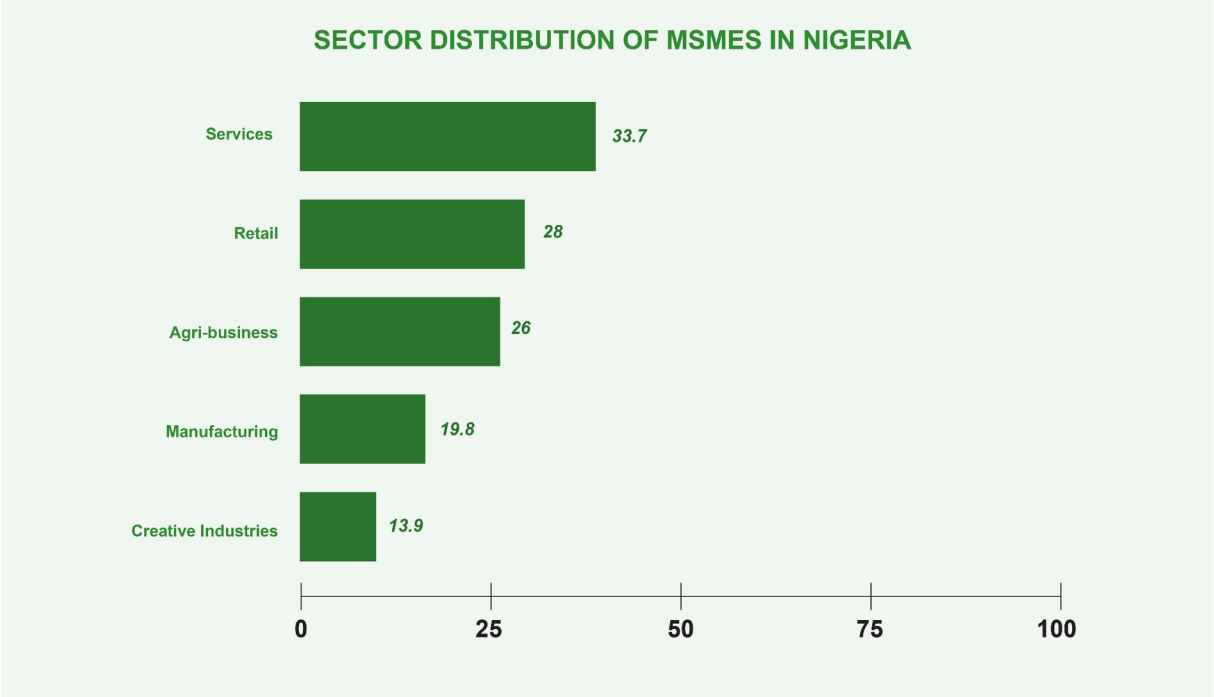
Nigeria's MSME sector is not only vast but structurally distinctive in ways that fundamentally shape the digital transformation challenge. As noted in Section 1.2, 99.8% of Nigeria's MSMEs are classified as micro-enterprises, many operating as what the literature describes as "nano-businesses", while small enterprises constitute a fraction and medium enterprises less than 1% of the total.[19] The field survey confirms this distribution: 61.3% of surveyed enterprises employ between one and five staff, 29.1% employ six to twenty, and only 9.6% employ twenty-one to one hundred.

A defining feature of these enterprises is high informality. Many lack legal registration, standardised documentation, or access to formal financial services. This informality is not incidental; it reflects rational responses to regulatory burden, cost, and limited perceived returns from formalisation. But it carries consequences for digital transformation: enterprises without formal records, business accounts, or registered identities face higher barriers to accessing digital financial services, e-commerce platforms, and government support programmes.

Sectorally, the MSME landscape is concentrated in service-oriented and consumer-facing industries. Services engage 33.7% of enterprises surveyed, retail 28.0%, agri-business 26.0%, manufacturing 19.8%, and creative industries 13.9%. Many enterprises operate across more than one sector, a mixed-model approach that reflects strategies for revenue diversification and risk mitigation. Because respondents could report more than one sector, the shares sum to more than 100% (Figure 3).

[19] NBS and SMEDAN (2017).

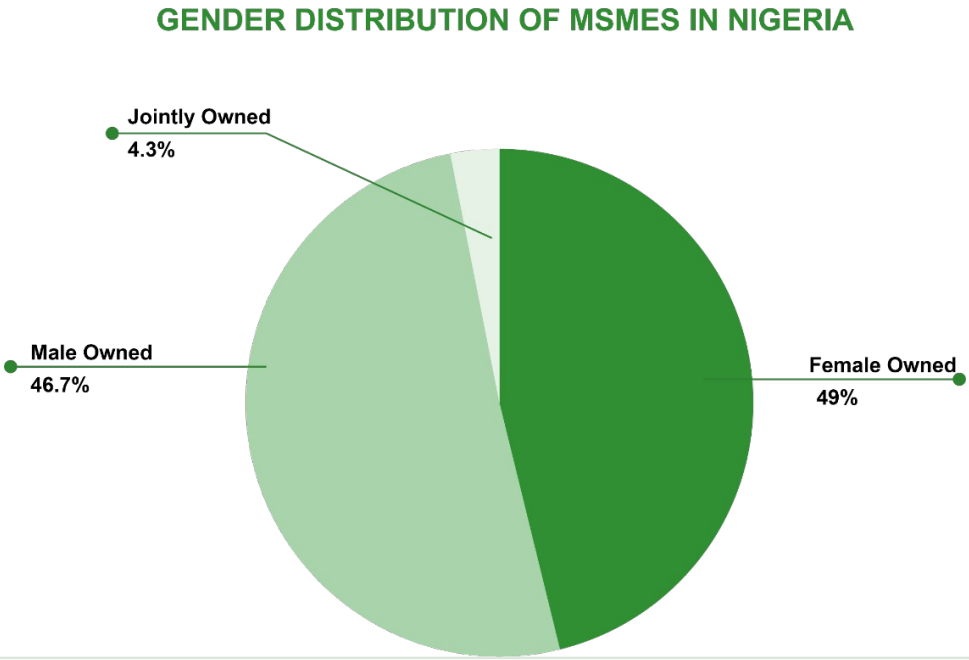
Figure 3: Sector distribution of surveyed MSMEs



Source: Survey of MSMEs (Survey A), 2024–2025. Respondents could select more than one sector.

Gender distribution approaches parity in the survey sample, with female-owned enterprises accounting for 49.0%, male-owned 46.7%, and jointly owned 4.3% (Figure 4). However, gender parity in ownership does not imply parity in access to digital resources, finance, or support, a distinction explored further in the findings below.

Figure 4: Ownership of surveyed MSMEs by gender



Source: Survey of MSMEs (Survey A), 2024–2025.

Nearly 40% of enterprises are relatively new, having operated for two to five years, while 20% have been in operation for more than a decade. This age distribution matters: younger enterprises may be more open to digital adoption but have less capital to invest, while established enterprises may have greater resources but more entrenched manual practices.

2.2.2 Digital Infrastructure and Connectivity

The infrastructure environment within which MSMEs operate constitutes both the most significant structural barrier to digital adoption and the most urgent precondition for progress.

Connectivity. While Nigeria is the largest mobile market in Sub-Saharan Africa, fixed (wired) household broadband penetration stands at 0.04%, while mobile broadband penetration exceeds 40% nationally.[20] Field data reflect this gap starkly: approximately 59% of surveyed MSMEs do not have internet connectivity at their place of work, with the figure rising to 69% in construction-related enterprises. Connectivity is not only limited but unevenly distributed, with Southern and urban zones significantly better served than Northern and rural areas.

Power. Nigeria's electricity generation capacity remains substantially below peer economies, approximately 140 kWh per capita, compared to 229 kWh in Kenya and 3,566 kWh in South Africa.[21] Unreliable power supply costs the economy an estimated $28 billion (₦10 trillion) annually.[22] For MSMEs, energy insecurity is not an abstract inconvenience; it directly determines whether digital tools can be reliably used. Field research found that 41% of MSMEs cite unreliable electricity as a constraint on digital adoption, and many maintain manual backup systems as a rational survival strategy.

Affordability. Even where connectivity exists, affordability remains a defining constraint. The cost of devices, data, and tool subscriptions relative to MSME revenues makes sustained digital adoption prohibitively expensive for many enterprises. This is particularly acute for micro and nano enterprises operating on thin margins.

These three infrastructure realities (limited connectivity, unreliable power, and high cost) interact to create a compounding constraint. MSMEs face not one barrier but a system of barriers that makes even basic digital reliance risky without simultaneous investment in infrastructure and affordability.

2.2.3 Policy and Institutional Landscape

Nigeria's policy environment for MSME digital transformation is characterised by ambitious goals and fragmented delivery. The MTNDP 2021–2025 and NDEPS 2.0 provide the overarching policy architecture for MSME digital transformation, with targets for universal internet coverage and expanded ICT contribution to GDP (see Section 1.4).[23] The NDEPS 2.0 articulates a comprehensive

[20] NCC (2024).
[21] World Bank and NBS estimates.
[22] World Bank (2023b).
[23] Federal Government of Nigeria (2021).

vision for digital inclusion, skills development, and ecosystem building.[24] Institutions such as SMEDAN, NITDA, the CBN, and NCC each hold mandates relevant to different dimensions of MSME digitalisation.

However, the evidence points to a clear disconnect between policy ambition and ground-level delivery. Among surveyed MSMEs, 69% reported that they had not received any government grants in the previous 24 months, despite the existence of multiple support programmes. The ecosystem suffers from institutional fragmentation: agencies such as SMEDAN, NITDA, and innovation hubs often work in silos, leading to duplicated training programmes and uneven follow-up. As one key informant observed, the challenge is "too many consultations and too few tangible outcomes."

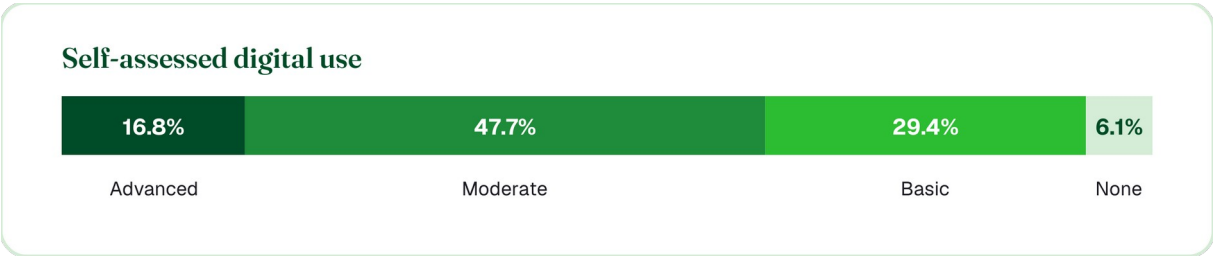
This institutional fragmentation has a direct consequence for MSMEs: they do not know where to go for support. Field data show that MSMEs rely overwhelmingly on informal peer networks: 63% learn about digital tools from friends and family, 30% from colleagues, rather than from formal support institutions. Only 3% report learning through innovation hubs. The gap between national strategy and enterprise-level experience is one of the most important findings of this research.

2.3 Key Findings: MSME Digital Adoption and Behaviour

2.3.1 From Awareness to Action: The Adoption Gap

A central finding of this research is that the challenge is not simply recognising the value of digitalisation, but translating that recognition into meaningful adoption. Despite the perceived relevance of digital tools, barriers such as cost, infrastructure, and limited digital capabilities continue to constrain their practical use. As a result, actual adoption remains shallow, fragmented, and concentrated in a narrow band of tools and functions.

Nearly half of all enterprises rate their overall digital use as "Moderate" (47.7%), while a further 29.4% report only "Basic" usage. Fewer than one in five (16.8%) report "Advanced" digital use, and 6.1% indicate no digital use at all. These self-assessments, validated by tool-specific usage data, confirm a landscape of widespread but shallow engagement.



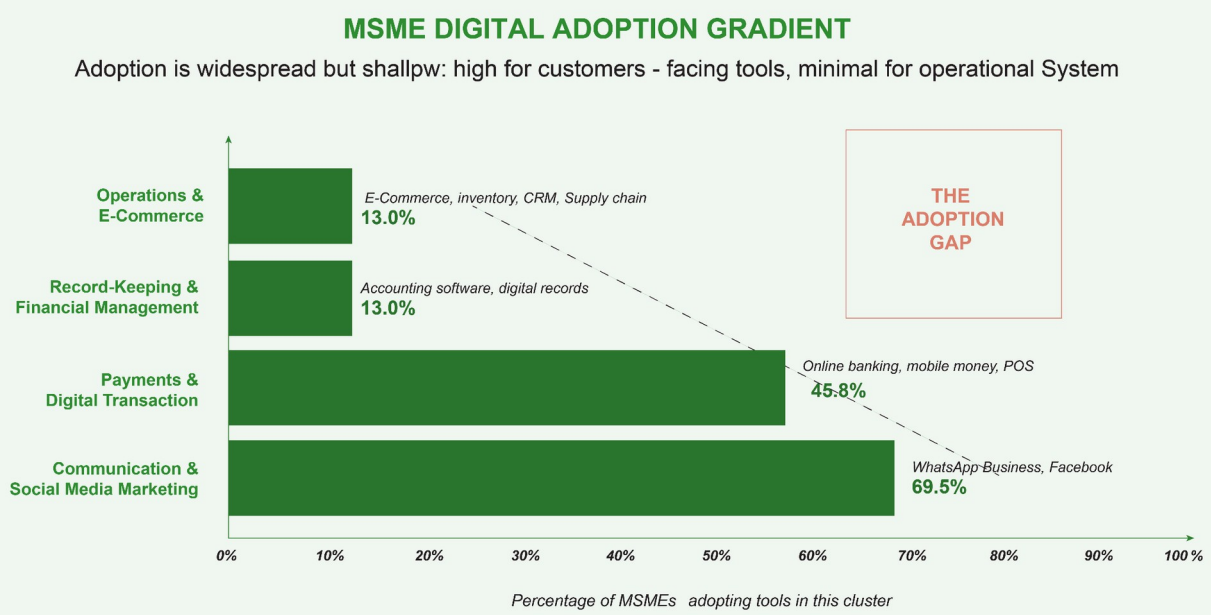
The pattern is best characterised as "social-first" adoption. MSMEs adopt digital tools where they directly support visibility, sales, or payment processing, functions that deliver immediately perceivable returns. Adoption drops sharply for tools that require changes to internal processes, structured data entry, or sustained discipline. The gap between customer-facing and operational digital use is the defining feature of Nigeria's MSME digital landscape.

[24] Federal Ministry of Communications and Digital Economy (2020).

2.3.2 Functional Clusters of Digital Use

Digital tool adoption among MSMEs clusters around four functional areas, with wide variation in uptake (Figure 5):

Figure 5: MSME digital adoption by functional cluster



Digital adoption among Nigerian MSMEs follows a steep gradient from customer-facing tools (social media, payments) to operational systems (record-keeping, e-commerce). The gap between the two defines the transformation frontier.

Source: Survey of MSMEs (Survey A), 2024–2025.

Communication and Marketing. Social media (including WhatsApp Business, Facebook, and Instagram) is the most widely used digital tool, adopted by 69.5% of surveyed MSMEs. Qualitative evidence from Focus Group Discussions across all states confirms that WhatsApp Business is the dominant platform within this category, used extensively for direct customer communication, order processing, and product catalogue display. These tools serve as low-cost, low-barrier channels for customer engagement, product display, and order processing. In several states, adoption is near-universal, reaching 90.5% in Akwa Ibom and 86.4% in Plateau. Social media has effectively become the primary digital shopfront for Nigerian MSMEs.

Payments and Transactions. Online banking (45.8%) and mobile money/Point of Sale (POS) services (36.7%) represent the second most adopted cluster. Adoption of payment tools was significantly accelerated by the 2023 Naira Redesign Policy and associated cash scarcity, which drove rapid uptake of POS systems, reaching 92% usage during the crisis period. However, much of this adoption was reactive rather than strategic, and concerns about fraud, transaction failures, and dispute resolution continue to temper reliance on digital payment channels.

The evidence is clear: digital adoption among Nigerian MSMEs follows a predictable gradient from customer-facing to operational tools. Transformation, as distinct from adoption, requires helping MSMEs move along this gradient, from social-first engagement towards integrated digital operations.

2.3.3 Barriers to Deeper Adoption

The research identified a set of persistent, reinforcing barriers that constrain MSME digital adoption (Figure 6). These barriers do not operate in isolation; they interact and compound, creating a systemic constraint that cannot be addressed through any single intervention.

Cost is the dominant barrier. Survey data indicate that 62.7% of MSMEs cite the high cost of devices, software, and data as the primary obstacle to deeper digitalisation. This finding is the single most important reframing that the evidence demands: the prevailing narrative that MSMEs are unwilling or unaware must give way to the reality that they are overwhelmingly cost-constrained. Financial assistance is the most frequently requested form of support: 64.7% of MSMEs identify finance and grants as the most helpful intervention, and a further 24.8% specifically request affordable internet.

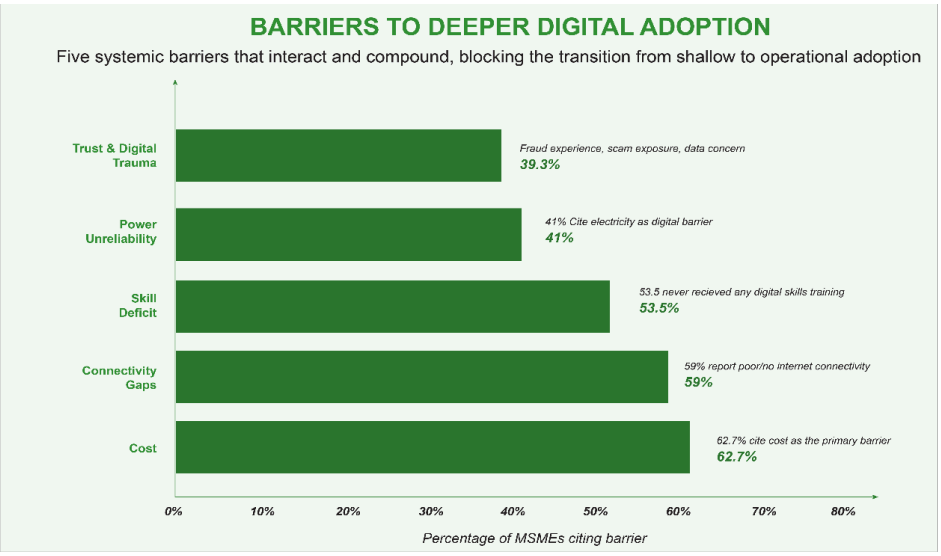
Skills gaps limit conversion from awareness to practice. While 53.5% of MSMEs report having never received any digital skills training, those who have received training rate it highly useful (average 3.39 out of 4.00). The gap is not in the value of training but in its availability, reach, and follow-through. Many MSMEs can use basic tools but lack the confidence or capacity to integrate digital systems into daily operations.

Trust and "digital trauma" create psychological barriers. A persistent trust deficit affects adoption: 39.3% of MSMEs reported low confidence in digital systems due to experiences with fraud, cyberbullying, and unresolved online scams. Key informants describe this as "digital trauma", a phenomenon in which negative past experiences with digital systems create lasting resistance that is psychological as much as rational. Network interruptions and transaction failures are common, and the absence of robust legal frameworks for prosecution or data protection further erodes confidence.

Infrastructure unreliability creates operational risk. As documented in Section 2.2.2, unreliable electricity and connectivity make it structurally risky for MSMEs to depend on digital systems for core operations. MSMEs that maintain manual backup systems and cash-based operations alongside digital tools are not displaying resistance; they are exercising rational risk management.

Institutional fragmentation leaves MSMEs unsupported. The disconnect between formal support infrastructure and MSME needs, detailed in Section 2.2.3, means that most enterprises navigate their digital journey without structured guidance. The 3% of MSMEs who report learning through innovation hubs, against the 63% who rely on friends and family, cap tures this misalignment precisely.

Figure 6: Barriers to deeper digital adoption



Cost is the dominant constraint (62.7%), followed by connectivity gaps (59%), skills deficits (53.5%), power unreliability (41%), and trust erosion (39.3%). These barriers interact and compound across archetype segments.
Source: Survey of MSMEs (Survey A), 2024–2025.

2.3.4 Enablers and Success Factors

Despite these barriers, the research identifies several enabling factors that, when present, meaningfully accelerate digital adoption.

