



DEVELOPMENT FINANCE DEPARTMENT (DFD) – REPORT OF THE ACTIVITIES OF THE BUSINESS UNIT FOR THE MONTH OF MAY, 2014

We provide herewith, the activities of the Development Finance Department for the month of May, 2014.

The activities undertaken by the Department in the period under review, contributed towards achieving the mandate of the real sector growth, financial inclusion and entrepreneurship development. The strategic initiatives implemented included: the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL), Commercial Agriculture Credit Scheme (CACS), Agricultural Credit Guarantee Scheme Fund (ACGSF), Agricultural Credit Support Scheme (ACSS), Interest Drawback Programme (IDP), Microfinance Policy, Financial Inclusion, Entrepreneurship Development, Power and Airline Intervention Fund (PAIF), Small and Medium Enterprises Credit Guarantee Scheme (SMECGS) and SME Restructuring/Refinancing. **Part 1** of the report reviews the real sector interventions; **Part 2** highlights financial inclusion activities, while **Part 3** dwells on entrepreneurship development initiatives and commodity promotion activities of the Department.

PART ONE: REAL SECTOR INTERVENTION INITIATIVES

1.1 Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)

NIRSAL is a mechanism designed to provide farmers with affordable financial products and reduce the risk of exposure of financial institutions that lend to the sector. It will also build the capacities of banks to lend to agriculture as well as provide incentives for those that are financing the sector.

1.1.1 Highlight of Activities/Achievements

- **1** credit risk guarantee (CRG) valued N7.5 million was issued during the month. Cumulatively, **forty six (46)** Credit Risk Guarantee (CRG) covers valued **N16.280 billion** were issued from inception to date.
- The sum of **N6.128 million** worth of IDP Claims (NIRSAL) was paid during the month under review. However, the cumulative value of IDP payments made from inception stands at **N146.118 million** for **74** projects.
- **Nine (9)** guarantees valued **N1.655billion** were approved under the Growth Enhancement Scheme (GES) in May, 2014. However, cumulative Growth Enhancement Scheme (GES) CRG granted amounted to **N21.555billion** in respect of **122 projects**.
- The sum of **N7.188 million** was advanced to **3 projects** through Unity bank Plc and Enterprise bank during the month. This brings the cumulative GES- IDP issued to **N188.844 million to 70 projects**.
- Held a meeting with Deposit Money Banks in Lagos, to brief the counterparties on the increase in the guarantee level of the NIRSAL CRG from 12.5% to 75%.

- Held a meeting with Sokoto State Ministry of Agriculture, Farmers Co-operatives and other key Stakeholders of the Rice and Tomato Value Chain on 16th May, 2014. The purpose of the meeting was to discuss issues of off – taker agreement, supply chain management etc. with respect to the N1.5Bn loan facility approved for the Rice and Tomato farmers in Sokoto State.
- A meeting was held with Gems 4 on 19th May, 2014 to discuss mode of partnership in improving efficiency of marketing, packaging, storage etc. of perishable farm produce.
- The NIRSAL team met with the Agricultural Department of the Federal Capital Development Authority (FCDA) on 7th May, 2014 to discuss mode of partnership in the development of beef and dairy Value Chains in the FCT.

1.1.2 Challenges

- Validity of information provided by counter parties for Credit Risk Guarantee;
- Review of the existing Credit Risk Guarantee Guidelines to reflect the 12.5% first loss principle in place of the face value currently being issued;
- Low public awareness and poor perception of NIRSAL, and
- Logistic limitations in respect of movement to NIRSAL head office located at Danube Street, Maitama.

1.1.3 Going Forward

- NIRSAL to provide guarantee on first loss basis.
- Guarantee to be extended only to projects focused on fixing the value chain.
- NIRSAL Exit from CBN is in progress
- To chart a way forward for ensuring sustainable financing operations of rice and tomato production.
- Improving the efficiency of finished products of perishable farm produce.

1.2 Commercial Agriculture Credit Scheme (CACS)

The Commercial Agriculture Credit Scheme (CACS) was established to finance large ticket projects along the agricultural value chain. The Scheme is being administered at a single digit rate of 9 per cent to beneficiaries for a period of seven years. State Governments, including the FCT can access a maximum of N1.0 billion each for on- lending to farmers' cooperatives or other areas of agricultural intervention In the period under review.

1.2.1 Highlight of Activities/Achievements

- No fund was released from CACS Receivables Accounts during the period under review. However, the sum of **N229.282 billion** has so far been released to the economy under CACS in respect of **304 projects** through **twenty (20) banks** made up of **N199.831 billion** from CACS Receivable Account for **273 projects** and **N29.451 billion** from CACS Repayment Account for **31** new projects and **15** enhancements.
- The sum of **N701.41 million** was released from the CACS Repayment account to **two (2)** participating banks for **two (2)** projects in May, 2014.

- **304** beneficiaries made up of **274 private promoters** and **30** State Governments including the FCT has been sponsored under CACS. The sum of **N39.0 billion** has been accessed by **30** State Governments and the FCT.
- The sum of **N2.340 billion** was repaid by **two (2)** banks in respect of **three (3) projects** during the month, bringing the total repayment to **N39.888billion** in respect of **74 projects**.
- The balance on CACS Fund as at end of May, 2014 was **N0.169 billion**
- The balance on CACS Repayment Account as at end May, 2014 was **N10.437 billion**.
- Access Bank was fined the sum of **N353.395** million being sanction for infraction of the CACS Guidelines during the month. Cumulatively, the total penalty charged for infractions, stood at **N1.242 billion** from inception in 2009 to May, 2014.
- From inception in 2009 to date, **165,510 jobs** were created through the Scheme;
- **Two** out of the **274** private projects are owned and managed by women.
- Committee of Governors at its 343rd meeting approved CACS exit date from 2016 to **2025**.

Table 1: Total Disbursements by Banks under CACS.

		Receivable from DMBs Accounts		Repayment Account			Total Amount Released
Financing Bank		Projects	Amount Released to Banks (N'Bn)	Projects New Project Enhancement		Amount released (N'Bn)	
1	Access Bank Nigeria Plc	11	10.326	3	0	1.75	12.076
2	Citibank	2	3	0	0	0	3
3	Diamond Bank	12	2.744	1	0	0.3	3.044
4	EcoBank Plc	7	3.82	1	1	0.64	4.46
5	Enterprise Bank	6	0.519	0	0	0	0.519
6	Fidelity Bank Plc	8	8.575	0	2	2.275	10.85
7	First Bank of Nigeria	62	22.359	5	1	4.369	26.728
8	First City Monument Bank	8	4.785	3	1	0.57	5.355
9	Guaranty Trust Bank Plc	9	5.8	0	0	0	5.8
10	Heritage Bank	0	0	1	0	0.5	0.5
11	Mainstreet Bank (AfriBank)	1	2	0	0	0	2
12	Keystone Bank	1	0.2	2	0	1.905	2.105
13	Skye Bank Plc	7	9.217	0	1	0.375	9.592

14	Stanbic IBTC	23	11.742	5	1	1.764	13.506
15	Sterling Bank	14	7.193	3	4	5.133	12.326
16	Union Bank Plc	21	18.167	0	0	0	18.167
17	United Bank for Africa Plc	35	41.757	0	0	0	41.757
18	Unity Bank Plc	23	19.932	1	1	2.35	22.282
19	Wema Bank	5	0.74	1	2	0.37	1.11
20	Zenith Bank Plc	18	26.955	5	1	7.15	34.105
	Total	273	199.831	31	15	29.451	229.282

