



Central Bank of Nigeria

# CBN UPDATE

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Central Bank of Nigeria

## Monetary Policy Committee

### #CBNMPC raises Anchor Rate by 100bps to 14%

Tuesday, July 19th, 2022

#### VOTE:

- 1 member: 150 Basis Points
- 6 members: 100 Basis Points
- 1 member: 75 Basis Points
- 3 members: 50 Basis Points



Monetary Policy Rate:



Cash Reserve Ratio:



Liquidity Ratio:



Asymmetric Window:

+100 Basis Points  
-700 Basis Points  
Around MPR

## Rising Inflation: MPC Raises Monetary Rate

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## Editor's Note

We welcome our esteemed readers to the July edition of CBNUPDATE.

The Monetary Policy Committee (MPC) held its 286th meeting with the Monetary Policy Rate (MPR) raised by a 100 basis points from 13 per cent to 14 per cent. The Committee, however, retained all other parameters with the Cash Reserve Ratio (CRR) and Liquidity Ratio at 27.5 per cent and 30 per cent respectively. Details are served in this edition.

Prior to the MPC meeting, the Committee held a retreat in Lagos where the Governor, Mr. Godwin Emefiele tasked the MPC to evolve new strategies to address increasing challenges confronting monetary policy.

Another news story highlights the efforts of the CBN to drive the adoption of the eNaira by more Nigerians. In this regard, the Bank in collaboration with the Bankers' Committee held an eNaira sensitization road show for onboarding and activation of eNaira wallets. The road show took place at Balogun and Tejuosho markets in Lagos.

We highlighted the collaboration of the CBN with the Africa Fintech Foundry (AFF) to launch the eNaira Hackathon. The Hackathon is part of efforts of the Bank to drive the adoption of eNaira in order to promote financial inclusion and technological innovation.

The Governor, Mr. Godwin Emefiele, speaking at the Zenith Bank 7th Annual Edition of the International Trade Seminar reiterated that the various initiatives and interventions of the Bank were introduced to harness the opportunities in the non-oil sector.

Also in this edition, we featured the Agriculture Credit Guarantee Scheme Fund (ACGSF) 2021 Awards. Farmers in Anambra and Delta States were rewarded for their diligence and outstanding performance in the agricultural value chain.

These and other stories have been put together for your reading pleasure.

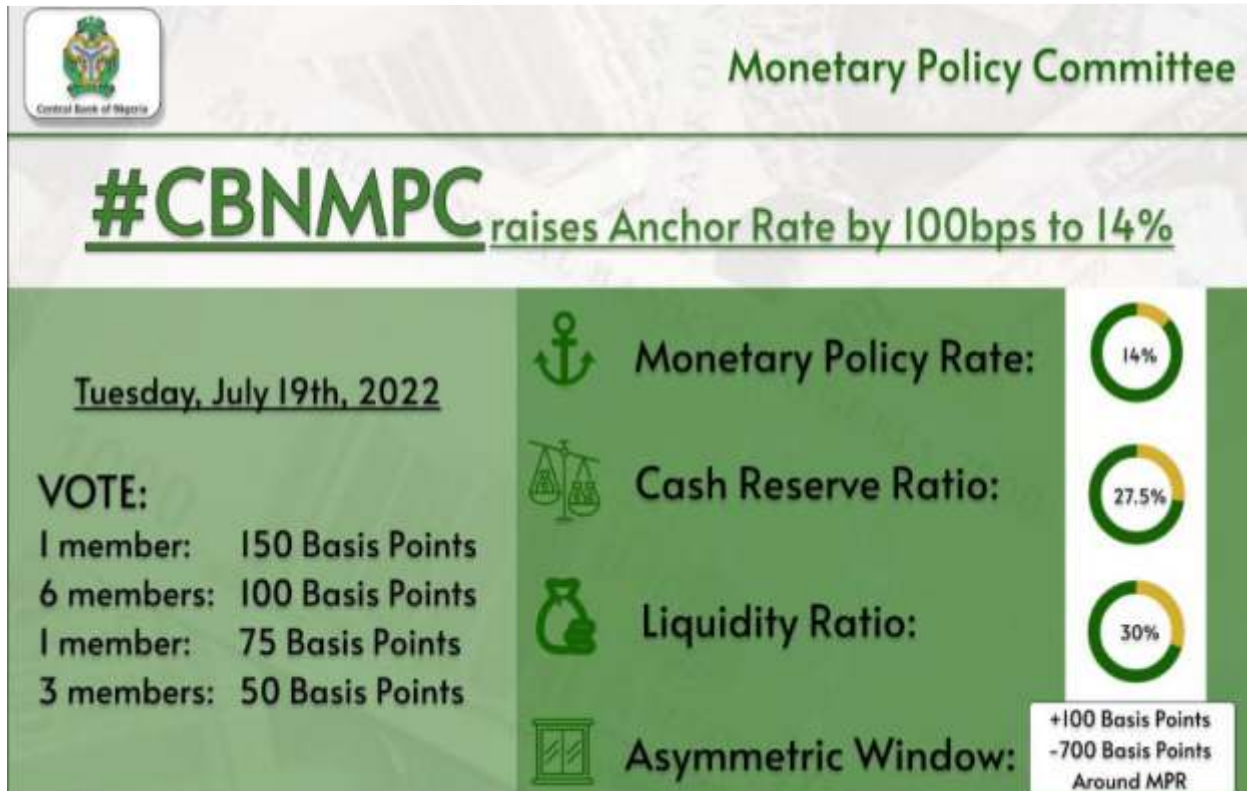
A handwritten signature in black ink, appearing to read 'Osita Nwanisobi'.