Peer learning and demonstration effects. MSMEs are significantly more likely to adopt digital tools when they see peers succeed with them in similar contexts. This "social proof" mechanism is the most powerful enabler identified in the research, more influential than formal training or institutional promotion. In Kano, for example, targeted training on WhatsApp marketing rapidly expanded customer bases when delivered through peer networks.

Trusted intermediaries. Where support organisations, trade associations, or local champions are digitally capable and contextually credible, they significantly reduce adoption risk. MSMEs value guidance that is practical, grounded in their specific business context, and delivered by actors they recognise and trust.

Clear and immediate value propositions. MSMEs are more willing to adopt tools when benefits are tangible, immediate, and aligned with daily business challenges, particularly revenue generation and customer reach. Over two-thirds of MSME motivation for digital tool use (66.4%) is tied dir ectly to expanding market presence and increasing sales. Abstract promises of "efficiency" or "transformation" carry far less weight than concrete demonstrations of income impact.

Crisis-driven adoption. External shocks can catalyse rapid adoption. The 2023 cash scarcity drove near-universal POS adoption; COVID-19 accelerated social media marketing and digital payments. While crisis-driven adoption is often reactive and may not be sustained, it demonstrates that MSMEs can move quickly when necessity is clear and tools are available.

These enablers share a common thread: they reduce the perceived risk and increase the perceived relevance of digital adoption. Any effective intervention strategy must work with these dynamics, not against them.

2.4 The Support Ecosystem: Strengths and Gaps

2.4.1 Scale and Composition

The MSME support ecosystem in Nigeria is substantial in scale but uneven in capability and reach. Survey B engaged support organisations across multiple states, revealing a landscape dominated by business associations, government agencies, and innovation hubs, with fewer non-governmental organisations (NGOs), financial institutions, and academic bodies.

The ecosystem is mature: nearly half of support organisations (49.4%) have been operating for more than 10 years, while organisations with fewer than two years of operation account for only 6.8%. This suggests a stable but slow-renewing ecosystem with limited influx of new approaches or actors. Most organisations operate at the state level (190 organisations) with some national reach (94 organisations).

However, reach is limited. Over one-third of organisations (31.4%) supported fewer than 50 MSMEs in the past 12 months, while only 15.5% reached more than 500. The majority focus on MSMEs in general (67.6%) rather than on targeted segments such as women entrepreneurs (12.8%), youth (9.1%), or specific sectors (10.5%).

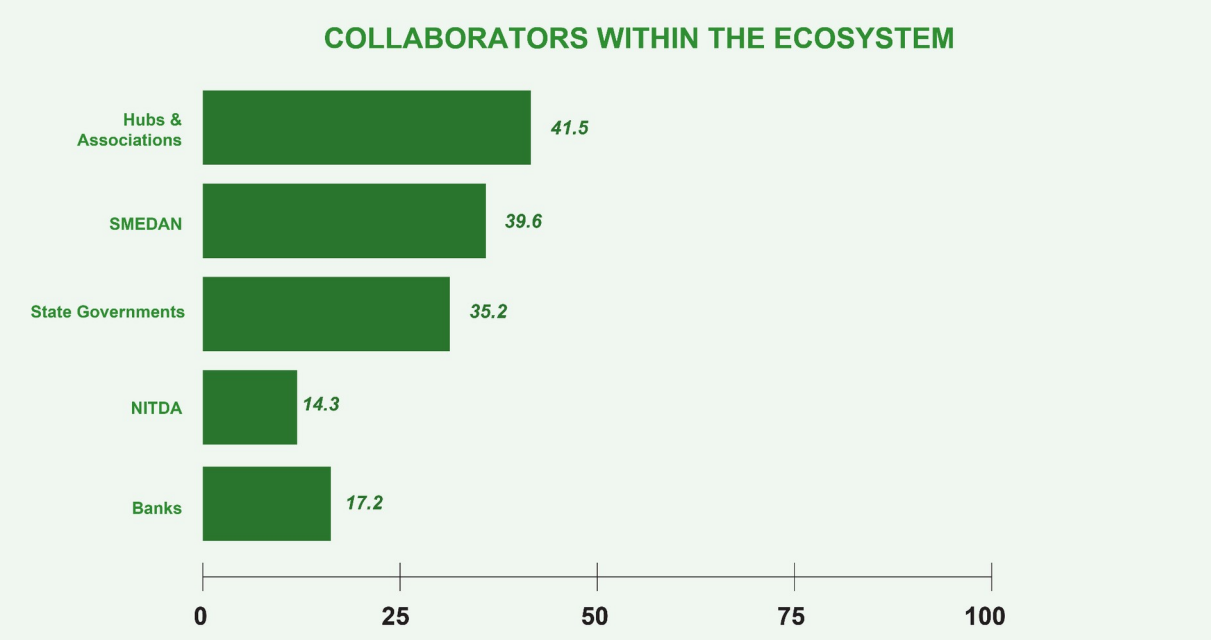
2.4.2 Digital Support Capacity

Approximately 71.3% of support organisations surveyed offer some form of digital support to MSMEs. Of these, digital skills training is the most common offering (90.2%), followed by business digitalisation advice (74.8%) and access to digital tools (63.1%). However, direct financial support for digitalisation is offered by only 13.1%, a critical gap given that cost is the dominant barrier MSMEs face.

Support organisations themselves assess MSMEs as having limited digital readiness, with the majority rating MSME digital capability as “average” or below. This assessment aligns with the field survey findings and reinforces the conclusion that the ecosystem is dealing with enterprises at early stages of digital engagement.

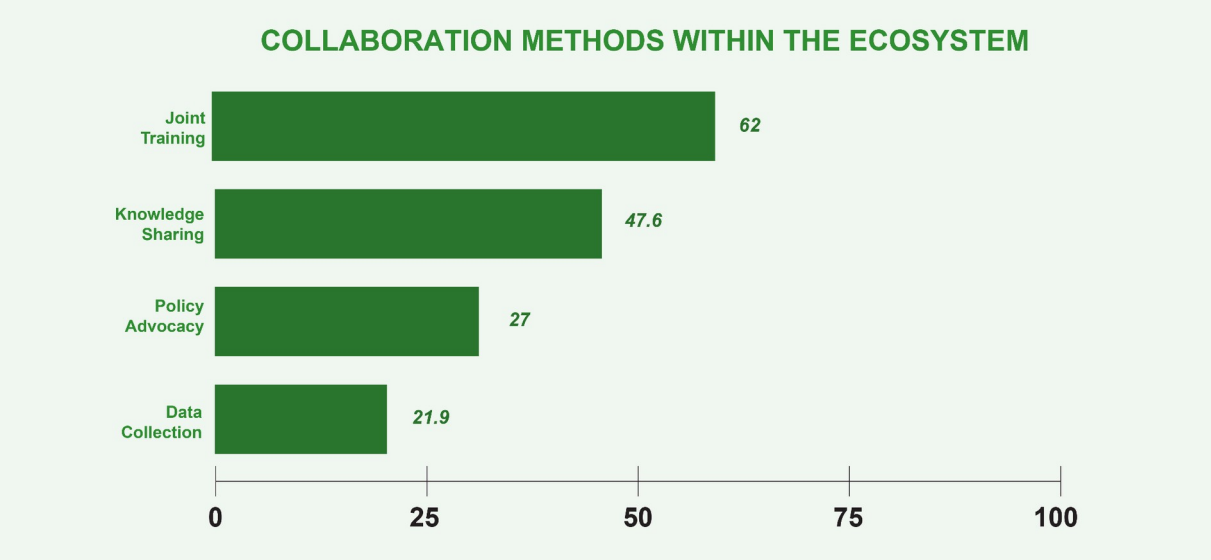
2.4.3 Collaboration and Coordination

Figure 7: Collaborators within the support ecosystem



Share of support organisations reporting each type of collaborator.
Source: Survey of support organisations (Survey B), 2024–2025.

Figure 8: Collaboration methods rated effective by support organisations



Share of support organisations rating each collaboration method as effective.
Source: Survey of support organisations (Survey B), 2024–2025.

Collaboration patterns within the support ecosystem are peer-driven. Hubs and associations are the most common collaborators (41.5% of organisations), followed by SMEDAN (39.6%) and state governments (35.2%) (Figure 7). Engagement with NITDA is limited (14.2%), and partnerships with banks remain low (17.2%), pointing to a disconnect between capacity-building efforts and access to finance or national digital mandates.

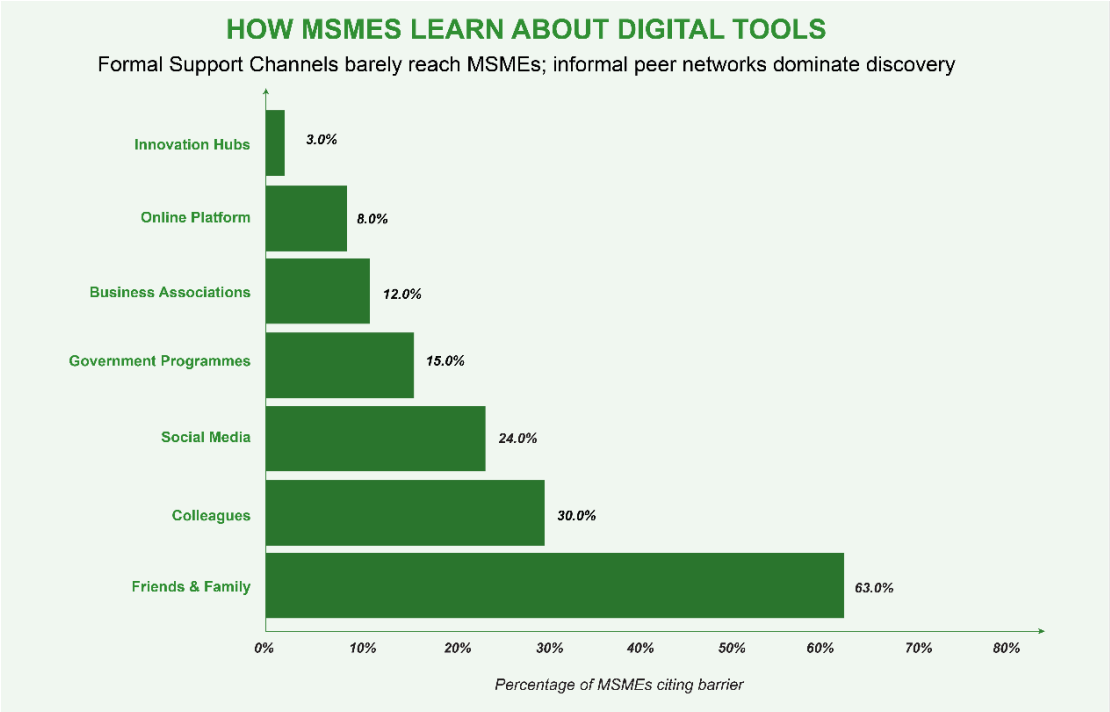
Joint training (62.0%) and knowledge sharing (47.6%) are considered the most effective collaboration methods, while policy advocacy (27.0%) and data collection (21.9%) rank lowest (Figure 8).

Nearly half of organisations (45.0%) find co-funded projects effective, indicating recognised need for resource pooling. Notably, 49 organisations (11.4%) report having no current collaborations on digital initiatives, representing both a gap and an opportunity for ecosystem strengthening.

2.4.4 The Fundamental Misalignment

The most significant finding about the support ecosystem is its misalignment with the MSME population it is meant to serve. The ecosystem is structured primarily around tech startups and early-stage ventures, not around the 40 million non-tech MSMEs that constitute the vast majority of Nigerian businesses. Digital Innovation Hubs, a centrepiece of ecosystem infrastructure, are largely invisible to mainstream MSMEs: awareness stands at only 24% nationally, and as low as 2% in Lagos, the country's commercial capital.

Figure 9: How MSMEs learn about digital tools



Informal peer networks (friends, family, colleagues) dominate digital tool discovery. Innovation hubs, the centrepiece of national digital strategy, reach only 3%. The ecosystem misalignment is structural, not incidental.
Source: Survey of MSMEs (Survey A), 2024–2025.

This misalignment has practical consequences. From the MSME perspective, SMEDAN is the most commonly accessed support organisation (43.1%), but 33.7% of MSMEs report having no interaction with any support organisation at all. The support ecosystem exists, but it does not reach or serve the majority of the enterprises that need it (Figure 9).

The evidence demands a fundamental reorientation: from startup-centric to MSME-inclusive support models; from training-centric to adoption-supportive approaches; from fragmented, project-cycle-driven delivery to coordinated, sustained engagement.

2.5 Why Past Interventions Have Had Limited Impact

The research provides clear evidence that the limited impact of prior MSME digitalisation interventions is not due to lack of effort or investment but to systematic design failures. Five patterns emerge:

Training without follow-up. The dominant model of MSME digital support is short-term training: workshops, seminars, and awareness campaigns. Among support organisations, insufficient follow-up support is the second most frequently cited policy gap (221 organisations), after funding constraints (248 organisations). Training that is not accompanied by sustained mentoring, handholding, and practical adoption support consistently fails to convert knowledge into behaviour change.

One-size-fits-all programme design. Interventions have rarely been designed around the differentiated realities of MSME segments. A micro-enterprise in rural Sokoto with no smartphone and minimal literacy faces fundamentally different constraints from a small services firm in Lagos with moderate digital skills. Yet most programmes treat "MSMEs" as a homogeneous category, resulting in content that is either too basic for some or too advanced for others.

Supply-driven rather than demand-responsive. Many interventions have been designed around what donors, agencies, or technology providers want to deliver rather than what MSMEs actually need. The stark contrast between formal support channels (3% reach through hubs) and informal peer learning (63% through friends and family) is evidence that the supply of support is not aligned with the demand for it.

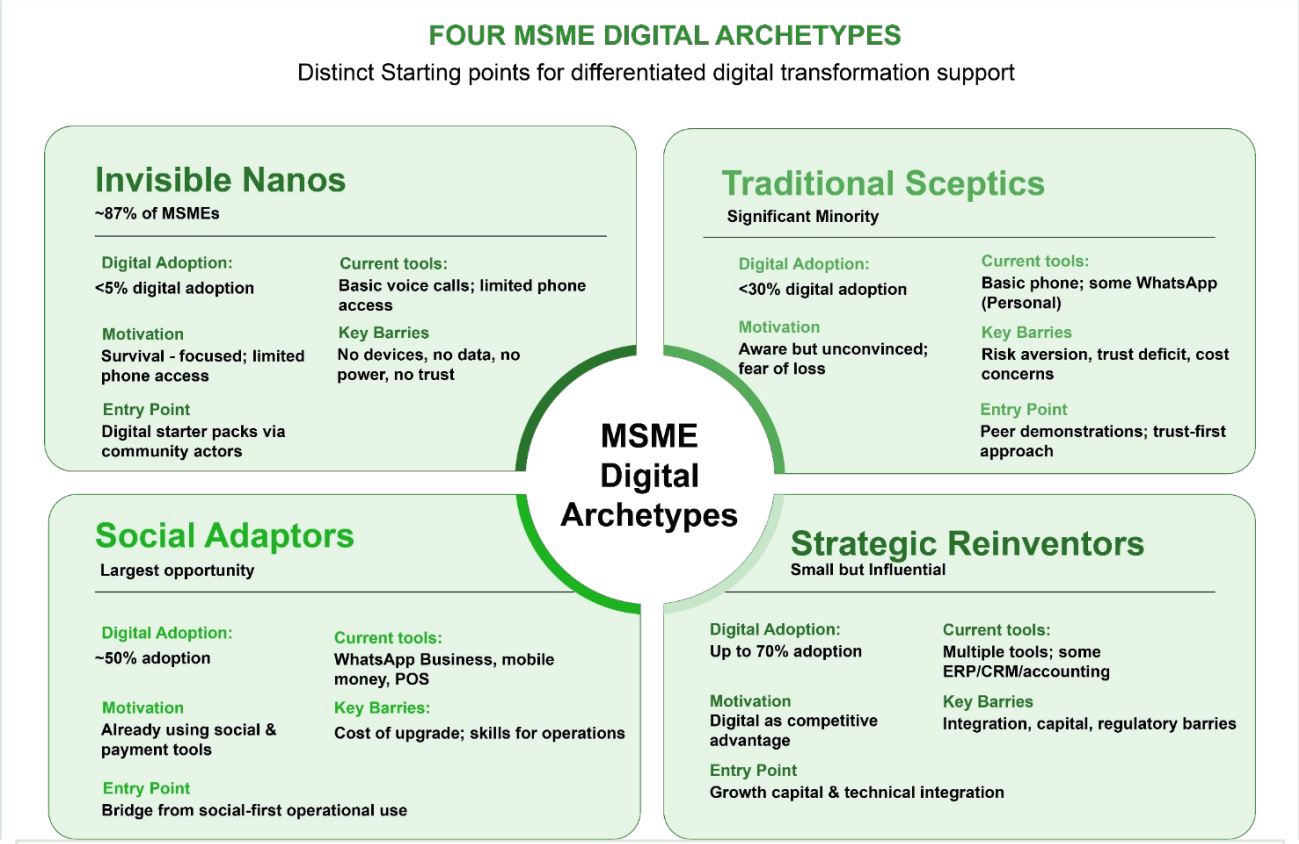
Poor coordination and duplication. With multiple agencies, development partners, and support organisations operating in the same space without systematic coordination, duplication is widespread. A total of 181 support organisations reported poor coordination among ecosystem actors as a significant gap. The result is fragmented delivery that confuses MSMEs and wastes resources.

Absence of measurement and learning. Inadequate use of data was cited by 120 support organisations as a gap in current practice. Without robust monitoring, evaluation, and learning systems, interventions cannot be adapted, improved, or scaled based on evidence of what actually works. The ecosystem lacks the feedback loops necessary for continuous improvement.

These patterns are not unique to Nigeria; they reflect common challenges in MSME development programming globally. But recognising them is essential to designing the differentiated, sustained, and systemic approach that this Blueprint proposes.

2.6 MSME Archetypes: A Segmented Understanding

Figure 10: Four MSME digital archetypes



Each archetype represents a distinct starting point for digital transformation, with different motivations, barriers, tools, and intervention needs. The archetype framework provides a segmentation logic for all Blueprint strategies in Section 4.

Source: Authors' elaboration based on the primary research.

One of the most distinctive contributions of this research is the synthesis of four MSME digital archetypes. These archetypes, derived from the integration of survey data, FGD narratives, KII

insights, and desk research, capture the differentiated adoption patterns, motivations, and constraints that exist within the MSME population. They provide the segmentation framework upon which the Blueprint's intervention strategies are built (Figure 10).

2.6.1 Strategic Reinventors

These enterprises represent the most digitally advanced segment, with adoption levels reaching up to 70% in some sectors. They actively use sophisticated tools including cloud services, enterprise resource planning systems, and in some cases artificial intelligence applications. Their motivation is strategic: scale, efficiency, and global competitiveness. They are concentrated in ICT, financial services, fashion technology, and logistics, and are predominantly based in Lagos and the FCT.

Intervention priority: Access to advanced tools, automation support, and integration services. This segment needs less foundational support and more sophisticated eco-system services, access to capital for technology investment, connections to global markets, and regulatory environments that support digital innovation.

2.6.2 Social Adaptors

This is the largest and most strategically important segment. Social Adaptors have moderate digital engagement, approximately 5 out of 10 on a self-assessed maturity scale, and are active users of WhatsApp Business, Facebook, Instagram, POS systems, and mobile banking. Their primary motivation is market-facing: sales, visibility, customer reach, and revenue.

These enterprises represent the greatest opportunity for meaningful digital transformation because they have already crossed the initial adoption threshold but have not yet integrated digital tools into their core operations. With the right support, they can progress from social-first adoption to operational digitalisation.

Intervention priority: Social-first toolkits that build on existing practices, financial support to reduce cost barriers, and structured pathways from marketing-oriented digital use to record-keeping, inventory management, and financial planning.

2.6.3 Traditional Sceptics

Traditional Sceptics have low digital adoption, below 30%, and operate primarily with cash, manual records, and face-to-face transactions. Their dominant motivation is risk avoidance and security. Their scepticism is often grounded in experience: negative encounters with fraud, unreliable systems, or ineffective training have reinforced a preference for familiar manual processes.

This segment is not opposed to digital tools in principle but requires evidence that adoption is safe, affordable, and relevant to their specific business context. Trust is the binding constraint.