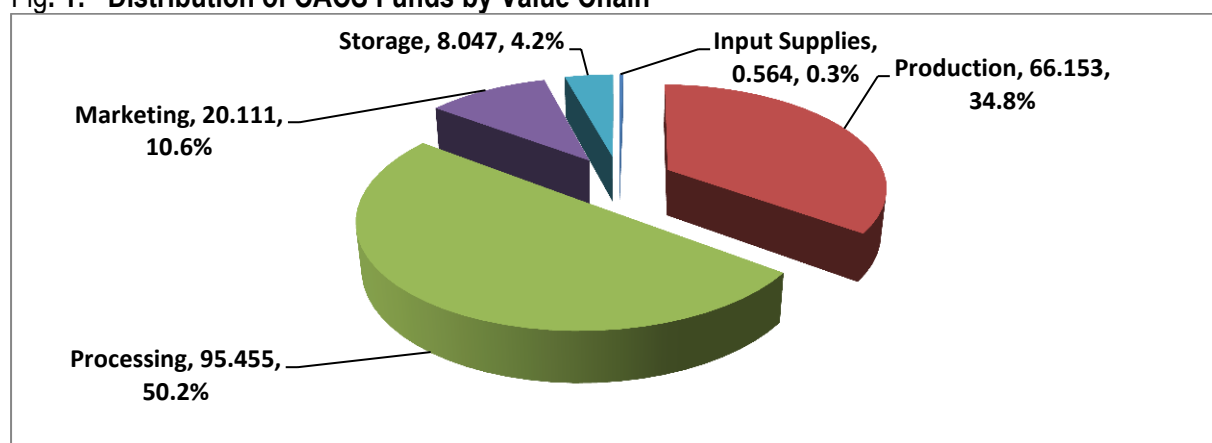
Analysis of CACS performance by value chain showed that out of the **274** CACS private sector sponsored projects (from both receivable and Repayment Accounts), production dominated the activities funded with 50.73%, followed by processing which accounted for 38.59%, while marketing, storage and Input supplies accounted for 5.47%, 4.74% and 0.36% respectively.

In terms of the volume of funds released, processing accounted for 50.2%, followed by production which accounted for 34.8%. Marketing, storage and input supplies accounted for 10.6%, 4.2% and 0.3% respectively (Table 2)

Table 2: Analysis of CACS Financed Private Projects by Value Chain as at May, 2014.

Category	Number (%) of Projects	Value {N'billions and %}
Input Supplies	1 (0.36%)	0.564 (0.3%)
Production	139 (50.73%)	66.153 {34.8%}
Processing	105 (38.59%)	95.407 {50.2%}
Marketing	15 (5.47%)	20.111 {10.6%}
Storage	13 (4.74%)	8.047 {4.2%}
Total	274	190.282

Fig. 1: Distribution of CACS Funds by Value Chain



1.2.2 Challenges

- Non-adherence to CACS guidelines by banks.
- Poor monitoring of projects by some participating banks.

1.2.3 Going Forward

- Improved monitoring of CACS projects by CBN.
- Impact Assessment to ascertain the actual gains of CACS.
- Need to conduct documentary exercise to sensitize the public on CACS.

1.3 Agricultural Credit Guarantee Scheme (ACGS)

The ACGS was established in 1977 to provide 75 per cent guarantee for loans granted to the agricultural sector by Banks. The Scheme pays 75 per cent of any outstanding default balance to the bank after the security pledged has been realized.

1.3.1 Loans Guaranteed

As at May 2014, a total of **4,811 loans valued N997.09** million was granted by four (4) commercial and some Microfinance banks compared to 5,284 loans valued N843 million guaranteed in April, 2014. This showed a decrease of 473 or 8.95% in number and an increase of N154 million or 18.27% in value. The total loans guaranteed from inception in 1978 to May, 2014 is **886,703 valued N75.926 billion.**(Table 3)

The Performance of ACGS in the month of May, 2014:

PARAMETERS	May, 2014 POSITION	April, 2014 POSITION
1.Guaranteed Loans	Guaranteed 4,811 loans valued N997.09 million in May, 2014 as against 5,284 loans valued N843 million guaranteed during the same period in April, 2014. This showed a decrease of 473 or 8.95% in number and an increase of N154 million or 18.27% in value .The total loans guaranteed from inception in 1978 to May, 2014 is 886,703 valued N75.926 billion.	Guaranteed 5,284 loans valued N843.031 million in April, 2014 as against 10,192 loans valued N957.315 million guaranteed during the same period in March, 2014. This showed an increase of 4,908 or 48.16% in number and a decrease of N114.284 million or 11.94% in value .The total loans guaranteed from inception in 1978 to April, 2014 is 881,892 valued

		N74.929 billion.
2.Number of Loans Guaranteed ranked on State Basis	<p>May, 2014: The breakdown of the May, 2014 performance is as follows:</p> <p>Highest: Delta State with 1,354 (28%) valued N92.147 million (9.24%).</p> <p>Second: Adamawa State with 440 loans (9%) valued N88.445 million (8.87%).</p> <p>Third: Sokoto State with 325 loans (7.00%) valued N24.605 million (2.47%).</p>	<p>April, 2014: The breakdown of the April, 2014 performance is as follows:</p> <p>Highest: Delta State with 2,151 (40.71%) valued N71.66 million (8.50%).</p> <p>Second: Edo State with 595 loans (11.26%) valued N66.865 million (7.93%).</p> <p>Third: Kebbi State with 411 loans (7.78%) valued N128.898 million (15.29%).</p>
3.Number of Loans Guaranteed by Size of Loan	<p>May, 2014 - The breakdown of the May, 2014 performance is as follows:</p> <p>N5,000 and below = nil</p> <p>N5,001 - N20,000 = 375 loans valued N7.219m</p> <p>N20,001-N50,000 = 1,018 loans valued N36.693m</p> <p>N50,001-N100,000 = 1,429 loans valued N158.005m</p> <p>Above N100,000 = 1,989 loans valued N795.168m</p>	<p>April, 2014 - The breakdown of the March, 2014 performance is as follows:</p> <p>N5,000 and below = nil</p> <p>N5,001 - N20,000 = 1,328 loans valued N24.855m</p> <p>N20,001-N50,000 = 1,252 loans valued N46.182m</p> <p>N50,001-N100,000 = 991 loans valued N80.615m</p> <p>Above N100,000 = 1,713 loans valued N691.379m</p>
4.Number of Loans Guaranteed by Category of Loan	<p>May, 2014 - The breakdown of the performance is as follows:</p> <p>Individuals = 4,749 loans valued N977.235mn</p> <p>Informal Groups = 54 loans valued N9.950mn</p> <p>Co-operatives = 2 loans valued N1.100mn</p> <p>Companies = 6 loans valued N8.800mn</p>	<p>April, 2014 - The breakdown of the performance is as follows:</p> <p>Individuals = 5,179 loans valued N738.031bn</p> <p>Informal Groups = 100 loans valued N100.000bn</p> <p>Co-operatives = nil</p> <p>Companies = 5 loans valued N5.000mn</p>

