



Central Bank of Nigeria

# CBN UPDATE

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## Forex Management: CBN Seeks Support for Non-Oil Export

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## Editor's Note

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

One of the mandates of the Central Bank of Nigeria is to maintain external reserves to safeguard the international value of the legal tender. In the exercise of this mandate, the CBN recently introduced an initiative to raise \$200 billion in Foreign Exchange earnings in three to five years, known as Race to 200 FX programme (RT200 FX programme). This programme has started to yield dividends.

Meanwhile, the Bank organized the maiden Bi-annual Non-Oil Export Summit which is one of the pillars of the RT200 FX programme. The summit seeks to bring together stakeholders in the non-oil sector to deepen conversation on how to address the country's foreign exchange challenges by leveraging non-oil exports. Details are served inside this edition.

The Governor, Mr. Godwin Emefiele has tasked the West African Institute for Financial and Economic Management (WAIFEM) to enhance the capacity of technical staff and policy makers in the sub-regional Organization. Mr. Emefiele gave the charge while declaring open WAIFEM's Regional Course on Exchange Rate Regimes and Policies at the CBN International Training Institute (ITI) Abuja.

As part of efforts to drive the adoption of the eNaira by Nigerians, the Deputy Governor, Economic Policy, Dr. Kingsley Obiora, has emphasized the critical role Agents are expected to play in the onboarding drive to accomplish this goal.

Also, the Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad, speaking at the 10th year anniversary of Consumer Protection Department (CPD), underscored the need for the Department to deepen financial literacy enlightenment to reduce complaints from the public. Details of the event is served in this edition.

The CBN has restated its commitment to farmers through its 44-year-old Agricultural Credit Guarantee Scheme Fund (ACGSF). The Director, Development Finance Department (DFD), Mr. Philip Yila Yusuf at the ACGSF 2021 Best Farmers Award reiterated that the CBN would continue to support hard working and innovative farmers as their productivity in the agriculture value chain has contributed to economic growth and development.

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

  
**Osita Nwanisobi**  
Editor-in-Chief



# Forex Management: CBN Seeks Support for Non-Oil Export

By: Kenechukwu Afolabi and Zichat Abuja-Kato



**Mr. Godwin Emefiele**  
Governor, CBN

In the face of rising demand for foreign exchange, the Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele says monetary policy alone cannot wholly address the country's foreign exchange challenges.

Mr. Emefiele disclosed this in his keynote address at the maiden bi-annual Non-Oil Export Summit held in Lagos, on Thursday, June 16, 2022, noting that the CBN had been working to manage both the demand and supply side to meet foreign exchange obligations.

Attributing the current challenges of the Nigerian economy to a combination of local and global factors such as the COVID-19 pandemic, delays in global logistic value chains and local security challenges, he expressed concern that most of Nigeria's current sources of foreign exchange

inflows were unreliable and were prone to fluctuations of global economic developments. Emefiele noted that the global economic challenges had impacted food production among others and had exerted undue pressure on the economy, thereby exposing the fragility of the Nigerian economy and making macroeconomic management very difficult.

While stressing the need for a more diversified economy, the Governor said Monetary Policy alone could not bear all the burden of the expected adjustments needed to manage the challenges to the Nigerian economy.

"These problems call for urgent design and steadfast implementation of other supportive, structural, and complementary policies that are broad based, coordinated and focused on



complementing the work of the monetary authority," he noted.

Reiterating the need for a more diversified economy, Mr. Emefiele said Nigeria could be great without crude oil, the global price of which the country had no control over. He therefore urged all stakeholders to regroup by working together to reposition Nigeria on a growth trajectory by taking diversification of the economy much more seriously, emphasizing that Nigeria had very little choice left but to look inwards and find innovative solutions to its challenges.

In order to avoid sudden adjustments to Nigeria's economic life, he said there was need to focus on strategies that can help the country earn more stable and sustainable inflows of foreign exchange.

"We would need to follow the best practices of other countries and ensure that we protect ourselves a bit from factors that are beyond our immediate control. This is the time to start working in synergy for the good of our nation. This is the time for us as a Banking Community to do more and support exporters who have been flying the flag of Nigeria in the international market space," Emefiele declared.

Although he admitted the enormity of the ultimate goal of US\$200 billion in non-oil exports over the medium term, Emefiele expressed confidence that the goal was attainable, given the fact that many countries less endowed than Nigeria had achieved much in the field of agriculture. To underscore his point, he said within a short period of implementing the Non-Oil FX Rebate Scheme, the country had recorded a significant increase in non-oil export repatriation, adding that eligible exporters had been paid over N3.5 billion in rebates.

In his remarks, the Governor of Lagos State, Mr. Babajide Sanwo-Olu, lauded the CBN and other actors in the banking sector for supporting the efforts by the Federal Government and states, especially Lagos, to boost growth in the economy.