**Osita Nwanisobi**  
Editor-in-Chief

# Rising Inflation: MPC Raises Monetary Rate

... MPR Now 14.0%

By: Mohammed Haruna



Further to its price stability mandate and in a bid to ensure sustainable growth of the economy by responding sufficiently to global and domestic price developments especially the observed impact of rising inflation occasioned by weakened global recovery, the Monetary Policy Committee of the Central Bank of Nigeria (CBN) has voted to raise the Monetary Policy Rate (MPR) by 100bps to 14.0% from 13.0%.

The decision was made known by the CBN Governor, Mr. Godwin Emefiele on Tuesday, July 19, 2022 while briefing members of the media at the end of the 286th Monetary Policy Committee (MPC) meeting held at the CBN office in Lagos.

The Committee resolved to increase the MPR from 13.0 to 14.0 per cent; Retain the asymmetric corridor at +100/-700 basis points around the MPR; Retain the CRR at 27.5 per cent; and Retain the Liquidity Ratio at 30 per cent.

Mr. Emefiele said that the Committee noted that

the 150 basis points hike by it in May 2022, had not permeated enough in the economy to halt the rising trend in inflation and noted that the month-on-month percentage point increase in headline inflation rose sharply in June 2022 compared with May 2022. He added that the MPC also noted that other complementary administrative measures deployed by the Bank to address the growth in money supply did not moderate the inflationary trend.

The Governor also said that the Committee has noted with concern, the downtrend in global recovery, aggravated by supply chain disruptions as a result of the Russia-Ukraine conflict and the spillbacks and spillovers from sanctions imposed on Russia by the US and its allies. This according to the MPC has resulted in an unprecedented rise and widespread global inflation which is exacerbating downward pressure on the fragile recovery of the global economy.



MPC similarly reviewed headwinds associated with the COVID-19 pandemic and concludes that they are constraining the smooth functioning of the global supply chain. This is expected to result in increased financial vulnerabilities due to the huge volume of corporate and public debt accumulated. In the light of these developments, MPC holds that the key risk confronting the global economy is that of a recession which may crystalize as second quarter growth figures for major advanced and developing economies begin to emerge. However, Emefiele stated that the economy has been growing for six consecutive quarters, following its exit from recession in 2020.

The Committee attributed this consistent positive performance to the continuous growth in the non-oil sector, specifically, in the services and agriculture subsectors. It revealed that staff projection showed that the economy is expected to remain on a path of sustained growth observed in the last few quarters. It also noted the marginal increase of 1.61 per cent in the level of external reserves to US\$39.22 billion at end-June 2022 from US\$38.60 billion at end-May 2022 due to the increase in inflows from non-oil sources.

The Committee further noted that both the Manufacturing and Non-Manufacturing Purchasing Managers' Indices (PMIs) increased above the 50-index point benchmark reflecting the continued rebound in economic activities due to improvements in supplier delivery time; raw materials inventory; employment levels as well as expansion in some sectors such as agriculture, accommodation, electricity, amongst others.

The MPC mentioned with concern the persisting uptick in headline inflation and noted that this continued increase in inflation was driven by increases in both the core and food components. The Committee, however, expressed confidence in the Bank's sustained intervention programmes, noting that inflation is expected to abate as food supply improves and the fiscal authority sustain its efforts to tame the legacy structural challenges which put upward pressure on domestic price levels. Members, therefore, urged the fiscal authority to expand and sustain its support for all

the recently deployed stimuli to the real sector of the economy.

MPC surmised that broad outlook for both the global and domestic economies in the medium-term remain clouded with uncertainties associated with headwinds, such as the substantial disruptions to the supply chain, the Russian-Ukraine war and the lingering impact of the COVID-19 pandemic. Members identified that inflationary pressure was being driven by both demand and supply-side factors, which should be addressed using different policy approaches.

In the Committee's view, the demand-side factors were being broadly addressed by the Bank, using the relevant direct and indirect instruments even as the Bank has continued to provide the necessary support, through its development finance initiatives in the real sector, to ease supply constraints.

The MPC members reiterated its call on the Federal Government to prioritize efforts to curb the menace of insecurity to enable farming and other business activities return to normalcy. It also called for a long-term and viable solution to strike a balance between the pricing and supply of Premium Motor Spirit in Nigeria due to the upward price pressure, particularly on transportation, resulting from the prolonged scarcity of PMS.

After careful consideration of developments in the global and domestic environment, the Committee resolved that the most rational policy option would be to further strengthen its tightening stance in order to effectively curtail the unabated rising trend of inflation. Emefiele reported that Members were conscious of the fact that output growth remained fragile, however, not curtailing inflation now could erode the moderate gains achieved in improving consumer purchasing power and thus worsen poverty level for the vulnerable populace.

The Committee consequently voted unanimously to raise the Monetary Policy Rate (MPR).

# Medical, Education Tourism Gulps \$10bn Annually- Emefiele

By: Ademola Bakare



**Mr. Godwin Emefiele**

*Governor, Central Bank of Nigeria*

**M**r. Godwin Emefiele, Governor, Central Bank of Nigeria (CBN) has said Nigerians spend \$10 billion annually on medical and educational tourism. He disclosed this at the end of the Bank's Monetary Policy Committee (MPC) meeting in Lagos.

Mr. Emefiele said education and health sectors are critical sectors that the CBN will continue to support. He stated that Nigeria cannot afford to relegate both sectors to the background.