5.Loans Guaranteed by Purpose	<p>May, 2014 - The breakdown of loans granted by purpose is the following:</p> <p>Livestock = 483 loans valued N 177.076m</p> <p>Fisheries = 319 loans valued N23.801m</p> <p>Mixed crops = 881 loans valued N200.390m</p> <p>Food Crops = 2,789 loans valued N441.038m</p> <p>Cash Crops = 70 loans valued N18.610m</p> <p>Others = 269 loans valued N136.170m</p>	<p>April, 2014 - The breakdown of loans granted by purpose is the following:</p> <p>Livestock = 677 loans valued N142.613m</p> <p>Fisheries = 212 loans valued N32.495m</p> <p>Mixed crops = 911 loans valued N41.814m</p> <p>Food Crops = 2,802 loans valued N598.108m</p> <p>Cash Crops = 644 loans valued N22.020m</p> <p>Others = 48 loans valued N5.980m</p>
6. Loan Repayment	<p>A total of 2,333 loans valued N542.785 million was fully repaid under the Scheme in May, 2014 as against 4,451 loans valued N575.952mn that was recovered in April, 2014. This brings the cumulative fully repaid loans from inception to May, 2014 to 666,892 valued N51.995 billion.</p>	<p>A total of 4,451 loans valued N575.952 million was fully repaid under the Scheme in April, 2014 as against 3,698 loans valued N849.480mn that was recovered in March, 2014. This brings the cumulative fully repaid loans from inception to April, 2014 to 664,559 valued N51.452 billion.</p>
7.Loans Repayment by State	<p>May, 2014 - The breakdown of performance is as follows:</p> <p>Highest: Taraba State with 346 loans (15%) valued N9.830m (1.81%).</p> <p>Second: Zamfara State with 335 loans (14%) valued N24.750m (4.56%).</p> <p>Third: Delta State with 266 loans (11%) valued N179.420m (33.06%).</p>	<p>April, 2014 - The breakdown of performance is as follows:</p> <p>Highest: Sokoto State with 730 loans (16.40%) valued N56.523m (9.81%).</p> <p>Second: Edo State with 619 loans (13.91%) valued N40.440m (7.02%).</p> <p>Third: Zamfara State with 406 loans (9.12%) valued N7.991m (1.39%).</p>
8.ACGSF Claims Settled	<p>No ACGSF claim was settled in May, 2014. However, the cumulative number of settled claims from inception to date is 14,691 valued N546.932 million</p>	<p>211 ACGSF claims valued N16.442 were settled in April, 2014. The cumulative number of settled claims from inception to date is 14,682 valued N546.94 million</p>

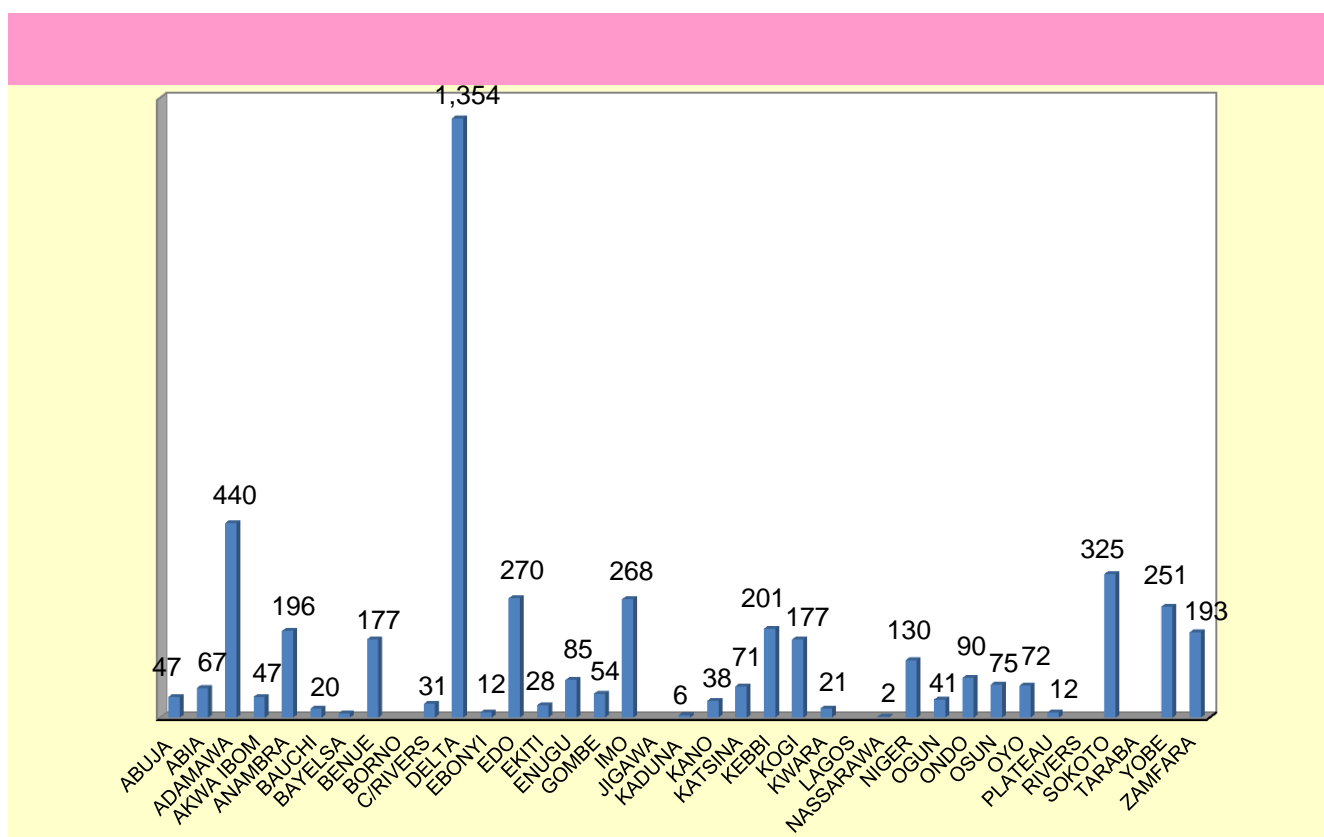
9. IDP Claims Settled	<p>3,259 IDP claims valued N26.706 million were settled in May, 2014. This brings the total number and value of IDP claims settled since inception in 2003, to 246,426 valued N1.936 billion.</p>	<p>1,400 IDP claims valued N22.114 million were settled in April, 2014. This brings the total number and value of IDP claims settled since inception in 2003, to 240,665 valued N2.049 billion.</p>
10. Banks' Performance under the ACGS	<p>Performance of banks under the ACGS as at <u>May 2014:</u></p> <p><u>(i) Banks</u></p> <p>4 Banks granted a total of 928 loans valued N449.600million under the ACGS as at end of May, 2014. The breakdown of the disbursements by the banks is as follows: Diamond Bank Plc.: {5 loans valued 5.00m}</p> <p>First Bank of Nigeria (FBN) Plc. {219 loans valued N121.350m}; Union Bank of Nigeria {574 loans valued N295.950m}; Keystone Bank {130 loans valued N27.300m}and</p> <p><u>(ii) Microfinance Banks (MFBs)</u></p> <p>MFBs granted a total of 3,883 loans valued N547.485million under the ACGS in May, 2014.</p>	<p>Performance of banks under the ACGS as at <u>April, 2014:</u></p> <p><u>(i) Banks</u></p> <p>3 Banks granted a total of 1,076 loans valued N501.95million under the ACGS at the end of April, 2014. The breakdown of the disbursements by the banks is as follows: Diamond Bank Plc.: {10 loans valued 10.0m}</p> <p>First Bank of Nigeria (FBN) Plc. {437 loans valued N149.48m}; Union Bank of Nigeria {629 loans valued N342.47m).</p> <p><u>(ii) Microfinance Banks (MFBs)</u></p> <p>15 MFBs granted a , total of 4,208 loans valued N341.08million under the ACGS in April, 2014.</p>
11. Number of Memoranda of Understanding (MOUs) signed under the Trust Fund Model.	<p>No new Memorandum of Understanding (MOU) was signed by the Department under the TFM during the period under review. However, 58 Stakeholders made up of State Governments, Multinational Agencies, LGAs, NGOs and Individuals signed MOUs under the programme and placed/ pledged a total sum of N5.654 billion.</p>	<p>No new Memorandum of Understanding (MOU) was signed by the Department under the TFM during the period under review. However, 58 Stakeholders made up of State Governments, Multinational Agencies, LGAs, NGOs and Individuals signed MOUs under the programme and placed/ pledged a total sum of N5.654 billion.</p>
12. ACGSF Resources	<p>The total resources of the Agricultural Credit Guarantee Scheme Fund stood at N5.957 billion as at May, 2014.</p>	<p>The total resources of the Agricultural Credit Guarantee Scheme Fund stood at N5.957 billion as at April, 2014</p>