Mr. Sanwo-Olu expressed optimism that the Lekki Deep Seaport, which he described as the largest in

West Africa, will be handed over for use at the end of 2022, thereby providing enormous opportunities to exporters to ply their trade and by extension improve the export earnings of the country. As part of efforts to decongest the Apapa and Tin Can Island Ports in Lagos, the Governor said the State Government was awaiting approval for work to begin on the Badagry Ports in the Western part of Lagos.

Earlier in his opening remarks, the Deputy Governor, Economic Policy, at the CBN, Dr. Kingsley Obiora, said the RT 200 Non-Oil Exports Summit was a promise kept by the Governor of the CBN, Mr. Godwin Emefiele at the launch of the programme in February 2022.

While comparing the inflation rate in Nigeria to those of other emerging economies, Dr. Obiora said Nigeria was not doing badly, reiterating that the RT 200 policy was designed to incentivize exporters in the non-oil export sector to repatriate and sell their export proceeds in the local foreign exchange market.

Highlights of the summit were panel discussions on "Addressing the Logistics Constraints to improve Non-Oil Export," "Bridging the Finance Gap, Effects of the CBN Initiatives to boost Non-Oil Export," "Non-Oil Export Performance in Nigeria: Challenges and Prospects," and "Service Industries: Harnessing the Opportunities in Service for Foreign Exchange Earnings".

It will be recalled that the CBN and Bankers' Committee at its meeting of February 10, 2022, unveiled the RT200 FX Programme, which is an initiative of the Bankers' Committee aimed at raising US\$200 billion in non-oil export earnings over the next 3-5 years. The programme is anchored on five pillars, namely: Value-Adding Exports Facility; Non-Oil Commodities Expansion Facility; Non-Oil FX Rebate Scheme; Dedicated Non-Oil Export Terminal; and Biannual Non-Oil Export Summit.

## RT200 FX Impacts Exports in Q1 2022

By: Ademola Bakare

The recently established RT200 FX policy of the Central Bank of Nigeria (CBN) to incentivize export earnings has begun to yield dividends according to data from the Nigeria Bureau of Statistics (NBS) has revealed.

NBS reported that Nigeria's export rose by 137.88 per cent in Q1 2022 to N7.1trn compared with N2.98trn recorded in the first quarter of 2021.

The report further stated that there were significant increases in export of agricultural goods, which rose by 51.89 per cent, Solid minerals, 45.17 per cent and crude oil exports rose by 31.66 per cent compared to what they recorded in Q4 2021. The report further highlighted the

value of other oil products exports increased by 11.35 per cent to N764.27bn, compared to N686.38bn posted in Q4, 2021.

The value of agricultural goods exports stood at N201.59bn while Solid Minerals exports in Q1, 2022 were valued at N19.69bn. The value of crude oil exports in Q1, 2022 stood at N5.62trn representing 70.16 per cent of total exports.

Meanwhile, the value export energy goods in Q1, 2022 declined by 25.66 per cent to N15.36bn, just as the value of manufactured goods exports was valued at N219.08bn in Q1, 2022 showing a decline of 44.6 per cent compared to N395.48bn recorded in Q4, 2021.

## 1,179 Ogun Farmers Received N723m in 2021 - CBN

By: Ademola Bakare

The Central Bank of Nigeria (CBN), Abeokuta Branch stated that the Bank disbursed N723m to 1,179 farmers in Ogun State in 2021.

This was disclosed by the Branch Controller, CBN, Abeokuta Branch, Mr. Wahab Oseni at the presentation of award to the best farmer in Ogun State.

The disbursement he said was from the Agricultural Credit Guarantee Scheme Fund

(ACGSF) established by Decree No. 20 of 1977 to guarantee credit facilities extended to farmers by banks.

Mr. Oseni said the purpose of the Fund was to provide a guarantee with respect to loans granted by lending banks up to the tune of 75 per cent net of the amount realised on collateral in case of default for agricultural purposes. This, he added, was aimed at increasing the level of bank credit to the agricultural sector.



The scheme through the interest drawback programme also rewards beneficiaries by giving back 50% of interest paid on the loan if fully repaid within the stipulated period, the Branch Controller stated.

In 2021, the Development Finance Office, Central Bank of Nigeria, Abeokuta, guaranteed one thousand, seven hundred and seventy-nine (1,779) loans valued at seven hundred and twenty-three

million, one hundred and one thousand (N723,111,000.00) from three (3) banks, comprising of two micro finance banks and one Deposit Money Bank.

The Best Farmer of the year Award was instituted to serve as an example to reward exceptional farmers and motivate others to repay loans on time thereby making them future potential award winners.

## CBN Issues Revised Guidelines on Non-Interest Financial Institutions

By: Pearl Ogbonna



The Central Bank of Nigeria (CBN) has issued a revised guideline for the operation of Non-Interest Financial Institutions' Instruments (NIFIs).

This was contained in a circular issued on June 9, 2022, and signed by the Director, Financial Markets Department of the Bank, Dr. (Mrs.) Angela Sere-Ejembi.

The revised guideline replaced the previous circulars of December 2012 on Guidelines for the Operation of Non-Interest Financial Instruments by the CBN and August 2017 on Introduction of Two New Instruments – “Funding for liquidity” and “Intra-Day Facility” for Non-interest Banks respectively.