According to the Governor, CBN had intervened in

the health sector with the aim to support the sector to render services to the people, adding that, "we need to do our best to ensure we stop medical and educational tourism and use the available forex for other critical sectors of the economy".

He added that the Bank has supported several healthcare projects which include 32 pharmaceutical firms, 76 medical hospitals, and 21 other healthcare services providers. These interventions have brought the cumulative disbursements to N133.42 billion for 129 projects under Healthcare Sector Intervention Facility (HSIF).

# CBN Homegrown Policies Have Revived the Economy

By: Pearl Ogbonna



*CBN Governor and Chairman, Monetary Policy Committee (MPC), Mr. Godwin Emefiele (middle) flanked by other members of the MPC at the Retreat*

**A**t the recently held Monetary Policy Committee (MPC) 2022 Retreat in Lagos, Mr. Godwin Emefiele, Governor, Central Bank of Nigeria (CBN) declared that the CBN homegrown policy measures had revived the Nigerian economy.

In his remarks, the Governor stated that the Bank's policies to place Nigeria on the global map as a working economy have been effective, as Nigeria has withstood two recessions within four years.

Speaking further on the policy measures adopted by the Bank, Mr. Emefiele lauded the Bank's efforts in performing better than many of its peers, courtesy of the CBN's bespoke, homegrown and ingenious approach of adopting well thought-out and home-grown policy measures aimed at addressing our macroeconomic challenges.

The retreat titled, "Monetary Implementation in a Digitally-Evolving, Developing Economy", saw the Governor recalling the evolution of fintechs, cryptocurrencies, digital payments, artificial intelligence, and machine learning which have impacted on the way the financial and banking sectors function, both domestically and globally. He urged stakeholders to rethink financial system regulation, supervision, and monetary policy implementation.

"Monetary policy has been severely challenged, as its policy space narrowed significantly, in some cases, paradoxically and necessitating the need to rethink monetary policy in the context of emerging challenges and economic transformation," he said. As part of measures to revive the economy, Mr. Emefiele recalled that the CBN championed the financial inclusion principle to achieve the Sustainable Development Goals, including the recent launch of the eNaira to capture the large unbanked populace into the formal sectors and also improve monetary policy efficiency and positive impact on the better standard of living for the population.

Mr. Emefiele also added that while post-COVID growth recovery in Nigeria could be adjudged to be moderate and stable, we have seen a major change in the key sectoral drivers of that stable growth phenomenon, including the services sector, modernised agriculture, and manufacturing, suggesting that technology and innovation continued to play a major role in output growth and economic development in Nigeria.

He further assured Nigerians of a new improved monetary policy and a new and improved CBN that would provide direction for monetary policy in Nigeria.



# CBN Advises Banks, Financial Institutions on Open Banking

By: Ademola Bakare

The Central Bank of Nigeria (CBN) on Tuesday, July 5, 2022 advised banks and other financial institutions in the country to embrace opportunities represented in open banking to drive financial inclusion in the country.

Mrs. Aishah Ahmad, the Deputy Governor, Financial Systems Stability Directorate, CBN, gave the advice at the Chartered Institute of Bankers of Nigeria (CIBN) Advocacy Dialogue Series Six in Lagos.

The theme of the stakeholders' conversation was "Driving Innovation through Open Banking: Exploring Challenges and Opportunities for Growth". According to the Deputy Governor, open banking is the practice of sharing financial information electronically and securely, with the proviso that the customers approve of it. This, she said, enables third party developers to build applications and services around the financial institution, particularly the banks that hold customer data.

Mrs. Ahmad further said, "as we are all aware, the pace of changes in information technology driven age is a lot faster in the financial service sector; and this is why the world, as we know is constantly evolving, especially in the Fintech space".

She thus advised that it is proper for regulators to try to get ahead of the changes with complimentary policies, innovative ideas and dynamic trends that will help in realizing our goals for Nigerian payments system. She added that the CBN will continue to implore regulated entities to innovate and seek out new opportunities while maintaining resilience against unforeseen challenges.

Continuing, Mrs. Ahmad said there had been several recent emerging trends in the Fintech space, including paycheck disruption, artificial intelligence, machine learning, digital banking, big data block chain technology and robotic processing automation, among others, saying that one of such emerging trends is the open banking

that has attracted the attention of operators and regulators because of the enormous potential that it holds for financial service industry.

Mrs. Ahmad who was represented by Mr. Musa Jimoh, Director, Payments System Management Department, said banks and other financial institutions were already attuned to all the various technology changes within this space. She therefore expressed optimism that the financial service sector would adjust to the continued transformation of Fintech space, as they had always shown resilience and preparedness to respond quickly to emerging issues.

The CBN Deputy Governor said that it became expedient for the Bank to provide appropriate framework and guidelines to regulate the practice, having observed the green integration of banks and other financial institutions with innovation in financial services space, and the increased adoption of Application Programming Interfaces (APIs) based integration in the industry. She also said that the CBN in May 2022 issued the exposure draft of the operational guidelines for open banking in Nigeria to the public for comments.

Earlier, Dr. Ken Opara, Chairman of CIBN and Chief Host of the discourse, said that open banking APIs in the banking industry was now being adopted in more than 87 per cent of countries and regions around the world.

Dr. Opara said that there were over 10,000 financial institutions around the world with open banking implementations, as noted by LearnBonds. But, despite its adoption worldwide, it is still very much in its infancy stage. However, the demand is growing.