13. IDP Resources	The total resources of the Interest Drawback Programme Fund as at May, 2014 stood at N 1. 709billion.	The total resources of the Interest Drawback Programme Fund as at April, 2014 stood at N 1. 709billion.
14. Expenses Recoverable Payable to the Managing Agent (CBN)	The recoverable expenses payable as at the end of May, 2014 stood at N52.22 million.	The recoverable expenses payable as at the end of April, 2014 stood at N58.14 million.

1.3.2 DISTRIBUTION OF GUARANTEED LOANS BY STATE

The analysis of loans guaranteed indicated that **Delta State** granted the highest number of loans with **1,354 loans**, followed by **Adamawa** and **Sokoto States** which granted **440** and **325** loans respectively, during the period under review (Fig 2)

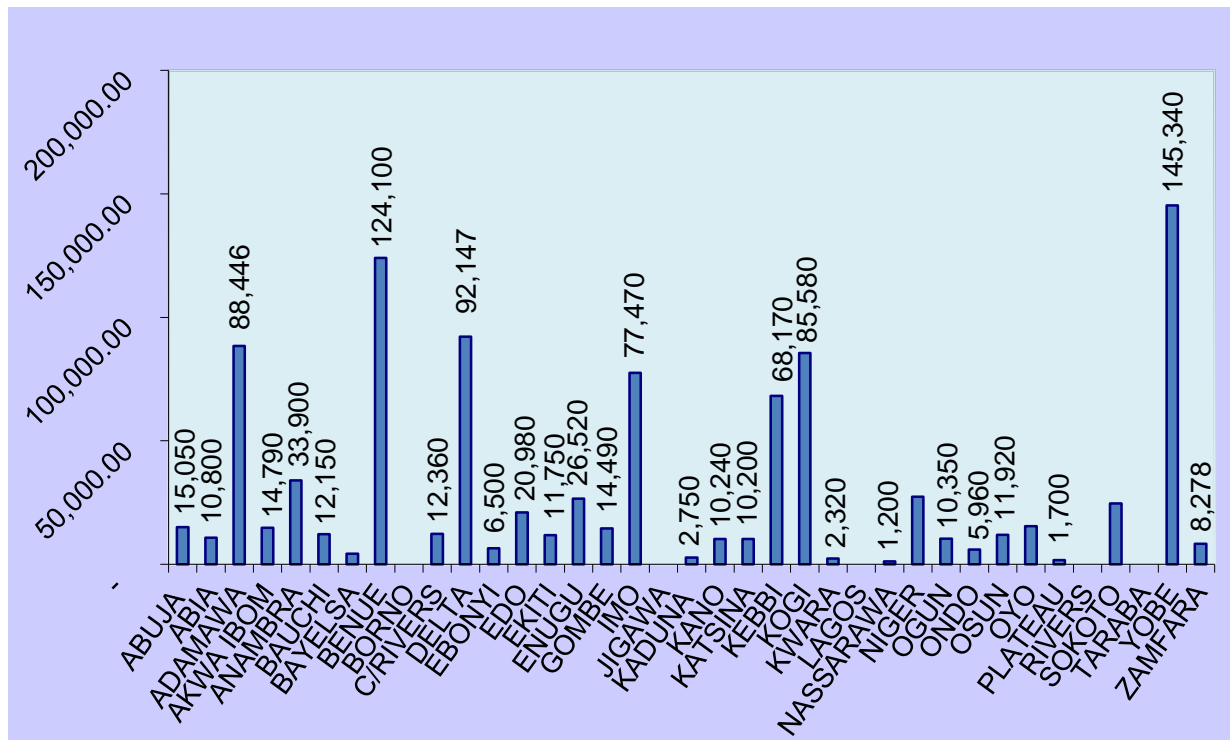
Fig. 2: Distribution of Loans Guaranteed by States by Number as at May, 2014



The analysis of loans guaranteed by value indicated that **Yobe State** granted the highest with

N145.340million followed by **Benue** and **Delta States** which granted **N124.100million** and **N92.147 million** respectively, (Fig.3)

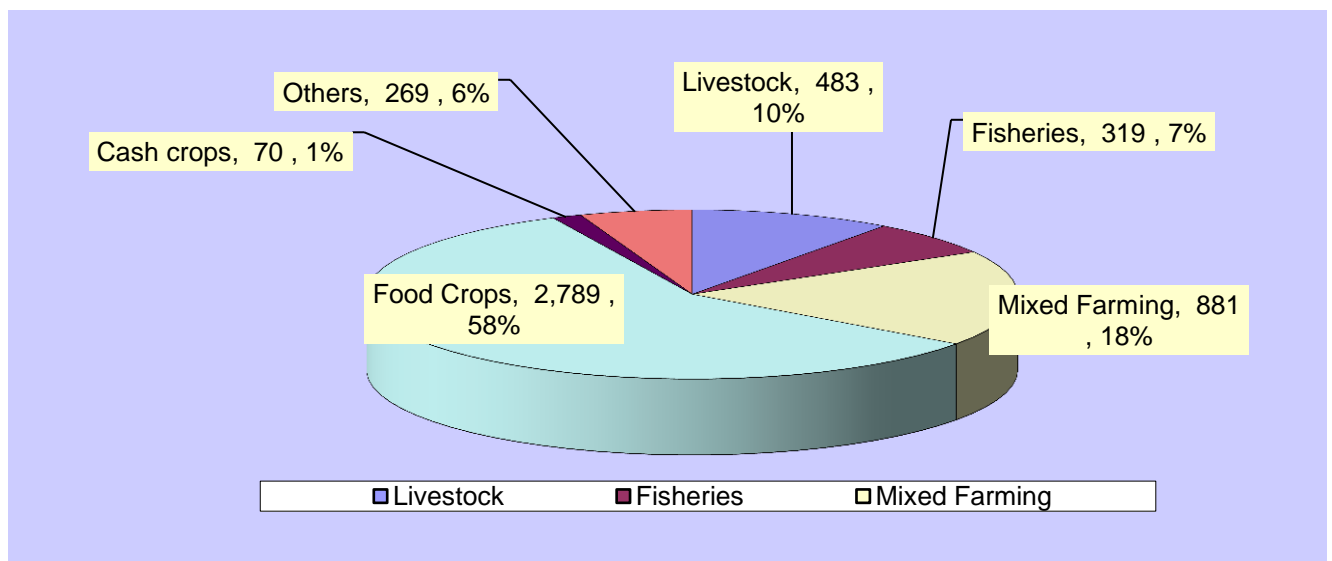
Fig. 3: Distribution of Loans Guaranteed by States by Value as at May, 2014