According to Dr. Sere-Ejembi, the aim of the revised guideline is to attend to the growing need for innovative financial services, enhancement of financial inclusion, and the acceleration of

economic activities as well as growth and development. She said that to achieve these objectives, the CBN had developed a number of non-interest-bearing instruments to be accessed at its window by authorized Non-Interest Financial Institutions (NIFIs) in order to facilitate liquidity management, assist in effective monetary policy implementation and deepen the financial system. She added this will aid the realization of the full potentials of the NIFIs and non-interest-bearing financial operations.

The guideline, it is expected, will provide a uniform set of rules for authorized financial institutions in accessing the non-interest financial instruments offered by the CBN. Furthermore, the guideline stated that it should be read alongside the provisions of the CBN Act, BOFIA, as well as, written directives, notices, circulars and guidelines that the CBN may issue from time to time.

As part of efforts to streamline the 2012 and 2017 Circulars, the revised guideline merged all five instruments into one document and introduced a sixth instrument namely: CBN Safe Custody (Wadiah) Account (CSCA); CBN Non-interest Note (CNIN); CBN Non-interest Asset-Backed Securities (CNI-ABS); CBN Non-interest Special Bills; Intraday Facility (IDF); and Funding for Liquidity Facility (FRLF). The circular stated that this is in response to contemporary developments in the market, industry trends, and stakeholder views, in addition to enhancing accessibility.



In addition, the guidelines also introduced a NIFI Product Development Committee responsible for the consideration, initiation and review of non-interest-bearing instruments and structures for the orderly development of and integration of the

market segment into the mainstream financial architecture. A Market Support Committee (MSC) was created to act as an advisory body in the management of non-interest-bearing instruments.

## Cyber Security: OFIs Get New Guidelines

By: Ademola Bakare

Following the recent surge in the number of cases and level of sophistication of cybersecurity threats against financial institutions in the country, the Central Bank of Nigeria (CBN) has released a Risk-Based Cybersecurity Framework and Guidelines for Other Financial Institutions (OFIs).

The Bank also set January 1, 2023, as the effective date for full compliance with the provisions of the guidelines.

This was conveyed in a circular dated Wednesday, June 29, 2022 and signed by the Director, Other Financial Institutions Department (OFID), Mrs. Nkiru Asiegbu. The circular which was addressed to all OFIs under the regulation of the banking sector regulator, made it mandatory for institutions to strengthen their cyber defenses if they were to remain safe and sound.

The CBN added that the guidelines represented

the minimum requirements to be put in place by all OFIs.

The Bank stressed that the safety and soundness of OFIs required that they operate in a safe and secure environment, hence the platform on which information is processed and transmitted should be managed in a way that ensures confidentiality, integrity and availability of information as well as the avoidance of financial loss and reputation risks among others.

The CBN noted that considering the reliance of financial institutions on information and communications technology (ICT) to operate their business and the rising incidences of cyber threats and attacks targeted at financial institutions, it became necessary to implement cybersecurity measures to mitigate against those risks.

The Bank noted that threats including ransomware, targeted phishing attacks and Advanced Persistent



Threats (APT) that had become prevalent, thus demanding that financial institutions boost cyber resilience as well as take proactive steps to secure their critical information assets to ensure their safety and soundness.

The circular stated the objective of the guidelines according to the Bank is to among other things create a safer and more secure cyber environment that supports information system security and promote stability of the OFIs sub-sector.

It also seeks to promote and maintain public trust and confidence in the sub-sector as well as

contribute towards the prevention and combating of cybercrime in the OFIs sub-sector, adding that the framework provides a risk-based approach to managing cybersecurity risk. This consists of six parts including Cybersecurity Governance, and Oversight, Cybersecurity Risk Management System, Cyber Resilience Assessment, Cybersecurity Operational Resilience, Cyber-Threat Intelligence and Metrics, Monitoring and Reporting.

The Circular also spelt out the roles of board of directors in relation to cybersecurity as well as appointment and responsibilities of the Chief Information Security Officer (CISO) among others.

## DG Ahmad Calls for Improved Financial Literacy

By: Titilayo Oluwasina



**Aishah Adamu**

*Deputy Governor, Financial System Stability (FSS)*

**T**he Deputy Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad, has stressed the need to reduce financial illiteracy in Nigeria to its barest minimum.

She gave the charge on Thursday, June 16, 2022 while declaring open the Consumer Protection Department retreat tagged "Optimizing Consumer Protection in the Era of Digital Financing".

Speaking to the theme of the retreat, Mrs. Ahmad said the financial system has evolved over the centuries from the primitive regime of trade-by-barter to the modern era of digital finance, making digital finance services vital to the growth and development of Nigeria's financial sector and the economy.

She added that digital finance services play a key role in the attainment of the Bank's 95% financial inclusion target for the country by 2024, as financial consumers in Nigeria can transact from the comfort of their homes and offices using Digital Finance Services (DFS) and products to meet their financial needs.