## CBN, AFF, Launch eNaira Hackathon

By: Chioma Udeogu



The Central Bank of Nigeria (CBN) has called on interested tech enthusiasts to submit entries on a special portal opened for the eNaira hackathon.

The CBN, in a collaboration with the Africa Fintech Foundry (AFF), said the competition is part of efforts put in place to drive financial inclusion, facilitate macroeconomic growth and integrate the Nigerian economy into the world leading economy through innovation and emerging technologies.

The theme: "eNaira-Africa's Gateway to a Digital Economy", is targeted at bringing together groups

of talented entrepreneurs, developers, designers, solution developers, problem-solvers, out-of-the-box thinkers, and code magicians from Africa. Participants across the continent are eligible to apply on [www.affcbnhack.com](http://www.affcbnhack.com)

In addition, the hackathon innovation structure would support the efficient functioning of the new markets that use technologies, therefore, promoting competition in the digital economy. According to the CBN, participants would be expected to develop use-cases for eNaira in the following target areas: international remittances; financial inclusion; and cross border payments and trade.

The hackathon will address the strategic points to eliminate possible problems that could hinder the smooth transactions being carried out with eNaira. Hackathon is a social coding event that brings computer programmers and other interested people together to improve upon or build a new software program.

## Anambra, Delta Farmers Receive Rewards under ACGSF

By: Ogochukwu Ikeagwuonu

The Central Bank of Nigeria (CBN) has reaffirmed its commitment to reward diligence and outstanding performances in its agricultural value initiatives with the view to improving the economy.

The CBN Branch Controller, Awka Branch, Mr. Benedict Maduagwu affirmed this while speaking at the Agricultural Credit Guarantee Scheme Fund (ACGSF) Best Farmer of the year 2021 award ceremony, held in Awka on Thursday July 7, 2022. He underscored some key strategies and operations of the scheme and noted that in 2019, the ACGSF Act was amended and new directives introduced, that were aimed at repackaging and repositioning the programme for better agricultural value chain efficiency.

Similarly, the CBN Branch Controller, Asaba, Mr. Godwin Okafor, pointed out that, the award initiative was to attract the public to the scheme. He stated this, at the presentation of awards to

three farmers in Asaba under the ACGSF scheme. Okafor urged Deposit Money Banks (DMBs) and microfinance banks to key in and provide opportunities for rural farmers to benefit from the plan, for greater productivity.

In their separate remarks, the Heads of Development Finance Offices, Awka and Asaba Branches, Mrs. Bridget Okparaeke and Mr. Elias Tochi Nworie respectively, expounded the objective



(3-R) The Branch Controller, CBN Awka, Mr. Benedict Maduagwu presenting the plaque award to one of the ACGSF Awardees in Awka, Anambra State.

of the award as a reward for commitment and good credit conduct.

The awardees received cash prizes of N100,000 and N75,000 with plaques and certificates. In their responses, the awardees commended the CBN for the initiative, urging the Bank not to relent in its good drive for the agric sector.

The ACGSF was established in 1977, under the management of the CBN. The scheme was designed to encourage banks to increase lending to the agricultural sector by providing guarantee against inherent risks.

## Digitization, Catalyst for Accelerated Growth - Emefiele

By: Mohammed Haruna



**Mr. Godwin Emefiele**  
Governor, Central Bank of Nigeria

**G**overnor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has emphasized the contribution of digital technology and innovations to accelerated economic growth.

He said that digital financial services are believed to have generated about 95 million job opportunities and raised the GDP of emerging economies by six percent.

Mr. Emefiele made this call while delivering an opening remark at the Monetary Policy Committee

(MPC) retreat organised in Lagos with the theme, "Monetary Policy Implementation in a Digitally evolving Developing Economy".

He further said the evolution of FinTechs, cryptocurrencies, digital payments, artificial intelligence and machine learning have impacted on the financial system globally. He reiterated the urgent need to rethink the financial system regulation, supervision and monetary policy implementation. While acknowledging that innovations come with a lot of risks and uncertainties for the sectors, Mr. Emefiele however noted that it has many benefits for positive economic transformation particularly, financial inclusion which has been the principal catalyst for inclusive growth, poverty reduction and employment generation.

The CBN Governor also called attention to the impact of digital technology on economic growth, stating that while post-COVID growth recovery in Nigeria can be adjudged to be stable, however, a major shift in key sectoral drivers suggests that technology and innovation now play key role in output growth and economic development in Nigeria.

## CBN, Bankers' Committee Storm Market on eNaira

By: Temitope Ajamu

**A**s part of efforts aimed at achieving massive eNaira adoption, the Central Bank of Nigeria (CBN) and the Bankers' Committee, in collaboration with Messrs. Pnail,

stormed Lagos markets on a road show for eNaira sensitization and cluster activation. The road show took place at Balogun and Tejuosho markets from June 24–25 and 2022 respectively.

Speaking at the events, the eNaira Ambassador and Nigerian actor, Mr. Gabriel Afolayan stated that the eNaira, which is a digital representation of the Nigerian currency, the naira has full backing of the Central Bank of Nigeria. He outlined the benefits of the eNaira, which according to him, is risk-free, cheap, and very fast, hence, offering alternative payment prospects in retail transactions.

Speaking further, Mr. Afolayan urged Nigerians to accept the eNaira, which he described as the easiest and more secured way for business transactions. According to him, "eNaira is the way to go now because a lot of people don't want to move around with liquid cash, and it is a very good platform for customers and buyers as well. It is mainly for people that are in business because sometimes even when you order for stuff and the money don't get delivered on time, eNaira will solve that problem with just sharing of a code between the buyer and the seller".