1.3.3 DISTRIBUTION OF LOANS BY PURPOSE

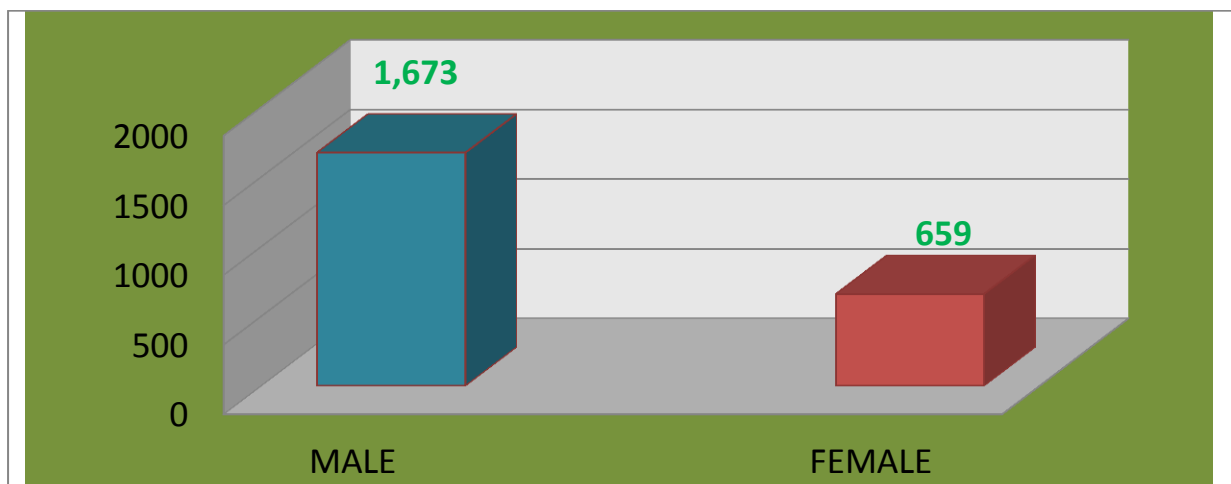
The distribution of number of the loans guaranteed by purpose indicated that Food Crops accounted for 2,789 loans (58 per cent), followed by Mixed farming and Livestock which recorded 881 loans (18 per cent) and 483 loans (10 per cent) respectively. (Fisheries, Others and Cash Crops) recorded 319 loans (17 per cent), 269 loans (6 per cent) and 70 loans (1 percent) respectively (Fig 4.)

Fig. 4: Distribution of Loans Guaranteed by Purpose as at May, 2014



1.3.4 Analysis of Loans Guaranteed by Gender of Borrowers

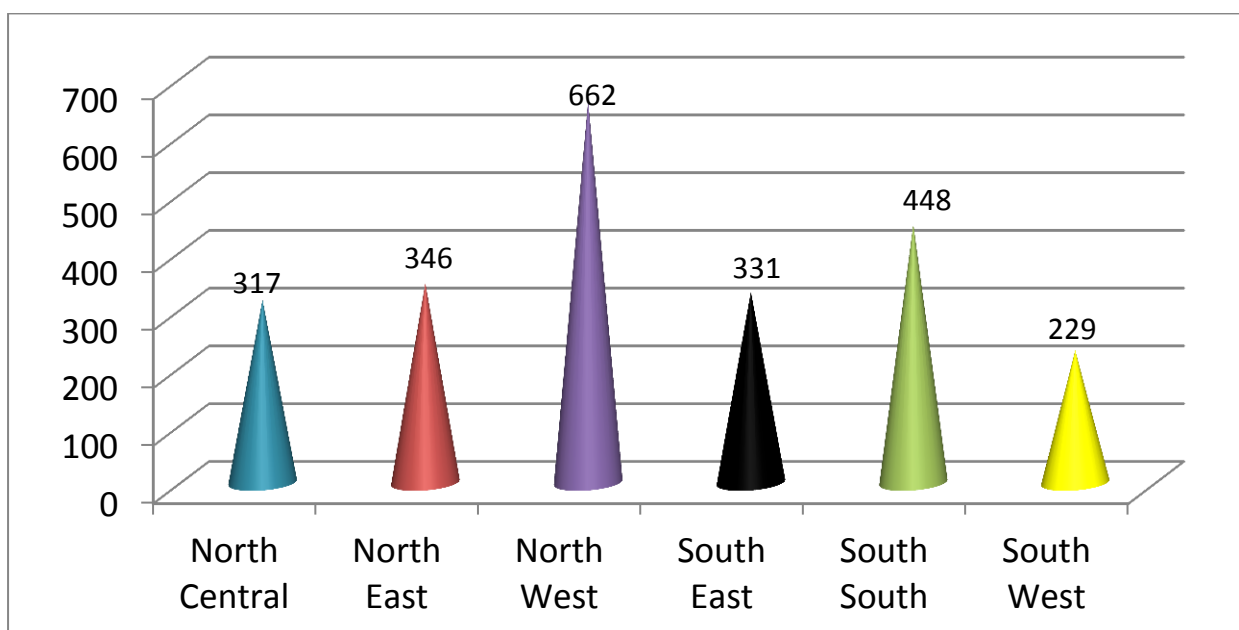
In May, 2014, a total of 3,238 male beneficiaries obtained loans under the ACGS, amounting to N769.781million, while 1,566 female borrowers received N217.704 million.



1.3.5 LOANS ANALYSIS BY GEO-POLITICAL ZONES

Analysis of number of loans guaranteed by States in the geo-political zones in May 2014, showed that the **South-South zone** comprising (Akwa-Ibom, Bayelsa, Cross-River, Delta, Edo, and Rivers States), guaranteed the highest with **1,712 loans valued N144.587**, followed by the **North-East** which comprises (Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe) with **834 loans valued N124.243mn**. The **North-East** (Adamawa, Bauchi, Borno, Gombe, Taraba, came in third with **765 loans valued N260.425 million**, (Fig.5).