While acknowledging that DFS accounts for the highest percentage of complaints in the industry, coupled with the issues of fraud and malpractices, she stressed the need to put in place preventive and proactive measures as regulators, to protect consumers, as doing so would ultimately foster financial system stability.

On the specific measures, policies and regulations that have been put in place to protect consumers in the fast-evolving Nigerian Financial System, Mrs. Ahmad said the Bank released the Consumer

Protection Framework (CPF), in 2016, which all operators under the regulatory purview of the CBN – including DFS providers – are required to abide by.

Speaking further, she said the Consumer Protection Regulations (CPR) were also released to the industry which operationalize four principles of the CPF namely; Fair Treatment of Consumers, Disclosure and Transparency, Responsible Business Conduct and Complaints Handling and Redress.

Besides the introduction of the Consumer Complaints Management System (CCMS), a web-based application for complaints management that enables the CBN and the financial services providers to interface and speed up the resolution processes, Mrs. Ahmad said the Bank and Other Financial Institutions Act (BOFIA) which was signed into law in 2020, had enhanced the powers of the CBN to ensure adequate protection for consumers.

Emphasizing the importance of financial literacy, she noted that the CBN placed high priority on financial literacy and consumer education, adding that in line with the National Financial Inclusion Strategy (NFIS), the Bank was working with stakeholders on the release of a Digital Financial Literacy Guideline, in addition to the implementation of various financial education programmes through a multi-stakeholder approach with the CBN providing leadership.

The DG, therefore, charged the staff of the Department to identify the key areas of ignorance that lead to complaints and tackle them headlong. "The less ignorance is out there, the less complaints to grapple with. The more literate consumers are, the less financial institutions would be tempted to take advantage of them", she added.

Considering the rate of growth of Digital Financial Services and the daily emergence of new products and services, Mrs. Ahmad stressed the need to constantly keep in touch with innovations in the industry and sensitize consumers about them.

In her opening remarks, the Director, Consumer Protection Department, Mrs. Rashida Monguno, said the retreat was an opportunity for an appraisal

of the activities of the Department with a view to finding ways to address identified challenges and generally improve on activities for greater impact.

She said the theme of the retreat was carefully chosen to stimulate thoughts on Digital Financial Services and the potential to provide businesses and consumers with lower costs, greater range of financial services as well as the risks it poses to consumers, individual financial institutions, the financial system and the economy at large.

She said the retreat would focus on deliberations regarding consumer risks that might arise in the era of DFS, and proffer solutions to issues such as Key trends to be examined by regulators arising from current and future digital financial innovation and implications for actions and inactions by the CBN.

Delivering a lecture on "The Central Bank of Nigeria Strategy 2021-2024: the Role of Consumer Protection", Dr. Abdullahi Abdulrahman from the Strategy Management Department said the Consumer Protection Department was key to the implementation of the strategy as the Department had roles to play in four out of the five thematic areas of the Bank's strategy. He highlighted the features of the strategy aligned with the roles of the CPD and the strategy for execution.

Other presentations at the event include: "The Fintech Phenomenon and Emerging new Technologies: Risks and Opportunities for Effective Consumer Protection" by Ms. Adadzewa Otoo, Policy Specialist on e-money, Alliance for Financial inclusion; "e-Naira: Emerging Consumer Risks" by Prof. Olawale Ajayi of the Legal, Social and Political Environment of Lagos Business School; and "Consumer Protection Risk-Based Supervision: Vision, Challenges, and Prospects" by Mr. Chris Green, Vice Chair, FinCoNet (International Financial Consumer Protection Organization).

Highlight of the event were panel discussions chaired by the Director, Banking Supervision Department, Mr. Haruna Mustafa, and former Director, FSS 2020 Secretariat, Mr. Muhammed Suleyman respectively.



## Emefiele charges WAIFEM on Capacity-Building

By: Kosiso Udemezue



**Mr. Godwin Emefiele**  
Governor, CBN

**T**he Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has charged the West African Institute for Financial and Economic Management (WAIFEM) to enhance the capacity of technical staff and policy makers in the sub-region, in order to promote sound macroeconomic management.

He gave the charge on Monday, June 27, 2022, while declaring open the Regional Course on Exchange Rate Regimes and Policies organized by WAIFEM, held at the CBN International Training Institute, Maitama, Abuja.

Mr. Emefiele, who was represented by the Head, Monetary Policy Committee Secretariat, Mrs. Omolara Duke, urged participants to equip themselves with knowledge to enable them effect the desired changes in their respective countries.

According to him, the choice of an exchange rate regime by a country is largely dependent on the assessment of its specific macroeconomic objectives, state of economic development and focus of its foreign exchange policy.

Noting that an overarching goal of the CBN is to

achieve exchange rate stability that ensures a viable external sector, anchor inflationary expectations, improve and support economic growth. He added that, "the objectives of its exchange rate policy in Nigeria are to preserve the value of the domestic currency, maintain a favorable external reserves position and ensure external balance without compromising the need for internal balance and the overall goal of macroeconomic stability".