Intervention priority: Trust-building through peer demonstrations, low-cost and low-risk digital entry points (such as basic mobile money or simple record-keeping tools), local-language support, and gradual exposure that respects their risk tolerance.

2.6.4 Invisible Nanos

Invisible Nanos represent the base of the MSME pyramid, the approximately 87% of Nigeria's MSMEs. While 99.8% of MSMEs are formally classified as micro-enterprises (employing fewer than 10 staff), within this category approximately 87% operate as nano-businesses (1–3 staff), typically at subsistence level with negligible digital engagement. Invisible Nanos correspond to this nano segment.[25] Their primary tools are basic voice calls. Motivation centres on survival and cost minimisation. Many are unregistered, operate in the informal sector, and are effectively invisible to formal support systems.

This segment cannot be reached through conventional digital transformation programming. They require foundational interventions: digital starter packs, local-language training, community-based outreach, and pathways that link digital adoption to immediate, tangible livelihood improvements.

Intervention priority: Digital literacy fundamentals, ultra-low-cost tools, community-based delivery through trusted local actors, and integration with broader livelihood and formalisation support.

2.6.5 Why Segmentation Matters

The archetype framework is not an academic exercise. It is operationally essential because it demonstrates that uniform interventions (the same training programme, the same toolkit, the same policy incentive) will systematically fail to reach the majority of MSMEs. Each archetype requires a different entry point, a different support model, and a different theory of change. The Blueprint's strategies in Section 4 are explicitly designed around this segmented understanding.

2.7 Synthesis: What the Evidence Tells Us

The evidence assembled in this section leads to six core conclusions that frame the remainder of this Blueprint.

First, the problem is not awareness but affordability, infrastructure, and trust. Nigerian MSMEs are not digitally ignorant or unwilling. The binding constraints

Second, digital adoption is widespread but shallow. Most MSMEs are already using digital tools, but use is concentrated in social media and payments,

[25] NBS and SMEDAN (2021).

are cost, connectivity, power, and confidence: structural and systemic barriers that cannot be addressed by training or awareness campaigns alone.

functions that are low-cost, familiar, and customer-facing. The productivity gains from digitalisation require deeper integration into operations, record-keeping, and decision-making, which remains rare.

Third, the support ecosystem is misaligned. The infrastructure of support organisations, hubs, and public agencies exists but is oriented towards tech startups rather than the non-tech MSMEs that make up the overwhelming majority of Nigerian businesses. Mainstream MSMEs are largely invisible to the formal support ecosystem, and the ecosystem is largely invisible to them.

Fourth, past interventions have failed because they were fragmented, generic, and unsustained. Training without follow-up, one-size-fits-all design, supply-driven programming, poor coordination, and absence of measurement are recurring patterns that explain limited impact.

Fifth, MSMEs are not homogeneous. The four archetypes (Strategic Reinventors, Social Adaptors, Traditional Sceptics, and Invisible Nanos) represent fundamentally different starting points, motivations, and needs. Effective intervention requires differentiation, not uniformity.

Sixth, the challenge is systemic and requires a systemic response. No single actor, no single level of intervention, and no single instrument can deliver MSME digital transformation at scale. The evidence demands a coordinated, multi-level, multi-stakeholder approach: an ecosystem strategy, not a collection of projects.

It is this systemic logic that Section 3 now sets out.



03

3 The Ecosystem Approach

3.1 From Fragmented Interventions to Ecosystem Thinking

The evidence presented in Section 2 leads to a clear conclusion: the digital transformation of Nigeria's MSMEs cannot be achieved through isolated, single-actor, or single-level interventions. The challenge is systemic, and the response must be equally so.

This is not an abstract proposition. It is grounded in the documented experience of what has already been tried. Nigeria has invested substantially in MSME digital support over the past decade, through training programmes, awareness campaigns, technology subsidies, hub establishment, and policy frameworks. Yet the evidence shows that digital adoption remains shallow, fragmented, and concentrated in a narrow band of tools and functions. The reasons, as Section 2.5 documented, are structural: interventions have been designed in isolation, delivered without coordination, and sustained without feedback. Training has not been linked to tools; tools have not been linked to infrastructure; infrastructure has not been linked to policy incentives. Each intervention addresses one piece of the puzzle while the others remain missing.

The international evidence confirms this pattern. The OECD's analysis of SME digitalisation across developing economies identifies fragmentation of support, lack of coordination between public and private actors, and the absence of integrated service delivery as the primary explanations for low impact.[26] The World Bank's *Digital Africa* framework emphasises that digital transformation is an "ecosystem outcome", one that depends on the simultaneous functioning of infrastructure, skills, finance, regulation, and market conditions rather than on any single variable.[27] Market systems development practice, as articulated by the Donor Committee for Enterprise Development (DCED) and applied across bilateral and multilateral development programming, has demonstrated that interventions which target individual enterprises without addressing the systemic constraints they face produce limited and unsustainable results.[28]

The lesson is consistent: where the ecosystem works, individual enterprises advance. Where the ecosystem is broken, even well-designed enterprise-level programmes fail to gain traction.

This Blueprint therefore adopts an ecosystem approach to MSME digital transformation. It treats the challenge not as one of persuading individual enterprises to adopt technology, but as one of building a functional system in which the conditions for adoption (affordable access, relevant skills, trusted services, supportive policy, and sustained accompaniment) are present and connected. The approach recognises that multiple actors operate at multiple levels, and that the quality of the relationships between them matters as much as the quality of any individual programme.

The remainder of this section sets out the architecture of this ecosystem approach: the three levels of intervention (Section 3.2), the functional relationships between them (Section 3.3), and the guiding principles that inform the Blueprint's design (Section 3.4).

[26] OECD (2021).
[27] World Bank (2023a).
[28] DCED (2017); Springfield Centre (2015).

3.2 The Three Levels of Intervention

The Blueprint organises its intervention architecture around three interdependent levels, each with distinct actors, functions, and responsibilities. This three-level framework (macro, meso, and micro) is not a hierarchy of importance but a map of the ecosystem, reflecting how different actors contribute to the overall objective of MSME digital transformation and where the levers for change are located.

3.2.1 Macro Level: Policy and Enabling Environment

The macro level comprises the governmental and institutional actors whose decisions shape the conditions under which all other actors operate. This includes federal and state governments, national agencies (SMEDAN, NITDA, NCC, CBN), legislative and regulatory bodies, and international development partners that influence policy direction and resource allocation.

The function of the macro level is to create and sustain the enabling environment. This encompasses infrastructure investment (broadband, power), regulatory design (data protection, consumer safeguards, business registration), fiscal policy (tax incentives, subsidies, public procurement rules), institutional coordination (aligning mandates across agencies), and the establishment of national frameworks, standards, and measurement systems.

The macro level does not deliver digital transformation directly to MSMEs. Its role is to set the conditions under which transformation becomes possible, affordable, and rational. When the macro level functions well (when infrastructure is reliable, regulations are clear, incentives are aligned, and institutions coordinate), the operating environment for MSMEs and the organisations that support them is fundamentally improved. When it functions poorly, even the most effective meso- and micro-level interventions are undermined by structural constraints beyond their control.

3.2.2 Meso Level: The Support Ecosystem

The meso level comprises the intermediary organisations and service providers that operate between policy and the enterprise. This includes innovation support organisations (ISOs), enterprise support organisations (ESOs), business support organisations (BSOs), Digital Innovation Hubs (DIHs), industry and trade associations, financial institutions, telecommunications companies, technology providers, training institutions, and development programme implementers.

The function of the meso level is to translate enabling conditions into accessible, relevant, and sustained support for MSMEs. This encompasses service design and delivery (training, advisory, diagnostic, mentoring), tool provision and aggregation (digital platforms, shared services), financing intermediation (credit, grants, digital finance products), trust-building (through credible, locally embedded actors), and coordination within the support ecosystem itself (referral systems, shared standards, collaborative delivery).

The meso level is where the ecosystem either connects or fragments. The evidence in Section 2.4 demonstrated that Nigeria's support ecosystem is substantial in scale but misaligned in orientation, structured around tech startups rather than the non-tech MSMEs that constitute the overwhelming majority of enterprises. It is at the meso level that the reorientation from startup-

centric to MSME-inclusive models must occur, and where the transition from one-off training to sustained adoption support must be designed and delivered.

3.2.3 Micro Level: MSMEs and End Beneficiaries

The micro level comprises the MSMEs themselves, the 40 million-plus enterprises across sectors, sizes, and geographies that are the ultimate beneficiaries and agents of digital transformation. This includes not only enterprise owners and managers but also their employees, customers, and suppliers who are affected by and contribute to the digitalisation of business operations.

The function of the micro level is enterprise agency: the capacity and willingness of MSMEs to adopt, integrate, and benefit from digital tools in their operations. This encompasses demand articulation (expressing what MSMEs actually need), incremental adoption (progressing through stages of digital capability), peer learning and influence (demonstrating success to other enterprises), and formalisation (using digital practices as a bridge to formal economic participation).

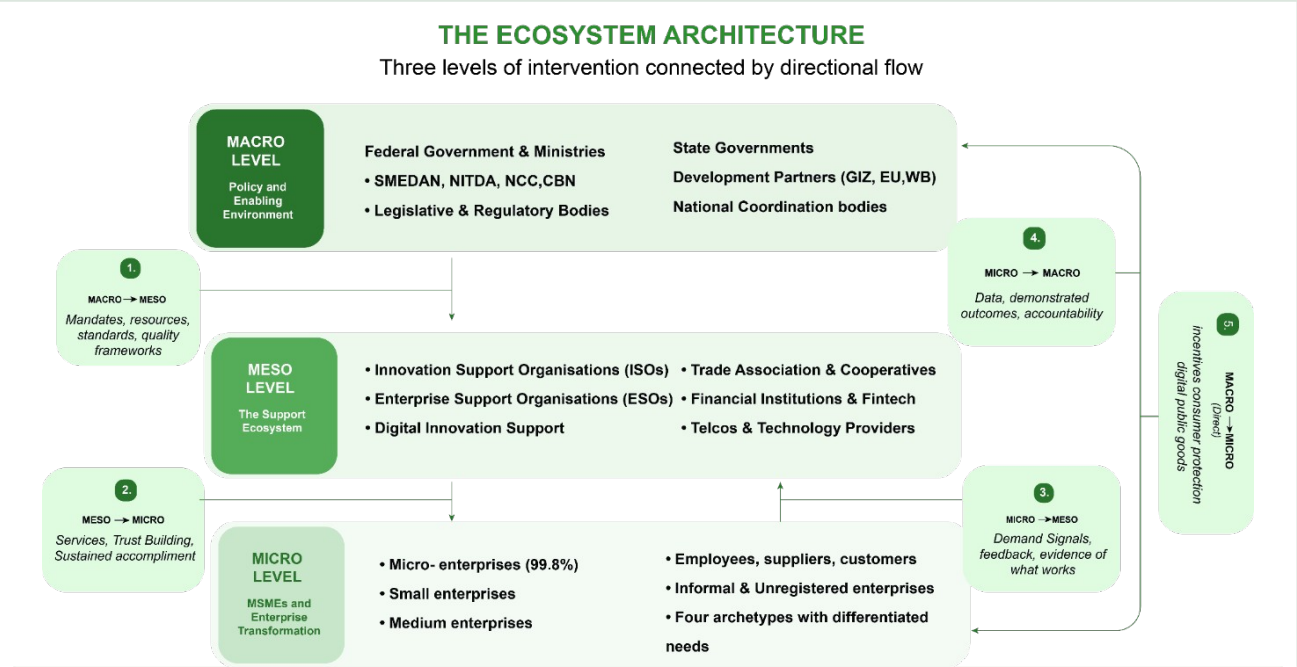
MSMEs are not passive recipients of ecosystem services. They are active agents whose decisions, feedback, and peer behaviour shape the entire system. When MSMEs adopt digital tools successfully, they generate demonstration effects that influence other enterprises, create demand signals that guide support organisations, and produce economic data that informs policy. The micro level is both the target of intervention and the source of the evidence and demand that makes the rest of the ecosystem responsive.

3.3 Functional Relationships: How the Levels Connect

The three-level framework is only useful if it describes not merely where actors sit but how they relate. A central finding of the research is that Nigeria's MSME digital ecosystem suffers from proximity without functionality: actors exist in the same space but do not relate productively. Agencies, hubs, associations, and MSMEs occupy overlapping terrain without the coordination mechanisms, information flows, or feedback loops that would make their coexistence generative rather than merely coincidental.

The Blueprint's ecosystem approach is designed to address this directly. It proposes that intervention at each level must be designed with explicit attention to the linkages between levels, the flows of resources, information, authority, and accountability that connect macro decisions to meso services to micro outcomes and back again (Figure 11).

Figure 11: The ecosystem architecture



Three levels of intervention connected by five directional flows. Each flow represents a distinct functional relationship: mandates and resources (macro → meso), services and accompaniment (meso → micro), demand and feedback (micro → meso), data and accountability (micro → macro), and direct incentives and public goods (macro → micro). The five numbered flows correspond to the relationships described in Sections 3.3.1 to 3.3.5.
Source: Authors' elaboration.

3.3.1 Macro to Meso: Mandates, Resources, and Standards

The relationship between the macro and meso levels is primarily one of mandate, resourcing, and standard setting. Government policy determines which organisations are recognised, funded, and empowered to deliver MSME support. Regulatory frameworks set the standards that support organisations must meet. Public funding, whether through direct allocations, development partner programmes, or tax incentives, shapes the financial sustainability and reach of meso-level actors.

When this relationship functions well, support organisations operate within a clear, stable, and adequately resourced framework. They know their mandate, they have the resources to fulfil it, and they are held accountable to defined standards. When it functions poorly, support organisations compete for uncertain funding, operate without clear mandates, and proliferate without quality control, the fragmentation documented in Section 2.4.

KEY FUNCTIONAL REQUIREMENTS AT THIS INTERFACE:

- Coherent policy frameworks that define roles and avoid mandate duplication across agencies
- Predictable and adequate funding channels for MSME digital support, beyond short-term project cycles
- Quality standards and certification mechanisms for organisations delivering digital transformation services

- Shared data systems that allow policy to be informed by aggregated evidence from the support ecosystem

3.3.2 Meso to Micro: Services, Trust, and Accompaniment

The relationship between the meso and micro levels is primarily one of service delivery, trust-building, and sustained accompaniment. Support organisations are the interface through which MSMEs access the resources, knowledge, and tools that policy frameworks are designed to make available. The quality and relevance of this interface determines whether macro-level investments translate into enterprise-level outcomes.

The evidence is clear that this interface is currently weak. Only 3% of MSMEs report learning about digital tools through innovation hubs; 63% rely on friends and family. DIHs are largely invisible to mainstream MSMEs. Support programmes tend to deliver training without follow-up, tools without handholding, and advice without contextual adaptation.

When this relationship functions well, MSMEs encounter support that is relevant to their archetype, delivered through trusted channels, and sustained beyond initial contact. Adoption support is accompanied by diagnostic assessment, followed by mentoring, and reinforced by peer learning. When it functions poorly, MSMEs experience a bewildering landscape of disconnected programmes that neither understand their reality nor follow up on initial engagement.

KEY FUNCTIONAL REQUIREMENTS AT THIS INTERFACE:

- Archetype-sensitive diagnostic and intake processes that match MSMEs to appropriate support pathways
- Delivery through trusted, locally embedded channels (such as trade associations, cooperatives, and community leaders), not only through formal institutions
- Structured follow-up and adoption support beyond initial training events
- Referral systems that allow MSMEs to progress through a continuum of services as their needs evolve

3.3.3 Micro to Meso: Demand, Feedback, and Evidence

The relationship from the micro level back to the meso level is one of demand signalling, feedback, and evidence generation. MSMEs are not only consumers of services; they are the primary source of intelligence about what works, what fails, and what is needed. When this upward flow functions, it enables support organisations to adapt their programmes, improve their relevance, and demonstrate their impact.

Currently, this feedback loop is largely absent. Support organisations design programmes based on donor priorities or institutional assumptions rather than on systematic evidence of MSME demand. The disconnect between what MSMEs say they need (affordable tools, financial support, practical step-by-step guidance) and what the ecosystem delivers (generic training, awareness campaigns, technology showcases) is itself evidence of a broken feedback mechanism.

KEY FUNCTIONAL REQUIREMENTS AT THIS INTERFACE:

- Regular, structured mechanisms for MSMEs to communicate their needs and experiences to support organisations
- Peer learning platforms that capture and share MSME success stories, failures, and practical insights
- Monitoring data that tracks not only programme outputs (number trained) but enterprise outcomes (tools adopted, revenue changes, formalisation progress)

3.3.4 Micro to Macro: Data, Outcomes, and Accountability

The relationship from the micro level to the macro level is one of data, demonstrated outcomes, and democratic accountability. Policymakers need evidence of what is happening at the enterprise level to design effective policy, allocate resources wisely, and account for public investment. MSMEs, through their associations, representatives, and collective voice, also contribute to the policy process by articulating the constraints and opportunities they experience.

This relationship is currently weak. There is no national MSME digital adoption dashboard or index. Policy is designed on the basis of aggregate economic data and institutional assumptions rather than on granular evidence of enterprise-level behaviour. The result is a persistent gap between policy ambition and ground-level reality, a gap that the 69% of MSMEs who have not received government grants in two years experience directly.

KEY FUNCTIONAL REQUIREMENTS AT THIS INTERFACE:

- National MSME digital adoption metrics, regularly collected and publicly reported
- Mechanisms for MSME voice in policy design, through associations, co-creation processes, and structured consultation
- Accountability frameworks that link public investment in MSME digitalisation to measurable enterprise-level outcomes

3.3.5 Macro to Micro: Incentives, Protection, and Public Goods

The relationship from the macro level directly to the micro level operates through incentives, protection mechanisms, and digital public goods. Tax incentives for digital adoption, subsidised connectivity, data protection regulation, consumer safeguards, and digital public infrastructure (such as national payment systems, business registration platforms, and digital identity frameworks) all reach MSMEs directly, without intermediation by the meso level.

When this relationship functions well, MSMEs experience a policy environment that actively encourages and protects their digital participation. When it functions poorly, MSMEs experience regulation as a burden, policy as irrelevant, and government as distant from their reality.

KEY FUNCTIONAL REQUIREMENTS AT THIS INTERFACE:

- Incentive structures that are accessible to micro and informal enterprises, not only to registered or medium-sized firms
- Consumer protection and dispute resolution mechanisms that are simple, affordable, and enforceable
- Digital public goods (payment rails, identity systems, open data platforms) that MSMEs can use without prohibitive cost or complexity

3.3.6 The System as a Whole

The five directional relationships described above (macro to meso, meso to micro, micro to meso, micro to macro, and macro to micro) constitute the functional architecture of the MSME digital transformation ecosystem. None of these flows operate independently. The quality of the system depends on all five functioning simultaneously and reinforcing one another.

A policy incentive (macro to micro) that is not accompanied by support services (meso to micro) will go unused. A training programme (meso to micro) delivered without affordable infrastructure (macro) will fail to convert knowledge into practice. An MSME success story (micro to meso) that is not captured in monitoring data (micro to macro) cannot inform the next cycle of policy or programme design.

The Blueprint's strategies in Section 4 are designed with this systemic interdependence in mind. Each intervention is positioned not only within its level but in relation to the flows that connect it to the rest of the ecosystem.

3.4 Guiding Principles

Six principles guide the design of the Blueprint's strategies. These principles are derived directly from the research evidence and from established good practice in ecosystem-based development programming.[29]

Evidence-Driven. Every strategy and recommendation in this Blueprint is grounded in the primary research and desk evidence presented in Section 2. The Blueprint does not rely on assumptions about what MSMEs need or what interventions should work. It starts from what the evidence shows, including evidence that challenges prevailing narratives, such as the finding that cost, not willingness, is the dominant barrier.

Persona-Driven. The four MSME archetypes (Strategic Reinventors, Social Adaptors, Traditional Sceptics, and Invisible Nanos) provide the segmentation framework for intervention design. The Blueprint rejects one-size-fits-all approaches and instead designs differentiated strategies that meet each segment at its starting point, with appropriate tools, channels, and progression pathways.

[29] OECD (2021); World Bank (2023a); DCED (2017).

Ecosystem-Oriented. Interventions are designed as components of a functioning system, not as standalone programmes. Each strategy explicitly identifies its dependencies on and contributions to other levels and actors in the ecosystem. The Blueprint prioritises coordination, referral, and feedback mechanisms over the expansion of isolated initiatives.