Fig. 5: Distribution of Loans Guaranteed by Number and Geo-Political Zones In May, 2014



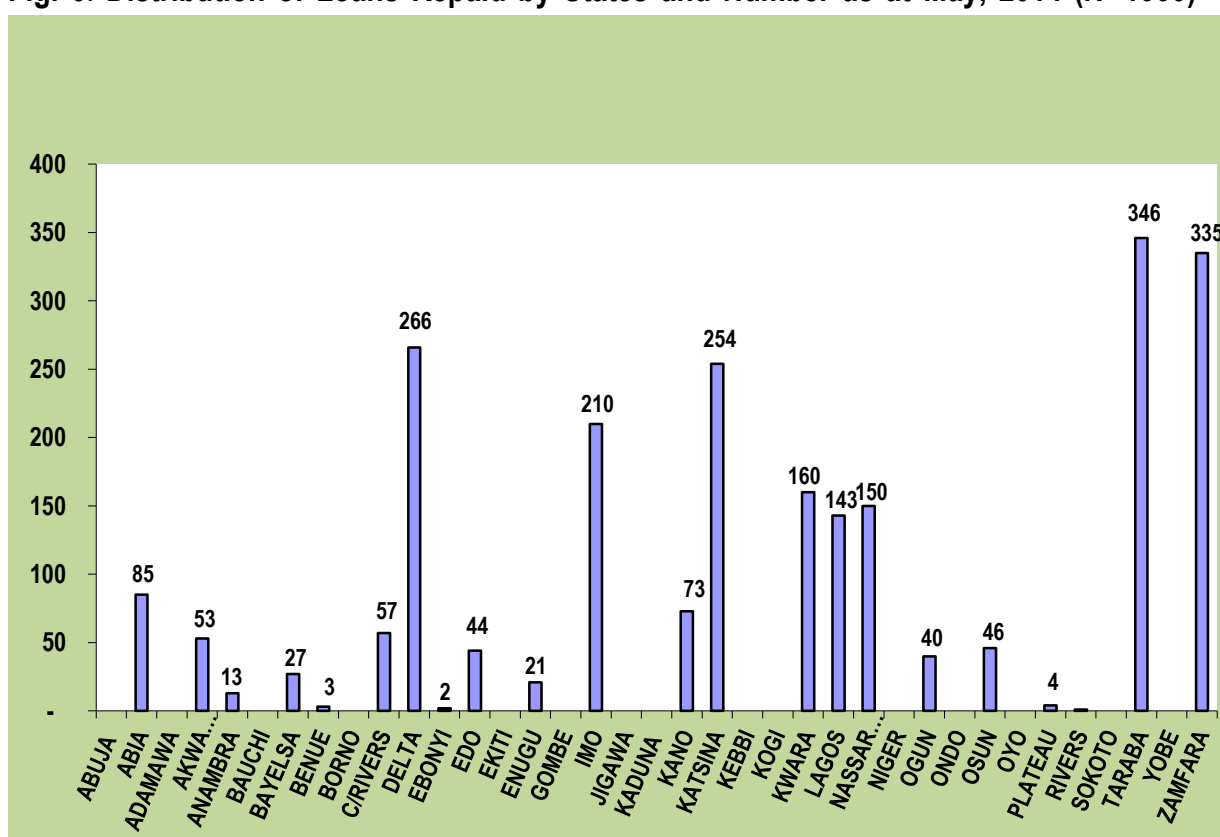
1.3.6 Loans Repayment

A total of **2,333 loans valued N542.785 million** was fully repaid under the Scheme in May, 2014 as against 4,451 loans valued N575.952mn that was recovered in April, 2014.

This shows a decrease of 2,118 (47.58%) and N33.167 (5.76%) in number and value when compared with repayments in April, 2014. This brings the cumulative fully repaid loans from inception to May, 2014 to **666,892 valued N51.995 billion**.

An analysis of repayment by States showed that **Taraba State** had the highest with **346 loans** which represents 15 per cent in number, followed by **Zamfara** and **Delta States** which recorded **335** and **266 loans**, respectively, representing 14.3 per cent and 11.4 per cent in number respectively.

Fig. 6: Distribution of Loans Repaid by States and Number as at May, 2014 (N '1000)

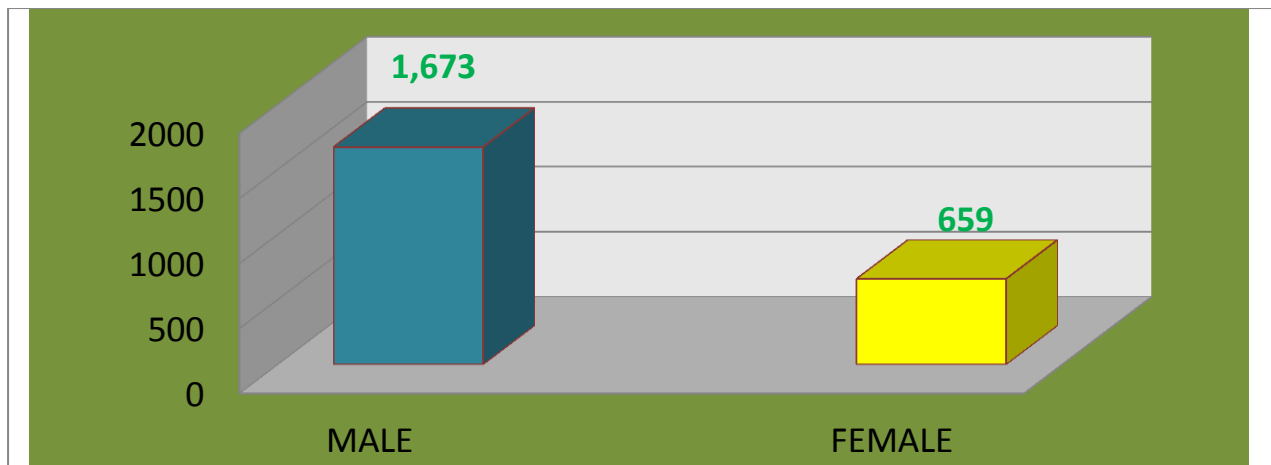


1.3.6.1 Loans Repayment by Gender of Borrowers

In May, 2014, the analysis of repayment by gender of borrowers (Fig: 8), showed that 1,673 (71.71%) which represented male beneficiaries repaid N351.342 million (64.73%) while, 659 loans (28.25%) valued N191.143million (35.22%) were repaid by female borrowers.