The Governor further noted that an appropriate exchange rate regime is required to safeguard capital outflow and preserve the external reserve of emerging and developing economies such as those of Nigeria and other West African states, where the demand of imports remains high.

While listing efforts made by the Bank to boost the inflow of Diaspora remittances into the country, to include the "Naira 4 Dollar Scheme, Mr. Emefiele reiterated that the "thrust of exchange rate management by the Central Bank of Nigeria is to allow the market system to determine the exchange rate parity in an efficient manner devoid of the activities of speculators and rent-seekers".

Continuing, he also disclosed that the CBN, in collaboration with the Bankers' Committee, recently introduced the Race to US\$200 billion in FX repatriation otherwise known as RT200 FX programme, a set of policies, plans and programmes for non-oil exports that will enable the country to attain the goal of US\$200 billion in FX repatriation, exclusively from non-oil exports, over the next three to five years.

In his remarks, the Director General, WAIFEM, Dr. Yusuf. Baba Musa, thanked the Management of the Bank for their tremendous support offered to WAIFEM over the years in executing its mandate to build sustainable capacity in sub-region.

About 35 participants drawn from Nigeria and other Anglophone countries in West Africa attended the regional course.

# Growth in Fintech, Vital for Sustainable Ecosystem in Africa - Aina

By: Louisa Okaria

**F**ormer President, Chartered Institute of Bankers of Nigeria (CIBN), Dr. Segun Aina, has stressed the need for policy makers and financial regulators to embrace the growth in financial Technology companies (FinTechs) to create a sustainable ecosystem. He said, "with the advancement of FinTechs, the future is bright for the African Continent".

Dr. Aina made this statement during a two-day virtual forum of the 2022 maiden Community of African Banking Supervisors (CABs) FinTech organised by the Community of African Banking supervisors (CABs) in partnership with Africa FinTech Network (AFN) with the theme "opportunity and challenges of FinTech Development in Africa".

He said that the AFN would continue to make positive impacts that would develop the ecosystem. He further stated that there was a need to work with Association of African Central Banks, particularly the Committee of African Banking supervisors to achieve such impact.

The former CIBN Boss highlighted the huge growth recorded in the financial subsector, mostly by foreign investors as they transact business through FinTech. He said FinTechs were trending with presence in different countries and contributing to their Gross Domestic Product (GDP).

"FinTech startup has become bigger in terms of

valuation (market value) amid challenges of corporate governance, as people continue to embrace digital banking", Aina stated. According to him, this is evolving despite the opportunities that abound across the entire FinTech ecosystem in Africa.

Dr. Aina, however, noted that regulators were making moves to join the digital innovation space having realized the need for it. He also said that FinTechs have grown explosively as startups in the same space had gained prominence in the last 10 years, which was driven by advancement, enabled by internet and mobile phones.

This development, he said, had made banks to set up FinTech subsidiaries, while their former senior regulators serve on the boards of fintech companies. The former CIBN boss said mobile money indicator showed that 500 million people subscribed to mobile phones in Africa and 245 million people use mobile internet.

Aina also said the continent continued to record the highest year-on-year growth in internet penetration and with the support of funding from outside Africa.



## Small-Scale Farmers Get N5.9bn Loan

By: Adetola Adeleke



The representative of the Branch Controller CBN Lagos, Mr. Nnaemeka Ukayirioha in a group picture with the winners of 2022 Agricultural Credit Guarantee Scheme Fund (ACGSF) Best Farmers.

**T**he Central Bank of Nigeria (CBN) has said that a total of 31,666 loans valued at N5.92 billion were guaranteed under the Agricultural Credit Guarantee Scheme Fund (ACGSF) in 2021.

The Branch Controller, CBN Lagos, Mr. Bariboloka Koyor disclosed this at the 2021 ACGSF Best

Farmers Awards ceremony in Lagos on June 21, 2022.

Delivering his opening remark at the event, the Branch Controller, who was represented by the Assistant Director, Lagos Branch, Mr. Nnaemeka Ukanyirioha, noted that CBN also awarded the top three farmers who utilized their funds suitably, as well as the best Performing Financial Institution (PFI) in supporting small-scale farmers.

He observed that despite the numerous challenges that bedeviled the country in recent times, a total of 31,666 loans valued at N5.92 billion were guaranteed in 2021 and the CBN, through its Development Finance Department has continued to design and implement measures to improve food security, by facilitating access to finance for operators in the agricultural sector. He was optimistic that farmers will continue to grow and scale their businesses over time.

While appreciating the farmers for their relentless efforts at ensuring that there is food security in the country, the Branch Controller remarked that the awards, which is also in line with the Bank's core values, are to reward participants in the scheme, who have shown exceptional promise and dedication to growing the country's agricultural sector, notwithstanding the challenges encountered.

Three farmers emerged as winners. Tolulope Ogunnimo, a poultry farmer was awarded the overall winner of the 2021 best farmer in Lagos State, while Chima Elijah, a fish and ugu farmer and Joy Njoku, a snail and pig farmer emerged as first and second runners-up respectively. LAPO Microfinance Bank also won the best Participating Financial Institution (PFI).