Inclusion-Centred. Digital transformation must reach the enterprises and communities that face the steepest barriers: women-led enterprises, rural and peri-urban MSMEs, youth entrepreneurs, persons with disabilities, and the vast population of informal nano-enterprises. Inclusion is not an add-on or a separate workstream. It is a design criterion applied across all strategies and levels.

Sustainability-Focused. The Blueprint is designed for impact beyond project cycles. Strategies prioritise institutional strengthening, market-based mechanisms, policy reform, and capacity development over time-limited, donor-dependent programming. Where external funding catalyses action, the Blueprint identifies pathways towards domestic financing, earned revenue, and institutional embedding.

Locally Rooted, Globally Informed. The Blueprint's strategies are built from Nigerian evidence and designed for Nigerian institutional realities. Where international experience is drawn upon, from OECD analyses, World Bank frameworks, or the practice of comparable economies, it is used to inform, not to prescribe. The recognition that Nigeria's MSME landscape is uniquely large, informal, and diverse is fundamental to every recommendation.

These principles, together with the three-level ecosystem framework and the functional relationships described in this section, provide the strategic architecture within which the Blueprint's specific interventions are designed. Section 4 now sets out those interventions in detail, level by level, strategy by strategy.



04

4 The Blueprint: Strategies by Level of Intervention

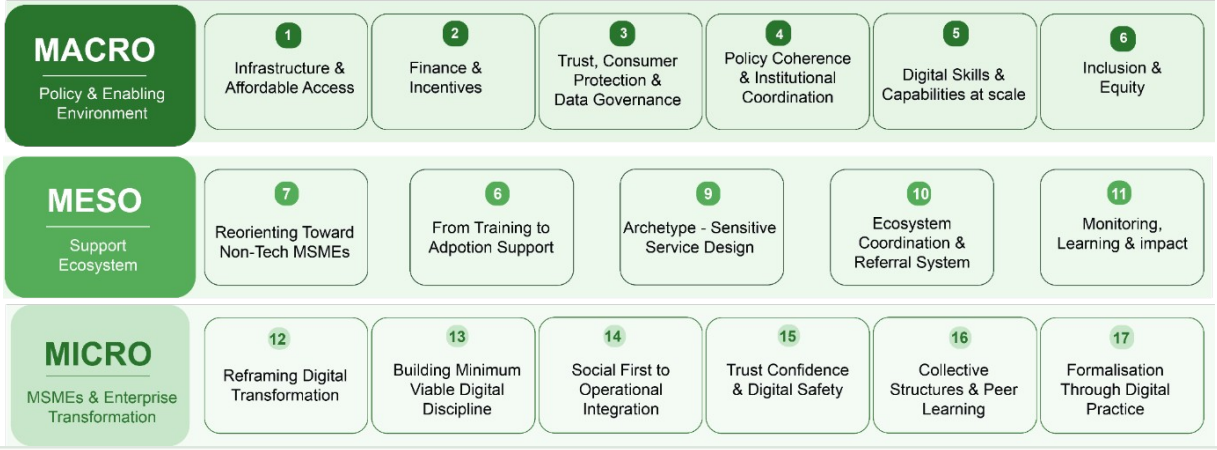
This section constitutes the operational core of the Blueprint. It translates the evidence presented in Section 2 and the ecosystem logic set out in Section 3 into a structured framework of strategies, implementation pathways, and success indicators, organised by level of intervention.

For each level, macro (policy and enabling environment), meso (support ecosystem), and micro (MSMEs), the Blueprint identifies strategic objectives, sets out key strategy areas, describes implementation pathways that specify how each strategy should be pursued, and defines success indicators against which progress can be assessed.

The strategies are designed to be mutually reinforcing across levels, consistent with the ecosystem approach. Where a strategy at one level depends on action at another, this dependency is identified explicitly. The five interconnected pillars established in Section 1.3 (Infrastructure and Connectivity; Digital Capabilities and Skills; Finance and Incentives; Trust, Data, and Security; and Policy Coherence and Coordination) run through all three levels, ensuring thematic coherence across the Blueprint.

The *MSME Digital Transformation Toolkit Compendium* (Annex A) provides the operational instruments (diagnostic tools, templates, checklists, planning frameworks, and monitoring instruments) that translate the strategies in this section into day-to-day practice. Cross-references to the Toolkit Compendium are provided where relevant. Figure 12 summarises the 17 strategy areas.

Figure 12: Strategy architecture overview



17 strategy areas across three levels of intervention. Each numbered strategy area contains defined strategic objectives, implementation pathways, success indicators, and ecosystem dependencies. The matrix serves as a navigational guide for Section 4.

Source: Authors' elaboration.

4.1 Macro Level: Policy and the Enabling Environment

Strategic Vision

The macro level sets the conditions under which MSME digital transformation becomes possible, affordable, and rational. The overarching strategic vision at this level is that government acts as a platform builder, reducing friction, aligning incentives, strengthening trust, and coordinating institutions, rather than prescribing technology or mandating adoption.[30] The evidence is clear that the most effective policy interventions are those that address the structural preconditions for adoption while preserving the diversity and agency of the MSME population.

4.1.1 Strategy Area: Infrastructure and Affordable Access

Strategic Objective: Ensure that reliable, affordable digital infrastructure (broadband connectivity, stable power supply, and affordable devices) is available to MSMEs across all geopolitical zones, with priority attention to underserved rural and peri-urban areas.

Rationale. Infrastructure is the foundational precondition for every other dimension of MSME digital transformation. With fixed (wired) household broadband penetration at 0.04% (mobile broadband penetration exceeds 40% nationally), 59% of MSMEs lacking workplace internet connectivity, and unreliable power costing the economy an estimated $28 billion annually, no demand-side intervention can succeed without simultaneous progress on the supply side.[31]

[30] OECD (2021).
[31] NCC (2024); World Bank (2023b).

IMPLEMENTATION PATHWAYS:

Broadband Expansion and Last-Mile Connectivity. Accelerate the implementation of national broadband targets under the MTNDP and NDEPS 2.0 with explicit MSME coverage milestones. Prioritise last-mile connectivity in commercial clusters, markets, and industrial zones where MSMEs are concentrated. Leverage public-private partnerships and universal service provision funds to extend coverage beyond urban centres. Work with the NCC to establish MSME-focused connectivity benchmarks and reporting mechanisms.

Affordable Access Models. Negotiate sector-wide data pricing arrangements with telecommunications providers, including MSME-specific data bundles and zero-rated access to essential business platforms. Explore shared connectivity models (community Wi-Fi, market-level hotspots, and hub-based shared access) that reduce per-enterprise cost. Introduce targeted device subsidies or financing schemes, including digital starter packs (affordable smartphones, data bundles, and portable power solutions) for micro and nano enterprises.

Energy Reliability. Integrate MSME digital transformation objectives into national and state-level energy planning. Promote decentralised renewable energy solutions, such as solar mini-grids and portable solar charging systems, in MSME clusters where grid power is unreliable. Link energy access programmes with digital adoption programmes so that power and connectivity investments are coordinated rather than parallel.

SUCCESS INDICATORS:

- ✓ Reduction in the percentage of MSMEs reporting no workplace internet connectivity (baseline: 59%)
- ✓ Number of MSME commercial clusters with dedicated broadband and/or shared Wi-Fi access
- ✓ Number of MSMEs accessing subsidised digital starter packs
- ✓ Increase in affordable device penetration among micro-enterprises

Ecosystem Dependencies: Meso-level actors (hubs, associations) serve as distribution channels for shared access and device programmes. Micro-level demand data in forms infrastructure prioritisation.

4.1.2 Strategy Area: Finance and Incentives for Digital Adoption

Strategic Objective: Mobilise and structure financing instruments and fiscal incentives that directly address cost, the single most cited barrier to MSME digital adoption, while encouraging sustained usage rather than symbolic uptake.

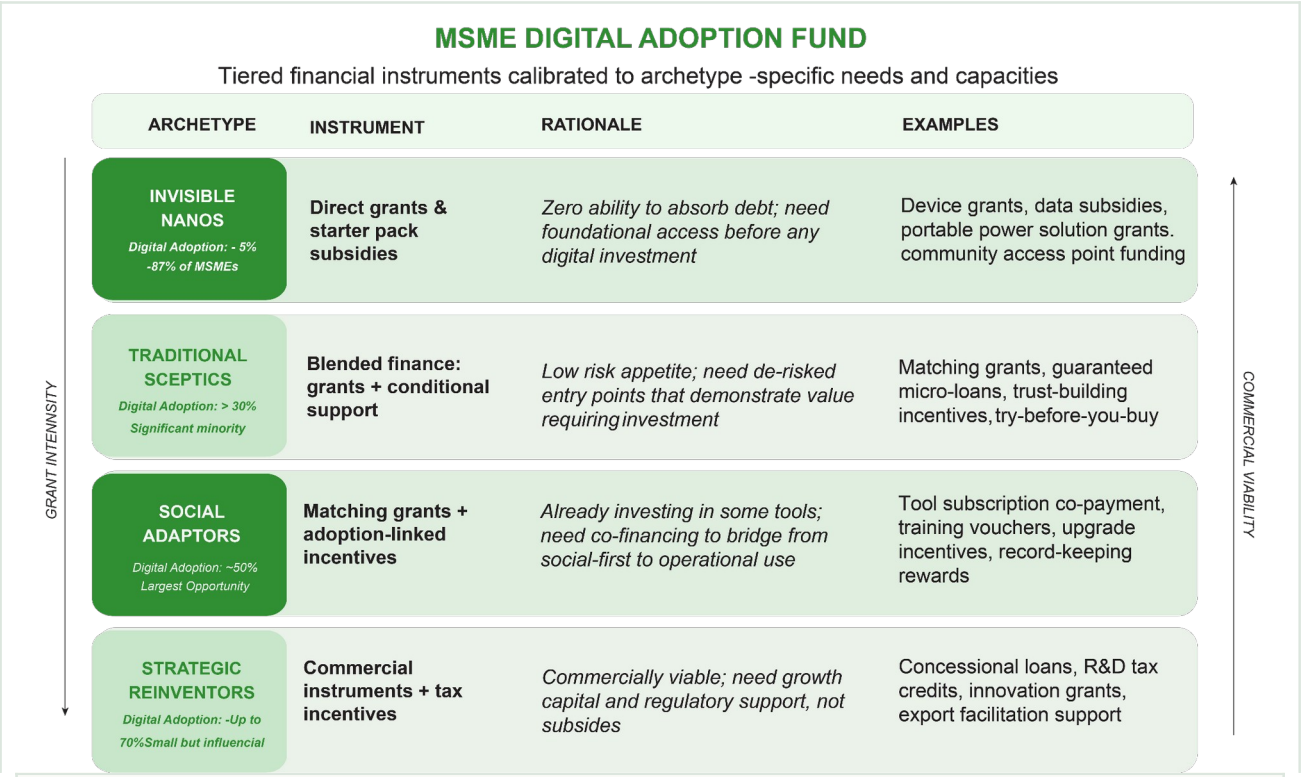
Rationale. The evidence is unambiguous: 62.7% of MSMEs cite cost as the primary barrier, 64.7% identify finance and grants as the most helpful intervention, and only 1% of commercial bank credit reaches small businesses.[32] A ₦13 trillion financing gap persists. The financial architecture for MSME digital adoption must be fundamentally redesigned.

IMPLEMENTATION PATHWAYS:

MSME Digital Adoption Fund. Establish a dedicated, nationally administered fund, drawing on public allocation, development partner contributions, and private sector co-financing, specifically earmarked for MSME digital transformation. The fund should operate through tiered instruments calibrated to MSME readiness: grants and starter packs for Invisible Nanos; digital adoption grants and starter packs for Traditional Sceptics, with structured pathways to blended finance as they demonstrate sustained digital adoption and basic financial management capacity; matching grants and subsidised loans for Social Adaptors; concessional credit and technology investment facilities for Strategic Reinventors (Figure 13).

[32] NBS and SMEDAN (2021); Central Bank of Nigeria data.

Figure 13: MSME Digital Adoption Fund: tiered instrument design



Financial instruments are calibrated to archetype-specific needs and capabilities: grants and starter packs for Invisible Nanos, digital adoption grants with a structured pathway to blended finance for Traditional Sceptics, matching grants and subsidised loans for Social Adaptors, and concessional credit for Strategic Reinventors. Grant intensity decreases as commercial viability increases.

Source: Authors' elaboration.

Adoption-Linked Incentive Design. Shift incentive design from participation-based (rewarding attendance at training) to adoption-based (rewarding demonstrated digital usage). Link fiscal benefits (tax deductions, reduced registration fees, preferential procurement access) to verifiable digital practices such as consistent digital record-keeping, traceable digital transactions, or participation in structured digital support pathways. Ensure verification mechanisms are simple and proportionate, avoiding excessive administrative burden on micro-enterprises.[33]

Financial Sector Engagement. Work with the CBN and commercial banks to develop MSME-friendly digital credit products that use digital transaction histories as alternative collateral. Engage fintech providers to develop graduated financial products that serve MSMEs at different stages of digital maturity. Integrate digital adoption milestones into existing MSME lending frameworks to create incentive alignment between financial inclusion and digital transformation.

[33] OECD (2021).

Fiscal and Regulatory Incentives. Introduce or expand tax incentives for MSMEs that demonstrate digital adoption, including duty reductions on ICT equipment for qualifying enterprises, Value Added Tax (VAT) exemptions on essential business software, and simplified digital tax filing that rewards rather than penalises formalisation. Harmonise the multiple lay ers of taxation that MSMEs face, responding to persistent calls from the business community for a more enabling fiscal environment.

SUCCESS INDICATORS:

- ✓ Establishment and capitalisation of a dedicated MSME Digital Adoption Fund
- ✓ Number of MSMEs accessing tiered digital financing instruments
- ✓ Percentage of MSME incentive programmes that include adoption-linked conditionality
- ✓ Increase in commercial bank credit directed towards MSME digital investment
- ✓ Reduction in the percentage of MSMEs citing cost as the primary barrier (baseline: 62.7%)

Ecosystem Dependencies: Meso-level organisations serve as intermediaries for fund distribution and adoption verification. Micro-level MSME archetype data informs tiering.

4.1.3 Strategy Area: Trust, Consumer Protection, and Data Governance

Strategic Objective: Build the regulatory and institutional foundations of digital trust, ensuring that MSMEs and their customers can rely on digital systems with confidence, and that the "digital trauma" documented in the research is systematically addressed.

Rationale. Trust is a binding constraint: 39.3% of MSMEs report low confidence in digital systems due to fraud, cyberbullying, and unresolved scams. Trust deficits are not only psychological; they reflect real gaps in consumer protection, dispute resolution, data privacy enforcement, and cybercrime prosecution. Without progress on trust, adoption will remain shallow and reversible.

IMPLEMENTATION PATHWAYS:

Consumer Protection and Dispute Resolution. Strengthen and enforce consumer protection frameworks for digital transactions, with particular attention to

Cybersecurity and Fraud Enforcement. Invest in the capacity of law enforcement agencies to track, investigate, and prosecute digital fraud, at no cost to victims.

mobile money, POS systems, and online marketplaces used by MSMEs. Establish accessible, low-cost dispute resolution mechanisms, including digital complaint channels and fast-track arbitration for small-value disputes, that MSMEs can use without legal representation. Ensure that existing consumer protection agencies have the capacity and mandate to handle digital transaction complaints.

The current perception among MSMEs that online fraud goes unpunished is a significant driver of digital distrust. Visible enforcement action, publicised outcomes, and accessible reporting channels are essential to restoring confidence.

Data Protection Implementation. Ensure the effective implementation and enforcement of the Nigeria Data Protection Act, with specific guidance for MSME data controllers and processors. Develop simplified compliance pathways for micro and small enterprises that balance data protection obligations with proportionality. Invest in public awareness so that MSMEs understand both their rights as data subjects and their obligations when handling customer data.

Digital Identity and Verification. Expand and simplify digital identity infrastructure that enables MSMEs to verify counterparties, access financial services, and participate in digital marketplaces. Ensure that identity systems are accessible to informal and unregistered enterprises as a pathway to inclusion, not a gatekeeping mechanism.

SUCCESS INDICATORS:

- ✓ Reduction in the percentage of MSMEs reporting low confidence in digital systems (baseline: 39.3%)
- ✓ Establishment of accessible dispute resolution mechanisms for digital transactions
- ✓ Number of publicised cybercrime prosecution outcomes relevant to MSME digital fraud
- ✓ Percentage of MSMEs demonstrating awareness of data protection rights and obligations

Ecosystem Dependencies: Meso-level actors deliver trust-building content and digital safety training. Micro-level MSME feedback on trust barriers informs regulatory priorities.

4.1.4 Strategy Area: Policy Coherence and Institutional Coordination

Strategic Objective: Align the mandates, programmes, and resources of the multiple public institutions involved in MSME development and digital transformation, ensuring coordinated delivery and eliminating duplication.

Rationale. Institutional fragmentation is a defining feature of Nigeria's MSME support landscape. Agencies such as SMEDAN, NITDA, the NCC, and innovation hubs operate independently, often duplicating training programmes and issuing conflicting guidance. A total of 181 support organisations cited poor coordination as a significant gap. MSMEs experience this as a confusing, unnavigable landscape, and default to informal peer networks instead.

IMPLEMENTATION PATHWAYS:

Inter-Agency Coordination Mechanism. Establish or strengthen a formal coordination mechanism for MSME digital transformation (not a new institution, but a structured platform) that brings SMEDAN, NITDA, the NCC, the CBN, relevant federal ministries, and state-level agencies into regular, mandated coordination. This mechanism should operate around shared objectives, common definitions, complementary mandates, and joint performance indicators. It should be supported by a secretariat function with adequate resources and authority to convene, track commitments, and publish progress reports.

Mandate Clarity and Complementarity. Conduct a formal mandate review across the key agencies involved in MSME digital transformation. The objective is not to consolidate agencies but to clarify their respective roles, reduce overlap, and establish clear referral pathways. Each agency should have a defined and published role in the MSME digital transformation value chain, from infrastructure (NCC), to digital skills and standards (NITDA), to enterprise development (SMEDAN), to financial inclusion (CBN), with joint accountability for outcomes.

National MSME Digital Transformation Dashboard. Establish a national monitoring framework that tracks MSME digital adoption, support ecosystem performance, and policy implementation against defined indicators. This dashboard should aggregate data from across agencies and support organisations, be publicly accessible, and serve as the accountability mechanism for the Blueprint's implementation. Currently, no such instrument exists; policy is designed without granular enterprise-level evidence and evaluated without outcome data.

Alignment of National and State Programmes. Ensure that state-level MSME digital transformation programmes are aligned with the national framework. Provide states with planning tools, shared standards, and technical assistance to adapt national strategies to local contexts. Promote inter-state learning through structured knowledge exchange.

SUCCESS INDICATORS:

- ✓ Establishment and regular convening of a formal MSME digital transformation coordination mechanism
- ✓ Publication of a mandate clarity framework defining agency roles and referral pathways
- ✓ Launch and regular updating of a national MSME digital transformation dashboard
- ✓ Number of states with MSME digital transformation programmes aligned to the national framework

Ecosystem Dependencies: Meso-level performance data feeds the national dashboard. Micro-level MSME experience informs mandate review and programme alignment.

4.1.5 Strategy Area: Digital Skills and Capabilities at Scale

Strategic Objective: Build the national foundation of digital skills and capabilities required for MSME digital transformation, encompassing not only MSME owners and workers but also the public servants, support organisation staff, and financial institution personnel who serve them.

Rationale. Over 53% of MSMEs have never received digital skills training, yet those who have rate it highly useful (3.39 out of 4.00). The gap is not demand or quality but reach and sustainability. Skills investment must move beyond one-off training to build lasting, scalable capability across the ecosystem.

IMPLEMENTATION PATHWAYS:

National Digital Skills Framework for MSMEs. Develop and adopt a nationally standardised digital skills framework specifically designed for non-tech MSMEs, defining competency levels from basic digital literacy through to advanced digital business management. This framework should serve as the common reference point for all training programmes, whether delivered by government, development partners, or private providers, ensuring consistency, quality, and progression.

Multilingual and Accessible Delivery. Mandate that publicly funded MSME digital skills programmes be delivered in major Nigerian languages (Hausa, Yoruba, Igbo, and Pidgin English) and through accessible formats (visual guides, audio, low-bandwidth digital content). Design for inclusion from the outset, accounting for the literacy levels, language preferences, and learning contexts of the Invisible Nano and Traditional Sceptic segments.