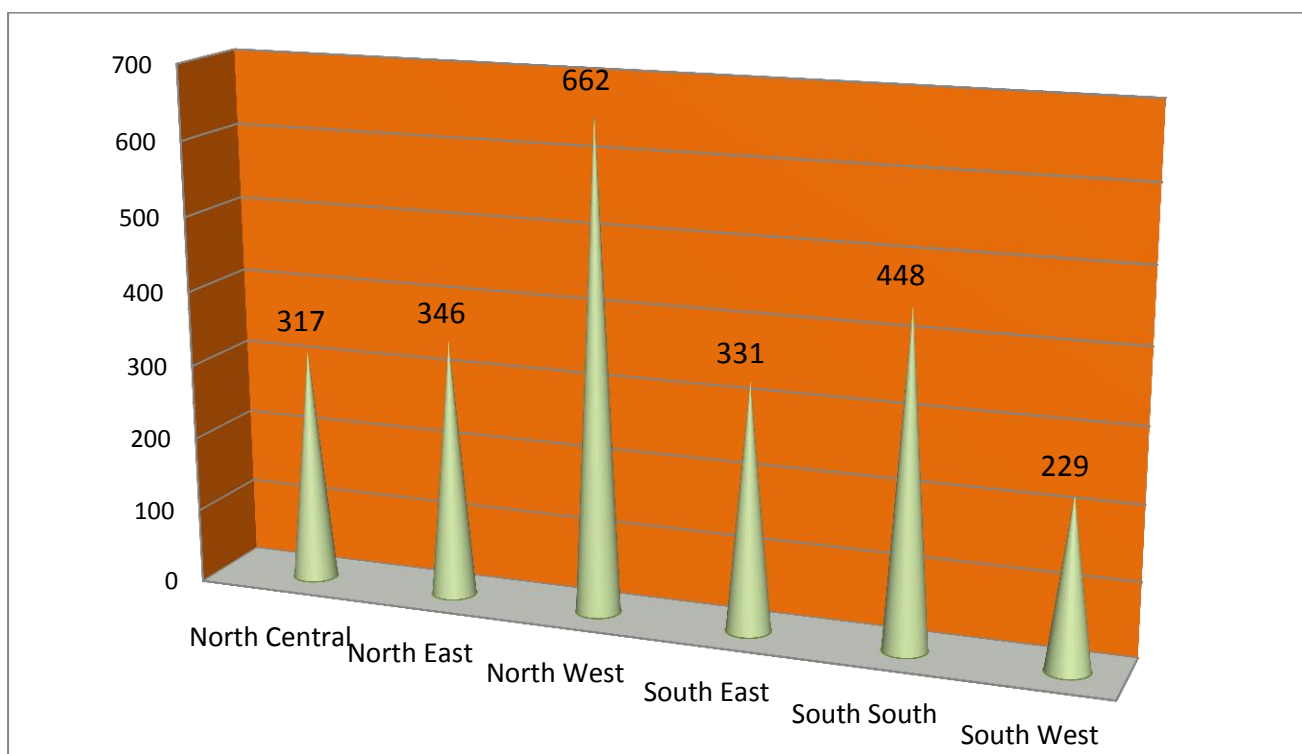
Fig: 7: Distribution of Loans Repaid by Gender May, 2014

1.3.6.2 Loans Repayment by States/Geo-Political Zones.



Analysis of loan repayments on geo-political zone basis in May 2014, revealed that **North-West zone** made up of (Kaduna, Kano, Katsina, Kebbi, Jigawa, Sokoto and Zamfara) repaid the highest with **662 loans valued N69.210 million**, followed by **South-South zone** comprising (Akwa-Ibom, Bayelsa, Cross-River, Delta, Edo, and Rivers States) with **448 loans valued N219.250**. The **North-East** (Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe) came in third with **346 loans** amounting to **N9.830 million**. (Fig: 8).

Fig: 8: Distribution of Loans Repaid by Geo-Political Zones and Number May, 2014



1.3.6 ACGS Claims Settlement

No ACGSF claim was settled in May, 2014. However, the cumulative number of settled claims from inception to date is 14,691 claims valued N546.932 million

1.3.7 Interest Draw-Back Programme (IDP) Claims Settlement

3,259 IDP claims valued N26.706 million were settled in May, 2014. This brings the total number and value of IDP claims settled since inception in 2003, to 246,426 claims valued N1.936 billion.

1.3.8 Agricultural Credit Support Scheme (ACSS)

The Agricultural Credit Support Scheme was established to finance large ticket agricultural projects with an interest rebate of 6 per cent upon timely repayment of the facility. As at end May 2014, no rebate was paid, however the total rebate paid from inception stood at **N876.79 million for 46 projects.**

1.4 N200 Billion SME Credit Guarantee Scheme (SMECGS)

The N200 Billion Small and Medium Enterprises Credit Guarantee Scheme (SMECGS) was established in April 2010 to fast-track the development of the manufacturing and SME sub-sector by providing guarantee for banks' credit. The activities covered under the Scheme include Manufacturing, Agricultural Value Chain and Educational Institutions.

- In May, 2014, a total of **four (4)** applications valued **N155.235 million** was approved under the scheme. This brings to **76 (Seventy-six)**, the number of projects valued **N3.371 billion** that had been guaranteed from inception.
- A total of **six (6)** projects valued **N237.500 million** was repaid during the month. Accordingly, **twenty nine (29)** projects valued **N1.796 billion** have so far been repaid since inception of the scheme.

1.5 N200 Billion SME Restructuring/Refinancing Fund (RRF)

The N200 Billion SME Restructuring /Refinancing Fund (RRF) was established by the Central Bank of Nigeria (CBN) in March, 2010 to re-finance and restructure banks' existing loan portfolios to manufacturers to achieve double-digit growth in line with the FSS 2020 SME financing target of 20 per cent of total credit to the economy.

1.5.1 UPDATE ON SME/RRF

- No fund was released in the month of May, 2014.
- The total sum of **N288.975 billion** had been released to BOI, and disbursed to **573 projects** from inception to date.
- In May 2014, total repayment received into the repayment account stood at **N8.230 billion**
- Total disbursement for projects from repayments proceeds under SMERRF stood at **N71.725 billion** from inception to date.

1.6 Power and Airline Intervention Fund (PAIF)

The sum of N500 billion was approved by the Monetary Policy Committee in 2010 for investments in debentures issued by the Bank of Industry (BOI) out of which the sum of N300

billion would finance power and airline projects and N200 billion for RRF. PAIF was designed as part of the quantitative easing measure to address the paucity of long-term credit and acute power shortage in the country.

1.6.1 Updates

- No fund was disbursed under the Power and Airline Intervention Fund (PAIF) in May, 2014.
- Cumulatively, the sum of **N233.161 billion** had been released to BOI and disbursed through banks to **51 projects (36 power projects received N115.734 billion while 15 airline projects had N117.427 billion)** (Table 4, 5).

Table 4 - Summary of Funds Released to BOI since inception

APPROVED FUND	(N)300.00 Billion (N)	2010
Net Amount Released (N)	233.161 billion	As at May, 2014
Total Amount Disbursed to Banks (N)	233.161 billion	-do-
Amount Approved for Release to BOI	237.23 billion	-do-
Balance of un-utilized PAIF fund	62.77 billion	-do-

Table 5: Summary of Projects/fund approved for release to BIO as at May, 2014

Type	No. of Obligors	No. of Projects	Amount (N)
Airline projects	10	15	117,427,097,372.74
Power projects	24	36	115,734,395,792.85
Total	34	51	233,161,493,165.59

1.6.2 PAIF LOAN REPAYMENT

No repayment was remitted by the BOI to CBN under the PAIF in the month of May, 2014. However, the total repayments stood at **N32.363 billion**.

PART TWO: ENTREPRENEURSHIP DEVELOPMENT INITIATIVES

2.0 Entrepreneurship Development Centres (EDC)

The Entrepreneurship Development Centres were initiated by the bank to unleash the entrepreneurial spirit of youths to own/set up their businesses, create employment and reduce poverty.