He explained that the eNaira would be accessible only through its wallets, which is the digital storage that holds it. "CBN has also made the app easy to download for active users and has improved on its

website so as to make eNaira digital wallet feasible and easy for the youths to use in building enduring livelihood", he added.

The eNaira is the Africa's first Central Bank Digital Currency that provides a unique form of money denominated in Naira. It was launched by President Muhammadu Buhari on October 25, 2021, and offers several benefits including, more effective monetary policy, increase in remittances, improve in financial inclusion, and cross border trade, amongst others.



*The eNaira Ambassador and Nigerian actor, Mr. Gabriel Afolayan with a trader who was on boarded to the eNaira platform during the road show*

## Emefiele Urges Inward Looking Approach to Economic Growth

By: Pearl Ogbonna



**Mr. Godwin Emefiele**  
Governor, Central Bank of Nigeria

**T**he Governor, Central Bank of Nigeria (CBN). Mr. Godwin Emefiele, has said that the various initiatives and interventions of the Bank were introduced to harness the opportunities in the non-oil sector to create wealth for the country.

Mr. Emefiele said this at the Zenith Bank 7th Annual Edition of the International Trade Seminar held on Wednesday, July 20, 2022, in Lagos. The Seminar themed "Unlocking Opportunities in Nigeria's Non-Oil Export Business" was aimed at supporting CBN's initiatives to grow the Country's non-oil export sector.

In his remarks, the Governor stressed that Nigeria's oil revenue is fast drying up and that the country should not wait until the economy is practically grounded to a halt before taking the necessary action, adding that Nigeria should look inwards for



economic growth and development. To this end, Mr. Emefiele revealed that facility under the RT200 Non-Oil FX Rebate Scheme (NFRS) was recently introduced to encourage exporters and bridge financing gaps by providing funding for capital expenditure in the non oil sector. He stated that the Non-oil Export Stimulation Facility (NESF) was also created to help redress the declining export financing and reposition the sector to increase its contribution to economic development.

The Governor further lauded the seminar as being timely and appropriate. "This is because the global

economy and structure are changing rapidly before our eyes. The previous world economic order underpinned by globalisation and seamless trade possibilities seems to be suffering major disruptions lately. We believe Nigeria has a lot of potentials, and we can harness this for the good of our people and country", Mr. Emefiele stated.

The Governor also underscored CBN's several initiatives to promote the non-oil export sector because of its firm belief that it holds enormous potential to contribute to the economic growth of the country.

## Emefiele Charges DMB, Customers on eNaira

By: Ogochukwu Ikeagwuonu

**T**he Governor, Central Bank of Nigeria, Mr. Godwin Emefiele, has called on banks to encourage the use of the eNaira by their customers.

The Governor stated this during the Q and A session at the end of the Monetary Policy Committee (MPC) meeting on Tuesday, July 19, 2022 in Lagos.

Mr. Emefiele called for more awareness on benefits of the product to Nigerians and admonished customers of banks to approach their banks and request that their accounts be onboarded to the e-naira speed wallet to enjoy its many benefits.

The CBN Governor said that with almost no bank

charges attached to the eNaira, banks would want to do everything possible to frustrate its acceptability. Mr. Emefiele disclosed that the CBN was also working with telecoms companies to enable them assist bank customers load their e-Naira wallet through USSD codes.



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## CBN Clarifies Stance on Illicit Currency Conversion

By: Blessing Uzoagbado

**T**he Central Bank of Nigeria (CBN) has clarified a statement made by the Governor, Mr. Godwin Emefiele, on Tuesday, July 19, 2022 while speaking at the post-Monetary Policy Committee (MPC) meeting media briefing.

The Governor had during the media briefing, warned bank customers against converting the naira to dollars for electioneering purposes. The clarification became necessary, as there had been divergent opinions on the social media space that the CBN may restrain some business from legitimate FX transactions.

The Director, Corporate Communications Department, Mr. Osita Nwanisobi, while making the clarification in Lagos on Wednesday, July 20, 2022, decried the attempts by some persons to misrepresent Governor Emefiele's very clear caution.

According to Mr. Nwanisobi, the warning by the CBN Governor was directed only at those who try to convert the Naira from their accounts into foreign exchange for election campaign purpose.

He also reiterated that the Bank frowns at





*CBN Headquarters, Abuja*

unauthorized movement of funds within and outside the country and would use tools at its disposal to sanction such acts.

Mr. Nwanisobi advised Nigerians to be patriotic and support efforts towards preserving the value of the Naira.

## CBN Inaugurates N600m Unillorin Poultry Farm

By: Ogochukwu Ikeagwuonu



*Mr. Edwin Nzelu, Deputy Director and Secretary ACGSF*

**T**he Governor, Central Bank of Nigeria, Mr. Godwin Emefiele has said the Nigerian poultry sub-sector is a trillion Naira industry with huge potential for individuals and national socio-economic development.

Mr. Emefiele said this on Thursday, July 21, 2022, at the inauguration of the N600m University of Ilorin

Poultry farms established to bridge the egg and meat production deficit in the country.

He said with over 180million chickens under intensive, semi-intensive and extensive production systems, it provides affordable and largely acceptable meat and eggs to meet the national protein needs.

The Governor, who was represented by a Deputy Director and Secretary, Agricultural Credit Guarantees Scheme Fund (ACGSF) of the Bank, Mr. Edwin Nzelu said that the demand gap had driven the smuggling of unhealthy frozen chicken into the country over the years which prompted the CBN initiative.