Institutional Capacity Building. Invest in the digital and analytical capacity of public agency staff, particularly within SMEDAN, NITDA, and state-level MSME agencies, so that the institutions responsible for delivering digital transformation are themselves digitally competent. Extend capacity building to the financial sector, ensuring that bank staff, microfinance officers, and fintech agents understand MSME digital realities and can provide appropriate guidance.

Integration into Education and Vocational Training. Embed digital business skills into the national vocational training curriculum, Technical and Vocational Education and Training (TVET) programmes, and tertiary entrepreneurship education. This long-term investment builds a pipeline of digitally capable entrepreneurs and workers who enter the MSME sector with foundational digital competencies.

SUCCESS INDICATORS:

- ✓ Adoption of a national digital skills framework for MSMEs
- ✓ Reduction in the percentage of MSMEs reporting no digital skills training (baseline: 53.5%)
- ✓ Number of MSME digital training programmes available in major Nigerian languages
- ✓ Number of public agency staff completing digital capacity building programmes

Ecosystem Dependencies: Meso-level organisations are the primary delivery channel for skills programmes. Micro-level MSME demand data informs curriculum design.

4.1.6 Strategy Area: Inclusion and Equity in Policy Design

Strategic Objective: Ensure that MSME digital transformation policies, programmes, and investments deliberately reach the enterprises and communities that face the steepest barriers: women-led enterprises, rural MSMEs, youth entrepreneurs, persons with disabilities, and the vast population of informal nano-enterprises.

Rationale. Digital transformation can widen inequalities if inclusion is not intentional. The field evidence documents layered constraints facing women-led and rural enterprises, low digital hub visibility in non-urban areas, and the near-total exclusion of persons with disabilities from existing support models. Inclusion must be a design criterion applied across all policy instruments, not a separate programme.

IMPLEMENTATION PATHWAYS:

Gender-Responsive Design. Apply gender analysis to all MSME digital transformation policy instruments, ensuring that programme eligibility, delivery mechanisms, timing, and content account for the specific constraints women entrepreneurs face, including time poverty, mobility limitations, lower access to finance, and gender-based digital safety concerns. Set and monitor gender-disaggregated participation and outcome targets.

Rural and Peri-Urban Prioritisation. Weight infrastructure investment, shared access models, and support delivery towards underserved areas. Design mobile and community-based delivery models that reach MSMEs outside urban commercial centres. Use trade associations, cooperatives, and local government structures as delivery partners in areas where formal support organisations have limited presence.

Youth and Emerging Entrepreneurs. Align MSME digital transformation strategies with youth employment and entrepreneurship programmes. Design entry-level digital support pathways that connect young entrepreneurs with starter tools, mentorship, and peer networks. Leverage the generally higher digital fluency of younger cohorts as an asset for the broader ecosystem.

Disability Inclusion. Develop and apply accessibility standards for MSME digital training materials, platforms, and support services. Partner with disability-focused organisations to identify and address specific barriers. Ensure that data collection instruments capture disability status to enable monitoring and programme adaptation.

SUCCESS INDICATORS:

- ✓ Gender-disaggregated participation and outcome data across all MSME digital programmes
- ✓ Percentage of MSME digital support programmes with rural and peri-urban delivery components
- ✓ Number of youth-specific digital entrepreneurship support pathways established
- ✓ Adoption of accessibility standards for MSME digital training and support materials

Ecosystem Dependencies: Meso-level actors implement inclusion provisions. Micro-level disaggregated data informs policy adaptation.

4.2 Meso Level: The Support Ecosystem

Strategic Vision

The meso level is where ecosystem design either succeeds or fails. Support organisations (ISOs, ESOs, BSOs, DIHs, trade associations, financial institutions, training providers, and technology companies) are the interface between policy intent and enterprise reality. The strategic vision at this level is a fundamental reorientation: from programme delivery to transformation enablement, from startup-centric to MSME-inclusive, and from training-heavy to adoption-supportive.

The evidence demands this shift. Only 3% of MSMEs learn about digital tools through innovation hubs; 63% rely on friends and family. Awareness of DIHs is only 24% nationally and as low as 2% in Lagos. Over one-third of MSMEs have no interaction with any support organisation. The ecosystem exists, but it does not reach or serve the enterprises that need it most.

4.2.1 Strategy Area: Reorienting the Support Ecosystem Towards Non-Tech MSMEs

Strategic Objective: Redirect the focus, service design, and delivery models of the MSME support ecosystem from tech startups and innovation-stage enterprises towards the 40 million non-tech MSMEs that constitute the vast majority of Nigerian businesses.

Rationale. The current support ecosystem is structurally misaligned. Most DIHs, incubators, and accelerators serve technology-native enterprises. The non-tech MSMEs that dominate retail, services, agri-business, manufacturing, and creative industries, and that employ the overwhelming majority of Nigerians, are largely invisible to this infrastructure. Reorientation does not mean abandoning tech-focused support. It means expanding the ecosystem's reach, relevance, and mandate to include the enterprises that constitute the core of the economy.

IMPLEMENTATION PATHWAYS:

Mandate Expansion for DIHs. Encourage and incentivise existing DIHs to expand their service offerings beyond tech startups to include non-tech MSMEs. This requires adjustments to programme design (simpler content, accessible formats, different business contexts), delivery models (outreach to markets and trade clusters, not only hub-based), and performance metrics (tracking MSME digital adoption, not only startup acceleration). Hubs that serve non-tech MSMEs should be recognised and resourced accordingly.

Incentivised MSME-Inclusive Delivery. Introduce performance-based incentives for support organisations that demonstrate measurable outcomes with non-tech MSMEs, particularly micro and informal enterprises. Tie public funding and development partner support to evidence of MSME reach and adoption outcomes, not only programme delivery outputs.

Market-Embedded Support Models. Develop and pilot support delivery models that are embedded within the commercial spaces where MSMEs already operate: markets, trade clusters, industrial areas, and transport hubs. These "one-stop" or "walk-in" digital support points should offer basic diagnostics, tool demonstrations, guided setup, and referral to more intensive support. They should be staffed by locally credible actors with practical digital competence.

Leveraging Trade Associations and Cooperatives. Trade associations, cooperatives, and business membership organisations are already trusted by MSMEs and have organic reach into communities that formal support organisations do not. The Blueprint recommends systematically partnering with these structures, building their digital capacity so they can serve as front-line channels for digital transformation support, referral, and peer learning.

SUCCESS INDICATORS:

- ✓ Number of DIHs with active non-tech MSME service programmes
- ✓ Percentage of publicly funded support programmes with demonstrated non-tech MSME reach
- ✓ Number of market-embedded digital support points operational
- ✓ Number of trade associations and cooperatives with digital transformation delivery capacity

Ecosystem Dependencies: Macro-level funding and mandate frameworks determine hub incentives. Micro-level MSME participation validates reorientation.

4.2.2 Strategy Area: From Training to Adoption Support

Strategic Objective: Shift the dominant model of MSME digital support from one-off training events towards structured, sustained adoption support that includes diagnostics, guided implementation, mentoring, follow-up, and peer reinforcement.

Rationale. Training is the most common intervention in the support ecosystem: 90.2% of organisations that offer digital support provide training. Yet training alone consistently fails to convert into sustained adoption. The research documents the pattern clearly: MSMEs attend workshops, express enthusiasm, and revert to previous practices once they return to daily operational pressures. The missing element is not knowledge but accompaniment, structured support during the fragile phase between learning and habitual practice.

IMPLEMENTATION PATHWAYS:

Adoption-Oriented Programme Design. Redesign MSME digital support programmes around an adoption-first logic. Every programme element should be assessed against the question: will this lead to sustained use of a specific digital tool or practice? Programmes should be structured in phases (awareness, guided practice, coaching, and sustained use) rather than as single events. The "conversion phase" between training and adoption should be explicitly planned and resourced.

Embedded Diagnostics. Integrate simple diagnostic tools into the front end of all support engagements. Before recommending tools or training, support organisations should assess an MSME's current practices, business pain points, digital confidence, and readiness level. Diagnostics need not be complex: basic assessments covering record-keeping practices, current tool usage, connectivity status, and priority business challenges can guide more appropriate and effective support.

Mentoring and Peer Coaching. Establish structured mentoring programmes that pair MSMEs in earlier stages of digital adoption with those who have successfully progressed, particularly within the same sector or trade cluster. Formalise peer coaching as a recognised delivery model, with mentors receiving training, recognition, and modest incentives. The evidence that peer demonstration is the most powerful driver of adoption should be operationalised systematically.

Post-Programme Follow-Up. Institutionalise structured follow-up mechanisms that extend beyond programme completion, including scheduled check-ins (in person, by phone, or via WhatsApp), peer learning sessions, and simple monitoring of tool usage rather than programme attendance. Even modest follow-up can significantly improve sustained adoption and reduce the regression that characterises current programmes.

SUCCESS INDICATORS:

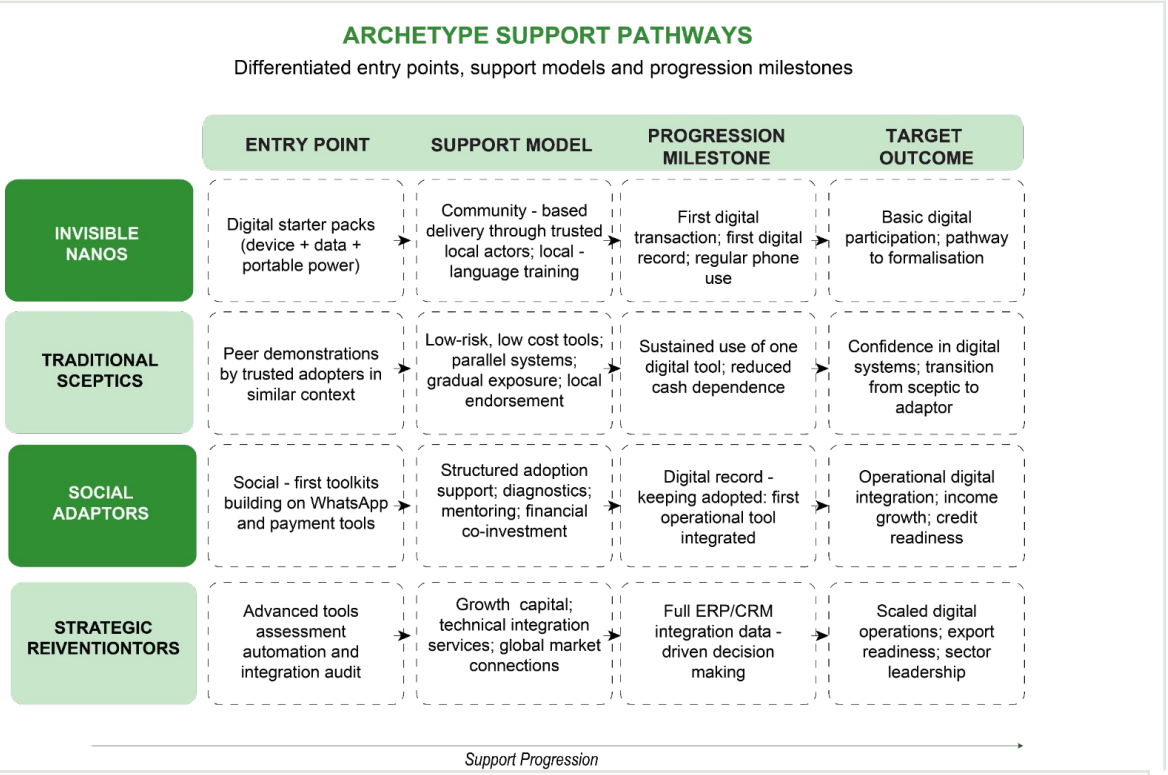
- ✔ Percentage of support programmes structured around adoption-first principles (phased delivery, follow-up)
- ✔ Percentage of MSME support engagements that begin with diagnostic assessment
- ✔ Number of MSMEs participating in structured peer mentoring programmes
- ✔ Sustained tool usage rates among programme participants at 3, 6, and 12 months post-programme

Ecosystem Dependencies: Macro-level funding must resource follow-up and mentoring, not only training events. Micro-level MSME feedback informs programme adaptation.

4.2.3 Strategy Area: Archetype-Sensitive Service Design

Strategic Objective: Design and deliver digital transformation support that is differentiated according to MSME archetypes, meeting each segment at its starting point with appropriate tools, channels, content, and progression pathways.

Figure 14: Archetype support pathways



Differentiated entry points, support models, progression milestones, and target outcomes for each MSME archetype. No single pathway serves all segments; effective intervention requires differentiation. The pathways correspond to the strategy descriptions in Section 4.2.3.

Source: Authors' elaboration.

Rationale. The four MSME archetypes identified in this research (Strategic Reinventors, Social Adaptors, Traditional Sceptics, and Invisible Nanos) represent fundamentally different starting points, motivations, and constraints. Generic programmes that treat MSMEs as a homogeneous category systematically fail to reach the majority. Archetype-sensitive design is not a luxury; it is an operational necessity (Figure 14).

IMPLEMENTATION PATHWAYS:

Support Pathways for Invisible Nanos. For the base of the pyramid, enterprises with negligible digital engagement, basic voice calls as their primary tool, and survival as their dominant motivation, support must begin with foundational access: digital starter packs (affordable devices, data, and portable power), local-language training in basic digital literacy, and community-based delivery through trusted local actors (religious leaders, market leaders, and cooperative heads). Digital adoption should be linked to immediate, tangible livelihood improvements, not abstract "transformation" narratives.

Support Pathways for Traditional Sceptics. For enterprises with low adoption driven by risk avoidance and negative past experience, support must prioritise trust-building. This means peer demonstrations by enterprises in similar contexts, low-cost and low-risk digital entry points (basic mobile money, simple record-keeping on phones), community endorsement, and patient exposure that respects their risk tolerance. The delivery channel matters as much as the content: sceptics respond to people they know and respect, not to institutions they have no relationship with.

Support Pathways for Social Adaptors. This is the largest and most strategically significant segment. Social Adaptors already use WhatsApp, social media, POS, and mobile banking, but have not integrated digital tools into operations. Support should build on their existing practices with "social-first" toolkits that extend from marketing into record-keeping, inventory tracking, and basic financial management. Financial support to reduce cost barriers and structured pathways that demonstrate the income benefits of deeper adoption are critical for this segment.

Support Pathways for Strategic Reinventors. The most advanced segment needs less foundational support and more ecosystem services: access to capital for technology investment, advisory on advanced tools (cloud services, ERP, data analytics), connections to global markets and value chains, and regulatory environments that support digital innovation. Support organisations should connect Reinventors with specialised service providers rather than attempting to serve them through generic programmes.

SUCCESS INDICATORS:

- ✓ Percentage of support programmes that explicitly differentiate by MSME archetype or readiness level
- ✓ Number of MSMEs receiving archetype-appropriate support pathways
- ✓ Adoption and progression rates disaggregated by archetype
- ✓ Reduction in programme dropout rates among Sceptic and Nano segments

Ecosystem Dependencies: Macro-level data and archetype frameworks inform service design. Micro-level MSME self-identification and progression data enable ongoing calibration.

4.2.4 Strategy Area: Ecosystem Coordination and Referral Systems

Strategic Objective: Build functional coordination mechanisms within the support ecosystem, including referral systems, shared standards, collaborative delivery, and information sharing, that enable MSMEs to experience a coherent transformation journey rather than a fragmented landscape of disconnected programmes.

Rationale. The support ecosystem is rich in actors but poor in coordination. MSMEs encounter overlapping programmes, repeated diagnostics, conflicting advice, and no clear pathway between organisations. Meanwhile, 11.4% of support organisations report no current collaborations on digital initiatives, and engagement with key national bodies such as NITDA remains limited (14.2%). Coordination is not about goodwill; it requires structure, standards, and incentives.

IMPLEMENTATION PATHWAYS:

Referral Pathway Development. Design and implement structured referral pathways that enable MSMEs to progress through a continuum of support services as their needs evolve. A micro-enterprise that completes basic digital literacy training with a trade association should be able to be referred, with relevant information transferred, to a hub for tool-specific training, and from there to a financial institution for digital credit. Referral pathways require agreed protocols, shared MSME profiles (with consent), and follow-up tracking.

Shared Standards and Quality Frameworks. Develop common quality standards for MSME digital transformation support services. These standards should define minimum requirements for diagnostic practice, training delivery, follow-up, and outcome measurement, and should apply across public, private, and development partner-funded programmes. Quality certification could incentivise adherence and help MSMEs identify credible support providers.

Ecosystem Actor Mapping and Information Sharing. Develop and maintain regularly updated maps of support organisations by geography, sector, service type, and MSME readiness level served. Make these maps accessible to MSMEs and to other support organisations. Establish information-sharing protocols, including shared MSME profiles, programme completion records, and outcome data, that enable continuity across the ecosystem while respecting data privacy.

Collaborative Delivery Models. Promote co-delivery models where organisations with complementary strengths design and deliver programmes jointly, rather than each attempting to cover the full spectrum independently. Joint training (62.0%), knowledge sharing (47.6%), and co-funded projects (45.0%) are already rated among the most effective forms of collaboration. The Blueprint recommends formalising and scaling these approaches.

SUCCESS INDICATORS:

- ✔ Number of functional referral pathways operational between support organisations
- ✔ Adoption of common quality standards across publicly funded MSME digital support programmes
- ✔ Availability and currency of ecosystem actor maps at state and national level
- ✔ Number of co-delivered programmes across support organisations

Ecosystem Dependencies: Macro-level policy mandates coordination standards. Micro-level MSME experience data validates whether coordination is improving the user experience.

4.2.5 Strategy Area: Monitoring, Learning, and Impact Measurement

Strategic Objective: Shift the support ecosystem's measurement culture from activity reporting (number trained, number reached) to outcome measurement (tools adopted, practices sustained, revenue improved, formalisation progressed), and institutionalise the learning loops that enable continuous improvement.

Rationale. Inadequate use of data was cited by 120 support organisations as a policy gap. Insufficient follow-up support was cited by 221. The ecosystem lacks the feedback mechanisms necessary to know what works, adapt what does not, and demonstrate credible impact to funders, policymakers, and MSMEs themselves.

IMPLEMENTATION PATHWAYS:

Outcome-Oriented Indicator Frameworks. Develop and adopt standardised outcome indicators for MSME digital transformation programmes, measuring not only outputs (participants, tools distributed) but outcomes (tools in sustained use at 6 months, digital record-keeping practices adopted, revenue changes, formalisation steps completed). These indicators should be common across the ecosystem to enable aggregation and comparison.

MSME Progression Tracking. Implement simple tracking systems that monitor MSME movement across digital readiness levels over time. Progression data (which MSMEs advanced, which stalled, and why) are the most valuable intelligence the ecosystem can generate. It informs programme redesign, resource allocation, and policy priorities.

Feedback Loops and Adaptive Management. Institutionalise regular feedback collection from MSMEs on programme relevance, quality, and impact. Use this feedback systematically, not as anecdotal evidence but as structured input into programme adaptation. Support organisations that treat learning as an institutional asset improve faster and deliver more consistent outcomes.

Impact Communication. Equip support organisations with templates and guidance for communicating impact credibly, to funders, policymakers, and the public. Credible impact evidence strengthens the case for continued and expanded investment in MSME digital transformation.

SUCCESS INDICATORS:

- ✓ Adoption of standardised outcome indicators across the support ecosystem
- ✓ Percentage of programmes with MSME progression tracking in place
- ✓ Frequency and use of structured MSME feedback in programme adaptation
- ✓ Quality and credibility of impact reporting across the ecosystem

Ecosystem Dependencies: Macro-level data governance frameworks support standardisation. Micro-level MSME data are the raw material for all measurements.

4.3 Micro Level: MSMEs and Enterprise-Led Transformation

Strategic Vision

The micro level is where transformation ultimately happens or fails, in the daily decisions, routines, and capabilities of individual enterprises. The strategic vision at this level is enterprise agency: building the capacity, confidence, and practical conditions under which MSMEs can adopt, integrate, and benefit from digital tools in their own operations, at their own pace, and on their own terms.

The Blueprint treats MSMEs not as passive recipients of ecosystem services but as active agents of their own transformation. Their decisions, feedback, and peer behaviour shape the entire system. The strategies at this level are therefore designed to work with the grain of MSME behaviour, anchoring digital adoption to business pain points, respecting the staged and social nature of adoption, and building the minimum viable digital discipline from which deeper transformation can grow.