Also speaking at the event, the representative of the Lagos State Government Agric Business Department, Mr. Olushina Shobande noted that the CBN Development Finance Department, has continuously partnered with the state in its struggle to ensure that they close the gap between the local production and the consumption in Lagos state.

He revealed that Lagos State is striving to implement its agricultural roadmap to achieve up to 40 per cent total consumption within the year 2021 and 2025, while ensuring that farmers and other stakeholders are given the needed input at subsidized rates, through its employment programme.

Agricultural Credit Guarantee Scheme Fund (ACGSF) was established in 1977 to provide guarantee in respect of loans granted by lending banks for agricultural purposes under the scheme, with the aim of increasing the level of bank credit to the agricultural sector.

## Cocoa, Sesame Exports Receive N21bn Boost

By: Ruqayyah Mohammed



Mr. Godwin Emefiele  
Governor, CBN

The Central Bank of Nigeria (CBN) has disbursed N21bn to boost the production and export of cocoa and sesame seeds.

This was disclosed by the CBN Governor, Mr. Godwin Emefiele, at the 285th Monetary Policy Committee meeting where he stated that the sum of N21bn had been released under the Export Facilitation Initiative, for three projects in domestic production and value addition for cocoa and sesame seed.

He further noted that the intervention is targeted at further expansion of the economy's non-oil export basket, towards improving foreign



exchange revenue earnings for the country. It can be recalled that the Bankers' Committee at its 343rd meeting approved the commencement of the Export Facilitation Initiative (EFI) to compliment government efforts to engender growth in the non-oil sector of the economy.

Under the initiative, the focal commodities for value chain development were cashew, cocoa, palm oil, sesame seed, and shea.

The commodities are funded under the approved guidelines of Agri-Business/Small and Medium

Enterprises Investment scheme (AGSMEIS), Non-oil Export Stimulation Facility (NESF), REAL Sector Support Facility-Differentiated Cash Reserve Requirement (RSSF-DCRR) in line with the approved limits in the Export Facilitation Initiative Funding Framework (EFFFF).

According to the features, it attracts no obligor limit applicable, loan tenor is up to 10 years, and the loan can be for land acquisition and cultivation, milling and refinery capacity or smallholder farmers' aggregation.

## N1.2 trillion Treasury Bills for Sale

By: Ogochukwu Ikeagwuonu



Central Bank of Nigeria Building, Abuja

The Central Bank of Nigeria, (CBN) has announced the sell of N1.2 trillion worth of Treasury Bills in the third quarter of 2022. This was revealed by the Bank, in its Nigeria Treasury Bills Issue Programme for Quarter 3 of 2022.

According to the programme, the treasury bills would be put out in quotas, with the first quota

scheduled for roll out on June 2, 2022, while the last quota is listed for August 25, 2022. During the phase, the Central Bank of Nigeria will issue TBs worth N33.4 billion on 91 days course, N22.9 billion on 182 days and N1.17 trillion on 364 days.

A further breakdown revealed that in June, the Central Bank of Nigeria plans to sell N376.05 billion worth of TBs, comprising N22 billion worth of 91 days bills, N4.05 billion worth of 182 days bills, and N350 billion worth of 364 days bills.

Treasury Bills (TBs) are short term debt instruments used by the Central Bank to borrow money from the public on behalf of the federal government. CBN also uses TBs to control money supply in the economy. N12.85 billion worth of 182 bills and N428.7 billion worth of 364 days bills would be sold.

## CBN Releases Framework for the Operationalization of CNI-ABS

By: Daba Olowodun



Central Bank of Nigeria

In furtherance of the positive developments in the financial markets, the Central Bank of Nigeria (CBN) has released a Framework for the operationalization of CBN Non-Interest Asset Backed Securities (CNI-ABS).

The new framework signed by the Director Financial Markets Department, Angela Sere-Ejembi, and released on June 9, 2022, delineated the objective

and structure of the CNI-ABS.

According to the framework, the objective of the CNI-ABS is to deepen the financial markets, increase financial inclusion and provide a liquidity management instrument in Nigeria that is compliant with non-interest finance principles.

Some features of the CNI-ABS as revealed in the revised guidelines include tradability as a financial instrument with rates determined by the returns on

the underlying asset. Furthermore, it shall qualify as a liquid asset for eligible institution's assets.

The CBN has stated that it would charge wakala (agency fees) in line with the provisions of the guidelines for the operation of non-interest financial institutions with rates ranging from 2.5% to 10% of the underlying return, depending on the tenor. These rates will however be subject to periodic review by the Bank.

## Obiora Tasks Agents on eNaira Adoption

By: Alhaji Auwalu



**Dr. Kingsley Obiora**  
Deputy Governor, Economic Policy, CBN

**T**he Deputy Governor, Economic Policy Directorate, Central Bank of Nigeria (CBN), Dr. Kingsley Obiora, has enjoined Agents engaged by the Bank to drive the adoption of eNaira across the country.