Mr. Emefiele noted that despite being the largest egg producer and second largest producer of chicken meat in Africa, the demand gap for both exceeds present supply by 1.2m and 140,000 metric tonnes for meat and eggs respectively.

He disclosed that over forty tertiary institutions have expressed interest in the Scheme through different

commercial banks to implement various projects. He noted that such deep and broad interest by Nigerian tertiary institutions would contribute to the sustainable development of the industry. He enjoined other tertiary institutions to key into the scheme for additional revenue, job creation and fostering innovation in the agricultural sub-sector.

In his remarks, the Vice Chancellor, University of Ilorin, Prof. Age Abdulkareem, said the poultry farm named GGMAX is a 30hectare farm. He revealed the university took a N600m loan from the

CBN at a concessionary interest rate of 9% (5% for the first year) and a repayment period of six years, with a moratorium on the repayment of the principal for one year.

The University of Ilorin integrated poultry farm located at Amoyo, Kwara is the first to be commissioned by the CBN in its Tertiary Institutions Poultry Revival Scheme which was conceptualized specifically for Tertiary Institutions to design and implement viable poultry projects under its agric initiatives.

## 100 for 100 PPP Beneficiaries Receive N68b

By: Ademola Bakare

The Governor, Central Bank of Nigeria, Mr. Godwin Emefiele has disclosed that the Bank had disbursed N68.13bn to beneficiaries under its 100-for-100 Policy on Production and Productivity(PPP) since the programme was established.

Mr. Emefiele disclosed this in Lagos at the end of the Bank's Monetary Policy Committee meeting which held on Tuesday, 19th July, 2022 and further said under the 100-for-100 Policy on Production and Productivity, the Bank disbursed N9.98bn for five projects, bringing the cumulative disbursements under the intervention to N68.13bn for 48 projects, comprising 26 in manufacturing, 17 in agriculture, three in healthcare and two in the services sector.

The 100-for-100 policy is a scheme the CBN established to select 100 private sector companies every 100 days that have project initiatives that can significantly increase domestic production and productivity, reduce imports, increase non-oil exports, and overall improvement in foreign

exchange generating capacity of the Nigerian economy. The guideline stipulates a-N5bn loan seal per obligor for the implementation of the initiative.

The CBN initiated the programme in collaboration with relevant stakeholders to boost contributions to GDP and exports, create jobs, enhance local content development, production and capacity utilization as well as integration into the global value chain.

100-for100 PPP covers only existing businesses and projects (brownfield) with the potential to immediately transform and catalyze the productive base of the economy, and new projects (greenfield) with equal potential may be considered under the initiative.

The initiative is to be rolled over every 100 days for selection of fresh set of companies and its overarching objectives remains a reversal of the nation's over-reliance on imports, thereby creating an ecosystem that targets and supports the right projects with the potential to transform and catalyze the productive base of the economy.

## BVN Enrollment Now About 55M

By: Ademola Bakare

The Nigeria Inter-Bank Settlement System (NIBSS) has revealed that the enrollment for the Bank Verification Number (BVN) by bank customers in the country has reached 54.77million as at July 2022.

NIBSS also said that a total of 700,000 bank customers had enrolled within April 10, 2022, and July 10, 2022, in the scheme established by the Central Bank of Nigeria (CBN) to tackle identity theft problems within the banking sector.

It said as of December 26, 2021, enrolment stood at 51.7 million, while the BVN enrolment database grew by six million in the 2021. NIBSS statistics showed that active bank accounts in the country stood at 133.5 million as of December 2021. This means that 78.73 bank customers have not registered their BVN in any of the 22 banks in the country. Though, there are multiple accounts linked to a single BVN, however, there is still a gap between bank accounts and BVN registrations that must be filled.

BVN as established by the CBN gives bank account owners a unique identity that can be verified across the Nigerian banking industry, while ensuring that customers' bank accounts are protected from unauthorized access.

Emphasizing the need for the number, NIBSS has however encouraged bank account owners especially with the increasing incidents of

compromise on conventional security systems (password and PIN), to enroll into the scheme as it has become incumbent to acquire greater security for access to sensitive or personal information in the banking system.

The CBN, in collaboration with the Bankers' Committee and NIBSS had launched the BVN project on February 14, 2014. The project was aimed at capturing biometrics of all bank customers and give them a unique identity that could be verified across the Nigerian banking industry.

The BVN scheme was also aimed at deepening financial inclusion in the country and have many more Nigerians on the BVN database. This is the reason why the CBN had in December 2019 announced the commencement of the classification BVN 2.0 plan that allows both the rich and poor in rural areas to access financial services.

## CBN Calls for Input on DFS Awareness Guidelines

By: Ruqayyah Mohammed

**I**n line with its policy thrust of promoting Digital Financial Services in the country, the Central Bank of Nigeria (CBN) has released an exposure draft for the Digital Financial Services (DFS) awareness guidelines and called for comments from relevant stakeholders.

The CBN DFS awareness guideline was released to address observed gaps in consumer knowledge and practices. The exponential increase in the provision and use of digital services and products following the advent of Corona virus (COVID-19) has necessitated the need to put in place a guideline with principles and expectations for financial services providers. This would ensure fair treatment by service providers and enhanced consumer understanding to achieve the desired outcome.

DFS has the potential to expand access to financial

services for the Nigerian population and spur innovation in the financial services industry. Accordingly, the exposure guidelines stated that DFSs must promote DFS awareness and education, give information that allows customers to differentiate DFS products from traditional banking goods and services, and ensure easy access to information on all product offers to enable consumers make educated decisions.