4.3.1 Strategy Area: Reframing Digital Transformation at the Enterprise Level

Strategic Objective: Shift the narrative and experience of digital transformation from "becoming digital", an abstract and often intimidating concept, to practical, purpose-driven adoption that makes the business easier to run, more predictable, and more resilient.

Rationale. The gap between recognising the value of digitalisation and adopting practical solutions reinforces the need for targeted interventions. This strategy area therefore focuses on helping MSMEs overcome adoption barriers and apply digital tools to specific business challenges. The framing matters: when digital tools are positioned as instruments of stability rather than symbols of modernity, adoption becomes more delib erate and sustainable.

IMPLEMENTATION PATHWAYS:

Pain-Point-Anchored Adoption. Guide MSMEs to begin their digital transformation by identifying the most stressful or inefficient part of their current operations, whether tracking income and expenses, managing stock, following up customers, reconciling payments, or coordinating staff. Digital tools should be introduced

Staged Journey Design. Support MSMEs to move through identifiable stages of digital maturity, from basic visibility and transaction enablement, through internal discipline (consistent record-keeping, customer tracking), to operational integration (linking sales, inventory, finance, and customer data). MSMEs should not be pres-

as solutions to these specific problems, not as general-purpose technologies. This approach reduces cognitive overload and produces immediate, tangible benefits that reinforce continued use.

sured to skip stages. Attempting to introduce complex systems before foundational habits are in place leads to abandonment. Consolidation at each stage before advancement is the principle.

Purpose-Driven Messaging. Redesign public and institutional messaging about MSME digital transformation around practical outcomes, such as "know exactly what you earned today", "never lose track of a customer order", and "get paid faster", rather than around technology categories or abstract transformation language. Messaging should be delivered in local languages and through channels MSMEs already trust.

SUCCESS INDICATORS:

- ✓ Percentage of MSME support engagements that begin with pain-point identification
- ✓ MSME self-reported understanding of how digital tools address specific business challenges
- ✓ Reduction in programme dropout attributed to perceived irrelevance

Ecosystem Dependencies: Meso-level support organisations deliver the reframing through programme design. Macro-level communications campaigns reinforce the narrative shift.

4.3.2 Strategy Area: Building Minimum Viable Digital Discipline

Strategic Objective: Help MSMEs establish the foundational digital habits (consistent record-keeping, traceable transactions, and basic operational visibility) upon which all deeper digital adoption depends.

Rationale. Digital transformation depends as much on behaviour as on technology. Many MSMEs struggle not because tools are unavailable but because consistent routines are difficult to maintain under daily operational pressure. The field evidence confirms that MSMEs with basic record-keeping discipline are significantly more likely to adopt and sustain more advanced digital tools. The priority is not sophistication but consistency.

IMPLEMENTATION PATHWAYS:

Digital Record-Keeping as the Foundation. Promote and support the adoption of simple, daily digital record-keeping (recording sales, expenses, customer transactions, and stock movements) as the single most important step an MSME can take towards digital transformation. This can begin on paper and transition to phone-based tools, but the critical element is the habit, not the medium. The Toolkit Compendium provides step-by-step instruments for this purpose, notably the MSME Digital Record Template (Table A.6) and the 90-Day Digital Action Planner (Section A.2.3).

Minimum Viable Practices. Define and promote a set of "minimum viable digital practices" that any MSME can adopt regardless of sector, size, or current digital capability. These might include recording daily sales digitally, maintaining a basic customer list, reconciling digital payments at the end of day, and separating business from personal finances. These practices are modest, but their cumulative effect is transformative, creating the data foundation for future digital tools, financial access, and formalisation.

Process Before Software. Ensure that MSMEs establish the underlying business process before introducing digital tools to manage it. An MSME that does not currently track inventory manually will not succeed with inventory management software. This principle (process first, software second) should guide all support interventions at the micro level and be explicitly embedded in programme design at the meso level.

SUCCESS INDICATORS:

- ✓ Percentage of MSMEs maintaining consistent daily digital records (any format)
- ✓ Percentage of MSMEs with separated business and personal finances
- ✓ Percentage of MSMEs reconciling digital transactions daily or weekly

Ecosystem Dependencies: Meso-level programmes deliver record-keeping training and tools. Macro-level formalisation incentives reward digital record-keeping.

4.3.3 Strategy Area: Deepening Adoption from Social-First to Operational Integration

Strategic Objective: Help MSMEs, particularly Social Adaptors, the largest segment, progress from customer-facing digital use (social media, messaging, payments) to operational digital integration (record-keeping, inventory, financial management, customer relationship systems).

Rationale. The "social-first" adoption pattern is the defining feature of Nigeria's MSME digital landscape. Social media is used by 69.5%, online banking by 45.8%, POS/mobile money by 36.7%, but accounting software and e-commerce platforms by only 13%. The productivity gains from digitalisation lie beyond the social-first frontier, in the operational and management tools that remain largely unadopted. Bridging this gap is the central strategic challenge at the micro level.

IMPLEMENTATION PATHWAYS:

Social-First Toolkit Progression. Design support pathways that build explicitly on the tools MSMEs already use. An MSME that manages customer orders via WhatsApp can be guided to extract that information into a simple customer ledger. An enterprise that receives payments via POS can be shown how to reconcile those transactions into a daily record. The principle is extension from the familiar, not replacement with the unfamiliar.

Digital Payments as a Gateway. Leverage the relatively high adoption of digital payment tools (and the crisis-driven POS adoption of 2023) as a gateway to deeper operational digitalisation. MSMEs that already transact digitally have a natural entry point to digital record-keeping, reconciliation, and financial management. Support programmes should explicitly design this bridge, from payment tool to financial visibility.

Sector-Specific Guidance. Develop and deliver sector-specific guidance on operational digitalisation, recognising that the relevant tools, workflows, and priorities differ significantly between retail, services, agri-business, manufacturing, and creative industries. A retailer's path to operational digitalisation (inventory tracking, sales analytics) differs from a service provider's (customer scheduling, project management, invoicing). Sector sensitivity improves relevance and adoption.

Demonstrating the Income Case. Over two-thirds of MSME motivation for digital tool use (66.4%) is tied to sales growth and customer reach. Interventions that can demonstrate the concrete income impact of operational digitalisation, through case studies, peer testimonials, and pilot data, are significantly more likely to drive adoption than abstract efficiency arguments.

SUCCESS INDICATORS:

- ✓ Increase in MSME adoption of operational digital tools (accounting, inventory, CRM) beyond the 13% baseline
- ✓ Number of MSMEs progressing from social-first to operational digital use within structured programmes
- ✓ Availability of sector-specific digital adoption guides

- ✓ MSME-reported revenue or productivity improvements attributable to operational digital tool use

Ecosystem Dependencies: Meso-level organisations design and deliver progression pathways. Macro-level infrastructure investment (connectivity, power) determines whether operational tools can be reliably used.

4.3.4 Strategy Area: Trust, Confidence, and Digital Safety at the Enterprise Level

Strategic Objective: Build the digital confidence that MSMEs need to rely on digital systems for core operations, addressing the "digital trauma" documented in the research through practical security knowledge, dispute resolution awareness, and gradual trust-building.

Rationale. Trust is not built by policy alone. At the enterprise level, trust is built through experience: positive experiences with reliable systems, practical knowledge of how to stay safe, and confidence that recourse exists when things go wrong. The 39.3% of MSMEs reporting low confidence in digital systems represent a segment that will not be reached by technology promotion but may be reached by trust-building.

IMPLEMENTATION PATHWAYS:

Practical Digital Safety Training. Integrate basic digital safety content into all MSME support programmes, covering common fraud patterns, password and account security, safe transaction practices, and how to report digital crime. This content should be practical, scenario-based, and delivered in local languages. It should be positioned not as a separate "cybersecurity" module but as an integral part of every digital adoption step.

Parallel Systems as Transition Strategy. Acknowledge, rather than discourage, the rational behaviour of MSMEs that maintain parallel manual and digital systems. Dual operation is a valid risk management strategy during the transition period. The goal is not immediate full digital reliance but gradual confidence-building as MSMEs experience system reliability over time. Support programmes should help MSMEs plan for a deliberate, phased transition rather than expecting immediate switch-over.

Peer Trust-Building. The most powerful trust-building mechanism identified in the research is peer demonstration: MSMEs seeing enterprises like theirs succeed with digital tools. Systematically capture, pack-

Dispute Resolution Awareness. Ensure that MSMEs know their rights and recourse options when digital transactions fail. Simple, accessible guides to dispute resolution, covering POS failures, mobile

age, and disseminate success stories from MSMEs that have overcome digital scepticism. Create opportunities for peer-to-peer engagement where Sceptics and Nanos can observe and question Adaptors and Reinventors in informal, trusted settings.

money disputes, online marketplace issues, and data breaches, should be available in local languages and distributed through support channels.

SUCCESS INDICATORS:

- ✔ Percentage of MSME support programmes that include digital safety content
- ✔ Reduction in MSMEs reporting low confidence in digital systems (baseline: 39.3%)
- ✔ Number of peer trust-building events and success story disseminations
- ✔ MSME awareness of dispute resolution mechanisms for digital transactions

Ecosystem Dependencies: Macro-level regulation and enforcement underpin trust. Meso-level organisations deliver safety training and peer engagement.

4.3.5 Strategy Area: Collective Structures and Peer Learning

Strategic Objective: Leverage the social dynamics of MSME communities (peer influence, collective structures, and shared learning) as the primary channel for scaling digital adoption, recognising that peer networks are significantly more influential than formal institutions.

Rationale. MSMEs learn about digital tools from friends and family (63%) and colleagues (30%), not from formal institutions (3% through hubs). This is not a weakness to be overcome; it is a strength to be harnessed. Peer-driven adoption is faster, more trusted, and more sustainable than institution-driven adoption because it operates through existing relationships of credibility and shared context.

IMPLEMENTATION PATHWAYS:

Peer Champion Programmes. Identify and support MSMEs who have successfully adopted digital tools in each trade cluster, market, or sector community, and equip them as peer champions who can demonstrate, advise, and encourage others. Peer champions should receive training in basic

Cluster-Based Digital Adoption. Design digital transformation interventions at the level of MSME clusters (market associations, trade groups, cooperatives, and sector networks) rather than targeting individual enterprises in isolation. Cluster-based approaches create natural peer pres-

facilitation, modest recognition or incentives, and ongoing connection to the support ecosystem for technical backstopping.

sure, shared learning, and economies of scale in training, tool provision, and infrastructure access.

Shared Digital Services. Promote shared digital service models that reduce per-enterprise cost and complexity, such as common marketing platforms, collective logistics coordination, shared procurement systems, and group access to digital tools and subscriptions. These models are particularly valuable for micro-enterprises that cannot afford individual subscriptions or dedicated infrastructure.

Digital Learning Communities. Establish and support ongoing digital learning communities (in person or via WhatsApp and other messaging groups) where MSMEs can share experiences, troubleshoot problems, exchange tips, and celebrate successes. These communities provide the sustained social reinforcement that one-off training events cannot deliver.

SUCCESS INDICATORS:

- ✓ Number of active peer champions across states and sectors
- ✓ Number of MSME clusters with structured digital adoption programmes
- ✓ Number of MSMEs accessing shared digital services
- ✓ Active digital learning communities by geography and sector

Ecosystem Dependencies: Meso-level organisations train and support peer champions. Macro-level policy supports cluster-based infrastructure investment.

4.3.6 Strategy Area: Formalisation Through Digital Practice

Strategic Objective: Use digital adoption as a pathway to gradual, voluntary formalisation, increasing the economic visibility, credibility, and resilience of MSMEs without imposing abrupt administrative demands.

Rationale. The vast majority of Nigerian MSMEs are informal, and resistance to formalisation is less about unwillingness than about fear of cost, complexity, and exposure. Yet consistent digital records, traceable transactions, and improved customer documentation naturally position MSMEs to access finance, partnerships, and public programmes. When formalisation emerges as a by-product of better business practices, rather than a compliance demand, resistance decreases and the economic benefits of inclusion are realised more sustainably.

IMPLEMENTATION PATHWAYS:

Digital Records as Formalisation Pathway. Design support programmes that explicitly link digital record-keeping to the practical benefits of formalisation: access to credit, eligibility for government programmes, supplier credibility, and legal protection. MSMEs should be encouraged to view digital records as an asset that strengthens their negotiating position and growth readiness, not as a reporting obligation.

Simplified Digital Registration. Advocate for and support simplified, digital-first business registration processes that reduce the time, cost, and complexity of formalisation. Integration between digital business tools and registration platforms (CAC, tax identification, local government licensing) can create seamless pathways from practice to formalisation.

Graduated Compliance Expectations. Design policy frameworks that recognise the reality of staged formalisation. Rather than binary formal/informal classifications, graduated frameworks can acknowledge different levels of business visibility and compliance, rewarding incremental progress rather than demanding immediate full compliance.

SUCCESS INDICATORS:

- ✓ Number of MSMEs transitioning from informal to registered status through digital practice pathways
- ✓ Number of digital-to-registration linkages operational (tool-to-CAC, digital records-to-credit)
- ✓ MSME-reported improvement in access to finance attributable to digital record-keeping

Ecosystem Dependencies: Macro-level policy creates simplified registration pathways. Meso-level support delivers formalisation guidance alongside digital adoption.

4.4 Cross-Cutting Integration: How the Levels Reinforce Each Other

The strategies set out in Sections 4.1, 4.2, and 4.3 are not independent workstreams. They constitute an integrated system in which progress at each level enables and accelerates progress at the others. Several cross-cutting dynamics are worth highlighting explicitly.

Infrastructure enables adoption, evidence enables policy. Macro-level investment in connectivity and power (4.1.1) creates the conditions for meso-level adoption support (4.2.2) and micro-level digital practice (4.3.2). As MSMEs adopt tools, they generate data that flows back through the ecosystem, feeding meso-level outcome measurement (4.2.5) and macro-level monitoring (4.1.4). This evidence then informs the next cycle of policy and investment.

Trust is built at every level simultaneously. Macro-level regulation and enforcement (4.1.3) set the framework. Meso-level trust-building content and peer programmes (4.2.3) deliver it through credible channels. Micro-level positive experience and digital safety practice (4.3.4) make it real. No single level can build trust alone.

Archetype differentiation runs through the entire Blueprint. The four MSME archetypes do not only inform micro-level strategy. They shape meso-level service design (4.2.3), macro-level financing instruments (4.1.2), and national measurement (4.1.4). The archetype framework is the Blueprint's unifying segmentation logic.

Coordination is not a standalone strategy; it is the operating system. The coordination mechanisms proposed at the macro level (4.1.4) and meso level (4.2.4) are not administrative conveniences. They are the infrastructure through which all other strategies are delivered coherently. Without coordination, even well-designed strategies at each level will be experienced by MSMEs as fragmented and contradictory.

Inclusion is a design criterion, not an add-on. Gender-responsive design, rural and peri-urban prioritisation, youth engagement, and disability inclusion (4.1.6) are not separate programmes; they are quality criteria applied across every strategy at every level.

The *MSME Digital Transformation Toolkit Compendium* (Annex A) operationalises these cross-cutting dynamics, providing the practical instruments through which the strategies translate into coordinated daily practice.





05

5 Summary and Conclusion

5.1 What This Blueprint Has Established

This Blueprint set out to answer a deceptively simple question: how can Nigeria accelerate the digital transformation of the enterprises that employ the vast majority of its people? The answer, as the evidence demonstrates, is neither simple nor singular. It requires coordinated, sustained, and differentiated action across the entire ecosystem, from national policy to the daily routines of individual enterprises.

The evidence base assembled in Section 2, drawn from field engagement with over 1,600 MSMEs and ecosystem actors across nine states and the FCT, spanning five of Nigeria's six geopolitical zones, complemented by extensive desk research, established six foundational conclusions that frame the Blueprint's response.

The binding constraints are structural, not attitudinal. Cost, infrastructure, trust, and institutional fragmentation, not awareness or willingness, are the primary barriers to MSME digital adoption. Over 62% of MSMEs cite cost as the dominant obstacle; 59% lack workplace internet connectivity; 39% report low confidence in digital systems.

Digital adoption is widespread but shallow. Most MSMEs already use digital tools, but use is concentrated in social media and payments. The operational and management tools that drive productivity (accounting, inventory, customer management, supply chain coordination) have been adopted by only 13% of enterprises.

The support ecosystem is misaligned. The infrastructure of hubs, agencies, and support organisations exists but is oriented towards tech startups, not the 40 million non-tech MSMEs. Only 3% of MSMEs learn about digital tools through innovation hubs. One-third have no interaction with any support organisation.

Past interventions have been fragmented, generic, and unsustained. Training without follow-up, one-size-fits-all design, supply-driven programming, poor coordination, and absence of outcome measurement are recurring patterns.

MSMEs are not homogeneous. The four archetypes (Strategic Reinventors, Social Adaptors, Traditional Sceptics, and Invisible Nanos) represent fundamentally different starting points, and effective intervention requires fundamentally different approaches.

The challenge is systemic. No single actor, instrument, or level of intervention can deliver transformation at scale. Only an ecosystem approach, coordinating action across macro, meso, and micro levels, can address the interdependent barriers that MSMEs face.

Section 3 translated these conclusions into a strategic architecture: three levels of intervention (macro, meso, micro) connected by five directional flows of resources, information, authority, and accountability. This ecosystem logic, grounded in the evidence and informed by international good practice, provides the framework within which the Blueprint's specific strategies are designed.

Section 4 operationalised this framework into 17 strategy areas across the three levels, each with defined strategic objectives, evidence-grounded rationale, implementation pathways, success indicators, and ecosystem dependencies. The strategies are designed to be mutually reinforcing, with progress at each level enabling and accelerating progress at the others.

5.2 Priorities for Immediate Action

While the Blueprint is designed as a comprehensive, long-term framework, certain actions carry particular urgency and should be prioritised in the near term. These are interventions that address the most critical barriers, create enabling conditions for subsequent strategies, or represent opportunities where momentum already exists.

Establish the institutional coordination mechanism. The fragmentation of effort across agencies is the single most corrosive systemic failure. A formal coordination platform, bringing SMEDAN, NITDA, the NCC, the CBN, and relevant ministries into mandated, regular engagement around shared objectives and joint indicators, should be established as a first-order priority. Without coordination, all other investments risk duplication and dilution.

Launch the MSME Digital Adoption Fund. Cost is the dominant barrier. A dedicated, nationally administered fund, with tiered instruments calibrated to MSME archetypes, would directly address the most cited constraint while signalling national commitment. Early capitalisation, even at modest scale, can catalyse private sector co-investment and development partner alignment.

Reorient Digital Innovation Hubs towards non-tech MSMEs. The existing hub infrastructure represents a substantial public and development partner investment. Expanding hub mandates to include non-tech MSMEs, with adjusted programme design, outreach models, and performance metrics, can be achieved relatively quickly and would substantially expand the reach of the support ecosystem.

Scale peer champion and cluster-based adoption programmes. Peer learning is the most powerful adoption driver the research identified. Formalising peer champion programmes across trade clusters and market communities, equipping successful adopters to demonstrate, advise, and encourage others, leverages existing social dynamics at low cost and high impact.

Deploy digital starter packs for micro and nano enterprises. Bundled packages of affordable devices, data, and portable power solutions, distributed through trusted channels, can lower the entry barrier for the most excluded segments. When combined with local-language training and community-based support, starter packs address cost, access, and capability simultaneously.

Pilot adoption-linked incentive design. Shifting from participation-based to adoption-based incentives, rewarding demonstrated digital practices rather than workshop attendance, can be piloted within existing programmes at minimal additional cost. Successful pilots would generate the evidence base for broader policy reform.

5.3 Stakeholder Roles and Shared Responsibility

Digital transformation of Nigeria's MSME sector is not the responsibility of any single institution. It is a shared national undertaking that requires each stakeholder group to play its role, and to recognise its dependencies on others.

Federal Government and National Agencies (SMEDAN, NITDA, NCC, CBN, relevant ministries) bear primary responsibility for the macro-level enabling environment: infrastructure investment, policy coherence, institutional coordination, financing architecture, regulatory frameworks, and national measurement. Their role is to build the platform on which all other actors operate.

State Governments are essential partners in contextualising national strategies to local conditions, co-investing in infrastructure and support, and ensuring that state-level programmes align with the national framework. State-level coordination mechanisms that mirror the national structure will be critical for coherent delivery.

Development Partners, including GIZ, the European Union, the World Bank, and other bilateral and multilateral actors, play a catalytic role through technical assistance, co-financing, knowledge transfer, and convening power. Their contribution is most valuable when it strengthens domestic systems and institutions rather than creating parallel delivery structures.