The Deputy Governor, who was represented by the Deputy Director, Information Technology Department, Mr. Musa Hamisu, stressed the importance of the role expected of agents. He noted that the Bank at this critical stage of implementation of the eNaira, needs the cooperation of the agents to drive its adoption by various stakeholders across the country.

He described digital currency as the next step in the evolution of payments system, adding that the eNaira was introduced not only to preserve the nation's currency but also to make business transactions less cumbersome.

Highlights of the workshop were presentations by various resource persons. Dr. Abduljelil Yusuf of the Information Technology Department delivered a paper titled: Brief on eNaira Projects: Objectives and Expectations; Mr. Osaretin Evbuomwan of the Research Department delivered a paper on the Target Audience for adoption and selling point.

Also making a presentation at the forum, Mr. Abubakar Zanna of Consumer Protection Department, delivered a paper titled: "Help Desk: an overview of the customer protection regulation, expatiating on the complaints management channels: the key provisions for dispute resolution within the CBN."

Other presentations were on Referral Code Usage or Sign up: Option and Process by Abdul Shadrach of Information Technology Department. 15 agents, drawn from across the country were in attendance at workshop.

## Online Bank Transfers above N1m Attract Indemnity

By: Ademola Bakare

**T**he Central Bank of Nigeria (CBN) has directed banks and Payment Service Providers to henceforth demand indemnity from customers for highly secured online funds

transfers.

The Director, Payments System Management Department, Mr. Musa Jimoh, stated this in a circular

dated June 2, 2022 and titled: 'Circular on the Review of Operations of The NIBSS Instant Payments System and Other Electronic Payment Options with similar features'.

According to the circular, commercial banks are required to comply to earlier requirements dated August 13, 2014.

The new directive requires Deposit Money Banks (DMBs) to accept indemnity from customers for highly secured online funds transfer above N1m for individual and N10m for corporate, subject to a maximum of N25m (individual) and N250m

(corporate).

The circular stated the banks should provide customers with the option of electronic or paper indemnity based on the customer's preference.

The banks are required to implement electronic indemnity with stricter controls requiring biometric verification of identify and adhere to multiple factor authentication for highly secured online funds transfer, as well as inform and educate customers on the use of indemnity to increase transaction limits where possible ".

## eNaira: Reserve Bank of Zimbabwe Visits CBN

By: Louisa Okaria



Given the similarities and peculiarities of their economies, the Central Bank of Nigeria (CBN) and the Reserve Bank of Zimbabwe (RBoZ) have initiated a joint knowledge exchange programme on the design, consideration and deployment of the Central Bank Digital Currency (CBDC).

Further to the collaboration, a delegation of the officials from the RBoZ visited the CBN on Monday June 27 2022 to share from Nigeria's experience on the evolving payment landscape, eNaira Design, architecture and implementation since its launch.

During the visit, the CBN Deputy Governor Economic Policy Directorate, Dr. Kingsley Obiora said prior to the launch of the eNaira on October 25, 2021, the CBN as part of its mandate to promote an efficient payments system, began research on CBDC in 2017. This involved extensive

desk research, study visits and collaborative engagements with the International Monetary Fund (IMF), Bank of International Settlements (BIS) and other Central Banks.

The Deputy Governor who was represented by the Director, Currency Operations, Department, Mr. Umar Ahmed Bello further added that, in achieving the launch of the eNaira which is a journey of phased outcomes, the Bank's Management was strategic in considering design choices, given the peculiarities of the Nigerian economy.

He also stated that the eNaira was expected to enhance financial inclusion, support poverty reduction, reduce the cost of processing cash, enable direct welfare disbursement to citizens, support a resilient payments ecosystem, improve availability and usability of Central Bank money and improve efficiency of cross-boarder payment.

Responding, the Zimbabwean delegation speaking through its team lead, Dr. Josephat Mutepfa, thanked the management of the CBN for the opportunity to learn from the Nigerian experience. He expressed optimism that the three-day knowledge exchange would help in charting the course towards the development of a digital Zimbabwean dollar.



# ACGSF: CBN Restates Commitment to Farmers

...Ifgreen Emerges Best Farmer for 2021

By: Alhaji Auwalu & Chimamaka Onuoha



Winners of the Agricultural Credit Guarantee Scheme Fund (ACGSF) 2021 Best Farmers Award

The Central Bank of Nigeria (CBN) has restated its commitment in supporting hard work, innovation, and productivity in the agricultural value chain of the country, in a bid to boost economic growth and development.

The Director, Development Finance Department of the CBN, Mr. Philip Yila Yusuf, disclosed this at the Agricultural Credit Guarantee Scheme Fund (ACGSF) 2021 Best Farmers award, held in Abuja on Thursday, June 30, 2022.

Mr. Yusuf, who was represented by the Secretary, ACGSF Board, Mr Edwin Nzelu, said that, the award ceremony was expected to serve as an incentive for participating farmers in the scheme as well as inculcate good repayment behaviour with a view to encouraging more participants in the scheme.