2.1 Activities:

- ✚ The department Participated at the 2014 Student for the Advancement of Global Entrepreneurs (SAGE) Annual Exhibition and Awards held in Abuja from 13th to 14th May 2014, where they presented the keynote address.
 - Four schools emerged as FCT Chapter winners and the winner for National level would represent Nigeria at the 2014 SAGE World Cup scheduled to hold in Moscow 8 to 15th August 2015.
- ✚ A meeting of the Task Force on the initiative for financial inclusion for women entrepreneurs in Nigeria was held during the period. Enhancing Financial Innovation and Access (EFInA) made a presentation on the outcome of the survey on “Landscape of Women’s Financial Inclusion in Nigeria,” carried out in 2012.

The meeting highlighted the following:

- 16.2 million women (38.3%) are formally served
 - 7.7 million Women (18.2%) are informally served
 - 18.4 million Women (43.5%) are financially excluded.
- The Department requested for expression of interest through Advert placements in the National dailies in respect of the hosting and operation of the CBN-EDCs in the south west. 38 firms and 3 state governments (Ekiti, Oyo & Osun) responded.

2.1.2 Challenges

- Keeping to the timeline and securing stakeholders buy-in.
- Keeping to timeline in selecting consultants to operate the centers.
- Identifying the financing products for the EDC Graduates to key-in.

2.1.3 Going Forward

- Engaging the would-be host State governments to operate under the Tripartite Agreement.
- Consultants to be selected, approved and engaged by Management to operate the Centres.
- Continue to collaborate with SAGE to encourage upcoming entrepreneurs.
- Continue to sensitize the National, State and community on effective advocacy and prudent use of the funds.

2.1 MICROFINANCE MANAGEMENT

- Held a Meeting with the IFAD/RUFIN implementing departments of the bank (Other Financial Institutions and research Departments) to review the report submitted by the Consultant engaged to assess institutional capacity and strategic plans of (NAMB & ANMFIN) Microfinance Bank & Non-Bank MFI Apex Associations.
- ✚ Some of the amendment recommended for the NAMB Constitution include:
- Development of work plans; budget and performance measures for Apex Associations.

- Appointment of External Auditor by National Executive Council (NEC) taking the new tenure into cognizance
- Review of signatories to NAMB
- Development of exit strategy for RUFIN project and release of report and recommendations of the Committee for Managements' consideration.

2.1.3 Going Forward

- Follow up on the NAMB's amendment to ensure compliance by the bank.
- Review of ANMFIN constitution and activities to be held in due course

2.2 MSME DEVELOPMENT FUND (MSMEDF)

1. Sensitization exercise on MSMEDF was carried in Awka, Anambra State on the modalities for accessing the Fund during the period. The exercise was in continuation of the nationwide sensitization workshop for stakeholders under the Fund.
2. A total of 5 (five) pre-MOU signing meetings have been held with five State Governments (Kano, Imo, Enugu, Osun and Gombe) to assess the level of preparedness of their SPVs. Kano state MOU has been signed.

2.2.1 Challenges

- Embarking on awareness exercise on the MSMEDF to achieve wider outreach
- To emphasize prompt repayment for appropriate fund tunnelling.
- Secure the buy-in of State Govts/FCT in respect of MSMEDF

2.2.2 Going Forward

- To chart a way forward towards sustainable financial management, procurement and strategic direction for the Programme.
- Continue to collaborate with the Stakeholders on the way forward

PART THREE: FINANCIAL INCLUSION ACTIVITIES (FI)

Financial Inclusion is the delivery of financial services at affordable prices and terms to the generality of the populace especially the disadvantaged and low income segment of the society.

During the period under review, a number of activities were carried out. Some of these include:

3.0 PRESENTATION AT THE WORKSHOP ON FINANCIAL INCLUSION STRATEGIES ORGANIZED BY THE CHARTERED INSTITUTE OF STOCKBROKERS IN NIGERIA

1. The Department made a presentation at the Chartered Institute of Stockbrokers National Workshop held from the 23rd – 25th April 2014 at the Transcorp Hilton Hotel Abuja. Deliberations centred on strategies to promote financial inclusion in both the financial and the capital markets.

The highlights include:

- Development of innovative products to cater for the excluded from the financial system
- Promoting inclusion through small units trading in treasury bills.
- Developing an effective identification scheme/unified database for both capital and money markets.
- Establishing well-structured Foreign Direct investments to ensure that a percentage of funds got into the capital market.

3.1 PARTICIPATION AT THE WORLD ECONOMIC FORUM SUMMIT ON 'PROMOTING GLOBAL FINANCIAL INCLUSION

- The Department participated at the World Economic Forum on promoting Global Financial Inclusion held at the Bangladesh hotel. The bank at the panel Interview session highlighted the steady progress the country was making towards achieving the 20% exclusion rate targeted for 2020.

The following were some of the suggestions made during the forum:

- Percentage of excluded adult Nigerians dropped from 46.3% in 2010 to 39.7% in 2012.
- Expanding the services provided by telcos to include savings, insurance and pensions;
- Reviewing existing regulatory framework to identify areas of collaborations between telcos and financial services providers;
- Increasing formal identification procedures to include all citizens;
- Sensitizing financial institutions on the advantages, safety and reliability of agent banking services.

3.3 Challenges

- The Financial Inclusion Secretariat was yet to be fully staffed. The Data Office was not yet up and running and this poses a problem of data gathering and monitoring for the Secretariat.
- Business plans for implementation of the strategy was requested from Deposit Money Banks and they were yet to fully comply with the request.
- There was a time lag between requests for financial inclusion data from relevant Departments in the Bank and actual provision. The obvious implication is non-provision of accurate and up-to-date data by the Secretariat. This hampers the ability of the Secretariat to fully provide an accurate up to date position on financial inclusion on a quarterly basis.

3.4 Going Forward

- Continue to promote Global Financial Inclusion.
- The Secretariat should be manned with the full complement of staff as soon as possible.
- The comprehensive reporting template for the collection of financial inclusion related data from relevant Departments within the bank should be finalized.

PART FOUR: COMMODITIES-RELATED ACTIVITIES

4.0 Report of the 37th Extraordinary General Meeting (EGM) organised by the Alliance for Cocoa Producing Countries (COPAL)

The Extraordinary General Meeting (EGM) was organized by the Alliance for Cocoa Producing Countries (COCOA) to deliberate on three major issues - relocation of the headquarters of COPAL from Lagos to Abuja; payment of contributions by member countries; and consideration of the revised administrative budget.

Decisions:

- Temporary relocation of the headquarters of COPAL from Lagos, Nigeria to Lome, Togo. Owing to the fact that the Organisation could no longer operate effectively in an unsuitable office.
- Bank account should be opened in Abidjan, Cote d'Ivoire to be co-managed by the Chairman of COPAL for payments of contributions by members.
- The members directed the General Assembly to draft the reorganization strategy document of the Secretariat and to implement the right-sizing of the staff.
- The meeting adopted the rotation of the Conference among member countries of COPAL with the possibility of accepting non-member COPAL countries hosting the Conference.

4.1 Going Forward

- The Federal Ministry of Industry, Trade and Investment should be informed of the decisions adopted at the just concluded Extraordinary General Meeting for necessary action.
- The temporary relocation of COPAL Secretariat to Lome, Togo should be reviewed to determine the cost/benefits and implications.

4.2 The areas of challenges include:

- Delay in payment of contribution to the ICCO.
- Lack of statistical data
- low yielding variety

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