Innovation Support Organisations, Enterprise Support Organisations, and Business Support Organisations are the operational backbone of the meso level. They must reorient from programme delivery to transformation enablement, embedding diagnostics, adoption support, follow-up, and outcome measurement into their core practice. Their credibility and relevance to non-tech MSMEs is the critical determinant of whether macro-level investments translate into enterprise-level outcomes.

Trade Associations, Cooperatives, and Business Membership Organisations are the most trusted and organically embedded actors in the MSME ecosystem. They should be systematically engaged as frontline channels for digital transformation support, peer learning, and collective adoption.

Financial Institutions and Fintech Providers must develop and deliver MSME-appropriate digital financial products, using digital transaction histories as alternative collateral, designing graduated products for different maturity levels, and integrating digital adoption milestones into lending frameworks.

Technology Providers and Telecommunications Companies have a commercial and developmental interest in expanding the MSME digital market. Their role includes developing affordable, MSME-appropriate tools and platforms, negotiating data pricing arrangements, and investing in last-mile connectivity.

MSMEs themselves are not passive beneficiaries. They are the agents of their own transformation, making daily decisions about what tools to adopt, what practices to maintain, and what risks to take. The Blueprint respects this agency while seeking to ensure that the ecosystem within which those decisions are made is as supportive, affordable, and trustworthy as possible.

5.4 A Living Framework

This Blueprint is designed to endure beyond any single project cycle, political administration, or funding commitment. But endurance requires adaptation. The MSME landscape evolves; technologies change; new evidence emerges; policy contexts shift. The Blueprint should therefore be treated as a living framework, regularly reviewed, updated on the basis of new evidence, and adapted to changing conditions.

The national MSME digital transformation dashboard proposed in Section 4.1.4 is the primary mechanism for this adaptive management. By tracking adoption metrics, support ecosystem performance, and policy implementation against defined indicators, the dashboard creates the evidence base for informed revision. Periodic reviews, recommended at 18-month intervals, should assess progress against the Blueprint's success indicators, incorporate new research findings, and recalibrate strategies where necessary.

The *MSME Digital Transformation Toolkit Compendium* (Annex A) is similarly designed to be modular and updatable. Individual toolkits can be revised, replaced, or supplemented as experience accumulates and better practices emerge.

5.5 Concluding Vision

Nigeria's 40 million MSMEs are not a problem to be solved. They are the economy's greatest asset, the enterprises that feed, employ, clothe, shelter, and serve the majority of Nigerians. Their digital transformation is not about making them modern. It is about making the economy work better for the people who sustain it.

The evidence assembled in this Blueprint confirms that the ingredients for transformation exist. MSMEs are willing. Digital tools are available. Support organisations are present. Policy ambition is articulated. What is missing is the connective tissue: the coordination, affordability, trust, sustained support, and systemic coherence that would allow these ingredients to combine into something greater than the sum of their parts.

This Blueprint provides that connective tissue. It offers not a collection of projects but an ecosystem strategy: evidence-driven, archetype-sensitive, multi-level, and designed for the reality of Nigerian MSMEs as they are, not as policy documents wish them to be. It asks every stakeholder to do less of what has not worked and more of what the evidence shows can succeed.

The measure of this Blueprint's success will not be its adoption as a document. It will be whether, in the years ahead, the enterprises that form the backbone of Nigeria's economy find it a little easier, a little safer, and a little more rewarding to take their next digital step.

References

Central Bank of Nigeria (CBN) (2024). *Electronic Payment Data Release, Q2 2024*. Abuja: CBN.

Donor Committee for Enterprise Development (DCED) (2017). *The DCED Standard for Results Measurement in Private Sector Development, Version VIII*.

Federal Government of Nigeria (2021). *Medium-Term National Development Plan (MTNDP) 2021–2025*. Abuja: Federal Government of Nigeria.

Federal Ministry of Communications and Digital Economy (2020). *National Digital Economy Policy and Strategy (NDEPS) 2.0*. Abuja: Federal Ministry of Communications and Digital Economy.

GIZ Digital Transformation Center (DTC) Nigeria (2020–2025). *Programme documentation*. Abuja: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

GSMA (2024). *The State of Mobile Internet Connectivity Report 2024*. London: GSMA.

International Finance Corporation (IFC) (2017). *MSME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small, and Medium Enterprises in Emerging Markets*. Washington, DC: IFC/World Bank Group.

National Bureau of Statistics (NBS) (2023). *Price data*. Abuja: NBS.

National Bureau of Statistics (NBS) and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2017). *National Survey of Micro, Small and Medium Enterprises (MSMEs) 2017*. Abuja: NBS and SMEDAN.

National Bureau of Statistics (NBS) and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2021). *National Survey of Micro, Small and Medium Enterprises (MSMEs) 2021*. Abuja: NBS and SMEDAN.

Nigerian Communications Commission (NCC) (2024). *Industry Statistics and Broadband Performance Reports*. Abuja: NCC.

OECD (2021). *The Digital Transformation of SMEs: Policy Highlights*. Paris: OECD Publishing.

PwC Nigeria (2024). *Building Resilience: Strategies for MSME Success in a Changing Landscape*. Lagos: PricewaterhouseCoopers Nigeria.

Springfield Centre (2015). *The Operational Guide for the Making Markets Work for the Poor (M4P) Approach*. 2nd edition. Durham: The Springfield Centre.

United Nations Conference on Trade and Development (UNCTAD) (2023). *Economic Development in Africa Report 2023: The Potential of Africa to Capture Technology-Intensive Global Supply Chains*. Geneva: United Nations.

World Bank (2020). *The African Continental Free Trade Area: Economic and Distributional Effects*. Washington, DC: World Bank.

World Bank (2023a). *Digital Africa: Technological Transformation for Jobs*. Washington, DC: World Bank.

World Bank (2023b). *Enterprise Surveys: Nigeria Country Profile*. Washington, DC: World Bank.





A

Annexes

Annex A: MSME Digital Transformation Toolkit Compendium

This annex presents the MSME Digital Transformation Toolkit Compendium, the operational companion to the Blueprint. Section A.1 explains how to use the toolkits and summarises all 21 instruments. Sections A.2 to A.4 contain the toolkits for MSMEs; for innovation, enterprise, and business support organisations; and for policymakers and public institutions.

A.1 How to Use the Toolkits

The true test of any blueprint lies not in how well it diagnoses the problem, but in how clearly it enables action. The main report sets out what must be done to transform Nigeria's MSME landscape; this annex shows how it can be done.

The toolkits are the practical instruments of the MSME Digital Transformation Blueprint. They translate the vision, strategies, and lessons from field and desk research into a set of usable, adaptable tools that different actors can apply within their own contexts. They can be used by a micro-enterprise seeking visibility, a business support hub managing a digital skills programme, or a policymaker building enabling regulations and coordination frameworks.

Each toolkit is designed to be:

- **Action-oriented**, guiding users through concrete steps, templates, and examples.
- **Modular**, meaning it can stand alone or be combined with others depending on the user's needs.
- **Adaptable**, allowing replication at federal, state, and local levels, or within specific sectors such as agriculture, manufacturing, or creative industries.
- **Inclusive**, ensuring accessibility to diverse users, including women, youth, and rural entrepreneurs.
- **Evidence-based**, grounded in participatory research and informed by what Nigerian MSMEs and ecosystem players have said they need most.

A.1.1 Structure of the Toolkits

The toolkits are organised according to the three primary categories of users identified in this Blueprint:

1. **MSMEs:** the entrepreneurs, traders, service providers, and small manufacturers who are the foundation of Nigeria's economy. Their toolkit focuses on simple, low-cost steps to increase digital adoption and competitiveness.
2. **ISOs, ESOs, and BSOs:** the innovation hubs, associations, chambers, and enterprise enablers who deliver support services. Their toolkit provides structured frameworks for designing, implementing, and scaling impactful digital support programmes.

3. **Policymakers and public institutions:** the national and state agencies that shape the enabling environment for digital transformation. Their toolkit offers templates and governance mechanisms to align policy, funding, and data systems for coordinated action.

A.1.2 How to Use This Annex

Readers should treat this annex as an operational manual rather than a theoretical addendum. Each toolkit combines:

- **Narrative guidance**, which explains the purpose and practical application of each tool; and
- **Templates and checklists**, which can be directly filled in, printed, or integrated into digital systems.

For those implementing programmes, these toolkits can serve as workbooks, planning aids, or annexes in proposals. For those setting policy, they can act as operational frameworks or evaluation criteria. For MSMEs, they are roadmaps for taking the next digital step confidently.

Ultimately, these tools transform this Blueprint from a set of recommendations into a living framework for national action. When used collectively, they enable MSMEs, ecosystem actors, and government institutions to move together towards a digitally enabled Nigerian economy.

References to named commercial tools and platforms (for example WhatsApp Business, Bumpa, Canva, Jumia, or Konga) are illustrative only and do not imply endorsement by GIZ, the European Union, or the Government of Nigeria.

A.1.3 Summary of Toolkit Instruments

Table A.1 summarises the 21 instruments, their primary users, and their intended use.

Table A.1: Summary of the 21 toolkit instruments

Toolkit / Instrument	Primary User Group	Purpose and Description	Expected Output or Use Case
1. MSME Digital Readiness Self-Assessment	MSMEs, ESOs	A short diagnostic that helps MSMEs understand their current stage of digital maturity across awareness, payments, record-keeping, marketing, and security.	Enables MSMEs to benchmark progress and ESOs to group participants by digital readiness levels.
2. 90-Day Digital Action Planner	MSMEs	A structured roadmap that guides MSMEs through four progressive stages of transformation: visibility, cash-light operations, record-keeping, and reflection.	Provides a practical 3-month implementation plan for small businesses to build consistency.
3. Weekly Micro-Digitalisation Routine	MSMEs	A printable checklist that assigns simple digital tasks (posts, backups, data entry, customer replies) to each day of the week.	Encourages discipline and habit formation within MSMEs and small teams.

Toolkit / Instrument	Primary User Group	Purpose and Description	Expected Output or Use Case
4. MSME Digital Stack Template	MSMEs, ESOs	An inventory sheet to map the current and desired digital tools across business functions such as communication, marketing, payments, and data storage.	Creates clarity on which tools each MSME should adopt next and helps ESOs tailor support.
5. MSME Continuity and Security Plan	MSMEs	A simple risk-management tool covering device safety, data protection, and power resilience.	Builds digital resilience and reduces data loss, fraud, and downtime risks.
6. MSME Digital Record and Reflection Sheets	MSMEs	Two complementary templates for recording daily transactions and reflecting quarterly on lessons learned.	Encourages basic bookkeeping, supports credit readiness, and enables peer learning.
7. Service-Design Canvas for Digital Support	ISOs, ESOs, BSOs	A one-page programme design framework that links target beneficiaries, activities, partners, costs, and outcomes.	Standardises project planning and makes funding proposals more coherent.
8. Programme Portfolio Builder	ISOs, ESOs	A tool for combining and customising modular training or incubation packages (Launchpad, Deep-Dive, Marketplace, Credit Pathway).	Enables hubs to design adaptive, scalable programme offerings aligned with MSME needs.
9. Monitoring and Impact Dashboard	ISOs, ESOs, BSOs	A tracking tool with indicators on training numbers, digital adoption, inclusion, and revenue change.	Allows continuous measurement and data-driven reporting for internal and external stakeholders.
10. Inclusion and Accessibility Checklist	ISOs, BSOs	A pre-implementation review template to ensure gender, youth, and accessibility considerations are integrated.	Promotes equitable participation and compliance with inclusion standards.
11. Referral and Partnership Tracker	ISOs, ESOs, BSOs	A log for tracking cross-referrals between hubs, financiers, and agencies to ensure MSMEs receive end-to-end support.	Improves collaboration and reduces duplication of services across the ecosystem.
12. Data-Protection and Risk-Management Protocol	ISOs, BSOs	A simple internal register for how participant data is collected, stored, and shared.	Supports compliance with the Nigeria Data Protection Act (NDPA) and builds stakeholder trust.

Toolkit / Instrument	Primary User Group	Purpose and Description	Expected Output or Use Case
13. Sustainability and Revenue Planning Sheet	ISOs, ESOs	A business-model tool for mapping revenue options (membership, sponsorships, co-working, paid training).	Helps hubs reduce dependency on grants and sustain digital support services.
14. Policy Implementation Matrix	Policymakers, MDAs	A structured table aligning objectives, lead agencies, actions, indicators, and timelines.	Translates policy intentions into measurable national or state-level actions.
15. Coordination and Governance Checklist	Policymakers	A tool for auditing inter-agency collaboration, data-sharing mechanisms, and state taskforce operations.	Strengthens institutional coordination and accountability.
16. MSME Digital Readiness Criteria (for programmes)	Policymakers, Implementing Agencies	A set of practical conditions that can be embedded into loan, grant, or support-programme eligibility.	Ensures that every funded MSME intervention accelerates digital adoption.
17. MSME Data Dashboard Framework	SMEDAN, NBS	A blueprint for building a national digital economy monitoring platform integrating data from states and partners.	Enables quarterly progress reporting and transparent visualisation of results.
18. Policy Communication and Awareness Framework	Policy and Communications Units	A guide for crafting consistent public messaging around MSME digitalisation and success stories.	Improves stakeholder engagement and public understanding of government efforts.
19. Financing and Sustainability Tracker	Ministries of Finance, SMEDAN, NITDA	A ledger for tracking funding sources, allocations, and disbursement mechanisms for digital initiatives.	Enhances financial transparency and continuity across programme cycles.
20. Inclusion and Equity Policy Lens	Policymakers, Advisors	A review template to ensure all new policies or projects address gender, youth, geographic, and accessibility concerns.	Mainstreams inclusion into national and state-level policymaking.
21. Risk and Accountability Log	Government and Partners	A live document for identifying risks (political, financial, data, technological) and mitigation measures.	Institutionalises foresight and shared accountability within policy implementation.

How to Use the Summary

- **MSMEs** can focus on tools 1–6, using them as daily work aids or workshop materials.
- **ISOs, ESOs, and BSOs** can adopt tools 7–13 to design and manage programmes professionally.
- **Policymakers and institutions** should operationalise tools 14–21 to coordinate, monitor, and sustain the digital transformation agenda.

All tools are intentionally lightweight, compatible with both print and digital formats (Excel, KoboCollect, or Google Sheets), and could be made available as open resources through existing MSME support platforms, subject to agreement with relevant institutions such as SMEDAN and NITDA.

A.2 Toolkit for MSMEs: Building Digital Foundations and Staying Competitive

A.2.1 Context and Purpose

Nigeria's MSMEs are the backbone of its economy, from micro-retailers in Aba and traders in Kano to creative artisans in Uyo and digital service firms in Lagos. Yet most still operate with limited or no structured digital systems. They face barriers such as poor connectivity, low trust in online tools, and limited guidance on where to start.

This toolkit is designed to help MSMEs take simple, practical steps towards digital transformation, regardless of their size, sector, or starting point. It helps each business assess where it is today, plan the next stage of its journey, and adopt tools that improve visibility, efficiency, and profitability.

It is not theoretical. It is a working companion, supported by templates, checklists, and routines that MSMEs can adopt immediately.

A.2.2 The MSME Digital Readiness Self-Assessment

Before adopting digital tools, each MSME should understand its current level of readiness. This short self-assessment is adapted from GIZ DTC's digital maturity framework and localised for Nigerian MSMEs.

How to Use It

Tick one option in each row. Score 1 point for Early Stage, 2 points for Emerging Stage, and 3 points for Transforming Stage, then add up your scores.

The interpretation of scores follows the table (Table A.2).

Table A.2: MSME digital readiness self-assessment

Dimension	1. Early Stage	2. Emerging Stage	3. Transforming Stage
Awareness	I rarely use digital tools or see why I should.	I use some digital tools but not consistently.	I know and plan how to use technology to grow my business.
Payments	Cash only.	I use POS or transfers sometimes.	All my payments are traceable digitally.
Record-Keeping	I keep records on paper or in my head.	I use an app or Excel occasionally.	I maintain regular digital records of income and expenses.
Marketing & Sales	I sell only in person.	I use WhatsApp or Facebook.	I sell and promote on multiple online platforms.
Data & Security	I don't back up or secure my data.	I back up manually or use passwords.	My devices and accounts are well secured and backed up weekly.

Interpretation

- **5–7 points:** Early Stage. Just beginning your digital journey.
- **8–12 points:** Emerging Stage. Making progress but not yet consistent.
- **13–15 points:** Transforming Stage. Integrating digital practices into your daily operations.

Use this assessment every three months to track improvement.

A.2.3 The 90-Day Digital Action Planner

Digital adoption happens gradually. The 90-day planner provides a practical roadmap that MSMEs can customise. Each stage includes goals, suggested tools, and a weekly focus.



Stage 1: Get Visible (Weeks 1–4)

- Create a WhatsApp Business account with your logo, catalogue, and business hours.
- Post product or service updates twice a week.
- Join a local WhatsApp or Facebook marketplace group.
- Use Canva or CapCut for simple graphics or videos.



Outcome: Customers can find, message, and trust your business online.



Stage 2: Go Cash-Light (Weeks 5–8)

- Adopt POS or mobile-transfer payments.
- Display “We Accept Transfers” signs.
- Open a separate business account or wallet.
- Keep proof of every digital payment.



Outcome: You gain transaction records that help with credit and accounting.



Stage 3: Keep Records (Weeks 9–12)

- Choose one free or low-cost app, such as Bumpa, StoreFront, or Google Sheets.
- Record sales and expenses daily.
- Review your weekly profits.
- Back up the file to Google Drive or send it to yourself on WhatsApp.



Outcome: Clear knowledge of profit and loss and better creditworthiness.

Stage 4: Reflect and Improve (Week 13)

- Review your initial self-assessment.
- Note what improved and what didn't.
- Ask peers or mentors for advice.
- Plan the next 90-day cycle.

A.2.4 Weekly Micro-Digitalisation Routine

The following weekly checklist helps to build momentum (Table A.3).

Table A.3: Weekly micro-digitalisation routine

Day/Task	Action	Purpose	Done?
Monday	Post a product/service update on WhatsApp.	Keep audience engaged.	☐
Tuesday	Record yesterday's sales digitally.	Build consistency.	☐
Wednesday	Check all payments and issue receipts.	Improve traceability.	☐
Thursday	Reply to customer messages within 24 hours.	Boost credibility.	☐
Friday	Back up data (contacts, sales, media).	Avoid loss.	☐
Weekend	Reflect and plan next week.	Sustain progress.	☐

This table can be printed or laminated for staff use.

A.2.5 MSME Digital Stack Template

The "digital stack" is the minimum toolkit every small business needs.
This template helps MSMEs identify what they already use and what to add next (Table A.4).

Table A.4: MSME digital stack template

Business Function	Purpose	Suggested Tools (Free or Low-Cost)	Your Current Tool(s)
Communication	Stay in touch with customers	WhatsApp Business, Telegram, SMS	
Marketing	Showcase products/services	Facebook, Instagram, Canva, CapCut	

Business Function	Purpose	Suggested Tools (Free or Low-Cost)	Your Current Tool(s)
Payments	Enable safe transactions	POS, Mobile Money, Bank Transfers	
Record-Keeping	Track sales and expenses	Bumpa, Bookkeeper, Google Sheets	
Data Storage	Protect and back up data	Google Drive, Dropbox, Flash Drive	
Customer Feedback	Know customer satisfaction	Google Forms, WhatsApp Polls	

MSMEs can update this template quarterly to monitor progress.

A.2.6 The MSME Continuity and Security Plan

A practical mini template to prevent loss of data, devices, or reputation (Table A.5).

Table A.5: MSME continuity and security plan

Risk	Preventive Action	Who Is Responsible	Backup Location
Phone loss	Use SIM and phone lock codes.	Business owner	Spare phone
Power failure	Use a power bank or small UPS.	Shop assistant	Shop front
Data loss	Back up weekly to the cloud.	Business owner	Google Drive
Scam messages	Verify senders before clicking.	All staff	–



Tip: Backups should always be stored in at least two places: one digital and one physical.

A.2.7 MSME Digital Record Template

To simplify bookkeeping, this ready-to-use log helps MSMEs record key transactions manually or digitally (Table A.6).