Furthermore, he said the award was more than a mere ritual of recognition for the best farmers, but an expression of the Bank's commitment to supporting those who were dedicated to supporting the agricultural value chain.

Speaking earlier, the Chairman, ACGSF Board, Mr. Stephen Okon said the award was introduced to recognize selected farmers that borrowed under the Scheme and repaid within the specified period, while adopting best agronomic practices to achieve good yields.

Mr. Okon also noted that the selection of the farmers was carried out in line with the highest tradition of transparency and accountability, adding that the criteria used for assessment were loan history, loan utilization, servicing and repayment, record keeping and productivity of the farmers.

In his goodwill message, the Branch Controller CBN, Abuja Branch, Mr. Ogbu Onyeka Michael, appreciated the Management of the CBN for the remarkable event and the establishment of the scheme, which he noted had undoubtedly served farmers, especially those 'who have demonstrated honesty and professionalism in channelling the loans availed by the participating financial institutions'.

Responding on behalf of the winners, The Managing Director, Ifgreen industries who emerged winner of the Best Farmers Award, Mr. Peter Chidubem Okonkwo thanked the Management of the Bank and board members of ACGSF for support given to the farmers.

Meanwhile, Almustapha Maigwandu Farms Limited clinched the first runner up position, with a credit loan facility of N1,600,000.00 for rice farming, while Wutin Dada Agro Farms Limited emerged in the third place in the 2021 Best Farmers of the year award ceremony after accessing N15,000,00.00 loan facility for maize farming under the ACGSF.

The award was also accompanied by a monetary reward of N1,000,000.00 for the overall winner, while first runner up and second runner up received the sum of N750,000 and N500,000 cash gifts, respectively.

The Agricultural Credit Guarantee Scheme Fund (ACGSF) Best Farmers' of the year Award was introduced to encourage and promote excellence and healthy competition among the farming enterprises.

# 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/>*





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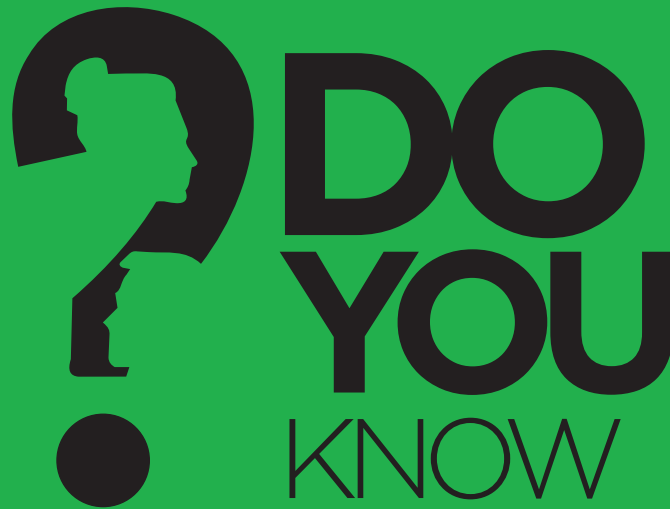
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Central Bank of Nigeria





**National Payments System (NPS):** is a policy created by the Central Bank of Nigeria to ensure that the system is available without interruption, meet as far as possible all users' needs, and operate at minimum risk and reasonable cost.

**BVN:** Bank verification number is used to uniquely verify the identity of each Bank's customer for 'know your customer' (KYC) purpose.

**Cash-less Policy:** Is an initiative introduced by the CBN to reduce the amount of physical cash circulation thereby encouraging the use of electronic platforms for settlement or payment for goods and services.

**NUBAN:** The Nigeria Uniform Bank Account Number is a 10-digit bank account numbering system. The scheme was first issued by CBN in August 2010, to achieve uniform customer bank account numbering structure among deposit money bank in Nigeria.

**PCI DSS:** Stands for Payment Card Industry Data Security Standard. It was developed to encourage and enhance cardholder data security and facilitate the broad adoption of consistent data security measures globally.

**Real-Time Gross Settlement (RTGS):** Is a payment system in which processing and settlement of high value funds occur on real time (that is without deferral) and gross (i.e. transaction by transaction) among participants.

**RTGS Payment Scheme Board** refers to the body responsible for ensuring that there is adequate measurement and management of liquidity, credit and operational risk management in the payment system

**LIQUIDITY RISK:** Is the risk that a party in a payment flow, whether a participant or other entity, is unable to meet its financial obligations when due, even though it may be able to do so in the future.

**OPERATIONAL RISK:** Is the risk that inadequacies in internal processes, human errors, management failures, information technology systems or disruptions from external events will result in the reduction, deterioration, or breakdown of services provided by the payment system.

**COMPLIANCE, LEGAL AND REGULATORY RISK:** Is the risk that arises from an unexpected or uncertain application of a law or regulation. These risks also arise between financial institutions as they clear, settle, and effect payments and other financial transactions and must be managed by institutions, both individually and collectively.



Central Bank of Nigeria