It further stated that the provisions of the guidelines would apply to institutions providing DFS including Deposit Money Banks, Merchant Banks, Other Financial Institutions, Payment Service Banks, and other payment service institutions as licensed by the CBN.

The objectives of the guidelines however include; setting Digital Financial Literacy (DFL) standards for Digital Financial Services Providers (DFSP), to

enhance transparency and proper disclosure on DFS and provide for the development of Financial Literacy and Consumer Education materials.

The CBN called on stakeholders to send their comments and input on the exposure draft which is available on its official website.

## CBN Interventions: NBS Confirms Increase in Wheat Production

By: Louisa Okaria



**T**he National Bureau of Statistics (NBS) has estimated the Nigeria wheat grain harvest to attain about 400,000 MT by mid-2022.

This figure, the largest ever produced in Nigeria, is the result of a collation of wheat production figures by the NBS in partnership with millers and farmers. It would be recalled that the Central Bank of Nigeria (CBN) had intervened in the 2021 planting season by importing heat-tolerant, early maturing and high-yielding wheat varieties. The CBN had also partnered with the Flour Millers Association of Nigeria (FMAN) and wheat farmers to multiply seeds that are capable of increasing productivity of farmers and total production volume yearly.

In a similar vein, a former Executive Director, Lake Chad Research Institute, Monitoring and Evaluation, Dr. Oluwashina Gbenga Olabanji has said that CBN Anchor Borrowers Programme (ABP) has continued to yield result in wheat production, stating that the CBN's persistent intervention in wheat production, will enable the country be self-sufficient in wheat production in the next 10 years.

He applauded the ABP scheme which had empowered wheat farmers with the new heat-tolerant varieties of seeds capable of increasing production per hectare to a minimum of four tonnes per hectare.

Furthermore, Dr. Olabanji said that CBN imported 13,000 metric tonnes of quality heat-tolerant wheat seeds and 150,000 hectares were cultivated in 16 states of the country between October 2021 and April 2022. Out of the 150,000 hectares, about 100,000 were meant for grains production to be off-taken by millers. About 50,000 hectares were meant to produce about 250,000 tonnes of seeds needed for cultivation in the 2022/2023 planting season, starting from October 2022.

Addressing concerns on defaulting loan payments, the National President of the Wheat Farmers Association of Nigeria (WFAN), Mr. Salim Muhammad, noted that though there were challenges confronting farmers, such as climate change, production technicalities and inadequate financing, there was no excuse for loan payment defaulting.

He disclosed that some farmers had been arrested following their dishonest activities of selling the produce without paying the ABP loans. He further disclosed that CBN officials had been drafted to work with farmers' associations to recoup the loans as part of ongoing efforts to sanitize and restore integrity to the system. He urged the government to increase its finance to the sector so that Nigeria could produce at least 50 per cent of the yearly demand for wheat soon.

The CBN has reiterated its commitment to boosting wheat production locally by supporting farmers with inputs, technical know-how and off-taking arrangement with the Flour Millers Association of Nigeria (FMAN).



# Emefiele Warns against Illegal FX Transactions

By: Daba Olowodun

**T**he Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has issued a strong warning to Nigerians in the habit of converting large sums of Naira to Dollar for illegal dealings outside the banking system.

Addressing the press on Tuesday, 19th July, 2022, after the Monetary Policy Committee (MPC) meeting at the CBN Lagos Office, Mr. Emefiele noted that such actions were not only unpatriotic but illegal and inimical to the growth of the Nigerian Economy.

He further stated that Deposit Money Banks (DMBs) would be monitored for dubious transactions in both local and foreign currencies, and a post no debit (PNB) instituted on the accounts of customers found wanting. This action would effectively bar such defaulters from transacting services within the Nigerian Banking

System.

In the same vein, the CBN Governor decried how such activities of hoarding dollars has contributed to rising inflation and the deterioration of the Naira's value. Mr. Emefiele has stated that in keeping with its mandate to safeguard the Naira, the Bank would monitor liquidity in the subsystem and use its powers to mop up excess cash in the economy.



Businessfirstfamily.com

# CBN Reviews Quick Response (QR) Code Framework

By: Bartholomew Mbaegbu



techplanet.today

**T**he Central Bank of Nigeria (CBN) has reviewed the industry Quick Response (QR) Code to provide additional presentation options for users.

This was contained in a circular dated July 4, 2022 and signed by Mr. Musa Jimoh, Director, Payments System Management Department.

The move is to enhance flexibility offered by the use of QR codes and to promote the deployment of innovative products in the Nigerian payments

system.

In the existing guidelines, the implementation of QR Code for payments in Nigeria shall be based on the Merchant-presented mode, where merchants present the QR Code for buyers to accept to conclude payment transactions specification.

However, the new circular addressed to banks, Other Financial Institutions (OFIs) and Payment Services Providers (PSPs), on the Review of Industry Quick Response (QR) Code Presentation Options, said henceforth, the implementation of QR codes for payments in Nigeria shall be based on either merchant-presented or consumer-presented modes.

The Circular added that the CBN will continue to monitor industry developments and issue further guidance as may be appropriate from time to time.

# eNaira - FREQUENTLY ASKED QUESTIONS

## What is eNaira?

eNaira is a central bank digital currency (CBDC) issued by the Central Bank of Nigeria as a legal tender. It is the digital form of the Naira and will be used just like cash.

## What is an eNaira wallet?

The eNaira wallet is a digital storage that holds the eNaira. It is held and managed on a distributed ledger. The eNaira wallet is required to access, hold and use eNaira.