Table A.6: MSME digital record template (illustrative entries)

Date	Item Sold / Service	Amount (₦)	Payment Type	Customer Contact	Notes
2 Mar 2027	3 bags of rice	150,000	Transfer	Ada – 0802…	Paid in full

Date	Item Sold / Service	Amount (₦)	Payment Type	Customer Contact	Notes
3 Mar 2027	Delivery service	8,000	Cash	Musa – 0813…	To repeat monthly

Encouraging MSMEs to keep at least this level of record builds confidence and financial discipline.

A.2.8 Reflection and Peer-Learning Template

After each 90-day cycle, MSMEs should take time to reflect, individually or in groups (Table A.7).

Table A.7: Reflection and peer-learning template

Question	Reflection / Answer
What changed in my business due to digital tools?	
Which tool saved me the most time or money?	
What challenges did I face?	
Who helped or inspired me?	
What will I do differently in the next 90 days?	

Hubs or ESOs can use this during quarterly review circles to share learning among MSMEs.

A.2.9 Summary: How MSMEs Can Use This Toolkit

1. **Start small:** Choose one new tool at a time. Do not try everything at once.
2. **Stay consistent:** Schedule 15 minutes daily or one hour weekly for digital tasks.
3. **Seek help:** Engage nearby hubs or associations when you get stuck.
4. **Measure progress:** Use the self-assessment and 90-day planner as checkpoints.
5. **Share lessons:** Your success story might inspire others and attract support.

A.2.10 Illustrative Example (Hypothetical)

The following hypothetical case shows how the toolkit can be applied. In Aba, *Chibuzo Textiles* started by setting up a WhatsApp Business catalogue and accepting transfers. After recording transactions digitally for three months, he noticed recurring buyers and began offering loyalty discounts.

His digital ledger helped him secure a ₦500,000 loan from a local microfinance bank (MFB). Today, Chibuzo runs a growing enterprise with confidence using free tools, structured planning, and discipline.

Deliverable Outputs of This Toolkit

- **Four fillable templates**: readiness self-assessment, 90-day planner, micro-routine checklist, and digital stack sheet.
- **Two operational tools**: continuity plan and record template.
- **One reflective tool**: peer-learning sheet.

A.3 Toolkit for ISOs, ESOs, and BSOs: Designing, Delivering, and Scaling MSME Digital Support

A.3.1 Context and Purpose

Innovation Support Organisations (ISOs), Enterprise Support Organisations (ESOs), and Business Support Organisations (BSOs) are the connective tissue of the MSME ecosystem. They translate national policies into community-level action, offering training, mentoring, incubation, and access to networks.

However, many of these organisations still run one-off, donor-driven activities without systematic follow-through or evidence of sustained impact. This toolkit enables them to move from projects to systems, by embedding digital transformation as a continuous, measurable service line.

It provides ready-to-use templates that can be adapted by hub managers, programme leads, and cluster associations, whether for a 10-person digital skills class or a multi-state acceleration initiative.

A.3.2 The Service-Design Canvas for Digital Support

Before launching any intervention, support organisations should articulate the logic of their service in one page. The Service-Design Canvas turns strategy into clarity.

How to Use

Gather your team for 60–90 minutes, print the canvas on A3 paper, and fill each box collaboratively (Table A.8).

Table A.8: Service-design canvas for digital support

Canvas Element	Guiding Question	Example Entry
Target MSMEs	Who exactly are you serving?	100 women-led micro-retailers in Kano.
Problem Statement	What digital gap do they face?	They don't use digital payments or record-keeping tools.
Value Proposition	What change will your programme create?	Enable participants to adopt digital tools and access credit.

Canvas Element	Guiding Question	Example Entry
Key Activities	What will you do to deliver value?	3-day training, mentorship, follow-up via WhatsApp.
Partners	Who will you collaborate with?	Fintech, local bank, SMEDAN desk.
Resources	What inputs do you need?	Trainers, venue, data stipend.
Cost Structure & Revenue Logic	How will it be funded and sustained?	Grants, enrolment, membership fees.
Indicators of Success	How will you measure results?	E.g. 60% of MSMEs using POS or mobile transfers after 3 months.

After completion, digitise the sheet and update it periodically. It becomes the foundation of all donor or partner proposals.

A.3.3 The Programme Portfolio Builder

A robust support organisation should offer a modular portfolio: a mix of short, practical modules that can be recombined or scaled (Table A.9).

Core Modules

Table A.9: Core modules of the programme portfolio

Module	Purpose	Duration	Sample Output
Digital Launchpad	Introduce basic digital tools (payments, WhatsApp Business).	3 weeks	70% of participants open business accounts.
Digital Deep-Dive Clinics	Sector-specific problem-solving (Agri-processing, logistics, creative).	1 day	MSMEs integrate 1 sector-relevant app.
Marketplace Onboarding	Help MSMEs list and manage online shops.	4 weeks	Verified listings on Jumia, Konga, or social media.
Bookkeeping-to-Credit Pathway	Link record-keeping with finance access.	6 weeks	40% submit digital records to lenders.

Programme Builder Template

Programme Name:
Target MSMEs:
Main Outcome:

Modules Combined: ☐ Launchpad ☐ Deep-Dive ☐ Marketplace ☐ Credit Pathway |
Delivery Format: ☐ In-person ☐ Hybrid ☐ Virtual
Monitoring Approach:
Lead Facilitator:
Partners:

A.3.4 Monitoring and Impact Dashboard

Impact tracking is essential for funding continuity. A simple Excel or Google Sheets dashboard using this structure can demonstrate value (Table A.10).

Table A.10: Monitoring and impact dashboard (illustrative values)

Indicator	Definition	Data Source	Frequency	Target	Current Value
# of MSMEs trained	Total participants completing modules	Attendance sheets	Monthly	500	340
% adopting digital payments	MSMEs actively using POS/transfer	Follow-up survey	Quarterly	70%	56%
Average revenue increase	Reported % change in monthly income	Post-programme survey	Biannual	+15%	+10%
% women/youth	Inclusion indicator	Registration forms	Monthly	50%	48%
Partner satisfaction	Rating from partners/funders	Interview	Annual	80%	78%

A.3.5 Inclusion and Accessibility Checklist

Inclusivity ensures that digital transformation benefits everyone. Each hub or BSO should review programmes with this short checklist before implementation (Table A.11).

Table A.11: Inclusion and accessibility checklist

Criterion	Yes/No	Notes / Action Required
Venue is accessible to people with disabilities.	☐	
At least 40% of participants are women.	☐	
Training materials use simple English and visuals.	☐	
Sessions scheduled at varied times for caregivers.	☐	
Internet or data stipend considered for remote participants.	☐	

Criterion	Yes/No	Notes / Action Required
Certificates or badges offered for confidence-building.	☐	

A.3.6 Referral and Partnership Tracker

No single organisation can meet all MSME needs. The Referral Tracker records cross-support collaboration and outcomes (Table A.12).

Table A.12: Referral and partnership tracker (illustrative entries)

Date	Referred MSME	Need / Service Requested	Partner Referred To	Follow-Up Status (30 days)	Outcome
15 Mar 2026	Kolawole Stores	Needs inventory financing	ABC Microfinance Bank	Pending	–
28 Mar 2026	Lafia Agro-Women	E-commerce onboarding	Jos Digital Innovation Hub	Completed	Products listed on Konga

Best Practice: Review referrals monthly; report success stories jointly with partners.

A.3.7 Risk and Data-Protection Protocol

Every ISO/ESO/BSO should adopt a mini data-protection and risk-management policy, especially if handling participant information (Table A.13).

Basic Data-Protection Template

Table A.13: Basic data-protection template

Data Type	Purpose of Collection	Who Has Access	Storage Location	Retention Period
Name, gender, phone	Registration & communication	Admin, trainer	Google Drive (restricted)	12 months
Photos/videos	Publicity (with consent)	Comms officer	Secure folder	24 months
Financial data	Credit linkage	Project accountant	Password-protected file	6 months

Include a participant consent statement in registration forms:

"I consent to the collection and use of my information for programme implementation and monitoring, in line with data-protection guidelines."

A.3.8 Sustainability and Revenue Planning Sheet

Hubs often depend on grants. This simple tool helps them transition to mixed funding models (Table A.14).

Table A.14: Sustainability and revenue planning sheet

Potential Revenue Source	Description / Strategy	Feasibility (H/M/L)	Next Step
Membership fees	Annual contribution by MSMEs for ongoing support	M	Draft fee structure
Sponsored programmes	Partnership with corporates or government	H	Prepare proposal templates
Co-working / rental income	Venue use for meetings and training	H	Review pricing model
Paid training	Short, premium courses	M	Develop pricing and brochure
Advisory services	Business-process or digital audits	M	Build service packages

This exercise keeps organisations financially conscious and proactive.

A.3.9 How to Use This Toolkit

Each sub-tool can be used independently or as a continuous operating system:

1. **Start** with the Service-Design Canvas to clarify programme logic.
2. **Use** the Programme Builder to combine appropriate modules.
3. **Track** results with the Monitoring Dashboard.
4. **Audit** inclusivity with the Accessibility Checklist.
5. **Collaborate** through the Referral Tracker.
6. **Safeguard** data with the Protection Protocol.
7. **Plan** long-term sustainability using the Revenue Sheet.

An ESO or BSO that applies these tools consistently is better placed to become a preferred implementing partner for governments, donors, and private firms.

A.3.10 Illustrative Example (Hypothetical)

In the following hypothetical case, the *Kano Business Development Centre* used this toolkit to design its "Cash-Light Markets" programme. Using the Service-Design Canvas, it defined the challenge: market traders relying solely on cash.

Within eight weeks, the centre trained 200 traders, monitored adoption using the Dashboard, and documented progress through WhatsApp follow-ups.

By the end of the quarter, 67% of participants had adopted POS transactions, while the centre secured a new partnership with a fintech to scale the model statewide.

Deliverable Outputs of This Toolkit

- **Five fillable tools**: Service-Design Canvas, Programme Builder, Monitoring Dashboard, Inclusion Checklist, and Referral Tracker.
- **Two operational sheets**: Data-Protection Protocol and Sustainability Plan.
  All can be adapted for print, Excel, or KoboCollect entry.

A.4 Toolkit for Policymakers and Institutions: Enabling and Orchestrating MSME Digital Transformation

A.4.1 Context and Purpose

The digital transformation of Nigeria's MSMEs depends on a policy environment that is intentional, data-driven, and people-centred. Policymakers play a pivotal role in setting this direction by establishing frameworks, coordinating actors, and ensuring continuity across administrations and programmes.

This toolkit provides practical instruments for policy design, implementation, and monitoring, built around four enablers:

1. Coherence. Ensuring that policies and agencies work in concert.
2. Evidence. Grounding decisions in real data from MSMEs and support actors.
3. Inclusivity. Ensuring equitable access and representation.
4. Sustainability. Securing resources, partnerships, and institutional ownership.

It offers templates and checklists that government ministries, departments, and agencies (MDAs), and development partners can use to plan, track, and communicate progress.

A.4.2 Policy Implementation Matrix Template

Policies are only as effective as their implementation. The Policy Implementation Matrix aligns strategic goals with tangible actions, responsibilities, and performance indicators (Table A.15).

Table A.15: Policy implementation matrix (illustrative entries)

Strategic Objective	Lead Agency	Supporting Partners	Key Actions	Performance Indicators	Timeline	Status / Notes
Expand broadband access for MSMEs.	NCC	InfraCos, state ICT ministries	Deploy last-mile fibre to industrial clusters.	% of LGAs with broadband coverage.	2027–2029	In progress.
Build MSME digital skills pipeline.	NITDA, SMEDAN	TVET centres, private EdTechs	Develop MSME-focused digital skills certification.	# of MSMEs certified.	Annual	Pilot in 6 states.
Facilitate MSME access to finance for digitalisation.	CBN	BOI, fintechs, microfinance banks	Launch Digital MSME Credit Guarantee Fund.	# of loans issued for digital upgrades.	2026	Illustrative recommendation.
Establish MSME digital data repository.	SMEDAN	NBS, academia, hubs	Build and maintain central MSME digital dashboard.	Dashboard operational and updated quarterly.	2027	–
Promote inter-agency coordination.	Federal Ministry of Industry, Trade and Investment; NITDA	SMEDAN, FIRS, NCC	Create annual MSME Digital Roundtable.	# of coordinated policy reviews held.	Ongoing	–

This table presents illustrative recommendations and proposed timelines, not approved government commitments or confirmed implementation status. It can be expanded by states to reflect regional realities and adapted annually for progress reporting.

A.4.3 Coordination and Governance Checklist

Cross-agency coordination determines whether policies translate into real results. This checklist helps government teams assess the functionality of their coordination mechanisms (Table A.16).

Table A.16: Coordination and governance checklist

Coordination Function	Current Status	Action Needed	Responsible Office
MSME Digital Transformation Working Group established and meeting quarterly.	☐ Yes ☐ No		
Clear terms of reference (ToR) and membership list.	☐ Yes ☐ No		
Shared annual work plan and progress tracker.	☐ Yes ☐ No		
Digital dashboard or shared repository in place.	☐ Yes ☐ No		
State-level taskforces replicated and functional.	☐ Yes ☐ No		
Joint communication strategy for public awareness.	☐ Yes ☐ No		

Guidance:
each box ticked "No" represents a gap that can be addressed through policy directives, internal memos, or inter-ministerial meetings.

A.4.4 MSME Digital Readiness Criteria

Embedding readiness criteria into government programmes ensures that public investment accelerates digitalisation rather than repeating analogue patterns (Table A.17).

Digital Readiness Assessment Template

Table A.17: Digital readiness assessment template for programmes

Criteria	Verification Method	Scoring	Notes / Evidence
MSME accepts at least one digital payment method.	Verify POS / transfer receipt.	☐ Met ☐ Not Met	
MSME maintains basic digital record-keeping.	View logbook or app entries.	☐ Met ☐ Not Met	
MSME has an online presence (social media, WhatsApp, website).	Check profile or listing.	☐ Met ☐ Not Met	

Criteria	Verification Method	Scoring	Notes / Evidence
MSME stores or backs up data regularly.	Ask / demonstrate.	☐ Met ☐ Not Met	
MSME has basic awareness of cybersecurity and data protection.	Ask 3–5 short questions.	☐ Met ☐ Not Met	

Use case:
these criteria can be built into eligibility criteria for loans, grants, or capacity-building programmes. The aggregated data provide policymakers with measurable indicators of digital maturity.

A.4.5 MSME Data Dashboard Framework

Data are at the core of adaptive policymaking. This framework outlines the structure of a National MSME Digital Transformation Dashboard, which could be hosted jointly by SMEDAN and NBS (Table A.18).

Table A.18: MSME data dashboard framework

Data Category	Source / Input Partner	Update Frequency	Indicator Examples
MSME population and distribution	NBS, SMEDAN	Annual	# of MSMEs by size, gender, location.
Digital adoption trends	Development organisations, hubs, associations	Quarterly	% using digital payments, record-keeping apps.
Support-programme outcomes	ESOs, BOI, state agencies	Quarterly	# trained, # retained, % improved turnover.
Inclusion data	Women-led, youth-led MSMEs	Biannual	% female participants, % youth beneficiaries.
Infrastructure and connectivity	NCC, InfraCos, states	Annual	% of industrial clusters with broadband.

Output:

- Interactive dashboard on agency website.
- Quarterly “MSME Digital Pulse Report.”
- Public visualisations for transparency.

A.4.6 Policy Communication and Awareness Framework

Public communication ensures that policies are known, understood, and trusted. The following framework guides communication activities (Table A.19).

Table A.19: Policy communication and awareness framework

Objective	Key Message	Channel	Frequency	Responsible Unit
Create awareness of the MSME Digital Blueprint.	"Every MSME can go digital. Let us start with one tool."	Radio, social media, print, webinars.	Monthly.	SMEDAN Comms Unit.
Promote success stories and champions.	"These are MSMEs that transformed their businesses digitally."	Documentary, blog, local media.	Quarterly.	SMEDAN, NITDA, and others.
Encourage policy participation.	"Share your ideas for improving digital programmes."	Surveys, public forums, websites.	Biannual.	SMEDAN Policy Office.

A.4.7 Financing and Sustainability Tracker

Digital transformation requires sustained financing. This tracker helps MDAs and state ministries visualise sources and utilisation of funds (Table A.20).

Table A.20: Financing and sustainability tracker (illustrative values)

Funding Source	Amount (₦)	Purpose / Activity	Implementing Partner	Disbursement Mechanism	Monitoring Method
National Budget Allocation	₦250m	State digital skills roll-out.	SMEDAN, NITDA	Budget release.	Quarterly report.
Development Partner Grants	₦120m	Pilot programmes in 3 states.	GIZ DTC and UNDP	Direct transfer.	Joint M&E.
Private-Sector CSR / PPPs	₦80m	Marketplace onboarding subsidy.	Telecommunications companies and fintechs.	MOU-based.	Partner reporting.
Sub-national Contributions	₦50m	Local implementation support.	State ICT ministries.	Matching funds.	State dashboard update.

Guidance:
use this sheet to maintain visibility and accountability over multiple funding streams and ensure timely reporting.

A.4.8 Inclusion and Equity Policy Lens

Every new policy or programme should undergo a Digital Inclusion Impact Check before approval (Table A.21).

Table A.21: Inclusion and equity policy lens

Criterion	Policy Question	Expected Action
Gender responsiveness	Does the policy explicitly consider women entrepreneurs?	Include targets, grants, or programmes for women-led MSMEs.
Geographic equity	Will rural areas benefit equally?	Allocate resources to under-served regions.
Accessibility	Can people with disabilities participate?	Ensure training venues and content are accessible.
Youth participation	Does the policy empower youth innovators?	Embed youth incubation and internship opportunities.
Language diversity	Is the content understandable to all?	Translate summaries into major local languages.

Completing this checklist ensures inclusivity is mainstreamed, not added later.

A.4.9 Risk and Accountability Log

Policy success also depends on recognising and mitigating risks early (Table A.22).

Table A.22: Risk and accountability log

Risk Category	Description	Likelihood (H/M/L)	Mitigation Measure	Responsible Agency
Political change	Policy discontinuity with new leadership.	H	Embed Blueprint ownership in multiple agencies.	SMEDAN and NITDA.
Funding gap	Insufficient release or delay of funds.	M	Annual review with FMF and donors.	CBN and BOI.
Data inconsistency	Multiple definitions and poor updates.	M	Adopt unified MSME data standard.	NBS and SMEDAN.
Technological disruption	Tools become obsolete or incompatible.	M	Regular technology review cycles.	NITDA.

Risk Category	Description	Likelihood (H/M/L)	Mitigation Measure	Responsible Agency
Public perception	Low awareness or trust in digital tools.	H	Launch mass communication campaigns.	NITDA, SMEDAN, and others.

A.4.10 Using This Toolkit

Policymakers can integrate these instruments into daily operations as follows:

- Insert the **Policy Implementation Matrix** into annual plans and budget frameworks.
- Conduct quarterly reviews using the **Coordination Checklist**.
- Mandate agencies to report on the **Digital Readiness Criteria** for all MSME-facing interventions.
- Build an inter-agency **Dashboard** for shared progress monitoring.
- Apply the **Inclusion Lens** before approving new programmes.
- Track risks and funds using the **Accountability Log** and **Sustainability Tracker**.

Collectively, these tools make the MSME Digital Transformation Blueprint a living document that guides action, fosters collaboration, and sustains results.

A.4.11 Illustrative Example (Hypothetical)

In the following hypothetical case, the Plateau State Government launched a "Digital-Ready MSME Programme" using this toolkit.

The State Ministry of Commerce adopted the Policy Implementation Matrix, aligning with SMEDAN and NITDA.

Within six months, 1,200 MSMEs were assessed using the Readiness Criteria, and over ₦50 million in small grants was disbursed for digital upgrades.

Progress was published quarterly on a public dashboard, increasing transparency, visibility, and investor interest.

Deliverable Outputs of This Toolkit

- **Six core tools**: Policy Implementation Matrix, Coordination Checklist, Readiness Criteria Template, Dashboard Framework, Communication and Awareness Framework, and Inclusion Lens.

- **Two management tools**: Financing Tracker and Risk and Accountability Log.
  All can be printed, digitised, or integrated into online dashboards for real-time policy coordination.

This publication was co-funded by the European Union. Its contents are the sole responsibility of GIZ Nigeria and can in no way be taken to reflect the views of the European Union.

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

This publication was co-funded by the Ministry of Foreign Affairs of Denmark. Its contents are the sole responsibility of GIZ Nigeria and can in no way be taken to reflect the views of the Ministry of Foreign Affairs of Denmark