## What makes eNaira different from the money in my bank account?

eNaira is the digital form of the cash and is a direct liability on the Central Bank of Nigeria while the customer deposits are direct liabilities on the financial institutions.

## In a typical transaction, what is the difference between an online bank transaction and eNaira wallet?

There are intermediaries for the typical online bank transactions, whereas for eNaira transactions, there are no intermediaries.

## What are the benefits of eNaira?

The benefits of the eNaira are:

- = Fast, cheap, reliable and available payment channel.
- = Support digital economy.
- = Improved economic activities.
- = Simplified and easy cross border payments and trade.
- = Inclusion of excluded people in the financial system.
- = Improved effectiveness of monetary policies.
- = Ease in tax remittance and collection to support the Country's growth.
- = Ease in targeted social interventions to support Nigerians.

## What is the primary role of the CBN with respect to eNaira?

In line with Section 2 of the CBN Act 2007, the CBN is the issuing authority of all forms of Naira. The Central bank will also be responsible for determining the technical, regulatory and operational standards for eNaira.

## Will eNaira replace cash?

No, it will circulate alongside cash. The eNaira will

complement cash as a less costly, more efficient, generally accepted, safe, and trusted means of payment.

## Is eNaira safe?

eNaira is safe and secured with cryptographic techniques against counterfeiting, cloning, and other forms of attack.

## As an eNaira holder, am I assured of data privacy?

Yes. Similar to the privacy enjoyed by current online banking patrons, the eNaira system has been designed to ensure data and user privacy. There are also operational policies and procedures in place to protect users' identity and privacy.

## Who can access eNaira?

Similar to cash, any person or business can have access to eNaira as long as they have the requirements for on boarding.

## What is the exchange rate between eNaira and physical naira?

The eNaira will have the same value as the physical naira. As such, it will be exchanged one to one.

## Why should an individual download and fund the eNaira wallet?

- = 99.9% service availability.
- = Low charges.
- = Nationwide acceptance.
- = No dispensing errors.
- = Advanced data privacy and security.

## Why should a business/corporate operate the eNaira wallet?

- = Instant settlement
- = 99.9% service availability and reliability
- = Low charges
- = No dispensing errors
- = No reconciliation issues

## How do I access eNaira?

Customers will be able to access eNaira via the eNaira wallet in app stores such as Google Play store and the Apple App store. Users can also dial a USSD short code and follow the required steps to perform transactions.

*Culled from: <https://www.enaira.com/>*





# Unlocking The Potential

## 12 Commodities, 10 Million Jobs in 5 Years

A nation that is self-sufficient in producing most of what it consumes and in creating jobs for its youth, will ultimately drive growth that will make life better for all its Citizens. Exciting times are here. Support the economic revolution.

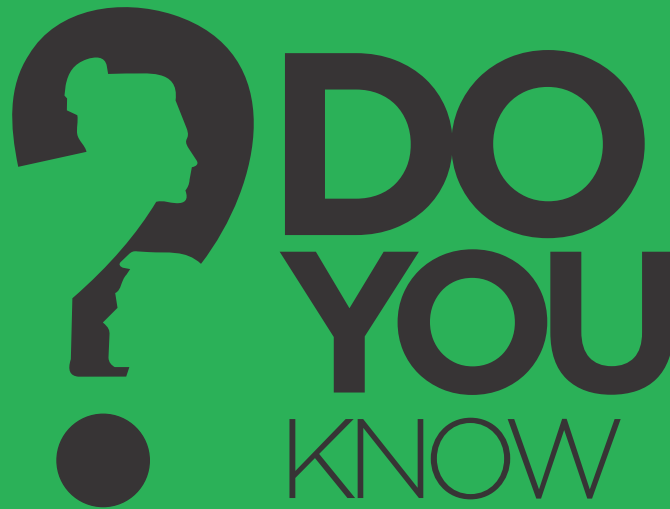
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Central Bank of Nigeria



**SETTLEMENT RISK:** The general term used to designate the risk that settlement in a funds or securities transfer system will not take place as expected.

**INFORMATION SECURITY RISK:** The risk of loss resulting from unauthorized access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction of information assets and information systems.

**Maximum Cap on Cheque:** The introduction of N10 million as the maximum cap for cheque payment by the CBN in January 2010, increased the patronage of electronic payments in Nigeria.

**Migration to EMV cards:** As part of its strategy to minimize the level of card fraud in the Nigerian Payments System, the CBN directed banks to migrate all their cards, with effect from October 1, 2010, from magnetic stripe technology to chip+PIN, otherwise known as EMV, due to the weaknesses of the former.

**Help Desk on Card Related Complaints:** The CBN mandated all banks to set up effective help desks for handling card-related complaints. CBN stipulated that such complaints should be responded to within 72 hours.

**Implementation of National Central Switch:** The Bank in collaboration with Bankers Committee directed all banks and private switches to connect with the National Central Switch on or before December 2010, to address the issues of interconnectivity of different networks.

**Stored-value cards** - Payment cards where money is on deposit with the issuer, but the card account is not linked to a current or savings account.

**Credit card** - Refers to a payment card assigned to a cardholder, usually with a credit limit, that can be used to purchase goods and services on credit or obtain cash advances.

**Charge Card** - A charge card is a credit card that requires all outstanding to be settled on due date without the feature to revolve balances.

**Card Fraud Prevention Strategies:** The Bank, in collaboration with key stakeholders has developed strategies for prevention of card fraud and had issued some circulars covering the following:

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